



OHIO AUDITOR OF STATE
KEITH FABER



CITY OF FRANKLIN
WARREN COUNTY
DECEMBER 31, 2020

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**CITY OF FRANKLIN
WARREN COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2020**

Federal Grantor/Pass-Through Grantor, Program Title	Pass Through Entity Number	CFDA #	Total Federal Expenditures
United States Department of Justice			
<i>Passed Through Ohio Department of Public Safety:</i>			
Bullet Proof Vests Partnership Program	N/A	16.607	\$ 1,249
Total for CFDA No. 16.607			\$ 1,249
<i>Passed Through Warren County Drug Task Force:</i>			
Equitable Sharing Program	OHEQ00081	16.922	\$ 2,434
Total for CFDA No. 16.922			\$ 2,434
TOTAL DEPARTMENT OF JUSTICE			\$ 3,683
United States Department of Transportation			
<i>Passed Through Ohio Department of Commerce:</i>			
911 Grant Program	20-83-01	20.615	\$ 30,121
Total for CFDA No. 20.615			\$ 30,121
TOTAL DEPARTMENT OF TRANSPORTATION			\$ 30,121
United States Department of Treasury			
<i>Passed Through The Supreme Court of Ohio:</i>			
Coronavirus Relief Fund	HB481-CRF-Local	21.019	\$ 14,792
<i>Passed Through Ohio Department of Budget and Management:</i>			
Coronavirus Relief Fund	HB481-CRF-Local	21.019	\$ 875,933
Total for CFDA No. 21.019			\$ 890,725
TOTAL DEPARTMENT OF TREASURY			\$ 890,725
United States Department of Health and Human Services			
CARES Act Provider Relief Fund		93.498	\$ 6,336
Total for CFDA No. 93.498			\$ 6,336
TOTAL DEPARTMENT OF HEALTH AND HUMAN SERVICES			\$ 6,336
United States Department of Homeland Security			
<i>Assistance to Firefighters Grant-COVID-19 Supplemental</i>			
Assistance to Firefighters Grant		97.044	\$ 29,240
Total for CFDA No. 97.044			\$ 211,516
Staffing for Adequate Fire and Emergency Response		97.083	\$ 180,964
Total for CFDA No. 97.083			\$ 180,964
TOTAL DEPARTMENT OF HOMELAND SECURITY			\$ 421,720
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 1,352,585

The accompanying notes are an integral part of this schedule.

**CITY OF FRANKLIN
WARREN COUNTY
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
2 CFR 200.510(b)(6)
FOR THE YEAR ENDED DECEMBER 31, 2020**

Basis of Presentation - The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the City of Franklin (the City) under programs of the federal government for the year ended December 31, 2020. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City.

Indirect Cost Rate - The City has elected not to use the 10-percent de minimus indirect cost rate as allowed under the Uniform Guidance.

Summary of Significant Accounting Policies - Expenditures reported on the Schedule are reported on the Non-GAAP budgetary basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement.

Matching - Certain Federal programs require the City to contribute non-Federal funds (matching funds) to support the Federally-funded programs. The City has met its matching requirements. The Schedule does not include the expenditure of non-Federal matching funds.

Reconciliation of Schedule of Expenditures of Federal Awards
for the Assistance to Firefighters Grant to Budgetary Statements

	SEFA	Local	Total
Village of Carlisle	80,341.20	8,926.80	89,268.00
Franklin Township	186,426.90	20,714.10	207,141.00
City of Franklin	211,516.20	23,501.80	235,018.00
	<u>\$ 478,284.30</u>	<u>\$ 53,142.70</u>	<u>\$ 531,427.00</u>

OHIO AUDITOR OF STATE KEITH FABER



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11117 Kenwood Road
Blue Ash, Ohio 45242-1817
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SouthwestRegion@ohioauditor.gov

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

City of Franklin
Warren County
1 Benjamin Franklin Way
Franklin, Ohio 45005

To the Members of City Council and Mayor:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, 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, Warren County, (the City) as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated June 23, 2021, wherein we noted the financial impact of COVID-19 and the continuing emergency measures which may impact subsequent periods of the City. We also noted that the City adopted new accounting guidance in Governmental Accounting Standards Board (GASB) No. 83, Certain Asset Retirement Obligations.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures appropriate in the circumstances to the extent necessary to support our opinion on the financial statements, but not to the extent necessary to opine on the effectiveness of the City's internal control. Accordingly, we have not opined on it.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the City's financial statements. 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 internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

Compliance and Other Matters

As part of reasonably assuring whether the City's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the financial statements. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

Purpose of this Report

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this report is not suitable for any other purpose.



Keith Faber
Auditor of State
Columbus, Ohio
June 23, 2021

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO THE MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

City of Franklin
Warren County
1 Benjamin Franklin Way
Franklin, Ohio 45005

To the Members of City Council and Mayor:

Report on Compliance for the Major Federal Program

We have audited the City of Franklin's (the City) compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could directly and materially affect the City of Franklin's major federal program for the year ended December 31, 2020. The *Summary of Auditor's Results* in the accompanying schedule of findings identifies the City's major federal program.

Management's Responsibility

The City's Management is responsible for complying with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal program.

Auditor's Responsibility

Our responsibility is to opine on the City's compliance for the City's major federal program based on our audit of the applicable compliance requirements referred to above. Our compliance audit followed auditing standards generally accepted in the United States of America; the standards for financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). These standards and the Uniform Guidance require us to plan and perform the audit to reasonably assure whether noncompliance with the applicable compliance requirements referred to above that could directly and materially affect 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 our audit provides a reasonable basis for our compliance opinion on the City's major program. However, our audit does not provide a legal determination of the City's compliance.

Opinion on the Major Federal Program

In our opinion, the City of Franklin complied, in all material respects with the compliance requirements referred to above that could directly and materially affect its major federal program for the year ended December 31, 2020.

Report on Internal Control Over Compliance

The City's management is responsible for establishing and maintaining effective internal control over compliance with the applicable compliance requirements referred to above. In planning and performing our compliance audit, we considered the City's internal control over compliance with the applicable requirements that could directly and materially affect a major federal program, to determine our auditing procedures appropriate for opining on each major federal program's compliance and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not to the extent needed to opine on the effectiveness of internal control over compliance. Accordingly, we have not opined 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, when performing their assigned functions, to prevent, or to timely detect and correct, noncompliance with a federal program's applicable compliance requirement. 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 federal program compliance requirement will not be prevented, or timely detected and corrected. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with federal program's applicable compliance requirement 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 would not necessarily 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.

This report only describes the scope of our internal control over compliance tests and the results of this testing based on Uniform Guidance requirements. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have also audited 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 (the City) as of and for the year ended December 31, 2020 and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our unmodified report thereon dated June 23, 2021. We conducted our audit to opine on the City's basic financial statements as a whole. The accompanying schedule of expenditures of federal awards presents additional analysis required by the Uniform Guidance and is not a required part of the basic financial statements. The schedule is management's responsibility, and was derived from and relates directly to the underlying accounting and other records management used to prepare the basic financial statements. We subjected this schedule to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this schedule directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements

City of Franklin
Warren County
Independent Auditor's Report on Compliance with Requirements
Applicable to the Major Federal Program and on Internal Control Over
Compliance Required by the Uniform Guidance
Page 3

themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America.

In our opinion, this schedule is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.



Keith Faber
Auditor of State
Columbus, Ohio

June 23, 2021

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**CITY OF FRANKLIN
WARREN COUNTY**

**SCHEDULE OF FINDINGS
2 CFR § 200.515
DECEMBER 31, 2020**

1. SUMMARY OF AUDITOR'S RESULTS

<i>(d)(1)(i)</i>	Type of Financial Statement Opinion	Unmodified
<i>(d)(1)(ii)</i>	Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(ii)</i>	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(iii)</i>	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
<i>(d)(1)(iv)</i>	Were there any material weaknesses in internal control reported for major federal programs?	No
<i>(d)(1)(iv)</i>	Were there any significant deficiencies in internal control reported for major federal programs?	No
<i>(d)(1)(v)</i>	Type of Major Programs' Compliance Opinion	Unmodified
<i>(d)(1)(vi)</i>	Are there any reportable findings under 2 CFR § 200.516(a)?	No
<i>(d)(1)(vii)</i>	Major Programs (list):	Coronavirus Relief Fund
<i>(d)(1)(viii)</i>	Dollar Threshold: Type A/B Programs	Type A: > \$ 750,000 Type B: all others
<i>(d)(1)(ix)</i>	Low Risk Auditee under 2 CFR § 200.520?	No

**2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS**

None.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None.

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Year Ended December 31, 2020



City of Franklin
Franklin, Ohio 45005

Introductory Section

City of Franklin, Ohio

Comprehensive Annual Financial Report

For the Year Ended December 31, 2020

Issued by:
Finance Department

Cindy Ryan
Finance Director

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City of Franklin, Ohio
Comprehensive Annual Financial Report
For the Year Ended December 31, 2020

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Comprehensive Annual Financial Report
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June 23, 2021

City of Franklin

Mayor and Members of City Council

We are pleased to present the Comprehensive Annual Financial Report for the City of Franklin. This report, for the year ended December 31, 2020, contains the financial statements and other financial and statistical data that provide complete and full disclosure of all material financial aspects of the City of Franklin (the “City”). The responsibility for the accuracy and completeness of all data presented, and the fairness of the presentation, rests with the City, specifically with the City Finance Director's office.

This report enables the City to comply with Ohio Administrative Code Section 117-2-03 (B), which requires reporting on a GAAP (Generally Accepted Accounting Principles) basis, and Ohio Revised Code Section 117.38, which requires cities reporting on a GAAP basis to file an annual report with the Auditor of State within 150 days of year-end.

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

Auditor of State of Ohio has issued an unmodified (“clean”) opinion on the City of Franklin’s financial statements for the year ended December 31, 2020. The Independent Auditor’s Report is located at the front of the financial section of this report.

Management’s discussion and analysis (MD&A) immediately follows the Independent Auditor’s Report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

FORMATION OF THE CITY

Franklin was founded by General William C. Schenck in 1796 as part of a land grant from the Revolutionary War. General Schenck was a great admirer of Ben Franklin, and to honor the famous inventor and statesman, he named the new city after him.

Because of its ideal location, Franklin was always a major link in the transportation chain. During the 1800’s, it served as a stagecoach stop between Dayton and Cincinnati, in addition to being serviced by all the major railroads of that era. A system of canals was built to aid in transporting agricultural goods to and from the market. Mules would pull the flat-bottomed boats through the shallow waters of the canals out to the Great Miami River that flows into the Ohio River.

From the early 1900’s to the post World War II era, Franklin became known as a paper mill town. Newly founded industries, such as Franklin Boxboard, Cheney Pulp and Paper, and Maxwell Paper, flourished. As these industries grew and created greater demands for labor, the City’s population doubled. This growth continued through the 1970’s.

Many changes have occurred in the past 200 years. Today, Franklin's industrial base is becoming increasingly diversified due to its strategic position along Interstate 75, its easy access to other major transportation arteries, and the diligence of the City Council, Mayor, and Chamber of Commerce.

PROFILE OF THE GOVERNMENT AND REPORTING ENTITY

Located in Warren County, Franklin is situated midway between Dayton and Cincinnati in Southwestern Ohio, along the Great Miami River. In 1983, voters approved a home rule charter, effective January 1, 1984, which provides for a Council/Manager form of government. Council members are elected on a non-partisan basis.

The reporting entity is comprised of the primary government, component units, and other organizations that are included to ensure that the financial statements of the City are not misleading. The primary government consists of all funds and departments that are not legally separate from the City. The City departments include a police force, a fire-fighting and emergency medical services force, a street maintenance and repair force, planning and zoning departments, a parks and recreation system, water and sewer systems, a storm water system, a community development department, and staff to provide essential support to these service providers. Council and the City Manager have direct responsibility for these activities.

Component units are legally separate organizations for which the City is financially accountable. The City is financially accountable for an organization if the City appoints a voting majority of the organization's governing board and (1) the City is able to significantly influence the programs or services performed or provided by the organization or (2) the City is legally entitled to or can otherwise access the organization's resources; the City is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provided financial support to, the organization; or the City is obligated for the debt of the organization. Component units may also include organizations for which the City approves the budget, the issuance of the debt, or the levying of taxes. The City has no component units.

Franklin Public Library and the Franklin City School District are excluded from the City's financial statements because the City is not financially accountable for them, nor are those entities fiscally dependent on the City.

The Ohio Plan Risk Management, Inc. is a shared risk pool in which the City participates. The Warren County General Health District and the Warren County Fire Response and Life Safety Council of Governments were determined to be jointly governed organizations (See Note 19).

At the beginning of each year, Council adopts a temporary budget, which will give them an extension until March 30th of the current year. Council is required to adopt a final budget by no later than April 1st. Upon presentation by the City Manager of a proposed budget document to Council, Council calls and publicizes a public hearing. Council will subsequently adopt such budget, as it may have been amended, as the City's annual budget effective for the fiscal year beginning January 1. All funds, except custodial funds, are legally required to be budgeted and appropriated. The legal level of control in the adopted budget has been established by Council at the object level (personal services and other expenditures) within each fund and department. Budgetary modifications at this level can only be made by ordinance of the City Council.

The budget represents the City's financial plan and operations guide for the next operating year. It is a communications tool to inform Franklin residents of how the City plans to allocate resources to address the needs of the community and improve the overall strength of the government.

MAJOR INITIATIVE

Economically, the year 2020 was positive for the City of Franklin even with the resulting impacts of worldwide COVID-19 pandemic. City Council and staff are excited to welcome new companies as well as expansions to existing companies in our City. We continue to balance quality of life programs along with economic development projects to ensure our City develops further in all aspects. The City's investment into bringing Emergency Medical Services (EMS) into the Fire Department continues to be a great benefit to the safety and welfare of our citizens. The City has always put the health and safety of its citizens first in all their policy making decisions. The lack of qualified fire and EMS personnel nationwide is a concern for all cities. The City has been proactive in attracting and retaining fire and EMS personnel by increasing salaries and offering health insurance to be competitive with other departments locally and state-wide.

LOCAL ECONOMY

The City of Franklin continues to work within a balanced budget, something Council and staff are immensely proud of achieving as this demonstrates that we are good stewards of our Citizen's money.

City staff continue to work and support those companies who are exploring expansion opportunities to enable more workers and income tax dollars for the City. We are excited about the addition of Modula and Sunstar's new 40,000 square foot structure both bring new jobs and income tax dollars to the City. We are also excited about the recent expansions of Green Point Metals and F & G Multislide. Green Point Metals 80,000 square foot expansion is complete, and F & G's 10,000 square foot expansion has helped them add two new production lines.

With the support of City Council and staff, the Forever Franklin was established by dedicated citizens and business owners who are committed to supporting a new vision of a revitalized downtown. This project has renewed momentum as a result of voter approval of Franklin City School's 4.95 mills bond initiative that will construct, in part, a new high school near the targeted downtown development district. Construction on two of these projects is already underway.

City Council and staff continues to invest in the infrastructure of water, sewer, stormwater, and streets. All this work improves our neighborhoods, commercial districts, and industrial areas to make Franklin a great place to live, work, and play.

ECONOMIC DEVELOPMENT

Economic Development remains a Council and staff priority. Creation and retention of jobs is essential for the City's revenue base. City officials understand its importance and have a reputation for creativity, accessibility, and responsiveness when dealing with businesses. Franklin's officials work with local and State officials to ensure that business owners find Franklin an attractive place to locate or expand their operations. As an example of our business-friendly approach, City, county, State, and federal representatives meet with Franklin businesses on an individual basis to learn how we can assist them in being successful in our community.

Within the City of Franklin there are five industrial/office Parks, each with a large amount of vacant land: The Heritage Industrial Park, the Jaygee Industrial Park, the Franklin Business Park, the Schumacher-Franklin Interstate Park, and the recently added Bunnell Hill Shaker Industrial Park offering 120 acres of available space. Lately, companies have been closely exploring the space that remains, and we are hopeful that some new projects will be announced soon. These commercial and industrial sites allow the City of Franklin to be extremely competitive with other areas. All the above sites are located within miles of interstate exchanges and feature incentives including designation as a fiber-ready location and a prime target of leading technology companies.

Two of the City's major business parks come with build-to-suit options to meet any company's needs. Heritage Business Park is next to the I-75/SR73 interchange and has an upscale image. The lots are flexible and can be combined or reduced to meet most companies' specific needs. This Park has immediate access to I-75 and is 25 minutes from I-70 and 47 minutes from I-71. The Dayton International Airport is only 30 minutes away, and the Cincinnati International Airport can be reached in 51 minutes from the Park. Franklin Business Park is located near the I-75/SR123 interchange, has beautifully landscaped lots, and offers flexible lot sizes. This Park is adjacent to I-75 and is 30 minutes from I-70 and 52 minutes from I-71. The Dayton International Airport is 32 minutes away and the Cincinnati International Airport can be reached in 47 minutes from the Park.

FINANCIAL PLANNING AND POLICIES

The cash fund balance in the General Fund (90 percent of the total General Fund revenues) exceeds the policy guidelines set by Council for budgetary and planning purposes. (i.e., between 10 and 20 percent of total General Fund revenues.)

OTHER INFORMATION

Independent Audit

An audit team from Auditor of State Keith Faber's office has performed this year's audit. The results of the audit are presented in the Independent Auditor's Report.

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Franklin for its Comprehensive Annual Financial Report for the year ended December 31, 2019. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

Acknowledgements

A note of sincere appreciation is extended to the many conscientious people who have contributed their time and effort to prepare this report.

Respectfully submitted,



Cindy Ryan
Director of Finance

*City of Franklin, Ohio
List of Principal Officials
As of December 31, 2020*

OFFICE HELD

NAME OF OFFICIAL

City Council:

Mayor/President of Council	Brent Centers
Vice-Mayor/Vice President	Todd Hall
Councilmember	Michael Aldridge
Councilmember	Denny Centers
Councilmember	Debbie Fouts
Councilmember	Mathew Wilcher
Councilmember	Paul Ruppert
Clerk of Council	Khristi Dunn

Administration:

City Manager	Sonny Lewis
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Finance Department:

Finance Director	Cindy Ryan
Income Tax Administrator	Cheryl Hedric
Utility Billing Administrator	Wanda Howell

Law Department:

City Prosecutor	Steve Runge
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Public Works Department:

Public Works Director	Steve Inman
City Engineer	Barry Conway
Parks Superintendent	Steve Inman
Stormwater Superintendent	Steve Inman
Sewer Superintendent	Nick Miller
Street Superintendent	Mark George
Water Superintendent	Steve Inman
Water Treatment Superintendent	Chuck Howard

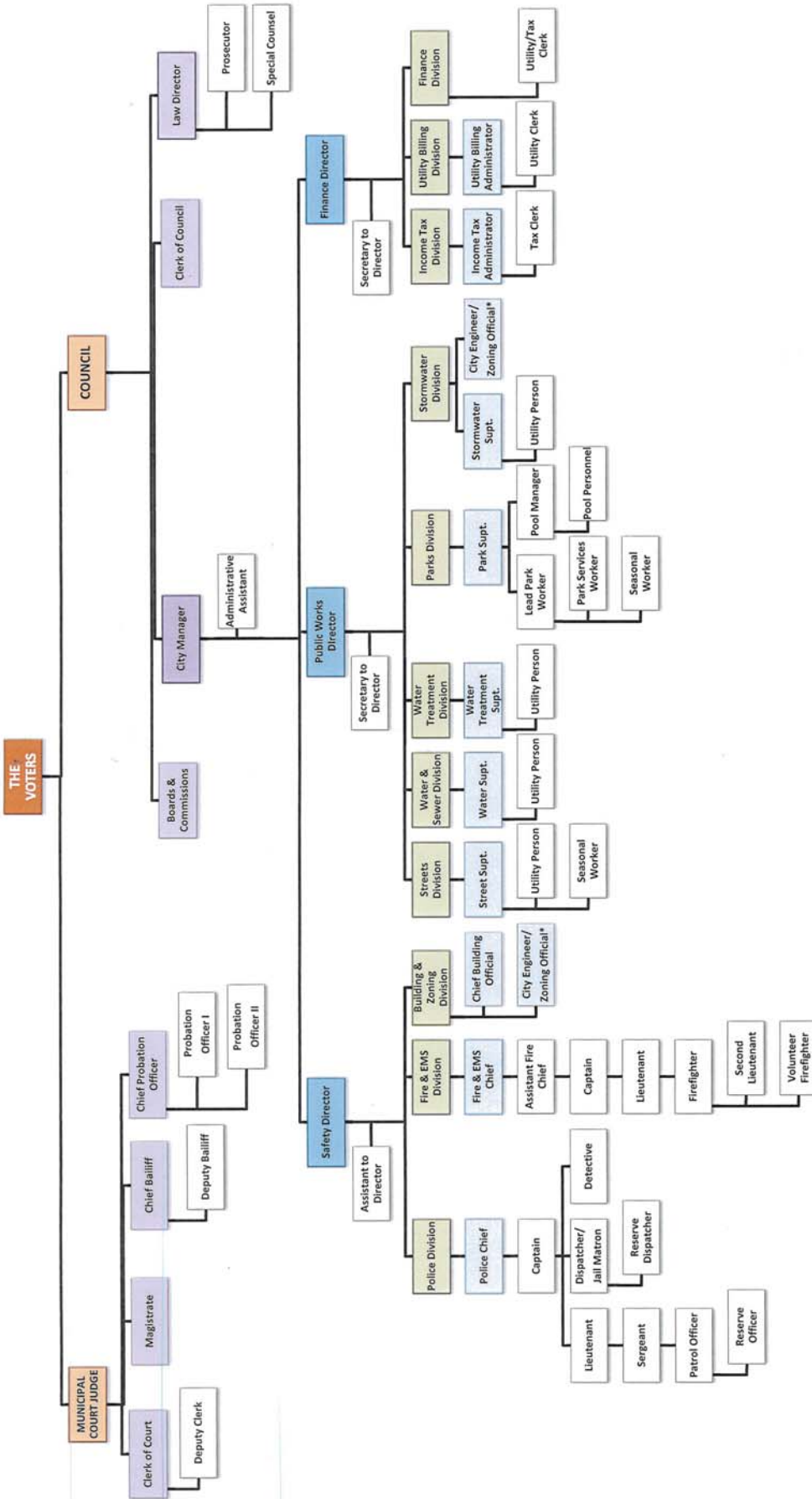
Safety Department:

Safety Director	Sonny Lewis
Fire & EMS Chief	Jonathan Westendorf
Police Chief	Russ Whitman
Zoning Official	Barry Conway

Municipal Court:

Judge	Ronald W. Ruppert
Clerk of Courts	Sabrina Spence
Chief Probation Officer	Katie Perdue

CITY OF FRANKLIN, OHIO
Organizational Chart





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

City of Franklin
Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2018

Christopher P. Morill

Executive Director/CEO

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Financial Section



Corporate Centre of Blue Ash
11117 Kenwood Road
Blue Ash, Ohio 45242-1817
(513) 361-8550 or (800) 368-7419
SouthwestRegion@ohioauditor.gov

INDEPENDENT AUDITOR'S REPORT

City of Franklin
Warren County
1 Benjamin Franklin Way
Franklin, Ohio 45005

To the Members of City Council and Mayor:

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, Warren County, Ohio (the City), as of and for the year ended December 31, 2020, 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 preparing and fairly presenting these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes designing, implementing, and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of December 31, 2020, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the General and Fire Levy thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 23 to the financial statements, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the City. Also, as discussed in Note 3 to the financial statements, during 2020, the City adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. 83, Certain Asset Retirement Obligations. We did not modify our opinion regarding these matters.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require this presentation to include *management's discussion and analysis* and schedules of net pension and other post-employment benefit liabilities and pension and other post-employment benefit contributions listed in the table of contents, to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential for placing the basic financial statements in an appropriate operational, economic, or historical context. We applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, consisting of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, to the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not opine or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to opine or provide any other assurance.

Supplementary and Other Information

Our audit was conducted to opine on the City's basic financial statements taken as a whole.

The introductory section, the financial section's combining statements, individual fund statements and schedules and the statistical section information present additional analysis and are not a required part of the basic financial statements.

The statements and schedules are management's responsibility, and derive from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected this information to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

We did not subject the introductory section and statistical section information to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion or any other assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 23, 2021, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on 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.



Keith Faber
Auditor of State
Columbus, Ohio
June 23, 2021

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City of Franklin, Ohio
Management's Discussion and Analysis
For The Year Ended December 31, 2020
(Unaudited)

MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's Discussion and Analysis (MD&A) of the City of Franklin's financial performance provides an overview of the City's financial activities for the year ended December 31, 2020. The intent of this discussion and analysis is to look at the City's financial performance as a whole, and readers are encouraged to review the transmittal letter, the basic financial statements and notes to enhance their understanding of the City's overall financial performance.

FINANCIAL HIGHLIGHTS

- The City's governmental net position increased \$1,277,224 and net position of business-type activities increased \$216,428, resulting in a total increase in net position of \$1,493,652.
- General revenues and transfers of governmental activities accounted for \$13,130,967 of all governmental revenues. Program specific revenues in the form of charges for services and sales, operating grants and contributions and interest accounted for \$4,340,592 of total governmental revenues and transfers of \$17,471,559.
- The City had \$16,194,335 in expenses related to governmental activities; only \$4,340,592 of these expenses were offset by program specific charges for services and sales, and grants, contributions and interest.
- Enterprise funds reflected total operating income of \$339,257. The Water, Trash and Sewer Funds reflected operating income of \$525,875, \$26,479 and \$29,417 respectively, while the Stormwater Utility Fund reflected an operating loss of \$242,514.

USING THIS ANNUAL FINANCIAL REPORT

This annual report consists of a series of financial statements. These statements are presented so that the reader can understand the City of Franklin's financial situation as a whole and also give a detailed view of the City's financial condition.

The statement of net position and the statement of activities provide information about the activities of the City as a whole and present a long-term view of the City's finances. The fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term, as well as the amount of funds available for future spending. The fund financial statements focus on the City's most significant funds, with all other nonmajor funds presented in total in one column.

REPORTING THE CITY AS A WHOLE

Statement of Net Position and the Statement of Activities

The analysis of the City as a whole begins with the statement of net position and the statement of activities. These statements include all assets, deferred outflows of resources, liabilities, and deferred inflows of resources using the accrual basis of accounting, similar to the accounting used by private sector companies, and reports the net position and changes to net position. This change informs the reader whether the City's financial position, as a whole, has improved or diminished. All current year revenues and expenses are taken into account regardless of when cash is received or disbursed.

In evaluating the overall financial health, the reader of these financial statements needs to take into account non-financial factors that also impact the City's financial well-being. Some of these factors include the City's tax base and the condition of capital assets.

In the statement of net position and the statement of activities, the City is divided into two kinds of activities.

Governmental Activities – Most of the City's services are reported here, including general government, police, fire, public health and welfare, leisure time activities, economic development, basic utility services, and transportation.

Business-Type Activities – These services include water, sewer, trash, and stormwater utility. Service fees for these operations are charged based upon the amount of usage. The intent is that the fees charged recoup operational costs.

REPORTING THE CITY'S MOST SIGNIFICANT FUNDS

Fund Financial Statements

Fund financial statements provide detailed information about the City's major funds – not the City as a whole. Some funds are required by State law and bond covenants. Other funds may be established by the Finance Director, with the approval of Council, to help control, manage, and report money received for a particular purpose or to show that the City is meeting legal responsibilities for the use of grants. The City of Franklin's major funds are the General, Fire Levy, Issue Two, F.C. Dial Trust, Water, Sewer, Trash, and Stormwater Utility Funds.

Governmental Funds – Most of the City's services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps to determine whether there are more or less financial resources that can be spent in the near future on services provided to our residents. The relationship (or differences) between governmental activities (reported in the statement of net position and the statement of activities) and governmental funds is reconciled in the financial statements.

Enterprise Funds – When the City charges citizens for the services it provides, with the intent of recapturing operating costs, these services are generally reported in enterprise funds. Enterprise funds use the same basis of accounting as business-type activities; therefore, these statements will essentially match.

THE CITY AS A WHOLE

As stated previously, the statement of net position looks at the City as a whole. Table 1 provides a summary of the City's net position for 2020 compared to 2019.

Table 1
Net Position

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	Restated 2019	2020	Restated 2019
Assets:						
Current and Other Assets	\$27,311,341	\$25,728,165	\$5,851,695	\$5,339,074	\$33,163,036	\$31,067,239
Net Pension Asset	22,543	12,060	8,769	4,688	31,312	16,748
Nondepreciable Capital Assets	21,734,173	20,099,508	1,196,761	1,127,115	22,930,934	21,226,623
Depreciable Capital Assets, Net	21,596,885	23,045,885	19,614,848	20,507,797	41,211,733	43,553,682
Total Assets	70,664,942	68,885,618	26,672,073	26,978,674	97,337,015	95,864,292
Deferred Outflows of Resources:						
Deferred Charge on Refunding	160,761	183,726	5,428	7,346	166,189	191,072
Pension	2,202,770	4,239,186	250,421	545,006	2,453,191	4,784,192
OPEB	1,530,813	1,268,535	167,939	68,035	1,698,752	1,336,570
Asset Retirement Obligation	0	0	15,952	16,620	15,952	16,620
Total Deferred Outflows of Resources	3,894,344	5,691,447	439,740	637,007	4,334,084	6,328,454
Liabilities:						
Current and Other Liabilities	523,861	522,240	492,567	656,333	1,016,428	1,178,573
Long-Term Liabilities:						
Due Within One Year	944,732	901,760	446,820	661,393	1,391,552	1,563,153
Due in More Than One Year:						
Net Pension Liability	10,948,800	13,575,911	1,357,865	1,793,695	12,306,665	15,369,606
Net OPEB Liability	3,440,675	3,115,391	912,812	822,648	4,353,487	3,938,039
Other Amounts	3,154,774	3,897,086	1,152,937	1,526,441	4,307,711	5,423,527
Total Liabilities	19,012,842	22,012,388	4,363,001	5,460,510	23,375,843	27,472,898
Deferred Inflows of Resources:						
Property Taxes	2,022,400	2,042,200	0	0	2,022,400	2,042,200
Pension	1,682,222	370,575	299,884	45,329	1,982,106	415,904
OPEB	748,556	335,860	135,187	12,529	883,743	348,389
Total Deferred Inflows of Resources	4,453,178	2,748,635	435,071	57,858	4,888,249	2,806,493
Net Position:						
Net Investment in Capital Assets	40,220,125	39,420,795	19,393,755	19,718,072	59,613,880	59,138,867
Restricted	10,043,251	8,809,740	610,087	708,687	10,653,338	9,518,427
Unrestricted	829,890	1,585,507	2,309,899	1,670,554	3,139,789	3,256,061
Total Net Position	\$51,093,266	\$49,816,042	\$22,313,741	\$22,097,313	\$73,407,007	\$71,913,355

The net pension liability (NPL) is the largest single liability reported by the City at December 31, 2020. GASB notes that pension and OPEB obligations, whether funded or unfunded, are part of the “employment exchange” – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension and other postemployment benefits. GASB noted that the unfunded portion of this promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the City is not responsible for certain key factors affecting the balance of these liabilities. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also

determined by State statute. The Ohio Revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

Most long-term liabilities have set repayment schedules or, in the case of compensated absences (i.e. sick and vacation leave), are satisfied through paid time-off or termination payments. There is no repayment schedule for the net pension liability or the net OPEB liability. As explained above, changes in benefits, contribution rates, and return on investments affect the balance of these liabilities, but are outside the control of the local government. In the event that contributions, investment returns, and other changes are insufficient to keep up with required payments, State statute does not assign/identify the responsible party for the unfunded portion. Due to the unique nature of how the net pension liability and the net OPEB liability are satisfied, these liabilities are separately identified within the long-term liability section of the statement of net position.

Unrestricted governmental net position decreased \$755,617 due primarily to changes in assumptions in the retirement systems. Current and other assets increased \$1,583,176 from the prior year primarily due to an increase in cash and cash equivalents as a result of revenues outpacing expenses including interest and an effort by management to control expenses in anticipation of several projects planned in future years.

Net pension liability in governmental activities decreased \$2,627,111 due to changes in benefit terms by Ohio Police and Fire.

Table 2 shows the changes in net position for the years ended December 31, 2020, and December 31, 2019.

*Table 2
Changes in Net Position*

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	Restated	2020	Restated
				2019		2019
Revenues:						
Program Revenues:						
Charges for Services and Sales	\$1,588,658	\$1,967,112	\$6,722,847	\$6,526,039	\$8,311,505	\$8,493,151
Operating Grants, Contributions and Interest	1,826,974	943,681	0	98,851	1,826,974	1,042,532
Capital Grants, Contributions and Interest	924,960	188,900	0	0	924,960	188,900
Total Program Revenues	4,340,592	3,099,693	6,722,847	6,624,890	11,063,439	9,724,583
General Revenues:						
Property Taxes	2,015,988	1,875,615	0	0	2,015,988	1,875,615
Income Taxes	8,233,811	8,787,229	0	0	8,233,811	8,787,229
Other Local Taxes	140,692	173,582	0	0	140,692	173,582
Grants and Entitlements	782,774	590,830	0	0	782,774	590,830
Gain on Sale of Capital Assets	0	0	0	100,000	0	100,000
Unrestricted Interest	687,817	1,216,055	1,253	9,713	689,070	1,225,768
Contributions and Donations	0	800	0	0	0	800
Other	1,074,885	339,637	129,232	89,239	1,204,117	428,876
Total General Revenues	12,935,967	12,983,748	130,485	198,952	13,066,452	13,182,700
Total Revenues	\$17,276,559	\$16,083,441	\$6,853,332	\$6,823,842	\$24,129,891	\$22,907,283

(Continued)

Table 2
Changes in Net Position

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	Restated	2020	Restated
				2019		2019
Program Expenses:						
General Government	\$3,948,000	\$3,593,221	\$0	\$0	\$3,948,000	\$3,593,221
Security of Persons and Property:						
Police	4,833,243	1,640,238	0	0	4,833,243	1,640,238
Fire	3,112,918	1,063,265	0	0	3,112,918	1,063,265
Other	305,427	322,597	0	0	305,427	322,597
Public Health and Welfare	3,415	9,271	0	0	3,415	9,271
Leisure Time Activities	579,921	692,783	0	0	579,921	692,783
Economic Development	56,329	56,242	0	0	56,329	56,242
Basic Utility Services	59,840	59,840	0	0	59,840	59,840
Transportation	3,156,912	3,179,003	0	0	3,156,912	3,179,003
Interest and Fiscal Charges	138,330	151,189	0	0	138,330	151,189
Water	0	0	2,143,447	1,860,237	2,143,447	1,860,237
Sewer	0	0	2,623,877	2,716,212	2,623,877	2,716,212
Trash	0	0	834,928	832,463	834,928	832,463
Stormwater Utility	0	0	839,652	927,657	839,652	927,657
Total Expenses	<u>16,194,335</u>	<u>10,767,649</u>	<u>6,441,904</u>	<u>6,336,569</u>	<u>22,636,239</u>	<u>17,104,218</u>
Change in Net Position						
Before Transfers	1,082,224	5,315,792	411,428	487,273	1,493,652	5,803,065
Transfers	<u>195,000</u>	<u>216,070</u>	<u>(195,000)</u>	<u>(216,070)</u>	<u>0</u>	<u>0</u>
Change in Net Position	<u>1,277,224</u>	<u>5,531,862</u>	<u>216,428</u>	<u>271,203</u>	<u>1,493,652</u>	<u>5,803,065</u>
Beginning Net Position	49,816,042	44,284,180	22,097,313	21,849,490	71,913,355	66,133,670
Restatement	<u>0</u>	<u>0</u>	<u>0</u>	<u>(23,380)</u>	<u>0</u>	<u>(23,380)</u>
Ending Net Position	<u>\$51,093,266</u>	<u>\$49,816,042</u>	<u>\$22,313,741</u>	<u>\$22,097,313</u>	<u>\$73,407,007</u>	<u>\$71,913,355</u>

Operating grants, contributions and interest and capital grants, contributions and interest in governmental activities increased \$883,293 and \$736,060, respectively due to several new grant funding sources received during 2020, including CARES monies. Security of persons and property police and fire increased \$3,139,005 and \$2,049,653, respectively due to salary costs and large purchases.

