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

City of Franklin

Meeting Agenda

Budget & Finance Committee

Thursday, December 3, 2020 **2:00 PM** **Board Room**

The Budget & Finance Committee Meeting will limit physical access in the meeting room due to current limitations on public gatherings. Accommodations have been made to ensure that the public is able to participate in the meeting. The public may participate in the following ways: • Watch the meeting on FranklinTV or the City of Franklin website. • Watch the live stream through the City of Franklin Facebook and YouTube accounts. • Call in to the conference meeting 1-312-626-6799, Meeting ID: 924 2258 3959 Passcode: 176440 . Callers will be unmuted and given an opportunity to comment during the meeting at specific times. • Limited viewing will be available in the lobby of City Hall to watch the live video and make public comment. • The public may email comments and questions prior to 1:00 p.m. on the day of the meeting to recorder@franklintn.gov to be read aloud. • Live comments and those submitted by email will be limited to 2 minutes. • City YouTube: https://www.youtube.com/user/CityOfFranklin • City Facebook Live: https://www.facebook.com/CityOfFranklin • City website: https://www.franklintn.gov/franklin-tv

CALL TO ORDER

MEETING PROCEDURE CHANGES

1. Consideration Of Resolution 2020-247, A Resolution Declaring That The Budget & Finance Committee Shall Meet On December 3, 2020 And Conduct Its Essential Business By Electronic Means Rather Than Being Required To Gather A Quorum Of The Members Physically Present In The Same Location Because It Is Necessary To Protect The Health, Safety, And Welfare Of Tennesseans In Light Of The COVID-19 Outbreak.

   Sponsors: Shauna Billingsley

APPROVAL OF MINUTES

2. Consideration Of Approval Of Minutes Of The October 15, 2020 Budget & Finance Meeting.

NEW BUSINESS

3. Election Of Chairman And Vice-Chairman, Effective 2021.

   Sponsors:

4. Consideration Of Resolution No. 2020-214, A Resolution Adopting A Revised Purchasing Policy For City Of Franklin Procurements Not Pertaining To New Construction.

   Sponsors: Kristine Brock, Brian Wilcox

5. Consideration Of Resolution No. 2020-216, A Resolution Adopting A Revised Vendor Protest Procedure For City Of Franklin Procurements Not Pertaining To New Construction.

   Sponsors: Kristine Brock, Brian Wilcox

6. Consideration Of Procurement Award To UMB Bank, N.A. Of Kansas City, Missouri In The Total Estimated Annual Amount Of $17,032 For Custody Services For Non-Pension Investments Of The City For The Finance Department (Purchasing Office Procurement Solicitation No. 2020-027; $9,500 Budgeted In 110-85520-41500 For Fiscal Year 2021; Contract No. 2020-0282).
   Budget & Finance Committee 8/13/2020

   Sponsors: Kristine Brock, Mike Lowe

7. FY 2020 Comprehensive Annual Financial Report (CAFR) For City Of Franklin.

   Sponsors: Eric Stuckey, Kristine Brock, Mike Lowe

8. FY 2020 Comprehensive Annual Financial Report (CAFR) For Cool Springs Conference Center.

   Sponsors:

9. Monthly Reports For December 2020.

   Sponsors: Mike Lowe

10. Proposed 2021 Calendar for Budget & Finance Committee

    Sponsors: Kristine Brock

OTHER BUSINESS

ADJOURN

Anyone needing accommodations due to disabilities please contact the ADA Coordinator at 615-791-3277 at least 24 hours prior to the meeting.

City of Franklin

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

File #: 20-01404

DATE: November 12, 2020

TO: Budget & Finance Committee

FROM: Eric Stuckey, City Administrator
Shauna Billingsley, City Attorney

SUBJECT:

Consideration Of Resolution 2020-247, A Resolution Declaring That The Budget & Finance Committee Shall Meet On December 3, 2020 And Conduct Its Essential Business By Electronic Means Rather Than Being Required To Gather A Quorum Of The Members Physically Present In The Same Location Because It Is Necessary To Protect The Health, Safety, And Welfare Of Tennesseans In Light Of The COVID-19 Outbreak.

PURPOSE:

The purpose of this memorandum is to provide information to the Franklin Board of Mayor and Aldermen (BOMA) concerning conducting the Board of Mayor and Aldermen by electronic means to limit physical contact for the health and safety of all citizens.

BACKGROUND/STAFF COMMENTS:

Due to the COVID-19 Outbreak citizens need to limit potential exposure to the virus by limiting contact with others. To support this effort the City of Franklin boards and commissions will meet electronically rather than gathering a quorum physically in the same location to conduct their essential business.

FINANCIAL IMPACT:

N/A

RECOMMENDATION:

Staff recommends approval of Resolution 2020-247.

RESOLUTION 2020-247

A RESOLUTION DECLARING THAT THE BOARD OF MAYOR AND ALDERMEN BUDGET AND FINANCE COMMITTEE SHALL MEET ON DECEMBER 3, 2020, AND CONDUCT ITS ESSENTIAL BUSINESS BY ELECTRONIC MEANS RATHER THAN BEING REQUIRED TO GATHER A QUORUM OF THE MEMBERS PHYSICALLY PRESENT IN THE SAME LOCATION BECAUSE IT IS NECESSARY TO PROTECT THE HEALTH, SAFETY, AND WELFARE OF TENNESSEANS IN LIGHT OF THE COVID-19 OUTBREAK

WHEREAS, Coronavirus Disease 2019 (COVID-19) is a severe acute respiratory disease that appears to occur through respiratory transmission, presents with similar symptoms to those of influenza, and can lead to serious illness or death, particularly in the case of older adults and persons with serious chronic medical conditions; and

WHEREAS, the Centers for Disease Control and Prevention has recommended that all states and territories implement aggressive measures to slow and contain transmission of COVID-19 in the United States; and

WHEREAS, on March 12, 2020, pursuant to the authority granted by Tenn. Code Ann. § 58-2-107, the Governor of Tennessee, Bill Lee, issued Executive Order No. 14, declaring a state of emergency to facilitate the response to COVID-19; and

WHEREAS, on March 13, 2020, the President of the United States, Donald J. Trump, declared a national state of emergency with respect to COVID-19; and

WHEREAS, on March 20, 2020, Mayor Ken Moore issued Executive Order No. 2020-01 Declaring a State of Emergency and Civil Emergency; and

WHEREAS, on March 20, 2020, Governor Lee issued Executive Order No. 16, and later issued Executive Order No. 34, Executive Order No. 51, Executive Order No. 60, and Executive Order No. 65 allowing electronic meetings while continuing to function openly and transparently; and

WHEREAS, Mayor Moore issued Executive Orders No. 2020-03, No. 2020-05, and No. 2020-07, No. 2020-09, No. 2020-11, No. 2020-12, No. 2020-13, No. 2020-14, No. 2020-15, No. 2020-16, and No. 2020-17 continuing the Declaration of a State of Emergency and Civil Emergency; and

WHEREAS, the Board of Mayor and Aldermen Budget and Finance Committee believes it is in the best interest of the City of Franklin to conduct the December 3, 2020, 2:00 p.m. meeting by electronic means.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF MAYOR AND ALDERMEN BUDGET AND FINANCE COMMITTEE OF THE CITY OF FRANKLIN, TENNESSEE, AS FOLLOWS:

The meeting scheduled for December 3, 2020, at 2:00 p.m. shall be conducted by electronic means rather than requiring a quorum of the members of the Board of Mayor and Aldermen Budget and Finance Committee to attend in person to protect the health, safety, and welfare of Tennesseans in light of the COVID-19 outbreak. Physical access in the meeting room will be limited. The public can view and participate in the meetings by watching the meeting live or later as a recording on FranklinTV, the City of Franklin website, the City of Franklin’s Facebook page, and the City of Franklin’s YouTube account. Specific dial-in and website links can be found on the City’s website at

https://www.franklintn.gov/Home/Components/Calendar/Event/9885/1092

Law Dept. approved 11.24.20

IT IS SO RESOLVED AND DONE on this 3rd day of December, 2020.

	CITY OF FRANKLIN, TENNESSEE
ATTEST	**BUDGET AND FINANCE COMMITTEE**
By:______________________________	**By:_______________________________**
Eric S. Stuckey	**Clyde Barnhill, Alderman**
City Administrator	**Chair**

Approved as to Form By:
Shauna R. Billingsley, City Attorney

HISTORIC
FRANKLIN
TENNESSEE

City of Franklin

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

File #: 20-01294

DATE: October 21, 2020

TO: Budget & Finance Committee

FROM: Kristine Brock, Asst. City Administrator/CFO
Brian Wilcox, Purchasing Manager

SUBJECT:

Consideration Of Resolution 2020-214, A Resolution Adopting A Revised Purchasing Policy For City Of Franklin Procurements Not Pertaining To New Construction.

PURPOSE:

The purpose of this memorandum is to present Resolution No. 2020-214, a resolution that would adopt a revised Purchasing Policy for City of Franklin procurements not pertaining to new construction.

BACKGROUND/STAFF COMMENTS:

Staff recommends that the Purchasing Policy for City of Franklin procurements not pertaining to new construction be revised as follows:

1. to allow for openings of sealed bids, proposals or other submittals received pursuant to a formal procurement solicitation issued by the Purchasing Office and pursuant to public advertising, if valued at or greater than $25,000, to be conducted either (1) in person only or (2) virtually only, by means of an online meeting application that includes both audio/video access via an internet link as well as audio-only access via telephone, rather than in person, or (3) both in person and virtually;
2. to allow for the method of such openings to be determined on a case-by-case basis, provided the method is addressed in writing in the relevant procurement solicitation, including any addenda to the procurement solicitation that may be issued; and
3. to allow for the ability for persons attending virtually to be viewed and/or heard by other attendees of such opening, whenever the opening is conducted either virtually only or both in person and virtually, to be restricted by, and granted only upon request approved by, the Purchasing Office in order to reduce the opportunity for persons to use any online virtual meeting application as a means for disrupting the opening.

Resolution No. 2020-214 as proposed, including the revised policy as proposed, is attached. Also attached is a red-lined version of the revised policy as proposed. This red-lined version has marked all recommended changes to the text of the policy.

FINANCIAL IMPACT:

Staff is not aware of any adverse financial impact of these proposed policy changes.

RECOMMENDATION:

Staff recommends the Board of Mayor and Aldermen approve Resolution No. 2020-214, a resolution adopting a revised Purchasing Policy for City of Franklin procurements not pertaining to new construction.

RESOLUTION 2020-214

A RESOLUTION ADOPTING A REVISED PURCHASING POLICY FOR CITY OF FRANKLIN, TENNESSEE, PROCUREMENTS NOT PERTAINING TO THE DESIGN AND/OR CONSTRUCTION OF NEW INFRASTRUCTURE AND FACILITIES

WHEREAS, in 2004, the Board of Mayor and Aldermen of the City of Franklin established methods to comply with the Municipal Purchasing Law of 1983, as amended, and to provide for a more formal process for the procurement of equipment, services, and materials for the operation of municipal government but not pertaining to the design and/or construction of new infrastructure and facilities; and

WHEREAS, on July 26, 2011, the Board of Mayor and Aldermen adopted Resolution No. 2011-26, a resolution adopting a revised purchasing policy for the City; and

WHEREAS, on January 14, 2014, the Board of Mayor and Aldermen adopted Resolution No. 2014-06, a resolution adopting a revised purchasing policy for the City; and

WHEREAS, on January 27, 2015, the Board of Mayor and Aldermen adopted Resolution No. 2014-90, a resolution adopting a revised purchasing policy for the City; and

WHEREAS, on June 28, 2016, the Board of Mayor and Aldermen adopted Resolution No. 2016-24, a resolution adopting a revised purchasing policy for the City; and

WHEREAS, on June 27, 2017, the Board of Mayor and Aldermen adopted Resolution No. 2017-41, a resolution adopting a revised purchasing policy for the City; and

WHEREAS, on June 26, 2018, the Board of Mayor and Aldermen adopted Resolution No. 2018-24, a resolution adopting a revised purchasing policy for the City; and

WHEREAS, on June 25, 2019, the Board of Mayor and Aldermen adopted Resolution No. 2019-49, a resolution adopting a revised purchasing policy for the City; and

WHEREAS, on September 24, 2019, the Board of Mayor and Aldermen adopted Resolution No. 2019-82, a resolution adopting a revised purchasing policy for the City; and

WHEREAS, on June 23, 2020, the Board of Mayor and Aldermen adopted Resolution No. 2020-69, a resolution adopting a revised purchasing policy for the City; and

WHEREAS, the Board of Mayor and Aldermen believes it is in the best interest of the City of Franklin for the purchasing policy to be further revised to identify and authorize permitted methods for conducting public openings of sealed bids, proposals or other submittals received pursuant to a formal procurement solicitation issued by the Purchasing Office and pursuant to public advertising, if valued at or greater than $25,000.

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF MAYOR AND ALDERMEN OF THE CITY OF FRANKLIN, TENNESSEE, AS FOLLOWS:

Section 1. The purchasing policy for City of Franklin procurements not pertaining to new construction adopted by Resolution No. 2020-69, and all previous versions of that policy and any subsequent changes or revisions thereto, are hereby repealed in their entirety. In place thereof, the purchasing policy for City of Franklin procurements not pertaining to the design and/or construction of new infrastructure and facilities, attached as Exhibit A hereto, is adopted.

Section 2. The Purchasing Manager of the City shall be responsible for the administration and enforcement of the policy hereby adopted.

Section 3. Changes or revisions to the policy hereby adopted shall be made only by resolution of the Board of Mayor and Aldermen of the City of Franklin.

Section 4. The policy hereby adopted shall become effective immediately upon passage of this resolution, the public welfare and the welfare of the City requiring it.

IT IS SO RESOLVED AND DONE on this ______ day of ___________________, 20____.

ATTEST:

By: ______________________________________
Eric S. Stuckey
City Administrator / City Recorder

CITY OF FRANKLIN, TENNESSEE:

By: ______________________________________
Dr. Ken Moore
Mayor

Approved as to Form:

By: ______________________________________
Maricruz R. Fincher
Staff Attorney

HISTORIC
FRANKLIN
TENNESSEE

Purchasing Policy

for City of Franklin procurements not pertaining to new construction

A. General Provisions

This City of Franklin ("City") Purchasing Policy shall apply to the purchase of materials, supplies, vehicles and equipment, the purchase of services other than those pertaining to the design and/or construction of new infrastructure and facilities, leases and lease-purchases, and the disposal and transfer of surplus personal property, all for the proper conduct of the City's business.

All contracts, leases and lease-purchase agreements are subject to the approval of the Board of Mayor and Aldermen, unless otherwise provided by resolution or ordinance. Any contracts, leases and lease-purchase agreements extending beyond the end of the current fiscal year shall be so noted prior to consideration by the Board of Mayor and Aldermen.

Whenever the City undertakes its own competitive procurement process for the procurement of goods and/or services not pertaining to the design and/or construction of new infrastructure and facilities, then the City is hereby authorized to utilize the one or more of the following procurement methodologies best suited for the intended procurement:

- request for quotations (not for purchases valued at $25,000 or more)
- solicitation for bids
- request for proposals
- request for qualifications

This Purchasing Policy is intended to promote the public interest and preserve and enhance the public trust by establishing a transparent procurement system by which the City conducts its non-construction related purchasing, and by providing vendors (including suppliers, service providers and contractors) with a fair forum for competing for City business.

B. Responsibilities of Departments

The following are the responsibility of each department:

1. Departments shall be responsible for purchases and projects valued less than $25,000. (In the context of this Policy, whenever any dollar thresholds are referenced, the estimated total value of the purchase or project, including all components related thereto, either over the course of the term of the award or, in the absence of a term of award, over the course of the next twelve (12) months, shall be considered.)
2. Departments shall use pricing established pursuant to City procurement awards or Tennessee statewide contracts (SWCs) if and as available. The use of pricing established by cooperative purchasing arrangements approved by the City Administrator for use by the City, as well as pricing established by other Tennessee local governments pursuant to a competitive process involving "public advertisement" (hereby defined to mean the same as that term is used in T.C.A. § 6-56-301 *et seq.*, the Tennessee Municipal Purchasing Law of 1983, as it may be amended from time to time) and sealed submittals, are acceptable alternatives and may be used in lieu of competitive pricing established by the City or the State.
3. Departments shall coordinate with the Purchasing Office and/or the Finance Department as to the method of payment that best meets the needs of the City.

4. Before placing an order for any non-emergency purchase valued at or greater than $10,000, departments shall prepare and submit a requisition, on the form prescribed by the Purchasing Office, and await approval thereof. For orders for emergency purchases valued at or greater than $10,000, the requisition may be completed within ten (10) calendar days after placing the order (and see "Emergency Purchases" below).
5. Purchases valued less than $25,000 but not less than $10,000 shall not be made unless and until, wherever possible, the department shall have obtained and forwarded to the Purchasing Manager competitive pricing quotations from at least three (3) vendors, said quotations to be either supplied in writing by the vendor or reduced to writing by the department, accompanied by a tabulation of the comparative aspects of the quotations obtained, a recommendation as to which quotation should be accepted and a requisition for the recommended quotation. As an alternative to obtaining three quotes, departments may use any of the procurement methodologies approved for usage for purchases valued at $25,000 or more.
6. All foreseeable purchases, including those valued less than $10,000, should not be made unless and until the department head or his or her authorized representative is satisfied that the value of the purchase is fairly priced and not more than what would be expected in the current market place. At the discretion of the department head or his or her authorized representative, for foreseeable purchases valued less than $10,000, the department should, whenever it is prudent to do so, obtain multiple competitive pricing quotations, said quotations to be either supplied in writing by the vendor or reduced to writing by the department.
7. As soon as practicable but within ten (10) calendar days of receipt of items ordered, departments shall be responsible for verifying that the items conform to the order. The process for taking delivery of items is as follows:
   - **a.** Inspect the goods to verify that they are in acceptable condition.
   - **b.** Verify that all operating manuals and warranty cards are included in the delivery of the goods, if applicable.
   - **c.** Verify that the number of items ordered have been delivered, making special note when all or part of a particular order has been back-ordered.
   - **d.** Ensure that purchases of capital assets of the City have been properly reported, either directly or indirectly, to the Finance Department and the City's Risk Manager and, if rolling stock, Fleet Maintenance, on forms prescribed by those respective offices, so that records of such purchases may be updated, insurance coverage may be obtained, and vehicle tags may be obtained, all in a timely manner.
8. Regardless of method of payment, departments shall be responsible for reviewing, approving and allocating to the proper budget code all invoices authorized for payment.
9. It shall be the responsibility of each department to allow time for competitive solicitation, ordering and delivery pursuant to this Purchasing Policy.
10. No employee shall make any indication that he/she will recommend a particular product for purchase, knowingly bind the City to a specific vendor, or make any representation as to his or her authority to bind the City by contract when such is not the case.

C. Responsibilities of Purchasing Manager

The following are the responsibility of the Purchasing Manager:

1. The Purchasing Manager shall assist all departments in purchasing operating materials, supplies, vehicles, equipment and services to which this Purchasing Policy applies.
2. The Purchasing Manager shall be responsible for facilitating the competitive process by which all purchases to which this Purchasing Policy applies and valued at or greater than $25,000 are made.

Purchasing Policy

for City of Franklin procurements not pertaining to new construction

3. For all purchases to which this Purchasing Policy applies and valued at or greater than $10,000, the Purchasing Manager shall advocate the purchase of required products and services only either from (a) the responsible bidder or quoter that submits the lowest priced responsive bid or quote or from (b) the responsible proposer or other respondent that submits the responsive proposal or other submittal that is most advantageous to the City.
4. The Purchasing Manager shall advise the departments about the source and availability of products and services needed by the various departments.
5. The Purchasing Manager shall provide current vendor files available for use and review by departments.
6. The Purchasing Manager shall, upon request, obtain prices on comparable items.
7. The Purchasing Manager shall provide vendor lists, prepare Purchase Orders as necessary, and maintain orderly files.
8. The Purchasing Manager shall be alert on an ongoing basis for new sources and for improved products and services.
9. The Purchasing Manager shall assist the departments in the preparation of specifications for solicitations for bids and the requirements provisions of requests for proposals and requests for qualifications.
10. For formal procurement solicitations, the Purchasing Manager shall prepare and submit for timely publication all legal notices. To promote competition and facilitate the dissemination of documents and information pertaining to formal procurement solicitations, the Purchasing Manager shall post on the City's public website timely information about current formal procurement solicitations.
11. The Purchasing Manager shall periodically review the City's recent records of repetitive purchases, over time, across the organization and across suppliers and service providers, of like products and services, and shall advocate the City consolidate and aggregate its purchase of as many foreseeably necessary like products and services as practicable so to improve pricing for the City, to improve services provided to the City, and/or to reduce the City's cost of operations.
12. To the extent practicable, the Purchasing Manager shall strive to apply procurement thresholds of the City by like product or service for all anticipated needs of the City for the maximum term of a prospective award.
13. The Purchasing Manager shall investigate complaints from departments of poor performance by vendors, or complaints about inferior products, and shall, in consultation with the City's Law Department, choose which, if any, remedies are available to the City to pursue.
14. The Purchasing Manager shall be responsible for disposing of the City's surplus personal property of any value, regardless of whether the property was acquired and came to be owned by the City by means of purchase or donation or otherwise, by means of a competitive process and in compliance with City ordinance, except in cases involving data security or other mitigating circumstances. The Purchasing Manager shall develop the appropriate documentation for the Finance Department in accordance with the City Code.
15. The Purchasing Manager shall be responsible for administering and overseeing the City's Purchasing Card program.
16. The Purchasing Manager shall be responsible for otherwise administering and complying with this Purchasing Policy and applicable Tennessee state law, specifically T.C.A. § 6-56-301 *et seq.* (Tennessee Municipal Purchasing Law of 1983) and T.C.A. § 12-3-1201 *et seq.* (Public Purchases – Local Governments), as it may be amended from time to time, including keeping and filing required records and reports, as if they were set out herein and made a part hereof and within definitions of words and phrases from the law as herein defined.

Purchasing Policy

for City of Franklin procurements not pertaining to new construction

D. Circumstances under which competitive pricing is not required

Under any of the following circumstances, competitive pricing (sealed bids or proposals pursuant to public advertising if valued at or greater than $25,000; three quotes wherever possible if valued less than $25,000 but not less than $10,000) is not required. Under any of these same circumstances, neither individual authorization by nor specific reporting to the Board of Mayor and Aldermen is required unless such is otherwise required pursuant to this policy.

1. Authorized sole-source purchases (see below).
2. Authorized emergency expenditures (see below).
3. Purchases from instrumentalities created by two (2) or more cooperating governments, such as, but not limited to those established pursuant to T.C.A. § 12-9-101, et seq.
4. Purchases from non-profit corporations whose purpose or one of whose purposes is to provide products and services specifically to municipalities, as provided in T.C.A. § 6-56-302.
5. Purchases, leases or lease-purchases of real property, as provided by City ordinance and state law.
6. Purchases, leases, or lease-purchases of used or secondhand articles consisting of goods, equipment, materials, supplies, or commodities, as provided in T.C.A. § 12-3-1202.
7. Purchases of supplies, goods, equipment (except new or unused motor vehicles, unless the motor vehicles are manufactured for a special purpose as defined in T.C.A. § 12-3-1208) and/or services (except any transportation infrastructure project, including, but not limited to, projects for the construction or improvement of streets, highways, bridges, tunnels, or any roadway related facility), pricing for which has been established by other units of Tennessee local government, as provided in T.C.A. § 12-3-1203(a) and 12-3-1203(c).
8. Purchases pursuant to Tennessee Department of General Services statewide contracts (SWCs) authorized for use by Tennessee local governments.
9. Purchases from Tennessee Rehabilitative Initiative in Correction (TRICOR).
10. Professional service contracts, as provided in T.C.A. § 12-3-1209.
11. Other professional services, including actuarial, architectural design, financial and compliance audit, engineering design, financial advisory, legal counsel and medical.
12. Tort liability insurance, as provided in T.C.A. § 29-20-407.
13. Purchase of fuels, fuel products or perishable commodities.
14. Purchases based on contracts established by a cooperative purchasing arrangement recognized by the City pursuant to Resolution No. 2009-50, as provided in T.C.A. § 12-3-1205.
15. Purchases based on contracts established by the United States General Services Administration (GSA) and authorized by GSA for use by US local governments, except as may be prohibited by applicable Tennessee statute.
16. Other arrangements and methods pursuant to Tennessee and/or federal law.
17. Fees paid by the City for products and services provided to the City by the State of Tennessee, other units of local government, and public utilities and utility districts.
18. Purchases made during a declared state of emergency that applies to the City but only if specific conditions prevent the establishment of competitive pricing; provided, however, that if the emergency purchase is valued at or greater than $25,000 both the purchase and the specific conditions that prevented the establishment of competitive pricing shall, as soon as practicable, be reported to the Board of Mayor and Aldermen.

E. Rejection of Bids, Proposals or Other Submittals

The Purchasing Manager shall recommend to the Board of Mayor and Aldermen to reject any and all bids, proposals or other submittals received pursuant to a formal procurement solicitation issued by the Purchasing Office, or parts thereof, for any product or service to which this Policy applies, whenever, prior to the Board of Mayor and Aldermen making an award pursuant to such a formal procurement solicitation, the Purchasing Manager believes the public interest would be best served by such rejection. The Purchasing Manager shall recommend to the Board of Mayor and Aldermen that it reject any such submittal of a vendor or contractor who is in default on the payment of taxes, licenses, fees or other monies of whatever nature that may be due the City by the vendor or contractor whenever, prior to the Board of Mayor and Aldermen making an award pursuant to such a formal procurement solicitation, the Purchasing Manager becomes aware of such default.

F. Conflict of Interest, Use of Position, Solicitation

There are several sources of law and regulations, as they may be amended from time to time, that apply to conflicts of interest, use of position and solicitation. They are incorporated by reference and adopted as if fully stated herein.

a. City Charter

Article VIII ("Finance"), Section 16 ("Officers not to be Interested in City Contracts or Work") of the City of Franklin Charter reads as follows:

> No member of the Board of Mayor and Aldermen, or officer elected by said Board, shall be interested in any contract, or work of any kind whatever, under its control and direction, and any contract in which any such person shall have an interest shall be void and cannot be enforced.

b. City of Franklin Municipal Code

Title 1 ("General Administration"), Chapter 8 ("Ethics") of the City of Franklin Municipal Code sets forth the Code of Ethics for the City of Franklin, which applies to all full-time and part-time elective or appointed officials and employees of the City.

c. City of Franklin Regulations

Article XXI ("General Policies and Procedures"), Section E ("Business Dealings"), of the City of Franklin Human Resource Manual, as it may be amended from time to time, reads as follows:

> Except for the receipt of such compensation as may be lawfully provided for the performance of City duties, and except as noted below, no City officer or employee shall be privately interested in or profit, directly or indirectly, from business dealings with, of, or by the City.
>
> Full-time, part-time, and temporary employees of the City may contract to supply goods and products to the City and/or render services for the City, provided:
>
> 1. any service that would be rendered must not be one the employee might provide in the normal scope of their regular duties;
> 2. the employee would be required to compete for the City's business in the same manner as any other prospective supplier or service provider;

3. the business relationship between the City and the employee must not present a conflict of interest nor a conflict of time with the employee's regular duties;
4. the business relationship between the City and the employee is not prohibited by the City's ethics policy; and
5. the business relationship between the City and the employee is authorized in advance by the City Administrator, and if the relationship is to be for more than one (1) year, it is annually re-authorized by the City Administrator.

Article XXI ("General Policies and Procedures"), Section I ("Use of Position"), of the City of Franklin Human Resource Manual, as it may be amended from time to time, reads in part as follows:

> No employee shall make or attempt to make private purchases in the name of the City, nor otherwise use or attempt to use status as a City employee to secure unwarranted privileges or exemptions.

Article XXI ("General Policies and Procedures"), Section F ("Acceptance of Gratuities"), of the City's Human Resource Manual, as it may be amended from time to time, reads in part as follows:

> No employee shall accept or solicit any money or other consideration or favor from anyone other than the City for the performance of an act that the officer or employee would be required or expected to perform in the regular course of employment; nor shall any officer or employee accept, directly or indirectly, any gift, gratuity, or favor of any kind that might reasonably be an attempt to influence the individual's actions with respect to City business.

d. Statutes

Certain Tennessee statutes may apply to purchases involving city officers, committee members, etc. Selected Tennessee statutes may be found in Appendix A to this Purchasing Policy attached hereto for reference.

G. City Officer and Employee Communication with Vendors During Formal Procurement Solicitations for Sealed Submittals

Between the time a formal procurement solicitation for sealed submittals is issued by the City and the time an award is made, members of the Board of Mayor and Aldermen as well as employees of the City shall refrain from any form of communication with one or more vendors that may be competing for the award about any aspect of the procurement other than either in the context of a public meeting or by way of the Purchasing Office. The foregoing is not meant to preclude a representative of the City from answering questions from vendors if the question is already addressed in the formal solicitation documents, if the City representative is certain of the correct answer and if the Purchasing Office is informed of the communication. Otherwise, any inquiries from one or more vendors that may be competing for such an award shall be directed to the Purchasing Office which shall determine if an addendum to the formal procurement solicitation should be prepared and issued to all vendors known or thought to be interested in the procurement opportunity. Vendors that may be competing for an award pursuant to a formal procurement solicitation shall be instructed that, until that award has been made, they shall not communicate about either the content of or the procurement process pertaining to the relevant formal procurement solicitation with any official, employee or other representative of the City except through the City's Purchasing Office. The City reserves the right to disqualify any vendor that initiates unauthorized communication with the City during the procurement phase.

H. City Officer and Employee Business Dealings with the City

See Article XXII ("General Policies and Procedures"), Section E ("Business Dealings"), of the City of Franklin Human Resources Manual.

See also Title 1 ("General Administration"), Chapter 8 ("Ethics"), of the City of Franklin Municipal Code.

I. Tie Bids and Tie Quotes

Whenever the City utilizes its own competitive process, and in the event of tie bids or tie quotes (that is, when two or more responsible bidders or quoters submit responsive bids or quotes at identical total pricing for the minimum or estimated quantity indicated), then the tie bids or tie quotes shall be broken by means of one of the following methods, in descending order:

1. The award shall be made to the vendor who bid or quoted the soonest delivery of the product or completion of the service of all the vendors submitting the tie bids or tie quotes.
2. The award shall be made to the vendor who offered the pricing for the longest period of time for potential future orders of all the vendors submitting the tie bids or tie quotes.
3. If one or more of the vendors submitting the tie bids or tie quotes competed for the City's business the last time the City solicited bids or quotes for the same product or service, then the award shall be made to the vendor who offered the lowest pricing at that time of all the vendors submitting the tie bids or tie quotes.
4. If one or more of the vendors submitting the tie bid or tie quote have done business with the City within the most recent 24 months, then the award shall be made to the vendor who has done the most business with the City (measured in dollars) in that time frame of all the vendors submitting the tie bids or tie quotes.
5. The award shall be made by means of random selection, such method to be administered by the Purchasing Manager and to give equal opportunity to all the vendors submitting the tie bids or tie quotes.

J. Determining Responsible Respondents and Responsive Submittals

Whenever the City utilizes its own competitive process, products and services shall be purchased either from (a) the responsible bidder or quoter that submits the lowest priced responsive bid or quote or from (b) the responsible proposer or other respondent that submits the responsive proposal or other submittal that is most advantageous to the City. (The term "responsible bidder or quoter" and the term "responsible proposer or other respondent" shall mean a business entity or individual determined by the City to have the integrity and reliability as well as the financial and technical capacity to perform the requirements of the procurement solicitation and subsequent contract. The term "responsive bid or quote" and the term "responsive proposal or other submittal" shall mean a submittal determined by the City to fully conform in all material respects to the procurement solicitation and all of its requirements, including all form and substance.) In determining whether a competing respondent is responsible and whether the submittal is responsive, criteria such as the following may be taken into consideration:

1. The ability of the competing vendor to perform the contract or provide the material or service required.
2. Whether the competing vendor can perform the contract or provide the service promptly, or within the time specified, without delay or interference.
3. The character, integrity, reputation, judgment, experience, expertise and efficiency of the competing vendor.

4. The previous and existing compliance by the competing vendor or a predecessor in interest with laws and ordinances relating to the contract or service.
5. The quality of the competing vendor's performance of previous contracts or services, including the quality of such contracts or services in other municipalities, or performed for private sector customers.
6. The sufficiency of financial resources and the ability of the competing vendor to perform the contract or provide the service.
7. The ability of the competing vendor to provide future maintenance and service for the use of the materials, supplies, vehicles, equipment or contractual service contracted.
8. Compliance by the competing vendor with all specifications included in the solicitation for bids or with all requirements included in the request for proposals or request for qualifications.
9. The ability of the competing vendor to deliver and maintain any requisite bid bonds or performance bonds.

K. Emergency Purchases

When in the judgment of the City Administrator, the department head or the Purchasing Manager there exists an emergency impinging on public health, safety or welfare and a purchase valued at or greater than $10,000 is necessary, then the competitive purchasing provisions contained in this Purchasing Policy may be waived; provided, however, that if the emergency purchase is valued at or greater than $25,000 it shall, as soon as practicable, be reported to the Board of Mayor and Aldermen .

The emergency basis for pricing should be used only if necessary. Purchases that qualify as emergencies are to be based on emergency pricing only if another policy-compliant basis for pricing (e.g., federal General Services Administration (GSA) via GSA contract, State of Tennessee via Tennessee statewide contract (SWC), one of the cooperative purchasing arrangements recognized by the City) is not known to be available.

L. Sole-Source Purchases

In the context of this Policy, whenever any dollar thresholds are referenced, the estimated total value of the purchase or project, including all components related thereto, either over the course of the term of the award or, in the absence of a term of award, over the course of the next twelve (12) months, shall be considered. To the extent practicable, departments and the Purchasing Manager shall strive to apply procurement thresholds of the City by like product or service for all anticipated needs of the City for the maximum term of a prospective award.

The sole-source basis for pricing should be used only if necessary or financially advantageous to the City. Except when financially advantageous to the City to do otherwise, purchases that qualify as sole-source are to be based on sole-source pricing only if another policy-compliant basis for pricing (e.g., federal General Services Administration (GSA) via GSA contract, State of Tennessee via Tennessee statewide contract (SWC), one of the cooperative purchasing arrangements recognized by the City) is not known to be available.

Sole-source purchases valued at less than $10,000 may be authorized by the end-user department. Sole-source purchases valued at less than $25,000 but not less than $10,000 may be authorized by the Purchasing Manager upon being satisfied that it is not possible to obtain competitive pricing quotations from at least three (3) vendors. Except as noted below, sole-source purchases valued at or greater than $25,000 may not be made unless and until individually authorized by the Board of Mayor and Aldermen. Authorized sole-source purchases do not require sealed bids or proposals pursuant to public advertising. The criteria for evaluating sole-source purchases valued at or greater than $10,000 are presented in Appendix B to this Purchasing Policy. Sole-source purchases pertaining to circumstances under which sealed bids or proposals pursuant to public advertising are not required, as same are listed in provision D above, even if valued at or greater than $25,000, require neither individual authorization by nor specific reporting to the Board of Mayor and Aldermen unless otherwise required to be authorized or reported pursuant to this policy.

Sole-source purchases valued at or greater than $25,000 that do not require individual authorization by (but which shall, as soon as practicable, still be reported to) the Board of Mayor and Aldermen include:

a. Repairs to, maintenance of, licenses for and/or maintenance agreements for products already in use by the City, so long as the product manufacturer representative has stated in writing that the vendor is the sole source available to the City, and so long as the vendor has stated in writing that the quoted pricing is the lowest municipal unit pricing available at that time and in the foreseeable future for the quantity indicated. Examples: engine repairs made by the manufacturer or the manufacturer's representative for a vehicle; license and maintenance agreements for computer software.

b. Purchases of items necessary to maintain, expand or improve a manufacturer-specific system already in use by the City, and/or another governmental agency with which the City must cooperate in order to provide the public service relevant to the proposed purchase, and that requires interchangeability or interconnectivity of and/or communication between the component parts, so long as the product manufacturer representative has stated in writing that the vendor is the sole source available to the City, and so long as the vendor has stated in writing that the quoted pricing is the lowest municipal unit pricing available at that time and in the foreseeable future for the quantity indicated. Examples: water meters and related parts; traffic signal equipment and related parts; athletic field lighting (and related parts) connected to a centralized master control; automated external defibrillators; cardiac monitors; telemetry/supervisory control and data acquisition equipment.

c. Purchases of items that have, for good and sufficient reason, previously been standardized by the City, so long as the product manufacturer representative has stated in writing that the vendor is the sole source available to the City, and so long as the vendor has stated in writing that the quoted pricing is the lowest municipal unit pricing available at that time and in the foreseeable future for the quantity indicated. Examples: low-pressure wastewater collection grinder pumps and related parts; self-contained breathing apparatus; vehicle exhaust evacuation systems at individual fire stations, including installation if only one authorized installer is assigned to serve the City; vehicle extrication equipment.

M. Purchasing Card Program

The Purchasing Card Program shall be administered by the Purchasing Manager pursuant to procedures established therefor. Department heads shall determine which employees of their department shall be issued City purchasing cards. Employees who are authorized and expected to travel on behalf of the City and at the City's expense shall be issued purchasing cards and are expected to use same in lieu of being given travel advances.

Employees' participation in the City's Purchasing Card Program is a privilege and a convenience that includes certain responsibilities. Although the purchasing card is issued in the cardholder's name, it is City property and therefore must be used in accordance with City policy and rules, as well as with objectively reasonable judgment, especially as follows:

1. The City of Franklin Purchasing Card is provided to employees based on their need to purchase authorized goods and services. A card may be revoked at any time based on change of assignment or location. The card is neither an entitlement nor a reflection of title or position.
2. The card may be used only for authorized obligations of the City; use of the card for a purchase other than an authorized obligation of the City (such as personal purchases as well as alcoholic beverages and entertainment), even if intended for future reimbursement, are specifically prohibited.
3. Purchases made with the card are to comply with City purchasing and disbursements policies and procedures. Such City procurement rules as the need for procurement requisitions, the basis for pricing, contracting, whether a certificate of insurance is necessary to require of the service provider, adequacy of budgeted funding, and timing of payment relative to delivery of the product or service, all apply regardless of method of payment (such as by purchasing card).
4. The cardholder is the only person entitled to use the card and is accountable for all charges attributable to the card.
5. Cardholders are expected to exercise objectively reasonable judgment in deciding whether to make a purchase by considering (a) whether the potential purchase is prudent and necessary, and (b) whether the potential purchase would reflect well on the City and the cardholder, and be perceived by the general public as suitable and appropriate. Improper use of a City purchasing card, especially intentional and unreported but even unintentional and reported, including personal purchases as well as alcoholic beverages and entertainment, even if reimbursed, may be considered misappropriation of City funds, which may result in disciplinary action, up to and including termination.
6. Except for (a) purchases made outside Tennessee, (b) purchases of non-catered prepared meals, and (c) purchases related to travel, the City purchaser/cardholder is responsible for ensuring that the transaction is completed without sales tax being charged to the City. If a transaction has been completed on which sales tax was charged in error, then the cardholder is responsible for contacting the vendor and requesting that the amount of the sales tax be credited back to the same City purchasing card to which the sales tax was charged. Documentation of this effort, and of the vendor's response, shall be submitted in addition to the supporting documentation for the transaction.
7. Cardholders are expected to comply with internal control procedures in order to protect the City's assets. This includes (a) not permitting anyone other than the cardholder to use the card; (b) making sure that each transaction is electronically processed in full and on time in the purchasing card expense reporting system utilized by the City; (c) keeping and submitting on time detailed invoices or itemized payment receipts that substantiate each and every charge attributed to the purchasing card issued to the cardholder; (d) assisting the City upon request with reconciling the City's billing cycle statements; and (e) taking reasonable precautions to secure the purchasing card against loss and/or theft.
8. If electronic processing of a purchasing card transaction is not completed by the deadline and the Purchasing Office has not been previously notified of the need for a delay, then the monthly credit limit for the respective purchasing card may be reduced to $0 until the processing is complete. This consequence applies to any transaction that has not been coded, explained with a comment, and approved by the individual assigned to approve purchasing card transactions for that cardholder. Credit limits will be restored to the previous amounts once electronic processing is complete.

9. Failure to submit on time adequate and legible supporting documentation for each transaction or to otherwise comply with City rules will carry consequences, possibly including reduction or loss of card spend authority, reimbursement of the City by the employee for unauthorized and/or unsubstantiated purchases, and/or disciplinary action, up to and including termination.
10. Cardholders are responsible for cooperating with efforts by the City to resolve any discrepancies by contacting the vendor and/or the issuing bank.
11. A lost or stolen purchasing card shall, as soon as practicable upon discovery of the loss or theft, be reported to the City Purchasing Office and/or the issuing bank.
12. A cardholder must surrender his or her card upon termination of employment (i.e., retirement or voluntary or involuntary separation).

N. Payment for Purchases

All payments to vendors and service providers shall be made by one of the City’s available methods of payment in accordance with City purchasing and disbursements policies and procedures.

O. Use of Internet Auctions for Purchases of City Property

The use of internet auctions is generally prohibited as a method for making City purchases unless specifically authorized in advance by the City Administrator.

P. Vendor Protests

Vendor protests shall be handled in accordance with the City’s Vendor Protest Procedure for procurements not pertaining to new construction, as approved by resolution of the Board of Mayor and Aldermen.

Q. Disciplinary Action

Any employee who fails or refuses to comply with the provisions of this Purchasing Policy shall be subject to disciplinary action pursuant to and as provided in the Human Resources Manual, as it may be amended from time to time.

R. Requests for Proposals

Requests for competitive sealed proposals shall be used pursuant to T.C.A. § 12-3-1207 and may be used only when qualifications, experience, or competence are more important than price in making the purchase, and either (1) when there is more than one (1) solution to a purchasing issue and competitive sealed proposals would assist in choosing the best solution; or (2) when there is no readily identifiable solution to a purchasing issue and competitive sealed proposals would assist in identifying one (1) or more solutions. The request for competitive sealed proposals shall state the relative importance of price and other evaluation factors. The award shall be made to the responsible respondent whose proposal the governing body determines is the most advantageous to the City, taking into consideration price and the evaluation factors set out in the request for competitive sealed proposals. No other factor may be used in the evaluation.

Purchasing Policy

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S. Requests for Qualifications

Requests for qualifications may be used pursuant to T.C.A. § 12-3-1209 for legal services, fiscal agent, financial advisor or advisory services and similar services by professional persons or groups of high ethical standards, or pursuant to T.C.A. § 12-4-107 for architectural, engineering and construction services.

T. Procurement of Property and/or Services under a Federal Award

When procuring property and/or services under a Federal award, the City shall follow applicable provisions of 2 CFR Chapter I and Chapter II, Part 200, et al. ("Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards; Final Rule"), as promulgated December 26, 2013 by Executive Office of the President, Office of Management and Budget, namely sections 200.318 ("General procurement standards") through 200.326 ("Contract provisions").

U. Requests to inspect and/or obtain either complete or partial copies of purchasing-related records

1. Sealed bids, requests received during protest period: After opening sealed bids submitted to and received by the City in response to a formal procurement solicitation for bids facilitated by the City Purchasing Office, but not later than the seventh calendar day after the City issues a notice of intent to award a pending procurement in response to such a procurement solicitation:
   a. Requests by an Interested Party (as that term is defined in the City's Vendor Protest Procedure) to inspect such bids shall be directed to and promptly honored by the City Purchasing Office at a time during normal business hours of the City Purchasing Office that is mutually convenient to both the City Purchasing Office and the requesting party.
   b. Requests other than by an Interested Party (as that term is defined in the City's Vendor Protest Procedure) to inspect, and requests by any party to obtain either complete or partial copies of such bids shall be made pursuant to the City's public records request policy and procedure.

2. Sealed proposals and statements of qualifications and certain related records, requests received during protest period: After the City issues a notice of intent to award a pending procurement as a result of a formal procurement solicitation facilitated by the City Purchasing Office and involving a personal service, professional service, or consultant service request for proposals or request for qualifications solicitation that resulted in proposals or statements of qualifications having been submitted to and received by the City, but not later than the seventh calendar day after the City issues such a notice of intent to award:
   a. Requests by an Interested Party (as that term is defined in the City's Vendor Protest Procedure) to inspect such proposals and statements of qualifications, and related records, including, but not limited to, evaluations, names of evaluation committee members, and all related memoranda or notes, shall be directed to and promptly honored by the City Purchasing Office at a time during normal business hours of the City Purchasing Office that is mutually convenient to both the City Purchasing Office and the requesting party.
   b. Requests other than by an Interested Party (as that term is defined in the City's Vendor Protest Procedure) to inspect, and requests by any party to obtain either complete or partial copies of such proposals and statements of qualifications, and related records, including, but not limited to, evaluations, names of evaluation committee members, and all related memoranda or notes, shall be made pursuant to the City's public records request policy and procedure.

3. Sealed submittals (except any that have been attached to a City contract that has been posted on the City's website), requests received after protest period: After the seventh calendar day after the City issues a notice of intent to award a pending procurement in response to a formal procurement solicitation facilitated by the City Purchasing Office, requests by any party to inspect and/or obtain either complete or partial copies of bids, proposals or other vendor submittals, except any such documents that have been attached to a City contract that has been posted on the City's website (see below), shall be made pursuant to the City's public records request policy and procedure.

4. Other purchasing-related City records:
   a. Other than between the date when the City releases a formal solicitation for sealed competitive submittal and the date when the sealed competitive submittal is due to be submitted and opened for any like product or service, for any purchasing-related City record that has already been posted on the City's website (e.g., contract, staff memorandum of recommendation, tabulation of bids, tabulation of proposals, tabulation of submittals in response to a City request for qualifications), requests by any party to inspect and/or obtain either complete or partial copies of such records shall be directed to and promptly honored by the City Purchasing Office at a time during normal business hours of the City Purchasing Office that is mutually convenient to both the City Purchasing Office and the requesting party, and so honoring such a request may but need not involve the use of the City's public records request policy and procedure.
   b. Between the date when the City releases a formal solicitation for sealed competitive submittal and the date when the sealed competitive submittal is due to be submitted and opened for any like product or service, for any purchasing-related City record that has already been posted on the City's website (e.g., contract, staff memorandum of recommendation, tabulation of bids, tabulation of proposals, tabulation of submittals in response to a City request for qualifications), requests by any party to inspect and/or obtain either complete or partial copies of such records shall be directed to and promptly honored by the City Purchasing Office in accordance with fair practices (e.g., timely preparation and issuance of an addendum with the requested record(s) attached) established by the City Purchasing Office, and so honoring such a request shall not involve the use of the City's public records request policy and procedure.
   c. At any time, for all purchasing-related City records other than those pertaining to a formal procurement solicitation facilitated by the City Purchasing Office, requests by any party to inspect and/or obtain either complete or partial copies of such records shall be made pursuant to the City's public records request policy and procedure.

V. Multiple-Contract Awards

When advantageous to the City to do so, the City may issue multiple-contract awards, that is, contracts awarded to more than one supplier and/or service provider for comparable supplies and/or services, provided the provisions of this policy and relevant City procurement procedures pertaining to competitively established pricing apply for the total value of all contracts issued for the multiple-contract award.

W. Donated or below-market-priced products or services

If in the judgment of the department head or city administrator a potential donation or a product or service otherwise priced below market would be a benefit to the City, then the City may receive donated or below-market-priced products, whether new or used, or services, provided:

1. The transaction complies with provisions of this policy and relevant City procurement procedures pertaining to competitively established pricing for the transaction value of the donation.
2. The transaction is documented, such as by purchase order or other contract.
3. The transaction documentation states:
    a. That the donation is offered free and clear to the City of Franklin, Tennessee without any expectation of any payment or service or any other consideration in return, including consideration for past or future procurements of or by the City.
    b. That the donor is not entitled to, and shall not seek, any marketing or advertising or promotional privilege or benefit as a result of the donation.

This section does not pertain to sponsorships or other advertising sold and/or received by the City.

X. Trade-ins

The Franklin Municipal Code provision pertaining to the disposal of surplus personal property of the City does not pertain to any trade-in of a product owned by the City toward the purchase of another product provided the purchase of the other product complies with the provisions of this policy and relevant City procurement procedures pertaining to competitively established pricing for the value of the purchase before the value of any trade-in is applied.

Y. Emergency policies and procedures

During a declared state of emergency that applies to the City, the City Administrator may suspend this Purchasing Policy and/or the Purchasing Manager may suspend standard purchasing procedures administered by the Purchasing Manager and implement temporary policies and procedures as circumstances warrant; provided, however, (a) that any suspension of this Purchasing Policy, the rationale for such suspension and any temporary policies shall, as soon as practicable, be reported to the Board of Mayor and Aldermen, and (b) that, to the extent practicable, any such temporary policies and procedures shall deviate from this Purchasing Policy and such standard purchasing procedures no more than necessary under the circumstances.

Purchasing Policy

for City of Franklin procurements not pertaining to new construction

Z. Openings of sealed bids, proposals or other submittals

Sealed bids, proposals or other submittals received pursuant to a formal procurement solicitation issued by the Purchasing Office and pursuant to public advertising, if valued at or greater than $25,000, shall be opened publicly and may be conducted either (1) in person only or (2) virtually only, by means of an online meeting application that includes both audio/video access via an internet link as well as audio-only access via telephone, rather than in person, or (3) both in person and virtually. How each opening is to be conducted shall be addressed in writing in the relevant procurement solicitation, including any addenda to the procurement solicitation that may be issued. Whenever the opening is conducted either virtually only or both in person and virtually, in order to reduce the opportunity for persons to use any online virtual meeting application as a means for disrupting the opening, the ability for persons attending virtually to be viewed and/or heard by other attendees of such opening may be restricted by, and granted only upon request approved by, the Purchasing Office.

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APPENDIX A
SELECTED TENNESSEE STATUTES APPLYING TO OFFICERS, COMMITTEE MEMBERS, ETC.

T.C.A. § 6-54-107. Interest of officer in municipal contracts prohibited.

a. No person holding office under any municipal corporation shall, during the time for which such person was elected or appointed, be capable of contracting with such corporation for the performance of any work that is to be paid for out of the treasury. Nor shall such person be capable of holding or having any other direct interest in such a contract. "Direct interest" means any contract with any business in which the official is the sole proprietor, a partner, or the person having the controlling interest. "Controlling interest" includes the individual with the ownership or control of the largest number of outstanding shares owned by any single individual or corporation.

b. No officer in a municipality shall be indirectly interested in any contract to which the municipality is a party unless the officer publicly acknowledges such officer's interest. "Indirectly interested" means any contract in which the officer is interested but not directly so, but includes contracts where the officer is directly interested but is the sole supplier of goods or services in a municipality.

c. 1. Any member of a local governing body of a municipality who is also an employee of the same municipality may vote on matters in which such member has a conflict of interest if the member informs the governing body immediately prior to the vote as follows: "Because I am an employee of (name of governmental unit), I have a conflict of interest in the proposal about to be voted. However, I declare that my argument and my vote answer only to my conscience and to my obligation to my constituents and the citizens this body represents."

2. In the event a member of a local governing body of a municipality has a conflict of interest in a matter to be voted upon by the body, the member may abstain for cause by announcing such to the presiding officer. Any member of a local governing body of a municipality who abstains from voting for cause on any issue coming to a vote before the body shall not be counted for the purpose of determining a majority vote.

3. The vote of any person having a conflict of interest who does not inform the governing body of such conflict as provided in subdivision (c)(1) shall be void if challenged in a timely manner. As used in this subdivision (c)(3), "timely manner" means during the same meeting at which the vote was cast and prior to the transaction of any further business by the body.

4. Nothing in this subsection (c) alters, amends, or otherwise affects § 12-4-101(a). In the event of any conflict between this subsection (c) and § 12-4-101(a), § 12-4-101(a) shall prevail.

5. The legislative body of any metropolitan form of government or charter form of government may opt out of this subsection (c) by resolution

T.C.A. § 6-54-108. Penalty for unlawful interest of officer.

Every officer of such corporation who shall unlawfully be concerned in making such contract, or who shall unlawfully pay money upon the same to or for any person declared incapable in § 6-54-107, shall forfeit the amount so paid; and such officer shall be jointly and severally liable to an action for the same, which action may be prosecuted by any citizen of the corporation in its name.

T.C.A. § 12-4-101. Personal interest of officers prohibited.

(a) (1) It is unlawful for any officer, committee member, director, or other person whose duty it is to vote for, let out, overlook, or in any manner to superintend any work or any contract in which any municipal corporation, county, state, development district, utility district, human resource agency, or other political subdivision created by statute shall or may be interested, to be directly interested in any such contract. "Directly interested" means any contract with the official personally or with any business in which the official is the sole proprietor, a partner, or the person having the controlling interest. "Controlling interest" includes the individual with the ownership or control of the largest number of outstanding shares owned by any single individual or corporation. This subdivision (a)(1) shall not be construed to prohibit any officer, committee person, director, or any person, other than a member of a local governing body of a county or municipality, from voting on the budget, appropriation resolution, or tax rate resolution, or amendments thereto, unless the vote is on a specific amendment to the budget or a specific appropriation or resolution in which such person is directly interested.

….

(b) It is unlawful for any officer, committee member, director, or other person whose duty it is to vote for, let out, overlook, or in any manner to superintend any work or any contract in which any municipal corporation, county, state, development district, utility district, human resource agency, or other political subdivision created by statute shall or may be interested, to be indirectly interested in any such contract unless the officer publicly acknowledges such officer's interest. "Indirectly interested" means any contract in which the officer is interested but not directly so, but includes contracts where the officer is directly interested but is the sole supplier of goods or services in a municipality or county.

….

T.C.A. § 12-4-102. Penalty for unlawful interest.

Should any person, acting as such officer, committee member, director, or other person referred to in § 12-4-101, be or become directly or unlawfully indirectly interested in any such contract, such person shall forfeit all pay and compensation therefor. Such officer shall be dismissed from such office the officer then occupies, and be ineligible for the same or a similar position for ten (10) years.

Purchasing Policy

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APPENDIX B
SOLE-SOURCE PURCHASES VALUED AT OR GREATER THAN $10,000

Sole-source purchases valued at or greater than $10,000 shall be made only when an item is unique and possesses specific characteristics that can be filled by only one source and must have prior approval by the Purchasing Manager or, if the purchase is valued at or greater than $25,000, then the Board of Mayor and Aldermen except as detailed above (see “Sole-Source Purchases”). In determining whether to authorize sole-source purchases valued at or greater than $10,000, factors such as the following shall be considered:

1. whether the vendor possesses exclusive and/or predominant capabilities or the item contains a patented feature providing a superior utility not obtainable from similar products;
2. whether the product or service is unique and easily established as one-of-a-kind;
3. whether the program requirements can be modified so that competitive products or services may be used;
4. whether the product is available from only one source and not merchandised through wholesalers, jobbers or retailers; and
5. whether items must be interchangeable or compatible with in-place items.

After review of the written justification from the requisitioning department and ascertaining that the item to be purchased meets one or several of the above criteria, and so long as the product manufacturer representative has stated in writing that the vendor is the sole source available to the City, and so long as the vendor has stated in writing that the quoted pricing is the lowest municipal unit pricing available at that time and in the foreseeable future for the quantity indicated, then, in lieu of competitive purchasing procedures, the Purchasing Manager shall either authorize the sole-source purchase or, if the purchase is valued at or greater than $25,000, then forward the request to the Board of Mayor and Aldermen for its consideration except as detailed above (see “Sole-Source Purchases”).

Based in part on Rule No. 0690-3-1-.03(3) of Rules of the Tennessee Department of General Services, Purchasing Division.

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Purchasing Policy

for City of Franklin procurements not pertaining to new construction

A. General Provisions

This City of Franklin ("City") Purchasing Policy shall apply to the purchase of materials, supplies, vehicles and equipment, the purchase of services other than those pertaining to the design and/or construction of new infrastructure and facilities, leases and lease-purchases, and the disposal and transfer of surplus personal property, all for the proper conduct of the City's business.

All contracts, leases and lease-purchase agreements are subject to the approval of the Board of Mayor and Aldermen, unless otherwise provided by resolution or ordinance. Any contracts, leases and lease-purchase agreements extending beyond the end of the current fiscal year shall be so noted prior to consideration by the Board of Mayor and Aldermen.

Whenever the City undertakes its own competitive procurement process for the procurement of goods and/or services not pertaining to the design and/or construction of new infrastructure and facilities, then the City is hereby authorized to utilize the one or more of the following procurement methodologies best suited for the intended procurement:

- request for quotations (not for purchases valued at $25,000 or more)
- solicitation for bids
- request for proposals
- request for qualifications

This Purchasing Policy is intended to promote the public interest and preserve and enhance the public trust by establishing a transparent procurement system by which the City conducts its non-construction related purchasing, and by providing vendors (including suppliers, service providers and contractors) with a fair forum for competing for City business.

B. Responsibilities of Departments

The following are the responsibility of each department:

1. Departments shall be responsible for purchases and projects valued less than $25,000. (In the context of this Policy, whenever any dollar thresholds are referenced, the estimated total value of the purchase or project, including all components related thereto, either over the course of the term of the award or, in the absence of a term of award, over the course of the next twelve (12) months, shall be considered.)
2. Departments shall use pricing established pursuant to City procurement awards or Tennessee statewide contracts (SWCs) if and as available. The use of pricing established by cooperative purchasing arrangements approved by the City Administrator for use by the City, as well as pricing established by other Tennessee local governments pursuant to a competitive process involving "public advertisement" (hereby defined to mean the same as that term is used in T.C.A. § 6-56-301 *et seq.*, the Tennessee Municipal Purchasing Law of 1983, as it may be amended from time to time) and sealed submittals, are acceptable alternatives and may be used in lieu of competitive pricing established by the City or the State.
3. Departments shall coordinate with the Purchasing Office and/or the Finance Department as to the method of payment that best meets the needs of the City.

4. Before placing an order for any non-emergency purchase valued at or greater than $10,000, departments shall prepare and submit a requisition, on the form prescribed by the Purchasing Office, and await approval thereof. For orders for emergency purchases valued at or greater than $10,000, the requisition may be completed within ten (10) calendar days after placing the order (and see "Emergency Purchases" below).
5. Purchases valued less than $25,000 but not less than $10,000 shall not be made unless and until, wherever possible, the department shall have obtained and forwarded to the Purchasing Manager competitive pricing quotations from at least three (3) vendors, said quotations to be either supplied in writing by the vendor or reduced to writing by the department, accompanied by a tabulation of the comparative aspects of the quotations obtained, a recommendation as to which quotation should be accepted and a requisition for the recommended quotation. As an alternative to obtaining three quotes, departments may use any of the procurement methodologies approved for usage for purchases valued at $25,000 or more.
6. All foreseeable purchases, including those valued less than $10,000, should not be made unless and until the department head or his or her authorized representative is satisfied that the value of the purchase is fairly priced and not more than what would be expected in the current market place. At the discretion of the department head or his or her authorized representative, for foreseeable purchases valued less than $10,000, the department should, whenever it is prudent to do so, obtain multiple competitive pricing quotations, said quotations to be either supplied in writing by the vendor or reduced to writing by the department.
7. As soon as practicable but within ten (10) calendar days of receipt of items ordered, departments shall be responsible for verifying that the items conform to the order. The process for taking delivery of items is as follows:
    - **a.** Inspect the goods to verify that they are in acceptable condition.
    - **b.** Verify that all operating manuals and warranty cards are included in the delivery of the goods, if applicable.
    - **c.** Verify that the number of items ordered have been delivered, making special note when all or part of a particular order has been back-ordered.
    - **d.** Ensure that purchases of capital assets of the City have been properly reported, either directly or indirectly, to the Finance Department and the City's Risk Manager and, if rolling stock, Fleet Maintenance, on forms prescribed by those respective offices, so that records of such purchases may be updated, insurance coverage may be obtained, and vehicle tags may be obtained, all in a timely manner.
8. Regardless of method of payment, departments shall be responsible for reviewing, approving and allocating to the proper budget code all invoices authorized for payment.
9. It shall be the responsibility of each department to allow time for competitive solicitation, ordering and delivery pursuant to this Purchasing Policy.
10. No employee shall make any indication that he/she will recommend a particular product for purchase, knowingly bind the City to a specific vendor, or make any representation as to his or her authority to bind the City by contract when such is not the case.

C. Responsibilities of Purchasing Manager

The following are the responsibility of the Purchasing Manager:

1. The Purchasing Manager shall assist all departments in purchasing operating materials, supplies, vehicles, equipment and services to which this Purchasing Policy applies.
2. The Purchasing Manager shall be responsible for facilitating the competitive process by which all purchases to which this Purchasing Policy applies and valued at or greater than $25,000 are made.

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3. For all purchases to which this Purchasing Policy applies and valued at or greater than $10,000, the Purchasing Manager shall advocate the purchase of required products and services only either from (a) the responsible bidder or quoter that submits the lowest priced responsive bid or quote or from (b) the responsible proposer or other respondent that submits the responsive proposal or other submittal that is most advantageous to the City.
4. The Purchasing Manager shall advise the departments about the source and availability of products and services needed by the various departments.
5. The Purchasing Manager shall provide current vendor files available for use and review by departments.
6. The Purchasing Manager shall, upon request, obtain prices on comparable items.
7. The Purchasing Manager shall provide vendor lists, prepare Purchase Orders as necessary, and maintain orderly files.
8. The Purchasing Manager shall be alert on an ongoing basis for new sources and for improved products and services.
9. The Purchasing Manager shall assist the departments in the preparation of specifications for solicitations for bids and the requirements provisions of requests for proposals and requests for qualifications.
10. For formal procurement solicitations, the Purchasing Manager shall prepare and submit for timely publication all legal notices. To promote competition and facilitate the dissemination of documents and information pertaining to formal procurement solicitations, the Purchasing Manager shall post on the City's public website timely information about current formal procurement solicitations.
11. The Purchasing Manager shall periodically review the City's recent records of repetitive purchases, over time, across the organization and across suppliers and service providers, of like products and services, and shall advocate the City consolidate and aggregate its purchase of as many foreseeably necessary like products and services as practicable so to improve pricing for the City, to improve services provided to the City, and/or to reduce the City's cost of operations.
12. To the extent practicable, the Purchasing Manager shall strive to apply procurement thresholds of the City by like product or service for all anticipated needs of the City for the maximum term of a prospective award.
13. The Purchasing Manager shall investigate complaints from departments of poor performance by vendors, or complaints about inferior products, and shall, in consultation with the City's Law Department, choose which, if any, remedies are available to the City to pursue.
14. The Purchasing Manager shall be responsible for disposing of the City's surplus personal property of any value, regardless of whether the property was acquired and came to be owned by the City by means of purchase or donation or otherwise, by means of a competitive process and in compliance with City ordinance, except in cases involving data security or other mitigating circumstances. The Purchasing Manager shall develop the appropriate documentation for the Finance Department in accordance with the City Code.
15. The Purchasing Manager shall be responsible for administering and overseeing the City's Purchasing Card program.
16. The Purchasing Manager shall be responsible for otherwise administering and complying with this Purchasing Policy and applicable Tennessee state law, specifically T.C.A. § 6-56-301 *et seq.* (Tennessee Municipal Purchasing Law of 1983) and T.C.A. § 12-3-1201 *et seq.* (Public Purchases – Local Governments), as it may be amended from time to time, including keeping and filing required records and reports, as if they were set out herein and made a part hereof and within definitions of words and phrases from the law as herein defined.

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D. Circumstances under which competitive pricing is not required

Under any of the following circumstances, competitive pricing (sealed bids or proposals pursuant to public advertising if valued at or greater than $25,000; three quotes wherever possible if valued less than $25,000 but not less than $10,000) is not required. Under any of these same circumstances, neither individual authorization by nor specific reporting to the Board of Mayor and Aldermen is required unless such is otherwise required pursuant to this policy.

