City of Franklin

109 3rd Ave S
Franklin, TN 37064
(615)791-3217

Meeting Agenda

Budget & Finance Committee

Thursday, September 8, 2016 **3:00 PM** **Board Room**

Call To Order

Approval of Minutes

	16-0801	Approval of minutes from August 18th Committee Meeting
2	16-0732	Fiscal Year 2016 Fourth Quarter Financial Report (unaudited)
	Sponsors:	Eric Stuckey, Russ Truell and Mike Lowe
	Attachments:	4th Qtr Report 2016
3	16-0731	Audit Planning for the Year Ended June 30, 2016
	Sponsors:	Eric Stuckey, Mike Lowe and Russ Truell
	Attachments:	FINAL DIGITAL City of Franklin Audit Planning Book June 2016
4	16-0772	Report from State Comptroller on Fiscal Year 2015 Annual Financial Report.
	Sponsors:	Eric Stuckey and Mike Lowe
	Attachments:	Comptroller report on FY15 audit
5	16-0792	Consideration Of Ordinance 2016-38, An Ordinance To Amend The FY2016-2017 Budget (Deferred from 09-08-16 Finance; 09-27-16 WS & 1st BOMA Reading 8-0, 10/25/16 2nd BOMA Reading 8-0) THIRD AND FINAL READING.
	Sponsors:	Russ Truell and Michael Walters Young
	Attachments:	Ord 2016-38 FY 2017 Budget Amendment #2 2016 Budget Amendment #2 Memo Impact of 2016-38 - FY 2017 Budget Amendment #2 TMA-Year End Funding Request
6	16-0523	Report from Pension Committee
	Sponsors:	Eric Stuckey, Shirley Harmon and Russ Truell
	Attachments:	COFDB1 2016 GASB 68 Valuation City of Franklin - Asset Allocation Study - August 2016

7 [16-0405] Monthly Report for September

Sponsors: Eric Stuckey and Russ Truell

Attachments:
- Local sales tax chart - June 2016
- Local sales tax report - June 2016
- Property Tax Monthly AR Report 2015 Master - June 2016
- Building Permits Issued July 2016
- Conference Center report July 2016
- Transit Report - June 2016
- Fuel Hedging Report - July 2016
- Transit Report - July 2016
- Construction Activities Report - July 2016
- Investment Report _ July 2016

Other Business

Adjournment

ANYONE REQUESTING ACCOMMODATIONS DUE TO DISABILITIES SHOULD CONTACT A.D.A. COORDINATOR, AT 791-3277 AT LEAST 10 DAYS PRIOR TO THE MEETING, IF POSSIBLE.

City of Franklin Tennessee
General Fund
For the Twelve Months Ending Thursday, June 30, 2016

	Current YTD Actuals	Prior YTD Actual	Percent Current YTD to Prior YTD	Budget	Percent Current YTD to Budget
Revenues					
Local Sales Tax	31,309,367	28,943,994	108.2%	30,955,552	101.1%
State Shared Taxes	14,970,590	12,780,373	117.1%	10,845,415	138.0%
Property Taxes	5,007,360	5,568,530	89.9%	5,307,869	94.3%
Alcohol Taxes	3,926,711	3,630,038	108.2%	3,717,097	105.6%
Grants	1,612,488	289,382	557.2%	3,371,336	47.8%
Franchise Fees	2,255,565	2,462,903	91.6%	2,511,230	89.8%
Building Permits & Fees	2,850,547	2,208,558	129.1%	2,315,580	123.1%
Court Fines & Fees	474,859	586,478	81.0%	720,573	65.9%
In Lieu of Tax (Local)	326,438	326,887	99.9%	306,131	106.6%
Interest Income	191,631	145,098	132.1%	197,802	96.9%
Other Revenues	614,316	547,026	112.3%	4,792,612	12.8%
Total Revenues	***63,539,872***	***57,489,270***	***110.5%***	***65,041,197***	***97.7%***
Expenditures:					
Salaries & Wages	30,148,612	28,545,883	105.6%	30,969,955	97.3%
Employee Benefits	11,489,490	9,471,680	121.3%	11,481,640	100.1%
Utilities	2,188,173	2,210,273	99.0%	2,306,200	94.9%
Contractual Services	2,334,766	2,318,867	100.7%	3,006,115	77.7%
Repair & Maintenance Services	2,161,220	2,132,527	101.3%	1,881,712	114.9%
Debt Service & Lease Payments	2,143,020	1,744,296	122.9%	2,182,216	98.2%
Reimbursement from Other Funds	(2,597,249)	(2,575,478)	100.8%	(2,597,247)	100.0%
Transfers To Other Funds	3,501,413	3,463,229	101.1%	3,968,569	88.2%
Capital (>$25,000)	177,939	427,799	41.6%	2,392,200	7.4%
Other Expenditures	8,212,353	6,995,194	117.4%	9,449,837	86.9%
Total Expenditures	***59,759,737***	***54,734,270***	***109.2%***	***65,041,197***	***91.9%***
Total Unallocated Funds	***3,780,135***	***2,755,000***	***137.2%***	***0***	***0.0%***

The General Fund surplus of $3.8 million was supported by increased state shared taxes (including $4.5 in Hall income tax), building permit revenue, and local sales tax.

City of Franklin Tennessee
Street Aid & Trans
For the Twelve Months Ending Thursday, June 30, 2016

	Current YTD Actuals	Prior YTD Actual	Percent Current YTD to Prior YTD	Budget	Percent Current YTD to Budget
Revenues					
Beginning Fund Balance	287,224	295,259	97.3%	287,224	100.0%
State Shared Taxes	1,959,796	1,887,683	103.8%	1,893,391	103.5%
Property Taxes	526,008	508,038	103.5%	528,418	99.5%
Interest Income	286	697	41.1%	400	71.5%
Transfer From General Fund	0	0	0.0%	175,000	0.0%
Total Revenues	***2,773,314***	***2,691,676***	***103.0%***	***2,884,433***	***96.1%***
Expenditures:					
Repair & Maintenance Services	2,398,633	2,403,908	99.8%	2,400,000	99.9%
Other Expenditures	1,266	544	232.8%	0	0.0%
Total Expenditures	***2,399,899***	***2,404,452***	***99.8%***	***2,400,000***	***100.0%***
Total Unallocated Funds	***373,415***	***287,224***	***130.0%***	***484,433***	***77.1%***

No transfer from the General Fund was needed in fiscal year 2016. State shared fuel taxes and property taxes covered the fund's expenditures.

City of Franklin Tennessee
Sanitation & Envir Services Fund
For the Twelve Months Ending Thursday, June 30, 2016

	Current YTD Actuals	Prior YTD Actual	Percent Current YTD to Prior YTD	Budget	Percent Current YTD to Budget
Revenues					
Beginning Fund Balance	618,294	405,119	152.6%	618,286	100.0%
Grants	22,277	93,309	23.9%	0	0.0%
Interest Income	22	0	0.0%	0	0.0%
Sanitation Collection Services	5,146,587	4,946,611	104.0%	5,163,376	99.7%
Tipping Fees	3,064,284	2,293,823	133.6%	3,238,800	94.6%
Transfer From General Fund	500,000	500,000	100.0%	500,000	100.0%
Other Revenues	324,352	441,413	73.5%	520,084	62.4%
Total Revenues	***9,675,817***	***8,680,275***	***111.5%***	***10,040,546***	***96.4%***
Expenditures:					
Salaries & Wages	1,915,171	1,993,239	96.1%	2,014,614	95.1%
Employee Benefits	842,707	775,487	108.7%	898,236	93.8%
Utilities	69,758	68,938	101.2%	71,234	97.9%
Contractual Services	7,650	2,228	343.3%	10,000	76.5%
Repair & Maintenance Services	724,402	541,841	133.7%	461,382	157.0%
Debt Service & Lease Payments	745,705	612,155	121.8%	757,419	98.5%
Transfers To Other Funds	599,772	584,509	102.6%	589,080	101.8%
Other Expenditures	4,003,302	3,483,582	114.9%	4,334,151	92.4%
Total Expenditures	***8,908,468***	***8,061,980***	***110.5%***	***9,136,116***	***97.5%***
Total Unallocated Funds	***767,350***	***618,294***	***124.1%***	***904,430***	***84.8%***

The fund received a transfer of $500,000 from the General Fund to help cover fund expenditures.

City of Franklin Tennessee
Road Impact Fund
For the Twelve Months Ending Thursday, June 30, 2016

	Current YTD Actuals	Prior YTD Actual	Percent Current YTD to Prior YTD	Budget	Percent Current YTD to Budget
Revenues					
Beginning Fund Balance	397,976	0	0.0%	397,976	100.0%
Interest Income	9,154	124	7378.7%	0	0.0%
Road Impact Fees	7,854,118	3,611,954	217.4%	5,945,683	132.1%
Road Impact Credits	(267,394)	(253,523)	105.5%	0	0.0%
Total Revenues	***7,993,854***	***3,358,555***	***238.0%***	***6,343,659***	***126.0%***
Expenditures:					
Contractual Services	300,000	0	0.0%	175,322	171.1%
Transfers To Other Funds	2,674,006	2,960,579	90.3%	2,739,169	97.6%
Other Expenditures	0	0	0.0%	300,000	0.0%
Total Expenditures	***2,974,006***	***2,960,579***	***100.5%***	***3,214,491***	***92.5%***
Total Unallocated Funds	***5,019,848***	***397,976***	***1261.3%***	***3,129,168***	***160.4%***

Road impact fees collected were double the amount budgeted; they were 32% more than last year.

City of Franklin Tennessee
Facilities Tax Fund
For the Twelve Months Ending Thursday, June 30, 2016

	Current YTD Actuals	Prior YTD Actual	Percent Current YTD to Prior YTD	Budget	Percent Current YTD to Budget
Revenues					
Beginning Fund Balance	6,717,764	6,253,611	107.4%	6,717,764	100.0%
Interest Income	58,120	13,939	416.9%	10,000	581.2%
Facilities Taxes	4,827,968	2,468,473	195.6%	2,110,407	228.8%
Total Revenues	***11,603,852***	***8,736,024***	***132.8%***	***8,838,171***	***131.3%***
Expenditures:					
Utilities	1,655	395	418.9%	0	0.0%
Contractual Services	36,890	363	10176.6%	0	0.0%
Repair & Maintenance Services	12,198	951	1283.3%	0	0.0%
Capital (>$25,000)	4,219,984	1,642,694	256.9%	4,765,856	88.5%
Other Expenditures	356,849	373,857	95.5%	218,041	163.7%
Total Expenditures	***4,627,576***	***2,018,260***	***229.3%***	***4,983,897***	***92.9%***
Total Unallocated Funds	***6,976,276***	***6,717,764***	***103.8%***	***3,854,274***	***181.0%***

Facilties taxes collected were almost double of the amount budgeted and last year.

City of Franklin Tennessee
Stormwater Fund
For the Twelve Months Ending Thursday, June 30, 2016

	Current YTD Actuals	Prior YTD Actual	Percent Current YTD to Prior YTD	Budget	Percent Current YTD to Budget
Revenues					
Beginning Fund Balance	4,783,235	5,511,065	86.8%	4,783,235	100.0%
Building Permits & Fees	40,403	93,447	43.2%	27,500	146.9%
Interest Income	83,972	14,441	581.5%	10,000	839.7%
Stormwater Fees	2,377,521	2,521,597	94.3%	2,400,000	99.1%
Other Revenues	44,785	43,862	102.1%	45,000	99.5%
Total Revenues	***7,329,916***	***8,184,413***	***89.6%***	***7,265,735***	***100.9%***
Expenditures:					
Salaries & Wages	819,216	747,936	109.5%	820,803	99.8%
Employee Benefits	358,234	299,168	119.7%	357,228	100.3%
Utilities	56,320	50,790	110.9%	47,217	119.3%
Contractual Services	137,067	76,822	178.4%	130,286	105.2%
Repair & Maintenance Services	86,963	87,960	98.9%	55,370	157.1%
Debt Service & Lease Payments	170,365	0	0.0%	232,154	73.4%
Transfers To Other Funds	0	919,139	0.0%	0	0.0%
Capital (>$25,000)	397,677	843,588	47.1%	2,846,000	14.0%
Other Expenditures	430,339	375,775	114.5%	615,250	69.9%
Total Expenditures	***2,456,180***	***3,401,178***	***72.2%***	***5,104,308***	***48.1%***
Total Unallocated Funds	***4,873,735***	***4,783,235***	***101.9%***	***2,161,427***	***225.5%***

Fund balance remained comparable to the previous year.

City of Franklin Tennessee
Drug Fund
For the Twelve Months Ending Thursday, June 30, 2016

	Current YTD Actuals	Prior YTD Actual	Percent Current YTD to Prior YTD	Budget	Percent Current YTD to Budget
Revenues					
Beginning Fund Balance	295,296	165,436	178.5%	295,296	100.0%
Interest Income	1,874	937	199.9%	1,000	187.4%
Drug Fines Received	137,906	42,740	322.7%	93,070	148.2%
Other Revenues	185,577	170,805	108.6%	79,091	234.6%
Total Revenues	***620,653***	***379,919***	***163.4%***	***468,457***	***132.5%***
Expenditures:					
Repair & Maintenance Services	0	1,512	0.0%	0	0.0%
Other Expenditures	105,011	83,111	126.4%	127,000	82.7%
Total Expenditures	***105,011***	***84,622***	***124.1%***	***127,000***	***82.7%***
Total Unallocated Funds	***515,642***	***295,296***	***174.6%***	***341,457***	***151.0%***

Drug fines were triple the amount budgeted; 48% more than last year.

City of Franklin Tennessee
Hotel/Motel Tax Fund
For the Twelve Months Ending Thursday, June 30, 2016

	Current YTD Actuals	Prior YTD Actual	Percent Current YTD to Prior YTD	Budget	Percent Current YTD to Budget
Revenues					
Beginning Fund Balance	2,749,596	1,971,048	139.5%	2,749,596	100.0%
Interest Income	6,750	2,318	291.2%	2,000	337.5%
Hotel/Motel Taxes	3,557,971	3,291,019	108.1%	3,281,214	108.4%
Total Revenues	***6,314,317***	***5,264,385***	***119.9%***	***6,032,810***	***104.7%***
Expenditures:					
Utilities	24,995	0	0.0%	24,995	100.0%
Contractual Services	155,177	177,058	87.6%	30,000	517.3%
Repair & Maintenance Services	17,600	25,053	70.3%	36,595	48.1%
Transfers To Other Funds	2,328,778	1,114,995	208.9%	2,334,243	99.8%
Capital (>$25,000)	347,406	541,999	64.1%	954,539	36.4%
Other Expenditures	806,252	655,685	123.0%	767,131	105.1%
Total Expenditures	***3,680,208***	***2,514,789***	***146.3%***	***4,147,503***	***88.7%***
Total Unallocated Funds	***2,634,109***	***2,749,596***	***95.8%***	***1,885,307***	***139.7%***

Hotel/motel taxes exceeded budget by 8%.

City of Franklin Tennessee
In Lieu of Parkland
For the Twelve Months Ending Thursday, June 30, 2016

	Current YTD Actuals	Prior YTD Actual	Percent Current YTD to Prior YTD	Budget	Percent Current YTD to Budget
Revenues					
Beginning Fund Balance	2,494,076	0	0.0%	2,494,076	100.0%
Interest Income	8,745	2,109	414.6%	0	0.0%
In Lieu of Parkland Fees	1,923,145	211,848	907.8%	1,530,323	125.7%
Transfer From General Fund	0	2,280,119	0.0%	0	0.0%
Total Revenues	***4,425,966***	***2,494,076***	***177.5%***	***4,024,399***	***110.0%***
Expenditures:					
Total Unallocated Funds	***4,425,966***	***2,494,076***	***177.5%***	***4,024,399***	***110.0%***

Almost $2 million was collected in new parkland fees in 2016.

City of Franklin Tennessee
Transit Fund
For the Twelve Months Ending Thursday, June 30, 2016

	Current YTD Actuals	Prior YTD Actual	Percent Current YTD to Prior YTD	Budget	Percent Current YTD to Budget
Revenues					
Beginning Fund Balance	189,607	400,695	47.3%	189,608	100.0%
Grants	1,251,055	1,296,953	96.5%	1,140,841	109.7%
Interest Income	4,392	3,573	122.9%	2,900	151.4%
Transit Fares	88,460	94,072	94.0%	111,000	79.7%
Transfer From General Fund	501,413	683,110	73.4%	793,569	63.2%
Other Revenues	28,340	9,700	292.2%	10,000	283.4%
Total Revenues	***2,063,267***	***2,488,103***	***82.9%***	***2,247,918***	***91.8%***
Expenditures:					
Capital (>$25,000)	113,535	55,415	204.9%	225,000	50.5%
Other Expenditures	1,574,974	2,243,081	70.2%	1,583,310	99.5%
Total Expenditures	***1,688,509***	***2,298,496***	***73.5%***	***1,808,310***	***93.4%***
Total Unallocated Funds	***374,758***	***189,607***	***197.6%***	***439,608***	***85.2%***

Less than three-fourths (3/4) of the budgeted transfer was needed by the fund in 2016.

City of Franklin Tennessee
Community Development Block Grant
For the Twelve Months Ending Thursday, June 30, 2016

	Current YTD Actuals	Prior YTD Actual	Percent Current YTD to Prior YTD	Budget	Percent Current YTD to Budget
Revenues					
Beginning Fund Balance	20,211	23,717	85.2%	20,212	100.0%
Grants	329,866	223,787	147.4%	274,706	120.1%
Interest Income	431	251	171.4%	100	430.6%
Other Revenues	0	224,162	0.0%	0	0.0%
Total Revenues	***350,508***	***471,917***	***74.3%***	***295,018***	***118.8%***
Expenditures:					
Contractual Services	145,323	94,880	153.2%	122,706	118.4%
Repair & Maintenance Services	120,000	94,878	126.5%	150,000	80.0%
Other Expenditures	0	261,948	0.0%	2,000	0.0%
Total Expenditures	***265,323***	***451,706***	***58.7%***	***274,706***	***96.6%***
Total Unallocated Funds	***85,185***	***20,211***	***421.5%***	***20,312***	***419.4%***

This fund tracks revenue and expenditures pertaining to the CDBG program.

City of Franklin Tennessee
Debt Service Fund
For the Twelve Months Ending Thursday, June 30, 2016

	Current YTD Actuals	Prior YTD Actual	Percent Current YTD to Prior YTD	Budget	Percent Current YTD to Budget
Revenues					
Beginning Fund Balance	709	195,118	0.4%	709	99.9%
Property Taxes	7,338,632	6,350,472	115.6%	7,426,254	98.8%
Interest Income	3,296	1,514	217.7%	5,000	65.9%
Rebate on BAB/RZEDB Bonds	840,316	838,508	100.2%	498,474	168.6%
Transfer from Sanitation Fund	599,772	584,509	102.6%	606,544	98.9%
Transfer from Road Impact Fund	2,674,006	2,960,579	90.3%	2,739,169	97.6%
Transfer from Hotel/Motel Tax Fund	1,121,213	1,114,995	100.6%	1,126,678	99.5%
Transfer from Water & Sewer Fund	200,000	200,000	100.0%	200,000	100.0%
Total Revenues	***12,777,944***	***12,245,695***	***104.3%***	***12,602,828***	***101.4%***
Expenditures:					
Debt Service & Lease Payments	12,772,944	12,244,987	104.3%	12,924,146	98.8%
Total Expenditures	***12,772,944***	***12,244,987***	***104.3%***	***12,924,146***	***98.8%***
Total Unallocated Funds	***5,000***	***709***	***705.6%***	***(321,318)***	***-1.6%***

The fund is used to accumulate and pay debt service pertaining to the General, Sanitation, Road Impact, and Hotel/Motel funds.

City of Franklin Tennessee
Capital Projects
For the Twelve Months Ending Thursday, June 30, 2016

	Current YTD Actuals	Prior YTD Actual	Percent Current YTD to Prior YTD	Budget	Percent Current YTD to Budget
Revenues					
Beginning Fund Balance	(10,104,657)	(18,878,175)	53.5%	0	0.0%
Property Taxes	526,008	508,038	103.5%	0	0.0%
Grants	825,028	1,397,150	59.1%	0	0.0%
Interest Income	0	(14,090)	0.0%	0	0.0%
Facilities Taxes	1,241,241	982,605	126.3%	0	0.0%
Transfer From General Fund	2,500,000	0	0.0%	2,500,000	100.0%
Transfer from Hotel/Motel Tax Fund	1,207,565	0	0.0%	1,207,565	100.0%
Other Revenues	5,723,314	19,413,663	29.5%	0	0.0%
Total Revenues	***1,918,500***	***3,409,190***	***56.3%***	***3,707,565***	***51.7%***
Expenditures:					
Contractual Services	144,585	41,127	351.6%	0	0.0%
Repair & Maintenance Services	9,070	1,886	481.0%	0	0.0%
Debt Service & Lease Payments	0	159,550	0.0%	0	0.0%
Capital (>$25,000)	7,088,360	12,570,378	56.4%	527,399	1344.0%
Other Expenditures	2,564,371	740,905	346.1%	0	0.0%
Total Expenditures	***9,806,386***	***13,513,847***	***72.6%***	***527,399***	***1859.4%***
Total Unallocated Funds	***(7,887,886)***	***(10,104,657)***	***78.1%***	***3,180,166***	***-248.0%***

Due to reimbursements from other funds, the deficit has decreased in 2016 by over $2 million.

City of Franklin Tennessee
Water & Sewer Operations
For the Twelve Months Ending Thursday, June 30, 2016

	Current YTD Actuals	Prior YTD Actual	Percent Current YTD to Prior YTD	Budget	Percent Current YTD to Budget
Revenues					
Interest Income	118,015	74,901	157.6%	85,500	138.0%
Customer Service	27,312,381	24,971,374	109.4%	24,394,503	112.0%
Other Revenues	6,796,348	6,036,639	112.6%	228,800	2970.4%
Total Revenues	***34,226,743***	***31,082,914***	***110.1%***	***24,708,803***	***138.5%***
Expenditures:					
Salaries & Wages	3,653,202	3,528,358	103.5%	3,891,979	93.9%
Employee Benefits	1,684,292	1,339,997	125.7%	1,593,639	105.7%
Utilities	1,568,534	1,539,827	101.9%	1,689,572	92.8%
Contractual Services	969,023	537,621	180.2%	529,500	183.0%
Repair & Maintenance Services	372,649	379,691	98.1%	346,732	107.5%
Debt Service & Lease Payments	486,896	767,694	63.4%	1,535,573	31.7%
Transfers To Other Funds	200,000	200,000	100.0%	200,000	100.0%
Capital (>$25,000)	0	0	0.0%	5,171,107	0.0%
Other Expenditures	14,575,958	15,003,262	97.2%	8,220,204	177.3%
Total Expenditures	***23,510,555***	***23,296,450***	***100.9%***	***23,178,306***	***101.4%***
Total Unallocated Funds	***10,716,189***	***7,786,464***	***137.6%***	***1,530,497***	***700.2%***

Customer service revenue exceeded budget by over 9%.

City of Franklin Tennessee
Water & Sewer Development Fees
For the Twelve Months Ending Thursday, June 30, 2016

	Current YTD Actuals	Prior YTD Actual	Percent Current YTD to Prior YTD	Budget	Percent Current YTD to Budget
Revenues					
Interest Income	124,390	81,459	152.7%	0	0.0%
Transfer from Water & Sewer Fund	0	0	0.0%	1,794,851	0.0%
Customer Service	46,000	17,000	270.6%	0	0.0%
Access Fees	3,625,583	2,247,764	161.3%	0	0.0%
System Development Fees	2,432,964	1,542,152	157.8%	0	0.0%
Other Revenues	10,831	21,335	50.8%	1,794,851	0.6%
Total Revenues	***6,239,769***	***3,909,710***	***159.6%***	***3,589,702***	***173.8%***
Expenditures:					
Contractual Services	0	1,417	0.0%	0	0.0%
Debt Service & Lease Payments	924,524	777,795	118.9%	0	0.0%
Transfers To Other Funds	0	0	0.0%	1,794,851	0.0%
Other Expenditures	43,914	(134)	-32832.8%	0	0.0%
Total Expenditures	***968,437***	***779,079***	***124.3%***	***1,794,851***	***54.0%***
Total Unallocated Funds	***5,271,331***	***3,130,631***	***168.4%***	***1,794,851***	***293.7%***

Both access and tap fees exceeded budget by over 50%.

An accounting firm. And so much more.

City of Franklin, Tennessee

Audit Planning for the Year Ended June 30, 2016

CROSSLIN & ASSOCIATES
BUSINESS SOLUTION PROVIDERS

Table of Contents

CROSSLIN
&ASSOCIATES
CERTIFIED PUBLIC ACCOUNTANTS

July 11, 2016

To the Budget and Finance Committee
Board of Mayor and Aldermen of
the City of Franklin, Tennessee

Dear Members:

Thank you very much for the opportunity to continue as your independent auditors. We are pleased to provide the details of our audit plan and procedures for the City of Franklin, Tennessee (the "City") for the fiscal year ended June 30, 2016. This report outlines the scope of our work and what we see as the key considerations affecting our 2016 audit. This communication is a method to validate our understanding of the significant issues that impact the City's financial statements, confirm your current year expectations, and align our efforts with your expectations.

The City of Franklin and Crosslin & Associates share a commitment to quality. We strive to understand the City's operations and emerging issues in order to mitigate risk. Our commitment to quality means we bring technically qualified people to the engagement and reflect quality in every aspect of our work.

We appreciate the opportunity to be of service to the City. If you have any questions or comments, please call Dell Crosslin, Managing Principal, or me at (615) 320-5500. Thank you again for this opportunity. We look forward to working with you and everyone at the City of Franklin again this year.

Very truly yours,

Dan Miller

Daniel P. Miller
Audit Principal

Audit Approach and Plan

We are pleased to be of service to City of Franklin, Tennessee (the "City"). The following report describes our plan for the audit of the financial statements for the fiscal year ending June 30, 2016. This report is designed to provide you with a summary of our overall objectives for the audit and the nature and scope of the planned audit work.

Overall, our audit strategy involves extensive audit principal and manager/supervisor involvement in all aspects of the planning and execution of the audit and is based on our understanding, of the City gained during our prior audits, current year planning procedures, and discussions with management. Our audit strategy includes the following:

- Focus resources on higher risk areas and other areas of concern as identified by management and those charged with governance.
- Consider inherent risk within the City - i.e., the susceptibility of financial statement misstatement due to material error or fraud, before recognizing the effectiveness of the control systems.
- Consider the control environment and the possibility that the control systems and procedures may fail to prevent or detect a material error or fraud.
- Assess internal controls in determining the degree of detail testing required.
- Consider information about systems and the computer environment in which financial records and related systems operate.
- Consider recent results of operations and significant current year events.
- Conduct the audit of the annual financial statements of the City as of and for the year ended June 30, 2016 in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*.
- Consult regarding accounting and reporting matters as needed throughout the year.
- Ensure that those charged with governance are kept appropriately informed of the City's financial reporting matters as required by professional standards.

Audit Approach and Plan *(Continued)*

The key element of effective audit planning is a thorough understanding of the City's operations. This includes the operating environment, accounting and internal accounting control structure, and financial position. Our history and experience with the City and other governmental entities, our planning procedures, and our planning discussions with the City's management help us capture the knowledge to develop a detailed understanding of these elements. Therefore, we can effectively identify the nature of significant account balances/transaction classes, assess risk, and design audit tests.

Our audit approach is tailored to meet the specific needs of each customer. We have the leverage of our experience base and build upon our understanding of the City's operations. As conditions change, we will continue to develop our understanding of critical audit areas through comprehensive audit planning and risk assessment.

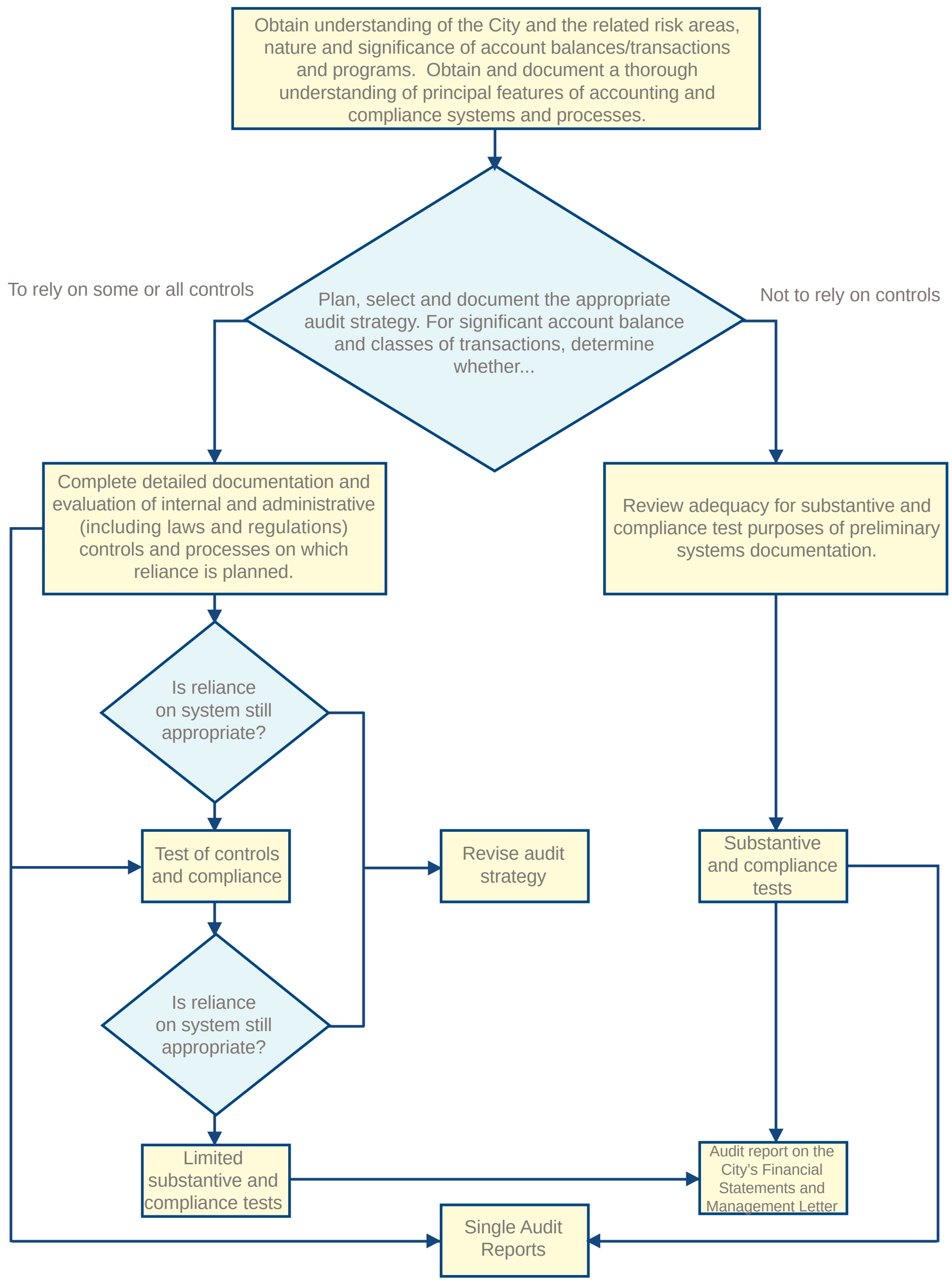
Risk assessment is the essential element in the audit planning process. When reliable risk-assessment decisions are made in the initial planning process, the amount of testing can be correlated with each audit area's relative risk. The result: a more focused, efficient and effective audit.

The following discussion of comprehensive audit planning and risk assessment is necessarily presented in a somewhat static manner. Auditing, however, is a dynamic process. Our audit plan may change during the course of the audit as new information and circumstances come to our attention. Information obtained during a current audit may also affect the planning for future audits. In fact, we generally begin planning the subsequent year's audit at the conclusion of the current year audit. As a result, audit planning is appropriately approached as a continuous process.

Audit Approach and Plan (Continued)

Similar to the prior year, our audit will be performed in three phases, which are represented in the following chart and also described below.

Audit Methodology and Approach



Audit Approach and Plan *(Continued)*

Phase I - Planning

Our Phase I audit procedures include the following:

- Hold an entrance conference with appropriate management personnel.
- Coordinate planning efforts and develop testing methods.
- Complete and submit preliminary customer participation schedule.
- Review correspondence files, budget and related material, organization charts, manuals and programs, governing minutes, financial and other management information, financial statements, and other internal documents.
- Apply preliminary analytical procedures.
- Identify through inquiry and observation the accounting control procedures that prevent or detect errors and fraud.
- Document the internal control structure and the flow of transactions in accordance with U.S. Generally Accepted Auditing Standards (GAAS) and *Government Auditing Standards*.
- Conduct fraud risk interviews (commonly referred to as SAS 99 interviews) with City employees and those charged with governance.
- Make preliminary assessments of control risk and begin planning our substantive procedures.
- Provide details of the audit plan to management and those charged with governance.

Phase II - Substantive Procedures

During Phase II, we perform substantive audit procedures. The results of this work may require us to propose adjustments to account balances, recommend additional disclosures in the financial statements, and make certain comments regarding the City's operations. Our Phase II audit procedures include the following:

- Perform procedures to gather evidence to support management assertions in the financial statements.
- Confirm material account balances and/or transactions with third parties.

Audit Approach and Plan *(Continued)*

- Apply a mixture of analytical procedures and tests of details to achieve audit objectives related to a particular assertion. Some of our analytical procedures can be relied on to significantly reduce or eliminate test of details. At a minimum, our analytical tests will include comparing statement of net position account balances to the prior year and our expectations and comparing actual revenues and expenditures/expenses to prior year's revenues and expenditures/expenses and to budgeted amounts and our expectations.

- Hold progress meetings with the appropriate management personnel.

- Subject all audit tests, resulting conclusions, and working papers to a rigorous in-house quality control review.

Phase III - Reporting and Communication

Communication is an essential part of an effective audit. We want to interact with you as much as possible, not only during the audit, but throughout the year as well. We welcome your questions and comments. During the course of the audit, we will continually meet with financial management personnel to provide a status of the engagement. These status reports will address the progress of our procedures, any problems encountered, open items, and any other issues we believe need to be brought to the attention of management.

Additionally, we will communicate with those charged with governance, as required by professional standards and as necessary to meet our requirements.

Summary of the reporting and communication steps is as follows:

- Discuss all adjusting journal entries proposed by us, if any, with appropriate management personnel.

- Hold an exit conference with management.

- Issue draft and final audit reports and management letter, if applicable.

- Present audit reports, results of the audit, and management letter to those charged with governance.

Areas of Audit Significance

During our audit, we will focus significant resources on the following account balances, related transaction streams and operating matters:

Control Evaluation and Testing

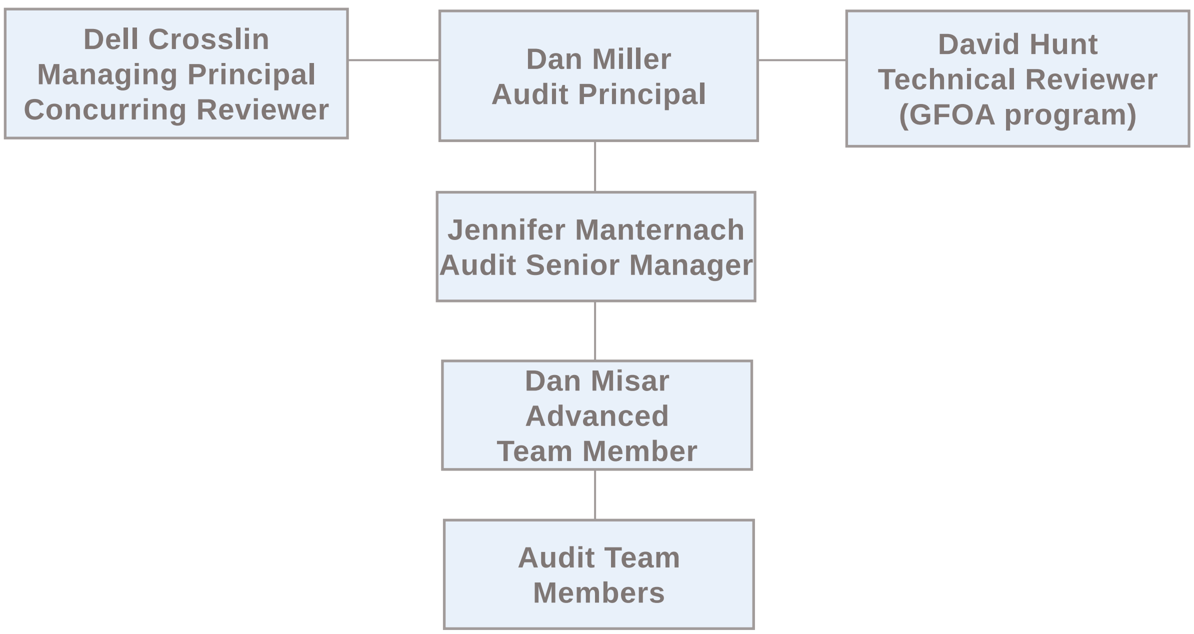
- Cash receipts and revenues
- Property tax billings and receipts
- Purchasing and disbursements
- Employee compensation, including benefit plan
- IT controls over significant accounting systems
- Compliance

Substantive Testing

- Treasury / investments / cash
- Long-lived assets
- Long-term liabilities including pension/OPEB
- GASB 68 considerations for pension recording and reporting
- Accruals
- Property tax, state shared and other revenues, including related receivables
- Grant receipts, disbursements, and revenue
- Expenses and budget process
- Debt and deferred outflows of resources
- Net position / fund balance categories including GASB Nos. 34 and 54
- Compliance
- State audit procedures, including the state audit manual
- Implementation of applicable new GASB pronouncements

Customer Service Team

The following is the customer service team, which remains substantively the same as the prior year:



Independence

- The AICPA's Code of Professional Conduct, Rule 101, sets forth guidance for assurance services provided by accountants under U.S. generally accepted auditing standards. *Government Auditing Standards* also provides guidance for financial audits performed under generally accepted government auditing standards.
- Both sources direct that independence is required both in fact and appearance. Crosslin & Associates has established quality control policies and procedures to ensure compliance with professional standards, including those related to independence.
- Crosslin & Associates is independent with respect to the City of Franklin, Tennessee, within the requirements of both the AICPA and *Government Auditing Standards*.

Audit Timeline

The following is our anticipated timing for the 2016 audit. The timing is consistent with the prior year.

TASK	TIMING
Understand the Operations	Ongoing
Assess Overall Controls	Ongoing
Planning Communication	Current
Phase I - Planning and Determine Nature and Extent of Testing	July 2016
Phase I - Commencement Meeting with Management	July 2016
Phase II - Substantive Testing	September - October 2016
Phase III Reporting and Communication	November 2016
Issue Financial Statements	December 2016

Changes in Auditing and Accounting Standards

The government and standard-setting bodies are issuing guidance at an unprecedented pace. Crosslin & Associates is constantly receiving, reviewing, and searching for the latest authoritative literature, in part through its involvement with the AICPA's Government Audit Quality Center and the Government Finance Officers Association (GFOA), including GFOA's Special Review Committee. We routinely interface with our customers to ensure proper understanding and application of pronouncements, standards, interpretations, and addenda that arise. In addition, we expect to join the City personnel in relevant discussions to implement all new standards as they arise.

Recent accounting pronouncements including the following. We will analyze these Statements with City management to ensure appropriate implementation, as applicable.

- **Statement No. 72 Fair Value Measurement and Application**
  Effective Date: The requirements of this Statement are effective for financial statements for reporting periods beginning after June 15, 2015. Earlier application is encouraged.

- **Statement No. 73 Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68**
  Effective Date: The provisions in Statement 73 are effective for fiscal years beginning after June 15, 2015 -except those provisions that address employers and governmental nonemployer contributing entities for pensions that are not within the scope of Statement 68, which are effective for fiscal years beginning after June 15, 2016. Earlier application is encouraged.

- **Statement No. 74 Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans**
  Effective Date: The provisions in Statement 74 are effective for fiscal years beginning after June 15, 2016. Earlier application is encouraged.

- **Statement No. 75 Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions**
  Effective Date: The provisions in Statement 75 are effective for fiscal years beginning after June 15, 2017. Earlier application is encouraged.

- **GASB Statement No. 76, The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments**
  Effective Date: The provisions in Statement 76 are effective for reporting periods beginning after June 15, 2015. Earlier application is encouraged.

Changes in Auditing and Accounting Standards (continued)

- **GASB Statement No. 77, Tax Abatement Disclosures**
  Effective Date: The requirements of this Statement are effective for reporting periods beginning after December 15, 2015. Earlier application is encouraged.

- **GASB Statement No. 78, Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans**
  Effective Date: The requirements of this Statement are effective for reporting periods beginning after December 15, 2015. Earlier application is encouraged.

- **GASB Statement No. 79, Certain External Investment Pools and Pool Participants**
  Effective Date: The requirements of this Statement are effective for reporting periods beginning after June 15, 2015, except for the provisions in paragraphs 18, 19, 23–26, and 40, which are effective for reporting periods beginning after December 15, 2015. Earlier application is encouraged.

Fraud Discussion

SAS 99, *Consideration of Fraud in a Financial Statement Audit*, was issued by the AICPA to heighten the awareness of auditors to the potential for fraud when planning and executing audits. While SAS 99 emphasizes the need for increased professional skepticism throughout the audit engagement, it does not change our responsibilities as auditors. Under SAS 99, we are responsible for planning and performing the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements caused by error or by fraud. However, the extent of required procedures related to the detection of fraud has increased. We approach all audits with an understanding that fraud could occur in any organization at any time and could be perpetrated by anyone.

Gathering Information Needed to Identify Risks of Material Misstatement Due to Fraud

- Engagement team brainstorming discussion.
- Inquiries of management, accounting personnel, and other personnel not directly involved in financial reporting.
- Investigation of unusual or unexpected relationships identified through various analytical procedures.

Responding to Identified Fraud Risks

- Design of the nature, timing, and extent of audit procedures.
- Use of experienced personnel to audit areas of exposure.
- Testing of items below established scopes.

Procedures to Address the Risk of Management Override of Internal Controls

- Review of accounting estimates for bias, including a retrospective review of significant prior year estimates.
- Evaluation of business rationale for significant unusual transactions.
- Inspect and analyze reasonableness of manual adjusting journal entries made during the year.

Evaluating Audit Evidence

- Being cognizant of fraud risk factors throughout audit.
- Being mindful of discrepancies in the accounting records, conflicting or missing audit evidence, and/or problematic or unusual relationships between the auditor and management.

STATE OF TENNESSEE
COMPTROLLER OF THE TREASURY
DEPARTMENT OF AUDIT
DIVISION OF LOCAL GOVERNMENT AUDIT
SUITE 1500
JAMES K. POLK STATE OFFICE BUILDING
NASHVILLE, TENNESSEE 37243-1402
PHONE (615) 401-7841

August 29, 2016

Honorable Mayor and Board
City of Franklin
PO Box 305
109 Third Avenue South
Franklin, TN 37065

Honorable Mayor and Board:

I have performed a limited review of the annual financial report on the City of Franklin for the fiscal year ended June 30, 2015, as audited by Crosslin and Associates, Certified Public Accountants. This report has been filed as part of the public records of the State of Tennessee.

The financial statement of the multi-purpose capital project fund reflected a deficit fund balance of $(10,104,657) at year end. Per Note 2 to the financial statements, the deficit is due to capital outlays in advance of debt financing and reimbursements from other funds and bonds are expected to fund the deficit. Municipal officials should continue to monitor the fund to ensure that it is being operated in a fiscally responsible matter.

In addition to the above, I would like to bring certain applicable reporting requirements to your attention. Although current financial report revisions are not being required, responsible officials should ensure that future financial reports comply with the following reporting requirements.

The financial report included a roster of officials; however, the roster did not include identification of the employee with financial oversight responsibility (i.e., CMFO). A roster of publicly elected officials, roster of management officials (in the annual financial report issued by a municipality, this would include the employee with financial oversight responsibility designated to meet the requirement of *Tennessee Code Annotated*, Section 6-56-401 et al), roster of board members, and any other deemed appropriate by management is required by the General Report Outline of the *Audit Manual*, page A-16.

The financial report inappropriately reported the fund balance of the sanitation fund as "unrestricted." Section 68-211-835, *Tennessee Code Annotated*, authorizes municipalities to impose and collect solid waste disposal fees and stipulates that such fees may only be used to establish and maintain solid waste collection and disposal services, including but not limited to, convenience centers. Therefore, the fund balance of the sanitation fund should be appropriately reported as "restricted."

Note 4D to the financial statements addressed the City of Franklin Employees' Pension Plan and Trust; however, it did not appear to include all required disclosures regarding the annual money-weighted rate of return. Please refer to the *Codification of Governmental Accounting and Financial Reporting Standards* (2014-2015 Edition), Section Pe5.127, for disclosure requirements considered essential to fair presentation.

The schedule of expenditures of federal awards and state financial assistance was not prepared in accordance with the requirements of the *Audit Manual*. The state grantor, i.e., Tennessee Department of Military, was not reflected for the U.S. Department of Homeland Security federal pass through award identified. The schedule should include federal assistance and state grants and loans with the minimum information required by the *Audit Manual*.

If you have any questions concerning the above, please contact this office.

Sincerely,

Steven R. Watson

Steven R. Watson, Auditor
Division of Local Government Audit

1683

xc: Crosslin and Associates
Certified Public Accountants
3803 Bedford Avenue, Suite 103
Nashville, TN 37215

ORDINANCE NO. 2016 – 38

TO BE ENTITLED: "A ORDINANCE TO AMEND THE BUDGET OF THE CITY OF FRANKLIN FOR FISCAL YEAR 2016-2017"

WHEREAS, the City Charter, Article VIII, provides for adoption of an annual budget for departments of the City of Franklin; and

WHEREAS, an annual budget process appropriating funds to the various departments and divisions of the City government for the fiscal year beginning July 1, 2016 has been completed in accordance with state law and local ordinances; and

WHEREAS, the Board of Mayor and Aldermen find it is in the best interests of the citizens of the City of Franklin to modify the annual budget from time to time.

NOW, THEREFORE BE IT ORDAINED, by the Board of Mayor and Aldermen of the City of Franklin, Tennessee:

SECTION I: That the annual budget for the City of Franklin for the Fiscal Year 2016-2017 shall be amended and does allocate and appropriate additional funding as follows:

GENERAL FUND [Amendment 1]
REVENUE

EXPENDITURES

Court	Increase	$ 20,328
Police-CID	Decrease	($ 35,000)
Police-Patrol	Increase	$ 35,000
General Expenses	Decrease	($ 20,328)

Net Increase (Decrease) to Total General Fund Balance		**$ -**

STREET AID & TRANSPORTATION FUND [Amendment 2]
REVENUE

Sidewalk Reserve Transfer	Increase	$ 82,840
General Fund – Capital Funding Account Transfer	Increase	$ 250,000

EXPENDITURES

Sidewalk Repair & Replacement	Increase	$ 332,840

Net Increase (Decrease) to Street Aid & Transportation Fund Balance		**$ -**

TRANSIT FUND [Amendment 3]
REVENUE

EXPENDITURES

Year-End Close	Increase	$ 51,848

Net Increase (Decrease) to Transit Fund Balance		**($ 51,848)**

SECTION II: That each department of the City shall limit its expenditures to the amount appropriated; that any changes or amendments to the appropriations set forth in the budget shall be made in accordance with the City Code, Article VIII.

SECTION III: That this Ordinance shall take effect on after the passage of the Third and Final Reading; the health, safety and welfare of the citizens of the City of Franklin requiring it.

ATTEST:	**CITY OF FRANKLIN, TENNESSEE**
By: ______________________________	**By:** ___________________________
ERIC S. STUCKEY	**DR. KEN MOORE**
City Administrator	**Mayor**

PASSED FIRST READING: ________________________
PUBLIC HEARING: ________________________
PASSED SECOND READING: ________________________
PASSED THIRD READING: ________________________

HISTORIC FRANKLIN TENNESSEE

MEMORANDUM

September 2, 2016

TO: Members of the Board of Mayor and Aldermen
Members of Budget and Finance Committee

FROM: Eric Stuckey, City Administrator
Russ Truell, ACA/CFO
Mike Lowe, Comptroller
Michael Walters Young, Budget & Analytics Manager

RE: Consideration of Ordinance 2016-38, 1st Quarter 2017 Budget Amendments

Purpose

The purpose of this item is to amend the Fiscal Year 2017 Budget for compliance with State budgeting guidance regarding:

1. Ensuring authorizations in place to balance each fund's budget on a cash basis on June 30, 2016.

Background

The State Comptroller has provided guidance that budget amendments are to be on the cash basis and must occur prior to fiscal year end (June 30) to ensure no fund has a deficit fund balance or deficit cash balance at June 30.

In order to stay ahead of this responsibility, staff is proposing three budget amendments.

The amendments are as follows:

1. Transfer within the General Fund of $55,328 from General Expenses to Court and from Police – CID to Police – Patrol The two purposes of the transfers are:
   a. Increase of costs for new e-ticketing software totaling $20,328. Project costs are budgeted within City Court.
   b. Transfer from Police - CID to Police – Patrol to accommodate Resolution 2016-53, Consideration of reclassifying an Administrative Assistant (non-sworn) position to a Police Officer (sworn) position, totaling $35,000.
2. Increase of $332,840 in the Street Aid & Transportation Fund for the purpose of beginning work as soon as possible on the filling of sidewalk gaps within the community. Project rated highly on the BOMA's initial prioritization of Capital Improvement Projects. The $332,840 is the recommended $250,000 shown in the CIP (from Invest Franklin) and the balance of the Sidewalk Bank Reserve ($82,840).
3. Increase of $51,848 in the Transit Fund for the purpose of allowing the TMA Group the ability to close out their year-end operations. The funding request results from a difference in federal and state reporting requirements. Funding will come from fund balance, which at year-end was higher than anticipated. A letter and schedule detaining the request is attached to this packet of information.

HISTORIC
FRANKLIN
TENNESSEE

MEMORANDUM

This is the second budget amendment during this Fiscal Year to the budget. We envision several more during the course of the Fiscal Year.

Financial Impact
The amendments, as proposed, would result in:

1. General Fund: No Change.

2. Street Aid & Transportation Fund: No Change.

3. Transit Fund: Decrease of Fund Balance of $51,848.

Options

1. Approve amendment(s) as proposed and forward to BOMA.

2. Make changes to the amendment(s) where desired and forward to BOMA.

Recommendation
Staff recommends approval of the amendments.

Impact of Ordinance 2016-38 on Budgets

The following demonstrates the impact of Ordinance 2016-38 on three separate funds: the General Fund, the Strteet Aid & Transportation Fund, and the Transit Fund. It is important to note:

a) The General Fund has no impact on the bottom line by these transfers.
b) The Street Aid & Transportation Fund has no impact on the bottom line by these transfers.
c) The Transit Fund will go into deficit by $51,848.