Governmental Activities

The 2.0 percent income tax is the largest source of revenue for the General Fund and the City of Franklin. Employers within the City are required to withhold income tax on employee compensation and remit the tax to the City either monthly or quarterly. Corporations and other individual taxpayers are required to pay their estimated tax quarterly and file a declaration annually.

Income tax proceeds are to be used to pay the cost of administering the tax, General Fund operations, capital improvements, debt service, and other governmental functions when needed, as determined by Council.

The statement of activities shows the cost of program services and the charges for services and grants, contributions, and interest offsetting those services. Table 3 shows, for governmental activities, the total cost of these services supported by taxes and unrestricted entitlements.

Table 3
Governmental Activities

	Total Cost Of Services 2020	Net Cost of Services 2020	Total Cost Of Services 2019	Net Cost of Services 2019
General Government	\$3,948,000	\$3,558,665	\$3,593,221	\$3,078,159
Security of Persons and Property:				
Police	4,833,243	3,602,917	1,640,238	887,006
Fire	3,112,918	1,519,183	1,063,265	495,379
Other	305,427	138,439	322,597	154,675
Public Health and Welfare	3,415	(14,608)	9,271	(13,042)
Leisure Time Activities	579,921	576,019	692,783	606,085
Economic Development	56,329	51,577	56,242	39,993
Basic Utility Services	59,840	59,840	59,840	59,840
Transportation	3,156,912	2,223,381	3,179,003	2,208,672
Interest and Fiscal Charges	138,330	138,330	151,189	151,189
Total Expenses	\$16,194,335	\$11,853,743	\$10,767,649	\$7,667,956

When looking at the sources of income to support governmental activities, it should be noted that charges for services and sales are only 9.20 percent of total governmental revenue. Revenues provided by sources other than City residents in the form of operating or capital grants, contributions, and interest comprise another 15.93 percent. The remaining revenues are primarily generated locally through property and income taxes. City Council relies on these taxes to furnish the quality of life to businesses and citizens to which they and previous Councils have always been committed.

Business-Type Activities

The City's business-type activities include water, sewer, trash, and stormwater utility services.

The Water Fund collects the fees charged for the sale of water. Those fees are then used to maintain lines for delivery, to treat water for further consumption, to maintain its treatment facility and storage towers, and for the payment of debt incurred for improvements. Net position increased \$393,641 during 2020, as a result of the City closely monitoring expenses.

The Sewer Fund conducts the operations of the City's wastewater collection and treatment system. Money that is collected from the fees which are billed based on the number of gallons of water used is placed in this fund for use in the maintenance of the collections system and improvements to the treatment plant. Net position of the Sewer Fund increased \$12,774 during 2020, a result of the City closely monitoring expenses.

The Trash Fund charges fees to citizens for the collection of residential garbage. The City outsources the actual collection services. The net position of the Trash Fund saw an increase of \$31,524 as a result of an increase in charges for services provided.

The Stormwater Utility Fund was established to provide a funding mechanism to support Ohio Environmental Protection Agency (OEPA) mandates associated with stormwater management. Each residence is billed a flat fee each month. For all other nonresidential properties, the fee is computed based on total impervious surfaces of the property divided by the average impervious area of an equivalent residential unit. The Stormwater Utility Fund reported a decrease in net position of \$221,511 during 2020, primarily due to depreciation expense.

THE CITY'S FUNDS

Information about the City's major governmental funds begins on page 16. These funds are reported using the modified accrual basis of accounting. All governmental funds had total revenues of \$17,956,200 and expenditures of \$15,950,342.

The General Fund's balance increased \$2,000,910 as a result of revenues exceeding expenditures. Revenues increased slightly due to miscellaneous revenue. Expenses and transfers decreased due to many normal programs canceled due to the global pandemic.

The Fire Levy Fund's balance saw a slight increase of \$140,528 due to lower expenses and increased grant funding.

The Issue Two Fund's balance saw a slight increase of \$179,552 due to grant funding.

The F.C. Dial Trust Fund's balance increased \$332,613 due to investment proceeds.

General Fund Budgeting Highlights

The City's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of receipts, disbursements, and encumbrances. The City's budget is adopted at the object level (personal services and other expenditures) within each fund and department by City Council in the form of an appropriations ordinance.

Original and final General Fund budgeted revenues were \$10,042,593 and \$9,629,673, respectively. This is a decrease of \$412,920 primarily due to charges for services. The City's actual revenues were \$10,702,727 at year-end, which is a \$1,073,054 increase over final budgeted revenues.

Original General Fund appropriations were \$8,948,267 while final appropriations were \$9,494,131. The increase in appropriations was due to an increase in other security of persons and property and capital expenses. The City's actual expenditures were \$6,805,291 at year-end, a decrease of \$2,688,840 when compared to the final appropriations. The largest savings contributing to this decrease was within the general government expenditures. The decrease is due to the City closely monitoring expenses.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of 2020, the City had \$43,331,058 invested in capital assets (net of accumulated depreciation) governmental activities. This is a \$185,665 increase from the prior year due to current year additions exceeding current year depreciation and deletions. Business-type activities invested in capital assets (net of accumulated depreciation) at the end of 2020 was \$20,811,609. This is a \$823,303 decrease from the prior year due to current year depreciation exceeding current year additions.

See Note 10 of the notes to the basic financial statements for more detailed information.

Debt

The City had outstanding debt obligations in governmental activities at year-end, including special assessment bonds, general obligation bonds, police and fire pension liability, and capital leases payable in the amount of \$3,246,002, including a premium on bonds outstanding of \$174,506 for governmental activities. Business-type activities had debt obligations at year-end consisting of mortgage revenue bonds, Ohio Water Development Authority (OWDA) loans, and capital leases in the amount of \$1,321,188, including a premium on bonds in the amount of \$10,265. The City's long-term obligations also included

compensated absences and net pension/OPEB liability for governmental and business-type activities and asset retirement obligations for business-type activities.

As of December 31, 2020, the City's overall legal debt margin (the ability to issue additional amounts of general obligation bonded debt) was \$23,264,105 with an unvoted debt margin of \$11,026,436.

See Note 17 of the notes to the basic financial statements for more detailed information.

CONTACTING THE CITY'S FINANCE DEPARTMENT

This financial report is designed to provide our citizens, taxpayers, creditors, and investors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact the Finance Director, City of Franklin, 1 Benjamin Franklin Way, Franklin, Ohio 45005.

CITY OF FRANKLIN, OHIO
STATEMENT OF NET POSITION
DECEMBER 31, 2020

	Governmental Activities	Business-Type Activities	Totals
Assets:			
Equity in Pooled Cash and Cash Equivalents	\$21,852,152	\$4,426,632	\$26,278,784
Cash and Cash Equivalents with Trustee	0	460,896	460,896
Accrued Interest Receivable	28,199	0	28,199
Accounts Receivable	6,360	884,010	890,370
Intergovernmental Receivable	890,718	11,448	902,166
Materials and Supplies Inventory	223,277	68,709	291,986
Income Taxes Receivable	1,785,720	0	1,785,720
Property Taxes Receivable	2,128,425	0	2,128,425
Other Local Taxes Receivable	34,867	0	34,867
Special Assessments Receivable	286,835	0	286,835
Prepaid Items	63,678	0	63,678
Economic Development Property	11,110	0	11,110
Net Pension Asset	22,543	8,769	31,312
Nondepreciable Capital Assets	21,734,173	1,196,761	22,930,934
Depreciable Capital Assets, Net	21,596,885	19,614,848	41,211,733
Total Assets	70,664,942	26,672,073	97,337,015
Deferred Outflows of Resources:			
Deferred Charge on Refunding	160,761	5,428	166,189
Pension	2,202,770	250,421	2,453,191
OPEB	1,530,813	167,939	1,698,752
Asset Retirement Obligations	0	15,952	15,952
Total Deferred Outflows of Resources	3,894,344	439,740	4,334,084
Liabilities:			
Accounts Payable	66,043	59,470	125,513
Accrued Wages and Benefits Payable	205,954	47,078	253,032
Intergovernmental Payable	138,274	23,993	162,267
Contracts Payable	72,159	211,911	284,070
Accrued Interest Payable	8,005	3,885	11,890
Matured Compensated Absences Payable	33,426	0	33,426
Refundable Deposits	0	146,230	146,230
Long-Term Liabilities:			
Due Within One Year	944,732	446,820	1,391,552
Due in More Than One Year:			
Net Pension Liability	10,948,800	1,357,865	12,306,665
Net OPEB Liability	3,440,675	912,812	4,353,487
Other Amounts	3,154,774	1,152,937	4,307,711
Total Liabilities	19,012,842	4,363,001	23,375,843
Deferred Inflows of Resources:			
Property Taxes	2,022,400	0	2,022,400
Pension	1,682,222	299,884	1,982,106
OPEB	748,556	135,187	883,743
Total Deferred Inflows of Resources	4,453,178	435,071	4,888,249
Net Position:			
Net Investment in Capital Assets	40,220,125	19,393,755	59,613,880
Restricted for:			
Debt Service	192,643	459,079	651,722
Capital Outlay	1,722,519	0	1,722,519
Fire Protection	2,195,965	0	2,195,965
Transportation	1,252,862	0	1,252,862
Security of Persons and Property	874,394	0	874,394
Legislative and Executive	850,013	0	850,013
Assessment of Waste Water Treatment	7,487	0	7,487
Revenue Bonds Replacement and Improvement	0	151,008	151,008
Leisure Time Activities Expendable	2,316,468	0	2,316,468
Leisure Time Activities Nonexpendable	630,900	0	630,900
Unrestricted	829,890	2,309,899	3,139,789
Total Net Position	\$51,093,266	\$22,313,741	\$73,407,007

See accompanying notes to the basic financial statements

CITY OF FRANKLIN, OHIO
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2020

	Program Revenues			
	Expenses	Charges for Services and Sales	Operating Grants, Contributions and Interest	Capital Grants, Contributions and Interest
Governmental Activities:				
General Government	\$3,948,000	\$389,335	\$0	\$0
Security of Persons and Property:				
Police	4,833,243	561,270	669,056	0
Fire	3,112,918	365,500	753,353	474,882
Other	305,427	166,988	0	0
Public Health and Welfare	3,415	7,048	10,975	0
Leisure Time Activities	579,921	2,550	1,352	0
Economic Development	56,329	0	4,752	0
Public Works	59,840	0	0	0
Transportation	3,156,912	95,967	387,486	450,078
Interest and Fiscal Charges	138,330	0	0	0
Total Governmental Activities	<u>16,194,335</u>	<u>1,588,658</u>	<u>1,826,974</u>	<u>924,960</u>
Business-Type Activities:				
Water	2,143,447	2,614,390	0	0
Sewer	2,623,877	2,648,665	0	0
Trash	834,928	864,345	0	0
Stormwater Utility	839,652	595,447	0	0
Total Business-Type Activities	<u>6,441,904</u>	<u>6,722,847</u>	<u>0</u>	<u>0</u>
Total Activities	<u>\$22,636,239</u>	<u>\$8,311,505</u>	<u>\$1,826,974</u>	<u>\$924,960</u>

General Revenues and Transfers:

Taxes:

 Property Taxes Levied for:

 General Purposes

 Fire

 Other Purposes

 Income Taxes

 Other Local Taxes Levied for General Purposes

Grants and Entitlements not Restricted to Specific Programs

Unrestricted Interest

Other

Transfers

Total General Revenues and Transfers

Change in Net Position

Net Position at Beginning of Year -
Restated (See Note 3)

Net Position at End of Year

See accompanying notes to the basic financial statements

Net (Expense) Revenue and Changes in Net Position

Governmental Activities	Business-Type Activities	Total
(\$3,558,665)	\$0	(\$3,558,665)
(3,602,917)	0	(3,602,917)
(1,519,183)	0	(1,519,183)
(138,439)	0	(138,439)
14,608	0	14,608
(576,019)	0	(576,019)
(51,577)	0	(51,577)
(59,840)	0	(59,840)
(2,223,381)	0	(2,223,381)
(138,330)	0	(138,330)
<u>(11,853,743)</u>	<u>0</u>	<u>(11,853,743)</u>
0	470,943	470,943
0	24,788	24,788
0	29,417	29,417
0	(244,205)	(244,205)
<u>0</u>	<u>280,943</u>	<u>280,943</u>
<u>(11,853,743)</u>	<u>280,943</u>	<u>(11,572,800)</u>
478,325	0	478,325
1,350,748	0	1,350,748
186,915	0	186,915
8,233,811	0	8,233,811
140,692	0	140,692
782,774	0	782,774
687,817	1,253	689,070
1,074,885	129,232	1,204,117
195,000	(195,000)	0
<u>13,130,967</u>	<u>(64,515)</u>	<u>13,066,452</u>
1,277,224	216,428	1,493,652
<u>49,816,042</u>	<u>22,097,313</u>	<u>71,913,355</u>
<u>\$51,093,266</u>	<u>\$22,313,741</u>	<u>\$73,407,007</u>

CITY OF FRANKLIN, OHIO
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2020

	General Fund	Fire Levy Fund	Issue Two Fund	F.C. Dial Trust Fund
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$9,609,543	\$2,314,891	\$2,101,106	\$2,947,368
Restricted Assets:				
Equity in Pooled Cash and Cash Equivalents	596,386	0	0	0
Materials and Supplies Inventory	31,324	32,043	0	0
Intergovernmental Receivable	681,561	69,868	0	0
Prepaid Items	0	0	0	0
Income Taxes Receivable	1,785,720	0	0	0
Property Taxes Receivable	507,218	1,422,959	0	0
Other Local Taxes Receivable	34,867	0	0	0
Accounts Receivable	0	0	0	0
Interfund Receivable	500,000	0	0	0
Special Assessments Receivable	0	0	0	0
Accrued Interest Receivable	28,199	0	0	0
Total Assets	\$13,774,818	\$3,839,761	\$2,101,106	\$2,947,368
Liabilities:				
Accounts Payable	\$32,997	\$12,752	\$0	\$0
Accrued Wages and Benefits Payable	128,574	59,362	0	0
Intergovernmental Payable	60,697	18,440	0	0
Contracts Payable	34,648	0	0	0
Matured Compensated Absences Payable	33,426	0	0	0
Interfund Payable	0	0	500,000	0
Total Liabilities	290,342	90,554	500,000	0
Deferred Inflows of Resources:				
Property Taxes	482,000	1,352,000	0	0
Unavailable Revenue	1,263,154	133,524	0	0
Total Deferred Inflows of Resources	1,745,154	1,485,524	0	0
Fund Balances:				
Nonspendable	71,323	32,043	0	2,119,284
Restricted	0	2,231,640	1,601,106	828,084
Committed	0	0	0	0
Assigned	4,852,391	0	0	0
Unassigned (Deficit)	6,815,608	0	0	0
Total Fund Balances	11,739,322	2,263,683	1,601,106	2,947,368
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$13,774,818	\$3,839,761	\$2,101,106	\$2,947,368

See accompanying notes to the basic financial statements

Nonmajor Governmental Funds	Total Governmental Funds
\$4,282,858	\$21,255,766
0	596,386
159,910	223,277
139,289	890,718
63,678	63,678
0	1,785,720
198,248	2,128,425
0	34,867
6,360	6,360
0	500,000
286,835	286,835
0	28,199
<u>\$5,137,178</u>	<u>\$27,800,231</u>
\$20,294	\$66,043
18,018	205,954
59,137	138,274
37,511	72,159
0	33,426
0	500,000
<u>134,960</u>	<u>1,015,856</u>
188,400	2,022,400
<u>423,198</u>	<u>1,819,876</u>
<u>611,598</u>	<u>3,842,276</u>
223,588	2,446,238
2,850,044	7,510,874
480,423	480,423
884,993	5,737,384
<u>(48,428)</u>	<u>6,767,180</u>
<u>4,390,620</u>	<u>22,942,099</u>
<u>\$5,137,178</u>	<u>\$27,800,231</u>

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CITY OF FRANKLIN, OHIO
RECONCILIATION OF TOTAL GOVERNMENTAL FUND
BALANCES TO NET POSITION OF GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2020

Total Governmental Fund Balances \$22,942,099

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

Capital assets used in governmental activities are not financial resources and
therefore are not reported in the funds. These assets consist of:

Land	19,409,384	
Construction in Progress	2,324,789	
Infrastructure	70,669,338	
Other Capital Assets	16,443,227	
Accumulated Depreciation	(65,515,680)	
Total Capital Assets		43,331,058

Economic development property is not a financial resource
and therefore is not reported in the funds. 11,110

Other long-term assets are not available to pay for current-period expenditures
and therefore are offset by deferred inflows of resources in the funds:

Delinquent Property Taxes	106,025	
Other Local Taxes	32,176	
Income Taxes	1,137,771	
Special Assessments	286,835	
Accounts	850	
Intergovernmental	237,171	
Interest	19,048	
Total		1,819,876

In the Statement of Activities, interest is accrued on long-term debt, whereas
in governmental funds, an interest expenditure is reported when due. (8,005)

Deferred outflows of resources represent deferred charges on
refundings which do not provide current financial resources
and, therefore, are not reported in the funds. 160,761

The net pension and net OPEB liabilities are not due and payable
in the current period; therefore, the liabilities and related deferred
inflows/outflows are not reported in governmental funds.

Net Pension Asset	22,543	
Deferred Outflows - Pension	2,202,770	
Deferred Outflows - OPEB	1,530,813	
Net Pension Liability	(10,948,800)	
Net OPEB Liability	(3,440,675)	
Deferred Inflows - Pension	(1,682,222)	
Deferred Inflows - OPEB	(748,556)	
Total		(13,064,127)

Long-term liabilities are not due and payable in the current period and therefore
are not reported in the funds:

Premium On Debt Issued	(174,506)	
General Obligation Bonds	(2,435,000)	
Capital leases	(550,029)	
Special Assessment Bonds	(40,000)	
Police and Fire Pension	(46,467)	
Compensated Absences	(853,504)	
Total		(4,099,506)

Net Position of Governmental Activities \$51,093,266

See accompanying notes to the basic financial statements

CITY OF FRANKLIN, OHIO
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2020

	General Fund	Fire Levy Fund	Issue Two Fund	F.C. Dial Trust Fund
Revenues:				
Property Taxes	\$462,181	\$1,305,070	\$0	\$0
Other Local Taxes	32,180	0	0	0
Income Taxes	8,540,491	0	0	0
Special Assessments	0	0	0	0
Charges for Services	30,032	367,625	0	0
Fines, Licenses and Permits	709,301	0	0	0
Intergovernmental	497,957	131,512	450,078	0
Interest	305,352	0	0	332,613
Rent	0	0	0	0
Contributions and Donations	0	0	0	0
Other	905,846	109,696	0	0
Total Revenues	11,483,340	1,913,903	450,078	332,613
Expenditures:				
Current:				
General Government	2,974,292	0	0	0
Security of Persons and Property:				
Police	3,060,259	0	0	0
Fire	0	1,939,515	0	0
Other	174,168	0	0	0
Public Health and Welfare	0	0	0	0
Leisure Time Activities	11,078	0	0	0
Economic Development	0	0	0	0
Transportation	0	0	0	0
Capital Outlay	473,326	0	918,526	0
Debt Service:				
Principal Retirement	0	0	0	0
Interest and Fiscal Charges	0	0	0	0
Total Expenditures	6,693,123	1,939,515	918,526	0
Excess of Revenues Over (Under)				
Expenditures	4,790,217	(25,612)	(468,448)	332,613
Other Financing Sources (Uses):				
Proceeds from Sale of Capital Assets	21,914	0	0	0
Transfers In	55,000	430,964	648,000	0
Transfers Out	(2,866,221)	(264,824)	0	0
Total Other Financing Sources (Uses)	(2,789,307)	166,140	648,000	0
Net Change in Fund Balances	2,000,910	140,528	179,552	332,613
Fund Balances at Beginning of Year	9,738,412	2,123,155	1,421,554	2,614,755
Fund Balances at End of Year	\$11,739,322	\$2,263,683	\$1,601,106	\$2,947,368

See accompanying notes to the basic financial statements

Nonmajor Governmental Funds	Total Governmental Funds
\$180,610	\$1,947,861
107,422	139,602
0	8,540,491
269,701	269,701
225	397,882
227,554	936,855
2,861,954	3,941,501
65,780	703,745
2,325	2,325
1,352	1,352
59,343	1,074,885
3,776,266	17,956,200
171,513	3,145,805
992,810	4,053,069
658,309	2,597,824
131,259	305,427
3,415	3,415
256,888	267,966
56,329	56,329
805,999	805,999
2,511,615	3,903,467
667,119	667,119
143,922	143,922
6,399,178	15,950,342
(2,622,912)	2,005,858
56,514	78,428
2,847,927	3,981,891
(655,846)	(3,786,891)
2,248,595	273,428
(374,317)	2,279,286
4,764,937	20,662,813
\$4,390,620	\$22,942,099

CITY OF FRANKLIN, OHIO
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2020

Net Change in Fund Balances - Total Governmental Funds \$2,279,286

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

Capital outlays are reported as expenditures in governmental funds.
However, in the Statement of Activities, the cost of those assets is allocated
over their estimated useful lives as depreciation expense. In the current
period, these amounts are:

Construction in Progress additions	1,733,255	
Capital Assets Additions	1,216,390	
Current Year Depreciation	(2,632,870)	
Excess of depreciation expense over capital outlay		316,775

Governmental funds only report the disposal of capital assets to the extent proceeds
are received from the sale. In the Statement of Activities, a gain or loss is
reported for each sale.

Proceeds from Sale of Capital Assets	(78,428)	
Loss on Disposal of Capital Assets	(52,682)	
Total		(131,110)

Some revenues that will not be collected for several months after the City's year-end
are not considered "available" revenues and are therefore recorded as deferred inflows
of resources in the funds. Deferred inflows of resources related to the following items
changed by the amounts shown below:

Delinquent Property Taxes	68,127	
Other Local Taxes	1,090	
Income Taxes	(306,680)	
Special Assessments	(15,980)	
Charges for Services	(2,125)	
Intergovernmental	(408,145)	
Interest	(15,928)	
Total		(679,641)

Contractually required contributions are reported as expenditures in governmental funds;
however, the Statement of Net Position reports these amounts as deferred outflows.

Pension	947,850	
OPEB	16,199	
Total		964,049

Except for amounts reported as deferred inflows/outflows, changes in the net pension
liability (asset) are reported as pension expense in the Statement of Activities.

Pension	(1,658,319)	
OPEB	(491,901)	
Total		(\$2,150,220)

(Continued)

CITY OF FRANKLIN, OHIO
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2020
(Continued)

Repayment of long-term obligations is reported as an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.		
Special assessment principal retirement	\$40,000	
Bond Principal Retirement	455,000	
Police and Fire Pension Principal Retirement	2,269	
Capital lease principal retirement	169,850	
Total Long-Term Debt Repayment	<u>667,119</u>	667,119
Amortization of bond premiums, the deferred charge on the refunding of debt, as well as accrued interest payable on the bonds are not reported in the funds, but are allocated as expenses over the life of the debt in the Statement of Activities.		
Amortization of Bond Premiums	26,847	
Amortization of Deferred Charge on Refunding	(22,965)	
Accrued Interest	1,710	
Total	<u>5,592</u>	5,592
Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds:		
Decrease in Compensated Absences		<u>5,374</u>
Change in Net Position of Governmental Activities		<u><u>\$1,277,224</u></u>
See accompanying notes to the basic financial statements		

CITY OF FRANKLIN, OHIO
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2020

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues:				
Property Taxes	\$485,000	\$485,000	\$462,181	(\$22,819)
Other Local Taxes	58,319	61,941	32,669	(29,272)
Income Taxes	7,891,292	7,582,267	8,479,946	897,679
Charges for Services	27,947	251,125	30,032	(221,093)
Fines, Licenses and Permits	665,356	656,880	714,989	58,109
Intergovernmental	433,868	376,023	466,233	90,210
Interest	178,242	141,578	191,538	49,960
Other	302,569	74,859	325,139	250,280
Total Revenues	10,042,593	9,629,673	10,702,727	1,073,054
Expenditures:				
Current:				
General Government	4,013,855	4,100,312	2,974,757	1,125,555
Security of Persons and Property:				
Police	4,108,485	4,189,864	3,143,222	1,046,642
Other	5,000	247,491	173,205	74,286
Leisure Time Activities	236,310	77,237	12,726	64,511
Capital Outlay	584,617	879,227	501,381	377,846
Total Expenditures	8,948,267	9,494,131	6,805,291	2,688,840
Excess of Revenues Over Expenditures	1,094,326	135,542	3,897,436	3,761,894
Other Financing Sources (Uses):				
Proceeds from Sale of Capital Assets	21,915	1,000	21,914	20,914
Advances In	400,000	1,000,000	400,000	(600,000)
Advances Out	0	(1,000,000)	(900,000)	100,000
Transfers In	683,915	105,085	55,000	(50,085)
Transfers Out	(4,728,000)	(3,433,185)	(2,866,221)	566,964
Total Other Financing Sources (Uses)	(3,622,170)	(3,327,100)	(3,289,307)	37,793
Net Change in Fund Balance	(2,527,844)	(3,191,558)	608,129	3,799,687
Fund Balance at Beginning of Year	8,942,855	8,942,855	8,942,855	0
Prior Year Encumbrances Appropriated	234,918	234,918	234,918	0
Fund Balance at End of Year	\$6,649,929	\$5,986,215	\$9,785,902	\$3,799,687

See accompanying notes to the basic financial statements

CITY OF FRANKLIN, OHIO
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)
FIRE LEVY FUND
FOR THE YEAR ENDED DECEMBER 31, 2020

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues:				
Property Taxes	\$1,367,500	\$1,367,500	\$1,305,070	(\$62,430)
Charges for Services	579,999	196,114	364,650	168,536
Intergovernmental	194,822	17,443	131,512	114,069
Other	172,215	18,032	108,273	90,241
Total Revenues	<u>2,314,536</u>	<u>1,599,089</u>	<u>1,909,505</u>	<u>310,416</u>
Expenditures:				
Current:				
Security of Persons and Property:				
Fire	2,784,040	3,312,131	2,006,048	1,306,083
Excess of Revenues Under Expenditures	<u>(469,504)</u>	<u>(1,713,042)</u>	<u>(96,543)</u>	<u>1,616,499</u>
Other Financing Sources (Uses):				
Transfers In	430,964	646,411	430,964	(215,447)
Transfers Out	<u>(203,500)</u>	<u>(543,000)</u>	<u>(264,824)</u>	<u>278,176</u>
Total Other Financing Sources (Uses)	<u>227,464</u>	<u>103,411</u>	<u>166,140</u>	<u>62,729</u>
Net Change in Fund Balance	(242,040)	(1,609,631)	69,597	1,679,228
Fund Balance at Beginning of Year	2,162,939	2,162,939	2,162,939	0
Prior Year Encumbrances Appropriated	<u>8,191</u>	<u>8,191</u>	<u>8,191</u>	<u>0</u>
Fund Balance at End of Year	<u>\$1,929,090</u>	<u>\$561,499</u>	<u>\$2,240,727</u>	<u>\$1,679,228</u>

See accompanying notes to the basic financial statements

CITY OF FRANKLIN, OHIO
STATEMENT OF FUND NET POSITION
ENTERPRISE FUNDS
DECEMBER 31, 2020

	Water Fund	Sewer Fund	Trash Fund	Stormwater Utility Fund	Total
Assets:					
Current Assets:					
Equity in Pooled Cash and Cash Equivalents	\$2,022,641	\$1,177,442	\$235,846	\$693,465	\$4,129,394
Materials and Supplies Inventory	68,709	0	0	0	68,709
Accounts Receivable	345,060	420,045	81,591	37,314	884,010
Intergovernmental Receivable	2,452	1,507	0	7,489	11,448
Restricted Assets:					
Cash and Cash Equivalents with Trustee	271,817	0	0	0	271,817
Total Current Assets	2,710,679	1,598,994	317,437	738,268	5,365,378
Noncurrent Assets:					
Restricted Assets:					
Equity in Pooled Cash and Cash Equivalents	224,123	73,115	0	0	297,238
Cash and Cash Equivalents with Trustee	189,079	0	0	0	189,079
Net Pension Asset	4,072	2,507	313	1,877	8,769
Nondepreciable Capital Assets	1,020,364	62,030	0	114,367	1,196,761
Depreciable Capital Assets, Net	8,800,149	3,235,368	119	7,579,212	19,614,848
Total Noncurrent Assets	10,237,787	3,373,020	432	7,695,456	21,306,695
Total Assets	12,948,466	4,972,014	317,869	8,433,724	26,672,073
Deferred Outflows of Resources:					
Deferred Charge on Refunding	5,428	0	0	0	5,428
Pension	116,268	71,549	8,943	53,661	250,421
OPEB	77,972	47,982	5,998	35,987	167,939
Asset Retirement Obligations	0	15,952	0	0	15,952
Total Deferred Outflows of Resources	199,668	135,483	14,941	89,648	439,740
Liabilities:					
Current Liabilities:					
Accounts Payable	20,434	4,124	0	34,912	59,470
Accrued Wages and Benefits Payable	28,121	11,149	724	7,084	47,078
Contracts Payable	85,488	126,423	0	0	211,911
Intergovernmental Payable	14,121	5,800	461	3,611	23,993
Accrued Interest Payable	3,885	0	0	0	3,885
Compensated Absences Payable	22,352	24,519	1,213	19,191	67,275
Capital Lease Payable	23,498	8,703	0	8,703	40,904
Revenue Bonds Payable	270,000	0	0	0	270,000
OWDA Loans Payable	68,641	0	0	0	68,641
Total Current Liabilities	536,540	180,718	2,398	73,501	793,157
Long Term Liabilities:					
Compensated Absences Payable	56,993	59,600	4,350	50,351	171,294
Capital Lease Payable	50,391	18,663	0	18,663	87,717
Revenue Bonds Payable	285,265	0	0	0	285,265
OWDA Loans Payable	568,661	0	0	0	568,661
Refundable Deposits	73,115	73,115	0	0	146,230
Asset Retirement Obligations	0	40,000	0	0	40,000
Net Pension Liability	630,436	387,961	48,495	290,973	1,357,865
Net OPEB Liability	423,807	260,803	32,597	195,605	912,812
Total Long Term Liabilities	2,088,668	840,142	85,442	555,592	3,569,844
Total Liabilities	\$2,625,208	\$1,020,860	\$87,840	\$629,093	\$4,363,001

(Continued)

CITY OF FRANKLIN, OHIO
STATEMENT OF FUND NET POSITION
ENTERPRISE FUNDS
DECEMBER 31, 2020
(Continued)

	Water Fund	Sewer Fund	Trash Fund	Stormwater Utility Fund	Total
Deferred Inflows of Resources:					
Pension	\$139,232	\$85,681	\$10,709	\$64,262	\$299,884
OPEB	62,766	38,625	4,829	28,967	135,187
Total Deferred Inflows of Resources	<u>201,998</u>	<u>124,306</u>	<u>15,538</u>	<u>93,229</u>	<u>435,071</u>
Net Position:					
Net Investment in Capital Assets	8,473,997	3,253,426	119	7,666,213	19,393,755
Restricted for:					
Debt Service	459,079	0	0	0	459,079
Revenue Bonds Replacement and Improvements	151,008	0	0	0	151,008
Unrestricted	<u>1,236,844</u>	<u>708,905</u>	<u>229,313</u>	<u>134,837</u>	<u>2,309,899</u>
Total Net Position	<u>\$10,320,928</u>	<u>\$3,962,331</u>	<u>\$229,432</u>	<u>\$7,801,050</u>	<u>\$22,313,741</u>

See accompanying notes to the basic financial statements

CITY OF FRANKLIN, OHIO
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2020

	Water Fund	Sewer Fund	Trash Fund	Stormwater Utility Fund	Total
Operating Revenues:					
Charges for Services	\$2,614,390	\$2,648,665	\$864,345	\$595,447	\$6,722,847
Operating Expenses:					
Personal Services	838,768	495,835	47,203	338,661	1,720,467
Contractual Services	698,735	1,936,158	783,844	77,718	3,496,455
Supplies and Materials	188,595	23,630	1,720	1,392	215,337
Depreciation	340,891	164,794	238	420,186	926,109
Other	21,526	1,769	1,923	4	25,222
Total Operating Expenses	2,088,515	2,622,186	834,928	837,961	6,383,590
Operating Income (Loss)	525,875	26,479	29,417	(242,514)	339,257
Non-Operating Revenues (Expenses):					
Interest	1,253	0	0	0	1,253
Other Non-Operating Revenues	46,445	57,986	2,107	22,694	129,232
Interest and Fiscal Charges	(54,932)	(1,691)	0	(1,691)	(58,314)
Total Non-Operating Revenues (Expenses)	(7,234)	56,295	2,107	21,003	72,171
Income (Loss) Before Transfers	518,641	82,774	31,524	(221,511)	411,428
Transfers Out	(125,000)	(70,000)	0	0	(195,000)
Change in Net Position	393,641	12,774	31,524	(221,511)	216,428
Net Position at Beginning of Year - Restated (See Note 3)	9,927,287	3,949,557	197,908	8,022,561	22,097,313
Net Position at End of Year	\$10,320,928	\$3,962,331	\$229,432	\$7,801,050	\$22,313,741

See accompanying notes to the basic financial statements

CITY OF FRANKLIN, OHIO
STATEMENT OF CASH FLOWS
ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2020

	Water Fund	Sewer Fund	Trash Fund	Stormwater Utility Fund	Totals
<u>Increase (Decrease) in Cash and Cash Equivalents</u>					
<u>Cash Flows from Operating Activities:</u>					
Cash Received from Customers	\$2,500,906	\$2,739,314	\$868,641	\$601,281	\$6,710,142
Cash Paid for Employee Services and Benefits	(720,741)	(423,826)	(41,939)	(290,534)	(1,477,040)
Cash Paid to Suppliers for Goods and Services	(798,038)	(2,075,887)	(789,255)	(179,577)	(3,842,757)
Utility Deposits Received	15,900	13,500	0	0	29,400
Utility Deposits Returned	(17,500)	(15,100)	0	0	(32,600)
Other Operating Expenses	(23,978)	(1,769)	(1,923)	(4)	(27,674)
Other Non-Operating Revenues	46,688	56,817	2,125	15,336	120,966
Net Cash Provided by Operating Activities	1,003,237	293,049	37,649	146,502	1,480,437
<u>Cash Flows from Noncapital Financing Activities:</u>					
Transfers Out to Other Funds	(125,000)	(70,000)	0	0	(195,000)
<u>Cash Flows from Capital and Related Financing Activities:</u>					
Acquisition of Capital Assets	(33,160)	(3,445)	0	(66,201)	(102,806)
Interest Paid on OWDA Loans	(30,477)	0	0	0	(30,477)
Principal Paid on OWDA Loans	(300,321)	0	0	0	(300,321)
Interest Paid on Mortgage Revenue Bonds	(38,826)	0	0	0	(38,826)
Principal Paid on Mortgage Revenue Bonds	(260,000)	0	0	0	(260,000)
Interest Paid on Capital Leases	(4,566)	(1,691)	0	(1,691)	(7,948)
Principal Paid on Capital Leases	(22,434)	(8,309)	0	(8,309)	(39,052)
Capital Contributions from Other Governments - Capital Grants	0	0	0	98,851	98,851
Net Cash Used for Capital and Related Financing Activities	(689,784)	(13,445)	0	22,650	(680,579)
<u>Cash Flows from Investing Activities:</u>					
Interest	1,253	0	0	0	1,253
Net Increase in Cash and Cash Equivalents	189,706	209,604	37,649	169,152	606,111
Cash and Cash Equivalents at Beginning of Year	2,517,954	1,040,953	198,197	524,313	4,281,417
Cash and Cash Equivalents at End of Year	\$2,707,660	\$1,250,557	\$235,846	\$693,465	\$4,887,528

(Continued)

*CITY OF FRANKLIN, OHIO
STATEMENT OF CASH FLOWS
ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2020
(Continued)*

	Water Fund	Sewer Fund	Trash Fund	Stormwater Utility Fund	Totals
Reconciliation of Operating Income (Loss) to <u>Net Cash Provided by (Used for) Operating Activities:</u>					
Operating Income (Loss)	\$525,875	\$26,479	\$29,417	(\$242,514)	\$339,257
Adjustments to Reconcile Operating Income (Loss) <u>to Net Cash Provided by (Used for) Operating Activities:</u>					
Depreciation Expense	340,891	164,794	238	420,186	926,109
Other Non-Operating Revenues	46,445	57,986	2,107	22,694	129,232
Decrease (Increase) in Assets:					
Materials and Supplies Inventory	18,062	0	0	0	18,062
Accounts Receivable	(113,484)	90,649	4,296	5,834	(12,705)
Intergovernmental Receivable	(2,209)	(1,169)	18	(7,358)	(10,718)
Deferred Outflows - Pension	151,233	93,067	11,634	69,800	325,734
Deferred Outflows - OPEB	67,583	41,590	5,199	31,191	145,563
Deferred Outflows - ARO	0	668	0	0	668
Increase (Decrease) in Liabilities:					
Accounts Payable	(16,601)	726	(3,691)	31,335	11,769
Accrued Wages and Benefits Payable	4,782	1,579	(313)	354	6,402
Contracts Payable	85,488	(117,493)	0	(131,802)	(163,807)
Intergovernmental Payable	3,299	119	(239)	(879)	2,300
Compensated Absences Payable	9,210	6,370	(1,353)	694	14,921
Net Pension Liability	13,691	8,423	1,055	6,320	29,489
Net OPEB Liability	25,789	15,870	1,982	11,904	55,545
Refundable Deposits Payable	(1,600)	(1,600)	0	0	(3,200)
Deferred Inflows - Pension	(114,272)	(69,812)	(9,551)	(52,359)	(245,994)
Deferred Inflows - OPEB	(40,945)	(25,197)	(3,150)	(18,898)	(88,190)
Total Adjustments	477,362	266,570	8,232	389,016	1,141,180
Net Cash Provided by Operating Activities	\$1,003,237	\$293,049	\$37,649	\$146,502	\$1,480,437

See accompanying notes to the basic financial statements

CITY OF FRANKLIN, OHIO
STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUND
DECEMBER 31, 2020

	Municipal Court Fund
Assets:	
Cash in Segregated Accounts	<u>\$16,357</u>
Liabilities:	
Due to Other Governments	<u>\$16,357</u>

See accompanying notes to the basic financial statements

***CITY OF FRANKLIN, OHIO
STATEMENT OF CHANGE IN FIDUCIARY NET POSITION
CUSTODIAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2020***

	Municipal Court Fund
Additions:	
Fines, Licenses, and Permits for Other Governments	\$1,053,999
Deductions:	
Distributions to the State of Ohio	481,805
Distributions to Other Governments	572,194
Total Deductions	1,053,999
Change in Net Position	0
Net Position at Beginning of Year	0
Net Position at End of Year	\$0

See accompanying notes to the basic financial statements

CITY OF FRANKLIN, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

Note 1 – Description of the City and Reporting Entity

The City of Franklin (the “City”) is a home rule municipal corporation organized under the laws of the State of Ohio. The City operates under its own charter. The current Charter, which provides for a Council/Manager form of government, was adopted in 1984. The seven-member Council is elected to four-year terms. Annually, Council selects one of its members to serve as Mayor. Council appoints the City Manager, Finance Director, and Law Director.