1. Authorized sole-source purchases (see below).
2. Authorized emergency expenditures (see below).
3. Purchases from instrumentalities created by two (2) or more cooperating governments, such as, but not limited to those established pursuant to T.C.A. § 12-9-101, et seq.
4. Purchases from non-profit corporations whose purpose or one of whose purposes is to provide products and services specifically to municipalities, as provided in T.C.A. § 6-56-302.
5. Purchases, leases or lease-purchases of real property, as provided by City ordinance and state law.
6. Purchases, leases, or lease-purchases of used or secondhand articles consisting of goods, equipment, materials, supplies, or commodities, as provided in T.C.A. § 12-3-1202.
7. Purchases of supplies, goods, equipment (except new or unused motor vehicles, unless the motor vehicles are manufactured for a special purpose as defined in T.C.A. § 12-3-1208) and/or services (except any transportation infrastructure project, including, but not limited to, projects for the construction or improvement of streets, highways, bridges, tunnels, or any roadway related facility), pricing for which has been established by other units of Tennessee local government, as provided in T.C.A. § 12-3-1203(a) and 12-3-1203(c).
8. Purchases pursuant to Tennessee Department of General Services statewide contracts (SWCs) authorized for use by Tennessee local governments.
9. Purchases from Tennessee Rehabilitative Initiative in Correction (TRICOR).
10. Professional service contracts, as provided in T.C.A. § 12-3-1209.
11. Other professional services, including actuarial, architectural design, financial and compliance audit, engineering design, financial advisory, legal counsel and medical.
12. Tort liability insurance, as provided in T.C.A. § 29-20-407.
13. Purchase of fuels, fuel products or perishable commodities.
14. Purchases based on contracts established by a cooperative purchasing arrangement recognized by the City pursuant to Resolution No. 2009-50, as provided in T.C.A. § 12-3-1205.
15. Purchases based on contracts established by the United States General Services Administration (GSA) and authorized by GSA for use by US local governments, except as may be prohibited by applicable Tennessee statute.
16. Other arrangements and methods pursuant to Tennessee and/or federal law.
17. Fees paid by the City for products and services provided to the City by the State of Tennessee, other units of local government, and public utilities and utility districts.
18. Purchases made during a declared state of emergency that applies to the City but only if specific conditions prevent the establishment of competitive pricing; provided, however, that if the emergency purchase is valued at or greater than $25,000 both the purchase and the specific conditions that prevented the establishment of competitive pricing shall, as soon as practicable, be reported to the Board of Mayor and Aldermen.

E. Rejection of Bids, Proposals or Other Submittals

The Purchasing Manager shall recommend to the Board of Mayor and Aldermen to reject any and all bids, proposals or other submittals received pursuant to a formal procurement solicitation issued by the Purchasing Office, or parts thereof, for any product or service to which this Policy applies, whenever, prior to the Board of Mayor and Aldermen making an award pursuant to such a formal procurement solicitation, the Purchasing Manager believes the public interest would be best served by such rejection. The Purchasing Manager shall recommend to the Board of Mayor and Aldermen that it reject any such submittal of a vendor or contractor who is in d efault on the payment of taxes, licenses, fees or other monies of whatever nature that may be due the City by the vendor or contractor whenever, prior to the Board of Mayor and Aldermen making an award pursuant to such a formal procurement solicitation, the Purchasing Manager becomes aware of such default.

F. Conflict of Interest, Use of Position, Solicitation

There are several sources of law and regulations, as they may be amended from time to time, that apply to conflicts of interest, use of position and solicitation. They are incorporated by reference and adopted as if fully stated herein.

a. City Charter

Article VIII ("Finance"), Section 16 ("Officers not to be Interested in City Contracts or Work") of the City of Franklin Charter reads as follows:

> No member of the Board of Mayor and Aldermen, or officer elected by said Board, shall be interested in any contract, or work of any kind whatever, under its control and direction, and any contract in which any such person shall have an interest shall be void and cannot be enforced.

b. City of Franklin Municipal Code

Title 1 ("General Administration"), Chapter 8 ("Ethics") of the City of Franklin Municipal Code sets forth the Code of Ethics for the City of Franklin, which applies to all full-time and part-time elective or appointed officials and employees of the City.

c. City of Franklin Regulations

Article XXI ("General Policies and Procedures"), Section E ("Business Dealings"), of the City of Franklin Human Resource Manual, as it may be amended from time to time, reads as follows:

> Except for the receipt of such compensation as may be lawfully provided for the performance of City duties, and except as noted below, no City officer or employee shall be privately interested in or profit, directly or indirectly, from business dealings with, of, or by the City.
>
> Full-time, part-time, and temporary employees of the City may contract to supply goods and products to the City and/or render services for the City, provided:
>
> 1. any service that would be rendered must not be one the employee might provide in the normal scope of their regular duties;
> 2. the employee would be required to compete for the City's business in the same manner as any other prospective supplier or service provider;

3. the business relationship between the City and the employee must not present a conflict of interest nor a conflict of time with the employee's regular duties;
4. the business relationship between the City and the employee is not prohibited by the City's ethics policy; and
5. the business relationship between the City and the employee is authorized in advance by the City Administrator, and if the relationship is to be for more than one (1) year, it is annually re-authorized by the City Administrator.

Article XXI ("General Policies and Procedures"), Section I ("Use of Position"), of the City of Franklin Human Resource Manual, as it may be amended from time to time, reads in part as follows:

> No employee shall make or attempt to make private purchases in the name of the City, nor otherwise use or attempt to use status as a City employee to secure unwarranted privileges or exemptions.

Article XXI ("General Policies and Procedures"), Section F ("Acceptance of Gratuities"), of the City's Human Resource Manual, as it may be amended from time to time, reads in part as follows:

> No employee shall accept or solicit any money or other consideration or favor from anyone other than the City for the performance of an act that the officer or employee would be required or expected to perform in the regular course of employment; nor shall any officer or employee accept, directly or indirectly, any gift, gratuity, or favor of any kind that might reasonably be an attempt to influence the individual's actions with respect to City business.

d. Statutes

Certain Tennessee statutes may apply to purchases involving city officers, committee members, etc. Selected Tennessee statutes may be found in Appendix A to this Purchasing Policy attached hereto for reference.

G. City Officer and Employee Communication with Vendors During Formal Procurement Solicitations for Sealed Submittals

Between the time a formal procurement solicitation for sealed submittals is issued by the City and the time an award is made, members of the Board of Mayor and Aldermen as well as employees of the City shall refrain from any form of communication with one or more vendors that may be competing for the award about any aspect of the procurement other than either in the context of a public meeting or by way of the Purchasing Office. The foregoing is not meant to preclude a representative of the City from answering questions from vendors if the question is already addressed in the formal solicitation documents, if the City representative is certain of the correct answer and if the Purchasing Office is informed of the communication. Otherwise, any inquiries from one or more vendors that may be competing for such an award shall be directed to the Purchasing Office which shall determine if an addendum to the formal procurement solicitation should be prepared and issued to all vendors known or thought to be interested in the procurement opportunity. Vendors that may be competing for an award pursuant to a formal procurement solicitation shall be instructed that, until that award has been made, they shall not communicate about either the content of or the procurement process pertaining to the relevant formal procurement solicitation with any official, employee or other representative of the City except through the City's Purchasing Office. The City reserves the right to disqualify any vendor that initiates unauthorized communication with the City during the procurement phase.

H. City Officer and Employee Business Dealings with the City

See Article XXII ("General Policies and Procedures"), Section E ("Business Dealings"), of the City of Franklin Human Resources Manual.

See also Title 1 ("General Administration"), Chapter 8 ("Ethics"), of the City of Franklin Municipal Code.

I. Tie Bids and Tie Quotes

Whenever the City utilizes its own competitive process, and in the event of tie bids or tie quotes (that is, when two or more responsible bidders or quoters submit responsive bids or quotes at identical total pricing for the minimum or estimated quantity indicated), then the tie bids or tie quotes shall be broken by means of one of the following methods, in descending order:

1. The award shall be made to the vendor who bid or quoted the soonest delivery of the product or completion of the service of all the vendors submitting the tie bids or tie quotes.
2. The award shall be made to the vendor who offered the pricing for the longest period of time for potential future orders of all the vendors submitting the tie bids or tie quotes.
3. If one or more of the vendors submitting the tie bids or tie quotes competed for the City's business the last time the City solicited bids or quotes for the same product or service, then the award shall be made to the vendor who offered the lowest pricing at that time of all the vendors submitting the tie bids or tie quotes.
4. If one or more of the vendors submitting the tie bid or tie quote have done business with the City within the most recent 24 months, then the award shall be made to the vendor who has done the most business with the City (measured in dollars) in that time frame of all the vendors submitting the tie bids or tie quotes.
5. The award shall be made by means of random selection, such method to be administered by the Purchasing Manager and to give equal opportunity to all the vendors submitting the tie bids or tie quotes.

J. Determining Responsible Respondents and Responsive Submittals

Whenever the City utilizes its own competitive process, products and services shall be purchased either from (a) the responsible bidder or quoter that submits the lowest priced responsive bid or quote or from (b) the responsible proposer or other respondent that submits the responsive proposal or other submittal that is most advantageous to the City. (The term "responsible bidder or quoter" and the term "responsible proposer or other respondent" shall mean a business entity or individual determined by the City to have the integrity and reliability as well as the financial and technical capacity to perform the requirements of the procurement solicitation and subsequent contract. The term "responsive bid or quote" and the term "responsive proposal or other submittal" shall mean a submittal determined by the City to fully conform in all material respects to the procurement solicitation and all of its requirements, including all form and substance.) In determining whether a competing respondent is responsible and whether the submittal is responsive, criteria such as the following may be taken into consideration:

1. The ability of the competing vendor to perform the contract or provide the material or service required.
2. Whether the competing vendor can perform the contract or provide the service promptly, or within the time specified, without delay or interference.
3. The character, integrity, reputation, judgment, experience, expertise and efficiency of the competing vendor.

4. The previous and existing compliance by the competing vendor or a predecessor in interest with laws and ordinances relating to the contract or service.
5. The quality of the competing vendor's performance of previous contracts or services, including the quality of such contracts or services in other municipalities, or performed for private sector customers.
6. The sufficiency of financial resources and the ability of the competing vendor to perform the contract or provide the service.
7. The ability of the competing vendor to provide future maintenance and service for the use of the materials, supplies, vehicles, equipment or contractual service contracted.
8. Compliance by the competing vendor with all specifications included in the solicitation for bids or with all requirements included in the request for proposals or request for qualifications.
9. The ability of the competing vendor to deliver and maintain any requisite bid bonds or performance bonds.

K. Emergency Purchases

When in the judgment of the City Administrator, the department head or the Purchasing Manager there exists an emergency impinging on public health, safety or welfare and a purchase valued at or greater than $10,000 is necessary, then the competitive purchasing provisions contained in this Purchasing Policy may be waived; provided, however, that if the emergency purchase is valued at or greater than $25,000 it shall, as soon as practicable, be reported to the Board of Mayor and Aldermen .

The emergency basis for pricing should be used only if necessary. Purchases that qualify as emergencies are to be based on emergency pricing only if another policy-compliant basis for pricing (e.g., federal General Services Administration (GSA) via GSA contract, State of Tennessee via Tennessee statewide contract (SWC), one of the cooperative purchasing arrangements recognized by the City) is not known to be available.

L. Sole-Source Purchases

In the context of this Policy, whenever any dollar thresholds are referenced, the estimated total value of the purchase or project, including all components related thereto, either over the course of the term of the award or, in the absence of a term of award, over the course of the next twelve (12) months, shall be considered. To the extent practicable, departments and the Purchasing Manager shall strive to apply procurement thresholds of the City by like product or service for all anticipated needs of the City for the maximum term of a prospective award.

The sole-source basis for pricing should be used only if necessary or financially advantageous to the City. Except when financially advantageous to the City to do otherwise, purchases that qualify as sole-source are to be based on sole-source pricing only if another policy-compliant basis for pricing (e.g., federal General Services Administration (GSA) via GSA contract, State of Tennessee via Tennessee statewide contract (SWC), one of the cooperative purchasing arrangements recognized by the City) is not known to be available.

Sole-source purchases valued at less than $10,000 may be authorized by the end-user department. Sole-source purchases valued at less than $25,000 but not less than $10,000 may be authorized by the Purchasing Manager upon being satisfied that it is not possible to obtain competitive pricing quotations from at least three (3) vendors. Except as noted below, sole-source purchases valued at or greater than $25,000 may not be made unless and until individually authorized by the Board of Mayor and Aldermen. Authorized sole-source purchases do not require sealed bids or proposals pursuant to public advertising. The criteria for evaluating sole-source purchases valued at or greater than $10,000 are presented in Appendix B to this Purchasing Policy. Sole-source purchases pertaining to circumstances under which sealed bids or proposals pursuant to public advertising are not required, as same are listed in provision D above, even if valued at or greater than $25,000, require neither individual authorization by nor specific reporting to the Board of Mayor and Aldermen unless otherwise required to be authorized or reported pursuant to this policy.

Sole-source purchases valued at or greater than $25,000 that do not require individual authorization by (but which shall, as soon as practicable, still be reported to) the Board of Mayor and Aldermen include:

a. Repairs to, maintenance of, licenses for and/or maintenance agreements for products already in use by the City, so long as the product manufacturer representative has stated in writing that the vendor is the sole source available to the City, and so long as the vendor has stated in writing that the quoted pricing is the lowest municipal unit pricing available at that time and in the foreseeable future for the quantity indicated. Examples: engine repairs made by the manufacturer or the manufacturer's representative for a vehicle; license and maintenance agreements for computer software.

b. Purchases of items necessary to maintain, expand or improve a manufacturer-specific system already in use by the City, and/or another governmental agency with which the City must cooperate in order to provide the public service relevant to the proposed purchase, and that requires interchangeability or interconnectivity of and/or communication between the component parts, so long as the product manufacturer representative has stated in writing that the vendor is the sole source available to the City, and so long as the vendor has stated in writing that the quoted pricing is the lowest municipal unit pricing available at that time and in the foreseeable future for the quantity indicated. Examples: water meters and related parts; traffic signal equipment and related parts; athletic field lighting (and related parts) connected to a centralized master control; automated external defibrillators; cardiac monitors; telemetry/supervisory control and data acquisition equipment.

c. Purchases of items that have, for good and sufficient reason, previously been standardized by the City, so long as the product manufacturer representative has stated in writing that the vendor is the sole source available to the City, and so long as the vendor has stated in writing that the quoted pricing is the lowest municipal unit pricing available at that time and in the foreseeable future for the quantity indicated. Examples: low-pressure wastewater collection grinder pumps and related parts; self-contained breathing apparatus; vehicle exhaust evacuation systems at individual fire stations, including installation if only one authorized installer is assigned to serve the City; vehicle extrication equipment.

M. Purchasing Card Program

The Purchasing Card Program shall be administered by the Purchasing Manager pursuant to procedures established therefor. Department heads shall determine which employees of their department shall be issued City purchasing cards. Employees who are authorized and expected to travel on behalf of the City and at the City's expense shall be issued purchasing cards and are expected to use same in lieu of being given travel advances.

Employees' participation in the City's Purchasing Card Program is a privilege and a convenience that includes certain responsibilities. Although the purchasing card is issued in the cardholder's name, it is City property and therefore must be used in accordance with City policy and rules, as well as with objectively reasonable judgment, especially as follows:

1. The City of Franklin Purchasing Card is provided to employees based on their need to purchase authorized goods and services. A card may be revoked at any time based on change of assignment or location. The card is neither an entitlement nor a reflection of title or position.
2. The card may be used only for authorized obligations of the City; use of the card for a purchase other than an authorized obligation of the City (such as personal purchases as well as alcoholic beverages and entertainment), even if intended for future reimbursement, are specifically prohibited.
3. Purchases made with the card are to comply with City purchasing and disbursements policies and procedures. Such City procurement rules as the need for procurement requisitions, the basis for pricing, contracting, whether a certificate of insurance is necessary to require of the service provider, adequacy of budgeted funding, and timing of payment relative to delivery of the product or service, all apply regardless of method of payment (such as by purchasing card).
4. The cardholder is the only person entitled to use the card and is accountable for all charges attributable to the card.
5. Cardholders are expected to exercise objectively reasonable judgment in deciding whether to make a purchase by considering (a) whether the potential purchase is prudent and necessary, and (b) whether the potential purchase would reflect well on the City and the cardholder, and be perceived by the general public as suitable and appropriate. Improper use of a City purchasing card, especially intentional and unreported but even unintentional and reported, including personal purchases as well as alcoholic beverages and entertainment, even if reimbursed, may be considered misappropriation of City funds, which may result in disciplinary action, up to and including termination.
6. Except for (a) purchases made outside Tennessee, (b) purchases of non-catered prepared meals, and (c) purchases related to travel, the City purchaser/cardholder is responsible for ensuring that the transaction is completed without sales tax being charged to the City. If a transaction has been completed on which sales tax was charged in error, then the cardholder is responsible for contacting the vendor and requesting that the amount of the sales tax be credited back to the same City purchasing card to which the sales tax was charged. Documentation of this effort, and of the vendor’s response, shall be submitted in addition to the supporting documentation for the transaction.
7. Cardholders are expected to comply with internal control procedures in order to protect the City’s assets. This includes (a) not permitting anyone other than the cardholder to use the card; (b) making sure that each transaction is electronically processed in full and on time in the purchasing card expense reporting system utilized by the City; (c) keeping and submitting on time detailed invoices or itemized payment receipts that substantiate each and every charge attributed to the purchasing card issued to the cardholder; (d) assisting the City upon request with reconciling the City’s billing cycle statements; and (e) taking reasonable precautions to secure the purchasing card against loss and/or theft.
8. If electronic processing of a purchasing card transaction is not completed by the deadline and the Purchasing Office has not been previously notified of the need for a delay, then the monthly credit limit for the respective purchasing card may be reduced to $0 until the processing is complete. This consequence applies to any transaction that has not been coded, explained with a comment, and approved by the individual assigned to approve purchasing card transactions for that cardholder. Credit limits will be restored to the previous amounts once electronic processing is complete.

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9. Failure to submit on time adequate and legible supporting documentation for each transaction or to otherwise comply with City rules will carry consequences, possibly including reduction or loss of card spend authority, reimbursement of the City by the employee for unauthorized and/or unsubstantiated purchases, and/or disciplinary action, up to and including termination.
10. Cardholders are responsible for cooperating with efforts by the City to resolve any discrepancies by contacting the vendor and/or the issuing bank.
11. A lost or stolen purchasing card shall, as soon as practicable upon discovery of the loss or theft, be reported to the City Purchasing Office and/or the issuing bank.
12. A cardholder must surrender his or her card upon termination of employment (i.e., retirement or voluntary or involuntary separation).

N. Payment for Purchases

All payments to vendors and service providers shall be made by one of the City's available methods of payment in accordance with City purchasing and disbursements policies and procedures.

O. Use of Internet Auctions for Purchases of City Property

The use of internet auctions is generally prohibited as a method for making City purchases unless specifically authorized in advance by the City Administrator.

P. Vendor Protests

Vendor protests shall be handled in accordance with the City's Vendor Protest Procedure for procurements not pertaining to new construction, as approved by resolution of the Board of Mayor and Aldermen.

Q. Disciplinary Action

Any employee who fails or refuses to comply with the provisions of this Purchasing Policy shall be subject to disciplinary action pursuant to and as provided in the Human Resources Manual, as it may be amended from time to time.

R. Requests for Proposals

Requests for competitive sealed proposals shall be used pursuant to T.C.A. § 12-3-1207 and may be used only when qualifications, experience, or competence are more important than price in making the purchase, and either (1) when there is more than one (1) solution to a purchasing issue and competitive sealed proposals would assist in choosing the best solution; or (2) when there is no readily identifiable solution to a purchasing issue and competitive sealed proposals would assist in identifying one (1) or more solutions. The request for competitive sealed proposals shall state the relative importance of price and other evaluation factors. The award shall be made to the responsible respondent whose proposal the governing body determines is the most advantageous to the City, taking into consideration price and the evaluation factors set out in the request for competitive sealed proposals. No other factor may be used in the evaluation.

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S. Requests for Qualifications

Requests for qualifications may be used pursuant to T.C.A. § 12-3-1209 for legal services, fiscal agent, financial advisor or advisory services and similar services by professional persons or groups of high ethical standards, or pursuant to T.C.A. § 12-4-107 for architectural, engineering and construction services.

T. Procurement of Property and/or Services under a Federal Award

When procuring property and/or services under a Federal award, the City shall follow applicable provisions of 2 CFR Chapter I and Chapter II, Part 200, et al. ("Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards; Final Rule"), as promulgated December 26, 2013 by Executive Office of the President, Office of Management and Budget, namely sections 200.318 ("General procurement standards") through 200.326 ("Contract provisions").

U. Requests to inspect and/or obtain either complete or partial copies of purchasing-related records

1. Sealed bids, requests received during protest period: After opening sealed bids submitted to and received by the City in response to a formal procurement solicitation for bids facilitated by the City Purchasing Office, but not later than the seventh calendar day after the City issues a notice of intent to award a pending procurement in response to such a procurement solicitation:
    a. Requests by an Interested Party (as that term is defined in the City's Vendor Protest Procedure) to inspect such bids shall be directed to and promptly honored by the City Purchasing Office at a time during normal business hours of the City Purchasing Office that is mutually convenient to both the City Purchasing Office and the requesting party.
    b. Requests other than by an Interested Party (as that term is defined in the City's Vendor Protest Procedure) to inspect, and requests by any party to obtain either complete or partial copies of such bids shall be made pursuant to the City's public records request policy and procedure.

2. Sealed proposals and statements of qualifications and certain related records, requests received during protest period: After the City issues a notice of intent to award a pending procurement as a result of a formal procurement solicitation facilitated by the City Purchasing Office and involving a personal service, professional service, or consultant service request for proposals or request for qualifications solicitation that resulted in proposals or statements of qualifications having been submitted to and received by the City, but not later than the seventh calendar day after the City issues such a notice of intent to award:
    a. Requests by an Interested Party (as that term is defined in the City's Vendor Protest Procedure) to inspect such proposals and statements of qualifications, and related records, including, but not limited to, evaluations, names of evaluation committee members, and all related memoranda or notes, shall be directed to and promptly honored by the City Purchasing Office at a time during normal business hours of the City Purchasing Office that is mutually convenient to both the City Purchasing Office and the requesting party.
    b. Requests other than by an Interested Party (as that term is defined in the City's Vendor Protest Procedure) to inspect, and requests by any party to obtain either complete or partial copies of such proposals and statements of qualifications, and related records, including, but not limited to, evaluations, names of evaluation committee members, and all related memoranda or notes, shall be made pursuant to the City's public records request policy and procedure.

3. Sealed submittals (except any that have been attached to a City contract that has been posted on the City's website), requests received after protest period: After the seventh calendar day after the City issues a notice of intent to award a pending procurement in response to a formal procurement solicitation facilitated by the City Purchasing Office, requests by any party to inspect and/or obtain either complete or partial copies of bids, proposals or other vendor submittals, except any such documents that have been attached to a City contract that has been posted on the City's website (see below), shall be made pursuant to the City's public records request policy and procedure.

4. Other purchasing-related City records:
    a. Other than between the date when the City releases a formal solicitation for sealed competitive submittal and the date when the sealed competitive submittal is due to be submitted and opened for any like product or service, for any purchasing-related City record that has already been posted on the City's website (e.g., contract, staff memorandum of recommendation, tabulation of bids, tabulation of proposals, tabulation of submittals in response to a City request for qualifications), requests by any party to inspect and/or obtain either complete or partial copies of such records shall be directed to and promptly honored by the City Purchasing Office at a time during normal business hours of the City Purchasing Office that is mutually convenient to both the City Purchasing Office and the requesting party, and so honoring such a request may but need not involve the use of the City's public records request policy and procedure.
    b. Between the date when the City releases a formal solicitation for sealed competitive submittal and the date when the sealed competitive submittal is due to be submitted and opened for any like product or service, for any purchasing-related City record that has already been posted on the City's website (e.g., contract, staff memorandum of recommendation, tabulation of bids, tabulation of proposals, tabulation of submittals in response to a City request for qualifications), requests by any party to inspect and/or obtain either complete or partial copies of such records shall be directed to and promptly honored by the City Purchasing Office in accordance with fair practices (e.g., timely preparation and issuance of an addendum with the requested record(s) attached) established by the City Purchasing Office, and so honoring such a request shall not involve the use of the City's public records request policy and procedure.
    c. At any time, for all purchasing-related City records other than those pertaining to a formal procurement solicitation facilitated by the City Purchasing Office, requests by any party to inspect and/or obtain either complete or partial copies of such records shall be made pursuant to the City's public records request policy and procedure.

V. Multiple-Contract Awards

When advantageous to the City to do so, the City may issue multiple-contract awards, that is, contracts awarded to more than one supplier and/or service provider for comparable supplies and/or services, provided the provisions of this policy and relevant City procurement procedures pertaining to competitively established pricing apply for the total value of all contracts issued for the multiple-contract award.

W. Donated or below-market-priced products or services

If in the judgment of the department head or city administrator a potential donation or a product or service otherwise priced below market would be a benefit to the City, then the City may receive donated or below-market-priced products, whether new or used, or services, provided:

1. The transaction complies with provisions of this policy and relevant City procurement procedures pertaining to competitively established pricing for the transaction value of the donation.
2. The transaction is documented, such as by purchase order or other contract.
3. The transaction documentation states:
    a. That the donation is offered free and clear to the City of Franklin, Tennessee without any expectation of any payment or service or any other consideration in return, including consideration for past or future procurements of or by the City.
    b. That the donor is not entitled to, and shall not seek, any marketing or advertising or promotional privilege or benefit as a result of the donation.

This section does not pertain to sponsorships or other advertising sold and/or received by the City.

X. Trade-ins

The Franklin Municipal Code provision pertaining to the disposal of surplus personal property of the City does not pertain to any trade-in of a product owned by the City toward the purchase of another product provided the purchase of the other product complies with the provisions of this policy and relevant City procurement procedures pertaining to competitively established pricing for the value of the purchase before the value of any trade-in is applied.

Y. Emergency policies and procedures

During a declared state of emergency that applies to the City, the City Administrator may suspend this Purchasing Policy and/or the Purchasing Manager may suspend standard purchasing procedures administered by the Purchasing Manager and implement temporary policies and procedures as circumstances warrant; provided, however, (a) that any suspension of this Purchasing Policy, the rationale for such suspension and any temporary policies shall, as soon as practicable, be reported to the Board of Mayor and Aldermen, and (b) that, to the extent practicable, any such temporary policies and procedures shall deviate from this Purchasing Policy and such standard purchasing procedures no more than necessary under the circumstances.

Purchasing Policy

for City of Franklin procurements not pertaining to new construction

Z. Openings of sealed bids, proposals or other submittals

Sealed bids, proposals or other submittals received pursuant to a formal procurement solicitation issued by the Purchasing Office and pursuant to public advertising, if valued at or greater than $25,000, shall be opened publicly and may be conducted either (1) in person only or (2) virtually only, by means of an online meeting application that includes both audio/video access via an internet link as well as audio-only access via telephone, rather than in person, or (3) both in person and virtually. How each opening is to be conducted shall be addressed in writing in the relevant procurement solicitation, including any addenda to the procurement solicitation that may be issued. Whenever the opening is conducted either virtually only or both in person and virtually, in order to reduce the opportunity for persons to use any online virtual meeting application as a means for disrupting the opening, the ability for persons attending virtually to be viewed and/or heard by other attendees of such opening may be restricted by, and granted only upon request approved by, the Purchasing Office.

Purchasing Policy

for City of Franklin procurements not pertaining to new construction

APPENDIX A
SELECTED TENNESSEE STATUTES APPLYING TO OFFICERS, COMMITTEE MEMBERS, ETC.

T.C.A. § 6-54-107. Interest of officer in municipal contracts prohibited.

a. No person holding office under any municipal corporation shall, during the time for which such person was elected or appointed, be capable of contracting with such corporation for the performance of any work that is to be paid for out of the treasury. Nor shall such person be capable of holding or having any other direct interest in such a contract. "Direct interest" means any contract with any business in which the official is the sole proprietor, a partner, or the person having the controlling interest. "Controlling interest" includes the individual with the ownership or control of the largest number of outstanding shares owned by any single individual or corporation.

b. No officer in a municipality shall be indirectly interested in any contract to which the municipality is a party unless the officer publicly acknowledges such officer's interest. "Indirectly interested" means any contract in which the officer is interested but not directly so, but includes contracts where the officer is directly interested but is the sole supplier of goods or services in a municipality.

c. 1. Any member of a local governing body of a municipality who is also an employee of the same municipality may vote on matters in which such member has a conflict of interest if the member informs the governing body immediately prior to the vote as follows: "Because I am an employee of (name of governmental unit), I have a conflict of interest in the proposal about to be voted. However, I declare that my argument and my vote answer only to my conscience and to my obligation to my constituents and the citizens this body represents."

2. In the event a member of a local governing body of a municipality has a conflict of interest in a matter to be voted upon by the body, the member may abstain for cause by announcing such to the presiding officer. Any member of a local governing body of a municipality who abstains from voting for cause on any issue coming to a vote before the body shall not be counted for the purpose of determining a majority vote.

3. The vote of any person having a conflict of interest who does not inform the governing body of such conflict as provided in subdivision (c)(1) shall be void if challenged in a timely manner. As used in this subdivision (c)(3), "timely manner" means during the same meeting at which the vote was cast and prior to the transaction of any further business by the body.

4. Nothing in this subsection (c) alters, amends, or otherwise affects § 12-4-101(a). In the event of any conflict between this subsection (c) and § 12-4-101(a), § 12-4-101(a) shall prevail.

5. The legislative body of any metropolitan form of government or charter form of government may opt out of this subsection (c) by resolution

T.C.A. § 6-54-108. Penalty for unlawful interest of officer.

Every officer of such corporation who shall unlawfully be concerned in making such contract, or who shall unlawfully pay money upon the same to or for any person declared incapable in § 6-54-107, shall forfeit the amount so paid; and such officer shall be jointly and severally liable to an action for the same, which action may be prosecuted by any citizen of the corporation in its name.

T.C.A. § 12-4-101. Personal interest of officers prohibited.

(a) (1) It is unlawful for any officer, committee member, director, or other person whose duty it is to vote for, let out, overlook, or in any manner to superintend any work or any contract in which any municipal corporation, county, state, development district, utility district, human resource agency, or other political subdivision created by statute shall or may be interested, to be directly interested in any such contract. "Directly interested" means any contract with the official personally or with any business in which the official is the sole proprietor, a partner, or the person having the controlling interest. "Controlling interest" includes the individual with the ownership or control of the largest number of outstanding shares owned by any single individual or corporation. This subdivision (a)(1) shall not be construed to prohibit any officer, committee person, director, or any person, other than a member of a local governing body of a county or municipality, from voting on the budget, appropriation resolution, or tax rate resolution, or amendments thereto, unless the vote is on a specific amendment to the budget or a specific appropriation or resolution in which such person is directly interested.

….

(b) It is unlawful for any officer, committee member, director, or other person whose duty it is to vote for, let out, overlook, or in any manner to superintend any work or any contract in which any municipal corporation, county, state, development district, utility district, human resource agency, or other political subdivision created by statute shall or may be interested, to be indirectly interested in any such contract unless the officer publicly acknowledges such officer's interest. "Indirectly interested" means any contract in which the officer is interested but not directly so, but includes contracts where the officer is directly interested but is the sole supplier of goods or services in a municipality or county.

….

T.C.A. § 12-4-102. Penalty for unlawful interest.

Should any person, acting as such officer, committee member, director, or other person referred to in § 12-4-101, be or become directly or unlawfully indirectly interested in any such contract, such person shall forfeit all pay and compensation therefor. Such officer shall be dismissed from such office the officer then occupies, and be ineligible for the same or a similar position for ten (10) years.

Purchasing Policy

for City of Franklin procurements not pertaining to new construction

APPENDIX B
SOLE-SOURCE PURCHASES VALUED AT OR GREATER THAN $10,000

Sole-source purchases valued at or greater than $10,000 shall be made only when an item is unique and possesses specific characteristics that can be filled by only one source and must have prior approval by the Purchasing Manager or, if the purchase is valued at or greater than $25,000, then the Board of Mayor and Aldermen except as detailed above (see "Sole-Source Purchases"). In determining whether to authorize sole-source purchases valued at or greater than $10,000, factors such as the following shall be considered:

1. whether the vendor possesses exclusive and/or predominant capabilities or the item contains a patented feature providing a superior utility not obtainable from similar products;
2. whether the product or service is unique and easily established as one-of-a-kind;
3. whether the program requirements can be modified so that competitive products or services may be used;
4. whether the product is available from only one source and not merchandised through wholesalers, jobbers or retailers; and
5. whether items must be interchangeable or compatible with in-place items.

After review of the written justification from the requisitioning department and ascertaining that the item to be purchased meets one or several of the above criteria, and so long as the product manufacturer representative has stated in writing that the vendor is the sole source available to the City, and so long as the vendor has stated in writing that the quoted pricing is the lowest municipal unit pricing available at that time and in the foreseeable future for the quantity indicated, then, in lieu of competitive purchasing procedures, the Purchasing Manager shall either authorize the sole-source purchase or, if the purchase is valued at or greater than $25,000, then forward the request to the Board of Mayor and Aldermen for its consideration except as detailed above (see "Sole-Source Purchases").

Based in part on Rule No. 0690-3-1-.03(3) of Rules of the Tennessee Department of General Services, Purchasing Division.

HISTORIC
FRANKLIN
TENNESSEE

City of Franklin

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

File #: 20-01299

DATE: October 21, 2020

TO: Budget & Finance Committee

FROM: Kristine Brock, Asst. City Administrator/CFO
Brian Wilcox, Purchasing Manager

SUBJECT:

Consideration Of Resolution 2020-216, A Resolution Adopting A Revised Vendor Protest Procedure For City Of Franklin Procurements Not Pertaining To New Construction.

PURPOSE:

The purpose of this memorandum is to present Resolution No. 2020-216, a resolution adopting a revised Vendor Protest Procedure for City of Franklin procurements not pertaining to new construction.

BACKGROUND/STAFF COMMENTS:

The City's Vendor Protest Procedure was last updated on September 24, 2019 by means of Resolution No. 2019-80. Staff recommends the Vendor Protest Procedure be revised to more fully implement the protest provision included in Ordinance 2019-24, an ordinance revising Chapter 5 of the Municipal Code of the City of Franklin, entitled Purchasing, to allow for the use of competitive sealed proposals as a procurement method.

Resolution No. 2020-216 as proposed, including the revised Vendor Protest Procedure as proposed, is attached. Also attached is a red-lined version of the revised Vendor Protest Procedure as proposed. This red-lined version has marked all recommended changes to the text of the Vendor Protest Procedure.

FINANCIAL IMPACT:

Staff is not aware of any financial impact of approving the proposed revisions to the City's Vendor Protest Procedure.

RECOMMENDATION:

Staff recommends the Board of Mayor and Aldermen considering approving Resolution No. 2020-216, a resolution adopting a revised Vendor Protest Procedure for City of Franklin procurements not pertaining to new construction.

RESOLUTION 2020-216

A RESOLUTION ADOPTING A REVISED VENDOR PROTEST PROCEDURE FOR CITY OF FRANKLIN, TENNESSEE, PROCUREMENTS NOT PERTAINING TO THE DESIGN AND/OR CONSTRUCTION OF NEW INFRASTRUCTURE AND FACILITIES

WHEREAS, on March 8, 2011, the Board of Mayor and Aldermen of the City of Franklin adopted Resolution No. 2011-10, a resolution adopting a vendor protest procedure for City procurements not pertaining to new construction; and

WHEREAS, on January 14, 2014, the Board of Mayor and Aldermen of the City of Franklin adopted Resolution No. 2014-07, a resolution adopting a vendor protest procedure for City procurements not pertaining to new construction; and

WHEREAS, on June 27, 2017, the Board of Mayor and Aldermen of the City of Franklin adopted Resolution No. 2017-42, a resolution adopting a vendor protest procedure for City procurements not pertaining to new construction; and

WHEREAS, on September 24, 2019, the Board of Mayor and Aldermen of the City of Franklin adopted Resolution No. 2019-80, a resolution adopting a vendor protest procedure for City procurements not pertaining to new construction; and

WHEREAS, the Board of Mayor and Aldermen believes it is in the best interest of the City of Franklin to implement a revised procedure for evaluating and responding to vendor protests for procurements not pertaining to the design and/or construction of new infrastructure and facilities in order to update the vendor protest procedure.

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF MAYOR AND ALDERMEN OF THE CITY OF FRANKLIN, TENNESSEE, AS FOLLOWS:

Section 1. The vendor protest procedure for City procurements not pertaining to new construction adopted by Resolution No. 2019-80, and any and all subsequent changes or revisions, are hereby repealed in their entirety. In place thereof, the vendor protest procedure for City of Franklin procurements not pertaining to the design and/or construction of new infrastructure and facilities, attached as Exhibit A hereto, is adopted.

Section 2. Changes or revisions to the procedure hereby adopted shall be made only by resolution of the Board of Mayor and Aldermen of the City of Franklin.

Section 3. The procedure hereby adopted shall become effective immediately upon passage of this resolution, the public welfare and the welfare of the City requiring it.

[Signatures on page 2]

Law Dept. approved 11.23.20

IT IS SO RESOLVED AND DONE on this ______ day of ___________________, 20____.

ATTEST:

By: ____
Eric S. Stuckey
City Administrator / City Recorder

CITY OF FRANKLIN, TENNESSEE:

By: ____
Dr. Ken Moore
Mayor

Approved as to Form:

By: ____
Maricruz R. Fincher
Staff Attorney

Law Dept. approved 11.23.20

HISTORIC
FRANKLIN
TENNESSEE

Vendor Protest Procedure

for City of Franklin procurements not pertaining to the design and/or construction of new infrastructure and facilities

The City of Franklin ("City") recognizes that vendors (including suppliers, service providers and contractors) may, from time to time, feel compelled to lodge a formal protest about some aspect of a City procurement of goods and/or services not pertaining to the design and/or construction of new infrastructure and facilities. In order to promote fair and transparent competitive purchasing, and in order to have a procedure to follow if and when the need arises, the City's Board of Mayor and Aldermen ("Board") therefore establishes a procedure for evaluating and responding to Vendor Protests for procurements not pertaining to the design and/or construction of new infrastructure and facilities. This procedure is limited to City procurements (a) that do not pertain to the design and/or construction of new infrastructure and facilities, (b) that are competitively solicited by the City pursuant to public advertisement and sealed submittals, and (c) for which the value of the award is or would be equal to or greater than $25,000. Procurements that do pertain to the design and/or construction of new infrastructure and facilities are facilitated by the City's Engineering Department, and any vendor wishing to lodge a protest about a City procurement pertaining to such construction-related purchases should contact the Engineering Department directly.

This Vendor Protest procedure is a mandatory administrative procedure which all aggrieved actual or prospective vendors must utilize and exhaust prior to seeking judicial review or remedy.

For the purposes of this procedure, the City defines the following terms:

- A "Vendor Protest" is a written objection by an Interested Party to a solicitation issued by the City for sealed bids, proposals, offers, statements of qualifications or other submittals, pursuant to public advertisement, in anticipation of a proposed contract for the procurement of goods or services not pertaining to the design and/or construction of new infrastructure and facilities and for which the value of the award is or would be equal to or greater than $25,000, or a written objection by an Interested Party to a proposed award of such a contract.

- An "Interested Party" is an actual or prospective vendor whose direct economic interest would be affected by the award of a contract for the procurement of goods or services not pertaining to the design and/or construction of new infrastructure and facilities that are competitively bid by the City and where the value of the award is or would be equal to or greater than $25,000 or by the failure to award such a contract.

- A "Protestor" is an Interested Party who files a Vendor Protest.

A Vendor Protest:

- shall be in writing;
- shall be addressed and directed to the City's Purchasing Manager except in the case of Vendor Protests pertaining to requests for proposals issued by the City when an aggrieved proposer is protesting the intended award to another proposer in which case the Vendor Protest shall be addressed to the Board c/o the City Attorney;
- may be delivered electronically or otherwise;
- must be received by the City by the applicable deadline listed below;
- shall include the name and address of the Protestor;
- shall reference the relevant procurement solicitation issued by the City;
- shall include a statement of reason for the Vendor Protest, including allegations and evidence sufficient, if uncontradicted, to establish the likelihood of:

    - a material deficiency or impropriety in the procurement solicitation issued by the City, such as:
        - a material defect to the procurement solicitation that caused or would cause a result other than in the absence of such defect and the consequence of which is significant;
        - some aspect of the procurement solicitation that created an unfair and material advantage to one or more prospective respondents to the procurement solicitation; or
        - a material violation of a relevant provision of one or more of the following:
            - a City procedure, policy, resolution, ordinance or other regulation governing the procurement; and/or
            - a state law, federal statute or other regulation governing the procurement;
    - a material error or impropriety in the proposed or actual award of a contract or other procurement decision, such as:
        - an allegation that a procurement is not exempt from the City's standard competitive procurement procedures when such an exemption is claimed by the City;
        - a material error of judgment or fact in evaluating one or more of the responses to the procurement solicitation; or
        - a material violation of a relevant provision of one or more of the following:
            - the respective procurement solicitation issued by the City;
            - a City procedure, policy, resolution, ordinance or other regulation governing the procurement; and/or
            - a state law, federal statute or other regulation governing the procurement.
- may include supporting documents, exhibits, or evidence to substantiate the Vendor Protest;
- shall include a proposed remedy and an explanation of why the proposed remedy should be accepted by the City; and
- shall be signed by the protester.

A Vendor Protest to either a procurement solicitation or a proposed award must be filed by the following applicable deadline:

- A Vendor Protest against an alleged procurement solicitation deficiency or impropriety must be filed prior to the deadline for responding to the solicitation or, if there is no such deadline, within seven (7) calendar days of the date the Protestor first becomes aware of the City's solicitation.

- A Vendor Protest against a proposed award must be filed within seven (7) calendar days of the date the Protestor is notified by the City of the intent to award or the date the intent to award is posted on the City's website, whichever occurs earlier.

In the case of a Vendor Protest against a proposed award, the Protestor must direct copies of its Vendor Protest to any and all other parties who have responded to the same procurement solicitation and who have a direct economic interest in the outcome of the Vendor Protest, and must submit proof that such copies have been so provided. Failure to submit such proof shall result in dismissal of the Vendor Protest. The other parties shall be permitted to respond in writing to the Vendor Protest, provided that such response shall be submitted within seven (7) calendar days after the other parties' receipt of the copy of the Vendor Protest. The other parties shall also be permitted to participate in any in-person or virtual meetings conducted by the City in regard to the Vendor Protest.

Upon receipt of a timely Vendor Protest, the City shall not proceed further with either the procurement solicitation or the award of the contract unless the City Administrator makes a written determination that so proceeding without delay is necessary to protect the public health, safety or welfare of the City.

Except in the case of Vendor Protests pertaining to requests for proposals issued by the City when an aggrieved proposer is protesting the intended award to another proposer, the following steps shall be followed for formal protests not pertaining to the design and/or construction of new infrastructure and facilities:

- The Purchasing Manager shall respond in writing to the Vendor Protest within ten (10) City business days of receipt of the Vendor Protest. The Purchasing Manager shall consider the Vendor Protest and issue a determination in writing. The Purchasing Manager may:

    - determine that the Vendor Protest does not merit a revision of the City action or decision being protested; or
    - determine that the Vendor Protest does merit a revision of the City action or decision being protested and proceed accordingly to take corrective action, which may include recommending the City cancel the procurement solicitation, recommending the City reject any and all responses to the solicitation, recommending the City award the procurement to a different respondent, and/or recommending the City start over with a new procurement solicitation.

- If the vendor is dissatisfied with the Purchasing Manager's decision, then the vendor may request in writing that the matter be considered by the Vendor Protest Appeals Panel of the City which shall consist of:

    - the Assistant City Administrator for Finance & Administration, who shall chair the panel;
    - the director of the requisitioning department, or his or her designee; and
    - the Assistant City Administrator for Community Development.

    After consideration of the appeal, the Vendor Protest Appeals Panel shall issue a decision in writing, after which the City shall proceed accordingly. The Vendor Protest Appeals Panel may:

    - affirm the Purchasing Manager's decision in whole or in part; or
    - overturn the Purchasing Manager's decision in whole or in part.

    The decision of the Vendor Protest Appeals Panel shall be final, and no further appeals shall be considered by the City.

In the case of Vendor Protests pertaining to requests for proposals issued by the City when an aggrieved proposer is protesting the intended award to another proposer, the following steps shall be followed for formal protests not pertaining to the design and/or construction of new infrastructure and facilities:

- The Board shall consider the Vendor Protest. The Board may:

    - determine that the Vendor Protest does not merit a revision of the City action or decision being protested; or
    - determine that the Vendor Protest does merit a revision of the City action or decision being protested and direct the City Administrator to proceed accordingly to take corrective action, which may include canceling the procurement solicitation, rejecting any and all responses to the solicitation, awarding the procurement to a different respondent, and/or starting over with a new procurement solicitation.

- The decision of the Board shall be final, and no appeals shall be considered by the City.

- Within ten (10) City business days of the Board's decision, the City Attorney shall respond in writing to the Vendor Protest and convey the Board's decision.

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FRANKLIN
TENNESSEE

Vendor Protest Procedure

for City of Franklin procurements not pertaining to the design and/or construction of new infrastructure and facilities

The City of Franklin ("City") recognizes that ~~a~~ vendors (including suppliers, service providers and contractors) may, from time to time, feel compelled to lodge a formal protest about some aspect of a City procurement of goods and/or services not pertaining to the design and/or construction of new infrastructure and facilities. In order to promote fair and transparent competitive purchasing, and in order to have a procedure to follow if and when the need arises, the City's Board of Mayor and Aldermen ("Board") therefore establishes a procedure for evaluating and responding to Vendor Protests for procurements not pertaining to the design and/or construction of new infrastructure and facilities. This procedure is limited to City procurements (a) that do not pertain to the design and/or construction of new infrastructure and facilities, (b) that are competitively solicited by the City pursuant to public advertisement and sealed submittals, and (c) for which the ~~bid or contract amount is~~ value of the award is or would be equal to or greater than $25,000. Procurements that do pertain to the design and/or construction of new infrastructure and facilities are facilitated by the City's Engineering Department, and any vendor wishing to lodge a protest about a City procurement pertaining to such construction-related purchases should contact the Engineering Department directly.

This Vendor Protest procedure is a mandatory administrative procedure which all aggrieved actual or prospective vendors must utilize and exhaust prior to seeking judicial review or remedy.

~~In the case of Vendor Protests pertaining to requests for proposals issued by the City, an aggrieved proposer may protest the intended award to another proposer if a protest is filed within seven (7) calendar days after the intended award is announced. The protest shall be filed with and decided by the Board.~~

~~The following provisions apply unless the Vendor Protest pertains to a request for proposals issued by the City:~~

For the purposes of this procedure, the City defines the following terms:

- A "Vendor Protest" is a written objection by an Interested Party to a solicitation issued by the City for sealed bids, proposals, offers, statements of qualifications or other submittals, pursuant to public advertisement, in anticipation of a proposed contract for the procurement of goods or services not pertaining to the design and/or construction of new infrastructure and facilities and for which the ~~bid or contract amount is~~ value of the award is or would be equal to or greater than $25,000, or a written objection by an Interested Party to a proposed award of such a contract.

- An "Interested Party" is an actual or prospective vendor whose direct economic interest would be affected by the award of a contract for the procurement of goods or services not pertaining to the design and/or construction of new infrastructure and facilities that are competitively bid by the City and where the ~~bid or contract amount is~~ value of the award is or would be equal to or greater than $25,000 or by the failure to award such a contract.

- A "Protestor" is an Interested Party who files a Vendor Protest.

A Vendor Protest:

- shall be in writing;
- shall be addressed and directed to the City's Purchasing Manager except in the case of Vendor Protests pertaining to requests for proposals issued by the City when an aggrieved proposer is protesting the

intended award to another proposer in which case the Vendor Protest shall be addressed to the Board c/o the City Attorney;

- may be delivered electronically or otherwise;
- must be received by the ~~City's Purchasing Office~~ City by the applicable deadline listed below;
- shall include the name and address of the Protestor;
- shall reference the relevant procurement solicitation issued by the City;
- shall include a statement of reason for the Vendor Protest, including allegations and evidence sufficient, if uncontradicted, to establish the likelihood of:
    - a material deficiency or impropriety in the procurement solicitation issued by the City, such as:
        - a material defect to the procurement solicitation that caused or would cause a result other than in the absence of such defect and the consequence of which is significant;
        - some aspect of the procurement solicitation that created an unfair and material advantage to one or more prospective respondents to the procurement solicitation; or
        - a material violation of a relevant provision of one or more of the following:
            - a City procedure, policy, resolution, ordinance or other regulation governing the procurement; and/or
            - a state law, federal statute or other regulation governing the procurement;
    - a material error or impropriety in the proposed or actual award of a contract or other procurement decision, such as:
        - an allegation that a procurement is not exempt from the City's standard competitive procurement procedures when such an exemption is claimed by the City;
        - a material error of judgment or fact in evaluating one or more of the responses to the procurement solicitation; or
        - a material violation of a relevant provision of one or more of the following:
            - the respective procurement solicitation issued by the City;
            - a City procedure, policy, resolution, ordinance or other regulation governing the procurement; and/or
            - a state law, federal statute or other regulation governing the procurement.
- may include supporting documents, exhibits, or evidence to substantiate the Vendor Protest;
- shall include a proposed remedy and an explanation of why the proposed remedy should be accepted by the City; and
- shall be signed by the protester.

A Vendor Protest to either a procurement solicitation or a proposed award must be filed by the following applicable deadline:

- A Vendor Protest against an alleged procurement solicitation deficiency or impropriety must be filed prior to the deadline for responding to the solicitation or, if there is no such deadline, within seven (7) calendar days of the date the Protestor first becomes aware of the City's solicitation.

- A Vendor Protest against a proposed award must be filed within seven (7) calendar days of the date the Protestor is notified by the City of the intent to award or the date the intent to award is posted on the City's website, whichever occurs earlier.

In the case of a Vendor Protest against a proposed award, the Protestor must direct copies of its Vendor Protest to any and all other parties who have responded to the same procurement solicitation and who have a direct economic interest in the outcome of the Vendor Protest, and must submit proof that such copies have been so provided. Failure to submit such proof shall result in dismissal of the Vendor Protest. The other parties shall be permitted to respond in writing to the Vendor Protest, provided that such response shall be submitted within seven (7) calendar days after the other parties' receipt of the copy of the Vendor Protest. The other parties shall also be permitted to participate in any in-person or virtual meetings conducted by the City in regard to the Vendor Protest.

Upon receipt of a timely Vendor Protest, the City shall not proceed further with either the procurement solicitation or the award of the contract unless the City Administrator makes a written determination that so proceeding without delay is necessary to protect the public health, safety or welfare of the City.

~~The~~ Except in the case of Vendor Protests pertaining to requests for proposals issued by the City when an aggrieved proposer is protesting the intended award to another proposer, the following steps shall be followed for formal protests not pertaining to the design and/or construction of new infrastructure and facilities:

- The Purchasing Manager shall respond in writing to the Vendor Protest within ten (10) City business days of receipt of the Vendor Protest. The Purchasing Manager shall consider the Vendor Protest and issue a determination in writing. The Purchasing Manager may:

  - determine that the Vendor Protest does not merit a revision of the City action or decision being protested; or
  - determine that the Vendor Protest does merit a revision of the City action or decision being protested and proceed accordingly to take corrective action, which may include ~~canceling~~ recommending the City cancel the procurement solicitation, ~~rejecting~~ recommending the City reject any and all responses to the solicitation, recommending ~~that a different respondent to the procurement solicitation be awarded the procurement~~ the City award the procurement to a different respondent, and/or ~~considering whether and when to start anew~~ recommending the City start over with a new procurement solicitation.

- If the vendor is dissatisfied with the Purchasing Manager's decision, then the vendor may request in writing that the matter be considered by the Vendor Protest Appeals Panel of the City which shall consist of:

  - the Assistant City Administrator for Finance & Administration, who shall chair the panel;
  - the director of the requisitioning department, or his or her designee; and
  - the Assistant City Administrator for Community Development.

  After consideration of the appeal, the Vendor Protest Appeals Panel shall issue a decision in writing, after which the City shall proceed accordingly. The Vendor Protest Appeals Panel may:

  - affirm the Purchasing Manager's decision in whole or in part; or
  - overturn the Purchasing Manager's decision in whole or in part.

  The decision of the Vendor Protest Appeals Panel shall be final, and no further appeals shall be considered by the City.

In the case of Vendor Protests pertaining to requests for proposals issued by the City when an aggrieved proposer is protesting the intended award to another proposer, the following steps shall be followed for formal protests not pertaining to the design and/or construction of new infrastructure and facilities:

- The Board shall consider the Vendor Protest. The Board may:

  - determine that the Vendor Protest does not merit a revision of the City action or decision being protested; or
  - determine that the Vendor Protest does merit a revision of the City action or decision being protested and direct the City Administrator to proceed accordingly to take corrective action, which may include canceling the procurement solicitation, rejecting any and all responses to the solicitation, awarding the procurement to a different respondent, and/or starting over with a new procurement solicitation.

- The decision of the Board shall be final, and no appeals shall be considered by the City.

- Within ten (10) City business days of the Board’s decision, the City Attorney shall respond in writing to the Vendor Protest and convey the Board’s decision.

HISTORIC
FRANKLIN
TENNESSEE

City of Franklin

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

File #: 20-01057

DATE: October 22, 2020

TO: Budget & Finance Committee

FROM: Eric Stuckey, City Administrator
Kristine Brock, Asst. City Administrator/CFO
Mike Lowe, Comptroller

SUBJECT:

Consideration Of Procurement Award To UMB Bank, N.A. Of Kansas City, Missouri In The Total Estimated Annual Amount Of $17,032 For Custody Services For Non-Pension Investments Of The City For The Finance Department (Purchasing Office Procurement Solicitation No. 2020-027; $9,500 Budgeted In 110-85520-41500 For Fiscal Year 2021; Contract No. 2020-0282).
Budget & Finance Committee 8/13/2020

PURPOSE:

The purpose of this procurement is to purchase custody services for non-pension investments of the City for a term of award of three (3) years, tentatively effective April 1, 2021, with two (2) options to extend, each time for up to one (1) additional year. The service provider acts as the City's centralized independent third-party custodian for non-pension investments held by the City and is also to provide valuation and reporting services related to these investments.

BACKGROUND/STAFF COMMENTS:

The City published on May 28, 2020 a Notice to Proposers in the *Williamson Herald* for custody services for non-pension investments. In addition, solicitation documents were sent on or about the same date directly to five (5) potential proposers known or thought to be interested in this solicitation. Proposals from four (4) service providers were publicly opened at the submittal opening held on June 30, 2020. A tabulation of the proposals received for this solicitation is attached.

Applying the evaluation criteria included in the request for proposals to the four (4) proposals received, the proposal evaluation team, consisting of four current employees of the City and one retired, recommended to the Budget & Finance Committee at its August 13, 2020 meeting that the City accept, contingent upon Law Department and City Administrator approval of City Contract No. 2020-0214, the proposal ranked highest by the proposal evaluation team, from Zions Bancorporation, N.A. of Atlanta, Georgia in the total estimated annual amount of $5,660 for custody services for non-pension investments of the City, and award this procurement to this proposer. However, Zions Bancorporation wound up being unable to meet the City's insurance requirements relative to Cyber coverages.

Applying the evaluation criteria included in the request for proposals to the remaining three (3) proposals, the same proposal evaluation team now recommends the City select the firm of UMB Bank, N.A. of Kansas City, Missouri. The evaluation criteria included in the request for proposals consisted of (a) competency, experience and qualifications (30%), (b) unique strengths of the proposer/proposal (10%), (c) thoroughness and quality of proposal (15%), (d) methodology, approach, and pricing and payment clarity (15%), and (e) fee for proposed products and services (30%). Based on these selection criteria, of the remaining three (3) proposals, the UMB Bank proposal was ranked top choice by four of the five proposal evaluators (and a close second by the fifth proposal evaluator).

A reference check by staff for UMB Bank has yielded favorable feedback.

FINANCIAL IMPACT:

The proposal ranked highest by the proposal evaluation team, from UMB Bank, N.A. is in the total estimated annual amount of $17,032 for custody services for non-pension investments of the City. This estimated annual amount is based on the City's actual asset portfolio size and volume of activity for the most recent twelve months applied to the schedule of fees included in the UMB Bank proposal. The Finance Department budget for fiscal year 2021 allocates $9,500 out of the General Fund for the purchase of these services. The proposal amount for the proposal from UMB Bank, is $7,532 (79%) over budget.

RECOMMENDATION:

Staff recommends that the City accept, contingent upon Law Department and City Administrator approval of City Contract No. 2020-0282, the proposal ranked highest by the proposal evaluation team, from UMB Bank, N.A. of Kansas City, Missouri in the total estimated annual amount of $17,032 for custody services for non-pension investments of the City, and award this procurement to this proposer. The City's Purchasing Manager believes the prepared solicitation documents as distributed allowed for competition among multiple service providers, and that the staff recommendation appears to be made in a fair and impartial manner based upon the proposals received. Pursuant to authority previously granted by the Board of Mayor and Aldermen, Contract No. 2020-0282 has been prepared for execution by the City Administrator and is attached pending approval by the Board of Mayor and Aldermen of the staff recommendation to accept the proposal from and award the procurement to UMB Bank.

Prepared 11/25/2020 by
City of Franklin Purchasing Office

City of Franklin, Tennessee
Tabulation of Submittals*

Purchasing Office Solicitation No.:	**2020-027 (custody services for non-pension investments)**
Notice to proposers published in the *Williamson Herald* on:	**5/28/20**
Number of potential proposers that were notified of / that submitted a proposal in response to this request for proposals:	**5 / 4**
Date and time proposal due and publicly opened:	**6/30/20 2:00 PM**
Present at opening of proposals:	**Leslie Pewitt, Suzanne Ward and Brian Wilcox of the City of Franklin Purchasing Office**
Target meeting of BOMA at which recommendation is scheduled to be considered:	**1/12/21**

Proposals received from:	**Does the proposal include all required documents?**	**Does the proposal take any exceptions to the City's procurement solicitation?**	**Average points allocated by proposal evaluation team (out of a possible 100, utilizing evaluation criteria as listed in RFP):**	**Estimated total annual fee:**	**Payment terms:**	**Proposal is offered through:**
Argent Financial Group 201 St. Charles Ave., Suite 2420 New Orleans, LA 70170 Mark Milton, SVP Institutional Services 501-425-3181 mmilton@ArgentFinancial.com	Yes	No	79.77	$18,945.00	net 30 days	10/31/2020
Comerica Bank 411 West Lafayette St., Mail Code 3462 Detroit, Michigan 48226 Felecia Ryans, VP / Sr. Relationship Mgr. 313-222-9814 fryans@comerica.com	Yes	No	67.49	$36,257.00	net 30 days	9/30/2020
UMB Bank, N.A. 1010 Grand Blvd. Kansas City, MO 64106 Josh Horvath, Vice President 515-494-1991 joshua.horvath@umb.com	Yes	Yes, to provisions of the City's Procurement Agreement and Standard Procurement Terms & Conditions	86.60	$17,032.00	net 30 days	9/30/2020
Zions Bancorporation, N.A. 225 Peachtree Street, NE, Suite 1450 Atlanta, GA 30303 Arthur G. Mosley II, Vice President 470-437-3937 arthur.mosley@zionsbancorp.com	Yes	The proposal took no exceptions. However, the proposer is not able to comply with City's insurance requirements.	disqualified	disqualified	net 30 days	12/31/2020

***Shaded submittal is the submittal scored highest by the proposal evaluation team**

HISTORIC
FRANKLIN
TENNESSEE

City of Franklin

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

File #: 20-01428

DATE: November 20, 2020

TO: Budget & Finance Committee

FROM: Eric Stuckey, City Administrator
Kristine Brock, Asst. City Administrator/CFO
Mike Lowe, Comptroller

SUBJECT:

FY 2020 Comprehensive Annual Financial Report (CAFR) For City Of Franklin.

PURPOSE:

The purpose of this memorandum is to provide information to the Franklin Board of Mayor and Aldermen (BOMA) concerning the financial condition of the City on June 30, 2020.

BACKGROUND/STAFF COMMENTS:

Each year, the City is required by State law to provide an annual financial report to the State of Tennessee. Additionally, certain disclosure requirements in bond documents also provide for periodic financial reports to be prepared. The City takes this responsibility seriously and provides regular financial updates throughout the year. However, at the end of the fiscal year, a more elaborate report, called the Comprehensive Annual Financial Report (CAFR), is produced by City staff and audited by an independent firm of Certified Public Accountants. Representatives of our CPA firm, Crosslin & Associates, will be present at the December 3rd meeting of the Budget & Finance Committee to make a verbal report.

The final report will be delivered prior to the 12/8/2020 meeting of the Board and Mayor and Aldermen.

FINANCIAL IMPACT:

The delivery of the CAFR is for reporting purposes only. There is no financial impact.

RECOMMENDATION:

Staff recommends the Board of Mayor and Aldermen acknowledge receipt of the FY 2020 CAFR.

City of Franklin, Tennessee
Report to Board of Mayor and Aldermen
Results of the 2020 Audit
December 3, 2020

CROSSLIN
CERTIFIED PUBLIC ACCOUNTANTS

CROSSLIN
CERTIFIED PUBLIC ACCOUNTANTS

December 3, 2020

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

Thank you for the opportunity to serve as independent auditors and business advisors for the City of Franklin, Tennessee (the "City"). We are pleased to provide our report on the results of the June 30, 2020 audit of the financial statements of the City.

A direct line of communication between our Firm and those charged with governance is essential to the proper exercise of our respective responsibilities. Our appointment involves the responsibility on our part to call to your attention any significant matters which we believe require your consideration.

The accompanying report is intended solely for the use of the Finance Committee, Board of Mayor and Aldermen and management and presents information regarding the audit and certain other information which we believe will be of assistance to you. We appreciate this opportunity to communicate the contents of this report with you. If you have any questions, please call me, or David Hunt, Principal at (615) 320-5500.

We would like to take this opportunity to express our appreciation for the assistance and courtesy extended to us by the City's employees. We appreciate working with you, and we look forward to a continued relationship with the City of Franklin.

Very truly yours,

Jennifer Manternach

Jennifer Manternach
Principal

Report on Results of the June 30, 2020 Audit

Crosslin, PLLC has completed the audit of the financial statements of the City of Franklin, Tennessee (the "City") as of and for the year ended June 30, 2020, and we drafted our unmodified opinion thereon.

The State of Tennessee has oversight responsibility and approved our audit engagement through the Comptroller of the Treasury's Standard Contract to Audit Accounts. The City will meet reporting deadlines for Federal and State Governments as well as the GFOA Certificate of Achievement program.

The following discussion contains information related to our audit that is required by professional standards, and certain other information which we hope will be of assistance to you.

Independence

Our professional standards require that we communicate at least annually with you regarding all relationships between Crosslin and the City that, in our professional judgment, may reasonably be thought to bear on our independence. We have prepared the following comments to facilitate our discussion with you regarding independence matters.

We are not aware of any relationships between Crosslin and the City that, in our professional judgment, may reasonably be thought to bear on our independence that have occurred during the period from July 1, 2019 through the date of this letter.

We confirm that as of December 3, 2020, we are independent accountants with respect to the City, within the requirements of both the American Institute of Certified Public Accountants and *Government Auditing Standards*.

Engagement Personnel

The following is the engagement team.

Jennifer Manternach	Audit Principal
David Hunt	Audit Principal, Concurring Reviewer
Curtis Payne	Audit Senior Manager
Will Hicks	Audit Senior
Jane Nutter	Audit Staff

Our Responsibility Under U.S. Generally Accepted Auditing Standards and Uniform Guidance

Our responsibility, as described by professional standards, is to plan and perform our audit to obtain reasonable, but not absolute, assurance about whether the financial statements are free of material misstatement and are fairly presented in accordance with U.S. generally accepted accounting principles. Because an audit is designed to provide reasonable, but not absolute assurance and because we did not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us.

In planning and performing our audit, we considered the City's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements but not to provide assurance on the internal control over financial reporting. Accordingly, we express no such opinion.

We also considered internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit. Also, in accordance with the Uniform Guidance, we examined, on a test basis, evidence about the City's compliance with the types of compliance requirements described in the OMB *Compliance Supplement* that could have a direct and material effect on its major federal program for the purpose of expressing an opinion on the City's compliance with those requirements. While our audit provides a reasonable basis for our opinion, it does not provide a legal determination on the City's compliance with those requirements.

Management Judgments and Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. Significant accounting estimates reflected in the City's 2020 financial statements include the following:

- Property taxes receivable and related deferred inflows of resources
- Allowance for doubtful receivables
- The useful lives and valuation of capital assets
- Valuation of donated capital assets, including streets
- The fair value of derivative financial instruments
- Appropriateness of assumptions used to calculate the pension and OPEB obligations
- Valuation of certain investments in the fiduciary pension fund, including investments in timberlands, real estate, and other private equity ventures.