Fund 110 - General Fund

	A	B	C(B-A)	D (B/A)
	2017 Budget	2017 Amended	Difference $	%
Beginning Balance*	$ 39,249,585	$ 39,249,585	$ -	0.00%
Revenues	$ 64,147,849	$ 64,147,849	$ -	0.00%
Expenses				
Personnel	$ 45,110,622	$ 45,110,622	$ -	0.00%
Operations	$ 16,462,227	$ 16,462,227	$ -	0.00%
Capital	$ 2,575,000	$ 2,575,000	$ -	0.00%
Expenses	$ 64,147,849	$ 64,147,849	$ -	0.00%
Ending Balance	$ 39,249,585	$ 39,249,585	$ -	0.00%

Fund 121 - Street Aid & Transportation Fund

	A	B	C(B-A)	D (B/A)
	2017 Budget	2017 Amended	Difference $	%
Beginning Balance*	$ 373,415	$ 373,415	$ -	0.00%
Revenues	$ 2,629,803	$ 2,962,643	$ 332,840	12.66%
Expenses				
Personnel	$ -	$ -	$ -	0.00%
Operations	$ 2,629,600	$ 2,962,440	$ 332,840	12.66%
Capital	$ -	$ -	$ -	0.00%
Expenses	$ 2,629,600	$ 2,962,440	$ 332,840	12.66%
Ending Balance	$ 373,618	$ 373,618	$ -	0.00%

City of Franklin, Tennessee

FY 2017 Operating Budget

Impact of Ordinance 2016-38 on Budgets

Fund 160 - Transit Fund

	A	B	C(B-A)	D (B/A)
	2017 Budget	2017 Amended	Difference $	%
Beginning Balance*	**$ 374,758**	**$ 374,758**	**$ -**	**0.00%**
Revenues	**$ 2,246,755**	**$ 2,246,755**	**$ -**	**0.00%**
Expenses				
Personnel	$ -	$ -	$ -	0.00%
Operations	$ 2,246,755	$ 2,298,603	$ 51,848	2.31%
Capital	$ -	$ -	$ -	0.00%
Expenses	**$ 2,246,755**	**$ 2,298,603**	**$ 51,848**	**2.31%**
Ending Balance	**$ 374,758**	**$ 322,910**	**$ (51,848)**	**-13.84%**

**All beginning balances estimated as of June 30, 2016*

September 1, 2016
Mr. Russ Truell
City of Franklin
ACA Finance & Administration/CFO
109 3rd Ave. N.
Franklin, TN 37064

Dear Mr. Truell:

In order to close out FY 2015-2016, The TMA Group is requesting additional funds in the amount of $51,847.46 from the transit fares account to fully fund transit operations for Franklin Transit Authority.

Federal Transit guidelines require TMA to maintain our books on an accrual basis. However, grant funds cannot be invoiced for reimbursement of expenditures until after expenditures have been incurred. At year end, this presents a problem with accruing for revenues earned but not yet received to cover expenditures incurred during the year. The earned but not received revenues cannot be counted or recovered from the City until the funds are actually received by the City because the City is required to account for revenues and expenditures on a cash basis.

The funding request represents a return of grant funds and/or transit fares the City received on behalf of Franklin Transit Authority during FY 2015-2016 and a portion of the remaining BOMA approved budgeted amount of $516,694 to be paid to fund Transit services from the City General Fund. The BOMA approved budget amount to be paid from the City's General Fund was $516,694 for operation expenditures. The actual amount incurred from the General Fund for the 2015-2016 Fiscal Year, including this request of $51,847.46, and after accounting for the reimbursements of grant funds and transit fares the City received, is only $514,270.95, representing a savings of $2,423.05 to the City.

TMA appreciates the opportunity to provide transit services and programs on behalf of Franklin Transit Authority for the City of Franklin. TMA has increased oversight of budget preparations and added stronger measures for monthly review of transit financial information. Should you need additional information, please contact me or Kelly Bair.

Sincerely,

Debbie Henry
Executive Director

The Transportation Management Association Group
708 Columbia Avenue, Franklin TN 37064 | 615.790.4005 | tmagroup.org

The TMA Group - Accrual
From Jul 1, 2015 to Jun 30, 2016

REVENUES	Totals	
COF Monthly Contribution	1,573,310.00	This is how much the City gave us upfront
Revenues Accrued and/or Deposited in Fares Account Offsetting COF Funding:		
Fares - Fixed Route	46,872.58	
Fares - TODD	29,419.00	
Less Bank Transaction Fees	(450.67)	
Holly Trolley	12,605.00	
Building Rent	9,600.00	
Yearly Equipment Lease	-	
Interest on Fares Account	4,391.70	
Sale of Surplus Assets	20,151.32	
Federal/State 5309 Funds (Rent Assistance) (TN-040038)	-	
Federal/State 5317 Funds (New Freedom Funds) (TN57-00002)	29,690.00	
Federal/State 5307 Funds (Short Range Planning) (TN900352)	5,367.40	
Federal/State 5307 Funds (Short Range Planning) (TN900328)	(13.22)	
City Match Short Range Planning	1,472.56	
Federal/State 5307 Funds (Preventative Maintenance) (TN900392)	52,194.00	
Federal/State 5307 Funds (Capital purchase - Buses) (TN900352)	102,181.50	
City Match Bus Purchase	11,353.50	
Federal/State 5307 Funds (Routematch Support) (TN900303)	2,086.00	
Federal/State 5307 Funds (Capital Cost of Contracting) (TN900384)	311,977.00	
State Operating Assistance (GG-14-40160)	249,600.00	
Current Year Accruals not yet received/(received)		
State Operating Assistance (GG-14-40160)	-	
Federal/State 5307 Funds (Bus Purchase) (TN900352)	-	
Federal/State 5307 Funds (Capital Cost of Contracting) (TN900384)	209,563.99	
Federal/State 5307 Funds (Preventative Maintenance) (TN900392)	34,020.00	
Federal/State 5317 Funds (New Freedom Funds) (TN57-00002)	36,203.74	
Federal/State 5307 Funds (Routematch Support) (TN900303)	19,486.00	
Federal/State 5307 Funds (Short Range Planning) (TN900352)	-	
Federal/State 5307 Funds (Short Range Planning) (TN900328)	200.11	
Federal/State 5309 Funds (Rent Assistance) (?)	36,450.00	
COF Check for Bus Purchase	(113,535.00)	COF Wrote this check for Bus Purchase
Total Revenues to Fares Account Reimbursed to the City	1,110,886.51	This is how much the City received back in grants, fares, rent, and other funds.
Total City Portion for current FY	462,423.49	This is the accrued COF funding that matches the financial statement
Prior FYE A/R Rec'd in current year:		
Preventative Maintenance/Capital Cost of Contracting (TN-900384)	22,095.00	
Operating Assistance (GG-15-40943)	249,600.00	
Federal/State 5309 Funds (Rent Assistance) (TN-040052)	3,724.93	
Transit Planning (TN-900352)	963.01	
Transit Planning (TN-900328)	743.00	
Routematch Support (TN-900303)	5,214.30	
Capital Cost of Contracting (TN 900352)	6,502.40	
Capital Cost of Contracting (TN 900365)	181,739.27	
Actual Transfer from COF GL for Current Year	340,370.42	<< This is the actual cash cost to COF GL fund for this fiscal year
Other Reconciling Items paid/received by TMA on behalf of Transit:		
Revenue Received by TMA from Contracts	13,885.00	
Actual Current Year Funding for Transit Operations	1,587,645.67	Matches total revenues on Financial Statement
EXPENDITURES paid by TMA		
Operating Expenditures	1,218,637.37	Matches Total Operating Expenditures on Financial Statement
Indirect Expenditures	413,828.91	Matches Total Indirect Expenditures on Financial Statement
Planning Expenditures	7,026.85	Matches Total Planning Expenditures on Financial Statement
Total Expenditures	1,639,493.13	
Current Net Difference	(51,847.46)	Matches total Net Difference on Financial Statement
	51,847.46	additional funding request to balance the actual for the year
	42,124.11	Savings to the City for this fiscal year (approved budget from general fund)after additional funding request
Funding Rec'd by COF on behalf of Williamson County, RTA, and/or TMA (pass throughs):		
Prior FYE A/R City Rec'd on behalf of WC for van purchases (TN900352)	14,929.70	
Prior year A/R City Rec'd on behalf of TMA for Vanpool Expenses (TN900352)	1,387.10	
Current year A/R City Rec'd on behalf of TMA for Vanpool Expenses (TN900352)	238.52	
(These funds were transferred from COF to WC, RTA, and TMA and have no bearing on expenditures paid for Transit operations)	16,555.32	

ACUFF & ASSOCIATES
The Retirement Plan Authority

A BETTER PLAN. A BETTER PARTNER. A BETTER RETIREMENT.

Actuarial Valuation Report
As of January 1, 2016

Prepared for

CITY OF FRANKLIN EMPLOYEES' PENSION PLAN AND TRUST

Contents of Report

Introduction

This report has been prepared for the City of Franklin (the "City") by Acuff & Associates, Inc. to:

1. Present the results of a valuation of the City of Franklin Employees' Pension Plan (the "Plan") for the plan year beginning January 1, 2016
2. Review the experience of the Plan for the period ended December 31, 2015
3. Provide the City with the recommended contribution under the Plan for the City's fiscal year beginning July 1, 2016
4. Provide reporting and disclosure information for government agencies and other interested parties

This report contains the results of four classifications, or tiers, of pension benefits for employees.

Tier one: Employees hired before July 1, 2006

Tier two: Employees hired between July 1, 2006 and February 15, 2010

Tier three: Employees hired after February 15, 2010 who elected to contribute to the Plan.

Tier four: Employees hired after February 15, 2010 who elected to contribute to a defined contribution plan. This valuation holds no liability for this group even though there is a possibility of joining the Plan at a later date.

Note: It appears that the contribution to the 401(a) defined contribution plan is sufficient to provide the expected benefit that could accrue for Tier Four employees under the provisions of the Plan.

This report is divided into the following three sections:

Section 1 contains the actuarial results of the valuation. It includes the experience and reporting disclosure for the plan year ending December 31, 2015 and the current normal cost and expected contribution for the year beginning January 1, 2016.

Introduction (Continued)

Section 1.4 shows the determination of the City's recommended contribution for the fiscal year beginning July 1, 2016 as summarized below.

	07/01/2016	4 Quarterly Contributions
Recommended Contribution	$ 3,786,498	$ 3,888,628
As a Percent of Expected Covered Payroll	12.45%	12.79%

Section 1.5 provides GASB (Government Accounting Standards Board) Statement Number 67 Information.

Section 2 summarizes the Plan's provisions, provides information relating to the Plan's participants, and describes the funding methods and actuarial assumptions used in determining actuarial liabilities and costs.

Section 3 contains historical information and active participant demographic tables.

Actuarial Certification

The information and valuation results shown in this report are, to the best of our knowledge, complete and accurate. The information presented in this report is based upon the following:

- Employee census data as of January 1, 2016, submitted by the City, which appears to be reasonable and sufficient for the purpose of this report
- Asset information as of December 31, 2015, reported by US Bank and Trust, which appears to accurately represent the assets of the Plan
- Actuarial assumptions and methods, which, individually and in combination, represent our best estimate of anticipated experience under the Plan
- Actuarial assumptions, which are reasonable and relate to the experience of the Plan
- Interpretation of Plan provisions as summarized in this report

The amounts presented in the exhibits of this report were determined in accordance with generally accepted actuarial methods and practices and fully disclose the actuarial position of the Plan. Reliance was placed on census and financial information as listed above.

The undersigned are available to answer any questions with respect to this report.

Respectfully submitted,

Acuff & Associates, Inc.

June 15, 2016	
Date Signed	David F. Kays, ASA, MAAA
June 15, 2016	
Date Signed	John R. Rath, FCA, MAAA

Executive Summary of Principal Valuation Results

A summary of the principal valuation results from the current valuation and last year's valuation follows:

	Actuarial Valuation as of	
Summary of Data	**01/01/2016**	**01/01/2015**
Number of Participants Included in Valuation		
Active Participants	564	560
Vested Terminated Participants	156	146
Disabled Participants	4	4
Retired Participants and Beneficiaries	170	155
Total	894	865
Expected Covered Payroll for Participants Included in the Valuation	$ 30,410,847	$ 28,177,068
Summary of Actuarial Results		
Present Value of Benefits	$ 121,009,985	$ 110,699,479
Actuarial Accrued Liability	$ 108,425,076	$ 97,426,953
Unfunded Actuarial Accrued Liability	$ 21,592,665	$ 8,003,807
Net Normal Cost	$ 1,911,994	$ 2,093,993
Normal Cost Rate	6.29%	7.43%
Recommended Contribution Paid Quarterly	$ 3,888,628	$ 2,846,724
As a Percent of Payroll	12.79%	10.09%
Summary of Actuarial Value of Plan Assets and Actuarial Present Values		
Actuarial Value of Plan Assets on the Valuation Date	$ 86,832,411	$ 89,423,146
Actuarial Present Value of Accumulated Plan Benefits	$ 90,511,186	$ 84,467,387
Funding Ratio	95.94%	105.87%

Section 1 – Summary of Valuation Results

This section sets forth the results of the actuarial valuation.

Section 1.1 – Reconciliation of Plan Assets

Section 1.2 – Actuarial Results

Section 1.3 – Actuarial Experience

Section 1.4 – Development of Funding Alternatives

Section 1.5 – GASB Statement No. 67 & 68 Results

Section 1.1 – Assets

Reconciliation of Assets

The following is a summary of the asset information as submitted by US Bank.

1.	Market Value of Trust Assets as of January 1, 2015		$ 89,423,146
2.	Contributions and Disbursements		
	a.	Employer Contributions	$ 2,846,724
	b.	Employee Contributions	525,364
	c.	Benefit Payments	(3,699,996)
	d.	Expenses	(584,138)
	e.	Transferred	0
	f.	Net	$ (912,046)
3.	Investment Income		
	a.	Interest/Dividends	$ N/A
	b.	Realized Gain/(Loss)	N/A
	c.	Unrealized Gain/(Loss)	N/A
	d	Other Adjustments	N/A
	e.	Net Investment Income/(Loss)	(1,678,689)
4.	Market Value of Trust Assets as of December 31, 2015 (1) + (2f) + (3e)		$ 86,832,411
5.	Rate of Return		-1.89%
6.	Rate of Return Net of Expenses		-2.54%

Section 1.1 – (Continued)

Reconciliation of Cash Balance Employee Contributions

		Mandatory	Voluntary	Rollover	Totals
1.	As of 01/01/2015	$5,658,773.60	$ 263,977.66	$ 0.00	$5,922,751.26
2.	Employee Contributions	260,088.32	13,036.59	0.00	273,124.91
3.	Interest Credited	337,291.79	15,063.42	0.00	352,355.21
4.	Payouts	(199,580.61)	(33,438.04)	0.00	(233,018.65)
5.	Adjustments	0.00	0.00	0.00	0.00
6.	Totals as of 12/31/2015	$6,056,573.10	$ 258,639.63	$ 0.00	$6,315,212.73

Mandatory Employee Contributions

	Total Accumulated	2015 Contribution
Tier 3	$ 442,902	$ 224,021
Tier 4	$ 358,745	$ 189,947

Section 1.2 – Actuarial Results

The following schedule shows the development of the Actuarial Accrued Liability, Unfunded Actuarial Accrued Liability and Normal Cost at the current valuation date and compared to the previous valuation date.

			2016 Valuation @ 7.50%	2015 Valuation @ 7.50%
1.	Actuarial Accrued Liability			
	a.	Active Participants	$ 52,316,028	$ 48,807,746
	b.	Cash Balance Accounts	6,315,213	5,922,751
	c.	Retired Participants and Beneficiaries	45,093,564	38,528,008
	d.	Vested Terminated Participants	4,524,075	3,996,494
	e.	Disabled Participants	176,196	171,954
		Total	$ 108,425,076	$ 97,426,953
2.	Actuarial Value of Assets		86,832,411	89,423,146
3.	Unfunded Actuarial Accrued Liability (1) - (2)		$ 21,592,665	$ 8,003,807
4.	Contribution			
	a.	Normal Cost	$ 1,911,994	$ 2,093,993
	b.	Expected Employee Contribution	(259,586)	(175,680)
	c.	Net Normal Cost	$ 1,652,408	$ 1,918,312
	d.	As a Percent of Pay	5.43%	6.80%
	e.	Amortization Payment	1,999,615	755,201
	f.	January 1, Payment (c. + e.)	$ 3,652,023	$ 2,673,513
	g.	December 31, Payment (f. * 1.075)	$ 3,925,925	$ 2,874,027
	h.	Estimated Covered Payroll	$ 30,410,847	$ 28,205,179
	i.	As a Percent of Covered Payroll (g / h)	12.91%	10.19%
	j.	Contribution at July 1, 2016 (f * 1.075^.5)	$ 3,786,498	$ 2,771,958
	k.	As a Percent of Covered Payroll (j / h)	12.45%	9.83%

Section 1.3 – Actuarial Experience

For the cost determined in this report, we used the Entry Age Normal Cost method. Under the Entry Age Normal Cost method, the experience gain or loss is determined by comparing the Expected Unfunded Actuarial Accrued Liability as if all actuarial assumptions had been exactly met during the past plan year to the Actual Unfunded Actuarial Accrued Liability at the valuation date. If the Expected Unfunded Actuarial Accrued Liability exceeds the Actual Unfunded Actuarial Accrued Liability, there is an actuarial gain; conversely, if the Expected Unfunded Actuarial Accrued Liability is less than the Actual Unfunded Actuarial Accrued Liability, there is an actuarial loss.

During the past plan year, the Plan experienced a total net actuarial loss of $13.6 Million. The total loss is comprised of the following: (1) an asset loss of $8.3 Million – the actual return on Plan assets was less than the assumed rate of return of 7.50%, (2) a liability loss of $3.5 Million - the actual Plan experience differed from assumptions related to mortality, salary increases and retirement, and (3) a $1.9 Million loss due to a change in determining the costs under the Entry Age Normal Cost method. This change decreased the normal cost component of funding and increased the liability and amortization components.

Section 1.3 – Actuarial Experience - (Continued)

1.	Unfunded Actuarial Accrued Liability/(Surplus) as of 01/01/2015	$ 8,003,807
2.	Expected Increases During the Year	
	a. Normal Cost Due at the Beginning of the Year	$ 2,093,993
	b. Interest for One Year On	
	(i) Normal Cost	$157,049
	(ii) Unfunded Actuarial Accrued Liability	600,286
	Total Interest (i) + (ii)	$757,335
	c. Total Expected Increases (a) + (b)	$2,851,328
3.	Expected Decreases During the Year	
	a. Employer Contributions for the Year	$ 2,846,724
	b. Interest on Employer Contributions from Date of Contribution to the end of the Year	$53,376
	c. Total Expected Decreases (a) + (b)	$2,900,100
4.	Expected Unfunded Actuarial Accrued Liability/(Surplus) at End of Year (1) + (2c) - (3c)	$ 7,955,035
5.	Actual Unfunded Actuarial Accrued Liability/(Surplus)	21,592,665
6.	Actuarial Experience Gain/(Loss) for the Year	$ (13,637,630)

Section 1.4 – Funding

IRC (Internal Revenue Code) Section 404(a)(1) describes the limitations on tax deductible contributions to a pension trust, and IRC Section 412 sets forth minimum funding standards for non-government entities. Since the City is a government entity and tax consequences can be affected by factors not considered here, we recommend the City seek the advice of counsel with respect to the tax consequences of any contribution to be made. Furthermore, state tax law may differ from federal tax law; the amounts determined below may have some tax consequences to the City and its employees.

On the basis of the valuation as of January 1, 2016, the following is the determination of the recommended contribution amount for the City's fiscal year beginning July 1, 2016.

The recommended contribution is the Normal Cost plus 17-year amortization of the current unfunded accrued liability, plus 20-year amortization of any future actuarial gains or losses after 2016, plus interest to the date the contribution is actually deposited.

Recommended Quarterly Contribution

Recommended Contribution Schedule		2016 Valuation	2015 Valuation
1.	Net Normal Cost	$ 1,652,408	$ 1,918,312
	Amortization Payment	1,999,615	755,201
2.	Recommended Contribution at January 1	$ 3,652,023	$ 2,673,513
3.	Recommended Contribution July 1	$ 3,786,498	$ 2,771,958
4.	As a Percent of Expected Covered Payroll	12.45%	9.83%
5.	Interest to December 31	$ 273,902	$ 200,514
6.	Recommended Contribution December 31	$ 3,925,925	$ 2,874,027
7.	As a Percent of Expected Covered Payroll	12.91%	10.19%
8.	Quarterly Contributions		
	July 1, 2016 / July 1, 2015	$ 972,157	$ 711,681
	October 1, 2016 / October 1, 2015	972,157	711,681
	January 1, 2017 / January 1, 2016	972,157	711,681
	April 1, 2017 / April 1, 2016	972,157	711,681
	Total	$ 3,888,628	$ 2,846,724
9.	As a Percent of Expected Covered Payroll	12.79%	10.09%
	Estmated Covered Payroll	$ 30,410,847	$ 28,205,179
	Estimated City Payroll	$ 29,791,272	N/A
	July 1 Contribution as Percent of City Payroll	12.71%	N/A

Section 1.4 – Funding

Amortization Schedule for Unfunded Actuarial Accrued Liability

Type of Amortization Base	Date Amortization Base Established	Years Remaining to Amortize Base	Initial Balance of Amortization Base	Outstanding Balance of Amortization Base	Amortization Payment
2014 Unfunded	01/01/2014	16	$4,291,887	$4,042,271	$411,338
2015 Experience Loss	01/01/2015	19	$3,768,423	$3,681,402	$343,863
2016 Experience Loss	01/01/2016	20	$13,637,630	$13,637,630	$1,244,414
Total				$21,361,303	$1,999,615

Section 1.5 – GASB Statement Nos. 67 & 68 Results

Statement Nos. 67 & 68 of the Government Accounting Standards Board (GASB 67 & 68) is effective for the plan years ending December 31, 2015 and fiscal years ending June 30, 2016. The measurement date for GASB 68 is December 31. The following information is intended to satisfy the GASB reporting requirements. The following information is contained in Section 1.1 of this report

- Statement of Fiduciary Net Position
- Statement of Change in Fiduciary Net Position
- Investment Information
- Schedule of Investments

The following information is contained in this Section of the report:

- Schedule of Changes in Plan's Net Pension Liability
- Changes in Plan's Net Pension Liability
- Net Pension Liability
- Discount Rate Sensitivity
- Schedule of Investment Return
- Schedule of Contributions
- Components of Net Pension Expense
- Amortization Schedule of Asset Earnings Losses/(Gains)
- Amortization Schedule of Difference in Actuarial Experience

Fiduciary Net Position is the amount of assets available for pension benefits of the Plan. The Total Pension Liability is the Plan liability determined using assumptions and actuarial methods listed in Section 2.2 of this report. The Net Pension Liability is the difference in the Total Pension Liability and the Fiduciary Net Position.

Section 1.5 – GASB Statement Nos. 67 & 68 - (Continued)

Schedule of Changes in the Plan's Net Pension Liability and Related Ratios

Total Pension Liability	**2015**	**2014**
Service Cost	$ 2,093,993	$ 1,977,349
Interest	7,209,696	6,583,224
Changes of Benefit Terms	0	0
Differences between Expected and Actual Experience	3,542,156	3,336,925
Changes of Assumptions/Method	1,852,274	0
Benefit Payments, Including Refunds of Member Contributions	(3,699,996)	(3,234,121)
Net Change in Total Pension Liability	$ 10,998,123	$ 8,663,377
Total Pension Liability - Beginning	97,426,953	88,763,576
Total Pension Liability - Ending (a)	$ 108,425,076	$ 97,426,953
Plan Fiduciary Net Position		
Contributions - Employer	$ 2,846,724	$ 2,354,417
Contributions - Member	525,364	419,334
Net Investment Income	(1,678,689)	5,973,819
Benefit Payments, Including Refunds of Member Contributions	(3,699,996)	(3,234,121)
Administrative Expense	(584,138)	(561,992)
Other	0	0
Net Change in Plan Fiduciary Net Position	$ (2,590,735)	$ 4,951,457
Plan Fiduciary Net Position - Beginning	89,423,146	84,471,689
Plan Fiduciary Net Position - Ending (b)	$ 86,832,411	$ 89,423,146
Plan's Net Pension Liability - Ending (a) - (b)	$ 21,592,665	$ 8,003,807
Plan's Fiduciary Net Position as a Percentage of the Total Pension Liability	80.09%	91.78%
Covered-Employee Payroll	$ 30,362,659	$ 28,205,179
Plan's Net Pension Liability as a Percentage of Covered-Employee Payroll	71.12%	28.38%

Section 1.5 – GASB Statement Nos. 67 & 68 - (Continued)

Changes in Net Pension Liability

	Increase (Decrease)		
	(a) Total Pension Liability (TPL)	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability (NPL)
Balances as 12/31/2014	$ 97,426,953	$ 89,423,146	$ 8,003,807
Changes for the Year:			
Service Cost	$ 2,093,993		$ 2,093,993
Interest	7,209,696		7,209,696
Difference Between Actual and Expected	5,394,430		5,394,430
Contributions - Employer		2,846,724	(2,846,724)
Contributions - Employee		525,364	(525,364)
Net Investment Income		(1,678,689)	1,678,689
Benefit Payments	(3,699,996)	(3,699,996)	0
Administrative Expense		(584,138)	584,138
Net Changes	$ 10,998,123	$ (2,590,735)	$ 13,588,858
Balances as 12/31/2015	$ 108,425,076	$ 86,832,411	$ 21,592,665

Section 1.5 – GASB Statement Nos. 67 & 68 - (Continued)

Net Pension Liability (NPL)

Determination of Net Pension Liability

The components of the Net Pension Liability at December 31, 2015

Total Pension Liability	$ 108,425,076
Plan Fiduciary Net Positon	$ (86,832,411)
Net Pension Liability	$ 21,592,665
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	80.09%

Sensitivity of Net Pension Liability to changes in the Discount Rate

	6.50% **1% Decrease**	**7.50%** **Current Rate**	**8.50%** **1% Increase**
Net Pension Liability	$122,818,924	$108,425,076	$96,577,390

Schedule of Investment Returns

	2015	**2014**
Annual Money-Weighted Rate of Return Net of Investment Expense	**-2.54%**	**6.42%**

Section 1.5 – GASB Statement Nos. 67 & 68 - (Continued)

Schedule of Plan Contributions

	2015	2014
Actuarially Determined Contribution	$ 2,846,724	$ 2,417,920
Contributions in Relation to the Actuarially Determined Contribution	2,846,724	2,354,417
Contribution Deficency /(Excess)	$ 0	$ 63,503
Covered-Employee Payroll	$30,362,659	$27,440,025
Contributions as a Percentage of Covered-Employee Payroll	9.38%	8.58%

Section 1.5 – GASB Statement Nos. 67 & 68 - (Continued)

Components of Pension Expense	2015	2014
Service Cost	$ 2,093,993	$ 1,977,349
Interest on Total Pension Liability	7,209,696	6,583,224
Difference Between Excepted and Actual Experience	545,710	208,558
Change of Assumptions	0	0
Employee Contributions	(525,364)	(419,334)
Projected Earnings on Assets	(6,630,904)	(6,297,038)
Difference Between Expected and Actual Earnings	1,726,563	64,644
Pension Plan Administrative Expense	584,138	561,992
Total Expense	$ 5,003,831	$ 2,679,395

Section 1.5 – GASB Statement Nos. 67 & 68 - (Continued)

Amortization Schedule of Asset Earnings Losses/(Gains)

Increase (Decrease) in Pension Expenses Arising from the Recognition of Difference
Between Projected and Actual Earning of Pension Plan Investments

Year	Difference	Recognition Period	2014	2015	2016	2017
2014	$ 323,219	5	$ 64,644	$ 64,644	$ 64,644	$ 64,644
2015	$8,309,593	5		1,661,919	1,661,919	1,661,919
Total			$ 64,644	$ 1,726,563	$ 1,726,563	$ 1,726,563

Amortization Schedule of Difference in Actuarial Experience

Increase (Decrease) in Pension Expenses Arising from the Recognition of the Effects of Difference
Between Expected and Actual Experience

Year	Difference	Recognition Period	2014	2015	2016	2017
2014	$ 3,336,925	16	$ 208,558	$ 208,558	$ 208,558	$ 208,558
2015	$ 5,394,430	16		$ 337,152	$ 337,152	$ 337,152
Total			$ 208,558	$ 545,710	$ 545,710	$ 545,710

Section 2 – Basis of Valuation

In this section, the basis of the valuation is presented and described. This information (the provisions of the Plan and the census of participants) is the foundation of the valuation, since these are the present facts upon which benefit payments will depend.

The valuation is based upon the premise that the Plan will continue in existence; therefore, future events must also be considered. These future events are assumed to occur in accordance with the actuarial assumptions and concern such events as the earnings of the assets, the number of participants who will remain until retirement as well as their ages at retirement and their expected benefits.

The actuarial assumptions and the actuarial cost method which have been adopted to guide the Plan sponsor in funding the Plan in a reasonable and acceptable manner are described in this section.

Section 2.1 – Summary of the Plan Provisions

Section 2.2 – Description of the Actuarial Valuation Method and Summary of the Actuarial Assumptions

Section 2.3 – Summary of the Census Data used in the Actuarial Valuation

Section 2.1 – Summary of the Plan Provisions

Name of Plan

City of Franklin Employees' Pension Plan

Plan Sponsor & Plan Administrator

City of Franklin

Trustees

City of Franklin

City of Franklin Employee Pension and Trust Investment

Human Resource Director, two (2) members of the Board appointed by the Mayor, two (2) City Employee Representatives elected by the Employee population covered by this Plan, and two (2) Citizen Representatives who shall be appointed initially by the Mayor.

Effective Date

The Plan was originally established effective May 1, 1971. The restated Plan document is effective July 1, 2009. Last amended effective February 15, 2010.

Plan Year

The plan year is the calendar year.

Eligibility

A full-time employee who works 30 hours or more per week will become an active member on the first day of the month after meeting the following requirements:

- Completes one year of continuous service
- Reaches age 21
- An Employee hired on or after February 15, 2010, shall become eligible to participate in the Plan and become a Participant as of the first day of the month immediately following the commencement of the Employee's employment by the City, provided, however, that such Employee shall be eligible to participate in the Plan only upon his election to participate.

Section 2.1 – (Continued)

Credited Service

Credited Service under the Plan is based on completed calendar months during which an Employee has been in continuous employment with the City of Franklin. Periods of absence due to disability, military service, or approved leave are not considered discontinuance of employment.

Plan Compensation

Plan Compensation is W-2 Compensation, including deferrals made under this Plan as mandatory pre-tax employee contributions, any amounts made under a cafeteria (§125) plan, overtime pay, bonuses, holiday pay, fringe benefits (cash or non-cash), deferred compensation, welfare benefits, and other regular pay. Compensation excludes reimbursements or other expense allowances, moving expenses, uniform allowances, and supplemental pay for police officers and firefighters, long-term disability benefits, pay in-lieu-of notice, severance pay, tuition reimbursements, or automobile allowances.

Average Compensation

"Average Compensation" shall mean the average of the Participant's Compensation over the three (3) consecutive whole calendar years of a Participant's Employment during which his Compensation was the greatest out of the last ten (10) calendar years, or over a lesser number of Years of Employment actually served provided, however, that for a Participant who was first hired by the City on or after February 15, 2010, "Average Compensation" shall mean the average of the Participant's Compensation over the five (5) consecutive whole calendar years of a Participant's Employment during which his Compensation was the greatest out of the last ten (10) calendar years or over a lesser number of Years of Employment actually served.

Accrued Benefit

The Accrued Benefit is determined in the same manner as Normal Retirement Benefit using Average Compensation and Service at date of determination.

Participants' Cash Balance Accounts are the account balances on the date of determination.

Normal Retirement

Eligibility

Normal retirement occurs at age 65 and completion of 5 years of Plan participation. With respect to employees hired before July 1, 2006, normal retirement occurs when they complete 25 years of service.

Section 2.1 – (Continued)

Benefit

For employees hired before July 1, 1995, the benefit formula is the greater of

- 2% of Average Compensation multiplied by the number of years of Credited Service, less 50% of the monthly Primary Insurance Amount provided under Social Security at the time of retirement, or
- 1% of Average Compensation multiplied by the number of years of Credited Service.

For all retirements and terminations after July 1, 2003, the benefit formula is 2% of Average Compensation multiplied by the number of years of Credited Service.

Cash Balance Accounts

Cash Balance Accounts include the sum of all pre-tax employee contributions, post-tax employee contributions, discretionary City contributions, and interest credits.

Early Retirement

Eligibility

Completion of ten years of Credited Service and attainment of age 55, or completion of 25 years of Credited Service regardless of age.

Benefit

The benefit is determined under the Accrued Benefit formula stated above, which is based on service and compensation to date, and is payable at age 65. A reduced benefit is payable immediately. The reduction for immediate commencement of benefits is 5% per year for each year preceding normal retirement with a prorated adjustment for partial years, rounded to the nearest month. A participant hired before February 15, 2010 who has attained age 62 with twenty years of Credited Service will receive an Early Retirement Benefit without reduction.

Participants hired after July 1, 2006 and before February 15, 2010 can retire after age 55 with at least 25 year of service with no reduction for early retirement.

Participants' Cash Balance Accounts are the account balances on the Early Retirement Date.

Section 2.1 – (Continued)

Late Retirement

Benefit

The late retirement benefit is the greater of the benefit determined under Normal Retirement above calculated as of the Normal Retirement Date actuarially increased to the late retirement date, or the benefit determined under Normal Retirement above recognizing pay and service to the late retirement date.

Participants' Cash Balance Accounts are the account balances on the actual Retirement Date.

Disability Retirement

Eligibility

A participant must be totally and permanently disabled.

Benefit

The benefit is the accrued retirement benefit reduced for early payment or deferred to age 65 if the participant is not otherwise eligible to receive a benefit.

Vesting

A participant will be vested in his Accrued Benefit according to the following schedule adopted after January 1, 2003.

Credited Service	Vested Percentage
Less than 5 years	0%
5 years	100%

A participant is 100% vested immediately in all Cash Balance Accounts.

Death Before Retirement

Eligibility

Attainment of age 21 and one year of Credited Service is required to be eligible for this benefit upon death.

Section 2.1 – (Continued)

Benefit

The beneficiary receives the monthly benefit that can be provided by the actuarial present value of the accrued benefit. If the employee dies before becoming eligible for Early Retirement, the beneficiary may receive a Lump Sum equal to the actuarial present value of the accrued benefit.

Death After Retirement

No benefit is payable unless an optional form of settlement has been elected. Otherwise, the benefit is the employee's contributions, plus interest, less the amount of annuity payments paid.

Annuity Forms

The following forms of settlement are available:

Normal Form

- The normal form for the monthly benefit is a life annuity benefit. However, each participant married at retirement who does not elect otherwise will receive a joint annuity in a reduced amount providing for a 50% continuation to a surviving spouse.
- The normal form for the Cash Balance Accounts is a lump sum. However, it may be converted to an annuity payable for life with a death benefit refund of the account at the Participant's Retirement Date, minus the sum of the monthly payments that have been made.

Optional Forms

- Contingent options at 50%, 75%, or 100% of the benefit being paid to the beneficiary upon death of the retiree
- Five, ten, and fifteen year certain and life annuities
- Social Security adjustment option
- Special option upon request and granted by the City

Contributions

Mandatory Participant Contributions

Employees that elect to participate, who were first hired by the City on or after February 15, 2010, shall make a mandatory contribution to the Plan in an amount equal to 5% of the Participant’s Compensation. Employees are 100% vested in total accumulated contribution without interest.

Section 2.1 – (Continued)

Pre-Tax Employee Contributions

Employees hired before July 1, 1995 may contribute from 3% to 10% on a pre-tax basis to a Cash Balance Account. For employees hired on or after July 1, 1995, a 3% pre-tax contribution is required, but an additional contribution up to 7% may be made if elected on a one-time basis.

Post-Tax Employee Contributions

Employees may make a voluntary after-tax contribution of 1% to 10% of annual salary to a Cash Balance Account.

Discretionary City Contributions

The City may make additional contributions to Participants' Cash Balance Accounts on a discretionary basis.

Regular City Contributions

The City will make regular contributions as required to fund the Plan.

Interest on Cash Balance Accounts will be credited each year with interest calculated at the rate for U.S. Treasury Bills as of November 1 of the previous year plus 1%. The minimum interest to be credited will be no less than 6% per year.

Section 2.1 – (Continued)

The rates used to date are:

Year	Rate
1995	9.08%
1996	7.26%
1997	7.48%
1998	7.11%
1999	6.25%
2000	7.15%
2001	6.78%
2002	6.12%
2003	6.00%
2004	6.12%
2005-2016	6.00%

Section 2.2 – Actuarial Basis

What is an Actuarial Valuation?

An actuarial valuation is a mathematical method for measuring the liabilities under a pension plan and for determining a schedule of contributions to finance the plan. The actual cost of a pension plan cannot be determined until its entire experience is complete; however, actuarial techniques determine a pattern of contributions that will finance the liabilities in an orderly fashion. Assumptions are made regarding future experience with regard to the rate of investment return on invested funds; the probability of death, disability, or other termination from employment; the rate of future salary increases; etc. The set of actuarial assumptions and the valuation method selected by the actuary become the basis for making a valuation of the pension plan. The degree of conservatism to be reflected in the actuarial assumptions is a matter of judgment of the actuary and the City offering their best estimates of anticipated experience under the plan.

An actuarial valuation does not determine ultimate pension plan costs; only the actual experience with regard to the many variables involved will establish the true cost of the plan. An actuarial valuation, however, reveals the year to year incidence of contributions necessary to soundly fund pension benefits. The incidence of contributions, also known as funding schedule, may be increasing, level, or decreasing from year to year as a percentage of payroll, depending on the actuarial funding method utilized. Annual actuarial valuations are made to adjust contributions gradually as actual experience emerges. Changes in the assumptions may be required if the experience consistently departs from the valuation assumptions.

Description of Valuation Method - Entry Age Normal Cost Method

Actuarial Liabilities and Contributions shown in this report are computed using the Entry Age Normal Cost Method of funding.

A detailed description of the calculation follows:

The **Normal Cost** is the annual amount that would have to be paid for each member from his original date of entry (employment) to his assumed retirement (termination, disability, or death) date in order to fund his projected benefits, over the whole of his working life (membership in the plan). This computation is made in such a way that each year's annual payment is a level dollar.

The **Unfunded/(Surplus) Actuarial Accrued Liability** is determined by calculating the Present Value of Projected Benefits at that date, and subtracting the Present Value of Future Normal Costs, as determined above, together with any applicable assets of the Fund.

A **Past Service Contribution** (amortization payments) is calculated as the amount needed to fund the Initial Unfunded Actuarial Accrued Liability plus any changes in the Unfunded Actuarial

Section 2.2 – (Continued)

Accrued Liability due to plan changes, assumption changes, or actuarial experience gains / (losses), together with interest thereon, in equal annual installments as required by the regulations. See amortization schedule.

Active participants are treated for funding purpose as terminated participants due to the ceasing of benefit accruals. Therefore, there is no normal cost, and the actuarial accrued liability is equal to the present value of their benefits.

The recommended City's contribution is the Normal Cost plus the Past Service Contribution with interest to expected dates of the contributions.

Economic Actuarial Assumptions

Interest

Funding rates:

Pre-Retirement	7.50% per year, compounded annually, net of expenses
Post-Retirement	7.50% per year, compounded annually, net of expenses

Projected Salary Increase

Salaries are assumed to increase at 3.50% per year.

Cost of Living Increase

Post-Retirement Benefit Increase is assumed to increase at 2.00% per year.

Demographic Actuarial Assumptions

Healthy Mortality

Male:	SOA - RP 2000 Mortality Table for males with blue collar adjustment
Female:	SOA - RP 2000 Mortality Table for females with blue collar adjustment

Post Disablement Mortality

Male:	PBGC for Unhealthy Lives Table for males
Female:	PBGC for Unhealthy Lives Table for females

See the Table at the end of this section for selected rates.

Section 2.2 – (Continued)

Termination or Withdrawal from Service

Male: Twice the T-3 Table less 1951 Group Annuity Table for males

Female: Twice the T-3 Table less 1951 Group Annuity Table for males

See the Table at the end of this section for sample values.

Age at Retirement

See the Table at the end of this section for sample values.

Possibility of Disability

Male: 100% of UAW Table for males

Female: 100% of UAW Table for females

See the Table at the end of this section for selected rates.

Expenses

Plan expenses are reflected in the interest funding rate.

Sample Annual Decrement Rates Per 100 Participants

Attained Age	Disability Males	Disability Females	Termination
20	.0300	.0400	13.1550
25	.0300	.0500	10.5408
30	.0400	.0600	9.6624
35	.0500	.0800	8.9472
40	.0700	.1000	7.6824
45	.1000	.1500	6.4298
50	.1800	.2600	3.0490
55	.3600	.4900	.6688
60	.9000	1.2100	.0000
65	.0000	.0000	.0000

Section 2.2 – (Continued)

Sample Annual Decrement Rates Per 100 Participants

Attained Age	Healthy Mortality		Post-Disability Mortality	
	Males	Females	Males	Females
20	.0345	.0191	4.83	2.63
25	.0376	.0207	4.83	2.63
30	.0726	.0293	3.62	2.37
35	.1087	.0519	2.78	2.14
40	.1371	.0878	2.82	2.09
45	.1793	.1387	3.22	2.24
50	.2412	.1963	3.83	2.57
55	.4196	.2795	4.82	2.95
60	.8270	.4949	6.03	3.31
65	1.5539	1.0398	6.78	3.70
70	2.6758	1.8634	7.39	4.11
75	4.3131	3.0887	8.42	4.92
80	7.0547	4.8953	11.28	7.46
85	11.5077	8.3100	16.82	11.28
90	18.1757	13.6686	25.25	16.82
95	25.9466	19.2564	37.89	25.25
100	34.4556	23.7467	56.84	37.89
105	39.7886	29.3116	85.77	56.84
110	40.0000	36.4617	100.00	100.00
115	40.0000	40.0000		
120	100.0000	100.0000		

Section 2.2 – (Continued)

Retirement Decrements

General for Tier 1

Age/Service	<5	5 to 9	10 to 19	20 to 24	25+
Less than 40	0.000	0.000	0.000	0.000	0.000
40	0.000	0.000	0.000	0.000	0.001
41	0.000	0.000	0.000	0.000	0.001
42	0.000	0.000	0.000	0.000	0.001
43	0.000	0.000	0.000	0.000	0.001
44	0.000	0.000	0.000	0.000	0.001
45	0.000	0.000	0.000	0.000	0.001
46	0.000	0.000	0.000	0.000	0.001
47	0.000	0.000	0.000	0.000	0.001
48	0.000	0.000	0.000	0.000	0.001
49	0.000	0.000	0.000	0.000	0.001
50	0.000	0.000	0.000	0.000	0.125
51	0.000	0.000	0.000	0.000	0.125
52	0.000	0.000	0.000	0.000	0.125
53	0.000	0.000	0.000	0.000	0.125
54	0.000	0.000	0.000	0.000	0.125
55	0.000	0.000	0.100	0.100	0.125
56	0.000	0.000	0.050	0.050	0.100
57	0.000	0.000	0.050	0.050	0.075
58	0.000	0.000	0.050	0.050	0.075
59	0.000	0.000	0.050	0.050	0.075
60	0.000	0.000	0.050	0.050	0.125
61	0.000	0.000	0.050	0.050	0.125
62	0.000	0.000	0.250	0.500	0.500
63	0.000	0.000	0.150	0.250	0.250
64	0.000	0.000	0.150	0.250	0.250
65	0.000	0.500	0.500	0.500	0.500
66	0.000	0.500	0.500	0.500	0.500
67	0.000	0.500	0.500	0.500	0.500
68	0.000	0.500	0.500	0.500	0.500
69	0.000	0.200	0.200	0.500	0.500
70+	0.000	1.000	1.000	1.000	1.000

Section 2.2 – (Continued)

Retirement Decrements

General for Tiers 2 and 3

Age/Service	< 5	5 to 9	10 to 19	20 to 24	25+
Less than 55	0.000	0.000	0.000	0.000	0.000
55	0.000	0.000	0.100	0.100	0.125
56	0.000	0.000	0.050	0.050	0.100
57	0.000	0.000	0.050	0.050	0.075
58	0.000	0.000	0.050	0.050	0.075
59	0.000	0.000	0.050	0.050	0.075
60	0.000	0.000	0.050	0.050	0.125
61	0.000	0.000	0.050	0.050	0.125
62	0.000	0.000	0.250	0.500	0.500
63	0.000	0.000	0.150	0.250	0.250
64	0.000	0.000	0.150	0.250	0.250
65	0.000	0.500	0.500	0.500	0.500
66	0.000	0.500	0.500	0.500	0.500
67	0.000	0.500	0.500	0.500	0.500
68	0.000	0.500	0.500	0.500	0.500
69	0.000	0.500	0.500	0.500	0.500
70+	0.000	1.000	1.000	1.000	1.000

Section 2.2 – (Continued)

Retirement Decrements

Police and Fire Tiers 2 and 3

Age/Service	< 5	5 to 9	10 to 20	20 to 24	25	26	27	28
Less than 55	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
55	0.000	0.000	0.100	0.100	0.200	0.200	0.200	0.200
56	0.000	0.000	0.050	0.050	0.200	0.400	0.400	0.400
57	0.000	0.000	0.050	0.050	0.200	0.400	0.600	0.600
58	0.000	0.000	0.050	0.050	0.200	0.400	0.600	0.800
59	0.000	0.000	0.050	0.050	0.200	0.400	0.600	0.800
60	0.000	0.000	0.050	0.050	0.200	0.400	0.600	0.800
61	0.000	0.000	0.050	0.050	0.200	0.400	0.600	0.800
62	0.000	0.000	0.250	1.000	1.000	1.000	1.000	1.000
63	0.000	0.000	0.150	1.000	1.000	1.000	1.000	1.000
64	0.000	0.000	0.150	1.000	1.000	1.000	1.000	1.000
65	0.000	0.500	0.500	1.000	1.000	1.000	1.000	1.000
66	0.000	0.500	0.500	1.000	1.000	1.000	1.000	1.000
67	0.000	0.500	0.500	1.000	1.000	1.000	1.000	1.000
68	0.000	0.500	0.500	1.000	1.000	1.000	1.000	1.000
69	0.000	0.100	0.100	1.000	1.000	1.000	1.000	1.000
70+	0.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000

Section 2.2 – (Continued)

Other Assumptions

Years of Service Subsequent to the Valuation Date

It is assumed that each participant will earn one year of service in each future year.

Assumed Age of Commencement for Deferred Vested Benefits

Age 65

Assumed Age of Commencement for Disabled Benefits

Age 55

Actuarial Value of Assets

The Actuarial Value of Assets is equal to the Market Value plus any employee and/or employer contributions due for the plan year.

Section 2.3 – Census Data

Description of Participant Data

The valuation was based on information provided by the City of Franklin as of January 1, 2016.

Active employee information consisted of:

- Name
- Employee Identification Number
- Gender
- Date of Birth
- Date of Hire
- 2015 Compensation

  Compensation was supplied on an Excel file showing each element of the definition of compensation to reconcile the compensation as reported on the Form W-2 and other reports.
- Post-Tax Contributions for 2015
- Pre-Tax Contributions for 2015
- Mandatory Contribution the pension plan for 2015
- Mandatory Contribution to 401(a) – defined contribution plan for 2015
- 457 Contribution for 2015
- Money Purchase Contribution for 2015

Section 2.3 – (Continued)

Participant Data Reconciliation	Active Participants	Inactive Participants: Terminated Deferred Benefits	Inactive Participants: Disabled With Deferred Benefits	Inactive Participants: Receiving Benefits	Total	Expected
1. As of January 1, 2015	560	146	4	155	865	
2. Changes in Status:						
a. Age Retirements	(14)	(3)	0	17	0	21
b. Disability Terminations	0	0	0	0	0	1
c. Deaths Without Benefits	(1)	0	0	(2)	(3)	3
d. Deaths With Benefits	0	0	0	(1)	(1)	2
e. Non-Vested Terminations	(19)	N/A	N/A	0	(19)	26
f. Vested Terminations	(16)	16	0	N/A	0	15
g. Expiration of Benefits	N/A	N/A	N/A	0	0	
h. Lump Sums	0	0	0	0	0	
i. Data Correction	0	(3)	0	0	(3)	
j. New Entrants	54	0	N/A	0	54	
3. Net Change	4	10	0	15	29	
4. As of December 31, 2015	564	156	4	170	894	

Section 3 – Supplemental Information

Section 3.1 – Historical Plan Information

Section 3.2 – Active Participant Demographic Profiles

Section 3.3 – Inactive Participant Demographic Profiles

Section 3.1 – Historical Yearly Comparison

	01/01/2012	01/01/2013	01/01/2014	01/01/2015	01/01/2016
Number of Active Participants	591	572	562	560	564
Expected Payroll	$ 29,869,786	$ 28,902,947	$ 27,440,025	$ 28,177,068	$ 30,410,847
Average Earnings	$ 53,723	$ 51,984	$ 49,353	$ 50,678	$ 54,696
Number of Active Participants Age 65 or Over	14	13	13	12	17
Number of Retired Participants and Beneficiaries	121	128	138	155	170
Pensions to be Paid	$ 2,286,300	$ 2,653,331	$ 2,892,206	$ 3,367,517	$ 3,952,053
Number of Vested Terminated Participants	114	123	137	146	156
Annual Pensions to be Paid	$ 744,140	$ 811,172	$ 921,619	$ 1,041,618	$ 1,153,844
Number of Disabled Participants	4	4	4	4	4
Annual Pensions to be Paid	$ 26,302	$ 26,750	$ 26,750	$ 27,411	$ 27,771
Present Value of Benefits	$ 95,385,041	$ 100,695,151	$ 101,820,337	$ 110,699,479	$ 121,009,985
Present Value of Accumulated Benefits	$ 64,505,222	$ 69,757,870	$ 77,113,277	$ 84,467,387	$ 90,511,186
Actuarial Value of Assets	$ 55,241,467	$ 63,532,465	$ 84,471,689	$ 89,423,146	$ 86,832,411
Normal Cost Rate	6.4%	6.9%	6.8%	7.4%	7.2%
Normal Cost	$ 1,908,874	$ 1,988,187	$ 1,859,464	$ 2,093,993	$ 1,911,994
Recommended Contribution as of July 1/Quarterly	$ 4,251,668	$ 4,033,372	$ 2,417,920	$ 2,846,724	$ 3,888,628
Contribtuion as rate of Payroll	14.2%	14.0%	8.8%	10.1%	12.8%
Actual Contribution	$ 3,188,751	$ 15,072,104	$ 2,354,417	$ 2,846,724	N/A

Section 3.2 – Active Participant Demographic Tables

The following demographic tables are presented for the four classifications of participants.