Reporting Entity

A reporting entity is comprised of the primary government, component units, and other organizations that are included to ensure that the financial statements are not misleading. The primary government of the City consists of all funds and departments that are not legally separate from the City. The City departments provide various services, including a police force, a fire fighting force, a street maintenance and repair force, planning and zoning, a parks and recreation system, water, sewer and stormwater drainage systems, a contracting service for trash collection, community development, and a staff to provide essential support to these service providers. Council and the City Manager have direct responsibility for these activities.

Component units are legally separate organizations for which the City is financially accountable. The City is financially accountable for an organization if the City appoints a voting majority of the organization's governing board and (1) the City is able to significantly influence the programs or services performed or provided by the organization; or (2) the City is legally entitled to or can otherwise access the organization's resources; the City is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the City is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the City in that the City approves the budget, the issuance of debt, or the levying of its taxes, and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the City. The City has no component units.

The City participates in one shared risk pool, and two jointly governed organizations. These organizations are presented in Note 19 of the basic financial statements. These organizations are:

Shared Risk Pool:

Ohio Plan Risk Management, Inc. (OPRM)

Jointly Governed Organizations:

Warren County General Health District

Warren County Fire Response and Life Safety Council of Governments

Note 2 – Summary of Significant Accounting Policies

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

Basis of Presentation

The City's basic financial statements consist of government-wide statements, including a statement of net position and a statement of activities, and fund financial statements, which provide a more detailed level of financial information.

CITY OF FRANKLIN, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

Government-Wide Financial Statements

The statement of net position and the statement of activities display information about the City as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The government-wide financial statements usually distinguish between those activities of the City that are governmental and those that are considered business-type activities.

The statement of net position presents the financial condition of the governmental and business-type activities of the City at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the City's governmental activities and for the business-type activities of the City. Direct expenses are those that are specifically associated with a service, program, or department and are therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program, and interest earned on grants that is required to be used to support a particular program. Revenues that are not classified as program revenues are presented as general revenues of the City, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental program or business segment is self-financing or draws from the general revenues of the City.

Fund Financial Statements

During the year, the City segregates transactions related to certain City functions or activities into separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the City at this more detailed level. The focus of governmental and enterprise fund financial statements is on major funds rather than reporting by type. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. Fiduciary funds are reported by type.

Fund Accounting

The City uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The funds of the City are divided into three categories: governmental, proprietary, and fiduciary.

Governmental Funds

Governmental funds are those through which most governmental functions of the City are financed. Governmental fund reporting focuses on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and deferred outflows of resources and liabilities and deferred inflows of resources is reported as fund balance. The following are the City's major governmental funds:

General Fund - This fund is the operating fund of the City and is used to account for and report all financial resources except those required to be accounted for in another fund. The General Fund balance is available to the City for any purpose, provided it is expended or transferred according to the general laws of Ohio and the Charter of the City.

Fire Levy Fund - This fund accounts for and reports property taxes levied by the City and intergovernmental revenues restricted for operating expenditures related to the fire department.

CITY OF FRANKLIN, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

Issue Two – This fund accounts for and reports grant monies restricted for making road improvements.

F. C. Dial Trust Fund – To account for and report financial resources restricted for leisure time activities related to parks and recreation. The monies in this fund are restricted through a trust, and only the interest earnings may be spent for parks and recreation.

The other governmental funds of the City account for grants and other resources whose use is restricted, committed, or assigned to a particular purpose.

Proprietary Funds

Proprietary funds focus on the determination of operating income, changes in net position, financial position, and cash flows. The City's proprietary funds are enterprise funds.

Enterprise Funds - Enterprise funds may be used to account for and report any activity for which a fee is charged to external users for goods or services. The following are the City's major enterprise funds:

Water Fund - This fund is used to account for and report the provision of water treatment and distribution to residential and commercial users in the City.

Sewer Fund - This fund is used to account for and report the provision of sanitary sewer service to residential and commercial users in the City.

Trash Fund - This fund is used to account for and report the provision of trash collection services to residential and commercial users in the City.

Stormwater Utility Fund - This fund is used to account for and report the provision of stormwater management within the City.

Fiduciary Funds

Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds (and other employee benefit), investment trust funds, private-purpose trust funds, and custodial funds. Trust funds are distinguished from custodial funds by the existence of a trust agreement or equivalent arrangement that has certain characteristics. The City has no trust funds. Custodial funds are used to report fiduciary activities that are not required to be separated in a trust fund. The City has one custodial fund, Municipal Court that is used to account for various fines and fees collected and distributed on behalf of another government.

Measurement Focus

Government-Wide Financial Statements

The government-wide financial statements are prepared using a flow of economic resources measurement focus. All assets and deferred outflows of resources and liabilities and deferred inflows of resources associated with the operation of the City are included on the statement of net position. The statement of activities presents increases (e.g., revenues) and decreases (e.g., expenses) in total net position.

CITY OF FRANKLIN, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

Fund Financial Statements

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and deferred outflows of resources and current liabilities and deferred inflows of resources generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements, therefore, include reconciliations with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Like the government-wide statements, all proprietary and fiduciary funds are accounted for on a flow of economic resources measurement focus. All assets and deferred outflows of resources and all liabilities and deferred inflows of resources associated with the operation of these funds are included on the statement of fund net position. In fiduciary funds, a liability to the beneficiaries of fiduciary activity is recognized when an event has occurred that compels the government to disburse fiduciary resources. Fiduciary fund liabilities other than those to beneficiaries are recognized using the economic resources measurement focus.

Fiduciary funds present a statement of changes in fiduciary net position which reports additions to and deductions from investment trust funds, private purpose trust funds, and custodial funds.

Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements and the statements presented for proprietary and fiduciary funds are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, in the recording of deferred outflows/inflows of resources, and in the presentation of expenses versus expenditures.

Revenues - Exchange and Non-Exchange Transactions

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the year in which the resources are measurable and become available. “Measurable” means that the amount of the transaction can be determined, and “available” means that the resources are collectible within the current year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current year. For the City, “available” means expected to be received within 31 days of year-end.

Non-exchange transactions, in which the City receives value without directly giving equal value in return, include income taxes, property taxes, grants, entitlements, and donations. On an accrual basis, revenue from income taxes is recognized in the year in which the exchange on which the tax is imposed takes place, and revenue from property taxes is recognized in the year for which the taxes are levied or would have been levied (See Notes 7 and 8). Revenue from grants, entitlements, and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted; matching requirements, in which the City must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

CITY OF FRANKLIN, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at year-end: income taxes, interest on investments, intergovernmental revenues (including motor vehicle license tax, gasoline tax, and local government assistance), and grants.

Deferred Outflows/Inflows of Resources

In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the City, deferred outflows of resources are reported on the government-wide statement of net position for the deferred charges on refundings, pension, OPEB and asset retirement obligations. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is amortized over the shorter of the life of the refunded or refunding debt. The deferred outflows of resources related to asset retirement obligations is originally measured at the amount of the corresponding liability. This amount is expensed in a systematic and rational manner over the tangible asset's useful life. The deferred outflows of resources related to pension and OPEB plans are explained in Notes 12 and 13.

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the City, deferred inflows of resources include property taxes, pension, OPEB, and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of December 31, 2020, but which were levied to finance fiscal year 2021 operations. These amounts have been recorded as deferred inflows on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet and represents receivables that will not be collected within the available period. For the City, unavailable revenue includes delinquent property taxes, other local taxes, income taxes, special assessments, accounts receivable, intergovernmental revenues, including grants, and interest. These amounts are deferred and recognized as inflows of resources in the period when the amounts become available. The details of these unavailable revenues are identified on the Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities found on page 19. Deferred inflows of resources related to pension and OPEB plans are reported on the government-wide Statement of Net Position (See Notes 12 and 13).

Expenses/Expenditures

On the accrual basis of accounting, expenses are recognized at the time they are incurred.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds.

Cash and Cash Equivalents

To improve cash management, all cash received by the City is pooled. Monies for all funds, including enterprise funds, are maintained in this pool. Individual fund integrity is maintained through the City's records. Interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents." The City's Municipal Court has its own checking accounts for collection and distribution of court fines and forfeitures, which are presented on the financial statements as "Cash in Segregated Accounts." The City's deposits on hand for future principal and interest payments on mortgage revenue bonds are presented as "Restricted Assets: Equity in Pooled Cash and Cash Equivalents with Trustee." The City maintains separate funds for

CITY OF FRANKLIN, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

unclaimed monies, employee retirement benefits, and for the replacement and improvement of capital assets originally acquired with bond proceeds, which are presented on the financial statements as “Restricted Assets: Equity in Pooled Cash and Cash Equivalents.”

During the year, the City’s investments were limited to STAROhio, common stock, money market mutual fund, Negotiable Certificates of Deposits, Federal Agency Securities, and United States Treasury Bills. Investments are reported at fair value, which is based on quoted market prices.

STAR Ohio (the State Treasury Asset Reserve of Ohio), is an investment pool managed by the State Treasurer’s Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but has adopted Governmental Accounting Standards Board (GASB), Statement No. 79, *Certain External Investment Pools and Pool Participants*. The City measures their investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

For 2020, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, twenty-four hours advance notice is appreciated for deposits and withdrawals of \$100 million or more. STAR Ohio reserves the right to limit the transactions to \$100 million per day, requiring the excess amount to be transacted the following business day(s), but only to the \$100 million limit. All accounts of the participant will be combined for these purposes.

Following Ohio statutes, the City has, by ordinance, specified the funds to receive an allocation of investment earnings. Interest credited to the General Fund during 2020 amounted to \$305,352, which includes \$184,188 assigned from other City funds.

Investments of the cash management pool and investments with an original maturity of three months or less at the time they are purchased by the City are presented on the financial statements as cash equivalents.

Restricted Assets

Assets are reported as restricted when limitations on their use change the nature or normal understanding of the availability of the asset. Such constraints are either externally imposed by creditors, contributors, grantors, or laws of other governments, or imposed by law through constitutional provisions or enabling legislation. Restricted assets in the General Fund represent cash and cash equivalents legally required to be set aside by the City for unclaimed monies and employee retirement benefits. Restricted assets in the enterprise funds represent cash and cash equivalents with trustee for repayment of current debt service on revenue bonds that are required by the bond indenture to be held by a financial services corporation and cash and cash equivalents for the replacement and improvement of capital assets originally acquired with bond proceeds. In addition, water and sewer customer deposits are presented as restricted assets.

Economic Development Property

The City acquired property through donation, at no cost to the City. The property is held by the City at year end and is reported as economic development property and is valued at fair market value at the time acquired. Since the property is expected to be donated to Habitat for Humanity and not converted to cash, it is reported in the governmental activities column of the statement of activities, but is not reported in the fund financial statements.

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Interfund Balances

On fund financial statements, outstanding interfund loans and unpaid amounts for interfund services are reported as “interfund receivables//payables”. Interfund balance amounts are eliminated in the statement of net position.

Inventory

On government-wide financial statements, inventories are presented at the lower of cost or market on a first-in, first-out basis and are expended/expensed when used. Inventories consist of materials and supplies held for consumption.

On fund financial statements, inventories of governmental funds are stated at cost, while inventories of proprietary funds are stated at the lower of cost or market. For all funds, cost is determined on a first-in, first-out basis. The cost of inventory items is recorded as expenditures/expenses when used.

Capital Assets

General capital assets are capital assets that are associated with and generally arise from governmental activities. They generally result from expenditures in the governmental funds. General capital assets are reported in the governmental activities column of the government-wide statement of net position but are not reported in the fund financial statements. Capital assets utilized by the enterprise funds are reported both in the business-type activities column of the government-wide statement of net position and in the respective funds.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. The City was able to estimate the historical cost for the initial reporting of infrastructure by back trending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year). Donated capital assets are recorded at their acquisition values on the date donated. The City maintains a capitalization threshold of \$5,000. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset’s life are expended.

All capital assets are depreciated except for land and construction in progress. Improvements are depreciated over the remaining useful lives of the related capital assets. Useful lives for infrastructure were estimated based on the City’s historical records of necessary improvements and replacement. Depreciation is computed using the straight-line method over the following useful lives:

Land Improvements	20 years
Buildings	20-30 years
Equipment	3-20 years
Vehicles	5-20 years
Infrastructure	10-60 years

The City’s infrastructure consists of streets, curbs and gutters, sidewalks, street lighting, bridges, traffic structures, water and sewer lines, stormwater drains, and a water well field. The City only reports infrastructure amounts acquired after 1980 for its governmental activities.

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Compensated Absences

Vacation benefits and compensatory time are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the City will compensate the employees for the benefits through paid time off or some other means. The City records a liability for all accumulated unused vacation and compensatory time when earned for all employees.

Sick leave benefits are accrued as a liability using the termination method. An accrual for earned sick leave is made to the extent it is probable that benefits will result in termination payments. The liability is an estimate based on the City's past experience of making termination payments.

On the governmental fund financial statements, compensated absences are recognized as a liability and expenditures to the extent that payments come due each period upon the occurrence of employee resignations and retirements. These amounts are recorded in the account "Matured Compensated Absences Payable" in the fund from which the employees will be paid.

The entire compensated absences liability is reported on the government-wide financial statements.

Capital Contributions

Contributions of capital arise from outside contributions of capital assets, and from grants or outside contributions of resources restricted to capital acquisition and construction.

Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current fiscal year. Net pension/OPEB liability should be recognized in the governmental funds to the extent that benefit payments are due and payable and the pension/OPEB plan's fiduciary net position is not sufficient for payment of those benefits.

Pensions/Other Postemployment Benefits (OPEB)

For purposes of measuring the net pension/OPEB asset/liability, deferred outflows of resources and deferred inflows of resources related to pensions/OPEB, and pension/OPEB expense, information about the fiduciary net position of the pension/OPEB plans and additions to/deductions from their fiduciary net position have been determined on the same basis as they are reported by the pension/OPEB plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The pension/OPEB plans report investments at fair value.

Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the City is bound to observe constraints imposed upon the use of the resources in the governmental funds. The classifications are as follows:

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Nonspendable - The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash.

Restricted - The restricted fund balance category includes amounts that can be spent only for specific purposes stipulated by constitution, external resource providers, or through enabling legislation. Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or is imposed by law through constitutional provisions or enabling legislation (City ordinances).

Enabling legislation authorizes the City to assess, levy, charge, or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation. Legal enforceability means that the City can be compelled by an external party—such as citizens, public interest groups, or the judiciary to use resources created by enabling legislation only for the purposes specified by the legislation.

Committed - The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by a formal action (ordinance or resolution, as both are equally binding) of City Council. Those committed amounts cannot be used for any other purpose unless City Council removes or changes the specified use by taking the same type of action (ordinance or resolution, as both are equally binding) it employed to previously commit those amounts. In contrast to fund balance that is restricted by enabling legislation, committed fund balance classification may be redeployed for other purposes with appropriate due process. Constraints imposed on the use of committed amounts are imposed by City Council, separate from the authorization to raise the underlying revenue; therefore, compliance with these constraints are not considered to be legally enforceable. 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. City Council approved, by ordinance, to have a committed fund balance in the Recreation Fund in order to utilize the monies for park facility upkeep.

Assigned - Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. These amounts are assigned by City Council. In the general fund, assigned amounts represent intended uses established by City Council or a City official delegated that authority by City Charter or ordinance or by State Statute. State statute authorizes the Finance Director to assign fund balance for purchases on order provided such amounts have been lawfully appropriated. The future appropriations amount assigned in the General Fund represents 2021 appropriations that exceed estimated resources. The Bond Retirement Fund has an assigned balance due to transfers from governmental and business-type funds to support required debt service payments.

Unassigned - Unassigned fund balance is the residual classification for the General Fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit fund balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

The City applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within

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unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

Net Position

Net position represents the difference between all other elements in a statement of financial position. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. A portion of certain governmental long-term liabilities is not related to governmental activities because part of the proceeds was used to purchase assets used in the business-type activities. The unrelated portion of these liabilities is included in the calculation of net position restricted for debt service. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

The City applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

The City's Water Enterprise Fund has restricted net position relative to those resources necessary to comply with various covenants of bond financing agreements.

Internal Activity

Transfers between governmental and business-type activities on the government-wide financial statements are reported in the same manner as general revenues. Transfers between governmental activities are eliminated on the government-wide financial statements.

Internal allocations of overhead expenses from one function to another or within the same function are eliminated on the statement of activities. Payments for interfund services provided and used are not eliminated.

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after non-operating revenues/expenses in enterprise funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

Budgetary Process

All funds, except custodial funds, are legally required to be budgeted and appropriated. For reporting purposes, various custodial funds, utilized for internal control purposes, have been combined with the general fund. These custodial funds are not required to be budgeted and appropriated and therefore are not included in the Accountability and note (Note 4). The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations ordinance, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount Council may appropriate. The appropriations ordinance is Council's authorization to spend resources and sets annual limits on expenditures plus encumbrances at the level of control selected by Council. The legal level of control has

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been established by Council at the object level (personal services and other expenditures) within each fund and department. Budgetary modifications at this level may only be made by ordinance of the City Council.

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the Finance Director. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts represent estimates from the amended certificate in effect at the time final appropriations were passed by Council.

The appropriations ordinance is subject to amendment throughout the year with the restriction that appropriations cannot exceed estimated resources by fund. The amounts reported as the original budgeted amounts reflect the first appropriations ordinance for that fund that covered the entire year, including amounts automatically carried forward from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by Council during the year, including all supplemental appropriations.

Bond Premiums

On the government-wide financial statements (and in the enterprise funds), bond premiums are deferred and amortized over the term of the bonds using the straight-line method, since the results are not significantly different from the effective interest method. Bond premiums are presented as additions to the face amount of bonds payable.

On the governmental fund financial statements, bond premiums are recognized in the period in which the debt is issued.

Under Ohio law, premiums on the original issuance of debt are to be deposited to the bond retirement fund to be used for debt retirement and are precluded from being applied to the project fund. Ohio law does allow premiums on refunding debt to be used as part of the payment of the bond escrow agent.

Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the enterprise funds. For the City, these revenues are charges for services for water, sewer, and trash utility services, and stormwater management fees. Operating expenses are the necessary costs incurred to provide the service that is the primary activity of the fund. Revenues and expenses that do not meet these definitions are reported as non-operating.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

Note 3 – Change in Accounting Principles and Restatement of Net Position

For 2020, the City implemented the Governmental Accounting Standard Board's (GASB) Statement No. 83, Certain Asset Retirement Obligations. GASB Statement 83 addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with

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the retirement of a tangible capital asset. The implementation of GASB Statement No. 83 had the following effect on net position as of December 31, 2019:

	Business - Type Activities
Net Position December 31, 2019	\$22,120,693
Adjustments:	
Deferred Outflows	16,620
Asset Retirement Obligation	(40,000)
Restated Net Position December 31, 2019	\$22,097,313

	Water Fund	Sewer Fund	Trash Fund	Stormwater Utility Fund	Total
Net Position December 31, 2019	\$9,927,287	\$3,972,937	\$197,908	\$8,022,561	\$22,120,693
Adjustments:					
Deferred Outflows	0	16,620	0	0	16,620
Asset Retirement Obligation	0	(40,000)	0	0	(40,000)
Restated Net Position December 31, 2019	\$9,927,287	\$3,949,557	\$197,908	\$8,022,561	\$22,097,313

Note 4 – Accountability

At December 31, 2020, the Police and Fire Pension fund, which is a special revenue fund, is the only fund with a deficit fund balance. For 2020, the deficit fund balance was \$48,428.

This deficit is due to adjustments for accrued liabilities, which generate expenditures that are greater than those recognized on a cash basis. The General Fund provides transfers to cover deficit balances; however, this is only done when cash is needed rather than when accruals occur.

Note 5 – Budgetary Basis of Accounting

While reporting financial position, results of operations, and changes in fund balance on the basis of GAAP, the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The statement of revenues, expenditures and changes in fund balance - budget and actual (budget basis) - General Fund and Fire Levy special revenue funds are presented on the budgetary basis to provide a meaningful comparison of actual results with the budget.

The major differences between the budget basis and the GAAP basis are that:

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Encumbrances are treated as expenditures (budget basis) rather than restricted, committed, or assigned fund balance (GAAP basis).
4. Unrecorded cash represents amounts received but not included on the budget basis operating statement. These amounts are included as revenue on the GAAP basis operating statement.

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5. Investments are recorded at fair value (GAAP basis) rather than cost (budget basis).
6. Cash that is held by the custodial fund on behalf of City funds on a budget basis are allocated and reported on the balance sheet (GAAP basis) in the appropriate City fund.

The adjustments necessary to convert the results of operations for the year on the GAAP basis to the budget basis are as follows:

Net Change in Fund Balance		
	General Fund	Fire Levy Fund
GAAP Basis	\$2,000,910	\$140,528
Revenue Accruals	(300,197)	(4,398)
Expenditure Accruals	(873,857)	7,631
Encumbrances	(138,311)	(74,164)
Unrecorded Cash - 2019	21,335	0
Unrecorded Cash - 2020	(40)	0
Increase in Fair Value of Investments - 2019	137,743	0
Increase in Fair Value of Investments - 2020	(245,142)	0
Custodial Fund Cash Allocation - 2019	42,222	0
Custodial Fund Cash Allocation - 2020	(36,534)	0
Budget Basis	\$608,129	\$69,597

Note 6 – Deposits and Investments

State statutes classify monies held by the City into three categories.

Active deposits are public monies determined to be necessary to meet current demands upon the City treasury. Active monies must be maintained either as cash in the City treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are public deposits that Council has identified as not required for use within the current five year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts including passbook accounts.

Protection of the City's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, or by the financial institutions participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

Interim monies held by the City can be deposited or invested in the following securities:

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1. United States Treasury bills, bonds notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including, but not limited to, Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, and Government National Mortgage Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. No-load money market mutual funds consisting exclusively of obligations described in (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
4. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
5. Bonds and other obligations of the State of Ohio, and, with certain limitations including a requirement for maturity within ten years from the date of settlement, bonds and other obligations of political subdivisions of the State of Ohio, if training requirements have been met;
6. The State Treasurer's investment pool (STAR Ohio);
7. Certain bankers' acceptances (for a period not to exceed one hundred eighty days) and commercial paper notes (for a period not to exceed two hundred seventy days) in an amount not to exceed 40 percent of the interim monies available for investment at any one time if training requirements have been met; and
8. Written repurchase agreements in the securities described in (1) or (2) provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and the term of the agreement must not exceed thirty days.

Investments in stripped principal or interest obligations, reverse repurchase agreements, and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage, and short selling are also prohibited. Except as noted above, an investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the City, and must be purchased with the expectation that it will be held to maturity.

Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the treasurer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

Investments

As of December 31, 2020, the City had the following investments:

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Measurement/Investment	Measurement Amount	Investment Maturity (in Years)	Moody or S&P Rating	Percentage of Total Investments
Net Asset Value Per Share				
STAROhio	\$4,749,510	Less than One	AAAm	N/A
Fair Value - Level One Inputs				
Common Stock	2,370,940	Less than One	N/A	15.46%
Money Market Mutual Fund	5,452	Less than One	N/A	N/A
Total Fair Value - Level One Inputs	2,376,392			
Fair Value - Level Two Inputs				
Negotiable Certificates of Deposits	5,115,025	Less than Four	AA+	33.36%
Federal Home Loan Bank Notes	425,585	Less than Three	AA+	N/A
Federal Home Loan Mortgage Notes	846,230	Less than Three	AA+	5.52%
Federal Farm Credit				
Bank Notes	279,734	Less than Five	AA+	N/A
Federal National Mortgage				
Association Notes	709,784	Less than Two	AA+	N/A
United States Treasury Bills	832,116	Less than Two	AA+	5.43%
Total Fair Value - Level Two Inputs	8,208,474			
Total Investments	\$15,334,376			

The City has investments in common stock as a result of a donation made to the City through the will and testament of an individual. The donation is restricted for use for parks and recreation.

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs; level 3 inputs are significant unobservable inputs. The above chart identifies the City's recurring fair value measurements as of December 31, 2020. The Common Stock is measured at fair value and is valued using quoted market prices (Level 1 inputs). The City's remaining investments measured at fair value are valued using methodologies that incorporate market inputs such as benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids, offers and reference data including market research publications. Market indicators and industry and economic events are also monitored, which could require the need to acquire further market data. (Level 2 inputs).

Custodial Credit Risk

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The investments listed in the table above, with the exception of STAROhio, are exposed to custodial credit risk in that they are uninsured, unregistered, and held by the counterparty's trust department or agent but not in the City's name. The City has no policy for custodial credit risk beyond the requirements of State statute.

Interest Rate Risk

The City has no investment policy that addresses interest rate risk beyond the requirements of State statute. State statute requires that an investment mature within five years from the date of purchase, unless matched

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to a specific obligation or debt of the City, and that an investment must be purchased with the expectation that it will be held to maturity.

Credit Risk

The Moody's ratings of the City's investments are listed in the table above. STAR Ohio carries a rating of AAAM by Standard & Poor's. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service. The City has no additional policy regarding credit risk.

Concentration of Credit Risk

The City's places no limit on the amount it may invest in any one financial institution. The percentage that each investment represents of total investments is listed in the table above.

Note 7 – Property Taxes

Property taxes include amounts levied against all real and public utility property located in the City. Property tax revenue received during 2020 for real and public utility property taxes represents collections of 2019 taxes.

2020 real property taxes were levied after October 1, 2020, on the assessed value as of January 1, 2020, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2020 real property taxes are collected in and intended to finance 2021.

Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits later payment dates to be established.

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2020 public utility property taxes, which became a lien December 31, 2019, are levied after October 1, 2020, and are collected in 2021 with real property taxes.

The full tax rate for all City operations for the year ended December 31, 2020, was \$9.32 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2020 property tax receipts were based are as follows:

<u>Category</u>	<u>Assessed Value</u>
Real Property	\$218,719,200
Public Utility Personal Property	26,034,180
Totals	<u>\$244,753,380</u>

The County Treasurer collects property taxes on behalf of all taxing districts in the county, including the City. The County Auditor periodically remits to the City its portion of the taxes collected. Property taxes receivable represents real and public utility property taxes and outstanding delinquencies, which were measurable as of December 31, 2020, and for which there was an enforceable legal claim. In governmental funds, the portion of the receivable not levied to finance 2020 operations is offset to deferred inflows of resources – property taxes. On the accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue while on the modified accrual basis the revenue has been reported as deferred inflows of resources – unavailable revenue.

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Note 8 – Income Tax

The City levies a municipal income tax of 2 percent on substantially all income earned within the City. In addition, the residents of the City are required to pay income tax on income earned outside of the City; however, the City allows a credit for income taxes paid to another municipality up to 100 percent of the City's current tax rate.

Employers within the City are required to withhold income tax on employee compensation and remit the tax to the City either monthly or quarterly. Corporations and other individual taxpayers are required to pay their estimated tax quarterly and file a declaration annually.

Income tax proceeds are to be used to pay the cost of administering the tax, General Fund operations, capital improvements, debt service, and other governmental functions when needed, as determined by Council. In 2020, the proceeds were allocated to the General Fund.

Note 9 – Receivables

Receivables at December 31, 2020, consisted of intergovernmental, including grants, entitlements and shared revenues, income taxes, property taxes, other local taxes, accounts, interfund, special assessments, and accrued interest on investments. All receivables are considered fully collectible and will be received within one year with the exception of property taxes, income taxes, and special assessments. Water, sewer, trash, and stormwater charges for accounts receivable, which, if delinquent, may be certified and collected as special assessments, are subject to foreclosure for nonpayment. Property taxes and income taxes, although ultimately collectible, include some portion of delinquents that will not be collected within one year.

Special assessments expected to be collected in more than one year amount to \$92,708. The City has \$9,551 in delinquent special assessments at December 31, 2020.

A summary of intergovernmental receivables follows:

<u>Governmental Activities:</u>	<u>Amount</u>
Homestead and Rollback Exemption	\$93,836
Ohio Department of Public Safety Grant	1,249
Charges to Other Governments	57,843
Permissive Motor Vehicle License Tax	7,965
Bureau of Workers' Compensation Refund	587,739
Staffing for Adequate Fire and Emergency Grant	32,793
Assistance to Firefighters Grant	28,970
9-1-1 Local Sub-Grant	80,323
Total Governmental Activities	<u><u>\$890,718</u></u>

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Note 10 – Capital Assets

Capital assets activity for the year ended December 31, 2020, was as follows:

	Balance at January 1, 2020	Additions	Deletions	Balance at December 31, 2020
Governmental Activities:				
Capital Assets, Not Being Depreciated:				
Land	\$19,507,974	\$32,520	(\$131,110)	\$19,409,384
Construction in Progress	591,534	1,733,255	0	2,324,789
Total Capital Assets, Not Being Depreciated	<u>20,099,508</u>	<u>1,765,775</u>	<u>(131,110)</u>	<u>21,734,173</u>
Depreciable Capital Assets:				
Land Improvements	1,701,750	103,981	0	1,805,731
Buildings	7,253,772	0	0	7,253,772
Equipment	2,480,326	319,656	(34,770)	2,765,212
Vehicles	4,562,611	55,901	0	4,618,512
Infrastructure	69,965,006	704,332	0	70,669,338
Total Depreciable Capital Assets	<u>85,963,465</u>	<u>1,183,870</u>	<u>(34,770)</u>	<u>87,112,565</u>
Less Accumulated Depreciation:				
Land Improvements	(1,318,725)	(42,107)	0	(1,360,832)
Buildings	(2,690,501)	(119,534)	0	(2,810,035)
Equipment	(1,728,382)	(153,733)	34,770	(1,847,345)
Vehicles	(3,032,174)	(287,059)	0	(3,319,233)
Infrastructure	(54,147,798)	(2,030,437)	0	(56,178,235)
Total Accumulated Depreciation	<u>(62,917,580)</u>	<u>(2,632,870)</u>	<u>34,770</u>	<u>(65,515,680)</u>
Depreciable Capital Assets, Net	<u>23,045,885</u>	<u>(1,449,000)</u>	<u>0</u>	<u>21,596,885</u>
Governmental Activities Capital Assets, Net	<u>\$43,145,393</u>	<u>\$316,775</u>	<u>(\$131,110)</u>	<u>\$43,331,058</u>

Depreciation expense was charged to governmental programs as follows:

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	Amount
General Government	\$78,112
Security of Persons and Property:	
Police	130,947
Fire	236,034
Leisure Time Activities	40,896
Public Works	59,840
Transportation	2,087,041
Total Depreciation Expense	\$2,632,870

	Balance at January 1, 2020	Additions	Deletions	Balance at December 31, 2020
Business-Type Activities:				
Capital Assets, Not Being Depreciated:				
Land	\$1,095,364	\$0	\$0	\$1,095,364
Construction in Progress	31,751	69,646	0	101,397
Total Capital Assets, Not Being Depreciated	1,127,115	69,646	0	1,196,761
Depreciable Capital Assets:				
Land Improvements	12,921	9,380	0	22,301
Buildings	87,073	0	0	87,073
Equipment	760,075	23,780	0	783,855
Vehicles	804,414	0	0	804,414
Infrastructure	42,221,672	0	0	42,221,672
Total Depreciable Capital Assets	43,886,155	33,160	0	43,919,315
Less Accumulated Depreciation:				
Land Improvements	(3,464)	(438)	0	(3,902)
Buildings	(20,357)	(1,195)	0	(21,552)
Equipment	(284,345)	(46,948)	0	(331,293)
Vehicles	(155,183)	(67,743)	0	(222,926)
Infrastructure	(22,915,009)	(809,785)	0	(23,724,794)
Total Accumulated Depreciation	(23,378,358)	(926,109)	0	(24,304,467)
Depreciable Capital Assets, Net	20,507,797	(892,949)	0	19,614,848
Business-Type Activities Capital Assets, Net	\$21,634,912	(\$823,303)	\$0	\$20,811,609

Note 11 – Risk Management

Property and Liability

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

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The City belongs to the Ohio Plan Risk Management, Inc. (OPRM) (the “Plan”), a non-assessable, unincorporated non-profit association providing a formalized, jointly administered self-insurance risk management program and other administrative services to Ohio governments (“Members”). The Plan is legally separate from its member’s governments.

