

CITY OF FRANKLIN, OHIO

Comprehensive Annual Financial Report

For the Year Ended December 31, 2014



Dave Yost • Auditor of State

Members of Council
City of Franklin
1 Benjamin Franklin Way
Franklin, Ohio 45005

We have reviewed the *Independent Auditor's Report* of the City of Franklin, Warren County, prepared by Julian & Grube, Inc., for the audit period January 1, 2014 through December 31, 2014. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The City of Franklin is responsible for compliance with these laws and regulations.

A handwritten signature in cursive script that reads "Dave Yost".

Dave Yost
Auditor of State

October 5, 2015

Introductory Section

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City of Franklin, Ohio
Comprehensive Annual Financial Report
For the Year Ended December 31, 2014

Issued by:
Office of the Finance Director
Karen Ervin
Finance Director

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City of Franklin, Ohio
Comprehensive Annual Financial Report
For the Year Ended December 31, 2014

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CITY OF FRANKLIN

1 Benjamin Franklin Way • Franklin, Ohio 45005 (937) 746-9921 Fax (937) 746-1136

June 26, 2015

Citizens of Franklin
Mayor and Members of City Council

We are pleased to present the Comprehensive Annual Financial Report (CAFR) for the City of Franklin. This report, for the year ended December 31, 2014, 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.

Julian & Grube, Inc., has issued an unmodified (“clean”) opinion on the City of Franklin’s financial statements for the year ended December 31, 2014. The Independent Accountants’ Report is located at the front of the financial section of this report.

Management’s discussion and analysis (MD&A) immediately follows the Independent Accountants’ 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 stage coach 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 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.

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

The Joint Recreation Facility was determined to be a joint venture. The Ohio Government Risk Management Plan 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 17).

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 agency 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

The year 2015 is again looking up for the City of Franklin, and Council and Staff are excited about the future of our City. Kettering Health Network has completed their ER Facility, and they are now open for business. The new ER is located at the I-75 and State Route 73 Interchange and will attract like businesses to this area. It most definitely will define the East Side of Franklin. This new facility is a 24-7 operation and serves not only Franklin but Springboro, Carlisle, and Franklin Township. This 12-bed facility is staffed with four doctors and eight nurses ready to meet any emergency needs for our area.

Kettering Health Networks ER Facility, along with the City of Franklin's EMS and Fire Service, has already made Franklin a safer place to live and do business. With two exits off of I-75, we have already experienced the helping and saving of lives of people who are just passing through. The faith of the City of Franklin voters in bringing EMS to the City has proven to be a wise and fruitful process, as evidenced in the lower cost and higher level of service to our Citizens. The addition of the Kettering Health Networks ER Facility and the City of Franklin's EMS Service has allowed for quicker response times in emergency runs, thereby allowing the City's EMS units to be back in service and available for the next call.

LOCAL ECONOMY

The City of Franklin continues to focus on making significant improvements to the State Route 73 corridor, one of the key areas for economic development in the Dayton region. Also, the City of Franklin, the City of Springboro, the Ohio Department of Transportation, and the Miami Valley Regional Planning Commission have completed significant improvements to State Route 73 at I-75 by widening the bridge over State Route 73 to accommodate additional future traffic on State Route 73. Ramp improvements to the south-bound exit ramp are also planned. The City of Springboro has added a north-bound entrance ramp, which has helped relieve traffic in this growing area. These improvements will increase the road capacity to handle the next 20 years' projection of growth. This intersection will soon see a north-bound entrance ramp on the East Side of I-75, which will also ease traffic congestion and enhance economic growth.

Franklin Yards, established in 2009 as a rail Trans load facility, has again proven to be a great asset to the City of Franklin and its surrounding communities in Warren and Butler County. Faced with an abandoned shingle facility, City staff and Council needed to be creative to find another use for the property. Using input from area businesses who were looking to rail as a cost-saving measure for transportation expenses, the City partnered with Warren County Port Authority, R. Good Logistics, and Norfolk Southern to establish a rail hub to facilitate the delivery of raw materials and the shipment of finished goods to and from their intended markets. The venture is doing well and having a positive impact on the local economy. In fact, the facility is at full capacity and in need of expansion.

In 2014, City Council and Staff relied on citizens' input to pass an additional ½ percent income tax. As a result, the City continues to put approximately \$450,000 worth of work in neighborhoods and parks during the year, as well as various paving and improvement projects on State Route 73 to make the area safer and less congested.

The beautification of the State Route 123 interchange was also completed by the City of Franklin during 2014. The City planted trees, shrubs, and flowers for this project to demonstrate to its residents and every day visitors the pride it has in the community. This project was completed on time and has been noticed by Industry, Citizens and the General Public at this busy 123 interchange.

ECONOMIC DEVELOPMENT

Economic development is a community priority because the 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 hand-in-hand 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 to be successful in our community.

The City of Franklin has 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 Industrial Park, with 120 acres of land. These parks allow the City of Franklin to be very competitive with other areas. All of the above sites are located off of Interstate exchanges, and tax abatements and other incentives are available.

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, has an upscale image, and 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 (71 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 Julian & Grube, Inc.'s office has performed this year's audit. The results of the audit are presented in the Independent Accountants' 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 (CAFR) for the year ended December 31, 2013. 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,



Karen R. Ervin
Finance Director

City of Franklin, Ohio

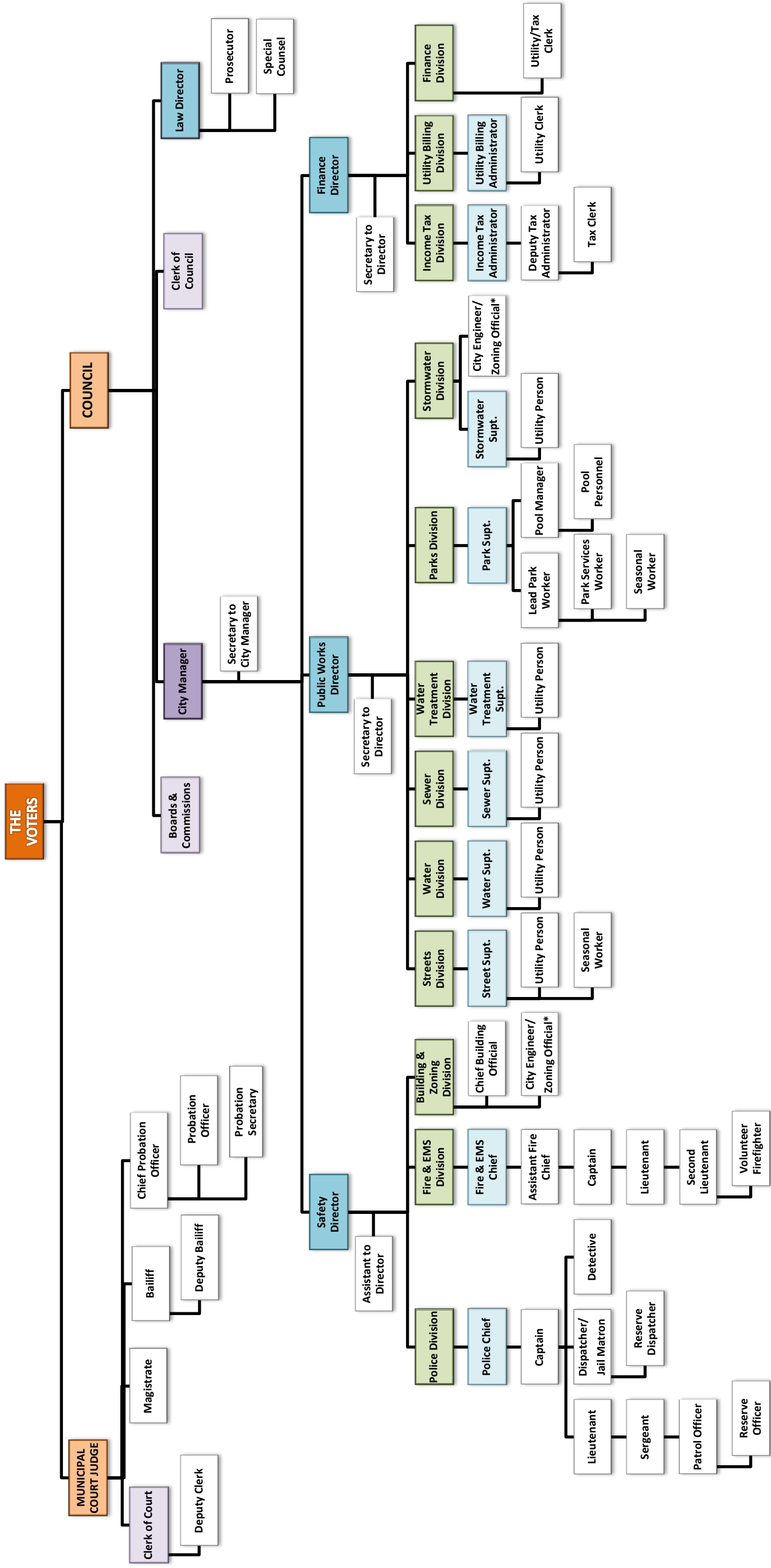
List of Principal Officials

December 31, 2014

<u>OFFICE HELD</u>	<u>NAME OF OFFICIAL</u>
Executive:	
City Manager	Howard Lewis
Acting Finance Director	Sandra Morgan*
Law Director	Donnette Fisher
Legislative:	
Mayor	Denny Centers
Vice Mayor	Todd Hall
Council-At-Large	Michael Aldridge
	Carl Bray
	Jason Falkner
	Scott Lipps
	Matt Wilcher
Judicial:	
Municipal Court Judge	Ruppert Ruppert
Municipal Court Clerk	Sherry Mullins
Administrative:	
City Clerk	Jane McGee
Income Tax Administrator	Jennie Loxley
Police Chief	Russell Whitman
Fire Chief	Jonathan Westendorf
Public Works Director	Howard Lewis
Zoning Officer	Barry Conway

*Sandra Morgan retired during 2015 and Karen Ervin was hired as Finance Director on March 30, 2015.

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, 2013

Executive Director/CEO

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Financial Section

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Julian & Grube, Inc.

Serving Ohio Local Governments

333 County Line Rd. West, Westerville, OH 43082 Phone: 614.846.1899 Fax: 614.846.2799

Independent Auditor's Report

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

To the Members of 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, as of and for the year ended December 31, 2014 and the related notes to the financial statements, which collectively comprise the City of Franklin'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 of Franklin'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 of Franklin's internal control. Accordingly, we express no 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.

Independent Auditor's Report
City of Franklin

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 of Franklin, Warren County, Ohio, as of December 31, 2014, and the respective changes in financial position and where applicable, cash flows, thereof and the respective budgetary comparisons for the General Fund, the Fire Levy and Transportation major special revenue funds thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require this presentation to include *Management's discussion and analysis*, 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 of Franklin'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 were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected these statements and schedules to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling statements and schedules directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, 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.

Independent Auditor's Report
City of Franklin

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 26, 2015, on our consideration of the City of Franklin'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 of Franklin's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Julian & Grube, Inc.".

Julian & Grube, Inc.
June 26, 2015

City of Franklin, Ohio
Management's Discussion and Analysis
For The Year Ended December 31, 2014
(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, 2014. 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 \$930,383 and net position of business-type activities increased \$190,221, resulting in a total increase in net position of \$1,120,604.
- General revenues and transfers of governmental activities accounted for \$9,319,615 of all governmental revenues. Program specific revenues in the form of charges for services and sales, operating grants, contributions and interest, and capital grants, contributions and interest accounted for \$3,035,774 of total governmental revenues and transfers of \$12,355,389.
- The City had \$11,425,006 in expenses related to governmental activities; only \$3,035,774 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 \$489,076. The Water Fund reflected operating income of \$881,832, while the Sewer, Trash and Stormwater Utility Funds reflected operating losses of \$10,130, \$89,345 and \$293,281, respectively.

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, Transportation, Special Assessment Bond, 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 2014 compared to 2013.

Table 1
Net Position

	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
Assets:						
Current and Other Assets	\$18,343,745	\$17,825,142	\$4,488,079	\$4,032,678	\$22,831,824	\$21,857,820
Nondepreciable Capital Assets	19,445,351	19,267,151	1,095,364	1,095,364	20,540,715	20,362,515
Depreciable Capital Assets, Net	26,080,891	26,721,458	21,551,732	22,449,524	47,632,623	49,170,982
Total Assets	63,869,987	63,813,751	27,135,175	27,577,566	91,005,162	91,391,317
Deferred Outflows of Resources:						
Deferred Charge on Refunding	298,551	321,516	16,936	18,854	315,487	340,370
Liabilities:						
Current and Other Liabilities	731,727	778,526	542,137	539,792	1,273,864	1,318,318
Long-Term Liabilities:						
Due Within One Year	908,887	865,587	726,635	687,333	1,635,522	1,552,920
Due in More Than One Year	6,207,701	6,972,705	4,705,125	5,381,302	10,912,826	12,354,007
Total Liabilities	7,848,315	8,616,818	5,973,897	6,608,427	13,822,212	15,225,245
Deferred Inflows of Resources:						
Property Taxes	1,903,000	1,836,500	0	0	1,903,000	1,836,500
Revenue in Lieu of Taxes	0	195,109	0	0	0	195,109
Total Deferred Inflows of Resources	1,903,000	2,031,609	0	0	1,903,000	2,031,609
Net Position:						
Net Investment in Capital Assets	39,594,071	39,365,157	17,408,300	17,650,787	57,002,371	57,015,944
Restricted	7,121,376	5,993,482	1,048,491	994,741	8,169,867	6,988,223
Unrestricted	7,701,776	8,128,201	2,721,423	2,342,465	10,423,199	10,470,666
Total Net Position	\$54,417,223	\$53,486,840	\$21,178,214	\$20,987,993	\$75,595,437	\$74,474,833

Net position of the City's governmental activities increased \$930,383 from the prior year. A portion of this increase was related to current, other and long-term liabilities decreasing over \$768,503 from the prior year. This decrease was a result of the City making current year long-term debt payments.

Unrestricted net position decreased \$426,425 mainly due to the transfer of unrestricted resources to restricted programs to help support operations. Restricted net position increased \$1,127,894 as a result of the transfers of unrestricted resources to help support restricted programs. A portion of this transfer was for future construction of capital projects and to help support overall City operations.

Net position of the City's business-type activities increased \$190,221. Total liabilities decreased \$634,530 due to the City making annual long-term debt payments. Unrestricted net position increased \$378,958 mainly due to revenues continuing to outpace expenses, particularly in the water fund.

Table 2 shows the changes in net position for the years ended December 31, 2014 and December 31, 2013.