- Table A - Annual Earnings by Age Groups
- Table B - Annual Earnings by Service Groups
- Table C - Service Groups by Age Groups
- Schedule of Annual Benefits for Non-Active Participants

Section 3.2 – Active Participant Demographic Tables – (Continued)

TABLE A
ANNUAL EARNINGS BY AGE GROUPS

	Tier 1			Tier2			Tier 3			ALL		
Age Group	Number of People	Total Annual Earnings	Average Annual Earnings	Number of People	Total Annual Earnings	Average Annual Earnings	Number of People	Total Annual Earnings	Average Annual Earnings	Number of People	Total Annual Earnings	Average Annual Earnings
0-19	0	$ 0	$ 0	0	$ 0	$ 0	1	$ 13,977	$ 13,977	0	$ 0	$ 0
20-24	0	$ 0	$ 0	0	$ 0	$ 0	8	$ 232,776	$ 29,097	8	$ 232,776	$ 29,097
25-29	0	$ 0	$ 0	3	$ 141,800	$ 47,267	25	$ 728,351	$ 29,134	28	$ 870,151	$ 31,077
30-34	19	$ 991,293	$ 52,173	32	$ 1,695,690	$ 52,990	23	$ 769,809	$ 33,470	74	$ 3,456,792	$ 46,713
35-39	49	$ 2,522,836	$ 51,486	21	$ 1,141,431	$ 54,354	15	$ 505,328	$ 33,689	85	$ 4,169,595	$ 49,054
40-44	64	$ 3,659,985	$ 57,187	23	$ 1,160,537	$ 50,458	16	$ 622,327	$ 38,895	103	$ 5,442,849	$ 52,843
45-49	69	$ 4,154,239	$ 60,206	13	$ 690,768	$ 53,136	11	$ 377,966	$ 34,361	93	$ 5,222,973	$ 56,161
50-54	52	$ 3,051,681	$ 58,686	10	$ 467,756	$ 46,776	7	$ 260,813	$ 37,259	69	$ 3,780,250	$ 54,786
55-59	29	$ 1,558,856	$ 53,754	9	$ 531,340	$ 59,038	8	$ 264,776	$ 33,097	46	$ 2,354,971	$ 51,195
60-64	25	$ 1,480,612	$ 59,224	7	$ 276,802	$ 39,543	8	$ 334,658	$ 41,832	40	$ 2,092,072	$ 52,302
65-69	11	$ 663,488	$ 60,317	2	$ 82,215	$ 41,108	2	$ 95,040	$ 47,520	15	$ 840,744	$ 56,050
70-74	0	$ 0	$ 0	0	$ 0	$ 0	0	$ 0	$ 0	0	$ 0	$ 0
75-79	1	$ 41,725	$ 41,725	1	$ 53,258	$ 53,258	0	$ 0	$ 0	2	$ 94,982	$ 47,491
80-84	0	$ 0	$ 0	0	$ 0	$ 0	0	$ 0	$ 0	0	$ 0	$ 0
85+	0	$ 0	$ 0	0	$ 0	$ 0	0	$ 0	$ 0	0	$ 0	$ 0
TOTAL	319	$18,124,717	$ 56,817	121	$6,241,597	$ 51,583	124	$4,191,843	$ 33,805	564	$28,558,156	$ 50,635

Section 3.2 – Active Participant Demographic Tables – (Continued)

TABLE B
ANNUAL EARNINGS BY SERVICE GROUPS

	Tier 1			Tier 2			Tier 3			ALL		
Service Group	Number of People	Total Annual Earnings	Average Annual Earnings	Number of People	Total Annual Earnings	Average Annual Earnings	Number of People	Total Annual Earnings	Average Annual Earnings	Number of People	Total Annual Earnings	Average Annual Earnings
0-4	0	$ 0	$ 0	0	$ 0	$ 0	116	$ 3,847,903	$ 33,172	116	$ 3,847,903	$ 33,172
5-9	17	$ 848,253	$ 49,897	121	$ 6,241,597	$ 51,583	8	$ 357,917	$ 44,740	146	$ 7,447,766	$ 51,012
10-14	145	$ 7,655,463	$ 52,796	0	$ 0	$ 0	0	$ 0	$ 0	145	$ 7,655,463	$ 52,796
15-19	91	$ 5,364,582	$ 58,951	0	$ 0	$ 0	0	$ 0	$ 0	91	$ 5,364,582	$ 58,951
20-24	41	$ 2,625,206	$ 64,029	0	$ 0	$ 0	0	$ 0	$ 0	41	$ 2,625,206	$ 64,029
25-29	18	$ 1,179,741	$ 65,541	0	$ 0	$ 0	0	$ 0	$ 0	18	$ 1,179,741	$ 65,541
30-34	4	$ 277,891	$ 69,473	0	$ 0	$ 0	0	$ 0	$ 0	4	$ 277,891	$ 69,473
35-39	3	$ 173,581	$ 57,860	0	$ 0	$ 0	0	$ 0	$ 0	3	$ 173,581	$ 57,860
40+	0	$ 0	$ 0	0	$ 0	$ 0	0	$ 0	$ 0	0	$ 0	$ 0
Total	319	$18,124,717	$56,817	121	$6,241,597	$51,583	124	$4,205,820	$33,918	564	$28,572,133	$50,660

Section 3.2 – Active Participant Demographic Tables – (Continued)

TABLE C FOR TIER 1 EMPLOYEES
SERVICE GROUPS BY AGE GROUPS

AGE GROUP	Service Group 0-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40+	TOTAL	Percentage
0-19	0	0	0	0	0	0	0	0	0	0	0.0%
20-24	0	0	0	0	0	0	0	0	0	0	0.0%
25-29	0	0	0	0	0	0	0	0	0	0	0.0%
30-34	0	2	17	0	0	0	0	0	0	19	6.0%
35-39	0	3	36	10	0	0	0	0	0	49	15.4%
40-44	0	2	22	32	8	0	0	0	0	64	20.1%
45-49	0	2	24	22	16	4	1	0	0	69	21.6%
50-54	0	4	16	12	11	7	2	0	0	52	16.3%
55-59	0	0	15	6	2	4	1	1	0	29	9.1%
60-64	0	1	12	5	2	3	0	2	0	25	7.8%
65-69	0	2	3	4	2	0	0	0	0	11	3.4%
70-74	0	0	0	0	0	0	0	0	0	0	0.0%
75-79	0	1	0	0	0	0	0	0	0	1	0.3%
80+	0	0	0	0	0	0	0	0	0	0	0.0%
TOTAL	0	17	145	91	41	18	4	3	0	319	100.0%
	0.0%	5.3%	45.5%	28.5%	12.9%	5.6%	1.3%	0.9%	0.0%	100.0%	

	Number		Average Age	Average Service
General	148	46.39%	50	16
Fire	88	27.59%	45	16
Police	83	26.02%	45	16
Total	319	100.00%	47	16

Section 3.2 – Active Participant Demographic Tables – (Continued)

TABLE C TIER FOR 2 EMPLOYEES
SERVICE GROUPS BY AGE GROUPS

AGE	Service Group										
GROUP	0-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40+	TOTAL	Percentage
0-19	0	0	0	0	0	0	0	0	0	0	0.0%
20-24	0	0	0	0	0	0	0	0	0	0	0.0%
25-29	0	3	0	0	0	0	0	0	0	3	2.5%
30-34	0	32	0	0	0	0	0	0	0	32	26.4%
35-39	0	21	0	0	0	0	0	0	0	21	17.4%
40-44	0	23	0	0	0	0	0	0	0	23	19.0%
45-49	0	13	0	0	0	0	0	0	0	13	10.7%
50-54	0	10	0	0	0	0	0	0	0	10	8.3%
55-59	0	9	0	0	0	0	0	0	0	9	7.4%
60-64	0	7	0	0	0	0	0	0	0	7	5.8%
65-69	0	2	0	0	0	0	0	0	0	2	1.7%
70-74	0	0	0	0	0	0	0	0	0	0	0.0%
75-79	0	1	0	0	0	0	0	0	0	1	0.8%
80+	0	0	0	0	0	0	0	0	0	0	0.0%
TOTAL	0	121	0	0	0	0	0	0	0	121	100.0%
	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	

	Number		Average Age	Average Service
General	69	57.02%	47	8
Fire	28	23.14%	39	8
Police	24	19.83%	37	8
Total	121	100.00%	73	8

Section 3.2 – Active Participant Demographic Tables – (Continued)

TABLE C FOR TIER 3 EMPLOYEES
SERVICE GROUPS BY AGE GROUPS

AGE GROUP	Service Group 0-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40+	TOTAL	Percentage
0-19	1	0	0	0	0	0	0	0	0	1	0.8%
20-24	8	0	0	0	0	0	0	0	0	8	6.5%
25-29	25	0	0	0	0	0	0	0	0	25	20.2%
30-34	21	2	0	0	0	0	0	0	0	23	18.5%
35-39	14	1	0	0	0	0	0	0	0	15	12.1%
40-44	15	1	0	0	0	0	0	0	0	16	12.9%
45-49	10	1	0	0	0	0	0	0	0	11	8.9%
50-54	4	3	0	0	0	0	0	0	0	7	5.6%
55-59	8	0	0	0	0	0	0	0	0	8	6.5%
60-64	8	0	0	0	0	0	0	0	0	8	6.5%
65-69	2	0	0	0	0	0	0	0	0	2	1.6%
70-74	0	0	0	0	0	0	0	0	0	0	0.0%
75-79	0	0	0	0	0	0	0	0	0	0	0.0%
80+	0	0	0	0	0	0	0	0	0	0	0.0%
TOTAL	116	8	0	0	0	0	0	0	0	124	100.0%
	93.5%	6.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	

	Number		Average Age	Average Service
General	74	41.90%	41	2
Fire	25	20.16%	33	2
Police	25	20.16%	37	2
Total	124	100.00%	39	2

Section 3.2 – Active Participant Demographic Tables – (Continued)

TABLE C FOR TIER 4 EMPLOYEES
SERVICE GROUPS BY AGE GROUPS

AGE GROUP	Service Group 0-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40+	TOTAL	Percentage
0-19	0	0	0	0	0	0	0	0	0	0	0.0%
20-24	6	0	0	0	0	0	0	0	0	6	6.7%
25-29	14	1	0	0	0	0	0	0	0	15	16.9%
30-34	15	1	0	0	0	0	0	0	0	16	18.0%
35-39	20	0	0	0	0	0	0	0	0	20	22.5%
40-44	7	1	0	0	0	0	0	0	0	8	9.0%
45-49	6	0	0	0	0	0	0	0	0	6	6.7%
50-54	1	0	0	0	0	0	0	0	0	1	1.1%
55-59	9	0	0	0	0	0	0	0	0	9	10.1%
60-64	7	0	0	0	0	0	0	0	0	7	7.9%
65-69	1	0	0	0	0	0	0	0	0	1	1.1%
70-74	0	0	0	0	0	0	0	0	0	0	0.0%
75-79	0	0	0	0	0	0	0	0	0	0	0.0%
80+	0	0	0	0	0	0	0	0	0	0	0.0%
TOTAL	86	3	0	0	0	0	0	0	0	89	100.0%
	96.6%	3.4%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	

	Number		Average Age	Average Service
General	62	69.66%	40	2
Fire	17	19.10%	35	2
Police	10	11.24%	41	2
Total	89	100.00%	39	2

Section 3.3 – Inactive Participant Demographic Tables

Age	Terminated Vested		Disabled		Retired	
	Number	Benefit	Number	Benefit	Number	Benefit
Under 45	53	$ 400,024	0	$ 0	0	$ 0
45 to 49	23	216,762	0	0	3	86,085
50 to 54	22	163,687	0	0	17	583,374
55 to 59	22	189,983	0	0	24	814,540
60 to 64	26	158,418	1	6,826	25	639,425
65 to 69	9	24,577	2	12,780	50	1,145,921
70 to 74	1	392	1	8,166	21	285,684
75 to 79	0	0	0	0	11	161,879
80 to 84	0	0	0	0	13	182,939
85 to 89	0	0	0	0	3	38,009
90 & up	0	0	0	0	3	14,198
Total	156	$ 1,153,844	4	$ 27,771	170	$ 3,952,053

Average Age	51	68	67

Average Annual Benefit	$ 7,396	$ 6,943	$ 23,247

City of Franklin Pension Plan
Asset Allocation Study
August 2016

DAHAB ASSOCIATES

New York Massachusetts Pennsylvania Florida

DAHAB ASSOCIATES

Russell Truell, Finance Director
City of Franklin Pension Plan
109 Third Avenue South
Franklin, TN 37964

August 22, 2016

Ladies and Gentlemen:

Attached you will find our asset allocation study for the City of Franklin Pension Plan. In Table 1 the Current Target Mix is displayed with four alternatives. We believe these alternatives may offer moderately better prospects for meeting the actuarial assumption of 7.5% without drastically altering the City's strategy. The study uses a Monte Carlo simulation to estimate the chance of earning the Plan's actuarial assumption. The goal is to identify alternatives that offer the best possibility of achieving an appropriate tradeoff between return and risk within the specified portfolio limits, and is not intended to identify a single optimal allocation.

We used the actuarial report dated January 1, 2016 to project the next 20 years of cash flows. The model ran different mixes in three return scenarios and against the 7.5% actuarial assumption. Asset classes and ranges used are in Table 2. Key asset class returns in the three return scenarios are shown in Table 3. Tradeoffs involved in moving the allocation between risk assets and safety assets are shown in Table 4. Detailed results for the current allocation and 11 alternatives are in Table 5.

Modeled return gets the biggest boost by reducing the fixed income allocation from the current 25% to 20%. If the Trustees are uncomfortable with reducing fixed income, we recommend sticking with the Current Target Mix. If fixed income can be reduced, we recommend consideration be given to Mix 436 and Mix 214. Each implies a different view of the return environment.

Table 1
Current Target and Alternatives

Asset Mix	Current Target	Mix 444	Mix 422	Mix 436	Mix 214
Domestic Large Cap Growth	10%	10%	10%	10%	5%
Domestic Large Cap Value	15%	25%	25%	25%	25%
Domestic SMid Cap	15%	15%	5%	10%	20%
Foreign Developed Market	15%	10%	15%	15%	5%
Foreign Emerging Market	10%	10%	10%	10%	10%
Private Real Estate	5%	5%	10%	5%	10%
Timber	5%	5%	5%	5%	5%
Fixed Income	25%	20%	20%	20%	20%
Total	**100%**	**100%**	**100%**	**100%**	**100%**
Performance Statistics 10-Year Scenario					
Chance to Beat Assumption	40.5%	43.2%	41.1%	40.7%	45.0%
Mean Return	7.6%	7.9%	7.6%	7.7%	7.9%
Standard Deviation	13.2%	14.0%	13.2%	14.0%	13.2%

Statistics shown for the selected mixes in Table 1 are those for the 10-Year Return Scenario only. Each of the three return scenarios employed in this study uses different performance statistics. The 10-Year Scenario is intermediate in its return expectations. The percent chance of beating the 7.5% assumption is higher in the 20-Year Scenario but lower in the Projection Scenario across all asset mixes, as indicated in Table 5.

Here is a summary of the changes from the current allocation in the suggested mixes.

Mix 444: 5% from foreign developed equity and 5% from fixed income to large cap value.
Mix 422: 10% from smid cap to large cap value, and 5% from fixed income to real estate.
Mix 436 5% from smid cap value and 5% from fixed income to large cap value.
Mix 214 5% from domestic large cap growth and 5% from fixed income to domestic large cap value.

Criteria used to pick selected mixes are based on the following beliefs about the 3-5 year return environment:

- Value equity is likely to out perform growth equity. Value equity has under performed growth equity since the financial crisis, but out performs over most long time periods.

- Foreign equity, particularly emerging market equity, is attractively valued relative to domestic equity. Domestic equity is now at the top of its historic valuation range; profit margins for domestic companies appear to have peaked.

- Domestic fixed income is unlikely to perform well given current interest rates, which for many classes of government bonds have never been lower.

Beliefs about the return environment are based on educated guesses combining historical returns and current valuation levels.

STUDY INPUTS

Cash Flow Projections

Our study began with the Plan's June 30, 2016 market value. We used the latest actuarial report from January 1, 2016 as the source for the contributions, benefit payments, administrative expenses, and the return assumption of 7.5%. We assumed a growth rate of 3.0% to approximate the effect of inflation on contributions and administrative expenses. The cash flows we calculated with help from the actuary are listed on p.10.

Asset Classes and Ranges

We used the following asset classes and ranges. Should the Trustees wish to consider additional asset classes or values outside these ranges, we can rerun the study.

Table 2
Asset Classes and Allowed Ranges Used in Study

Asset Class	Range
Domestic Large Cap Growth Equity	5% - 20%
Domestic Large Cap Value Equity	5% - 25%
Domestic SMid Cap Core Equity	5% - 15%
Foreign Developed Equity	5% - 20%
Foreign Emerging Market Equity	5% - 15%
Private Real Estate	0% - 10%
Timber	5%
Core Domestic Fixed Income	20% - 40%

The model runs every possible combination of assets within these ranges in 5% increments. For example, 20% domestic large cap growth equity is allowed, but 25% is not because it exceeds the range, and 17% is not because it is not a 5% increment. The model ran almost 850 mixes based on these asset classes and ranges.

The ranges selected have implications for the mixes considered. In general, we did not allow the model to consider any asset allocation we would not be willing to recommend. Should the Trustees wish to see results for values outside these ranges, or for asset classes not included in the study, we would be happy to rerun the model with these changes.

In setting minimum values for asset classes, we forced the model to use certain asset classes it might have further reduced or eliminated based on the various return scenarios.

Fixed income and developed foreign equity are examples of asset classes the model tends not to use. Despite poor return prospects for fixed income, we are reluctant to go below a 20% fixed income allocation. Fixed income adds stability in an extremely bad year like 2008. Also, using less than 20% fixed income would place the Fund's allocation outside the norm for public funds. Foreign developed equity has had poor returns since 2007 for a variety of reasons. We believe it is likely to have better relative returns going forward. Also, to eliminate developed foreign equity entirely would violate the principle of diversity explained in the risk section below.

In setting maximum values we have limited the upper end of the range for some asset classes that the model tends to favor. This includes emerging market equity and private real estate. Emerging market equity is extremely volatile and could under perform for long periods of time in certain economic scenarios. An allocation above 10% for emerging market equity would be outside the norm for a small public fund. Private real estate carries high fees and illiquidity in some economic environments, separate issues not considered in the model. In limiting private real estate to 10% we are cognizant of what other funds do, and how any asset allocation decision might be viewed by various groups who monitor the Fund's performance.

We believe timber has good valuation prospects as the United States emerges from the financial crisis. Increasing the timber allocation might be another way to improve return if the Trustees were comfortable with the illiquidity that it implies.

Return Scenarios

The model can call on a variety of return scenarios to select returns for each asset class. We used three return scenarios for this study: the historical 20-Year Scenario (actual returns and statistics for the 20 years ended December 2015); the historical 10-Year Scenario (actual returns and statistics for the 10 years ended December

2015); and the Projection Scenario (projected returns for the next 5-10 years, an average of large brokerage and consulting firms representing the current Wall Street consensus).

Returns for three key asset classes in each of the three scenarios are listed in Table 3. We have selected these asset classes to show how the three return scenarios differ. Returns for all asset classes in each return scenario used in this study, plus several others that were not used, are on pages 10-12.

Table 3
Key Differences in Return Scenarios

	20-Year Scenario	10-Year Scenario	Projection Scenario
S&P 500	9.9%	9.1%	7.0%
EAFE Equity	7.0%	6.1%	7.1%
BC Aggregate	5.4%	4.6%	3.1%
60/40 Return	8.1%	7.3%	5.4%

The 20-year scenario is the most optimistic, the Projection Scenario the most pessimistic, and the 10-Year Scenario in between. To emphasize the difference, a simple portfolio of 60% domestic stocks/40% domestic bonds has a median return of 8.1% in the 20-year scenario and would probably meet the 7.5% hurdle. However, it only has a median return of 7.3% in the 10-Year Scenario and therefore slightly less than a 50% chance of making a 7.5% assumption. In the Projection Scenario, the median return of 5.4% means a 60/40 domestic portfolio would likely fall short of the assumption.

Of note, developed foreign equity returns are less than domestic equity returns in the two historical scenarios, but slightly more in the Projection Scenario. Emerging market returns are significantly higher.

STUDY OUTPUTS

The table below shows output data for a simple portfolio containing two assets, equity (S&P 500) and fixed income (BC Aggregate). We used the 20-Year Return Scenario. (Note: starting value and cash flows are not from this study.) The first mix has more equity and less fixed income than the second. We present these results to show how changes in the asset allocation affect performance statistics.

Table 4
Sample Mix Statistics, 20-Year Scenario

	Mix #	S&P 500	BC Agg	Mean	Std. Dev.	Sharpe	Beat %	50% TV	75% TV	95% TV
Mix 1 High Return	1	80	20	**10.6%**	15.2%	0.52	**70%**	$94.5mm	$35.7mm	-$13.3mm
Mix 2 Low Volatility	2	40	60	8.5%	**8.0%**	**0.71**	63%	$60.4mm	$34.9mm	$6.9mm

Mix 1/High Return is 80% S&P 500 (SP500) and 20% Barclay's Aggregate (BC Agg). Mix 2/Low Volatility is 40% SP500, 60% BCAgg. Note how the performance statistics change. For Mix 1, the mean return is 10.6% and the standard deviation is 15.2%. For Mix 2, mean return declines to 8.5%, but the standard deviation declines even more, to 8.0%.

More broadly, moving money from risk assets (all categories of equity) to safety assets (in this study fixed income, real estate and timber), reduces mean return but also reduces risk as measured by standard deviation. The distribution of returns for Mix 1 has higher highs and lower lows. What we desire in an asset mix is a high mean return and a low standard deviation. But if one mix has a higher mean while the other has a lower standard deviation, how do we choose?

Other statistics help to compare the two mixes based on both measures. We believe the best such statistic is the percent chance that a mix will achieve the actuarial assumption. This is labeled as Beat % in Table 4.

Mix 1 achieves the actuarial assumption 70% of the time, Mix 2 only 63% of the time. We find this statistic most closely correlates with the typical Plan Sponsor's risk, and rely on it above others. Based on that statistic alone we would choose Mix 1. But that is not the entire story.

The other three statistics are the most difficult to understand but provide a more exact description of the probability distribution of returns. The easiest way to understand them is to think about flipping a coin 10 times. Let's say heads is a good outcome and tails a bad outcome, so you want the cumulative number heads out of 10 flips to be as high as possible. If you flip a coin 10 times there are 11 possible numbers for cumulative heads, from 0 (tails every time) to 10 (heads every time). The most likely outcome is to get heads 5 times (the median). The percentage chance of getting any particular outcome decreases as you move from the median, 5, toward the extremes (heads or tails 10 times in a row.).

In funding a pension plan we tend to think about the odds differently. We don't think about the odds of getting one particular number. We think about shortfalls, so we ask the question like this: what is the chance of getting heads *at least* 5 times. The fewer times we need heads, the better our chances. The chance of getting heads *at least* 5 times means 5 times *or more,* and this occurs about 50% of the time. The chance of getting heads *at least* 3 times is higher, about 75%. The chance of getting heads *at least* 1 time is very high. The lower we set the threshold for heads, the more we can count on the outcome. We can be pretty sure of getting heads *at least* 3 times; we can be very sure of getting heads *at least* once.

That's what the last three statistics do. In the 50% TV statistics, TV stands for terminal value, the value of the pension fund at the end of 20 years. For Mix 1, there is a 50% chance of having $94.5 million *or more* at the end of 20 years. But what can we count on? What can be we certain of? We can't be completely certain of any positive outcome. We could get tails every time. But we can be pretty certain – 75% certain, to be exact -- that Mix 1 will deliver *at least* $35.7mm at the end of 20 years. But what does the negative number for the 95% terminal value mean? The negative number means that, somewhere along the way during those 20 years, in extremely bad markets, the fund can run out of money using Mix 1. And that's where these statistics produce a more precise description of the performance difference between the two mixes. This more precise description provides a rationale for choosing Mix 2 over Mix 1 even though Mix 1 has a higher Beat %.

Mix 1 dominates Mix 2 through the 75% confidence level. If you choose Mix 1, you will have more money than you will with Mix 2 75% of the time. The gap between the two increases as the confidence level falls; at 50%, that gap is $34.1mm, and at the 25% confidence level (not shown) it would be even higher. However, shortly after the confidence level rises above 75%, Mix 2 dominates Mix 1. By the time you get to the 95% confidence level, Mix 2 has a positive value of $6.9mm while Mix 1 has hit zero.

Mix 1 is better than Mix 2 in 75% of the outcomes, but in about 25% of the outcomes, Mix 2 is equal to or better than Mix 1, and those outcomes are the bad ones. If you are willing to sacrifice the upside that you will earn about 75% of the time to avoid running out of money in a worst case scenario, Mix 2 is a better choice.

STATISTICS

The following is a simple explanation of the statistics listed above.

Mean:	average annual return (geometric mean)
Standard deviation:	variation around the mean value, measure of short-term risk
Sharpe ratio:	combines mean and standard deviation in one statistic; return per unit risk
% to beat:	chance the mix has to beat the actuarial assumption of 7.625%
50% terminal value:	minimum value mix will achieve in 20 years/ 50% certainty
75% terminal value:	minimum value mix will achieve in 20 years/ 75% certainty
95% terminal value:	minimum value mix will achieve in 20 years/ 95% certainty

RISK

Until now we have described risk in terms of the actuarial assumption. We actually believe risk has four parts.

- **Long-term risk, the chance that we will not make the actuarial assumption.**
  The model captures long-term risk in the Beat % statistic measured over 20 years, and in the terminal values with different percent certainty. Long-term risk is the greatest concern for most Plan Sponsors.

- **Short-term risk, the chance of having a very poor return in any given year.**
  This is captured in the standard deviation. A short-term decline in portfolio value can place pressure on the Plan Sponsor by increasing the required contribution, even if the Plan recovers in the following year. For a public plan, a single bad year can place strain on the city budget when other needs are most critical. Referring to Table 4, Mix 2 has a *much* lower standard deviation relative to Mix 1, and therefore a *much* lower chance of producing an extremely bad outcome in any one year, even though it has a moderately lower chance of making the actuarial assumption over a 20-year period.

- **Entity risk, the unique aspects of the Plan Sponsor's situation.**
  Entity risk is captured in the actuarial assumption and in the funding ratio. An entity that is 100% funded with an actuarial assumption of 5% should think differently about risk than one with a 50% funded ratio and an 8% assumption. Trustees should also consider the political environment in which the Plan operates, and how the poor performance of an allocation might influence the willingness of the funding source to continue its support.

- **Unknown risk.**
  Not everything that can happen has happened, and that which has not happened may escape the imagination. As an example, the housing crisis of 2008 was not widely understood until after it was well underway. We believe the best way to deal with unknown risk is to prefer diversify to concentration. Equity has out performed fixed income during every 20-year period on record, but the next 20 years could be different.

RECOMMENDATION

In Table 5 we have listed selected mixes for the Trustees to consider. We have selected the mix in each return scenario with the best chance of beating the actuarial assumption, and an alternative mix among the better performers with lower volatility. Those are the first six mixes. In each case we show the performance statistics in all three return scenarios. After listing these six, we show four mixes representing variants on the best performing mix in the Projection Scenario. One way to distinguish among the choices is to ask two questions. First, are you willing to reduce fixed income below 25%? Second, which return scenario do you view as being most likely over the next 3-5 years?

The standard institutional portfolio model is 60% equity/40% fixed income. In an attempt to reduce fixed income exposure we have already lowered the 40% fixed income allocation to 35%. We have also taken 10% of that 35% and put it into bond substitutes, timber and real estate. Most of the modeled advantage in all scenarios presented comes from taking an additional 5% from fixed income. If you are uncomfortable with further reduction in fixed income, we are left with the Current Target and Mix 421. The difference is that Mix 421 moves 10% from smid cap to large cap value in an attempt to capitalize on the anticipated out performance of value. In this instance the differences are so slight we would advise staying with the current allocation.

If you can agree to lower the bond allocation to 20%, then other options are available. The key question then is: which return scenario describes the likely relationship between asset classes over the next 3-5 years (the time until we next do an asset allocation study)? The logic behind using the Projection Scenario as the best guide is: value is likely to out perform growth, foreign equity is likely to out perform domestic equity, and bond returns are likely to be among the worst for any 10-year period on record. If you agree with this logic, we favor Mix 436 as having the best chance for success. If you believe in the more robust returns for domestic equity represented in the 20-Year Scenario, then Mix 214 appears to offer the best return prospects.

CONCLUSION

In recommending three mixes – the Current Target, Mix 436, and Mix 214 -- we are trying to increase modeled return while taking risks we believe the city of Franklin will find acceptable. The Trustees may consider other options, and may even wish to consider changing some of the constraints applied to the asset classes. We are happy to do additional modeling. Also, we do not believe this decision needs to be rushed. Following a prudent process is more important than reaching a quick decision.

Sincerely,

Barry Bryant

Barry Bryant, CFA
Managing Director
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Table 5
Selected Mixes

	Target	Mix 214	Mix 50	Mix 769	Mix 470	Mix 183	Mix 779	Mix 444	Mix 422	Mix 436	Mix 421
	Current Target	Best Mix 20 Year Scenario	Least Volatile 20 Year Scenario	Best Mix 10 Year Scenario	Least Volatile 10 Year Scenario	Best Mix Projection Scenario	Least Volatile Projection Scenario	High Domestic Equity	High Real Estate	Moderate Small Cap	High Fixed Income
ASSET CLASS											
Large Cap Growth	10	5	5	20	15	5	20	10	10	10	10
Large Cap Value	15	25	10	10	5	25	15	25	25	25	25
Small Cap Equity	15	20	20	20	15	5	5	15	5	10	5
Foreign EAFE	15	5	5	10	5	20	10	10	15	15	15
Foreign EM	10	10	5	5	5	10	10	10	10	10	10
Real Estate	5	10	10	10	10	10	10	5	10	5	5
Timber	5	5	5	5	5	5	5	5	5	5	5
Fixed Income	25	20	40	20	40	20	25	20	20	20	25
Total	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**
CHANCE BEAT 7.50%											
20-year scenario	60.8%	72.1%	66.5%	66.8%	63.5%	63.1%	62.9%	64.8%	63.9%	61.7%	59.6%
10-year scenario	40.5%	45.0%	36.6%	48.6%	39.6%	37.9%	44.4%	43.2%	41.1%	40.7%	38.3%
Projection scenario	7.5%	10.2%	1.1%	7.6%	0.7%	12.8%	7.4%	11.8%	12.0%	12.9%	10.1%
Sum	**108.8%**	**127.4%**	**104.2%**	**123.0%**	**103.9%**	**113.7%**	**114.7%**	**119.9%**	**117.0%**	**115.3%**	**108.0%**
MEAN											
20-year scenario	8.9%	9.7%	8.6%	9.4%	8.5%	9.0%	9.0%	9.3%	9.1%	9.1%	8.8%
10-year scenario	7.6%	7.9%	7.2%	8.2%	7.3%	7.4%	7.8%	7.9%	7.6%	7.7%	7.4%
Projection scenario	5.9%	5.9%	5.0%	5.8%	5.1%	6.1%	5.9%	6.1%	6.1%	6.2%	6.0%
STANDARD DEVIATION											
20-year scenario	11.8%	11.6%	8.4%	12.2%	8.8%	11.7%	11.6%	12.5%	11.9%	12.5%	11.7%
10-year scenario	13.2%	13.2%	9.3%	13.0%	9.3%	13.2%	12.3%	14.0%	13.2%	14.0%	13.0%
Projection scenario	5.5%	6.2%	5.0%	5.7%	4.6%	6.0%	5.3%	6.0%	5.8%	5.9%	5.8%
TERMINAL VALUE @ 75%											
20-year scenario	$303.0	$353.3	$338.8	$326.6	$327.0	$310.4	$312.9	$316.5	$313.8	$303.3	$298.5
10-year scenario	$219.7	$236.5	$246.5	$247.7	$255.1	$210.2	$240.3	$224.9	$220.0	$214.2	$215.9
Projection scenario	$226.5	$220.9	$195.5	$222.0	$201.6	$233.0	$230.9	$229.2	$235.6	$234.5	$230.1

PROJECTED CASH FLOW

A	B	C	D	E	F	G	H
Year (6/30/xxxx)	Beginning Market Value	BMV * 7.5% GR (B*1.075)	Contributions	Benefit Payments	Expenses	Ending Value (C+D+E+F)	Net Cash Flow (D+E+F)
2016	**$87,974,458**	**$94,572,542**	$3,888,628	($3,810,996)	($54,716)	**$94,650,174**	**$22,916**
2017	$94,650,174	$101,748,938	$4,250,000	($4,540,000)	($56,357)	$101,458,938	**($346,357)**
2018	$101,458,938	$109,068,358	$4,640,000	($4,830,000)	($58,048)	$108,878,358	**($248,048)**
2019	$108,878,358	$117,044,235	$5,040,000	($5,310,000)	($59,790)	$116,774,235	**($329,790)**
2020	$116,774,235	$125,532,302	$5,470,000	($5,660,000)	($61,583)	$125,342,302	**($251,583)**
2021	**$125,342,302**	**$134,742,975**	**$5,930,000**	**($6,080,000)**	**($63,431)**	**$134,592,975**	**($213,431)**
2022	$134,592,975	$144,687,448	$6,400,000	($6,590,000)	($65,334)	$144,497,448	**($255,334)**
2023	$144,497,448	$155,334,757	$6,900,000	($7,030,000)	($67,294)	$155,204,757	**($197,294)**
2024	$155,204,757	$166,845,113	$7,410,000	($7,600,000)	($69,313)	$166,655,113	**($259,313)**
2025	$166,655,113	$179,154,247	$7,950,000	($8,140,000)	($71,392)	$178,964,247	**($261,392)**
2026	**$178,964,247**	**$192,386,566**	**$8,510,000**	**($8,660,000)**	**($73,534)**	**$192,236,566**	**($223,534)**
2027	$192,236,566	$206,654,308	$9,080,000	($9,240,000)	($75,740)	$206,494,308	**($235,740)**
2028	$206,494,308	$221,981,381	$9,670,000	($9,810,000)	($78,012)	$221,841,381	**($218,012)**
2029	$221,841,381	$238,479,485	$10,280,000	($10,250,000)	($80,352)	$238,509,485	**($50,352)**
2030	$238,509,485	$256,397,696	$10,890,000	($10,730,000)	($82,763)	$256,557,696	**$77,237**
2031	**$256,557,696**	**$275,799,523**	**$11,520,000**	**($11,200,000)**	**($85,246)**	**$276,119,523**	**$234,754**
2032	$276,119,523	$296,828,487	$12,150,000	($11,720,000)	($87,803)	$297,258,487	**$342,197**
2033	$297,258,487	$319,552,874	$12,790,000	($12,250,000)	($90,437)	$320,092,874	**$449,563**
2034	$320,092,874	$344,099,839	$13,430,000	($12,840,000)	($93,150)	$344,689,839	**$496,850**
2035	$344,689,839	$370,541,577	$14,070,000	($13,270,000)	($95,945)	$371,341,577	**$704,055**
2036	**$371,341,577**	**$399,192,196**	**$14,700,000**	**($13,700,000)**	**($98,823)**	**$400,192,196**	**$901,177**

ASSUMPTIONS:
Cells shaded in gold represent figures that were given by Milliman.
Cells that are shaded blue represent figures that have been extracted from the Fund's corresponding performance report.
Actuarial investment return assumption rate is 7.5% (pg 10 of the Fund's 6/1/15 actuarial report).
Expenses are assumed to increase at a rate of 3% per annum.

Statistical Summary of Asset Classes
Statistics as of December 31, 2015

20-Year Period Historical Statistics						
Asset Class	Index Used	Mean	SD	Alpha	Beta	Corr.
Large Cap Core Equity	S&P 500*	9.930	18.270	0.000	1.000	1.000
Core Fixed Income	Barclays Capital Aggregate Bond Index*	5.400	3.500	0.000	1.000	1.000
Cash	90 Day US Treasury Bill*	1.000	2.170	0.000	1.000	1.000
PIMCO All-Asset	PIMCO All-Asset	7.450	6.980	4.903	0.267	0.450
Large Cap Core Equity	Russell 1000	10.120	18.370	0.140	1.000	1.000
Large Cap Growth Equity	Russell 1000 Growth	10.130	21.900	-1.380	1.160	0.970
Large Cap Value Equity	Russell 1000 Value	9.990	16.730	1.520	0.850	0.930
Mid Cap Core Equity	Russell Midcap	12.120	18.970	2.770	0.940	0.910
Mid Cap Growth Equity	Russell Midcap Growth	11.620	23.750	-0.130	1.180	0.910
Mid Cap Value Equity	Russell Midcap Value	12.290	18.180	4.380	0.800	0.800
Small Cap Core Equity	Russell 2000	9.770	18.870	1.120	0.870	0.840
Small Cap Growth Equity	Russell 2000 Growth	8.910	22.930	-1.700	1.070	0.850
Small Cap Value Equity	Russell 2000 Value	10.870	18.390	4.350	0.660	0.650
Int’l Equity	MSCI EAFE	6.980	20.160	-2.150	0.920	0.830
Emerging Markets	MSCI Emerging Mkts Free	10.620	33.140	1.630	0.900	0.500
Real Estate	NCREIF NFI-ODCE Index	10.140	11.090	9.070	0.110	0.180
Timberland	NCREIF Timberland Index	7.850	6.840	7.010	0.080	0.230
Farmland	NCREIF Farmland Index	12.920	7.240	12.830	0.010	0.020
High Yield FI	CSFB High Yield Index	9.070	14.780	3.290	0.490	0.410
Private Equity	Cambridge US Private Equity Index	15.090	15.190	8.430	0.670	0.810
Int’l Fixed Income	Barclays Global Aggregate Ex USD	4.130	9.100	-0.730	0.900	0.350

*Please note that these are base market indices

STATISTICAL SUMMARY OF ASSET CLASSES
STATISTICS AS OF DECEMBER 31, 2015

10-Year Period Historical Statistics						
Asset Class	Index Used	Mean	SD	Alpha	Beta	Corr.
Large Cap Core Equity	S&P 500*	9.130	17.990	0.000	1.000	1.000
Core Fixed Income	Barclays Capital Aggregate Bond Index*	4.560	2.900	0.000	1.000	1.000
Cash	90 Day US Treasury Bill*	1.120	1.800	0.000	1.000	1.000
PIMCO All Asset	PIMCO All Asset	4.640	10.820	0.717	0.424	0.706
Large Cap Core Equity	Russell 1000	9.340	18.510	-0.040	1.030	1.000
Large Cap Growth Equity	Russell 1000 Growth	10.650	19.480	1.030	1.050	0.970
Large Cap Value Equity	Russell 1000 Value	8.040	18.420	-1.100	1.000	0.980
Mid Cap Core Equity	Russell Midcap	10.660	21.960	-0.220	1.190	0.980
Mid Cap Growth Equity	Russell Midcap Growth	11.200	23.380	-0.180	1.250	0.960
Mid Cap Value Equity	Russell Midcap Value	9.990	20.920	-0.360	1.130	0.970
Small Cap Core Equity	Russell 2000	8.850	19.980	-0.780	1.050	0.950
Small Cap Growth Equity	Russell 2000 Growth	10.460	21.870	-0.170	1.170	0.960
Small Cap Value Equity	Russell 2000 Value	7.360	18.940	-1.290	0.950	0.900
Int’l Equity	MSCI EAFE	7.510	21.180	-2.510	1.060	0.890
Emerging Markets	MSCI Emerging Mkts Free	9.910	34.640	-2.250	1.330	0.690
Real Estate	NCREIF NFI-ODCE Index	7.730	14.600	6.830	0.100	0.120
Timberland	NCREIF Timberland Index	7.120	6.510	7.740	-0.070	-0.190
Farmland	NCREIF Farmland Index	14.570	4.760	14.570	0.000	0.000
High Yield FI	CSFB High Yield Index	9.070	14.780	3.290	0.490	0.410
Private Equity	Cambridge US Private Equity Index	12.220	13.200	6.460	0.630	0.860
Int’l Fixed Income	Barclays Global Aggregate Ex USD	3.230	5.250	-2.230	1.200	0.660

*PLEASE NOTE THAT THESE ARE BASE MARKET INDICES

Statistical Summary of Asset Classes
Statistics as of December 31, 2015

5 to 10-Year Projection Statistics**						
Asset Class	Index Used	Mean	SD	Alpha	Beta	Corr.
Large Cap Core Equity	S&P 500*	7.032	16.500	-	-	-
Core Fixed Income	Barclays Capital Aggregate Bond Index*	3.136	5.280	-	-	-
Cash	90 Day US Treasury Bill*	1.950	1.025	-	-	-
PIMCO All-Asset	PIMCO All-Asset***	5.050	10.900			
Large Cap Core Equity	Russell 1000	7.100	15.900	-	-	-
Large Cap Growth Equity	Russell 1000 Growth	7.032	16.500	-	-	-
Large Cap Value Equity	Russell 1000 Value	8.450	16.300	-	-	-
Mid Cap Core Equity	Russell Midcap	5.513	18.600	-	-	-
Mid Cap Growth Equity	Russell Midcap Growth	-	-	-	-	-
Mid Cap Value Equity	Russell Midcap Value	-	-	-	-	-
Small Cap Core Equity	Russell 2000	7.715	20.450	-	-	-
Small Cap Growth Equity	Russell 2000 Growth	-	-	-	-	-
Small Cap Value Equity	Russell 2000 Value	-	-	-	-	-
Int'l Equity	MSCI EAFE	6.817	17.500	-	-	-
Emerging Markets	MSCI Emerging Mkts Free	9.046	24.620	-	-	-
Real Estate	NCREIF NFI-ODCE Index	5.580	9.950	-	-	-
Timberland	NCREIF Timberland Index	4.500	5.400	-	-	-
Farmland	NCREIF Farmland Index	5.000	7.500	-	-	-
High Yield FI	CSFB High Yield Index	4.700	10.850	-	-	-
Private Equity	Cambridge US Private Equity Index	8.916	22.200	-	-	-
Int'l Fixed Income	Barclays Global Aggregate Ex USD	2.080	5.633	-	-	-

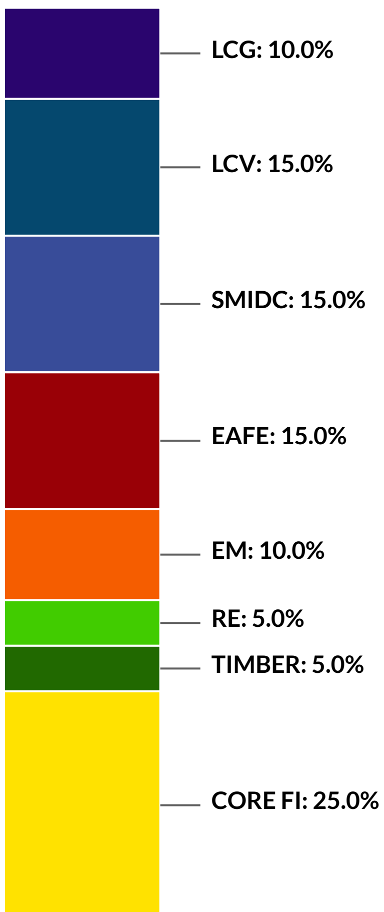
*Please note that these are base market indices
**Projection statistics are a blend of those provided by BNY Mellon, JP Morgan, Goldman Sachs, NEPC, and Aon Hewitt
***Statistics shown for PIMCO All-Asset are the funds statistics since inception

20-Year Scenario Asset Allocation Charts

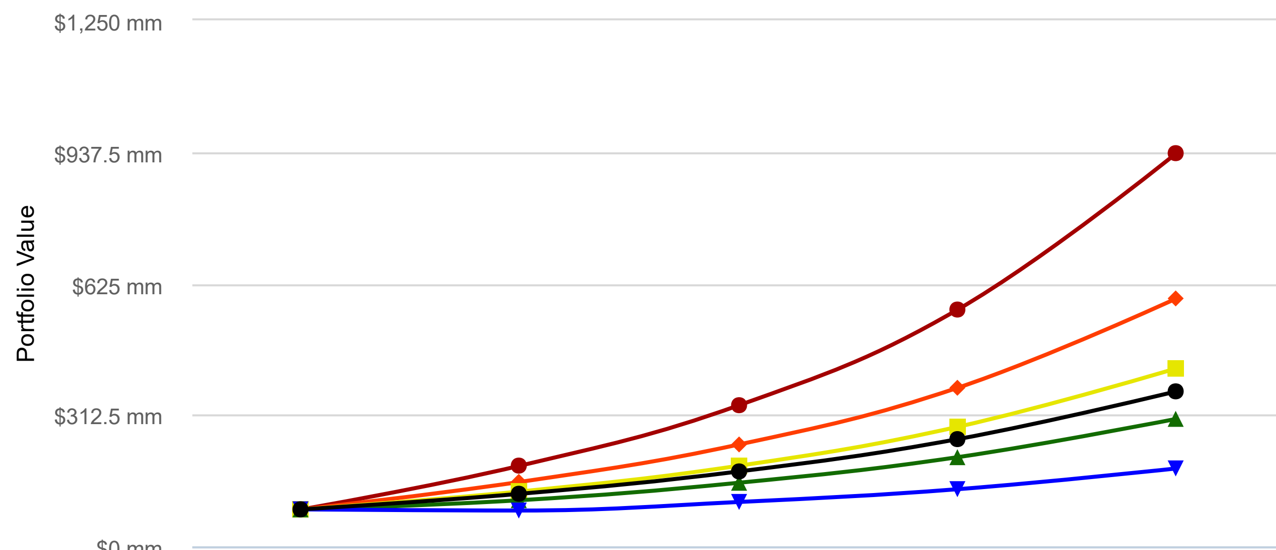
City of Franklin Pension Plan

Asset Allocation

20-Year Scenario



Portfolio Value Over Time



	2016	2021	2026	2031	2036
5%	$88 mm	$192 mm	$335 mm	$563 mm	$934 mm
25%	$88 mm	$153 mm	$242 mm	$377 mm	$589 mm
50%	$88 mm	$131 mm	$192 mm	$284 mm	$423 mm
75%	$88 mm	$110 mm	$151 mm	$212 mm	$303 mm
95%	$88 mm	$85 mm	$106 mm	$136 mm	$185 mm
7.5%	$88 mm	$125 mm	$178 mm	$255 mm	$368 mm

Statistics

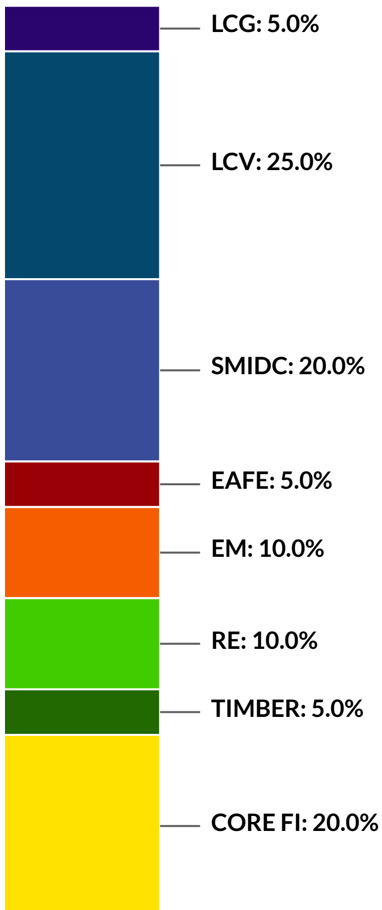
Beginning Value:	$88 mm	**Mean Return:**	8.86%
75% Year-20 Value:	$303 mm	**Standard Deviation:**	11.80
Required Year-20 Value:	$368 mm	**Sharpe Ratio:**	0.55
Actuarial Rate:	7.5%	**Likelihood to Beat 7.5%:**	61%

DAHAB ASSOCIATES
2016

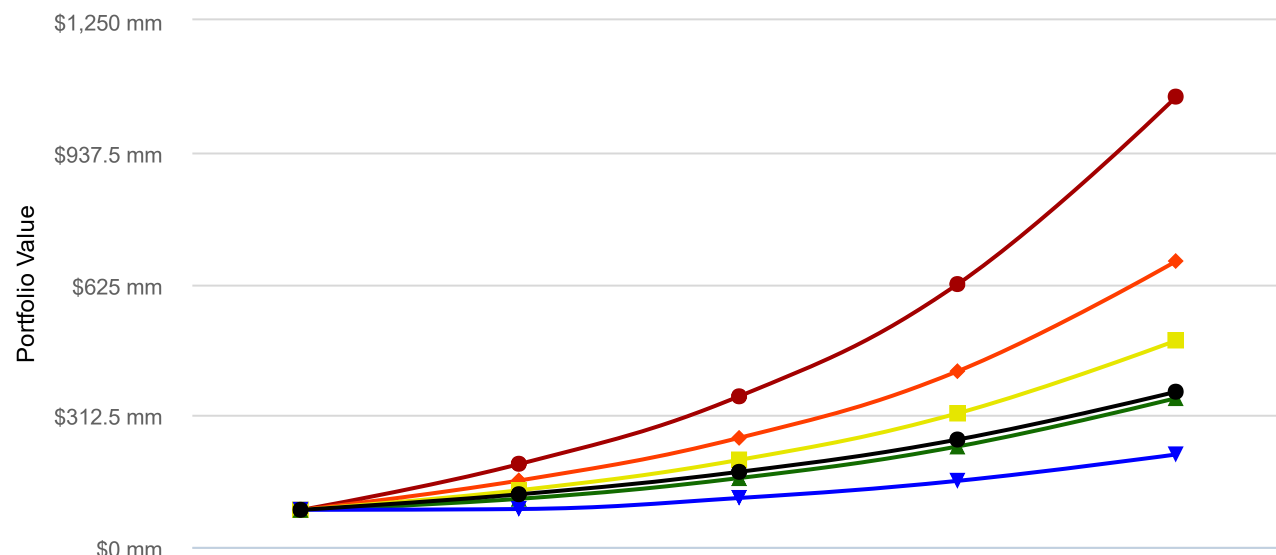
City of Franklin Pension Plan

Asset Allocation

20-Year Scenario



Portfolio Value Over Time



	2016	2021	2026	2031	2036
5%	$88 mm	$197 mm	$357 mm	$624 mm	$1,069 mm
25%	$88 mm	$158 mm	$259 mm	$417 mm	$679 mm
50%	$88 mm	$135 mm	$206 mm	$317 mm	$490 mm
75%	$88 mm	$114 mm	$163 mm	$238 mm	$353 mm
95%	$88 mm	$90 mm	$116 mm	$157 mm	$219 mm
7.5%	$88 mm	$125 mm	$178 mm	$255 mm	$368 mm

Statistics

Beginning Value:	$88 mm	**Mean Return:**	9.65%
75% Year-20 Value:	$353 mm	**Standard Deviation:**	11.64
Required Year-20 Value:	$368 mm	**Sharpe Ratio:**	0.62
Actuarial Rate:	7.5%	**Likelihood to Beat 7.5%:**	72%