Pursuant to Section 2744.081 of the Ohio Revised Code, the plan provides property, liability, errors and omissions, law enforcement, automobile, excess liability, crime, surety and bond, inland marine and other coverages to its members sold through fourteen appointed independent agents in the State of Ohio.

OPRM coverage programs are developed specific to each member’s risk management needs and the related premiums for coverage are determined through the application of uniform underwriting criteria addressing the member’s exposure to loss. Effective November 1, 2016, the OPRM retained 50 percent of the premium and losses on the first \$250,000 casualty treaty and 30 percent of the first \$1,000,000 property treaty. Effective November 1, 2017, the OPRM retained 47 percent of the premium and losses on the first \$250,000 casualty treaty and 30 percent of the first \$1,000,000 property treaty. Effective November 1, 2018, the OPRM the property retention remained unchanged, however, the Plan assumed 100% of the first \$250,000 casualty treaty. Members are only responsible for their self-retention (deductible) amounts, which vary from member to member. Effective November 1, 2019, the OPRM’s property retention increased from 30% to 33%, while the casualty treaty remains unchanged and still assumes 100% of the first \$250,000 casualty treaty. OPRM had 776 members as of December 31, 2019.

Plan members are responsible to notify the Plan of their intent to renew coverage by their renewal date. If a member chooses not to renew with the Plan, they have no other financial obligation to the Plan, but still need to promptly notify the Plan of any potential claims occurring during their membership period. The former member’s covered claims, which occurred during their membership period, remain the responsibility of the Plan.

Settlement amounts did not exceed insurance coverage for the past three fiscal years.

The Plan’s audited financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities and equity at December 31, 2019 and 2018 (the latest information available).

	<u>2019</u>	<u>2018</u>
Assets	\$15,920,504	\$15,065,412
Liabilities	(11,329,011)	(10,734,623)
Members' Equity	<u>\$4,591,493</u>	<u>\$4,330,789</u>

You can read the complete audited financial statements for OPRM at the Plan’s website, www.ohioplan.org.

The City pays its annual premium to its agent, Hylant Administrative Services, LLC. Coverage is as follows:

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Type of Coverage	Coverage	Deductible
General Liability (per Occurrence/aggregate)	\$8,000,000/\$10,000,000	N/A
Employers Liability (per Occurrence/aggregate)	8,000,000/8,000,000	N/A
Employee Benefits Liability (per Occurrence/aggregate)	8,000,000/10,000,000	N/A
Law Enforcement Officers Liability (per Occurrence/aggregate)	8,000,000/10,000,000	5,000
Public Officials Liability (per Occurrence/aggregate)	8,000,000/10,000,000	5,000
Automobile Liability (per Occurrence)	8,000,000	N/A
Property Coverage	41,240,521	1,000
Special Property Coverage	3,178,166	1,000
Electronic Equipment Coverage	271,181	1,000
Public Employee Dishonesty Coverage	100,000	1,000

There have been no significant reductions in insurance coverage from the prior year and no insurance settlement has exceeded insurance coverage during the last three years.

Workers' Compensation

The City pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on historic loss history and payroll, as well as any alternate rating plans employees join.

Note 12 – Defined Benefit Pension Plans

The Statewide retirement systems provide both pension benefits and other postemployment benefits (OPEB).

Net Pension Liability (Asset)/Net OPEB Liability

The net pension liability (asset) and the net OPEB liability (asset) reported on the statement of net position represent liabilities to employees for pensions and OPEB, respectively. Pensions/OPEB are a component of exchange transactions—between an employer and its employees—of salaries and benefits for employee services. Pensions/OPEB are provided to an employee—on a deferred-payment basis—as part of the total compensation package offered by an employer for employee services each financial period. The obligation to sacrifice resources for pensions is a present obligation because it was created as a result of employment exchanges that already have occurred.

The net pension/OPEB liability (asset) represent the City's proportionate share of each pension/OPEB plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of each pension/OPEB plan's fiduciary net position. The net pension/OPEB liability (asset) calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting these estimates annually.

Ohio Revised Code limits the City's obligation for this liability to annually required payments. The City cannot control benefit terms or the manner in which pensions are financed; however, the City does receive the benefit of employees' services in exchange for compensation including pension and OPEB.

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GASB 68/75 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires funding to come from these employers. All pension contributions to date have come solely from these employers (which also includes pension costs paid in the form of withholdings from employees). The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits. In addition, health care plan enrollees pay a portion of the health care costs in the form of a monthly premium. State statute requires the retirement systems to amortize unfunded pension liabilities within 30 years. If the pension amortization period exceeds 30 years, each retirement system's board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension/OPEB liability (asset). Resulting adjustments to the net pension/OPEB liability (asset) would be effective when the changes are legally enforceable. The Ohio revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients.

The proportionate share of each plan's unfunded benefits is presented as a *net pension/OPEB asset* or a long-term *net pension/OPEB liability* on the accrual basis of accounting. Any liability for the contractually-required pension/OPEB contribution outstanding at the end of the year is included in *intergovernmental payable* on both the accrual and modified accrual bases of accounting. The remainder of this note includes the required pension disclosures. See Note 13 for the required OPEB disclosures.

Plan Description – Ohio Public Employees Retirement System (OPERS)

Plan Description - City employees, other than full-time police and firefighters, participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan and the combined plan is a combination cost-sharing, multiple-employer defined benefit/defined contribution pension plan. Participating employers are divided into state, local, law enforcement and public safety divisions. While members in the state and local divisions may participate in all three plans, law enforcement and public safety divisions exist only within the traditional plan.

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the traditional and combined plans. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about OPERS' fiduciary net position that may be obtained by visiting <https://www.opers.org/financial/reports.shtml>, by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 800-222-7377.

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members in the traditional and combined plans were categorized into three groups with varying provisions of the law applicable to each group. The following table provides age and service requirements for retirement and the retirement formula applied to final average salary (FAS) for the three member groups under the traditional and combined plans as per the reduced benefits adopted by SB 343 (see OPERS Comprehensive Annual Financial Report referenced above for additional information, including requirements for reduced and unreduced benefits):

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Group A	Group B	Group C
Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	Members not in other Groups and members hired on or after January 7, 2013
State and Local	State and Local	State and Local
Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
Traditional Plan Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Traditional Plan Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Traditional Plan Formula: 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35
Combined Plan Formula: 1% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	Combined Plan Formula: 1% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	Combined Plan Formula: 1% of FAS multiplied by years of service for the first 35 years and 1.25% for service years in excess of 35

Final average Salary (FAS) represents the average of the three highest years of earnings over a member's career for Groups A and B. Group C is based on the average of the five highest years of earnings over a member's career.

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount. The initial amount of a member's pension benefit is vested upon receipt of the initial benefit payment for calculation of an annual cost-of-living adjustment.

When a traditional plan benefit recipient has received benefits for 12 months, current law provides for an annual cost of living adjustment (COLA). This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. Members retiring under the combined plan receive a cost-of-living adjustment on the defined benefit portion of their pension benefit. For those who retired prior to January 7, 2013, the cost of living adjustment is 3 percent. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, current law provides that the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3 percent.

Defined contribution plan benefits are established in the plan documents, which may be amended by the Board. Member-directed plan and combined plan members who have met the retirement eligibility requirements may apply for retirement benefits. The amount available for defined contribution benefits in the combined plan consists of the member's contributions plus or minus the investment gains or losses resulting from the member's investment selections. Combined plan members wishing to receive benefits must meet the requirements for both the defined benefit and defined contribution plans. Member-directed participants must have attained the age of 55, have money on deposit in the defined contribution plan and have terminated public service to apply for retirement benefits. The amount available for defined contribution benefits in the member-directed plan consists of the members' contributions, vested employer contributions and investment gains or losses resulting from the members' investment selections. Employer contributions and associated investment earnings vest over a five-year period, at a rate of 20 percent each year. At retirement, members may select one of several distribution options for payment of the vested balance in their individual OPERS accounts. Options include the annuitization of the benefit (which includes joint and survivor options), partial lump-sum payments (subject to limitations), a rollover of the vested account balance to another financial institution, receipt of entire account balance, net of taxes withheld, or a combination of these options.

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Beginning in 2022, the Combined Plan will be consolidated under the Traditional Pension Plan (defined benefit plan) and the Combined Plan option will no longer be available for new hires beginning in 2022.

Funding Policy - The Ohio Revised Code (ORC) provides statutory authority for member and employer contributions as follows:

	State and Local
2020 Statutory Maximum Contribution Rates	
Employer	14.0 %
Employee *	10.0 %
2020 Actual Contribution Rates	
Employer:	
Pension **	14.0 %
Post-employment Health Care Benefits **	0.0
Total Employer	14.0 %
Employee	10.0 %

* Member contributions within the combined plan are not used to fund the defined benefit retirement allowance.

** These pension and employer health care rates are for the traditional and combined plans. The employer contributions rate for the member-directed plan is allocated 4 percent for health care with the remainder going to pension.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll.

For 2020, the City's contractually required contribution was \$471,801 for the traditional plan, \$9,397 for the combined plan and \$5,029 for the member-directed plan. Of these amounts, \$56,951 is reported as an intergovernmental payable for the traditional plan, \$1,131 for the combined plan, and \$606 for the member-directed plan.

Plan Description – Ohio Police & Fire Pension Fund (OP&F)

Plan Description – City full-time police and firefighters participate in Ohio Police and Fire Pension Fund (OP&F), a cost-sharing, multiple-employer defined benefit pension plan administered by OP&F. OP&F provides retirement and disability pension benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by the Ohio State Legislature and are codified in Chapter 742 of the Ohio Revised Code. OP&F issues a publicly available financial report that includes financial information and required supplementary information and detailed information about OP&F fiduciary net position. The report that may be obtained by visiting the OP&F website at www.op-f.org or by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

Upon attaining a qualifying age with sufficient years of service, a member of OP&F may retire and receive a lifetime monthly pension. OP&F offers four types of service retirement: normal, service commuted, age/service commuted and actuarially reduced. Each type has different eligibility guidelines and is calculated using the member's average annual salary. The following discussion of the pension formula relates to normal service retirement.

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For members hired after July 1, 2013, the minimum retirement age is 52 for normal service retirement with at least 25 years of service credit. For members hired on or before after July 1, 2013, the minimum retirement age is 48 for normal service retirement with at least 25 years of service credit.

The annual pension benefit for normal service retirement is equal to a percentage of the allowable average annual salary. The percentage equals 2.5 percent for each of the first 20 years of service credit, 2.0 percent for each of the next five years of service credit and 1.5 percent for each year of service credit in excess of 25 years. The maximum pension of 72 percent of the allowable average annual salary is paid after 33 years of service credit (see OP&F Comprehensive Annual Financial Report referenced above for additional information, including requirements for Deferred Retirement Option Plan provisions and reduced and unreduced benefits).

Under normal service retirement, retired members who are at least 55 years old and have been receiving OP&F benefits for at least one year may be eligible for a cost-of-living allowance adjustment. The age 55 provision for receiving a COLA does not apply to those who are receiving a permanent and total disability benefit, surviving beneficiaries, and statutory survivors. Members participating in the DROP program have separate eligibility requirements related to COLA.

Members retiring under normal service retirement, with less than 15 years of service credit on July 1, 2013, will receive a COLA equal to either three percent or the percent increase, if any, in the consumer price index over the 12 month period ending on September 30th of the immediately preceding year, whichever is less. The COLA amount for members with at least 15 years of service credit as of July 1, 2013, is equal to 3 percent of their base pension or disability benefit.

Funding Policy – The Ohio Revised Code (ORC) provides statutory authority for member and employer contributions as follows:

	Police	Firefighters
2020 Statutory Maximum Contribution Rates		
Employer	19.50 %	24.00 %
Employee	12.25 %	12.25 %
 2020 Actual Contribution Rates		
Employer:		
Pension	19.00 %	23.50 %
Post-employment Health Care Benefits	0.50	0.50
Total Employer	19.50 %	24.00 %
 Employee	 12.25 %	 12.25 %

Employer contribution rates are expressed as a percentage of covered payroll. The City’s contractually required contribution to OP&F was \$601,388 for 2020. Of this amount, \$73,677 is reported as an intergovernmental payable.

In addition to current contributions, the City pays installments on a specific liability the City incurred when the State of Ohio established the statewide pension system for police and fire fighters in 1967. As of December 31, 2020, the specific liability of the City was \$46,467 payable in semi-annual payments through the year 2035.

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Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

The net pension liability (asset) for OPERS was measured as of December 31, 2019, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date. OP&F's total pension liability was measured as of December 31, 2019, and was determined by rolling forward the total pension liability as of January 1, 2019, to December 31, 2019. The City's proportion of the net pension liability (asset) was based on the City's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense of the City's defined benefit pension plans:

	OPERS <u>Traditional Plan</u>	OPERS <u>Combined Plan</u>	<u>OP&F</u>	<u>Total</u>
Proportion of the Net Pension Liability/Asset:				
Current Measurement Date	0.02453500%	0.01501600%	0.11069720%	
Prior Measurement Date	<u>0.02339000%</u>	<u>0.01497700%</u>	<u>0.10981200%</u>	
Change in Proportionate Share	<u>0.00114500%</u>	<u>0.00003900%</u>	<u>0.00088520%</u>	
Proportionate Share of the:				
Net Pension (Asset)	\$0	(\$31,312)	\$0	(\$31,312)
Net Pension Liability	4,849,509	0	7,457,156	12,306,665
Pension Expense	873,746	3,436	1,025,102	1,902,284

2020 pension expense for the member-directed defined contribution plan was \$7,041. The aggregate pension expense for all pension plans was \$1,909,325 for 2020.

At December 31, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to defined benefit pensions from the following sources:

	OPERS <u>Traditional Plan</u>	OPERS <u>Combined Plan</u>	<u>OP&F</u>	<u>Total</u>
Deferred Outflows of Resources:				
Differences between expected and actual experience	\$0	\$0	\$282,278	\$282,278
Changes of assumptions	259,021	3,228	183,054	445,303
Changes in proportion and differences between City contributions and proportionate share of contributions	150,853	59	492,112	643,024
City contributions subsequent to the measurement date	<u>471,801</u>	<u>9,397</u>	<u>601,388</u>	<u>1,082,586</u>
Total Deferred Outflows of Resources	<u>\$881,675</u>	<u>\$12,684</u>	<u>\$1,558,832</u>	<u>\$2,453,191</u>

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	OPERS Traditional Plan	OPERS Combined Plan	OP&F	Total
Deferred Inflows of Resources:				
Differences between expected and actual experience	\$61,315	\$7,351	\$384,596	\$453,262
Net difference between projected and actual earnings on pension plan investments	967,368	4,061	360,241	1,331,670
Changes in proportion and differences between City contributions and proportionate share of contributions	30,179	740	166,255	197,174
Total Deferred Inflows of Resources	\$1,058,862	\$12,152	\$911,092	\$1,982,106

\$1,082,586 reported as deferred outflows of resources related to pension resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability or increase to the net pension asset in 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	OPERS Traditional Plan	OPERS Combined Plan	OP&F	Total
Year Ending December 31:				
2021	(\$46,390)	(\$2,089)	\$7,146	(\$41,333)
2022	(258,549)	(2,013)	62,031	(198,531)
2023	40,060	(880)	293,867	333,047
2024	(384,109)	(2,366)	(287,822)	(674,297)
2025	0	(518)	(28,870)	(29,388)
Thereafter	0	(999)	0	(999)
Total	(\$648,988)	(\$8,865)	\$46,352	(\$611,501)

Actuarial Assumptions - OPERS

Actuarial valuations of an ongoing plan involve estimates of the values of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and cost trends. Actuarially determined amounts are subject to continual review or modification as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial-reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability was determined by an actuarial valuation as of December 31, 2019, using the following actuarial assumptions applied to all periods included in the measurement in accordance with the requirements of GASB 67. Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, prepared as of December 31, 2019, are presented below.

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	OPERS Traditional Plan	OPERS Combined Plan
Wage Inflation	3.25 percent	3.25 percent
Future Salary Increases, including inflation	3.25 to 10.75 percent including wage inflation	3.25 to 8.25 percent including wage inflation
COLA or Ad Hoc COLA:		
Pre-January 7, 2013 Retirees	3 percent, simple	3 percent, simple
Post-January 7, 2013 Retirees	1.4 percent, simple through 2020, then 2.15 percent, simple	1.4 percent, simple through 2020, then 2.15 percent, simple
Investment Rate of Return	7.2 percent	7.2 percent
Actuarial Cost Method	Individual Entry Age	Individual Entry Age

In October 2019, the OPERS Board adopted a change in COLA for Post-January 7, 2013 retirees, changing it from 3 percent simple through 2018 then 2.15 simple to 1.4 percent simple through 2020 the 2.15 percent simple.

Pre-retirement mortality rates are based on the RP-2014 Employees mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates are based on the RP-2014 Healthy Annuitant mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates for disabled retirees are based on the RP-2014 Disabled mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to all of the above described tables.

The most recent experience study was completed for the five year period ended December 31, 2015.

During 2019, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio, and the Defined Contribution portfolio. The Defined Benefit portfolio contains the investment assets for the Traditional Pension Plan, the defined benefit component of the Combined Plan and the annuitized accounts of the Member-Directed Plan. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio was 17.2 percent for 2019.

The allocation of investment assets with the Defined Benefit portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The long-term expected rate of return on defined benefit investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation. Best estimates of arithmetic real rates of return were provided by the Board's investment consultant. For each major asset class that is included in the Defined Benefit portfolio's target asset allocation as of December 31, 2019, these best estimates are summarized in the following table:

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<u>Asset Class</u>	<u>Target Allocation</u>	<u>Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)</u>
Fixed Income	25.00%	1.83%
Domestic Equities	19.00	5.75
Real Estate	10.00	5.20
Private Equity	12.00	10.70
International Equities	21.00	7.66
Other investments	13.00	4.98
Total	<u>100.00%</u>	<u>5.61%</u>

Discount Rate

The discount rate used to measure the total pension liability was 7.2 percent for the traditional plan and the combined plan. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefits payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the traditional pension plan, combined plan and member-directed plan was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the City's Proportionate Share of the Net Pension Liability (Asset) to Changes in the Discount Rate

The following table presents the City's proportionate share of the net pension liability (asset) calculated using the current period discount rate assumption of 7.2 percent, as well as what the City's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is one-percentage-point lower (6.2 percent) or one-percentage-point higher (8.2 percent) than the current rate:

	<u>1% Decrease (6.20%)</u>	<u>Discount Rate (7.20%)</u>	<u>1% Increase (8.20%)</u>
City's proportionate share of the net pension liability (asset)			
OPERS Traditional Plan	\$7,998,410	\$4,849,509	\$2,018,740
OPERS Combined Plan	(18,920)	(31,312)	(40,243)

Actuarial Assumptions – OP&F

OP&F's total pension liability as of December 31, 2019, is based on the results of an actuarial valuation date of January 1, 2019, and rolled-forward using generally accepted actuarial procedures. The total pension liability is determined by OP&F's actuaries in accordance with GASB Statement No. 67, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future. Assumptions considered were: withdrawal rates, disability retirement, service retirement, DROP elections, mortality, percent married and forms of the payment, DROP interest rate, CPI-based COLA, investment returns, salary increases and payroll growth.

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Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, prepared as of January 1, 2019, are presented below.

Valuation Date	January 1, 2019, with actuarial liabilities rolled forward to December 31, 2019
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	8.0 percent
Projected Salary Increases	3.75 percent to 10.5 percent
Payroll Growth	3.25 percent per annum
	Inflation rate of 2.75 percent plus productivity increase rate of 0.5 percent
Cost of Living Adjustments	3.00 percent simple; 2.2 percent simple for increases based on the lesser of the increase in CPI and 3 percent

Mortality for non-disabled participants is based on the RP-2014 Total Employee and Healthy Annuitant Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Conduent Modified 2016 Improvement Scale. Rates for surviving beneficiaries are adjusted by 120 percent.

Age	Police	Fire
67 or less	77 %	68 %
68-77	105	87
78 and up	115	120

Mortality for disabled retirees is based on the RP-2014 Disabled Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Conduent Modified 2016 Improvement Scale.

Age	Police	Fire
59 or less	35 %	35 %
60-69	60	45
70-79	75	70
80 and up	100	90

The most recent experience study was completed for the five year period ended December 31, 2016.

The long-term expected rate of return on pension plan investments was determined using a building-block approach and assumes a time horizon, as defined in the Statement of Investment Policy. A forecasted rate of inflation serves as the baseline for the return expected. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted averaged of the expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes. Best estimates of the long-term expected geometric real rates of return for each major asset class included in OP&F's target asset allocation as of December 31, 2019, are summarized below:

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<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash and Cash Equivalents	0.00 %	1.00 %
Domestic Equity	16.00	5.40
Non-US Equity	16.00	5.80
Private Markets	8.00	8.00
Core Fixed Income *	23.00	2.70
High Yield Fixed Income	7.00	4.70
Private Credit	5.00	5.50
U.S. Inflation Linked Bonds*	17.00	2.50
Master Limited Partnerships	8.00	6.60
Real Assets	8.00	7.40
Private Real Estate	12.00	6.40
Total	<u>120.00 %</u>	

Note: Assumptions are geometric.

* levered 2x

OP&F's Board of Trustees has incorporated the risk parity concept into OP&F's asset liability valuation with the goal of reducing equity risk exposure, which reduces overall Total Portfolio risk without sacrificing return, and creating a more risk-balanced portfolio based on their relationship between asset classes and economic environments. From the notional portfolio perspective above, the Total Portfolio may be levered up to 1.2 times due to the application of leverage in certain fixed income asset classes.

Discount Rate

The total pension liability was calculated using the discount rate of 8.00 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earning were calculated using the longer-term assumed investment rate of return of 8.00 percent. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, a long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 8.00 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (7.00 percent), or one percentage point higher (9.00 percent) than the current rate.

	<u>1% Decrease (7.00%)</u>	<u>Current Discount Rate (8.00%)</u>	<u>1% Increase (9.00%)</u>
City's proportionate share of the net pension liability	\$10,335,357	\$7,457,156	\$5,049,824

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Note 13 - Defined Benefit OPEB Plans

See Note 12 for a description of the net OPEB liability.

Plan Description – Ohio Public Employees Retirement System (OPERS)

Plan Description - The Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: the traditional pension plan, a cost-sharing, multiple-employer defined benefit pension plan; the member-directed plan, a defined contribution plan; and the combined plan, a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust, which funds multiple health care plans including medical coverage, prescription drug coverage and deposits to a Health Reimbursement Arrangement to qualifying benefit recipients of both the traditional pension and the combined plans. This trust is also used to fund health care for member-directed plan participants, in the form of a Retiree Medical Account (RMA). At retirement or refund, member directed plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA balance.

In order to qualify for postemployment health care coverage, age and service retirees under the traditional pension and combined plans must have twenty or more years of qualifying Ohio service credit with a minimum age of 60, or generally 30 years of qualifying service at any age. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 75. See OPERS' Comprehensive Annual Financial Report referenced below for additional information.

The Ohio Revised Code permits, but does not require, OPERS to provide health care to its eligible benefit recipients. Authority to establish and amend health care coverage is provided to the Board in Chapter 145 of the Ohio Revised Code.

Disclosures for the health care plan are presented separately in the OPERS financial report. Interested parties may obtain a copy by visiting <https://www.opers.org/financial/reports.shtml>, by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling (614) 222-5601 or 800-222-7377.

Funding Policy - The Ohio Revised Code provides the statutory authority allowing public employers to fund postemployment health care through their contributions to OPERS. When funding is approved by OPERS' Board of Trustees, a portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans. Beginning in 2018, OPERS no longer allocated a portion of its employer contributions to health care for the traditional plan and the combined plan.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2020, state and local employers contributed at a rate of 14.0 percent of earnable salary and public safety and law enforcement employers contributed at 18.1 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. For 2020, OPERS did not allocate any employer contribution to health care for members in the Traditional Pension Plan and Combined Plan. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the member-directed plan for 2020 was 4.0 percent.

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Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's contractually required contribution was \$2,012 for 2020. Of this amount, \$242 is reported as a due to other governments.

Plan Description – Ohio Police and Fire Pension Fund (OP&F)

Plan Description – The City contributes to the Ohio Police and Fire Pension Fund (OP&F) sponsored healthcare program, a cost-sharing, multiple-employer defined post-employment health care plan administered by a third-party provider. This program is not guaranteed and is subject to change at any time upon action of the Board of Trustees. On January 1, 2019, OP&F implemented a new model for health care. Under this new model, OP&F provides eligible retirees with a fixed stipend earmarked to pay for health care and Medicare Part B reimbursements.

A retiree is eligible for the OP&F health care stipend unless they have access to any other group coverage including employer and retirement coverage. The eligibility of spouses and dependent children could increase the stipend amount. If the spouse or dependents have access to any other group coverage including employer or retirement coverage, they are not eligible for stipend support from OP&F. Even if an OP&F member or their dependents are not eligible for a stipend, they can use the services of the third-party administrator to select and enroll in a plan. The stipend provided by OP&F meets the definition of an Other Post Employment Benefit (OPEB) as described in Governmental Accounting Standards Board (GASB) Statement No. 75.

The Ohio Revised Code allows, but does not mandate, OP&F to provide OPEB benefits. Authority for the OP&F Board of Trustees to provide health care coverage to eligible participants and to establish and amend benefits is codified in Chapter 742 of the Ohio Revised Code.

OP&F issues a publicly available financial report that includes financial information and required supplementary information for the plan. The report may be obtained by visiting the OP&F website at www.op-f.org or by writing to the Ohio Police and Fire Pension Fund, 140 East Town Street, Columbus, Ohio 43215-5164.

Funding Policy – The Ohio Revised Code provides for contribution requirements of the participating employers and of plan members to the OP&F defined benefit pension plan. Participating employers are required to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan members, currently 19.5 percent for police and employer units. The Ohio Revised Code states that the employer contribution may not exceed 19.5 percent of covered payroll for police employer units. Active members do not make contributions to the OPEB Plan.

The Board of Trustees is authorized to allocate a portion of the total employer contributions for retiree health care benefits. For 2020, the portion of employer contributions allocated to health care was 0.5 percent of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded.

The OP&F Board of Trustees is also authorized to establish requirements for contributions to the health care plan by retirees and their eligible dependents or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

The City's contractually required contribution to OP&F was \$14,751 for 2020. Of this amount, \$1,793 is reported as an intergovernmental payable.

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OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

The net OPEB liability and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2018, rolled forward to the measurement date of December 31, 2019, by incorporating the expected value of health care cost accruals, the actual health care payment, and interest accruals during the year. OP&F's total OPEB liability was measured as of December 31, 2019, and was determined by rolling forward the total OPEB liability as of January 1, 2019, to December 31, 2019. The City's proportion of the net OPEB liability was based on the City's share of contributions to the retirement plan relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Proportion of the Net OPEB Liability:			
Current Measurement Date	0.02360200%	0.11069720%	
Prior Measurement Date	<u>0.02253500%</u>	<u>0.10981200%</u>	
Change in Proportionate Share	<u>0.00106700%</u>	<u>0.00088520%</u>	
Proportionate Share of the Net OPEB Liability	\$3,260,049	\$1,093,438	\$4,353,487
OPEB Expense	\$405,297	\$200,086	\$605,383

At December 31, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Deferred Outflows of Resources:			
Differences between expected and actual experience	\$87	\$0	\$87
Changes of assumptions	516,031	639,266	1,155,297
Changes in proportion and differences between City contributions and proportionate share of contributions	81,650	444,955	526,605
City contributions subsequent to the measurement date	<u>2,012</u>	<u>14,751</u>	<u>16,763</u>
Total Deferred Outflows of Resources	<u>\$599,780</u>	<u>\$1,098,972</u>	<u>\$1,698,752</u>

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	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Deferred Inflows of Resources:			
Differences between expected and actual experience	\$298,146	\$117,588	\$415,734
Changes of assumptions	0	233,028	233,028
Net difference between projected and actual earnings on OPEB plan investments	166,001	50,316	216,317
Changes in proportion and differences between City contributions and proportionate share of contributions	<u>18,664</u>	<u>0</u>	<u>18,664</u>
Total Deferred Inflows of Resources	<u>\$482,811</u>	<u>\$400,932</u>	<u>\$883,743</u>

\$16,763 reported as deferred outflows of resources related to OPEB resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Year Ending December 31:			
2021	\$114,228	\$131,658	\$245,886
2022	71,532	131,658	203,190
2023	131	141,980	142,111
2024	(70,934)	125,708	54,774
2025	0	124,837	124,837
Thereafter	<u>0</u>	<u>27,448</u>	<u>27,448</u>
Total	<u>\$114,957</u>	<u>\$683,289</u>	<u>\$798,246</u>

Actuarial Assumptions - OPERS

Actuarial valuations of an ongoing plan involve estimates of the values of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and cost trends. Actuarially determined amounts are subject to continual review or modification as actual results are compared with past expectations and new estimates are made about the future.

Projections of health care costs for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of coverage provided at the time of each valuation and the historical pattern of sharing of costs between OPERS and plan members. The total OPEB liability was determined by an actuarial valuation as of December 31, 2018, rolled forward to the measurement date of December 31, 2019. The actuarial valuation used the following actuarial assumptions applied to all prior periods included in the measurement in accordance with the requirements of GASB 74:

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Wage Inflation	3.25 percent
Projected Salary Increases, including inflation	3.25 to 10.75 percent including wage inflation
Single Discount Rate:	
Current measurement date	3.16 percent
Prior Measurement date	3.96 percent
Investment Rate of Return	6.00 percent
Municipal Bond Rate:	
Current measurement date	2.75 percent
Prior Measurement date	3.71 percent
Health Care Cost Trend Rate:	
Current measurement date	10.0 percent, initial 3.50 percent, ultimate in 2030
Prior Measurement date	7.25 percent, initial 3.25 percent, ultimate in 2029
Actuarial Cost Method	Individual Entry Age Normal

Pre-retirement mortality rates are based on the RP-2014 Employees mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates are based on the RP-2014 Healthy Annuitant mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates for disabled retirees are based on the RP-2014 Disabled mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to all of the above described tables.

The most recent experience study was completed for the five year period ended December 31, 2015.

During 2019, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio. The Health Care portfolio includes the assets for health care expenses for the Traditional Pension Plan, Combined Plan and Member-Directed Plan eligible members. Within the Health Care portfolio, if any contribution are made into the plans, the contributions are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made. Health care-related payments are assumed to occur mid-year. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Health Care portfolio was 19.7 percent for 2019.

The allocation of investment assets within the Health Care portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Assets are managed on a total return basis with a long-term objective of continuing to offer a sustainable health care program for current and future retirees. OPERS' primary goal is to achieve and maintain a fully funded status for the benefits provided through the defined pension plans. Health care is a discretionary benefit. The long-term expected rate of return on health care investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation. For each major asset class that is included in the Health Care's portfolio's target asset allocation as of December 31, 2019, these best estimates are summarized in the following table:

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<u>Asset Class</u>	<u>Target Allocation</u>	<u>Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)</u>
Fixed Income	36.00%	1.53%
Domestic Equities	21.00	5.75
Real Estate Investment Trust	6.00	5.69
International Equities	23.00	7.66
Other investments	14.00	4.90
Total	<u>100.00%</u>	<u>4.55%</u>

Discount Rate

A single discount rate of 3.16 percent was used to measure the OPEB liability on the measurement date of December 31, 2019. A single discount rate of 3.96 percent was used to measure the OPEB liability on the measurement date of December 31, 2018. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on an expected rate of return on the health care investment portfolio of 6.00 percent and a municipal bond rate of 2.75 percent. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through 2034. As a result, the long-term expected rate of return on health care investments was applied to projected costs through the year 2034, and the municipal bond rate was applied to all health care costs after that date.

Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate

The following table presents the City's proportionate share of the net OPEB liability calculated using the single discount rate of 3.16 percent, as well as what the City's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is one-percentage-point lower (2.16 percent) or one-percentage-point higher (4.16 percent) than the current rate:

	<u>1% Decrease (2.96%)</u>	<u>Current Discount Rate (3.96%)</u>	<u>1% Increase (4.96%)</u>
City's proportionate share of the net OPEB liability	\$4,266,297	\$3,260,049	\$2,454,372

Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate

Changes in the health care cost trend rate may also have a significant impact on the net OPEB liability. The following table presents the net OPEB liability calculated using the assumed trend rates, and the expected net OPEB liability if it were calculated using a health care cost trend rate that is 1.0 percent lower or 1.0 percent higher than the current rate.

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Retiree health care valuations use a health care cost-trend assumption that changes over several years built into the assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2020 is 10.50 percent. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is that in the not-too-distant future, the health plan cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.50 percent in the most recent valuation.

	<u>1% Decrease</u>	<u>Current Health Care Cost Trend Rate Assumption</u>	<u>1% Increase</u>
City's proportionate share of the net OPEB liability	\$3,163,848	\$3,260,049	\$3,355,024

Changes between Measurement Date and Reporting Date

On January 15, 2020, the Board approved several changes to the health care plan offered to Medicare and pre-Medicare retirees in efforts to decrease costs and increase the solvency of the health care plan. These changes are effective January 1, 2022, and include changes to base allowances and eligibility for Medicare retirees, as well as replacing OPERS-sponsored medical plans for pre-Medicare retirees with monthly allowances, similar to the program for Medicare retirees. These changes are not reflected in the current year financial statements but are expected to decrease the associated OPEB liability.