Table 2
Changes in Net Position

	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
Revenues:						
Program Revenues:						
Charges for Services and Sales	\$1,680,214	\$1,178,137	\$6,287,700	\$6,132,504	\$7,967,914	\$7,310,641
Operating Grants, Contributions and Interest	1,024,216	1,030,371	0	105,072	1,024,216	1,135,443
Capital Grants, Contributions and Interest	331,344	124,668	0	0	331,344	124,668
Total Program Revenues	<u>3,035,774</u>	<u>2,333,176</u>	<u>6,287,700</u>	<u>6,237,576</u>	<u>9,323,474</u>	<u>8,570,752</u>
General Revenues:						
Property Taxes	1,778,176	1,785,498	0	0	1,778,176	1,785,498
Income Taxes	6,764,284	8,091,731	0	0	6,764,284	8,091,731
Other Local Taxes	184,737	191,449	0	0	184,737	191,449
Payments in Lieu of Taxes	107,787	199,588	0	0	107,787	199,588
Grants and Entitlements	211,427	553,230	0	0	211,427	553,230
Unrestricted Interest	94,468	77,465	0	0	94,468	77,465
Other	100,436	185,686	84,460	11,002	184,896	196,688
Total General Revenues	<u>9,241,315</u>	<u>11,084,647</u>	<u>84,460</u>	<u>11,002</u>	<u>9,325,775</u>	<u>11,095,649</u>
Total Revenues	<u>12,277,089</u>	<u>13,417,823</u>	<u>6,372,160</u>	<u>6,248,578</u>	<u>18,649,249</u>	<u>19,666,401</u>
Program Expenses:						
General Government	2,474,594	2,421,208	0	0	2,474,594	2,421,208
Security of Persons and Property:						
Police	3,648,222	3,537,031	0	0	3,648,222	3,537,031
Fire	2,333,673	2,329,910	0	0	2,333,673	2,329,910
Other	319,464	306,744	0	0	319,464	306,744
Public Health and Welfare	27,356	11,250	0	0	27,356	11,250
Leisure Time Activities	339,652	316,393	0	0	339,652	316,393
Economic Development	51,449	51,449	0	0	51,449	51,449
Basic Utility Services	105,532	97,090	0	0	105,532	97,090
Transportation	1,866,068	3,524,995	0	0	1,866,068	3,524,995
Interest and Fiscal Charges	258,996	279,948	0	0	258,996	279,948
Water	0	0	1,989,322	1,924,148	1,989,322	1,924,148
Sewer	0	0	2,484,895	2,522,418	2,484,895	2,522,418
Trash	0	0	852,135	811,545	852,135	811,545
Stormwater Utility	0	0	777,287	656,697	777,287	656,697
Total Expenses	<u>11,425,006</u>	<u>12,876,018</u>	<u>6,103,639</u>	<u>5,914,808</u>	<u>17,528,645</u>	<u>18,790,826</u>
Change in Net Position Before Transfers	852,083	541,805	268,521	333,770	1,120,604	875,575
Transfers	<u>78,300</u>	<u>130,000</u>	<u>(78,300)</u>	<u>(130,000)</u>	<u>0</u>	<u>0</u>
Change in Net Position	930,383	671,805	190,221	203,770	1,120,604	875,575
Beginning Net Position	<u>53,486,840</u>	<u>52,815,035</u>	<u>20,987,993</u>	<u>20,784,223</u>	<u>74,474,833</u>	<u>73,599,258</u>
Ending Net Position	<u>\$54,417,223</u>	<u>\$53,486,840</u>	<u>\$21,178,214</u>	<u>\$20,987,993</u>	<u>\$75,595,437</u>	<u>\$74,474,833</u>

Total governmental activities revenue decreased \$1,140,734 from the prior year due to the financial restructuring of one of City’s largest tax payers, which caused a large decrease in income tax collections. General revenues had a decrease of \$1,843,332, while program revenues increased \$702,598. The change is related to an increase in charges for services and sales due to increase in fines and forfeitures related to the police department and the City collecting more fire and emergency medical services run fees.

Governmental program expenses as a percentage of total governmental expenses for 2014 are expressed as follows:

General Government	21.66%
Security of Persons and Property:	
Police	31.93
Fire	20.43
Other	2.80
Public Health and Welfare	0.24
Leisure Time Activities	2.97
Economic Development	0.45
Basic Utility Services	0.92
Transportation	16.33
Interest and Fiscal Charges	2.27
	<u>100.00%</u>

The above chart clearly indicates the City’s major source of expenses, 55.16 percent is related to the operating of safety forces. Transportation makes up 16.33 percent of the City’s expenses, which decreased from the prior year due to the City working on less capital projects. All other forms of governmental operations represent 28.51 percent of expenditures. A comparison to the prior year demonstrates that expenses except for transportation were relatively consistent with those in the previous year.

Charges for Services and Sales in the business-type activities increased \$155,196 in 2014 due to an increase in fees related to water and sewer.

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 2014	Net Cost of Services 2014	Total Cost Of Services 2013	Net Cost of Services 2013
General Government	\$2,474,594	\$1,938,687	\$2,421,208	\$2,129,269
Security of Persons and Property:				
Police	3,648,222	3,096,505	3,537,031	3,025,757
Fire	2,333,673	1,637,405	2,329,910	1,736,199
Other	319,464	174,698	306,744	166,195
Public Health and Welfare	27,356	8,068	11,250	(4,626)
Leisure Time Activities	339,652	8,308	316,393	191,725
Economic Development	51,449	49,059	51,449	41,676
Basic Utility Services	105,532	105,532	97,090	97,090
Transportation	1,866,068	1,111,974	3,524,995	2,879,609
Interest and Fiscal Charges	258,996	258,996	279,948	279,948
Total Expenses	\$11,425,006	\$8,389,232	\$12,876,018	\$10,542,842

When looking at the sources of income to support governmental activities, it should be noted that charges for services and sales are only 13.69 percent of total governmental revenue. Revenues provided by sources other than City residents in the form of operating and capital grants, contributions, and interest comprise another 11.04 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 \$515,545 in the Water Fund during 2014 as a result of the City closely monitoring expenses and a decrease in interest and fiscal charges.

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 decreased \$23,430 as expenses exceeded revenues during 2014.

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 a decrease of \$8,613 in 2014. The decrease was a result of expenses exceeding revenues and other non-operating revenues.

The Stormwater Utility Fund was established to provide a funding mechanism to support 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 \$293,281 for 2014 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 \$13,143,082 and expenditures of \$11,663,134.

The General Fund's balance increased \$155,840 as a result of revenues being greater than expenditures and transfers to other funds for operating and capital purposes.

The Fire Levy Fund's balance increased \$374,720. Although expenditures outpaced revenues for the year, the fund balance increased as a result of a large transfer from the general fund for operating purposes.

The Transportation Fund's balance increased \$80,334. Although expenditures outpaced revenues for the year, the fund balance increased as a result of a large transfer from the general fund for operating purposes.

The Special Assessment Bond Fund's balance decreased \$10,779 due to current year debt service payments exceeding revenues.

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 \$9,253,529. The City's actual revenues were \$8,987,099 at year-end, which is a significant variance when compared to the final budgeted revenues. This is due to less income tax receipts being collected as a result of one of the City's largest tax payers financially restructuring their business.

Original General Fund appropriations were \$6,815,346, while final appropriations were \$6,649,941. The City anticipated more expenditures at the beginning of the year. The City's actual expenditures were \$5,967,045 at year-end, a decrease of \$682,896 when compared to the final appropriations. The largest savings contributing to this decrease was within the General Government account. The City did not expend as much as anticipated for personnel service expenditures.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

Table 4
Capital Assets

	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
Land	\$19,445,351	\$19,267,151	\$1,095,364	\$1,095,364	\$20,540,715	\$20,362,515
Land Improvements	224,765	250,104	10,475	10,679	235,240	260,783
Buildings	4,976,432	5,083,173	58,442	59,108	5,034,874	5,142,281
Equipment	554,837	458,993	303,622	309,775	858,459	768,768
Vehicles	457,582	558,509	402,123	440,871	859,705	999,380
Infrastructure	19,867,275	20,370,679	20,777,070	21,629,091	40,644,345	41,999,770
Total	<u>\$45,526,242</u>	<u>\$45,988,609</u>	<u>\$22,647,096</u>	<u>\$23,544,888</u>	<u>\$68,173,338</u>	<u>\$69,533,497</u>

Total capital assets decreased \$1,360,159, which was due to current year depreciation and deletions exceeding current year additions.

See Note 9 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 in the amount of \$6,334,476, including a premium on bonds outstanding of \$335,588 for governmental activities. Business-type activities had debt obligations at year-end consisting of OWDA loans and mortgage revenue bonds in the amount of \$5,255,732, including a premium on bonds in the amount of \$32,015. The City's long-term obligations also included compensated absences for governmental and business-type activities.

As of December 31, 2014, the City's overall legal debt margin (the ability to issue additional amounts of general obligation bonded debt) was \$18,024,480 with an unvoted debt margin of \$7,110,442.

See Notes 14 and 15 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.

BASIC FINANCIAL STATEMENTS

CITY OF FRANKLIN, OHIO
STATEMENT OF NET POSITION
DECEMBER 31, 2014

	Governmental Activities	Business-Type Activities	Totals
Assets			
Equity in Pooled Cash and Cash Equivalents	\$12,929,818	\$3,002,981	\$15,932,799
Accrued Interest Receivable	1,087	0	1,087
Accounts Receivable	0	850,985	850,985
Intergovernmental Receivable	532,699	0	532,699
Materials and Supplies Inventory	313,860	53,019	366,879
Income Taxes Receivable	1,681,772	0	1,681,772
Property Taxes Receivable	2,052,933	0	2,052,933
Other Local Taxes Receivable	36,004	0	36,004
Special Assessments Receivable	795,572	0	795,572
Cash and Cash Equivalents with Trustee	0	581,094	581,094
Nondepreciable Capital Assets	19,445,351	1,095,364	20,540,715
Depreciable Capital Assets, Net	26,080,891	21,551,732	47,632,623
Total Assets	63,869,987	27,135,175	91,005,162
Deferred Outflows of Resources			
Deferred Charge on Refunding	298,551	16,936	315,487
Liabilities			
Accounts Payable	140,534	84,012	224,546
Accrued Wages and Benefits Payable	265,723	53,246	318,969
Intergovernmental Payable	305,675	49,896	355,571
Contracts Payable	0	142,001	142,001
Accrued Interest Payable	19,795	72,132	91,927
Refundable Deposits	0	140,850	140,850
Long-Term Liabilities:			
Due Within One Year	908,887	726,635	1,635,522
Due in More Than One Year	6,207,701	4,705,125	10,912,826
Total Liabilities	7,848,315	5,973,897	13,822,212
Deferred Inflows of Resources			
Property Taxes	1,903,000	0	1,903,000
Net Position			
Net Investment in Capital Assets	39,594,071	17,408,300	57,002,371
Restricted for:			
Debt Service	751,216	570,861	1,322,077
Capital Outlay	1,584,069	0	1,584,069
Fire Protection	988,131	0	988,131
Transportation	1,209,777	0	1,209,777
Other Purposes	745,528	0	745,528
Revenue Bonds Replacement and Improvement	0	477,630	477,630
Leisure Time Activities Expendable	335,947	0	335,947
Leisure Time Activities Nonexpendable	1,506,708	0	1,506,708
Unrestricted	7,701,776	2,721,423	10,423,199
Total Net Position	\$54,417,223	\$21,178,214	\$75,595,437

See accompanying notes to the basic financial statements

CITY OF FRANKLIN, OHIO
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2014

	Program Revenues			
	Expenses	Charges for Services and Sales	Operating Grants, Contributions and Interest	Capital Grants, Contributions and Interest
Governmental Activities:				
General Government	\$2,474,594	\$532,555	\$3,352	\$0
Security of Persons and Property:				
Police	3,648,222	440,377	111,340	0
Fire	2,333,673	548,905	147,363	0
Other	319,464	144,766	0	0
Public Health and Welfare	27,356	11,847	7,441	0
Leisure Time Activities	339,652	0	0	331,344
Economic Development	51,449	0	2,390	0
Basic Utility Services	105,532	0	0	0
Transportation	1,866,068	1,764	752,330	0
Interest and Fiscal Charges	258,996	0	0	0
Total Governmental Activities	<u>11,425,006</u>	<u>1,680,214</u>	<u>1,024,216</u>	<u>331,344</u>
Business-Type Activities:				
Water	1,989,322	2,566,139	0	0
Sewer	2,484,895	2,474,765	0	0
Trash	852,135	762,790	0	0
Stormwater Utility	777,287	484,006	0	0
Total Business-Type Activities	<u>6,103,639</u>	<u>6,287,700</u>	<u>0</u>	<u>0</u>
Total Activities	<u>\$17,528,645</u>	<u>\$7,967,914</u>	<u>\$1,024,216</u>	<u>\$331,344</u>
General Revenues and Transfers:				
Taxes				
Property Taxes Levied for:				
General Purposes				
Fire				
Other Purposes				
Income Taxes				
Other Local Taxes Levied for General Purposes				
Payments in Lieu of Taxes				
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				
Net Position at End of Year				

See accompanying notes to the basic financial statements

Net (Expense) Revenue and Changes in Net Position

<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
(\$1,938,687)	\$0	(\$1,938,687)
(3,096,505)	0	(3,096,505)
(1,637,405)	0	(1,637,405)
(174,698)	0	(174,698)
(8,068)	0	(8,068)
(8,308)	0	(8,308)
(49,059)	0	(49,059)
(105,532)	0	(105,532)
(1,111,974)	0	(1,111,974)
(258,996)	0	(258,996)
<u>(8,389,232)</u>	<u>0</u>	<u>(8,389,232)</u>
0	576,817	576,817
0	(10,130)	(10,130)
0	(89,345)	(89,345)
0	(293,281)	(293,281)
<u>0</u>	<u>184,061</u>	<u>184,061</u>
<u>(8,389,232)</u>	<u>184,061</u>	<u>(8,205,171)</u>
394,024	0	394,024
1,209,420	0	1,209,420
174,732	0	174,732
6,764,284	0	6,764,284
184,737	0	184,737
107,787	0	107,787
211,427	0	211,427
94,468	0	94,468
100,436	84,460	184,896
78,300	(78,300)	0
<u>9,319,615</u>	<u>6,160</u>	<u>9,325,775</u>
930,383	190,221	1,120,604
<u>53,486,840</u>	<u>20,987,993</u>	<u>74,474,833</u>
<u>\$54,417,223</u>	<u>\$21,178,214</u>	<u>\$75,595,437</u>