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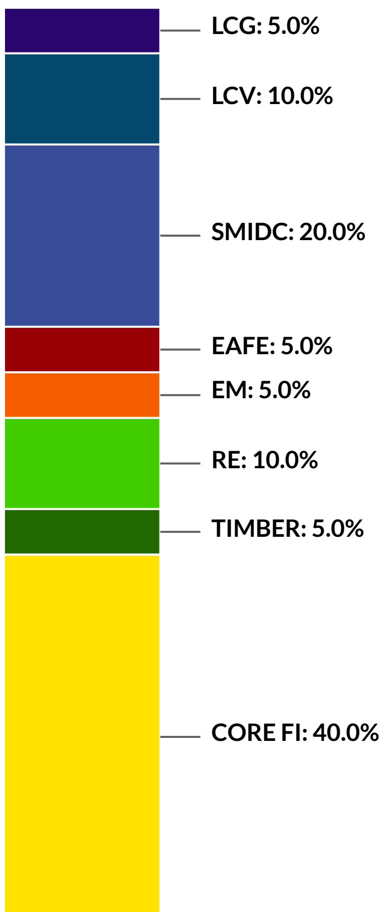
2016

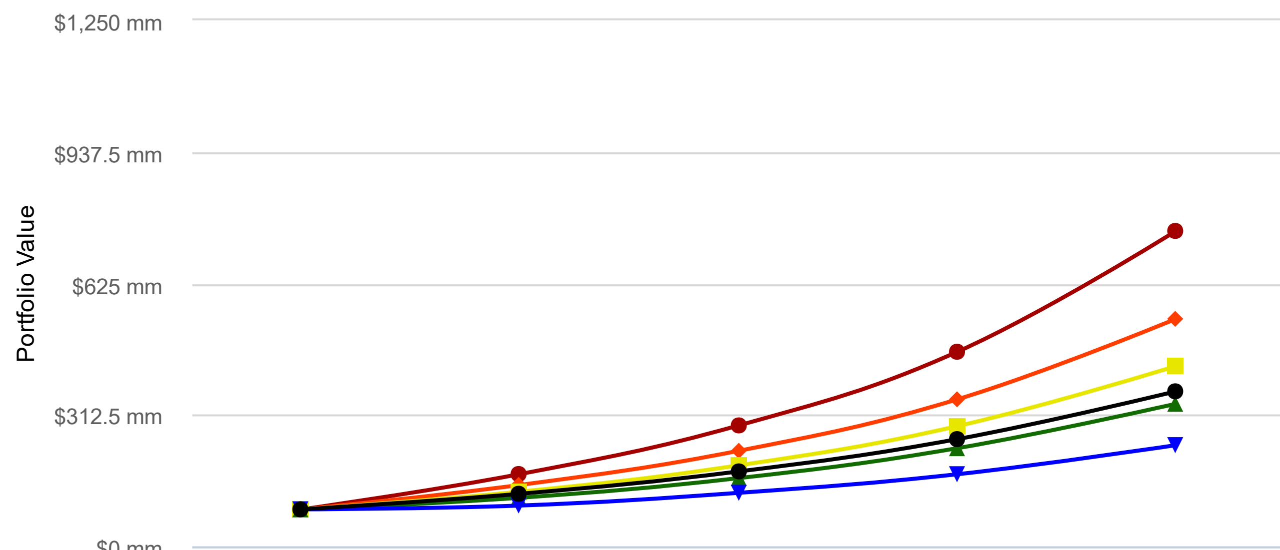
City of Franklin Pension Plan

Asset Allocation

20-Year Scenario



Portfolio Value Over Time



	2016	2021	2026	2031	2036
5%	$88 mm	$172 mm	$287 mm	$462 mm	$750 mm
25%	$88 mm	$146 mm	$227 mm	$349 mm	$541 mm
50%	$88 mm	$130 mm	$193 mm	$286 mm	$428 mm
75%	$88 mm	$116 mm	$162 mm	$233 mm	$339 mm
95%	$88 mm	$97 mm	$127 mm	$171 mm	$241 mm
7.5%	$88 mm	$125 mm	$178 mm	$255 mm	$368 mm

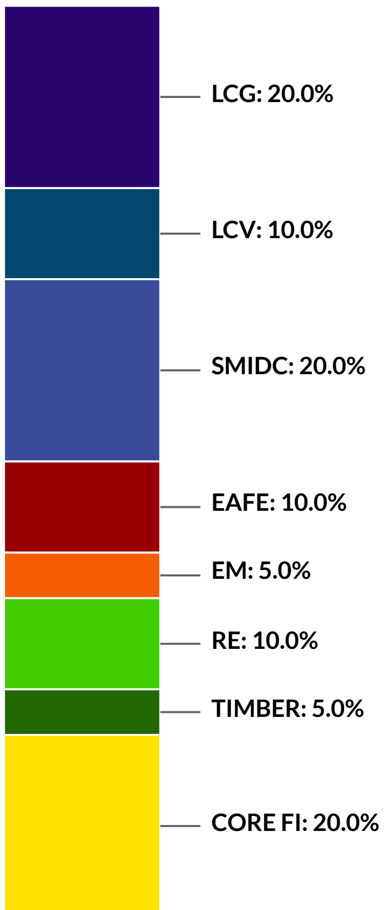
Statistics

Beginning Value:	$88 mm	**Mean Return:**	8.62%
75% Year-20 Value:	$339 mm	**Standard Deviation:**	8.36
Required Year-20 Value:	$368 mm	**Sharpe Ratio:**	0.74
Actuarial Rate:	7.5%	**Likelihood to Beat 7.5%:**	67%

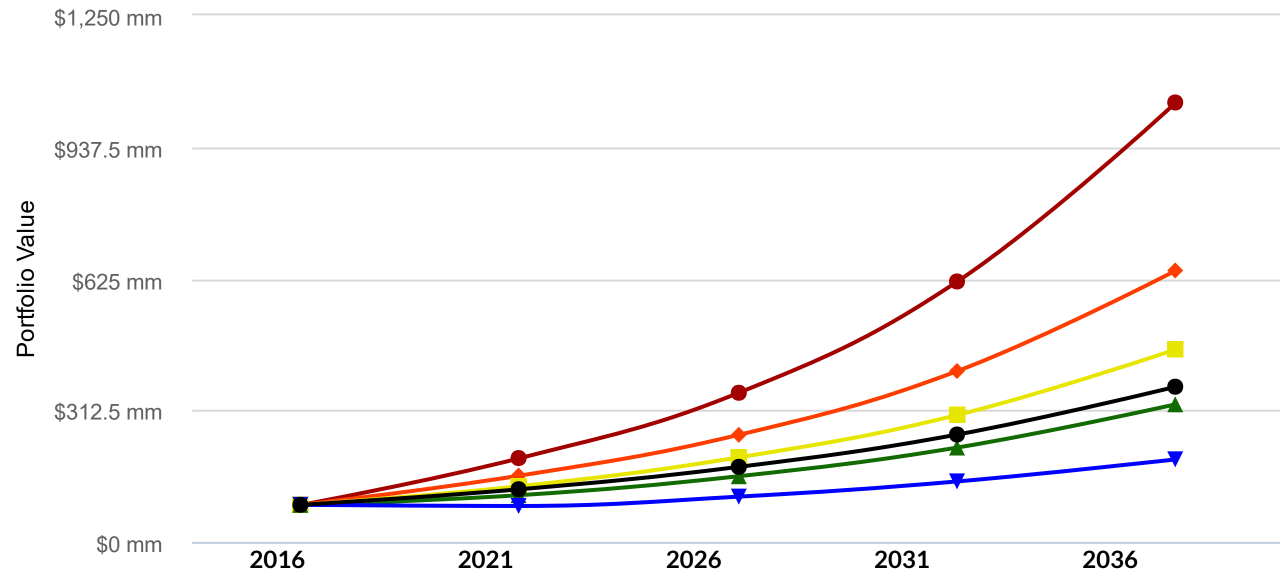
City of Franklin Pension Plan

Asset Allocation

20-Year Scenario



Portfolio Value Over Time



	2016	2021	2026	2031	2036
5%	$88 mm	$199 mm	$354 mm	$618 mm	$1,043 mm
25%	$88 mm	$157 mm	$254 mm	$406 mm	$644 mm
50%	$88 mm	$132 mm	$201 mm	$301 mm	$457 mm
75%	$88 mm	$111 mm	$156 mm	$224 mm	$327 mm
95%	$88 mm	$85 mm	$107 mm	$144 mm	$196 mm
7.5%	$88 mm	$125 mm	$178 mm	$255 mm	$368 mm

Statistics

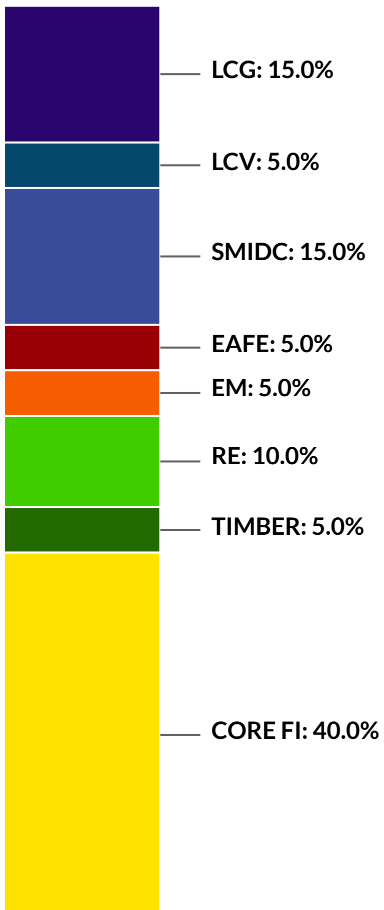
Beginning Value:	$88 mm	**Mean Return:**	9.35%
75% Year-20 Value:	$327 mm	**Standard Deviation:**	12.18
Required Year-20 Value:	$368 mm	**Sharpe Ratio:**	0.57
Actuarial Rate:	7.5%	**Likelihood to Beat 7.5%:**	67%

DAHAB ASSOCIATES
2016

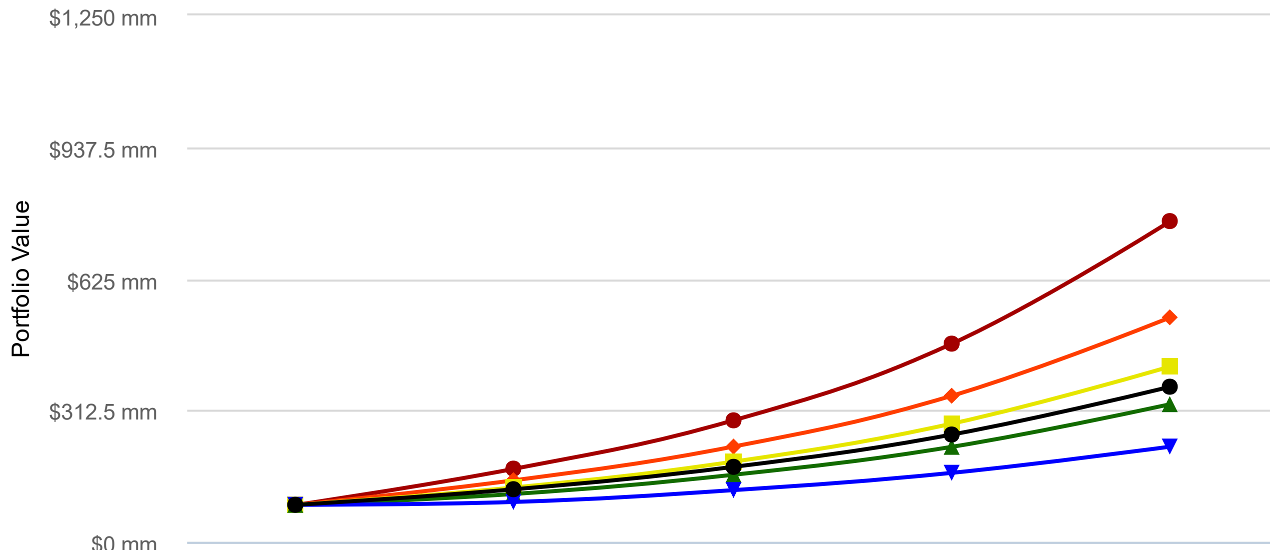
City of Franklin Pension Plan

Asset Allocation

20-Year Scenario



Portfolio Value Over Time



	2016	2021	2026	2031	2036
5%	$88 mm	$174 mm	$289 mm	$471 mm	$762 mm
25%	$88 mm	$146 mm	$226 mm	$347 mm	$533 mm
50%	$88 mm	$129 mm	$190 mm	$281 mm	$416 mm
75%	$88 mm	$114 mm	$159 mm	$226 mm	$327 mm
95%	$88 mm	$95 mm	$123 mm	$164 mm	$226 mm
7.5%	$88 mm	$125 mm	$178 mm	$255 mm	$368 mm

Statistics

Beginning Value:	$88 mm	**Mean Return:**	8.52%
75% Year-20 Value:	$327 mm	**Standard Deviation:**	8.78
Required Year-20 Value:	$368 mm	**Sharpe Ratio:**	0.70
Actuarial Rate:	7.5%	**Likelihood to Beat 7.5%:**	64%

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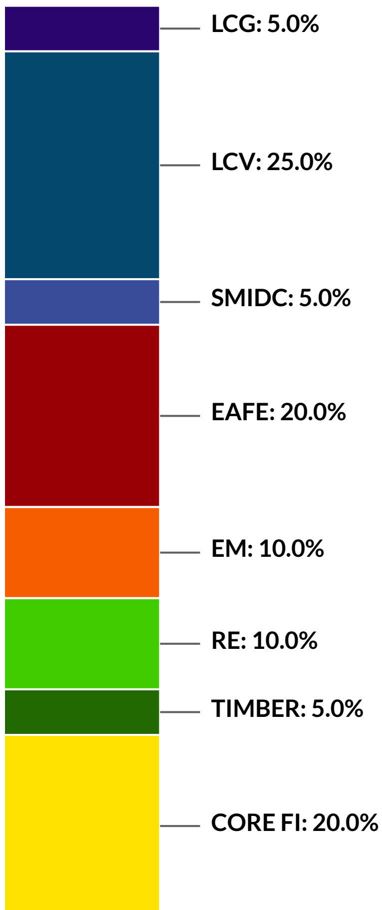
2016

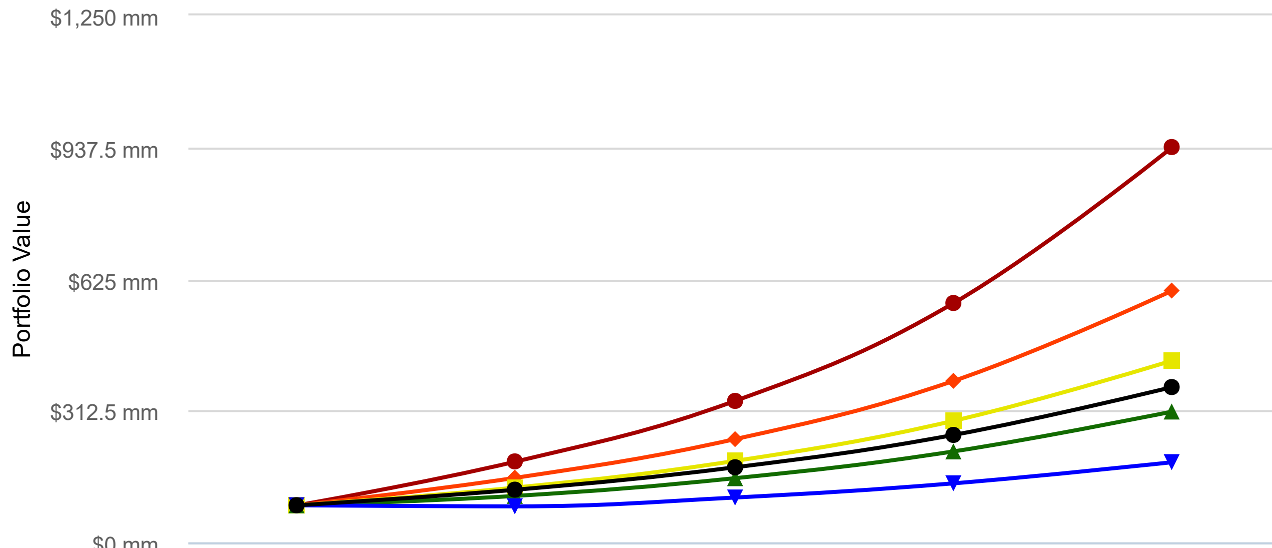
City of Franklin Pension Plan

Asset Allocation

20-Year Scenario



Portfolio Value Over Time



	2016	2021	2026	2031	2036
5%	$88 mm	$192 mm	$336 mm	$568 mm	$938 mm
25%	$88 mm	$153 mm	$245 mm	$383 mm	$597 mm
50%	$88 mm	$130 mm	$193 mm	$288 mm	$431 mm
75%	$88 mm	$110 mm	$152 mm	$216 mm	$310 mm
95%	$88 mm	$85 mm	$106 mm	$140 mm	$190 mm
7.5%	$88 mm	$125 mm	$178 mm	$255 mm	$368 mm

Statistics

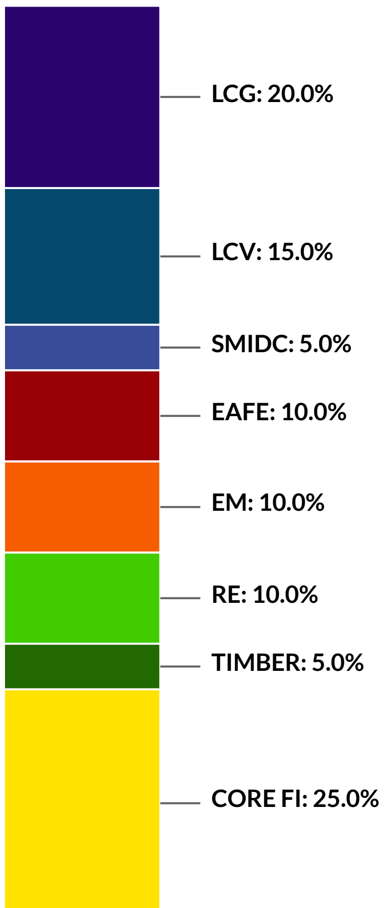
Beginning Value:	$88 mm	**Mean Return:**	8.97%
75% Year-20 Value:	$310 mm	**Standard Deviation:**	11.74
Required Year-20 Value:	$368 mm	**Sharpe Ratio:**	0.56
Actuarial Rate:	7.5%	**Likelihood to Beat 7.5%:**	63%

DAHAB ASSOCIATES
2016

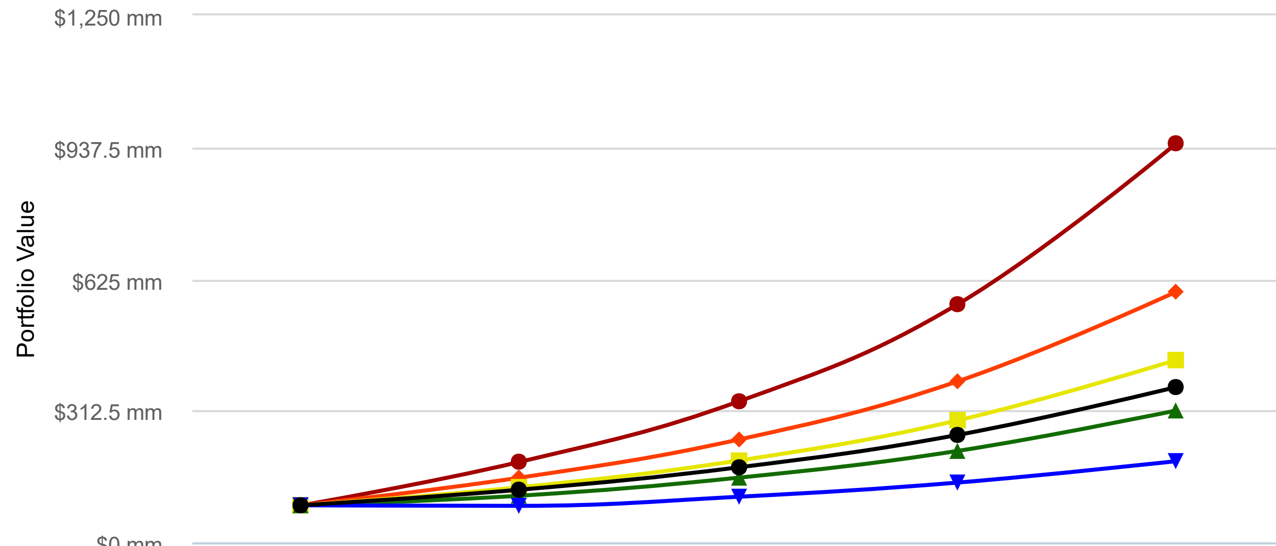
City of Franklin Pension Plan

Asset Allocation

20-Year Scenario



Portfolio Value Over Time



	2016	2021	2026	2031	2036
5%	$88 mm	$191 mm	$335 mm	$565 mm	$947 mm
25%	$88 mm	$154 mm	$244 mm	$382 mm	$595 mm
50%	$88 mm	$131 mm	$194 mm	$289 mm	$433 mm
75%	$88 mm	$111 mm	$154 mm	$217 mm	$313 mm
95%	$88 mm	$87 mm	$108 mm	$142 mm	$193 mm
7.5%	$88 mm	$125 mm	$178 mm	$255 mm	$368 mm

Statistics

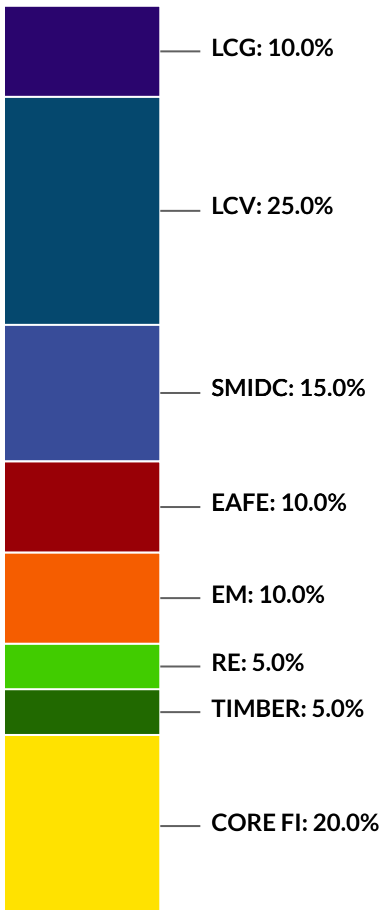
Beginning Value:	$88 mm	**Mean Return:**	8.96%
75% Year-20 Value:	$313 mm	**Standard Deviation:**	11.55
Required Year-20 Value:	$368 mm	**Sharpe Ratio:**	0.57
Actuarial Rate:	7.5%	**Likelihood to Beat 7.5%:**	63%

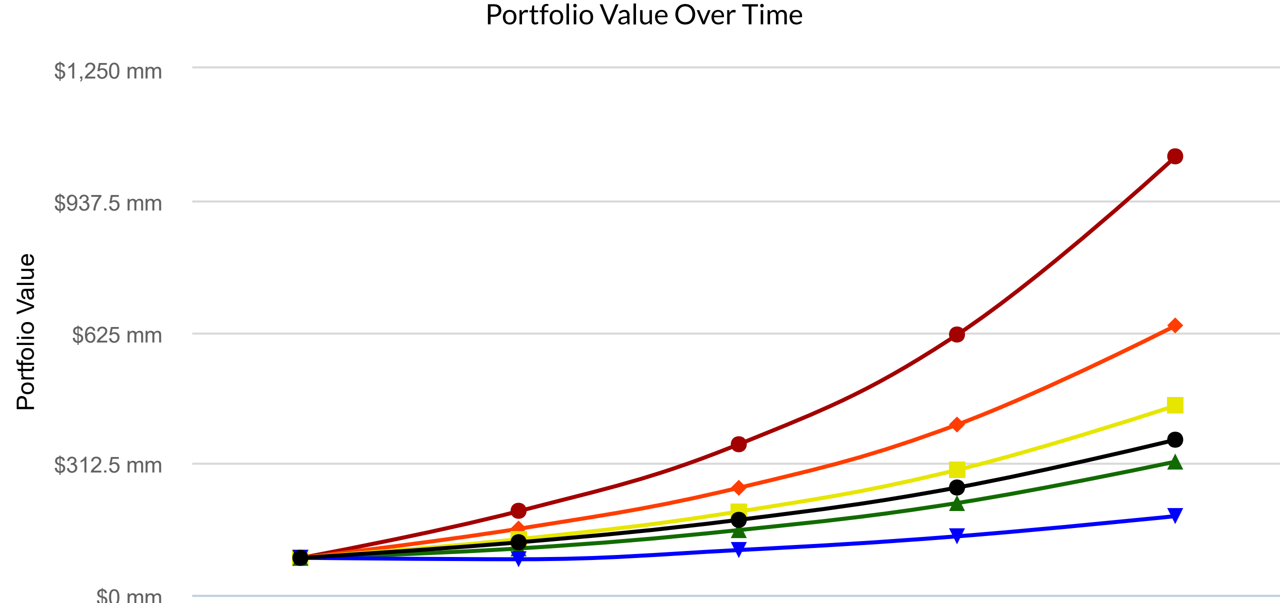
DAHAB ASSOCIATES
2016

City of Franklin Pension Plan

Asset Allocation

20-Year Scenario





	2016	2021	2026	2031	2036
5%	$88 mm	$200 mm	$358 mm	$618 mm	$1,041 mm
25%	$88 mm	$157 mm	$254 mm	$404 mm	$640 mm
50%	$88 mm	$133 mm	$198 mm	$297 mm	$450 mm
75%	$88 mm	$110 mm	$154 mm	$218 mm	$316 mm
95%	$88 mm	$85 mm	$106 mm	$139 mm	$187 mm
7.5%	$88 mm	$125 mm	$178 mm	$255 mm	$368 mm

Statistics

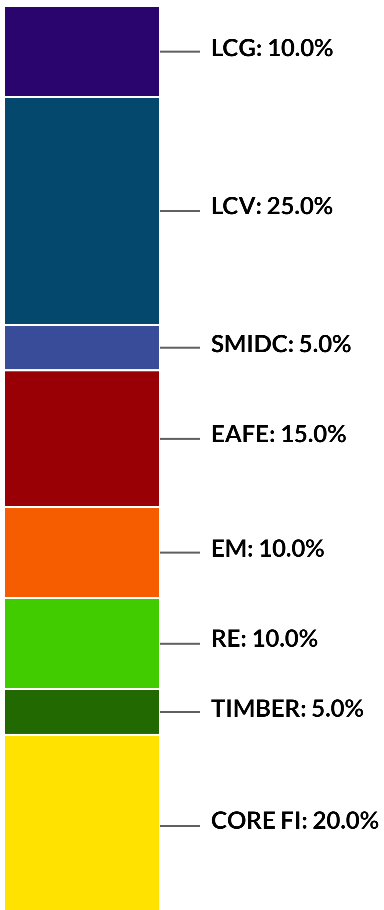
Beginning Value:	$88 mm	**Mean Return:**	9.28%
75% Year-20 Value:	$316 mm	**Standard Deviation:**	12.49
Required Year-20 Value:	$368 mm	**Sharpe Ratio:**	0.55
Actuarial Rate:	7.5%	**Likelihood to Beat 7.5%:**	65%

DAHAB ASSOCIATES
2016

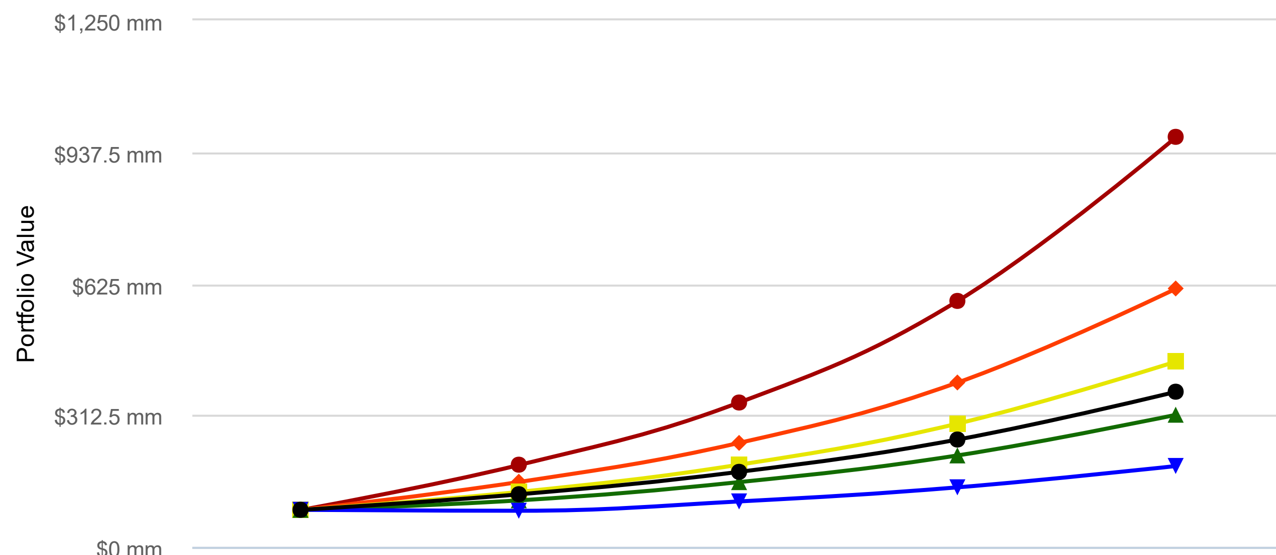
City of Franklin Pension Plan

Asset Allocation

20-Year Scenario



Portfolio Value Over Time



	2016	2021	2026	2031	2036
5%	$88 mm	$195 mm	$343 mm	$584 mm	$973 mm
25%	$88 mm	$155 mm	$247 mm	$390 mm	$613 mm
50%	$88 mm	$131 mm	$195 mm	$293 mm	$440 mm
75%	$88 mm	$111 mm	$154 mm	$217 mm	$314 mm
95%	$88 mm	$86 mm	$108 mm	$141 mm	$192 mm
7.5%	$88 mm	$125 mm	$178 mm	$255 mm	$368 mm

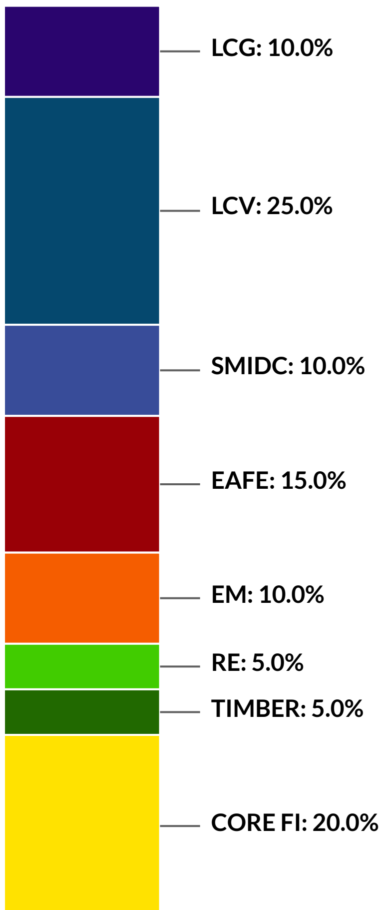
Statistics

Beginning Value:	$88 mm	**Mean Return:**	9.08%
75% Year-20 Value:	$314 mm	**Standard Deviation:**	11.86
Required Year-20 Value:	$368 mm	**Sharpe Ratio:**	0.56
Actuarial Rate:	7.5%	**Likelihood to Beat 7.5%:**	64%

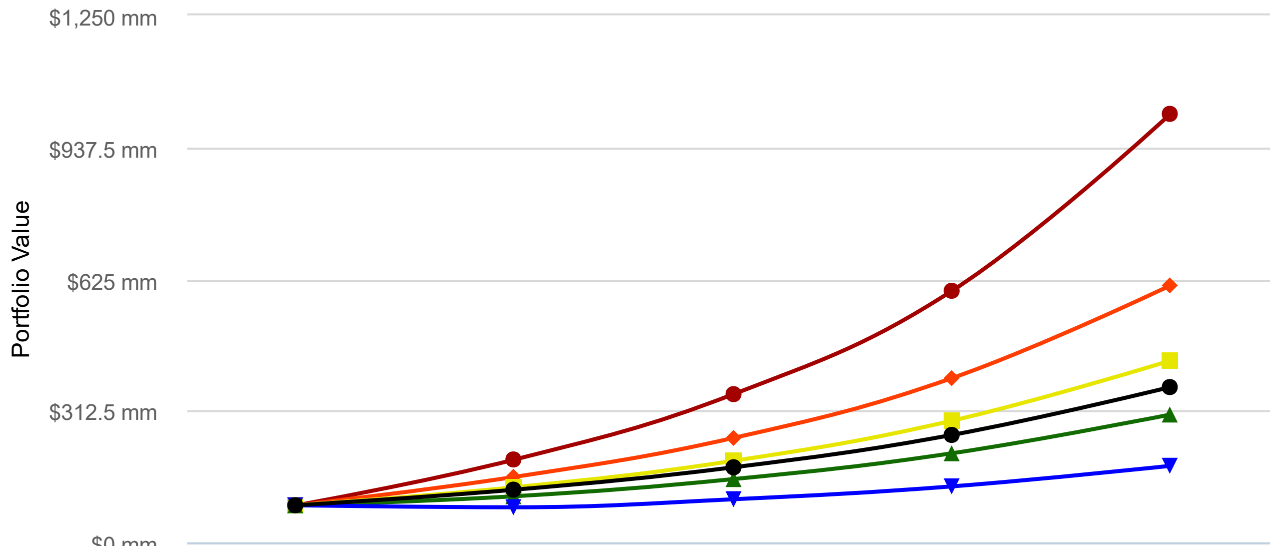
City of Franklin Pension Plan

Asset Allocation

20-Year Scenario



Portfolio Value Over Time



	2016	2021	2026	2031	2036
5%	$88 mm	$197 mm	$352 mm	$597 mm	$1,016 mm
25%	$88 mm	$155 mm	$248 mm	$390 mm	$610 mm
50%	$88 mm	$131 mm	$193 mm	$289 mm	$431 mm
75%	$88 mm	$109 mm	$150 mm	$211 mm	$303 mm
95%	$88 mm	$83 mm	$102 mm	$133 mm	$182 mm
7.5%	$88 mm	$125 mm	$178 mm	$255 mm	$368 mm

Statistics

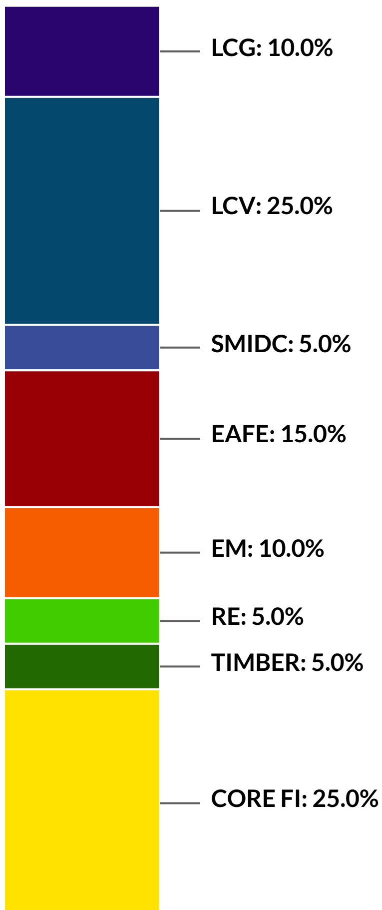
Beginning Value:	$88 mm	**Mean Return:**	9.06%
75% Year-20 Value:	$303 mm	**Standard Deviation:**	12.51
Required Year-20 Value:	$368 mm	**Sharpe Ratio:**	0.53
Actuarial Rate:	7.5%	**Likelihood to Beat 7.5%:**	62%

DAHAB ASSOCIATES
2016

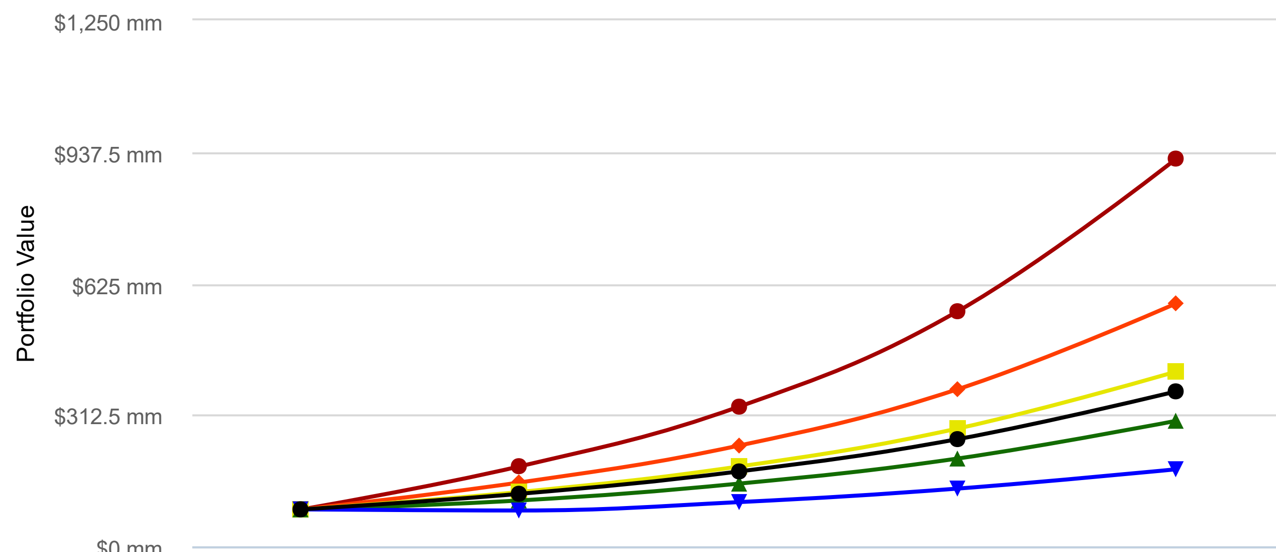
City of Franklin Pension Plan

Asset Allocation

20-Year Scenario



Portfolio Value Over Time



	2016	2021	2026	2031	2036
5%	$88 mm	$191 mm	$332 mm	$559 mm	$922 mm
25%	$88 mm	$152 mm	$240 mm	$374 mm	$578 mm
50%	$88 mm	$129 mm	$190 mm	$280 mm	$415 mm
75%	$88 mm	$109 mm	$149 mm	$209 mm	$298 mm
95%	$88 mm	$85 mm	$105 mm	$137 mm	$183 mm
7.5%	$88 mm	$125 mm	$178 mm	$255 mm	$368 mm

Statistics

Beginning Value:	$88 mm	**Mean Return:**	8.77%
75% Year-20 Value:	$298 mm	**Standard Deviation:**	11.74
Required Year-20 Value:	$368 mm	**Sharpe Ratio:**	0.54
Actuarial Rate:	7.5%	**Likelihood to Beat 7.5%:**	60%

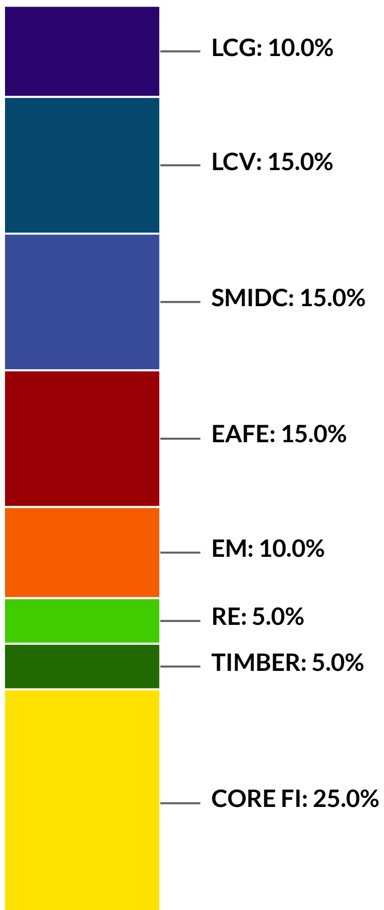
DAHAB ASSOCIATES
2016

10-Year Scenario
Asset Allocation Charts

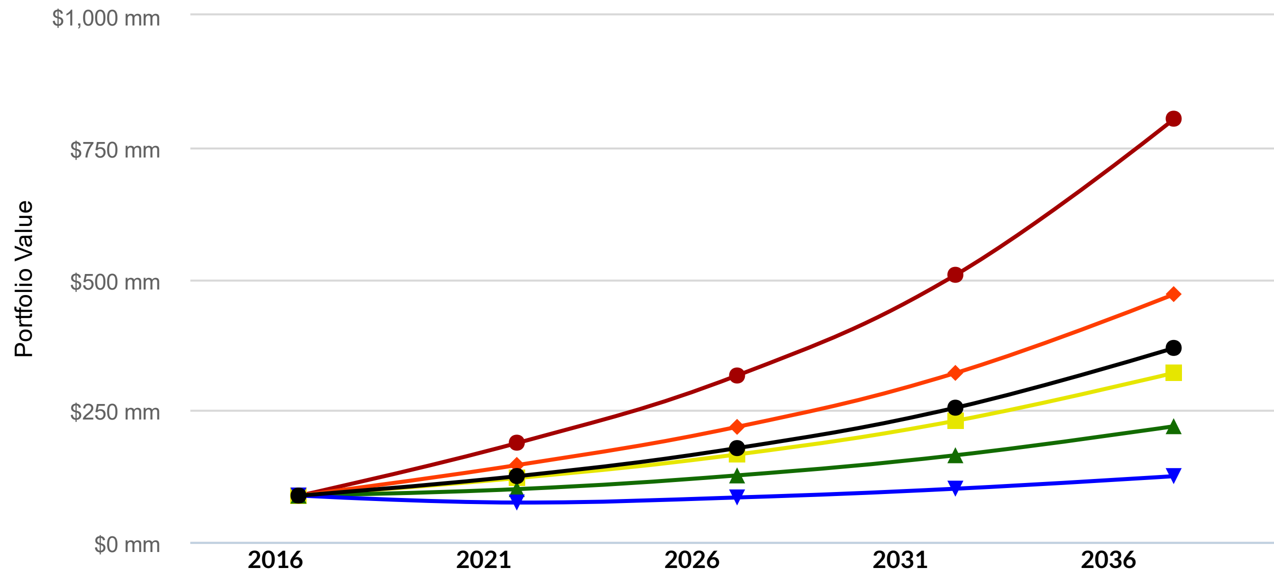
City of Franklin Pension Plan

Asset Allocation

10-Year Scenario



Portfolio Value Over Time



	2016	2021	2026	2031	2036
5%	$88 mm	$188 mm	$316 mm	$507 mm	$804 mm
25%	$88 mm	$146 mm	$218 mm	$321 mm	$471 mm
50%	$88 mm	$121 mm	$166 mm	$230 mm	$321 mm
75%	$88 mm	$100 mm	$126 mm	$165 mm	$220 mm
95%	$88 mm	$75 mm	$84 mm	$101 mm	$125 mm
7.5%	$88 mm	$125 mm	$178 mm	$255 mm	$368 mm

Statistics

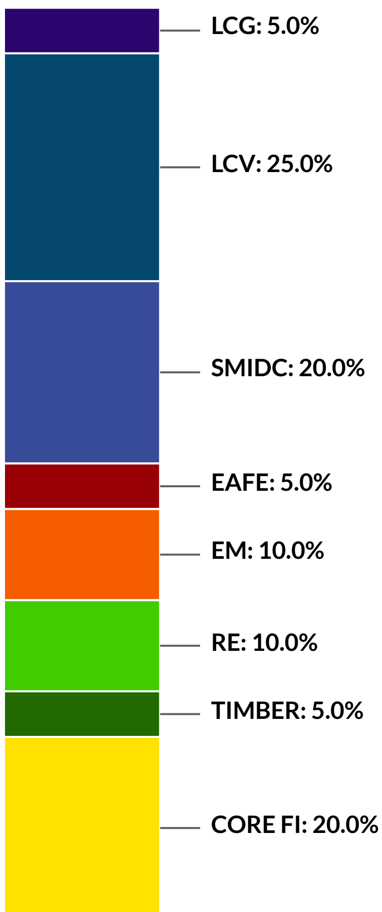
Beginning Value:	$88 mm	**Mean Return:**	7.56%
75% Year-20 Value:	$220 mm	**Standard Deviation:**	13.19
Required Year-20 Value:	$368 mm	**Sharpe Ratio:**	0.49
Actuarial Rate:	7.5%	**Likelihood to Beat 7.5%:**	40%

DAHAB ASSOCIATES
2016

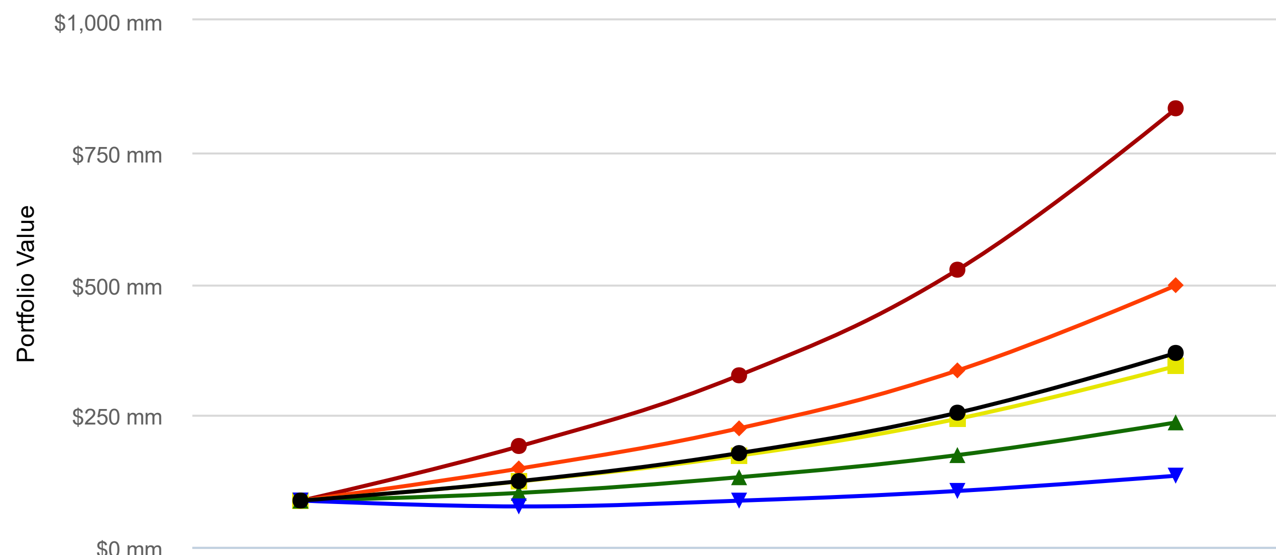
City of Franklin Pension Plan

Asset Allocation

10-Year Scenario



Portfolio Value Over Time



	2016	2021	2026	2031	2036
5%	$88 mm	$192 mm	$326 mm	$526 mm	$833 mm
25%	$88 mm	$149 mm	$225 mm	$335 mm	$497 mm
50%	$88 mm	$124 mm	$173 mm	$243 mm	$344 mm
75%	$88 mm	$103 mm	$132 mm	$174 mm	$237 mm
95%	$88 mm	$77 mm	$88 mm	$106 mm	$135 mm
7.5%	$88 mm	$125 mm	$178 mm	$255 mm	$368 mm

Statistics

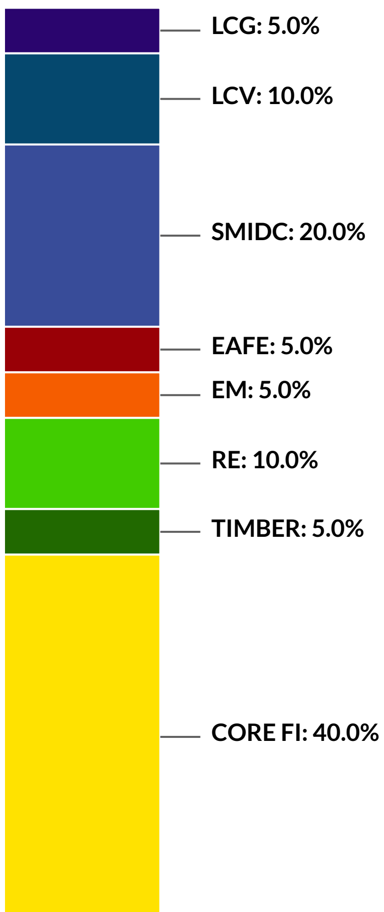
Beginning Value:	$88 mm	**Mean Return:**	7.91%
75% Year-20 Value:	$237 mm	**Standard Deviation:**	13.22
Required Year-20 Value:	$368 mm	**Sharpe Ratio:**	0.51
Actuarial Rate:	7.5%	**Likelihood to Beat 7.5%:**	45%

DAHAB ASSOCIATES
2016

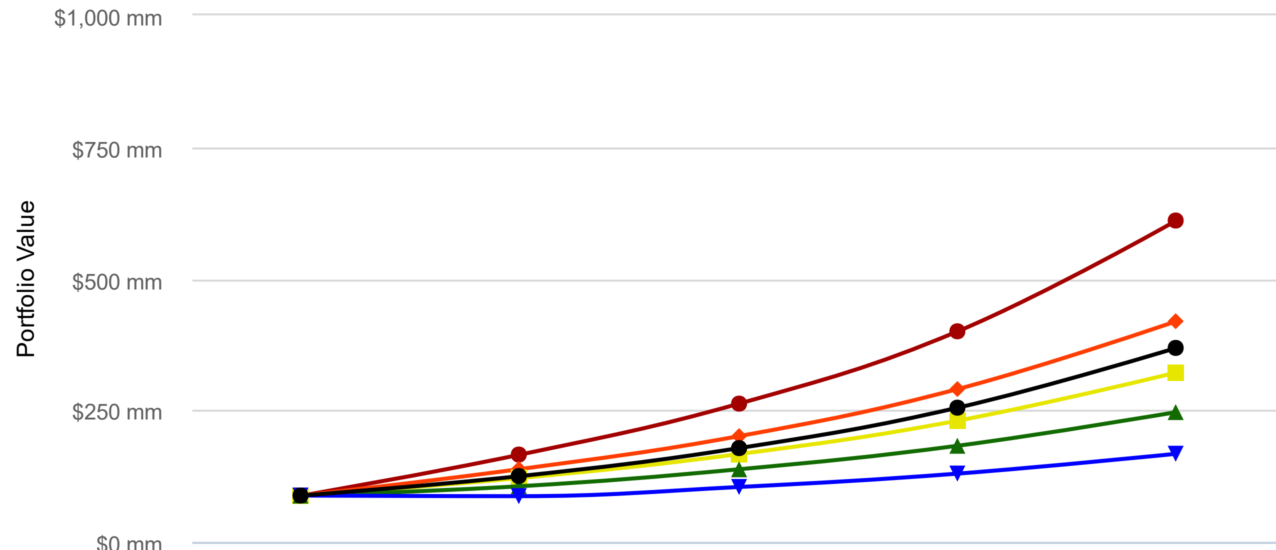
City of Franklin Pension Plan

Asset Allocation

10-Year Scenario



Portfolio Value Over Time



	2016	2021	2026	2031	2036
5%	$88 mm	$166 mm	$263 mm	$400 mm	$610 mm
25%	$88 mm	$138 mm	$201 mm	$290 mm	$419 mm
50%	$88 mm	$121 mm	$167 mm	$230 mm	$322 mm
75%	$88 mm	$106 mm	$138 mm	$183 mm	$247 mm
95%	$88 mm	$87 mm	$104 mm	$130 mm	$167 mm
7.5%	$88 mm	$125 mm	$178 mm	$255 mm	$368 mm