The basis for our conclusions as to the reasonableness of the estimates when considered in the context of the financial statements taken as a whole, as expressed in our auditor's report, is our review and tests of the process used by management to develop the estimates. During the year ended June 30, 2020, we are not aware of any significant changes in the methodology surrounding accounting estimates or in management's judgments relating to such estimates, except for changes in assumptions for the total OPEB liability and related amounts.

Significant Accounting Policies

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City are described in Note 1 to the financial statements. Based on our audit procedures, we believe the City's significant accounting policies are appropriate and comprehensive under U.S. generally accepted accounting principles. We noted no matters that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is lack of authoritative guidance or consensus.

Audit Adjustments

Our audit of the financial statements was designed to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement, whether caused by error or fraud. For purposes of this letter, professional standards define an audit adjustment as a proposed correction of the financial statements that, in our judgment, may not have been detected except through our auditing procedures. An audit adjustment may or may not indicate matters that could have a significant impact on an organization's financial reporting process. We had no audit adjustments in 2020, and no uncorrected adjustments.

Audit adjustments for the Cool Springs Conference Center are included in Appendix C.

Alternative Accounting Treatments

We had no discussions with management regarding alternative accounting treatments within accounting principles generally accepted in the United States of America for policies and practices related to material items including recognition, measurement, and disclosure considerations related to the accounting for specific transactions as well as general accounting policies related to the year ended June 30, 2020.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion". If a consultation involves application of an accounting principle to the organization's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter that could be significant to the financial statements or the auditor's report. No such disagreements arose during the course of our audit.

Issues Discussed Prior to Retention of Independent Auditors

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management prior to our retention as the City's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition of our retention.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in performing our audit.

Fraud and Illegal Acts

No material fraudulent or illegal acts were disclosed to us by management or the Board.

Information in Documents Containing Audited Financial Statements

We are not aware of any other documents that will contain the audited financial statements. If such a need arises, we will review the other document to ensure that there are no material inconsistencies in the information.

Other Information in the Comprehensive Annual Financial Report (CAFR) of the City

We have read the City's CAFR and considered whether the information therein, or manner of its presentation is materially consistent with the information, or the manner of its presentation in the financial statements audited by us. We have read the other information in the City's CAFR and inquired as to the methods of measurement and presentation of such information. We noted no material inconsistencies or material misstatements of fact in the other information.

Areas of Audit Emphasis

- Cash and investments, including classification between restricted and unrestricted
- Capital assets and construction in progress, including infrastructure
- Receivables, including property taxes, other taxes, grants and other
- Classification of net position and fund balances under GASB Nos. 34 and 54
- Long-term debt, including borrowing under capital leases
- Accounts payable and accrued expenses
- Revenues, including taxes, fees and other sources
- Salaries and benefits
- Other operating expenses
- Consideration of conference center activities
- Consideration of net pension liability and OPEB liabilities and related impact on financial position

Other Procedures Performed

Uniform Guidance

In addition to the financial statement audit, we have also audited the City's compliance with its major federal grant program. The City's expenditures under federal programs during fiscal year 2020 totaled $3,582,202. We tested the requirements of one major grant program (The Federal Transit Cluster) and had no material exceptions. We have drafted our unmodified opinion on compliance with Uniform Guidance.

Recent Accounting Pronouncements

The government and standard-setting bodies are issuing guidance at an unprecedented pace. Crosslin, PLLC is constantly receiving, reviewing, and searching for the latest authoritative literature, in part through our involvement with the AIPCA's Government Audit Quality Center and the Government Finance Officers Association ("GFOA"). We routinely interface with the City's management to ensure proper understanding and application of pronouncements, standards, interpretations, and addenda that arise and will continue to have these discussions with management to implement all new standards as they arise.

The City will implement several new Governmental Accounting Standards Board ("GASB") accounting pronouncements in upcoming years as discussed below. The following are recent accounting pronouncements which, to the extent applicable, pose consideration for the City. Management is currently in the process of determining the impact of these Statements to the City's financial statements.

The GASB issued Statement No. 87, *Leases*, which is effective for reporting periods beginning after June 15, 2021, fiscal year 2022 for the City. This Statement will increase the usefulness of governments' financial statements by requiring reporting of certain lease liabilities that currently are not reported. It will enhance comparability of financial statements among governments by requiring lessees and lessors to report leases under a single model. This Statement also will enhance the decision-usefulness of the information provided to financial statement users by requiring notes to financial statements related to the timing, significance, and purpose of a government's leasing arrangements.

The GASB issued Statement No. 89, Accounting for Interest Cost Incurred before the End of a Construction Period, which is effective for effective for reporting periods beginning after December 15, 2020, fiscal year 2022 for the City. This Statement establishes accounting requirements for interest cost incurred before the end of a construction period. Such interest cost includes all interest that previously was accounted for in accordance with the requirements of paragraphs 5−22 of Statement No. 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements, which are superseded by this Statement. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus.

Recent Accounting Pronouncements *(Continued)*

GASB Statement No. 90, Majority Equity Interests—an amendment of GASB Statements No. 14 and No. 61, which is effective for reporting periods beginning after December 15, 2019, fiscal year 2021 for the City. The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment.

GASB Statement No. 91, Conduit Debt Obligations, which is effective for reporting periods beginning after December 15, 2021, fiscal year 2023 for the City. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures.

GASB Statement No. 92, Omnibus 2020, which is effective for reporting periods beginning after June 15, 2021, fiscal year 2022 for the City. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements.

GASB Statement No. 93, Replacement of Interbank Offered Rates, which is effective for reporting periods beginning after June 15, 2020, fiscal year 2021 for the City. The objective of this Statement is to address those and other accounting and financial reporting implications that result from the replacement of an IBOR.

Other Material Written Communications

Included as Appendix A is the management representation letter, which we requested from management.

Conference Center at Cool Springs

In conjunction with our audit of the City, we have completed the audit the financial statements of the Conference Center at Cool Springs, a joint venture between the City and Williamson County, Tennessee (the "Conference Center"), as of and for the year ended June 30, 2020, and we drafted our unmodified opinion thereon. Included in Appendix B is the management representation letter, which we requested from Conference Center management.

Cool Springs Conference Center

Year End: June 30, 2020

Adjusting journal entries

Date: 7/1/2019 To 6/30/2020

Number	Date	Name	Account No	Reference	Debit	Credit
1	6/30/2020	Furniture & Fixtures	17040	M-1	174,283.00	
1	6/30/2020	Construction in Progress	17995	M-1	6,237.00	
1	6/30/2020	Asset Purchases Clearing	17999	M-1		-180,520.00
1	6/30/2020	Retained Earnings- Prior Years	29950	M-1		
		To record fixed assets.				
2	6/30/2020	A/D-Building Improvements	18030	M-1		-246,570.00
2	6/30/2020	A/D-Furniture & Fixtures	18040	M-1		-220,144.00
2	6/30/2020	Depreciation	89600-00-000	M-1	466,714.00	
		To record current year depreciation				
3	6/30/2020	Distributions- 2020	29934	CC-2		-26,408.00
3	6/30/2020	Due to Franklin/WM County	22100-00-000	CC-2	26,408.00	
		To record amounts due from City and County at 6/30/2020.				
4	6/30/2020	Distributions- 2020	29934	CC-2		-267,115.00
4	6/30/2020	Operating Transfer City	89500-00-000	CC-2	133,557.00	
4	6/30/2020	Operating Transfer County	89501-00-000	CC-2	133,558.00	
		To record operating transfers for FY20.				
					940,757.00	**-940,757.00**

December 8, 2020

Crosslin, PLLC
3803 Bedford Avenue, Suite 103
Nashville, Tennessee 37215

This representation letter is provided in connection with your audit of the financial statements of the City of Franklin, Tennessee, which comprise the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information as of June 30, 2020 and the respective changes in financial position and, where applicable, cash flows for the year then ended (except for the Fiduciary Pension Fund, which is as of and for the year ended December 31, 2019), and the related notes to the financial statements, for the purpose of expressing opinions as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of the date of this letter, the following representations made to you during your audit.

Financial Statements

1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated May 11, 2020, including our responsibility for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP and for preparation of the supplementary information in accordance with the applicable criteria.
2) The financial statements referred to above are fairly presented in conformity with U.S. GAAP and include all properly classified funds and other financial information of the primary government required by generally accepted accounting principles to be included in the financial reporting entity.
3) We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
4) We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
5) Significant assumptions we used in making accounting estimates, including those measured at fair value, are reasonable.

6) Related party relationships and transactions, including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with U.S. GAAP.

7) Adjustments or disclosures have been made for all events, including instances of noncompliance, subsequent to the date of the financial statements that would require adjustment to or disclosure in the financial statements or in the schedule of findings and questioned costs.

8) The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with U.S. GAAP.

9) Guarantees, whether written or oral, under which the City is contingently liable, if any, have been properly recorded or disclosed.

Information Provided

10) We have provided you with:

    a) Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters and all audit or relevant monitoring reports, if any, received from funding sources.

    b) Additional information that you have requested from us for the purpose of the audit.

    c) Unrestricted access to persons within the City from whom you determined it necessary to obtain audit evidence.

    d) Minutes of the meetings of the Board of Mayor and Alderman or summaries of actions of recent meetings for which minutes have not yet been prepared.

11) All material transactions have been recorded in the accounting records and are reflected in the financial statements and the schedule of expenditures of federal awards.

12) We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.

13) We have no knowledge of any fraud or suspected fraud that affects the City and involves—

    - Management,
    - Employees who have significant roles in internal control, or
    - Others where the fraud could have a material effect on the financial statements.

14) We have no knowledge of any allegations of fraud or suspected fraud affecting the City's financial statements communicated by employees, former employees, regulators, or others.

15) We have no knowledge of instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or abuse, whose effects should be considered when preparing financial statements.

16) We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.

17) We have disclosed to you the identity of the City's related parties and all the related party relationships and transactions of which we are aware.

Government-specific

18) There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.

19) We have identified to you any previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.

20) The City has no plans or intentions that may materially affect the carrying value or classification of assets, liabilities, or equity.

21) We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts, and legal and contractual provisions for reporting specific activities in separate funds.

22) We have identified and disclosed to you all instances that have occurred or are likely to have occurred, of fraud and noncompliance with provisions of laws and regulations that we believe have a material effect on the financial statements or other financial data significant to the audit objectives, and any other instances that warrant the attention of those charged with governance.

23) We have identified and disclosed to you all instances, which have occurred or are likely to have occurred, of noncompliance with provisions of contracts and grant agreements that we believe have a material effect on the determination of financial statement amounts or other financial data significant to the audit objectives.

24) We have identified and disclosed to you all instances that have occurred or are likely to have occurred, of abuse that could be quantitatively or qualitatively material to the financial statements or other financial data significant to the audit objectives.

25) There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.

26) The City has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.

27) The City has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.

28) The financial statements include all joint ventures with an equity interest, and properly disclose all other joint ventures and other related organizations.

29) The financial statements properly classify all funds and activities in accordance with GASB Statement No. 34 , as amended, and GASBS No. 84.

30) All funds that meet the quantitative criteria in GASBS Nos. 34 and 37 for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.

31) Components of net position (net investment in capital assets; restricted; and unrestricted) and classifications of fund balance (nonspendable, restricted, committed, assigned, and unassigned) are properly classified and, if applicable, approved.

32) Investments, derivative instruments, and land and other real estate held by endowments are properly valued.

33) Provisions for uncollectible receivables have been properly identified and recorded.

34) Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.

35) Revenues are appropriately classified in the statement of activities within program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.

36) Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.

37) Deposits and investment securities and derivative instruments are properly classified as to risk and are properly disclosed.

38) Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated.

39) Receivables recorded in the financial statements represent valid claims against debtors for transactions arising on or before the balance sheet date and have been reduced to their estimated net realizable value.

40) The methods and significant assumptions used result in a measure of fair value appropriate for financial statement measurement and disclosure purposes.

41) We believe that the actuarial assumptions and methods used to measure pension and OPEB liabilities and costs for financial accounting purposes are appropriate in the circumstances.

42) We have appropriately disclosed the City's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available and have determined that net position is properly recognized under the policy.

43) We are following our established accounting policy regarding which resources (that is, restricted, committed, assigned, or unassigned) are considered to be spent first for expenditures for which more than one resource classification is available. That policy determines the fund balance classifications for financial reporting purposes.

44) We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.

45) With respect to the supplementary information on which an in-relation-to opinion is issued (e.g., combining statements, individual fund statements).

    a) We acknowledge our responsibility for presenting the supplementary information in accordance with accounting principles generally accepted in the United States of America, and we believe the supplementary information, including its form and content, is fairly presented in accordance with accounting principles generally accepted in the United States of America. The methods of measurement and presentation of the supplementary information have not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information.

b) If the supplementary information is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the supplementary information no later than the date we issue the supplementary information and the auditor's report thereon.

46) With respect to federal award programs:

a) We are responsible for understanding and complying with and have complied with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), including requirements relating to preparation of the schedule of expenditures of federal awards.

b) We acknowledge our responsibility for presenting the schedule of expenditures of federal awards (SEFA) and related notes in accordance with the requirements of the Uniform Guidance, and we believe the SEFA, including its form and content, is fairly presented in accordance with the Uniform Guidance. The methods of measurement or presentation of the SEFA have not changed from those used in the prior period and we have disclosed to you any significant assumptions and interpretations underlying the measurement or presentation of the SEFA.

c) If the SEFA is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the SEFA no later than the date we issue the SEFA and the auditor's report thereon.

d) We have identified and disclosed to you all of our government programs and related activities subject to the Uniform Guidance compliance audit, and have included in the SEFA, expenditures made during the audit period for all awards provided by federal agencies in the form of federal awards, federal cost-reimbursement contracts, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other direct assistance.

e) We are responsible for understanding and complying with, and have complied with, the requirements of federal statutes, regulations, and the terms and conditions of federal awards related to each of our federal programs and have identified and disclosed to you the requirements of federal statutes, regulations, and the terms and conditions of federal awards that are considered to have a direct and material effect on each major program.

f) We are responsible for establishing and maintaining, and have established and maintained, effective internal control over compliance for federal programs that provides reasonable assurance that we are managing our federal awards in compliance with federal statutes, regulations, and the terms and conditions of federal awards that could have a material effect on our federal programs. We believe the internal control system is adequate and is functioning as intended.

g) We have made available to you all federal awards (including amendments, if any) and any other correspondence with federal agencies or pass-through entities relevant to federal programs and related activities.

h) We have received no requests from a federal agency to audit one or more specific programs as a major program.

i) We have complied with the direct and material compliance requirements (except for noncompliance disclosed to you), including when applicable, those set forth in the *OMB Compliance Supplement*, relating to federal awards and have identified and confirm that there are no amounts questioned and no known noncompliance with the direct and material compliance requirements of federal awards.

j) We have disclosed any communications from federal awarding agencies and pass-through entities concerning possible noncompliance with the direct and material compliance requirements, including communications received from the end of the period covered by the compliance audit to the date of the auditor's report.

k) We have disclosed to you the findings received and related corrective actions taken for previous audits, attestation engagements, and internal or external monitoring that directly relate to the objectives of the compliance audit, including findings received and corrective actions taken from the end of the period covered by the compliance audit to the date of the auditor's report.

l) Amounts claimed or used for matching were determined in accordance with relevant guidelines in OMB's Uniform Guidance 2 CFR part 200, subpart E and OMB Circular A-87, Cost Principles for State, Local, and Indian Tribal Governments, if applicable.

m) We have disclosed to you our interpretation of compliance requirements that may have varying interpretations.

n) We have made available to you all documentation related to compliance with the direct and material compliance requirements, including information related to federal program financial reports and claims for advances and reimbursements.

o) We have disclosed to you the nature of any subsequent events that provide additional evidence about conditions that existed at the end of the reporting period affecting noncompliance during the reporting period.

p) There are no such known instances of noncompliance with direct and material compliance requirements that occurred subsequent to the period covered by the auditor's report.

q) No changes have been made in internal control over compliance or other factors that might significantly affect internal control, including any corrective action we have taken regarding significant deficiencies or material weaknesses in internal control over compliance, subsequent to the period covered by the auditor's report.

r) Federal program financial reports and claims for advances and reimbursements are supported by the books and records from which the financial statements have been prepared.

s) The copies of federal program financial reports provided you are true copies of the reports submitted, or electronically transmitted, to the respective federal agency or pass-through entity, as applicable.

t) We have monitored subrecipients, as necessary, to determine that they have expended subawards in compliance with federal statutes, regulations, and the terms and conditions of the subaward and have met the other pass-through entity requirements of the Uniform Guidance.

u) We have issued management decisions for audit findings that relate to federal awards made to subrecipients and such management decisions have been issued within six months of acceptance of the audit report by the Federal Audit Clearinghouse. Additionally, we have followed-up ensuring that the subrecipient has taken timely and appropriate action on all deficiencies detected through audits, on-site reviews, and other means that pertain to the federal award provided to the subrecipient.

v) We have considered the results of subrecipient audits and have made any necessary adjustments to our books and records.

w) We have charged costs to federal awards in accordance with applicable cost principles.

x) We are responsible for and have accurately prepared the summary schedule of prior audit findings to include all findings required to be included by the Uniform Guidance, and we have provided you with all information on the status of the follow-up on prior audit findings by federal awarding agencies and pass-through entities, including all management decisions.

y) We are responsible for and have ensured the reporting package does not contain protected personally identifiable information.

z) We are responsible for and have accurately prepared the auditee section of the Data Collection Form as required by the Uniform Guidance.

aa) We are responsible for taking corrective action on each audit finding of the compliance audit and have developed a corrective action plan that meets the requirements of the Uniform Guidance.

bb) We have disclosed to you all contracts or other agreements with service organizations, and we have disclosed to you all communications from the service organizations relating to noncompliance at the service organizations.

CITY OF FRANKLIN, TENNESSEE

Eric Stuckey
City Administrator

Kristine Brock
Assistant City Administrator, CFO

Mike Lowe
Comptroller

December XX, 2020

Crosslin, PLLC
3803 Bedford Avenue, Suite 103
Nashville, Tennessee 37215

This representation letter is provided in connection with your audits of the financial statements of the Conference Center at Cool Springs (the "Conference Center"), a joint venture between the City of Franklin, Tennessee and Williamson County, Tennessee, which comprise the statements of net position of the Conference Center as of June 30, 2020 and 2019, and the statements of revenues, expenses and changes in net position and statements of cash flows for the years then ended, and the related notes to the financial statements, for the purpose of expressing an opinion as to whether the financial statements are presented fairly, in all material respects, in accordance with principles generally accepted in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of the date of this letter, the following representations made to you during your audits:

Financial Statements

1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter, including our responsibility for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP and for preparation of the supplementary information in accordance with the applicable criteria.
2) The financial statements referred to above are fairly presented in conformity with U.S. GAAP.
3) We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
4) We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.

5) Significant assumptions we used in making accounting estimates are reasonable.

6) Related party relationships and transactions, including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.

7) Adjustments or disclosures have been made for all events, including instances of noncompliance, subsequent to the date of the financial statements that would require adjustment to or disclosure in the financial statements. There are no uncorrected misstatements.

8) We are in agreement with the adjusting journal entries you have proposed, and they have been posted to the accounts.

9) All events subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed. No events, including instances of noncompliance, have occurred subsequent to the balance sheet date and through the date of this letter that would require adjustment to or disclosure in the aforementioned financial statements.

10) We are not aware of any pending or threatened litigation, claims or assessments or unasserted claims or assessments that are required to be accrued or disclosed in the financial statements, and we have not consulted a lawyer concerning litigation, claims or assessments.

11) Guarantees, whether written or oral, under which the Conference Center is contingently liable, if any, have been properly recorded or disclosed.

Information Provided

12) We have provided you with:
    a) Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters.
    b) Additional information that you have requested from us for the purpose of the audit.
    c) Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.

13) We confirm that there are no Board minutes or committee minutes pertaining to the Conference Center.

14) All material transactions have been recorded in the accounting records and are reflected in the financial statements.

15) We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.

16) We have no knowledge of any fraud or suspected fraud that affects the entity and involves:
    a) Management,
    b) Employees who have significant roles in internal control, or
    c) Others where the fraud could have a material effect on the financial statements.

17) We have no knowledge of any allegations of fraud or suspected fraud affecting the entity's financial statements communicated by employees, former employees, regulators, or others.

18) We have no knowledge of instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or abuse, whose effects should be considered when preparing financial statements.

19) We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.

20) We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions of which we are aware.

Government—specific

21) There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.

22) We have a process to track the status of audit findings and recommendations.

23) We have identified to you any previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.

24) The Conference Center has no plans or intentions that may materially affect the carrying value or classification of assets, liabilities, or net position.

25) We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us; and we have identified and disclosed to you all laws, regulations and provisions of contracts and grant agreements that we believe have a direct and material effect on the determination of financial statement amounts or other financial data significant to the audit objectives.

26) There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.

27) As part of your audit, you assisted with preparation of the financial statements and related notes. We acknowledge our responsibility as it relates to those nonaudit services, including that we assume all management responsibilities; oversee the services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, or

experience; evaluate the adequacy and results of the services performed; and accept responsibility for the results of the services. We have reviewed, approved, and accepted responsibility for those financial statements and related notes.

28) The Conference Center has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.

29) The Conference Center has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.

30) We have identified and disclosed to you all instances, which have occurred or are likely to have occurred, of fraud and noncompliance with provisions of laws and regulations that we believe have a material effect on the financial statements or other financial data significant to the audit objectives, and any other instances that warrant the attention of those charged with governance.

31) We have identified and disclosed to you all instances, which have occurred or are likely to have occurred, of noncompliance with provisions of contracts and grant agreements that we believe have a material effect on the determination of financial statement amounts or other financial data significant to the audit objectives.

32) We have identified and disclosed to you all instances that have occurred or are likely to have occurred, of abuse that could be quantitatively or qualitatively material to the financial statements or other financial data significant to the audit objectives.

33) The financial statements include all component units as well as joint ventures with an equity interest, and properly disclose all other joint ventures and other related organizations.

34) The financial statements properly classify all revenues and activities.

35) Cash and cash equivalents are appropriately collateralized in accordance with state law.

36) Components of net position (net investment in capital assets; restricted; and unrestricted) are properly classified and, if applicable, approved.

37) Expenses have been appropriately classified in or allocated to functions and programs in the statement of revenues, expenses and changes in net position, and allocations have been made on a reasonable basis.

38) Allocations of expenditures have been made consistent with all operating and other agreements and all such allocations are appropriate.

39) All revenue associated with the Conference Center has been credited to the Conference Center and has been included in the statement of revenues, expenses and changes in net position.

40) Deposits and investment securities and derivative instruments are properly classified as to risk and are properly disclosed.

41) Capital assets, including infrastructure, are properly capitalized, reported, and, if applicable, depreciated or amortized.

42) We have appropriately disclosed the Conference Center's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which

both restricted and unrestricted net position is available and have determined that net position is properly recognized under the policy.

43) We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.

44) We have complied with all terms of the operating agreement and related agreements concerning the operation of and accounting for the Conference Center.

THE CONFERENCE CENTER AT COOL SPRINGS

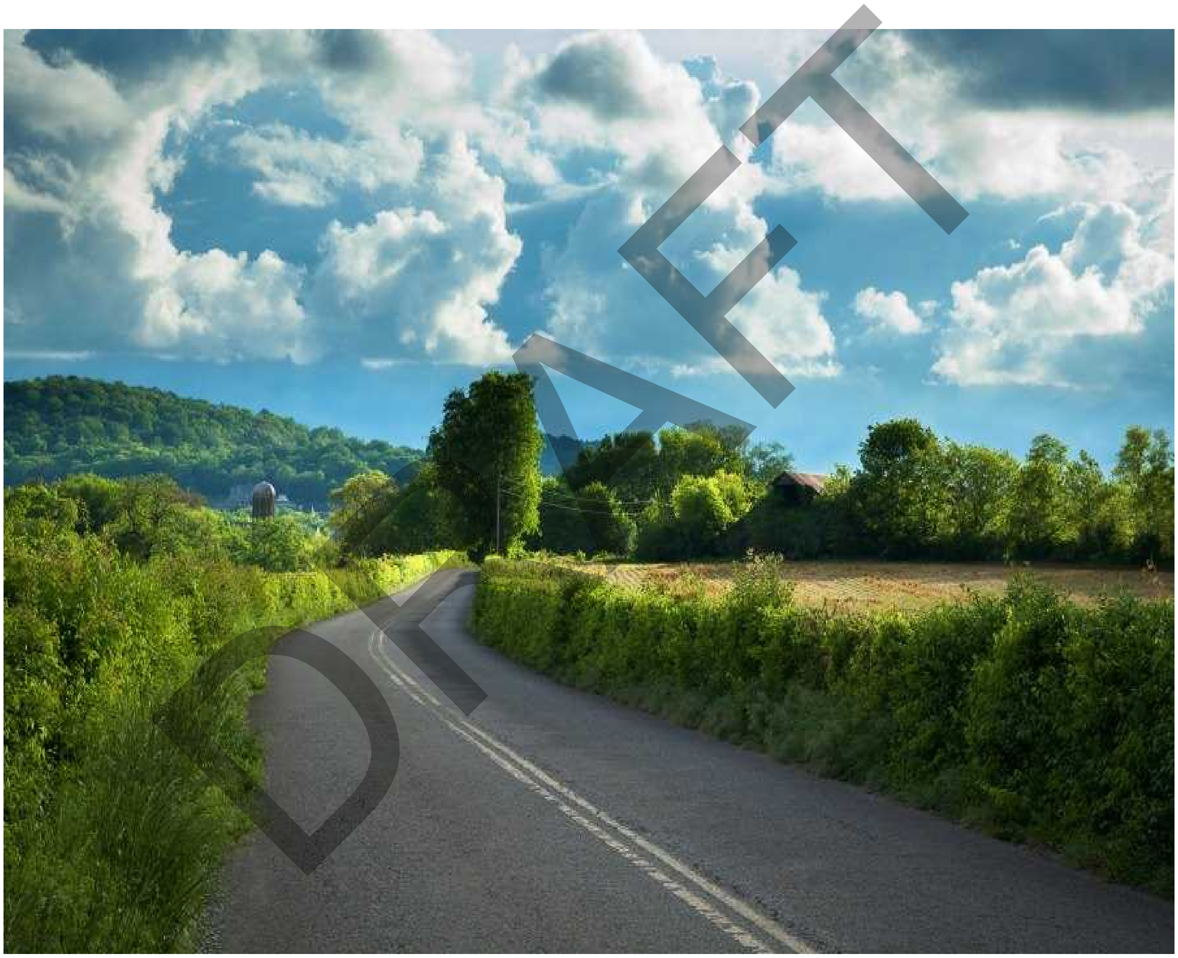
____
Matthew Lahiff
General Manager – Franklin Marriott Cool Springs

____
Kristin Lamb
Accounting Manager – Franklin Marriott Cool Springs

____
Randy Hansen
Regional Controller – Chartwell Hospitality

City of Franklin, Tennessee

Comprehensive Annual Financial Report



Picture Credit to Michael Wessner

For the Fiscal Year Ended June 30, 2020

CITY OF FRANKLIN, TENNESSEE

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED

JUNE 30, 2020

Prepared by:

City of Franklin
Department of Finance

CITY OF FRANKLIN, TENNESSEE
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

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HISTORIC
FRANKLIN
TENNESSEE

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ADMINISTRATION

HISTORIC
FRANKLIN
TENNESSEE

Dr. Ken Moore
Mayor

Eric S. Stuckey
City Administrator

December 8, 2020

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

State law requires that all general-purpose local governments publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with U.S. generally accepted accounting principles (GAAP). Pursuant to that requirement, we hereby issue the comprehensive annual financial report of the City of Franklin, Tennessee for the fiscal year ended June 30, 2020.

This report consists of management's representations concerning the finances of the City of Franklin. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the City of Franklin has established a comprehensive internal control framework designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City of Franklin's financial statements in conformity with GAAP. Because the costs of internal controls should not outweigh their benefits, the City of Franklin's comprehensive framework of internal controls is designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

Crosslin, PLLC, a firm of licensed certified public accountants, has audited the City of Franklin's financial statements. The goal of the independent audit was to provide reasonable assurance that the basic financial statements of the City of Franklin for the fiscal year ended June 30, 2020, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City of Franklin's financial statements for the year ended June 30, 2020 are fairly presented in all material respects in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The City of Franklin's MD&A can be found immediately following the report of the independent auditor.

Profile of the government

The City of Franklin, incorporated in 1799, is located in Middle Tennessee. The local economy is a well-balanced blend of financial, agricultural, wholesale, retail, manufacturing, and service industries. No single industry is critical to the region's economy. The City covers an area of 43 square miles, and serves a population of 70,908 according to the 2017 special census. The City is one of the fastest growing municipalities in the State of Tennessee, with the population increasing by 13% since the 2010 census. The City is empowered to levy both real and personal properties located within its boundaries. In addition, it is empowered by State statute to extend its corporate limits by annexation, which occurs periodically when deemed appropriate by the governing board and upon request of the property owner.

The City has operated under a Mayor/Board of Aldermen form of government under State charter since 1903. Policy-making and legislative authority are vested in a governing board consisting of the Mayor and eight other members (Aldermen). The

Board is responsible for, among other things, passing ordinances, adopting the budget, appointing committees, and hiring the government's Administrator. The Administrator's responsibilities include carrying out the policies and ordinances of the governing board, preparing an annual budget, and overseeing the day-to-day operations of the government. The Board is elected on a non-partisan basis. Board members serve four year staggered terms, with four Aldermen elected at large and the remaining four elected by ward two years later. The Aldermen elected by wards must live within the ward they represent. The Mayor also serves a term of four years.

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

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

Three meetings of the full board and a public hearing are necessary for approving the budget. The legal level of budgetary control, the level at which management cannot overspend the without the approval of the governing body, is the fund level. Although the legal level of budgetary control is at the fund level, the budget is prepared by fund, function, and department. Additional appropriations in a fund have three readings by the Board, one of which is a public hearing. Budget-to-actual comparisons are provided within this report for each individual governmental fund for which a budget has been adopted. For the General Fund and Road Impact Fund, this comparison is presented on pages 30-31 as part of the basic financial statements. For the other governmental funds with appropriated annual budgets, the comparisons are presented beginning on page 96.

Local economy

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

Since the 1991 opening of the Cool Springs Galleria, one of Tennessee's largest retail-shopping facilities with over one million square feet, the mall area has continued to develop with over 150 stores and restaurants. It is anchored by Belk, Dillard's, JCPenney, and Macy's. There has been expansion to the Belk store, as well as the arrival of the Cheesecake Factory, American Girl, H&M, and Sephora. Like other businesses, the mall was closed during the first of the COVID-19 pandemic but reopened in May 2020.

Sufficient vacant property, zoned for retail use, is available for further development. According to the Williamson County Economic Dashboard – April 2020, the area has a low commercial vacancy rate of 16.4% with new "Class A" office space continuing to be developed. The surrounding road network has been vastly improved with many of the upgrades at developer cost.

Several well-known corporations have their national, regional, or state headquarters in Franklin; among them are: Community Health Systems, Nissan North America, Mars Petcare, Tivity Health, eviCore Healthcare, Medhost, Jackson National Life, Franklin American Mortgage, Premise Health, Schneider Electric, Ramsey Solutions, Mitsubishi Motors North America, Medacta USA, Acadia Healthcare, Parallon Business Solutions, CKE Restaurants, Iasis Healthcare, Capella Healthcare, and Lutheran Health Network.

Long-term financial planning and major initiatives

In FY 2019, the governing body completed the second review of its ten-year capital investment plan (CIP). The ultimate intent of this 10-year CIP (FY 2019-2028) is to match available funding with needed projects and to highlight any funding shortfalls. Staff compiled a comprehensive list of projects anticipated within the next ten (10) years and scored these projects using objective questions based on the City's strategic plan, **Franklin*Forward***. The projects were then listed in the following project tiers: Top 25%, Top 50%, Bottom 50%, and Bottom 25%. Ultimately, the Board selected the projects to be funded in the initial phase of the 10-year CIP. The Board funded projects were referred to as "5-star" high priority projects. The CIP document will be continually adjusted every two years to reflect the Board's final decisions. In the first CIP, FY 2017-2026, the governing body prioritized the nine (9) projects for funding. These projects were funded in the original 2020 budget.

1. East McEwen (Phase IV)
2. East / Southeast Multipurpose Park
3. Sidewalk "Gaps"
4. Fire Station 7
5. Franklin Road Improvements
6. Goose Creek Interchange Lighting
7. Major Street Resurfacing
8. Public Safety Communications System
9. Mallory Station / Royal Oaks / Liberty Pike Intersection Improvements (Phase 1)

During FY2020, the governing body amended the budget to approve funding for twenty-two (22) additional projects. These projects were included in the FY 2019-2028 CIP:

1. Southeast Park (Phase 1)
2. Long Ln and Old Peytonsville Rd Connector
3. Bicentennial Park
4. 5th Ave Parking Lot
5. Mallory/N. Royal Oaks & Liberty Pike Intersection Improvements
6. Greenway & Bridge (Harlinsdale to Chestnut Bend)
7. Lockwood Glen Park
8. Jordan Road (Aspen Grove Dr-Mallory Ln)
9. Lewisburg Ave Sidewalk Improvements
10. FSSD (Freedom Middle/Poplar Grove)
11. Maplewood Stormwater Project
12. Liberty Pike Improvements
13. Main Barn, Harlinsdale
14. Eastern Flank Circle Road
15. Greenway Aspen Grove Park to Mack Hatcher
16. McEwen Drive Interchange Modifications
17. Church St. (Columbia to 2nd Ave S.)
18. Pratt Ln Bridge Replacements
19. USACE - Home Raising Project
20. West Main Bridge Widening Project
21. Thompson Alley Neighborhood Park
22. Main St. Sidewalk Repair Project

All told, the City of Franklin planned to spend over $41 million in FY 2020 working on approved capital projects.

In addition, construction continued in earnest during FY 2020 of the third leg of the loop around Franklin, Mack Hatcher NW, funded primarily by the State of Tennessee.

The City will review its available resources for ongoing capital investment in light of the COVID-19 pandemic during FY 2021.

Relevant financial policies

The City has adopted financial policies related to investments, General Fund reserves, debt management, tax compliance on debt, utilization of reserve funds, pension funding, cash receipting, and disbursements. The investment policy, updated in December 2011, provides for the primary objectives, in order of priority, of investment activities of non-pension funds shall be safety, liquidity, and return. The reserve policy established an emergency and cash flow reserve of a minimum of 33% of budgeted General Fund expenditures (which is $26.2 million in 2020). As of September 2014, the reserve policy also includes a capital funding reserve for fund balance in excess of 45% of budgeted General Fund expenditures (which is $15.8 million in 2020). The debt policy provides written guidance and restrictions for the amount and type of debt the City will issue, the issuance process, and the management of the debt portfolio. In August 2012, the City adopted a policy for the utilization and replacement of committed funds. In October 2014, the City adopted a pension funding policy. The City also adopted a cash receipting policy in November 2014. In fiscal year 2017, the City adopted a disbursements policy, approved documentation of its internal controls, and closed its books within 60 days of fiscal year end. In fiscal year 2018, policies relating to travel, purchasing, disbursements and human resources were updated. In fiscal year 2019, a capital asset policy was approved. In fiscal year 2020, a grant policy was approved and the Human Resources Manual was revised. Also, policies relating to purchasing, vendor protest procedures, alternative payments, and investments were updated.

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

Awards and acknowledgments

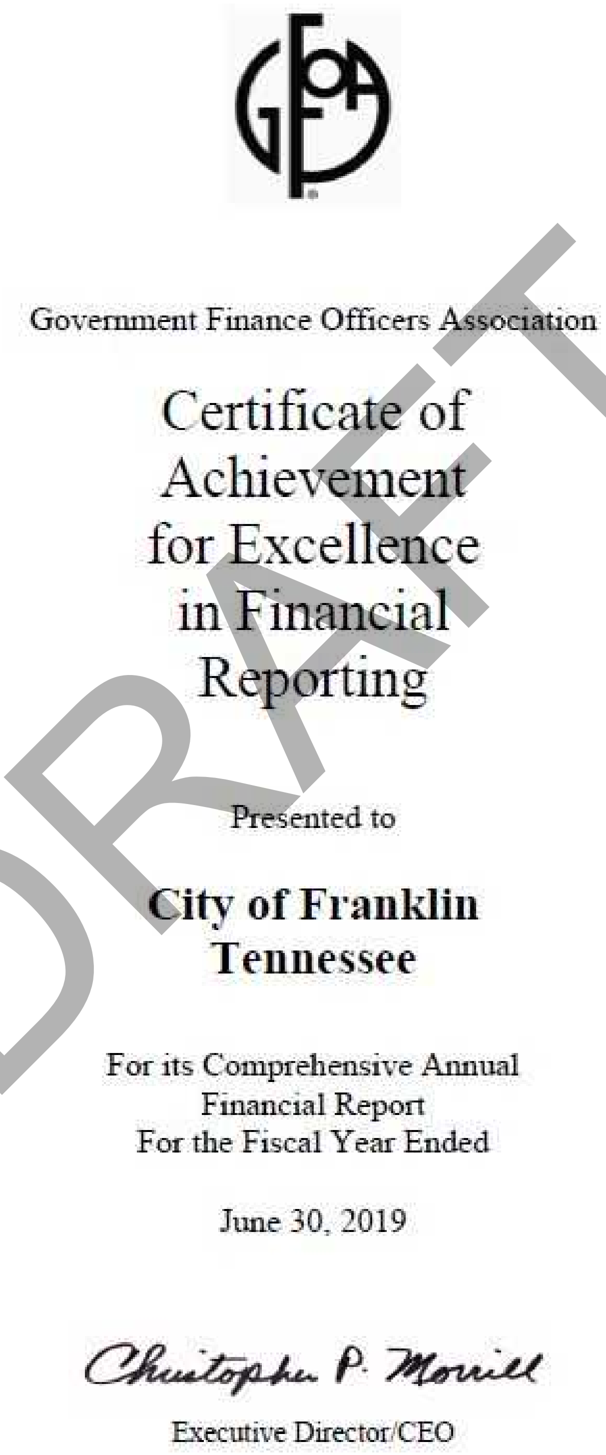
The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Franklin for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2019. This was the twenty-ninth (29th) consecutive year that the government received this prestigious award. In order to be awarded a Certificate of Achievement, the government is required to publish an easily readable and efficiently organized CAFR. This report satisfies both GAAP and applicable legal requirements. The Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to GFOA to determine its eligibility for another certificate.

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

Respectively submitted,

Eric S. Stuckey
City Administrator

CITY OF FRANKLIN, TENNESSEE
GFOA CERTIFICATE OF ACHIEVEMENT



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

City of Franklin
Tennessee

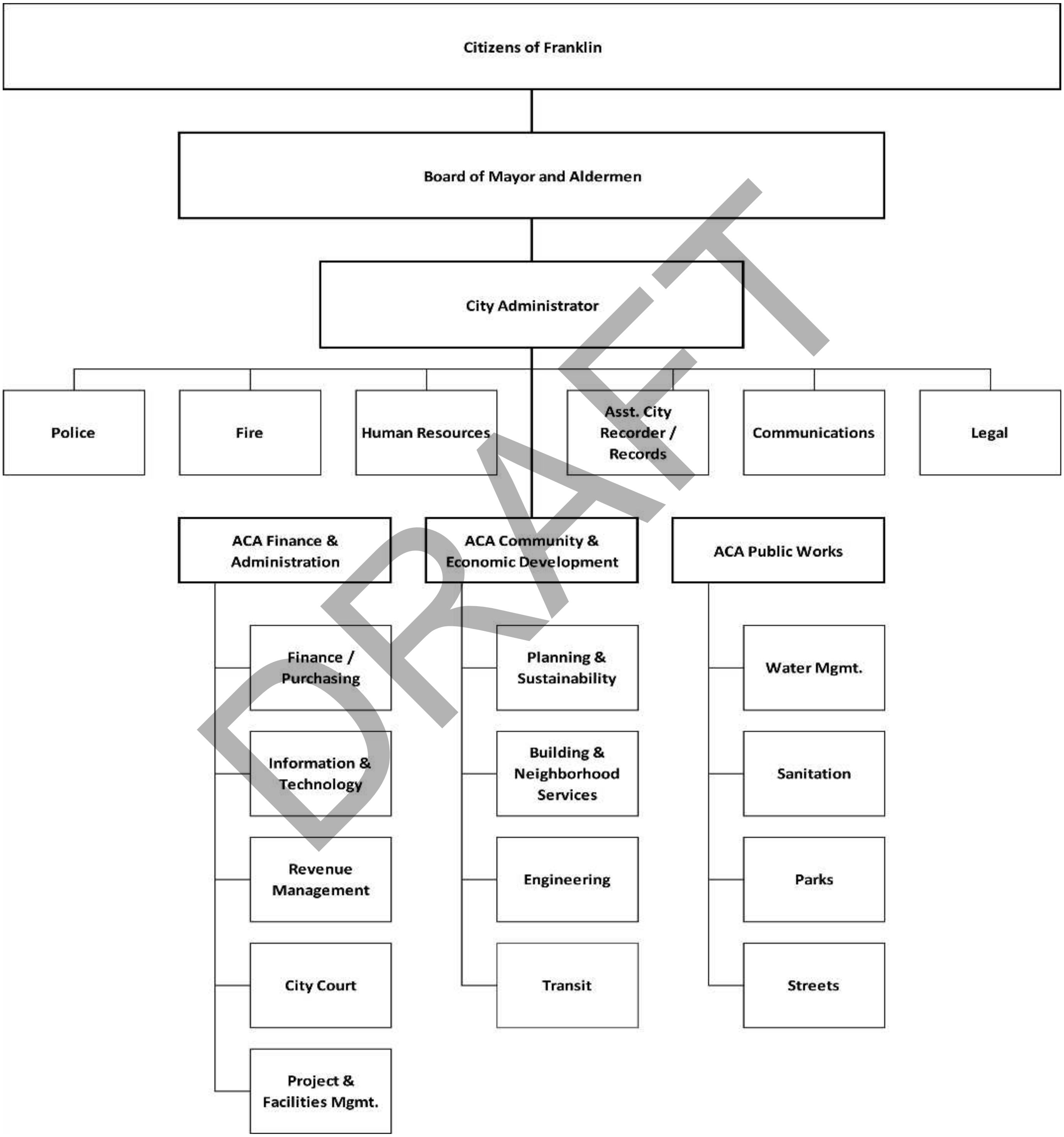
For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2019

Christopher P. Morrill
Executive Director/CEO

CITY OF FRANKLIN, TENNESSEE
ORGANIZATIONAL CHART

FOR THE FISCAL YEAR ENDED JUNE 30, 2020



CITY OF FRANKLIN, TENNESSEE
LIST OF ELECTED AND APPOINTED OFFICIALS
JUNE 30, 2020

Elected Officials

Mayor	Dr. Ken Moore
Alderman – 1st Ward	Beverly Burger
Alderman – 2nd Ward (Vice-Mayor)	Dana McLendon
Alderman – 3rd Ward	Scott Speedy
Alderman – 4th Ward	Margaret Martin
Alderman – At Large	Clyde Barnhill
Alderman – At Large	Brandy Blanton
Alderman – At Large	Pearl Bransford
Alderman – At Large	Ann Petersen

Appointed Officials

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

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FINANCIAL SECTION

HISTORIC
FRANKLIN
TENNESSEE

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CROSSLIN
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR’S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Franklin, Tennessee (the “City”) as of and for the year ended June 30, 2020, (except for the Fiduciary Pension Fund, which is as of December 31, 2019 and for the year then ended) and the related notes to the financial statements, which collectively comprise the City’s basic financial statements as listed in the table of contents.

Management’s Responsibility for the Financial Statements

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

Auditor’s Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity’s preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Franklin, Tennessee, as of June 30, 2020 (except for the Fiduciary Pension Fund which is as of December 31, 2019), and the respective changes in financial position, and, where applicable, cash flows thereof and the budgetary comparison for the general fund and road impact fee fund for the year then ended (except for the Fiduciary Pension Fund, which is for the year ended December 31, 2019), in accordance with accounting principles generally accepted in the United States of America.

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Other Matters

The financial statements of the City include summarized prior-year comparative information. Such information does not include all of the information required or sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the City's financial statements for the year ended June 30, 2019, from which the summarized information was derived. We have previously audited the City's 2019 financial statements, and we expressed an unmodified opinion on those statements in our report, dated December 10, 2019. In our opinion, the summarized comparative information presented herein as of and for the year end June 30, 2019, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 9 through 17, the schedule of changes in total OPEB liability and related ratios on page 85, the schedule of changes in the net pension liability and related ratios – pension plan on pages 86 and 87, the schedule of employer contributions - pension plan on pages 88 and 89, and the schedule of investment returns - pension plan on page 90 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Franklin, Tennessee's basic financial statements. The introductory section, combining and individual fund financial statements and schedules as listed in the table of contents, the schedules on pages 109 through 119 and 144 through 148, and the statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedules of expenditures of federal awards and state financial assistance are presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and the State of Tennessee and are also not a required part of the basic financial statements.

The combining and individual fund financial statements and schedules, the supplementary schedules on pages 109 through 116 and 146, and the schedules of expenditures of federal awards and state financial assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules, the supplementary schedules on pages 109 through 116 and 146, and the schedules of expenditures of federal awards and state financial assistance are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory section, the schedules on pages 144 through 145 and pages 147 through 148, and the statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

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Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 8, 2020, on our consideration of the City of Franklin, Tennessee's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Franklin, Tennessee's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Nashville, Tennessee
December 8, 2020

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CITY OF FRANKLIN, TENNESSEE
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2020

As management of the City of Franklin, Tennessee (the City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2020. Management's Discussion and Analysis (MD&A) focuses on current year activities and resulting changes. We encourage readers to consider the information presented here in conjunction with the Letter of Transmittal, which can be found on pages iii through vi of this report, and in conjunction with the basic financial statements, starting on page 20 of this report.

Financial Highlights

- **COVID-19.** The City and its residents felt the impact of the public health crisis. Operations of the City had to change to respond to the emergency. Fire and police personnel responded to COVID-19 related calls. City staff transitioned to remote work where possible as City facilities were closed at the start of the pandemic. As of this report, City facilities are open but with reduced in-person staffing. Expenses for personal protection equipment, social distancing, and remote work were necessary. Public meetings of the City were help electronically as allowed by the State of Tennessee. Prior to March 2020, revenues were trending upward. From March through June 2020, revenues such as sales tax and hotel/motel tax declined. However, development revenues like road impact fees and facilities taxes continued strong during the period.

- **Net Position**. The assets and deferred outflows of resources of the City of Franklin exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by $867,254,939, compared to $824,606,260 in the previous fiscal year. Of this amount, $77,146,934 (unrestricted net position) may be used to meet government's ongoing obligations to citizens and creditors.

- **Fund Balances**. At the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of $146,878,940. In the prior year, this amount was $148,433,320. The decrease of $1,554,380 is due primarily to the impact of COVID-19 and use of bond proceeds.

- **General Fund – Fund Balance**. At the end of the current fiscal year, fund balance in the General Fund is $53,216,286, or 76% of General Fund expenditures (including transfers to other funds) of $69,942,268. The fund balance increased $14,312 from the prior year. The primary impacts on the fund balance in 2020 are decreased revenue and cost containment measures implemented to stay within the reduced revenues.

- **Budget**. The City's 2020 original General Fund budget had a draw of $2,345,485 from accumulated fund balance. Although the final budget anticipated a draw of $7.3 million, actual results showed a slight increase in fund balance of $14,312.

- **Capital Assets**. The City continued working on several infrastructure projects including major road resurfacing, Public Safety Communication System, Fire Station 7, Henpeck Lane sewer improvements, and wastewater plan improvements.

- **Debt**. The City's debt (bonds and bond premiums) increased by $28,100,310 (from $217,534,329 to $245,634,639) during the current fiscal year. There was $78,814,933 in new bonds, loans, and premiums. A total of $49,602,930 ($45,245,000 governmental and $4,357,930 business-type) debt was repaid or refunded and $1,111,693 premium was amortized during the year.

Overview of the Financial Statements

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

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

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

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

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

The *government–wide financial statements* can be found on pages 20 through 23 of this report.

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

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

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

The City maintains fourteen (14) individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Road Impact Fee Fund, Debt Service Fund, and the Multi-Purpose Capital Project Fund, which are considered to be major funds. Data from the other nonmajor governmental funds is combined into a single, aggregated presentation in the form of combining statements on pages 94 and 95 of this report.

The City of Franklin, Tennessee adopts an annual appropriated budget for its General Fund, Special Revenue Funds, and Debt Service Fund. A budgetary comparison has been provided for the General Fund on pages 30 through 37, Road Impact Fee Fund on page 38, special revenue funds (excluding Road Impact Fee Fund) on pages 96 through 105, and the Debt Service Fund on page 106 to demonstrate compliance.

The *basic governmental fund financial statements* can be found on pages 24 through 29 of this report.

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

Proprietary funds provide the same type of information as the government–wide financial statements, only in more detail. The proprietary fund financial statements provide information for the Water and Sewer Fund, which is considered to be a major fund. The *basic proprietary fund financial statements* can be found on pages 39 through 42 of this report.

Fiduciary Funds. A fiduciary fund is used to account for resources held for the benefit of parties outside the government. The City uses a fiduciary fund to account for the City of Franklin Employees' Pension Plan (closed plan). The fiduciary fund is not reflected in the government–wide financial statements because the resources of these funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used in proprietary funds. The *fiduciary fund financial statements* can be found on pages 43 through 44 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government–wide and fund financial statements. The notes to the financial statements can be found on pages 45 through 83 of this report.

CITY OF FRANKLIN, TENNESSEE
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2020

Other information. In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information concerning the City's progress in funding its obligation to provide pension and OPEB benefits to its employees. Required supplementary information can be found on pages 85 through 90 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information on pension and OPEB. Combining and individual fund statements and schedules can be found on pages 93 through 106 of this report.

Government–wide Overall Financial Analysis

As noted earlier, net position over time may serve as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows exceeded liabilities and deferred inflows by $867,254,939 at the close of the most recent fiscal year.

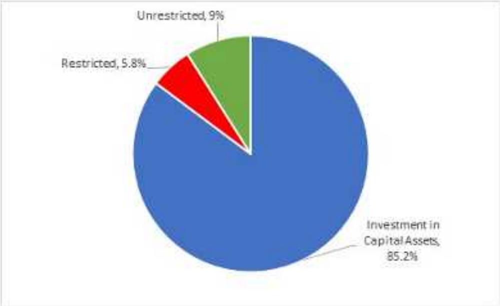
City of Franklin's Net Position

	Governmental Activities		Business-Type Activities		Total	
	2020	**2019**	**2020**	**2019**	**2020**	**2019**
Current and other assets	$ 190,927,931	$ 190,338,333	$ 60,679,468	$ 50,984,530	$ 251,607,399	$ 241,322,863
Capital assets, net of accumulated depreciation	684,929,103	660,516,371	261,639,169	215,230,796	946,568,272	875,747,167
Total assets	875,857,034	850,854,704	322,318,637	266,215,326	1,198,175,671	1,117,070,030
Deferred outflows of resources	26,886,652	35,928,607	4,104,848	5,230,749	30,991,500	41,159,356
Current and other liabilities	18,156,506	16,182,342	11,575,568	5,238,218	29,732,074	21,420,560
Long-term liabilities outstanding	213,597,143	233,691,060	92,154,445	57,359,355	305,751,588	291,050,415
Total liabilities	231,753,649	249,873,402	103,730,013	62,597,573	335,483,662	312,470,975
Deferred inflows of resources	25,685,069	20,960,058	743,502	192,093	26,428,571	21,152,151
Net position:						
Net investment in capital assets	561,927,784	533,143,572	176,897,094	201,593,849	738,824,878	734,737,421
Restricted	40,400,685	42,855,983	10,882,442	10,181,496	51,283,127	53,037,479
Unrestricted	42,976,500	39,950,296	34,170,434	(3,118,936)	77,146,934	36,831,360
Total net position	$ 645,304,969	$ 615,949,851	$ 221,949,970	$ 208,656,409	$ 867,254,939	$ 824,606,260

The government's net position increased by $42,648,679. A portion of the increase is attributed to the acquisition of capital assets (less depreciation and new debt). A significant portion of the remaining increase is from development-related activity revenues that continued steadily during the pandemic and controlled spending to reduce expenses during the COVID-19 period.

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

By far, the largest portion of the City's net position, $738,824,878, or 85.2%, reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment), less the portion of related debt outstanding used to acquire those assets. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be liquidated to repay these liabilities. A portion of the City's net position, $51,283,127, or 5.8%, represents resources that are subject to external restriction on how they may be used. The remaining balance of $77,146,934, or 9.0%, is unrestricted net position that may be used to meet the government's ongoing obligations to citizens and creditors.



Governmental and business-type activities increased the City's net position by $29,355,119 and $13,293,561, respectively. Key elements of this increase are as follows:

City of Franklin's Changes in Net Position

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Revenues						
Program revenues:						
Charges for services	$ 15,534,906	$ 15,433,920	$ 32,254,195	$ 31,626,191	$ 47,789,101	$ 47,060,111
Operating grants & contributions	3,810,803	3,193,791	-	-	3,810,803	3,193,791
Capital grants & contributions	26,519,429	24,468,694	9,027,798	9,269,803	35,547,227	33,738,497
General Revenues:						
Property taxes	20,084,308	19,031,452	-	-	20,084,308	19,031,452
Sales taxes	35,453,379	36,168,178	-	-	35,453,379	36,168,178
Other taxes and fees	43,979,564	40,728,490	1,346,001	1,273,512	45,325,565	42,002,002
Other	4,682,564	2,217,556	3,410	(188,483)	4,685,974	2,029,073
Total revenues	150,064,953	141,242,081	42,631,404	41,981,023	192,696,357	183,223,104
Expenses:						
General government:						
Elected officials	358,690	290,502	-	-	358,690	290,502
Administration	1,313,132	1,074,343	-	-	1,313,132	1,074,343
Human resources	1,373,293	1,292,914	-	-	1,373,293	1,292,914
Legal	560,168	770,499	-	-	560,168	770,499
Communications	373,353	404,136	-	-	373,353	404,136
Project & facilities management	1,201,740	1,210,030	-	-	1,201,740	1,210,030
Revenue management	164,454	233,289	-	-	164,454	233,289
Finance	953,767	931,609	-	-	953,767	931,609
Information & technology	4,553,022	4,952,583	-	-	4,553,022	4,952,583
Purchasing	269,962	227,691	-	-	269,962	227,691
Court	287,357	213,302	-	-	287,357	213,302
Building & neighborhood services	3,154,457	3,037,683	-	-	3,154,457	3,037,683
Planning	1,429,692	1,549,808	-	-	1,429,692	1,549,808
Engineering	1,507,041	1,344,905	-	-	1,507,041	1,344,905
Traffic operations center	1,085,967	922,142	-	-	1,085,967	922,142
General	6,392,927	6,353,001	-	-	6,392,927	6,353,001
Police	18,484,182	17,637,337	-	-	18,484,182	17,637,337
Fire	20,499,375	19,239,506	-	-	20,499,375	19,239,506
Parks	6,906,698	6,137,924	-	-	6,906,698	6,137,924
Streets-maintenance	26,807,866	26,416,613	-	-	26,807,866	26,416,613
Streets-traffic	1,744,863	1,519,505	-	-	1,744,863	1,519,505
Streets-fleet	931,275	849,701	-	-	931,275	849,701
Sanitation	10,211,325	9,040,276	-	-	10,211,325	9,040,276
Storm water	2,728,992	2,465,549	-	-	2,728,992	2,465,549
Transit	2,566,793	2,405,778	-	-	2,566,793	2,405,778
Interest expense on long-term debt:	4,484,444	5,281,715	-	-	4,484,444	5,281,715
Water & sewer:	-	-	29,702,843	29,846,225	29,702,843	29,846,225
Total expenses	120,344,835	115,802,341	29,702,843	29,846,225	150,047,678	145,648,566
Income before transfers	29,720,118	25,439,740	12,928,561	12,134,798	42,648,679	37,574,538
Transfers	(364,999)	200,000	365,000	(200,000)	1	-
Changes in net position	29,355,119	25,639,740	13,293,561	11,934,798	42,648,680	37,574,538
Net position, beginning of year	615,949,851	590,310,111	208,656,409	196,721,611	824,606,260	787,031,722
Net position, end of year	$ 645,304,970	$ 615,949,851	$ 221,949,970	$ 208,656,409	$ 867,254,940	$ 824,606,260

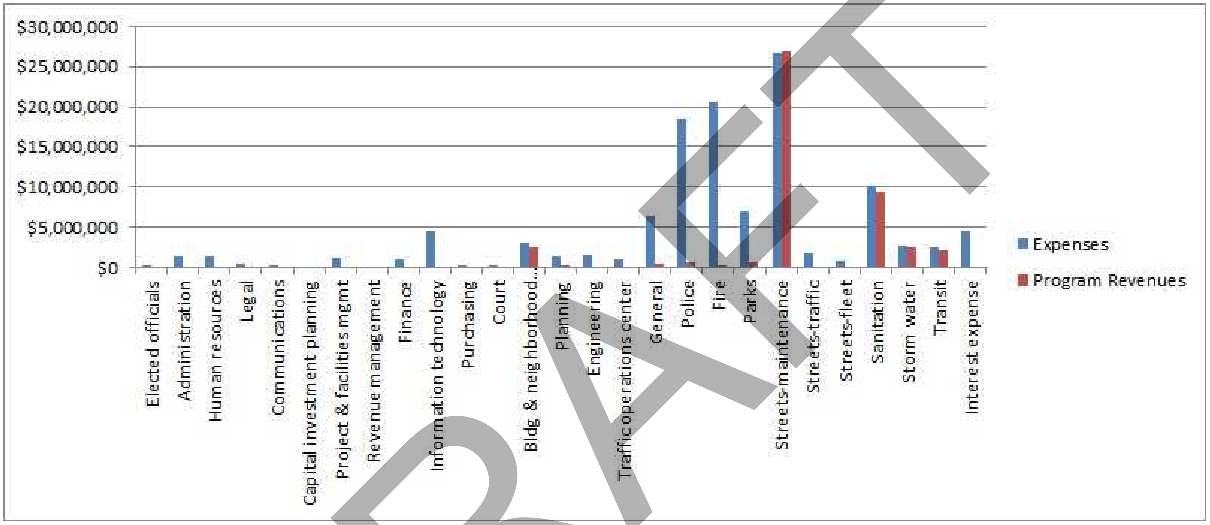
Governmental Activities

Revenues for governmental activities increased approximately 6.2% due to several factors including additional grants, property tax, and development fees. The overall increase in current expenses of governmental activities amounted to approximately 3.9%. A significant portion of the increase is due to capital activity in 2020 related to streets, fire, police, parks, and sanitation.

Business-Type Activities

Revenues for business-type activities increased 1.5%. The primary factor underlying the increase was planned rate increases and interest income revenue in 2020 compared to 2019. Expenses of the business-type activities increased approximately 0.5%.

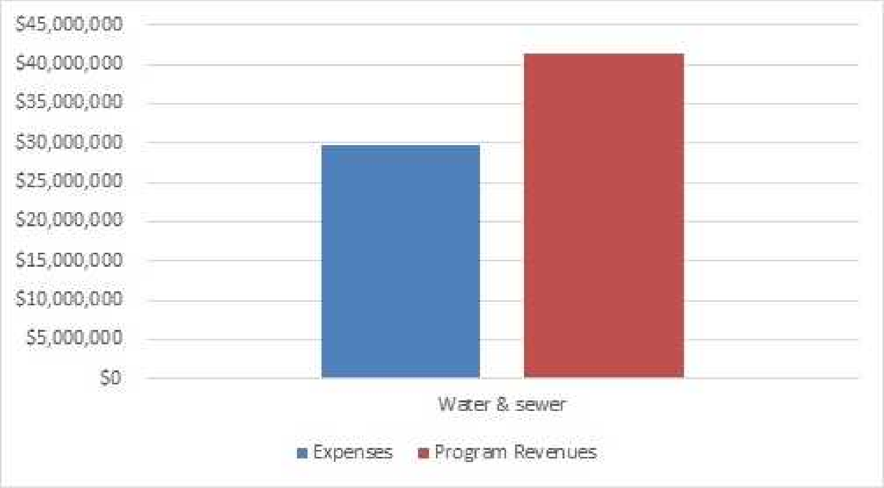
Expenses and Program Revenues – Governmental Activities



Governmental Activities

Expenses for governmental activities was $120,344,836. Expenses were offset by $45,865,138 in program revenues. The remainder of $74,479,698 was covered by $104,199,815 in general revenues such as property, sales, and other taxes and $(364,999) net to the Water and Sewer fund for utility work on Henpeck Lane less its portion of the public works facility and other utility related expenses from the 2019-2028 CIP. The amount of $29,355,119 represents the improvement in net position in 2020.

Expenses and Program Revenues – Business-type Activities



Business-Type Activities

Expenses for business-type activities was $29,702,843. Expenses were offset by $41,281,993 in program and general revenues. (Program revenues include $32.3 million in charges for services). There is also the net $365,000 transfer mentioned above and $1,349,411 in other income. The amount of $13,293,561 represents the improvement in net position in 2020.

Financial Analysis of Governmental Funds

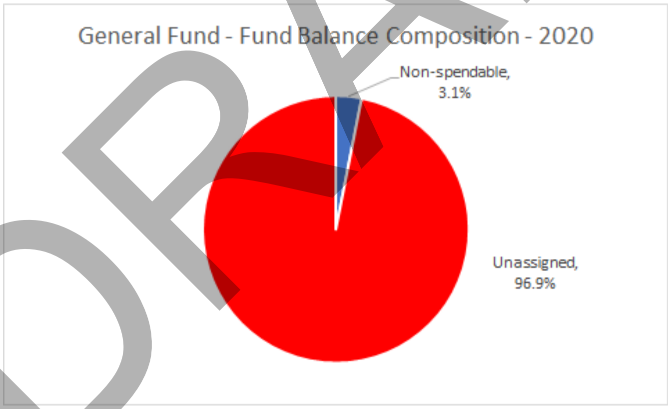
As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance related legal requirements.

Governmental Funds

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

At June 30, 2020, the City's governmental funds reported combined ending fund balances of $146,878,940, a decrease of $1,554,380 in comparison with the prior year of $148,433,320. The decrease is due primarily to revenue reductions caused by COVID-19 and work on capital projects.

The General Fund is the chief operating fund of the City. The 2020 ending fund balance of $53,216,286 has the following composition: An amount of $1,624,813, or 3.1%, is non-spendable for inventory and prepaid items. The remainder of $51,591,473, or 96.9%, is unassigned. (Additional information on fund balance can be found in the notes to the financial statements on page 80).



The most significant continuing revenue sources in the General Fund are derived from taxes. Of total General Fund revenues, $48,399,112, or 69.2%, was from taxes. Local option sales tax decreased by $714,799 (from $36,168,178 to $35,453,379). The decrease in local option sales tax is a sign of the economic impact of COVID-19 in the region. This revenue has been the City's most significant due to the retail success in the Cool Springs area and continued growth of commercial properties, including new corporate and regional headquarters in the area. Property taxes for the General Fund decreased by $1,430,266 (from $9,318,972 to $7,888,706) as more was allocated to the debt service fund.

The Debt Service Fund, which receives property taxes for debt previously paid by the General Fund, and transfers from the Sanitation Fund, Road Impact Fund, and Hotel/Motel Tax Fund for their portion of debt, had a fund balance of $804,607. This amount is higher than normal with the City's goal in 2021 to reduce back to a minimal year-end balance after paying annual debt service.

Now a major fund in 2020, the Road Impact Fee Fund had another strong year of collection and ended with a fund balance of $22,442,977. The Facilities Tax Fund saw its fund balance decrease from $15,091,277 to $10,694,849. Over $6,000,000 was spent from the fund for growth-related capital expenditures in the fire ($5,828,280), parks ($25,871), and sanitation ($180,540) departments. Funding of construction on the new fire station in the Goose Creek area is included in the fire expenditures from this fund.

The Multi-Purpose Capital Project Fund had a decrease in fund balance from $35,931,258 to $34,491,104 as a result of expenses related to ongoing capital projects.