Actuarial Assumptions – OP&F

OP&F's total OPEB liability as of December 31, 2019, is based on the results of an actuarial valuation date of January 1, 2019, and rolled-forward using generally accepted actuarial procedures. The total OPEB liability is determined by OP&F's actuaries in accordance with GASB Statement No. 74, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employers and plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations.

Actuarial calculations reflect a long-term perspective. For a newly hired employee, actuarial calculations will take into account the employee's entire career with the employer and also take into consideration the benefits, if any, paid to the employee after termination of employment until the death of the employee and any applicable contingent annuitant. In many cases, actuarial calculations reflect several decades of service with the employer and the payment of benefits after termination.

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, are presented below.

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Valuation Date	January 1, 2019, with actuarial liabilities rolled forward to December 31, 2019
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	8.0 percent
Projected Salary Increases	3.75 percent to 10.5 percent
Payroll Growth	3.25 percent
Single discount rate:	
Current measurement date	3.56 percent
Prior measurement date	4.66 percent
Cost of Living Adjustments	3.00 percent simple; 2.2 percent simple for increased based on the lesser of the increase in CPI and 3 percent

Mortality for non-disabled participants is based on the RP-2014 Total Employee and Healthy Annuitant Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Conduent Modified 2016 Improvement Scale. Rates for surviving beneficiaries are adjusted by 120 percent.

<u>Age</u>	<u>Police</u>	<u>Fire</u>
67 or less	77%	68%
68-77	105	87
78 and up	115	120

Mortality for disabled retirees is based on the RP-2014 Disabled Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Conduent Modified 2016 Improvement Scale.

<u>Age</u>	<u>Police</u>	<u>Fire</u>
59 or less	35%	35%
60-69	60	45
70-79	75	70
80 and up	100	90

The most recent experience study was completed for the five year period ended December 31, 2016.

The OP&F health care plan follows the same asset allocation and long-term expected real rate of return for each major asset class as the pension plan, see Note 12.

Discount Rate

For 2019, the total OPEB liability was calculated using the discount rate of 3.56 percent. For 2018, the total OPEB liability was calculated using the discount rate of 4.66 percent. The projection of cash flows used to determine the discount rate assumed the contribution from employers and from members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earnings were calculated using the longer-term assumed investment rate of return of 8 percent. Based on those assumptions, OP&F's fiduciary net position was projected to not be able to make all future benefit payments of current plan members. Therefore, a municipal bond rate of 2.75 percent at December 31, 2019 and 4.13 percent at December 31, 2018, was blended with the long-term rate of 8 percent, which resulted in a blended discount rate of 3.56 percent for 2019 and 4.66 percent for 2018. The municipal bond

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rate was determined using the Bond Buyers General Obligation 20-year Municipal Bond Index Rate. The OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments until 2034. The long-term expected rate of return on health care investments was applied to projected costs through 2034, and the municipal bond rate was applied to all health care costs after that date.

Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate

Net OPEB liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net OPEB liability calculated using the discount rate of 3.56 percent, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (2.56 percent), or one percentage point higher (4.56 percent) than the current rate.

	1% Decrease (2.56%)	Current Discount Rate (3.56%)	1% Increase (4.56%)
City's proportionate share of the net OPEB liability	\$1,355,791	\$1,093,438	\$875,439

Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate

The total OPEB liability is based on a medical benefit that is a flat dollar amount; therefore, it is unaffected by a health care cost trend rate. An increase or decrease in the trend rate would have no effect on the total OPEB liability.

Note 14 – Asset Retirement Obligations

Ohio Revised Code Section 6111.44 requires the City to submit any changes to their sewerage system to the Ohio EPA for approval. Through this review process, the City would be responsible to address any public safety issues associated with their waste water treatment facilities. These public safety issues would include removing any pumps and equipment, relocating and reconnecting any existing sewer mains, removing the structure to three feet below grade, filling in the old lift station chamber and backfilling, grading, installing topsoil and seed to the disturbed areas. This asset retirement obligations (ARO) of \$40,000 associated with the City waste water treatment facilities were estimated by the City engineer. The remaining useful life of these facilities range from 5 to 60 years.

Note 15 –Employee Benefits

Compensated Absences

Accumulated Unpaid Vacation

City employees earn vacation leave at varying rates based upon length of service. Upon departure from City employment, an employee (or his or her estate) will be paid for unused vacation leave.

Accumulated Unpaid Sick Leave

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City employees earn sick leave at a rate of 4.60 hours per 80 hours of service. Sick leave is cumulative without limit. In the case of death or retirement, employees hired before June 7, 2005, will be paid a payment up to 150 days of sick leave hours. Upon retirement with at least ten years of service credit, employees hired on or after June 7, 2005, will be paid 25 percent of accumulated sick leave up to a maximum payment of 240 hours.

Accumulated Unpaid Compensatory Time

City employees working over their designated work hours are entitled to either overtime pay or compensatory time according to the Fair Labor Standards Act. Employees may elect to receive compensatory time in lieu of overtime pay. Compensatory time must be used within 180 days of accrual or the time must be paid. Employees may accrue compensatory time up to a maximum of 240 hours, except police employees, who may accrue a maximum of 160 hours or clerical and service employees, who may accrue a maximum of 16 hours. Upon departure from City employment, an employee (or his or her estate) will be paid for unused compensatory time.

Health Care Benefits

The City has elected to provide employee medical/surgical benefits through Anthem Blue Cross/Blue Shield. The City provides life insurance and accidental death and dismemberment insurance to most employees as part of the health care plan. The employees share the cost of the monthly premium with the City. The premium varies with employee depending on the terms of the union contract. Dental insurance is provided by the City to all employees through Dental Care Plus.

Health Savings Account

In 2020, employees had the option of contributing to a Health Savings Account up to \$2,500 for single coverage or \$6,000 for family coverage. The City may contribute a match up to \$1,000 to each employee's Health Savings Account.

Deferred Compensation

City employees may participate in the Ohio Public Employees Deferred Compensation Plan. This plan was created in accordance with Internal Revenue Code Section 457. Participation is on a voluntary payroll deduction basis. The plan permits deferral of compensation until future years. According to the plan, the deferred compensation is not available until termination, retirement, death, or an unforeseeable emergency.

Note 16 - Leases – Lessee Disclosure

In prior years, the City entered into capital leases for the purchase of vehicles. By the terms of the lease agreements, ownership of the vehicles is transferred to the City at the end of the lease term if the City exercises their bargain purchase option. Capital lease payments will be reclassified and reflected as debt service expenditures in the basic financial statements for the governmental funds. For the business-type activities, principal payments are reflected as a decrease to the liability on the Statement of Fund Net Position. These expenditures are reported as function expenditures on the budgetary statements. Principal payments in 2020 totaled \$169,850 and \$39,052 for governmental and business-type, respectively.

The assets acquired through capital leases are as follows:

CITY OF FRANKLIN, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

	Governmental Activities	Business-Type Activities
Asset: Vehicles	\$945,646	\$292,777
Less: Accumulated Depreciation	(177,309)	(54,896)
Total	<u>\$768,337</u>	<u>\$237,881</u>

The following is a schedule of the future minimum lease payments required under the capital leases and the present value of the minimum lease payments as of December 31, 2020.

December 31,	Governmental Activities	Business-Type Activities
2021	\$197,715	\$47,000
2022	197,715	47,000
2023	197,715	47,000
Total	<u>593,145</u>	<u>141,000</u>
Less: Amount Representing Interest	<u>(43,116)</u>	<u>(12,379)</u>
Present Value of Minimum Lease Payments	<u>\$550,029</u>	<u>\$128,621</u>

Note 17– Long-Term Obligations

A schedule of changes in bonds and other long-term obligations of the governmental activities of the City during 2020 follows:

Types/Issues	Balance January 1, 2020	Increases	Decreases	Balance December 31, 2020	Due Within One Year
<u>Special Assessment Bonds with Governmental Commitment:</u>					
2001 - 5.125% Shotwell Drive Phase III \$490,000	\$80,000	\$0	\$40,000	\$40,000	\$40,000
<u>General Obligation Bonds (Unvoted):</u>					
2012 - 3.00% - 4.00% Various Purpose Refunding Bonds \$5,630,000	2,890,000	0	455,000	2,435,000	470,000
Premium on Debt Issue	201,353	0	26,847	174,506	0
Total - General Obligation Bonds	<u>3,091,353</u>	<u>0</u>	<u>481,847</u>	<u>2,609,506</u>	<u>470,000</u>
<u>Net Pension Liability:</u>					
OPERS	4,612,352	0	1,120,708	3,491,644	0
OP&F	8,963,559	0	1,506,403	7,457,156	0
Total - Net Pension Liability	<u>13,575,911</u>	<u>0</u>	<u>2,627,111</u>	<u>10,948,800</u>	<u>0</u>
<u>Net OPEB Liability:</u>					
OPERS	2,115,383	231,854	0	2,347,237	0
OP&F	1,000,008	93,430	0	1,093,438	0
Total - Net Pension Liability	<u>3,115,391</u>	<u>325,284</u>	<u>0</u>	<u>3,440,675</u>	<u>0</u>
<u>Other Long-Term Obligations:</u>					
Compensated Absences	858,878	328,118	333,492	853,504	255,945
2.50% - Police and Fire Pension	48,736	0	2,269	46,467	2,366
Capital Leases Payable	719,879	0	169,850	550,029	176,421
Total - Other Long-Term Obligations	<u>1,627,493</u>	<u>328,118</u>	<u>505,611</u>	<u>1,450,000</u>	<u>434,732</u>
Total - All General Long-Term Obligations	<u>\$21,490,148</u>	<u>\$653,402</u>	<u>\$3,654,569</u>	<u>\$18,488,981</u>	<u>\$944,732</u>

CITY OF FRANKLIN, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

The special assessment bond issues are backed by the full faith and credit of the City. In the event that an assessed property owner fails to make payments, the City will be required to pay the related debt.

On April 17, 2012, the City issued \$5,630,000 in General Obligation Bonds for the purpose of refunding bonds that were previously issued for making improvements to second street and constructing a new administration building, a new police building, and a new fire department building. Of these bonds, \$4,495,000 are serial bonds and \$1,135,000 are term bonds. The bonds will be paid from the Debt Service Fund with transfers from the General, Water, and Sewer funds.

The term bonds issued at \$545,000 and maturing on December 1, 2025, are subject to mandatory sinking fund redemption, on December 1, in the years and in the respective principal amounts as follows:

<u>Year</u>	<u>Amount</u>
2024	\$270,000
2025	275,000
Total	<u>\$545,000</u>

The term bonds issued at \$590,000 and maturing on December 1, 2027, are subject to mandatory sinking fund redemption, on December 1, in the years and in the respective principal amounts as follows:

<u>Year</u>	<u>Amount</u>
2026	\$290,000
2027	300,000
Total	<u>\$590,000</u>

Capital lease obligations are paid from the Transportation and Fire and EMS Replacement Funds. Compensated absences of the governmental activities will be paid from the General Fund and the Fire Levy, Transportation, and Recreation special revenue funds. There is no repayment schedule for the net pension/OPEB liability. However, employer pension/OPEB contributions are made from the following funds: General, Transportation, Fire, E-911, and Recreation. For additional information related to the net pension and OPEB liabilities see Notes 12 and 13.

The Police and Fire Pension liability is paid from special revenue fund taxes and is recorded as an expenditure of Debt Service: Principal Retirement. In addition to current contributions, the City pays installments on the accrued liability incurred when the State of Ohio established the Statewide pension system for police and firefighters in 1967. As of December 31, 2020, \$46,467 was payable in semiannual installments through the year 2035. This is an accounting liability of the City that will not vary. The liability is reported on the government-wide financial statements.

Changes in the long-term obligations reported in the business-type activities of the City during 2020 were as follows:

CITY OF FRANKLIN, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

Types/Issues	Restated Balance January 1, 2020	Increases	Decreases	Balance December 31, 2020	Due Within One Year
Mortgage Revenue Refunding Bonds:					
2006 - 4.000% - 4.125% - \$6,140,000	\$805,000	\$0	\$260,000	\$545,000	\$270,000
Premium on Debt Issue	13,890	0	3,625	10,265	0
Total Mortgage Revenue Refunding Bonds	<u>\$818,890</u>	<u>\$0</u>	<u>\$263,625</u>	<u>\$555,265</u>	<u>\$270,000</u>
Direct Borrowing:					
OWDA Loans	937,623	0	300,321	637,302	68,641
Net Pension Liability - OPERS	1,793,695	0	435,830	1,357,865	0
Net OPEB Liability - OPERS	822,648	90,164	0	912,812	0
Asset Retirement Obligations	40,000	0	0	40,000	0
Compensated Absences	223,648	80,269	65,348	238,569	67,275
Capital Leases Payable	167,673	0	39,052	128,621	40,904
Total - Business-Type Activities	<u>\$4,804,177</u>	<u>\$170,433</u>	<u>\$1,104,176</u>	<u>\$3,870,434</u>	<u>\$446,820</u>

The Ohio Water Development Authority (OWDA) loans from direct borrowings are for the construction of water mains and a new water tower. The loans will be paid from Water Fund operating revenues. The City's outstanding OWDA loans from direct borrowings of \$637,302 related to business-type activities contain provisions that in an event of default (1) the amount of any such default shall bear interest at the default rate from the due date until the date of payment, (2) for each additional 30 days during which the charges remain unpaid, the City shall continue to pay an additional late charge on the default amount until such charges are paid, and (3) pay any cost incurred by OWDA to cure the default as part of their loan agreement.

During 2006, the City issued \$6,140,000 in Mortgage Revenue Bonds. A portion of the proceeds were used to advance refund Mortgage Revenue Bonds in the amount of \$3,385,000. The refunded bonds have been retired. The bonds contain a provision in the event of a default, upon written request from at least 25 percent of the holders all of the outstanding bonds may become due and payable immediately.

The Water Fund's bond indentures have certain restrictive covenants and principally require that bond reserve funds be maintained and charges for fees to customers be in sufficient amounts, as defined, to satisfy the obligations under the indenture agreements. In addition, special provisions exist regarding covenant violations, redemption of principal, and maintenance of properties in good condition.

The City has pledged future revenues, net of operating expenses, to repay the OWDA Loans and the Mortgage Revenue Refunding Bonds in the City's Water Fund. The debt is payable solely from net revenues and is payable through 2027. Annual principal and interest payments on the debt issues are expected to require 55.43 percent of net revenues. The total principal and interest remaining to be paid on the debt is \$1,329,025, with principal and interest of \$751,225 remaining on the OWDA Loan and \$577,800 on the Mortgage Revenue Refunding Bonds. Principal and interest paid for the current year was \$629,624, with \$330,798 paid on the OWDA Loans, and \$298,826 paid on the Mortgage Revenue Refunding Bonds. Total net revenues were \$868,019.

CITY OF FRANKLIN, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
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Capital lease obligations are paid from the Water, Sewer, and Stormwater Utility funds. Compensated absences of the business-type activities will be paid from the Water, Sewer, Trash, and Stormwater Utility funds. There is no repayment schedule for the net pension and OPEB liabilities. However, employer pension and OPEB contributions are made from the following funds: Water, Sewer, Trash, and Stormwater Utility. For additional information related to the net pension and OPEB liabilities see Notes 12 and 13.

As of December 31, 2020, the City's overall legal debt margin (the ability to issue additional amounts of general obligation bonded debt) was \$23,264,105, with an unvoted debt margin of \$11,026,436.

Principal and interest requirements to retire the City's long-term obligations outstanding at December 31, 2020, are:

Governmental Activities				
Year	Special Assessment Bonds		General Obligation Bonds	
	Principal	Interest	Principal	Interest
2021	\$40,000	\$2,050	\$470,000	\$89,625
2022	0	0	415,000	70,825
2023	0	0	415,000	54,225
2024	0	0	270,000	37,625
2025	0	0	275,000	28,850
2026-2027	0	0	590,000	30,037
Totals	\$40,000	\$2,050	\$2,435,000	\$311,187

Business-Type Activities				
Year	From Direct Borrowing			
	OWDA Loans		Mortgage Revenue Bonds	
	Principal	Interest	Principal	Interest
2021	\$68,641	\$24,813	\$270,000	\$21,800
2022	71,533	22,038	275,000	11,000
2023	74,547	19,148	0	0
2024	77,688	16,135	0	0
2025	80,961	12,995	0	0
2026-2028	263,932	18,794	0	0
Totals	\$637,302	\$113,923	\$545,000	\$32,800

Revenue Housing Bonds

The City served as the issuer of \$6,955,000 in revenue housing bonds in 1997 and \$4,500,000 in 2007. The proceeds of the \$6,955,000 bonds were used by Emerald Edge/Warren, Limited Partnership and the proceeds of the \$4,500,000 bonds were used by Sound Preservation 202 LP to finance the acquisition, construction and equipping of separate multi-family residential rental housing facilities. The housing revenue bonds do not constitute a general obligation, debt or bonded indebtedness of the City. Neither is the full faith and credit or taxing power of the City pledged to make repayment. The outstanding balance at December 31, 2020, on the Emerald Edge/Warren, Limited Partnership revenue housing bonds is \$6,267,000. The outstanding balance at December 31, 2020, on the Sound Preservation 202 LP revenue housing bonds is \$3,043,581.

CITY OF FRANKLIN, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

Note 18 – Interfund Activity

Advances From/To Other Funds

At December 31, 2020, outstanding interfund balances were \$500,000 receivable in the General Fund from the Issue Two Fund. The outstanding balance results from the time difference between the dates that the original advance was made and when it is repaid. The outstanding balance is expected to be paid within one year.

Transfers From/To Other Funds

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and to use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

	Transfers From					Total
	General Fund	Fire Levy Fund	Nonmajor Governmental Funds	Water Fund	Sewer Fund	
General Fund	\$0	\$0	\$0	\$50,000	\$5,000	\$55,000
Fire Levy Fund	430,964	0	0	0	0	430,964
Issue Two	648,000	0	0	0	0	648,000
Nonmajor Governmental Funds	1,787,257	264,824	655,846	75,000	65,000	2,847,927
Total	\$2,866,221	\$264,824	\$655,846	\$125,000	\$70,000	\$3,981,891

Transfers from the General Fund to the Fire Levy and Issue Two funds are to subsidize expenditures in the funds. Transfers to the Nonmajor Governmental Funds were made for scheduled debt service payments, including the amounts transferred from the Water and Sewer Funds for their portion of payments on the municipal building general obligation bonds, as well as for operating expenditures, upkeep of park facilities and the City’s share of police pension. Transfers from the Fire Levy Fund to Nonmajor Governmental Funds were for the City’s share of fire pension. Transfers from the Water and Sewer Funds to the General Fund were for employee benefits.

Note 19 – Shared Risk Pool and Jointly Governed Organizations

Shared Risk Pool

The City belongs to the Ohio Plan Risk Management, Inc. (OPRM) (the “Plan”), a non-assessable, unincorporated non-profit association providing a formalized, jointly administered self-insurance risk management program and other administrative services to Ohio governments (“Members”). The Plan was legally separate from its member governments. The Board of Trustees consists of 11 members that include appointed and elected officials from member organizations.

Jointly Governed Organizations

The Warren County General Health District (the District), a jointly governed organization, provides health services to the citizens within the County. The Board of Health, which consists of a representative from each of the participating governments, including the City, oversees the operation of the District. The Board exercises total control over the operation of the District including budgeting, appropriating, contracting and designating management. Each member’s degree of control is limited to its representation of the Board.

CITY OF FRANKLIN, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

The City contributed \$6,618 during 2020 for the operation of the District. The City does not have any financial interest in or responsibility for the District. The County Commissioners serve as the taxing authority, and the County Auditor and Treasurer serve as fiscal officers. Financial information may be obtained at the Warren County Health District, 416 S. East Street, Lebanon, Ohio 45036.

The Warren County Fire Response and Life Safety Council of Governments (the COG) is a jointly governed organization, consisting of cities, villages and townships in Warren County. The COG, which consists of a representative from each of the participating governments, including the City, contracts with the Greater Cincinnati Hazardous Materials Unit, Inc. for hazardous materials response services to each of the participating governments. The Council exercises total control over the operation of the COG including budgeting, appropriating, contracting and designating management. Each member's degree of control is limited to its representation of the Council. The City contributed \$1,883 during 2020 for the operation of the COG. The City does not have any financial interest in or responsibility for the COG. Matt Nolan acts as fiscal agent for the organization. Financial information may be obtained at 406 Justice Drive, Lebanon, Ohio 45036.

Note 20 – Significant Commitments

Encumbrances

Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At fiscal year-end, the amount of encumbrances expected to be honored upon performance by the vendor in the next fiscal year were as follows:

Governmental Funds:	
General Fund	\$138,311
Fire Fund	74,164
Issue Two Fund	1,319,018
Nonmajor Governmental Funds	<u>120,589</u>
Total Governmental Funds	<u>1,652,082</u>
Proprietary Funds:	
Water Fund	33,548
Sewer Fund	17,374
Trash Fund	697
Stormwater Utility Fund	<u>10,691</u>
Total Proprietary Funds	<u>62,310</u>
Total	<u>\$1,714,392</u>

Contractual Commitments

As of December 31, 2020, the City had the following contractual purchase commitments:

CITY OF FRANKLIN, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

Contractor/Project	Contract Amount	Amount Expended	Balance at December 31, 2020
CT Consultants:			
Downtown Signal Management Systems Phase 1	\$86,800	\$80,537	\$6,263
Downtown Signal Management Systems Phase 2	99,000	83,997	15,003
Downtown Signal Management Systems Phase 3	98,650	7,725	90,925
State Route 123	313,480	139,100	174,380
Clearcreek	553,080	361,504	191,576
Franklin Community Park Drive Intersection	114,900	36,942	77,958
Warren County Transportation Improvement District:			
I-75 and State Route 73 Interchange Project	68,882	0	68,882
APEX:			
Dial Park - Phase One	10,500	4,000	6,500
William C. Good Extension	20,000	17,000	3,000
Total	\$1,365,292	\$730,805	\$634,487

Note 21 – Fund Balances

Fund balance is classified as nonspendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the City is bound to observe constraints imposed upon the use of the resources in the governmental funds. The constraints placed on fund balance for the major governmental funds and all other governmental funds are as follows:

Fund Balances	General Fund	Fire Levy Fund	Issue Two Fund	F.C. Dial Trust Fund	Nonmajor Governmental Funds	Total
<i>Nonspendable:</i>						
Inventory	\$31,324	\$32,043	\$0	\$0	\$159,910	\$223,277
Prepays	0	0	0	0	63,678	63,678
Unclaimed Monies	39,999	0	0	0	0	39,999
Leisure Time Activities	0	0	0	2,119,284	0	2,119,284
<i>Total Nonspendable</i>	71,323	32,043	0	2,119,284	223,588	2,446,238
<i>Restricted For:</i>						
Debt Service	0	0	0	0	200,283	200,283
Capital Outlay	0	0	1,601,106	0	83,902	1,685,008
Fire Protection	0	2,231,640	0	0	0	2,231,640
Transportation	0	0	0	0	1,006,271	1,006,271
Security of Persons and Property	0	0	0	0	745,105	745,105
Legislative and Executive Assessment of Wastewater Treatment	0	0	0	0	2,422	2,422
Leisure Time Activities	0	0	0	828,084	0	828,084
<i>Total Restricted</i>	\$0	\$2,231,640	\$1,601,106	\$828,084	\$2,850,044	\$7,510,874

(Continued)

CITY OF FRANKLIN, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

Fund Balances	General Fund	Fire Levy Fund	Issue Two Fund	F.C. Dial Trust Fund	Nonmajor Governmental Funds	Total
Committed To:						
Park Facilities	\$0	\$0	\$0	\$0	\$480,423	\$480,423
Assigned To:						
Debt Service Payments	0	0	0	0	37,907	37,907
Future Appropriations	4,187,589	0	0	0	0	4,187,589
Capital Improvements	482,874	0	0	0	847,086	1,329,960
Purchases On Order For:						
General Government	81,231	0	0	0	0	81,231
Security of Persons and Property:						
Police	65,077	0	0	0	0	65,077
Other	1,841	0	0	0	0	1,841
Other	33,779	0	0	0	0	33,779
Total Assigned	4,852,391	0	0	0	884,993	5,737,384
Unassigned (Deficit)	6,815,608	0	0	0	(48,428)	6,767,180
Total Fund Balances	\$11,739,322	\$2,263,683	\$1,601,106	\$2,947,368	\$4,390,620	\$22,942,099

Note 22 – Contingencies

Federal and State Grants

For the period January 1, 2020, to December 31, 2020, the City received federal and State grants for specific purposes that are subject to review and audit by grantor agencies or their designee. Such audits could lead to a request for reimbursement to the grantor agency for expenditures disallowed under the terms of the grant. Based on prior experience, the City believes such disallowance, if any, would be immaterial.

Litigation

The City of Franklin is currently a party to legal proceedings seeking damages or injunctive relief generally incidental to its operations as of December 31, 2020. The City's management is of the opinion that ultimate disposition of these claims and legal proceedings will not have a material effect, if any, on the financial condition of the City.

Note 23 – COVID-19

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the City. The City's investment portfolio fluctuates with market conditions, and due to market volatility, the amount of gains or losses that will be realized in subsequent periods, if any, cannot be determined. In addition, the impact on the City's future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated. Additional funding will be available through the Consolidated Appropriations Act, 2021, passed by Congress on December 21, 2020 and/or the American Rescue Plan Act, passed by Congress on March 11, 2021.

During 2020, the City received Coronavirus Aid, Relief, and Economic Security (CARES) Act funding. Of the amounts received, none was sub-granted to other governments and organizations, none was returned to the granting agency, and none was spent on-behalf of other governments.

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City of Franklin

Required Supplementary Information

City of Franklin, Ohio
Required Supplementary Information
Schedule of the City's Proportionate Share of the Net Pension Liability
Ohio Public Employees Retirement System - Traditional Plan
Last Seven Years (1)

	2020	2019	2018
City's Proportion of the Net Pension Liability	0.02453500%	0.02339000%	0.02394900%
City's Proportionate Share of the Net Pension Liability	\$4,849,509	\$6,406,047	\$3,703,234
City's Covered Payroll	\$3,449,600	\$3,159,271	\$3,263,108
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	140.58%	202.77%	113.49%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	82.17%	74.70%	84.66%

(1) Although this schedule is intended to reflect information for ten years, information prior to 2014 is not available. An additional column will be added each year.

Amounts presented as of the City's measurement date which is the prior year end.

See accompanying notes to the required supplementary information.

2017	2016	2015	2014
0.02357200%	0.02366400%	0.02287300%	0.02287300%
\$5,352,801	\$4,098,904	\$2,758,741	\$2,696,429
\$3,142,750	\$2,945,024	\$2,804,208	\$2,860,364
170.32%	139.18%	98.38%	94.27%
77.25%	81.08%	86.45%	86.36%

City of Franklin, Ohio
Required Supplementary Information
Schedule of the City's Proportionate Share of the
Net Pension Liability
Ohio Public Employees Retirement System - Combined Plan
Last Three Years (1)

	2020	2019	2018
City's Proportion of the Net Pension Liability	0.01501600%	0.01497700%	0.01393500%
City's Proportionate Share of the Net Pension (Asset)	(\$31,312)	(\$16,748)	(\$18,969)
City's Covered Payroll	\$66,843	\$64,057	\$57,069
City's Proportionate Share of the Net Pension Asset as a Percentage of its Covered Payroll	(46.84%)	(26.15%)	(33.24%)
Plan Fiduciary Net Position as a Percentage of the Total Pension Asset	145.28%	126.64%	137.28%

(1) Amounts for the combined plan are not presented prior to 2018 as the City's participation in this plan was considered immaterial in previous years.

Amounts presented as of the City's measurement date which is the prior year end.

See accompanying notes to the required supplementary information.

City of Franklin, Ohio
Required Supplementary Information
Schedule of the City's Proportionate Share of the Net OPEB Liability
Ohio Public Employees Retirement System - OPEB Plan
Last Four Years (1)

	2020	2019	2018	2017
City's Proportion of the Net OPEB Liability	0.02360200%	0.02253500%	0.02304000%	0.02274000%
City's Proportionate Share of the Net OPEB Liability	\$3,260,049	\$2,938,031	\$2,501,974	\$2,296,817
City's Covered Payroll	\$3,563,293	\$3,268,578	\$3,361,352	\$3,238,283
City's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	91.49%	89.89%	74.43%	70.93%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	47.80%	46.33%	54.14%	54.04%

(1) Although this schedule is intended to reflect information for ten years, information prior to 2017 is not available. An additional column will be added each year.

Amounts presented as of the City's measurement date which is the prior year end.

See accompanying notes to the required supplementary information.

City of Franklin, Ohio
Required Supplementary Information
Schedule of the City's Proportionate Share of the Net Pension Liability
Ohio Police and Fire Pension Fund
Last Seven Years (1)

	2020	2019	2018
City's Proportion of the Net Pension Liability	0.11069720%	0.10981200%	0.10360700%
City's Proportionate Share of the Net Pension Liability	\$7,457,156	\$8,963,559	\$6,358,828
City's Covered Payroll	\$2,692,040	\$2,559,919	\$2,347,911
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	277.01%	350.15%	270.83%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	69.89%	63.07%	70.91%

(1) Although this schedule is intended to reflect information for ten years, information prior to 2014 is not available. An additional column will be added each year.

Amounts presented as of the City's measurement date which is the prior year end.

See accompanying notes to the required supplementary information.

2017	2016	2015	2014
0.09630500%	0.10455000%	0.10590010%	0.10590010%
\$6,099,862	\$6,725,775	\$5,486,066	\$5,157,667
\$2,216,434	\$2,261,788	\$2,209,509	\$2,843,578
275.21%	297.37%	248.29%	181.38%
68.36%	66.77%	71.71%	73.00%

City of Franklin, Ohio
Required Supplementary Information
Schedule of the City's Proportionate Share of the Net OPEB Liability
Ohio Police and Fire Pension Fund
Last Four Years (1)

	2020	2019	2018	2017
City's Proportion of the Net OPEB Liability	0.11069720%	0.10981200%	0.10360700%	0.09630500%
City's Proportionate Share of the Net OPEB Liability	\$1,093,438	\$1,000,008	\$5,870,227	\$4,571,382
City's Covered Payroll	\$2,692,040	\$2,559,919	\$2,347,911	\$2,216,434
City's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	40.62%	39.06%	250.02%	206.25%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	47.08%	46.57%	14.13%	15.96%

(1) Although this schedule is intended to reflect information for ten years, information prior to 2017 is not available. An additional column will be added each year.

Amounts presented as of the City's measurement date which is the prior year end.

See accompanying notes to the required supplementary information.

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City of Franklin, Ohio
Required Supplementary Information
Schedule of the City's Contributions
Ohio Public Employees Retirement System
Last Eight Years (1)(2)

	2020	2019	2018
Net Pension Liability - Traditional Plan			
Contractually Required Contribution	\$471,801	\$482,944	\$442,298
Contributions in Relation to the Contractually Required Contribution	<u>(471,801)</u>	<u>(482,944)</u>	<u>(442,298)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City Covered Payroll	\$3,370,007	\$3,449,600	\$3,159,271
Pension Contributions as a Percentage of Covered Payroll	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>
Net Pension Liability - Combined Plan			
Contractually Required Contribution	\$9,397	\$9,358	\$8,968
Contributions in Relation to the Contractually Required Contribution	<u>(9,397)</u>	<u>(9,358)</u>	<u>(8,968)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City Covered Payroll	\$67,121	\$66,843	\$64,057
Pension Contributions as a Percentage of Covered Payroll	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>
Net OPEB Liability - OPEB Plan			
Contractually Required Contribution	\$2,012	\$1,874	\$1,810
Contributions in Relation to the Contractually Required Contribution	<u>(2,012)</u>	<u>(1,874)</u>	<u>(1,810)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City Covered Payroll (3)	\$3,487,428	\$3,563,293	\$3,268,578
OPEB Contributions as a Percentage of Covered Payroll	<u>0.06%</u>	<u>0.05%</u>	<u>0.06%</u>

- (1) Although this schedule is intended to reflect information for ten years, information prior to 2013 is not available. An additional column will be added each year.
- (2) Beginning in 2016, OPERS used one trust fund as the funding vehicle for all health care plans; therefore, information prior to 2016 is not presented for the OPEB plan.
- (3) The OPEB plan includes the members from the traditional plan, the combined plan, and the member directed plan. The member directed pension plan is a defined contribution pension plan; therefore, the pension side is not included above.

See accompanying notes to the required supplementary information.

2017	2016	2015	2014	2013
\$424,204	\$377,130	\$353,403	\$336,504	\$371,847
(424,204)	(377,130)	(353,403)	(336,504)	(371,847)
\$0	\$0	\$0	\$0	\$0
\$3,263,108	\$3,142,750	\$2,945,024	\$2,804,208	\$2,860,364
13.00%	12.00%	12.00%	12.00%	13.00%
\$7,419	\$6,583	\$6,430	\$6,155	\$6,347
(7,419)	(6,583)	(6,430)	(6,155)	(6,347)
\$0	\$0	\$0	\$0	\$0
\$57,069	\$54,858	\$53,583	\$51,292	\$48,823
13.00%	12.00%	12.00%	12.00%	13.00%
\$34,849	\$65,579			
(34,849)	(65,579)			
\$0	\$0			
\$3,361,352	\$3,238,283			
1.04%	2.03%			

City of Franklin, Ohio
Required Supplementary Information
Schedule of City Contributions
Ohio Police and Fire Pension Fund
Last Ten Years

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Net Pension Liability				
Contractually Required Contribution	\$601,388	\$542,139	\$513,084	\$467,507
Contributions in Relation to the Contractually Required Contribution	<u>(601,388)</u>	<u>(542,139)</u>	<u>(513,084)</u>	<u>(467,507)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City Covered Payroll (1)	\$2,950,366	\$2,692,040	\$2,559,919	\$2,347,911
Contributions as a Percentage of Covered Payroll:	20.38%	20.14%	20.04%	19.91%
Net OPEB Liability				
Contractually Required Contribution	\$14,751	\$13,461	\$12,800	\$11,738
Contributions in Relation to the Contractually Required Contribution	<u>(14,751)</u>	<u>(13,461)</u>	<u>(12,800)</u>	<u>(11,738)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
OPEB Contributions as a Percentage of Covered Payroll	<u>0.50%</u>	<u>0.50%</u>	<u>0.50%</u>	<u>0.50%</u>
Total Contributions as a Percentage of Covered Payroll	<u>20.88%</u>	<u>20.64%</u>	<u>20.54%</u>	<u>20.41%</u>

(1) The City's covered payroll is the same for pension and OPEB.

See accompanying notes to the required supplementary information.