Statistics

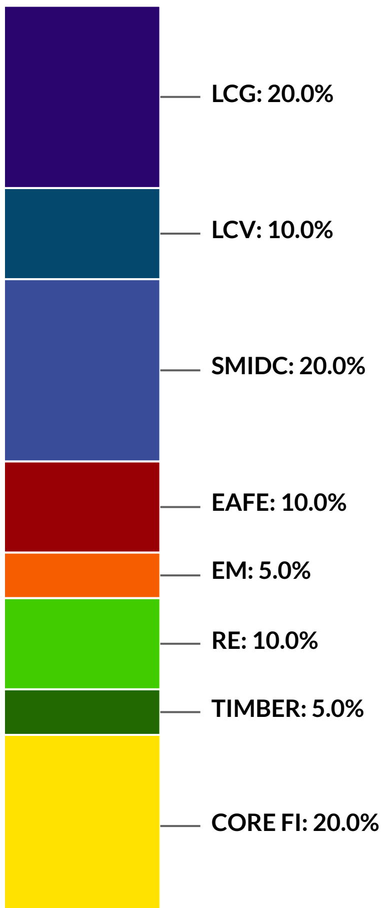
Beginning Value:	$88 mm	**Mean Return:**	7.16%
75% Year-20 Value:	$247 mm	**Standard Deviation:**	9.29
Required Year-20 Value:	$368 mm	**Sharpe Ratio:**	0.65
Actuarial Rate:	7.5%	**Likelihood to Beat 7.5%:**	37%

DAHAB ASSOCIATES
2016

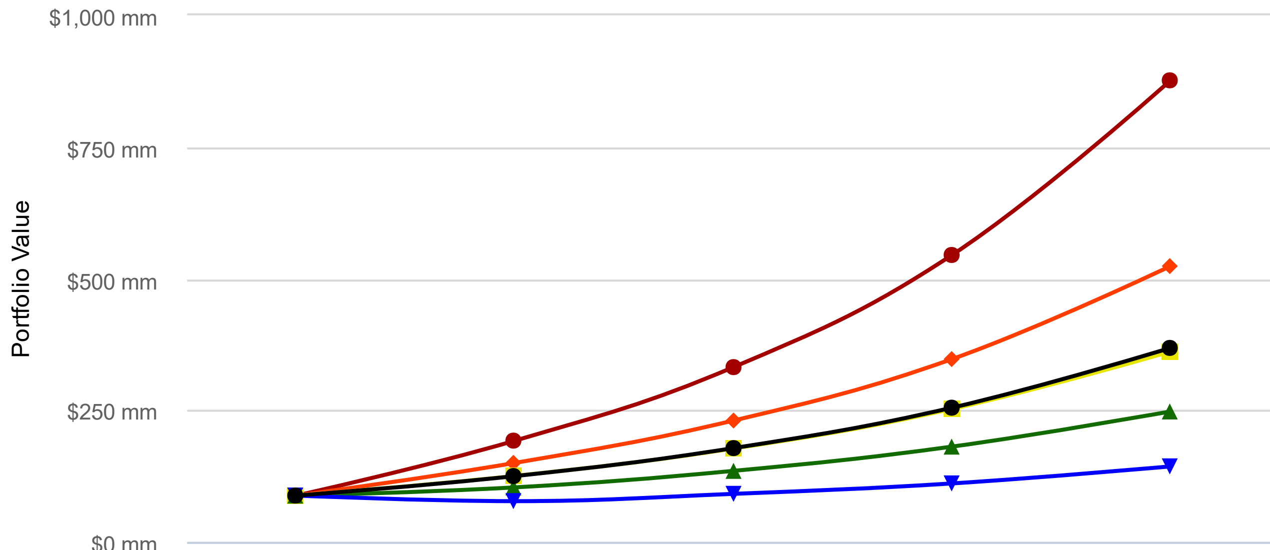
City of Franklin Pension Plan

Asset Allocation

10-Year Scenario



Portfolio Value Over Time



	2016	2021	2026	2031	2036
5%	$88 mm	$192 mm	$332 mm	$545 mm	$877 mm
25%	$88 mm	$150 mm	$230 mm	$347 mm	$524 mm
50%	$88 mm	$125 mm	$177 mm	$252 mm	$361 mm
75%	$88 mm	$104 mm	$135 mm	$181 mm	$248 mm
95%	$88 mm	$77 mm	$91 mm	$111 mm	$143 mm
7.5%	$88 mm	$125 mm	$178 mm	$255 mm	$368 mm

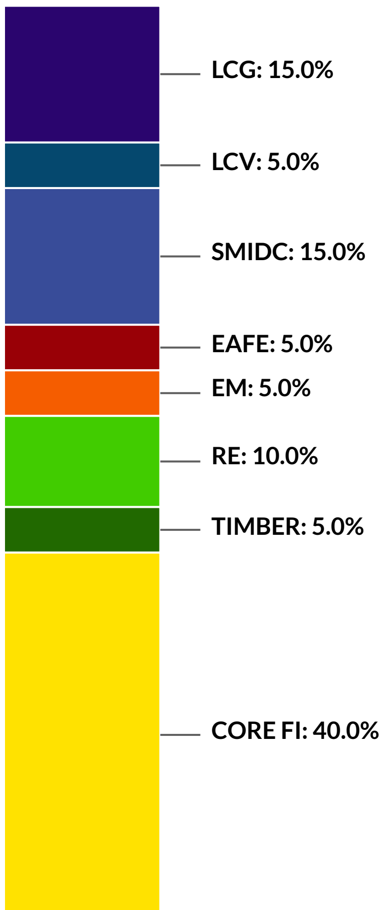
Statistics

Beginning Value:	$88 mm	**Mean Return:**	8.16%
75% Year-20 Value:	$248 mm	**Standard Deviation:**	12.99
Required Year-20 Value:	$368 mm	**Sharpe Ratio:**	0.54
Actuarial Rate:	7.5%	**Likelihood to Beat 7.5%:**	49%

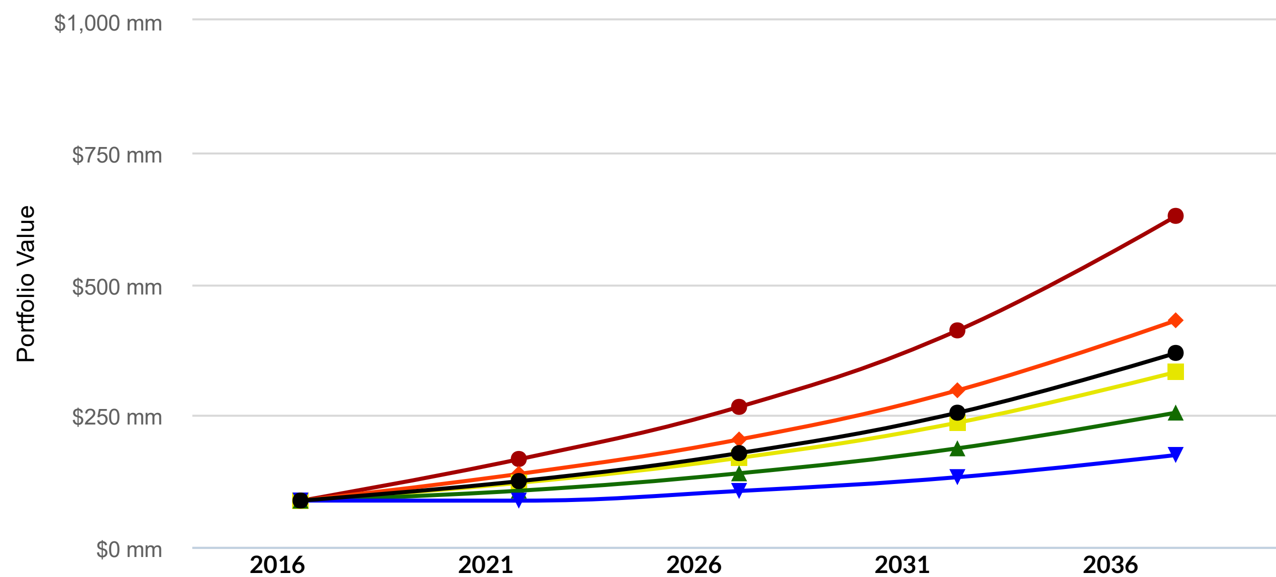
City of Franklin Pension Plan

Asset Allocation

10-Year Scenario



Portfolio Value Over Time



	2016	2021	2026	2031	2036
5%	$88 mm	$167 mm	$266 mm	$411 mm	$629 mm
25%	$88 mm	$139 mm	$204 mm	$297 mm	$430 mm
50%	$88 mm	$122 mm	$169 mm	$236 mm	$332 mm
75%	$88 mm	$107 mm	$140 mm	$187 mm	$255 mm
95%	$88 mm	$88 mm	$106 mm	$132 mm	$175 mm
7.5%	$88 mm	$125 mm	$178 mm	$255 mm	$368 mm

Statistics

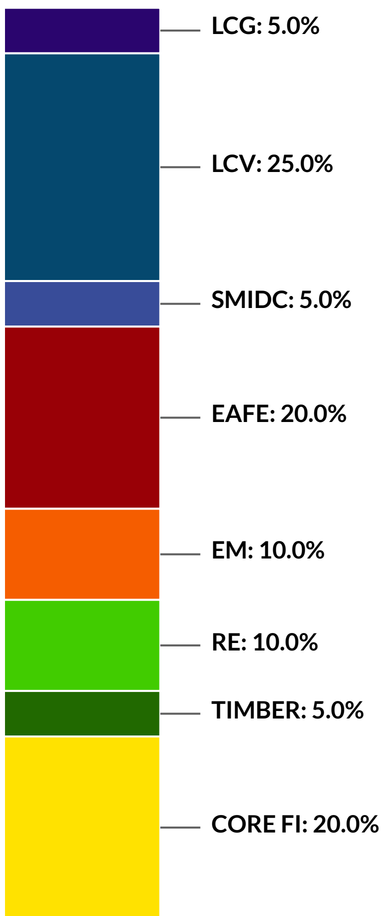
Beginning Value:	$88 mm	**Mean Return:**	7.34%
75% Year-20 Value:	$255 mm	**Standard Deviation:**	9.28
Required Year-20 Value:	$368 mm	**Sharpe Ratio:**	0.67
Actuarial Rate:	7.5%	**Likelihood to Beat 7.5%:**	40%

DAHAB ASSOCIATES
2016

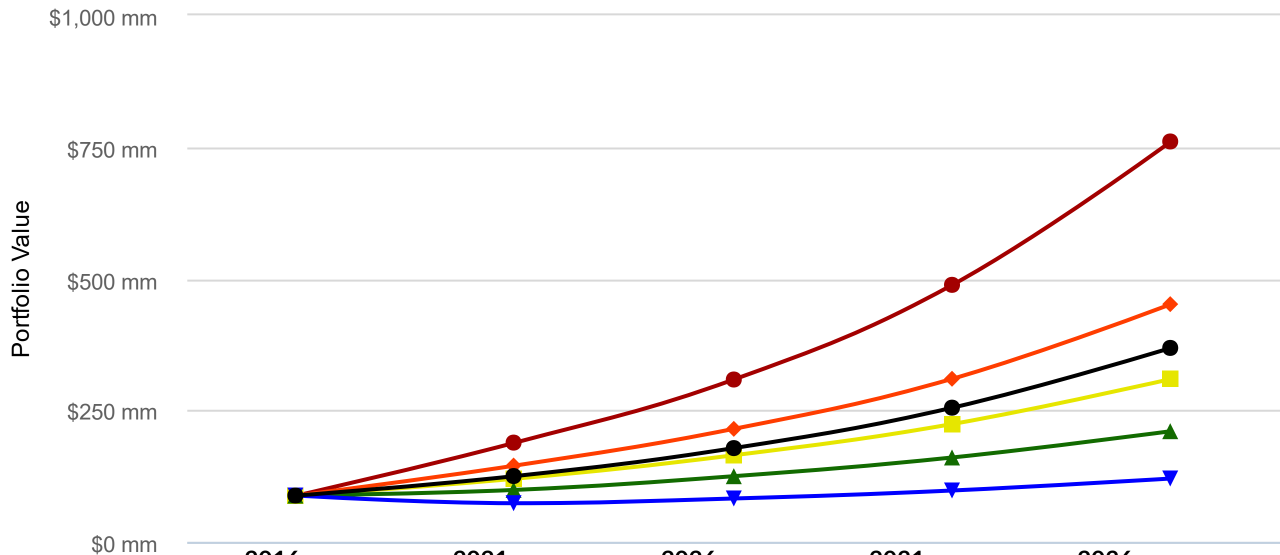
City of Franklin Pension Plan

Asset Allocation

10-Year Scenario



Portfolio Value Over Time



	2016	2021	2026	2031	2036
5%	$88 mm	$189 mm	$308 mm	$488 mm	$760 mm
25%	$88 mm	$145 mm	$215 mm	$310 mm	$451 mm
50%	$88 mm	$120 mm	$165 mm	$224 mm	$309 mm
75%	$88 mm	$99 mm	$125 mm	$160 mm	$210 mm
95%	$88 mm	$73 mm	$82 mm	$98 mm	$120 mm
7.5%	$88 mm	$125 mm	$178 mm	$255 mm	$368 mm

Statistics

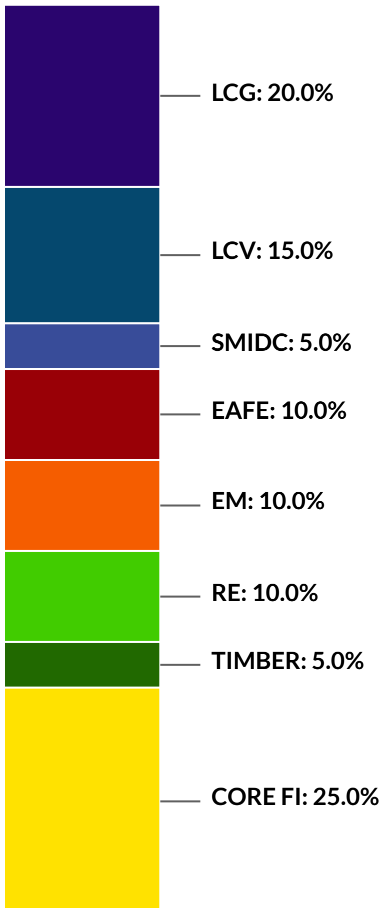
Beginning Value:	$88 mm	**Mean Return:**	7.36%
75% Year-20 Value:	$210 mm	**Standard Deviation:**	13.22
Required Year-20 Value:	$368 mm	**Sharpe Ratio:**	0.47
Actuarial Rate:	7.5%	**Likelihood to Beat 7.5%:**	38%

DAHAB ASSOCIATES
2016

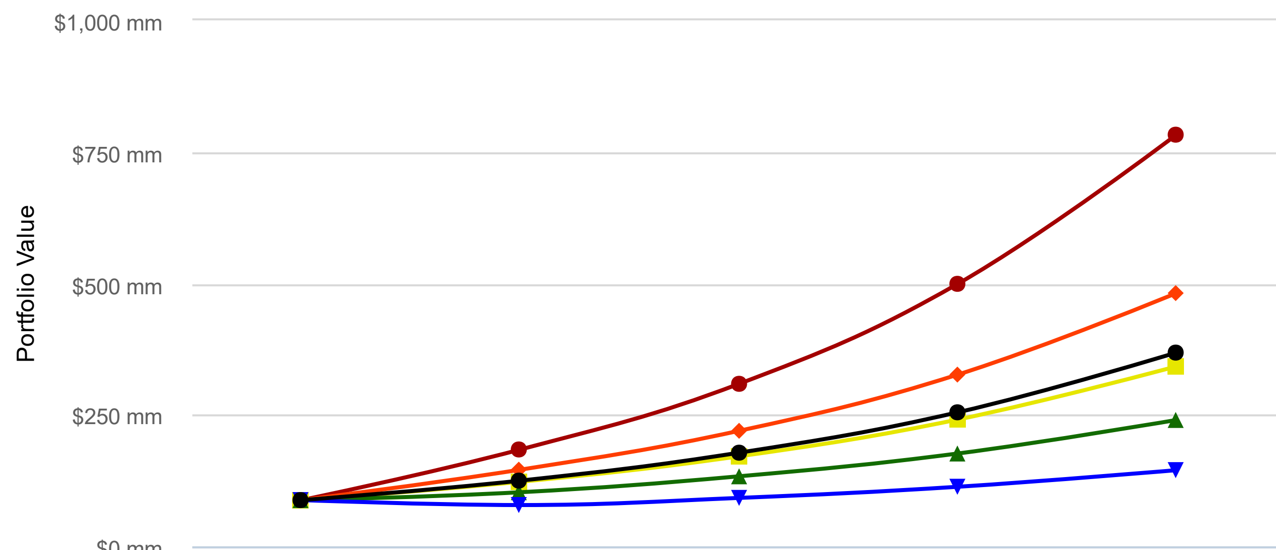
City of Franklin Pension Plan

Asset Allocation

10-Year Scenario



Portfolio Value Over Time



	2016	2021	2026	2031	2036
5%	$88 mm	$184 mm	$309 mm	$499 mm	$783 mm
25%	$88 mm	$146 mm	$220 mm	$327 mm	$481 mm
50%	$88 mm	$123 mm	$171 mm	$241 mm	$342 mm
75%	$88 mm	$103 mm	$133 mm	$177 mm	$240 mm
95%	$88 mm	$79 mm	$92 mm	$113 mm	$145 mm
7.5%	$88 mm	$125 mm	$178 mm	$255 mm	$368 mm

Statistics

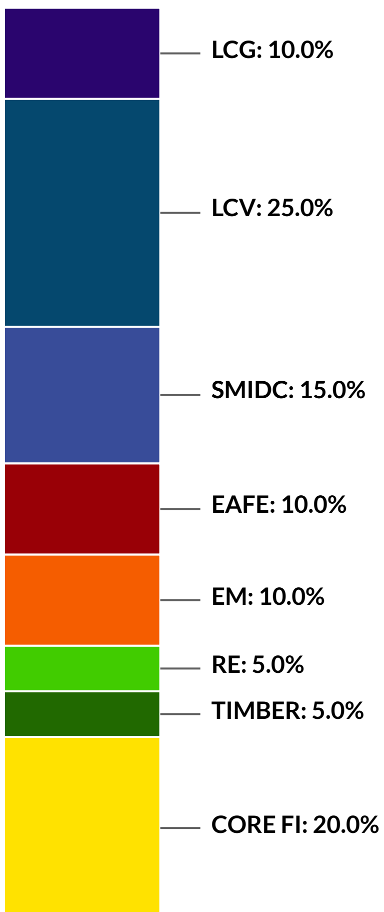
Beginning Value:	$88 mm	**Mean Return:**	7.77%
75% Year-20 Value:	$240 mm	**Standard Deviation:**	12.30
Required Year-20 Value:	$368 mm	**Sharpe Ratio:**	0.54
Actuarial Rate:	7.5%	**Likelihood to Beat 7.5%:**	44%

DAHAB ASSOCIATES
2016

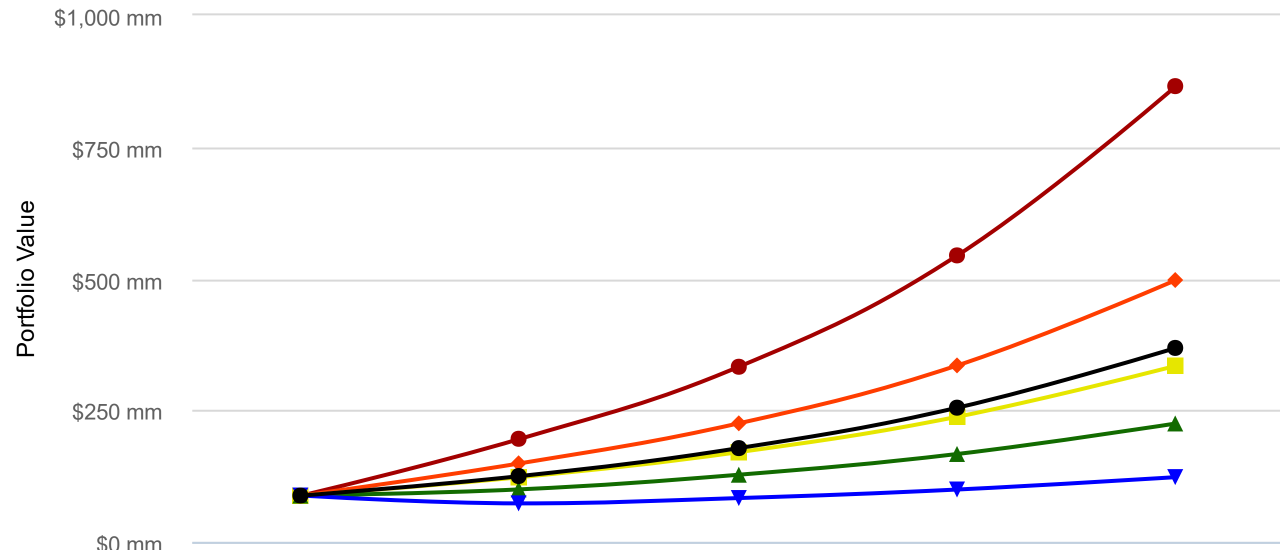
City of Franklin Pension Plan

Asset Allocation

10-Year Scenario



Portfolio Value Over Time



	2016	2021	2026	2031	2036
5%	$88 mm	$196 mm	$333 mm	$544 mm	$866 mm
25%	$88 mm	$149 mm	$225 mm	$335 mm	$497 mm
50%	$88 mm	$123 mm	$170 mm	$238 mm	$334 mm
75%	$88 mm	$100 mm	$128 mm	$167 mm	$225 mm
95%	$88 mm	$73 mm	$83 mm	$99 mm	$123 mm
7.5%	$88 mm	$125 mm	$178 mm	$255 mm	$368 mm

Statistics

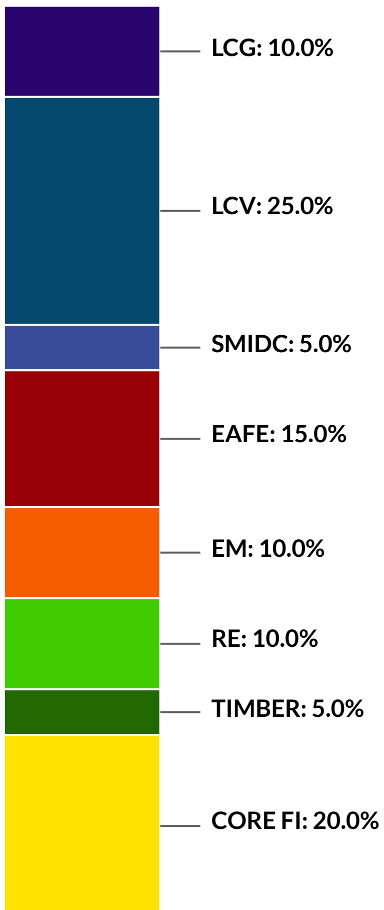
Beginning Value:	$88 mm	**Mean Return:**	7.87%
75% Year-20 Value:	$225 mm	**Standard Deviation:**	13.99
Required Year-20 Value:	$368 mm	**Sharpe Ratio:**	0.48
Actuarial Rate:	7.5%	**Likelihood to Beat 7.5%:**	43%

DAHAB ASSOCIATES
2016

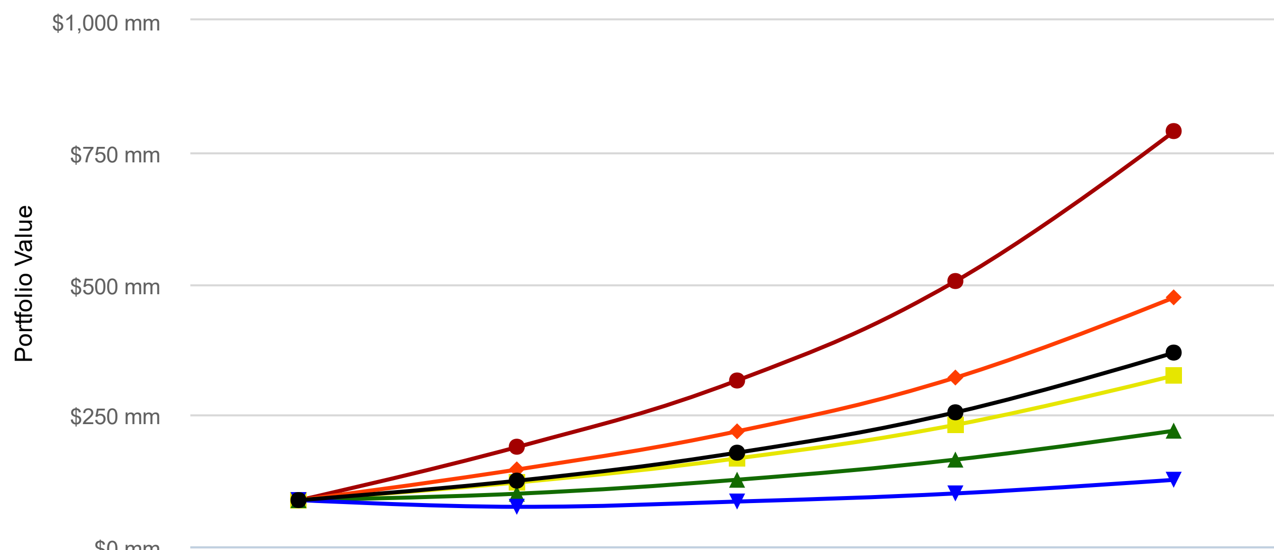
City of Franklin Pension Plan

Asset Allocation

10-Year Scenario



Portfolio Value Over Time



	2016	2021	2026	2031	2036
5%	$88 mm	$189 mm	$315 mm	$504 mm	$789 mm
25%	$88 mm	$146 mm	$219 mm	$321 mm	$473 mm
50%	$88 mm	$122 mm	$167 mm	$231 mm	$325 mm
75%	$88 mm	$100 mm	$127 mm	$165 mm	$220 mm
95%	$88 mm	$75 mm	$85 mm	$101 mm	$127 mm
7.5%	$88 mm	$125 mm	$178 mm	$255 mm	$368 mm

Statistics

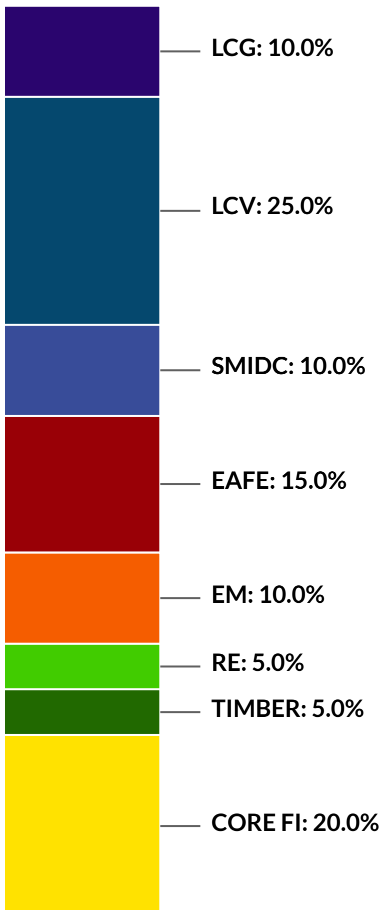
Beginning Value:	$88 mm	**Mean Return:**	7.59%
75% Year-20 Value:	$220 mm	**Standard Deviation:**	13.16
Required Year-20 Value:	$368 mm	**Sharpe Ratio:**	0.49
Actuarial Rate:	7.5%	**Likelihood to Beat 7.5%:**	41%

DAHAB ASSOCIATES
2016

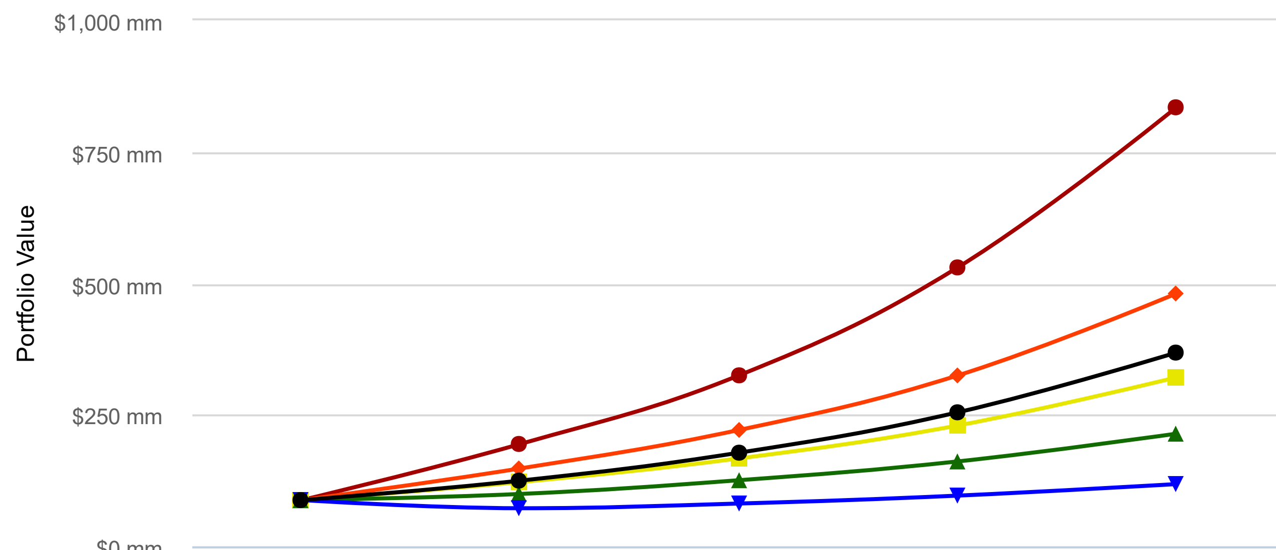
City of Franklin Pension Plan

Asset Allocation

10-Year Scenario



Portfolio Value Over Time



	2016	2021	2026	2031	2036
5%	$88 mm	$195 mm	$325 mm	$530 mm	$835 mm
25%	$88 mm	$148 mm	$221 mm	$325 mm	$481 mm
50%	$88 mm	$122 mm	$167 mm	$230 mm	$321 mm
75%	$88 mm	$100 mm	$126 mm	$162 mm	$214 mm
95%	$88 mm	$72 mm	$81 mm	$96 mm	$118 mm
7.5%	$88 mm	$125 mm	$178 mm	$255 mm	$368 mm

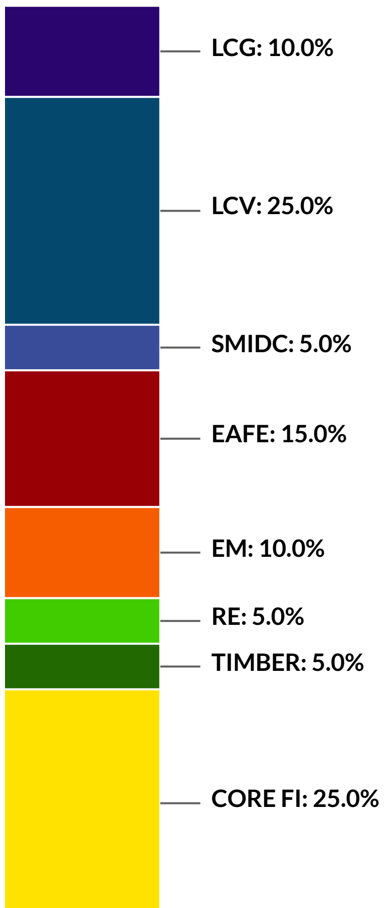
Statistics

Beginning Value:	$88 mm	**Mean Return:**	7.66%
75% Year-20 Value:	$214 mm	**Standard Deviation:**	13.98
Required Year-20 Value:	$368 mm	**Sharpe Ratio:**	0.47
Actuarial Rate:	7.5%	**Likelihood to Beat 7.5%:**	41%

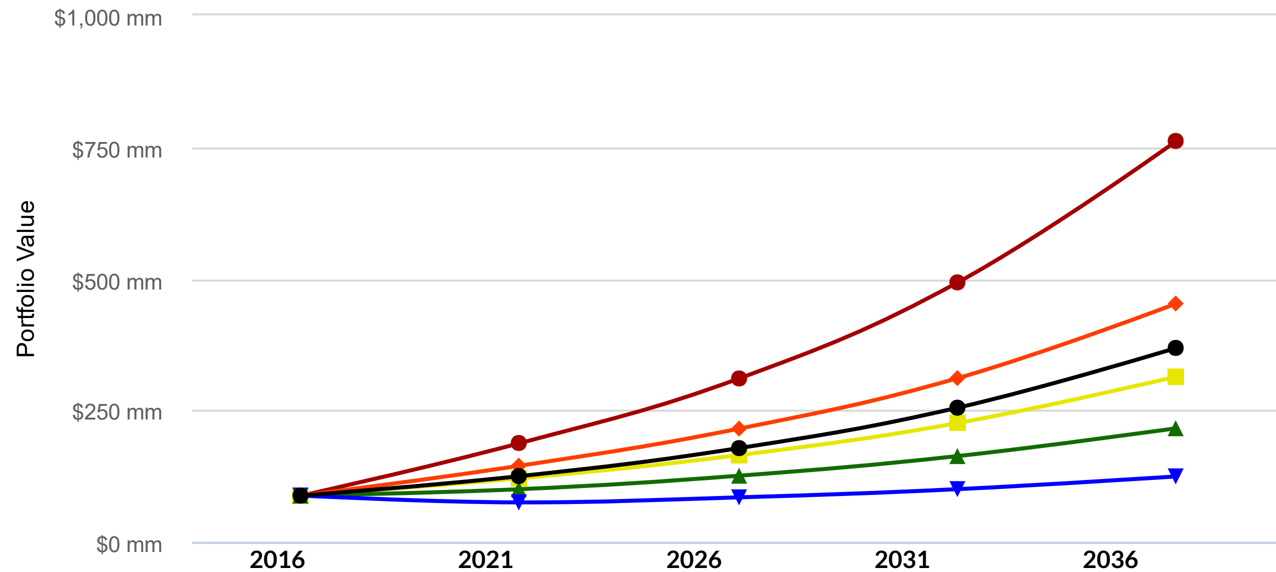
City of Franklin Pension Plan

Asset Allocation

10-Year Scenario



Portfolio Value Over Time



	2016	2021	2026	2031	2036
5%	$88 mm	$188 mm	$310 mm	$493 mm	$761 mm
25%	$88 mm	$145 mm	$215 mm	$311 mm	$453 mm
50%	$88 mm	$121 mm	$165 mm	$226 mm	$314 mm
75%	$88 mm	$100 mm	$126 mm	$163 mm	$216 mm
95%	$88 mm	$75 mm	$85 mm	$100 mm	$124 mm
7.5%	$88 mm	$125 mm	$178 mm	$255 mm	$368 mm

Statistics

Beginning Value:	$88 mm	**Mean Return:**	7.41%
75% Year-20 Value:	$216 mm	**Standard Deviation:**	13.01
Required Year-20 Value:	$368 mm	**Sharpe Ratio:**	0.48
Actuarial Rate:	7.5%	**Likelihood to Beat 7.5%:**	38%

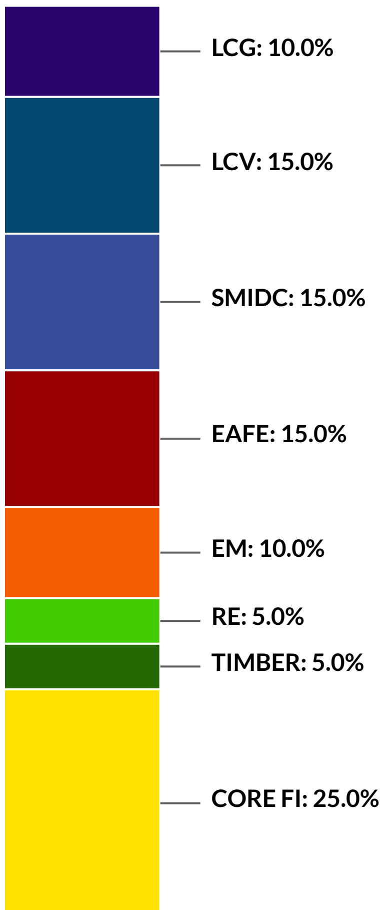
DAHAB ASSOCIATES
2016

Projection Scenario
Asset Allocation Charts

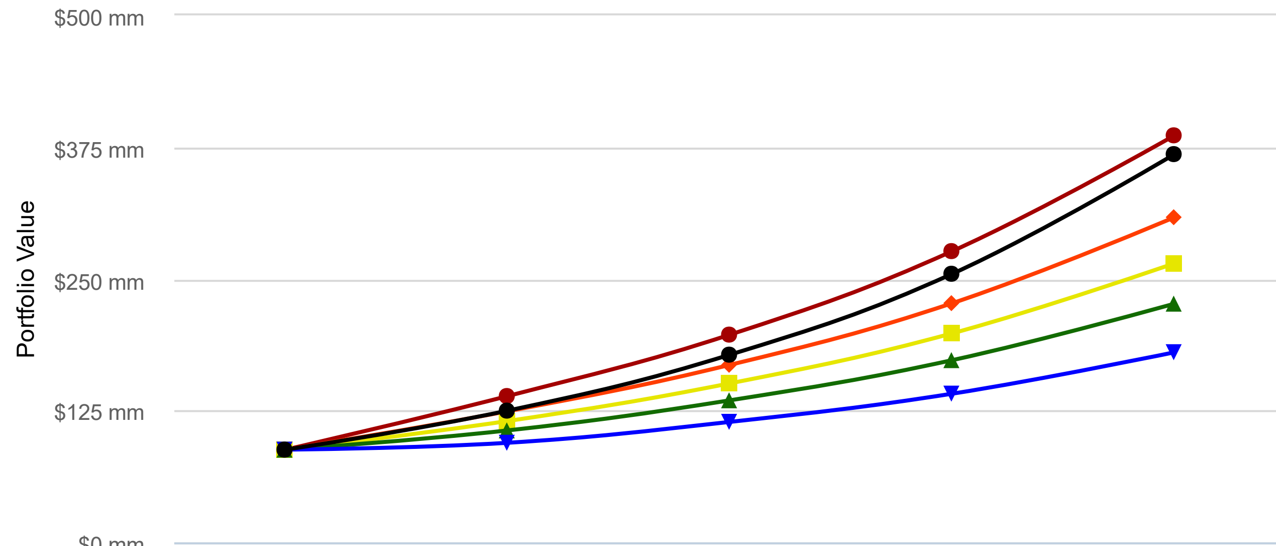
City of Franklin Pension Plan

Asset Allocation

Custom Projection Scenario



Portfolio Value Over Time



	2016	2021	2026	2031	2036
5%	$88 mm	$139 mm	$197 mm	$276 mm	$386 mm
25%	$88 mm	$124 mm	$168 mm	$227 mm	$308 mm
50%	$88 mm	$115 mm	$151 mm	$198 mm	$265 mm
75%	$88 mm	$106 mm	$135 mm	$173 mm	$227 mm
95%	$88 mm	$94 mm	$114 mm	$141 mm	$180 mm
7.5%	$88 mm	$125 mm	$178 mm	$255 mm	$368 mm

Statistics

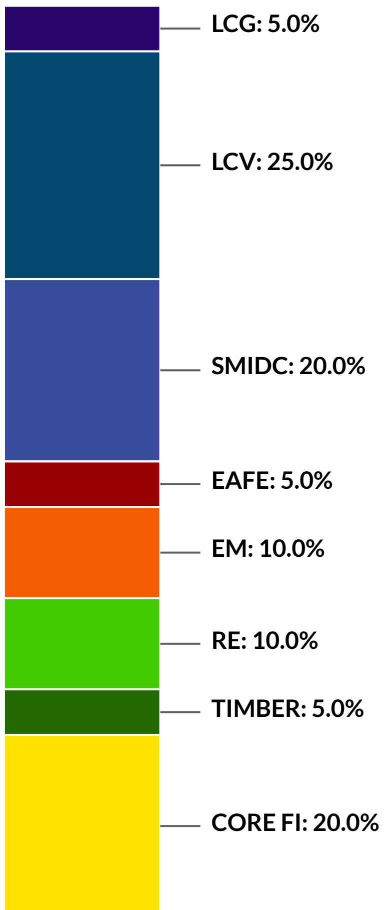
Beginning Value:	$88 mm	**Mean Return:**	5.87%
75% Year-20 Value:	$227 mm	**Standard Deviation:**	5.48
Required Year-20 Value:	$368 mm	**Sharpe Ratio:**	0.72
Actuarial Rate:	7.5%	**Likelihood to Beat 7.5%:**	8%

DAHAB ASSOCIATES
2016

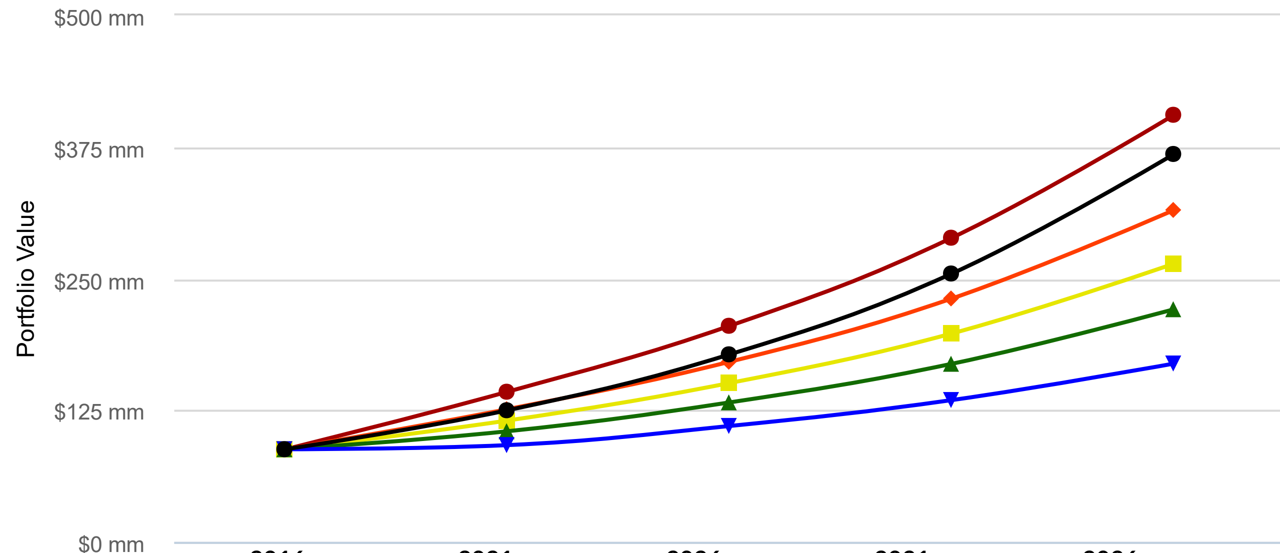
City of Franklin Pension Plan

Asset Allocation

Custom Projection Scenario



Portfolio Value Over Time



	2016	2021	2026	2031	2036
5%	$88 mm	$143 mm	$205 mm	$289 mm	$406 mm
25%	$88 mm	$126 mm	$171 mm	$231 mm	$315 mm
50%	$88 mm	$115 mm	$151 mm	$198 mm	$264 mm
75%	$88 mm	$105 mm	$132 mm	$169 mm	$221 mm
95%	$88 mm	$92 mm	$110 mm	$135 mm	$169 mm
7.5%	$88 mm	$125 mm	$178 mm	$255 mm	$368 mm

Statistics

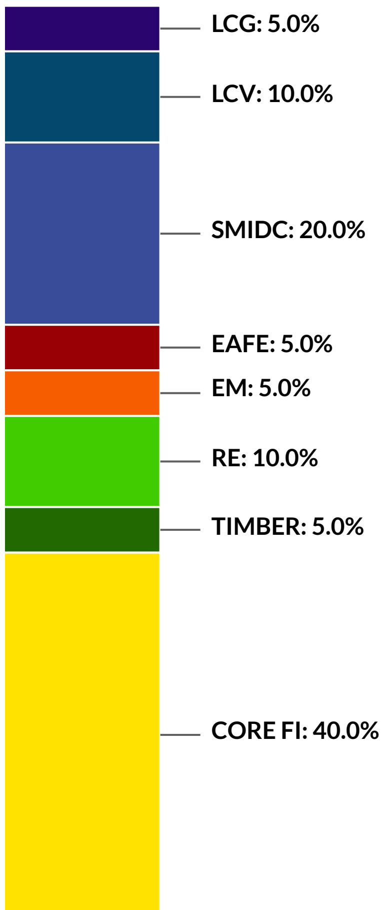
Beginning Value:	$88 mm	**Mean Return:**	5.90%
75% Year-20 Value:	$221 mm	**Standard Deviation:**	6.22
Required Year-20 Value:	$368 mm	**Sharpe Ratio:**	0.64
Actuarial Rate:	7.5%	**Likelihood to Beat 7.5%:**	10%

DAHAB ASSOCIATES
2016

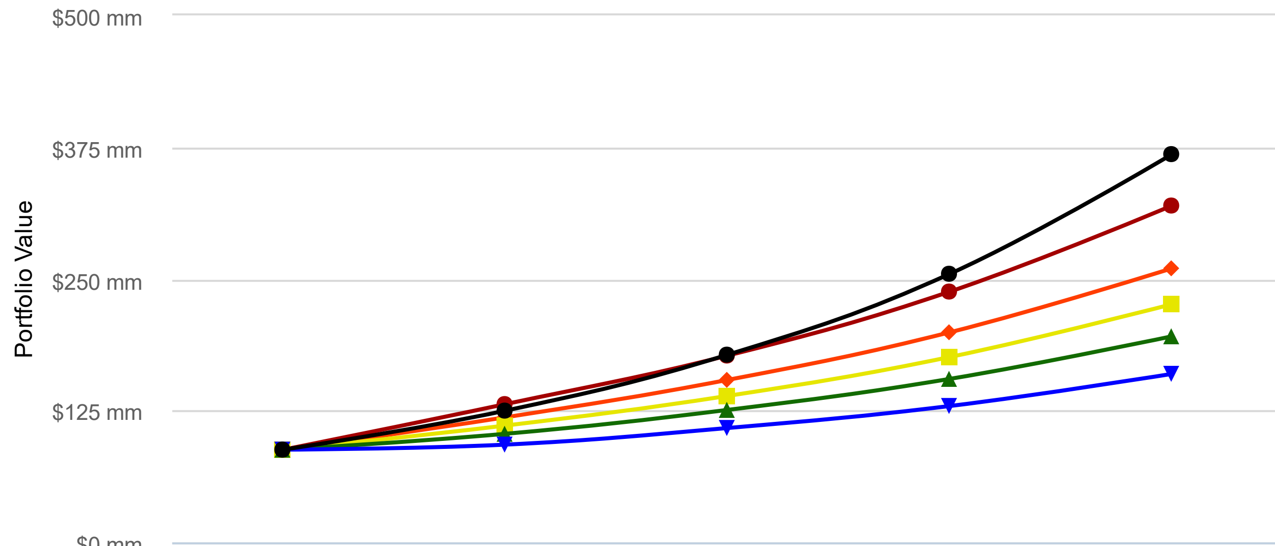
City of Franklin Pension Plan

Asset Allocation

Custom Projection Scenario



Portfolio Value Over Time



	2016	2021	2026	2031	2036
5%	$88 mm	$131 mm	$177 mm	$238 mm	$320 mm
25%	$88 mm	$119 mm	$154 mm	$199 mm	$260 mm
50%	$88 mm	$111 mm	$139 mm	$176 mm	$226 mm
75%	$88 mm	$103 mm	$126 mm	$155 mm	$196 mm
95%	$88 mm	$93 mm	$109 mm	$129 mm	$160 mm
7.5%	$88 mm	$125 mm	$178 mm	$255 mm	$368 mm

Statistics

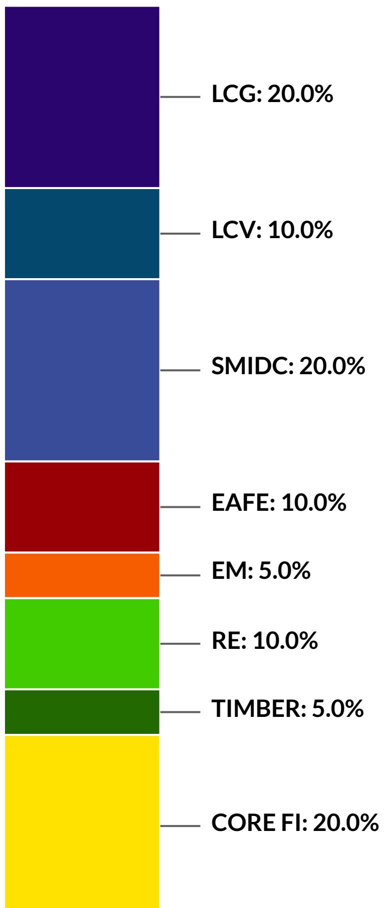
Beginning Value:	$88 mm	**Mean Return:**	5.02%
75% Year-20 Value:	$196 mm	**Standard Deviation:**	4.95
Required Year-20 Value:	$368 mm	**Sharpe Ratio:**	0.62
Actuarial Rate:	7.5%	**Likelihood to Beat 7.5%:**	1%