In the Hotel/Motel Tax Fund, the fund balance decreased due primarily to reduced collections from less travel during the pandemic. The fund balance decreased from $7,671,058 to $7,503,829. The County Facilities Tax Fund, established in 2017 with prior year county facilities taxes received by the City, had a decrease in fund balance from $3,958,958 to $3,673,984 due to a transfer to the water/sewer fund for utility work on Henpeck Lane.

Budgetary Highlights

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

Original budget compared to final budget
The original and final budgets (both including transfers to other funds) for budgeted funds are as follows:

Fund	Original Budget	Final Budget	Change
General	$ 73,789,465	$ 79,517,649	$ 5,728,184
Street Aid	$ 3,800,600	$ 4,050,600	$ 250,000
Sanitation	$ 10,852,262	$ 11,002,262	$ 150,000
Road Impact	$ 5,710,869	$ 8,051,285	$ 2,340,416
Facilities Tax	$ 8,215,322	$ 9,699,264	$ 1,483,942
County Facilities Tax	$ 1,285,000	$ 1,285,000	$ 0
Storm Water	$ 5,110,229	$ 5,110,229	$ 0
Drug	$ 134,900	$ 134,900	$ 0
Hotel/Motel	$ 2,501,742	$ 3,654,014	$ 1,152,272
Parkland Dedication	$ 0	$ 1,526,508	$ 1,526,508
Transit	$ 3,128,060	$ 4,128,060	$ 1,000,000
CDBG	$ 251,000	$ 319,000	$ 68,000
Debt Service	$ 15,455,385	$ 17,955,385	$ 2,500,000
	$ 130,234,834	$ 146,434,156	$ 16,199,322

The original General Fund budget was $73,789,465. The final budget (including transfers) was increased by $5,728,184 to $79,517,649. During the year, the budget was amended to include $1,750,000 for the 96W Trail project, $1,000,000 to ensure the Transit fund was not in a deficit fund balance or cash balance position, $825,000 for communication system improvements, $380,000 for reimbursement to the Road Impact and Parkland Dedication Funds of fees for an affordable senior housing project, $136,725 for miscellaneous projects, and $100,000 intersection signalization improvements.

Final budget compared to actual results
In the General Fund, the final budget (including transfers) of $79.5 million anticipated $72.2 million in current revenues and a $7.3 million allocation from fund balance. Actual results showed an increase in fund balance of $14,312.

Actual revenues were almost $70 million. This was $2.2 million less than anticipated current revenues. The revenue was due primarily to decreased local sales tax collections between March and June 2020 at the onset of the COVID-19 pandemic.

In conjunction with the reduced revenue, the City finished the year with $69.9 million in expenditures (including transfers), or virtually breakeven with current revenues.

Capital Asset and Debt Administration

Capital Assets

The City of Franklin's investment in capital assets from its governmental and business-type activities as of June 30, 2020, is $946,568,272 (net of accumulated depreciation). This investment in capital assets includes land, buildings, machinery and equipment, park facilities, roads, highways and bridges.

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

	Governmental Activities	Business-Type Activities	Total
Land	$ 60,569,402	$ 5,923,524	$ 66,492,926
Construction in progress	32,857,721	69,512,474	102,370,195
Buildings and improvements	53,674,815	16,155,930	69,830,745
Improvements other than buildings	12,676,890	-	12,676,890
Utility plant in service	-	168,905,093	168,905,093
Infrastructure	503,567,157	-	503,567,157
Machinery & equipment	21,583,118	1,142,148	22,725,266
Total capital assets	$ 684,929,103	$ 261,639,169	$ 946,568,272

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

- The City's governmental activities received $24,946,237 in developer-contributed assets.
- Construction on Fire Station 7.
- Major road resurfacing on Liberty Pike, Cool Springs, Mallory Lane, N Royal Oaks, Cannon-Fair-Battle Streets.
- Feasibility study on a new City Hall.
- Jim Warren Park Tennis Court Improvements.
- Acquisition of right of way for Franklin Road Improvements.
- Battle Avenue Drainage Improvements.
- Design of Bicentennial Park Improvements.
- Design of Harlinsdale Park Path.
- Watson Branch Culvert Replacement.
- Design of Mallory Lane Improvements.
- Construction on Municipal Services Complex Improvements.
- Construction on Moores Lane to Cool Springs Sidewalk.
- Construction on Mallory Lane Phase 2 Sidewalk.
- Construction on Poplar Grove Sidewalk.
- Design on Sanitary Sewer Main Rehabilitation.
- Design of Jordan Road Improvements.
- Fire Training Center Burn Building Addition.
- Public Communication System.
- Work on Eastern Flank Battlefield Road.
- Construction continued on the Wastewater Reclamation Plant.
- Construction on Henpeck Lane Sewer Extension.
- South Prong Sewer.
- Advanced Metering Program continued.
- Design on Southeast Park.
- Design on Southeast Park Bridge.
- Construction on the East McEwen Drive Roundabout.

Additional information on the City of Franklin's capital assets can be found in the notes to the financial statements section of this report beginning on page 58.

Long-term Debt

At the end of the current year, the City of Franklin had bonded debt (including premiums) of $245,634,639. Of this amount, $160,358,676 comprises general obligation bonds backed by the full faith and credit of the government. Of the $85,275,963 of business-type activities debt, $73,468,950 is Revenue and Tax Bonds secured by both the taxing power of the City and specific revenue sources (i.e., revenue and tax bonds) of the Water & Sewer fund, and $11,807,013 is secured by Water and Sewer fund revenues.

City of Franklin's Outstanding Debt

		Governmental Activities		Business-Type Activities		Total
General Obligation Bonds - Capital *	$	156,053,676	$	-	$	156,053,676
General Obligation Bonds - Pension *		4,305,000		-		4,305,000
Revenue and Tax Bonds *		-		85,275,963		85,275,963
Total Outstanding Debt	$	160,358,676	$	85,275,963	$	245,634,639
* Includes unamortized premiums						

The City's debt (bonds and bond premiums) increased by $28,100,310 (from $217,534,329 to $245,634,639) during the current fiscal year.

There was $38,630,224 in new governmental debt. Water and Sewer had $40,184,709 in new debt (in state revolving fund loans). A total of $49,602,930 ($44,245,000 GO bonds-capital, $1,000,000 GO bonds-pension, and $4,357,930 business-type bonds) was repaid during the year. A total of $1,111,693 ($939,497 GO bonds-capital and $172,196 business-type bonds) in premiums were amortized during the year.

The City of Franklin maintains an "Aaa/AAA" Rating for general obligation debt. This rating was first received by Moody's in 2000 and last affirmed in November 2019 by both Moody's and Standard & Poor's. The most recent business-type debt issue backed by system revenues only was issued a rating by Moody's of Aa3 (its fourth highest rating) in February 2017. State statutes impose no debt limit on the amount of general obligation debt a governmental entity may issue. The City's debt policy establishes debt capacity ranges.

Additional information on the City of Franklin's long-term debt can be found in the notes to the financial statements section of this report beginning on page 73.

Economic Factors and Next Year's Budget and Rates

The unemployment rate (not seasonally adjusted) for June 2020 for the City of Franklin was 6.7%, compared to the State of Tennessee's rate of 10.1% and a national average of 11.2%. In addition to the unemployment rate, factors considered in preparing the City's budget for fiscal year 2021 included:

1. Reduction by the State of the Hall income tax from 2% to 1%. The rate will reduce an additional 1% each year until eliminated. The 2021 budget includes $250,000 for this revenue, a reduction from $500,000 in the 2020 budget. This limitation may significantly affect the availability of fund resources for future use.
2. The property tax rate for fiscal year 2021 of 41.76 cents per $100 of assessed value allows payment of debt service, streets maintenance, and funding for capital projects. The property tax rate remains unchanged from the previous year.
3. On February 6, 2018, voters in Williamson County approved by referendum an increase in the county-wide local option sales tax of 0.50%, from 2.25% to 2.75%. The tax became effective April 1, 2018. The City of Franklin entered into an interlocal agreement with Williamson County to contribute the City's portion of this tax increase for the purposes of funding school debt service for a period of three years. The City's General Fund will receive funds from the tax increase beginning May 2021.
4. Projections for Sales Taxes and Hotel/Motel Taxes were reduced due to the COVID-19 pandemic.

Requests for Information

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

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

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BASIC FINANCIAL STATEMENTS

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HISTORIC
FRANKLIN
TENNESSEE

CITY OF FRANKLIN, TENNESSEE
STATEMENT OF NET POSITION
JUNE 30, 2020
With Comparative Totals for the Fiscal Year Ended June 30, 2019

	Governmental Activities	Business-type Activities	Total	2019
ASSETS				
Cash and cash equivalents	$ 24,063,001	$ 5,309,690	$ 29,372,691	$ 16,405,505
Cash and cash equivalents-restricted	8,746,952	2,039,298	10,786,250	9,456,537
Investments	77,666,272	23,270,571	100,936,843	103,724,830
Investments-restricted	31,653,733	8,843,144	40,496,877	43,571,764
Receivables (net of allowance for uncollectibles)	41,680,089	19,730,353	61,410,442	60,497,879
Inventory	1,272,452	1,486,412	2,758,864	1,709,520
Prepaid items and other assets	418,202	-	418,202	430,022
Net pension asset (TCRS)	-	-	-	9,178
Net investment in joint venture - Conference Center	5,427,230	-	5,427,230	5,517,628
Capital assets, not being depreciated:				
Land	60,569,402	5,923,524	66,492,926	64,228,512
Construction in progress	32,857,721	69,512,474	102,370,195	39,365,142
Capital assets, net of accumulated depreciation				
Buildings and improvements	53,674,815	16,155,930	69,830,745	72,260,161
Improvements other than buildings	12,676,890	-	12,676,890	13,472,682
Utility plant in service	-	168,905,093	168,905,093	169,349,890
Infrastructure	503,567,157	-	503,567,157	494,543,508
Machinery and equipment	21,583,118	1,142,148	22,725,266	22,527,272
Total assets	875,857,034	322,318,637	1,198,175,671	1,117,070,030
DEFERRED OUTFLOWS OF RESOURCES				
Deferred charge on refundings	276,923	533,888	810,811	645,415
OPEB	9,641,375	1,314,734	10,956,109	13,695,136
Pensions	16,968,355	2,256,226	19,224,581	26,818,805
Total deferred outflows of resources	26,886,653	4,104,848	30,991,501	41,159,356

The accompanying notes are an integral part of this financial statements.
(Continued)

CITY OF FRANKLIN, TENNESSEE
STATEMENT OF NET POSITION (Cont.)
JUNE 30, 2020
With Comparative Totals for the Fiscal Year Ended June 30, 2019

	Governmental Activities	Business-type Activities	Total	2019
LIABILITIES				
Accounts payable	$ 12,290,935	$ 11,264,187	$ 23,555,122	$ 15,077,500
Accrued liabilities	3,561,298	-	3,561,298	3,406,699
Accrued interest payable	1,506,837	311,381	1,818,218	2,135,976
Unearned revenue	797,436	-	797,436	800,385
Long-term liabilities:				
Due within one year	14,118,624	4,948,696	19,067,320	18,856,591
Due in more than one year	156,611,247	81,360,358	237,971,605	209,356,567
Derivatives - interest rate swap	1,070	-	1,070	4,700,308
OPEB liability	18,368,316	2,504,771	20,873,087	20,233,120
Net pension liability	24,497,886	3,340,620	27,838,506	37,903,829
Total liabilities	231,753,649	103,730,013	335,483,662	312,470,975
DEFERRED INFLOWS OF RESOURCES				
Deferred charge on refunding	-	-	-	36,881
January 1, property tax levy	20,232,709	-	20,232,709	19,514,653
OPEB	1,125,421	153,465	1,278,886	1,598,608
Pension	4,326,939	590,037	4,916,976	2,009
Total deferred inflows of resources	25,685,069	743,502	26,428,571	21,152,151
NET POSITION				
Net investment in capital assets	561,927,784	176,897,094	738,824,878	699,398,403
Restricted for:				
State street aid	601,819	-	601,819	496,410
Sanitation use	1,000,240	-	1,000,240	1,922,723
Drug fund use	520,472	-	520,472	438,184
CDBG program use	113,066	-	113,066	100,451
Development	38,165,088	-	38,165,088	39,890,216
Water and sewer	-	10,882,442	10,882,442	10,180,317
Pensions	-	-	-	9,178
Unrestricted	42,976,500	34,170,434	77,146,934	72,170,378
Total net position	$ 645,304,969	$ 221,949,970	$ 867,254,939	$ 824,606,260

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

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CITY OF FRANKLIN, TENNESSEE
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

With Comparative Totals for the Fiscal Year Ended June 30, 2019

Program Revenues

Functions/Program:

Primary Government:

Governmental activities:

Functions/Program:	**Expenses**	**Charges for Services**	**Operating Grants and Contributions**	**Capital Grants and Contributions**	**Governmental Activities**	**Business-type Activities**	**Total**	**2019**
Police								
Fire								
Total governmental activities	120,344,836	15,534,320	3,810,803	26,519,429	(74,479,678)		(74,479,678)	(72,705,910)
Business-type activities:								
Water and sewer	29,702,843			9,027,798		11,579,150	11,579,150	11,049,769
Total primary government	$ 150,047,679	$ 26,647,101	$ 3,810,803	$ 35,547,227	$ (74,479,698)	$ 11,579,150	$ (62,900,548)	$ (61,656,167)

General revenues

Transfers

Total general revenues

Change in net position

Net position

CITY OF FRANKLIN, TENNESSEE
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2020

With Comparative Totals for the Fiscal Year Ended June 30, 2019

						Total Governmental Funds	
	General	Multi-Purpose Capital Project Fund	Road Impact Fee Fund	Debt Service Fund	Other Governmental	2020	2019
ASSETS							
Cash and cash equivalents	$ 18,735,412	$ 2,837,371	$ 4,158,755	$ 225,047	$ 6,853,368	$ 32,809,953	$ 20,650,025
Investments	29,540,422	32,764,031	18,201,831	576,725	28,236,996	109,320,005	120,283,429
Receivables (net of allowance for uncollectibles)	26,022,408	513,852	102,127	11,031,784	4,009,918	41,680,089	42,124,845
Inventory and prepaid	1,206,611	-	-	-	65,841	1,272,452	1,324,385
Prepaid items	418,202	-	-	-	-	418,202	430,022
Total assets	$ 75,923,055	$ 36,115,254	$ 22,462,713	$ 11,833,556	$ 39,166,123	$ 185,500,701	$ 184,812,706
LIABILITIES							
Accounts payable	$ 8,924,749	$ 1,287,100	$ 19,736	$ 401	$ 2,058,949	$ 12,290,935	$ 10,186,136
Accrued liabilities	3,561,298	-	-	-	-	3,561,298	3,406,699
Unearned revenue	524,691	-	-	-	272,745	797,436	800,385
Total liabilities	13,010,738	1,287,100	19,736	401	2,331,694	16,649,669	14,393,220
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenue-property tax-Jan. 1 levy	8,386,828	-	-	11,028,548	817,333	20,232,709	19,514,653
Unavailable revenue-property taxes	184,730	-	-	-	-	184,730	184,126
Unavailable revenue-assessments	53,762	-	-	-	-	53,762	53,762
Unavailable revenue-grant proceeds	384,782	337,050	-	-	-	721,832	1,391,234
Unavailable revenue-court fines	201,728	-	-	-	-	201,728	218,554
Unavailable revenue-franchise fees	484,201	-	-	-	-	484,201	495,542
Unavailable revenue-hotel/motel Tax	-	-	-	-	93,130	93,130	128,295
Total deferred inflows of resources	9,696,031	337,050	-	11,028,548	910,463	21,972,092	21,986,166
FUND BALANCES							
Non-spendable	1,624,813	-	-	-	65,841	1,690,654	1,754,407
Restricted	-	34,491,104	-	-	5,909,581	40,400,685	42,847,984
Committed	-	-	22,442,977	804,607	18,008,344	41,255,928	39,173,328
Assigned	-	-	-	-	11,940,200	11,940,200	13,175,194
Unassigned	51,591,473	-	-	-	-	51,591,473	51,482,407
Total fund balances	53,216,286	34,491,104	22,442,977	804,607	35,923,966	146,878,940	148,433,320
Total liabilities, deferred inflows of resources, and fund balances	$ 75,923,055	$ 36,115,254	$ 22,462,713	$ 11,833,556	$ 39,166,123	$ 185,500,701	$ 184,812,706

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

CITY OF FRANKLIN, TENNESSEE
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION

JUNE 30, 2020

With comparative Totals for the Fiscal Year Ended June 30, 2019

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

	2020		2019	
Fund balance - total governmental funds (Page 24)		$ 146,878,940		$ 148,433,320
Capital and other assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds				
Capital assets, at cost	972,352,724		928,422,063	
Less related accumulated depreciation	(287,423,621)		(267,905,692)	
Investment in joint venture - conference center	5,427,230		5,517,628	
Net pension asset	-	690,356,333	7,999	666,041,998
Receivables not available to pay for current expenditures and, therefore are unavailable in the funds				
Property taxes	184,730		184,126	
Assessments	53,762		53,762	
Franchise fees	484,201		495,542	
Court fines	201,728		218,554	
Hotel/motel tax	93,130		128,295	
Grant revenues	721,832	1,739,383	1,391,234	2,471,513
Long-term items, including bonds and leases payable, are not due in the current period and, therefore, are not reported in the governmental funds				
Bonds outstanding	(141,105,000)		(154,800,000)	
Bond premiums	(19,253,676)		(13,112,949)	
Deferred loss on refunding	276,923		(36,881)	
Derivative instruments	(1,070)		(4,700,308)	
Net pension liability	(24,497,886)		(33,465,273)	
Deferred outflows of resources - pensions	16,968,355		23,876,888	
Deferred inflows of resources - pensions	(4,326,939)		(1,748)	
Total OPEB liability	(18,368,316)		(17,805,145)	
Deferred outflows of resources - OPEB	9,641,375		12,051,719	
Deferred inflows of resources - OPEB	(1,125,421)		(1,406,776)	
Compensated absences	(9,942,625)	(191,734,280)	(9,164,529)	(198,565,002)
Payables, such as accrued interest payable and park acquisition agreement, are not due and payable in the current perios and, therefore, are not reported in the funds				
Accrued interest payable	(1,506,837)		(1,789,122)	
Park acquisiton agreement	(428,570)	(1,935,407)	(642,856)	(2,431,978)
Net position - governmental activities (Page 23)		$ 645,304,969		$ 615,949,851

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

CITY OF FRANKLIN, TENNESSEE
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

With Comparative Totals for the Fiscal Year Ended June 30, 2019

						Total Governmental Funds	
	General	**Multi-Purpose Capital Project Fund**	**Road Impact Fee Fund**	**Debt Service Fund**	**Other Governmental**	**2020**	**2019**
Revenues:							
Taxes	$ 48,399,112	$ -	$ -	$ 10,958,447	$ 779,036	$ 60,136,595	$ 59,591,031
Hotel/ motel tax	-	-	-	-	3,138,814	3,138,814	4,103,235
Facilities tax	-	-	-	-	3,940,537	3,940,537	3,370,185
Licenses and permits	5,162,031	-	12,251,152	-	1,464,200	18,877,383	14,187,525
Fines and fees	388,668	-	-	-	172,111	560,779	511,864
Intergovernmental	13,481,823	1,571,288	-	333,953	-	15,387,064	17,022,399
Gas & motor fuel	-	-	-	-	1,290,479	1,290,479	1,342,649
Petroleum special	-	-	-	-	140,774	140,774	140,793
Gas 1989	-	-	-	-	204,037	204,037	214,189
Gas 3 cent	-	-	-	-	378,067	378,067	396,877
Gas 2018	-	-	-	-	647,388	647,388	536,489
Grants	836,320	-	-	-	2,402,099	3,238,419	2,193,146
Charges for services	72,775	-	-	-	12,093,480	12,166,255	12,099,847
Use of money and property	1,538,428	-	702,406	142,438	1,704,530	4,087,802	4,101,263
Miscellaneous and other	77,423	2,732,032	-	-	-	2,809,455	797,299
Total revenues	69,956,580	4,303,320	12,953,558	11,434,838	28,355,552	127,003,848	120,608,791
Expenditures:							
Governance and Management:							
Elected officials	358,690	-	-	-	-	358,690	290,502
Administration	1,261,084	-	-	-	-	1,261,084	1,043,428
Human resources	1,270,498	-	-	-	-	1,270,498	1,151,251
Legal	548,969	-	-	-	-	548,969	758,081
Communication	377,977	-	-	-	-	377,977	395,004
Public Safety:							
Police	16,623,853	-	-	-	100,672	16,724,525	16,047,894
Fire	18,889,431	6,686	-	-	355,701	19,251,818	18,008,050
Finance and Administration:							
Finance	931,572	-	-	-	-	931,572	917,289
Purchasing	260,486	-	-	-	-	260,486	224,772
Information and technology	3,835,596	-	-	-	-	3,835,596	4,199,948
Revenue management	135,472	-	-	-	-	135,472	241,134
Court	276,896	-	-	-	-	276,896	212,987
Project & facilities management	1,154,390	-	-	-	-	1,154,390	1,160,709
Community & Economic Development:							
Building & neighborhood services	3,145,299	-	-	-	-	3,145,299	2,973,446
Planning	1,395,702	-	-	-	-	1,395,702	1,557,636
Engineering	1,449,218	-	-	-	-	1,449,218	1,292,986
Traffic operations center	846,202	-	-	-	-	846,202	704,590
Economic development	90,844	-	-	-	-	90,844	78,327
Public Works:							
Parks	5,264,130	113,869	-	-	6,005	5,384,004	4,623,110
Streets-traffic	1,431,534	299,926	-	-	-	1,731,460	1,470,673
Streets-fleet	942,337	-	-	-	-	942,337	808,172
Highways and streets	4,015,592	2,679,408	1,984,905	-	3,634,540	12,314,445	12,524,502
Other General Government:							
General expenses	(2,059,637)	-	-	-	1,379,810	(679,827)	1,964,093
Appropriations	486,738	-	-	-	-	486,738	466,424
Storm water	-	-	-	-	2,555,688	2,555,688	2,282,043
Sanitation	-	10,327	-	-	9,207,309	9,217,636	8,132,491
Transit	-	-	-	-	2,446,053	2,446,053	2,277,206
Principal	-	-	-	9,520,000	-	9,520,000	8,846,301
Interest	-	-	-	5,720,563	-	5,720,563	5,550,713
Debt Service Fees	40,523	-	38,728	2,712,852	12,799	2,804,902	142,027
Capital outlay	1,470,839	12,135,373	99,875	-	9,041,310	22,747,397	11,937,017
Total expenditures	64,444,235	15,245,589	2,123,508	17,953,415	28,739,887	128,506,634	112,282,806

The accompanying notes are an integral part of this financial statements.
(Continued)

CITY OF FRANKLIN, TENNESSEE
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

With Comparative Totals for the Fiscal Year Ended June 30, 2019

						Total Governmental Funds	
	General	Multi-Purpose Capital Project Fund	Road Impact Fee Fund	Debt Service Fund	Other Governmental	2020	2019
Excess (deficiency) of revenues over (under) expenditures	$ 5,512,345	$ (10,942,269)	$ 10,830,050	$ (6,518,577)	$ (384,335)	$ (1,502,786)	$ 8,325,985
Other financing sources (uses):							
Issuance of debt	-	-	-	31,550,000	-	31,550,000	52,525,000
Premium on debt issuance	-	-	-	7,080,224	-	7,080,224	8,462,517
Transfers from other funds	-	6,106,830	-	2,500,000	621,653	9,228,483	5,900,884
From Water & Sewer	-	-	-	200,000	-	200,000	200,000
From Sanitation	-	-	-	208,317	-	208,317	96,930
From Road Impact	-	2,340,415	-	2,636,421	-	4,976,836	2,755,143
From Hotel/Motel	-	1,054,870	-	1,092,153	-	2,147,023	1,312,355
Transfers to other funds	(5,498,033)	-	(4,976,836)	-	(6,650,790)	(17,125,659)	(10,065,312)
Other financing sources-issuance of refunding debt:							
Refunding of debt	-	-	-	(35,725,000)	-	(35,725,000)	(26,280,000)
Refunding of debt-additional to escrow agent	-	-	-	(328,518)	-	(328,518)	(390,360)
Payment of swap	-	-	-	(2,263,300)	-	(2,263,300)	-
Total other financing sources (uses)	(5,498,033)	9,502,115	(4,976,836)	6,950,297	(6,029,137)	(51,594)	34,517,157
Net changes in fund balances	14,312	(1,440,154)	5,853,214	431,720	(6,413,472)	(1,554,380)	42,843,142
Fund balances (deficits) - beginning	53,201,974	35,931,258	16,589,763	372,887	42,337,438	148,433,320	105,590,178
Fund balances (deficits) - ending	$ 53,216,286	$ 34,491,104	$ 22,442,977	$ 804,607	$ 35,923,966	$ 146,878,940	$ 148,433,320

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

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CITY OF FRANKLIN, TENNESSEE
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
With Comparative Totals for the Fiscal Year Ended June 30, 2019

Amounts reported for the governmental activities in the Statement of Net Activities (Page 23) are different because:

	2020		2019	
Net changes in fund balances - total governmental funds (Page 27)		$ (1,554,380)		$ 42,843,142
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense in the current period. Specifically these items are as follows:				
Acquisition of capital assets	22,433,983		11,722,729	
Disposals, adjustments and reclassifications of capital assets	(2,068,465)		(492,270)	
Depreciation expense	(20,899,023)		(20,090,897)	
Change in park acquisition agreement	214,286		214,286	
Change in investment in joint venture - Conference Center	(90,398)	(409,617)	(25,607)	(8,671,759)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds for:				
Property taxes	604		(825)	
Franchise fees	(11,341)		(16,780)	
Court fines	(16,826)		(33,844)	
Hotel/motel tax	(35,165)		-	
Grant revenues and reimbursements	(669,402)		(241,836)	
Contributed capital assets	24,946,237	24,214,107	23,511,624	23,218,339
The issuances of long-term debt and related items provide current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Specifically, these items are as follows:				
Bond issuance	(31,550,000)		(52,525,000)	
Bond refunding	36,053,518		26,280,000	
Bond payments	9,520,000		7,945,000	
Change in fair value of derivative instruments	(64,062)		(1,058,139)	
Redemption of swap	4,763,300		-	
Lease payments	-	18,722,756	884,974	(18,473,165)
Governmental funds report the effect of premiums and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities for:				
Bond premiums	(7,080,224)		(8,462,517)	
Amortization of bond premiums	939,497		547,061	
Deferred refunding amounts	(14,714)	(6,155,441)	(238,428)	(8,153,884)
Expenses and losses reported in the statement of activities that do not require the use of current financial resources are not reported as expenditures in the governmental funds and certain expenditures in the governmental funds are capitalized:				
Accrued absences	(778,096)		(907,149)	
Accrued interest	282,285		(325,692)	
Pension expense (closed plan)	(2,594,697)		(3,296,611)	
Pension expense (TCRS plan)	(102,339)		(41,086)	
Contributions subsequent to measurement date (closed plan)	-		1,500,000	
Contributions subsequent to measurement date (TCRS plan)	422,700		278,209	
OPEB expense	(2,692,160)	(5,462,307)	(2,330,604)	(5,122,933)
Change in net position of governmental activities (Page 23)		$ 29,355,118		$ 25,639,740

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

CITY OF FRANKLIN, TENNESSEE
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
With Comparative Totals for the Fiscal Year Ended June 30, 2019

	June 30, 2020				
	Budgeted Amounts				
	Original	Final	Actual	Variance with Final Budget	2019
Revenues:					
Taxes:					
Real and personal property taxes	$ 7,713,643	$ 7,713,643	$ 7,888,706	$ 175,063	$ 9,318,972
Penalty and interest	28,548	28,548	58,579	30,031	43,857
In lieu of tax	228,202	228,202	398,936	170,734	259,875
Sales tax	37,123,985	37,123,985	35,453,379	(1,670,606)	36,168,178
Wholesale beer tax	1,751,244	1,751,244	1,905,377	154,133	1,556,121
Beer privilege tax	24,260	24,260	21,740	(2,520)	107,282
Wholesale liquor tax	1,525,649	1,525,649	1,761,915	236,266	1,487,062
Liquor privilege tax	116,190	116,190	84,371	(31,819)	91,759
Mixed drink tax	1,068,950	1,068,950	826,109	(242,841)	1,148,352
	49,580,671	49,580,671	48,399,112	(1,181,559)	50,181,458
Licenses and permits:					
Mechanical licenses	3,282	3,282	4,475	1,193	6,087
Mechanical permits	127,661	127,661	107,589	(20,072)	122,624
Building permits	1,876,250	1,876,250	1,714,700	(161,550)	1,548,109
Technology fee	85,663	85,663	61,730	(23,933)	63,510
Plumbing licenses	3,388	3,388	-	(3,388)	-
Plumbing permits	114,080	114,080	76,747	(37,333)	87,336
Electric permits	285,023	285,023	232,907	(52,116)	249,847
Inspection fees	546,198	546,198	206,990	(339,208)	201,821
Site review, rezoning and submittal fees	188,881	188,881	190,613	1,732	197,191
Beer permits and licenses	14,696	14,696	12,660	(2,036)	14,750
Yard sale permits	4,239	4,239	3,750	(489)	6,125
Business license	13,608	13,608	16,163	2,555	18,827
Alarm permits	24,569	24,569	26,140	1,571	23,380
Miscellaneous permits	5,273	5,273	18,280	13,007	27,045
Franchise fees	2,464,717	2,464,717	2,489,287	24,570	2,566,246
	5,757,528	5,757,528	5,162,031	(595,497)	5,132,898
Intergovernmental:					
State income tax	500,000	500,000	636,288	136,288	2,205,687
Sales tax	6,101,430	6,101,430	5,787,947	(313,483)	6,308,464
State beer tax	38,479	38,479	33,215	(5,264)	47,859
State excise tax	256,829	256,829	281,061	24,232	254,236
In lieu of tax - TVA	834,432	834,432	872,269	37,837	839,835
Business tax from State	4,498,753	4,498,753	4,703,004	204,251	4,515,866
Business tax recording fee	444,860	444,860	475,283	30,423	457,457
Federal & State grants	1,829,190	2,589,190	1,529,076	(1,060,114)	387,640
	14,503,973	15,263,973	14,318,143	(945,830)	15,017,044

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

(Continued)

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

FOR THE FISCAL YEAR ENDED JUNE 30, 2020

With Comparative Totals for the Fiscal Year Ended June 30, 2019

	June 30, 2020				
	Budgeted Amounts			Variance with	
	Original	Final	Actual	Final Budget	2019
Revenues:					
Charges for services:					
City sponsored training	-	-	-	-	390
Regional fire training	-	-	3,810	3,810	1,500
Maps sold	2,837	2,837	3,560	723	4,020
Plans sold	2,814	2,814	3,700	886	1,850
Records sold	1,384	1,384	914	(470)	8
Special event services fee	1,748	1,748	2,696	948	2,000
Traffic impact analysis review fee	51,782	51,782	-	(51,782)	21,000
Accident reports	1,647	1,647	755	(892)	3
Offender registry	1,639	1,639	2,100	461	2,850
License seizure fees	847	847	905	58	470
3rd party billable overtime	48,158	48,158	35,535	(12,623)	43,618
Compost vouchers	16,715	16,715	18,800	2,085	17,555
	129,571	129,571	72,775	(56,796)	95,264
Fines and fees:					
Fines - city court	209,693	209,693	161,984	(47,709)	142,441
Fines - general sessions/circuit court	126,762	126,762	160,594	33,832	172,559
Parking fines	77,016	77,016	66,090	(10,926)	55,157
Technology fee - court	47,753	47,753	-	(47,753)	-
Beer board violations	1,000	1,000	-	(1,000)	3,000
Building & street standards appeals fees	1,000	1,000	-	(1,000)	3,276
Business tax fees	4,659	4,659	-	(4,659)	-
Tree bank fees	27,300	27,300	-	(27,300)	19,904
	495,183	495,183	388,668	(106,515)	396,337
Use of money and property:					
Interest income	675,000	675,000	1,208,681	533,681	1,229,262
Rebates on purchases	69,181	69,181	91,858	22,677	115,951
Rent - mall and other	12,001	12,001	9,001	(3,000)	12,001
Park concessions and rentals	83,359	83,359	82,365	(994)	202,413
Christmas Tree Lighting Donations	20,000	20,000	18,000	(2,000)	-
Sale of surplus assets	97,513	97,513	128,067	30,554	296,337
Electric Charging Stations-Garages	-	-	456	456	-
	957,054	957,054	1,538,428	581,374	1,855,964
Miscellaneous:					
Miscellaneous income	20,000	20,000	77,423	57,423	25,454
Allocation from fund balance	2,345,485	7,313,669	-	(7,313,669)	-
	2,365,485	7,333,669	77,423	(7,256,246)	25,454
Total revenues	$ 73,789,465	$ 79,517,649	$ 69,956,580	$ (9,561,069)	$ 72,704,419

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

CITY OF FRANKLIN, TENNESSEE
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

With Comparative Totals for the Fiscal Year Ended June 30, 2019

	June 30, 2020				
	Budgeted Amounts			Variance with	
	Original	Final	Actual	Final Budget	2019
Expenditures:					
Governance & Management:					
Elected officials:					
Personnel	243,181	243,181	252,555	(9,374)	247,764
Services	114,860	112,860	99,834	13,026	31,077
Supplies	12,250	12,250	3,739	8,511	9,314
Business expenses	2,465	2,465	2,562	(97)	2,347
	372,756	370,756	358,690	12,066	290,502
Administration:					
Personnel	1,245,662	1,311,599	1,314,698	(3,099)	1,131,496
Services	135,075	135,075	109,994	25,081	83,630
Supplies	68,470	101,155	85,494	15,661	57,864
Business expenses	13,048	13,048	11,796	1,252	12,268
Reimbursement of interfund services	(260,898)	(260,897)	(260,898)	1	(241,830)
	1,201,357	1,299,980	1,261,084	38,896	1,043,428
Human resources:					
Personnel	1,070,069	1,111,737	1,119,992	(8,255)	1,060,301
Services	524,378	423,228	389,261	33,967	326,098
Supplies	72,641	72,641	54,067	18,574	48,093
Operational units	-	-	-	-	62
Business expenses	19,929	19,929	8,687	11,242	18,206
Reimbursement of interfund services	(301,509)	(301,509)	(301,509)	-	(301,509)
	1,385,508	1,326,026	1,270,498	55,528	1,151,251
Legal:					
Personnel	557,151	571,287	583,738	(12,451)	752,703
Services	181,055	151,055	94,449	56,606	132,593
Supplies	29,800	29,800	17,991	11,809	5,112
Business expenses	11,593	11,593	6,016	5,577	7,196
Reimbursement of interfund services	(153,225)	(153,225)	(153,225)	-	(139,523)
	626,374	610,510	548,969	61,541	758,081
Communications:					
Personnel	403,467	403,467	398,806	4,661	412,049
Services	90,905	80,905	55,855	25,050	57,116
Supplies	38,150	28,150	15,959	12,191	18,520
Operational units	4,600	4,600	2,779	1,821	2,411
Business expenses	5,564	5,564	5,810	(246)	5,469
Reimbursement of interfund services	(101,532)	(101,532)	(101,232)	(300)	(100,561)
	441,154	421,154	377,977	43,177	395,004
Total Governance & Management	4,027,149	4,028,426	3,817,218	211,208	3,638,266

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

CITY OF FRANKLIN, TENNESSEE
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

With Comparative Totals for the Fiscal Year Ended June 30, 2019

	June 30, 2020				
	Budgeted Amounts			Variance with	
	Original	Final	Actual	Final Budget	2019
Expenditures:					
Public Safety:					
Police department-administration:					
Personnel	1,822,693	1,920,130	1,652,782	267,348	1,474,143
Services	1,788,553	1,788,553	1,607,028	181,525	1,537,439
Supplies	835,129	835,129	868,766	(33,637)	809,725
Operational units	20,825	20,825	19,088	1,737	19,911
Business expenses	184,740	184,740	135,802	48,938	139,406
Payments on capital leases	-	-	-	-	520,469
	4,651,940	4,749,377	4,283,466	465,911	4,501,093
Police department-criminal investigations:					
Personnel	3,127,296	3,132,352	2,904,374	227,978	2,984,413
Services	89,348	89,348	65,276	24,072	81,354
Supplies	-	-	3,500	(3,500)	26,818
Operational units	19,354	19,354	15,060	4,294	31,132
Business expenses	103,460	103,460	101,154	2,306	103,222
	3,339,458	3,344,514	3,089,364	255,150	3,226,939
Police department-patrol:					
Personnel	7,938,744	8,224,117	8,767,644	(543,527)	8,259,313
Services	86,753	86,753	69,949	16,804	76,244
Supplies	148,728	148,728	149,635	(907)	124,868
Operational units	42,264	42,264	32,673	9,591	66,835
Business expenses	200,457	200,457	231,122	(30,665)	196,933
	8,416,946	8,702,319	9,251,023	(548,704)	8,724,193
Fire department:					
Personnel	15,755,513	16,599,224	17,097,984	(498,760)	16,079,006
Services	1,292,274	1,292,274	1,027,240	265,034	1,002,333
Supplies	762,050	762,050	620,979	141,071	691,666
Operational units	6,000	6,000	421	5,579	4,902
Business expenses	145,968	145,968	142,807	3,161	130,895
Payments on capital leases	-	-	-	-	59,865
	17,961,805	18,805,516	18,889,431	(83,915)	17,968,667
Total Public Safety	34,370,149	35,601,726	35,513,284	88,442	34,420,892

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

CITY OF FRANKLIN, TENNESSEE
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

With Comparative Totals for the Fiscal Year Ended June 30, 2019

	June 30, 2020				
	Budgeted Amounts			Variance with	
	Original	Final	Actual	Final Budget	2019
Expenditures:					
Finance & Administration:					
Finance:					
Personnel	953,487	971,293	976,306	(5,013)	958,798
Services	46,965	43,965	76,401	(32,436)	35,675
Supplies	30,350	30,350	20,775	9,575	19,080
Business expenses	104,440	104,040	92,919	11,121	105,247
Reimbursement of interfund services	(230,377)	(230,377)	(234,829)	4,452	(201,511)
	904,865	919,271	931,572	(12,301)	917,289
Purchasing:					
Personnel	337,676	281,864	290,706	(8,842)	256,361
Services	72,069	41,974	23,179	18,795	22,298
Supplies	8,930	8,930	3,050	5,880	700
Business expenses	2,240	2,240	2,513	(273)	2,133
Reimbursement of interfund services	(58,962)	(58,962)	(58,962)	-	(56,720)
	361,953	276,046	260,486	15,560	224,772
Information technology:					
Personnel	2,300,349	2,335,962	2,418,277	(82,315)	2,246,342
Services	1,936,660	1,740,160	1,616,453	123,707	1,872,067
Supplies	428,900	322,800	427,394	(104,594)	260,408
Business expenses	43,511	43,511	36,759	6,752	38,982
Payments on capital leases	-	-	-	-	107,175
Reimbursement of interfund services	(667,739)	(667,739)	(663,287)	(4,452)	(310,167)
	4,041,681	3,774,694	3,835,596	(60,902)	4,214,807
Revenue management:					
Personnel	1,056,426	1,032,821	1,020,658	12,163	1,066,337
Services	33,750	24,700	19,106	5,594	15,869
Supplies	36,900	34,100	21,923	12,177	32,425
Business expenses	426,753	414,753	416,270	(1,517)	382,620
Reimbursement of interfund services	(1,342,485)	(1,342,485)	(1,342,485)	-	(1,256,117)
	211,344	163,889	135,472	28,417	241,134
Court:					
Personnel	283,741	247,439	214,025	33,414	154,347
Services	57,425	52,225	50,021	2,204	49,958
Supplies	8,600	8,100	7,564	536	4,061
Business expenses	5,717	5,717	5,286	431	4,621
	355,483	313,481	276,896	36,585	212,987

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

(Continued)

CITY OF FRANKLIN, TENNESSEE
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

With Comparative Totals for the Fiscal Year Ended June 30, 2019

	June 30, 2020				
	Budgeted Amounts			Variance with	
	Original	Final	Actual	Final Budget	2019
Expenditures:					
Project & facilities management:					
Personnel	427,290	438,575	448,962	(10,387)	430,886
Services	814,125	814,125	918,790	(104,665)	1,002,913
Supplies	88,350	88,350	83,801	4,549	66,019
Business expenses	26,198	26,198	33,839	(7,641)	25,098
Reimbursement of interfund services	(331,002)	(331,002)	(331,002)	-	(364,207)
	1,024,961	1,036,246	1,154,390	(118,144)	1,160,709
Total Finance & Administration	6,900,287	6,483,627	6,594,412	(110,785)	6,971,698
Community & Economic Development:					
Building & neighborhood services:					
Personnel	3,125,639	3,125,639	2,868,867	256,772	2,686,867
Services	224,960	176,960	139,960	37,000	194,130
Supplies	128,150	126,150	100,427	25,723	61,927
Business expenses	37,222	37,222	36,045	1,177	30,522
Payments on capital leases	-	-	-	-	9,467
	3,515,971	3,465,971	3,145,299	320,672	2,982,913
Planning & sustainability:					
Personnel	1,392,675	1,427,547	1,261,300	166,247	1,315,080
Services	180,250	125,250	100,312	24,938	202,282
Supplies	39,400	39,400	25,733	13,667	24,928
Operational units	-	-	450	(450)	7,500
Business expenses	8,838	8,838	7,907	931	7,846
	1,621,163	1,601,035	1,395,702	205,333	1,557,636
Engineering:					
Personnel	1,534,775	1,580,663	1,609,579	(28,916)	1,379,181
Services	132,018	71,518	91,485	(19,967)	165,286
Supplies	44,258	44,258	52,794	(8,536)	26,202
Business expenses	14,130	14,130	10,577	3,553	15,107
Reimbursement of interfund services	(315,217)	(315,217)	(315,217)	-	(292,790)
	1,409,964	1,395,352	1,449,218	(53,866)	1,292,986
Traffic operations center:					
Personnel	420,063	428,494	362,636	65,858	408,517
Services	432,525	266,525	332,951	(66,426)	127,164
Supplies	85,201	79,201	135,870	(56,669)	152,821
Business expenses	17,652	17,652	14,745	2,907	16,088
	955,441	791,872	846,202	(54,330)	704,590

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

CITY OF FRANKLIN, TENNESSEE
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
With Comparative Totals for the Fiscal Year Ended June 30, 2019

	June 30, 2020				
	Budgeted Amounts			Variance with	
	Original	Final	Actual	Final Budget	2019
Expenditures:					
Economic Development:					
Appropriations	96,027	96,027	90,844	5,183	78,327
	96,027	96,027	90,844	5,183	78,327
Total Community & Economic Development	7,598,566	7,350,257	6,927,265	422,992	6,616,452
Public Works:					
Streets-Maintenance:					
Personnel	2,706,260	2,706,260	2,792,189	(85,929)	2,605,408
Services	856,920	851,920	842,106	9,814	1,122,373
Supplies	365,385	327,385	259,673	67,712	300,694
Operational units	-	-	226	(226)	-
Business expenses	134,710	134,710	121,398	13,312	97,507
Payments on capital leases	-	-	-	-	116,500
	4,063,275	4,020,275	4,015,592	4,683	4,242,482
Streets-Traffic:					
Personnel	876,424	901,218	923,716	(22,498)	893,335
Services	182,961	156,061	128,846	27,215	126,851
Supplies	399,548	346,548	325,688	20,860	361,586
Business expenses	64,538	64,538	53,284	11,254	57,233
Payments on capital leases	-	-	-	-	13,426
	1,523,471	1,468,365	1,431,534	36,831	1,452,431
Streets-Fleet:					
Personnel	800,467	826,499	847,312	(20,813)	803,201
Services	377,610	372,987	305,972	67,015	271,810
Supplies	(311,700)	(315,200)	(218,977)	(96,223)	(274,736)
Business expenses	13,672	13,672	8,030	5,642	7,897
	880,049	897,958	942,337	(44,379)	808,172
Parks:					
Personnel	3,115,963	3,091,569	2,953,214	138,355	2,730,526
Services	1,109,922	1,065,522	953,114	112,408	1,131,174
Supplies	725,732	649,876	577,217	72,659	588,525
Operational units	238,500	738,500	699,476	39,024	15,644
Business expenses	116,838	96,838	81,109	15,729	89,392
Payments on capital leases	-	-	-	-	17,008
	5,306,955	5,642,305	5,264,130	378,175	4,572,269
Total Public Works	11,773,750	12,028,903	11,653,593	375,310	11,075,354

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

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

FOR THE FISCAL YEAR ENDED JUNE 30, 2020

With Comparative Totals for the Fiscal Year Ended June 30, 2019

	June 30, 2020				
	Budgeted Amounts			Variance with	
	Original	Final	Actual	Final Budget	2019
Expenditures:					
Other General Government:					
General expenses:					
Personnel	2,521,650	1,278,910	(2,339,393)	3,618,303	319,636
Services	278,422	278,422	112,410	166,012	167,054
Supplies	2,000	2,000	164,846	(162,846)	(35,063)
Business expenses	4,450	4,450	43,023	(38,573)	2,500
Payments on capital leases	-	-	-	-	(6,368)
	2,806,522	1,563,782	(2,019,114)	3,582,896	447,759
Contributions:					
Appropriations	480,894	485,894	486,738	(844)	466,424
Total Contributions	480,894	485,894	486,738	(844)	466,424
Total Other General Government	3,287,416	2,049,676	(1,532,376)	3,582,052	914,183
Capital Outlay:					
Police - administration	1,000,000	1,000,000	-	1,000,000	-
Fire	-	-	-	-	177,000
Information technology	75,000	75,000	-	75,000	39,762
Project & facilities management	250,000	250,000	99,503	150,497	42,095
Traffic operations center	2,450,000	2,350,000	92,864	2,257,136	261,166
Streets-maintenance	294,000	244,000	603,671	(359,671)	209,451
Streets-traffic	212,000	212,000	141,386	70,614	110,000
Parks	297,777	463,983	533,415	(69,432)	385,213
Total Capital Outlay	4,578,777	4,594,983	1,470,839	3,124,144	1,224,687
Total expenditures	72,536,094	72,137,598	64,444,235	7,693,363	64,861,532
Excess of revenues over expenditures	1,253,371	7,380,051	5,512,345	(1,867,706)	7,842,887
Other financing sources (uses):					
Transfers to other funds	(1,253,371)	(7,380,051)	(5,498,033)	1,882,018	(4,100,884)
Total other financing sources (uses)	(1,253,371)	(7,380,051)	(5,498,033)	1,882,018	(4,100,884)
Net changes in fund balance	$ -	$ -	14,312	$ 14,312	3,742,003
Fund balance - beginning of year			53,201,974		49,459,971
Fund balance - end of year			$ 53,216,286		$ 53,201,974

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

(Continued)

CITY OF FRANKLIN, TENNESSEE
ROAD IMPACT FEE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

FOR THE FISCAL YEAR ENDED JUNE 30, 2020

With Comparative Totals for the Fiscal Year Ended June 30, 2019

	Budgeted Amounts			Variance with	
	Original	**Final**	**Actual**	**Final Budget**	**2019**
Revenues:					
Licenses and permits	$ 9,800,438	$ 9,800,438	$ 12,251,152	$ 2,450,714	$ 7,659,855
Use of money and property:					
Interest earned	200,000	200,000	702,406	502,406	500,492
Total revenues	10,000,438	10,000,438	12,953,558	2,953,120	8,160,347
Expenditures:					
Current:					
Highways and streets	3,000,000	3,000,000	1,984,905	1,015,095	365,392
Debt service fees	-	-	38,728	(38,728)	-
Capital outlay:	-	-	99,875	(99,875)	41,315
Total expenditures	3,000,000	3,000,000	2,123,508	876,492	406,707
Excess (deficiency) of revenues over (under) expenditures	7,000,438	7,000,438	10,830,050	3,829,612	7,753,640
Other financing sources (uses):					
Transfers to other funds	(2,710,869)	(5,051,285)	(4,976,836)	74,449	(2,755,143)
Operating transfers to other funds	-	-	-	-	251,418
Total other financing sources (uses)	(2,710,869)	(5,051,285)	(4,976,836)	74,449	(2,503,725)
Net changes in fund balances	$ 4,289,569	$ 1,949,153	5,853,214	$ 3,904,061	5,249,915
Fund balance - beginning			16,589,763		11,339,848
Fund balance - ending			$ 22,442,977		$ 16,589,763

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

CITY OF FRANKLIN, TENNESSEE
STATEMENT OF NET POSITION
PROPRIETARY FUND (WATER AND SEWER FUND)
JUNE 30, 2020

With Comparative Totals for the Fiscal Year Ended June 30, 2019

	2020	2019
ASSETS		
Current assets:		
Cash and cash equivalents	$ 5,309,690	$ 3,611,407
Cash and cash equivalents-restricted	2,039,298	1,600,610
Investments	23,270,571	18,433,458
Investments-restricted	8,843,144	8,579,707
Receivables (net of allowance for uncollectibles)	19,730,353	18,373,034
Net pension asset	-	1,179
Inventory and prepaids	1,486,412	385,135
Total current assets	60,679,468	50,984,530
Noncurrent assets:		
Capital assets (net of accumulated depreciation):		
Land	5,923,524	5,910,999
Construction in progress	69,512,474	21,747,745
Buildings and improvements	16,155,930	17,128,298
Utility plant in service	168,905,093	169,349,890
Machinery and equipment	1,142,148	1,093,864
Total capital assets (net of accumulated depreciation):	261,639,169	215,230,796
Total assets	322,318,637	266,215,326
DEFERRED OUTFLOWS OF RESOURCES		
Deferred charge on refundings	533,888	645,415
OPEB	1,314,734	1,643,417
Pensions	2,256,226	2,941,917
Total deferred outflows of resources	4,104,848	5,230,749
LIABILITIES		
Current liabilities:		
Accounts payable	11,264,187	4,891,364
Accrued interest payable	311,381	346,854
Total current liabilities	11,575,568	5,238,218
Long-term liabilities:		
Due within one year	4,948,697	4,968,940
Due in more than one year	81,360,357	45,523,884
Total OPEB liability	2,504,771	2,427,975
Net pension liability	3,340,620	4,438,556
Total long-term liabilities	92,154,445	57,359,355
Total liabilities	103,730,013	62,597,573
DEFERRED INFLOWS OF RESOURCES		
OPEB	153,465	191,832
Pensions	590,037	261
Total deferred inflows of resources	743,502	192,093
NET POSITION		
Net investment in capital assets	176,897,094	166,254,831
Restricted-system improvements	10,882,442	10,180,317
Restricted-pensions	-	1,179
Unrestricted	34,170,434	32,220,082
Total net position	$ 221,949,970	$ 208,656,409

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

CITY OF FRANKLIN, TENNESSEE
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUND (WATER AND SEWER FUND)
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

With Comparative Totals for the Fiscal Year Ended June 30, 2019

	2020	2019
Operating revenues:		
Metered water sales	$ 11,500,806	$ 11,692,199
Sewer service charges	19,726,163	18,790,102
Reclaimed water sales	108,355	128,937
Other revenues from operations	918,871	1,014,953
Total operating revenues	32,254,195	31,626,191
Operating expenses:		
Water and sewer billing expenses	172,936	159,288
Water distribution expenses	1,146,199	2,615,424
Water plant expenses	6,260,343	5,881,138
Water administration	2,033,865	1,762,769
Sewer administration	2,939,304	2,420,264
General administration	1,464,565	1,330,456
Sewer collection expenses	3,206,696	3,215,170
Sewer plant expenses	3,726,778	3,665,559
Reclaimed water expenses	109,097	87,010
Depreciation	7,443,407	7,349,666
Total operating expenses	28,503,190	28,486,744
Operating income	3,751,005	3,139,447
Nonoperating revenues (expenses):		
Interest income	1,346,001	1,273,512
Gain (loss) on sale of assets	3,410	(188,483)
Interest expense	(1,199,653)	(1,359,481)
Total nonoperating revenues (expenses)	149,758	(274,452)
Income before contributions and transfers	3,900,763	2,864,995
Contributions and transfers:		
Impact fees	3,691,563	3,028,419
Capital contributions	(8,515)	1,366
Developer contributions	5,344,750	6,240,018
Transfer from county facilities tax	1,285,000	-
Transfer to debt service fund	(200,000)	(200,000)
Transfer to capital projects fund	(720,000)	-
Total contributions and transfers	9,392,798	9,069,803
Change in net position	13,293,561	11,934,798
Net position, beginning of year	208,656,409	196,721,611
Net position, end of year	$ 221,949,970	$ 208,656,409

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

CITY OF FRANKLIN, TENNESSEE
STATEMENT OF CASH FLOWS
PROPRIETARY FUND (WATER AND SEWER FUND)
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

With Comparative Totals for the Fiscal Year Ended June 30, 2019

	2020	2019
Cash flows from operating activities:		
Cash received from customers	$ 33,406,793	$ 31,309,112
Cash paid to employees for services	(4,709,981)	(4,056,811)
Cash paid to suppliers of goods and services	(10,370,787)	(14,056,419)
Net cash provided by operating activities	18,326,025	13,195,882
Cash flows from noncapital financing activities:		
Transfer to debt service fund	(200,000)	(200,000)
Net cash used in noncapital financing activities	(200,000)	(200,000)
Cash flows from capital and related financing activities:		
Purchases of property, plant and equipment	(48,507,030)	(13,688,927)
Contributions from access and tap fees and grant funds	3,683,048	3,029,785
Sales of property, plant and equipment	3,410	(188,483)
Transfer from county facilities tax fund	1,285,000	-
Transfer to capital projects fund	(720,000)	-
Interest paid on long-term debt	(1,295,795)	(1,472,058)
Payments on SRF loan eligible projects not reimbursed	(2,509,917)	(10,344,492)
Proceeds from issuance of long-term debt	40,184,710	11,170,188
Payments on long-term debt	(4,357,931)	(4,303,193)
Net cash used in capital and related financing activities	(12,234,505)	(15,797,180)
Cash flows from investing activities:		
Purchases of investments, net	(5,100,550)	(6,782,520)
Interest received from investments	1,346,001	1,273,512
Net cash used in investing activities	(3,754,549)	(5,509,008)
Net change in cash and restricted cash	2,136,971	(8,310,306)
Cash and restricted cash, beginning of year	5,212,017	13,522,323
Cash and restricted cash, end of year	$ 7,348,988	$ 5,212,017
Cash and cash equivalents consist of:		
Unrestricted cash and cash equivalents	$ 5,309,690	$ 3,611,407
Restricted cash and cash equivalents	2,039,298	1,600,610
Total cash and cash equivalents	$ 7,348,988	$ 5,212,017

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

CITY OF FRANKLIN, TENNESSEE
STATEMENT OF CASH FLOWS (Cont.)
PROPRIETARY FUND (WATER AND SEWER FUND)
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

With Comparative Totals for the Fiscal Year Ended June 30, 2019

	2020	2019
Reconciliation of operating income to net cash provided by operations:		
Operating income	$ 3,751,005	$ 3,139,447
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	7,443,407	7,349,666
Net pension liability and related amounts	178,710	418,970
OPEB and related amounts	367,112	317,809
Change in:		
Accounts receivable-operating	1,152,598	(317,079)
Inventory	(1,101,277)	70,824
Compensated absences	161,647	82,343
Accounts payable	6,372,823	2,133,902
Net cash provided by operating activities	$ 18,326,025	$ 13,195,882
Supplemental schedule of non-cash capital and related financing activities:		
Capital assets added as developer contributions	$ 5,344,750	$ 6,240,018

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

CITY OF FRANKLIN, TENNESSEE
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUND
JUNE 30, 2020

With Comparative Totals as of June 30, 2019

	Franklin Employees' Pension Plan	2019
ASSETS		
Cash and equivalents	$ 2,330,907	$ 1,164,061
Total cash equivalents	2,330,907	1,164,061
Investments:		
Domestic fixed income securities	37,189,356	33,505,512
Domestic equities	48,487,389	41,116,184
International equities	21,183,810	16,406,829
Real estate	9,650,403	8,994,105
Timber	4,483,922	3,659,066
Total investments	120,994,880	103,681,696
Total assets	123,325,787	104,845,757
NET POSITION RESTRICTED FOR PENSIONS	$ 123,325,787	$ 104,845,757

Franklin Employees' Pension Plan as of December 31, 2019.
This pension was closed to new hires after December 16, 2016.

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

CITY OF FRANKLIN, TENNESSEE
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUND
FOR THE YEAR ENDED JUNE 30, 2019

	Franklin Employees' Pension Plan	2019
Additions:		
Contributions:		
Employer contributions	$ 702,598	$ 4,254,456
Employee contributions	5,988,709	831,941
Total contributions	6,691,307	5,086,397
Investment income:		
Net appreciation in fair value of investments	18,743,979	(3,237,304)
Total investment income	18,743,979	(3,237,304)
Total additions	25,435,286	1,849,093
Deductions:		
Pension benefits	6,812,691	5,310,361
Administration expense	142,565	114,344
Total deductions	6,955,256	5,424,705
Net increase in fiduciary net position	18,480,030	(3,575,612)
Net position restricted for pension benefits – beginning, as restated	104,845,757	108,421,369
Net position restricted for pension benefits - ending	$ 123,325,787	$ 104,845,757

Franklin Employees' Pension Plan as of December 31, 2019.
This pension plan was closed to new hires after December 16, 2016.

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting entity

The City of Franklin, Tennessee (the "City") was incorporated in 1799. The City operates under a mayor-alderman form of government. The City provides the following services: public safety, streets, sanitation, parks, planning, codes, and water and sewer services. As required by U.S. generally accepted accounting principles, these financial statements present all funds, which comprise the City.

The accompanying financial statements present the government and component units, if any. Component units are entities for which the government is considered financially accountable. Component units, although legally separate entities, are required to be presented in the government's financial statements using either a "blended" or "discrete" presentation. Based on the City's analysis as of June 30, 2020, the City had no component units that were required to be included in these financial statements.

Joint Operation of the Cool Springs Conference Center: In June 1999, the City completed construction of the Conference Center at Cool Springs (Conference Center), which operates a conference center facility. An Interlocal Agreement executed between the City and Williamson County, Tennessee (the Parties) provides for equal ownership by each of the Parties of a one-half undivided interest in the Conference Center and further specifies that each of the Parties shall be entitled to one-half of the net revenue and shall be responsible for one-half of all costs and expenses of the operation and maintenance of the Conference Center. The City's undivided interest in the investment in the Conference Center facility totaled $5,427,230 at June 30, 2020, and is accounted for as a joint venture asset of the City. The City's one-half interest in Conference Center operations is presented with governmental activities in the statements of net position and activities. Complete financial statements for the Conference Center may be obtained from the Department of Finance at City Hall.

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

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

In accordance with GASB Statement No. 61, "The Financial Reporting Entity," the Franklin Housing Authority and Franklin Industrial Development Board are not shown in the City's financials as a component unit.

B. Description of government-wide financial statements

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

C. Basis of presentation - government-wide financial statements

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

The government-wide financial statements, the statement of net position and the statement of activities, report information on all of the nonfiduciary activities of the City. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The Statement of Net Position presents the City's non-fiduciary assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference reported as net position. Net position is reported in three categories:

> *Net investment in capital assets* consists of capital assets, net of accumulated depreciation and reduced by outstanding debt that is attributable to the acquisition, construction and improvement of those assets. Debt that was issued for capital purposes is not a part of the calculation of net investment in capital assets, until the proceeds have been used to acquire capital assets.
>
> *Restricted net position* result from restriction placed on net position by external sources such as creditors, grantors and contributors, or imposed by law through constitutional provisions or enabling legislation.
>
> *Unrestricted net position* consist of net position which do not meet the definition of the two proceeding categories.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

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

D. Basis of presentation - fund financial statements

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

The City reports the following major governmental funds:

> The *General Fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
>
> The *Multi-Purpose Capital Project Fund* was established to account for the various capital projects of the City.
>
> The *Road Impact Fee Fund* was established to account for the proceeds of road impact fees on new development and the expenditures of such monies as required by City Ordinance 88-13.
>
> The *Debt Service Fund* was established to service the general obligation debt of the City through interfund transfers and property tax collections.

The City reports the following major proprietary fund:

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

Additionally, the City reports the following fiduciary fund type:

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

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

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the fund included in governmental activities are eliminated so only the net amount is included as transfers in the governmental activities column.

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

E. Measurement focus and basis of accounting

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

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

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues available if they are collected within sixty days (60) of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and certain employee benefits, and claims and judgments are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

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

The proprietary and fiduciary funds are reported using the *economic resources measurement focus* and the *accrual basis of accounting*.

F. Budgetary information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the General Fund, the Special Revenue Funds, and Debt Service Fund. The Board of Mayor and Aldermen approves and appropriates the budgets for these funds annually. All annual appropriations lapse at fiscal year-end.

As an extension of the formal budgetary process, the Board of Mayor and Aldermen may transfer or appropriate additional funds for expenditures not anticipated at the time of budget adoption. The City's policy is to not allow expenditures to exceed budgetary amounts at the total fund expenditure level without obtaining additional appropriation approval from the Board.

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

1. Cash and cash equivalents

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

2. Investments

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

Investments for the City are reported at fair value; securities traded on a national or international exchange are valued primarily at quoted market prices. Pension fund investments that are not exchange-traded are recorded at estimated fair values provided by the investment fund managers and other value per share information. See Note 3 B.

3. Inventories and prepaid items

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

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

4. Capital assets

Capital assets, including property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than $25,000 and an estimated useful life in excess of three years. Donated capital assets, donated works of art and similar items, and any capital assets received in service concession arrangements are reported at acquisition value.

The costs of normal maintenance and repairs that do not add to the value or materially extend the useful life of the asset are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

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

Infrastructure	50 years
Buildings and improvements	25 - 50 years
Distribution systems	10 - 50 years
Equipment	3 - 10 years
Furniture and fixtures	3 - 10 years

5. Deferred outflows/inflows of resources

In addition to assets, the statement of financial position reports a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has the following items that qualify for reporting in this category: (1) deferred charge on bond refundings resulting from the difference in the carrying amount of refunded debt and its requisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt; (2) deferred outflows of resources relating to pensions resulting from differences between expected and actual actuarial experience, certain changes in actuarial assumptions, differences between actual and expected investment earnings, and amounts of employer contributions to the pension plan made subsequent to the measurement date; (3) deferred outflows of resources relating to OPEB resulting from differences between expected and actuarial experience and certain changes in actuarial assumptions.

In addition to liabilities, the statement of financial position reports a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has the following items of this type that qualify for reporting on the statement of net position: (1) property taxes levied on January 1, 2020, will not be available for collection until fiscal year 2021, beginning October 2020; (2) A second item, which arises only under a modified accrual basis of accounting, qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from uncollected property taxes (including penalties and interest), franchise fees, hotel/motel taxes, court fines, and grants. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The City also reports deferred inflows of resources related to pensions and OPEB.

6. Net position flow assumption

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

7. Fund balance flow assumptions

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

8. Fund balance policies

In accordance with GASB Statement No. 54, the governmental funds report fund balances in classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. The categories of fund balance are as follows:

Nonspendable - The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Restricted - Fund balance is reported as restricted when constraints placed on the use of resources are either: (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed - Amounts that can only be used for specific purposes pursuant to constraints imposed by ordinance of the Board of Mayor and Alderman level of decision-making authority, are reported as committed fund balance. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements. These commitments are provided for in accordance with the "Utilization and Replacement of Funds from Certain Reserve Accounts" policy approved by the Board of Mayor and Aldermen on August 28, 2012. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

Assigned - Amounts that are constrained by the City's intent to be used for specific purposes, but are neither restricted nor committed, are reported as assigned fund balance. Amounts that can only be used for specific purposes pursuant to constraints imposed by resolution of the Board of Mayor and Alderman or where the Board of Mayor and Aldermen have authorized the City Administrator to assign fund balance up to certain amounts. Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as committed. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

Unassigned - Unassigned fund balance is the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. In other governmental funds, if expenditures incurred for specific purposes have exceeded the amounts restricted, committed, or assigned to those purposes, those amounts are reported as a negative unassigned fund balance.

H. Revenues and expenditures/expenses

1. Program revenues

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

2. Property taxes

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

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

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

For fiscal year 2020, taxes were levied at a rate of .4176 per $100 of assessed valuation.