CITY OF FRANKLIN, OHIO
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2014

	<u>General</u>	<u>Fire Levy</u>	<u>Transportation</u>
Assets:			
Equity in Pooled Cash and Cash Equivalents	\$6,399,264	\$1,225,227	\$779,319
Restricted Assets:			
Equity in Pooled Cash and Cash Equivalents	15,069	0	0
Materials and Supplies Inventory	19,363	32,560	260,363
Intergovernmental Receivable	153,054	75,657	295,451
Income Taxes Receivable	1,681,772	0	0
Property Taxes Receivable	469,114	1,401,419	0
Other Local Taxes Receivable	36,004	0	0
Interfund Receivable	2,252	0	0
Special Assessments Receivable	0	0	0
Accrued Interest Receivable	1,087	0	0
Total Assets	<u>\$8,776,979</u>	<u>\$2,734,863</u>	<u>\$1,335,133</u>
Liabilities:			
Accounts Payable	\$44,058	\$69,483	\$12,572
Accrued Wages and Benefits Payable	166,210	70,693	16,666
Intergovernmental Payable	165,278	67,349	18,833
Interfund Payable	0	0	0
Total Liabilities	<u>375,546</u>	<u>207,525</u>	<u>48,071</u>
Deferred Inflows of Resources:			
Property Taxes	435,000	1,299,000	0
Unavailable Revenue	1,161,765	170,426	248,460
Total Deferred Inflows of Resources	<u>1,596,765</u>	<u>1,469,426</u>	<u>248,460</u>
Fund Balances:			
Nonspendable	34,432	32,560	260,363
Restricted	0	1,025,352	778,239
Committed	0	0	0
Assigned	593,718	0	0
Unassigned (Deficit)	6,176,518	0	0
Total Fund Balances	<u>6,804,668</u>	<u>1,057,912</u>	<u>1,038,602</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$8,776,979</u>	<u>\$2,734,863</u>	<u>\$1,335,133</u>

See accompanying notes to the basic financial statements

Special Assessment Bond	Nonmajor Governmental Funds	Total Governmental Funds
\$136,820	\$4,374,119	\$12,914,749
0	0	15,069
0	1,574	313,860
0	8,537	532,699
0	0	1,681,772
0	182,400	2,052,933
0	0	36,004
0	0	2,252
678,749	116,823	795,572
0	0	1,087
<u>\$815,569</u>	<u>\$4,683,453</u>	<u>\$18,345,997</u>
\$0	\$14,421	\$140,534
0	12,154	265,723
0	54,215	305,675
0	2,252	2,252
<u>0</u>	<u>83,042</u>	<u>714,184</u>
0	169,000	1,903,000
678,749	138,760	2,398,160
<u>678,749</u>	<u>307,760</u>	<u>4,301,160</u>
0	1,508,282	1,835,637
136,820	2,602,032	4,542,443
0	67,495	67,495
0	151,532	745,250
0	(36,690)	6,139,828
<u>136,820</u>	<u>4,292,651</u>	<u>13,330,653</u>
<u>\$815,569</u>	<u>\$4,683,453</u>	<u>\$18,345,997</u>

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CITY OF FRANKLIN, OHIO
RECONCILIATION OF TOTAL GOVERNMENTAL FUND
BALANCES TO NET POSITION OF GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2014

Total Governmental Fund Balances \$13,330,653

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	19,445,351	
Infrastructure	64,309,320	
Other Capital Assets	13,143,009	
Accumulated Depreciation	(51,371,438)	
Total Capital Assets		45,526,242

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	149,933	
Other Local Taxes	32,709	
Income Taxes	1,005,771	
Special Assessments	795,572	
Intergovernmental	414,175	
Total		2,398,160

In the Statement of Activities, interest is accrued on long-term debt, whereas
in governmental funds, an interest expenditure is reported when due. (19,795)

Deferred outflows of resources include deferred charges on
refundings which do not provide current financial resources
and, therefore, are not reported in the funds. 298,551

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

General Obligation Bonds	(5,230,588)	
Special Assessment Bonds	(985,000)	
Police and Fire Pension	(58,754)	
Capital Leases	(60,134)	
Compensated Absences	(782,112)	
Total		(7,116,588)

Net Position of Governmental Activities \$54,417,223

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, 2014

	<u>General</u>	<u>Fire Levy</u>	<u>Transportation</u>
Revenues:			
Property Taxes	\$393,422	\$1,190,829	\$0
Other Local Taxes	185,344	0	0
Income Taxes	7,305,812	0	0
Payments in Lieu of Taxes	0	0	0
Special Assessments	0	0	0
Charges for Services	241,644	549,138	0
Fines, Licenses and Permits	519,769	102	1,764
Intergovernmental	220,286	147,858	758,998
Interest	71,341	0	23
Contributions and Donations	3,352	0	0
Other	78,534	477	11,378
Total Revenues	<u>9,019,504</u>	<u>1,888,404</u>	<u>772,163</u>
Expenditures:			
Current:			
General Government	2,311,045	0	0
Security of Persons and Property:			
Police	3,194,298	0	0
Fire	0	2,133,499	0
Other	176,174	0	0
Public Health and Welfare	0	0	0
Leisure Time Activities	34,406	0	0
Economic Development	0	0	0
Transportation	0	0	1,067,753
Capital Outlay	192,000	0	0
Debt Service:			
Principal Retirement	0	58,399	0
Interest and Fiscal Charges	0	3,521	0
Total Expenditures	<u>5,907,923</u>	<u>2,195,419</u>	<u>1,067,753</u>
Excess of Revenues Over (Under)			
Expenditures	<u>3,111,581</u>	<u>(307,015)</u>	<u>(295,590)</u>
Other Financing Sources (Uses):			
Transfers In	0	754,030	500,000
Transfers Out	(2,955,741)	(72,295)	(124,076)
Total Other Financing Sources (Uses)	<u>(2,955,741)</u>	<u>681,735</u>	<u>375,924</u>
Net Change in Fund Balances	155,840	374,720	80,334
Fund Balances at Beginning of Year	<u>6,648,828</u>	<u>683,192</u>	<u>958,268</u>
Fund Balances at End of Year	<u><u>\$6,804,668</u></u>	<u><u>\$1,057,912</u></u>	<u><u>\$1,038,602</u></u>

See accompanying notes to the basic financial statements

Special Assessment Bond	Nonmajor Governmental Funds	Total Governmental Funds
\$0	\$181,460	\$1,765,711
0	0	185,344
0	0	7,305,812
0	107,787	107,787
306,363	162,726	469,089
0	0	790,782
0	223,366	745,001
0	116,814	1,243,956
23,104	331,344	425,812
0	0	3,352
0	10,047	100,436
<u>329,467</u>	<u>1,133,544</u>	<u>13,143,082</u>
0	112,364	2,423,409
0	497,201	3,691,499
0	124,977	2,258,476
0	140,592	316,766
0	27,356	27,356
0	281,544	315,950
0	51,449	51,449
0	1,152	1,068,905
0	358,529	550,529
274,000	361,762	694,161
66,246	194,867	264,634
<u>340,246</u>	<u>2,151,793</u>	<u>11,663,134</u>
<u>(10,779)</u>	<u>(1,018,249)</u>	<u>1,479,948</u>
0	1,980,412	3,234,442
0	(4,030)	(3,156,142)
<u>0</u>	<u>1,976,382</u>	<u>78,300</u>
(10,779)	958,133	1,558,248
<u>147,599</u>	<u>3,334,518</u>	<u>11,772,405</u>
<u>\$136,820</u>	<u>\$4,292,651</u>	<u>\$13,330,653</u>

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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, 2014

Net Change in Fund Balances - Total Governmental Funds \$1,558,248

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:

Capital Assets Additions	833,398	
Current Year Depreciation	(1,205,185)	
Excess of depreciation expense over capital outlay		(371,787)

When capital assets are disposed of, the cost of the capital assets is removed
from the capital assets account in the Statement of Net Position, resulting in a loss
on disposal of capital assets in the Statement of Activities. (90,580)

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	12,465	
Other Local Taxes	(607)	
Income Taxes	(541,528)	
Special Assessments	(324,323)	
Charges for Services	(335)	
Intergovernmental	(11,665)	
Total		(865,993)

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.

Bond Principal Retirement	360,000	
Special assessment principal retirement	274,000	
Police and Fire Pension Principal Retirement	1,762	
Capital lease principal retirement	58,399	
Total Long-Term Debt Repayment		694,161

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	1,756	
Total		5,638

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	696
----------------------------------	-----

Change in Net Position of Governmental Activities \$930,383

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, 2014

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues:				
Property Taxes	\$422,000	\$422,000	\$393,422	(\$28,578)
Other Local Taxes	189,880	193,000	184,731	(8,269)
Income Taxes	7,491,527	7,500,000	7,288,338	(211,662)
Charges for Services	242,023	259,029	241,644	(17,385)
Fines, Licenses and Permits	524,339	491,300	510,121	18,821
Intergovernmental	228,401	247,500	222,207	(25,293)
Contributions and Donations	3,445	5,400	3,352	(2,048)
Interest	66,591	50,000	64,785	14,785
Other	85,323	85,300	78,499	(6,801)
Total Revenues	9,253,529	9,253,529	8,987,099	(266,430)
Expenditures:				
Current:				
General Government	2,695,380	2,813,807	2,340,317	473,490
Security of Persons and Property:				
Police	3,605,921	3,363,828	3,260,831	102,997
Other	180,301	180,901	173,897	7,004
Capital Outlay	333,744	291,405	192,000	99,405
Total Expenditures	6,815,346	6,649,941	5,967,045	682,896
Excess of Revenues Over Expenditures	2,438,183	2,603,588	3,020,054	416,466
Other Financing Sources (Uses):				
Transfers In	300,000	300,000	0	(300,000)
Transfers Out	(2,994,136)	(3,408,683)	(2,990,147)	418,536
Total Other Financing Sources (Uses)	(2,694,136)	(3,108,683)	(2,990,147)	118,536
Net Change in Fund Balance	(255,953)	(505,095)	29,907	535,002
Fund Balance at Beginning of Year	6,269,282	6,269,282	6,269,282	0
Prior Year Encumbrances Appropriated	81,061	81,061	81,061	0
Fund Balance at End of Year	\$6,094,390	\$5,845,248	\$6,380,250	\$535,002

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, 2014

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues:				
Property Taxes	\$1,250,000	\$1,240,000	\$1,190,829	(\$49,171)
Charges for Services	263,037	350,000	538,606	188,606
Fines, Licenses and Permits	50	2,000	102	(1,898)
Intergovernmental	74,651	0	152,858	152,858
Other	232	0	477	477
Total Revenues	1,587,970	1,592,000	1,882,872	290,872
Expenditures:				
Current:				
Security of Persons and Property:				
Fire	2,722,682	2,671,081	2,173,355	497,726
Excess of Revenues Under Expenditures	(1,134,712)	(1,079,081)	(290,483)	788,598
Other Financing Sources (Uses):				
Transfers In	754,030	750,000	754,030	4,030
Transfers Out	0	(81,000)	(72,295)	8,705
Total Other Financing Sources (Uses)	754,030	669,000	681,735	12,735
Net Change in Fund Balance	(380,682)	(410,081)	391,252	801,333
Fund Balance at Beginning of Year	774,486	774,486	774,486	0
Prior Year Encumbrances Appropriated	10,670	10,670	10,670	0
Fund Balance at End of Year	<u>\$404,474</u>	<u>\$375,075</u>	<u>\$1,176,408</u>	<u>\$801,333</u>

CITY OF FRANKLIN, OHIO
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)
TRANSPORTATION FUND
FOR THE YEAR ENDED DECEMBER 31, 2014

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues:				
Fines, Licenses and Permits	\$1,845	\$500	\$1,764	\$1,264
Intergovernmental	761,031	772,300	727,660	(44,640)
Interest	24	100	23	(77)
Other	11,900	6,000	11,378	5,378
	<u>774,800</u>	<u>778,900</u>	<u>740,825</u>	<u>(38,075)</u>
Total Revenues				
Expenditures:				
Current:				
Transportation	1,377,465	1,396,660	1,239,263	157,397
Capital Outlay	90,000	0	0	0
	<u>1,467,465</u>	<u>1,396,660</u>	<u>1,239,263</u>	<u>157,397</u>
Total Expenditures				
Excess of Revenues Under Expenditures	<u>(692,665)</u>	<u>(617,760)</u>	<u>(498,438)</u>	<u>119,322</u>
Other Financing Sources (Uses):				
Transfers In	500,000	500,000	500,000	0
Transfers Out	0	(124,100)	(124,076)	24
	<u>500,000</u>	<u>375,900</u>	<u>375,924</u>	<u>24</u>
Total Other Financing Sources (Uses)				
Net Change in Fund Balance	(192,665)	(241,860)	(122,514)	119,346
Fund Balance at Beginning of Year	862,936	862,936	862,936	0
Prior Year Encumbrances Appropriated	<u>3,795</u>	<u>3,795</u>	<u>3,795</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$674,066</u></u>	<u><u>\$624,871</u></u>	<u><u>\$744,217</u></u>	<u><u>\$119,346</u></u>

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CITY OF FRANKLIN, OHIO
STATEMENT OF FUND NET POSITION
ENTERPRISE FUNDS
DECEMBER 31, 2014

	<u>Water</u>	<u>Sewer</u>	<u>Trash</u>
Assets:			
Current Assets:			
Equity in Pooled Cash and Cash Equivalents	\$984,019	\$642,373	\$251,079
Materials and Supplies Inventory	53,019	0	0
Accounts Receivable	264,194	462,655	66,615
Restricted Assets:			
Cash and Cash Equivalents with Trustee	475,233	0	0
Total Current Assets	<u>1,776,465</u>	<u>1,105,028</u>	<u>317,694</u>
Noncurrent Assets:			
Restricted Assets:			
Equity in Pooled Cash and Cash Equivalents	612,820	135,190	0
Cash and Cash Equivalents with Trustee	105,861	0	0
Nondepreciable Capital Assets	1,020,364	37,500	0
Depreciable Capital Assets, Net	8,417,915	3,739,404	0
Total Noncurrent Assets	<u>10,156,960</u>	<u>3,912,094</u>	<u>0</u>
Total Assets	<u>11,933,425</u>	<u>5,017,122</u>	<u>317,694</u>
Deferred Outflows of Resources			
Deferred Charge on Refunding	16,936	0	0
Liabilities:			
Current Liabilities:			
Accounts Payable	22,354	3,861	54,872
Accrued Wages and Benefits Payable	31,511	10,852	2,304
Contracts Payable	0	142,001	0
Intergovernmental Payable	27,054	10,418	2,600
Accrued Interest Payable	72,132	0	0
Compensated Absences Payable	21,213	15,350	630
Revenue Bonds Payable	465,000	0	0
OWDA Loans Payable	221,625	0	0
Total Current Liabilities	<u>860,889</u>	<u>182,482</u>	<u>60,406</u>
Long Term Liabilities:			
Compensated Absences Payable	62,782	53,818	2,919
Revenue Bonds Payable	2,597,015	0	0
OWDA Loans Payable	1,972,092	0	0
Refundable Deposits	70,425	70,425	0
Total Long Term Liabilities	<u>4,702,314</u>	<u>124,243</u>	<u>2,919</u>
Total Liabilities	<u>5,563,203</u>	<u>306,725</u>	<u>63,325</u>
Net Position:			
Net Investment in Capital Assets	4,199,483	3,776,904	0
Restricted for:			
Debt Service	570,861	0	0
Revenue Bonds Replacement and Improvements	477,630	0	0
Unrestricted	1,139,184	933,493	254,369
Total Net Position	<u>\$6,387,158</u>	<u>\$4,710,397</u>	<u>\$254,369</u>