DAHAB ASSOCIATES
2016

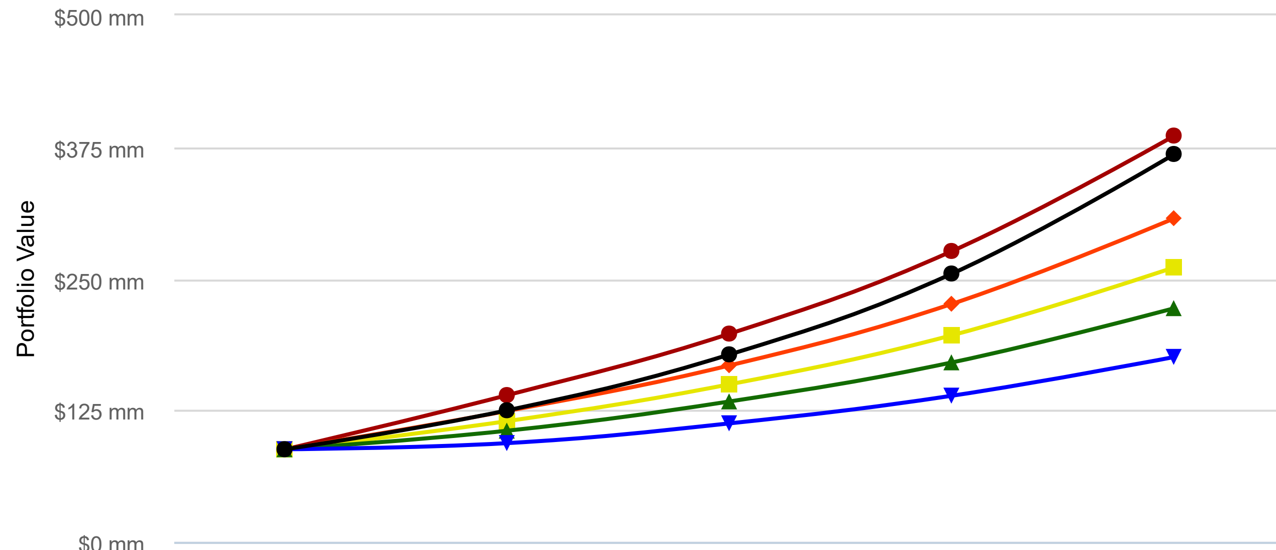
City of Franklin Pension Plan

Asset Allocation

Custom Projection Scenario



Portfolio Value Over Time



	2016	2021	2026	2031	2036
5%	$88 mm	$139 mm	$198 mm	$276 mm	$386 mm
25%	$88 mm	$124 mm	$168 mm	$226 mm	$307 mm
50%	$88 mm	$115 mm	$150 mm	$196 mm	$261 mm
75%	$88 mm	$106 mm	$133 mm	$171 mm	$222 mm
95%	$88 mm	$94 mm	$113 mm	$139 mm	$176 mm
7.5%	$88 mm	$125 mm	$178 mm	$255 mm	$368 mm

Statistics

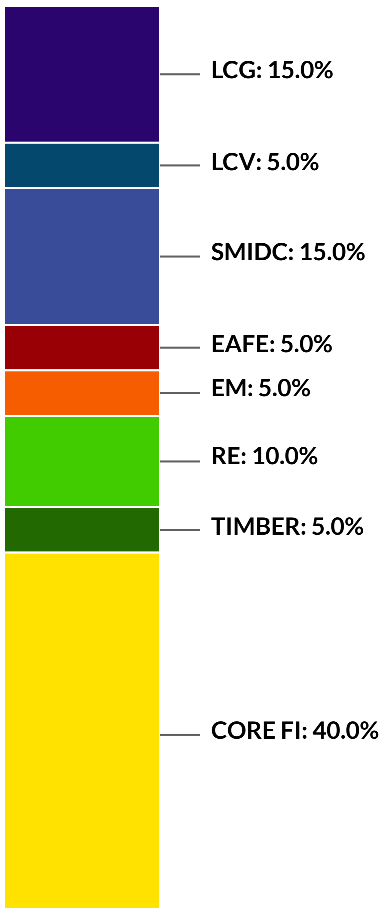
Beginning Value:	$88 mm	**Mean Return:**	5.82%
75% Year-20 Value:	$222 mm	**Standard Deviation:**	5.71
Required Year-20 Value:	$368 mm	**Sharpe Ratio:**	0.68
Actuarial Rate:	7.5%	**Likelihood to Beat 7.5%:**	8%

DAHAB ASSOCIATES
2016

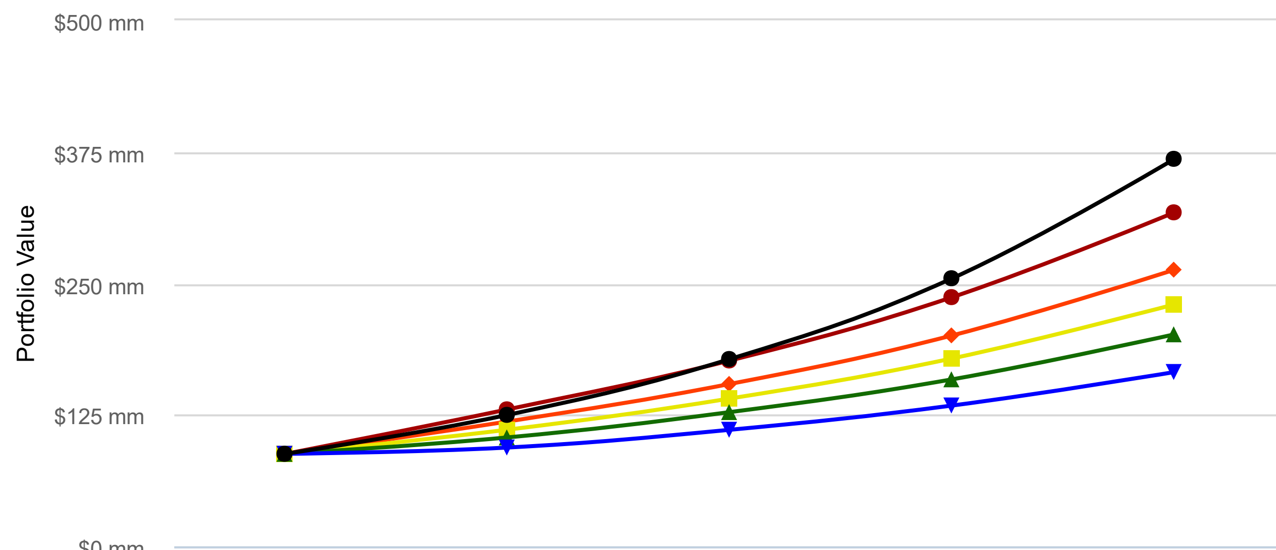
City of Franklin Pension Plan

Asset Allocation

Custom Projection Scenario



Portfolio Value Over Time



	2016	2021	2026	2031	2036
5%	$88 mm	$130 mm	$177 mm	$237 mm	$318 mm
25%	$88 mm	$119 mm	$154 mm	$201 mm	$263 mm
50%	$88 mm	$111 mm	$141 mm	$179 mm	$230 mm
75%	$88 mm	$104 mm	$128 mm	$159 mm	$202 mm
95%	$88 mm	$94 mm	$111 mm	$134 mm	$166 mm
7.5%	$88 mm	$125 mm	$178 mm	$255 mm	$368 mm

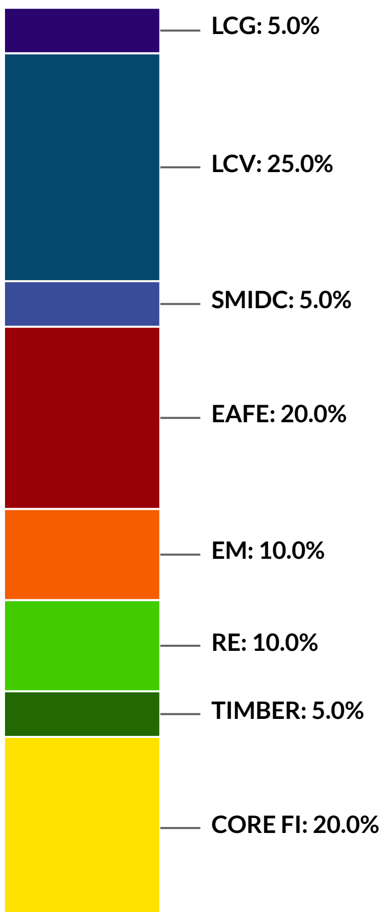
Statistics

Beginning Value:	$88 mm	**Mean Return:**	5.10%
75% Year-20 Value:	$202 mm	**Standard Deviation:**	4.64
Required Year-20 Value:	$368 mm	**Sharpe Ratio:**	0.68
Actuarial Rate:	7.5%	**Likelihood to Beat 7.5%:**	1%

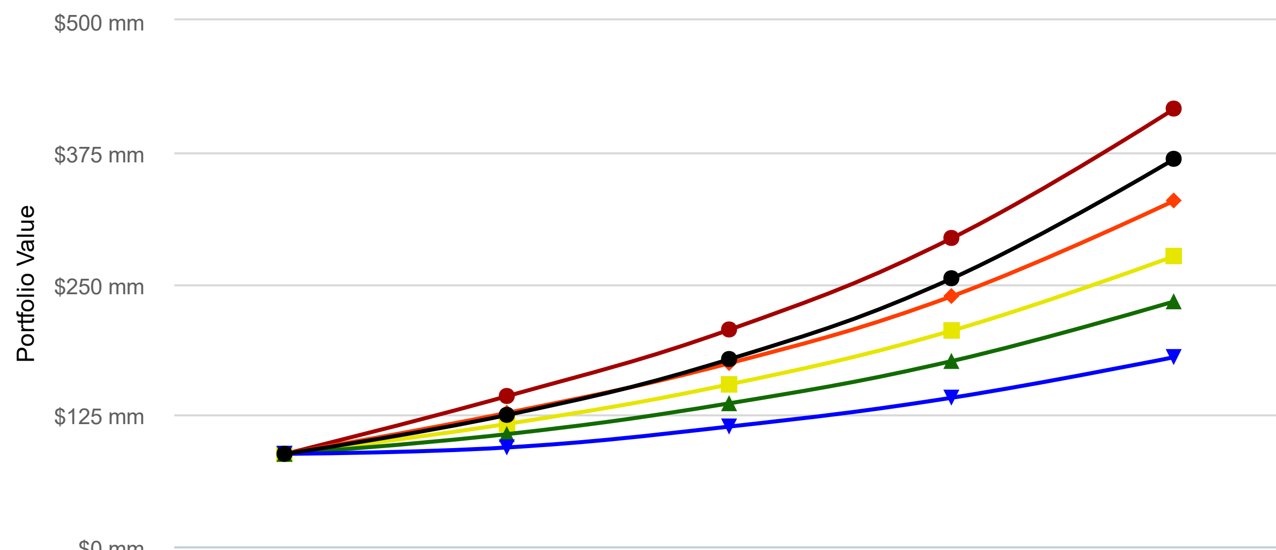
City of Franklin Pension Plan

Asset Allocation

Custom Projection Scenario



Portfolio Value Over Time



	2016	2021	2026	2031	2036
5%	$88 mm	$143 mm	$206 mm	$293 mm	$416 mm
25%	$88 mm	$127 mm	$174 mm	$238 mm	$329 mm
50%	$88 mm	$117 mm	$154 mm	$205 mm	$276 mm
75%	$88 mm	$107 mm	$136 mm	$176 mm	$233 mm
95%	$88 mm	$94 mm	$114 mm	$141 mm	$180 mm
7.5%	$88 mm	$125 mm	$178 mm	$255 mm	$368 mm

Statistics

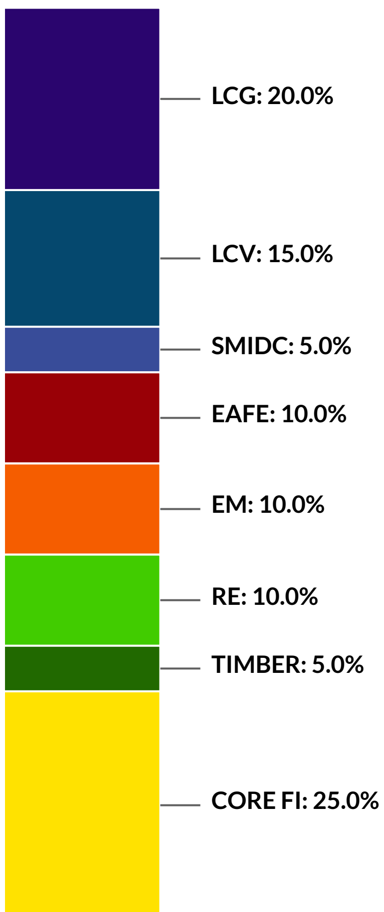
Beginning Value:	$88 mm	**Mean Return:**	6.13%
75% Year-20 Value:	$233 mm	**Standard Deviation:**	6.01
Required Year-20 Value:	$368 mm	**Sharpe Ratio:**	0.69
Actuarial Rate:	7.5%	**Likelihood to Beat 7.5%:**	13%

DAHAB ASSOCIATES
2016

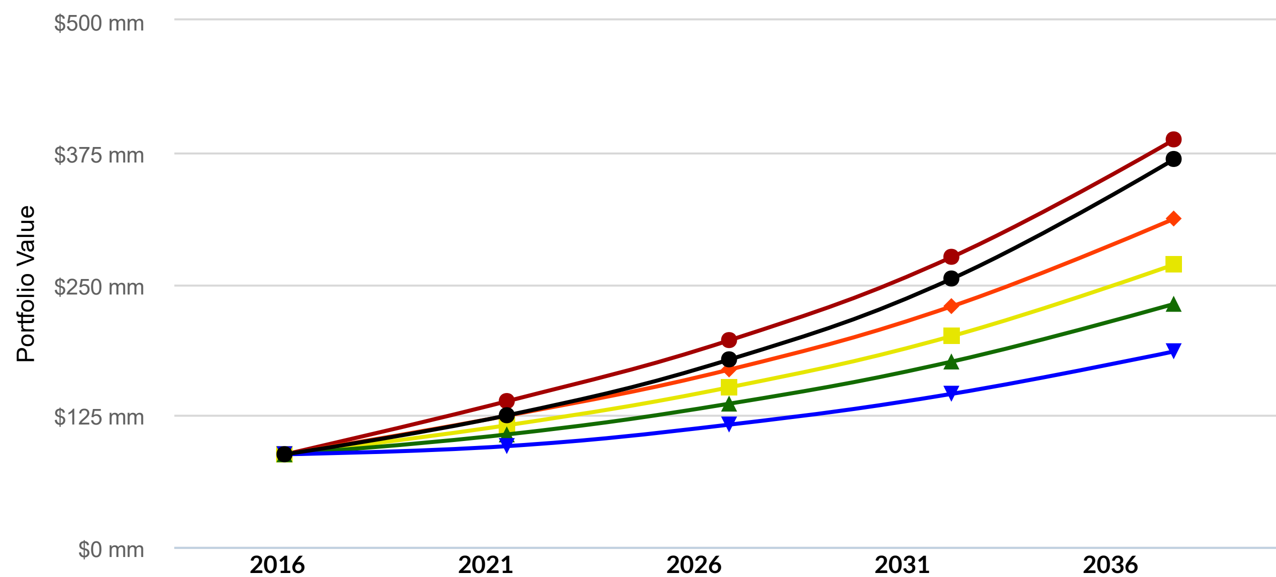
City of Franklin Pension Plan

Asset Allocation

Custom Projection Scenario



Portfolio Value Over Time



	2016	2021	2026	2031	2036
5%	$88 mm	$138 mm	$196 mm	$275 mm	$387 mm
25%	$88 mm	$125 mm	$169 mm	$229 mm	$312 mm
50%	$88 mm	$116 mm	$152 mm	$200 mm	$268 mm
75%	$88 mm	$107 mm	$136 mm	$176 mm	$231 mm
95%	$88 mm	$96 mm	$116 mm	$145 mm	$186 mm
7.5%	$88 mm	$125 mm	$178 mm	$255 mm	$368 mm

Statistics

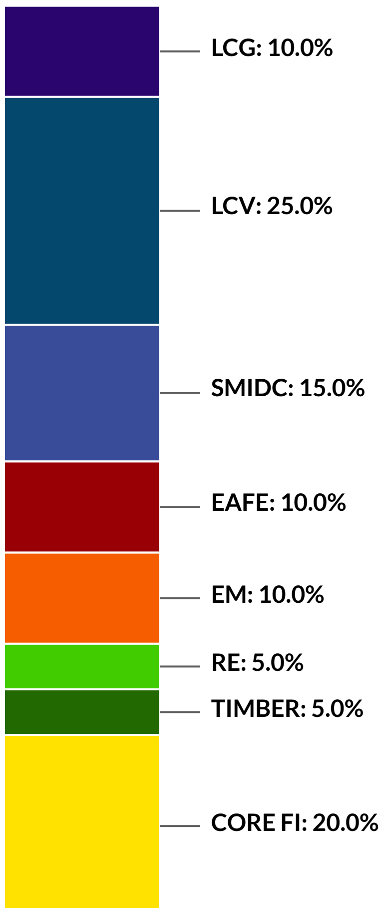
Beginning Value:	$88 mm	**Mean Return:**	5.94%
75% Year-20 Value:	$231 mm	**Standard Deviation:**	5.29
Required Year-20 Value:	$368 mm	**Sharpe Ratio:**	0.75
Actuarial Rate:	7.5%	**Likelihood to Beat 7.5%:**	7%

DAHAB ASSOCIATES
2016

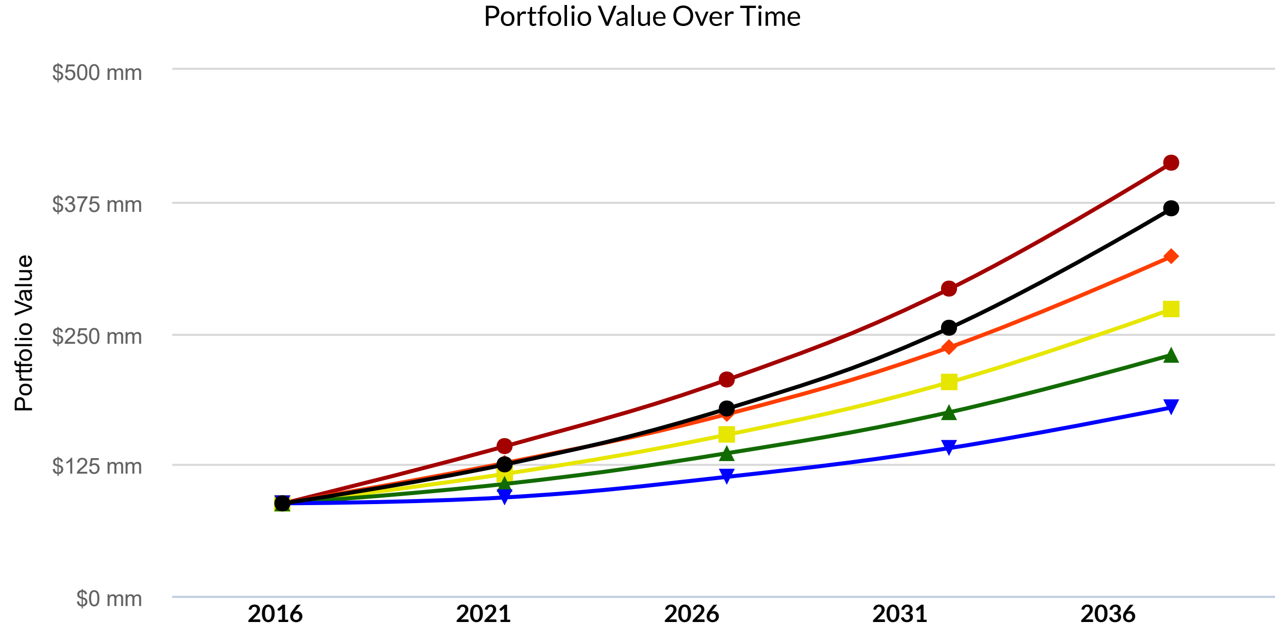
City of Franklin Pension Plan

Asset Allocation

Custom Projection Scenario



Portfolio Value Over Time



	2016	2021	2026	2031	2036
5%	$88 mm	$142 mm	$206 mm	$292 mm	$412 mm
25%	$88 mm	$126 mm	$173 mm	$236 mm	$323 mm
50%	$88 mm	$116 mm	$153 mm	$203 mm	$273 mm
75%	$88 mm	$106 mm	$136 mm	$175 mm	$229 mm
95%	$88 mm	$94 mm	$113 mm	$141 mm	$179 mm
7.5%	$88 mm	$125 mm	$178 mm	$255 mm	$368 mm

Statistics

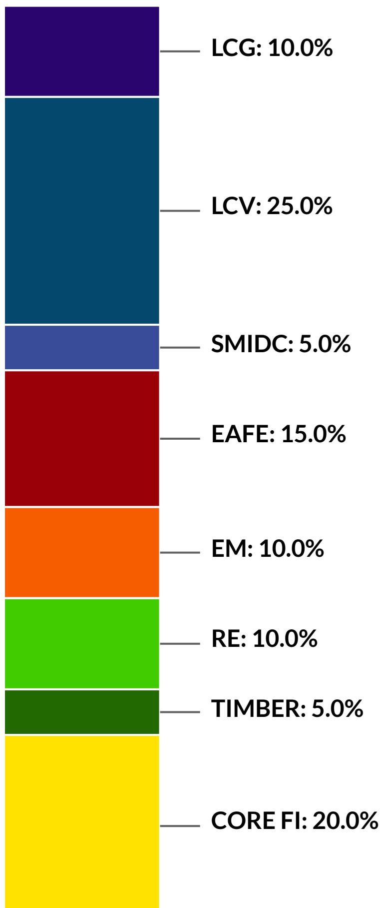
Beginning Value:	$88 mm	**Mean Return:**	6.06%
75% Year-20 Value:	$229 mm	**Standard Deviation:**	5.99
Required Year-20 Value:	$368 mm	**Sharpe Ratio:**	0.69
Actuarial Rate:	7.5%	**Likelihood to Beat 7.5%:**	12%

DAHAB ASSOCIATES
2016

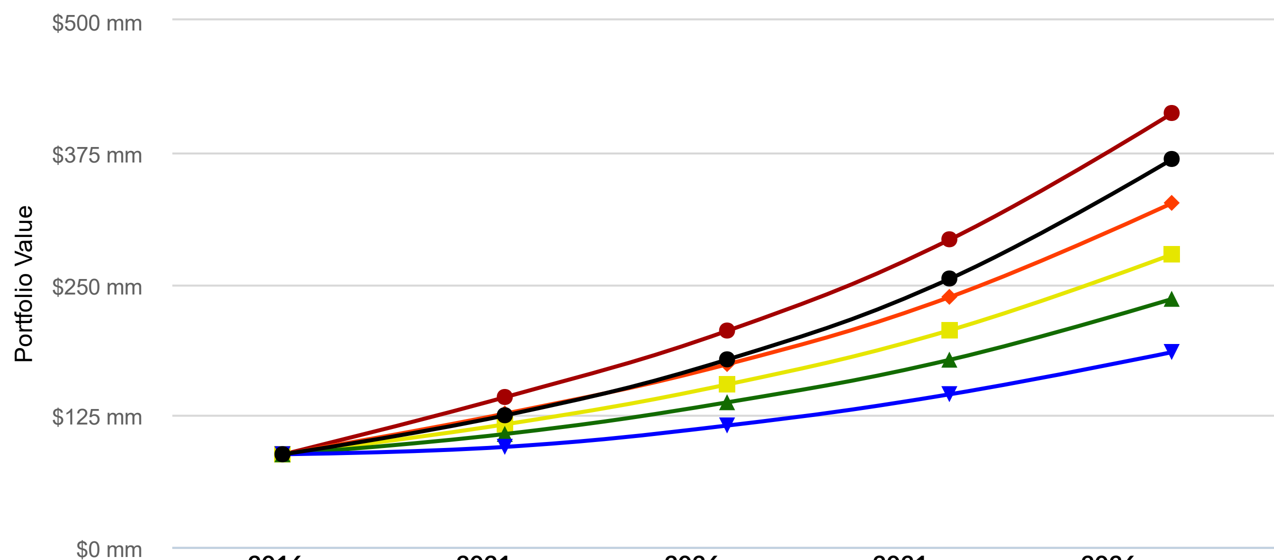
City of Franklin Pension Plan

Asset Allocation

Custom Projection Scenario



Portfolio Value Over Time



	2016	2021	2026	2031	2036
5%	$88 mm	$142 mm	$205 mm	$292 mm	$412 mm
25%	$88 mm	$127 mm	$174 mm	$237 mm	$327 mm
50%	$88 mm	$116 mm	$154 mm	$206 mm	$278 mm
75%	$88 mm	$107 mm	$137 mm	$178 mm	$236 mm
95%	$88 mm	$95 mm	$115 mm	$145 mm	$185 mm
7.5%	$88 mm	$125 mm	$178 mm	$255 mm	$368 mm

Statistics

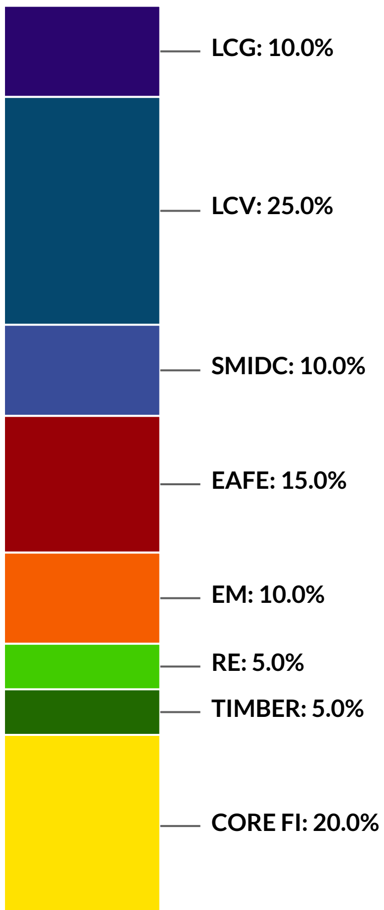
Beginning Value:	$88 mm	**Mean Return:**	6.14%
75% Year-20 Value:	$236 mm	**Standard Deviation:**	5.78
Required Year-20 Value:	$368 mm	**Sharpe Ratio:**	0.73
Actuarial Rate:	7.5%	**Likelihood to Beat 7.5%:**	12%

DAHAB ASSOCIATES
2016

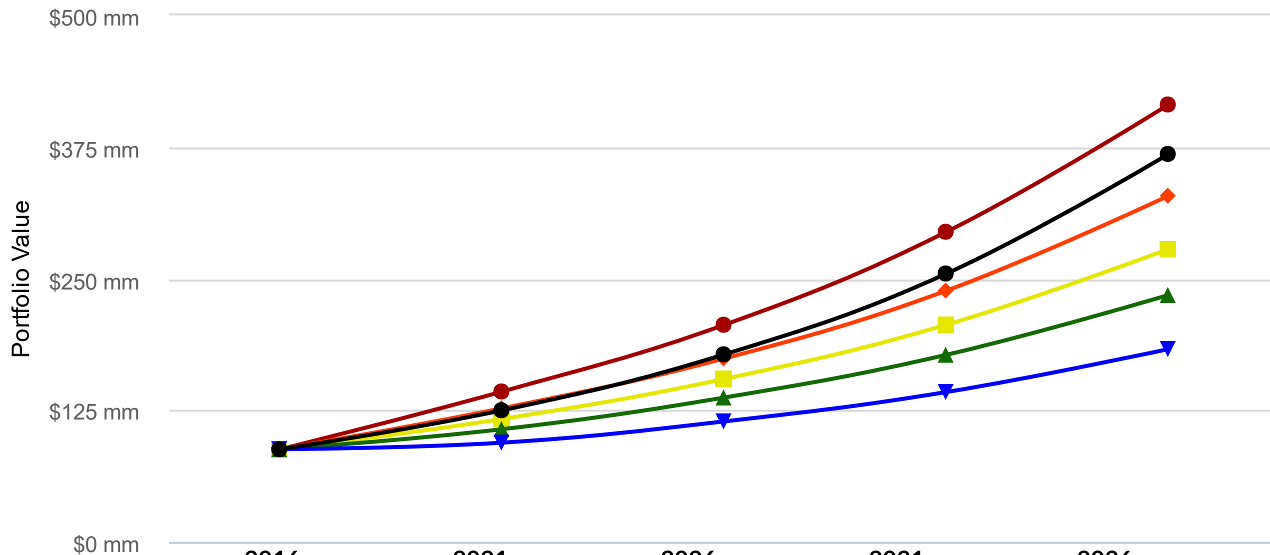
City of Franklin Pension Plan

Asset Allocation

Custom Projection Scenario



Portfolio Value Over Time



	2016	2021	2026	2031	2036
5%	$88 mm	$143 mm	$206 mm	$295 mm	$415 mm
25%	$88 mm	$127 mm	$174 mm	$239 mm	$329 mm
50%	$88 mm	$117 mm	$155 mm	$206 mm	$278 mm
75%	$88 mm	$107 mm	$137 mm	$178 mm	$234 mm
95%	$88 mm	$94 mm	$114 mm	$142 mm	$183 mm
7.5%	$88 mm	$125 mm	$178 mm	$255 mm	$368 mm

Statistics

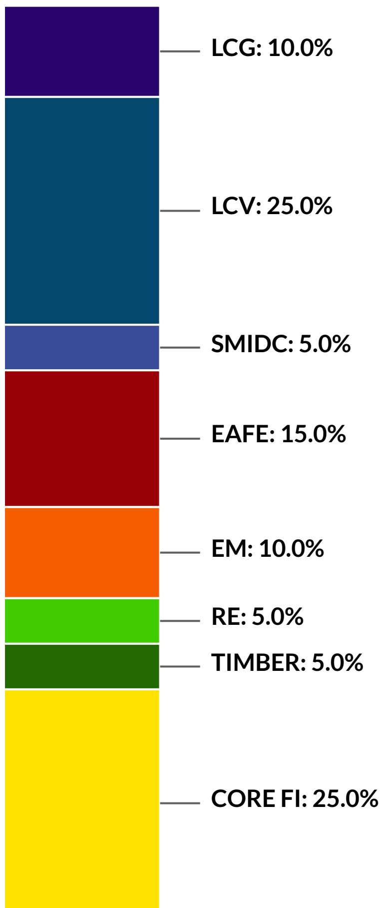
Beginning Value:	$88 mm	**Mean Return:**	6.15%
75% Year-20 Value:	$234 mm	**Standard Deviation:**	5.92
Required Year-20 Value:	$368 mm	**Sharpe Ratio:**	0.71
Actuarial Rate:	7.5%	**Likelihood to Beat 7.5%:**	13%

DAHAB ASSOCIATES
2016

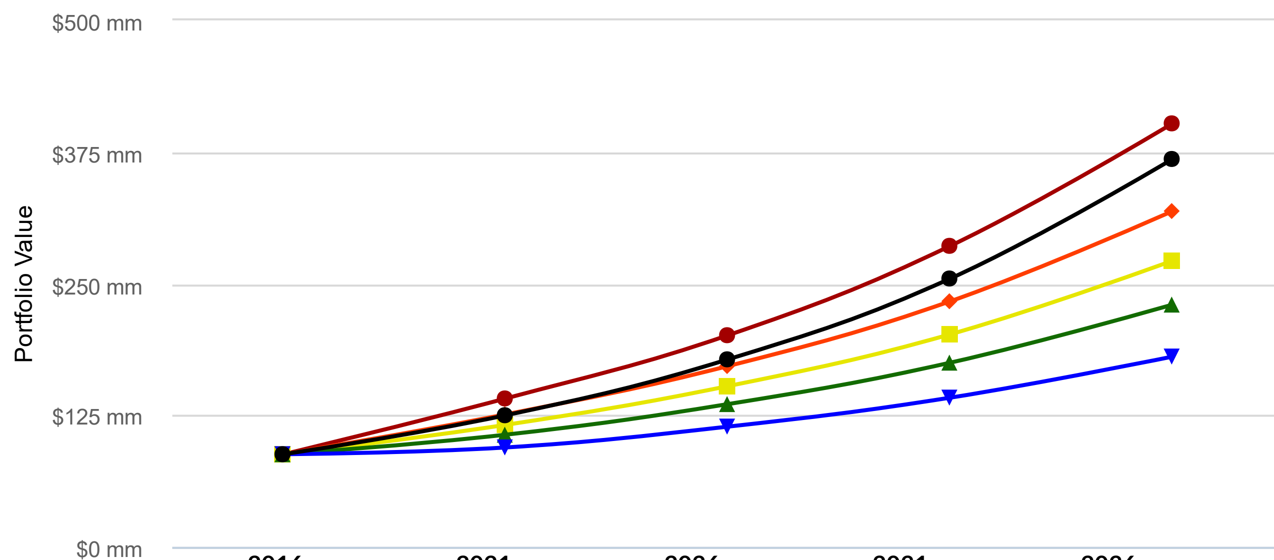
City of Franklin Pension Plan

Asset Allocation

Custom Projection Scenario



Portfolio Value Over Time



	2016	2021	2026	2031	2036
5%	$88 mm	$141 mm	$201 mm	$286 mm	$402 mm
25%	$88 mm	$126 mm	$172 mm	$233 mm	$319 mm
50%	$88 mm	$116 mm	$153 mm	$202 mm	$272 mm
75%	$88 mm	$107 mm	$136 mm	$175 mm	$230 mm
95%	$88 mm	$94 mm	$114 mm	$142 mm	$181 mm
7.5%	$88 mm	$125 mm	$178 mm	$255 mm	$368 mm

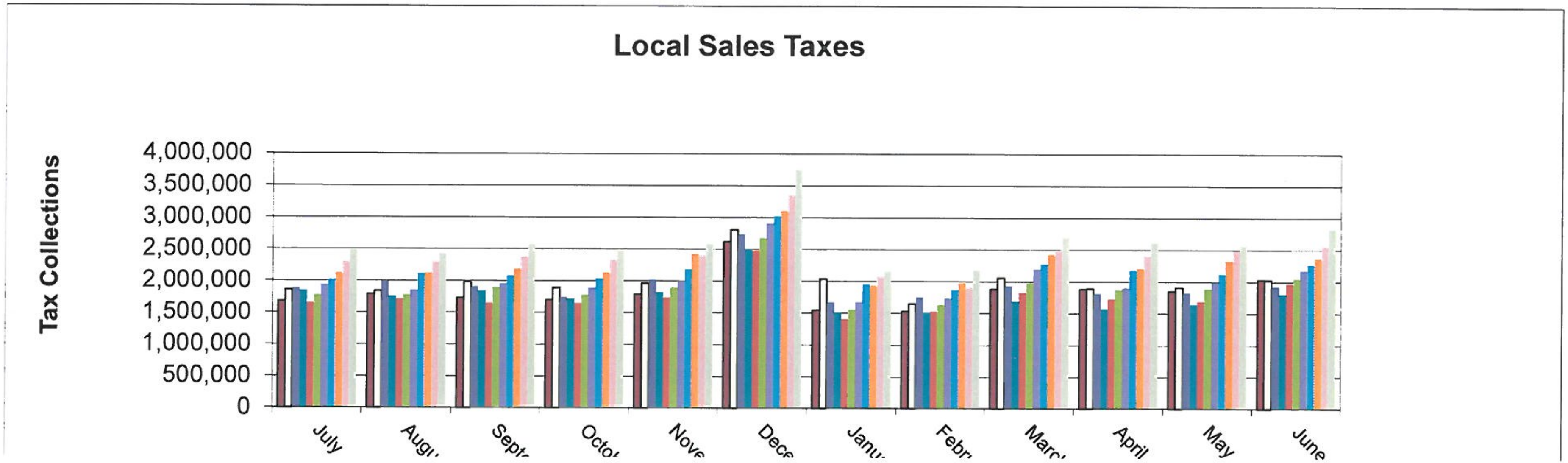
Statistics

Beginning Value:	$88 mm	**Mean Return:**	6.02%
75% Year-20 Value:	$230 mm	**Standard Deviation:**	5.75
Required Year-20 Value:	$368 mm	**Sharpe Ratio:**	0.71
Actuarial Rate:	7.5%	**Likelihood to Beat 7.5%:**	10%

DAHAB ASSOCIATES
2016

Local Sales Tax Revenue Comparison

Month	FY06	FY07	FY08	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16	% over prior yr	$ over prior yr
July	1,676,862	1,857,805	1,876,318	1,842,160	1,646,449	1,769,523	1,925,395	2,003,719	2,113,374	2,288,457	2,477,647	8.3%	189,190
August	1,788,477	1,837,563	1,985,123	1,747,507	1,711,487	1,774,021	1,843,928	2,101,518	2,115,836	2,296,081	2,420,111	5.4%	124,030
September	1,724,983	1,977,557	1,900,808	1,834,296	1,645,241	1,888,809	1,946,970	2,065,402	2,178,174	2,374,572	2,571,550	8.3%	196,978
October	1,695,501	1,887,613	1,734,361	1,707,123	1,639,767	1,767,404	1,881,099	2,026,865	2,117,978	2,327,025	2,485,462	6.8%	158,437
November	1,787,276	1,960,370	2,018,105	1,816,125	1,736,146	1,892,149	1,998,723	2,176,371	2,419,578	2,399,941	2,579,786	7.5%	179,845
December	2,617,849	2,806,905	2,730,286	2,491,017	2,479,640	2,670,491	2,902,675	3,012,759	3,097,595	3,345,841	3,752,983	12.2%	407,142
January	1,544,557	2,034,121	1,664,281	1,502,087	1,401,398	1,552,324	1,664,281	1,948,752	1,926,687	2,079,073	2,151,378	3.5%	72,305
February	1,526,301	1,649,397	1,752,131	1,507,868	1,521,898	1,628,745	1,729,002	1,856,748	1,973,541	1,900,629	2,181,227	14.8%	280,598
March	1,880,654	2,054,793	1,925,296	1,688,794	1,819,095	1,979,080	2,191,405	2,265,006	2,421,918	2,479,918	2,689,471	8.5%	209,553
April	1,883,777	1,885,024	1,812,244	1,572,824	1,719,674	1,866,180	1,897,741	2,168,372	2,201,566	2,410,499	2,611,014	8.3%	200,515
May	1,846,229	1,909,074	1,824,127	1,642,271	1,686,756	1,884,275	1,989,477	2,109,923	2,323,975	2,489,724	2,559,116	2.8%	69,392
June	2,033,237	2,025,044	1,926,353	1,800,044	1,961,270	2,047,664	2,168,095	2,260,297	2,364,520	2,552,236	2,829,620	10.9%	277,383
Total	**22,005,703**	**23,885,264**	**23,149,433**	**21,152,117**	**20,968,821**	**22,720,667**	**24,138,792**	**25,995,732**	**27,254,742**	**28,943,994**	**31,309,365**	**28,943,994**	**2,365,370**
Budgeted													
	Up	Up	Down	*Down*	*Down*	*year to date*	*year to date*	*year to date*	*year to date*	*year to date*	*year to date*	*last yr YTD*	*YTD difference*
	11.2%	8.5%	-3.1%	-8.6%	-0.9%	8.4%	6.2%	7.7%	4.8%	6.2%	8.2%	28,943,994	



HISTORIC
FRANKLIN
TENNESSEE

MEMORANDUM

MEMORANDUM

August 15, 2016

TO: Eric Stuckey, City Administrator

FROM: Russ Truell, ACA/CFO

RE: Local Sales Tax Report

The local sales tax remittance from the State of Tennessee for August was $2,829,620 compared to $2,552,236 for the same month in 2015, an increase of $277,383 or 10.9%. [The August remittance is for sales tax collected during the month of June, representing the final month of the fiscal year on an accrual basis.] During the same period, the State of Tennessee sales tax collections were up 5.9% from the prior year.

Year-to-date, the City has received $31.3 million compared to $28.9 million in the previous year, a difference of $2,365,370 or 8.2%. The State of Tennessee sales tax collections, year-to-date, are $8.27 billion compared to $7.72 billion in the prior year, a difference of $545 million or 7.1%.

For budget comparisons, the City originally anticipated collections of $30.7 million through twelve months of the fiscal year and $30.9 million after a mid-year budget amendment. Through the month of June, the City is $344,312, or 1.2%, above budgeted collections. As a further comparison, the June collection of $2.82 million compares to $2.04 million in 2010, $2.16 million in 2011, $2.26 million in 2012, $2.36 million in 2013 and $2.55 million in 2014.

The local sales tax collections have increased year-over-year in 74 of the last 77 months reported.

N0005001 7494617160804

TENNESSEE DEPARTMENT OF REVENUE

COUNTY EXECUTIVE/MAYOR
WILLIAMSON COUNTY
1320 W MAIN ST STE 125
FRANKLIN TN 37064-3700

August 7, 2016

Month of:	JULY
Tot. Collections:	$9,854,414.85
Cost of Admin:	$110,862.16
Net Collections:	$9,743,552.69

The Department of Revenue has collected and allocated the above total during the month indicated from Local Option Sales Tax as follows:

COUNTY/CITY NAME	TOTAL COLLECTIONS	LESS ADMIN. COSTS	NET COLLECTIONS
WILLIAMSON COUNTY	$377,203.78	$4,243.54	$372,960.24
FRANKLIN	$5,781,444.70	$65,041.25	$5,716,403.45
FAIRVIEW	$230,797.06	$2,596.47	$228,200.59
BRENTWOOD	$2,803,993.60	$31,544.93	$2,772,448.67
SPRING HILL	$426,467.90	$4,797.76	$421,670.14
THOMPSON STATION	$143,194.57	$1,610.94	$141,583.63
NOLENSVILLE	$91,313.24	$1,027.27	$90,285.97

Note that we have deducted 1.125% state cost of administration leaving the net collections. The Department of Finance and Administration has been notified to issue a payment to the Trustee of your county in the amount of the net collections.

Please be aware that normal Local Option Sales Tax collections may fluctuate. This could be due to additional collections on assessments or reductions as a result of taxpayer refunds or returned checks. Should your collection amount increase significantly, it might be the result of an audit assessment.

For additional information regarding the allocation you may call the Division of Fiscal Services at (615) 532-8944 between 8:00 a.m. and 4:30 p.m., Monday through Friday, holidays excepted.

5,716,403.45
*2
2,858,201.73
x.99
2,829,619.71

TN Department of Finance & Administration

FOR IMMEDIATE RELEASE
Wednesday, August 10, 2016

CONTACT: Lola Potter
OFFICE: 615-532-8560

JULY REVENUES

NASHVILLE, Tenn. – Total Tennessee tax revenues for July were slightly more than the budgeted expectation. Finance and Administration Commissioner Larry Martin reported today that July, which ended the accrual fiscal year, recorded a net positive growth of 0.74%, compared to July of 2015. Overall, July revenues were $1.0 billion, which is $13.8 million more than the state budgeted.

"July revenue results were somewhat mixed," Martin said. "With Sales taxes, we had stronger than anticipated growth but corporate and business taxes experienced negative growth. Also, all other taxes, taken as a group, were marginally below July 2015.

"Despite the mixed results in July, the year-to-date growth rate for all taxes ended the year well above last year's revenue performance. It is important to note that despite the underperformance with corporate business taxes in July, year to date these taxes have a strong positive growth."

On an accrual basis, July is the twelfth month in the 2015-2016 fiscal year.

General fund revenues exceeded the budgeted estimate in the amount of $11.3 million. The four other funds that share in state tax revenues were also in excess of budgeted expectations by $2.5 million.

Sales tax revenues were $29.6 million more than the estimate for July. The July growth rate was positive 5.96%. For 12 months, August through July, revenues are over budget by $375.7 million. The year-to-date growth rate for the 12-month period was positive 7.07%.

Franchise and excise taxes combined were $22.1 million less than the budgeted estimate of $78.4 million. The growth rate for July was negative 30.06%. For 12 months revenues are $349.9 million more than the budget estimate. The year-to-date growth rate was positive 3.82%; however, after factoring out the one-time tax payments received last year, the effective growth rate for twelve months is approximately 11.41%.

Privilege tax revenues were $4.8 million more than the July estimate. For 12 months revenues are $39.6 million more than the budgeted estimate.

Business tax revenues were $0.1 million less than the July estimate. Year-to-date revenues for 12 months are $11.5 million more than the budgeted estimate.

- MORE -

Inheritance and estate tax revenues were $2.4 million less than the July estimate. For 12 months revenues are $16.6 million more than the budgeted estimate.

Hall income tax revenues for July were $0.4 million less than the budgeted estimate. For 12 months revenues are $55.5 million more than the budgeted estimate.

Tobacco tax revenues were $0.4 million less than the budgeted estimate of $23.2 million. For 12 months revenues are $16.1 million in excess of the year-to-date estimate.

Gasoline and motor fuel revenues for July exceed estimates by $4.9 million. For 12 months revenues exceeded estimates by $40.1 million.

All other taxes for July were less than the budgeted estimates by a net of $0.1 million.

Year-to-date revenues for 12 months were $925.0 million more than the budgeted estimate. The general fund recorded revenues in the amount of $852.4 million more than the budgeted estimate, and the four other funds $72.6 million more than the budgeted estimate.

The budgeted revenue estimates for 2015-2016 are based on the State Funding Board's consensus recommendation of December 16, 2014 and adopted by the first session of the 109th General Assembly in April 2015. Also incorporated in the estimates are any changes in revenue enacted during the 2015 session of the General Assembly. These estimates are available on the state's website at http://www.tn.gov/finance/article/fa-budget-rev.

On November 13, 2015, the Funding Board met to hear updated revenue projections from the state's various economists. Meeting again on November 23, 2015, the board adopted revised recurring revenue growth ranges for the 2015-2016 fiscal year. The current fiscal year's revised ranges recognize growth in total taxes from a low of 2.80% to a high of 3.30%, and a general fund growth from a low of 2.90% to a high of 3.40%.

On April 14, 2016, in the second session of the 109th General Assembly, the legislature passed the 2016-2017 budget, which included the Funding Board's current year revised ranges. The governor signed the budget bill on April 21, 2016.

With passage of the appropriations act, Public Chapter 758, the General Assembly recognized an additional $376.1 million in total tax revenue and a corresponding increase in general fund revenues in the amount of $355.0 million for the current fiscal year.

Year-to-date revenues for fiscal year 2015-2016 are subject to final accrual adjustments.