3. Compensated absences

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

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

4. Proprietary fund operating and nonoperating revenues and expenses

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

5. Bond premiums and discounts

Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issue costs are expensed in the period incurred.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuance are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

I. Estimates

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

J. Recent accounting pronouncements

The City has included the applicable accounting and reporting requirements of Statement No. 83, *Certain Asset Retirement Obligations,* required for the fiscal period ending June 30, 2020. This Statement improves financial reporting by establishing uniform criteria for governments to recognize and measure certain Asset Retirement Obligations (AROs) and required disclosures.

They City has included the applicable accounting and reporting requirement of statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*, which has certain provisions effective for the fiscal period ending June 30, 2020. This Statement improves the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements.

The following are additional accounting pronouncements which, to the extent applicable, pose consideration for the City. Management is currently in the process of determining the impact of these Statements to the City's financial statements.

The GASB issued Statement No. 84, *Fiduciary Activities*, which has certain provisions effective for the fiscal period ending December 31, 2020 (fiscal year 2021 for the City). This Statement improves financial reporting by establishing criteria for activities that should be reported as fiduciary activities and clarifying whether and how business-type activities should report fiduciary activities.

The GASB issued Statement No. 87, *Leases*, which has certain provisions effective for fiscal period that ends June 30, 2022 (fiscal year 2022 for the City). This Statement improves accounting and financial reporting by requiring reporting of certain lease liabilities that currently are not reported, requiring lessees and lessors to report leases under a single model, and requiring notes related to the timing, significance, and purpose of leasing arrangements.

The GASB issued statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*, which has certain provisions effective for the fiscal period that ends December 31, 2021 (fiscal year 2022 for the City). This Statement establishes accounting requirements for interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus.

The GASB issued statement No. 90, *Majority Equity Interests - an amendment of GASB Statements No. 14 and No. 61,* which has certain provisions for the fiscal period that ends December 31, 2020 (fiscal year 2021 for the City). This Statement is to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units.

The GASB issued statement No. 91, *Conduit Debt Obligations,* which has certain provisions for the fiscal period that ends December 31, 2022 (fiscal year 2023 for the City). This Statement will improve financial reporting by eliminating the existing option for issuers to report conduit debt obligations as their own liabilities, thereby ending significant diversity in practice.

K. Restatement and Reclassifications

2019 net position balances have been reclassified in the Statement of Net Position to reflect unspent bond proceeds in the net investment in capital assets category in governmental activities. Net investment in capital assets was increased $36,278,219 and unrestricted net position decreased by the same amount.

Net position in the fiduciary funds has been restated to reflect the removal of investment balances for the TCRS plan, as the assets are held by the TCRS. Total assets and net position restricted for pension benefits was decreased $344,954. Our opinion is not modified as a result of this matter.

NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budget information

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

NOTE 3 - DETAILED NOTE ON ALL ACTIVITIES AND FUNDS

A. Cash Deposits with Financial Institutions

The City's policies limit deposits to those instruments allowed by applicable state laws as described above. State statutes require that all deposits with financial institutions must be collateralized by securities whose market value is equal to 105% of the value of uninsured deposits. The deposits must be collateralized by federal depository insurance, by the Tennessee Bank Collateral Pool, by collateral held by the City's agent in the City's name, or by the Federal Reserve Banks acting as third party agents. As of June 30, 2020, all bank deposits were fully collateralized or insured.

B. Investments

The City is authorized to invest funds in, among other things, financial institutions and direct obligations of the Federal Government. During 2020, the City, except for the Pension Fund, invested in certificates of deposit, money market accounts, and government sponsored agency securities. The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles.

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices for identical assets in active markets that can be accessed at the measurement date (Level 1) and the lowest priority to observable inputs (Level 3). The three levels of the fair value hierarchy under GASB 72 are described as follows:

- *Level 1* – Inputs are quoted prices (unadjusted) for identical assets or liabilities in active markets that a government can access at the measurement date.
- *Level 2* – Inputs include quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in inactive markets; inputs other than quoted priced that are observable for the asset or liability like interest rates and yield curves observable at commonly quoted intervals, implied volatilities, or credit spreads; inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified term, the level 2 must be observable for substantially the full term of the asset or liability.
- *Level 3* – Inputs are unobservable and significant to the fair value measurement.

CITY OF FRANKLIN, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020

As of June 30, 2020, the City had the following investments measured at fair value per GASB Statement 72 and the noted weighted average maturities:

		Fair Value Measurements Using			
	6/30/2020	Quoted Prices in Active Markets for Identical Assets (Level 1)	Signigicant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Weighted Average Maturity (Years)
Investments by fair value level					
Certificates of Deposit	$ 2,643,325	$ 2,643,325	$ -	$ -	0.08
Money Market Accounts	1,202,214	1,202,214	-	-	-
Debt securities					
U.S. Treasury securities	35,451,313	35,451,313	-	-	0.88
Federal Home Loan Bank	54,565,197	-	54,565,197	-	1.10
Federal Home Loan Mortgage Corp.	4,044,242	-	4,044,242	-	1.54
Federal National Mortgage Association	5,483,944	-	5,483,944	-	2.56
Federal Farm Credit Bank	38,043,485	-	38,043,485	-	1.52
Total Investments at Fair Value	$ 141,433,720	$ 39,296,852	$ 102,136,868	$ -	
Portfolio Weighted Avg. Maturity					1.20
Investments derivative instruments					
Interest rate swaps (liability)	$ (1,070)		$ (1,070)		
Total Investment derivative instruments	$ (1,070)		$ (1,070)		

The certificates of deposit and money market accounts are in banks covered by the State collateral pool or under FDIC. All federal securities, guaranteed by or linked to the U.S. government, are rated Aaa by Moody's and AA+ by Standard & Poor's. (Treasury securities and Federal Home Loan Mortgage Company also have a AAA rating from Fitch). As of June 30, 2020, the investments that constituted a concentration risk due to the investments exceeding 5% of the portfolio balance were the Federal Home Loan Bank, Federal Home Loan Mortgage Corporation, Federal Farm Credit Bank, and U.S. Treasury Securities.

Interest Rate Risk: Investments held for longer periods are subject to increased risk for adverse interest rate changes. City policy provides that to the extent practicable, investments are matched with anticipated cash flows. Typically, certificates of deposit are issued for periods less than one year and investments in the Local Government Investment Pool are available daily. At June 30, 2020, investments of the City had weighted average maturities as noted above.

Credit Risk: The City's general investment policy is derived from the model investment policy created by the Government Finance Officers Association. Its general objectives are safety, liquidity, and yield and its standard of care to be used by investment officials is formulated around the prudent-person rule: investments are made as a prudent person should be expected to make, with discretion and intelligence, to produce reasonable income, preserve capital and, in general, avoid speculative investments.

CITY OF FRANKLIN, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020

As of December 31, 2019, the City of Franklin Employees' Pension Plan (closed plan) had the following investments measured at fair value per GASB Statement 72:

		Fair Value Measurements Using		
	12/31/2019	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by fair value level				
Local managed investments				
Cash and equilvalents [1]	$ 1,154,029	$ 1,154,029	$ -	$ -
	1,154,029			
State managed investments (TCRS)				
Cash and equivalents [2]	$ 1,176,878	1,176,878	-	-
Domestic fixed income [2]	37,189,356	-	37,189,356	-
Domestic equities [2 3]	48,487,389	48,487,389	-	-
International equity [2]	21,183,810	-	21,183,810	-
	108,037,433			
Total investments at fair value level	109,191,462	$ 50,818,296	$ 58,373,166	$ -
Investments measured at the net asset value (NAV)				
State managed investments (TCRS)				
Real estate funds [2]	9,650,403			
Timber funds [2 4]	4,483,922			
Total investments at the NAV	14,134,325			
Total investments measured at fair value	$ 123,325,787			

Investments measured at the net asset value (NAV)	Fair Value	Unfunded Commitments	Redemption Frequency (if Currently Eligible)	Redemption Notice Period
Local managed investments				
Real estate funds [2]	$ 9,650,403	-	-	-
Timber funds [2 4]	$ 4,483,922	-	-	-
	14,134,325			

[1] Invested in First American prime obligation fund, class z

[2] Investments managed per agreement with the State by Tennessee Consolidated Retirements System (TCRS) money managers.

[3] Landmark private equity and Hamilton private equity changed to State managed during 2019.

[4] RMK timber fund II, RMS forest fund III, and FIA timber changed to State managed during 2019.

Allocation for state managed investments was developed from TCRS Asset Allocation Analysis Report for period ending December 31, 2019.

Pension plan investments available for sale include short-term investments, domestic corporate stock, foreign stock, private equity funds, mutual funds, investments in timberland and real estate funds, bond funds and other investments. See additional information in Note 3 F. The pension policy does not include reference to credit risk, interest rate risk, concentration risk, or foreign currency risk.

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

C. Receivables

Property tax receivables are shown net of an allowance for uncollectibles. The allowance is recorded based on the history of collections. Court fines receivable are also shown net of an allowance for uncollectibles. The allowance is recorded based on management's estimate of what portion of the outstanding receivable will be collected in the future.

The allowances for uncollectible customer accounts recorded in the Water and Sewer proprietary fund are based on history of uncollectible accounts and management's analysis of current accounts. Bad debts in the proprietary fund are recorded by the direct write-off method.

Amounts are aggregated into a single accounts receivable (net of allowance for uncollectibles) line for certain funds and aggregated columns. Below is the detail of receivables for the general, multi-purpose capital project, debt service, and the nonmajor governmental funds in the aggregate, including the applicable allowances for uncollectible accounts:

	General Fund	**Multi-Purpose Capital Project Fund**	**Road Impact Fee Fund**	**Debt Service Fund**	**Other Governmental Funds**	**Total**
Receivables:						
Accounts	$ 1,377,770	$ -	$ -	$ -	$ 2,344,880	$ 3,722,650
Property taxes	11,293,400	-	-	11,028,548	817,333	23,139,281
Due from IDB	2,385,835	-	-	-	-	2,385,835
Local option sales tax	5,897,765	-	-	-	-	5,897,765
Special assessments	53,762	-	-	-	-	53,762
Due from county	266,534	-	-	-	-	266,534
State shared revenue	4,088,268	-	-	-	441,429	4,529,697
Grants	422,209	305,565	-	-	247,844	975,618
Fines	790,521	-	-	-	-	790,521
Interest	165,746	208,287	102,127	3,236	158,432	637,828
Gross receivables	26,741,810	513,852	102,127	11,031,784	4,009,918	42,399,491
Less: Allowance for uncollectibles	(719,402)	-	-	-	-	(719,402)
Net receivables	$ 26,022,408	$ 513,852	$ 102,127	$ 11,031,784	$ 4,009,918	$ 41,680,089

Receivables in the Water and Sewer Fund at June 30, 2020 represent accounts due from customers for services provided, special assessments, due from the state for SRF loan reimbursements, and interest income. The receivables are presented net of an allowance of $857,172.

Receivables	
Customers	$ 6,307,992
Special assessments	120,697
Due from State (SRF Loans)	13,978,652
Interest	180,184
Gross recivables	20,587,525
Less: Allowance for uncollectibles	(857,172)
Net receivables	$ 19,730,353

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

	Unearned
Confiscated funds	$ 142,839
Tree bank reserve	257,503
Sidewalk reserve	101,375
Affordable housing reserves	272,745
Sponsorship reserve	22,975
Total unearned revenue for fund financial statements	$ 797,436

D. Capital Assets

Capital asset activity for the year ended June 30, 2020 was as follows:

Governmental activities:	**Balance June 30, 2019**	**Reclassifications**	**Additions**	**Disposals and Adjustments**	**Balance June 30, 2020**
Capital assets, not being depreciated:					
Land	$ 58,317,513	$ -	$ 2,251,889	$ -	$ 60,569,402
Construction in process-non-infrastructure	6,584,183	(614,007)	9,453,570	-	15,423,746
Construction in process-infrastructure	11,033,214	(52,244)	6,453,005	-	17,433,975
Total capital assets, not being depreciated	75,934,910	(666,251)	18,158,464	-	93,427,123
Capital assets, being depreciated:					
Buildings and improvements	74,559,616	5,579	-	-	74,565,195
Improvements other than buildings	27,248,776	550,696	-	-	27,799,472
Machinery and equipment	66,873,485	57,732	4,275,519	1,435,173	69,771,563
Infrastructure	683,805,276	52,244	24,946,237	2,014,386	706,789,370
Total capital assets, being depreciated	852,487,153	666,251	29,221,756	3,449,559	878,925,601
Accumulated depreciation:					
Buildings and improvements	19,427,753	-	1,462,627	-	20,890,380
Improvements other than buildings	13,776,094	-	1,346,488	-	15,122,582
Machinery and equipment	45,440,077	-	4,111,602	1,363,234	48,188,445
Infrastructure	189,261,768	-	13,978,306	17,860	203,222,214
Total accumulated depreciation	267,905,692	-	20,899,023	1,381,094	287,423,621
Total capital assets being depreciated, net	584,581,461	666,251	8,322,733	2,068,465	591,501,980
Total governmental activities capital assets, net	660,516,371	-	26,481,197	2,068,465	684,929,103
Business-type activities:					
Capital assets, not being depreciated:					
Land	5,910,999	-	12,525	-	5,923,524
Construction in process	21,747,745	(265,424)	48,030,153	-	69,512,474
Total capital assets, not being depreciated	27,658,744	(265,424)	48,042,678	-	75,435,998
Capital assets, being depreciated:					
Buildings and improvements	28,175,100	-	-	-	28,175,100
Utility plant in service	254,227,131	265,424	5,344,749	-	259,837,304
Machinery and equipment	5,770,275	-	464,353	-	6,234,628
Total capital assets, being depreciated	288,172,506	265,424	5,809,102	-	294,247,032
Accumulated depreciation:					
Buildings and improvements	11,046,802	-	972,368	-	12,019,170
Utility plant in service	84,877,241	-	6,054,970	-	90,932,211
Machinery and equipment	4,676,410	-	416,070	-	5,092,480
Total accumulated depreciation	100,600,453	-	7,443,407	-	108,043,861
Total capital assets being depreciated, net	187,572,053	265,424	(1,634,305)	-	186,203,172
Business-type activities capital assets, net	215,230,797	-	46,408,373	-	261,639,170
Total capital assets, net	$ 875,747,168	$ -	$ 72,889,570	$ 2,068,465	$ 946,568,273

Depreciation expense was charged to functions/programs of the primary government for the year ended June 30, 2020, as follows:

Governmental activities:		
Project & facilities management	$	43,741
Building and neighborhood services		10,550
Information and technology		707,594
Engineering		3,150
Traffic operations center		230,407
Human resources		91,269
Police department		1,482,509
Fire department		1,147,369
Highways and streets		14,365,491
Traffic		17,534
Fleet management		12,377
Parks		1,478,903
General government		128,327
Sanitation		921,422
Stormwater		137,640
Transit		120,740
Total depreciation expense - governmental activities		20,899,023
Business-type activities:		
Water and sewer		7,443,407
Total depreciation expense	$	28,342,430

E. Accrued Liabilities

Accrued liabilities reported by governmental funds at June 30, 2020, were as follows:

Accrued employee payroll	$	1,919,439
Accrued employee insurance claims		1,641,859
Total accrued liabilities	$	3,561,298

F. Pension Plan

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

Summary of Significant Accounting Policies

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

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

General Information about the City of Franklin Employees' Pension Plan

Plan Description. The City of Franklin administers the City of Franklin Employees' Pension Plan and Trust, a single employer defined benefit pension plan. The assets of the Plan are held for investment and may be used only for the payment of benefits to members of the Plan. The Plan's year ends on December 31. It was deemed impractical to report the financial activity of the Plan as of and for the year ended June 30, 2020. Accordingly, all financial statement information regarding the Plan is as of December 31, 2019 and the year then ended. Section 4-204(2)(p) of the City's Charter assigns the Human Resources Director the responsibility to administer the pension program under the direction of the City Administrator. All of the benefits and provisions of the Plan are at the discretion of the Board of Mayor and Aldermen consistent with the laws of Tennessee and the Federal government. The following is a general description of the Plan; refer to the Plan document for further details. The Plan is operated under the direction of the Employee Pension Committee, which consists of the following seven members: City Mayor, Alderman, Employee Representatives (2), Citizens (2), and Human Resources Director. The financial statements of the plan are presented solely in this Comprehensive Annual Financial Report of the City; there are no separate financial statements issued for the plan. Administrative costs are paid from the pension fund as shown on page 44.

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

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

Employees covered by benefit terms. Membership of the Plan consisted of the following at January 1, 2020, the date of the latest actuarial valuation:

Inactive plan participants:	
Retiree participants and beneficiaries	235
Terminated employees entitled to deferred benefits	179
Disabled participants	3
Inactive plan participants total	417
Active plan participants:	
Vested	403
Nonvested	63
Active plan participants total	466
Total participants	883

Contributions. For employees hired before February 15, 2010, the City of Franklin Employees' Pension Plan is funded entirely by the City of Franklin; employees are not required to contribute to the Plan.

Plan members hired February 15, 2010 through December 31, 2016 are required to contribute 5% of their compensation to participate in the Plan. (These employees hired on or after February 15, 2010, may select the City of Franklin 2010 Defined Contribution Plan which also requires a 5% contribution but includes a 5% employer match. An additional 3% may be contributed that would be matched by the City). The Plan changes for employees hired on or after February 15, 2010 were due to a freeze on admittance to the prior non-contributory Pension Plan approved in January 2010. This approval was due to actuarial reports that showed that the Plan was underfunded and would require substantial increases in annual contributions for many years in order to bring the Plan to a fully-funded level.

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

All employees hired beginning January 1, 2017 are enrolled in the TCRS defined benefit plan.

Net Pension Liability (Asset)

The City's net pension liability was measured as of January 1, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Actuarial assumptions. The total pension liability in the January 1, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2%
Salary increases	Prior year, 4% annual increase. Beginning December 31, 2018, based on age (age 25, 7.5%, Age 30, 7.0%, Age 35, 6.0%, Age 40, 5%, Age 45, 4.5%, Age 50, 4%, Age 55, 3.5%, and Ages 60+. 3%).
Investment rate of return	Prior year, 7.3%. Beginning December 31, 2019, 7.2%
Cost-of-living adjustment	2.1%

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

The actuarial assumptions used in the January 1, 2020 valuation were based on a limited update of an actuarial experience study for the 10-year period ending December 31, 2018.

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

During 2019, domestic equity and timber investments changed to state managed. The only investments remaining as locally managed is short term securities being held for pension payments and fees.

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

For closed pension investments managed by TCRS, the target allocation and long-term expected return would be the same as the TCRS pension plan. For the year ended December 31, 2019, the annual money-weighted rate of return based on monthly cash flows on pension investments, net of pension plan investment expense, was 18.1%. The money-weighted rate of return expresses investment performance, net of investment expenses, adjusted for changing amounts actually invested. Further information can be found on page 90.

Discount rate. The discount rate used to measure the total pension liability was 7.2%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the employee rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in the Net Pension Liability

	Total Pension Liability (a)	Increase (Decrease) Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at 1/1/2019	$ 142,749,586	$ 104,845,757	$ 37,903,829
Changes for year:			
Service cost	2,438,659	-	2,438,659
Interest	10,165,977	-	10,165,977
Differences between expected and actual experience	622,830	-	622,830
Changes of assumptions	1,706,426	-	1,706,426
Contributions - employer	-	5,988,709	(5,988,709)
Contributions - employee	291,703	702,598	(410,895)
Net investment income	-	18,743,979	(18,743,979)
Benefit payments, including refunds of employee contributions	(6,812,691)	(6,812,691)	-
Administrative expense	-	(142,565)	142,565
Net changes	8,412,904	18,480,030	(10,067,126)
Balances at 12/31/2019	$ 151,162,490	$ 123,325,787	$ 27,836,703

Tennessee Consolidated Retirement System (TCRS)

General Information about the Pension Plan

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

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

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

Employees covered by benefit terms. At the measurement date of June 30, 2019, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	-
Inactive employees entitled to but not yet receiving benefits	50
Active employees	144
Total employees	194

Contributions. Contributions for employees are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Employees contribute 5 percent of salary. City of Franklin makes employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. For the year ended June 30, 2020, the employer contributions for City of Franklin were $422,700 based on a rate of 5.0 percent of covered payroll. By law, employer contributions are required to be paid. The TCRS may intercept City of Franklin's state shared taxes if required employer contributions are not remitted. The employer's ADC and member contributions are expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

Net Pension Liability (Asset)

Pension liabilities (assets). City of Franklin's net pension liability (asset) was measured as of June 30, 2019, and the total pension liability used to calculate net pension liability (asset) was determined by an actuarial valuation as of that date.

Actuarial assumptions. The total pension liability as of June 30, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5 percent
Salary increases	Graded salary ranges from 8.72 percent to 3.44 percent based on age, including inflation, averaging 4.00 percent
Investment rate of return	7.25 percent, net of pension plan investment expenses, including inflation
Cost-of-living adjustment	2.25 percent

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

The actuarial assumptions used in the June 30, 2019 actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2012 through June 30, 2016. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees in conjunction with the June 30, 2016 actuarial experience study. A blend of future capital market projections and historical market returns was used in a building-block method in which a best- estimate of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) is developed for each major asset class.

These best-estimates are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.5 percent. The best-estimates of geometric real rates of return and the TCRS investment policy target asset allocation for each major asset class are summarized in the following table:

Asset Class	Long-Term Expected Real Rate of Return	Target Allocation
U.S. Equity	5.69%	31%
Developed market international equity	5.29%	14%
Emerging market international equity	6.36%	4%
Private equity and strategic lending	5.79%	20%
U.S. fixed income	2.01%	20%
Real estate	4.32%	10%
Short term securities	0.00%	1%
		100%

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees as 7.25 percent based on a blending of hte factors described above.

Discount rate. The discount rate used to measure the total pension liability was 7.25 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current rate and that contributions from City of Franklin will be made at the actuarially determined contribution rate pursuant to an actuarial valuation in accordance with the funding policy of the TCRS Board of Trustees and as required to be paid by state statue. Based on those assumptions, the pension plan's fiducuary net position was projected to be available to make projected future benefit payments of current active and inactive members. Therefore, the long-term expeted rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in the Net Pension Liability (Asset)

	Total Pension Liability (a)	Increase (Decrease) Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at June 30, 2018	$ 335,776	$ 344,954	$ (9,178)
Changes for year:			
Service cost	372,276	-	372,276
Interest	51,291	-	51,291
Differences between expected and actual experience	246,960	-	246,960
Changes of assumptions	-	-	-
Contributions - employer	-	344,345	(344,345)
Contributions - employee	-	278,151	(278,151)
Net investment income	-	48,394	(48,394)
Benefit payments, including refunds of employee contributions	(1,183)	(1,183)	-
Administrative expense	-	(11,344)	11,344
Net changes	669,344	658,363	10,981
Balances at June 30, 2019	$ 1,005,120	$ 1,003,317	$ 1,803

The City reports for the plans the following net pension liability (asset) as of June 30, 2020 in the Statement of Net Position:

Net pension liability	Governmental activities	Business-type activites	Total
Closed Plan	$ 24,496,299	$ 3,340,404	$ 27,836,703
TCRS Plan	1,587	216	1,803
	$ 24,497,886	$ 3,340,620	$ 27,838,506

Sensitivity of the net pension liability to changes in the discount rate. The following presents the net pension liability of the City, calculated using the current discount rate (7.2% for the closed plan, 7.25% for the TCRS plan) as well as what the City's net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.2% closed plan, 6.25% TCRS plan) or 1-percentage-point higher (8.2% closed plan, 8.25% TCRS plan) that the current rate:

Sensitivity to discount rate	1% Decrease	Current Rate	1% Increase
Closed Plan	$ 46,776,356	$ 27,836,703	$ 12,090,934
TCRS Plan	268,805	1,803	(199,779)
	$ 47,045,161	$ 27,838,506	$ 11,891,155

Pension Expense (Negative Pension Expense) and Deferred Outflows and Deferred Inflows of Resources Related to Pensions

For the year ended June 30, 2020, the City recognized pension (negative pension) expense of $2,453,051 as follows:

Pension (negative pension) expense	Governmental activities	Business-type activites	Total
Closed Plan	$ 2,594,697	$ 201,206	$ 2,795,903
TCRS Plan	(320,356)	(22,496)	(342,852)
	$ 2,274,341	$ 178,710	$ 2,453,051

CITY OF FRANKLIN, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020

At June 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience:		
Closed Plan	$ 14,856,388	$ -
TCRS Plan	342,017	-
Changes of assumptions:		
Closed Plan	3,603,477	-
Net difference between projected and actual earnings on pension plan investments:		
Closed Plan		(4,914,490)
TCRS Plan		(2,487)
Contributions made subsequent to the measurement date:		
TCRS Plan	422,700	not applicable
Total	$ 19,224,582	$ (4,916,977)

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

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

Deferred Outflows of Resources	Governmental activities	Business-type activites	Total
Closed Plan	$ 16,244,681	$ 2,215,184	$ 18,459,865
TCRS Plan	723,675	41,042	764,717
	$ 16,244,681	$ 2,215,184	$ 18,459,865

Deferred Inflows of Resources	Governmental activities	Business-type activites	Total
Closed Plan	$ (4,324,750)	$ (589,739)	$ (4,914,489)
TCRS Plan	(2,189)	(298)	(2,487)
	$ (4,326,939)	$ (590,037)	$ (4,916,976)

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

Year ended June 30:	Closed Plan	TCRS Plan	Total
2021	$ 1,537,112	$ 36,345	$ 1,537,112
2022	1,273,453	36,344	1,273,453
2023	1,747,188	36,497	1,747,188
2024	(832,719)	36,887	(832,719)
2025	1,265,930	37,140	1,265,930
Thereafter	8,554,411	156,317	8,554,411

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

Payable to the Pension Plans

As of June 30, 2020, the City of Franklin did not have a payable relating to required contributions to the closed plan.

G. Other Post Employment Benefits (OPEB)

Plan Description and Benefits Provided. The City of Franklin self-insures its retired employees for healthcare benefits in a single employer plan (the "OPEB Plan"). Benefits are established and amended by an insurance committee. The City provides health insurance from the date the employee retires up until the age of 65. No health insurance is available to retirees with less than 20 years of service. For retirees after 20 years of service and at least age 62, retirees pay 15% of the Cobra rates for Option I (low deductible plan) single coverage and 20% of the Cobra rate for Option I family coverage. For the closed plan, retirees after 30 years and at least age 55 pay Cobra rates less $275.00/month for Option I single coverage or less $535.50/month for Option I family coverage. For the TCRS plan, retirees after 30 years of service and at least age 55 are eligible to select Option 1 coverage.

Closed plan retirees hired before July 1, 2006 with at least 25 years of service are eligible for insurance under Option II (high deductible plan) at the Cobra rate less $200/month for single coverage or $500/month for family coverage. Closed plan retirees hired after July 1, 2006 with 25 years of service are eligible for the Option II insurance plan but must also be at least age 55. TCRS plan retirees after 30 years and at least age 55 may select Option II coverage (instead of Option I). Beginning July 1, 2019, the City pays 40% of the total monthly premium for Option II coverage in lieu of the $200 for single or $500 for family.

The plan does not have vested inactives as health insurance is not available at normal retirement age of 65. Active employees are eligible if they retire prior to age 65.

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

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

Employees covered by the benefit terms. At the measurement date of June 30, 2020, the following employees were covered by the benefit terms:

Retirees (covered)	38
Actives (covered)	680
Total	718

Total OPEB Liability

The City of Franklin's total OPEB liability of $20,873,087 was measured as of June 30, 2020, and was determined by an actuarial valuation as of that date. $18,368,316 of the total OPEB liability is included in governmental activities and $2,504,771 is included in business-type activities.

Actuarial assumptions and other inputs. The City's 2019 OPEB actuarial report was prepared with a change in assumption for the incorporation of the 2013 Yamamoto Aging Table. This change was the primary factor in the significant increase in OPEB liability between June 30, 2018 and June 30, 2019. The total OPEB liability in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Actuarial valuation method	Entry age normal
Asset valuation method	Not applicable
Funding policy	Funded on a pay-as-you-go basis. The City funds on a cash basis as benefits are paid. No asssets have been segregated and restricted to provide for post-employment benefits.
Amortization period	For contribution calculations: 20 years (closed) beginning July 1, 2018. Experience gains or losses are amoritzed over the average working lifetime of all participants which for the current period is 6 years. Plan amendments are recognized immediately. Investment gains or losses are amortized over a 5 year period. Changes in actuarial assumptions are amortized over the average working lifetime of all participants.
Discount Rate	2.79 percent per annum based on the S&P 500 High Grade 20 Year Rate Index as of June 28, 2019
Salary increases	2.00 percent per annum
Expected long-term rate of return on plan assets	Not applicable
Plan participation	100% of future eligible retirees are assumed to elect the medical coverage upon retirement.
Marital status	64% of future eligible retirees are assumed to cover a spouse
Healthcare cost trend rate	7.5 percent graded uniformly to 6.7% over 3 years and following the Getzen model thereafter to an ultimate rate of 3.90% in the year 2076
Administrative expenses	Assumed to be $524 per annum
Retiree contributions	For member, annual premium for Option 1, $8,435 and Option 2, $7,540. For spouse, annual premium for Option 1, $9,456 and Option 2, $8,477. Retirees with Option 1 pay 15% for single coverage and 20% for family coverage. Retirees with Option 2 pay 60% of the rate shown above for employee or family coverage
Mortality rates	Active and retired: 105% RP-2014 Blue Collar Mortality Tables for Males and Females adjusted back to 2006. For disabled: 105% RP-2014 Disabled Retiree Mortality Tables for Males and Females adjusted back to 2006.
Coordination with Medicare	Not applicable

Changes in the Total OPEB liability

	Total OPEB Liability (a)
Balance at June 30, 2019	$ 20,233,120
Changes for the year:	
Service cost	559,038
Interest	566,552
Change of benefit terms	-
Differences between expected and actual experience	-
Changes in assumptions or other inputs	-
Benefit payments	(485,623)
Net changes	639,967
Balance at June 30, 2020	20,873,087

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the total OPEB liability of the City of Franklin, as well as what the City of Franklin's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.79 percent) or 1-percentage-point higher (3.79 percent) than the current discount rate.

	1% Decrease (1.79)%	**Current Discount Rate (2.79)%**	**1% Increase (3.79)%**
Total OPEB Liability	$ 23,177,960	$ 20,873,087	$ 18,827,676

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates. The following presents the total OPEB liability of the City of Franklin, as well as what the City of Franklin's total OPEB liability would be if it were calculated using healthcare costs trend rates that are 1-percentage-point lower (6.50 percent decreasing to 5.75 percent) or 1-percentage-point higher (8.50 percent decreasing to 7.75 percent) than the current healthcare cost trend rates:

	1% Decrease (6.50% to 5.75% over 3 year and following the Gertzen model less 1% thereafter)	**Healthcare Cost Trend Rates (7.50% to 6.75% over 3 year and following the Gertzen model)**	**1% Increase (8.50% to 7.75% over 3 year and following the Gertzen model plus 1% thereafter)**
Total OPEB Liability	$ 18,340,464	$ 20,873,087	$ 23,844,689

OPEB Expense and Deferred Outflows of Resources and Deferred inflows of Resources Related to OPEB

For the year ended June 30, 2020, the City of Franklin recognized OPEB expense of $3,059,273.

	Governmental activities	Business-type activities	Total
OPEB (negative OPEB) expense	$ 2,692,160	$ 367,113	$ 3,059,273

The City reports the following total OPEB liability (asset) as of June 30, 2020 in the Statement of Net Position:

	Governmental activities	Business-type activities	Total
OPEB liability	$ 18,368,316	$ 2,504,771	$ 20,873,087

At June 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	**Deferred Inflows of Resources**
Differences between expecrted and actual experience:	$ -	$ 1,278,886
Changes of assumptions:	10,956,109	-
Total	$ 10,956,109	$ 1,278,886

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

	Governmental activities	Business-type activities	Total
Deferred Outflows of Resources	$ 9,641,375	$ 1,314,734	$ 10,956,109

	Governmental activities	Business-type activities	Total
Deferred Inflows of Resources	$ 1,125,421	$ 153,465	$ 1,278,886

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

Year ended June 30:	
2021	$ 2,419,305
2022	2,419,305
2023	2,419,305
2024	2,419,308

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

H. Construction and Other Significant Commitments

1. Construction Contracts

During 2020, various street, public works and park improvement projects were in process. At June 30, 2020, there was approximately $20,354,822 in uncompleted contracts for these projects. The projects are funded by the General, Sanitation, Road Impact, Facilities Tax, Storm Water, Hotel/Motel Tax, and the Multi-Purpose Capital Project funds. There were $95,218,766 of uncompleted contracts for Water and Sewer Fund projects.

2. Fuel-Hedging Program

The City participates in a fuel hedging program with the Metropolitan Government of Nashville and Davidson County, Tennessee. The City's objective is to hedge the changes in cash flows due to market price fluctuations related to a portion of expected purchases of fuel. The City is committed to its portion of the fuel hedges through June 30, 2020. Renewals of the contracts are expected in the normal course of operations. At June 30, 2020, the contracts are in an asset position; however, the City's portion of the contracts, approximately 4%, is immaterial to the financial statements. City practice has been to hedge no more than 60% of estimated purchases.

3. Water Purchase Contract

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

Year Ending June 30,	Amount
2021	$ 46,325
2022	46,325
2023	46,325
2024	46,325
2025	46,325
2026 - 2029	185,300
Total	$ 416,925

4. Defined Contribution Plans

Employees hired July 1, 1995 through February 14, 2010 are required to contribute between 3% and 10% of their annual covered salary to a 401(a) cash balance plan. Any plan member may also voluntarily contribute between 1% and 10% of their annual covered salary. For these employees, there is also an optional 457 plan available. The employee has no risk of forfeiture on these amounts.

Employees hired February 15, 2010 through December 31, 2016, may select the City of Franklin 2010 Defined Contribution Plan which requires a 5% contribution but includes a 5% employer match. An additional 3% may be contributed that would be matched by the City. The City's match for the year ended June 30, 2020, totaled $296,387.

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

Also, the City has established a deferred compensation pension plan for employees who are members of the TCRS defined benefit pension plan. Upon their two-year anniversary of hire, eligible employees who contribute to a 457 plan will have up to a 2% salary match provided by the City to a 401(a) plan. The employee is 100% vested at the time of two-year anniversary of hire. Employee participation is voluntary and may be initiated or ended at any time after two years of employment. The City's match for the year ended June 30, 2020, totaled $13,369.

I. Risk Management

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

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

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

Fiscal Year Ending	Claims Liability, July 1	Current Year Claims and Changes in Estimates	Claims Paid	Claims Liability, June 30
6/30/2020	$ 1,561,389	$ 9,491,169	$ (9,410,699)	$ 1,641,859
6/30/2019	$ 1,430,584	$ 9,845,434	$ (9,714,629)	$ 1,561,389

J. Long-term Debt

Long-term debt (excluding unamortized premiums) at June 30, 2020, is comprised of the following:

Governmental Activities:

General Obligation Bonds:	
City of Lawrenceburg, TN Loan Agreement 2005 variable rate of interest, final maturity July 1, 2020	$ 385,000
Series 2010 - General Obligation Refunding Bonds, 2.00% to 4.00% interest, final maturity March 1, 2024	5,770,000
Series 2012 - General Obligation Refunding Bonds, 2.13% interest, final maturity May 1, 2027	11,655,000
Series 2013A - General Obligation Bonds, 2.00% to 4.00% interest, final maturity March 1, 2034	5,585,000
Series 2013B - General Obligation Bonds, Pension Plan Funding, 1.00% to 3.50% interest, federally taxable, final maturity March 1, 2024	4,305,000
Series 2015 - General Obligation Bonds, 3.00% to 5.00% interest, final maturity April 1, 2035	12,310,000
Series 2017 - General Obligation Bonds, 2.00% to 5.00% interest, final maturity April 1, 2037	20,625,000
Series 2019A - General Obligation Bonds, 4.00% to 5.00% interest, final maturity March 1, 2039	28,020,000
Series 2019B - General Obligation Refunding Bonds, 5.00% interest, final maturity March 1, 2029	20,900,000
Series 2019C - General Obligation Bonds, 4.00% to 5.00% interest, final maturity June 1, 2032	29,245,000
Series 2019D - General Obligation Refunding Bonds, 1.00% to 3.50% interest, federally taxable, final maturity June 1, 2027	2,305,000
Total Governmental Activities Long-Term Debt	$ 141,105,000

The bonds are secured by the full faith and credit of the City. During 2020, debt service for the debt was provided by the Debt Service Fund through property tax collections as well as transfers from the Sanitation Fund, Road Impact Fund and the Hotel/Motel Tax Fund.

Business - Type Activities:

Revenue and tax bonds:	
Series 2005 - Sewer and Water Revenue and Tax Refunding Bonds, 3.00% to 5.00% interest, final maturity April 1, 2025	$ 8,990,000
Series 2011 - Truist (formally SunTrust) Loan Program, 2.48% interest, final maturity May 25, 2026	8,810,000
Series 2017 - Sewer and Water Revenue Bonds, 3.00% to 5.00% interest, final maturity February 1, 2037	10,815,000
Notes payable:	
Drinking Water SRF Loan provided through ARRA funding, 2.82% interest; final maturity December 20, 2030	891,679
Clean Water SRF Loan provided through ARRA funding, 2.69% interest; final maturity October 20, 2032	1,281,163
State Revolving Fund Loan (CG2 2016-367) 0.89% interest; final maturity June 20, 2033	1,593,529
State Revolving Fund Loan (SRF 2016-374) 0.89% interest; final maturity June 20, 2033	281,947
State Revolving Fund Loan (CG5 2017-375) 0.89% interest; final maturity August 20, 2049	1,246,640
State Revolving Fund Loan (SRF 2017-376) 1.47% interest; loan term to be 30 years	49,852,067
Total Business-Type Activities Long-Term Debt	$ 83,762,025

The bonds are secured by the full faith and credit of the City and backed by the revenues of the Water and Sewer Fund. During 2020, debt service for the debt was provided solely by the Water and Sewer Fund.

The annual requirements, by type of issue, to amortize outstanding bonds and notes payable at June 30, 2020, are as follows:

Year Ending	**General Obligation Bonds**		**Revenue and Tax Bonds and Notes**		**Total**	
June 30,	**Principal**	**Interest**	**Principal**	**Interest**	**Principal**	**Interest**
2021	$ 9,385,000	$ 5,932,144	$ 4,399,002	$ 1,954,291	$ 13,784,002	$ 7,886,435
2022	10,160,000	5,572,934	4,485,274	1,783,773	14,645,274	7,356,707
2023	10,540,000	5,165,461	4,820,776	1,599,576	15,360,776	6,765,037
2024	11,555,000	4,739,016	5,130,146	1,436,482	16,685,146	6,175,498
2025	10,780,000	4,305,603	5,216,788	1,275,666	15,996,788	5,581,269
2026-2030	52,660,000	14,224,368	13,619,729	4,907,287	66,279,729	19,131,655
2031-2035	26,735,000	4,652,835	12,400,843	3,456,488	39,135,843	8,109,323
2036-2040	9,290,000	811,400	10,205,604	2,140,368	19,495,604	2,951,768
2041-2045	-	-	9,143,133	1,388,880	9,143,133	1,388,880
2046-2050	-	-	9,795,950	691,408	9,795,950	691,408
2051-2053	-	-	4,544,780	72,756	4,544,780	72,756
Totals	$ 141,105,000	$ 45,403,761	$ 83,762,025	$ 20,706,975	$ 224,867,025	$ 66,110,736

Interest on variable rate debt with an associated interest rate swap has been calculated at the fixed swap rate. Interest on variable rate debt without interest rate swaps has been calculated at the interest rate in effect at June 30, 2020.

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

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

Long-term liability activity for the year ended June 30, 2020, was as follows:

	Beginning Balance	**Additions**	**Reductions/ Amortization**	**Ending Balance**	**Due Within One Year**
Governmental activities:					
General obligation bonds-capital	$ 149,495,000	$ 31,550,000	$ 44,245,000	$ 136,800,000	$ 8,355,000
Premium-GO bonds-capital	13,112,949	7,080,224	939,497	19,253,676	939,497
Total GO bonds-capital	162,607,949	38,630,224	45,184,497	156,053,676	9,294,497
General obligation bonds-pension	5,305,000	-	1,000,000	4,305,000	1,030,000
Total bonds payable	167,912,949	38,630,224	46,184,497	160,358,676	10,324,497
Park acquisition agreement	642,856	-	214,286	428,570	214,286
Compensated absences	9,164,529	4,357,937	3,579,841	9,942,625	3,579,841
Derivatives-interest rate swaps	4,700,308	64,062	4,763,300	1,070	-
Net pension liability	33,465,273	1,587	8,968,974	24,497,886	-
Total OPEB liability	17,805,145	563,171	-	18,368,316	-
Total long-term liabilities	$ 233,691,060	$ 43,616,981	$ 63,710,898	$ 213,597,143	$ 14,118,624
Business-type activities:					
Revenue and tax bonds	$ 47,935,246	$ 40,184,709	$ 4,357,930	$ 83,762,025	$ 4,399,002
Premium	1,686,134	-	172,196	1,513,938	172,196
Total bonds payable	49,621,380	40,184,709	4,530,126	85,275,963	4,571,198
Compensated absences	871,444	539,147	377,499	1,033,092	377,498
Net pension liability	4,438,556	216	1,098,152	3,340,620	-
Total OPEB liability	2,427,975	76,796	-	2,504,771	-
Total long-term liabilities	$ 57,359,355	$ 40,800,868	$ 6,005,777	$ 92,154,446	$ 4,948,696

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

Issuance of Long-term Debt
The proprietary fund added $40,184,709 of state revolving loan funds in FY 2020. The only new debt in the governmental funds was from refundings described below.

Refunding of Long-term Debt
On November 20, 2019, the City issued Series 2019C for $29,245,000 in general obligation refunding bonds with an average coupon rate of 4.76%. The City issued the bonds to current refund the Series 101-A-1 variable rate loan issued by the Public Building Authority of the City of Franklin, Tennessee, outstanding in the amount of $20,000,000 and dated January 25, 2007 and advance refund its General Obligation Public Improvement Bonds, Series 2020 (Federally Taxable-Recovery Zone Economic Development Bonds) outstanding in the amount of $15,725,000 and dated July 7, 2020. The City received an interest rate subsidy of up to 45% on the recovery zone bonds. However, the subsidy has been lowered in recent years due to federal sequestration. The refunding eliminated risk of future appropriation of interest subsidy for recovery era municipal bond programs. The $20,000,000 of principal on the current refunding was redeemed by the escrow agent on March 1, 2020.

The City received $36,319,878 in proceeds to satisfy the refunding requirements ($20,000,000 on the 101-A-1 Loan, $16,053,518 on the Series 2010 to escrow, and $266,360 to pay cost of issuance). The difference between the $29,245,000 par amount and the $36,053,518 is due to bond premium of $7,074,878, less issuance costs. There was no penalty or premium due from the City for calling either the 101-A-1 loan of 2007 bonds prior to maturity. The true interest cost of the Series 2019C bonds is 1.74% with a 13-year final maturity structure. The first principal payment occurs on June 1, 2020 and for each year thereafter until final maturity on June 1, 2032.

Also, on November 20, 2019, the City issued Series 2019D (Taxable) for $2,305,000 in general obligation refunding bonds with an average coupon rate of 2.04%. The City issued the bonds to fund in part early termination costs associated with the interest rate swap agreement on the 101-A-1 loan. Along with $2,500,000 in City contribution, a swap termination payment was made of $4,763,300 and $47,046 to pay cost of issuance. The difference between the $2,305,000 par amount plus the $2,500,000 city contribution and the $4,763,300 payment is due to the bond premium of

$5,346, less issuance costs. The true interest cost of the Series 2019D bonds is 2.06% with an 8-year final maturity structure. The first principal payment occurs on June 1, 2020 and for each year thereafter until final maturity on June 1, 2027. The termination of the swap with FMS Wertmanagement Bank eliminated exposure to the end of LIBOR indices at the end of 2021 and long term swap counterparty risk.

From the combined Series 2019C and 2019D issues, the interest savings on a gross basis over an 18-year period is $3,139,781, or $1,490,819 on a present value basis. The percentage of savings of the refunded bonds is 4.17%, which is considered to be significant.

Contingent Liability

The City of Franklin entered a standby loan agreement with the City of Franklin Industrial Development Board in December 2005, subsequent to an Industrial Development Board bond issue for $15 million. The bond issue provided funds to purchase land for the site of the Nissan North America Headquarters project, 500,000 square feet building on a 50 - acre campus in the McEwen Economic Development District of Franklin. The Development District is a tax-increment financing district, created under Tennessee Law, which is designed to provide funds which will retire the bond issue from property taxes on future development.

At the inception of the project, the Industrial Development Board had approximately two years of debt service escrowed. As of January 2008, this escrow was fully spent and the City of Franklin began, as agreed, to make available short-term loans while the proceeds from the Development District were insufficient to cover the debt service. These loans cannot exceed $5 million at any time during that period. As of June 30, 2020, expected development in the area is proceeding as projected in the debt repayment plan. Through June 30, 2020, the City has lent $2,385,835 to the Industrial Development Board under standby loan agreement. This amount will be repaid through future property taxes on the development. The City does not guarantee or have any obligation for the repayment of the bonds.

Swap Agreements

The City has one interest rate swap agreement which is a derivative financial instruments under GASB Statement 53, “Accounting and Financial Reporting for Derivative Instruments.” Accordingly, the derivatives are reported in the statement of net position at fair value, and are tested for effectiveness to qualify for hedge accounting.

The pay-fixed interest rate swap transaction is associated with variable debt. Combining a pay-fixed, receive-variable rate swap with variable debt results in “synthetic” fixed rate debt: The economics are similar to fixed rate debt, but another instrument is involved unlike regular fixed rate debt. Each time the City created synthetic fixed rate debt, a comparison and determination was made that the fixed rate on regular debt would have been higher than the fixed rate on the swap.

There are two main strategies the City pursued with respect to the transaction. A swap can achieve one or both of these strategies. Then as a result of execution of the derivative, its value will change with respect to how prevailing rates on each reporting period compare to when the derivative was put in place. The accumulated changes in fair value, or total fair value of the derivatives are a function of how prevailing interest rates and other market factors affect each transaction at each reporting period. Pursuant to GASB Statement No. 53, each swap transaction is evaluated to determine what type of accounting treatment to apply.

<u>(i) Mitigate the effect of fluctuations in variable interest rates</u>. This is the primary function of the swap where the City pays a fixed rate, and receives a variable rate. In an interest rate environment whose level is generally higher than the rate at which the City is fixed, the swap would result in a positive value to the City. Correspondingly, a lower rate environment than the fixed rate would result in a negative value to the City. The value primarily depends on the overall level of interest rates on the reporting date compared to what the City pays. The overall level of long term interest rates from period to period is the primary driver of changes in value recorded from the investment derivatives where the City pays fixed and receives a variable rate. Interest rates have trended lower since inception of the pay fixed swaps and are expected to continue to trend lower, therefore, the mark-to-market value is generally more negative to the City.

<u>(ii) Reduce interest expense from expected benefit resulting from the difference between short and long-term rates.</u> This is the function of the swap where the City receives floating amounts based on a longer term index with the expectation of receiving an ongoing net benefit compared to short-term rates paid on the variable bonds being hedged. Longer term interest rates, such as the 5 Year Constant Maturity Swap (CMS) Index, are generally higher than shorter term interest rates, such as a weekly rate, which the City pays on the variable bonds. Therefore, when shorter term interest rates came close to, or exceeded longer term rates, the City entered into a swap whose receipts on the receiving floating leg are based on a longer term index that is expected to outperform the payments on the City’s variable debt. Part of the fair

value of this swap is determined by the prevailing level of short term versus long term rates, that is, the steepness of the yield curve. The higher the level of long term rates compared to shorter term rates, the higher the expected benefit to the City, therefore, the higher the mark-to-market value of the swap. The City pays a fixed rate on this swap transaction, therefore the other part of the value of this swap is determined by the prevailing level of interest rates compared to when the City entered into the swap transaction. Since interest rates have trended lower since inception, the mark-to-market value will be more negative to the City, even though the City may be receiving a net benefit from the receipts based on the 5 Year CMS Index.

2005 Swap Agreement

In 2005, the City entered into an interest rate swap agreement with Truist (formerly SunTrust) Bank in connection with its $4,500,000 variable rate loan from the City of Lawrenceburg Public Building Authority. Under the swap the City makes monthly payments based on a fixed rate of 3.65% and receives monthly payments based on 75% of the one-month LIBOR plus 18 basis points. The swap has a notional amount of $4,500,000 and expires on July 1, 2020. Of the original notional amount, $4,115,000 has been retired as of June 30, 2020. SunTrust may terminate the agreement at any time in the event of a default and the City may terminate the agreement at any time by paying a termination payment in an amount equal to the market value at the date of termination.

Pursuant to GASB No. 53, the swap transactions were evaluated for hedge effectiveness and the cumulative change in fair value of the transactions has been recorded within the statement of activities.

Swap Agreement	**2005 Swap Agreement with Truist (Formally SunTrust) Bank**
Original Notional Amount	$ 4,500,000
Less Amount Retired	(4,115,000)
Current Notional Amount	$ 385,000
Effective Date	9/1/2005
Termination Date	7/1/2020
Final Bond Maturity	7/1/2020
City Pays	3.65% Fixed
Payments made by the City*	$ 29,020
City Receives*	LIBOR x 75% + 0.18%
Payments received by the City*	$ 15,412
Net receipts/(disbursements)*	(6,356)
Fair Value of Swap Agreements	(1,070)

* Based on the period July 1, 2019 to June 30, 2020.

The City also had a swap related to debt that was refunded during fiscal year 2020. The swap was settled in November 2019 for $4,763,300.

The valuations provided are derived from proprietary models based upon well-recognized principles and estimates about relevant future market conditions. The fair values take into consideration the prevailing interest rate environment and the specific terms and conditions of each swap. All fair values were estimated using the zero-coupon discounting method. This method calculates the future payments required by the swap, assuming that the current forward rates implied by the yield curve are the market's best estimate of future spot interest rates. These payments are then discounted using the spot rates implied by the current yield curve for a hypothetical zero-coupon rate bond due on the date of each future net settlement payment on the swap.

Below is a list of risks inherent in the type of swaps the City entered into:

Tax Risk
The risk that changes or proposed changes in tax laws or events relating to the tax-exempt status of the City's obligations or of tax-exempt obligations generally will cause interest rates on the debt of the City to increase.

Basis Risk
The risk that the interest rate payable by the City on floating rate debt may not exactly coincide with payment made to the City pursuant to an interest rate swap based upon a floating rate index.

Termination Risk
The risk that the City may have to pay a substantial sum of money if either the City or the counterparty chooses to terminate a swap agreement prior to its otherwise stated termination date or if the agreement terminates for some other reason, including the occurrence of an event of default or a termination event in respect of either party to the swap agreement.

Credit Risk
The City at June 30, 2020 had no credit risk since the swap had negative values. If the value were a positive amount, then the City would be exposed to risk with Truist Bank (merged name of SunTrust Bank and BB&T Bank), with a rating by Moody's/Standard & Poor's/Fitch as of June 30, 2020 of A3/A-/A+.

CITY OF FRANKLIN, TENNESSEE

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2020

Fund Balances:

	$ 1,624,813	$ 53,216,286	$ 53,216,286
	34,491,104	34,491,104	34,491,104
	$	$ 22,442,977	$ 22,442,977
	$	$ 804,607	$ 804,607
	601,819	601,819	601,819
	65,841	$ 1,066,081	$ 1,066,081
	$	$ 10,694,849	$ 10,694,849
	3,673,984	$ 3,673,984	$ 3,673,984
	$	$ 2,695,401	$ 2,695,401
	$	$ 520,472	$ 520,472
	$	$ 7,503,829	$ 7,503,829
	$	$ 8,236,553	$ 8,236,553
	$	$ 817,912	$ 817,912
	$	$ 113,066	$ 113,066
	1,690,654	$ 146,878,940	$ 146,878,940

Multi-Purpose Road Impact

Hotel/Motel Tax

Transit

Storm

County

General Fund

Capital Projects

Other Governmental

Non-Spendable

Restricted

Assigned

Unassigned

Total fund balances

Total fund balances

3,800,169

11,940,200

51,591,473

10,694,849

22,442,977

Reserve Policy – General Fund

Amount

11,132,471

15,808,532

$ 51,591,473

Total Reserves

L. Interfund Receivables, Payables and Transfers

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. The following is a summary of transfers during the year ended June 30, 2020:

Transfer from	Transfer to	Amount
General	Street Aid	$ 250,000
General	Transit	371,653
General	Debt service	2,500,000
General	Capital projects	2,376,380
Sanitation	Debt service	208,317
Road impact	Debt service	2,636,421
Road impact	Capital projects	2,340,415
Facilities Tax	Capital projects	1,483,942
County facilities tax	Water/Sewer	1,285,000
Hotel/motel	Debt service	1,092,153
Hotel/motel	Capital projects	1,054,870
Parkland Dedication	Capital projects	1,526,508
Water/Sewer	Debt service	200,000
Water/Sewer	Capital projects	720,000
Total		$ 18,045,659

The purposes of the transfers are:

- The transfer from the General Fund to the Street Aid Fund was to provide additional funds for the sidewalk gap project.
- The transfer from the General Fund to the Transit System fund is for providing the annual operating subsidy.
- The transfer from the General, Sanitation, Road Impact, Hotel/Motel funds to the Debt Service Fund are for the purpose of transferring funds to cover annual debt service requirements.
- The transfer from the General Fund to the Capital Projects Fund was to provide additional funding for a variety of Capital Improvement Projects.
- The transfer from the County Facilities Tax Fund to the Water/Sewer Fund was to provide funds for major road projects.
- The transfer from the Hotel/Motel fund to the Capital Projects Fund was to provide additional funds for costs on the Harlinsdale and Battlefield parks projects.
- The transfer from the Parkland Dedication fund to the Capital Projects Fund was to provide additional funds for costs on Bicentennial Park, Liberty Park, Eastern Flank, and Southeast Multipurpose Park.
- The transfer from Water/Sewer to the Debt Service fund is to provide funds for a portion of costs in the consolidated public works building.

M. Contingencies

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

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

N. Tax abatements

In accordance with GASB Statement No. 77, *Tax Abatement Disclosures*, City property tax revenues were reduced by $37,848 in fiscal year 2020 under five (5) in lieu of property tax agreements. The first three are agreements with the City only. The Nissan and Ramsey Solution agreements are with the City, County, and the Industrial Development Board. The last agreement is a refund to Community Health Systems from a prior year.

The amount is comprised of:

	Estimated Property Tax	In Lieu of Tax Payment	Difference
1. Franklin Housing Authority (1967)	$ 27,444 [A]	$ 20,394	$ 7,050
2. Franklin Housing Authority (2018)	35,809 [B]	171,651	(135,842)
3. Franklin Housing Authority (2019)	11,275 [C]	-	11,275
4. Nissan	202,118 [D]	172,388	29,730
5. Ramsey Solutions	84,442 [E]	35,503	48,939
6. Community Health Systems	- [F]	(1,000)	1,000
Totals	$ 361,088	$ 398,936	$ (37,848)

[A] The estimated property tax amount for the Franklin Housing Authority-1967 was developed from total cost of the authority's sites per its master housing plan at an assessed residential rate of 25%. The agreement began in 1967 and has no specified end date. Reddick Street properties that have been renovated are now included in FHA-2018.

[B] The estimated property tax amount for the Franklin Housing Authority-2018 developed from total cost of 3 sites (Senior Residence at Reddick Street completed in November 2013, Reddick Street Apartments completed in November 2016, and Chickasaw Senior Community completed in December 2019) at an assessed residential rate of 25%. The agreement began in 2018 and has no specific end date.

[C] The estimated property tax amount for the Franklin Housing Authority-2019 developed from total cost of 64 renovated units at Spring Street/Johnson Circle. The PILOT agreement was approved on September 10, 2019.

[D] The estimated property tax amount is based on the cost of land and building improvements for the Ramsey Solutions facility. The Industrial Development Board owns the facility and leases to Ramsey Solutions. The City passed the tax abatements on October 13, 2015.

[E] The estimated property tax amount is based on the value calculated by the Williamson County property tax assessor. The in lieu of funds are used toward paying the Industrial Development Board's outstanding debt on the land where the Nissan headquarters in located. The agreement began in 2005 and continues as part of the City's Tax Increment Financing (TIF) District provisions.

[F] This was a refund to Community Health Systems from a prior year.

O. Risks and Uncertainties

On January 30, 2020, the World Health Organization ("WHO") announced a global health emergency because of a new strain of coronavirus (the "COVID-19 outbreak"). In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally.

The full impact of the pandemic continues to evolve as of the date of this report. This pandemic has adversely affected global economic activity and contributed to significant deterioration and instability in financial markets. The pandemic may have a continued material adverse impact on economic and market conditions, triggering a period of economic slowdown.

Although the City cannot estimate the length or gravity of the impact of the COVID-19 outbreak at this time, if the pandemic continues, it may have an adverse effect on the City's results of future operations, financial position, and liquidity in fiscal year 2021.

P. Subsequent events

On July 14, 2020, the Board of Mayor and Aldermen approved temporary suspension of penalties for delinquent water, sewer, reclaimed water, stormwater, and sanitation collection services through September 30, 2020. By granting further suspension, customers with delinquent bills may request a payment agreement during the month of July, which are typically 60 days in duration, without incurring penalty while fulfilling terms of the agreement. Customers with delinquent balances are contacted in multiple ways including letters, unpaid balances shown on monthly bills and automatic phone messages. (Prior to this approval, City of Franklin Mayor issued Executive Orders beginning April 3, 2020, which allowed for suspension of penalties due to the sudden closure of businesses and reduced economic activity during the COVID-19 pandemic, for periods of 7 days. The final Executive Order to include this temporary suspension was issued on June 5, 2020.)

On August 7, 2020, the City received $1,815,648 one-time direct appropriation grant from the State of Tennessee. There was no requirement to file a plan of use of the grant funds. This appropriation is intended to assist local governments due to the COVID-19 pandemic.
As of this report, the City has submitted applications for reimbursement of COVID-19 costs of $1,213,710 allocated to the City in the TN CARES Act. No grant receivable was set up in 2020 as the TN CARES Act was not approved by the State until after June 30, 2020. It is anticipated that all TN CARES funds will be received by the City in FY 2021.

At the City's October 2020 Budget and Finance Committee, a budget amendment to the fiscal year 2021 budget was proposed. The Fiscal Year 2020-2021 Budget, built in the earliest weeks of the COVID-19 pandemic, represented the best estimates of revenues at the time and was prudently conservative given the great unknowns when faced with unprecedented shutdowns of vital segments of the economy in Franklin, in Tennessee, and in the nation as a whole. Now that six months have elapsed, the City is in a much better financial position ending FY 2020 than anticipated and can make reasonable revisions to both anticipated revenues and expenditures for the remainder of this fiscal year (FY 2020-2021). The amendment proposes a $2 million increase in general/government revenue. From this increase, there are 3 proposed appropriations. The first are pay adjustments for a one-time increase in the holiday bonus from $100 to $350, a 2% general pay increase as of January 2021, and an allocation to address policy pay compression. The second is master planning / preliminary design for a new City Hall, Phase 1. The third is budget restoration of vacancies, capital equipment, and enhancements not included in the original budget. The Board of Mayor and Aldermen is expected to vote on the budget amendment in October/November 2020.

REQUIRED SUPPLEMENTARY INFORMATION

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CITY OF FRANKLIN, TENNESSEE
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS
(Unaudited)

	2020	2019	2018
Total OPEB liability			
Service cost	$ 559,038	$ 532,417	$ 142,900
Interest	566,552	155,371	158,282
Changes of benefit items	-	(6,939)	-
Differences between expected and actual experience	-	(1,918,330)	-
Changes of assumptions or other inputs	-	16,434,163	-
Benefit payments	(485,623)	(451,742)	(645,903)
Net change in total OPEB liability	639,967	14,744,940	(344,721)
Total OPEB liability-beginning	20,233,120	5,488,180	5,832,900
Total OPEB liability-ending	$ 20,873,087	$ 20,233,120	$ 5,488,179
Covered-employee payroll	$ 40,104,752	$ 39,318,384	$ 31,118,096
Total OPEB liability as a percentage of covered-employee payroll	52.0%	51.5%	17.6%

Notes to Schedule

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

The amounts reported for each fiscal year end were determined as of the prior fiscal year end.

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

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

	2020	2019	2018	2017	2016	2015
Total pension liability						
Service cost	$ 2,438,659	$ 2,017,416	$ 1,894,635	$ 1,911,994	$ 2,093,993	$ 1,977,349
Interest	10,165,977	9,572,072	9,280,014	7,983,916	7,209,696	6,583,224
Cash balance increase	291,703	297,918	-	-	-	-
Changes of benefit items	-	-	-	-	-	-
Differences between expected and actual experience	622,830	2,887,307	5,354,543	3,866,434	5,394,430	3,336,925
Changes of assumptions	1,706,426	1,191,865	2,293,802	-	-	-
Benefit payments, including refunds of employee contributions	(6,812,691)	(5,310,361)	(4,668,158)	(4,238,026)	(3,699,996)	(3,234,121)
Net change in total pension liability	8,412,904	10,656,217	14,154,836	9,524,318	10,998,123	8,663,377
Total pension liability-beginning	142,749,586	132,093,369	117,949,394	108,425,076	97,426,953	88,763,576
Total pension liability-ending (a)	$ 151,162,490	$ 142,749,586	$ 132,104,230	$ 117,949,394	$ 108,425,076	$ 97,426,953
Plan fiduciary net position						
Contributions-employer	$ 5,988,709	$ 4,254,456	$ 4,471,922	$ 3,888,628	$ 2,846,724	$ 2,354,417
Contributions-employee	702,598	831,941	593,845	548,163	525,364	419,334
Net investment income (loss)	18,743,979	(3,237,304)	14,823,429	6,452,638	(1,678,689)	5,973,819
Benefit payments, including refunds of employee contributions	(6,812,691)	(5,310,361)	(4,668,158)	(4,238,026)	(3,699,996)	(3,234,121)
Administrative expenses	(142,565)	(114,344)	(112,112)	(171,371)	(584,138)	(561,992)
Net change in plan fiduciary net position	18,480,030	(3,575,612)	15,108,926	6,480,032	(2,590,735)	4,951,457
Plan fiduciary net position-beginning	104,845,757	108,421,369	93,312,443	86,832,411	89,423,146	84,471,689
Plan fiduciary net position-ending (b)	$ 123,325,787	$ 104,845,757	$ 108,421,369	$ 93,312,443	$ 86,832,411	$ 89,423,146
Net pension liability-ending (a) - (b)	$ 27,836,703	$ 37,903,829	$ 23,682,861	$ 24,636,951	$ 21,592,665	$ 8,003,807
Plan fiduciary net position as a percentage of the total pension liability	81.6%	73.4%	82.1%	79.1%	80.1%	91.8%
Covered payroll	$ 30,013,785	$ 31,795,391	$ 31,118,096	$ 30,832,419	$ 30,362,659	$ 28,205,179
Pension liability as a percentage of covered payroll	92.7%	119.2%	76.1%	79.9%	71.1%	28.4%

Notes to Schedule:

Changes of assumptions - In 2019, amounts reported as changes of assumptions resulted from change to the inflation rate and investment rate of return, salary increases, mortality rates, and withdrawal rates.

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

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

	2019	2018	2017
Total pension liability			
Service cost	$ 372,276	$ 124,730	$ -
Interest	51,291	12,799	-
Changes of benefit items	-	-	52,267
Differences between expected and actual experience	246,960	146,886	-
Changes of assumptions	-	-	-
Benefit payments, including refunds of employee contributions	(1,183)	(906)	-
Net change in total pension liability	669,344	283,509	52,267
Total pension liability-beginning	335,776	52,267	-
Total pension liability-ending (a)	$ 1,005,120	$ 335,776	$ 52,267
Plan fiduciary net position			
Contributions-employer	$ 344,345	$ 166,897	$ 23,007
Contributions-employee	278,151	128,382	17,698
Net investment income (loss)	48,394	15,395	2,220
Benefit payments, including refunds of employee contributions	(1,183)	(906)	-
Administrative expenses	(11,344)	(6,220)	(1,519)
Net change in plan fiduciary net position	658,363	303,548	41,406
Plan fiduciary net position-beginning	344,954	41,406	-
Plan fiduciary net position-ending (b)	$ 1,003,317	$ 344,954	$ 41,406
Net pension (asset) liability-ending (a) - (b)	$ 1,803	$ (9,178)	$ 10,861
Plan fiduciary net position as a percentage of the total pension (asset) liability	99.82%	102.73%	79.22%
Covered payroll	$ 5,563,006	$ 2,567,642	$ 353,953
Pension (asset) liability as a percentage of covered payroll	0.03%	-0.36%	3.07%

Notes to Schedule:

Changes of assumptions - In 2017, amounts reported as changes of assumptions resulted from changes to the inflation rate, investment rate of return, cost-of-living adjustment, salary growth and mortality improvements.