<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
\$440,233	\$453,453	\$443,185	\$488,777	\$393,075	\$398,863
<u>(440,233)</u>	<u>(453,453)</u>	<u>(443,185)</u>	<u>(488,777)</u>	<u>(393,075)</u>	<u>(398,863)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$2,216,434	\$2,261,788	\$2,209,509	\$2,843,578	\$2,790,432	\$2,829,624
19.86%	20.05%	20.06%	17.19%	14.09%	14.10%
\$11,082	\$11,309	\$11,048	\$102,843	\$188,354	\$191,000
<u>(11,082)</u>	<u>(11,309)</u>	<u>(11,048)</u>	<u>(102,843)</u>	<u>(188,354)</u>	<u>(191,000)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>0.50%</u>	<u>0.50%</u>	<u>0.50%</u>	<u>3.62%</u>	<u>6.75%</u>	<u>6.75%</u>
<u>20.36%</u>	<u>20.55%</u>	<u>20.56%</u>	<u>20.81%</u>	<u>20.84%</u>	<u>20.85%</u>

CITY OF FRANKLIN, OHIO
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2020

Changes in Assumptions – OPERS Pension

Amounts reported beginning in 2019 incorporate changes in assumptions used by OPERS in calculating the total pension liability in the latest actuarial valuation. These new assumptions compared with those used in prior years are presented below:

	2019	2018 and 2017	2016 and prior
Wage Inflation	3.25 percent	3.25 percent	3.75 percent
Future Salary Increases, including inflation	3.25 to 10.75 percent including wage inflation	3.25 to 10.75 percent including wage inflation	4.25 to 10.05 percent including wage inflation
COLA or Ad Hoc COLA:			
Pre-January 7, 2013 Retirees	3 percent, simple	3 percent, simple	3 percent, simple
Post-January 7, 2013 Retirees	see below	see below	see below
Investment Rate of Return	7.2 percent	7.5 percent	8 percent
Actuarial Cost Method	Individual Entry Age	Individual Entry Age	Individual Entry Age

The assumptions related COLA or Ad Hoc COLA for Post-January 7, 2013 Retirees are as follows:

COLA or Ad Hoc COLA, Post-January 7, 2013 Retirees:

2020	1.4 percent, simple through 2020 then 2.15 percent, simple
2017 through 2019	3.0 percent, simple through 2018 then 2.15 percent, simple
2016 and prior	3.0 percent, simple through 2018 then 2.80 percent, simple

Amounts reported beginning in 2017 use mortality rates based on the RP-2014 Healthy Annuitant mortality table. For males, Healthy Annuitant Mortality tables were used, adjusted for mortality improvement back to the observation period base of 2006 and then established the base year as 2015. For females, Healthy Annuitant Mortality tables were used, adjusted for mortality improvements back to the observation period base year of 2006 and then established the base year as 2010. The mortality rates used in evaluating disability allowances were based on the RP-2014 Disabled mortality tables, adjusted for mortality improvement back to the observation base year of 2006 and then established the base year as 2015 for males and 2010 for females. Mortality rates for a particular calendar year for both healthy and disabled retiree mortality tables are determined by applying the MP-2015 mortality improvement scale to the above described tables.

Amounts reported for 2016 and prior use mortality rates based on the RP-2000 Mortality Table projected 20 years using Projection Scale AA. For males, 105 percent of the combined healthy male mortality rates were used. For females, 100 percent of the combined healthy female mortality rates were used. The mortality rates used in evaluating disability allowances were based on the RP-2000 mortality table with no projections. For males 120 percent of the disabled female mortality rates were used set forward two years. For females, 100 percent of the disabled female mortality rates were used.

Changes in Assumptions – OPERS Pension – Combined Plan

For 2020, the Combined Plan had the same change in COLA or Ad Hoc COLA for Post-January 2, 2013 retirees as the Traditional Plan. For 2019, the investment rate of return changed from 7.5 percent to 7.2 percent.

CITY OF FRANKLIN, OHIO
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2020

Changes in Assumptions – OP&F Pension

Amounts reported beginning in 2018 incorporate changes in assumptions used by OP&F in calculating the total pension liability in the latest actuarial valuation. These new assumptions compared with those used in 2017 and prior are presented below:

	<u>Beginning in 2018</u>	<u>2017 and Prior</u>
Valuation Date	January 1, 2017, with actuarial liabilities rolled forward to December 31, 2017	January 1, 2016, with actuarial liabilities rolled forward to December 31, 2016
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Investment Rate of Return	8.0 percent	8.25 percent
Projected Salary Increases	3.75 percent to 10.5 percent	4.25 percent to 11 percent
Payroll Growth	Inflation rate of 2.75 percent plus productivity increase rate of 0.5 percent	Inflation rate of 3.25 percent plus productivity increase rate of 0.5 percent
Cost of Living Adjustments	3.00 percent simple; 2.2 percent simple for increased based on the lesser of the increase in CPI and 3 percent	3.00 percent simple; 2.6 percent simple for increased based on the lesser of the increase in CPI and 3 percent

Amounts reported beginning in 2018 use valuation, mortality for non-disabled participants is based on the RP-2014 Total Employee and Healthy Annuitant Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Buck/Conduent Modified 2016 Improvement Scale. Rates for surviving beneficiaries are adjusted by 120 percent.

<u>Age</u>	<u>Police</u>	<u>Fire</u>
67 or less	77 %	68 %
68-77	105	87
78 and up	115	120

Amounts reported beginning in 2018 use valuation, mortality for disabled retirees is based on the RP-2014 Disabled Mortality Tables rolled back to 2006, adjusted according to the rates in the following table, and projected with the Buck/Conduent Modified 2016 Improvement Scale.

<u>Age</u>	<u>Police</u>	<u>Fire</u>
59 or less	35 %	35 %
60-69	60	45
70-79	75	70
80 and up	100	90

Amounts reported for 2017 and prior use valuation, rates of death were based on the RP2000 Combined Table, age-adjusted as follows. For active members, set back six years. For disability retirements, set forward five years for police and three years for firefighters. For service retirements, set back zero years for police and two years for firefighters. For beneficiaries, set back zero years. The rates are applied on a fully generational basis, with a base year of 2009, using mortality improvement Scale AA.

CITY OF FRANKLIN, OHIO
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2020

Changes in Assumptions – OPERS OPEB

Investment Return Assumption:	
Beginning in 2019	6.00 percent
2018	6.50 percent
Municipal Bond Rate:	
2020	2.75 percent
2019	3.71 percent
2018	3.31 percent
Single Discount Rate:	
2020	3.16 percent
2019	3.96 percent
2018	3.85 percent
Health Care Cost Trend Rate:	
2020	10.0 percent, initial 3.5 percent, ultimate in 2030
2019	10.0 percent, initial 3.25 percent, ultimate in 2029
2018	7.5 percent, initial 3.25 percent, ultimate in 2028

Changes in Assumptions – OP&F OPEB

Single Discount Rate:	
2020	3.56 percent
2019	4.66 percent
2018	3.24 percent

Changes in Benefit Terms – OP&F OPEB

For 2019, OP&F recognized a change in benefit terms. Under this new model, OP&F provides eligible retirees with a fixed stipend earmarked to pay for health care and Medicare Part B reimbursements. This new model replaced the self-insured health care plan used in prior years.

Combining Financial Statements and Individual Fund Schedules

CITY OF FRANKLIN, OHIO

NONMAJOR FUND DESCRIPTIONS

SPECIAL REVENUE FUNDS

To account for and report the proceeds of specific revenue sources (other than major capital projects) that are restricted, committed, or assigned to expenditure for specified purposes other than debt service or capital projects. The following are descriptions of the City's nonmajor Special Revenue Funds.

NONMAJOR SPECIAL REVENUE FUNDS

Transportation Fund

To account for and report gasoline tax and motor vehicle license fees restricted for routine maintenance of streets and State highways within the City.

E-911 Fund

To account for and report monies received from Warren County restricted for operation of the City's emergency 911 dispatch services as well as for the purchase of emergency 911 communications equipment.

Court Fund

To account for and report fines and forfeitures related to law enforcement, received by the Municipal Court, whose use is restricted for services required to be provided by State statute.

FEMA Fund

To account for and report federal monies received by the City restricted to assisting with the cost of fire services and equipment.

Local Coronavirus Relief Fund

To account for and report monies received from the federal Coronavirus Aid, Relief, and Economic Security (CARES) Act, whose use is restricted for local Coronavirus relief.

Drug Law Enforcement Fund

To account for and report monies received from drug conviction fines restricted for drug law enforcement expenditures.

Recreation Fund

To account for and report recreation fees and transfers from the General Fund committed for expenditures pertaining to recreational activities and upkeep of park facilities.

Indigent Drivers Fund

To account for and report monies received from fines for driving while intoxicated and intergovernmental resources which are restricted for treatment and rehabilitation of convicted drivers.

Indigent Drivers Alcohol Monitoring Fund

To account for and report monies received from fines for driving while intoxicated which are restricted for probation activities related to such violations.

In-House Monitoring Fund

To account for and report monies received from fines for in-house monitoring of convicted individuals restricted for the activities related to the continued operations of the program.

(Continued)

CITY OF FRANKLIN, OHIO

NONMAJOR FUND DESCRIPTIONS

(Continued)

Street Lighting Fund

To account for and report an assessment levied by the City restricted to pay for street lighting.

Miami Conservancy District (formerly U.S. Filter) Fund

To account for and report a restricted property tax levied for the purpose of paying the City's annual assessment for wastewater treatment.

Police and Fire Pension Fund

To account for and report the accumulation of restricted property taxes levied for the payment of the current and accrued liability for police and fire disability and pension benefits.

DEBT SERVICE FUNDS

To account for and report financial resources that are restricted, committed, or assigned for the payment of general obligation principal and interest and fiscal charges.

NONMAJOR DEBT SERVICE FUNDS

Bond Retirement Fund

To account for and report assigned resources that are used for the payment of principal and interest and fiscal charges for general obligation debt.

Special Assessment Bond Fund

This fund accounts for and reports the resources restricted for payment of principal and interest and fiscal charges on special assessment debt.

CAPITAL PROJECTS FUNDS

To account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

NONMAJOR CAPITAL PROJECTS FUNDS

ODOT Project Fund

To account for and report monies assigned to road paving projects whose cost is shared between the City and the Ohio Department of Transportation.

Property Acquisition Fund

To account for and report monies assigned for economic development purchases and projects within the City.

Tax Increment Financing Fund

To account for and report payments received in lieu of taxes on property granted a tax exemption by the City. These monies are restricted for land purchases or infrastructure improvements. This fund had no cash activity during fiscal year 2020. Therefore, no budgetary statement is presented.

Fire and EMS Replacement Fund

To account for and report monies assigned for the purpose of accumulating resources for the acquisition, construction or improvement of the City's Fire & EMS Division of Safety Department.

CITY OF FRANKLIN, OHIO
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2020

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$3,071,648	\$238,190	\$973,020	\$4,282,858
Materials and Supplies Inventory	159,910	0	0	159,910
Intergovernmental Receivable	135,121	0	4,168	139,289
Prepaid Items	0	0	63,678	63,678
Property Taxes Receivable	198,248	0	0	198,248
Accounts Receivable	6,360	0	0	6,360
Special Assessments Receivable	286,835	0	0	286,835
Total Assets	\$3,858,122	\$238,190	\$1,040,866	\$5,137,178
Liabilities:				
Accounts Payable	\$15,773	\$0	\$4,521	\$20,294
Accrued Wages and Benefits Payable	18,018	0	0	18,018
Intergovernmental Payable	59,137	0	0	59,137
Contracts Payable	0	0	37,511	37,511
Total Liabilities	92,928	0	42,032	134,960
Deferred Inflows of Resources:				
Property Taxes	188,400	0	0	188,400
Unavailable Revenue	419,030	0	4,168	423,198
Total Deferred Inflows of Resources	607,430	0	4,168	611,598
Fund Balances:				
Nonspendable	159,910	0	63,678	223,588
Restricted	2,565,859	200,283	83,902	2,850,044
Committed	480,423	0	0	480,423
Assigned	0	37,907	847,086	884,993
Unassigned (Deficit)	(48,428)	0	0	(48,428)
Total Fund Balances	3,157,764	238,190	994,666	4,390,620
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$3,858,122	\$238,190	\$1,040,866	\$5,137,178

CITY OF FRANKLIN, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2020

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues:				
Property Taxes	\$180,610	\$0	\$0	\$180,610
Other Local Taxes	107,422	0	0	107,422
Special Assessments	269,701	0	0	269,701
Charges for Services	225	0	0	225
Fines, Licenses and Permits	227,554	0	0	227,554
Intergovernmental	2,326,228	0	535,726	2,861,954
Interest	21,704	44,076	0	65,780
Rent	2,325	0	0	2,325
Contributions and Donations	1,352	0	0	1,352
Other	55,343	0	4,000	59,343
Total Revenues	<u>3,192,464</u>	<u>44,076</u>	<u>539,726</u>	<u>3,776,266</u>
Expenditures:				
Current:				
General Government	171,513	0	0	171,513
Security of Persons and Property:				
Police	992,810	0	0	992,810
Fire	658,309	0	0	658,309
Other	131,259	0	0	131,259
Public Health and Welfare	3,415	0	0	3,415
Leisure Time Activities	256,888	0	0	256,888
Economic Development	56,329	0	0	56,329
Transportation	805,999	0	0	805,999
Capital Outlay	282,296	0	2,229,319	2,511,615
Debt Service:				
Principal Retirement	57,200	495,000	114,919	667,119
Interest and Fiscal Charges	11,532	114,024	18,366	143,922
Total Expenditures	<u>3,427,550</u>	<u>609,024</u>	<u>2,362,604</u>	<u>6,399,178</u>
Excess of Revenues Under Expenditures	<u>(235,086)</u>	<u>(564,948)</u>	<u>(1,822,878)</u>	<u>(2,622,912)</u>
Other Financing Sources (Uses):				
Proceeds from Sale of Capital Assets	56,514	0	0	56,514
Transfers In	1,433,045	540,000	874,882	2,847,927
Transfers Out	(655,846)	0	0	(655,846)
Total Other Financing Sources (Uses)	<u>833,713</u>	<u>540,000</u>	<u>874,882</u>	<u>2,248,595</u>
Net Change in Fund Balances	598,627	(24,948)	(947,996)	(374,317)
Fund Balances at Beginning of Year	<u>2,559,137</u>	<u>263,138</u>	<u>1,942,662</u>	<u>4,764,937</u>
Fund Balances at End of Year	<u>\$3,157,764</u>	<u>\$238,190</u>	<u>\$994,666</u>	<u>\$4,390,620</u>

CITY OF FRANKLIN, OHIO
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2020

	Transportation Fund	E-911 Fund	Court Fund	FEMA Fund	Drug Law Enforcement Fund	Recreation Fund
Assets:						
Equity in Pooled Cash and Cash Equivalents	\$1,018,804	\$41,471	\$812,061	\$0	\$112,966	\$489,296
Materials and Supplies Inventory	159,910	0	0	0	0	0
Intergovernmental Receivable	11,590	80,323	0	32,793	0	1,184
Property Taxes Receivable	0	0	0	0	0	0
Accounts Receivable	6,360	0	0	0	0	0
Special Assessments Receivable	153,085	0	0	0	0	0
Total Assets	\$1,349,749	\$121,794	\$812,061	\$32,793	\$112,966	\$490,480
Liabilities:						
Accounts Payable	\$11,624	\$600	\$0	\$0	\$0	\$3,549
Accrued Wages and Benefits Payable	11,990	2,017	0	0	0	4,011
Intergovernmental Payable	6,869	1,343	0	0	0	2,497
Total Liabilities	30,483	3,960	0	0	0	10,057
Deferred Inflows of Resources:						
Property Taxes	0	0	0	0	0	0
Unavailable Revenue	153,085	80,323	0	32,793	0	0
Total Deferred Inflows of Resources	153,085	80,323	0	32,793	0	0
Fund Balances:						
Nonspendable	159,910	0	0	0	0	0
Restricted	1,006,271	37,511	812,061	0	112,966	0
Committed	0	0	0	0	0	480,423
Unassigned (Deficit)	0	0	0	0	0	0
Total Fund Balances (Deficit)	1,166,181	37,511	812,061	0	112,966	480,423
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$1,349,749	\$121,794	\$812,061	\$32,793	\$112,966	\$490,480

Indigent Drivers Fund	Indigent Drivers Alcohol Monitoring Fund	In-House Monitoring Fund	Street Lighting Fund	Miami Conservancy District Fund	Police and Fire Pension Fund	Total Nonmajor Special Revenue Funds
\$75,579	\$41,997	\$37,952	\$439,100	\$2,422	\$0	\$3,071,648
0	0	0	0	0	0	159,910
0	0	0	0	2,423	6,808	135,121
0	0	0	0	53,042	145,206	198,248
0	0	0	0	0	0	6,360
0	0	0	133,750	0	0	286,835
<u>\$75,579</u>	<u>\$41,997</u>	<u>\$37,952</u>	<u>\$572,850</u>	<u>\$57,887</u>	<u>\$152,014</u>	<u>\$3,858,122</u>
\$0	\$0	\$0	\$0	\$0	\$0	\$15,773
0	0	0	0	0	0	18,018
0	0	0	0	0	48,428	59,137
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>48,428</u>	<u>92,928</u>
0	0	0	0	50,400	138,000	188,400
0	0	0	133,750	5,065	14,014	419,030
<u>0</u>	<u>0</u>	<u>0</u>	<u>133,750</u>	<u>55,465</u>	<u>152,014</u>	<u>607,430</u>
0	0	0	0	0	0	159,910
75,579	41,997	37,952	439,100	2,422	0	2,565,859
0	0	0	0	0	0	480,423
0	0	0	0	0	(48,428)	(48,428)
<u>75,579</u>	<u>41,997</u>	<u>37,952</u>	<u>439,100</u>	<u>2,422</u>	<u>(48,428)</u>	<u>3,157,764</u>
<u>\$75,579</u>	<u>\$41,997</u>	<u>\$37,952</u>	<u>\$572,850</u>	<u>\$57,887</u>	<u>\$152,014</u>	<u>\$3,858,122</u>

CITY OF FRANKLIN, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2020

	Transportation Fund	E-911 Fund	Court Fund	FEMA Fund	Local Coronavirus Relief Fund	Drug Law Enforcement Fund
Revenues:						
Property Taxes	\$0	\$0	\$0	\$0	\$0	\$0
Other Local Taxes	107,422	0	0	0	0	0
Special Assessments	102,659	0	0	0	0	0
Charges for Services	0	0	0	0	0	0
Fines, Licenses and Permits	8,847	0	202,889	0	0	1,251
Intergovernmental	656,143	109,346	0	655,846	875,933	0
Interest	21,704	0	0	0	0	0
Rent	0	0	0	0	0	0
Contributions and Donations	0	0	0	0	0	0
Other	36,551	3,779	0	0	0	0
Total Revenues	933,326	113,125	202,889	655,846	875,933	1,251
Expenditures:						
Current:						
General Government	0	0	171,513	0	0	0
Security of Persons and Property:						
Police	0	95,773	0	0	471,215	6,758
Fire	0	0	0	0	404,718	0
Other	0	0	0	0	0	0
Public Health and Welfare	0	0	0	0	0	135
Leisure Time Activities	0	0	0	0	0	0
Economic Development	0	0	0	0	0	0
Transportation	805,999	0	0	0	0	0
Capital Outlay	158,355	59,022	35,918	0	0	0
Debt Service:						
Principal Retirement	54,931	0	0	0	0	0
Interest and Fiscal Charges	9,501	0	0	0	0	0
Total Expenditures	1,028,786	154,795	207,431	0	875,933	6,893
Excess of Revenues Over (Under) Expenditures	(95,460)	(41,670)	(4,542)	655,846	0	(5,642)
Other Financing Sources (Uses):						
Proceeds from Sale of Capital Assets	0	0	0	0	0	56,514
Transfers In	400,000	0	0	0	0	0
Transfers Out	0	0	0	(655,846)	0	0
Total Other Financing Sources (Uses)	400,000	0	0	(655,846)	0	56,514
Net Change in Fund Balances	304,540	(41,670)	(4,542)	0	0	50,872
Fund Balances (Deficit) at Beginning of Year	861,641	79,181	816,603	0	0	62,094
Fund Balances (Deficit) at End of Year	\$1,166,181	\$37,511	\$812,061	\$0	\$0	\$112,966

Recreation Fund	Indigent Drivers Fund	Indigent Drivers Alcohol Monitoring Fund	In-House Monitoring Fund	Street Lighting Fund	Miami Conservancy District Fund	Police and Fire Pension Fund	Total Nonmajor Special Revenue Funds
\$0	\$0	\$0	\$0	\$0	\$48,456	\$132,154	\$180,610
0	0	0	0	0	0	0	107,422
0	0	0	0	167,042	0	0	269,701
225	0	0	0	0	0	0	225
0	1,193	5,855	7,519	0	0	0	227,554
0	3,279	7,696	0	0	4,825	13,160	2,326,228
0	0	0	0	0	0	0	21,704
2,325	0	0	0	0	0	0	2,325
1,352	0	0	0	0	0	0	1,352
14,553	0	460	0	0	0	0	55,343
<u>18,455</u>	<u>4,472</u>	<u>14,011</u>	<u>7,519</u>	<u>167,042</u>	<u>53,281</u>	<u>145,314</u>	<u>3,192,464</u>
0	0	0	0	0	0	0	171,513
0	0	0	0	0	0	419,064	992,810
0	0	0	0	0	0	253,591	658,309
0	0	0	0	131,259	0	0	131,259
0	0	3,280	0	0	0	0	3,415
256,888	0	0	0	0	0	0	256,888
0	0	0	0	0	56,329	0	56,329
0	0	0	0	0	0	0	805,999
29,001	0	0	0	0	0	0	282,296
0	0	0	0	0	0	2,269	57,200
0	0	0	0	0	0	2,031	11,532
<u>285,889</u>	<u>0</u>	<u>3,280</u>	<u>0</u>	<u>131,259</u>	<u>56,329</u>	<u>676,955</u>	<u>3,427,550</u>
(267,434)	4,472	10,731	7,519	35,783	(3,048)	(531,641)	(235,086)
0	0	0	0	0	0	0	56,514
200,000	0	0	0	300,000	0	533,045	1,433,045
0	0	0	0	0	0	0	(655,846)
<u>200,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>300,000</u>	<u>0</u>	<u>533,045</u>	<u>833,713</u>
(67,434)	4,472	10,731	7,519	335,783	(3,048)	1,404	598,627
547,857	71,107	31,266	30,433	103,317	5,470	(49,832)	2,559,137
<u>\$480,423</u>	<u>\$75,579</u>	<u>\$41,997</u>	<u>\$37,952</u>	<u>\$439,100</u>	<u>\$2,422</u>	<u>(\$48,428)</u>	<u>\$3,157,764</u>

CITY OF FRANKLIN, OHIO
COMBINING BALANCE SHEET
NONMAJOR DEBT SERVICE FUNDS
DECEMBER 31, 2020

	Bond Retirement Fund	Special Assessment Bond Fund	Total Nonmajor Debt Service Funds
	<u> </u>	<u> </u>	<u> </u>
Assets:			
Equity in Pooled Cash and Cash Equivalents	\$37,907	\$200,283	\$238,190
	<u> </u>	<u> </u>	<u> </u>
Liabilities:	\$0	\$0	\$0
	<u> </u>	<u> </u>	<u> </u>
Fund Balances:			
Restricted	0	200,283	200,283
Assigned	37,907	0	37,907
	<u> </u>	<u> </u>	<u> </u>
Total Fund Balances	37,907	200,283	238,190
	<u> </u>	<u> </u>	<u> </u>
Total Liabilities and Fund Balances	\$37,907	\$200,283	\$238,190
	<u> </u>	<u> </u>	<u> </u>

CITY OF FRANKLIN, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR DEBT SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2020

	Bond Retirement Fund	Special Assessment Bond Fund	Total Nonmajor Debt Service Funds
	<u> </u>	<u> </u>	<u> </u>
Revenues:			
Interest	\$0	\$44,076	\$44,076
	<u> </u>	<u> </u>	<u> </u>
Total Revenues	0	44,076	44,076
	<u> </u>	<u> </u>	<u> </u>
Expenditures:			
Debt Service:			
Principal Retirement	455,000	40,000	495,000
Interest and Fiscal Charges	109,924	4,100	114,024
	<u> </u>	<u> </u>	<u> </u>
Total Expenditures	564,924	44,100	609,024
	<u> </u>	<u> </u>	<u> </u>
Excess of Revenues Under Expenditures	(564,924)	(24)	(564,948)
Other Financing Sources:			
Transfers In	540,000	0	540,000
	<u> </u>	<u> </u>	<u> </u>
Net Change in Fund Balances	(24,924)	(24)	(24,948)
Fund Balances at Beginning of Year	62,831	200,307	263,138
	<u> </u>	<u> </u>	<u> </u>
Fund Balances at End of Year	<u>\$37,907</u>	<u>\$200,283</u>	<u>\$238,190</u>

CITY OF FRANKLIN, OHIO
COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
DECEMBER 31, 2020

	<u>ODOT Project Fund</u>	<u>Property Acquisition Fund</u>	<u>Tax Increment Financing Fund</u>
Assets:			
Equity in Pooled Cash and Cash Equivalents	\$53,942	\$672,839	\$83,902
Intergovernmental Receivable	0	0	0
Prepaid Items	<u>0</u>	<u>0</u>	<u>0</u>
Total Assets	<u><u>\$53,942</u></u>	<u><u>\$672,839</u></u>	<u><u>\$83,902</u></u>
Liabilities:			
Accounts Payable	\$0	\$0	\$0
Contracts Payable	<u>37,511</u>	<u>0</u>	<u>0</u>
Total Liabilities	<u>37,511</u>	<u>0</u>	<u>0</u>
Deferred Inflows of Resources:			
Unavailable Revenue	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balances:			
Nonspendable	0	0	0
Restricted	0	0	83,902
Assigned	<u>16,431</u>	<u>672,839</u>	<u>0</u>
Total Fund Balances	<u>16,431</u>	<u>672,839</u>	<u>83,902</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u><u>\$53,942</u></u>	<u><u>\$672,839</u></u>	<u><u>\$83,902</u></u>

Fire and EMS Replacement Fund	Total Nonmajor Capital Projects Funds
\$162,337	\$973,020
4,168	4,168
63,678	63,678
<u>\$230,183</u>	<u>\$1,040,866</u>
\$4,521	\$4,521
0	37,511
<u>4,521</u>	<u>42,032</u>
<u>4,168</u>	<u>4,168</u>
63,678	63,678
0	83,902
157,816	847,086
<u>221,494</u>	<u>994,666</u>
<u>\$230,183</u>	<u>\$1,040,866</u>

CITY OF FRANKLIN, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2020

	ODOT Project Fund	Property Acquisition Fund	Tax Increment Financing Fund
	<u> </u>	<u> </u>	<u> </u>
Revenues:			
Intergovernmental	\$493,577	\$0	\$0
Other	<u>0</u>	<u>0</u>	<u>0</u>
Total Revenues	<u>493,577</u>	<u>0</u>	<u>0</u>
Expenditures:			
Capital Outlay	1,431,642	206,100	0
Debt Service:			
Principal Retirement	0	0	0
Interest and Fiscal Charges	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>1,431,642</u>	<u>206,100</u>	<u>0</u>
Excess of Revenues Under Expenditures	<u>(938,065)</u>	<u>(206,100)</u>	<u>0</u>
Other Financing Sources:			
Transfers In	<u>300,000</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balances	(638,065)	(206,100)	0
Fund Balances at Beginning of Year	<u>654,496</u>	<u>878,939</u>	<u>83,902</u>
Fund Balances at End of Year	<u><u>\$16,431</u></u>	<u><u>\$672,839</u></u>	<u><u>\$83,902</u></u>

Fire and EMS Replacement Fund	Total Nonmajor Capital Projects Funds
\$42,149	\$535,726
<u>4,000</u>	<u>4,000</u>
<u>46,149</u>	<u>539,726</u>
591,577	2,229,319
114,919	114,919
<u>18,366</u>	<u>18,366</u>
<u>724,862</u>	<u>2,362,604</u>
<u>(678,713)</u>	<u>(1,822,878)</u>
<u>574,882</u>	<u>874,882</u>
(103,831)	(947,996)
<u>325,325</u>	<u>1,942,662</u>
<u><u>\$221,494</u></u>	<u><u>\$994,666</u></u>

CITY OF FRANKLIN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2020

	Final Budget	Actual	Variance With Final Budget
Revenues:			
Property Taxes	\$485,000	\$462,181	(\$22,819)
Other Local Taxes	61,941	32,669	(29,272)
Income Taxes	7,582,267	8,479,946	897,679
Charges for Services	251,125	30,032	(221,093)
Fines, Licenses and Permits	656,880	714,989	58,109
Intergovernmental	376,023	466,233	90,210
Interest	141,578	191,538	49,960
Other	74,859	325,139	250,280
Total Revenues	9,629,673	10,702,727	1,073,054
Expenditures:			
Current:			
General Government			
Clerk and Council			
Personal Services	181,643	162,951	18,692
Other	118,659	52,123	66,536
Total Clerk and Council	300,302	215,074	85,228
Municipal Court			
Personal Services	706,401	656,986	49,415
Other	250,808	174,808	76,000
Total Municipal Court	957,209	831,794	125,415
Probation			
Personal Services	254,069	236,136	17,933
Other	14,050	6,587	7,463
Total Probation	268,119	242,723	25,396
Mayor's and Administrative Office			
Personal Services	349,640	331,286	18,354
Other	12,201	5,403	6,798
Total Mayor's and Administrative Office	\$361,841	\$336,689	\$25,152

(Continued)

CITY OF FRANKLIN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2020
(Continued)

	Final Budget	Actual	Variance With Final Budget
Clerk Treasurer			
Personal Services	\$743,479	\$360,055	\$383,424
Other	112,326	55,593	56,733
Total Clerk Treasurer	855,805	415,648	440,157
Income Tax Administration			
Personal Services	175,373	139,486	35,887
Other	272,714	231,957	40,757
Total Income Tax Administration	448,087	371,443	76,644
Solicitor			
Personal Services	36,776	35,572	1,204
Other	264,739	112,301	152,438
Total Solicitor	301,515	147,873	153,642
Civil Service Commission			
Personal Services	11,856	6,600	5,256
Other	600	0	600
Total Civil Service Commission	12,456	6,600	5,856
Planning Commission			
Other	9,200	7,534	1,666
Building and Grounds			
Personal Services	59,048	52,964	6,084
Other	162,530	95,621	66,909
Total Building and Grounds	221,578	148,585	72,993
Special Appropriations			
Other	311,200	236,415	74,785
Economic Development			
Personal Services	\$29,000	\$5,769	\$23,231
Other	24,000	8,610	15,390
Total General Government	\$4,100,312	\$2,974,757	\$1,125,555

(Continued)

CITY OF FRANKLIN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2020
(Continued)

	Final Budget	Actual	Variance With Final Budget
Security of Persons and Property:			
Police Law Enforcement			
Personal Services	\$3,640,006	\$2,708,413	\$931,593
Other	549,858	434,809	115,049
Total Police Law Enforcement	<u>4,189,864</u>	<u>3,143,222</u>	<u>1,046,642</u>
Other			
Personal Services	139,043	127,329	11,714
Other	108,448	45,876	62,572
Total Other	<u>247,491</u>	<u>173,205</u>	<u>74,286</u>
Total Security of Persons and Property	<u>4,437,355</u>	<u>3,316,427</u>	<u>1,120,928</u>
Leisure Time Activities:			
Joint Recreation			
Personal Services	76,711	12,726	63,985
Other	526	0	526
Total Leisure Time Activities	<u>77,237</u>	<u>12,726</u>	<u>64,511</u>
Capital Outlay	<u>879,227</u>	<u>501,381</u>	<u>377,846</u>
Total Expenditures	<u>9,494,131</u>	<u>6,805,291</u>	<u>2,688,840</u>
Excess of Revenues Over Expenditures	<u>135,542</u>	<u>3,897,436</u>	<u>3,761,894</u>
Other Financing Sources (Uses):			
Proceeds From Sale of Capital Assets	1,000	21,914	20,914
Advances In	1,000,000	400,000	(600,000)
Advances Out	(1,000,000)	(900,000)	100,000
Transfers In	105,085	55,000	(50,085)
Transfers Out	(3,433,185)	(2,866,221)	566,964
Total Other Financing Sources (Uses)	<u>(3,327,100)</u>	<u>(3,289,307)</u>	<u>37,793</u>
Net Change in Fund Balance	(3,191,558)	608,129	3,799,687
Fund Balance at Beginning of Year	8,942,855	8,942,855	0
Prior Year Encumbrances Appropriated	<u>234,918</u>	<u>234,918</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$5,986,215</u></u>	<u><u>\$9,785,902</u></u>	<u><u>\$3,799,687</u></u>

CITY OF FRANKLIN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)
FIRE LEVY FUND
FOR THE YEAR ENDED DECEMBER 31, 2020

	Final Budget	Actual	Variance With Final Budget
Revenues:			
Property Taxes	\$1,367,500	\$1,305,070	(\$62,430)
Charges for Services	196,114	364,650	168,536
Intergovernmental	17,443	131,512	114,069
Other	18,032	108,273	90,241
Total Revenues	<u>1,599,089</u>	<u>1,909,505</u>	<u>310,416</u>
Expenditures:			
Current:			
Security of Persons and Property			
Fire			
Personal Services	2,665,754	1,580,819	1,084,935
Other	646,377	425,229	221,148
Total Expenditures	<u>3,312,131</u>	<u>2,006,048</u>	<u>1,306,083</u>
Excess of Revenues Under Expenditures	<u>(1,713,042)</u>	<u>(96,543)</u>	<u>1,616,499</u>
Other Financing Sources (Uses):			
Transfers In	646,411	430,964	(215,447)
Transfers Out	(543,000)	(264,824)	278,176
Total Other Financing Sources (Uses)	<u>103,411</u>	<u>166,140</u>	<u>62,729</u>
Net Change in Fund Balance	(1,609,631)	69,597	1,679,228
Fund Balance at Beginning of Year	2,162,939	2,162,939	0
Prior Year Encumbrances Appropriated	8,191	8,191	0
Fund Balance at End of Year	<u><u>\$561,499</u></u>	<u><u>\$2,240,727</u></u>	<u><u>\$1,679,228</u></u>

CITY OF FRANKLIN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)
ISSUE TWO FUND
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
Revenues:			
Intergovernmental	<u>\$729,000</u>	<u>\$450,078</u>	<u>(\$278,922)</u>
Total Revenues	729,000	450,078	(278,922)
Expenditures:			
Capital Outlay	<u>2,263,000</u>	<u>2,237,544</u>	<u>25,456</u>
Total Expenditures	2,263,000	2,237,544	25,456
Excess of Revenues Under Expenditures	(1,534,000)	(1,787,466)	(253,466)
Other Financing Sources:			
Advances In	100,000	500,000	(500,000)
Transfers In	<u>319,000</u>	<u>648,000</u>	<u>329,000</u>
Net Change in Fund Balance	(1,115,000)	(639,466)	(424,466)
Fund Balance at Beginning of Year	<u>1,421,554</u>	<u>1,421,554</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$306,554</u></u>	<u><u>\$782,088</u></u>	<u><u>(\$424,466)</u></u>