###

Table 1
Revenue Collections by Fund
July
2015-2016

Fund	2016 Actual	2016 Budgeted	2016 B/(W)	2016 Percent	2015 Actual	2016 B/(W)	2016 Percent
General Fund	$851,366,000	$840,047,000	$11,319,000	1.35%	$849,579,000	$1,787,000	0.21%
Highway Fund	62,159,000	63,645,000	(1,486,000)	-2.33%	62,613,000	(454,000)	-0.73%
Sinking Fund	34,818,000	34,492,000	326,000	0.95%	31,769,000	3,049,000	9.60%
City & County Fund	77,675,000	74,004,000	3,671,000	4.96%	74,446,000	3,229,000	4.34%
Earmarked Fund	3,584,000	3,584,000	0	0.00%	3,582,000	2,000	0.06%
Total	**$1,029,602,000**	**$1,015,772,000**	**$13,830,000**	**1.36%**	**$1,021,989,000**	**$7,613,000**	**0.74%**

Revenue Collections by Tax
July
2015-2016

Tax Source	2016 Actual	2016 Budgeted	2016 B/(W)	2016 Percent	2015 Actual	2016 B/(W)	2016 Percent
Franchise & Excise	$56,301,000	$78,400,000	($22,099,000)	-28.19%	$80,502,000	($24,201,000)	-30.06%
Income	1,035,000	1,465,000	(430,000)	-29.35%	1,944,000	(909,000)	-46.76%
Inheritance & Estate	1,102,000	3,548,000	(2,446,000)	-68.94%	5,686,000	(4,584,000)	-80.62%
Gasoline	61,933,000	57,094,000	4,839,000	8.48%	59,507,000	2,426,000	4.08%
Petroleum Special	6,176,000	5,818,000	358,000	6.15%	5,944,000	232,000	3.90%
Tobacco	22,817,000	23,208,000	(391,000)	-1.68%	25,504,000	(2,687,000)	-10.54%
Beer	1,621,000	1,560,000	61,000	3.91%	1,637,000	(16,000)	-0.98%
Motor Vehicle Registration	23,760,000	21,184,000	2,576,000	12.16%	24,579,000	(819,000)	-3.33%
Motor Vehicle Title	2,072,000	1,605,000	467,000	29.10%	1,119,000	953,000	85.17%
Mixed Drink	8,384,000	8,041,000	343,000	4.27%	7,538,000	846,000	11.22%
Business	5,532,000	5,600,000	(68,000)	-1.21%	5,663,000	(131,000)	-2.31%
Privilege	32,545,000	27,741,000	4,804,000	17.32%	33,612,000	(1,067,000)	-3.17%
Gross Receipts	11,631,000	15,922,000	(4,291,000)	-26.95%	17,257,000	(5,626,000)	-32.60%
TVA - In Lieu of Tax Payments	28,454,000	29,062,000	(608,000)	-2.09%	28,623,000	(169,000)	-0.59%
Alcoholic Beverage	7,086,000	5,585,000	1,501,000	26.88%	5,560,000	1,526,000	27.45%
Sales and Use	742,662,000	713,100,000	29,562,000	4.15%	700,901,000	41,761,000	5.96%
Motor Vehicle Fuel	16,274,000	16,532,000	(258,000)	-1.56%	16,100,000	174,000	1.08%
Severance	119,000	201,000	(82,000)	-40.80%	151,000	(32,000)	-21.19%
Coin-operated Amusement	98,000	106,000	(8,000)	-7.55%	82,000	16,000	19.51%
Unauthorized Substance	0	0	0	NA	80,000	(80,000)	NA
Total	**$1,029,602,000**	**$1,015,772,000**	**$13,830,000**	**1.36%**	**$1,021,989,000**	**$7,613,000**	**0.74%**

Table 2
Revenue Collections by Fund
Year-to-Date
August - July
2015-2016

Fund	2015 - 2016 Actual	2015 - 2016 Budgeted	2015 - 2016 B/(W)	2015 - 2016 Percent	2014-2015 Actual	2015-2016 B/(W)	2015-2016 Percent
General Fund	$11,274,675,000	$10,422,300,000	$852,375,000	8.18%	$10,678,862,000	$595,813,000	5.58%
Highway Fund	721,494,000	710,000,000	11,494,000	1.62%	709,211,000	12,283,000	1.73%
Sinking Fund	412,584,000	409,000,000	3,584,000	0.88%	375,661,000	36,923,000	9.83%
City & County Fund	1,026,887,000	969,300,000	57,587,000	5.94%	959,553,000	67,334,000	7.02%
Earmarked Fund	42,999,000	43,000,000	(1,000)	0.00%	43,000,000	(1,000)	0.00%
Total	$13,478,639,000	$12,553,600,000	$925,039,000	7.37%	$12,766,287,000	$712,352,000	5.58%

Revenue Collections by Tax
Year-to-Date
August - July
2015-2016

Tax Source	2015 - 2016 Actual	2015 - 2016 Budgeted	2015 - 2016 B/(W)	2015 - 2016 Percent	2014-2015 Actual	2015-2016 B/(W)	2015-2016 Percent
Franchise & Excise	$2,287,822,000	$1,937,900,000	$349,922,000	18.06%	$2,203,555,000	$84,267,000	3.82%
Income	323,043,000	267,500,000	55,543,000	20.76%	302,826,000	20,217,000	6.68%
Inheritance & Estate	57,887,000	41,300,000	16,587,000	40.16%	80,367,000	(22,480,000)	-27.97%
Gasoline	660,214,000	626,400,000	33,814,000	5.40%	631,888,000	28,326,000	4.48%
Petroleum Special	67,437,000	65,400,000	2,037,000	3.11%	64,820,000	2,617,000	4.04%
Tobacco	261,052,000	245,000,000	16,052,000	6.55%	264,137,000	(3,085,000)	-1.17%
Beer	18,161,000	17,500,000	661,000	3.78%	17,860,000	301,000	1.69%
Motor Vehicle Registration	273,993,000	255,300,000	18,693,000	7.32%	264,634,000	9,359,000	3.54%
Motor Vehicle Title	22,781,000	18,000,000	4,781,000	26.56%	12,098,000	10,683,000	88.30%
Mixed Drink	96,389,000	88,700,000	7,689,000	8.67%	85,912,000	10,477,000	12.20%
Business	154,210,000	142,700,000	11,510,000	8.07%	150,499,000	3,711,000	2.47%
Privilege	378,262,000	338,700,000	39,562,000	11.68%	360,179,000	18,083,000	5.02%
Gross Receipts	20,446,000	29,600,000	(9,154,000)	-30.93%	28,849,000	(8,403,000)	-29.13%
TVA - In Lieu of Tax Payments	348,912,000	354,000,000	(5,088,000)	-1.44%	347,054,000	1,858,000	0.54%
Alcoholic Beverage	63,613,000	60,000,000	3,613,000	6.02%	58,228,000	5,385,000	9.25%
Sales and Use	8,269,944,000	7,894,200,000	375,744,000	4.76%	7,724,058,000	545,886,000	7.07%
Motor Vehicle Fuel	172,790,000	168,500,000	4,290,000	2.55%	166,766,000	6,024,000	3.61%
Severance	1,412,000	2,600,000	(1,188,000)	-45.69%	2,162,000	(750,000)	-34.69%
Coin-operated Amusement	270,000	300,000	(30,000)	-10.00%	314,000	(44,000)	-14.01%
Unauthorized Substance	1,000	0	1,000	NA	81,000	(80,000)	NA
Total	$13,478,639,000	$12,553,600,000	$925,039,000	7.37%	$12,766,287,000	$712,352,000	5.58%

CITY of FRANKLIN
2015 PROPERTY TAX COLLECTIONS
As of June 30, 2016

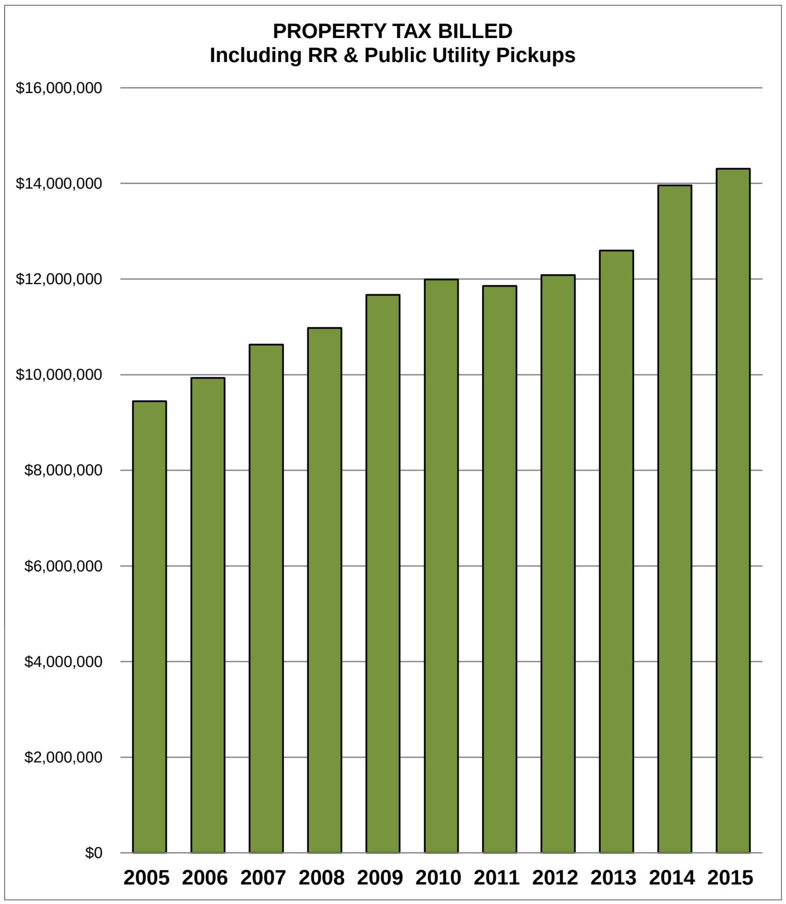
YEAR	Beginning Balance	150 Corrections	600 Refunds	400 Adjustments	100 Pickups	210 Cleanup	700 Returned Checks	200 Receipts	AR Balance
2015	$14,306,693	($34,044)	$79,959	($6,811)	$269,776	$311,408	($304,597)	($14,350,643)	$271,741
2014	$13,742,347	($443,588)	$0	$0	$659,878	$256,113	($256,113)	($13,940,264)	$18,373
Prior Years (2004 - 2013)	$74,656,547	($176,942)	$837,477	($17,310)	$1,725,590	($600)	$22,114	($76,999,770)	$47,107

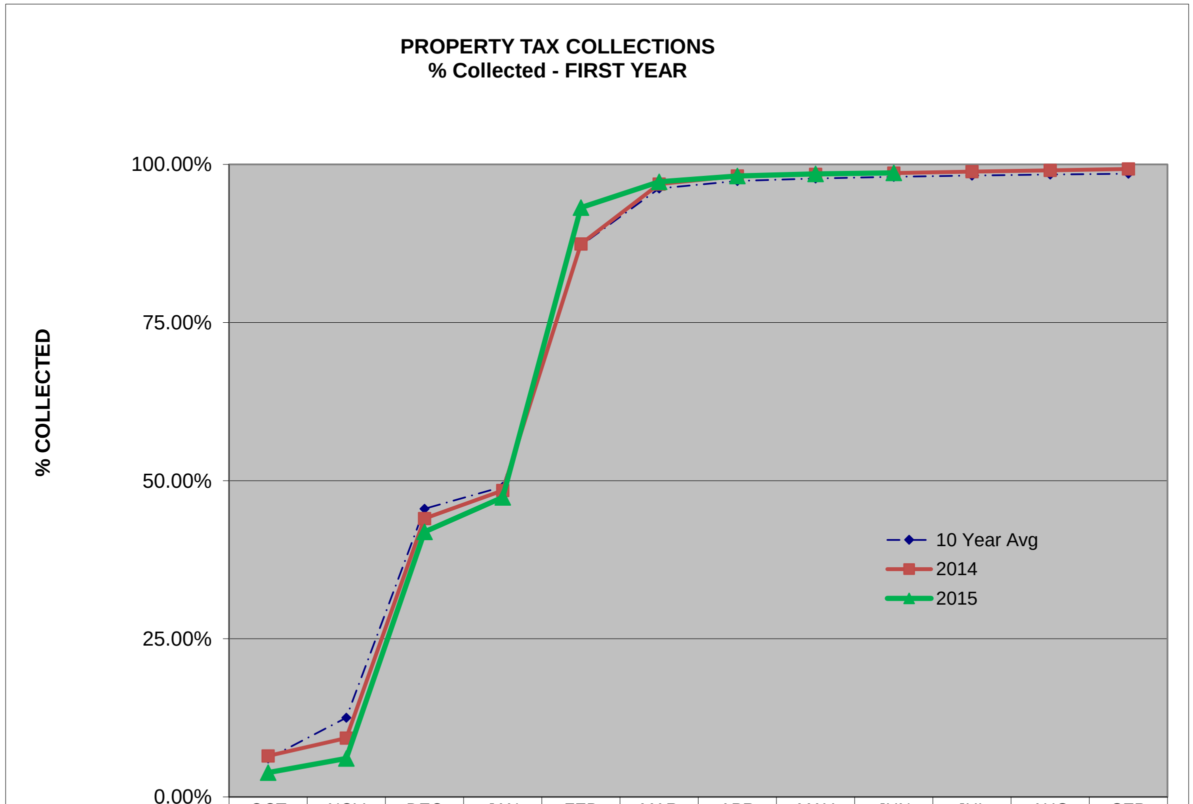
Beginning Balance does not include RR & Public Utilities added later, rollbacks & other adjustments

RR and Public Utilities typically added in January (reflected in 100 PICKUPS); typically about $200k annually

2011 and earlier have been turned over to Clerk & Master to initiate legal action for collection

Receipts include penalty & interest (bills are issued in October and Penalty/interest apply starting the following March)





	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP
10 Year Avg	6.08%	12.53%	45.54%	49.04%	87.19%	96.20%	97.38%	97.77%	98.03%	98.23%	98.40%	98.53%
2014	6.49%	9.32%	44.00%	48.45%	87.44%	96.88%	98.16%	98.43%	98.63%	98.85%	99.04%	99.28%
2015	3.85%	6.10%	41.91%	47.35%	93.18%	97.25%	98.18%	98.51%	98.66%			

Building Permit Issued
Permit Dates: 07/01/2016 - 07/31/2016

HISTORIC FRANKLIN TENNESSEE

Permit # Issue Date	Address Project Name / Location Desc.	Usage	Work Type	Total SF/Heated SF	Valuation	Applicant/ Contractor Info/ Phone/ Mailing/Email Address	Capacity
102322 Issue Date: 07/20/2016	**225 CUMMINS ST 223 CUMMINS ST APT A**	Other Residential	New	1832 / 1722	$200,000.00	Garden Gate Homes INC 109 BATTLEFIELD DR FRANKLIN,TN 37064- (615)456-5515x matt.christensen@comcast.net	Contractor
103602 Issue Date: 07/11/2016	**310 LIONHEART WAY Avalon Lot 127 New**	Residential	New	7841 / 5773	$1,000,000.00	Legacy Homes Of TN 245 NOAH DRIVE FRANKLIN, 37064- (615)794-7415 blake@tennesseevalleyhomes.com	Contractor
105360 Issue Date: 07/05/2016	**108 EASTWIND CT STORPLACE AT FRANKLIN NEW BUILDING (MAIN BUILDING)**	Nonresidential	New	34200 / 34200	$3,500,000.00	HARVEST CONSTRUCTION CO. 630 SOUTHGATE AVE. NASHVILLE,TN 37203 (615)292-5700 lyates@harvestconstructionllc.com	Contractor
105744 Issue Date: 07/14/2016	**3359 ASPEN GROVE DR STE 150 FRANKLIN SYNERGY BANK ASPEN GROVE**	Nonresidential	Revovation	9883 / 9883	$303,875.00	SKANSKA USA BUILDING 5000 Meridian Blvd. Ste 100 Franklin,TN 37067 (615)507-5608 russ.brown@skanska.com	Contractor
108048 Issue Date: 07/26/2016	**104 TREEMONT LN Treemont Lot 13**	Residential	New	5858 / 4202	$664,500.00	McWaters Construction Inc 2851 Stage Village Cove, St 2 Bartlett,TN 38134 (901)634-1688	Contractor
108234 Issue Date: 07/18/2016	**1522 LIBERTY PIKE 1522 Liberty Pike - Deck Expansion**	Residential	Addition	200 / 0	$3,800.00	MICHAEL HARRIS HOME IMPROVEMENT 1213 LIMERICK LANE FRANKLIN,TN 37067 (615)400-6120 M1CHAEL_HARR1S@YAHOO.COM	Other
108422 Issue Date: 07/14/2016	**120 9TH AVE S Synergy Bank - Interior Modifications - Demising W**	Nonresidential	Revovation	50 / 50	$25,000.00	SKANSKA USA BUILDING 5000 Meridian Blvd. Ste 100 Franklin,TN 37067 (615)507-5608 russ.brown@skanska.com	Contractor

Building Permit Issued
Permit Dates: 07/01/2016 - 07/31/2016

HISTORIC FRANKLIN TENNESSEE 1799

Permit # Issue Date	Address Project Name / Location Desc.	Usage	Work Type	Total SF/Heated SF	Valuation	Applicant/ Contractor Info/ Phone/ Mailing/Email Address	Capacity
108634 **Issue Date: 07/07/2016**	**2021 CANYON ECHO DR** **STREAM VALLEY LOT 192; ADDITION**	Residential	Addition	216 / 216	$15,000.00	Signature Building 2008 Lake Colonial Ct Arrington,TN 37014 (615)804-8641	Contractor
108709 **Issue Date: 07/21/2016**	**5043 ROCKPORT AVE** **Stream Valley Lot #275**	Residential	New	4472 / 3815	$459,271.00	Ryan Homes 93 SEABOARD Lane Suite 201 BRENTWOOD,TN 37027 (615)864-6144 jaharris@nvrinc.com	Contractor
108741 **Issue Date: 07/05/2016**	**231 PUBLIC SQ** **231 Public Square - Temporary Vault**	Nonresidential	Miscellaneous	0 / 0	$5,000.00	Crews Public Square, LLC P. O. Box 681094 Franklin,TN 37068-1094 (615)456-2099 brian@heartland-partners.com	Owner
108882 **Issue Date: 07/21/2016**	**733 BLACK HORSE PKWY** **screened porch and deck**	Residential	Addition	272 / 272	$24,800.00	DECKS UNLIMITED 796 Harpeth Bend Drive Nashville,TN 37221 (615)673-9499 decks.unlimited@comcast.net	Contractor
108924 **Issue Date: 07/07/2016**	**9190 KEATS ST** **WESTHAVEN LOT 1564**	Residential	New	4730 / 3550	$300,000.00	Stonegate Homes, LLC p.o box 682461 franklin,tn 37067 (615)405-4401 PHUFF@STONEGATEHOMES.US	Contractor
108998 **Issue Date: 07/06/2016**	**438 MAIN ST** **STARBUCKS FIVE POINTS .. EXTERIOR RENO**	Nonresidential	Revovation	1000 / 0	$15,000.00	PORTICO ENTERPRISES INC 2345 CLAY POND DRIVE OAKLAND,TENNESSEE 38060 (909)489-5018 WFAHR@COMCAST.NET	Contractor
109011 **Issue Date: 07/07/2016**	**126 HARLINSDALE CT** **HARLINSDALE MANOR LOT 5, NEW**	Residential	New	6443 / 4879	$800,000.00	Montgomery Classic Construciton, LLC 5123 Virginia Way Ste. A-13 Brentwood,TN 37027 (615)593-8310 john@montgomerycllc.com	Contractor
109052 **Issue Date: 07/07/2016**	**217 VERDE MEADOW DR** **VILLAGE OF CLOVERCROFT LOT 45**	Residential	Revovation	1 / 0	$3,500.00	HENDERSON ENTERPRISES LLC 1919 APPOMATTOX DR LEBANON,TN 37087 (615)547-2333	Contractor

Building Permit Issued
Permit Dates: 07/01/2016 - 07/31/2016

HISTORIC FRANKLIN TENNESSEE 1799

Permit # Issue Date	Address Project Name / Location Desc.	Usage	Work Type	Total SF/Heated SF	Valuation	Applicant/ Contractor Info/ Phone/ Mailing/Email Address	Capacity
109053 Issue Date: 07/25/2016	**948 GLASS ST HARD BARGIN LOT 7**	Residential	New	2631 / 1936	$385,000.00	BEST BUILT CONSTRUCTION PO BOX 1631 BRENTWOOD,TN 37027 (615)394-2948 bestbuilt.inc@comcast.net	Contractor
109148 Issue Date: 07/27/2016	**118 SEABOARD LN STE 100 Career Center for Workforce Essentials - RENO**	Nonresidential	Revovation	15200 / 15200	$250,000.00	ROMACH INC PO BOX 472 FRANKLIN,TN 37065 (615)794-8228x	Contractor
109219 Issue Date: 07/12/2016	**2023 DAYLILY DR GARDEN CLUB POOL**	Residential	New	0 / 0	$60,000.00	Pvh Pools 7115 BAKERS BRIDGE AVE BRENTWOOD, 37027- (615)969-2526 brycroft@poolandspadepot.com	Contractor
109240 Issue Date: 07/05/2016	**158 FRONT ST Pure Barre Westhaven - Ste 102**	Nonresidential	Tenant Buildout	1605 / 1605	$81,000.00	TENANT BUILDING GROUP 2414 CRUZEN STREET NASHVILLE,TN 37211 (615)254-1837 bobo@tenantbuildinggroup.com	Contractor
109284 Issue Date: 07/19/2016	**2014 CANYON ECHO DR STREAM VALLEY LOT 216; NEW**	Residential	New	3147 / 2588	$298,324.00	Ryan Homes 93 SEABOARD Lane Suite 201 BRENTWOOD,TN 37027 (615)864-6144 jaharris@nvrinc.com	Contractor
109378 Issue Date: 07/20/2016	**714 NEWCOMB ST LADD PARK LOT 709; NEW**	Residential	New	3491 / 2851	$256,014.60	THE JONES COMPANY 1221 LIBERTY PIKE FRANKLIN,TN 37064 (615)595-5439 jones@jonescompany.com	Contractor
109407 Issue Date: 07/06/2016	**517 CHURCH ST 517 Church Street Office - Renovation**	Nonresidential	Revovation	2600 / 2600	$40,000.00	Lee Restoration PO BOX 162 SUMMERTOWN,TN 38483- (615)790-1830x jenna@leerestoration.com	Contractor
109408 Issue Date: 07/05/2016	**1501 NEW HIGHWAY 96 W Mapco Express #3428 Renovation**	Nonresidential	Revovation	500 / 500	$15,000.00	CONSECO 2601 Westwood Dr. Nashville,TN 37204 (615)497-3960 briank@consecogroup.com	Contractor

Permit # Issue Date	Address Project Name / Location Desc.	Usage	Work Type	Total SF/Heated SF	Valuation	Applicant/ Contractor Info/ Phone/ Mailing/Email Address	Capacity
109409 Issue Date: 07/11/2016	**1962 CHAMPIONSHIP BLVD WESTHAVEN LOT 1690, NEW (MODEL)**	Residential	New	4938 / 3604	$414,460.00	Mike Ford Custom Bldrs 390 MALLORY STATION ROAD STE 100 FRANKLIN,TN 37067 (615)503-9727 amanda.groves@mikeford.COM	Contractor
109413 Issue Date: 07/01/2016	**425 AVON RIVER RD LADD PARK LOT 437**	Residential	Addition	345 / 345	$24,000.00	JOEL TOMLIN, III 4115 MALLORY LANE SUITE 100C FRANKLIN,TN 37067 (615)713-9113	Contractor
109466 Issue Date: 07/01/2016	**459 PEARRE SPRINGS WAY WESTHAVEN LOT 628, RENOVATIONS**	Residential	Revovation	0 / 0	$33,650.00	HANNAH RESTORATION 100 COMMERCE DRIVE A HENDERSONVILLE,TN 37075 (615)431-5851 justin@hannahrestoration.com	Contractor
109467 Issue Date: 07/08/2016	**2555 MERIDIAN BLVD STE 180 SOUTHERN SPRINGS CAPITAL GROUP RENOVATION**	Nonresidential	Revovation	2581 / 2581	$50,000.00	Flow Construction Company 3628 Trousdale Drive Suite E Nashville,TN 37204 (615)832-0707 bellis@flowconstruction.com	Contractor
109470 Issue Date: 07/27/2016	**1307 MURFREESBORO RD QUALITY INN AND SUITES**	Nonresidential	Revovation	111 / 111	$23,000.00	ROBERT KROUSE 2733 JOE MACLIPSCOMB SPRINGFIELD,TN 37172 (615)946-4418	Contractor
109475 Issue Date: 07/06/2016	**1025 BEAMON DR HIGHLANDS OF LADD PARK LOT 512, NEW**	Residential	New	3071 / 2416	$162,892.00	Signature Homes 381 Mallory Station Rd Franklin,TN 37067 (615)678-3205 thester@e-signaturehomes.com	Contractor
109485 Issue Date: 07/12/2016	**169 HAROLD CT LADD PARK LOT 270**	Residential	New	4401 / 3471	$360,090.00	Goodall Homes 393 MAPLE STREET SUITE 100 GALLATIN,TN 37066- (615)451-5029 tbraswell@goodallhomes.com	Contractor

Building Permit Issued
Permit Dates: 07/01/2016 - 07/31/2016

HISTORIC FRANKLIN TENNESSEE

Permit # Issue Date	Address Project Name / Location Desc.	Usage	Work Type	Total SF/Heated SF	Valuation	Applicant/ Contractor Info/ Phone/ Mailing/Email Address	Capacity
109513 Issue Date: 07/11/2016	**712 FONTWELL LN Ladd Park Lot 1013**	Residential	New	3950 / 2949	$250,000.00	Signature Homes 381 Mallory Station Rd Franklin,TN 37067 (615)678-3205 thester@e-signaturehomes.com	Contractor
109543 Issue Date: 07/07/2016	**8025 BROOKPARK AVE STREAM VALLEY LOT 235**	Residential	New	3236 / 2544	$318,438.00	Ryan Homes 93 SEABOARD Lane Suite 201 BRENTWOOD,TN 37027 (615)864-6144 jaharris@nvrinc.com	Contractor
109574 Issue Date: 07/13/2016	**1007 MARKET ST MCKAY MILLS LOT 3**	Residential	Miscellaneous	338 / 0	$22,327.00	ENCORE HOMES 102 HAZEL PATH SUITE 6 HENDERSONVILLE,TN 37075 (615)681-7707	Contractor
109580 Issue Date: 07/12/2016	**4031 GENERAL MARTIN LN BERRY FARMS LOT 110; NEW**	Residential	New	3791 / 2799	$285,000.00	Celebration Homes LLC 7123 CROSSROADS BLVD STE C Brentwood,TN 37027 (615)370-1686 NA@NA.COM	
109584 Issue Date: 07/18/2016	**4025 GENERAL MARTIN LN BERRY FARMS LOT 111; NEW**	Residential	New	4425 / 3168	$290,000.00	Celebration Homes LLC 7123 CROSSROADS BLVD STE C Brentwood,TN 37027 (615)370-1686 NA@NA.COM	
109610 Issue Date: 07/12/2016	**5043 LAUGHING BROOK LN Water's Edge Lot 28**	Residential	New	4244 / 3521	$361,829.00	Goodall Homes 393 MAPLE STREET SUITE 100 GALLATIN,TN 37066- (615)451-5029 tbraswell@goodallhomes.com	Contractor
109618 Issue Date: 07/14/2016	**1004 REESE DR Rizer Point Lot 12**	Residential	New	2822 / 2209	$332,390.00	Goodall Homes 393 MAPLE STREET SUITE 100 GALLATIN,TN 37066- (615)451-5029 tbraswell@goodallhomes.com	Contractor
109626 Issue Date: 07/11/2016	**250 3RD AVE S 250 3rd Ave South - Wall**	Residential	Miscellaneous	1 / 0	$12,000.00	Chester Constr 2517 Tisdale Dr. Thompsons Station, 37179 (615)642-5851 na@na.com	Contractor

Building Permit Issued
Permit Dates: 07/01/2016 - 07/31/2016

Permit # Issue Date	Address Project Name / Location Desc.	Usage	Work Type	Total SF/Heated SF	Valuation	Applicant/ Contractor Info/ Phone/ Mailing/Email Address	Capacity
109629 Issue Date: 07/18/2016	**5026 ROCKPORT AVE Stream Valley Lot 288**	Nonresidential	New	4053 / 3376	$439,692.00	Ryan Homes 93 SEABOARD Lane Suite 201 BRENTWOOD,TN 37027 (615)864-6144 jaharris@nvrinc.com	Contractor
109640 Issue Date: 07/12/2016	**1005 REESE DR Rizer Point Lot 3**	Residential	New	4801 / 4046	$420,040.00	Goodall Homes 393 MAPLE STREET SUITE 100 GALLATIN,TN 37066- (615)451-5029 tbraswell@goodallhomes.com	Contractor
109656 Issue Date: 07/11/2016	**586 PLOUGHMANS BEND DR Maplewood - 586 Ploughmans Bend Dr. - Screen Porch**	Residential	Addition	440 / 0	$30,000.00	English Home IMprovements 6320 Hwy 41A Pleasentview,TN 37146 (615)746-0990 hankmarcum@gmail.com	Contractor
109671 Issue Date: 07/07/2016	**1421 WESTHAVEN BLVD WESTHAVEN 1421 WESTHAVEN BLVD RENOVATION**	Residential	Revovation	1200 / 1200	$40,000.00	FAULKNER GROUP 2203 RANKIN DRIVE CHRISTIANA,TENNESSEE 37037 (615)869-9202 TRE@THEFAULKNERGROUP.NET	Contractor
109690 Issue Date: 07/14/2016	**1002 REESE DR RIZER POIT LOT 11; NEW**	Residential	New	4364 / 3543	$377,500.00	Goodall Homes 393 MAPLE STREET SUITE 100 GALLATIN,TN 37066- (615)451-5029 tbraswell@goodallhomes.com	Contractor
109694 Issue Date: 07/18/2016	**2020 CANYON ECHO DR STREAM VALLEY LOT 213; NEW**	Residential	New	3482 / 2822	$324,193.00	Ryan Homes 93 SEABOARD Lane Suite 201 BRENTWOOD,TN 37027 (615)864-6144 jaharris@nvrinc.com	Contractor
109719 Issue Date: 07/08/2016	**108 WERTHAN CIR UNIVERSAL SELF STORAGE FIRE ALARM**	Nonresidential	Miscellaneous	0 / 0	$15,686.00	Act Security 511 FAIRGROUND CT NASHVILLE, 37211 (615)333-6300 dnafzger@actsecurity.net	Contractor
109720 Issue Date: 07/11/2016	**5145 DONOVAN ST WESTHAVEN KIT 1604, NEW**	Residential	New	4765 / 3518	$404,570.00	Mike Ford Custom Bldrs 390 MALLORY STATION ROAD STE 100 FRANKLIN,TN 37067 (615)503-9727 amanda.groves@mikeford.COM	Contractor

HISTORIC FRANKLIN TENNESSEE

Permit # Issue Date	Address Project Name / Location Desc.	Usage	Work Type	Total SF/Heated SF	Valuation	Applicant/ Contractor Info/ Phone/ Mailing/Email Address	Capacity
109725 Issue Date: 07/11/2016	**5032 ROCKPORT AVE STREAM VALLEY LOT 285**	Residential	New	3537 / 2960	$384,070.00	Ryan Homes 93 SEABOARD Lane Suite 201 BRENTWOOD,TN 37027 (615)864-6144 jaharris@nvrinc.com	Contractor
109729 Issue Date: 07/20/2016	**732 NEWCOMB ST LADD PARK LOT 712**	Residential	New	3314 / 2834	$246,101.00	THE JONES COMPANY 1221 LIBERTY PIKE FRANKLIN,TN 37064 (615)595-5439 jones@jonescompany.com	Contractor
109733 Issue Date: 07/06/2016	**325 CIRCUIT RD LADD PARK LOT 32**	Residential	New	4882 / 3739	$450,000.00	8005 CHURCH STREET EAST STE 201 BRENTWOOD,TN 37027 (615)686-4358 patrick.aspen@icloud.com	Contractor
109746 Issue Date: 07/01/2016	**158 FRONT ST WESTHAVEN HARDWARE**	Nonresidential	Revovation	5586 / 5586	$122,907.00	CONSECO 2601 Westwood Dr. Nashville,TN 37204 (615)497-3960 briank@consecogroup.com	Contractor
109769 Issue Date: 07/13/2016	**1938 CHAMPIONSHIP BLVD WESTHAVEN LOT 1694**	Residential	New	4452 / 3474	$399,511.00	Mike Ford Custom Bldrs 390 MALLORY STATION ROAD STE 100 FRANKLIN,TN 37067 (615)503-9727 amanda.groves@mikeford.COM	Contractor
109773 Issue Date: 07/22/2016	**1000 REESE DR RIZER POINT LOT 10**	Residential	New	4599 / 3706	$395,780.00	Goodall Homes 393 MAPLE STREET SUITE 100 GALLATIN,TN 37066- (615)451-5029 tbraswell@goodallhomes.com	Contractor
109783 Issue Date: 07/05/2016	**108 EASTWIND CT STORPLACE AT FRANKLIN NEW BUILDING (BUILDING STRUC**	Nonresidential	Accessory Building	3750 / 0	$58,890.00	HARVEST CONSTRUCTION CO. 630 SOUTHGATE AVE. NASHVILLE,TN 37203 (615)292-5700 lyates@harvestconstructionllc.com	Contractor
109784 Issue Date: 07/05/2016	**108 EASTWIND CT STORPLACE AT FRANKLIN NEW BUILDING (BUILDING NO#2)**	Nonresidential	Accessory Building	6250 / 0	$144,461.00	HARVEST CONSTRUCTION CO. 630 SOUTHGATE AVE. NASHVILLE,TN 37203 (615)292-5700 lyates@harvestconstructionllc.com	Contractor

Building Permit Issued
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HISTORIC FRANKLIN TENNESSEE

Permit # Issue Date	Address Project Name / Location Desc.	Usage	Work Type	Total SF/Heated SF	Valuation	Applicant/ Contractor Info/ Phone/ Mailing/Email Address	Capacity
109795 Issue Date: 07/21/2016	**778 FONTWELL LN HIGHLANDS OF LADD PARK LOT 1003, NEW**	Residential	New	3855 / 3007	$197,888.00	Signature Homes 381 Mallory Station Rd Franklin,TN 37067 (615)678-3205 thester@e-signaturehomes.com	Contractor
109799 Issue Date: 07/25/2016	**348 3RD AVE S RENOVATION & Addition**	Residential	Addition	2098 / 1887	$170,000.00	Bellus Construction Corp. 856 Lewisburg Pike Franklin,TN 37064 bellusconstructioncorp@gmail.com	Contractor
109800 Issue Date: 07/06/2016	**209 LARKTON PL JACKSON LAKE DECK ADDITION**	Residential	Miscellaneous	0 / 0	$1,200.00	JANICE STEVENS 209 LARKTON PLACE FRANKLIN,TN 37069	Other
109804 Issue Date: 07/06/2016	**260 DANDRIDGE DR 260 Dandridge Dr. - Pool Deck**	Residential	Miscellaneous	150 / 150	$1,500.00	CYNTHIA JOHNSON 260 DANDRIDGE DR FRANKLIN,TN 37067 (916)749-6557 cyndi.ncali@yahoo.com	Owner
109806 Issue Date: 07/19/2016	**341 COOL SPRINGS BLVD STE 140 WADDELL AND REED**	Nonresidential	Tenant Buildout	3348 / 3348	$99,261.00	Thomas Constructors LLC 4711 TROUSDALE DR SUITE 120 NASHVILLE,TN 37220 (615)475-7050 patrick@thomasconstructors.com	Contractor
109808 Issue Date: 07/06/2016	**226 GLOUCESTER ST YORK TOWN SUBDIVISION**	Residential	Addition	520 / 0	$19,000.00	TRIPLE SEVEN CONSTRUTION 105 ROB ROY COURT FRANKLIN,TN 37064 (615)319-8854	Other
109812 Issue Date: 07/08/2016	**106 DANIELS DR ROLLING RIVER LOT 24**	Residential	Addition	432 / 432	$44,000.00	DANIEL PETERSEN 106 DANIELS DRIVE FRANKLIN,TN 37064 (615)838-4406	Other
109816 Issue Date: 07/08/2016	**104 DANIELS DR ROLLING RIVER LOT 24**	Residential	Accessory Building	540 / 540	$16,000.00	DANIEL PETERSEN 106 DANIELS DRIVE FRANKLIN,TN 37064 (615)838-4406	Other

Building Permit Issued
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HISTORIC FRANKLIN TENNESSEE

Permit # Issue Date	Address Project Name / Location Desc.	Usage	Work Type	Total SF/Heated SF	Valuation	Applicant/ Contractor Info/ Phone/ Mailing/Email Address	Capacity
109837 Issue Date: 07/07/2016	**104 FALLS CHURCH CT 104 FALLS CHURCH STREET**	Residential	Revovation	580 / 0	$51,381.00	Parkerson Construction 719 S. CHURCH STREET MURFREESBORO, 37133 (615)898-8282 jmathis@arcusrestoration.com	Contractor
109848 Issue Date: 07/18/2016	**1956 CHAMPIONSHIP BLVD Westhaven Lot 1691**	Residential	New	4786 / 3672	$405,375.00	Mike Ford Custom Bldrs 390 MALLORY STATION ROAD STE 100 FRANKLIN,TN 37067 (615)503-9727 amanda.groves@mikeford.COM	Contractor
109852 Issue Date: 07/22/2016	**5006 LAUGHING BROOK LN Water's Edge Lot 18**	Residential	New	3236 / 2623	$324,439.00	Goodall Homes 393 MAPLE STREET SUITE 100 GALLATIN,TN 37066- (615)451-5029 tbraswell@goodallhomes.com	Contractor
109867 Issue Date: 07/22/2016	**1016 REESE DR RIZER POINT LOT 18; NEW**	Residential	New	3392 / 2697	$358,990.00	Goodall Homes 393 MAPLE STREET SUITE 100 GALLATIN,TN 37066- (615)451-5029 tbraswell@goodallhomes.com	Contractor
109871 Issue Date: 07/18/2016	**1401 LILLE CT McKAYS MILL-TOWNE PARK ..DECK ADDITION**	Other Residential	Miscellaneous	276 / 0	$3,200.00	MICHAEL HARRIS HOME IMPROVEMENT 1213 LIMERICK LANE FRANKLIN,TN 37067 (615)400-6120 M1CHAEL_HARR1S@YAHOO.COM	Other
109895 Issue Date: 07/18/2016	**1308 ADAMS ST 1308 ADAMS STREET**	Residential	Revovation	2110 / 1730	$135,700.00	Rsu Contractors 1461 BATTLEGROUND DR MURFREESBORO, 37129- (615)405-0670 jwalker@rsucontractors.com	Contractor
109896 Issue Date: 07/27/2016	**923 HORNSBY DR LADD PARK LOT 1124**	Residential	New	4469 / 3369	$240,163.00	Signature Homes 381 Mallory Station Rd Franklin,TN 37067 (615)678-3205 thester@e-signaturehomes.com	Contractor

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HISTORIC FRANKLIN TENNESSEE

Permit # Issue Date	Address Project Name / Location Desc.	Usage	Work Type	Total SF/Heated SF	Valuation	Applicant/ Contractor Info/ Phone/ Mailing/Email Address	Capacity
109900 Issue Date: 07/25/2016	**1214 LIBERTY PIKE CAROTHERS CROSSING EAST-RETAINING WALL PLANS**	Nonresidential	Miscellaneous	0 / 0	$425,000.00	DIVISION 2 CONTRUCTORS, LLC 7856 MCCRORY LANE NASHVILLE,TN 37221 (615)646-3482 mknauss@div-2.com	Contractor
109902 Issue Date: 07/11/2016	**243 HEATHSTONE CIR FIELDSTONE FARMS LOT 1847**	Residential	Addition	312 / 0	$9,000.00	Daniel's Home Improvement 1002 Mallory Lane Spring Hill,TN 37174 (615)519-6916 danielveach77@gmail.com	Contractor
109906 Issue Date: 07/11/2016	**5011 ROCKPORT AVE STREAM VALLEY DECK ADDITION**	Residential	Addition	0 / 0	$2,000.00	THOMAS HANSON 5011 ROCKPORT AVE FRANKLIN,TN 37064 (704)953-1270	Other
109910 Issue Date: 07/27/2016	**225 BEAMON DR LADD PARK LOT 1181**	Residential	New	4575 / 3554	$240,163.00	Signature Homes 381 Mallory Station Rd Franklin,TN 37067 (615)678-3205 thester@e-signaturehomes.com	Contractor
109937 Issue Date: 07/20/2016	**973 RYECROFT LN LADD PARK LOT 690, NEW**	Residential	New	3034 / 2061	$214,947.00	THE JONES COMPANY 1221 LIBERTY PIKE FRANKLIN,TN 37064 (615)595-5439 jones@jonescompany.com	Contractor
109941 Issue Date: 07/18/2016	**3042 BLOSSOM TRAIL LN Blossom Park Lot 20**	Residential	New	4441 / 3306	$314,070.00	Insignia Homes LLC 390 MALLORY STATION ROAD SUITE 100 FRANKLIN,TN 37067 (615)503-9727 amandalyons@mikefordbuilders.com	Contractor
109947 Issue Date: 07/18/2016	**1553 FLEETWOOD DR Westhaven Lot 1280**	Residential	New	4977 / 3955	$454,825.00	Mike Ford Custom Bldrs 390 MALLORY STATION ROAD STE 100 FRANKLIN,TN 37067 (615)503-9727 amanda.groves@mikeford.COM	Contractor
109951 Issue Date: 07/20/2016	**4601 CAROTHERS PKWY STE 350 Franklin Physicians Tower - Ste 350**	Nonresidential	Revovation	3784 / 3784	$67,117.00	MTLC Building Group 119 Southeast Pkwy Ct. Ste #200 Franklin,TN 37064 (615)567-5855 cheryl@mtlcbuild.com	Contractor

Building Permit Issued
Permit Dates: 07/01/2016 - 07/31/2016

HISTORIC FRANKLIN TENNESSEE

Permit # Issue Date	Address Project Name / Location Desc.	Usage	Work Type	Total SF/Heated SF	Valuation	Applicant/ Contractor Info/ Phone/ Mailing/Email Address	Capacity
109963 **Issue Date: 07/13/2016**	**307 MESSENGER LN** **TYWATER CROSSING LOT 53, NEW**	Residential	New	3179 / 2463	$250,000.00	PATTERSON COMPANY 321 BILLINGSLY CT. SUITE 19 FRANKLIN,TN 37067 (615)472-1317 efridley@buypatterson.com	Contractor
109976 **Issue Date: 07/20/2016**	**513 ROCHESTER CLOSE** **WESTHAVEN LOT 1642, NEW**	Residential	New	7477 / 5282	$600,000.00	Stonegate Homes, LLC p.o box 682461 franklin,tn 37067 (615)405-4401 PHUFF@STONEGATEHOMES.US	Contractor
109990 **Issue Date: 07/13/2016**	**810 RONALD DR** **REBEL MEADOWS INTERIOR RENOVATION**	Residential	Revovation	0 / 0	$60,000.00	Lee Restoration PO BOX 162 SUMMERTOWN,TN 38483- (615)790-1830x jenna@leerestoration.com	Contractor
110043 **Issue Date: 07/19/2016**	**202 JAMES AVE** **PORCH ADDITION**	Residential	Addition	162 / 0	$2,000.00	SILVIA COBIAN 202 JAMES AVE FRANKLIN,TN 37064 (931)286-2890	Other
110058 **Issue Date: 07/26/2016**	**1547 FLEETWOOD DR** **WESTHAVEN LOT 1281**	Residential	New	4765 / 3518	$404,570.00	Mike Ford Custom Bldrs 390 MALLORY STATION ROAD STE 100 FRANKLIN,TN 37067 (615)503-9727 amanda.groves@mikeford.COM	Contractor
110062 **Issue Date: 07/25/2016**	**948 RYECROFT LN** **LADD PARK LOT 703**	Residential	New	3489 / 2794	$234,857.00	THE JONES COMPANY 1221 LIBERTY PIKE FRANKLIN,TN 37064 (615)595-5439 jones@jonescompany.com	Contractor
110066 **Issue Date: 07/20/2016**	**936 RYECROFT LN** **LADD PARK LOT 701**	Residential	New	3273 / 2684	$247,220.00	THE JONES COMPANY 1221 LIBERTY PIKE FRANKLIN,TN 37064 (615)595-5439 jones@jonescompany.com	Contractor
110074 **Issue Date: 07/25/2016**	**720 NEWCOMB ST** **Ladd Park Lot 710**	Residential	New	3250 / 2734	$241,902.94	THE JONES COMPANY 1221 LIBERTY PIKE FRANKLIN,TN 37064 (615)595-5439 jones@jonescompany.com	Contractor

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HISTORIC FRANKLIN TENNESSEE 1799

Permit # Issue Date	Address Project Name / Location Desc.	Usage	Work Type	Total SF/Heated SF	Valuation	Applicant/ Contractor Info/ Phone/ Mailing/Email Address	Capacity
110078 **Issue Date: 07/25/2016**	**924 RYECROFT LN** **Ladd Park Lot 699**	Residential	New	3582 / 2923	$254,649.60	THE JONES COMPANY 1221 LIBERTY PIKE FRANKLIN,TN 37064 (615)595-5439 jones@jonescompany.com	Contractor
110082 **Issue Date: 07/25/2016**	**708 NEWCOMB ST** **Ladd Park Lot 708**	Residential	New	3803 / 3179	$265,448.70	THE JONES COMPANY 1221 LIBERTY PIKE FRANKLIN,TN 37064 (615)595-5439 jones@jonescompany.com	Contractor
110107 **Issue Date: 07/18/2016**	**204 3RD AVE S** **204 3RD AVE SOUTH**	Residential	Addition	125 / 125	$150,000.00	RUSTY WOMACK 311 MERCURY DR FRANKLIN,TN 37064 (615)790-7738	Contractor
110112 **Issue Date: 07/18/2016**	**106 LUCINDA CT** **106 LUCINDA CT**	Residential	Revovation	1100 / 0	$23,600.00	KENNY CARTER 3851 MARTINS CHAPEL ROAD SPRINGFIELD,TN 37172 (615)414-2980	Contractor
110116 **Issue Date: 07/21/2016**	**595 HILLSBORO RD STE 337** **Harvest Martial Arts - Ste 337**	Nonresidential	Revovation	1000 / 1000	$500.00	JUSTIN MARTIN 784 Edwards Dr. Franklin,TN 37064 (615)310-8937 harvestmartialarts@gmail.com	Owner
110117 **Issue Date: 07/27/2016**	**4017 MOSSY ROCK LN** **STREAM VALLEY DECK**	Other Residential	Miscellaneous	380 / 0	$9,150.00	CREATE AND CONSTRUCT 205 COTTONWOOD CT FRANKLIN,TN 37064 (706)531-6781 KARMAGLEAN@GMAIL.COM	Other
110137 **Issue Date: 07/27/2016**	**213 HIDEAWAY TRL** **FIELDSTONE FARMS LOT 418**	Residential	Addition	1750 / 1750	$200,000.00	BRADLEY CONSTRUCTION GROUP, LLC 108 WILLIAMSBURG PL FRANKLIN, 37064 (615)829-2473 BRADLEYBCG@AOL.COM	Contractor
110146 **Issue Date: 07/27/2016**	**8019 SUNRISE CIR** **MARTIN RODNEY D SUBDIVISION**	Residential	Addition	285 / 285	$8,357.00	CHAMPION WINDOW & PATIO 5780 CROSSINGS BLVD ANTIOCH,TN 37013- (615)841-7411x CCLARK@CHAMPIONWINDOW.COM	Contractor

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HISTORIC FRANKLIN TENNESSEE

Permit # Issue Date	Address Project Name / Location Desc.	Usage	Work Type	Total SF/Heated SF	Valuation	Applicant/ Contractor Info/ Phone/ Mailing/Email Address	Capacity
110160 Issue Date: 07/27/2016	**1142 W MAIN ST 1142 WEST MAIN STREET**	Residential	Addition	551 / 551	$19,963.00	CHAMPION WINDOW & PATIO 5780 CROSSINGS BLVD ANTIOCH,TN 37013- (615)841-7411x CCLARK@CHAMPIONWINDOW.COM	Contractor
110168 Issue Date: 07/25/2016	**120 HOLIDAY CT STE 4 SANCTUARY FUNCTIONAL MEDICINE**	Residential	Revovation	1830 / 1830	$10,000.00	Quality RRC, Inc 8702 Stewarts Ferry Pike 103 Mt Juliet,TN 37122 (615)557-8403	Contractor
111190 Issue Date: 07/20/2016	**828 MURFREESBORO RD Church of the City - Fire Sprinkler Phase 2**	Nonresidential	Miscellaneous	0 / 0	$10,000.00	JOHN BOUCHARD & SONS CO ,	Contractor
111191 Issue Date: 07/26/2016	**336 RIVER BLUFF DR River Bluff Lot 75**	Residential	New	3994 / 3283	$234,700.00	Willow Branch Partners LLC 121 FIRST AVENUE SOUTH SUITE 220 FRANKLIN,TN 37064 (615)499-9887 brittany@willowbranchpartners.com	Contractor
111196 Issue Date: 07/20/2016	**1205 BUCKINGHAM CIR 1205 BUCKINGHAM CIRCLE**	Residential	Addition	190 / 190	$2,000.00	ANDREW MEADORS 2016 ARUM COURT SPRING HILL,TN 37174 (615)504-4232	Other
111238 Issue Date: 07/25/2016	**947 HORNSBY DR HIGHLANDS OF LADD PARK LOT 1128, NEW**	Residential	New	4404 / 3237	$233,377.00	Signature Homes 381 Mallory Station Rd Franklin,TN 37067 (615)678-3205 thester@e-signaturehomes.com	Contractor
111264 Issue Date: 07/25/2016	**302 CIRCUIT RD Ladd Park Lot 48**	Residential	New	4989 / 3733	$375,000.00	Boulevard Building Group LLC 7117 DONALD WILSON DRIVE FAIRVIEW,TN 37062 (615)252-6781 matt@buildwithblvd.com	Contractor
111271 Issue Date: 07/27/2016	**3140 TRISTAN DR FRANKLIN GREEN LOT 3191 RENOVATION**	Residential	Revovation	260 / 260	$14,366.00	Tristar Building Services Inc 445 Metroplex Dr. Nashville,TN 37211 (615)383-5252 na@na.com	Contractor

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HISTORIC FRANKLIN TENNESSEE

Permit # Issue Date	Address Project Name / Location Desc.	Usage	Work Type	Total SF/Heated SF	Valuation	Applicant/ Contractor Info/ Phone/ Mailing/Email Address	Capacity
111300 Issue Date: 07/27/2016	**953 HORNSBY DR Ladd Park Lot 1129**	Residential	New	4585 / 3359	$251,882.00	Signature Homes 381 Mallory Station Rd Franklin,TN 37067 (615)678-3205 thester@e-signaturehomes.com	Contractor
111353 Issue Date: 07/29/2016	**1563 BIRCHWOOD CIR BOYD MILL ESTATES LOT 75**	Residential	Miscellaneous	224 / 0	$1,000.00	TARA DICKSON 1563 BIRCHWOOD CIR FRANKLIN,TN 37064 (501)940-0028 JALANDICKSON@GMAIL.COM	Owner
81471 Issue Date: 07/27/2016	**117 PEBBLE VIEW DR STORAGE SHED**	Residential	Accessory Building	0 / 0	$3,000.00	DR OVERHOLT ,	Other
96435 Issue Date: 07/20/2016	**1735 GALLERIA BLVD STE 1003 1735 Galleria Blvd. Ste. 1003**	Nonresidential	Revovation	42100 / 0	$232,999.00	Ideal Building Solutions LLC 6753 Jones Mill Ct. Ste F Norcross,GA 30092 (770)451-7183 jfinney@ibsroofing.com	Contractor
98880 Issue Date: 07/11/2016	**2130 EDWARD CURD LN VERIZON CELL TOWER**	Nonresidential	Miscellaneous	0 / 0	$25,000.00	Neocom Solutions 10064 MAIN ST WOODSTOCK,GA 30188- (678)238-1818x	Contractor

Total Number of Permits: 106 **Total Valuation: $24,059,322.84**

Marriott
HOTELS & RESORTS

Franklin Marriott Cool Springs
700 Cool Springs Boulevard
Franklin, TN 37067
t: 615.261.6100 f: 615.261.6161
Marriott.com/BNACS

August 12, 2016

Mr. Russ Truell, CFO
City of Franklin, Tennessee
109 Third Avenue South
Franklin, TN 37064

Dear Mr. Truell:

Please find enclosed the Consolidated Profit and Loss Statement for the Cool Springs Conference Center for period end July 31, 2016.

A summary of the financial and distribution date is as follows:

COOL SPRINGS CONFERENCE CENTER
July, 2016

	CURRENT MONTH			YEAR-TO-DATE		
	ACTUAL	BUDGET	LAST YR	ACTUAL	BUDGET	LAST YR
GROSS REVENE	486,962	432,828	413,595	486,962	432,828	413,595
HOUSE PROFIT	(21,174)	(25,625)	3,526	(21,174)	(25,625)	3,526
Less: FIXED EXPENSES	19,011	18,657	17,869	19,011	18,657	17,869
NET INCOME	(40,185)	(44,283)	(14,342)	(40,185)	(44,283)	(14,342)
Less: FF&E RESERVE 5%	24,348	21,641	20,680	24,348	21,641	20,680
NET CASH FLOW	(64,533)	(65,924)	(35,022)	(64,533)	(65,924)	(35,022)

TOTAL CURRENT BALANCE DUE TO OWNERS	(64,533.00)
TOTAL DUE TO/(FROM) CITY OF FRANKLIN	(32,266.50)
TOTAL DUE TO/(FROM) WILLIAMSON COUNTY	(32,266.50)

The financial statements for the Cool Springs Conference Center, subject to routine year-end audit and adjustments, is true and correct in all material respects to the best of my knowledge.