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

(Continued)

CITY OF FRANKLIN, TENNESSEE
SCHEDULE OF EMPLOYER CONTRIBUTIONS
CITY OF FRANKLIN EMPLOYEES' PENSION PLAN
(Unaudited)

	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	$ 5,988,709	$ 4,254,456	$ 4,205,916	$ 3,888,628	$ 2,846,724	$ 2,417,920
Contributions in relation to the actuarially determined contribution	5,988,709	4,254,456	4,471,922	3,888,628	2,846,724	$ 2,354,417
Contribution deficiency (excess)	$ -	$ -	$ (266,006)	$ -	$ -	$ 63,503
Covered payroll	$ 29,943,545	$ 31,749,672	$ 31,055,014	$ 30,862,127	$ 30,284,298	$ 28,366,470
Contributions as a percentage of covered payroll	20.0%	13.4%	14.4%	12.6%	9.4%	8.3%

Notes to Schedule

Valuation date:

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

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level dollar
Amortization period	20 years closed period
Remaining amortization period	Varies by year
Asset valuation method	Fair market value
Inflation rate	2.0%
Salary increases	Prior year, 4% annual increase. Beginning December 31, 2018, based on age (Age 25, 7.5%, Age 30, 7.0%, Age 35, 6.0%, Age 40, 5%, Age 45, 4.5%, Age 50, 4%, Age 55, 3.5%, and Age 60+, 3%)
Investment rate of return	Prior year, 7.3%. Beginning December 31, 2019, 7.2%
Retirement age	Pattern of retirement determined by experience study. For administrative employees, 2003 SOA Pension Plan Turnover Study-Basic Age Table used. For police and fire employees, 115% of 2003 SOA Pension Plan Turnover Study-Basic Age Table used.
Mortality	105% of the RP-2014 Health Annuitants and Non-Annuitants, Blue Collar Mortality Tables, adjusted back to 2006, separate for males and females.

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

CITY OF FRANKLIN, TENNESSEE
SCHEDULE OF EMPLOYER CONTRIBUTIONS
TENNESSEE CONSOLIDATED RETIREMENT SYSTEM
(Unaudited)

	2020	2019	2018	2017	2016
Actuarially determined contribution	$ 422,700	$ 344,345	$ 166,897	$ 172,503	$ 23,007
Contributions in relation to the actuarially determined contribution	422,700	344,345	166,897	172,503	23,007
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 8,453,990	$ 5,564,163	$ 2,567,642	$ 2,653,892	$ 353,953
Contributions as a percentage of covered payroll	5.0%	5.0%	6.5%	6.5%	6.5%

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

Notes to Schedule

Valuation date: Actuarially determined contribution rates and covered payroll for fiscal year 2020 were calculated based on the June 30, 2018 actuarial valuation.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level dollar closed (not to exceed 20 years)
Remaining amortization period	Varies by year
Asset valuation	10-year smoothed within a 20 percent corridor to market value
Inflation rate	2.5%
Salary increases	Graded salary ranges from 8.72% to 3.44% based on age, including inflation, averaging 4.0%
Investment rate of return	7.25%, net of investment expense, including inflation
Mortality	Customized table based on actual experience including projection of mortality improvement using Scale MP-2017 (generational projection)
Cost of living adjustments	2.25%, if provided

(Continued)

CITY OF FRANKLIN, TENNESSEE
SCHEDULE OF INVESTMENT RETURNS
CITY OF FRANKLIN EMPLOYEES' PENSION PLAN
(Unaudited)

	2020	2019	2018	2017	2016	2015
Annual money-weighted rate of return, net of investment expenses	18.1%	-4.0%	16.1%	7.3%	-2.5%	6.4%

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

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES AND SUPPLEMENTARY SCHEDULES

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HISTORIC
FRANKLIN
TENNESSEE

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CITY OF FRANKLIN, TENNESSEE
NONMAJOR GOVERNMENTAL FUNDS

NONMAJOR GOVERNMENTAL FUNDS SUMMARY PAGE:

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

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

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

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

Storm Water Fund - To account for the City's storm water operations.

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

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

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

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

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

CITY OF FRANKLIN, TENNESSEE
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2020
With Comparative Totals for the Fiscal Year Ended June 30, 2019

	Street Aid State Fund	Sanitation Fund	Facilities Tax Fund	County Facilities Tax Fund	Storm Water Fund	Drug Fund	Hotel/Motel Tax Fund	Parkland Dedication Fund	Transit Authority Fund	CDBG Fund	2020	2019
ASSETS												
Total assets	1,443,233	$ 1,684,473	$ 11,550,510	$ 3,673,984	$ 2,720,825	$ 520,472	$ 7,597,633	$ 8,446,575	$ 1,135,418	$ 393,000	$ 39,166,123	$ 61,201,084
LIABILITIES												
Total liabilities	24,081	618,392	855,661		25,424		674	210,022	317,506	279,934	2,331,694	1,324,149
DEFERRED INFLOWS OF RESOURCES												
Total deferred inflows of resources	817,333						93,130				910,463	949,734
FUND BALANCES												
Total fund balances	601,819	1,066,081	10,694,849	3,673,984	2,695,401	520,472	7,503,829	8,236,553	817,912	113,066	35,923,966	58,927,201

-
462

2019

36,028,008 22,473,269 (4,438,544) 49,811,006

69,486 - -

58,349 6,005

2020

28,355,552 28,739,887 (6,029,137) 42,337,438

[illegible] 12,023,408 [illegible] (4,428)

CDBG Fund

282,395 269,780 100,451

$ - - - - - - - - - - - - [illegible] - - - - - - - [illegible]

Transit Authority Fund

2,240,033 2,611,423 371,653 817,649

$ - - - - - - [illegible] - - - - - -2,446,053 165,370 - 371,653 -

Parkland Dedication Fund

1,757,183 (1,526,508) 8,005,878

$ -1,464,200 - - - - - - - - - - - - - - - - - - -

Hotel/Motel Tax Fund

3,524,363 1,544,569 (2,147,023) 7,671,058

3,138,814 - - - - - - - - - -1,110,030 - -12,740 491,740 - (2,147,023) (1,526,508)

[illegible]

Drug Fund

181,384 99,096 438,184

$ - 172,111 - - - - - - - 99,096 - - - - - - - - - - - -

FUND BALANCES

Special Revenue Funds

Storm Water Fund

2,661,807 3,766,416 3,800,010

CITY OF FRANKLIN, TENNESSEE

NONMAJOR GOVERNMENTAL FUNDS

$ - - - - -2,550,882 - - -2,555,688 - - -1,210,728 - -

FOR THE FISCAL YEAR ENDED JUNE 30, 2020

County Facilities Tax Fund

1,000,026 (1,285,000) 3,958,958

With Comparative Totals for the Fiscal Year Ended June 30, 2019

$ - - - - - - - - - - - - - - - - - -

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN

5,766,005

Facilities Tax Fund

3,485,487 6,397,973 (1,483,942) 15,091,277

[illegible] - - - - - - - - - 355,704 - - - - - - - - - - -

Sanitation Fund

9,732,925 10,416,090 (208,317) 1,957,563

- - - - 9,479,172 - - - 9,207,309 - -1,208,781 [illegible] (208,317) [illegible]

[illegible]

State Street Aid Fund

1,290,479 3,489,949 3,634,540 3,634,540 [illegible]

779,086 [illegible]

Revenues: Taxes: Property taxes [illegible] Licenses and permits [illegible] Charges for services [illegible] **Total revenues** **Expenditures:** [illegible] Parks [illegible] Streets [illegible] Debt service: Principal, Interest [illegible] Capital outlay **Total expenditures** **Other financing sources** [illegible] Transfers out **Total other financing sources** **Net changes in fund balances** **Fund balance** [illegible]

CITY OF FRANKLIN, TENNESSEE
STATE STREET AID FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
With Comparative Totals for the Fiscal Year Ended June 30, 2019

	Budgeted Amounts			Variance with	
	Original	**Final**	**Actual**	**Final Budget**	**2019**
Revenues:					
Taxes:					
Property tax	$ 774,694	$ 774,694	$ 779,036	$ 4,342	$ 748,375
Intergovernmental:					
Gasoline tax, State of Tennessee:					
Gas & motor fuel	1,408,625	1,408,625	1,290,479	(118,146)	1,342,649
Petroleum special	138,101	138,101	140,774	2,673	140,793
Gas 1989	220,961	220,961	204,037	(16,924)	214,189
Gas 3 cent	414,302	414,302	378,067	(36,235)	396,877
Gas 2018	580,023	580,023	647,388	67,365	536,489
Use of money and property:					
Interest earned	7,500	7,500	50,168	42,668	8,049
Total revenues	3,544,206	3,544,206	3,489,949	(54,257)	3,387,421
Expenditures:					
Current:					
Highways and streets:					
Street maintenance and improvement	3,800,000	4,050,000	3,633,541	416,459	3,784,840
Supplies	600	600	999	(399)	1,606
Total current	3,800,600	4,050,600	3,634,540	416,060	3,786,446
Total expenditures	3,800,600	4,050,600	3,634,540	416,060	3,786,446
Excess (deficiency) of revenues over (under) expenditures	(256,394)	(506,394)	(144,591)	361,803	(399,025)
Other financing sources (uses):					
Operating transfers from other funds	250,000	500,000	250,000	(250,000)	250,000
Total other financing sources (uses)	250,000	500,000	250,000	(250,000)	250,000
Net changes in fund balances	$ (6,394)	$ (6,394)	105,409	$ 111,803	(149,025)
Fund balance - beginning			496,410		645,435
Fund balance - ending			$ 601,819		$ 496,410

CITY OF FRANKLIN, TENNESSEE
SANITATION FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

With Comparative Totals for the Fiscal Year Ended June 30, 2019

	Budgeted Amounts				
	Original	**Final**	**Actual**	**Variance with Final Budget**	**2019**
Revenues:					
Special event services fee	$ 5,437	$ 5,437	$ -	$ (5,437)	$ -
Charges for services:					
Garbage fees	9,611,188	9,611,188	9,310,396	(300,792)	9,341,314
Customer service	-	-	97,775	97,775	-
Use of money and property:					
Interest earned	63,654	63,654	10,608	(53,046)	15,916
Sale of surplus property	600,000	600,000	243,145	(356,855)	-
Miscellaneous income	67,380	67,380	71,001	3,621	-
Total revenues	10,347,659	10,347,659	9,732,925	(614,734)	9,357,230
Expenditures:					
Sanitation:					
Personnel	3,392,317	3,392,317	3,450,069	(57,752)	3,363,543
Services	3,969,006	3,969,006	4,115,587	(146,581)	3,735,850
Supplies	1,070,439	1,070,439	783,506	286,933	477,333
Operational units	752,528	752,528	752,529	(1)	457,091
Business expenses	118,562	118,562	105,618	12,944	94,446
Payments on capital leases	-	-	-	-	69,948
	9,302,852	9,302,852	9,207,309	95,543	8,198,211
Capital outlay:					
Capital outlay - Sanitation	1,201,020	1,351,020	1,208,781	142,239	265,000
	1,201,020	1,351,020	1,208,781	142,239	265,000
Total expenditures	10,503,872	10,653,872	10,416,090	237,782	8,463,211
Excess (deficiency) of revenues over (under) expenditures	(156,213)	(306,213)	(683,165)	(376,952)	894,019
Other financing sources (uses):					
Transfers to other funds	(348,390)	(348,390)	(208,317)	140,073	(96,930)
Total other financing sources (uses)	(348,390)	(348,390)	(208,317)	140,073	(96,930)
Net changes in fund balances	$ (504,603)	$ (654,603)	(891,482)	$ (236,879)	797,089
Fund balance - beginning			1,957,563		1,160,474
Fund balance - ending			$ 1,066,081		$ 1,957,563

CITY OF FRANKLIN, TENNESSEE
FACILITIES TAX FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

With Comparative Totals for the Fiscal Year Ended June 30, 2019

	Budgeted Amounts			Variance with	
	Original	Final	Actual	Final Budget	2019
Revenues:					
Licenses and permits:					
Facilities tax	$ 2,875,000	$ 2,875,000	$ 3,051,110	$ 176,110	$ 2,610,311
Use of money and property:					
Interest earned	200,000	200,000	434,377	234,377	513,487
Total revenues	3,075,000	3,075,000	3,485,487	410,487	3,123,798
Expenditures:					
Police:					
Supplies	-	-	1,576	(1,576)	-
	-	-	1,576	(1,576)	-
Fire:					
Services	7,000	7,000	23,617	(16,617)	33,764
Supplies	306,592	306,592	331,959	(25,367)	64,984
Business expenses	-	-	125	(125)	500
	313,592	313,592	355,701	(42,109)	99,248
Parks:					
Services	-	-	5,980	(5,980)	55,370
Supplies	-	-	25	(25)	945
Business expenses	-	-	-	-	60
	-	-	6,005	(6,005)	56,375
Sanitation:					
Services	-	-	-	-	465
	-	-	-	-	465
Capital outlay:					
Capital outlay - Fire	7,636,210	7,636,210	5,828,280	1,807,930	1,937,918
Capital outlay - Parks	75,500	75,500	25,871	49,629	-
Capital outlay - Sanitation	190,020	190,020	180,540	9,480	348,733
	7,901,730	7,901,730	6,034,691	1,867,039	2,286,651
Total expenditures	8,215,322	8,215,322	6,397,973	1,817,349	2,442,739
Excess (deficiency) of revenues over (under) expenditures	(5,140,322)	(5,140,322)	(2,912,486)	2,227,836	681,059
Other financing sources (uses):					
Transfers to other funds	-	(1,483,942)	(1,483,942)	-	-
Total other financing sources (uses)	-	(1,483,942)	(1,483,942)	-	-
Net changes in fund balances	$ (5,140,322)	$ (6,624,264)	(4,396,428)	$ 2,227,836	681,059
Fund balance - beginning			15,091,277		14,410,218
Fund balance - ending			$ 10,694,849		$ 15,091,277

CITY OF FRANKLIN, TENNESSEE
COUNTY FACILITIES TAX FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

FOR THE FISCAL YEAR ENDED JUNE 30, 2020

With Comparative Totals for the Fiscal Year Ended June 30, 2019

	Budgeted Amounts			**Variance with**	
	Original	**Final**	**Actual**	**Final Budget**	**2019**
Revenues:					
Licenses and permits:					
Facilities tax	$ 1,250,000	$ 1,250,000	$ 889,427	$ (360,573)	$ 759,874
Use of money and property:					
Interest earned	60,000	60,000	110,599	50,599	144,567
Total revenues	1,310,000	1,310,000	1,000,026	(309,974)	904,441
Other financing sources (uses):					
Transfers to other funds	-	-	-	-	(1,750,000)
Operating transfers to other funds	(1,285,000)	(1,285,000)	(1,285,000)	-	-
Total other financing sources (uses)	(1,285,000)	(1,285,000)	(1,285,000)	-	(1,750,000)
Net changes in fund balances	$ 25,000	$ 25,000	(284,974)	$ (309,974)	(845,559)
Fund balance - beginning			3,958,958		4,804,517
Fund balance - ending			$ 3,673,984		$ 3,958,958

CITY OF FRANKLIN, TENNESSEE
STORM WATER FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
With Comparative Totals for the Fiscal Year Ended June 30, 2019

	Budgeted Amounts			Variance with	
	Original	Final	Actual	Final Budget	2019
Revenues:					
Inspection fees	$ 25,000	$ 25,000	$ 22,300	$ (2,700)	$ -
Charges for services:					
Customer service	2,585,000	2,585,000	2,550,332	(34,668)	2,578,324
Use of money and property:					
Interest earned	37,500	37,500	89,204	51,704	132,436
Sale of surplus property	-	-	(29)	(29)	-
Total revenues	2,647,500	2,647,500	2,661,807	14,307	2,710,760
Expenditures:					
Storm water:					
Personnel	1,632,440	1,632,440	1,709,489	(77,049)	1,597,874
Services	351,238	351,238	348,656	2,582	214,821
Supplies	208,938	208,938	129,629	79,309	137,077
Operational units	301,014	301,014	301,012	2	261,195
Business expenses	66,599	66,599	66,902	(303)	71,076
	2,560,229	2,560,229	2,555,688	4,541	2,282,043
Capital outlay:					
Capital outlay	2,550,000	2,550,000	1,210,728	1,339,272	750,143
	2,550,000	2,550,000	1,210,728	1,339,272	750,143
Total expenditures	5,110,229	5,110,229	3,766,416	1,343,813	3,032,186
Excess (deficiency) of revenues over (under) expenditures	(2,462,729)	(2,462,729)	(1,104,609)	1,358,120	(321,426)
Other financing sources (uses):					
Transfers to other funds	-	-	-	-	(50,000)
Total other financing sources (uses)	-	-	-	-	(50,000)
Net changes in fund balances	$ (2,462,729)	$ (2,462,729)	(1,104,609)	$ 1,358,120	(371,426)
Fund balance - beginning			3,800,010		4,171,436
Fund balance - ending			$ 2,695,401		$ 3,800,010

CITY OF FRANKLIN, TENNESSEE
DRUG FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

FOR THE FISCAL YEAR ENDED JUNE 30, 2020

With Comparative Totals for the Fiscal Year Ended June 30, 2019

	Budgeted Amounts				
	Original	**Final**	**Actual**	**Variance with Final Budget**	**2019**
Revenues:					
Fines and fees:					
Drug fines	$ 116,033	$ 116,033	$ 76,687	$ (39,346)	$ 89,263
Seized assets/unclaimed evidence	97,015	97,015	95,424	(1,591)	26,264
Use of money and property:					
Interest earned	12,000	12,000	8,825	(3,175)	13,629
Sale of surplus property	18,316	18,316	448	(17,868)	-
Total revenues	243,364	243,364	181,384	(61,980)	129,156
Expenditures:					
Police:					
Supplies	-	-	64,530	(64,530)	89,324
Operational units	72,500	72,500	31,323	41,177	24,260
Business expenses	2,400	2,400	3,243	(843)	2,554
	74,900	74,900	99,096	(24,196)	116,138
Capital outlay:					
Capital outlay - Police	60,000	60,000	-	60,000	83,356
	60,000	60,000	-	60,000	83,356
Total expenditures	134,900	134,900	99,096	35,804	199,494
Net changes in fund balances	$ 108,464	$ 108,464	82,288	$ (26,176)	(70,338)
Fund balance - beginning			438,184		508,522
Fund balance - ending			$ 520,472		$ 438,184

CITY OF FRANKLIN, TENNESSEE
HOTEL/MOTEL TAX FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

With Comparative Totals for the Fiscal Year Ended June 30, 2019

	Budgeted Amounts				
	Original	**Final**	**Actual**	**Variance with Final Budget**	**2019**
Revenues:					
Taxes:					
Hotel/Motel tax	$ 3,920,520	$ 3,920,520	$ 3,138,814	$ (781,706)	$ 4,103,235
Use of money and property:					
Interest earned	100,000	100,000	251,991	151,991	214,714
Distributions from conference center	-	-	133,558	133,558	304,680
Total revenues	4,020,520	4,020,520	3,524,363	(496,157)	4,622,629
Expenditures:					
General:					
Services	-	-	32,970	(32,970)	1,974
Supplies	23,500	23,500	85,431	(61,931)	-
Appropriations	1,028,804	1,028,804	1,004,428	24,376	979,812
	1,052,304	1,052,304	1,122,829	(70,525)	981,786
Capital outlay:					
Capital outlay - Parks	338,036	435,438	421,740	13,698	379,516
	338,036	435,438	421,740	13,698	379,516
Total expenditures	1,390,340	1,487,742	1,544,569	(56,827)	1,361,302
Excess (deficiency) of revenues over (under) expenditures	2,630,180	2,532,778	1,979,794	(552,984)	3,261,327
Other financing sources (uses):					
Transfers to other funds	(1,111,402)	(2,166,272)	(2,147,023)	19,249	(1,312,355)
Total other financing sources (uses)	(1,111,402)	(2,166,272)	(2,147,023)	19,249	(1,312,355)
Net changes in fund balances	$ 1,518,778	$ 366,506	(167,229)	$ (533,735)	1,948,972
Fund balance - beginning			7,671,058		5,722,086
Fund balance - ending			$ 7,503,829		$ 7,671,058

CITY OF FRANKLIN, TENNESSEE
PARKLAND DEDICATION FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

With Comparative Totals for the Fiscal Year Ended June 30, 2019

	Budgeted Amounts			Variance with	
	Original	**Final**	**Actual**	**Final Budget**	**2019**
Revenues:					
Parkland dedication fees	$ 1,500,000	$ 1,500,000	$ 1,464,200	$ (35,800)	$ 1,394,772
Interest earned	75,000	75,000	292,983	217,983	241,394
Total revenues	1,575,000	1,575,000	1,757,183	182,183	1,636,166
Other financing sources (uses):					
Transfers to other funds	-	(1,526,508)	(1,526,508)	-	-
Operating transfers from other funds	-	-	-	-	228,582
Total other financing sources (uses)	-	(1,526,508)	(1,526,508)	-	228,582
Net changes in fund balances	$ 1,575,000	$ 48,492	230,675	$ 182,183	1,864,748
Fund balance - beginning			8,005,878		6,141,130
Fund balance - ending			$ 8,236,553		$ 8,005,878

CITY OF FRANKLIN, TENNESSEE
TRANSIT AUTHORITY FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

With Comparative Totals for the Fiscal Year Ended June 30, 2019

	Budgeted Amounts			Variance with	
	Original	Final	Actual	Final Budget	2019
Revenues:					
Intergovernmental:					
Grants	$ 1,962,489	$ 1,962,489	$ 2,132,319	$ 169,830	$ 1,489,582
Charges for services:					
Transit fares	149,000	149,000	63,426	(85,574)	84,945
Use of money and property:					
Interest earned	20,000	20,000	33,788	13,788	27,227
Rental income	9,700	9,700	10,500	800	9,700
Total revenues	2,141,189	2,141,189	2,240,033	98,844	1,611,454
Expenditures:					
Transit:					
Services	-	-	27	(27)	-
Operational units	2,546,060	3,546,060	2,446,026	1,100,034	2,277,206
	2,546,060	3,546,060	2,446,053	1,100,007	2,277,206
Capital outlay:					
Capital outlay	582,000	582,000	165,370	416,630	130,132
	582,000	582,000	165,370	416,630	130,132
Total expenditures	3,128,060	4,128,060	2,611,423	1,516,637	2,407,338
Excess (deficiency) of revenues over (under) expenditures	(986,871)	(1,986,871)	(371,390)	1,615,481	(795,884)
Other financing sources (uses):					
Operating transfers from other funds	1,003,371	2,003,371	371,653	(1,631,718)	795,884
Total other financing sources (uses)	1,003,371	2,003,371	371,653	(1,631,718)	795,884
Net changes in fund balances	$ 16,500	$ 16,500	263	$ (16,237)	-
Fund balance - beginning			817,649		817,649
Fund balance - ending			$ 817,912		$ 817,649

CITY OF FRANKLIN, TENNESSEE
COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

With Comparative Totals for the Fiscal Year Ended June 30, 2019

	Budgeted Amounts			Variance with	
	Original	**Final**	**Actual**	**Final Budget**	**2019**
Revenues:					
Intergovernmental:					
Grants	$ 255,000	$ 323,000	$ 269,780	$ (53,220)	$ 373,845
Use of money and property:					
Interest earned	306	306	12,615	12,309	10,761
Total revenues	255,306	323,306	282,395	(40,911)	384,606
Expenditures:					
General:					
Services	251,000	319,000	239,316	79,684	338,735
Operational units	-	-	30,464	(30,464)	35,111
	251,000	319,000	269,780	49,220	373,846
Total expenditures	251,000	319,000	269,780	49,220	373,846
Net changes in fund balances	$ 4,306	$ 4,306	12,615	$ 8,309	10,760
Fund balance - beginning			100,451		89,691
Fund balance - ending			$ 113,066		$ 100,451

CITY OF FRANKLIN, TENNESSEE
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
With Comparative Totals for the Fiscal Year Ended June 30, 2019

	Budgeted Amounts			Variance with	
	Original	Final	Actual	Final Budget	2019
Revenues:					
Taxes:					
Property tax apportionment	$ 10,704,090	$ 10,704,090	$ 10,958,447	$ 254,357	$ 8,661,198
Intergovernmental:					
Rebates on BAB / RZEDB bonds	358,077	358,077	333,953	(24,124)	818,444
Use of money and property:					
Interest earned	100,000	100,000	142,438	42,438	108,247
Total revenues	11,162,167	11,162,167	11,434,838	272,671	9,587,889
Expenditures:					
Debt service:					
Principal	9,520,000	9,520,000	9,520,000	-	7,945,000
Interest	5,921,387	5,921,387	5,720,563	200,824	5,544,524
Debt Service Fees	13,998	2,513,998	2,712,852	(198,854)	142,027
Total expenditures	15,455,385	17,955,385	17,953,415	1,970	13,631,551
Excess (deficiency) of revenues over (under) expenditures	(4,293,218)	(6,793,218)	(6,518,577)	274,641	(4,043,662)
Other financing sources (uses):					
Issuance of debt	-	-	31,550,000	31,550,000	22,940,000
Premium on debt issuance	-	-	7,080,224	7,080,224	3,870,894
Transfers in	-	2,500,000	2,500,000	-	-
From Water & Sewer	200,000	200,000	200,000	-	200,000
From Sanitation	348,390	348,390	208,317	(140,073)	96,930
From Road Impact	2,642,606	2,642,606	2,636,421	(6,185)	2,755,143
From Hotel/Motel	1,114,924	1,114,924	1,092,153	(22,771)	1,117,355
Other financing sources-issuance of refunding debt:					
Refunding of debt	-	-	(35,725,000)	(35,725,000)	(26,280,000)
Refunding of debt-additional to escrow agent	-	-	(328,518)	(328,518)	(390,360)
Payment to swap	-	-	(2,263,300)	(2,263,300)	-
Total other financing sources (uses)	4,305,920	6,805,920	6,950,297	144,377	4,309,962
Net change in fund balances	$ 12,702	$ 12,702	431,720	$ 419,018	266,300
Fund balance - beginning			372,887		106,587
Fund balance - ending			$ 804,607		$ 372,887

CITY OF FRANKLIN, TENNESSEE

FOR THE FISCAL YEAR ENDED JUNE 30, 2020

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Balance 6/30/2020

Total Federal (Receivables) Passed through

Balance

Grant Number 6/30/2019

- (196) (7,750) (251,306) (199,604) (2,475) **(531,675)** **(531,675)**

$ - **(240,215)** **(349,025)** **(7,187)** **(313,636)**

$ - (196) (7,750) (14,678) **(1,788,185)** **(615,346)** **4,237** (270) (14,280) **(652,050)** **(269,780)** (31,161) (2,924) (44,749) (8,456) (8,712) **(250,604)**

3,518 196 **2,384,407** **1,308,075** **4,228** **656,550** **326,265** **(225,000)** 13,802

3,518 $ - 4,228 9 **9**

(3,518) (835,397) (1,040) **(836,437)** (884,841) (109,096) **(1,045,055)** **(1,881,492)** (4,500) **(4,500)** **(63,672)** (31,161) (2,924) (44,749) **(78,834)**

COVID-19

PT-20-050402

15.929

B-M-14-MC-47-0014

Total Highway Planning and Construction Cluster

Total CDBG - Entitlement Grants Cluster

CDBG - Entitlement Grants Cluster:

U.S. DEPARTMENT OF TRANSPORTATION *Highway Planning and Construction Cluster:*

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

- - - - -

(442)

(3,625)

38,444

- - - - -

Balance 6/30/2020 (Receivable)

Code of Federal

100,000 -

-

(25)

(31,413)

(270,900)

(442,194)

(18,884)

(4,900)

(40,184,794)

4,070

79,944

744,247

18,884

4,900

Cash

40,184,794

100,000

18,884

$ -

(33,258)

(8,546)

(221,210)

(263,609)

Balance 6/30/2019

Unearned

Adjustments

Receipts

(263,609)

Number

State Grant

(Receivable)

TN

(Uniform Guidance) and the State of Tennessee, respectively. Because these Sc

CITY OF FRANKLIN, TENNESSEE

FOR THE FISCAL YEAR ENDED JUNE 30, 2020

SCHEDULE OF STATE FINANCIAL ASSISTANCE

, *and Audit Requirements for Federal Awards*

, *Cost Principles*

Source/Grant Name

Uniform Administrative Requirements

, there was an outstanding balance of

Part 200,

Total Tennessee Department of Agriculture

Total Tennessee Department of Environment and Conservation

Total Tennessee State Financial Assistance

CITY OF FRANKLIN, TENNESSEE

GENERAL OBLIGATION DEBT

SCHEDULE OF PRINCIPAL AND INTEREST REQUIREMENTS

JUNE 30, 2020

Public Building Authority of the City of Lawrenceburg, TN Loan Agreement [illegible]

General Improvement Refunding 2015 (1) [illegible]

General Improvement [illegible] **Bonds**

General Improvement [illegible]

Pension Obligation [illegible]

General Improvement [illegible]

[illegible] 2022 2023 2024 2025 2026 2027 2028 2029 2030 2031 2032 2033 2034 2035 2036 2037 2038 2039 2040

Principal **Interest**

- -

385,000 1,171

Series 2010

Principal

[illegible]

- -

$5,770,000

Interest

528,200

Series 2012 Refunding Bonds

Principal

1,70[illegible]890 - - - - - - - - - - - - - - - -

$11,655,000

Interest

- - - - - - - - - - - - - - - - - - - -

$1,013,881

Series 2013A Refunding Bonds

Principal

40[illegible],000 - - - - - - -

$5,585,000

Interest

- - - - - - -

$1,494,606

Series 2013B Bonds

Principal

- - - - - - - -

$4,305,000

Interest

- -

$55,185

Series 2015 Bonds

Principal

730,[illegible]086 - - - - -

$12,310,000

Interest

- - - - - - -

$3,688,095

- - - - - - -

Notes:

(1) The City has an interest rate swap (va

CITY OF FRANKLIN, TENNESSEE

GENERAL OBLIGATION DEBT

SCHEDULE OF PRINCIPAL AND INTEREST REQUIREMENTS (Cont.)

JUNE 30, 2020

Public Improvement Bonds Series 2017

Principal $ 20,625,000

Interest $ 8,767,750

Public Improvement Bonds Series 2019A

Principal $ 28,020,000

Interest $ 12,610,700

Public Improvement Refunding Bonds Series 2019B

Principal $ 20,900,000

Interest $ 5,555,500

Public Improvement Bonds Series 2019C

Principal $ 29,245,000

Interest $ 11,175,550

1,412,400

Public Improvement Refunding Bonds Series 2019D

Principal $ 2,305,000

Interest $ 211,120

Total

Principal $ 141,105,000

Interest $ 45,403,758

CITY OF FRANKLIN, TENNESSEE

PROPRIETARY FUND DEBT

SCHEDULE OF PRINCIPAL AND INTEREST REQUIREMENTS

JUNE 30, 2020

(Scada-CDM)

Interest 15,719

Principal 281,947

(Scada-Revere)

Interest 94,572

Principal 1,593,529

& ARRA Loan

Interest 325,676

Principal 1,281,163

& ARRA Loan

Drinking Water SRF Clean Water SRF Clean Water SRF

Interest 139,556

Principal 891,679

Sewer & Water

Refunding

Interest 762,001

Principal 8,810,000

Revenue & Tax Refunding

Sewer & Water

Bonds-Series 2005 Loan 2011

Interest 1,172,125

Principal 8,990,000

2031 2032 2033 2034 2035 2036 2037 2038 2039 2040 2041 2042 2043 2044 2045 2046 2047 2048 2049 2050 2051

CITY OF FRANKLIN, TENNESSEE

PROPRIETARY FUND DEBT

SCHEDULE OF PRINCIPAL AND INTEREST REQUIREMENTS

JUNE 30, 2020

	Principal	Interest
Sewer & Water Bonds-Series 2017 Water Plant	$10,815,000	$4,594,600
SRF Loan CG8 17-375 (Wastewater Plant)	$1,246,640	287,056
SRF Loan CG8 17-376 (Wastewater Plant)	$49,852,067	$13,414,668
Totals	$83,762,025	$20,706,975

CITY OF FRANKLIN, TENNESSEE

SCHEDULE OF CHANGES IN LONG-TERM DEBT BY INDIVIDUAL ISSUE

THE FISCAL YEAR ENDED JUNE 30, 2020

Description of Indebtedness

Rate

Paid and/or Refunded

BONDS PAYABLE

Governmental Activities

Payable through Debt Service Fund

$ 24,670,000

Total Bonds Payable

BONDS PAYABLE

Business-type Activities

NOTES PAYABLE

Bonds – Governmental Activities	**154,800,000**	**31,550,000**	**9,520,000**	**35,725,000**	**141,105,000**
Bonds – Business-type Activities	**32,615,000**		**4,000,000**		**28,615,000**
Notes Payable	**15,320,246**	**40,184,709**	**357,930**		**55,147,025**

CITY OF FRANKLIN, TENNESSEE
SCHEDULE OF CHANGES IN PROPERTY TAXES RECEIVABLE - BY LEVY YEAR
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Tax Year	Balance June 30, 2019	Taxes Levied	Adjustments and Collections	Balance June 30, 2020
2019	$ -	$ 21,935,711	$ (21,683,655)	$ 252,056
2018	249,928	-	(185,197)	64,731
2017	50,928	-	(40,495)	10,433
2016	30,954	-	(23,818)	7,136
2015	6,268	-	(683)	5,585
2014	5,054	-	(390)	4,664
2013	6,747	-	(173)	6,574
2012	8,596	-	(43)	8,554
2011	9,769	-	(36)	9,733
2010	15,302	-	(38)	15,264
	$ 383,546	$ 21,935,711	$ (21,934,528)	$ 384,729

The balance at June 30, 2020 is comprised of:	
Considered current revenue	$ 91,235
Allowance for uncollectible accounts: 2010-2019 levies	108,764
Unavailable revenue	184,730
	384,729
Balances not included in the schedule above are:	
2020 tax levy due October 1, 2020 considered unavailable revenue and amounts payable to others and amounts due from years prior to 2010 (fully reserved)	22,754,553
Total property tax receivable (as shown on page 57)	$ 23,139,281

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

CITY OF FRANKLIN, TENNESSEE
SCHEDULE OF UTILITY RATE STRUCTURE
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
UNAUDITED

Utility Services

Service	Number of Customers	Fees
Water	18,100	$ 11,500,806
Sewer	26,025	19,726,163
Reclaimed	90	108,355

Utility Rates

The following rates were effective January 1, 2020. A minimum bill of 1,000 gallons per customer is levied.

Water Residential Rates:

Gallons	Inside City Limits	Outside City Limits
First 1,000 Gallons	$ 13.36	$ 15.50
Next 9,000 Gallons	5.18	7.90
Next 15,000 Gallons	6.11	8.48
All Additional Gallons	7.04	9.06

Water Commercial Rates:

Gallons	Inside City Limits	Outside City Limits
First 1,000 Gallons	$ 19.99	$ 23.71
Next 9,000 Gallons	5.16	7.82
Next 15,000 Gallons	6.09	8.40
All Additional Gallons	7.02	8.98

Sewer Residential Rates:

Gallons	Inside City Limits	Outside City Limits
First 1,000 Gallons	$ 18.87	$ 23.95
Next 14,000 Gallons	6.27	9.66
All Additional Gallons	5.48	8.51

Sewer Commercial Rates:

Gallons	Inside City Limits	Outside City Limits
First 1,000 Gallons	$ 44.30	$ 47.78
Next 14,000 Gallons	6.82	10.49
All Additional Gallons	5.83	8.60

Reclaimed Water Rate:

Gallons	Inside City Limits	Outside City Limits
For each 1,000 Gallons	$ 0.97	$ 0.97

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

CITY OF FRANKLIN, TENNESSEE
SCHEDULE OF UTILITY RATE STRUCTURE (Cont.)
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

UNAUDITED

Installation Charger:

Water Meter Size	Installation-Meter Only	Installation-Complete
3/4"	$ 315	$ 756
1"	374	897
1-1/2"	656	1,444
2"	1,362	2,223
3"	1,581	3,654
4"	2,668	5,492
6"	4,723	7,387
8"	10,293	14,110

Sewer Meter Size	Installation-Meter Only	Installation-Complete
3/4"	$ 263	$ 1,240
1"	263	1,240
1-1/2"	263	1,240
2"	263	1,240
3"	263	1,240
4"	263	1,240
6"	263	1,240
8"	263	1,240

Reclaimed Meter Size	Installation-Meter Only	Installation-Complete
3/4"	$ 500	$ 720
1"	500	854
1-1/2"	500	1,375
2"	500	2,117
3"	500	3,480
4"	500	5,230
6"	500	7,035
8"	500	13,438

Impact Fees*: Meter Size	Water Impact Fee	Sewer Impact Fee
3/4"	$ 2,089	$ 3,544
1"	8,358	14,175
1-1/2"	20,009	34,020
2"	26,745	45,360
3"	58,506	99,225
4"	83,580	141,750
6"	200,592	34,200
8"	250,740	425,250

Irrigation: Meter Size	Irrigation Meter	Reclaimed Disposal Fee
3/4"	$ 3,150	$ 450
1"	4,725	1,800
1-1/2"	6,300	4,320
2"	7,875	5,760
3"	9,450	12,600
4"	11,025	18,000
6"	12,600	43,200
8"	14,175	54,000

***Beginning in 2019, Access and SDF fees were combined for an Impact fee.**

CITY OF FRANKLIN, TENNESSEE
SCHEDULE OF UTILITY RATE STRUCTURE (Cont.)
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
UNAUDITED

Utility Rates

The following rates are effective January 1, 2021. A minimum bill of 1,000 gallons per customer is levied.

Water Residential Rates: **Gallons**	**Inside City Limits**	**Outside City Limits**
First 1,000 Gallons	$ 14.11	$ 16.55
Next 9,000 Gallons	5.29	8.01
Next 15,000 Gallons	6.22	8.59
All Additional Gallons	7.15	9.17

Water Commercial Rates: **Gallons**	**Inside City Limits**	**Outside City Limits**
First 1,000 Gallons	$ 20.74	$ 24.46
Next 9,000 Gallons	5.27	7.93
Next 15,000 Gallons	6.20	8.51
All Additional Gallons	7.13	9.09

Sewer Residential Rates: **Gallons**	**Inside City Limits**	**Outside City Limits**
First 1,000 Gallons	$ 20.03	$ 25.11
Next 14,000 Gallons	6.41	9.80
All Additional Gallons	5.62	8.65

Sewer Commercial Rates: **Gallons**	**Inside City Limits**	**Outside City Limits**
First 1,000 Gallons	$ 45.46	$ 48.94
Next 14,000 Gallons	6.96	10.63
All Additional Gallons	5.97	8.74

Reclaimed Water Rate: **Gallons**	**Inside City Limits**	**Outside City Limits**
For each 1,000 Gallons	$ 0.97	$ 0.97

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

CITY OF FRANKLIN, TENNESEE
SCHEDULE OF UTILITY MAJOR CUSTOMERS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
UNAUDITED

The following table presents information on the ten largest customers of the System during the fiscal year ended June 30, 2020, ranked according to consumption and billings.

TOP TEN WATER CUSTOMERS

Customer	**Gallons of Water Purchased (1,000)**	**% of Total Water Consumed**	**Revenue**	**% of Total Water Revenues**
Franklin Estates (Residential)	26,812	1.85%	$ 171,833	1.61%
Williamson Medical (Hospital)	19,668	1.36%	$ 136,562	1.28%
Viera Holdings LLC (Residential)	17,321	1.18%	$ 135,206	1.26%
Carrington Hills (Residential)	16,228	1.12%	$ 111,189	1.04%
Franklin Housing Authority (Residential)	12,505	0.87%	$ 68,029	0.64%
Williamson County Jail	12,225	0.84%	$ 84,653	0.79%
Prescott Place (Residential)	10,942	0.76%	$ 75,071	0.70%
IMI Tennessee Inc (Mfg)	10,531	0.73%	$ 72,938	0.68%
Apcom Inc. (Mfg)	9,392	0.65%	$ 65,057	0.61%
River Oaks Apartments (Residential)	7,635	0.53%	$ 57,764	0.54%
TOTAL	143,259	9.89%	$ 978,302	9.15%

TOP TEN WASTEWATER CUSTOMERS

Customer	**Gallons Billed (1,000)**	**% of Total Gallons Billed**	**Revenue**	**% of Total Sewer Revenues**
IMT Capital REIT IV LLC (Residential)	35,342	1.40%	$ 205,154	1.01%
Star Brentwood LLC (Residential)	33,108	1.31%	$ 179,013	0.88%
100 Gillespie Drive LLC (Residential)	27,989	1.11%	$ 161,526	0.80%
Franklin Estates (Residential)	26,812	1.07%	$ 218,747	1.07%
Williamson Medical Center (Hospital)	19,668	0.78%	$ 114,542	0.57%
Gateway Village (Residential)	19,148	0.76%	$ 111,145	0.55%
Carrington Hills (Residential)	16,228	0.64%	$ 104,384	0.51%
Cool Springs Galleria (Retail)	15,777	0.62%	$ 91,089	0.45%
Mid America Apartments LP (Residential)	14,084	0.56%	$ 81,634	0.40%
PB One Aspen Grove LLC (Residential)	13,601	0.54%	$ 78,752	0.39%
TOTAL	221,757	8.79%	$ 1,345,986	6.63%

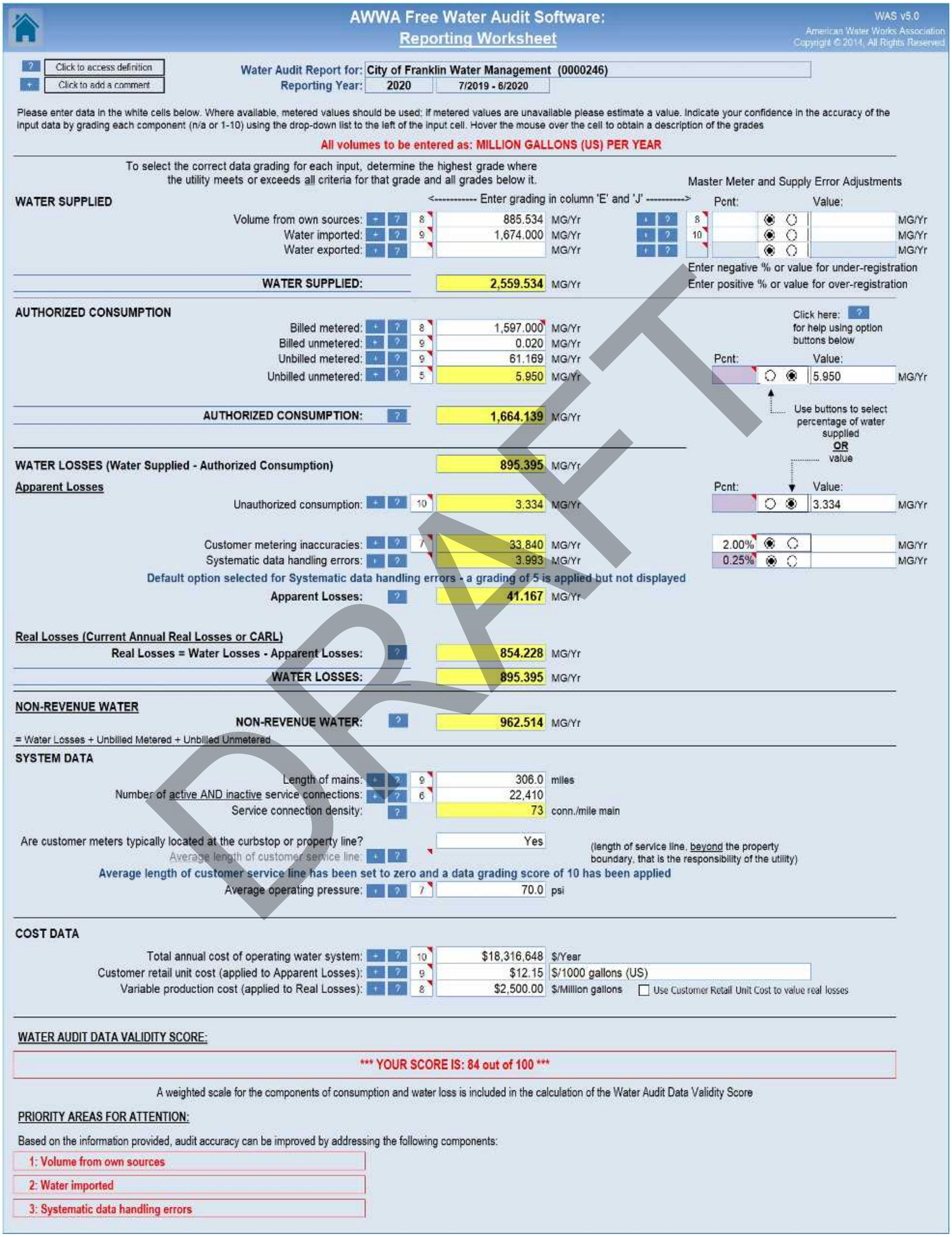
TOP TEN RECLAIMED WATER CUSTOMERS

Customer	**Gallons of Water Purchased (1,000)**	**% of Total Water Consumed**	**Revenue**	**% of Total Water Revenues**
Boyle Investment (Business/Res)	18,699	19.52%	$ 18,028	15.15%
Rural Plains Partnership (Business)	15,347	16.03%	$ 15,697	13.19%
City of Franklin Parks	12,880	13.45%	$ 12,496	10.50%
Berry Farms (Business/Residential)	5,860	6.11%	$ 6,547	5.51%
Ramsey Solutions (Business)	5,512	5.76%	$ 15,033	12.63%
Battle Ground Academy (School)	4,385	4.58%	$ 4,355	3.66%
Carlisle HOA (Residential)	4,086	4.27%	$ 3,975	3.34%
Franklin 1st United Methodist (Church)	3,821	3.99%	$ 3,820	3.21%
John Deere Landscape (Business)	3,458	3.61%	$ 3,362	2.82%
Rizer Point HOA (Residential)	3,161	3.31%	$ 4,457	3.75%
TOTAL	77,209	80.63%	$ 87,770	73.76%

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

Note 2: For reclaimed water customer Vanderbilt Legends Club, a contract is in place to credit charges against an initial capital investment into the system.

CITY OF FRANKLIN, TENNESSEE
AWWA WATER SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
UNAUDITED



AWWA Free Water Audit Software:
Reporting Worksheet

WAS v5.0
American Water Works Association

Water Audit Report for: City of Franklin Water Management (0000246)
Reporting Year: 2020 7/2019 - 6/2020

Please enter data in the white cells below. Where available, metered values should be used; if metered values are unavailable please estimate a value. Indicate your confidence in the accuracy of the input data by grading each component (n/a or 1-10) using the drop-down list to the left of the input cell. Hover the mouse over the cell to obtain a description of the grades

All volumes to be entered as: MILLION GALLONS (US) PER YEAR

To select the correct data grading for each input, determine the highest grade where the utility meets or exceeds all criteria for that grade and all grades below it.

<------------ Enter grading in column 'E' and 'J' ---------->

WATER SUPPLIED

Master Meter and Supply Error Adjustments

	Grade	Value	Unit	Grade	Pcnt:		Value:	Unit
Volume from own sources:	8	885.534	MG/Yr	8		● ○		MG/Yr
Water imported:	9	1,674.000	MG/Yr	10		● ○		MG/Yr
Water exported:			MG/Yr			● ○		MG/Yr

Enter negative % or value for under-registration
Enter positive % or value for over-registration

WATER SUPPLIED: 2,559.534 MG/Yr

AUTHORIZED CONSUMPTION

Click here: ? for help using option buttons below

	Grade	Value	Unit	Pcnt:		Value:	Unit
Billed metered:	8	1,597.000	MG/Yr				
Billed unmetered:	9	0.020	MG/Yr				
Unbilled metered:	9	61.169	MG/Yr				
Unbilled unmetered:	5	5.950	MG/Yr		○ ●	5.950	MG/Yr

AUTHORIZED CONSUMPTION: 1,664.139 MG/Yr

Use buttons to select percentage of water supplied
OR
value

WATER LOSSES (Water Supplied - Authorized Consumption) 895.395 MG/Yr

Apparent Losses

	Grade	Value	Unit	Pcnt:		Value:	Unit
Unauthorized consumption:	10	3.334	MG/Yr		○ ●	3.334	MG/Yr
Customer metering inaccuracies:	7	33.840	MG/Yr	2.00%	● ○		MG/Yr
Systematic data handling errors:		3.993	MG/Yr	0.25%	● ○		MG/Yr

Default option selected for Systematic data handling errors - a grading of 5 is applied but not displayed

Apparent Losses: 41.167 MG/Yr

Real Losses (Current Annual Real Losses or CARL)

Real Losses = Water Losses - Apparent Losses: 854.228 MG/Yr

WATER LOSSES: 895.395 MG/Yr

NON-REVENUE WATER

NON-REVENUE WATER: 962.514 MG/Yr

= Water Losses + Unbilled Metered + Unbilled Unmetered

SYSTEM DATA

	Grade	Value	Unit
Length of mains:	9	306.0	miles
Number of active AND inactive service connections:	6	22,410	
Service connection density:		73	conn./mile main
Are customer meters typically located at the curbstop or property line?		Yes	
Average length of customer service line:			(length of service line, beyond the property boundary, that is the responsibility of the utility)

Average length of customer service line has been set to zero and a data grading score of 10 has been applied

	Grade	Value	Unit
Average operating pressure:	7	70.0	psi

COST DATA

	Grade	Value	Unit
Total annual cost of operating water system:	10	$18,316,648	$/Year
Customer retail unit cost (applied to Apparent Losses):	9	$12.15	$/1000 gallons (US)
Variable production cost (applied to Real Losses):	8	$2,500.00	$/Million gallons

☐ Use Customer Retail Unit Cost to value real losses

WATER AUDIT DATA VALIDITY SCORE:

***** YOUR SCORE IS: 84 out of 100 *****

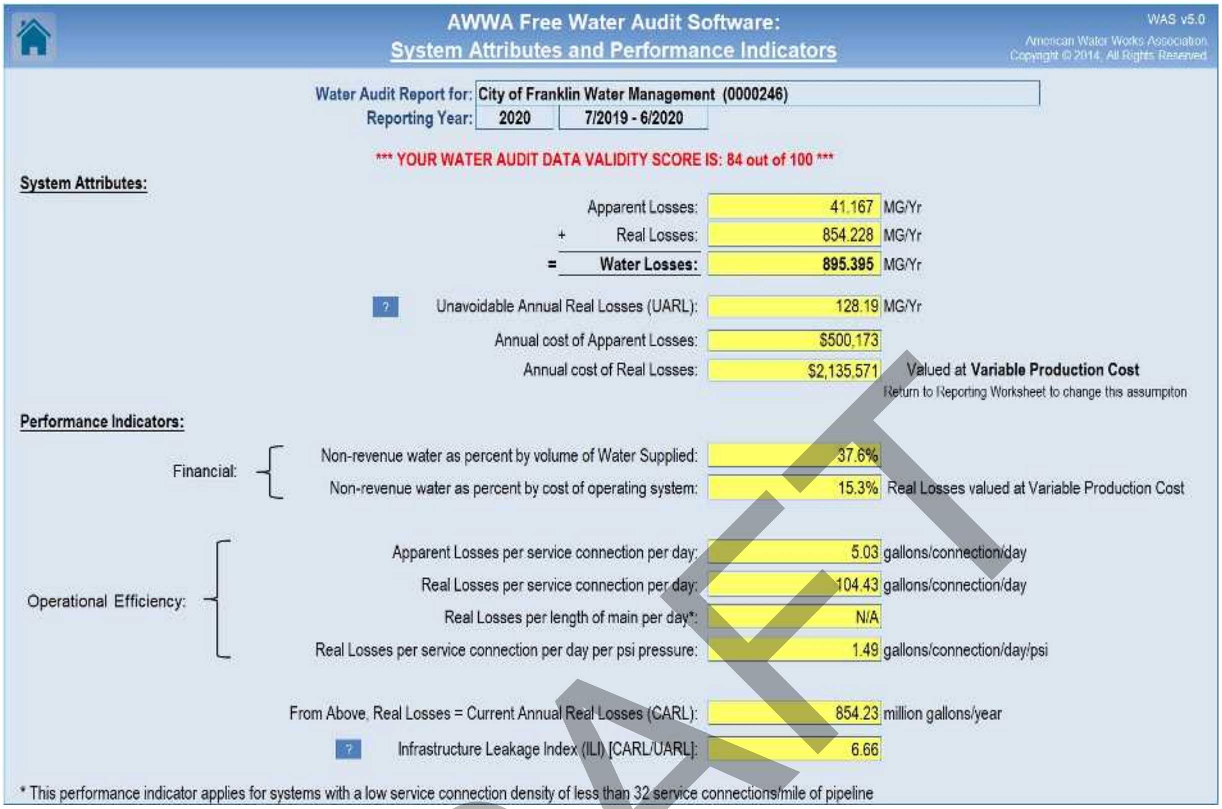
A weighted scale for the components of consumption and water loss is included in the calculation of the Water Audit Data Validity Score

PRIORITY AREAS FOR ATTENTION:

Based on the information provided, audit accuracy can be improved by addressing the following components:

1: Volume from own sources
2: Water imported
3: Systematic data handling errors

CITY OF FRANKLIN, TENNESSEE
AWWA WATER SCHEDULE (Cont.)
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
UNAUDITED



AWWA Free Water Audit Software:
System Attributes and Performance Indicators

Water Audit Report for: **City of Franklin Water Management (0000246)**
Reporting Year: **2020** **7/2019 - 6/2020**

***** YOUR WATER AUDIT DATA VALIDITY SCORE IS: 84 out of 100 *****

System Attributes:

Apparent Losses:	41.167	MG/Yr
+ Real Losses:	854.228	MG/Yr
= **Water Losses:**	**895.395**	MG/Yr
Unavoidable Annual Real Losses (UARL):	128.19	MG/Yr
Annual cost of Apparent Losses:	$500,173	
Annual cost of Real Losses:	$2,135,571	Valued at **Variable Production Cost** Return to Reporting Worksheet to change this assumpiton

Performance Indicators:

Financial:	Non-revenue water as percent by volume of Water Supplied:	37.6%	
	Non-revenue water as percent by cost of operating system:	15.3%	Real Losses valued at Variable Production Cost
Operational Efficiency:	Apparent Losses per service connection per day:	5.03	gallons/connection/day
	Real Losses per service connection per day:	104.43	gallons/connection/day
	Real Losses per length of main per day*:	N/A	
	Real Losses per service connection per day per psi pressure:	1.49	gallons/connection/day/psi
	From Above, Real Losses = Current Annual Real Losses (CARL):	854.23	million gallons/year
	Infrastructure Leakage Index (ILI) [CARL/UARL]:	6.66	

* This performance indicator applies for systems with a low service connection density of less than 32 service connections/mile of pipeline

STATISTICAL SECTION

HISTORIC
FRANKLIN
TENNESSEE

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CITY OF FRANKLIN, TENNESSEE
STATISTICAL SECTION SUMMARY PAGE

STATISTICAL SECTION SUMMARY PAGE:

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

Contents:

Financial Trends

These schedules contain trend information to help readers understand how the City's financial performance and financial position have changed over time. 124

Revenue Capacity

These schedules contain information to help readers assess the City's revenue sources, including its most significant local tax sources, local sales tax and its property tax. 128

Debt Capacity

These schedules present information to help readers assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future. 133

Demographic and Economic Information

These schedules offer demographic and economic indicators to help readers understand the environment within which the City's financial activities take place. 138

Operating Information

These schedules contain service and infrastructure data to help readers understand how the information in the City's financial report relates to the services the City provides and the activities it performs. 140

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

CITY OF FRANKLIN, TENNESSEE
Financial Trends Information
Net Position By Component

(Prepared using the accrual basis of accounting)

2012 2011

Governmental activities:

Net investment in capital assets

Restricted for:

Grant projects

Unrestricted

Total net position

Business-type activities:

Water & Sewer

Pensions

Total net position

Primary government:

Total net position

7,999

1,179

9,178

16,563

16,563

19,266

19,266

37,054,

$ 430,435,702

$ 441,2

CITY OF FRANKLIN, TENNESSEE

Financial Trends Information -
Changes in Net Position

(Prepared using the accrual basis of accounting)

Governmental activities:	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**
Revenues:										
Program revenues:										
Charges for services-Communications	$ -	$ -	$ -	$ -	$ -	$ 3,600	$ 2,500	$ 2,900	$ 2,000	$ 2,696
Charges for services-Human resources	-	-	-	-	-	-	49	6	-	-
Charges for services-IT	-	-	-	-	-	2,752	3,682	1,234	4,020	3,560
Charges for services-BNS	1,521,266	1,839,074	1,878,490	2,332,672	2,005,472	2,921,320	2,999,288	3,169,678	2,369,851	2,482,131
Charges for services-Planning	-	-	-	-	-	172,185	161,101	227,186	197,199	191,527
Charges for services-Engineering	-	-	-	-	-	50	1,650	1,500	1,850	3,700
Charges for services-Gen Govt	385,558	568,711	580,724	608,111	487,716	121,946	158,340	256,860	326,081	134,014
Charges for services-Police	990,092	1,134,311	1,146,251	784,561	782,681	814,774	703,245	374,937	498,781	583,248
Charges for services-Streets	940	6,100	7,160	7,400	10,780	18,040	21,200	302,720	17,555	18,800
Charges for services-Sanitation	6,673,158	6,888,014	6,855,652	6,084,125	7,384,798	8,346,213	7,709,098	8,359,191	9,341,314	9,479,172
Charges for services-Storm water	2,108,109	2,151,430	2,363,177	2,328,343	2,658,906	2,461,914	2,565,543	2,531,201	2,590,324	2,572,632
Charges for services-Transit	64,594	78,861	87,069	94,314	94,072	88,460	104,649	112,418	84,945	63,426
Operating grants & contributions	4,217,716	5,572,231	4,489,556	4,317,671	4,130,790	4,863,442	2,729,040	4,333,905	3,193,791	3,810,803
Capital grants & contributions	11,893,536	26,221,640	24,640,622	32,121,297	65,527,923	13,545,685	10,976,064	13,978,178	24,468,694	26,519,429
General revenues:										
Property taxes	11,728,305	11,550,562	11,659,973	11,878,892	13,278,605	13,679,737	18,023,515	18,621,275	19,031,452	20,084,308
Sales taxes	22,720,666	24,197,413	25,995,733	27,254,742	28,943,994	31,309,367	32,694,269	34,151,972	36,168,178	35,453,379
Other taxes and fees	22,723,385	21,811,094	24,254,006	30,286,052	29,044,718	42,283,630	37,168,655	46,850,308	40,728,490	48,662,128
Other	(173,794)	(4,881,649)	4,630,117	(790,266)	(668,516)	(1,956,347)	2,059,244	1,757,971	2,217,556	-
Transfers	-	-	-	-	200,000	200,000	1,125,000	825,000	200,000	(365,000)
Total revenues	84,853,531	97,137,792	108,588,530	117,307,914	153,881,939	118,876,768	119,206,132	135,858,440	141,442,081	149,699,953
Expenses:										
General government:										
Elected officials	133,300	202,515	183,406	297,496	275,250	343,182	282,123	332,480	290,502	358,690
Administration	507,073	595,811	492,554	456,302	489,702	499,029	561,385	1,231,613	1,074,343	1,313,132
Human resources	952,403	1,049,741	787,765	951,829	965,080	1,093,125	1,193,032	1,101,869	1,292,914	1,373,293
Legal	344,610	387,283	293,197	466,434	349,276	354,340	491,048	455,753	770,499	560,168
Communications	315,291	324,603	304,243	319,154	314,956	363,446	452,958	366,611	404,136	373,353
Capital investment planning	233,651	208,446	162,049	184,077	179,584	87,490	-	-	-	-
Project & facilities management	747,101	863,314	710,947	802,988	1,161,760	1,176,182	1,109,682	1,170,752	1,210,030	1,201,740
Revenue management	1,295,430	1,361,604	176,518	304,303	227,607	205,230	273,544	219,961	233,289	164,454
Finance	865,832	893,037	700,548	717,444	802,805	836,283	863,803	804,287	931,609	953,767
Information technology	3,468,124	3,993,526	4,756,627	4,213,881	4,520,824	4,104,824	4,465,981	4,931,812	4,952,583	4,553,022
Purchasing	145,891	159,188	141,705	165,711	176,188	177,659	207,506	213,132	227,691	269,962
Court	249,454	284,907	220,481	214,427	199,857	228,932	388,088	244,404	213,302	287,357
Building & neighborhood services	1,852,075	1,900,692	2,164,831	2,351,310	2,335,652	2,427,771	2,737,738	2,959,894	3,037,683	3,154,457
Planning	1,408,303	1,223,706	1,235,714	1,425,121	1,383,565	1,680,480	1,567,652	1,405,791	1,549,808	1,429,692
Engineering	612,030	768,730	648,601	696,853	763,790	806,847	1,013,726	1,169,263	1,344,905	1,507,041
Traffic operations center	395,448	460,102	658,063	723,312	828,506	862,274	1,128,998	1,074,055	922,142	1,085,967
General government	1,294,801	3,205,578	2,442,032	1,949,294	4,370,952	12,305,479	3,728,463	(700,908)	6,353,001	6,392,927
Public safety:										
Police	15,461,749	15,154,496	14,363,457	14,538,599	14,418,465	15,009,053	15,715,821	17,012,348	17,637,337	18,484,182
Fire	13,197,463	13,197,477	13,540,246	13,939,150	14,864,908	15,873,431	17,431,159	18,887,397	19,239,506	20,499,375
Parks	3,801,959	3,688,466	3,866,135	4,244,661	4,435,890	4,709,152	5,497,455	6,026,047	6,137,924	6,906,698
Streets-maintenance	16,734,751	21,221,774	16,431,675	18,426,769	19,867,157	22,605,118	29,048,511	30,832,500	27,936,118	28,552,729
Street-fleet	523,234	592,074	601,240	902,173	1,017,846	881,735	875,366	875,834	849,701	931,275
Sanitation	8,180,396	7,961,729	7,837,722	7,279,885	7,593,469	8,388,763	7,972,577	8,496,222	9,040,276	10,211,325
Storm water	1,319,328	1,508,125	1,622,743	2,016,390	1,776,125	2,105,446	2,361,491	2,521,031	2,465,549	2,728,992
Transit	1,257,352	1,398,956	1,623,600	1,736,112	2,372,642	1,705,932	2,035,623	2,240,269	2,405,778	2,566,793
Interest expense on long-term debt	3,919,236	3,730,536	3,679,511	3,742,163	4,087,064	3,988,622	4,074,621	4,587,179	5,281,715	4,484,444
Total expenses	79,216,285	86,336,416	79,645,610	83,065,838	89,778,920	102,819,825	105,478,351	108,459,596	115,802,341	120,344,835
Change in net position	$ 5,637,246	$ 10,801,376	$ 28,942,920	$ 34,242,076	$ 64,103,019	$ 16,056,943	$ 13,727,781	$ 27,398,844	$ 25,639,740	$ 29,355,118
Business-Type activities:										
Revenues:										
Program revenues:										
Charges for services	$ 19,411,483	$ 21,253,689	$ 22,116,747	$ 23,099,351	$ 25,283,748	$ 27,749,661	$ 28,803,497	$ 30,650,210	$ 31,626,191	$ 32,254,195
Capital grants & contributions	3,841,390	5,307,632	6,728,662	11,263,738	9,517,652	12,429,719	9,382,488	11,005,568	9,269,803	9,027,798
General revenues:										
Other sources	180,868	(7,153)	140,371	113,591	170,074	253,837	287,640	424,211	1,085,029	1,349,411
Transfers	-	-	-	-	(200,000)	(200,000)	(1,125,000)	(825,000)	(200,000)	365,000
Total revenues	23,433,741	26,554,168	28,985,780	34,476,680	34,771,474	40,233,217	37,348,625	41,254,989	41,781,023	42,996,404
Expenses:										
Water & sewer	21,396,756	21,960,116	21,973,257	22,694,995	23,353,227	24,245,697	26,189,612	28,476,942	29,846,225	29,702,843
Change in net position	$ 2,036,985	$ 4,594,052	$ 7,012,523	$ 11,781,685	$ 11,418,247	$ 15,987,520	$ 11,159,013	$ 12,778,047	$ 11,934,798	$ 13,293,561
Total change in net position	$ 7,674,231	$ 15,395,428	$ 35,955,443	$ 46,023,761	$ 75,521,266	$ 32,044,463	$ 24,886,794	$ 40,176,891	$ 37,574,538	$ 42,648,679

CITY OF FRANKLIN, TENNESSEE

Financial Trends Information -
Fund Balances - Governmental Funds

(Prepared using the modified accrual basis of accounting)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Fund										
Non-Spendable	$ 522,733	$ 1,423,017	$ 1,741,675	$ 1,141,340	$ 1,712,291	$ 1,879,610	$ 2,223,101	$ 2,061,344	$ 1,719,567	$ 1,624,813
Restricted	-	-	-	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	24,439,033	24,588,314	27,148,443	31,573,111	33,757,157	37,369,976	41,060,041	47,398,627	51,482,407	51,591,473
Total General Fund	24,961,766	26,011,331	28,890,118	32,714,451	35,469,448	39,249,586	43,283,142	49,459,971	53,201,974	53,216,286
All Other Governmental Funds										
Capital Projects Fund										
Non-Spendable	-	-	-	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	15,508,919	6,212,614	35,931,258	34,491,104
Committed	12,058,809	9,266,485	382,419	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	(18,878,175)	(10,104,657)	(7,887,886)	-	-	-	-
Total Capital Projects Fund	12,058,809	9,266,485	382,419	(18,878,175)	(10,104,657)	(7,887,886)	15,508,919	6,212,614	35,931,258	34,491,104
Road Impact Fee Fund*										
Non-Spendable	-	-	-	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-	-	-	22,442,977
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-	-
Total Road Impact Fee Fund	-	-	-	-	-	-	-	-	-	22,442,977
Debt Service Fund										
Non-Spendable	-	-	-	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-	-	-	-
Committed	1,099,568	318,138	84,729	195,118	709	5,000	90,197	106,587	372,887	804,607
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-	-
Total Debt Service Fund	1,099,568	318,138	84,729	195,118	709	5,000	90,197	106,587	372,887	804,607
Special Revenue Funds										
Non-Spendable	-	-	-	46,013	32,553	57,121	76,130	65,380	34,840	65,841
Restricted	288,957	161,351	145,326	484,412	602,732	1,685,971	5,228,990	7,143,259	6,916,726	5,909,581
Committed	8,040,949	9,524,052	8,762,925	12,524,477	12,674,316	17,243,117	24,451,333	33,796,210	38,800,441	18,008,344
Assigned	-	-	1,124,507	1,971,048	5,243,672	7,060,075	5,353,767	8,806,157	13,175,194	11,940,200
Unassigned	(1,088,155)	(1,246,711)	(854,829)	-	-	-	-	-	-	-
Total Special Revenue Funds	7,241,751	8,438,692	9,177,929	15,025,950	18,553,273	26,046,284	35,110,220	49,811,006	58,927,201	35,923,966
Total All Other Governmental Funds	20,400,128	18,023,315	9,645,077	(3,657,107)	8,449,325	18,163,398	50,709,336	56,130,207	95,231,346	93,662,654
Total Governmental Funds	$ 45,361,894	$ 44,034,646	$ 38,535,195	$ 29,057,344	$ 43,918,773	$ 57,412,984	$ 93,992,478	$ 105,590,178	$ 148,433,320	$ 146,878,940

*Prior to FY2020, Road Impact Fee Fund was included in Special Revenue Funds

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

2020	6$,215,946	127,003,848	128,506,634	(51,594)	14.41%
2019	6$,064,451	120,608,791	112,282,806	34,517,157	13.44%
2018	6$,814,751	120,942,521	110,975,890	1,631,069	13.74%
2017	6$,339,011	108,783,730	101,878,242	29,674,006	13.38%
2016	5$,346,463	110,521,743	100,463,720	3,436,188	14.48%
2015	5$,595,489	91,848,483	95,710,554	18,723,500	15.19%
2014	4$,228,473	87,574,179	116,911,711	19,859,681	13.00%
2013	[illegible]	81,964,587	88,939,732	1,475,694	14.93%
2012	4$,985,437	86,033,637	88,048,447	687,562	14.74%
2011	4$,519,192	[illegible]	[illegible]	[illegible]	13.94%

3,540,166

1,327,480

(22,500,000)

8,4[illegible] (2[illegible],000)

Revenues

Taxes

Total revenues

Expenditures

Police

Fire

Principal

Interest

Other charges

Total expenditures

Capital outlay - capitalized

over (under) expenditures

Other financing sources (uses):

Total other finan

Net changes

Debt serv

CITY OF FRANKLIN, TENNESSEE

Revenue Capacity Information
Local Sales Tax Collections

FISCAL YEAR	Estimate of Taxable Sales to Local Sales Tax	Local Sales Tax Rate (City & Williamson County)	Total Local Sales Tax Collected	Less: County Portion (1/2 of tax)	Less: County Admin Fee (1% of City's 1/2 of tax)	Local Sales Tax Received by City	Percent of General Fund Revenue
2020	$ 3,183,243,914	2.75%	$ 71,622,988	$ (35,811,494)	$ (358,115)	$ 35,453,379	50.7%
2019	3,247,423,397	2.75%	73,067,026	(36,533,513)	(365,335)	36,168,178	49.7%
2018	3,066,394,800	2.75%	68,993,883	(34,496,941)	(344,969)	34,151,972	49.4%
2017	2,935,512,368	2.25%	66,049,028	(33,024,514)	(330,245)	32,694,269	49.1%
2016	2,811,166,510	2.25%	63,251,246	(31,625,623)	(316,256)	31,309,367	49.3%
2015	2,598,787,340	2.25%	58,472,715	(29,236,358)	(292,364)	28,943,994	50.4%
2014	2,447,114,882	2.25%	55,060,085	(27,530,042)	(275,300)	27,254,742	47.9%
2013	2,334,072,548	2.25%	52,516,632	(26,258,316)	(262,583)	25,995,733	49.4%
2012	2,172,607,228	2.25%	48,883,663	(24,441,831)	(244,418)	24,197,413	47.5%
2011	2,040,014,905	2.25%	45,900,335	(22,950,168)	(229,502)	22,720,666	44.8%

Tennessee Code Annotated Section 67-6-702 authorizes the levy of a local option sales tax. The tax is applied only to the first $1,600 of any single article of personal property. In February 2018, the voters of Williamson County approved by referendum an increase in the local option sales tax rate from 2.25% to 2.75%, which is the maximum rate authorized by state law. The new rate became effective, April 1, 2018. The City of Franklin entered into an intergovernmental agreement with Williamson County through which the City's additional revenues, generated under the new tax rate (0.50%) will remain with the County for the purposes of funding County School debt service for a period of 3 years beginning April 1, 2018.