CITY OF FRANKLIN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)
F.C. DIAL TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
Revenues:			
Other	\$0	\$550,000	\$550,000
Expenditures:	<u>0</u>	<u>0</u>	<u>0</u>
Excess of Revenues Over (Under) Expenditures	<u>0</u>	<u>550,000</u>	<u>550,000</u>
Net Change in Fund Balance	0	550,000	550,000
Fund Balance at Beginning of Year	<u>20,510</u>	<u>20,510</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$20,510</u></u>	<u><u>\$570,510</u></u>	<u><u>\$550,000</u></u>

CITY OF FRANKLIN, OHIO
SCHEDULE OF REVENUES, EXPENSES AND CHANGES
IN FUND EQUITY - BUDGET AND ACTUAL (BUDGET BASIS)
WATER FUND
FOR THE YEAR ENDED DECEMBER 31, 2020

	Final Budget	Actual	Variance With Final Budget
Revenues:			
Charges for Services	\$2,513,500	\$2,500,906	(\$12,594)
Deposits Received	22,000	15,900	(6,100)
Other	23,000	46,688	23,688
Total Revenues	<u>2,558,500</u>	<u>2,563,494</u>	<u>4,994</u>
Expenses:			
Personal Services	792,421	732,829	59,592
Contractual Services	484,056	351,066	132,990
Supplies and Materials	242,298	179,279	63,019
Other	152,131	23,978	128,153
Deposit Refunds	23,000	17,500	5,500
Capital Outlay	447,744	349,313	98,431
Debt Service:			
Principal Retirement	560,321	548,603	11,718
Interest and Fiscal Charges	100,679	67,339	33,340
Total Expenses	<u>2,802,650</u>	<u>2,269,907</u>	<u>532,743</u>
Excess of Revenues Over (Under) Expenses Before Transfers	(244,150)	293,587	537,737
Transfers In	250,000	0	(250,000)
Transfers Out	<u>(375,000)</u>	<u>(125,000)</u>	<u>250,000</u>
Net Change in Fund Equity	(369,150)	168,587	537,737
Fund Equity at Beginning of Year	2,036,711	2,036,711	0
Prior Year Encumbrances Appropriated	<u>7,918</u>	<u>7,918</u>	<u>0</u>
Fund Equity at End of Year	<u><u>\$1,675,479</u></u>	<u><u>\$2,213,216</u></u>	<u><u>\$537,737</u></u>

CITY OF FRANKLIN, OHIO
SCHEDULE OF REVENUES, EXPENSES AND CHANGES
IN FUND EQUITY - BUDGET AND ACTUAL (BUDGET BASIS)
SEWER FUND
FOR THE YEAR ENDED DECEMBER 31, 2020

	Final Budget	Actual	Variance With Final Budget
Revenues:			
Charges for Services	\$2,575,500	\$2,739,314	\$163,814
Deposits Received	22,500	13,500	(9,000)
Other	13,000	56,817	43,817
Total Revenues	<u>2,611,000</u>	<u>2,809,631</u>	<u>198,631</u>
Expenses:			
Personal Services	497,554	431,620	65,934
Contractual Services	2,079,952	2,035,257	44,695
Supplies and Materials	38,050	22,632	15,418
Deposit Refunds	23,000	15,100	7,900
Other	149,858	1,769	148,089
Capital Outlay	41,023	41,023	0
Total Expenses	<u>2,829,437</u>	<u>2,547,401</u>	<u>282,036</u>
Excess of Revenues Over (Under) Expenses Before Transfers	(218,437)	262,230	480,667
Transfers Out	<u>(389,000)</u>	<u>(70,000)</u>	<u>319,000</u>
Net Change in Fund Equity	(607,437)	192,230	799,667
Fund Equity at Beginning of Year	1,027,738	1,027,738	0
Prior Year Encumbrances Appropriated	<u>13,217</u>	<u>13,217</u>	<u>0</u>
Fund Equity at End of Year	<u><u>\$433,518</u></u>	<u><u>\$1,233,185</u></u>	<u><u>\$799,667</u></u>

CITY OF FRANKLIN, OHIO
SCHEDULE OF REVENUES, EXPENSES AND CHANGES
IN FUND EQUITY - BUDGET AND ACTUAL (BUDGET BASIS)
TRASH FUND
FOR THE YEAR ENDED DECEMBER 31, 2020

	Final Budget	Actual	Variance With Final Budget
Revenues:			
Charges for Services	\$835,000	\$868,641	\$33,641
Other	500	2,125	1,625
Total Revenues	<u>835,500</u>	<u>870,766</u>	<u>35,266</u>
Expenses:			
Personal Services	61,788	42,636	19,152
Contractual Services	819,205	787,371	31,834
Supplies and Materials	3,155	1,884	1,271
Other	51,128	1,923	49,205
Total Expenses	<u>935,276</u>	<u>833,814</u>	<u>101,462</u>
Net Change in Fund Equity	(99,776)	36,952	136,728
Fund Equity at Beginning of Year	198,142	198,142	0
Prior Year Encumbrances Appropriated	<u>55</u>	<u>55</u>	<u>0</u>
Fund Equity at End of Year	<u><u>\$98,421</u></u>	<u><u>\$235,149</u></u>	<u><u>\$136,728</u></u>

CITY OF FRANKLIN, OHIO
SCHEDULE OF REVENUES, EXPENSES AND CHANGES
IN FUND EQUITY - BUDGET AND ACTUAL (BUDGET BASIS)
STORMWATER UTILITY FUND
FOR THE YEAR ENDED DECEMBER 31, 2020

	Final Budget	Actual	Variance With Final Budget
Revenues:			
Charges for Services	\$547,102	\$601,281	\$54,179
Intergovernmental	33,198	0	(33,198)
Other	600	114,187	113,587
	<u>580,900</u>	<u>715,468</u>	<u>134,568</u>
Total Revenues			
Expenses:			
Personal Services	390,627	296,225	94,402
Contractual Services	66,352	66,237	115
Supplies and Materials	5,010	4,933	77
Other	19	4	15
Capital Outlay	189,611	189,608	3
	<u>651,619</u>	<u>557,007</u>	<u>94,612</u>
Total Expenses			
Net Change in Fund Equity	(70,719)	158,461	229,180
Fund Equity at Beginning of Year	454,701	454,701	0
Prior Year Encumbrances Appropriated	69,612	69,612	0
	<u>454,701</u>	<u>454,701</u>	<u>0</u>
Fund Equity at End of Year	<u>\$453,594</u>	<u>\$682,774</u>	<u>\$229,180</u>

CITY OF FRANKLIN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)
TRANSPORTATION FUND
FOR THE YEAR ENDED DECEMBER 31, 2020

	Final Budget	Actual	Variance With Final Budget
Revenues:			
Other Local Taxes	\$75,398	\$99,457	\$24,059
Special Assessments	23,354	102,659	79,305
Fines, Licenses and Permits	8,007	2,502	(5,505)
Intergovernmental	575,501	722,720	147,219
Interest	6,072	21,704	15,632
Other	1,468	34,902	33,434
Total Revenues	<u>689,800</u>	<u>983,944</u>	<u>294,144</u>
Expenditures:			
Current:			
Transportation			
Street Maintenance and Repair			
Personal Services	599,823	538,260	61,563
Other	477,061	291,155	185,906
Total Street Maintenance and Repair	<u>1,076,884</u>	<u>829,415</u>	<u>247,469</u>
State Highway Maintenance			
Other	32,000	23,403	8,597
Capital Outlay			
Other	361,578	230,419	131,159
Total Expenditures	<u>1,470,462</u>	<u>1,083,237</u>	<u>387,225</u>
Excess of Revenues Under Expenditures	(780,662)	(99,293)	681,369
Other Financing Sources:			
Transfers In	700,000	400,000	(300,000)
Net Change in Fund Balance	(80,662)	300,707	381,369
Fund Balance at Beginning of Year	684,604	684,604	0
Prior Year Encumbrances Appropriated	15,487	15,487	0
Fund Balance at End of Year	<u><u>\$619,429</u></u>	<u><u>\$1,000,798</u></u>	<u><u>\$381,369</u></u>

CITY OF FRANKLIN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)
E-911 FUND
FOR THE YEAR ENDED DECEMBER 31, 2020

	Final Budget	Actual	Variance With Final Budget
Revenues:			
Intergovernmental	\$108,800	\$109,346	\$546
Other	200	3,812	3,612
	<u>109,000</u>	<u>113,158</u>	<u>4,158</u>
Total Revenues			
Expenditures:			
Current:			
Police Law Enforcement			
Personal Services	97,524	90,735	6,789
Other	6,200	6,148	52
	<u>59,025</u>	<u>59,022</u>	<u>3</u>
Capital Outlay			
Other	59,025	59,022	3
	<u>162,749</u>	<u>155,905</u>	<u>6,844</u>
Total Expenditures			
Net Change in Fund Balance	(53,749)	(42,747)	11,002
Fund Balance at Beginning of Year	82,211	82,211	0
Prior Year Encumbrances Appropriated	84	84	0
	<u>82,295</u>	<u>82,295</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$28,546</u></u>	<u><u>\$39,548</u></u>	<u><u>\$11,002</u></u>

CITY OF FRANKLIN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)
COURT FUND
FOR THE YEAR ENDED DECEMBER 31, 2020

	Final Budget	Actual	Variance With Final Budget
Revenues:			
Fines, Licenses and Permits	\$200,100	\$212,483	\$12,383
Expenditures:			
Current:			
General Government			
Municipal Court			
Personal Services	83,928	83,391	537
Other	246,227	91,820	154,407
Total General Government	330,155	175,211	154,944
Capital Outlay	72,000	66,518	5,482
Total Expenditures	402,155	241,729	160,426
Net Change in Fund Balance	(202,055)	(29,246)	172,809
Fund Balance at Beginning of Year	799,663	799,663	0
Fund Balance at End of Year	\$597,608	\$770,417	\$172,809

CITY OF FRANKLIN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)
FEMA FUND
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
Revenues:			
Intergovernmental	\$678,406	\$655,846	(\$22,560)
Expenditures:	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balance	678,406	655,846	(22,560)
Fund Balance at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$678,406</u></u>	<u><u>\$655,846</u></u>	<u><u>(\$22,560)</u></u>

CITY OF FRANKLIN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)
LOCAL CORONAVIRUS RELIEF FUND
FOR THE YEAR ENDED DECEMBER 31, 2020

	Final Budget	Actual	Variance With Final Budget
Revenues:			
Intergovernmental	\$875,933	\$875,933	\$0
Expenditures:			
Current:			
Security of Persons and Property			
Police Law Enforcement			
Personal Services	471,215	471,215	0
Fire Department			
Personal Services	404,718	404,718	0
Expenditures	875,933	875,933	0
Net Change in Fund Balance	0	0	0
Fund Balance at Beginning of Year	0	0	0
Fund Balance at End of Year	\$0	\$0	\$0

CITY OF FRANKLIN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)
DRUG LAW ENFORCEMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2020

	Final Budget	Actual	Variance With Final Budget
Revenues:			
Fines, Licenses and Permits	\$2,950	\$1,276	(\$1,674)
Other	48,550	0	(48,550)
Total Revenues	<u>51,500</u>	<u>1,276</u>	<u>(50,224)</u>
Expenditures:			
Current:			
Security of Persons and Property			
Police Law Enforcement			
Other	20,500	6,758	13,742
Public Health and Welfare			
Other	3,000	322	2,678
Capital Outlay			
Other	16,000	0	16,000
Total Expenditures	<u>39,500</u>	<u>7,080</u>	<u>32,420</u>
Excess of Revenues Over (Under) Expenditures	12,000	(5,804)	(17,804)
Other Financing Sources:			
Proceeds from Sale of Capital Assets	6,000	56,514	50,514
Net Change in Fund Balance	18,000	50,710	32,710
Fund Balance at Beginning of Year	<u>62,256</u>	<u>62,256</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$80,256</u></u>	<u><u>\$112,966</u></u>	<u><u>\$32,710</u></u>

CITY OF FRANKLIN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)
RECREATION FUND
FOR THE YEAR ENDED DECEMBER 31, 2020

	Final Budget	Actual	Variance With Final Budget
Revenues:			
Charges for Services	\$2,706	\$225	(\$2,481)
Intergovernmental	63,233	0	(63,233)
Rent	833	2,325	1,492
Contributions and Donations	479	1,352	873
Other	520	13,445	\$12,925
Total Revenues	<u>67,771</u>	<u>17,347</u>	<u>(50,424)</u>
Expenditures:			
Current:			
Leisure Time Activities			
Recreation Program			
Personal Services	251,063	182,708	68,355
Other	201,408	90,031	111,377
Total Leisure Time Activities	452,471	272,739	179,732
Capital Outlay	129,001	29,001	100,000
Total Expenditures	<u>581,472</u>	<u>301,740</u>	<u>279,732</u>
Excess of Revenues Under Expenditures	(513,701)	(284,393)	229,308
Other Financing Sources:			
Transfers In	154,029	200,000	45,971
Net Change in Fund Balance	(359,672)	(84,393)	275,279
Fund Balance at Beginning of Year	569,820	569,820	0
Prior Year Encumbrances Appropriated	82	82	0
Fund Balance at End of Year	<u>\$210,230</u>	<u>\$485,509</u>	<u>\$275,279</u>

CITY OF FRANKLIN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)
INDIGENT DRIVERS FUND
FOR THE YEAR ENDED DECEMBER 31, 2020

	Final Budget	Actual	Variance With Final Budget
Revenues:			
Fines, Licenses and Permits	\$1,100	\$1,418	\$318
Intergovernmental	3,900	3,279	(621)
	<u>5,000</u>	<u>4,697</u>	<u>(303)</u>
Total Revenues	5,000	4,697	(303)
Expenditures:			
Current:			
Public Health and Welfare			
Other	7,000	0	7,000
	<u>7,000</u>	<u>0</u>	<u>7,000</u>
Net Change in Fund Balance	(2,000)	4,697	6,697
Fund Balance at Beginning of Year	<u>70,857</u>	<u>70,857</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$68,857</u></u>	<u><u>\$75,554</u></u>	<u><u>\$6,697</u></u>

CITY OF FRANKLIN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)
INDIGENT DRIVERS ALCOHOL MONITORING FUND
FOR THE YEAR ENDED DECEMBER 31, 2020

	Final Budget	Actual	Variance With Final Budget
Revenues:			
Fines, Licenses and Permits	\$9,000	\$6,071	(\$2,929)
Intergovernmental	6,500	7,696	1,196
Other	500	460	(40)
	<u>16,000</u>	<u>14,227</u>	<u>(1,773)</u>
Total Revenues	16,000	14,227	(1,773)
Expenditures:			
Current:			
Public Health and Welfare			
Other	20,250	3,718	16,532
	<u>20,250</u>	<u>3,718</u>	<u>16,532</u>
Net Change in Fund Balance	(4,250)	10,509	14,759
Fund Balance at Beginning of Year	31,111	31,111	0
	<u>31,111</u>	<u>31,111</u>	<u>0</u>
Fund Balance at End of Year	<u>\$26,861</u>	<u>\$41,620</u>	<u>\$14,759</u>

CITY OF FRANKLIN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)
IN-HOUSE MONITORING FUND
FOR THE YEAR ENDED DECEMBER 31, 2020

	Final Budget	Actual	Variance With Final Budget
Revenues:			
Fines, Licenses and Permits	\$7,000	\$7,841	\$841
Expenditures:			
Current:			
General Government			
Municipal Court			
Other	7,000	0	7,000
Net Change in Fund Balance	0	7,841	7,841
Fund Balance at Beginning of Year	29,777	29,777	0
Fund Balance at End of Year	<u>\$29,777</u>	<u>\$37,618</u>	<u>\$7,841</u>

CITY OF FRANKLIN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)
STREET LIGHTING FUND
FOR THE YEAR ENDED DECEMBER 31, 2020

	Final Budget	Actual	Variance With Final Budget
Revenues:			
Special Assessments	\$451,900	\$167,042	(\$284,858)
Expenditures:			
Current:			
Security of Persons and Property			
Street Lighting			
Other	170,000	143,158	26,842
Excess of Revenues Over Expenditures	281,900	23,884	(258,016)
Other Financing Sources:			
Transfers In	3,100	300,000	296,900
Net Change in Fund Balance	285,000	323,884	38,884
Fund Balance at Beginning of Year	115,216	115,216	0
Fund Balance at End of Year	<u>\$400,216</u>	<u>\$439,100</u>	<u>\$38,884</u>

CITY OF FRANKLIN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)
MIAMI CONSERVANCY DISTRICT FUND
FOR THE YEAR ENDED DECEMBER 31, 2020

	Final Budget	Actual	Variance With Final Budget
Revenues:			
Property Taxes	\$43,000	\$48,456	\$5,456
Intergovernmental	7,900	4,825	(3,075)
Total Revenues	50,900	53,281	2,381
Expenditures:			
Current:			
Economic Development			
Other	59,650	56,329	3,321
Excess of Revenues Under Expenditures	(8,750)	(3,048)	5,702
Other Financing Sources:			
Transfers In	11,000	0	(11,000)
Net Change in Fund Balance	2,250	(3,048)	(5,298)
Fund Balance at Beginning of Year	5,470	5,470	0
Fund Balance at End of Year	\$7,720	\$2,422	(\$5,298)

CITY OF FRANKLIN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)
POLICE AND FIRE PENSION FUND
FOR THE YEAR ENDED DECEMBER 31, 2020

	Final Budget	Actual	Variance With Final Budget
Revenues:			
Property Taxes	\$126,000	\$132,154	\$6,154
Intergovernmental	74,656	13,160	(61,496)
Total Revenues	<u>200,656</u>	<u>145,314</u>	<u>(55,342)</u>
Expenditures:			
Current:			
Security of Persons and Property			
Police Law Enforcement			
Personal Services	444,489	437,157	7,332
Other	1,000	810	190
Total Police Law Enforcement	<u>445,489</u>	<u>437,967</u>	<u>7,522</u>
Fire Department			
Personal Services			0
Personal Services	260,011	235,282	24,729
Other	1,000	810	190
Total Fire Department	<u>261,011</u>	<u>236,092</u>	<u>24,919</u>
Total Security of Persons and Property	<u>706,500</u>	<u>674,059</u>	<u>32,441</u>
Debt Service:			
Principal Retirement	2,269	2,269	0
Interest and Fiscal Charges	2,031	2,031	0
Total Debt Service	<u>4,300</u>	<u>4,300</u>	<u>0</u>
Total Expenditures	<u>710,800</u>	<u>678,359</u>	<u>32,441</u>
Excess of Revenues Under Expenditures	(510,144)	(533,045)	(22,901)
Other Financing Sources:			
Transfers In	572,000	533,045	(38,955)
Net Change in Fund Balance	61,856	0	(61,856)
Fund Balance at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$61,856</u></u>	<u><u>\$0</u></u>	<u><u>(\$61,856)</u></u>

CITY OF FRANKLIN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)
BOND RETIREMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2020

	Final Budget	Actual	Variance With Final Budget
Revenues:	\$0	\$0	\$0
Expenditures:			
Debt Service:			
Principal Retirement	455,000	455,000	0
Interest and Fiscal Charges	112,000	109,924	2,076
Total Expenditures	567,000	564,924	2,076
Excess of Revenues Under Expenditures	(567,000)	(564,924)	2,076
Other Financing Sources:			
Transfers In	540,000	540,000	0
Net Change in Fund Balance	(27,000)	(24,924)	2,076
Fund Balance at Beginning of Year	62,831	62,831	0
Fund Balance at End of Year	<u>\$35,831</u>	<u>\$37,907</u>	<u>\$2,076</u>

CITY OF FRANKLIN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)
SPECIAL ASSESSMENT BOND FUND
FOR THE YEAR ENDED DECEMBER 31, 2020

	Final Budget	Actual	Variance With Final Budget
Revenues:			
Special Assessments	\$47,000	\$44,076	(\$2,924)
Expenditures:			
Debt Service:			
Principal Retirement	40,000	40,000	0
Interest and Fiscal Charges	10,000	4,100	5,900
Total Expenditures	50,000	44,100	5,900
Net Change in Fund Balance	(3,000)	(24)	2,976
Fund Balance at Beginning of Year	200,307	200,307	0
Fund Balance at End of Year	\$197,307	\$200,283	\$2,976

CITY OF FRANKLIN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)
ODOT PROJECT FUND
FOR THE YEAR ENDED DECEMBER 31, 2020

	Final Budget	Actual	Variance With Final Budget
Revenues:			
Intergovernmental	\$10,000	\$10,704	\$704
Expenditures:			
Capital Outlay	994,208	976,286	17,922
Excess of Revenues Under Expenditures	(984,208)	(965,582)	18,626
Other Financing Sources:			
Transfers In	300,000	300,000	0
Net Change in Fund Balance	(684,208)	(665,582)	18,626
Fund Balance at Beginning of Year	613,697	613,697	0
Prior Year Encumbrances Appropriated	74,208	74,208	0
Fund Balance at End of Year	<u>\$3,697</u>	<u>\$22,323</u>	<u>\$18,626</u>

CITY OF FRANKLIN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)
PROPERTY ACQUISITION FUND
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
Revenues:	\$0	\$0	\$0
Expenditures:			
Capital Outlay	<u>400,000</u>	<u>236,100</u>	<u>163,900</u>
Net Change in Fund Balance	(400,000)	(236,100)	163,900
Fund Balance at Beginning of Year	<u>878,939</u>	<u>878,939</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$478,939</u></u>	<u><u>\$642,839</u></u>	<u><u>\$163,900</u></u>

CITY OF FRANKLIN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)
FIRE AND EMS REPLACEMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2020

	Final Budget	Actual	Variance With Final Budget
	<u> </u>	<u> </u>	<u> </u>
Revenues:			
Intergovernmental	\$470,370	\$42,149	(\$428,221)
Contributions and Donations	18,815	0	(\$18,815)
Other	18,815	4,000	(14,815)
	<u> </u>	<u> </u>	<u> </u>
Total Revenues	508,000	46,149	(461,851)
Expenditures:			
Capital Outlay	1,011,132	788,669	222,463
	<u> </u>	<u> </u>	<u> </u>
Excess of Revenues Under Expenditures	(503,132)	(742,520)	(239,388)
Other Financing Sources (Uses):			
Advances In	0	400,000	400,000
Advances Out	(400,000)	(400,000)	0
Transfers In	647,147	574,882	(72,265)
	<u> </u>	<u> </u>	<u> </u>
Total Other Financing Sources (Uses)	247,147	574,882	327,735
Net Change in Fund Balance	(255,985)	(167,638)	88,347
Fund Balance at Beginning of Year	325,325	325,325	0
	<u> </u>	<u> </u>	<u> </u>
Fund Balance at End of Year	<u>\$69,340</u>	<u>\$157,687</u>	<u>\$88,347</u>

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Statistical Section

STATISTICAL TABLES

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

<u>CONTENTS</u>	<u>PAGES</u>
Financial Trends	144-155
These schedules contain trend information to help the reader understand how the City’s financial performance and well-being have changed over time.	
Revenue Capacity	156-157
These schedules contain information to help the reader assess the City’s most significant local revenue source, the income tax.	
Debt Capacity	158-164
These schedules present information to help the reader assess the affordability of the City’s current levels of outstanding debt and the City’s ability to issue additional debt in the future.	
Demographic and Economic Information	165-167
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City’s financial activities take place.	
Operating Information	168-173
These schedules contain service and infrastructure data to help the reader understand how the information in the City’s financial report relates to the services the City provides and the activities it performs.	

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

City of Franklin, Ohio
Net Position by Component
Last Ten Years
(accrual basis of accounting)

	2011	2012	2013	2014
Governmental Activities:				
Net Investment in Capital Assets	\$39,349,974	\$39,750,554	\$39,365,157	\$39,594,071
Restricted For:				
Debt Service	1,593,584	1,349,506	1,061,246	751,216
Capital Outlay	1,165,427	1,766,673	1,049,228	1,584,069
Fire Protection	494,090	302,684	561,889	988,131
Transportation	1,050,712	1,140,087	1,140,136	1,209,777
Other Purposes	621,613	668,427	662,162	745,528
Leisure Time Activities Expendable	266,190	247,845	127,025	335,947
Leisure Time Activities Nonexpendable	1,126,400	1,162,406	1,391,796	1,506,708
Unrestricted	4,464,786	6,426,853	8,128,201	1,358,946
<i>Total Governmental Activities Net Position</i>	<u>50,132,776</u>	<u>52,815,035</u>	<u>53,486,840</u>	<u>48,074,393</u>
Business-Type Activities:				
Net Investment in Capital Assets	16,772,997	16,862,816	17,650,787	17,408,300
Restricted For:				
Debt Service	615,677	617,060	617,111	570,861
Revenue Bonds Replacement and Improvement	262,630	277,630	377,630	477,630
Unrestricted	3,042,701	3,026,717	2,342,465	1,989,846
<i>Total Business-Type Activities</i>	<u>20,694,005</u>	<u>20,784,223</u>	<u>20,987,993</u>	<u>20,446,637</u>
Primary Government:				
Net Investment in Capital Assets	56,122,971	56,613,370	57,015,944	57,002,371
Restricted	7,196,323	7,532,318	6,988,223	8,169,867
Unrestricted	7,507,487	9,453,570	10,470,666	3,348,792
<i>Total Primary Government Net Position</i>	<u>\$70,826,781</u>	<u>\$73,599,258</u>	<u>\$74,474,833</u>	<u>\$68,521,030</u>

Note: The City reported the impact of GASB Statement No. 68 in 2014.

Note: The City reported the impact of GASB Statement No. 75 in 2017.

Note: The City reported the impact of GASB Statement No. 84 in 2018.

Note: The City reported the impact of GASB Statement No. 83 in 2019.

2015	2016	2017	2018	2019	2020
\$39,854,845	\$40,191,340	\$40,644,424	\$40,444,418	\$39,420,795	\$40,220,125
466,684	194,323	216,697	182,708	190,980	192,643
1,512,898	1,906,135	1,844,814	111,347	1,522,548	1,722,519
1,521,593	1,970,539	2,409,448	2,015,999	1,949,802	2,195,965
1,111,673	1,108,766	1,063,412	1,068,768	1,243,670	1,252,862
870,216	910,172	1,014,447	1,204,907	1,287,985	1,731,894
363,454	605,177	537,849	576,322	1,782,254	2,316,468
1,360,832	1,279,396	1,403,446	1,336,270	832,501	630,900
1,240,722	997,246	(4,502,499)	(2,746,063)	1,585,507	829,890
48,302,917	49,163,094	44,632,038	44,194,676	49,816,042	51,093,266
18,014,569	18,125,979	18,407,077	18,631,808	19,718,072	19,393,755
586,603	590,651	586,318	561,753	470,642	459,079
577,630	677,630	927,630	1,177,630	238,045	151,008
2,327,024	2,833,316	1,857,291	1,478,299	1,670,554	2,309,899
21,505,826	22,227,576	21,778,316	21,849,490	22,097,313	22,313,741
57,869,414	58,317,319	59,051,501	59,076,226	59,138,867	59,613,880
8,371,583	9,242,789	10,004,061	8,235,704	9,518,427	10,653,338
3,567,746	3,830,562	(2,645,208)	(1,267,764)	3,256,061	3,139,789
\$69,808,743	\$71,390,670	\$66,410,354	\$66,044,166	\$71,913,355	\$73,407,007

City of Franklin, Ohio
Changes in Net Position
Last Ten Years
(accrual basis of accounting)

	2011	2012	2013	2014
Program Revenues:				
Charges for Services and Sales:				
General Government	\$672,936	\$794,169	\$289,851	\$532,555
Security of Persons and Property:				
Police	18,541	8,787	388,207	440,377
Fire	69,060	50,253	348,778	548,905
Other	131,211	137,793	140,549	144,766
Public Health and Welfare	4,884	12,026	9,496	11,847
Leisure Time Activities	0	0	0	0
Transportation	765	663	1,256	1,764
Operating Grants, Contributions and Interest	1,082,600	848,632	1,030,371	1,024,216
Capital Grants, Contributions and Interest	1,076,702	796,103	124,668	331,344
<i>Total Governmental Activities Program Revenues</i>	<u>3,056,699</u>	<u>2,648,426</u>	<u>2,333,176</u>	<u>3,035,774</u>
Business-Type Activities:				
Charges for Services:				
Water	2,609,827	2,509,825	2,527,385	2,566,139
Sewer	3,198,842	2,510,827	2,403,048	2,474,765
Trash	711,350	736,048	746,766	762,790
Stormwater Utility	496,374	470,519	455,305	484,006
Operating Grants, Contributions and Interest	0	0	105,072	0
Capital Grants, Contributions and Interest	0	0	0	0
<i>Total Business-Type Activities Program Revenues</i>	<u>7,016,393</u>	<u>6,227,219</u>	<u>6,237,576</u>	<u>6,287,700</u>
<i>Total Primary Government Program Revenues</i>	<u>10,073,092</u>	<u>8,875,645</u>	<u>8,570,752</u>	<u>9,323,474</u>
Expenses:				
Governmental Activities:				
Current:				
General Government	1,965,549	2,474,033	2,421,208	2,474,594
Security of Persons and Property	5,277,083	5,660,608	6,173,685	6,301,359
Public Health and Welfare	13,361	8,567	11,250	27,356
Leisure Time Activities	321,029	326,993	316,393	339,652
Economic Development	43,926	44,414	51,449	51,449
Basic Utility Services	101,873	101,875	97,090	105,532
Transportation	3,154,060	2,225,466	3,524,995	1,866,068
Interest and Fiscal Charges	460,542	329,589	279,948	258,996
<i>Total Governmental Activities Expenses</i>	<u>11,337,423</u>	<u>11,171,545</u>	<u>12,876,018</u>	<u>11,425,006</u>
Business-Type Activities:				
Water	2,115,087	1,935,129	1,924,148	1,989,322
Sewer	2,907,671	2,576,395	2,522,418	2,484,895
Trash	731,408	712,050	811,545	852,135
Stormwater Utility	664,908	791,053	656,697	777,287
<i>Total Business-Type Activities Expenses</i>	<u>6,419,074</u>	<u>6,014,627</u>	<u>5,914,808</u>	<u>6,103,639</u>
Net (Expense)/Revenue:				
Governmental Activities	(8,280,724)	(8,523,119)	(10,542,842)	(8,389,232)
Business-Type Activities	597,319	212,592	322,768	184,061
<i>Total Primary Government Net Expense</i>	<u>(\$7,683,405)</u>	<u>(\$8,310,527)</u>	<u>(\$10,220,074)</u>	<u>(\$8,205,171)</u>

2015 (1)	2016	2017	2018 (2)	2019 (3)	2020 (4)
\$464,392	\$827,299	\$816,288	\$884,730	\$510,062	\$389,335
428,749	366,674	533,566	610,393	633,791	561,270
552,753	552,665	465,504	420,574	409,855	365,500
149,023	148,965	151,899	166,600	167,922	166,988
8,759	9,261	10,724	12,495	11,153	7,048
19,305	15,720	17,316	16,398	74,843	2,550
550	2,196	12,871	97,243	159,486	95,967
925,943	859,323	842,790	856,345	943,681	1,826,974
876,492	868	793,884	0	188,900	924,960
<u>3,425,966</u>	<u>2,782,971</u>	<u>3,644,842</u>	<u>3,064,778</u>	<u>3,099,693</u>	<u>4,340,592</u>
2,628,095	2,785,464	2,672,773	2,568,554	2,592,073	2,614,390
2,669,288	2,499,263	2,412,378	2,508,522	2,483,277	2,648,665
747,963	770,084	793,821	816,973	859,449	864,345
513,732	567,527	579,193	584,840	591,240	595,447
0	0	0	0	0	0
432,086	0	0	0	98,851	0
<u>6,991,164</u>	<u>6,622,338</u>	<u>6,458,165</u>	<u>6,478,889</u>	<u>6,624,890</u>	<u>6,722,847</u>
<u>10,417,130</u>	<u>9,405,309</u>	<u>10,103,007</u>	<u>9,543,667</u>	<u>9,724,583</u>	<u>11,063,439</u>
2,729,627	2,844,525	2,971,030	3,109,064	3,593,221	3,948,000
6,407,213	6,077,154	6,661,747	7,558,997	3,026,100	8,251,588
31,824	27,006	13,369	8,042	9,271	3,415
306,096	407,527	377,392	483,546	692,783	579,921
54,124	57,487	56,469	56,022	56,242	56,329
87,531	68,611	59,840	59,840	59,840	59,840
3,614,786	3,031,901	3,266,332	3,429,614	3,179,003	3,156,912
231,397	203,307	179,092	149,865	151,189	138,330
<u>13,462,598</u>	<u>12,717,518</u>	<u>13,585,271</u>	<u>14,854,990</u>	<u>10,767,649</u>	<u>16,194,335</u>
1,805,446	1,691,652	1,661,217	1,892,400	1,860,237	2,143,447
2,532,207	2,264,959	2,702,896	2,771,880	2,716,212	2,623,877
749,283	777,811	801,469	816,988	832,463	834,928
772,918	1,054,550	1,013,580	877,092	927,657	839,652
<u>5,859,854</u>	<u>5,788,972</u>	<u>6,179,162</u>	<u>6,358,360</u>	<u>6,336,569</u>	<u>6,441,904</u>
(10,036,632)	(9,934,547)	(9,940,429)	(11,790,212)	(7,667,956)	(11,853,743)
<u>1,131,310</u>	<u>833,366</u>	<u>279,003</u>	<u>120,529</u>	<u>288,321</u>	<u>280,943</u>
<u>(\$8,905,322)</u>	<u>(\$9,101,181)</u>	<u>(\$9,661,426)</u>	<u>(\$11,669,683)</u>	<u>(\$7,379,635)</u>	<u>(\$11,572,800)</u>

(Continued)

City of Franklin, Ohio
Changes in Net Position
Last Ten Years
(accrual basis of accounting)
(Continued)

	2011	2012	2013	2014
General Revenues and Other Changes in Net Position:				
Governmental Activities:				
Property Taxes Levied for:				
General Purposes	\$381,481	\$402,435	\$382,168	\$394,024
Fire	560,031	534,509	1,236,803	1,209,420
Other Purposes	158,099	154,252	166,527	174,732
Income Taxes	5,902,578	9,079,755	8,091,731	6,764,284
Other Local Taxes Levied for General Purposes	186,011	185,820	191,449	184,737
Payments in Lieu of Taxes	192,413	203,459	199,588	107,787
Grants and Entitlements not Restricted to Specific Programs	574,395	284,897	553,230	211,427
Gain on Sale of Capital Assets	0	0	0	0
Unrestricted Interest	44,891	56,470	77,465	94,468
Contributions and Donations	11	0	0	0
Other	124,598	159,958	185,686	100,436
Transfers	120,000	143,823	130,000	78,300
<i>Total Governmental Activities</i>	<u>8,244,508</u>	<u>11,205,378</u>	<u>11,214,647</u>	<u>9,319,615</u>
Business-Type Activities:				
Gain on Sale of Capital Assets	0	0	0	0
Unrestricted Interest	0	0	0	0
Other	25,572	21,449	11,002	84,460
Transfers	(120,000)	(143,823)	(130,000)	(78,300)
<i>Total Business-Type Activities</i>	<u>(94,428)</u>	<u>(122,374)</u>	<u>(118,998)</u>	<u>6,160</u>
<i>Total Primary Government General Revenues and Other Changes in Net Position</i>	<u>8,150,080</u>	<u>11,083,004</u>	<u>11,095,649</u>	<u>9,325,775</u>
Change in Net Position				
Governmental Activities	(36,216)	2,682,259	671,805	930,383
Business-Type Activities	502,891	90,218	203,770	190,221
Prior Year Restatement of Net Position	<u>0</u>	<u>0</u>	<u>0</u>	<u>(7,074,407)</u>
<i>Total Primary Government Changes in Net Position</i>	<u>\$466,675</u>	<u>\$2,772,477</u>	<u>\$875,575</u>	<u>(\$5,953,803)</u>

- (1) Expenses are first impacted by the implementation of GASB Statement No. 68 in 2015.
- (2) Expenses are first impacted by the implementation of GASB Statement No. 75 in 2018.
- (3) Governmental Activities are first impacted by the implementation of GASB Statement No. 84 in 2019.
- (4) Business-Type Activities are first impacted by the implementation of GASB Statement No. 83 in 2020.