Sincerely,

Randy Hansen
Controller

Michael Sanders
General Manager

The TMA Group
Statement of Activities
Franklin Transit Service
For the Twelve Months Ending June 30, 2016

	Month Actual	Month Budget	YTD Actual	YTD Budget	Total Budget
Revenues					
COF Transit Operating	(173,284.53)	43,057.87	462,423.49	516,694.00	516,694.00
Revenue - Contracts	600.00	833.37	13,885.00	10,000.00	10,000.00
Revenue - Other	0.00	0.00	0.00	0.00	0.00
Revenue - Fares Fixed Route	5,090.85	2,125.00	46,872.58	25,500.00	25,500.00
Revenue - Fares TODD	0.00	4,958.37	29,419.00	59,500.00	59,500.00
Revenue - Transit Fares; HT	0.00	0.00	12,605.00	16,000.00	16,000.00
Revenue - Building & EquipRent	800.00	900.00	9,600.00	9,700.00	9,700.00
Revenue - Transit-Interest	393.27	266.63	4,391.70	3,200.00	3,200.00
Revenue - Sale of Surpls Asset	0.00	0.00	20,151.32	0.00	0.00
Revenue - Operating Assistance	0.00	0.00	249,600.00	250,000.00	250,000.00
State New Freedoms	7,119.65	0.00	21,964.74	13,500.00	13,500.00
State 5307 Routematch	0.00	2,800.00	0.00	2,800.00	2,800.00
State 5307 Cap. Cost. Contract	18,951.85	4,190.63	57,948.99	50,288.00	50,288.00
State 5309 Bus Surveillance	0.00	0.00	0.00	0.00	0.00
State 5309 Rent Assistance	4,050.00	4,050.00	4,050.00	4,050.00	4,050.00
Federal New Freedoms	14,239.00	0.00	43,929.00	27,000.00	27,000.00
Feder 5307 Preventative Mainte	34,020.00	11,504.00	86,214.00	85,008.00	85,008.00
Federal 5307 Routematch	19,486.00	22,400.00	21,572.00	22,400.00	22,400.00
Feder 5307 Cap. Cost. Contract	151,615.00	34,293.37	463,592.00	411,520.00	411,520.00
Federal 5309 Bus Surveillance	0.00	0.00	0.00	0.00	0.00
Federal 5309 Rent Assistance	32,400.00	32,400.00	32,400.00	32,400.00	32,400.00
Total Revenues	**115,481.09**	**163,779.24**	**1,580,618.82**	**1,539,560.00**	**1,539,560.00**
Direct Cost of Program					
Salaries	52,523.38	42,500.11	581,732.77	531,500.00	531,500.00
Employer Taxes and Benefits	17,027.40	16,796.63	194,458.85	202,860.00	202,860.00
Professional Services	4,295.11	2,366.63	47,442.26	28,500.00	28,500.00
Transit Building Maintenance	0.00	833.37	5,563.77	10,000.00	10,000.00
Transit Maintenance	7,667.18	6,750.00	84,239.57	81,000.00	81,000.00
Transit Center Cleaning	422.00	416.63	4,989.00	5,000.00	5,000.00
Transit Security	0.00	0.00	225.00	0.00	0.00
Education/Community Outreach	0.00	83.37	0.00	1,000.00	1,000.00
Education/Community Outrch HT	0.00	0.00	147.62	0.00	0.00
Marketing/Web (G&A)	0.00	0.00	0.00	0.00	0.00
Promotional Products	0.00	333.37	0.00	4,000.00	4,000.00
Recruitment	50.43	0.00	857.03	0.00	0.00
Print Advertising	562.50	666.63	9,150.76	8,000.00	8,000.00
Print Advertising HT	0.00	0.00	911.50	0.00	0.00
Radio Advertising/Web	249.72	500.00	5,137.47	6,000.00	6,000.00
Radio Advertising/Web HT	0.00	0.00	0.00	0.00	0.00
TV Advertising/PR	0.00	0.00	0.00	0.00	0.00
Printed Brochures & Pieces	1,589.00	500.00	10,025.00	6,000.00	6,000.00
Legal Fees	0.00	208.37	100.00	2,500.00	2,500.00
Transit-DAM Compliance	397.50	166.63	4,842.49	2,000.00	2,000.00
Transit Fuel	6,680.94	10,833.26	67,657.14	130,500.00	130,500.00
Supplies	534.06	0.00	6,467.48	0.00	0.00
Transit Maint. Fac - Utilities	1,620.62	1,875.00	20,490.38	22,500.00	22,500.00
Radio Communications	434.97	0.00	5,012.65	0.00	0.00
Trolley Insurance	6,163.34	5,583.37	77,978.93	67,000.00	67,000.00
Transit General Liability	1,807.64	500.00	17,414.32	6,000.00	6,000.00
Payouts for Insured Liab Damag	1,441.80	0.00	1,441.80	0.00	0.00
Recov. for Liab. & Dmge Settle	0.00	0.00	0.00	0.00	0.00
Errors & Omissions Liability	606.68	541.63	7,142.90	6,500.00	6,500.00
Vehicle Licensing & Registrati	0.00	0.00	35.00	0.00	0.00
Dues, Subs, Tuition	585.67	583.37	8,824.21	7,000.00	7,000.00

The TMA Group
Statement of Activities
Franklin Transit Service
For the Twelve Months Ending June 30, 2016

	Month Actual	Month Budget	YTD Actual	YTD Budget	Total Budget
Meetings	530.48	41.63	1,457.55	500.00	500.00
Postage	0.00	0.00	9.26	0.00	0.00
Travel and Training	0.00	833.37	5,328.71	10,000.00	10,000.00
Trolley Cleaning Supplies	378.00	708.37	6,114.95	8,500.00	8,500.00
Equipment - Other	0.00	0.00	789.00	0.00	0.00
Bank Credit Card Charges	22.78	33.37	532.26	500.00	500.00
Transit Maint. Facility-Rent	3,354.67	3,375.00	40,256.04	40,500.00	40,500.00
Depreciation - Transit Off Equ	165.50	8.37	1,861.70	100.00	100.00
Total Direct Cost of Program	**109,111.37**	**97,038.48**	**1,218,637.37**	**1,187,960.00**	**1,187,960.00**
Indirect Expenditures	45,183.13	29,300.00	413,828.91	351,600.00	351,600.00
Net Difference - Operations	**($ 38,813.41)**	**$ 37,440.76**	**($ 51,847.46)**	**$ 0.00**	**0.00**
Planning					
Federal 5307 Planning	$ 83.00	$ 27,308.33	$ 5,621.00	$ 35,000.00	35,000.00
State 5307 Planning	(769.79)	3,410.42	(77.53)	4,375.00	4,375.00
COF Planning Cost Share	791.04	3,410.42	1,483.38	4,375.00	4,375.00
Total Planning Revenues	**104.25**	**34,129.17**	**7,026.85**	**43,750.00**	**43,750.00**
Planning Costs					
Planning/Transit	104.25	34,129.17	7,026.85	43,750.00	43,750.00
Net Difference - Planning	**$ 0.00**	**$ 0.00**	**$ 0.00**	**$ 0.00**	**0.00**
Equipment					
Federal 5307 Capital Expenditu	$ 0.00	$ 132,360.00	$ 90,828.00	$ 180,000.00	180,000.00
State 5307 Capital Expenditure	0.00	16,545.00	11,353.50	22,500.00	22,500.00
COF Capital Cost Share	0.00	16,545.00	11,353.50	22,500.00	22,500.00
Total Equipment Revenues	**0.00**	**165,450.00**	**113,535.00**	**225,000.00**	**225,000.00**
Equipment Costs					
Equipment - Transit	0.00	165,450.00	113,535.00	225,000.00	225,000.00
Net Difference - Equipment	**$ 0.00**	**$ 0.00**	**$ 0.00**	**$ 0.00**	**0.00**

Results of Fuel Hedging Program, FY2016-2017, through month of July

Gas Price	Gas Contract	Spread	Diesel Price	Diesel Contract	Spread	Month	Gas Contracts (7.14%, 12,000 gallons)	Diesel Contracts (3.30%, 9,700 gallons)	Total
$1.6268	$1.3024	$0.324	$1.5057	$1.2481	$0.258	July	$3,893.10	$2,498.74	$6,391.84
0.0000	0.0000	0.000	0.0000	0.0000	0.000	August	$0.00	$0.00	0.00
0.0000	0.0000	0.000	0.0000	0.0000	0.000	September	$0.00	$0.00	0.00
0.0000	0.0000	0.000	0.0000	0.0000	0.000	October	$0.00	$0.00	0.00
0.0000	0.0000	0.000	0.0000	0.0000	0.000	November	$0.00	$0.00	0.00
0.0000	0.0000	0.000	0.0000	0.0000	0.000	December	$0.00	$0.00	0.00
0.0000	0.0000	0.000	0.0000	0.0000	0.000	January	$0.00	$0.00	0.00
0.0000	0.0000	0.000	0.0000	0.0000	0.000	February	$0.00	$0.00	0.00
0.0000	0.0000	0.000	0.0000	0.0000	0.000	March	$0.00	$0.00	0.00
0.0000	0.0000	0.000	0.0000	0.0000	0.000	April	$0.00	$0.00	0.00
0.0000	0.0000	0.000	0.0000	0.0000	0.000	May	$0.00	$0.00	0.00
0.0000	0.0000	0.000	0.0000	0.0000	0.000	June	$0.00	$0.00	0.00
0.8134	1.3024	-0.489	0.7529	1.2481	-0.495	**Fiscal Yr Total**	**3,893.10**	**2,498.74**	**6,391.84**
	Average			Average					

Contract schedule:

Contract	Trade Date	Effective Date	Termination Date	Price	Gallons
Diesel	1/22/16	7/1/16	6/30/17	1.203	126,000
Diesel	2/9/16	7/1/16	6/30/17	1.195	84,000
Diesel	3/8/16	7/1/16	6/30/17	1.370	84,000
Gasoline	1/22/16	7/1/16	6/30/17	1.237	126,000
Gasoline	12/1/15	7/1/16	6/30/17	1.500	42,000

The TMA Group
Statement of Activities
Franklin Transit Service
For the One Month Ending July 31, 2016

	Month Actual	Month Budget	YTD Actual	YTD Budget	Total Budget
Revenues					
COF Transit Operating	(5,915.09)	71,788.00	(5,915.09)	71,788.00	861,456.00
Revenue - Contracts	0.00	833.33	0.00	833.33	10,000.00
Revenue - Other	4,716.00	0.00	4,716.00	0.00	0.00
Revenue - Fares Fixed Route	0.00	7,083.33	0.00	7,083.33	85,000.00
Revenue - Fares TODD	0.00	0.00	0.00	0.00	0.00
Revenue - Transit Fares; HT	0.00	0.00	0.00	0.00	12,500.00
Revenue - Building & EquipRent	800.00	900.00	800.00	900.00	9,700.00
Revenue - Transit-Interest	412.45	266.67	412.45	266.67	3,200.00
Revenue - Sale of Surpls Asset	0.00	0.00	0.00	0.00	0.00
Revenue - Operating Assistance	0.00	20,833.33	0.00	20,833.33	250,000.00
State New Freedoms	0.00	1,250.00	0.00	1,250.00	15,000.00
State 5307 Routematch	0.00	208.33	0.00	208.33	2,500.00
State 5307 Cap. Cost. Contract	0.00	0.00	0.00	0.00	0.00
State 5309 Bus Surveillance	0.00	0.00	0.00	0.00	0.00
State 5309 Rent Assistance	0.00	337.50	0.00	337.50	4,050.00
Federal New Freedoms	0.00	2,500.00	0.00	2,500.00	30,000.00
Feder 5307 Preventative Mainte	0.00	7,501.33	0.00	7,501.33	90,016.00
Federal 5307 Routematch	0.00	1,666.67	0.00	1,666.67	20,000.00
Feder 5307 Cap. Cost. Contract	0.00	42,994.42	0.00	42,994.42	515,933.00
Federal 5309 Bus Surveillance	0.00	0.00	0.00	0.00	0.00
Federal 5309 Rent Assistance	0.00	2,700.00	0.00	2,700.00	32,400.00
Total Revenues	**13.36**	**160,862.91**	**13.36**	**160,862.91**	**1,941,755.00**
Direct Cost of Program					
Salaries	33,738.43	55,566.67	33,738.43	55,566.67	666,800.00
Employer Taxes and Benefits	11,825.26	19,945.42	11,825.26	19,945.42	239,345.00
Professional Services	2,825.05	7,083.33	2,825.05	7,083.33	85,000.00
Transit Building Maintenance	1,612.07	500.00	1,612.07	500.00	6,000.00
Transit Maintenance	14,954.82	7,250.00	14,954.82	7,250.00	87,000.00
Transit Center Cleaning	422.00	425.00	422.00	425.00	5,100.00
Transit Security	0.00	41.67	0.00	41.67	500.00
Education/Community Outreach	0.00	83.33	0.00	83.33	1,000.00
Education/Community Outrch HT	0.00	0.00	0.00	0.00	0.00
Marketing/Web (G&A)	0.00	0.00	0.00	0.00	0.00
Promotional Products	0.00	166.67	0.00	166.67	2,000.00
Recruitment	62.09	0.00	62.09	0.00	0.00
Print Advertising	564.00	916.67	564.00	916.67	11,000.00
Print Advertising HT	0.00	166.67	0.00	166.67	2,000.00
Radio Advertising/Web	308.29	550.00	308.29	550.00	6,600.00
Radio Advertising/Web HT	0.00	0.00	0.00	0.00	0.00
TV Advertising/PR	0.00	0.00	0.00	0.00	0.00
Printed Brochures & Pieces	0.00	500.00	0.00	500.00	6,000.00
Legal Fees	0.00	208.33	0.00	208.33	2,500.00
Transit-DAM Compliance	148.00	250.00	148.00	250.00	3,000.00
Transit Fuel	5,624.64	10,000.00	5,624.64	10,000.00	120,000.00
Supplies	462.95	416.67	462.95	416.67	5,600.00
Transit Maint. Fac - Utilities	1,558.67	2,500.00	1,558.67	2,500.00	30,000.00
Radio Communications	90.00	0.00	90.00	0.00	0.00
Trolley Insurance	6,518.67	8,000.00	6,518.67	8,000.00	96,000.00
Transit General Liability	1,801.34	1,500.00	1,801.34	1,500.00	18,000.00
Payouts for Insured Liab Damag	0.00	0.00	0.00	0.00	0.00
Recov. for Liab. & Dmge Settle	0.00	0.00	0.00	0.00	0.00
Errors & Omissions Liability	606.68	625.00	606.68	625.00	7,500.00
Vehicle Licensing & Registrati	0.00	8.33	0.00	8.33	100.00
Dues, Subs, Tuition	1,131.76	750.00	1,131.76	750.00	9,000.00
Meetings	0.00	166.67	0.00	166.67	2,000.00

The TMA Group
Statement of Activities
Franklin Transit Service
For the One Month Ending July 31, 2016

		Month Actual	Month Budget	YTD Actual	YTD Budget	Total Budget
Postage		0.00	0.00	0.00	0.00	0.00
Travel and Training		0.00	1,000.00	0.00	1,000.00	12,000.00
Trolley Cleaning Supplies		360.00	762.50	360.00	762.50	9,150.00
Equipment - Other		100.00	41.67	100.00	41.67	500.00
Bank Credit Card Charges		13.36	66.67	13.36	66.67	800.00
Transit Maint. Facility-Rent		3,354.67	3,375.00	3,354.67	3,375.00	40,500.00
Depreciation - Transit Off Equ		165.50	166.67	165.50	166.67	2,000.00
Total Direct Cost of Program		**88,248.25**	**123,032.94**	**88,248.25**	**123,032.94**	**1,476,995.00**
Indirect Expenditures		27,554.25	38,730.00	27,554.25	38,730.00	464,760.00
Net Difference - Operations	**($**	**115,789.14) ($**	**900.03) ($**	**115,789.14) ($**	**900.03)**	**0.00**
Planning						
Federal 5307 Planning	$	0.00 $	5,000.00 $	0.00 $	5,000.00	60,000.00
State 5307 Planning		0.00	625.00	0.00	625.00	7,500.00
COF Planning Cost Share		0.00	625.00	0.00	625.00	7,500.00
Total Planning Revenues		**0.00**	**6,250.00**	**0.00**	**6,250.00**	**75,000.00**
Planning Costs						
Planning/Transit		0.00	6,250.00	0.00	6,250.00	75,000.00
Net Difference - Planning	**$**	**0.00 $**	**0.00 $**	**0.00 $**	**0.00**	**0.00**
Equipment						
Federal 5307 Capital Expenditu	$	0.00 $	15,333.33 $	0.00 $	15,333.33	184,000.00
State 5307 Capital Expenditure		0.00	1,916.67	0.00	1,916.67	23,000.00
COF Capital Cost Share		0.00	1,916.67	0.00	1,916.67	23,000.00
Total Equipment Revenues		**0.00**	**19,166.67**	**0.00**	**19,166.67**	**230,000.00**
Equipment Costs						
Equipment - Transit		0.00	19,166.67	0.00	19,166.67	230,000.00
Net Difference - Equipment	**$**	**0.00 $**	**0.00 $**	**0.00 $**	**0.00**	**0.00**

Building Permits

Month	FY2017	FY2016	BUDGET	Variance from Last Year	Variance from Budget
July	121,004	219,601	282,914	(98,597)	(161,910)
August	0	107,814	138,898	0	0
September	0	186,497	240,266	0	0
October	0	184,004	237,054	0	0
November	0	153,876	198,240	0	0
December	0	144,063	185,598	0	0
January	0	146,071	188,185	0	0
February	0	184,600	237,822	0	0
March	0	170,519	219,681	0	0
April	0	193,006	248,651	0	0
May	0	198,688	255,971	0	0
June	0	239,081	308,010	0	0
Total (year-to-date)	121,004	2,127,820	2,741,289	(98,597)	(161,910)
% of Prior Year YTD/ % of Budget YTD >>>>>				55.1%	42.8%

* seasonality based on last year's results

110-32120

Road Impact fees

Month	FY2017	FY2016	BUDGET	Variance from Last Year	Variance from Budget
July	243,473	733,816	636,327	(490,343)	(392,854)
August	0	215,478	186,851	0	0
September	0	500,364	433,890	0	0
October	0	956,474	829,405	0	0
November	0	1,438,657	1,247,529	0	0
December	0	367,975	319,089	0	0
January	0	273,088	236,808	0	0
February	0	1,652,231	1,432,729	0	0
March	0	454,061	393,738	0	0
April	0	357,387	309,908	0	0
May	0	469,946	407,513	0	0
June	0	435,390	377,548	0	0
Total (year-to-date)	243,473	7,854,867	6,811,334	(490,343)	(392,854)
% of Prior Year YTD/ % of Budget YTD >>>>>				33.2%	38.3%

* seasonality based on last year's results
128-32800

Facilities Tax

Month	FY2017	FY2016	BUDGET	Variance from Last Year	Variance from Budget
July	221,540	460,763	278,520	(239,223)	(56,980)
August	0	138,739	83,864	0	0
September	0	392,050	236,984	0	0
October	0	693,869	419,426	0	0
November	0	561,169	339,212	0	0
December	0	235,832	142,554	0	0
January	0	227,208	137,341	0	0
February	0	575,877	348,103	0	0
March	0	302,406	182,797	0	0
April	0	336,678	203,513	0	0
May	0	325,313	196,643	0	0
June	0	564,194	341,041	0	0
Total (year-to-date)	221,540	4,814,098	2,910,000	(239,223)	(56,980)
% of Prior Year YTD/ % of Budget YTD >>>>>				48.1%	79.5%

* seasonality based on last year's results
130-31600

Williamson County Facilities Tax

Month	FY2017	FY2016	BUDGET	Variance from Last Year	Variance from Budget
July	105,603	143,941	144,956	(38,338)	(39,354)
August	0	101,030	37,500	0	0
September	0	89,284	89,914	0	0
October	0	100,660	100,660	0	0
November	0	101,862	102,581	0	0
December	0	137,145	138,113	0	0
January	0	78,117	78,668	0	0
February	0	79,539	80,100	0	0
March	0	81,274	81,848	0	0
April	0	129,225	130,137	0	0
May	0	98,950	99,648	0	0
June	0	100,215	100,922	0	0
Total (year-to-date)	105,603	1,241,241	1,250,000	(38,338)	(39,354)
% of Prior Year YTD/ % of Budget YTD >>>>>				73.4%	72.9%

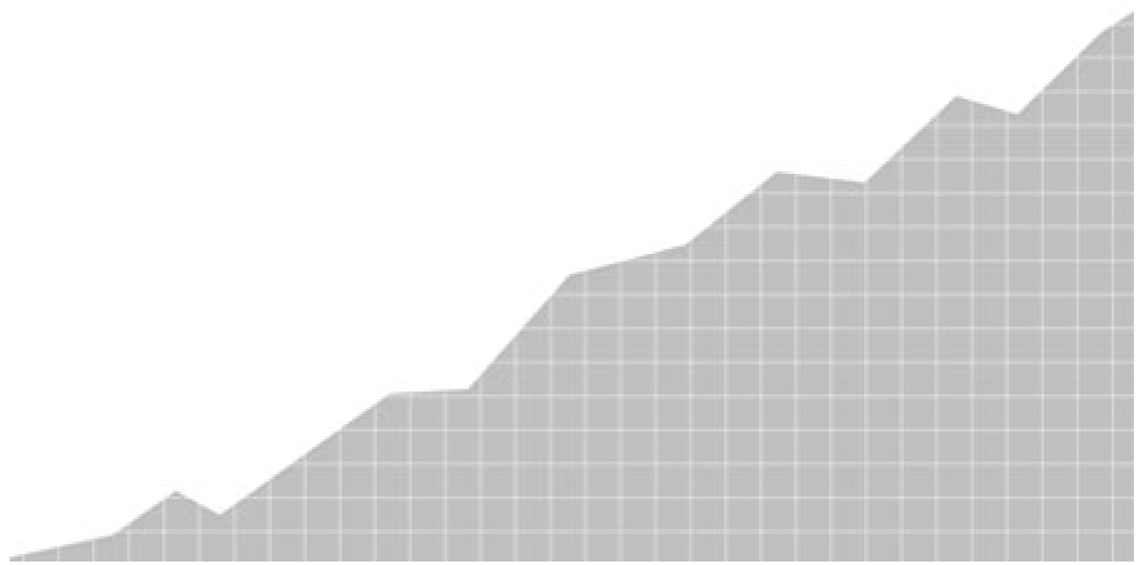
* seasonality based on last year's results
budgeted in Capital Projects Fund beginning with FY11
310-31600

Monthly Report

Account

City of Franklin - Core Investment Fund

7/31/2016



GOVERNMENT PORTFOLIO ADVISORS

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MONTH END COMMENTARY – JULY 2016

After the shock of last month's Brexit vote subsided, bond yields increased during July. While rates have come back slightly since the Brexit vote, overall, yields remain low. Global central banks have continued to ease, making U.S. Treasuries attractive versus the lower and negative rates in Europe. The result of Brexit increases expectations for further European Central Bank and Bank of Japan accommodation. Even though July's economic data painted a rosy picture of the U.S. economy, U.S. 10-year interest rates made new lows in July. Even a very strong unemployment report only provided a temporary increase in yields. By the end of the month, the Dow Jones had recovered all of the loss after the Brexit and then some. The Dow Jones reached a 12 month high of 18,595 on 7/20/16.

FOMC: As expected, the FOMC left its monetary policy unchanged, however, they did leave the door open for an interest rate hike. Once again, the Fed stressed that any withdrawal of monetary stimulus remains dependent on economic data. They did concede that "Near-term risks to the economic outlook have diminished." There was little change in interest rate expectations after the meeting. The current Fed Funds futures expectations show an 18% chance of a rate hike in September and November and a 35% chance of a hike at the December meeting. The next meeting is September 21, 2016.

Non-farm Payrolls/Unemployment: Total nonfarm payroll employment increased by a strong 287,000 in June, the largest monthly gain since last October (295K). The unemployment rate rose from 4.7% to 4.9%. Job growth occurred in leisure and hospitality, health care, social assistance, and financial activities. Employment also increased in information technology, mostly reflecting the return of workers from a strike. Initial jobless claims dropped by 1,000 to 253,000, reaching a three-month low. For 72 consecutive weeks, claims have been below the 300,000 level that economists say is typically consistent with an improving job market. That's the longest stretch since 1973.

GDP: Real GDP increased at an annual rate of 1.2% in the second quarter of 2016, according to the "advance" estimate. This was well below the anticipated estimate of 2.5%. In the first quarter, real GDP increased .8%. (revised) The second quarter "advance" estimate is based on source data that are incomplete or subject to further revision by the source agency. The "second" estimate for the second quarter, based on more complete data, will be released on August 26, 2016.

Global demand for U.S. Treasuries: Also contributing to the downward pressure on U.S. Interest rates is the global demand for what appears to be high rates in comparison to interest rates in both Europe and Japan. For example, German bonds and Japanese bonds are all negative across the curve with the exception of 30-year bonds.

Consumer Price Index: The CPI increased .2% in June. Over the last 12 months, the all items index rose 1%. For the second consecutive month, increases in the indexes for energy and all items less food and energy more than offset a decline in the food index to result in an increase in the all items index.

Treasury Yield Curve Total Returns over the last 12 months:*

3month bill	.22
1 year note	.72
2 year note	1.07
3 year note	1.94
5 year note	4.19

*Source: Bloomberg

TREASURY BENCHMARK TOTAL RETURNS IN MONTH

Benchmark	Period Return	Duration
BAML 0-3 Year Treasury	-.04%	1.35
BAML 0-5 Year Treasury	-.04%	2.15
BAML 1-3 Year Treasury	-.06%	1.83
BAML 1-5 Year Treasury	-.04%	2.66

Changes in the Treasury Market (absolute yield levels):*

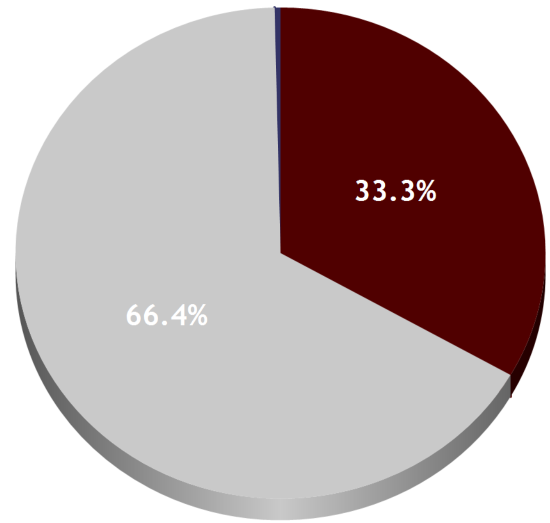
	07/31/15	06/30/16	07/31/16	Change in July	Change from Prior Year
3 month bill	.06	.26	.26	unch	+.20
6 month bill	.14	.35	.37	+.02	+.23
2 year note	.66	.58	.66	+.08	unch
3 year note	.97	.69	.75	+.06	-.22
5 year note	1.53	1.00	1.02	+.02	-.51
10 year	2.18	1.47	1.45	-.02	-.73

*Source: Bloomberg

Weighted Averages

Book Yield	0.93
Maturity	1.45
Coupon	0.94
Moody	Aaa
S&P	AA+

Fixed Income Allocation



Fixed Income Totals

Par Value	30,108,477
Market Value	30,268,717.10
Amortized Book Value	30,107,748.73
Unrealized Gain/Loss	160,968.37
Estimated Annual Cash Flow	281,260.85

Security Type	Market Value	% Assets
US Agency (USD)	10,069,430.00	33.3
US Treasury (USD)	20,090,810.00	66.4
Bank or Cash Deposit (USD)	108,477.10	0.4
Fixed Income Total	**30,268,717.10**	**100.0**

Portfolio Summary

July 31, 2016

Portfolio Name	Par Amount	Total Original Cost	Total Adjusted Cost	Market Value	Unrealized Gain/Loss	Yield At Cost	Mod Dur	Eff Dur	Bench Dur	Benchmark
City of Franklin - Core Investment Fund	30,108,477	30,110,425.08	30,107,748.73	30,268,717.10	160,968.37	0.93	1.42	1.42	1.35	BofA Merrill 0-3 Treasury
TOTAL PORTFOLIO	**30,108,477**	**30,110,425.08**	**30,107,748.73**	**30,268,717.10**	**160,968.37**	**0.93**	**1.42**	**1.42**	**1.35**	

Accrual Earnings and Activity Report

City of Franklin - Core Investment Fund

7/31/2016

Cost Basis Summary

	Month End Ending 7/31/2016	Fiscal Year-to-Date 12/31/2015
Beginning Amortized Cost	30,096,517.82	25,092,330.78
Investment Purchases	0.00	4,966,124.53
Investment Maturities/Sells/Calls	0.00	0.00
Amortization	(30.10)	(2,191.95)
Change in Cash Equivalents	11,261.01	51,485.36
Realized Gains / Losses	0.00	0.00
Ending Amortized Costs	**30,107,748.73**	**30,107,748.73**

Accrual Earnings Summary

	Month End Ending 7/31/2016	Fiscal Year-to-Date 12/31/2015
Amortization/Accretion	(30.10)	(2,191.95)
Interest Earned	24,019.17	153,239.22
Realized Gain (Loss)	0.00	0.00
Total Income	23,989.08	151,047.27
Average Portfolio Balance	30,354,066.30	28,237,285.54
Earnings Yield	**0.93%**	**0.92%**

MarketValue Summary

	As of 7/31/2016
Ending Market Value	30,268,717.10
Unrealized Gain/Loss	160,968.37

Interest Earnings Summary

	Month End Ending 7/31/2016	Fiscal Year-to-Date 12/31/2015
Beginning Accrued Interest	72,306.91	56,159.75
Coupons Paid	34,386.01	164,105.52
Purchased Accrued Interest	0.00	(16,646.63)
Sold Accrued Interest	0.00	0.00
Ending Accrued Interest	61,940.07	61,940.07
Interest Earned	**24,019.17**	**153,239.22**

Total Return Report

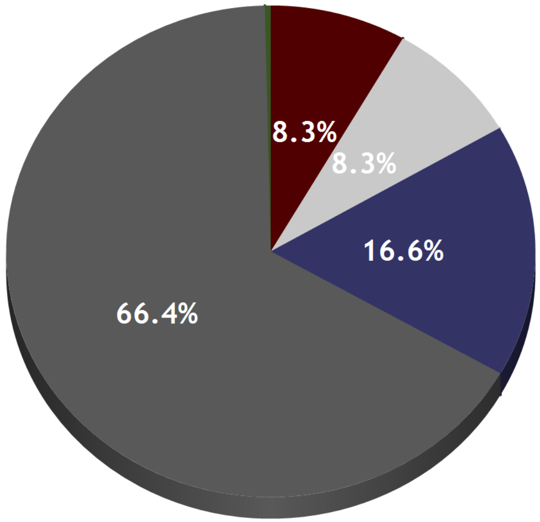
City of Franklin - Core Investment Fund

Net of Accrued Fees | US Dollar 6/30/2016 - 7/31/2016

Total Return For Period

	Since 6/30/2016
Beginning Principal Value	**30,282,908.59**
Beginning Accrued Interest	72,306.91
Net Contributions/Withdrawals	-23,125.00
Market Value Change	-25,452.50
Interest Earnings	24,019.17
Ending Principal Value	**30,268,717.10**
Accrued Interest	61,940.07
Total Return	**-1,433.33**
Advisory Fees for Period	-2,083.33
Net Total Return	**-3,516.66**

Portfolio Allocation as of 7/31/2016



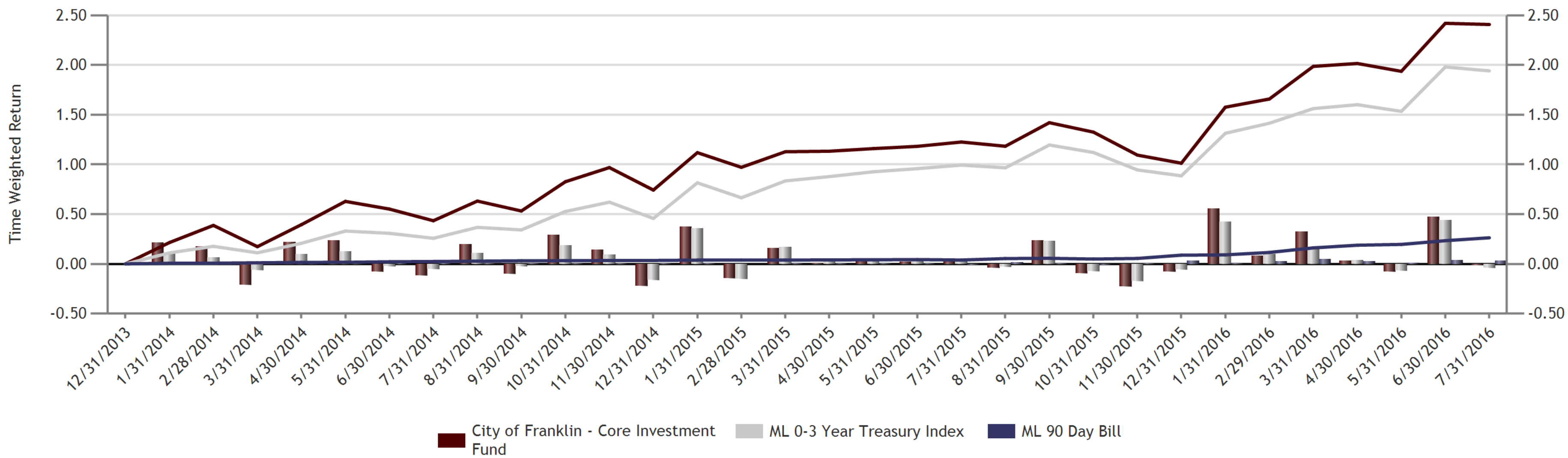
Issuer	Market Value	% Assets	Yield
FEDERAL NATL MTG ASSN	2,517,647.50	8.3	1.0
FEDERAL HOME LOAN BANKS	2,516,035.00	8.3	1.0
FEDERAL HOME LN MTG CORP	5,035,747.50	16.6	1.2
UNITED STATES TREAS NTS	20,090,810.00	66.4	0.9
FIFTH THIRD BK CINCINNATI STN	108,477.10	0.4	0.0
Total	**30,268,717.10**	**100.0**	**0.9**

Performance History

Portfolio	Month To Date	Quarter To Date	Fiscal Year To Date	Annualized Latest 1 Year	Annualized Inception To Date
Account	**-0.01**	**-0.01**	**1.38**	**1.17**	**0.93**

Index					
ML 0-3 Year Treasury Index	-0.04	-0.04	1.05	0.94	0.75
ML 90 Day Bill	0.03	0.03	0.17	0.22	0.10

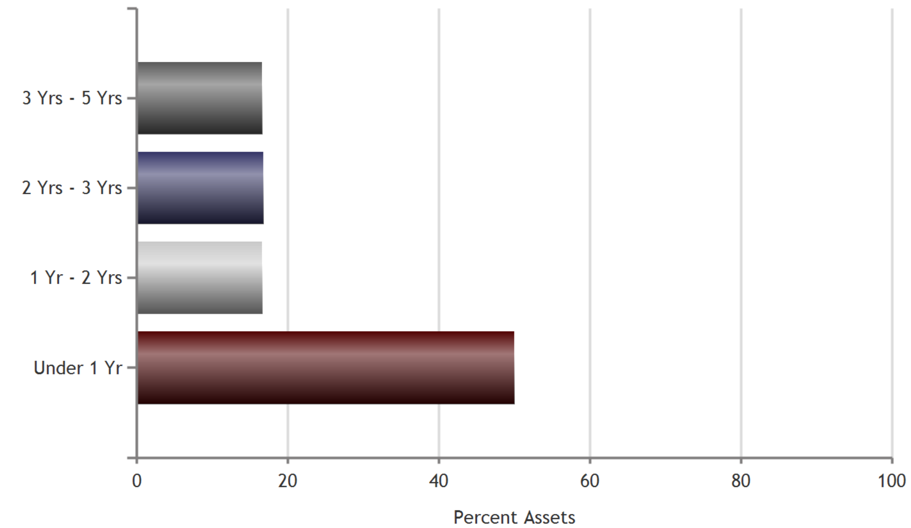
Time Weighted Return Inception (12/31/2013) to Date



Distribution by Maturity

Maturity	Number	Market Value	% FI Holdings	Average Curr. Yld	Average Coupon	Average Duration
Under 1 Yr	7	15,127,614.60	50.0	0.7	0.704%	0.5
1 Yr - 2 Yrs	2	5,037,227.50	16.6	1.1	1.125%	1.7
2 Yrs - 3 Yrs	2	5,068,722.50	16.7	1.3	1.314%	2.4
3 Yrs - 5 Yrs	2	5,035,152.50	16.6	1.1	1.063%	3.0

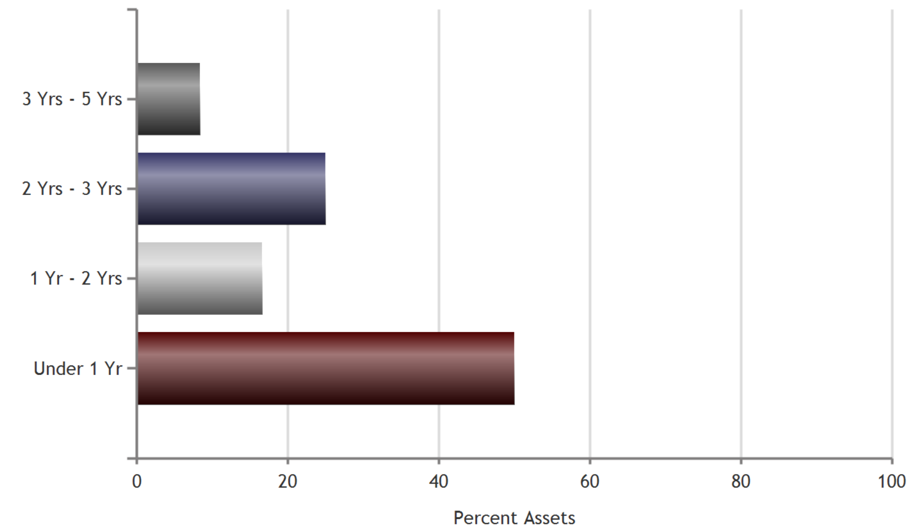
Distribution by Maturity



Distribution by Duration

Duration	Number	Market Value	% FI Holdings	Average Curr. Yld	Average Coupon	Average Duration
Under 1 Yr	7	15,127,614.60	50.0	0.7	0.704%	0.5
1 Yr - 2 Yrs	2	5,037,227.50	16.6	1.1	1.125%	1.7
2 Yrs - 3 Yrs	3	7,577,120.00	25.0	1.2	1.168%	2.6
3 Yrs - 5 Yrs	1	2,526,755.00	8.3	1.2	1.250%	3.1

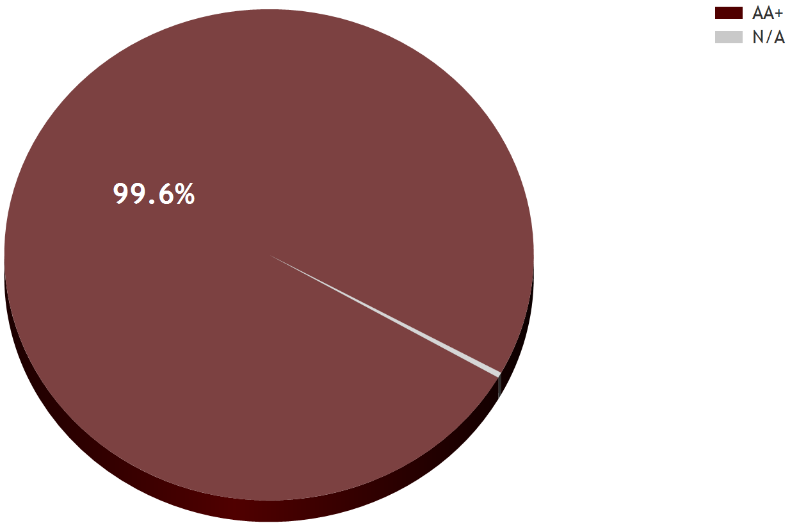
Distribution by Duration



Distribution by S&P Rating

S&P Rating	Number	Market Value	% FI Holdings	Average YTM	Average Coupon	Average Duration
AA+	12	30,160,240.00	99.6	0.9	0.939%	2.8
N/A	1	108,477.10	0.4	0.0	0.010%	0.4

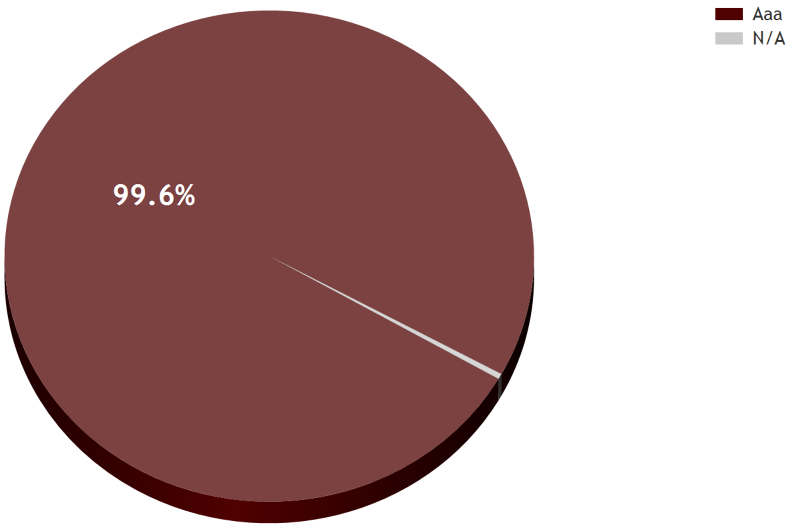
Distribution by S&P Rating



Distribution by Moody Rating

Moody Rating	Number	Market Value	% FI Holdings	Average YTM	Average Coupon	Average Duration
Aaa	12	30,160,240.00	99.6	0.9	0.939%	2.8
N/A	1	108,477.10	0.4	0.0	0.010%	0.4

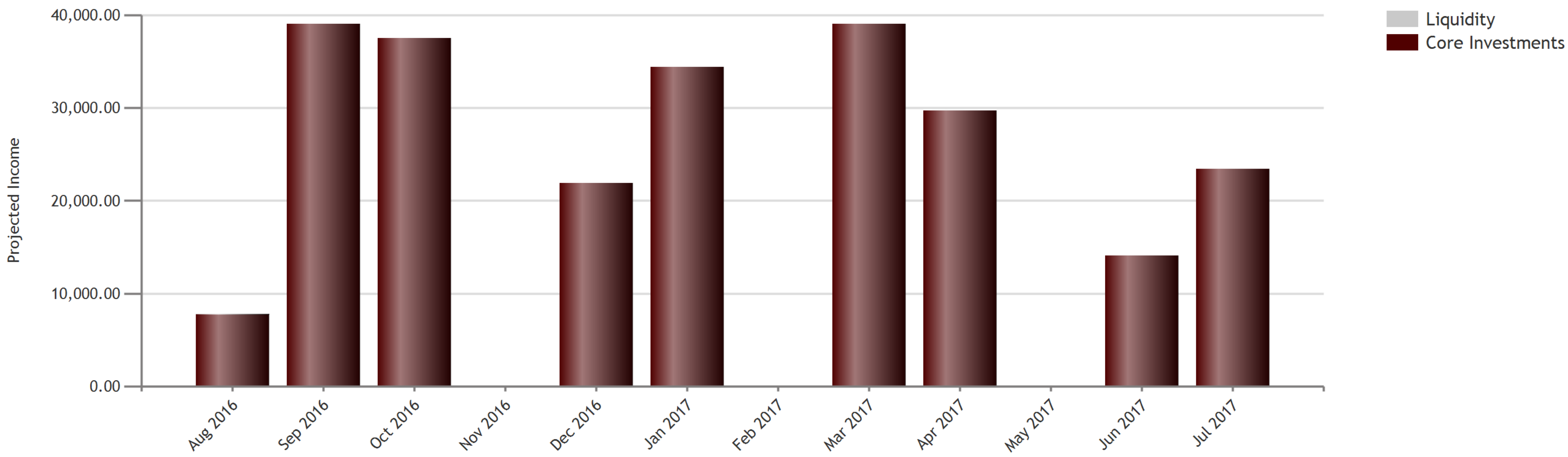
Distribution by Moody Rating



Coupon Cash Flow Projection

City of Franklin - Core Investment Fund

8/1/2016 - 7/31/2017



	Aug 2016	Sep 2016	Oct 2016	Nov 2016	Dec 2016	Jan 2017	Feb 2017	Mar 2017	Apr 2017	May 2017	Jun 2017	Jul 2017
Core Investments	7,812.50	39,062.50	37,500.00	0.00	21,875.00	34,375.00	0.00	39,062.50	29,687.50	0.00	14,062.50	23,437.50
US Agency (USD)	0.00	14,062.50	29,687.50	0.00	0.00	12,500.00	0.00	14,062.50	29,687.50	0.00	0.00	12,500.00
US Treasury (USD)	7,812.50	25,000.00	7,812.50	0.00	21,875.00	21,875.00	0.00	25,000.00	0.00	0.00	14,062.50	10,937.50
Liquidity	1.09	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Bank or Cash Deposit (USD)	1.09	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total	**7,813.59**	**39,062.50**	**37,500.00**	**0.00**	**21,875.00**	**34,375.00**	**0.00**	**39,062.50**	**29,687.50**	**0.00**	**14,062.50**	**23,437.50**

Grand Total	**246,876.09**

Interest

Trade Date	Settle Date	Symbol	Security	Amount
7/1/2016	7/1/2016	0000FIFTH3	FIFTH THIRD BANK MMF 0.010% Due 08-29-16	11
7/28/2016	7/28/2016	3137EADJ5	FEDERAL HOME LN MTG CORP 1.000% Due 07-28-17	12,500
7/31/2016	7/31/2016	912828SC5	UNITED STATES TREAS NTS 0.875% Due 01-31-17	10,938
7/31/2016	7/31/2016	912828TH3	UNITED STATES TREAS NTS 0.875% Due 07-31-19	10,938
Total Interest				**34,386**

Expenses

Trade Date	Settle Date	Symbol	Security	Amount
7/20/2016	7/20/2016	fees	exusfees	1,250
7/31/2016	7/31/2016	manfee	Management Fee	2,083
Total Expenses				**3,333**

Contributions

Trade Date	Settle Date	Quantity	Symbol	Security	Unit Price	Amount
7/1/2016	7/1/2016	11	0000FIFTH3	FIFTH THIRD BANK MMF 0.010% Due 08-29-16	100.00	11
7/28/2016	7/28/2016	12,500	0000FIFTH3	FIFTH THIRD BANK MMF 0.010% Due 08-29-16	100.00	12,500
Total Contributions						**12,511**

Withdrawals

Trade Date	Settle Date	Quantity	Symbol	Security	Unit Price	Amount
7/20/2016	7/20/2016	1,250	0000FIFTH3	FIFTH THIRD BANK MMF 0.010% Due 08-29-16	100.00	1,250
Total Withdrawals						**1,250**

Cusip	Quantity	Security	Call Date	Trade Date	Amor Price	Book Yield	Market Price	Market Yield	Market Value	Accrued Interest	Total Value	Unrealized Gain/Loss	Pct. Assets	Dur Mat	Eff Dur
US Treasury															
912828VR8	2,500,000	UNITED STATES TREAS NTS 0.625% Due 08-15-16		03-27-14	100.00	0.62	100.0167	0.22	2,500,417.50	7,168.61	2,507,586.11	415.93	8.3	0.04	0.04
912828WA4	2,500,000	UNITED STATES TREAS NTS 0.625% Due 10-15-16		03-27-14	99.98	0.70	100.0706	0.28	2,501,765.00	4,567.96	2,506,332.96	2,158.40	8.3	0.21	0.20
912828A59	2,500,000	UNITED STATES TREAS NTS 0.625% Due 12-15-16		12-18-13	100.00	0.64	100.0945	0.37	2,502,362.50	1,963.80	2,504,326.30	2,471.88	8.3	0.37	0.37
912828SC5	2,500,000	UNITED STATES TREAS NTS 0.875% Due 01-31-17		03-27-14	100.02	0.84	100.2227	0.43	2,505,567.50	0.00	2,505,567.50	5,189.60	8.3	0.50	0.50
912828J92	2,500,000	UNITED STATES TREAS NTS 0.500% Due 03-31-17		07-24-15	99.93	0.60	100.0013	0.50	2,500,032.50	4,166.67	2,504,199.17	1,735.51	8.3	0.66	0.66
912828XF2	2,500,000	UNITED STATES TREAS NTS 1.125% Due 06-15-18		08-18-15	100.19	1.02	100.8477	0.67	2,521,192.50	3,534.84	2,524,727.34	16,330.79	8.3	1.85	1.85
912828SN1	2,500,000	UNITED STATES TREAS NTS 1.500% Due 03-31-19		11-16-15	100.53	1.30	102.0430	0.72	2,551,075.00	12,500.00	2,563,575.00	37,835.50	8.4	2.60	2.60
912828TH3	2,500,000	UNITED STATES TREAS NTS 0.875% Due 07-31-19		03-10-16	99.05	1.20	100.3359	0.76	2,508,397.50	0.00	2,508,397.50	32,204.54	8.3	2.96	2.95
	20,000,000					0.87		0.50	20,090,810.00	33,901.88	20,124,711.88	98,342.15	66.4	1.15	1.15
US Agency Bullet															
3137EADJ5	2,500,000	FEDERAL HOME LN MTG CORP 1.000% Due 07-28-17		12-18-13	100.01	0.99	100.3597	0.63	2,508,992.50	208.33	2,509,200.83	8,688.32	8.3	0.99	0.98
3130A5PE3	2,500,000	FEDERAL HOME LOAN BANKS 1.125% Due 03-29-18		07-24-15	100.17	1.02	100.6414	0.73	2,516,035.00	9,531.25	2,525,566.25	11,682.99	8.3	1.64	1.63
3135G0E58	2,500,000	FEDERAL NATL MTG ASSN 1.125% Due 10-19-18		10-06-15	100.34	0.97	100.7059	0.80	2,517,647.50	7,968.75	2,525,616.25	9,238.17	8.3	2.18	2.18
3137EADM8	2,500,000	FEDERAL HOME LN MTG CORP 1.250% Due 10-02-19		03-10-16	99.75	1.33	101.0702	0.91	2,526,755.00	10,329.86	2,537,084.86	33,016.75	8.3	3.09	3.09
	10,000,000					1.08		0.77	10,069,430.00	28,038.19	10,097,468.19	62,626.22	33.3	1.98	1.97

Portfolio Holdings

City of Franklin - Core Investment Fund

July 31, 2016

Cusip	Quantity	Security	Call Date	Trade Date	Amor Price	Book Yield	Market Price	Market Yield	Market Value	Accrued Interest	Total Value	Unrealized Gain/Loss	Pct. Assets	Dur Mat	Eff Dur
Money Market Fund															
0000FIFTH	108,477	FIFTH THIRD BANK MMF 0.010% Due 08-29-16		03-31-16	100.00	0.01	100.0000	0.01	108,477.10	0.00	108,477.10	0.00	0.4	0.08	0.05
TOTAL	**30,108,477**					**0.93**		**0.58**	**30,268,717.10**	**61,940.07**	**30,330,657.17**	**160,968.37**	**100.0**	**1.42**	**1.42**

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GPA relies on the information provided by the clients when reporting pool balances, bank balances and other assets that are not held at the clients custodial bank.

Account Control:
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Market Value:
Generally, market prices in GPA's reports are derived from closing bid prices as of the last business day of the month as supplied by Interactive Data or Bloomberg. Where prices are not available from generally recognized sources the securities are priced using a yield-based matrix system to arrive at an estimated market value. Prices that fall between data points are interpolated. Non-negotiable FDIC –insured bank certificates of deposit are priced at par. Although GPA believes the prices to be reliable, the values of the securities do not always represent the prices at which the securities could have been bought or sold.

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The original cost of the principal of the security is adjusted for the amount of the periodic reduction of any discount or premium from the purchase date until the date of the report. Discount or premiums with respect to short term securities (those with less than one year to maturity at time of issuance) is amortized on a straightline basis. Such discount or premium with respect to longer term securities is amortized using a straight-line basis.

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Securities subject to redemption prior to maturity may be redeemed in whole or in part before maturity, which could affect the yield represented. Certain call dates may not show up on the report if the call date has passed and it is continuously callable.

Duration:
The duration listed on the reports is duration to maturity and duration to call. Effective duration is calculated on Bloomberg and imported into these reports and reflects the OAS duration which incorporates the probability of the bond being called. Effective duration is what GPA compares to the benchmark to reflect current market risk.

Benchmark Duration:
The benchmark duration is the historical weighted average of the benchmark duration over monthly periods. GPA is reporting this number as a static amount period over period.

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Oftentimes, coupon payments and maturities will occur on a weekend or holiday. GPA will track these payments on an accrual basis, while the custodian bank may track on a cash basis. The accrual basis allocates the earnings in the period earned.