See accompanying notes to the basic financial statements

<u>Stormwater Utility</u>	<u>Total</u>
\$377,500	\$2,254,971
0	53,019
57,521	850,985
0	475,233
435,021	3,634,208
0	748,010
0	105,861
37,500	1,095,364
9,394,413	21,551,732
9,431,913	23,500,967
9,866,934	27,135,175
0	16,936
2,925	84,012
8,579	53,246
0	142,001
9,824	49,896
0	72,132
2,817	40,010
0	465,000
0	221,625
24,145	1,127,922
16,499	136,018
0	2,597,015
0	1,972,092
0	140,850
16,499	4,845,975
40,644	5,973,897
9,431,913	17,408,300
0	570,861
0	477,630
394,377	2,721,423
\$9,826,290	\$21,178,214

CITY OF FRANKLIN, OHIO
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2014

	<u>Water</u>	<u>Sewer</u>	<u>Trash</u>
Operating Revenues:			
Charges for Services	<u>\$2,566,139</u>	<u>\$2,474,765</u>	<u>\$762,790</u>
Operating Expenses:			
Personal Services	727,710	272,911	63,949
Contractual Services	460,703	2,017,358	778,216
Supplies and Materials	103,149	50,841	9,970
Depreciation	385,154	143,785	0
Other	<u>7,591</u>	<u>0</u>	<u>0</u>
Total Operating Expenses	<u>1,684,307</u>	<u>2,484,895</u>	<u>852,135</u>
Operating Income (Loss)	<u>881,832</u>	<u>(10,130)</u>	<u>(89,345)</u>
Non-Operating Revenues (Expenses):			
Other Non-Operating Revenues	3,728	0	80,732
Interest and Fiscal Charges	<u>(305,015)</u>	<u>0</u>	<u>0</u>
Total Non-Operating Revenues (Expenses)	<u>(301,287)</u>	<u>0</u>	<u>80,732</u>
Income (Loss) Before Transfers	<u>580,545</u>	<u>(10,130)</u>	<u>(8,613)</u>
Transfers In	0	46,700	0
Transfers Out	<u>(65,000)</u>	<u>(60,000)</u>	<u>0</u>
Total Other Financing Sources (Uses)	(65,000)	(13,300)	0
Change in Net Position	515,545	(23,430)	(8,613)
Net Position at Beginning of Year	<u>5,871,613</u>	<u>4,733,827</u>	<u>262,982</u>
Net Position at End of Year	<u><u>\$6,387,158</u></u>	<u><u>\$4,710,397</u></u>	<u><u>\$254,369</u></u>

See accompanying notes to the basic financial statements

<u>Stormwater Utility</u>	<u>Total</u>
<u>\$484,006</u>	<u>\$6,287,700</u>
287,622	1,352,192
44,364	3,300,641
12,086	176,046
433,215	962,154
<u>0</u>	<u>7,591</u>
<u>777,287</u>	<u>5,798,624</u>
<u>(293,281)</u>	<u>489,076</u>
0	84,460
<u>0</u>	<u>(305,015)</u>
<u>0</u>	<u>(220,555)</u>
<u>(293,281)</u>	<u>268,521</u>
0	46,700
<u>0</u>	<u>(125,000)</u>
0	(78,300)
(293,281)	190,221
<u>10,119,571</u>	<u>20,987,993</u>
<u><u>\$9,826,290</u></u>	<u><u>\$21,178,214</u></u>

CITY OF FRANKLIN, OHIO
STATEMENT OF CASH FLOWS
ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2014

	Water	Sewer	Trash	Stormwater Utility	Totals
<u>Increase (Decrease) in Cash and Cash Equivalents</u>					
<u>Cash Flows from Operating Activities:</u>					
Cash Received from Customers	\$2,574,532	\$2,413,361	\$763,580	\$468,849	\$6,220,322
Cash Paid for Employee Services and Benefits	(724,503)	(263,351)	(62,921)	(282,008)	(1,332,783)
Cash Paid to Suppliers for Goods and Services	(594,902)	(2,086,316)	(734,027)	(54,494)	(3,469,739)
Utility Deposits Received	23,263	23,260	0	0	46,523
Utility Deposits Returned	(22,003)	(22,000)	0	0	(44,003)
Other Operating Expenses	(7,513)	0	0	0	(7,513)
Net Cash Provided by (Used for) Operating Activities	<u>1,248,874</u>	<u>64,954</u>	<u>(33,368)</u>	<u>132,347</u>	<u>1,412,807</u>
<u>Cash Flows from Noncapital Financing Activities:</u>					
Other Non-Operating Revenues	3,728	0	80,732	0	84,460
Transfers In/Out to Other Funds	(65,000)	(13,300)	0	0	(78,300)
Net Cash Provided by (Used for) Noncapital Financing Activities	<u>(61,272)</u>	<u>(13,300)</u>	<u>80,732</u>	<u>0</u>	<u>6,160</u>
<u>Cash Flows from Capital and Related Financing Activities:</u>					
Acquisition of Capital Assets	(56,912)	0	0	(7,450)	(64,362)
Interest Paid on OWDA Loans	(136,824)	0	0	0	(136,824)
Principal Paid on OWDA Loans	(208,598)	0	0	0	(208,598)
Interest Paid on Mortgage Revenue Bonds	(177,894)	0	0	0	(177,894)
Principal Paid on Mortgage Revenue Bonds	(445,000)	0	0	0	(445,000)
Net Cash Used for Capital and Related Financing Activities	<u>(1,025,228)</u>	<u>0</u>	<u>0</u>	<u>(7,450)</u>	<u>(1,032,678)</u>
Net Increase in Cash and Cash Equivalents	162,374	51,654	47,364	124,897	386,289
Cash and Cash Equivalents at Beginning of Year	<u>2,015,559</u>	<u>725,909</u>	<u>203,715</u>	<u>252,603</u>	<u>3,197,786</u>
Cash and Cash Equivalents at End of Year	<u>\$2,177,933</u>	<u>\$777,563</u>	<u>\$251,079</u>	<u>\$377,500</u>	<u>\$3,584,075</u>
<u>Reconciliation of Operating Income (Loss) to</u>					
<u>Net Cash Provided by (Used for) Operating Activities:</u>					
Operating Income (Loss)	<u>\$881,832</u>	<u>(\$10,130)</u>	<u>(\$89,345)</u>	<u>(\$293,281)</u>	<u>\$489,076</u>
<u>Adjustments to Reconcile Operating Income (Loss)</u>					
<u>to Net Cash Provided by (Used for) Operating Activities:</u>					
Depreciation Expense	385,154	143,785	0	433,215	962,154
<u>Change in Assets and Liabilities:</u>					
(Increase) Decrease in Materials and Supplies Inventory	(3,621)	1,887	0	0	(1,734)
(Increase) Decrease in Accounts Receivable	8,393	(61,404)	790	(15,157)	(67,378)
Increase (Decrease) in Accounts Payable	(27,235)	(9,745)	54,159	1,956	19,135
Increase (Decrease) in Accrued Wages and Benefits Payable	(5,918)	3,218	352	1,427	(921)
Decrease in Contracts Payable	0	(10,259)	0	0	(10,259)
Increase (Decrease) in Intergovernmental Payable	(1,662)	281	9	1,238	(134)
Increase in Compensated Absences Payable	10,671	6,061	667	2,949	20,348
Increase in Refundable Deposits Payable	1,260	1,260	0	0	2,520
Total Adjustments	<u>367,042</u>	<u>75,084</u>	<u>55,977</u>	<u>425,628</u>	<u>923,731</u>
Net Cash Provided by (Used for) Operating Activities	<u>\$1,248,874</u>	<u>\$64,954</u>	<u>(\$33,368)</u>	<u>\$132,347</u>	<u>\$1,412,807</u>

See accompanying notes to the basic financial statements

CITY OF FRANKLIN, OHIO
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
DECEMBER 31, 2014

Assets:	
Equity in Pooled Cash and Cash Equivalents	\$307
Cash in Segregated Accounts	<u>66,553</u>
Total Assets	<u><u>\$66,860</u></u>
Liabilities:	
Intergovernmental Payable	\$32,249
Undistributed Monies	15,639
Deposits Held and Due to Others	<u>18,972</u>
Total Liabilities	<u><u>\$66,860</u></u>

See accompanying notes to the basic financial statements

CITY OF FRANKLIN, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2014

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 joint venture, one shared risk pool, and two jointly governed organizations. These organizations are presented in Note 17 of the basic financial statements. These organizations are:

Joint Venture:

Joint Recreation Facility

Shared Risk Pool:

Ohio Government Risk Management Plan

Jointly Governed Organizations:

Warren County General Health District

Warren County Fire Response and Life Safety Council of Governments

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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.

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.

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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.

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

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.

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.

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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, investment trust funds, private-purpose trust funds, and agency funds. Trust funds are used to account for assets held and administered by the City under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the City's own programs. The City has no trust fund. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The City has three agency funds that are used to account for fines and fees and taxes held for distribution to other governments and for the activity of entities for which the City serves as fiscal agent.

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.

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 enterprise funds are accounted for using 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. The statement of revenues, expenses and changes in fund net position presents increases (e.g., revenues) and decreases (e.g., expenses) in total net position. The statement of cash flows provides information about how the City finances and meets the cash flow needs of its enterprise activities.

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 financial statements of the fiduciary funds are prepared using the accrual basis of accounting; enterprise funds also use the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred inflows/outflows of resources, and in the presentation of expenses versus expenditures.

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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, revenue in lieu of 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/revenue in lieu of taxes is recognized in the year for which the taxes are levied or would have been levied (See Notes 6 and 7). 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.

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 represent 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 include a deferred charge on refunding reported in the government-wide statement of net position in both governmental and business-type activities column. It is also reported on the enterprise fund statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the life of the old debt or the life of the new debt, whichever is shorter.

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 and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of December 31, 2014, but which were levied to finance 2015 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, and intergovernmental revenues, including grants. These amounts are deferred and recognized as inflows of resources in the period when the amounts become available.

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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."

During the year, the City's investments were limited to STAROhio, Smith Barney common stock, Federal Home Loan Mortgage Notes, Federal National Mortgage Association Notes, mutual fund, and Federal Farm Credit Banks Consolidation Bonds. The City received a donation of common and preferred stock from an estate in 2009. Except for nonparticipating investment contracts, investments are reported at fair value, which, except for mutual funds, is based on quoted market prices.

The City has invested funds in the State Treasury Asset Reserve of Ohio (STAROhio) during 2014. STAROhio is an investment pool managed by the State Treasurer's Office that allows governments within the State to pool their funds for investment purposes. STAROhio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAROhio are valued at STAROhio's net asset value per share, which is the price the investment could be sold at December 31, 2014.

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 2014 amounted to \$71,341, which includes \$36,353 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. 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.

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Interfund Balances

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as “Interfund Receivable/Payable.” Interfund balances are eliminated on the governmental-wide 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 when historical records are available and estimated historical cost where no historical records exist, and are updated for additions and reductions during the year. For certain assets, estimates were calculated by indexing estimated current costs back to the estimated year of acquisition. Donated capital assets are recorded at their fair market 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 except land are depreciated. 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 replacements. 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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Capitalization of Interest

It is the City's policy to capitalize net interest on proprietary fund construction projects until substantial completion of the project. The amount of capitalized interest equals the difference between the interest cost associated with the tax exempt borrowing used to finance the project and the interest earned from temporary investment of the debt proceeds. Capitalized interest is amortized on the straight-line basis over the estimated useful life of the asset.

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.

Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements. All payables, accrued liabilities, and long-term obligations payable from the enterprise funds are reported on the enterprise fund 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 liabilities on the fund financial statements only to the extent that they are due for payment during the current year. Long-term bonds, capital leases, and the police and fire pension liability are recognized as liabilities on the governmental fund financial statements when due.

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:

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).

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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.

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.

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 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

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through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Net position restricted for other purposes include funds for the operation of recreational activities, improving the living environment of the City, and police and fire pensions.

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 within 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 nonoperating 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 agency funds, are legally required to be budgeted and appropriated. 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 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 force 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.

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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.

Deferred Charge on Refunding

On the government-wide financial statements, the difference between the reacquisition price (funds required to refund the old debt) and the net carrying amount of the old debt is deferred and amortized as a component of interest expense. This deferred amount is amortized over the remaining life of the old debt or the life of the new debt, whichever is shorter, using the effective interest method and is presented as deferred outflows of resources on the statement of net position.

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 – Accountability

At December 31, 2014, the Police and Fire Pension fund, which is a special revenue fund, is the only fund with a deficit fund balance. For 2014, the deficit fund balance was \$36,690.

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 4 – 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, Fire Levy and Transportation special revenue funds are presented on the budgetary basis to provide a meaningful comparison of actual results with the budget.

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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 and unrecorded interest represent amounts received but not included on the budget basis operating statement. These amounts are included as revenue on the GAAP basis operating statement.
5. Investments are recorded at fair value (GAAP basis) rather than cost (budget basis).

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	Transportation Fund
GAAP Basis	\$155,840	\$374,720	\$80,334
Revenue Accruals	28,079	27,682	3,764
Expenditure Accruals	(35,615)	37,669	(171,510)
Encumbrances	(23,507)	(15,605)	0
Unrecorded Cash - 2013	3,692	0	0
Unrecorded Cash - 2014	(58,327)	(33,214)	(35,102)
Decrease in Fair Value of Investments - 2013	(4,506)	0	0
Increase in Fair Value of Investments - 2014	(1,343)	0	0
Transfers	(34,406)	0	0
Budget Basis	\$29,907	\$391,252	(\$122,514)

Note 5 – Deposits and Investments

The City has chosen to follow State statute and classify monies held by the City into three categories.

Active monies are public monies necessary to meet current demands on the treasury. Such monies must be maintained either as cash in the City's 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

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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.

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

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, Government National Mortgage Association, and Student Loan Marketing 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;
6. The State Treasurer's investment pool (STAR Ohio);
7. Certain bankers' acceptances and commercial paper notes for a period not to exceed one hundred eighty days in an amount not to exceed 25 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.

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.

The City has passed an ordinance allowing the City to invest monies not required to be used for a period of six months or more in the following:

1. Bonds of the State of Ohio;

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2. Bonds of any municipal corporation, village, county, township, or other political subdivision of this State, as to which there is no default of principal, interest or coupons; and,
3. Obligations of the City.