The City receives 1/2 of the 2.25% rate collected within the City. Williamson County receives the other 1/2, plus an administrative fee of 1% of the City's 1/2 of the tax.

0.4176

27.77%

Taxable Assessed Value as a Percentage

$18,920,390,435

$1,254,702,750

-

$

$4,804,129

Revenue Capacity Information - CITY OF FRANKLIN, TENNESSEE

$106,128

Assessed Value and Estimated Actual Value of Taxable Property

Personal Property Assessment

Public Utility Assessment

$195,053,443

Industrial & Property

$2,611,168,485

Real Property Assessment

Property

2$383,570,565

[illegible]

Source: Tax Aggregate Report of Tennessee

Note: Property in the City is reassessed periodically. Tax ra

CITY OF FRANKLIN, TENNESSEE

Revenue Capacity Information - Property Tax Rates - Direct and Overlapping Governments*

Fiscal Year	General Fund	Debt Service Fund	Street Aid Fund	Capital Projects Fund	Total Direct Rate	Williamson County*	Total Direct and Overlapping
2020	0.1916 $	0.2110 $	0.0150 $		0.4176 $	3.2266 $	
20192018 2017****2016 2015 2014 2013 2012 2011		0.2092032706201170116079204900241 0	0.1703189012042049708161165 1930	0.00500500500500150	0.407407407406406506506506406540	2.809029689079024912792752195111800	3.15616096460384034027527 6140

Direct Rate

City of Franklin*

Overlapping Rate

--- --- --- --- --- --- ---

--- --- --- ---

0.0050050150

2.16002007082002020202020202000

2020201920182017201620152014201320122011

specdistrict school districtrates, for City of Franklin property's assessed...

From General Fund, the Debt Service Fund, Street Aid Fund, the City of Franklin...

CITY OF FRANKLIN, TENNESSEE

Revenue Capacity Information -
Principal Property Taxpayers, Current Year and Ten Years Ago

	2011		2020	
Taxpayer	**Assessed Valuation**	**Percent of Total Valuation**	**Assessed Valuation**	**Percent of Total Valuation**
Real and Personal Property Tax				
Highwoods Properties			$ 125,899,200	2.40%
Galleria Associates (CBL Assoc.)	50,087,120	1.81%	94,040,760	1.79%
IMT			86,490,800	1.65%
Boyle Investments			85,620,720	1.63%
Middle Tennessee Electric			69,865,392	1.33%
Hall Emery			68,235,600	1.30%
Stock Bridge Capital			61,254,800	1.17%
Chartwell Hospitality			58,128,900	1.11%
KBS			44,775,800	0.85%
LCFRE Carothers			40,618,700	0.77%
HRLP Cool Springs LLC	27,141,960	0.98%		
Carothers Office ACQ LLC	26,064,120	0.94%		
Wyndchase, LLC	20,000,000	0.72%		
Landings F C LP	19,022,465	0.69%		
Crescent Resources	18,614,722	0.67%		
Williamson Farmers Co-Op	16,581,002	0.60%		
Boyle Cool Springs Joint Venture	15,194,640	0.55%		
Alara Franklin Corp	13,862,320	0.50%		
Franklin Cool Springs Corp	13,711,402	0.50%		
Totals	$ 220,279,751	7.96%	$ 734,930,672	14.00%

* Total assessed valuation in 2011 (tax year 2010) was $2,769,192,347.

** Total assessed valuation in 2020 (tax year 2019) is $5,254,702,750.

CITY OF FRANKLIN, TENNESSEE

Revenue Capacity Information -
Property Tax Levies and Collections

Fiscal Year	Total Tax Levy	Collected Within One Year of Levy	Percent Collected	Collections in Subsequent Years	Total Collections	Total Collections as Percent of Total Levy	Outstanding Delinquent Taxes
2020	$ 21,688,376	$ 21,436,320	98.8%	$ -	$ 21,436,320	98.8%	$ 252,056
2019	20,834,771	20,584,843	98.8%	185,197	20,770,040	99.7%	64,731
2018	20,126,690	19,895,443	98.9%	220,814	20,116,257	99.9%	10,433
2017	19,203,126	19,013,067	99.0%	182,923	19,195,990	100.0%	7,136
2016	14,306,693	14,114,206	98.7%	186,902	14,301,108	100.0%	5,585
2015	13,742,347	13,551,648	98.6%	186,035	13,737,683	100.0%	4,664
2014	12,342,702	12,146,687	98.4%	189,441	12,336,128	99.9%	6,574
2013	11,902,186	11,724,940	98.5%	168,693	11,893,633	99.9%	8,553
2012	11,718,525	11,519,012	98.3%	189,780	11,708,792	99.9%	9,733
2011	11,785,700	11,507,981	97.6%	262,455	11,770,436	99.9%	15,264

CITY OF FRANKLIN, TENNESSEE

Debt Capacity Information -

Ratios of Outstanding Debt by Type

3,464

70,908

3.7%

Population **Debt Per Capita**

Percentage of

**

$ 6,727,183,776

Total Outstanding **Personal**

[illegible] 966

Business-type Activities

Water & Sewer **Revenue** **Tax**

$ 35,275,963

49,624,380

\-

$

Governmental Activities

General **Capital** **Leases**

$ 160,358,676

Obligation **Fiscal** **Year**

2020 [illegible] 235,691

Resources used in the calculation above are not externally r

This [illegible] Values are updated to

2,363,927,1,698,410,970,921,023,115

Net General Obligation Debt

2,250 $

70,90870,90870,90866,87067,68262,487

0.8%

Ratio of Net General Obligation Debt to

18,929,390,435

Debt Capacity Information -

CITY OF FRANKLIN, TENNESSEE

Ratios of General Bonded Debt Outstanding

159,514,069

139,648,379,405

131,070,851,146

875,019

375,436

1,092,683,570

Less: Amounts Net General

804,607 $

167,412,594,359,757,999,209,624,232,570,841

160,358,676

Service Fund Fiscal Year Actual Value of Taxable Property Per Capita General Obligation Available in Obligation Debt

2021 2020 2019 2018 2017 2016 2015 2014 2013 2012 2011

This amount... Sources: Tennessee Comptroller of the Treasury, Division of Property Assessment

CITY OF FRANKLIN, TENNESSEE

Debt Capacity Information -

Direct and Overlapping Governmental Activities Debt

June 30, 2020

Jurisdiction	Debt Outstanding	Percentage Applicable to City	Estimated Share of Overlapping Debt
[illegible]	$ 804,180,000	40.05%*	$ 322,074,090
[illegible]	53,176,125	100.00%**	53,176,125
[illegible]			[illegible]
[illegible]			245,634,639***
[illegible]	[illegible]		$ 620,884,854

[illegible] City of Franklin.

4.7%

3.3%

2.9%

3.2%

3.7%

4.1%

3.9%

Debt Capacity Information - Legal Debt Margin Information

CITY OF FRANKLIN, TENNESSEE

3.7%

4.0%

4.8%

3 2012 2011

$2,769,192,347 $3,178,038,662 $3,217,787,361 $3,333,559,875 $3,440,062,708 $3,576,977,148 $4,648,444,160 $4,883,087,226 $5,0

Fiscal Year Assessed Value General Obligation Debt [illegible] **Note: The City has no legal debt limit** [illegible] $41,675,830 $50,159,179 $41,697,493 $67,91

CITY OF FRANKLING, TENNESSEE

Debt Capacity Information -

Pledged-Revenue Coverage

Water & Sewer Fund

Debt Service Requirements ***

Net Revenue

Gross

Available for

Fiscal Year

3.51
6,353,293
$ 1,954,291
$ 4,399,002
22,291,621
20,339,783
9,627,798
33,603,606

[illegible]

Includes transfers

******6.7%

[illegible],193

15.5

Education Level in

94,[illegible]293

CITY OF FRANKLIN, TENNESSEE

Demographic and Economic Information

Per Capita Personal Income **School Enrollment** **Unemployment Rate**

$

Demographic and Economic Statistics, Last Ten Fiscal Years

6,727 1,183,776

70,908

enrollment from Franklin. (Values are updated to match sch

[illegible] [illegible]691

Tenness[illegible]

5.7[illegible]%

38.56%

Percentage of Total

2020** 1

2,3[illegible]

15,948

3.46% 2.50% 2.50% 1.31% 1.0[illegible]%

23.59%

Percentage of Total

2011 2

CITY OF FRANKLIN, TENNESSEE

Demographic and Economic Information -

Principal Employers, Current Year and Nine Years Ago

1,800 3 1,300 1,300 [illegible] 550

12,265

Employees **Rank** **Employment** **County Employment**

Total

Employer

[illegible] Marketing Innovations

[illegible]

Operating Information -

CITY OF FRANKLIN, TENNESSEE

Authorized Full Time Employees by Function

11	748
10	738
9	728
6	711
6	719
6	708
6	715
5	703
6	695
[illegible] 58 3 82	690

36 [illegible]

Operating Information -

Operating Indicators by Function

CITY OF FRANKLIN, TENNESSEE

348 358 495 636 691 480 519 485 331 309

5,704,265 5,872,865 5,805,915 2,690,085 2,636,145 5,755,000 5,737,000 5,770,00

Calls for service

12,000,000 12,000,000 12,000,000 11,

represent the calls and alarms above.

collection differences. 100% of possible calls are

Function/Program Police Fire Sanitation Codes Water

Source: City of Franklin

Operating Information -

Capital Asset Statistics by Function

CITY OF FRANKLIN, TENNESSEE

[illegible] 351 [illegible] 355

Police [illegible] (miles) Water [illegible] Sewer lines (miles) Reclaimed lines (miles)

Function/Program Police Fire Street Number of parks Water

Source: [illegible]

INTERNAL CONTROL AND COMPLIANCE SECTION

CITY OF FRANKLIN, TENNESSEE
SCHEDULE OF HISTORICAL UTILITY SYSTEM GROWTH
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
UNAUDITED

WATER PRODUCTION

Year	Average Daily Production (MGD)	Maximum Daily Production (MGD)
2013	1.18	2.95
2014	1.34	2.78
2015	1.60	2.66
2016	1.21	2.35
2017	0.68	1.90
2018	2.04	3.41
2019	2.40	3.00

WATER SYSTEM USAGE

Year	Gallons Sold (000)	Total Revenues
2013	1,598,926	$ 8,746,584
2014	1,485,715	$ 8,860,972
2015	1,548,809	$ 9,543,369
2016	1,573,538	$ 10,252,017
2017	1,634,058	$ 10,556,568
2018	1,605,061	$ 11,034,782
2019	1,541,561	$ 11,692,199

WASTEWATER SYSTEM USAGE

Year	Gallons Sold (000)	Total Revenues
2013	2,344,749	$ 12,219,785
2014	2,275,611	$ 13,060,064
2015	2,356,667	$ 14,557,438
2016	2,449,963	$ 16,215,570
2017	2,572,765	$ 17,022,240
2018	2,492,648	$ 18,430,468
2019	2,558,374	$ 18,790,102

RECLAIMED WATER USAGE

Year	Gallons Sold (000)	Total Revenues
2013	45,756	$ 135,041
2014	76,561	$ 130,051
2015	88,916	$ 80,505
2016	124,230	$ 123,806
2017	133,039	$ 133,598
2018	133,708	$ 135,473
2019	111,427	$ 128,937

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

CITY OF FRANKLIN, TENNESSEE
SCHEDULE OF DEBT
JUNE 30, 2020

General Oblication Bonded Debt

Total Bonded Debt [1]	$ 158,905,000
Less: Self Supporting Debt	(17,800,000)
Net Bonded Debt	$ 141,105,000
Overlapping Bonded Debt [2]	$ 863,275,517
Less: Self Supporting Bonded Debt	(74,265,000)
Net Overlapping Bonded Debt	$ 789,010,517

	City of Franklin	**City and Net Overlapping**
Bonded Debt Per Capita	$ 2,241	$ 14,416
Net Direct Bonded Debt Per Capita	$ 1,990	$ 13,117
Bonded Debt / Actual Value	3.02%	19.45%
Net Bonded Debt / Assessed Value	2.69%	17.70%
Bonded Debt / Actual Value	0.84%	5.40%
Net Bonded Debt / Actual Value	0.75%	4.92%

	Franklin	**Williamson County**
FY 2020 Assessed Value	$ 5,254,702,750	$ 13,121,341,627
FY 2020 Appraised Value	$ 18,920,390,435	$ 51,807,972,032
2019 Population [3]	70,908	238,412

Williamson County's Bonded Debt as of June 30, 2020 [4]

Bonded Debt	$ 804,180,000
Self Supporting Bonded Debt	(74,265,000)
Net Bonded Debt	$ 729,915,000

Franklin's Assessed Value as a Percentage of Williamson County's Assessed Value:	39.7%

Franklin Special School District Bonded Debt as of June 30, 2020 [5]

Bonded Debt	$ 59,095,517

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

Notes:

(1) Includes self-supporting tax-backed water and sewer revenue and tax bonds. Excludes revenue bonds and loans without GO backing. Excludes unamortized premiums.

(2) Source: Overlapping debt is for Williamson County and Franklin Special School District

(3) Source: City of Franklin special census. County population is U.S. Census July 1, 2019 estimate

(4) Source: Williamson County

(5) Source: Franklin Special School District

CITY OF FRANKLIN, TENNESSEE
SCHEDULE OF BOND AND NOTE INDEBTEDNESS - WATER AND SEWER FUND
JUNE 30, 2020

Amount Issued	Purpose	Due Date	Interest Rate	Outstanding as of 6/30/2020
$ 24,670,000	Revenue & Tax Bonds: Series 2005 - Sewer and Water Revenue and Tax Refunding (1) (2)	April 2025	Fixed	$ 8,990,000
19,430,000	Revenue & Tax Bonds: Series 2011 - Truist (formally SunTrust) Loan Program (1) (2)	May 2026	Fixed	8,810,000
12,000,000	Revenue Bonds: Series 2017 - Water and Sewer Revenue	February 2037	Fixed	10,815,000
1,500,000	Notes Payable: 2009 - Drinking Water SRF Loan through ARRA (1) (3)	December 2030	Fixed	891,679
1,888,200	Notes Payable: 2009 - Clean Water SRF Loan through ARRA (1) (3)	October 2032	Fixed	1,281,163
1,822,741	Notes Payable: 2016 - SCADA SRF Loan through ARRA (1)	2031	Fixed	1,593,529
1,677,259	Notes Payable: 2016 - SCADA SRF Loan through ARRA (1)	2031	Fixed	281,947
1,275,000	Notes Payable: 2017 - Wastewater Plant SRF Loan	August 2049	Fixed	1,246,640
78,500,000	Notes Payable: 2017 - Wastewater Plant SRF Loan	30 years	Fixed	49,852,067
$ 142,763,200	**Total Bonded Debt**			$ 83,762,025

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

CITY OF FRANKLIN, TENNESSEE
SCHEDULE OF GENERAL OBLIGATION DEBT
JUNE 30, 2020

	Amount of Indebtedness	Per Capita [1]	Percentage Of Assessed Valuation [2]	Percentage Of Full Valuation [3]
Gross Direct Indebtedness	$ 158,905,000	$ 2,241	3.02%	0.84%
Net Direct Indebtedness	$ 141,105,000	$ 1,990	2.69%	0.75%
Gross Direct and Gross Overlapping Indebtedness [4] [5]	$ 1,022,180,517	$ 14,416	19.45%	5.40%
Net Direct and Net Overlapping Indebtedness [4] [5]	$ 930,115,517	$ 13,117	17.70%	4.92%

Notes:

(1) The City's certified population as of June 30, 2020 is 70,908.
(2) The City's assessed valuation of taxable property as of June 30, 2020 is $5,254,702,750.
(3) The City's estimated full valuation of taxable property as of June 30, 2020 is $18,920,390,435.
(4) The County's debt outstanding is $804,180,000 as of June 30, 2020. The City's share is $322,074,090. (40.05%)
Of the County's debt outstanding, $74,265,000 is self-supporting. The City's share is $29,743,132. (40.05%)
(5) The Franklin Special School District's debt outstanding is $53,176,125 as of June 30, 2020. The City's share is $53,176,125 (100%)

CITY OF FRANKLIN, TENNESSEE

SCHEDULE OF INDEBTEDNESS AND DEBT RATIOS

JUNE 30, 2020

For Fiscal Year Ending June 30

2020	$ 141,105,000	$ 83,762,025
2019	$ 154,800,000	$ 47,935,246
2018	$ 136,500,000	$ 41,068,251
2017	$ 144,618,000	$ 43,674,957
2016	$ 129,490,000	$ 34,491,208
2015	[illegible]	$ 37,903,142

$ 0

(709)

5,254,702,750

18,920,390,435

1

2

3

TOTAL TAX SUPPORTED

TOTAL REVENUE SUPPORTED

2020

2019

2018

2017

2016

1.1[illegible]%

[illegible]%

66,[illegible]

3.3[illegible]%

$ 51,[illegible] [illegible]22

[illegible],106

$ 171,9[illegible] $174,6[illegible] $210,5[illegible] $221,36[illegible] $256,78[illegible] $266,830

2015

JUNE 30, 2020

CITY OF FRANKLIN, TENNESSEE

SCHEDULE OF INDEBTEDNESS AND DEBT RATIOS (Cont.)

2

1

PERSONAL INC

DEBT [illegible]

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CROSSLIN
CERTIFIED PUBLIC ACCOUNTANTS

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Franklin, Tennessee (the "City"), as of and for the year ended June 30, 2020 (except for the Fiduciary Pension Fund, which was as of and for the year ended December 31, 2019), and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated December 8, 2020.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

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Purpose of this Report

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

Nashville, Tennessee
December 8, 2020

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CROSSLIN
CERTIFIED PUBLIC ACCOUNTANTS

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

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

Report on Compliance for The Major Federal Program

We have audited the City of Franklin, Tennessee's (the "City") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the City's major federal program for the year ended June 30, 2020. The City's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for the City's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination of the City's compliance.

Opinion on the Major Program

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2020.

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Report on Internal Control Over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

Nashville, Tennessee
December 8, 2020

CITY OF FRANKLIN, TENNESSEE
SCHEDULE OF FINDINGS AND QUESTIONED COST
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

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

Noncompliance material to financial statements noted? ___yes x no

Federal Awards

Internal control over major programs:

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

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

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

Identification of major program:

Federal Transit Cluster – CFDA No. 20.507 and 20.526

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

Auditee qualified as low-risk auditee? x yes___ no

CITY OF FRANKLIN, TENNESSEE
SCHEDULE OF FINDINGS AND QUESTIONED COST - Continued
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

SECTION II - FINANCIAL STATEMENT FINDINGS

None Reported.

SECTION III - FEDERAL AUDIT FINDINGS AND QUESTIONS COSTS

None Reported.

SECTION IV - SUMMARY OF PRIOR AUDIT FINDINGS

The City of Franklin, Tennessee had no prior year audit findings.

HISTORIC
FRANKLIN
TENNESSEE

City of Franklin

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

File #: 20-01429

DATE: November 20, 2020

TO: Budget & Finance Committee

FROM:

SUBJECT:

FY 2020 Comprehensive Annual Financial Report (CAFR) For Cool Springs Conference Center.

PURPOSE:

The purpose of this memo is to provide information to the Franklin Board of Mayor and Aldermen (BOMA) concerning the financial condition of the Cool Springs Conference Center on June 30, 2020.

BACKGROUND/STAFF COMMENTS:

Each year, the Conference Center is required by State law to provide an annual financial report to the State of Tennessee. Jointly owned by the City and Williamson County, the City has been designated to provide for periodic financial reports for the Conference Center.

The report for Fiscal Year 2019-2020 will be delivered at the December 3rd meeting of the Budget & Finance Committee, which is designated as the Audit Committee by the Board of Mayor & Aldermen. Representatives of our CPA firm, Crosslin & Associates, will be present to make a verbal report.

The final version of the FY 2020 CAFR for the Conference Center will be provided to the Board of Mayor and Aldermen prior to the December 8th meeting of the Board of Mayor and Aldermen.

FINANCIAL IMPACT:

The delivery of the financial report for the Conference Center is for reporting purposes only. There is no financial impact.

RECOMMENDATION:

Staff recommends acknowledgment of the FY 2020 CAFR for the Cool Springs Conference Center.

CONFERENCE CENTER AT COOL SPRINGS

(A JOINT VENTURE BETWEEN THE CITY OF FRANKLIN, TENNESSEE AND WILLIAMSON COUNTY, TENNESSEE)

FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2020 AND 2019

SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2020

CONFERENCE CENTER AT COOL SPRINGS

Table of Contents

CONFERENCE CENTER AT COOL SPRINGS
INTRODUCTION
JUNE 30, 2020

The Conference Center at Cool Springs (the "Conference Center") is pleased to present its Annual Financial Report for the years ended June 30, 2020 and 2019.

Responsibility and Controls

The Conference Center has prepared and is responsible for the financial statements and related information included in this report. A system of internal accounting controls is maintained to provide reasonable assurance that assets are safeguarded and that the books and records reflect only authorized transactions. Limitations exist in any system of internal controls. However, based on recognition that the cost of the system should not exceed its benefits, management believes its system of internal accounting controls maintains an appropriate cost/benefit relationship.

The Conference Center's system of internal accounting controls is evaluated on an ongoing basis by the Conference Center's internal financial staff. Crosslin, PLLC, the Conference Center's external auditors, also consider certain elements of the internal control system in order to determine their auditing procedures for the purpose of expressing an opinion on the financial statements. However, no audit opinion is expressed on internal controls.

Management believes that its policies and procedures provide guidance and reasonable assurance that the Conference Center's operations are conducted according to management's intentions and to a high standard of business ethics. In management's opinion, the financial statements present fairly, in all material respects, the financial position of the Conference Center as of June 30, 2020 and 2019, and the changes in its financial position and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Management and Those Charged with Governance

The Conference Center is owned jointly by the City of Franklin, Tennessee and Williamson County, Tennessee. The Conference Center is managed under a contract with Chartwell Hospitality.

Matthew Lahiff

Chartwell Hospitality
General Manager - Franklin
Marriott Cool Springs

CONFERENCE CENTER AT COOL SPRINGS
INTRODUCTION
JUNE 30, 2020

City of Franklin, Tennessee:	
Eric Stuckey	City Administrator
Board of Mayor and Alderman:	
Ken Moore	Mayor
Ann Petersen	At Large
Clyde Barnhill	At Large
Brandy Blanton	At Large
Pearl Bransford	At Large
Beverly Burger	Ward 1
Dana McLendon	Ward 2
Scott Speedy	Ward 3
Margaret Martin	Ward 4
Williamson County, Tennessee:	
Rogers Anderson	County Mayor
County Commission:	
Dwight Jones	District 1
Ricky D. Jones	District 1
Elizabeth C. "Betsy" Hester	District 2
Judy Herbert	District 2
Jennifer Mason	District 3
Keith Hudson	District 3
Chad Story	District 4
Gregg Lawrence	District 4
Beth Lothers	District 5
Thomas W. "Tommy" Little	District 5
Erin Nations	District 6
Paul Webb	District 6
Bert Chalfant	District 7
Tom Tunnicliffe	District 7
Jerry W. Rainey	District 8
Barb Sturgeon	District 8
Chas Morton	District 9
Matt Williams	District 9
Robbie Beal	District 10
David Landrum	District 10
Brian Beathard	District 11
Sean R. Aiello	District 11
Steve Smith	District 12
Dana Ausbrooks	District 12

INDEPENDENT AUDITOR'S REPORT

To the Owners of the
Conference Center at Cool Springs
Franklin, Tennessee

Report on the Financial Statements

We have audited the accompanying financial statements of the Conference Center at Cool Springs (the "Conference Center"), a Joint Venture between the City of Franklin, Tennessee and Williamson County, Tennessee, as of and for the years ended June 30, 2020 and 2019, and the related notes the financial statements, which collectively comprise the Conference Center's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Conference Center at Cool Springs as of June 30, 2020 and 2019, and the changes in financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 6 through 12, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Conference Center's basic financial statements. The introductory section and the supplementary schedule, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December XX, 2020, on our consideration of the Conference Center's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Conference Center's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Conference Center's internal control over financial reporting and compliance.

Nashville, Tennessee
December XX, 2020

CONFERENCE CENTER AT COOL SPRINGS
MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED

The Management of the Cool Springs Conference Center, on behalf of its joint owners, the City of Franklin, Tennessee and Williamson County, Tennessee, provide the following discussion and analysis of the financial performance of the Conference Center's activities for the fiscal years ended June 30, 2020 and 2019 with comparisons to 2019 and 2018, respectively.

Financial Highlights

- The assets of the Conference Center exceeded its liabilities at the close of the most recent fiscal year by $10,855,797 compared to $11,035,257 in 2019. This represents a decrease of $179,460 in net position from the preceding year. In comparison, net position decreased by $51,212 from $11,086,469 in 2018 to $11,035,257 in 2019.

- The Conference Center's cash increased by $157,228 to $738,977 at the close of fiscal year 2020, due to the decrease in distributions to local governments. Reserves are being maintained for anticipated renovations planned to be made to the Center in the near future. The Conference Center's cash increased by $105,267 from fiscal year 2018 to 2019, totaling $581,749 at June 30, 2019. A portion of cash is restricted, by agreement, for capital expenditures. Marriott has granted a waiver on all future capital projects that were required by the Property Improvement Plan (PIP). These projects were issued by Marriott at the time of the last hotel sale in November of 2018 and were originally due in November of 2020. The waiver granted an extension of the PIP due dates until November of 2022.

- The Conference Center's capital assets (net of accumulated depreciation) were $10,157,898 at June 30, 2020, as compared to $10,444,092 and $10,589,787 at June 30, 2019 and 2018, respectively. Additions to capital assets during fiscal years 2018 were $155,684. During fiscal years 2020 and 2019, additions totaled $180,520 and $298,998, respectively. Planned projects that have been completed include replacement of original kitchen equipment, upgrades to the current fire system, installation of LED parking lights and replacement of meeting room doors and hardware. Capital asset balances were reduced by depreciation expense in each year.

- Operating revenues decreased to $5,533,770 in fiscal year 2020, representing a 29% decrease from 2019. The decrease in operating revenue was primarily a result of a decrease in 3rd and 4th quarter events due to the COVID-19 pandemic. The Conference Center was shuttered due to the pandemic for a portion of March, all of April and May and most of June. Operating revenues increased to $7,834,002 in fiscal year 2019, representing a 5% increase from 2018.

- Operating expenses totaled $5,658,310 for 2020, which represents a decrease of 23% from 2019. The decrease in operating expense is primarily a result of a decrease in 3rd and 4th quarter events due to the COVID-19 pandemic. The Conference Center was shuttered due to the pandemic for a portion of March, all of April and May and most of June. Operating expenses totaled $7,306,292 for 2019, which represents an increase of 3% from 2018.

- The Conference Center's net distributions to the City and Country governments amounted to $267,115 in 2020 as compared to $609,360 in 2019. The decrease was direct result of decreased profitability in Operations beginning in February of 2020. Net distributions to the City and County governments amounted to $443,724 in 2018. The increase from 2018 was a direct result of increased profitability in Operations for the year.

Overview of the Financial Statements

This annual report consists of three parts: Management's Discussion and Analysis, Financial Statements and Supplementary Information. The Financial Statements also include notes that explain in more detail some of the information in the financial statements.

Required financial statements:

The financial statements of the Conference Center use accounting methods similar to private-sector businesses. These statements offer short and long-term financial information about its activities. The Statement of Net Position includes all of the Conference Center's assets and liabilities and provides information about the nature and amounts of investments in resources (assets) and obligation to creditors (liabilities). The Center had no deferred outflows or deferred inflows of resources at June 30, 2020 or 2019. The statement also provides the basis for computing rate of return, evaluating the capital structure, and assessing the liquidity and financial flexibility of the Conference Center.

Net position presents information on all of the Conference Center's assets and liabilities, with the difference reported as net position. Over periods of time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Conference Center is improving or deteriorating.

All of the current year's revenues and expenses are accounted for in the Statement of Revenues, Expenses and Changes in Net Position. This statement measures the success of the Conference Center's operations over the past year and can be used to determine whether the Conference Center has successfully recovered all its costs through its user fees and other charges, profitability, and credit worthiness.

The final required financial statement is the Statement of Cash Flows. The primary purpose of this statement is to provide information about the Conference Center's cash receipts and cash payments during the reporting period. The statement reports cash receipts, cash payments, and net changes in cash resulting from operations, investing, and capital and non-capital financing activities and provides answers to such questions as "from where did cash come?" "for what was cash used?" and "what was the change in cash balance during the reporting period?"

Notes to financial statements:

The notes provide additional information that is essential to a full understanding of the data provided in the financial statements. The notes to the financial statements can be found beginning on page 16 of this report. Information regarding the Center's capital assets can be found specifically in Note C.

Financial Analysis of the Conference Center as a Business-type Activity

One of the most important questions asked about the Conference Center's finances is "Is the Conference Center as a whole, better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Revenues, Expenses, and Changes in Net Position report information about the Conference Center's activities in a way that will help answer this question. These two statements report the net position of the Conference Center and changes therein. Therefore, the Conference Center's net position - the difference between assets and liabilities - could be considered as one way to measure financial health.

Over time, increases or decreases in the Conference Center's net position is one indicator of whether its financial health is improving or deteriorating. However, the reader will need to also consider other non-financial factors such as changes in economic conditions, population growth, competition and new or changed environmental regulations.

The Conference Center's net position decreased by $179,460 during the current fiscal year. Our analysis below focuses on the Conference Center's net position (Table 1) and changes in net position (Table 2) from 2019 to 2020 and from 2018 to 2019.

Conference Center assets exceeded liabilities by $10,855,797 at the close of the most recent fiscal year. By far, the largest portion of the Conference Center's net position (94%) reflects its investment in capital assets (e.g., land, building, and equipment). The land and building and certain improvements were initially constructed by the City of Franklin and Williamson County and contributed for use as a conference center facility. The Conference Center uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

CONFERENCE CENTER AT COOL SPRINGS
MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED

TABLE 1: FINANCIAL POSITION

	2020	2019	Difference	2018	Difference
CURRENT ASSETS					
Cash					
Restricted for capital expenditure	$ 484,717	$ 318,392	$ 166,325	$ 337,123	$ (18,731)
Unrestricted	254,260	263,357	(9,097)	139,359	123,998
Total cash	738,977	581,749	157,228	476,482	105,267
Due from hotel operator	-	191,476	(191,476)	280,024	(88,548)
Due from City/County	26,408	-	26,408	-	-
Other receivables	-	-	-	1,972	(1,972)
Prepaid expenses	3,356	6,067	(2,711)	3,564	2,503
Total current assets	768,741	779,292	(10,551)	762,042	17,250
NON-CURRENT ASSET					
Capital assets	17,323,385	17,142,865	180,520	16,843,867	298,998
Less accumulated depreciation	(7,165,487)	(6,698,773)	(466,714)	(6,254,080)	(444,693)
Capital assets, net	10,157,898	10,444,092	(286,194)	10,589,787	(145,695)
Total assets	10,926,639	11,223,384	(296,745)	11,351,829	(128,445)
CURRENT LIABILITIES					
Accounts payable and accrued expenses	21,290	129,665	(108,375)	191,034	(61,369)
Deferred revenue	45,938	-	45,938	-	-
Due to hotel operator	3,614	-	3,614	-	-
Due to City/County	-	58,462	(58,462)	74,326	(15,864)
Total liabilities	70,842	188,127	(117,285)	265,360	(77,233)
NET POSITION					
Investment in capital assets	10,157,898	10,444,092	(286,194)	10,589,787	(145,695)
Restricted	484,717	318,392	166,325	337,123	(18,731)
Unrestricted	213,182	272,773	(59,591)	159,559	113,214
TOTAL NET POSITION	$ 10,855,797	$ 11,035,257	$ (179,460)	$ 11,086,469	$ (51,212)

Changes in the Conference Center's net position can be determined by reviewing the details of Revenue, Expenses and Changes in Net Position for the years below.

TABLE 2: CHANGES IN NET POSITION

	2020	2019	Difference	2018	Difference
OPERATING REVENUE					
Banquet and catering	$ 5,533,770	$ 7,834,002	$ (2,300,232)	$ 7,448,776	$ 385,226
OPERATING EXPENSES					
Banquet and catering expenses	2,900,866	4,216,145	(1,315,279)	3,908,399	307,746
Administrative and general	420,650	540,832	(120,182)	488,751	52,081
Sales and marketing	986,617	1,149,585	(162,968)	1,262,136	(112,551)
Utilities	244,826	287,503	(42,677)	278,163	9,340
Repairs and maintenance	194,744	250,455	(55,711)	255,156	(4,701)
Catering management fee	219,887	142,320	77,567	207,264	(64,944)
Management fees	216,732	256,245	(39,513)	204,312	51,933
Insurance and other fixed costs	7,274	18,514	(11,240)	34,388	(15,874)
Depreciation	466,714	444,693	22,021	431,820	12,873
Total operating expenses	5,658,310	7,306,292	(1,647,982)	7,070,389	235,903
Operating (loss) income	(124,540)	527,710	(652,250)	378,387	149,323
OTHER INCOME	212,195	30,438	181,757	21,610	8,828
NET DISTRIBUTIONS TO LOCAL GOVERNMENTS	(267,115)	(609,360)	342,245	(443,724)	(165,636)
Change in net position	(179,460)	(51,212)	(128,248)	(43,727)	(7,485)
NET POSITION, beginning of year	11,035,257	11,086,469	(51,212)	11,130,196	(43,727)
NET POSITION, end of year	$ 10,855,797	$ 11,035,257	$ (179,460)	$ 11,086,469	$ (51,212)

Financial Statement Discussion and Economic Factors:

The Conference Center continues to be one of the premier banquet and meeting facilities in Middle Tennessee. The Conference Center, like other facilities of this type, was opened with the intent in mind for it to be used as a vehicle to bring additional visitors into Franklin and Williamson County. We have been successful in attaining that goal. The Conference Center has continued to evolve as a successful economic catalyst for local businesses and area restaurants and also continues to exceed the initial expectations for revenue actualization from its opening performance. While the economic uncertainty of the recent past has continued to impact the Conference Center's overall revenues, we have mitigated this impact to the extent possible with a very intensive and directed sales and marketing effort by our sales team. With the rebound in the U.S. economy, and particularly the strength of the Franklin and Williamson County economy, the Conference Center has seen increased competition over the past several years. While competition has increased, we have aggressively attacked the local catering market and have secured the business of many specialized events and functions.

As finding qualified applicants remains a challenge for staffing, we will continue to utilize certain contract labor for kitchen, housekeeping, and some conference set-up. This allows us to have the depth needed within our staff to accommodate many short-term bookings that we are continuing to experience. We will continue to utilize and manage our energy conservation program in order to maintain the always-rising utility costs associated with operating a successful conference center.

The current level of guest satisfaction remains in the upper echelon of all Marriott hotels and conference centers. The Marriott "Red Coat" program continues to be an excellent tool to provide exemplary customer service as well as the Marriott "Gold Key" program. Both of these programs have proven to be excellent guest satisfaction tools and will allow us to continue the high level of service above the competition. With the continuation of increasing supply offering newer venues, customer satisfaction will continue to be the deciding factor for many repeat groups and will help us secure the business before they have the option of shopping elsewhere.

At this time, there is still a great deal of uncertainty in the travel and tourism industry as we continue to navigate through the pandemic. While we have seen an upward swing in volume in recent months, most of these events are small to medium in size that take up most, if not all of our meeting space to accommodate for social distancing. This limits us on the ability to book additional business. The upward swing has been and likely will continue to be very inconsistent until companies are comfortable in allowing their employees to travel. We are also continuing to see cancellation inquiries extending into fiscal quarter four of 2021. Inquiries for group meetings and local catering is remaining steady however competition for this business will increase as Davidson Co. moves through their reopening phases. We anticipate that labor and direct costs will continue to increase due to safeguards needed to operate in this new environment. We will continue to be aggressive with cost controls and take advantage of contingencies and efficiencies that have been in place during the financial crisis due to the pandemic.

Additional Information:

This financial report is designed to provide citizens, customers, and creditors with a general overview of the Conference Center's finances and to demonstrate the Conference Center's accountability for the money it receives. If you have any questions concerning any of the information provided in this report or need additional information, contact the Conference Center General Manager at:

Marriott Hotel and Conference Center
700 Cool Springs Blvd.
Franklin, Tennessee 37067

CONFERENCE CENTER AT COOL SPRINGS
STATEMENTS OF NET POSITION

ASSETS

	June 30,	
	2020	2019
CURRENT ASSETS		
Cash and cash equivalents		
Restricted for capital expenditure	$ 484,717	$ 318,392
Unrestricted	254,260	263,357
Total cash and cash equivalents	738,977	581,749
Receivables		
Due from hotel operator	-	191,476
Due from City/County	26,408	-
Prepaid expenses and other	3,356	6,067
Total current assets	768,741	779,292
CAPITAL ASSETS, NET	10,157,898	10,444,092
Total assets	10,926,639	11,223,384

LIABILITIES AND NET POSITION

	2020	2019
CURRENT LIABILITIES		
Accounts payable and accrued expenses	21,290	129,665
Deferred revenue	45,938	-
Due to City/County	-	58,462
Due to hotel operator	3,614	-
Total liabilities	70,842	188,127
NET POSITION		
Investment in capital assets	10,157,898	10,444,092
Restricted	484,717	318,392
Unrestricted	213,182	272,773
Total net position	$ 10,855,797	$ 11,035,257

See accompanying notes to financial statements.

CONFERENCE CENTER AT COOL SPRINGS
STATEMENTS OF REVENUE, EXPENSES AND CHANGES IN NET POSITION

	Year Ended June 30,	
	2020	2019
OPERATING REVENUE		
Food and beverage:		
Banquet and catering	$ 5,533,770	$ 7,834,002
OPERATING EXPENSES		
Banquet and catering expenses	2,900,866	4,216,145
Administrative and general	420,650	540,832
Sales and marketing	986,617	1,149,585
Utilities	244,826	287,503
Repairs and maintenance	194,744	250,455
Catering management fee	219,887	142,320
Management fees	216,732	256,245
Insurance and other fixed costs	7,274	18,514
Depreciation	466,714	444,693
Total operating expenses	5,658,310	7,306,292
Operating (loss) income	(124,540)	527,710
NON-OPERATING REVENUE AND EXPENSE		
Other income	212,195	30,438
Income before distributions	87,655	558,148
NET DISTRIBUTIONS TO LOCAL GOVERNMENTS	(267,115)	(609,360)
Decrease in net position	(179,460)	(51,212)
NET POSITION, AT BEGINNING OF YEAR	11,035,257	11,086,469
NET POSITION, AT END OF YEAR	$ 10,855,797	$ 11,035,257

See accompanying notes to financial statements.

CONFERENCE CENTER AT COOL SPRINGS
STATEMENTS OF CASH FLOWS

	Year Ended June 30,	
	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from customers	$ 5,728,860	$ 7,922,550
Cash paid to and on behalf of employees	(1,870,302)	(2,472,011)
Cash paid to suppliers	(3,381,020)	(4,451,488)
Other	212,195	30,438
Net cash provided by operating activities	689,733	1,029,489
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
Contributions from City of Franklin and Williamson County	397,741	197,220
Distributions to City of Franklin and Williamson County	(749,726)	(822,444)
Net cash used in non-capital financing activities	(351,985)	(625,224)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition of capital assets	(180,520)	(298,998)
Net cash used in capital and related financing activities	(180,520)	(298,998)
NET CHANGE IN CASH AND CASH EQUIVALENTS	157,228	105,267
CASH AND CASH EQUIVALENTS:		
BEGINNING OF YEAR	581,749	476,482
END OF YEAR	$ 738,977	$ 581,749

RECONCILIATION OF OPERATING (LOSS) INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES

Operating income	$ (124,540)	$ 527,710
Adjustments to reconcile operating income to net cash provided by operating activities:		
Other	212,195	30,438
Depreciation	466,714	444,693
(Increase) decrease in:		
Receivable from hotel operator, net	195,090	88,548
Other receivables	-	1,972
Prepaid expenses	2,711	(2,503)
Increase (decrease) in:		
Accounts payable and accrued expenses	(108,375)	(61,369)
Deferred revenue	45,938	-
Net cash provided by operating activities	$ 689,733	$ 1,029,489

See accompanying notes to financial statements.

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Operations

The Conference Center at Cool Springs (the "Conference Center") is a meeting and banquet facility consisting of approximately 55,000 square feet of space, including a grand ballroom and meeting rooms, which adjoins the Franklin Marriott Hotel (the "Hotel") in Franklin, Tennessee. The Conference Center is a joint venture between the City of Franklin, Tennessee (the "City") and Williamson County, Tennessee (the "County", and collectively the "Parties"). An Interlocal Agreement executed between the City and County provides for equal ownership by each of the Parties of a one-half undivided interest in the Conference Center and further specifies that each of the Parties shall be entitled to one-half of the net revenue and shall be responsible for one-half of all costs and expenses of the operation and maintenance of the Conference Center.

The Conference Center facility was developed to attract conventioneers, business travelers, tourists, vacationers, and other visitors, to provide meeting space for residents and groups in the area, and to promote the economic development of the City of Franklin and Williamson County.

The Hotel is owned by a non-related, third party, and is operated under a management agreement with Chartwell Hospitality (the "Hotel Operator"), which commenced on November 1, 2018. Prior to that date, the management agreement was with Davidson Hotel and Resorts. The Conference Center is also managed by the Hotel operator under agreements (See Note D). These agreements were assigned from Davidson Hotel and Resorts to Chartwell Hospitality as of November 1, 2018.

Measurement Focus and Basis of Accounting

The accounting policies of the Conference Center conform to U.S. generally accepted accounting principles applicable to governmental units. The Conference Center is reported as a special-purpose government engaged in only business-type activities. The financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

Use of Estimates in the Preparation of Financial Statements

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant estimates include the useful lives and valuation of property and equipment, the valuation of accounts receivable, and the appropriateness of the allocations of joint Conference Center and Hotel expenses (see Note E). Actual results could differ from those estimates.

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Operating and Non-Operating Revenue and Expense

The Conference Center distinguishes operating revenues and expenses from non-operating items. Operating revenue and expenses generally result from providing services in connection with the principal ongoing operations. Operating expenses include: cost of services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenue and expenses.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash on deposit with financial institutions. The Conference Center considers all highly liquid financial instruments with an original maturity of three months or less to be cash equivalents for purposes of the statement of cash flows.

Capital Assets

Capital assets, which include property and equipment, are reported in the accompanying financial statements at historical cost. Capitalized cost of property and equipment includes improvements that significantly add to utility or extend useful lives. Costs of maintenance and repairs are charged to expense as incurred. The Conference Center generally capitalizes items with a cost greater than $1,000 and an economic life greater than one year. Depreciation has been provided over estimated useful lives using the straight-line method.

The estimated useful lives of capital assets are as follows:

Building and improvements	20 - 50 years
Equipment	10 - 20 years
Furniture and fixtures	5 - 10 years

Net Position

The Conference Center's net position classifications are as follows:

- Investment in capital assets - This component of net position consists of capital assets, net of accumulated depreciation. When applicable, this component would be reported net of any outstanding balances of bonds, mortgages, notes, capital lease obligations or other borrowings that are attributable to the acquisition, construction, or improvement of capital assets; there were no such items at June 30, 2020 or 2019.

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

- Restricted net position - This component consists of net position restricted by grantors, contributors, or laws and regulations of other governments and restrictions imposed by law or through constitutional provisions or enabling legislation.

- Unrestricted net position - This component consists of net position that do not meet the definition of "restricted" or "investment in capital assets."

The Conference Center's policy is to expend any available restricted resources prior to expending unrestricted resources.

B. CASH AND CASH EQUIVALENTS

The Conference Center is authorized to invest funds in, among other things, Federal treasury bills and notes and financial institution demand deposit accounts. During fiscal years 2020 and 2019, the Conference Center invested funds that were not immediately needed in demand deposits and interest bearing accounts of financial institutions.

At June 30, 2020, the bank balances and recorded balances of cash and cash equivalents were $749,731 and $738,977, respectively, with the difference due primarily to outstanding checks. At June 30, 2019, the bank balances and recorded balances of cash and cash equivalents were $587,898 and $581,749, respectively, with the difference due primarily to outstanding checks.

Custodial credit risk for deposits is the risk that in the event of a bank failure, the Conference Center deposits may not be returned or the Conference Center will not be able to recover collateral securities in the possession of an outside party. Consistent with State law, the Conference Center's policy requires that deposits be either (i) secured and collaterized by the institutions at 105% of the value of the deposits placed in the institution, less the amount protected by federal depository insurance or (ii) that deposits be placed in financial institutions that participate in the bank collateral pool administered by the Treasurer of the State of Tennessee. Institutions participating in the collateral pool determine the aggregate balance of their public fund accounts. The amount of collateral required to secure these public deposits must be at least 105% of the average daily balance of public deposits held. At June 30, 2020 and 2019, the Conference Center's cash deposits were covered by federal depository insurance or held by financial institutions that participate in the State Bank Collateral Pool.

Interest Rate Risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Investments held for longer periods are subject to increased risk of adverse interest rate changes. The Conference Center policy provides that to the extent practicable, investments are matched with anticipated cash flows.

B. CASH AND CASH EQUIVALENTS - Continued

At June 30, 2020 and 2019, the Conference Center has cash restricted for capital expenditure totaling $484,717 and $318,392, respectively. This amount is presented in current assets as the Conference Center expects current use of these funds for renovations and other capital expenditures. During fiscal years 2020 and 2019, the restricted funds were utilized for equipment replacement as needed (See Note C).

C. CAPITAL ASSETS

A summary of changes in capital assets for fiscal years 2020 and 2019 is as follows:

	Balance June 30, 2019	Additions	Deletions	Balance June 30, 2020
Cost:				
Land	$ 892,108	$ -	$ -	$ 892,108
Building	12,328,510	-	-	12,328,510
Equipment, furniture and fixtures, and improvements	3,922,247	174,283	-	4,096,530
Renovations (in progress)	-	6,237	-	6,237
	17,142,865	180,520	-	17,323,385
Accumulated Depreciation:				
Building	4,561,567	246,570	-	4,808,137
Equipment, furniture and fixtures, and improvements	2,137,206	220,144	-	2,357,350
	6,698,773	466,714	-	7,165,487
Capital assets, net	$10,444,092	$ (286,194)	$ -	$10,157,898

C. CAPITAL ASSETS - Continued

	Balance June 30, 2018	Additions	Deletions	Balance June 30, 2019
Cost:				
Land	$ 892,108	$ -	$ -	$ 892,108
Building	12,328,510	-	-	12,328,510
Equipment, furniture and fixtures, and improvements	3,623,249	298,998	-	3,922,247
	16,843,867	298,998	-	17,142,865
Accumulated Depreciation:				
Building	4,314,997	246,570	-	4,561,567
Equipment, furniture and fixtures, and improvements	1,939,083	198,123	-	2,137,206
	6,254,080	444,693	-	6,698,773
Capital assets, net	$10,589,787	$ (145,695)	$ -	$10,444,092

Depreciation expense amounted to $466,714 and $444,693 for 2020 and 2019, respectively.

D. CONTRACTUAL COMMITMENTS

Franchise Agreement

The Conference Center is operated under a franchise agreement between the Hotel owner and Marriott International, Inc. The term of the franchise agreement is 25 years, unless otherwise extended or terminated. The agreement provides for the Conference Center to pay Marriott International, Inc. a franchise fee equal to $35,000 per year for the first 60 months of operations and $75,000 per each additional year that the Conference Center is in operation. The franchise fee for each of the years ended June 30, 2020 and 2019 was $75,000.

D. CONTRACTUAL COMMITMENTS - Continued

Operating Agreement

The City and County entered into a 15-year operating agreement for the Conference Center with the Hotel Operator to manage the facility. Under the operating agreement, the Conference Center will pay the Hotel Operator a specified annual management fee. The annual base fee of $125,000 shall escalate on a fiscal year basis at a rate generally equal to the greater of three percent per year or the Consumer Price Index increase with respect to the prior fiscal year. The management fee for the years ended June 30, 2020 and 2019 was $216,732 and $256,245, respectively.

Catering Agreement

The City and County entered into a catering agreement with the Hotel Operator to provide all food and beverage catering services to the Conference Center. The term of this agreement is contemporaneous with the Conference Center operating agreement between the City and County and the Hotel Operator. Under the catering agreement, the Conference Center will pay the Hotel Operator a catering fee of $10,000 per month during the term of the agreement. This fee will escalate annually at a rate generally equal to the greater of three percent per year or the Consumer Price Index increase with respect to the preceding calendar year. The catering fee for the years ended June 30, 2020 and 2019 was $219,887 and $142,320, respectively.

E. RELATED PARTY TRANSACTIONS

Because the Hotel and the Conference Center are operated together, the Hotel allocates certain expenses to the Conference Center, as follows:

> Food and beverage costs are allocated to the Conference Center based on the ratio of the Conference Center food and beverage revenue to total food and beverage revenue for the Hotel and Conference Center on a monthly basis.
>
> General and administrative and repair and maintenance expenses are allocated to the Conference Center based on the ratio of total Conference Center revenue to total combined revenue for the Conference Center and the Hotel on a monthly basis.
>
> Advertising and sales expenses are allocated to the Conference Center based on a fixed 50% allocation for each period.

The Conference Center had a balance due to the Hotel of $3,614 at June 30, 2020 and $191,476 due from the Hotel at June 30, 2019. These amounts represent primarily revenues and allocated joint costs of the Conference Center, which will be reimbursed in the subsequent month.

E. RELATED PARTY TRANSACTIONS - Continued

As described above, the Hotel allocates certain joint expenses to the Conference Center. These joint expenses are subject to audit and adjustment at the Hotel level, which could cause additional amounts to be allocated to the Conference Center. In the opinion of management, all allocations have been appropriately made during fiscal years 2020 and 2019, and the result of any adjustments would not be material to the financial position or results of operations of the Conference Center.

Under terms of the operating agreement, the City and County are to share equally in the Conference Center "cash flows," as defined in the agreement. As a result, aggregate operating surpluses distributed to local governments in the amounts of $267,115 and $609,630 were made during 2020 and 2019, respectively. Details of these distributions are as follows:

	2020	2019
Operating assistance contributed from local governments	$ 397,741	$ 197,220
Operating surpluses distributed to local governments	(664,856)	(806,580)
Net distributions to local governments	$(267,115)	$(609,360)

At June 30, 2020, the Conference Center was owed $13,204 from both Williamson County and the City of Franklin. At June 30, 2019, the Conference Center owed $29,231 to both the City of Franklin and Williamson County.

F. RISK MANAGEMENT

The Conference Center is exposed to various risks of loss related to torts: theft of, damage to, and destruction of assets, errors and omissions, personal injuries and natural disasters. Responsibility for risk management is included in the contract operator agreement; each party buys insurance to cover its share of any losses. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Conference Center. Annual reviews of the various exposures are made to keep coverage up to date. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

SUPPLEMENTARY INFORMATION

CONFERENCE CENTER AT COOL SPRINGS
SUPPLEMENTARY INFORMATION

Schedule of Insurance Coverage - Unaudited

June 30, 2020

The Conference Center was insured under the following policies of Chartwell Hospitality, the Hotel Operator. The following information is provided by representatives of Chartwell Hospitality:

Insurance	Limited
Commercial general liability, occurrence basis	$2,000,000
Umbrella / excess liability	$100,000,000

The City of Franklin and Williamson County, Tennessee provide the following policies for their own protection:

Property:	
Building and contents	$8,550,000
Contents	$1,000,000

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

To the Owners of the
Conference Center at Cool Springs
Franklin, Tennessee

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Conference Center at Cool Springs (the "Conference Center"), a Joint Venture between the City of Franklin, Tennessee and Williamson County, Tennessee, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Conference Center's basic financial statements, and have issued our report thereon dated December XX, 2020.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Conference Center's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Nashville, Tennessee
December XX, 2020

CONFERENCE CENTER AT COOL SPRINGS
SUMMARY OF PRIOR AUDIT FINDINGS
June 30, 2020

Conference Center of Cool Springs had no audit findings for the year ended June 30, 2019.

HISTORIC
FRANKLIN
TENNESSEE

City of Franklin

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

File #: 20-01449

DATE: November 24, 2020

TO: Budget & Finance Committee

FROM: Mike Lowe, Comptroller

SUBJECT:

Monthly Reports For December 2020.

PURPOSE:

The purpose of this memorandum is to provide information to the Franklin Budget and Finance Committee concerning critical revenue streams that influence performance versus budget.

BACKGROUND/STAFF COMMENTS:

Beginning with the executive summary, the reports include:

Schedule 1: Local Sales Tax - September 2020
Schedule 2: Building Permits - October 2020
Schedule 3: Road Impact Fees - October 2020
Schedule 4: Facilities Tax (City) - October 2020
Schedule 5: Facilities Tax (County) - October 2020
Schedule 6: Gasoline Tax (Street Aid Fund) - September 2020
Schedule 7: Hotel/Motel Tax - September 2020
Schedule 8: Conference Center - October 2020
Schedule 9: Grants - September 2020

FINANCIAL IMPACT:

There is no financial impact from the reports. Reports are provided to show any variance from budget.

RECOMMENDATION:

There is no staff recommendation. Reports are for information only.

HISTORIC
FRANKLIN
TENNESSEE

City of Franklin

Monthly Reports for December 2020

EXECUTIVE SUMMARY

Schedule 1: Local Sales Tax (September 2020)

The local sales tax remittance from the State of Tennessee for September 2020 sales (received by the City in November 2020) was $3,022,499 compared to $2,947,162 for the same month in 2019, a monthly year over year increase of $75,338 or 2.6%.

The year-to-date increase over last fiscal year is 0.5%.

Schedule 2: Building Permits (October 2020)

2021 year-to-date is less than 2020 by 2.0%, and compared to 2021 budget is more by 12.2%.

Schedule 3: Road Impact Fees * (October 2020)

Combined 2021 year-to-date compared to 2020 is 41.8% less, and compared to 2021 budget is more by 78.4%. By quadrant, Arterial Area 2021 year-to-date compared to 2020 is 46.8% less, and compared to 2021 budget is more by 47.3%. Coll Area 1 2021 year-to-date compared to 2020 is 275.3% more, and compared to 2021 budget is more by 138.7%; Coll Area 2 2021 year-to-date compared to 2020 is 51.0% less, and compared to 2021 budget is more by 477.6%; Coll Area 3 2021 year-to-date compared to 2020 is 26.8% less, and compared to 2021 budget is more by 33.5%; Coll Area 4 2021 year-to-date compared to 2020 is 61.1% less, and compared to 2021 budget is less by 86.6%.

Schedule 4: Facilities Tax (City) * (October 2020)

2021 year-to-date compared to 2020 is 12.5% less, and compared to 2021 budget is more by 141.2%.

Schedule 5: Facilities Tax (County) * (October 2020)

2021 year-to-date compared to 2020 is 1.5% more, and compared to 2021 budget is 43.2% more.

Schedule 6: Gasoline Taxes (State Street Aid Fund) (September 2020)

The gasoline tax remittance from the State of Tennessee for September 2020 sales (received by the City in November 2020) was $358,339 compared to $235,580 for the same month in 2019, an increase of $122,759 or 52.1%.
For budget comparisons, the City anticipated collections of $207,151 for September 2020, a difference of $151,188 more, or 73.0%. The year-to-date increase from last fiscal year is 11.8%.

Schedule 7: Hotel/Motel Tax (September 2020)

2021 year-to-date compared to 2020 is 56.9% less, and compared for 2021 budget is less by 58.3%.

Schedule 8: Conference Center (October 2020)

The City's ½ share of the loss for October 2020 was $28,058. In October 2019, the City's ½ share of the profit was $96,722.

Schedule 9: City of Franklin Grants (September 2020)

The City currently has forty (40) Grants totaling $70.5 million with $44.6 million remaining to be spent.

*** Fees collected from Road Impact and Facilities Tax assessments are one time revenues used to fund infrastructure improvements and are highly dependent upon timing of development.**

City of Franklin

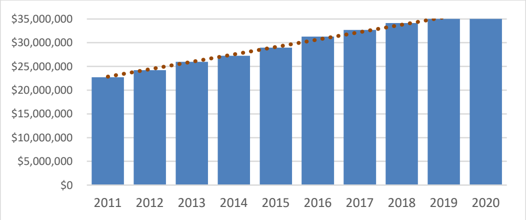
Finance Department - Monthly Reports

Schedule 1:	**Local Sales Tax**	**Fund**	**General**	**Account:**	**110-31300-00000**

Summary: Tennessee Code Annotated 67-6-702 authorizes the levy of a local sales tax. The maximum rate authorized is 2.75%. The current rate increased from 2.25% to the maximum of 2.75% effective April 1, 2018. The tax is applied only to the first $1,600 of any single article of personal property. The City receives 1/2 of the 2.75% rate collected within the City. Williamson County receives the other 1/2, plus an administrative fee of 1% of the City's 1/2 of the tax. Beginning with April 2018 taxes, the City contributes its share of the .5% increase to the County's School Debt Service. The County withholds the contribution for school debt service from the amount remitted to the City. Finance will track the 36 month contribution period, to end with March 2021 sales (to be received in May 2021).