2015 (1)	2016	2017	2018 (2)	2019 (3)	2020 (4)
\$410,545	\$419,946	\$419,772	\$431,965	\$445,416	\$478,325
1,224,778	1,243,468	1,245,046	1,282,700	1,256,145	1,350,748
177,381	164,114	164,029	168,788	174,054	186,915
7,665,010	7,844,529	8,304,978	8,346,175	8,787,229	8,233,811
208,667	174,175	183,308	177,101	173,582	140,692
0	0	0	0	0	0
232,675	287,718	214,524	240,029	590,830	782,774
0	0	133,883	0	0	0
25,681	300,759	489,784	252,730	1,216,055	687,817
0	0	1,050	2,450	800	0
190,419	230,015	311,277	308,984	339,637	1,074,885
130,000	130,000	130,000	141,928	216,070	195,000
<u>10,265,156</u>	<u>10,794,724</u>	<u>11,597,651</u>	<u>11,352,850</u>	<u>13,199,818</u>	<u>13,130,967</u>
0	0	0	0	100,000	0
0	0	578	7,594	9,713	1,253
57,879	18,384	34,785	84,979	89,239	129,232
<u>(130,000)</u>	<u>(130,000)</u>	<u>(130,000)</u>	<u>(141,928)</u>	<u>(216,070)</u>	<u>(195,000)</u>
<u>(72,121)</u>	<u>(111,616)</u>	<u>(94,637)</u>	<u>(49,355)</u>	<u>(17,118)</u>	<u>(64,515)</u>
<u>10,193,035</u>	<u>10,683,108</u>	<u>11,503,014</u>	<u>11,303,495</u>	<u>13,182,700</u>	<u>13,066,452</u>
228,524	860,177	1,657,222	(437,362)	5,531,862	1,277,224
1,059,189	721,750	184,366	71,174	271,203	216,428
<u>0</u>	<u>0</u>	<u>(6,821,904)</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>\$1,287,713</u>	<u>\$1,581,927</u>	<u>(\$4,980,316)</u>	<u>(\$366,188)</u>	<u>\$5,803,065</u>	<u>\$1,493,652</u>

City of Franklin, Ohio
Program Revenues by Function/Program
Last Ten Years
 (accrual basis of accounting)

Function / Program:	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Governmental Activities:				
General Government	\$887,648	\$1,101,565	\$291,939	\$535,907
Security of Persons and Property:				
Police	46,507	151,562	511,274	551,717
Fire	244,283	92,122	593,711	696,268
Other	131,211	137,793	140,549	144,766
Public Health and Welfare	124,571	22,696	15,876	19,288
Leisure Time Activities	92,179	82,875	124,668	331,344
Economic Development	5,864	3,978	9,773	2,390
Transportation	1,524,436	1,055,835	645,386	754,094
<i>Total Governmental Activities</i>	<u>3,056,699</u>	<u>2,648,426</u>	<u>2,333,176</u>	<u>3,035,774</u>
Business-Type Activities:				
Water	2,609,827	2,509,825	2,527,385	2,566,139
Sewer	3,198,842	2,510,827	2,403,048	2,474,765
Trash	711,350	736,048	851,838	762,790
Stormwater Utility	496,374	470,519	455,305	484,006
<i>Total Business-Type Activities</i>	<u>7,016,393</u>	<u>6,227,219</u>	<u>6,237,576</u>	<u>6,287,700</u>
<i>Total Primary Government</i>	<u><u>\$10,073,092</u></u>	<u><u>\$8,875,645</u></u>	<u><u>\$8,570,752</u></u>	<u><u>\$9,323,474</u></u>

<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
\$466,079	\$827,667	\$816,288	\$884,730	\$515,062	\$389,335
541,044	485,320	651,919	726,985	753,232	1,230,326
702,789	796,477	629,989	604,451	567,886	1,593,735
149,023	148,965	151,899	166,600	167,922	166,988
18,803	14,833	26,565	18,787	22,313	18,023
26,998	19,139	19,655	18,284	86,698	3,902
990	4,670	4,610	4,592	16,249	4,752
<u>1,520,240</u>	<u>485,900</u>	<u>1,343,917</u>	<u>640,349</u>	<u>970,331</u>	<u>933,531</u>
<u>3,425,966</u>	<u>2,782,971</u>	<u>3,644,842</u>	<u>3,064,778</u>	<u>3,099,693</u>	<u>4,340,592</u>
2,691,995	2,785,464	2,672,773	2,568,554	2,592,073	2,614,390
2,913,738	2,499,263	2,412,378	2,508,522	2,483,277	2,648,665
747,963	770,084	793,821	816,973	859,449	864,345
<u>637,468</u>	<u>567,527</u>	<u>579,193</u>	<u>584,840</u>	<u>690,091</u>	<u>595,447</u>
<u>6,991,164</u>	<u>6,622,338</u>	<u>6,458,165</u>	<u>6,478,889</u>	<u>6,624,890</u>	<u>6,722,847</u>
<u>\$10,417,130</u>	<u>\$9,405,309</u>	<u>\$10,103,007</u>	<u>\$9,543,667</u>	<u>\$9,724,583</u>	<u>\$11,063,439</u>

City of Franklin, Ohio
Fund Balances - Governmental Funds
Last Ten Years
(modified accrual basis of accounting)

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
General Fund				
Nonspendable	\$17,079	\$20,301	\$24,599	\$34,432
Assigned	89,926	115,154	152,330	593,718
Unassigned	<u>3,900,839</u>	<u>5,045,729</u>	<u>6,471,899</u>	<u>6,176,518</u>
<i>Total General Fund</i>	<u>4,007,844</u>	<u>5,181,184</u>	<u>6,648,828</u>	<u>6,804,668</u>
All Other Governmental Funds				
Nonspendable	1,328,086	1,341,689	1,510,720	1,801,205
Restricted	3,137,877	3,194,444	3,425,266	4,542,443
Committed	51,662	69,140	79,913	67,495
Assigned	56,043	27,637	157,536	151,532
Unassigned (Deficit)	<u>(181,080)</u>	<u>(439,720)</u>	<u>(49,858)</u>	<u>(36,690)</u>
<i>Total All Other Governmental Funds</i>	<u>4,392,588</u>	<u>4,193,190</u>	<u>5,123,577</u>	<u>6,525,985</u>
<i>Total Governmental Funds</i>	<u><u>\$8,400,432</u></u>	<u><u>\$9,374,374</u></u>	<u><u>\$11,772,405</u></u>	<u><u>\$13,330,653</u></u>

(1) Implementation of GASB 84 resulted in a fund balance restatement.

<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018 (1)</u>	<u>2019</u>	<u>2020</u>
\$31,649	\$25,962	\$38,208	\$49,959	\$51,329	\$71,323
1,355,540	147,990	1,038,597	1,840,310	3,369,063	4,852,391
<u>5,284,020</u>	<u>6,841,186</u>	<u>7,049,388</u>	<u>7,004,397</u>	<u>6,318,020</u>	<u>6,815,608</u>
<u>6,671,209</u>	<u>7,015,138</u>	<u>8,126,193</u>	<u>8,894,666</u>	<u>9,738,412</u>	<u>11,739,322</u>
1,570,745	1,721,427	1,528,866	1,492,071	2,002,410	2,374,915
5,071,075	5,985,872	6,546,886	5,322,018	6,503,001	7,510,874
97,237	116,886	426,980	511,169	547,231	480,423
155,532	135,107	106,082	2,323,470	1,921,591	884,993
<u>(24,154)</u>	<u>(4,205)</u>	<u>(38,139)</u>	<u>(43,137)</u>	<u>(49,832)</u>	<u>(48,428)</u>
<u>6,870,435</u>	<u>7,955,087</u>	<u>8,570,675</u>	<u>9,605,591</u>	<u>10,924,401</u>	<u>11,202,777</u>
<u>\$13,541,644</u>	<u>\$14,970,225</u>	<u>\$16,696,868</u>	<u>\$18,500,257</u>	<u>\$20,662,813</u>	<u>\$22,942,099</u>

City of Franklin, Ohio
 Changes in Fund Balances - Governmental Funds
 Last Ten Years
 (modified accrual basis of accounting)

	2011	2012	2013	2014
Revenues:				
Property Taxes	\$1,084,876	\$1,083,889	\$1,780,029	\$1,765,711
Other Local Taxes	227,839	152,896	191,711	185,344
Income Taxes	5,973,040	8,125,750	8,106,000	7,305,812
Payments in Lieu of Taxes	192,413	203,459	199,588	107,787
Special Assessments	361,487	397,406	423,490	469,089
Charges for Services	114,030	79,297	389,831	790,782
Fines, Licenses and Permits	665,920	786,601	645,207	745,001
Intergovernmental	2,347,841	1,598,314	1,842,515	1,243,956
Interest	338,252	206,927	202,133	425,812
Rent	0	0	0	0
Contributions and Donations	3,011	13,151	3,302	3,352
Other	146,344	159,958	185,686	100,436
Total Revenues	11,455,053	12,807,648	13,969,492	13,143,082
Expenditures:				
Current:				
General Government	1,933,507	2,177,554	2,369,068	2,423,409
Security of Persons and Property	5,172,755	5,398,829	6,176,635	6,266,741
Public Health and Welfare	13,361	8,567	11,250	27,356
Leisure Time Activities	293,418	293,064	290,506	315,950
Economic Development	43,926	44,414	51,449	51,449
Transportation	1,013,128	1,150,966	1,253,886	1,068,905
Capital Outlay	1,167,232	2,049,678	612,417	550,529
Debt Service:				
Principal Retirement	646,554	642,621	650,295	694,161
Interest and Fiscal Charges	464,365	337,951	285,955	264,634
Current Refunding	140,500	147,000	0	0
Total Expenditures	10,888,746	12,250,644	11,701,461	11,663,134
Excess of Revenues Over (Under) Expenditures	566,307	557,004	2,268,031	1,479,948
Other Financing Sources (Uses):				
Bond Anticipation Notes Issued	147,000	0	0	0
Refunding Bonds Issued	0	5,630,000	0	0
Current Refunding	(147,000)	0	0	0
Transfers In	2,363,996	3,330,421	2,806,611	3,234,442
Inception of Capital Lease	0	179,138	0	0
Premium on Debt Issued	0	402,706	0	0
Payment to Refunded Bond Escrow Agent	0	(5,938,729)	0	0
Proceeds from Sale of Capital Assets	0	0	0	0
Transfers Out	(2,243,996)	(3,186,598)	(2,676,611)	(3,156,142)
Total Other Financing Sources (Uses)	120,000	416,938	130,000	78,300
Prior Year Restatement of Fund Balance	0	0	0	0
Net Change in Fund Balances	\$686,307	\$973,942	\$2,398,031	\$1,558,248
Debt Service as a Percentage of Noncapital Expenditures	12.2%	10.5%	8.7%	8.9%

(1) Implementation of GASB 84 resulted in a fund balance restatement.

2015	2016	2017	2018 (1)	2019	2020
\$1,841,533	\$1,804,502	\$1,830,316	\$1,914,208	\$1,949,623	\$1,947,861
211,815	177,276	182,259	173,844	173,262	139,602
7,619,746	7,805,163	8,281,543	8,347,632	8,455,157	8,540,491
0	0	0	0	0	0
432,571	440,067	232,980	254,107	252,570	269,701
727,576	843,302	806,525	785,244	519,827	397,882
738,997	931,538	1,045,969	1,152,428	1,132,779	936,855
1,792,798	1,227,704	1,597,689	1,214,969	1,465,892	3,941,501
25,681	300,759	478,101	243,509	1,201,983	703,745
5,475	3,225	4,200	5,475	2,175	2,325
9,380	3,539	3,389	4,396	7,265	1,352
190,419	229,895	311,277	308,984	339,637	1,074,885
13,595,991	13,766,970	14,774,248	14,404,796	15,500,170	17,956,200
2,748,434	2,718,417	2,861,518	2,812,855	2,972,843	3,145,805
6,282,006	6,629,946	6,202,273	6,674,260	7,091,209	6,956,320
31,824	27,006	13,369	8,042	9,271	3,415
423,556	417,100	479,788	556,936	565,773	267,966
54,124	57,487	56,469	56,022	56,242	56,329
1,275,227	1,338,692	1,455,240	1,556,904	1,197,426	805,999
1,755,113	511,634	1,524,859	1,140,718	1,123,853	3,903,467
716,973	722,881	700,497	521,803	656,944	667,119
237,478	209,404	185,387	155,311	156,760	143,922
0	0	0	0	0	0
13,524,735	12,632,567	13,479,400	13,482,851	13,830,321	15,950,342
71,256	1,134,403	1,294,848	921,945	1,669,849	2,005,858
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
3,361,173	3,655,824	3,210,104	3,993,957	3,553,488	3,981,891
0	164,178	0	596,940	297,707	0
0	0	0	0	0	0
0	0	0	0	0	0
9,735	0	301,795	0	0	78,428
(3,231,173)	(3,525,824)	(3,080,104)	(3,798,957)	(3,358,488)	(3,786,891)
139,735	294,178	431,795	791,940	492,707	273,428
0	0	0	89,504	0	0
\$210,991	\$1,428,581	\$1,726,643	\$1,803,389	\$2,162,556	\$2,279,286
8.5%	8.7%	7.8%	5.7%	6.8%	6.2%

City of Franklin, Ohio
Income Tax Revenue by Payer Type
Last Ten Years

Year	Individual						Business Accounts		Total
	Withholding	Percentage of Total	Non-Withholding	Percentage of Total	Total Individual	Percentage of Total	Business Accounts	Percentage of Total	
2011	\$4,308,882	73%	\$590,258	10%	\$4,899,140	83%	\$1,003,438	17%	\$5,902,578
2012	6,355,829	70%	998,773	11%	7,354,602	81%	1,725,153	19%	9,079,755
2013	5,258,669	65%	879,859	11%	6,138,528	76%	1,953,203	24%	8,091,731
2014	5,270,728	72%	859,745	12%	6,130,473	84%	1,158,847	16%	7,289,320
2015	5,642,638	75%	911,342	12%	6,553,980	87%	965,070	13%	7,519,050
2016	5,814,443	74%	897,829	11%	6,712,272	85%	1,173,898	15%	7,886,170
2017	5,762,265	70%	1,060,379	13%	6,822,644	83%	1,350,973	17%	8,173,617
2018	5,971,365	71%	1,042,071	13%	7,013,436	84%	1,382,554	16%	8,395,990
2019	6,272,664	73%	976,044	11%	7,248,708	84%	1,376,159	16%	8,624,867
2020	6,015,065	71%	944,901	11%	6,959,966	82%	1,519,980	18%	8,479,946

Source: City Income Tax Department - Cash Basis

From January 1, 2011, to June 30, 2011, the tax rate was also 1.5 percent. However, on July 1, 2011, a voter approved tax rate increase occurred. The percent for the remainder of 2011 was two percent. For 2012-2020, the percent has remained at two percent.

City of Franklin, Ohio
Principal Income Taxpayers - Withholding Accounts
2020 and 2011

Range of Withholding Amount	2020		2011	
	Number of Withholding Accounts	Percentage of Total Withholding Revenue	Number of Withholding Accounts	Percentage of Total Withholding Revenue
\$100,001 - 300,000	10	27.99%	6	23.52%
\$55,001 - 100,000	7	8.39	7	19.20
Total	17	39.69	13	42.72
All Others	1,251	63.62	1,075	57.28
Total Withholding Accounts	1,268	103.31%	1,088	100.00%

Source: City Income Tax Department

Note: Due to confidentiality issues, the names of the 10 largest revenue payers are not available. The categories presented are intended to provide alternative information regarding the sources of the City's revenues.

City of Franklin, Ohio
 Computation of All Direct and Overlapping Governmental Activities Debt
 December 31, 2020

Jurisdiction	Debt Outstanding	Percentage Applicable to the City of Franklin	Amount Applicable to the City of Franklin
Direct			
City of Franklin			
General Obligation Bonds	\$2,609,506	100.00%	\$2,609,506
Capital Leases	550,029	100.00	550,029
Special Assessment Bonds	40,000	100.00	40,000
Total Direct Debt	<u>3,199,535</u>		<u>3,199,535</u>
Overlapping Subdivisions			
Warren County			
General Obligation Bonds	43,370,077	3.72	1,613,367
Special Assessment Bonds	1,885,011	3.72	70,122
OPWC Loan	758,944	3.72	28,233
Franklin City School District			
General Obligation Bonds	1,749,094	52.77	922,997
Energy Conservation Bonds	383,603	52.77	202,427
Carlisle Local School District			
General Obligation Bonds	19,980,000	0.11	21,978
Capital Leases	13,915	0.11	15
Warren County Career Center			
Energy Conservation Notes	<u>1,025,000</u>	5.55	<u>56,888</u>
Total Overlapping Debt	<u>69,165,644</u>		<u>2,916,027</u>
Grand Total	<u><u>\$72,365,179</u></u>		<u><u>\$6,115,562</u></u>

Source: Ohio Municipal Advisory Council

Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City. This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore, responsible for repaying the debt, of each overlapping government.

City of Franklin, Ohio
Ratio of General Obligation Bonded Debt to Estimated
Actual Value and General Obligation Bonded Debt Per Capita
Last Ten Years

Collection Year	General Obligation Bonded Debt (1)	Estimated Actual Value of Taxable Property (2) (3)	Population (4)	Ratio of General Obligation Bonded Debt to Estimated Actual Value	General Obligation Bonded Debt Per Capita
2011	\$5,964,248	\$598,616,860	11,771	1.00%	\$506.69
2012	5,984,282	579,321,740	11,896	1.03%	503.05
2013	5,617,435	590,609,400	11,819	0.95%	475.29
2014	5,230,588	571,917,389	11,829	0.91%	442.18
2015	4,833,741	596,436,123	11,829	0.81%	408.63
2016	4,426,894	635,487,085	11,829	0.70%	374.24
2017	4,000,047	643,031,257	11,780	0.62%	339.56
2018	3,553,200	680,337,114	11,735	0.52%	302.79
2019	3,091,353	689,585,486	11,686	0.45%	264.53
2020	2,609,506	699,295,371	11,612	0.37%	224.72

(1) Includes all general obligation debt financed with general government resources

(2) Warren County Auditor

(3) Although the bond retirement fund is restricted for debt service, it is not specifically restricted to the payment of principal. Therefore, these resources are not shown as a deduction from general obligation bonded debt.

(4) U.S. Census Bureau and the City of Franklin

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements

City of Franklin, Ohio
Ratio of Outstanding Debt by Type to
Total Personal Income and Debt Per Capita
Last Ten Years

Year	Governmental Activities				Business-Type Activities			
	General Obligation Bonds	Special Assessment Bonds	Notes Payable	Capital Leases	Mortgage Revenue Bonds	OWDA Loans	Notes Payable	Capital Leases
2011	\$5,964,248	\$1,743,000	\$287,500	\$0	\$4,340,200	\$2,783,537	\$695,000	\$0
2012	5,984,282	1,507,000	137,500	179,138	3,944,265	2,598,675	445,000	0
2013	5,617,435	1,259,000	0	118,533	3,510,640	2,402,315	0	0
2014	5,230,588	985,000	0	60,134	3,062,015	2,193,717	0	0
2015	4,833,741	700,000	0	0	2,593,390	1,972,092	0	0
2016	4,426,894	415,000	0	108,214	2,104,765	1,736,598	0	0
2017	4,000,047	170,000	0	54,717	1,601,140	1,486,337	0	0
2018	3,553,200	125,000	0	596,940	1,072,515	1,220,352	0	0
2019	3,091,353	80,000	0	719,879	818,890	937,623	0	167,673
2020	2,609,506	40,000	0	550,029	555,265	637,302	0	128,621

Sources:

- (1) U.S. Census Bureau and the City of Franklin
- (2) Per capita income multiplied by population

<u>Total Outstanding Debt</u>	<u>Population (1)</u>	<u>Personal Income (2)</u>	<u>Ratio of Debt to Personal Income</u>	<u>Debt Per Capita</u>
\$15,813,485	11,771	\$291,614,400	7.05	\$1,343
14,795,860	11,896	212,117,576	6.98	1,244
12,907,923	11,819	240,634,840	5.36	1,092
11,531,454	11,829	211,857,390	5.44	975
10,099,223	11,829	257,470,014	3.92	854
8,791,471	11,829	266,956,872	3.29	743
7,312,241	11,780	277,277,640	2.64	621
6,568,007	11,735	315,589,355	2.08	560
5,815,418	11,686	321,528,604	1.81	498
4,520,723	11,612	325,159,224	1.39	389

City of Franklin, Ohio
 Computation of Legal Debt Margin
 Last Ten Years

	2011	2012	2013	2014
Total Assessed Property Value	<u>\$204,700,314</u>	<u>\$209,515,900</u>	<u>\$206,713,290</u>	<u>\$218,280,760</u>
Overall Legal Debt Limit (10 ½ % of Assessed Valuation)	<u>21,493,533</u>	<u>21,999,170</u>	<u>21,704,895</u>	<u>22,919,480</u>
Debt Outstanding:				
General Obligation Bonds	5,975,000	5,595,000	5,255,000	4,895,000
Mortgage Revenue Bonds	4,320,000	3,905,000	3,475,000	3,030,000
Special Assessment Bonds	1,743,000	1,507,000	1,259,000	985,000
Bond Anticipation Notes	982,500	582,500	0	0
OWDA Loans	<u>2,783,537</u>	<u>2,598,675</u>	<u>2,402,315</u>	<u>2,193,717</u>
Total Gross Indebtedness	15,804,037	14,188,175	12,391,315	11,103,717
Less:				
Mortgage Revenue Bonds	(4,320,000)	(3,905,000)	(3,475,000)	(3,030,000)
Special Assessment Bonds	(1,743,000)	(1,507,000)	(1,259,000)	(985,000)
Bond Anticipation Notes	(695,000)	(445,000)	0	0
OWDA Loans	<u>(2,783,537)</u>	<u>(2,598,675)</u>	<u>(2,402,315)</u>	<u>(2,193,717)</u>
Total Net Debt Applicable to Debt Limit	<u>6,262,500</u>	<u>5,732,500</u>	<u>5,255,000</u>	<u>4,895,000</u>
Legal Debt Margin Within 10 ½ % Limitations	<u>\$15,231,033</u>	<u>\$16,266,670</u>	<u>\$16,449,895</u>	<u>\$18,024,480</u>
Legal Debt Margin as a Percentage of the Debt Limit	70.86%	73.94%	75.79%	78.64%
Unvoted Debt Limitation (5 ½ % of Assessed Valuation)	<u>\$11,258,517</u>	<u>\$11,523,375</u>	<u>\$11,369,231</u>	<u>\$12,005,442</u>
Total Gross Indebtedness	15,804,037	14,188,175	12,391,315	11,103,717
Less:				
Mortgage Revenue Bonds	(4,320,000)	(3,905,000)	(3,475,000)	(3,030,000)
Special Assessment Bonds	(1,743,000)	(1,507,000)	(1,259,000)	(985,000)
Bond Anticipation Notes	(695,000)	(445,000)	0	0
OWDA Loans	<u>(2,783,537)</u>	<u>(2,598,675)</u>	<u>(2,402,315)</u>	<u>(2,193,717)</u>
Net Debt Within 5 ½ % Limitations	<u>6,262,500</u>	<u>5,732,500</u>	<u>5,255,000</u>	<u>4,895,000</u>
Unvoted Legal Debt Margin Within 5 ½ % Limitations	<u>\$4,996,017</u>	<u>\$5,790,875</u>	<u>\$6,114,231</u>	<u>\$7,110,442</u>
Unvoted legal Debt Margin as a Percentage of the Unvoted Debt Limitation	44.38%	50.25%	53.78%	59.23%

Source: City Financial Records

2015	2016	2017	2018	2019	2020
<u>\$221,549,310</u>	<u>\$222,420,480</u>	<u>\$225,060,940</u>	<u>\$238,117,990</u>	<u>\$241,354,920</u>	<u>\$244,753,380</u>
<u>23,262,678</u>	<u>23,354,150</u>	<u>23,631,399</u>	<u>25,002,389</u>	<u>25,342,267</u>	<u>25,699,105</u>
4,525,000	4,145,000	3,745,000	3,325,000	2,890,000	2,435,000
2,565,000	2,080,000	1,580,000	1,055,000	805,000	545,000
700,000	415,000	170,000	125,000	80,000	40,000
0	0	0	0	0	0
<u>1,972,092</u>	<u>1,736,598</u>	<u>1,486,337</u>	<u>1,220,352</u>	<u>937,623</u>	<u>637,302</u>
9,762,092	8,376,598	6,981,337	5,725,352	4,712,623	3,657,302
(2,565,000)	(2,080,000)	(1,580,000)	(1,055,000)	(805,000)	(545,000)
(700,000)	(415,000)	(170,000)	(125,000)	(80,000)	(40,000)
0	0	0	0	0	0
<u>(1,972,092)</u>	<u>(1,736,598)</u>	<u>(1,486,337)</u>	<u>(1,220,352)</u>	<u>(937,623)</u>	<u>(637,302)</u>
<u>4,525,000</u>	<u>4,145,000</u>	<u>3,745,000</u>	<u>3,325,000</u>	<u>2,890,000</u>	<u>2,435,000</u>
<u>\$18,737,678</u>	<u>\$19,209,150</u>	<u>\$19,886,399</u>	<u>\$21,677,389</u>	<u>\$22,452,267</u>	<u>\$23,264,105</u>
80.55%	82.25%	84.15%	86.70%	88.60%	90.52%
<u>\$12,185,212</u>	<u>\$12,233,126</u>	<u>\$12,378,352</u>	<u>\$13,096,489</u>	<u>\$13,274,521</u>	<u>\$13,461,436</u>
9,762,092	8,376,598	6,981,337	5,725,352	4,712,623	3,657,302
(2,565,000)	(2,080,000)	(1,580,000)	(1,055,000)	(805,000)	(545,000)
(700,000)	(415,000)	(170,000)	(125,000)	(80,000)	(40,000)
0	0	0	0	0	0
<u>(1,972,092)</u>	<u>(1,736,598)</u>	<u>(1,486,337)</u>	<u>(1,220,352)</u>	<u>(937,623)</u>	<u>(637,302)</u>
<u>4,525,000</u>	<u>4,145,000</u>	<u>3,745,000</u>	<u>3,325,000</u>	<u>2,890,000</u>	<u>2,435,000</u>
<u>\$7,660,212</u>	<u>\$8,088,126</u>	<u>\$8,633,352</u>	<u>\$9,771,489</u>	<u>\$10,384,521</u>	<u>\$11,026,436</u>
62.86%	66.12%	69.75%	74.61%	78.23%	81.91%

City of Franklin, Ohio
Pledged Revenue Coverage
Last Ten Years

Year	Water Service Charges and Interest	Direct Operating Expenses (1)	Net Available Revenues	Debt Service		Coverage
				Principal	Interest	
2011	\$2,609,827	\$1,569,800	\$1,040,027	\$534,751	\$361,554	1.16
2012	2,509,825	1,378,664	1,131,161	599,862	285,837	1.28
2013	2,527,385	1,389,393	1,137,992	626,360	355,972	1.16
2014	2,566,139	1,299,153	1,266,986	653,598	314,718	1.31
2015	2,628,095	1,342,448	1,285,647	686,625	260,782	1.36
2016	2,785,464	1,273,534	1,511,930	720,494	182,532	1.67
2017	2,673,351	1,256,630	1,416,721	750,261	153,112	1.57
2018	2,576,148	1,484,212	1,091,936	790,985	123,032	1.19
2019	2,601,786	1,477,058	1,124,728	532,729	90,711	1.80
2020	2,615,643	1,747,624	868,019	560,321	69,303	1.38

(1) Direct operating expenses do not include depreciation expense.

City of Franklin, Ohio
Demographic and Economic Statistics
Last Ten Years

Year	Population (1)	Total Personal Income (2)	Per Capita Income (3)	School Enrollment (4)	Unemployment Rate (5) Warren County
2011	11,771	\$225,261,627	\$19,137	2,911	6.7
2012	11,896	212,117,576	17,831	3,038	6.3
2013	11,819	240,634,840	20,360	2,944	6.1
2014	11,829	211,857,390	17,910	3,071	4.4
2015	11,829	257,470,014	21,766	2,993	4.8
2016	11,829	266,956,872	22,568	2,862	4.5
2017	11,780	277,277,640	23,538	2,975	3.6
2018	11,735	315,589,355	26,893	3,000	3.9
2019	11,686	321,528,604	27,514	3,000	3.9
2020	11,612	325,159,224	28,002	3,000	3.9

Sources: (1) U.S. Census Bureau and the City of Franklin
(2) Per capita income multiplied by population
(3) U.S. Department of Commerce, Bureau of the Census and Computation
based on change in Warren County
(4) Ohio Department of Education and Franklin City School District Treasurer
(5) Ohio Department of Job and Family Services, Office of Workforce Development

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City of Franklin, Ohio

Principal Employers

2020 and 2011

2020

Employer	Number of Employees	Rank	Percentage of Total Employment
Staffmark	568	1	3.79%
Walmart Associates	479	2	3.20
Burrows Paper Company	478	3	3.19
Franklin City School District	456	4	3.04
Faurecia	446	5	2.98
Valued Relations	346	6	2.31
Minute Men	309	7	2.06
Midwest Investors Group	294	8	1.96
Ferco Tech LLC	222	9	1.48
Ade of Cincinnati/City of Franklin	212	10	1.41
Total	3,810		22.61
All Other Employers	11,177		77.39
Total Employment within the City	14,987		100.00%

2011

Employer	Number of Employees	Rank	Percentage of Total Employment
Franklin City School District	534	1	5.29%
Cox Media	433	2	4.29
Wal-Mart	402	3	3.99
CBS Personnel	390	4	3.87
Ample Industries	290	5	2.88
Faurecia	258	6	2.56
Burrows Paper Company	221	7	2.19
ADESA	202	8	2.00
City of Franklin	167	9	1.66
Classic Healthcare	116	10	1.15
Total	3,013		29.39
All Other Employers	7,072		70.61
Total Employment within the City	10,085		100.00%

Source: City of Franklin Tax Department

City of Franklin, Ohio
City Government Employees by Function/Program
Last Ten Years

	2011		2012		2013		2014	
Function/Program	Full-Time	All	Full-Time	All	Full-Time	All	Full-Time	All
General Government	20	28	19	26	19	25	21	26
Security of Persons and Property	29	62	38	63	38	81	38	92
Leisure Time Activities	2	52	2	58	2	49	2	50
Basic Utility Services	18	25	17	26	17	26	17	22
<i>Total Number of Employees</i>	<u>69</u>	<u>167</u>	<u>76</u>	<u>173</u>	<u>76</u>	<u>181</u>	<u>78</u>	<u>190</u>

Source: City Payroll Records

2015		2016		2017		2018		2019		2020	
Full-Time	All	Full-Time	All	Full-Time	All	Full-Time	All	Full-Time	All	Full-Time	All
22	26	24	29	21	25	22	31	22	32	22	32
36	88	34	75	37	77	39	83	42	85	48	88
2	57	2	54	2	55	2	59	2	54	2	3
19	28	18	23	19	24	19	25	22	29	22	26
<u>79</u>	<u>199</u>	<u>78</u>	<u>181</u>	<u>79</u>	<u>181</u>	<u>82</u>	<u>198</u>	<u>88</u>	<u>200</u>	<u>94</u>	<u>149</u>

City of Franklin, Ohio
Capital Assets Statistics by Function/Program
Last Ten Years

Function/Program	2011	2012	2013	2014
General Government:				
Government Center	1	1	1	1
Security of Persons and Property:				
Number of Police Stations	1	1	1	1
Number of Fire/EMS Stations	1	1	1	1
Leisure Time Activities:				
Number of Parks	6	6	6	6
Number of Swimming Pools	1	1	1	1
Number of Libraries	1	1	1	1
Basic Utility Services:				
Miles of Water Mains	65	65	65	65
Miles of Sanitary Sewers	63.50	63.50	63.50	63.50
Water Treatment Facility	1	1	1	1
Transportation:				
Miles of Streets	109.00	109.00	109.00	109.00
Number of Street Lights	929	929	937	937

Source: City Capital Assets Records

<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
1	1	1	1	1	1
1	1	1	1	1	1
1	1	1	1	1	1
6	6	6	6	6	6
1	1	1	1	1	1
1	1	1	1	1	1
65	65	65	65	65	65
63.50	63.50	63.50	63.50	63.50	63.50
1	1	1	1	1	1
109.34	109.34	109.34	109.34	109.34	109.34
946	946	946	946	947	947

City of Franklin, Ohio
 Operating Indicators by Function/Program
 Last Ten Years

Function/Program	2011	2012	2013	2014
General Government:				
Active Income Tax Accounts	7,027	7,454	7,683	8,133
Individual	5,528	5,508	5,759	6,019
Business	768	847	855	947
Withholding	731	1,099	1,069	1,167
Clerk of Courts:				
Traffic Court Cases	8,052	7,170	6,322	7,506
Civil Court Cases	659	626	524	551
Small Claims Court Cases	42	37	41	33
Security of Persons and Property:				
Police Calls	24,810	23,759	23,543	23,143
Physical Arrests	2,003	2,226	2,192	1,727
Citations	895	1,654	1,708	1,104

Source: Department reports

<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
7,786	8,117	7,294	7,665	8,608	8,509
5,943	6,208	5,297	5,595	6,391	6,158
940	963	942	892	1,041	1,083
903	946	1,055	1,178	1,176	1,268
6,837	7,665	9,533	8,876	8,115	5,599
543	592	635	667	767	575
25	37	25	56	77	71
24,091	23,656	24,513	24,140	24,134	21,195
1,491	1,429	1,943	1,808	1,726	1,620
998	749	998	891	755	831

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OHIO AUDITOR OF STATE KEITH FABER



CITY OF FRANKLIN

WARREN COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

This is a true and correct copy of the report, which is required to be filed pursuant to Section 117.26, Revised Code, and which is filed in the Office of the Ohio Auditor of State in Columbus, Ohio.



Certified for Release 7/6/2021

88 East Broad Street, Columbus, Ohio 43215
Phone: 614-466-4514 or 800-282-0370

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www.ohioauditor.gov