Investments

As of December 31, 2014, the City had the following investments:

<u>Investment Type</u>	<u>Fair Value</u>	<u>(in Years)</u>	<u>Rating</u>	<u>Investments</u>
STAROhio	\$1,409,470	Less than One	N/A	N/A
Common Stock	1,836,425	Less than One	N/A	44.36%
Federal Home Loan Mortgage Notes	196,966	Less than Five	Aaa	4.76%
Federal National Mortgage Association Notes	496,694	Less than Five	Aaa	12.00%
Huntington Bank Mutual Fund	100,558	Less than One	Aaa	2.43%
Federal Farm Credit Bank Consolidation Bonds	99,467	Less than Five	Aaa	2.40%
Total Investments	<u>\$4,139,580</u>			

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.

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 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 and that the money market mutual funds be rated in the highest category at the time of purchase by at least one nationally recognized standard rating service. The City has no additional policy regarding credit risk.

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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 6 – Property Taxes

Property taxes include amounts levied against all real and public utility property located in the City. Property tax revenue received during 2014 for real and public utility property taxes represents collections of 2013 taxes.

2014 real property taxes were levied after October 1, 2014 on the assessed value as of January 1, 2014, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2014 real property taxes are collected in and intended to finance 2015.

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. 2014 public utility property taxes, which became a lien December 31, 2013, are levied after October 1, 2014 and are collected in 2015 with real property taxes.

The full tax rate for all City operations for the year ended December 31, 2014 was \$9.32 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2014 property tax receipts were based are as follows:

<u>Category</u>	<u>Assessed Value</u>
Real Property	\$202,460,490
Public Utility Personal Property	15,820,270
Totals	<u>\$218,280,760</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, 2014, and for which there was an enforceable legal claim. In governmental funds, the portion of the receivable not levied to finance 2014 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.

Note 7 – 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.

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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 2014, the proceeds were allocated to the General Fund.

Note 8 – Receivables

Receivables at December 31, 2014 consisted of intergovernmental, including grants, entitlements and shared revenues, income taxes, property taxes, other local taxes, 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 \$359,796. The City has \$240,724 in delinquent special assessments at December 31, 2014.

A summary of intergovernmental receivables follows:

	<u>Amount</u>
<u>Governmental Activities:</u>	
Local Government Assistance	\$82,114
Homestead and Rollback Exemption	96,170
Recreation Fees	49,099
Charges for Services	9,865
Gasoline Tax	202,776
Motor Vehicle License Tax	45,309
Permissive Motor Vehicle License Tax	47,366
Total Governmental Activities	<u><u>\$532,699</u></u>

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Note 9 – Capital Assets

Capital assets activity for the year ended December 31, 2014 was as follows:

	Balance at January 1, 2014	Additions	Deletions	Balance at December 31, 2014
Governmental Activities				
Capital Assets, Not Being Depreciated:				
Land	\$19,267,151	\$178,200	\$0	\$19,445,351
Depreciable Capital Assets:				
Land Improvements	1,387,473	0	0	1,387,473
Buildings	7,051,591	9,979	0	7,061,570
Equipment	1,576,536	209,299	(64,231)	1,721,604
Vehicles	3,167,089	168,586	(363,313)	2,972,362
Infrastructure	64,041,986	267,334	0	64,309,320
Total Depreciable Capital Assets	<u>77,224,675</u>	<u>655,198</u>	<u>(427,544)</u>	<u>77,452,329</u>
Less Accumulated Depreciation:				
Land Improvements	(1,137,369)	(25,339)	0	(1,162,708)
Buildings	(1,968,418)	(116,720)	0	(2,085,138)
Equipment	(1,117,543)	(102,187)	52,963	(1,166,767)
Vehicles	(2,608,580)	(190,201)	284,001	(2,514,780)
Infrastructure	(43,671,307)	(770,738)	0	(44,442,045)
Total Accumulated Depreciation	<u>(50,503,217)</u>	<u>(1,205,185)*</u>	<u>336,964</u>	<u>(51,371,438)</u>
Depreciable Capital Assets, Net	<u>26,721,458</u>	<u>(549,987)</u>	<u>(90,580)</u>	<u>26,080,891</u>
Governmental Activities Capital Assets, Net	<u>\$45,988,609</u>	<u>(\$371,787)</u>	<u>(\$90,580)</u>	<u>\$45,526,242</u>

* Depreciation expense was charged to governmental programs as follows:

	Amount
General Government	\$37,207
Security of Persons and Property:	
Police	92,648
Fire	169,250
Leisure Time Activities	23,282
Public Works	89,660
Transportation	793,138
Total Depreciation Expense	<u>\$1,205,185</u>

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	Balance at January 1, 2014	Additions	Deletions	Balance at December 31, 2014
Business-Type Activities				
Capital Assets, Not Being Depreciated:				
Land	\$1,095,364	\$0	\$0	\$1,095,364
Depreciable Capital Assets:				
Land Improvements	12,921	0	0	12,921
Buildings	72,700	0	0	72,700
Equipment	443,562	6,855	0	450,417
Vehicles	599,014	0	0	599,014
Infrastructure	39,735,691	57,507	0	39,793,198
Total Depreciable Capital Assets	40,863,888	64,362	0	40,928,250
Less Accumulated Depreciation:				
Land Improvements	(2,242)	(204)	0	(2,446)
Buildings	(13,592)	(666)	0	(14,258)
Equipment	(133,787)	(13,008)	0	(146,795)
Vehicles	(158,143)	(38,748)	0	(196,891)
Infrastructure	(18,106,600)	(909,528)	0	(19,016,128)
Total Accumulated Depreciation	(18,414,364)	(962,154)	0	(19,376,518)
Depreciable Capital Assets, Net	22,449,524	(897,792)	0	21,551,732
Business-Type Activities Capital Assets, Net	\$23,544,888	(\$897,792)	\$0	\$22,647,096

Note 10 – 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.

Prior to 2009, the City belonged to the Ohio Government Risk Management Plan (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.

On January 1, 2009, through an internal reorganization, the Plan created three separate non-profit corporations including (a) Ohio Plan Risk Management, Inc. (“OPRM”), formerly known as the Ohio Risk Management Plan; (b) Ohio Plan Healthcare Consortium, Inc. (“OPHC”), formerly known as the Ohio Healthcare Consortium, and (c) Ohio Plan, Inc., mirrors the oversight function previously performed by the Board of Directors. The Board of Trustees consists of 11 members that include appointed and elected officials from member organizations.

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 coverage to its members sold through 14 appointed independent agents in the State of Ohio. These coverage programs, referred to as Ohio Plan Risk Management (“OPRM”), 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, except OPRM retains 41.5 percent of the premium and losses on the first \$250,000 casualty treaty and 10 percent of the

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first \$1,000,000 property treaty. Members are only responsible for their self-retention (deductible) amounts, which vary from member to member. OPRM had 767 and 765 members as of December 31, 2013 and 2012, respectively. The City participates in this coverage.

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. The complete audited financial statements for OPRM and OPHC are available 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:

<u>Type of Coverage</u>	<u>Coverage</u>	<u>Deductible</u>
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	36,609,457	1,000
Special Property Coverage	1,943,916	1,000
Electronic Equipment Coverage	306,000	1,000
Public Employee Dishonesty Coverage	100,000	N/A

There have been no significant reductions in insurance coverage from 2013, 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 11 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

Plan Description - The City participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20 percent per year). Under the member-directed plan, members accumulate retirement assets equal to the value of the member and vested employer contributions plus any investment earnings. The combined plan is a cost-sharing, multiple-employer defined benefit pension plan. Under the combined plan, OPERS invests employer contributions to provide a formula retirement benefit similar in nature to, but less than, the traditional plan benefit. Member contributions, the investment of which is self-directed by the member, accumulate retirement assets in a manner similar to the member-directed plan.

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OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the traditional and combined plans. Members of the member-directed plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that may be obtained by visiting <https://www.opers.org/investments/cafr.shtml>, by writing to the Ohio Public Employees Retirement System, 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 statutory authority for member and employer contributions and currently limits the employer contribution to a rate not to exceed 14 percent of covered payroll for State and local employer units. Member contribution rates, as set forth in the Ohio Revised Code, are not to exceed 10 percent of covered payroll for members in the State and local classifications. For the year ended December 31, 2014, members in State and local classifications contributed 10 percent of covered payroll. For 2014, member and employer contribution rates were consistent across all three plans.

The City's 2014 contribution rate was 14 percent of covered payroll. The portion of the City's contribution used to fund pension benefits is net of postemployment health care benefits. The portion of the City's contribution allocated to health care for members in both the traditional and combined plans was 2 percent for 2014. Effective January 1, 2015, the portion of the employer contribution allocated to health care remained at 2 percent. Employer contribution rates are actuarially determined.

The City's required contributions for pension obligations to the Traditional Pension and Combined Plans for the years ended December 31, 2014, 2013, and 2012 were \$244,978, \$326,117, and \$250,837, respectively. For 2014, 85.55 percent has been contributed with the balance due being reported as an intergovernmental payable. The full amount has been contributed for 2013 and 2012. Contributions to the Member-Directed Plan for 2014 were \$1,120 made by the City and \$800 made by plan members.

Ohio Police and Fire Pension Fund

Plan Description - The City contributes to the Ohio Police and Fire Pension Fund (OPF), a cost-sharing, multiple-employer defined benefit pension plan. OPF 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. OPF issues a publicly available financial report that includes financial information and required supplementary information for the plan. The report that may be obtained by visiting the OPF 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 - Employer and employee contribution rates are set by the Ohio Revised Code. From January 1, 2014, through July 1, 2014, plan members were required to contribute 10.75 percent of their annual covered salary. From July 2, 2014, through December 31, 2014, plan members were required to contribute 11.5 percent of their annual covered salary. Throughout 2014, employers were required to contribute 19.5 percent for police officers and 24 percent for firefighters.

The OPF pension fund is authorized by the Ohio Revised Code to allocate a portion of the employer contribution to retiree healthcare benefits. For 2014, the portion of the City's contribution used to fund pension benefits was 19 percent of covered payroll for police officers and 23.5 percent of covered payroll for firefighters. The City's contributions to OP&F for police and firefighters were \$418,994 and \$329,167 for the year ended December 31, 2014, \$320,636 and \$168,141 for the year ended December

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31, 2013, and \$250,111 and \$142,964 for the year ended December 31, 2012, respectively. For 2014, 88.41 percent for police and 91.56 percent for firefighters has been contributed with the balance for both police and firefighters being reported as an intergovernmental payable. The full amount has been contributed for 2013 and 2012.

Note 12 – Post-Employment Benefits

Ohio Public Employees Retirement System

Plan Description - The Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: the traditional 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 postemployment healthcare plan for qualifying members of both the traditional and combined plans. Members of the member-directed plan do not qualify for ancillary benefits, including postemployment healthcare coverage. The plan includes a medical plan, a prescription drug program, and Medicare Part B premium reimbursement.

In order to qualify for postemployment healthcare coverage, age and service retirees under the traditional and combined plans must have ten or more years of qualifying Ohio service credit. Healthcare coverage for disability benefit recipients and qualified survivor benefit recipients is available. The Ohio Revised Code permits, but does not mandate, OPERS to provide healthcare benefits to its eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.

Disclosures for the healthcare plan are presented separately in the OPERS financial report which may be obtained by visiting <https://www.opers.org/investments/cafr.shtml>, by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling (614) 222-5601 or 800-222-7377.

Funding Policy - The postemployment healthcare plan was established under, and is administered in accordance with, Internal Revenue Code 401(h). The Ohio Revised Code provides the statutory authority requiring public employers to fund postemployment healthcare through contributions to OPERS. A portion of each employer's contribution to OPERS is set aside for the funding of postemployment healthcare.

Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2014, State and local employers contributed 14 percent of covered payroll. These are the maximum employer contribution rates permitted by the Ohio Revised Code.

Each year, the OPERS retirement board determines the portion of the employer contribution rate that will be set aside for funding postemployment healthcare benefits. The portion of the employer contribution allocated to healthcare for members in both the traditional and combined plans was 2 percent for 2014. Effective January 1, 2015, the portion of the employer contribution allocated to healthcare remained at 2 percent for both plans as recommended by the OPERS actuary.

The OPERS retirement board is also authorized to establish rules for the payment of a portion of the healthcare benefits provided by the retiree or the retiree's surviving beneficiaries. Payment amounts vary

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depending on the number of covered dependents and the coverage selected. Active members do not make contributions to the postemployment healthcare plan

The City's contributions allocated to fund post-employment health care benefits for the years ended December 31, 2014, 2013, and 2012 were \$24,498, \$25,086, and \$100,335, respectively. For 2014, 85.55 percent has been contributed with the balance being reported as an intergovernmental payable. The full amount has been contributed for 2013 and 2012.

Changes to the healthcare plan were adopted by the OPERS Board of Trustees on September 9, 2012, with a transition plan commencing on January 1, 2014. With the passage of pension legislation under SB 343 and the approved healthcare changes, OPERS expects to be able to consistently allocate 4 percent of the employer contribution toward the healthcare fund after the end of the transition period.

Ohio Police and Fire Pension Fund

Plan Description - The City contributes to the Ohio Police and Fire Pension Fund (OPF) sponsored healthcare program, a cost-sharing, multiple-employer defined postemployment healthcare plan administered by OPF. OPF provides healthcare benefits including coverage for medical, prescription drug, dental, vision, Medicare Part B Premium, and long-term care to retirees, qualifying benefit recipients, and their eligible dependents.

OPF provides access to postretirement healthcare coverage for any person who receives or is eligible to receive a monthly service, disability, or survivor benefit check, or is a spouse or eligible dependent child of such person. The healthcare coverage provided by OPF meets the definition of an Other Postemployment Benefit (OPEB) as described in Government Accounting Standards Board (GASB) Statement No. 45.

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

OPF 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 OPF 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 OPF defined benefit pension plan. Participating employers are required by the Ohio Revised Code to contribute to the pension plan at rates expressed as a percentage of payroll of active pension plan members, currently 19.5 percent and 24 percent of covered payroll for police and firefighters, respectively. Active members do not make contributions to the OPEB Plan.

OPF maintains funds for healthcare in two separate accounts. One for healthcare benefits under an IRS Code Section 115 trust and one for Medicare Part B premium reimbursements administered as an Internal Revenue Code 401(h) account, both of which are within the defined benefit pension plan under the authority granted by the Ohio Revised Code to the OPF Board of Trustees.

The Board of Trustees is authorized to allocate a portion of the total employer contribution made to the pension plan to the Section 115 trust and the Section 401(h) account as the employer contribution for retiree healthcare benefits. For 2014, the employer contribution allocated to the healthcare plan was 0.5

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percent of covered payroll. The amount of employer contribution allocated to the healthcare plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded and is limited by the provisions of Sections 115 and 401(h).