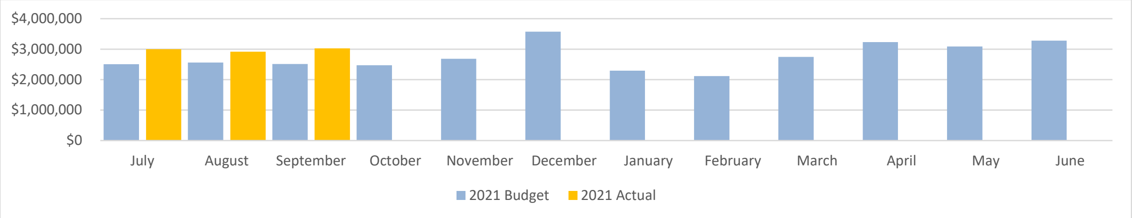
Monthly Report for December 2020: The local sales tax remittance from the State of Tennessee for September 2020 sales (received by the City in November 2020) was $3,022,499 compared to $2,947,162 for the same month in 2019, a monthly year over year increase $75,338, or 2.6% more. November receipts (September sales) are the third month of the FY 2021 fiscal year for both the City of Franklin and the State of Tennessee.
The additional local option sales tax rate of 0.50%, for a total local rate of 2.75%, became effective April 1, 2018. The City of Franklin has pledged its 2nd half share of this additional tax to School Debt Service for a period of 3 years. For September 2020, the funds foregone by the City and contributed to Schools is $669,249. Total contribution to date to Schools from the City’s portion is $18,129,441.

Yearly Summary



Fiscal Year	Amount	$ Inc./ (Dec.) from Prior Year	% Inc./ (Dec.) from Prior Year	Contribution to County School Debt .5% Apr 2018-Mar 2021
2011	$22,720,666	$1,750,845	8.3%	
2012	$24,197,413	$1,476,747	6.5%	
2013	$25,995,733	$1,798,320	7.4%	
2014	$27,254,742	$1,259,009	4.8%	
2015	$28,943,994	$1,689,252	6.2%	
2016	$31,309,366	$2,365,372	8.2%	
2017	$32,694,268	$1,384,902	4.4%	
2018	$34,151,972	$1,457,704	4.5%	$1,692,308
2019	$36,168,178	$2,016,206	5.9%	$7,052,013
2020	$35,453,379	($714,799)	-2.0%	$7,430,205
Average Increase (Decrease)		**$ 1,448,356**	**5.4%**	**$ 16,174,526**

FY20 Month by Month Summary



Month	2020 Actual	2021 Budget	2021 Actual	$ Inc./(Dec.) from 2020 Actual	% Inc./(Dec.) from 2020 Actual	$ Inc./(Dec.) from 2021 Budget	% Inc./(Dec.) from 2021 Budget	Contribution to County School Debt .5% Apr 2018-Mar 2021
July	$3,011,846	$2,502,756	$3,000,773	($11,073)	-0.4%	$498,017	19.9%	$651,963
August	$2,938,112	$2,563,855	$2,915,576	($22,536)	-0.8%	$351,721	13.7%	$633,703
September	$2,947,162	$2,514,693	$3,022,499	$75,338	2.6%	$507,806	20.2%	$669,249
October	$3,002,662	$2,470,211			0.0%		0.0%	
November	$3,109,876	$2,685,091			0.0%		0.0%	
December	$4,115,721	$3,570,374			0.0%		0.0%	
January	$2,822,778	$2,290,638			0.0%		0.0%	
February	$2,605,705	$2,118,785			0.0%		0.0%	
March	$2,744,230	$2,742,322			0.0%		0.0%	
April	$2,257,522	$3,229,288			0.0%		0.0%	
May	$2,781,549	$3,088,682			0.0%		0.0%	
June	$3,116,217	$3,278,691			0.0%		0.0%	
	$35,453,379	**$33,055,386**	**$8,938,849**	**$13,910**	**0.5%**	**$452,515**	**17.9%**	**$1,954,915**
	Total	*Total*	*Total*	*Average*	*Average*	*Average*	*Average*	*Total*
				$41,729		**$1,357,545**		
				Total		*Total*		

City of Franklin

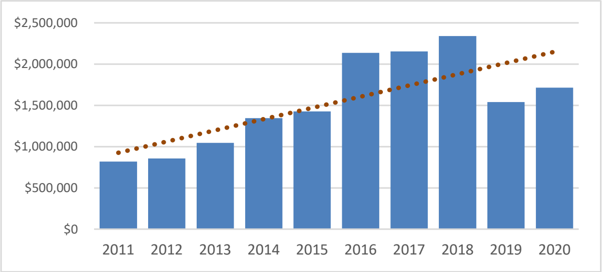
Finance Department - Monthly Reports

Schedule 2:	**Building Permits**	**Fund**	**General Fund**	**Account:**	**110-32120-00000**

Summary: A part of General Fund Revenues, these fees are paid to the City to offset and pay for the staffing costs borne by the City to extend services due to construction growth. There has been growth in both residential and commercial sides of development. This revenue has been difficult to predict by month because permits are often obtained and fees paid in advance of construction.

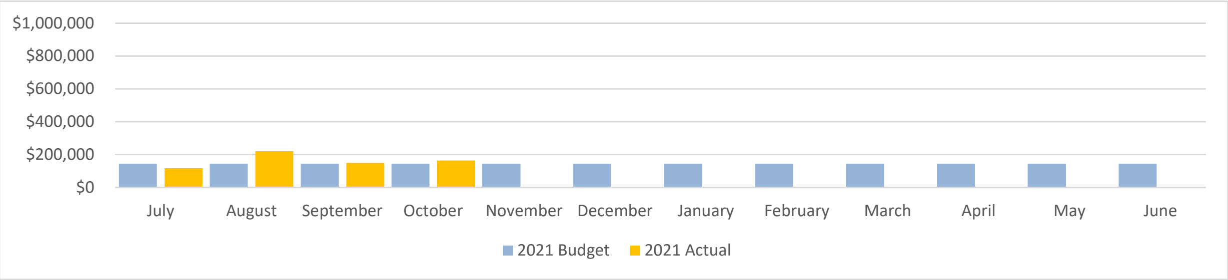
Monthly Report for December 2020: 2021 year-to-date is less than 2020 by 2.0%, and compared to 2021 budget is more by 12.2%.

Yearly Summary



Fiscal Year	Amount	$ Inc./ (Dec.) from Prior Year	% Inc./ (Dec.) from Prior Year
2011	$820,111	$389,210	90.3%
2012	$855,409	$35,298	4.3%
2013	$1,046,947	$191,538	22.4%
2014	$1,343,978	$297,031	28.4%
2015	$1,426,188	$82,210	6.1%
2016	$2,136,322	$710,134	49.8%
2017	$2,153,262	$16,940	0.8%
2018	$2,339,364	$186,102	8.6%
2019	$1,539,655	($799,709)	-34.2%
2020	$1,714,700	$175,045	11.4%
Average Increase (Decrease)		**$ 128,380**	**18.8%**

FY20 Month by Month Summary



Month	2020 Actual	2021 Budget	2021 Actual	$ Inc./(Dec.) from 2020 Actual	% Inc./(Dec.) from 2020 Actual	$ Inc./(Dec.) from 2021 Budget	% Inc./(Dec.) from 2021 Budget
July	$134,388	$144,940	$117,582	($16,806)	-12.5%	($27,358)	-18.9%
August	$141,906	$144,940	$220,795	$78,889	55.6%	$75,855	52.3%
September	$121,752	$144,940	$148,714	$26,962	22.1%	$3,774	2.6%
October	$265,909	$144,940	$163,267	($102,642)	-38.6%	$18,327	12.6%
November	$203,955	$144,940			0.0%		0.0%
December	$111,335	$144,940			0.0%		0.0%
January	$84,128	$144,940			0.0%		0.0%
February	$124,555	$144,940			0.0%		0.0%
March	$129,053	$144,940			0.0%		0.0%
April	$133,885	$144,940			0.0%		0.0%
May	$82,245	$144,940			0.0%		0.0%
June	$181,589	$144,940			0.0%		0.0%
	$1,714,700	**$1,739,284**	**$650,358**	**($3,399)**	**-2.0%**	**$17,649**	**12.2%**
	Total	*Total*	*Total*	*Average*	*Average*	*Average*	*Average*
				($13,597)		**$70,597**	
				Total		*Total*	

City of Franklin

Finance Department - Monthly Reports

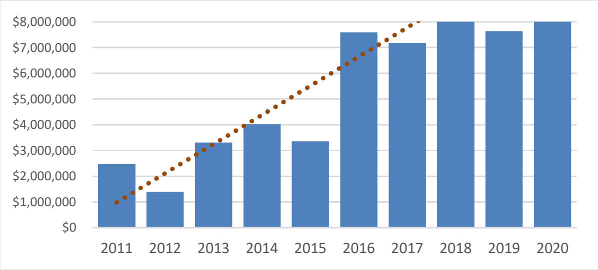
Schedule 3:	**Road Impact Fees**	**Fund**	**Road Impact**	**Account:**	**128-(32800-32804)-00000**

Summary: The Road Impact Fund is a special revenue fund created for the accounting of expenditures in accord with City Ordinance 88-13 on the proceeds of road impact fees from new development. These funds can be used to pay for new arterial roads, directly or through payment of debt service on bonds associated with the projects. After completing an update of the major thoroughfare plan, the City re-examined the structure of road impact fees which was approved in April 2011. Effective 7/1/2017, collections pertaining to collector roads within the 4 quadrants of Franklin may begin. This report will be updated to show those collections when they occur.

Monthly Report for December 2020: 2021 year-to-date compared to 2020 is 41.8% less, and compared to 2021 budget is more by 78.4%.

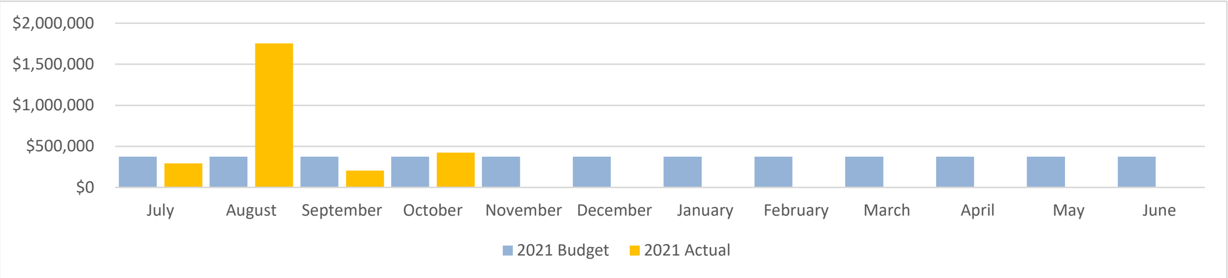
Note: Fees collected from Road Impact and Facilities Tax assessments are one time revenues used to fund infrastructure improvements and are highly dependent upon timing of development.

Yearly Summary



Fiscal Year	Amount	$ Inc./ (Dec.) from Prior Year	% Inc./ (Dec.) from Prior Year
2011	$2,466,846	$1,837,652	292.1%
2012	$1,391,645	($1,075,201)	-43.6%
2013	$3,306,075	$1,914,430	137.6%
2014	$4,021,752	$715,677	21.6%
2015	$3,358,431	($663,321)	-16.5%
2016	$7,586,724	$4,228,293	125.9%
2017	$7,180,150	($406,574)	-5.4%
2018	$11,585,500	$4,405,350	61.4%
2019	$7,638,442	($3,947,058)	-34.1%
2020	$12,251,152	$4,612,710	60.4%
Average Increase (Decrease)		**$ 1,162,196**	**59.9%**

FY20 Month by Month Summary



Month	2020 Actual	2021 Budget	2021 Actual	$ Inc./(Dec.) from 2020 Actual	% Inc./(Dec.) from 2020 Actual	$ Inc./(Dec.) from 2021 Budget	% Inc./(Dec.) from 2021 Budget
July	$457,068	$375,000	$293,215	($163,853)	-35.8%	($81,785)	-21.8%
August	$508,801	$375,000	$1,754,297	$1,245,496	244.8%	$1,379,297	367.8%
September	$342,306	$375,000	$204,516	($137,790)	-40.3%	($170,484)	-45.5%
October	$3,287,061	$375,000	$424,492	($2,862,569)	-87.1%	$49,492	13.2%
November	$2,600,341	$375,000			0.0%		0.0%
December	$591,841	$375,000			0.0%		0.0%
January	$187,810	$375,000			0.0%		0.0%
February	$488,494	$375,000			0.0%		0.0%
March	$962,610	$375,000			0.0%		0.0%
April	$1,041,012	$375,000			0.0%		0.0%
May	$203,187	$375,000			0.0%		0.0%
June	$1,580,621	$375,000			0.0%		0.0%
	$12,251,152	**$4,500,000**	**$2,676,520**	**($479,679)**	**-41.8%**	**$294,130**	**78.4%**
	Total	*Total*	*Total*	*Average*	*Average*	*Average*	*Average*
				($1,918,716)		**$1,176,520**	
				Total		*Total*	

City of Franklin

Finance Department - Monthly Reports

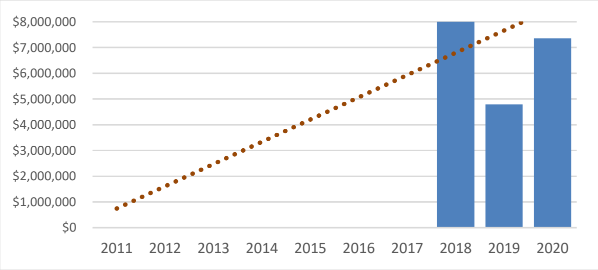
Schedule 3A:	**Arterial Area**	**Fund**	**Road Impact**	**Account:**	**128-32800-00000**

Summary: The Road Impact Fund is a special revenue fund created for the accounting of expenditures in accord with City Ordinance 88-13 on the proceeds of road impact fees from new development. These funds can be used to pay for new arterial roads, directly or through payment of debt service on bonds associated with the projects. After completing an update of the major thoroughfare plan, the City re-examined the structure of road impact fees which was approved in April 2011. Effective 7/1/2017, collections pertaining to collector roads within the 4 quadrants of Franklin may begin. This report will be updated to show those collections when they occur.

Monthly Report for December 2020: 2021 year-to-date compared to 2020 is 46.8% less, and compared to 2021 budget is more by 47.3%.

Note: Fees collected from Road Impact and Facilities Tax assessments are one time revenues used to fund infrastructure improvements and are highly dependent upon timing of development.

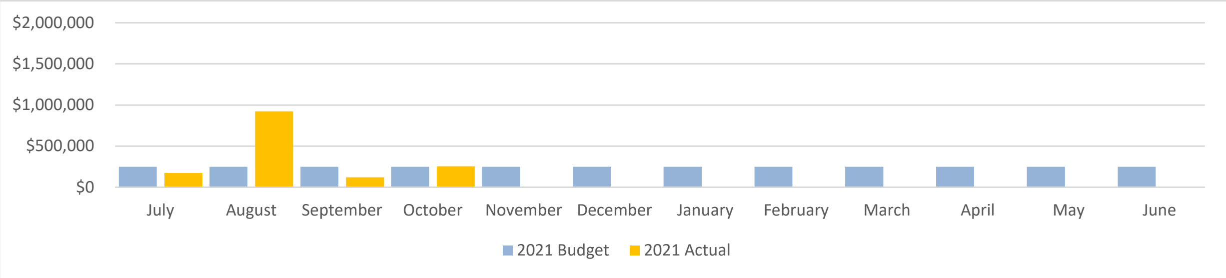
Yearly Summary



Fiscal Year	Amount	$ Inc./ (Dec.) from Prior Year	% Inc./ (Dec.) from Prior Year
2011	Breakdown between Quadrants began in FY 2019.		
2012			
2013			
2014			
2015			
2016			
2017			
2018	$11,585,500	$11,585,500	100.0%
2019	$4,785,438	($6,800,062)	-58.7%
2020	$7,359,092	$2,573,654	53.8%

Average Increase (Decrease) **$ 2,453,031**

FY20 Month by Month Summary



Month	2020 Actual	2021 Budget	2021 Actual	$ Inc./(Dec.) from 2020 Actual	% Inc./(Dec.) from 2020 Actual	$ Inc./(Dec.) from 2021 Budget	% Inc./(Dec.) from 2021 Budget
July	$280,019	$250,000	$174,511	($105,508)	-37.7%	($75,489)	-30.2%
August	$310,836	$250,000	$921,741	$610,905	196.5%	$671,741	268.7%
September	$205,476	$250,000	$121,717	($83,759)	-40.8%	($128,283)	-51.3%
October	$1,973,736	$250,000	$254,574	($1,719,162)	-87.1%	$4,574	1.8%
November	$1,552,456	$250,000			0.0%		0.0%
December	$354,347	$250,000			0.0%		0.0%
January	$117,719	$250,000			0.0%		0.0%
February	$299,720	$250,000			0.0%		0.0%
March	$573,930	$250,000			0.0%		0.0%
April	$622,588	$250,000			0.0%		0.0%
May	$126,099	$250,000			0.0%		0.0%
June	$942,166	$250,000			0.0%		0.0%
	$7,359,092	**$3,000,000**	**$1,472,543**	**($324,381)**	**-46.8%**	**$118,136**	**47.3%**
	Total	*Total*	*Total*	*Average*	*Average*	*Average*	*Average*
				($1,297,524)		**$472,543**	
				Total		*Total*	

City of Franklin

Finance Department - Monthly Reports

Schedule 3B:	**Coll Area 1**	**Fund**	**Road Impact**	**Account:**	**128-32801-00000**

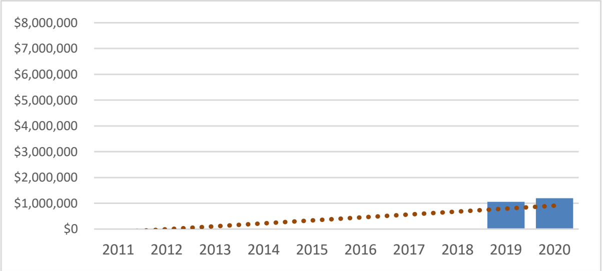
Summary: The Road Impact Fund is a special revenue fund created for the accounting of expenditures in accord with City Ordinance 88-13 on the proceeds of road impact fees from new development. These funds can be used to pay for new arterial roads, directly or through payment of debt service on bonds associated with the projects. After completing an update of the major thoroughfare plan, the City re-examined the structure of road impact fees which was approved in April 2011. Effective 7/1/2017, collections pertaining to collector roads within the 4 quadrants of Franklin may begin. This report will be updated to show those collections when they occur.

Coll Area 1 - Area north of Murfreesboro Road/3rd Avenue South and east of East Main Street/Franklin Road and within the corporate boundaries of the city.

Monthly Report for December 2020: 2021 year-to-date compared to 2020 is 275.3% more, and compared to 2021 budget are more by 138.7%.

Note: Fees collected from Road Impact and Facilities Tax assessments are one time revenues used to fund infrastructure improvements and are highly dependent upon timing of development.

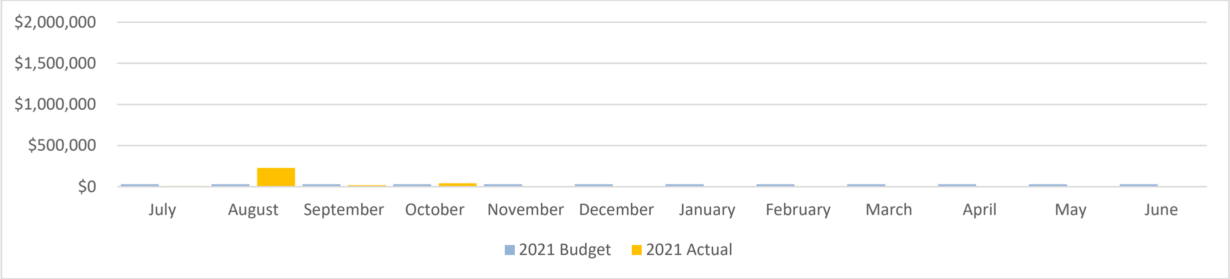
Yearly Summary



Fiscal Year	Amount	$ Inc./ (Dec.) from Prior Year	% Inc./ (Dec.) from Prior Year
2011	Breakdown between Quadrants began in FY 2019.		
2012			
2013			
2014			
2015			
2016			
2017			
2018	$0	$0	
2019	$1,057,313	$1,057,313	100.0%
2020	$1,200,036	$142,723	13.5%

Average Increase (Decrease) $ 400,012

FY20 Month by Month Summary



Month	2020 Actual	2021 Budget	2021 Actual	$ Inc./(Dec.) from 2020 Actual	% Inc./(Dec.) from 2020 Actual	$ Inc./(Dec.) from 2021 Budget	% Inc./(Dec.) from 2021 Budget
July	$18,633	$31,250	$8,484	($10,149)	-54.5%	($22,766)	-72.9%
August	$10,519	$31,250	$228,391	$217,872	2071.2%	$197,141	630.9%
September	$45,163	$31,250	$20,040	($25,123)	-55.6%	($11,210)	-35.9%
October	$5,209	$31,250	$41,511	$36,302	696.9%	$10,261	32.8%
November	$961,045	$31,250			0.0%		0.0%
December	$102,538	$31,250			0.0%		0.0%
January	$0	$31,250			0.0%		0.0%
February	$6,680	$31,250			0.0%		0.0%
March	$6,680	$31,250			0.0%		0.0%
April	$3,340	$31,250			0.0%		0.0%
May	$6,680	$31,250			0.0%		0.0%
June	$33,549	$31,250			0.0%		0.0%
	$1,200,036	**$375,000**	**$298,426**	**$54,726**	**275.3%**	**$43,357**	**138.7%**
	Total	*Total*	*Total*	*Average*	*Average*	*Average*	*Average*
				$218,902		**$173,426**	
				Total		*Total*	

Schedule 3C:	**Coll Area 2**	**Fund**	**Road Impact**	**Account:**	**128-32802-00000**

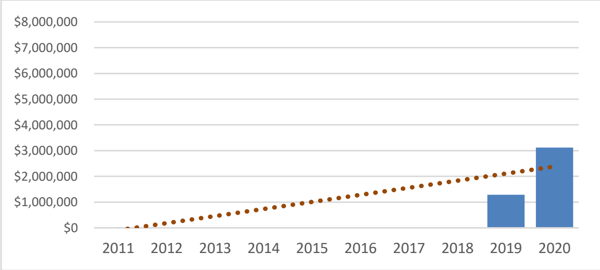
Summary: The Road Impact Fund is a special revenue fund created for the accounting of expenditures in accord with City Ordinance 88-13 on the proceeds of road impact fees from new development. These funds can be used to pay for new arterial roads, directly or through payment of debt service on bonds associated with the projects. After completing an update of the major thoroughfare plan, the City re-examined the structure of road impact fees which was approved in April 2011. Effective 7/1/2017, collections pertaining to collector roads within the 4 quadrants of Franklin may begin. This report will be updated to show those collections when they occur.

Coll Area 2 - Area south of Murfreesboro Road/3rd Avenue South and east of Columbia Avenue/Columbia Pike and within the corporate boundaries of the city.

Monthly Report for December 2020: 2021 year-to-date compared to 2020 is 51.0% less, and compared to 2021 budget is more by 477.6%.

Note: Fees collected from Road Impact and Facilities Tax assessments are one time revenues used to fund infrastructure improvements and are highly dependent upon timing of development.

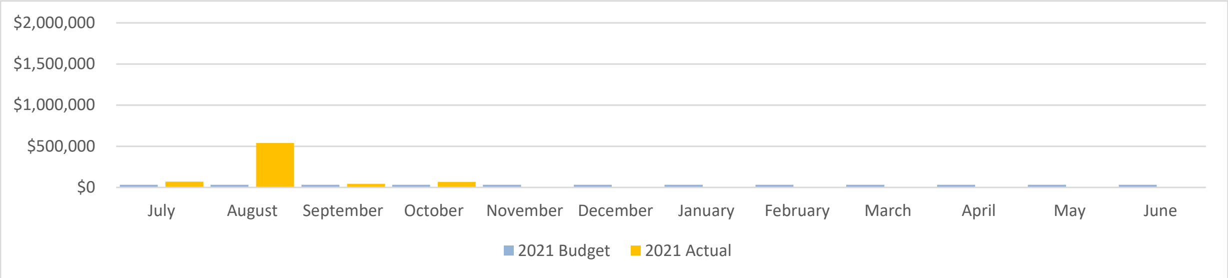
Yearly Summary



Fiscal Year	Amount	$ Inc./ (Dec.) from Prior Year	% Inc./ (Dec.) from Prior Year
2011	Breakdown between Quadrants began in FY 2019.		
2012			
2013			
2014			
2015			
2016			
2017			
2018			
2019	$1,282,977	$1,282,977	100.0%
2020	$3,118,015	$1,835,038	143.0%

Average Increase (Decrease) $ 1,559,008

FY20 Month by Month Summary



Month	2020 Actual	2021 Budget	2021 Actual	$ Inc./(Dec.) from 2020 Actual	% Inc./(Dec.) from 2020 Actual	$ Inc./(Dec.) from 2021 Budget	% Inc./(Dec.) from 2021 Budget
July	$109,852	$31,250	$70,140	($39,712)	-36.2%	$38,890	124.4%
August	$131,411	$31,250	$540,169	$408,758	311.1%	$508,919	1628.5%
September	$30,060	$31,250	$45,224	$15,164	50.4%	$13,974	44.7%
October	$1,203,446	$31,250	$66,483	($1,136,963)	-94.5%	$35,233	112.7%
November	$53,440	$31,250			0.0%		0.0%
December	$63,460	$31,250			0.0%		0.0%
January	$54,927	$31,250			0.0%		0.0%
February	$120,170	$31,250			0.0%		0.0%
March	$351,940	$31,250			0.0%		0.0%
April	$381,684	$31,250			0.0%		0.0%
May	$47,028	$31,250			0.0%		0.0%
June	$570,597	$31,250			0.0%		0.0%
	$3,118,015	**$375,000**	**$722,016**	**($188,188)**	**-51.0%**	**$149,254**	**477.6%**
	Total	*Total*	*Total*	*Average*	*Average*	*Average*	*Average*
				($752,753)		**$597,016**	
				Total		*Total*	

Schedule 3D:	**Coll Area 3**	**Fund**	**Road Impact**	**Account:**	**128-32803-00000**

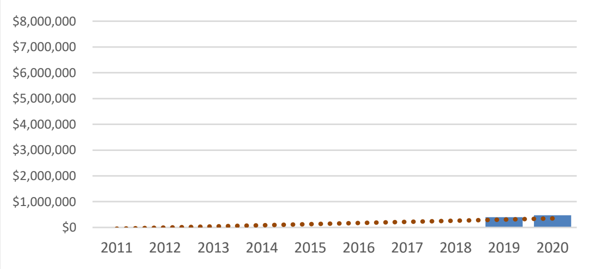
Summary: The Road Impact Fund is a special revenue fund created for the accounting of expenditures in accord with City Ordinance 88-13 on the proceeds of road impact fees from new development. These funds can be used to pay for new arterial roads, directly or through payment of debt service on bonds associated with the projects. After completing an update of the major thoroughfare plan, the City re-examined the structure of road impact fees which was approved in April 2011. Effective 7/1/2017, collections pertaining to collector roads within the 4 quadrants of Franklin may begin. This report will be updated to show those collections when they occur.

Coll Area 3 - Area south of New Highway 96W and west of 5th Avenue South and Columbia Avenue/Columbia Pike and within the corporate boundaries of the city.

Monthly Report for December 2020: 2021 year-to-date compared to 2020 is 26.8% less, and compared to 2021 budget are more by 33.5%.

Note: Fees collected from Road Impact and Facilities Tax assessments are one time revenues used to fund infrastructure improvements and are highly dependent upon timing of development.

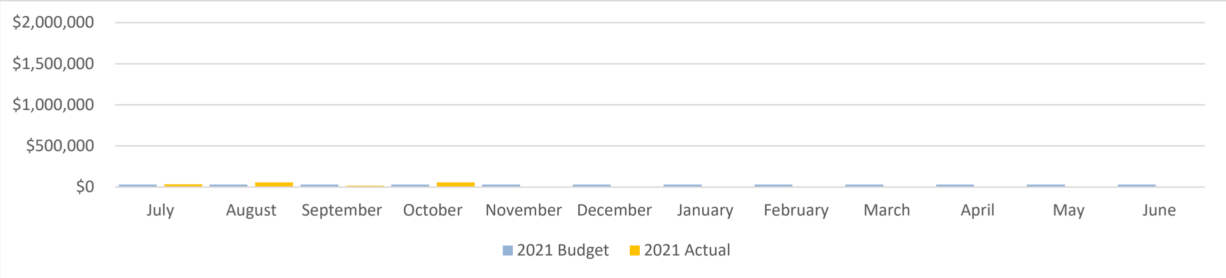
Yearly Summary



Fiscal Year	Amount	$ Inc./ (Dec.) from Prior Year	% Inc./ (Dec.) from Prior Year
2011	Breakdown between Quadrants began in FY 2019.		
2012			
2013			
2014			
2015			
2016			
2017			
2018	$0	$0	
2019	$396,897	$396,897	100.0%
2020	$472,760	$75,863	19.1%

Average Increase (Decrease) $ 75,863

FY20 Month by Month Summary



Month	2020 Actual	2021 Budget	2021 Actual	$ Inc./(Dec.) from 2020 Actual	% Inc./(Dec.) from 2020 Actual	$ Inc./(Dec.) from 2021 Budget	% Inc./(Dec.) from 2021 Budget
July	$41,884	$31,250	$33,400	($8,484)	-20.3%	$2,150	6.9%
August	$56,035	$31,250	$57,316	$1,281	2.3%	$26,066	83.4%
September	$61,607	$31,250	$17,535	($44,072)	-71.5%	($13,715)	-43.9%
October	$68,431	$31,250	$58,584	($9,847)	-14.4%	$27,334	87.5%
November	$33,400	$31,250			0.0%		0.0%
December	$36,546	$31,250			0.0%		0.0%
January	$8,484	$31,250			0.0%		0.0%
February	$58,584	$31,250			0.0%		0.0%
March	$30,060	$31,250			0.0%		0.0%
April	$26,720	$31,250			0.0%		0.0%
May	$16,700	$31,250			0.0%		0.0%
June	$34,309	$31,250			0.0%		0.0%
	$472,760 *Total*	**$375,000** *Total*	**$166,835** *Total*	**($15,281)** *Average* **($61,122)** *Total*	**-26.8%** *Average*	**$10,459** *Average* **$41,835** *Total*	**33.5%** *Average*

City of Franklin

Finance Department - Monthly Reports

Schedule 3E:	**Coll Area 4**	**Fund**	**Road Impact**	**Account:**	**128-32804-00000**

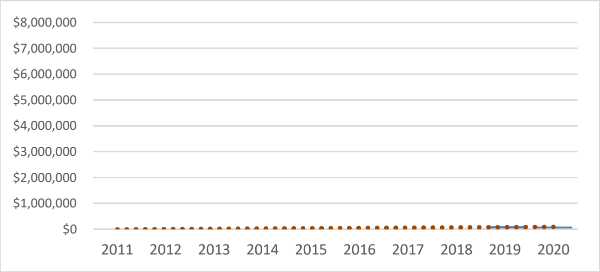
Summary: The Road Impact Fund is a special revenue fund created for the accounting of expenditures in accord with City Ordinance 88-13 on the proceeds of road impact fees from new development. These funds can be used to pay for new arterial roads, directly or through payment of debt service on bonds associated with the projects. After completing an update of the major thoroughfare plan, the City re-examined the structure of road impact fees which was approved in April 2011. Effective 7/1/2017, collections pertaining to collector roads within the 4 quadrants of Franklin may begin. This report will be updated to show those collections when they occur.

Coll Area 4 - Area north of New HIghway 96W, 5th Avenue North, Main Street and west of East Main Street and Franklin Road and within the corporate boundaries of the city.

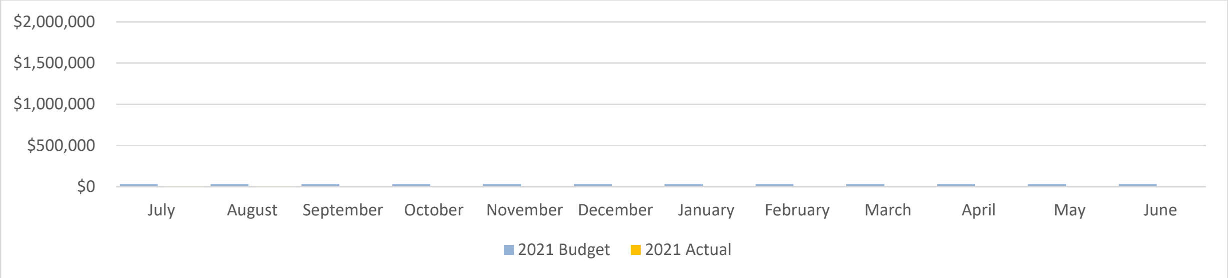
Monthly Report for December 2020: 2021 year-to-date compared to 2020 is 61.1% less, and compared to 2021 budget is less by 86.6%.

Note: Fees collected from Road Impact and Facilities Tax assessments are one time revenues used to fund infrastructure improvements and are highly dependent upon timing of development.

Yearly Summary



FY20 Month by Month Summary



Fiscal Year	Amount	$ Inc./ (Dec.) from Prior Year	% Inc./ (Dec.) from Prior Year
2011	Breakdown between Quadrants began in FY 2019.		
2012			
2013			
2014			
2015			
2016			
2017			
2018	$0	$0	
2019	$115,817	$115,817	100.0%
2020	$101,249	($14,568)	-12.6%

Average Increase (Decrease) $ (14,568)

Month	2020 Actual	2021 Budget	2021 Actual	$ Inc./(Dec.) from 2020 Actual	% Inc./(Dec.) from 2020 Actual	$ Inc./(Dec.) from 2021 Budget	% Inc./(Dec.) from 2021 Budget
July	$6,680	$31,250	$6,680	$0	0.0%	($24,570)	-78.6%
August	$0	$31,250	$6,680	$6,680	0.0%	($24,570)	-78.6%
September	$0	$31,250	$0	$0	0.0%	($31,250)	-100.0%
October	$36,239	$31,250	$3,340	($32,899)	0.0%	($27,910)	-89.3%
November	$0	$31,250			0.0%		0.0%
December	$34,950	$31,250			0.0%		0.0%
January	$6,680	$31,250			0.0%		0.0%
February	$3,340	$31,250			0.0%		0.0%
March	$0	$31,250			0.0%		0.0%
April	$6,680	$31,250			0.0%		0.0%
May	$6,680	$31,250			0.0%		0.0%
June	$0	$31,250			0.0%		0.0%
	$101,249	**$375,000**	**$16,700**	**($6,555)**	**-61.1%**	**($27,075)**	**-86.6%**
	Total	*Total*	*Total*	*Average*	*Average*	*Average*	*Average*
				($26,219)		**($108,300)**	
				Total		*Total*	

City of Franklin

Finance Department - Monthly Reports

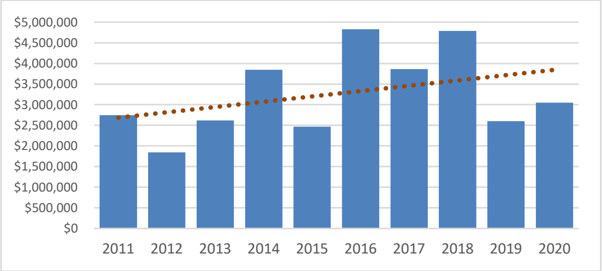
Schedule 4:	**Facilities Tax (City)**	**Fund**	**Facilities Tax**	**Account:**	**130-31600-00000**

Summary: A special revenue fund used to account for the proceeds authorized by a private act of the Tennessee General Assembly of 1987 for the City to levy and collect a privilege tax on new development to provide that new development contribute its fair share of providing new public facilities made necessary by growth. Such taxes may be expended ***only*** on police, fire, sanitation, and parks and recreation.

Monthly Report for December 2020: 2021 year-to-date compared to 2020 is 12.5% less, and compared to 2021 budget is more by 141.2%.

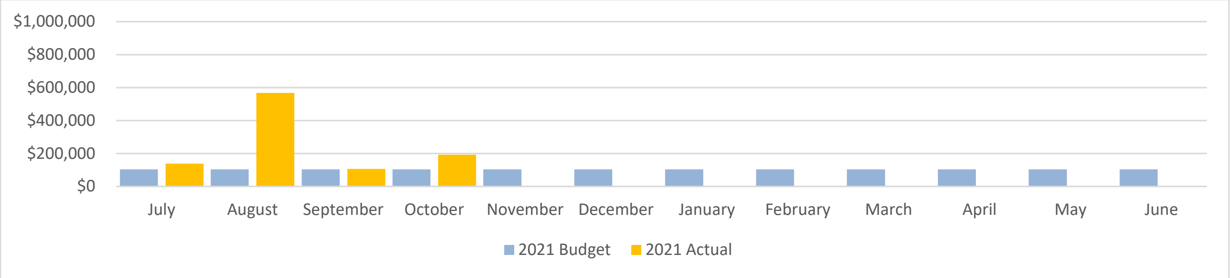
Note: Fees collected from Road Impact and Facilities Tax assessments are one time revenues used to fund infrastructure improvements and are highly dependent upon timing of development.

Yearly Summary



Fiscal Year	Amount	$ Inc./ (Dec.) from Prior Year	% Inc./ (Dec.) from Prior Year
2011	$2,748,927	$1,785,179	185.2%
2012	$1,845,690	($903,237)	-32.9%
2013	$2,617,339	$771,649	41.8%
2014	$3,848,783	$1,231,444	47.0%
2015	$2,468,473	($1,380,310)	-35.9%
2016	$4,827,968	$2,359,495	95.6%
2017	$3,864,453	($963,515)	-20.0%
2018	$4,788,042	$923,589	23.9%
2019	$2,598,810	($2,189,232)	-45.7%
2020	$3,051,110	$452,300	17.4%
Average Increase (Decrease)		**$208,736**	**27.7%**

FY20 Month by Month Summary



Month	2020 Actual	2021 Budget	2021 Actual	$ Inc./(Dec.) from 2020 Actual	% Inc./(Dec.) from 2020 Actual	$ Inc./(Dec.) from 2021 Budget	% Inc./(Dec.) from 2021 Budget
July	$166,390	$104,167	$137,965	($28,425)	-17.1%	$33,798	32.4%
August	$165,263	$104,167	$567,347	$402,084	243.3%	$463,180	444.7%
September	$131,262	$104,167	$106,988	($24,274)	-18.5%	$2,821	2.7%
October	$685,211	$104,167	$192,828	($492,383)	-71.9%	$88,661	85.1%
November	$514,554	$104,167			0.0%		0.0%
December	$151,610	$104,167			0.0%		0.0%
January	$97,669	$104,167			0.0%		0.0%
February	$169,431	$104,167			0.0%		0.0%
March	$232,369	$104,167			0.0%		0.0%
April	$260,000	$104,167			0.0%		0.0%
May	$104,027	$104,167			0.0%		0.0%
June	$373,324	$104,167			0.0%		0.0%
	$3,051,110 *Total*	**$1,250,000** *Total*	**$1,005,128** *Total*	**($35,750)** *Average* **($142,998)** *Total*	**-12.5%** *Average*	**$147,115** *Average* **$588,461** *Total*	**141.2%** *Average*

City of Franklin

Finance Department - Monthly Reports

Schedule 5:	**Facilities Tax (County)**	**Fund**	**Facilities Tax (County)**	**Account:**	**132-31600-00000**

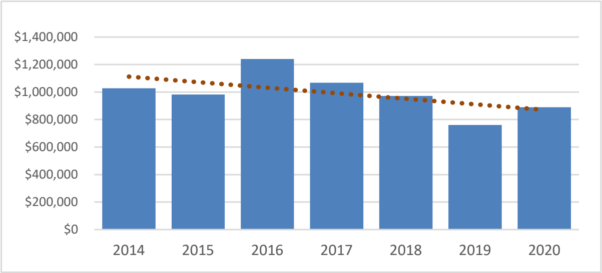
Summary: City's share of Williamson county's Adequate School Facilities Tax. 30% of the proceeds are distributed to the incorporated cities within the county, and an additional 30% is divided pro rata among the incorporated cities based on population in the last decennia census. All funds are to be used for the purpose of providing public facilities, the need for which is reasonably related to new development. The County uses 100% of its amount for public school purposes.

Monthly Report for December 2020: 2021 year-to-date compared to 2020 is 1.5% more, and compared to 2020 budget is 43.2% more.

Note: Fees collected from Road Impact and Facilities Tax assessments are one time revenues used to fund infrastructure improvements and are highly dependent upon timing of development.

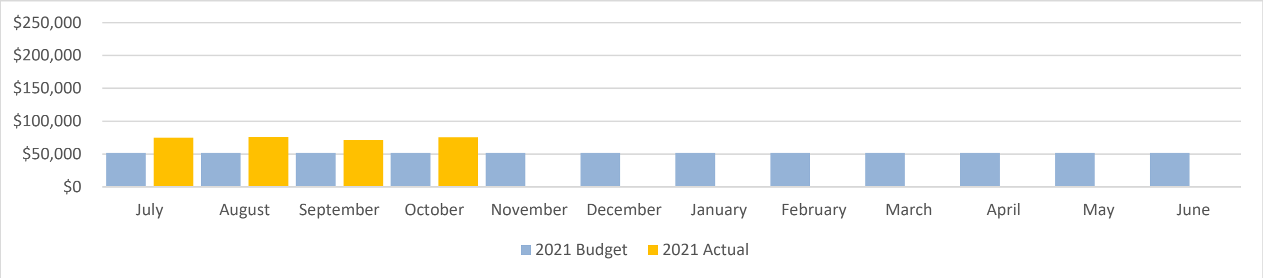
Note: Recorded in Capital Projects Fund beginning in FY 2011 (as per Resolution 2010-69). In June 2017, the County Facilities Tax Fund was created. Funds remaining in the Capital Projects Fund were transferred to the new fund.

Yearly Summary



Fiscal Year	Amount	$ Inc./ (Dec.) from Prior Year	% Inc./ (Dec.) from Prior Year
2011	County Facilities Tax receipts began in FY 2012.		
2012	$672,961	$672,961	100.0%
2013	$838,523	$165,562	24.6%
2014	$1,026,933	$188,410	22.5%
2015	$982,605	($44,328)	-4.3%
2016	$1,241,241	$258,636	26.3%
2017	$1,068,030	($173,211)	-14.0%
2018	$971,814	($96,216)	-9.0%
2019	$759,873	($211,941)	-21.8%
2020	$889,426	$129,553	17.0%
Average Increase (Decrease)		**$ 27,058**	**5.2%**

FY20 Month by Month Summary



Month	2020 Actual	2021 Budget	2021 Actual	$ Inc./(Dec.) from 2020 Actual	% Inc./(Dec.) from 2020 Actual	$ Inc./(Dec.) from 2021 Budget	% Inc./(Dec.) from 2021 Budget
July	$72,832	$52,083	$75,154	$2,322	3.2%	$23,070	44.3%
August	$76,092	$52,083	$76,068	($24)	0.0%	$23,985	46.1%
September	$87,657	$52,083	$71,681	($15,977)	-18.2%	$19,597	37.6%
October	$57,229	$52,083	$75,341	$18,112	31.6%	$23,258	44.7%
November	$99,791	$52,083			0.0%		0.0%
December	$88,107	$52,083			0.0%		0.0%
January	$118,070	$52,083			0.0%		0.0%
February	$59,955	$52,083			0.0%		0.0%
March	$58,136	$52,083			0.0%		0.0%
April	$78,441	$52,083			0.0%		0.0%
May	$52,045	$52,083			0.0%		0.0%
June	$41,071	$52,083			0.0%		0.0%
	$889,426	**$625,000**	**$298,243**	**$1,108**	**1.5%**	**$22,478**	**43.2%**
	Total	*Total*	*Total*	*Average*	*Average*	*Average*	*Average*
				$4,433		**$89,910**	
				Total		*Total*	

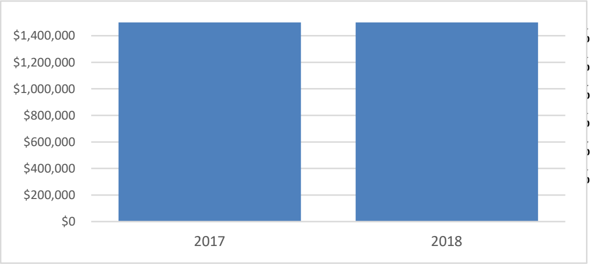
Schedule 6:	**Gasoline Tax**	**Fund**	**Street Aid**	**Account:**	**121-33220-00000**

Summary: As part of Street Aid Fund Revenues, the City receives a share of the state shared gasoline tax. Gas taxes increased effective July 1, 2017 as part of the IMPROVE Act to help fund state road projects. The tax increased by 4 cents on July 1, and will increase by 1 cent for each of the next two years. The tax on diesel will increase a total of 10 cents over the next 3 years.

Monthly Report for December 2020: The gasoline tax remittance from the State of Tennessee for September 2020 sales (received by the City in November 2020) was $358,339 compared to $235,580 for the same month in 2019, an increase of $122,759 or 52.1%.

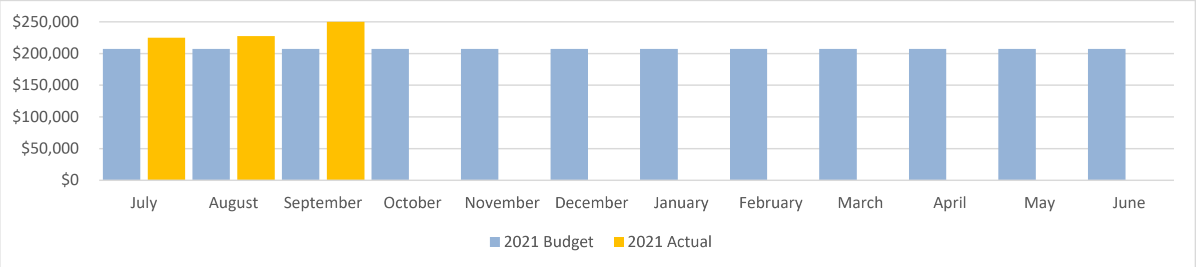
For budget comparisons, the City anticipated collections of $207,151 for September 2020, a difference of $151,188 more, or 73.0%.

Yearly Summary



Fiscal Year	Amount	$ Inc./ (Dec.) from Prior Year	% Inc./ (Dec.) from Prior Year
	Increase in Gas Tax began July 2017.		
2016	$1,959,796		
2017	$1,971,070	$11,274	0.6%
2018	$2,520,503	$549,433	27.9%
2019	$2,630,997	$110,494	4.4%
2020	$2,660,745	$29,748	1.1%
Average Increase (Decrease)		**$ 175,237**	**8.5%**

FY20 Month by Month Summary



Month	2020 Actual	2021 Budget	2021 Actual	$ Inc./(Dec.) from 2020 Actual	% Inc./(Dec.) from 2020 Actual	$ Inc./(Dec.) from 2021 Budget	% Inc./(Dec.) from 2021 Budget
July	$246,917	$207,151	$224,996	($21,922)	-8.9%	$17,845	8.6%
August	$242,660	$207,151	$227,528	($15,133)	-6.2%	$20,377	9.8%
September	$235,580	$207,151	$358,339	$122,759	52.1%	$151,188	73.0%
October	$233,080	$207,151			0.0%		0.0%
November	$229,634	$207,151			0.0%		0.0%
December	$230,395	$207,151			0.0%		0.0%
January	$217,951	$207,151			0.0%		0.0%
February	$200,077	$207,151			0.0%		0.0%
March	$228,263	$207,151			0.0%		0.0%
April	$154,760	$207,151			0.0%		0.0%
May	$207,781	$207,151			0.0%		0.0%
June	$233,647	$207,151			0.0%		0.0%
	$2,660,745 *Total*	**$2,485,811** *Total*	**$810,862** *Total*	**$28,568** *Average* **$85,705** *Total*	**11.8%** *Average*	**$63,136** *Average* **$189,409** *Total*	**30.5%** *Average*

City of Franklin

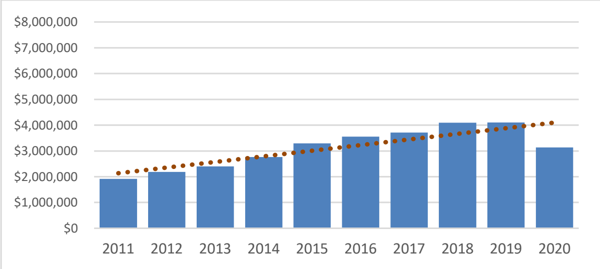
Finance Department - Monthly Reports

Schedule 7:	**Hotel/Motel Tax**	**Fund**	**Hotel/Motel Fund**	**Account:**	**150-31700-00000**

Summary: The Hotel/Motel Fund is a special revenue fund used to account for the locally administered tax levied on the occupancy of hotel and motel rooms, in addition to sales tax. The City of Franklin Hotel/Motel Tax is 4%. During FY 2020, the fund is used to pay debt service on Harlinsdale Farm, Eastern Flank Battlefield and Carter Hill Parks.

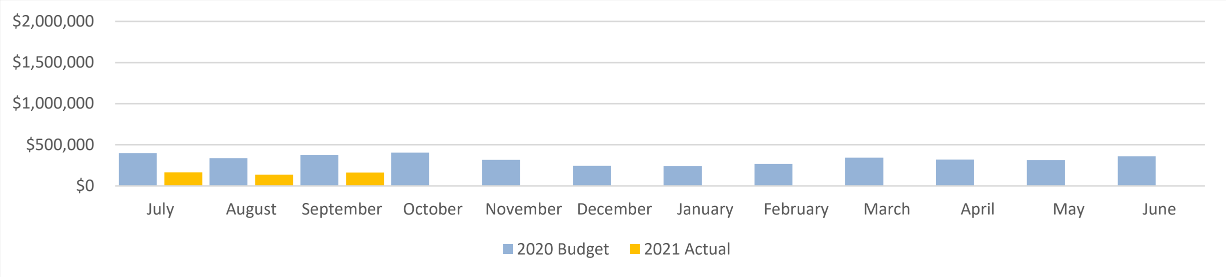
Monthly Report for December 2020: 2020 year-to-date compared to 2019 is 56.9% less, and compared to 2020 budget is less by 58.3%.

Yearly Summary



Fiscal Year	Amount	$ Inc./ (Dec.) from Prior Year	% Inc./ (Dec.) from Prior Year
2011	$1,917,196	$253,893	15.3%
2012	$2,185,953	$268,757	14.0%
2013	$2,403,775	$217,822	10.0%
2014	$2,764,802	$361,027	15.0%
2015	$3,291,019	$526,217	19.0%
2016	$3,557,971	$266,952	8.1%
2017	$3,710,589	$152,618	4.3%
2018	$4,097,695	$387,106	10.4%
2019	$4,103,235	$5,540	0.1%
2020	$3,138,814	($964,421)	-23.5%
Average Increase (Decrease)		**$ 147,551**	**7.3%**

FY20 Month by Month Summary



Month	2020 Actual	2020 Budget	2021 Actual	$ Inc./(Dec.) from 2020 Actual	% Inc./(Dec.) from 2020 Actual	$ Inc./(Dec.) from 2021 Budget	% Inc./(Dec.) from 2021 Budget
July	$358,441	$399,210	$164,349	($194,092)	-54.1%	($234,861)	-58.8%
August	$335,061	$336,722	$136,805	($198,256)	-59.2%	($199,917)	-59.4%
September	$379,962	$375,387	$162,018	($217,943)	-57.4%	($213,369)	-56.8%
October	$420,494	$403,942			0.0%		0.0%
November	$318,100	$316,035			0.0%		0.0%
December	$261,294	$244,942			0.0%		0.0%
January	$276,512	$241,750			0.0%		0.0%
February	$319,269	$266,694			0.0%		0.0%
March	$201,971	$342,087			0.0%		0.0%
April	$37,682	$319,573			0.0%		0.0%
May	$75,021	$314,472			0.0%		0.0%
June	$155,008	$359,706			0.0%		0.0%
	$3,138,814	**$3,920,520**	**$463,172**	**($203,430)**	**-56.9%**	**($216,049)**	**-58.3%**
	Total	*Total*	*Total*	*Average*	*Average*	*Average*	*Average*
				($610,291)		**($648,147)**	
				Total		*Total*	

City of Franklin

Finance Department - Monthly Reports

Schedule 8:	**Conference Center Profit/(Loss)**	**Fund**	**Hotel/Motel**	**Account:**	**150-84910-47100**

Summary: As part of Hotel/Motel, the City receives half of the profit/(loss) from the Conference Center.

Monthly Report for December 2020: The loss for October 2020 was $28,058 compared to a gain of $96,722 for the same month in 2019, a decrease of $124,780.

MONTHLY - Conference Center Financials Jul 20-Jun 21

	Jul 20	Aug 20	Sep 20	Oct 20	Nov 20	Dec 20	Jan 21	Feb 21	Mar 21	Apr 21	May 21	Jun 21	Total
Gross Revenue	145,334	142,794	164,219	140,096									592,443
House Profit	29,777	30,100	6,206	5,047									71,130
Less: Fixed Expenses	53,048	52,547	53,713	54,092									213,400
Net Income	(23,271)	(22,447)	(47,507)	(49,045)									(142,270)
Less: FF&E Reserve 5%	7,267	7,140	8,211	7,071									29,689
Net Cash Flow	(30,538)	(29,587)	(55,718)	(56,116)									(171,959)
City 1/2	**(15,269)**	**(14,794)**	**(27,859)**	**(28,058)**	-	-	-	-	-	-	-	-	**(85,980)**

MONTHLY - Conference Center Financials Jul 19-Jun 20

	Jul 19	Aug 19	Sep 19	Oct 19	Nov 19	Dec 19	Jan 20	Feb 20	Mar 20	Apr 20	May 20	Jun 20	Total
Gross Revenue	327,717	660,449	824,870	893,814	562,467	675,497	634,452	751,327	244,394	45,812	16,968	108,147	5,745,914
House Profit	(32,143)	192,021	247,417	322,294	91,459	143,109	158,609	230,164	6,396	(4,647)	(39,424)	29,935	1,345,190
Less: Fixed Expenses	77,998	59,227	69,174	84,160	75,852	72,130	56,634	65,409	72,808	58,935	47,514	50,935	790,776
Net Income	(11,141)	132,794	178,243	238,134	15,607	70,979	101,975	164,755	(66,412)	(63,582)	(86,938)	(21,000)	653,414
Less: FF&E Reserve 5%	16,386	33,025	41,244	44,691	28,123	33,775	31,723	37,566	12,220	2,291	848	5,407	287,299
Net Cash Flow	(126,527)	99,769	136,999	193,443	(12,516)	37,204	70,252	127,189	(78,632)	(65,873)	(87,786)	(26,407)	267,115
City 1/2	**(63,264)**	**49,885**	**68,500**	**96,722**	**(6,258)**	**18,602**	**35,126**	**63,595**	**(39,316)**	**(32,937)**	**(43,893)**	**(13,204)**	**133,558**

MONTHLY Differences - Conference Center Financials

	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
City 1/2 Difference	**47,995**	**(64,678)**	**(96,359)**	**(124,780)**								

City of Franklin

Finance Department - Monthly Reports

Schedule 9: City of Franklin Grants - September 2020

	Grant Name	Department	Department Contact	Grant Total	Reimbursable Amount Spent		Amount Reimbursed		Amount Requested		Amount Spent Not Yet Requested	Bal Remaining (Grant Total - Reimb Amt Spent)
1a	CBDG	BNS	Kathleen Sauseda	$246,747	$239,257	=	$239,257	+	$0	+	$0	$7,490
1b	CBDG	BNS	Kathleen Sauseda	$264,629	$264,478	=	$264,478	+	$0	+	$0	$151
1c	CBDG	BNS	Kathleen Sauseda	$274,706	$270,704	=	$270,704	+	$0	+	($0)	$4,002
1d	CBDG	BNS	Kathleen Sauseda	$280,410	$277,410	=	$277,410	+	$0	+	$0	$3,000
1e	CBDG	BNS	Kathleen Sauseda	$263,690	$253,690	=	$253,690	+	$0	+	$0	$10,000
1f	CBDG	BNS	Kathleen Sauseda	$318,360	$337,559	=	$395,126	+	$0	+	$0	$0
1g	CDBG - CARES Act	BNS	Kathleen Sauseda	$213,789	$0	=	$0	+	$0	+	$0	$213,789
2	Expansion of the City of Franklin's current ITS infrastructure network capabilities into areas with entensive congestion to include CCTV,DMS,Weather Communication and connect to TDOT and Brentwood systems	Engineering	Adam Moser	$720,000	$135,410	=	$118,885	+	$14,678	+	$0	$584,590
3	Expansion of the City of Franklin's current ITS infrastructure network capabilities into areas with	Engineering	Adam Moser	$1,280,000	$315,945	=	$307,505	+	$0	+	$9,381	$964,055
4	SR-96 (Murfreesboro Rd) Traffic Signal Improvements	Engineering	Adam Moser	$1,586,600	$77,781	=	$28,487	+	$49,294	+	$0	$1,508,819
5	SR-96 Multi-Use Trail	Engineering	David Hodnett	$1,800,000	$0	=	$0	+	$0	+	$0	$1,800,000
6	McEwen Drive from Cool Springs Boulevard/Oxford Drive to SR-252 Franklin, Williamson County	Engineering	David Hodnett	$10,000,000	$0	=	$0	+	$0	+	$0	$10,000,000
7	Safe Routes to School Project, Hunters Bend Elementary (SRTS)	Engineering (SRTS)	Jonathan Marston	$596,322	$559,823	=	$559,823	+	$0	+	$0	$36,499
8	Mack Hatcher Parkway West, From S-96 West of Franklin to SR-106 (US-431) North of Franklin, Williamson County	Engineering	Paul Holzen	$14,172,004	$12,499,523	=	$11,601,460	+	$0	+	$651,119	$1,672,481
9	SR-6 (Columbia Ave) from SR-397 (Mack Hatcher Pkwy) to Downs Blvd **ONLY DESIGN**	Engineering	William Banks	$21,000,000	$1,967,872	=	$1,397,466	+	$18,425	+	$0	$19,032,128
10	Gatlinburg Aid (Fire)	Fire	Joanne Finn	$31,161	$31,161	=	$0	+	$31,161	+	$0	$0
11	Florence Aid (Flood)	Fire	Joanne Finn	$89,497	$89,497	=	$44,748	+	$44,748	+	$0	$0
12	Florence Aid (Flood)	Fire	Joanne Finn	$2,924	$2,924	=	$0	+	$2,924	+	$0	$0
13	Hurricane Dorian	Fire	Joanne Finn	$16,892	$16,892	=	$8,446	+	$8,446	+	$0	$0

City of Franklin

Finance Department - Monthly Reports

Schedule 9: City of Franklin Grants - September 2020

	Grant Name	Department	Department Contact	Grant Total	Reimbursable Amount Spent		Amount Reimbursed		Amount Requested		Amount Spent Not Yet Requested	Bal Remaining (Grant Total - Reimb Amt Spent)
14	Hurricane Dorian	Fire	Joanne Finn	$10,712	$10,712	=	$5,356	+	$5,356	+	$0	$0
15	Sound Off with Home Fire Safety Patrol	Fire	Joanne Finn	$1,000	$1,000		$1,000	+	$0	+	$0	$0
16	TAEP Community Tree Planting	Parks	Alyssa Dillon	$6,525	$5,448	=	$5,448	+	$0	+	$0	$1,077
17	Acquistion of Spivey Tract	Parks	Alyssa Dillon	$637,500	$637,500	=	$637,500	+	$0	+	$0	$0
18	Hayes House Window Restoration	Planning	Amanda Rose	$22,200	$14,280	=	$14,280	+	$0	+	$0	$7,920
19	Hincheyville Historic District	Planning	Amanda Rose	$6,000	$4,770	=	$4,770	+	$0	+	$0	$1,230
20	Tree Planting	Parks	Paige Cruse	$19,350	$18,884	=	$18,884	+	$0	+	($0)	$466
21	Harlinsdale Restoration - PREPAYMENT	Parks	Paige Cruse	$0	$0	=	($100,000)	+	$0	+	$0	$0
22	Governor's Highway Safety Office-Franklin Fight Against Impaired Driving	Police	Rachel Gober	$25,000	$6,615	=	$6,615	+	$0	+	$0	$18,385
23	Governor's Highway Safety Office-Franklin Fight Against Impaired Driving	Police	Rachel Gober	$20,000	$0	=	$0	+	$0	+	$0	$20,000
24	Governor's Highway Safety Office-Network Coordinator	Police	Rachel Gober	$20,000	$11,753	=	$11,753	+	$0	+	$0	$8,247
25	Governor's Highway Safety Office-Network Coordinator	Police	Rachel Gober	$20,000	$5,435	=	$5,426	+	$0	+	$0	$14,565
26	Bulletproof Vest	Police	Will McCarville	$3,518	$3,518	=	$3,518	+	$0	+	$0	$0
27	COVID 19 (Stafford Act)	Various Departments	Joanne Finn/ Dawn Wildrick	$0	$225,000	=	$0	+	$225,000	+	$0	-$225,000
28	COVID 19 (TN CARES ACT)	Various Departments	Joanne Finn/ Dawn Wildrick	$250,876	$250,876	=	$0	+	$250,876	+	$0	$0
29	Replacement Vehicle - PM- Planning & Equipment	Transit	Kelly Bair	$714,640	$685,850	=	$685,850	+	$0	+	$0	$28,790
30	Allocation for 5307 FY2012	Transit	Kelly Bair	$1,915,995	$1,323,870	=	$1,323,870	+	$0	+	$0	$592,125
31	FY 14 5307 Allocation	Transit	Kelly Bair	$1,715,113	$871,227	=	$854,690	+	$0	+	$0	$843,886
32	FY 16 5307 Allocation	Transit	Kelly Bair	$995,235	$721,428	=	$723,517	+	$0	+	$0	$273,807
33	FY 2015 5339 - Capital Cost of Leasing	Transit	Kelly Bair	$112,500	$85,210	=	$3,107	+	$248	+	$0	$27,290
34	5307 FY Application	Transit	Kelly Bair	$969,118	$969,118	=	$969,118	+	$0	+	$0	$0
34	5307 FY Application	Transit	Kelly Bair	$1,325,546	$944,591	=	$944,591	+	$0	+	$0	$380,955
36	5307 Operating and Capital	Transit	Kelly Bair	$1,869,577	$289,737	=	$289,737	+	$0	+	$0	$1,579,840
37	CARES Act 5307 Funding	Transit	Kelly Bair	$6,127,078	$993,656	=	$993,656	+	$0	+	$0	$5,133,422
38	FY 2019 Urban Operating Assistance Program	Transit	Kelly Bair	$266,900	$266,900	=	$266,900	+	$0	+	$0	$0
39	FY 2020 Urban Operating Assistance Program	Transit	Kelly Bair	$270,900	$270,900	=	$270,900	+	$0	+	$0	$0
40	Governor's Highway Safety Office-Community Based Traffic Safety Enforcement and Education	Police	Joe LeCates	$20,000	$4,418	=	$0	+	$0	+	$4,418	$15,582
	TOTALS			**$70,503,013**	**$25,962,621**		**$23,707,970**		**$651,155**		**$664,918**	**$44,559,591**

HISTORIC
FRANKLIN
TENNESSEE

City of Franklin

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

File #: 20-01448

DATE: November 24, 2020

TO: Budget & Finance Committee

FROM: Kristine Brock, Asst. City Administrator/CFO

SUBJECT:

Proposed 2021 Calendar for Budget & Finance Committee

PURPOSE:

The purpose of this memorandum is to provide information to the Franklin Budget & Finance Committee concerning the calendar for 2021 meetings.

BACKGROUND/STAFF COMMENTS:

The Proposed 2021 Committee Calendar generally holds meetings on the 2nd Thursday of each month, with the exception of July (no meeting) and a joint November/December meeting to hear the report of the external auditor. Meetings will begin at 2pm with the exception of February-May (budget presentations), when the start time is 1pm.

FINANCIAL IMPACT:

No financial impact.

RECOMMENDATION:

Staff proposes setting of a 2021 meeting calendar and is open to requests of the Committee.

City of Franklin, Tennessee
2021 Budget & Finance Committee Meetings

All meetings are scheduled for the 2nd Thursday of each month unless noted below. There is no meeting scheduled for July. Time for Budget Meetings is one hour earlier than the usual 2pm.

January 14th- 2pm

February 11th- 1pm- Budget

March 11th- 1pm- Budget

April 8th- 1pm- Budget

May 13th- 1pm- Presentation of Proposed FY 2022 Budget

June 10th- 2pm

August 12th- 2pm

September 9th- 2pm

October 14th- 2pm

December 2nd (combined Nov/Dec meeting)- 2pm- External Auditor Presentation