The OPF Board of Trustees is also authorized to establish requirements for contributions to the healthcare 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 contributions to OP&F that were allocated to fund post-employment health care benefits for police and firefighters were \$62,849 and \$39,920 for the year ended December 31, 2014, \$54,884 and \$22,675 for the year ended December 31, 2013, and \$132,412 and \$55,943 for the year ended December 31, 2012, respectively. For 2014, 88.41 percent has been contributed for police, and 91.56 percent has been contributed for firefighters with the balance for both police and firefighters being reported as an intergovernmental payable. The full amount has been contributed for 2013 and 2012.

Note 13 –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

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, every employee will be paid for a maximum of 150 days of sick leave hours. Those employees that were hired before June 7, 2005 and leave City employment for reasons other than death or retirement will be paid 50 percent of accumulated sick leave up to a maximum of 75 days (600 hours). 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 those employees working in a public safety activity, emergency response activity or seasonal activity, who may accrue a maximum of 480 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.

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Health Savings Account

Employees have the option of contributing to a Health Savings Account up to \$3,050 for single coverage, \$6,050 for employee and children, \$5,800 for employee and spouse, or \$5,550 for family coverage. The City contributed an additional \$250, \$500, \$750, or \$1,000, respectively, to the 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 14 - Leases – Lessee Disclosure

In prior years, the City entered into a capital lease for vehicles. By the terms of the agreement, ownership of the equipment is transferred to the City by the end of the three-year lease term. Capital lease payments will be reclassified and reflected as debt service expenditures in the basic financial statements for the governmental funds. These expenditures are reported as function expenditures on the budgetary statements.

Capital assets consisting of vehicles have been capitalized in the amount of \$179,138 in the governmental activities.

	Governmental Activities
Asset: Vehicle	\$179,138
Less: Accumulated Depreciation	(67,176)
Total	\$111,962

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, 2014.

	Governmental Activities
December 31, 2015	\$61,920
Less: Amount Representing Interest	(1,786)
Present Value of Minimum Lease Payments	\$60,134

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Note 15 – Long -Term Obligations

A schedule of changes in bonds and other long-term obligations of the governmental activities of the City during 2014 follows:

Types/Issues	January 1, 2014	Increases	Decreases	December 31, 2014	Due Within One Year
<u>Special Assessment Bonds with Governmental Commitment</u>					
1995 - 6.00% Miller Stub Street \$78,513	\$12,000	\$0	\$6,000	\$6,000	\$6,000
1995 - 5.75% Shotwell Drive \$227,000	37,000	0	18,000	19,000	19,000
1997 - 5.80% Franklin Commerce Center \$577,400	140,000	0	45,000	95,000	45,000
1998 - 5.00% Scholl Road \$514,177	160,000	0	35,000	125,000	40,000
1998 - 5.00% Fourth Street Improvement \$337,705	110,000	0	25,000	85,000	25,000
1998 - 5.00% Schumaker-Franklin \$1,322,708	430,000	0	100,000	330,000	105,000
1998 - 5.00% Deardoff Phase II \$158,410	50,000	0	10,000	40,000	10,000
1999 - 5.70% Eastlawn Sewer Line Extension \$119,779	50,000	0	5,000	45,000	5,000
2001 - 5.125% Shotwell Drive Phase III \$490,000	270,000	0	30,000	240,000	30,000
Total - Special Assessment Bonds	1,259,000	0	274,000	985,000	285,000
<u>General Obligation Bonds (Unvoted)</u>					
2012 - 3.00% - 4.00% Various Purpose Refunding Bonds \$5,630,000	5,255,000	0	360,000	4,895,000	370,000
Premium on Debt Issue	362,435	0	26,847	335,588	0
Total - General Obligation Bonds	5,617,435	0	386,847	5,230,588	370,000
<u>Other Long-Term Obligations</u>					
Compensated Absences	782,808	345,409	346,105	782,112	191,914
2.50% - Police and Fire Pension	60,516	0	1,762	58,754	1,839
Capital Leases Payable	118,533	0	58,399	60,134	60,134
Total - Other Long-Term Obligations	961,857	345,409	406,266	901,000	253,887
Total - All General Long-Term Obligations	\$7,838,292	\$345,409	\$1,067,113	\$7,116,588	\$908,887

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:

CITY OF FRANKLIN, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2014

<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>

Compensated absences of the governmental activities will be paid from the General Fund and the Fire Levy, Transportation, and Recreation special revenue funds.

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, 2014, \$58,754 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 2014 were as follows:

Types/Issues	Balance January 1, 2014	Increases	Decreases	Balance December 31, 2014	Due Within One Year
OWDA Loans	\$2,402,315	\$0	\$208,598	\$2,193,717	\$221,625
2006 - 4.000% - 4.125% Mortgage Revenue					
Refunding Bonds - \$6,140,000	3,475,000	0	445,000	3,030,000	465,000
Premium on Debt Issue	35,640	0	3,625	32,015	0
Compensated Absences	155,680	80,280	59,932	176,028	40,010
Total - Business-Type Activities	<u>\$6,068,635</u>	<u>\$80,280</u>	<u>\$717,155</u>	<u>\$5,431,760</u>	<u>\$726,635</u>

The Ohio Water Development Authority (OWDA) loans are for the construction of water mains and a new water tower. The loans will be paid from Water Fund operating revenues.

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 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.

CITY OF FRANKLIN, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2014

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 76.43 percent of net revenues. The total principal and interest remaining to be paid on the debt is \$6,341,811, with principal and interest of \$2,828,351 remaining on the OWDA Loan and \$3,513,460 on the Mortgage Revenue Refunding Bonds. Principal and interest paid for the current year was \$968,316, with \$345,422 paid on the OWDA Loans, and \$622,894 paid on the Mortgage Revenue Refunding Bonds. Total net revenues were \$1,266,986.

Compensated absences of the business-type activities will be paid from the Water, Sewer, Trash, and Stormwater Utility funds.

As of December 31, 2014, the City's overall legal debt margin (the ability to issue additional amounts of general obligation bonded debt) was \$18,024,480, with an unvoted debt margin of \$7,110,442.

Principal and interest requirements to retire the City's long-term obligations outstanding at December 31, 2014 are:

Governmental Activities				
Year	General Obligation Bonds		Special Assessment Bonds	
	Principal	Interest	Principal	Interest
2015	\$370,000	\$180,525	\$285,000	\$51,704
2016	380,000	169,425	285,000	36,599
2017	400,000	158,025	245,000	21,596
2018	420,000	142,025	45,000	8,828
2019	435,000	125,225	45,000	6,464
2020-2024	2,025,000	360,125	80,000	6,150
2025-2027	865,000	58,887	0	0
Totals	<u>\$4,895,000</u>	<u>\$1,194,237</u>	<u>\$985,000</u>	<u>\$131,341</u>

Business-Type Activities				
Year	Mortgage Revenue Bonds		OWDA Loans	
	Principal	Interest	Principal	Interest
2015	\$465,000	\$122,794	\$221,625	\$123,797
2016	485,000	104,194	235,494	109,927
2017	500,000	84,792	250,261	95,160
2018	525,000	64,168	265,985	79,437
2019	250,000	42,512	282,729	62,692
2020-2024	805,000	65,000	592,730	130,483
2025-2028	0	0	344,893	33,138
	<u>\$3,030,000</u>	<u>\$483,460</u>	<u>\$2,193,717</u>	<u>\$634,634</u>

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, 2014 on the Emerald Edge/Warren, Limited Partnership revenue housing bonds is

CITY OF FRANKLIN, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2014

\$6,696,000. The outstanding balance at December 31, 2014 on the Sound Preservation 202 LP revenue housing bonds is \$3,593,766.

Note 16 – Interfund Activity

Interfund Receivable/Payable

The City has interfund balances at December 31, 2014 between the General Fund and Nonmajor Governmental funds in the amount of \$2,252.

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	Fire Levy	Transportation	Nonmajor Governmental	Water	Sewer	Trash		Stormwater Utility
Transfers to	Fire Levy	\$750,000	\$0	\$0	\$4,030	\$0	\$0	\$0	\$0	\$754,030
	Transportation	500,000	0	0	0	0	0	0	0	500,000
	Sewer	46,700	0	0	0	0	0	0	0	46,700
	Nonmajor Governmental	1,659,041	72,295	124,076	0	65,000	60,000	0	0	1,980,412
	Total	\$2,955,741	\$72,295	\$124,076	\$4,030	\$65,000	\$60,000	\$0	\$0	\$3,281,142

Transfers from the General Fund to the Fire Levy and Transportation 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 Nonmajor Governmental funds to Fire Levy was related to FEMA. Transfers from the General Fund to the Sewer fund was to help fund a sewer project related to the CDBG grant.

Note 17 – Joint Venture, Shared Risk Pool, and Jointly Governed Organizations

Joint Venture

The City participates in a joint venture with Franklin Township pertaining to a Joint Recreation Facility. The joint venture was formed for the purpose of constructing and operating a swimming pool for the citizens of the City and Township. The recreation facility is governed by a Board of Trustees consisting of 10 members, five appointed by each entity. The funding for the operations of the pool is charges for services, with the remainder of the budget being financed equally by the City and Township. There is no explicit and measurable equity interest in the Joint Recreation Facility. The City has an ongoing financial responsibility because the continued existence of the joint venture depends on the City's contribution, which totaled \$34,406 in 2014. The joint venture is not accumulating significant resources or experiencing fiscal stress which would cause an additional financial benefit or burden on the City. The City of Franklin is the fiscal agent. The financial statements of the Joint Recreation Facility can be obtained at the Finance Department, City of Franklin, 35 East Fourth Street, Franklin, Ohio, 45005.

CITY OF FRANKLIN, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
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The following is a summary of the financial information for the joint venture for the year ended December 31, 2014 prepared on the basis of cash receipts and disbursements:

	Joint Recreation Facility
Operating Revenues	\$114,190
Operating Expenditures	114,190
Excess of Operating Revenues	
Under Expenditures	0
Fund Balance at Beginning of Year	0
Fund Balance at End of Year	\$0

Shared Risk Pool

The City belongs to the Ohio Government Risk Management Plan (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. The City contributed \$7,671 during 2014 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 from Brenda Joseph at the Warren County General 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 it’s representation of the Council. The City contributed \$1,883 during 2014 for the operation of the COG. The City does not have any financial interest in or responsibility for the COG. Nick Nelson acts as fiscal agent for the organization. Financial information may be obtained from Nick Nelson, 406 Justice Drive, Lebanon, Ohio 45036.

CITY OF FRANKLIN, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2014

Note 18 – 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 presented below.

Fund Balances	General	Fire Levy	Transportation	Special Assessment Bond	Nonmajor Governmental Funds	Total
<i>Nonspendable</i>						
Inventory	\$19,363	\$32,560	\$260,363	\$0	\$1,574	\$313,860
Unclaimed Monies	15,069	0	0	0	0	15,069
Parks and Recreation	0	0	0	0	1,506,708	1,506,708
<i>Total Nonspendable</i>	34,432	32,560	260,363	0	1,508,282	1,835,637
<i>Restricted For</i>						
Fire Services	0	1,025,352	0	0	0	1,025,352
Special Assessment Bonds	0	0	0	136,820	0	136,820
Transportation Services	0	0	778,239	0	0	778,239
Law Enforcement/Security of Persons and Property	0	0	0	0	645,505	645,505
Street Lighting	0	0	0	0	33,273	33,273
Assessment of Wastewater Treatment	0	0	0	0	3,238	3,238
ODOT Project	0	0	0	0	569,064	569,064
Property Acquisition	0	0	0	0	344,372	344,372
Infrastructure Improvements	0	0	0	0	670,633	670,633
Parks and Recreation	0	0	0	0	335,947	335,947
<i>Total Restricted</i>	0	1,025,352	778,239	136,820	2,602,032	4,542,443
<i>Committed To</i>						
Park Facilities	0	0	0	0	67,495	67,495
<i>Assigned To</i>						
Debt Service Payments	0	0	0	0	151,532	151,532
Future Appropriations	501,576	0	0	0	0	501,576
Purchases on Order	92,142	0	0	0	0	92,142
<i>Total Assigned</i>	593,718	0	0	0	151,532	745,250
<i>Unassigned (Deficit)</i>	6,176,518	0	0	0	(36,690)	6,139,828
Total Fund Balances	\$6,804,668	\$1,057,912	\$1,038,602	\$136,820	\$4,292,651	\$13,330,653

NOTE 19 – 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:

CITY OF FRANKLIN, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2014

General Fund	\$23,507
Fire Fund	15,605
Nonmajor Governmental Funds	328,603
Water Fund	14,106
Sewer Fund	<u>46,250</u>
Total	<u>\$428,071</u>

Note 20 – Contingencies

Federal and State Grants

For the period January 1, 2014 to December 31, 2014, 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 is not party to legal proceedings.

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

E-911

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

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

FEMA

To account for federal monies received by the City to assist in the cost of repairs and cleanup of natural emergencies.

Drug Law Enforcement

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

Recreation

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

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

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

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.

Street Lighting

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

Miami Conservancy District (formerly U.S. Filter)

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

(continued)

CITY OF FRANKLIN, OHIO

NONMAJOR FUND DESCRIPTIONS
(continued)

Police and Fire Pension

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 FUND

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 FUND

Bond Retirement

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

Issue Two

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

ODOT Project

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

Property Acquisition

To account for and report monies restricted for the purchase of Franklin Yards, monies received through the Ohio Department of Development for the renovation of the property, and lease payments received from a local business for use of the property.

Tax Increment Financing

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.

(continued)

CITY OF FRANKLIN, OHIO

NONMAJOR FUND DESCRIPTIONS
(continued)

PERMANENT FUND

To account for and report gifts and investment earnings that are donor restricted to expenditure for specific purposes.

NONMAJOR PERMANENT FUND

F. C. Dial Trust

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. This fund was established in late 2008, as the result of a donation received through an estate, for use in providing leisure time activities services to the citizens of the City.

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CITY OF FRANKLIN, OHIO
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2014

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Nonmajor Permanent Fund	Total Nonmajor Governmental Funds
Assets:					
Equity in Pooled Cash and Cash Equivalents	\$795,863	\$151,532	\$1,584,069	\$1,842,655	\$4,374,119
Materials and Supplies Inventory	1,574	0	0	0	1,574
Intergovernmental Receivable	8,537	0	0	0	8,537
Property Taxes Receivable	182,400	0	0	0	182,400
Special Assessments Receivable	116,823	0	0	0	116,823
Total Assets	\$1,105,197	\$151,532	\$1,584,069	\$1,842,655	\$4,683,453
Liabilities:					
Accounts Payable	\$14,421	\$0	\$0	\$0	\$14,421
Accrued Wages and Benefits Payable	12,154	0	0	0	12,154
Intergovernmental Payable	54,215	0	0	0	54,215
Interfund Payable	2,252	0	0	0	2,252
Total Liabilities	83,042	0	0	0	83,042
Deferred Inflows of Resources:					
Property Taxes	169,000	0	0	0	169,000
Unavailable Revenue	138,760	0	0	0	138,760
Total Deferred Inflows of Resources	307,760	0	0	0	307,760
Fund Balances:					
Nonspendable	1,574	0	0	1,506,708	1,508,282
Restricted	682,016	0	1,584,069	335,947	2,602,032
Committed	67,495	0	0	0	67,495
Assigned	0	151,532	0	0	151,532
Unassigned (Deficit)	(36,690)	0	0	0	(36,690)
Total Fund Balances	714,395	151,532	1,584,069	1,842,655	4,292,651
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$1,105,197	\$151,532	\$1,584,069	\$1,842,655	\$4,683,453

CITY OF FRANKLIN, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2014

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Nonmajor Permanent Fund	Total Nonmajor Governmental Funds
Revenues:					
Property Taxes	\$181,460	\$0	\$0	\$0	\$181,460
Payments in Lieu of Taxes	0	0	107,787	0	107,787
Special Assessments	162,726	0	0	0	162,726
Fines, Licenses and Permits	223,366	0	0	0	223,366
Intergovernmental	116,814	0	0	0	116,814
Interest	0	0	0	331,344	331,344
Other	10,047	0	0	0	10,047
Total Revenues	<u>694,413</u>	<u>0</u>	<u>107,787</u>	<u>331,344</u>	<u>1,133,544</u>
Expenditures:					
Current:					
General Government	112,364	0	0	0	112,364
Security of Persons and Property:					
Police	497,201	0	0	0	497,201
Fire	124,977	0	0	0	124,977
Other	140,592	0	0	0	140,592
Public Health and Welfare	27,356	0	0	0	27,356
Leisure Time Activities	281,544	0	0	0	281,544
Economic Development	51,449	0	0	0	51,449
Transportation	0	0	1,152	0	1,152
Capital Outlay	55,149	0	295,870	7,510	358,529
Debt Service:					
Principal Retirement	1,762	360,000	0	0	361,762
Interest and Fiscal Charges	2,538	192,329	0	0	194,867
Total Expenditures	<u>1,294,932</u>	<u>552,329</u>	<u>297,022</u>	<u>7,510</u>	<u>2,151,793</u>
Excess of Revenues Over (Under) Expenditures	<u>(600,519)</u>	<u>(552,329)</u>	<u>(189,235)</u>	<u>323,834</u>	<u>(1,018,249)</u>
Other Financing Sources (Uses):					
Transfers In	710,011	546,325	724,076	0	1,980,412
Transfers Out	(4,030)	0	0	0	(4,030)
Total Other Financing Sources (Uses)	<u>705,981</u>	<u>546,325</u>	<u>724,076</u>	<u>0</u>	<u>1,976,382</u>
Net Change in Fund Balances	105,462	(6,004)	534,841	323,834	958,133
Fund Balances at Beginning of Year	<u>608,933</u>	<u>157,536</u>	<u>1,049,228</u>	<u>1,518,821</u>	<u>3,334,518</u>
Fund Balances at End of Year	<u>\$714,395</u>	<u>\$151,532</u>	<u>\$1,584,069</u>	<u>\$1,842,655</u>	<u>\$4,292,651</u>

CITY OF FRANKLIN, OHIO
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2014

	<u>E-911</u>	<u>Court</u>	<u>Drug Law Enforcement</u>	<u>Recreation</u>
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$204,112	\$348,084	\$36,983	\$81,172
Materials and Supplies Inventory	0	0	0	1,574
Intergovernmental Receivable	0	0	0	0
Property Taxes Receivable	0	0	0	0
Special Assessments Receivable	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Assets	<u><u>\$204,112</u></u>	<u><u>\$348,084</u></u>	<u><u>\$36,983</u></u>	<u><u>\$82,746</u></u>
Liabilities:				
Accounts Payable	\$0	\$447	\$0	\$2,006
Accrued Wages and Benefits Payable	6,184	950	0	5,020
Intergovernmental Payable	6,317	219	0	6,651
Interfund Payable	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Liabilities	<u>12,501</u>	<u>1,616</u>	<u>0</u>	<u>13,677</u>
Deferred Inflows of Resources:				
Property Taxes	0	0	0	0
Unavailable Revenue	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Deferred Inflows of Resources	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balances:				
Nonspendable	0	0	0	1,574
Restricted	191,611	346,468	36,983	0
Committed	0	0	0	67,495
Unassigned (Deficit)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Fund Balances (Deficit)	<u>191,611</u>	<u>346,468</u>	<u>36,983</u>	<u>69,069</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u><u>\$204,112</u></u>	<u><u>\$348,084</u></u>	<u><u>\$36,983</u></u>	<u><u>\$82,746</u></u>

<u>Indigent Drivers</u>	<u>Indigent Drivers Alcohol Monitoring</u>	<u>In-House Monitoring</u>	<u>Street Lighting</u>	<u>Miami Conservancy District</u>	<u>Police and Fire Pension</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$48,595	\$12,223	\$9,625	\$47,493	\$3,238	\$4,338	\$795,863
0	0	0	0	0	0	1,574
0	0	0	0	2,291	6,246	8,537
0	0	0	0	48,594	133,806	182,400
0	0	0	116,823	0	0	116,823
<u>\$48,595</u>	<u>\$12,223</u>	<u>\$9,625</u>	<u>\$164,316</u>	<u>\$54,123</u>	<u>\$144,390</u>	<u>\$1,105,197</u>
\$0	\$0	\$0	\$11,968	\$0	\$0	\$14,421
0	0	0	0	0	0	12,154
0	0	0	0	0	41,028	54,215
0	0	0	2,252	0	0	2,252
0	0	0	14,220	0	41,028	83,042
0	0	0	0	45,000	124,000	169,000
0	0	0	116,823	5,885	16,052	138,760
0	0	0	116,823	50,885	140,052	307,760
0	0	0	0	0	0	1,574
48,595	12,223	9,625	33,273	3,238	0	682,016
0	0	0	0	0	0	67,495
0	0	0	0	0	(36,690)	(36,690)
<u>48,595</u>	<u>12,223</u>	<u>9,625</u>	<u>33,273</u>	<u>3,238</u>	<u>(36,690)</u>	<u>714,395</u>
<u>\$48,595</u>	<u>\$12,223</u>	<u>\$9,625</u>	<u>\$164,316</u>	<u>\$54,123</u>	<u>\$144,390</u>	<u>\$1,105,197</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, 2014

	E-911	Court	FEMA	Drug Law Enforcement	Recreation
Revenues:					
Property Taxes	\$0	\$0	\$0	\$0	\$0
Special Assessments	0	0	0	0	0
Fines, Licenses and Permits	0	183,567	0	3,091	0
Intergovernmental	108,818	0	0	0	0
Other	0	0	0	5,706	4,341
Total Revenues	108,818	183,567	0	8,797	4,341
Expenditures:					
Current:					
General Government	0	85,918	0	0	0
Security of Persons and Property:					
Police	165,381	155	0	2,966	0
Fire	0	0	0	0	0
Other	0	0	0	0	0
Public Health and Welfare	0	0	0	0	0
Leisure Time Activities	0	0	0	0	281,544
Economic Development	0	0	0	0	0
Capital Outlay	0	55,149	0	0	0
Debt Service:					
Principal Retirement	0	0	0	0	0
Interest and Fiscal Charges	0	0	0	0	0
Total Expenditures	165,381	141,222	0	2,966	281,544
Excess of Revenues Over (Under) Expenditures	(56,563)	42,345	0	5,831	(277,203)
Other Financing Sources (Uses):					
Transfers In	100,000	0	0	0	265,000
Transfers Out	0	0	(4,030)	0	0
Total Other Financing Sources (Uses)	100,000	0	(4,030)	0	265,000
Net Change in Fund Balances	43,437	42,345	(4,030)	5,831	(12,203)
Fund Balances (Deficit) at Beginning of Year	148,174	304,123	4,030	31,152	81,272
Fund Balances (Deficit) at End of Year	\$191,611	\$346,468	\$0	\$36,983	\$69,069

<u>Indigent Drivers</u>	<u>Indigent Drivers Alcohol Monitoring</u>	<u>In-House Monitoring</u>	<u>Street Lighting</u>	<u>Miami Conservancy District</u>	<u>Police and Fire Pension</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$0	\$0	\$0	\$0	\$47,732	\$133,728	\$181,460
0	0	0	162,726	0	0	162,726
1,826	10,021	24,861	0	0	0	223,366
7,441	0	0	0	99	456	116,814
0	0	0	0	0	0	10,047
<u>9,267</u>	<u>10,021</u>	<u>24,861</u>	<u>162,726</u>	<u>47,831</u>	<u>134,184</u>	<u>694,413</u>
0	0	26,446	0	0	0	112,364
0	0	0	0	0	328,699	497,201
0	0	0	0	0	124,977	124,977
0	0	0	140,592	0	0	140,592
11,250	16,106	0	0	0	0	27,356
0	0	0	0	0	0	281,544
0	0	0	0	51,449	0	51,449
0	0	0	0	0	0	55,149
0	0	0	0	0	1,762	1,762
0	0	0	0	0	2,538	2,538
<u>11,250</u>	<u>16,106</u>	<u>26,446</u>	<u>140,592</u>	<u>51,449</u>	<u>457,976</u>	<u>1,294,932</u>
<u>(1,983)</u>	<u>(6,085)</u>	<u>(1,585)</u>	<u>22,134</u>	<u>(3,618)</u>	<u>(323,792)</u>	<u>(600,519)</u>
0	0	0	2,811	5,240	336,960	710,011
0	0	0	0	0	0	(4,030)
<u>0</u>	<u>0</u>	<u>0</u>	<u>2,811</u>	<u>5,240</u>	<u>336,960</u>	<u>705,981</u>
(1,983)	(6,085)	(1,585)	24,945	1,622	13,168	105,462
50,578	18,308	11,210	8,328	1,616	(49,858)	608,933
<u>\$48,595</u>	<u>\$12,223</u>	<u>\$9,625</u>	<u>\$33,273</u>	<u>\$3,238</u>	<u>(\$36,690)</u>	<u>\$714,395</u>

CITY OF FRANKLIN, OHIO
COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
DECEMBER 31, 2014

	<u>Issue Two</u>	<u>ODOT Project</u>	<u>Property Acquisition</u>	<u>Tax Increment Financing</u>	<u>Total Nonmajor Capital Projects Funds</u>
Assets:					
Equity in Pooled Cash and Cash Equivalents	\$24,017	\$569,064	\$344,372	\$646,616	\$1,584,069
Liabilities:	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balances:					
Restricted	<u>24,017</u>	<u>569,064</u>	<u>344,372</u>	<u>646,616</u>	<u>1,584,069</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$24,017</u>	<u>\$569,064</u>	<u>\$344,372</u>	<u>\$646,616</u>	<u>\$1,584,069</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, 2014*

	Issue Two	ODOT Project	Property Acquisition	Tax Increment Financing	Total Nonmajor Capital Projects Funds
Revenues:					
Payments in Lieu of Taxes	\$0	\$0	\$0	\$107,787	\$107,787
Expenditures:					
Current:					
Transportation	0	0	0	1,152	1,152
Capital Outlay	0	48,595	139,682	107,593	295,870
Total Expenditures	0	48,595	139,682	108,745	297,022
Excess of Revenues Under Expenditures	0	(48,595)	(139,682)	(958)	(189,235)
Other Financing Sources:					
Transfers In	0	324,076	400,000	0	724,076
Net Change in Fund Balances	0	275,481	260,318	(958)	534,841
Fund Balances at Beginning of Year	24,017	293,583	84,054	647,574	1,049,228
Fund Balances at End of Year	<u>\$24,017</u>	<u>\$569,064</u>	<u>\$344,372</u>	<u>\$646,616</u>	<u>\$1,584,069</u>

CITY OF FRANKLIN, OHIO

NONMAJOR FUND DESCRIPTIONS

AGENCY FUNDS

To account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations or other governmental units.

Municipal Court

To account for the collection and distribution of court fines and forfeitures that are payable to other governments.

Joint Recreation

To account for the financial activities of the joint venture for which the City is the fiscal agent.

Building Standards Fee

To account for monies received on building permits which will be disbursed to the State of Ohio.

**CITY OF FRANKLIN, OHIO
 COMBINING STATEMENT OF CHANGES
 IN ASSETS AND LIABILITIES
 AGENCY FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2014**

	Balance 1/1/2014	Additions	Reductions	Balance 12/31/2014
MUNICIPAL COURT				
Assets:				
Cash in Segregated Accounts	\$72,050	\$66,553	\$72,050	\$66,553
Liabilities:				
Intergovernmental Payable	\$23,363	\$32,249	\$23,363	\$32,249
Undistributed Monies	15,045	15,332	15,045	15,332
Deposits Held and Due to Others	33,642	18,972	33,642	18,972
Total Liabilities	\$72,050	\$66,553	\$72,050	\$66,553
JOINT RECREATION				
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$0	\$163,289	\$163,289	\$0
Liabilities:				
Undistributed Monies	\$0	\$163,289	\$163,289	\$0
BUILDING STANDARDS FEE				
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$225	\$1,548	\$1,466	\$307
Liabilities:				
Undistributed Monies	\$225	\$1,548	\$1,466	\$307
TOTAL - ALL AGENCY FUNDS				
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$225	\$164,837	\$164,755	\$307
Cash in Segregated Accounts	72,050	66,553	72,050	66,553
Total Assets	\$72,275	\$231,390	\$236,805	\$66,860
Liabilities:				
Intergovernmental Payable	\$23,363	\$32,249	\$23,363	\$32,249
Undistributed Monies	15,270	180,169	179,800	15,639
Deposits Held and Due to Others	33,642	18,972	33,642	18,972
Total Liabilities	\$72,275	\$231,390	\$236,805	\$66,860

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, 2014

	Final Budget	Actual	Variance With Final Budget
Revenues:			
Property Taxes	\$422,000	\$393,422	(\$28,578)
Other Local Taxes	193,000	184,731	(8,269)
Income Taxes	7,500,000	7,288,338	(211,662)
Charges for Services	259,029	241,644	(17,385)
Fines, Licenses and Permits	491,300	510,121	18,821
Intergovernmental	247,500	222,207	(25,293)
Contributions and Donations	5,400	3,352	(2,048)
Interest	50,000	64,785	14,785
Other	85,300	78,499	(6,801)
Total Revenues	9,253,529	8,987,099	(266,430)
Expenditures:			
Current:			
General Government			
Clerk and Council			
Personal Services	186,097	172,821	13,276
Other	128,449	73,483	54,966
Total Clerk and Council	314,546	246,304	68,242
Municipal Court			
Personal Services	667,716	635,280	32,436
Other	126,536	79,359	47,177
Total Municipal Court	794,252	714,639	79,613
Probation			
Personal Services	150,240	141,130	9,110
Other	16,190	14,408	1,782
Total Probation	166,430	155,538	10,892
Mayor's and Administrative Office			
Personal Services	129,083	71,402	57,681
Other	11,400	1,140	10,260
Total Mayor's and Administrative Office	\$140,483	\$72,542	\$67,941
			<i>(continued)</i>

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, 2014
(continued)

	Final Budget	Actual	Variance With Final Budget
Clerk Treasurer			
Personal Services	\$262,774	\$181,083	\$81,691
Other	20,568	18,359	2,209
Total Clerk Treasurer	<u>283,342</u>	<u>199,442</u>	<u>83,900</u>
Income Tax Administration			
Personal Services	157,382	155,408	1,974
Other	202,545	197,846	4,699
Total Income Tax Administration	<u>359,927</u>	<u>353,254</u>	<u>6,673</u>
Solicitor			
Personal Services	168,547	164,791	3,756
Other	34,850	27,253	7,597
Total Solicitor	<u>203,397</u>	<u>192,044</u>	<u>11,353</u>
Civil Service Commission			
Personal Services	1,000	471	529
Other	10,800	5,996	4,804
Total Civil Service Commission	<u>11,800</u>	<u>6,467</u>	<u>5,333</u>
Planning Commission			
Personal Services	1,500	825	675
Other	10,415	5,515	4,900
Total Planning Commission	<u>11,915</u>	<u>6,340</u>	<u>5,575</u>
Building and Grounds			
Personal Services	61,295	59,297	1,998
Other	141,470	105,261	36,209
Total Building and Grounds	<u>202,765</u>	<u>164,558</u>	<u>38,207</u>
Special Appropriations			
Personal Services	86,500	53,929	32,571
Other	126,370	93,672	32,698
Total Special Appropriations	<u>212,870</u>	<u>147,601</u>	<u>65,269</u>
Community Services			
Other	<u>\$45,000</u>	<u>\$37,161</u>	<u>\$7,839</u>

(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, 2014
(continued)

	Final Budget	Actual	Variance With Final Budget
Economic Development			
Personal Services	\$450	\$450	\$0
Other	16,630	6,420	10,210
Total Economic Development	17,080	6,870	10,210
Engineering			
Other	50,000	37,557	12,443
Total General Government	2,813,807	2,340,317	473,490
Security of Persons and Property			
Police Law Enforcement			
Personal Services	2,745,420	2,674,360	71,060
Other	618,408	586,471	31,937
Total Police Law Enforcement	3,363,828	3,260,831	102,997
Building Inspection			
Personal Services	115,121	110,491	4,630
Other	65,780	63,406	2,374
Total Building Inspection	180,901	173,897	7,004
Total Security of Persons and Property	3,544,729	3,434,728	110,001
Capital Outlay			
Other	291,405	192,000	99,405
Total Expenditures	6,649,941	5,967,045	682,896
Excess of Revenues Over Expenditures	2,603,588	3,020,054	416,466
Other Financing Sources (Uses):			
Transfers In	300,000	0	(300,000)
Transfers Out	(3,408,683)	(2,990,147)	418,536
Total Other Financing Sources (Uses)	(3,108,683)	(2,990,147)	118,536
Net Change in Fund Balance	(505,095)	29,907	535,002
Fund Balance at Beginning of Year	6,269,282	6,269,282	0
Prior Year Encumbrances Appropriated	81,061	81,061	0
Fund Balance at End of Year	\$5,845,248	\$6,380,250	\$535,002

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, 2014

	Final Budget	Actual	Variance With Final Budget
Revenues:			
Property Taxes	\$1,240,000	\$1,190,829	(\$49,171)
Charges for Services	350,000	538,606	188,606
Fines, Licenses and Permits	2,000	102	(1,898)
Intergovernmental	0	152,858	152,858
Other	0	477	477
Total Revenues	<u>1,592,000</u>	<u>1,882,872</u>	<u>290,872</u>
Expenditures:			
Current:			
Security of Persons and Property			
Fire			
Personal Services	2,070,077	1,681,014	389,063
Other	601,004	492,341	108,663
Total Expenditures	<u>2,671,081</u>	<u>2,173,355</u>	<u>497,726</u>
Excess of Revenues Under Expenditures	<u>(1,079,081)</u>	<u>(290,483)</u>	<u>788,598</u>
Other Financing Sources (Uses):			
Transfers In	750,000	754,030	4,030
Transfers Out	(81,000)	(72,295)	8,705
Total Other Financing Sources (Uses)	<u>669,000</u>	<u>681,735</u>	<u>12,735</u>
Net Change in Fund Balance	(410,081)	391,252	801,333
Fund Balance at Beginning of Year	774,486	774,486	0
Prior Year Encumbrances Appropriated	10,670	10,670	0
Fund Balance at End of Year	<u>\$375,075</u>	<u>\$1,176,408</u>	<u>\$801,333</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, 2014

	Final Budget	Actual	Variance With Final Budget
Revenues:			
Fines, Licenses and Permits	\$500	\$1,764	\$1,264
Intergovernmental	772,300	727,660	(44,640)
Interest	100	23	(77)
Other	6,000	11,378	5,378
Total Revenues	<u>778,900</u>	<u>740,825</u>	<u>(38,075)</u>
Expenditures:			
Current:			
Transportation			
Street Maintenance and Repair			
Personal Services	549,165	499,911	49,254
Other	765,995	704,885	61,110
Total Street Maintenance and Repair	1,315,160	1,204,796	110,364
State Highway Maintenance			
Other	81,500	34,467	47,033
Total Expenditures	<u>1,396,660</u>	<u>1,239,263</u>	<u>157,397</u>
Excess of Revenues Under Expenditures	<u>(617,760)</u>	<u>(498,438)</u>	<u>119,322</u>
Other Financing Sources (Uses):			
Transfers In	500,000	500,000	0
Transfers Out	(124,100)	(124,076)	24
Total Other Financing Sources (Uses)	<u>375,900</u>	<u>375,924</u>	<u>24</u>
Net Change in Fund Balance	(241,860)	(122,514)	119,346
Fund Balance at Beginning of Year	862,936	862,936	0
Prior Year Encumbrances Appropriated	3,795	3,795	0
Fund Balance at End of Year	<u><u>\$624,871</u></u>	<u><u>\$744,217</u></u>	<u><u>\$119,346</u></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, 2014

	Final Budget	Actual	Variance With Final Budget
Revenues:			
Special Assessments	\$338,000	\$329,467	(\$8,533)
Expenditures:			
Debt Service:			
Principal Retirement	274,000	274,000	0
Interest and Fiscal Charges	66,248	66,246	2
Total Expenditures	340,248	340,246	2
Net Change in Fund Balance	(2,248)	(10,779)	(8,531)
Fund Balance at Beginning of Year	147,599	147,599	0
Fund Balance at End of Year	\$145,351	\$136,820	(\$8,531)

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, 2014

	Final Budget	Actual	Variance With Final Budget
Revenues:			
Charges for Services	\$2,517,000	\$2,577,697	\$60,697
Other	7,500	3,728	(3,772)
Deposits Received	25,000	23,678	(1,322)
Total Revenues	<u>2,549,500</u>	<u>2,605,103</u>	<u>55,603</u>
Expenses:			
Personal Services	1,044,769	726,563	318,206
Contractual Services	581,500	393,474	188,026
Supplies and Materials	123,857	111,782	12,075
Other	7,513	7,513	0
Deposit Refunds	22,087	22,003	84
Capital Outlay	274,365	157,856	116,509
Debt Service:			
Principal Retirement	653,598	653,598	0
Interest and Fiscal Charges	321,321	265,919	55,402
Total Expenses	<u>3,029,010</u>	<u>2,338,708</u>	<u>690,302</u>
Excess of Revenues Over (Under) Expenses Before Transfers	(479,510)	266,395	745,905
Transfers In	100,000	0	(100,000)
Transfers Out	<u>(165,000)</u>	<u>(65,000)</u>	<u>100,000</u>
Net Change in Fund Equity	(544,510)	201,395	745,905
Fund Equity at Beginning of Year	1,370,662	1,370,662	0
Prior Year Encumbrances Appropriated	<u>8,676</u>	<u>8,676</u>	<u>0</u>
Fund Equity at End of Year	<u><u>\$834,828</u></u>	<u><u>\$1,580,733</u></u>	<u><u>\$745,905</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, 2014

	Final Budget	Actual	Variance With Final Budget
Revenues:			
Charges for Services	\$2,461,300	\$2,415,979	(\$45,321)
Deposits Received	25,000	23,658	(1,342)
Other	5,000	0	(5,000)
Total Revenues	<u>2,491,300</u>	<u>2,439,637</u>	<u>(51,663)</u>
Expenses:			
Personal Services	356,308	264,601	91,707
Contractual Services	2,340,747	2,013,039	327,708
Supplies and Materials	61,000	49,494	11,506
Deposit Refunds	22,086	22,000	86
Capital Outlay	124,353	67,546	56,807
Other	3,501	0	3,501
Total Expenses	<u>2,907,995</u>	<u>2,416,680</u>	<u>491,315</u>
Excess of Revenues Over (Under) Expenses Before Transfers	<u>(416,695)</u>	<u>22,957</u>	<u>439,652</u>
Transfers In	56,700	46,700	(10,000)
Transfers Out	<u>(70,000)</u>	<u>(60,000)</u>	<u>10,000</u>
Net Change in Fund Equity	(429,995)	9,657	439,652
Fund Equity at Beginning of Year	718,296	718,296	0
Prior Year Encumbrances Appropriated	<u>1,500</u>	<u>1,500</u>	<u>0</u>
Fund Equity at End of Year	<u><u>\$289,801</u></u>	<u><u>\$729,453</u></u>	<u><u>\$439,652</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, 2014

	Final Budget	Actual	Variance With Final Budget
Revenues:			
Charges for Services	\$762,517	\$764,689	\$2,172
Other	500	80,732	80,232
	<u>763,017</u>	<u>845,421</u>	<u>82,404</u>
Total Revenues			
Expenses:			
Personal Services	73,010	62,921	10,089
Contractual Services	753,807	724,057	29,750
Supplies and Materials	11,279	9,970	1,309
	<u>838,096</u>	<u>796,948</u>	<u>41,148</u>
Total Expenses			
Net Change in Fund Equity	(75,079)	48,473	123,552
Fund Equity at Beginning of Year	<u>202,137</u>	<u>202,137</u>	<u>0</u>
Fund Equity at End of Year	<u><u>\$127,058</u></u>	<u><u>\$250,610</u></u>	<u><u>\$123,552</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, 2014

	Final Budget	Actual	Variance With Final Budget
Revenues:			
Charges for Services	\$487,000	\$470,646	(\$16,354)
Other	2,000	0	(2,000)
Total Revenues	<u>489,000</u>	<u>470,646</u>	<u>(18,354)</u>
Expenses:			
Personal Services	317,702	282,008	35,694
Contractual Services	132,665	49,582	83,083
Supplies and Materials	15,410	12,086	3,324
Capital Outlay	124,023	276	123,747
Total Expenses	<u>589,800</u>	<u>343,952</u>	<u>245,848</u>
Net Change in Fund Equity	(100,800)	126,694	227,494
Fund Equity at Beginning of Year	248,351	248,351	0
Prior Year Encumbrances Appropriated	<u>1,500</u>	<u>1,500</u>	<u>0</u>
Fund Equity at End of Year	<u><u>\$149,051</u></u>	<u><u>\$376,545</u></u>	<u><u>\$227,494</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, 2014

	Final Budget	Actual	Variance With Final Budget
Revenues:			
Intergovernmental	\$25,000	\$108,818	\$83,818
Expenditures:			
Current:			
Security of Persons and Property			
Police Law Enforcement			
Personal Services	167,805	164,668	3,137
Excess of Revenues Under Expenditures	(142,805)	(55,850)	86,955
Other Financing Sources:			
Transfers In	100,000	100,000	0
Net Change in Fund Balance	(42,805)	44,150	86,955
Fund Balance at Beginning of Year	159,962	159,962	0
Fund Balance at End of Year	<u>\$117,157</u>	<u>\$204,112</u>	<u>\$86,955</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, 2014

	Final Budget	Actual	Variance With Final Budget
Revenues:			
Fines, Licenses and Permits	\$158,000	\$176,679	\$18,679
Expenditures:			
Current:			
General Government			
Municipal Court			
Personal Services	21,000	19,017	1,983
Contractual Services	23,909	23,909	0
Other	54,416	51,689	2,727
Total General Government	99,325	94,615	4,710
Capital Outlay			
Other	59,000	55,149	3,851
Total Expenditures	158,325	149,764	8,561
Net Change in Fund Balance	(325)	26,915	27,240
Fund Balance at Beginning of Year	304,782	304,782	0
Fund Balance at End of Year	\$304,457	\$331,697	\$27,240

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, 2014

	Final Budget	Actual	Variance With Final Budget
	<u> </u>	<u> </u>	<u> </u>
Revenues:	\$0	\$0	\$0
Expenditures	<u> 0</u>	<u> 0</u>	<u> 0</u>
Excess of Revenues over Expenditures	0	0	0
Other Financing Uses:			
Transfers Out	<u> 0</u>	<u> (4,030)</u>	<u> (4,030)</u>
Net Change in Fund Balance	0	(4,030)	4,030
Fund Balance at Beginning of Year	<u> 4,030</u>	<u> 4,030</u>	<u> 0</u>
Fund Balance at End of Year	<u> \$4,030</u>	<u> \$0</u>	<u> (\$4,030)</u>

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, 2014

	Final Budget	Actual	Variance With Final Budget
Revenues:			
Fines, Licenses and Permits	\$10,000	\$2,400	(\$7,600)
Other	3,200	5,706	2,506
	<u>13,200</u>	<u>8,106</u>	<u>(5,094)</u>
Total Revenues			
Expenditures:			
Current:			
Security of Persons and Property			
Police Law Enforcement			
Other	17,000	2,966	14,034
Public Health			
Other	5,000	0	5,000
	<u>22,000</u>	<u>2,966</u>	<u>19,034</u>
Total Expenditures			
Net Change in Fund Balance	(8,800)	5,140	13,940
Fund Balance at Beginning of Year	<u>31,069</u>	<u>31,069</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$22,269</u></u>	<u><u>\$36,209</u></u>	<u><u>\$13,940</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, 2014

	Final Budget	Actual	Variance With Final Budget
Revenues:			
Contributions and Donations	\$1,600	\$0	(\$1,600)
Other	8,000	4,341	(\$3,659)
Total Revenues	<u>9,600</u>	<u>4,341</u>	<u>(5,259)</u>
Expenditures:			
Current:			
Leisure Time Activities			
Recreation Program			
Personal Services	222,512	210,757	11,755
Other	83,722	73,087	10,635
Total Expenditures	<u>306,234</u>	<u>283,844</u>	<u>22,390</u>
Excess of Revenues Under Expenditures	(296,634)	(279,503)	17,131
Other Financing Sources:			
Transfers In	<u>265,000</u>	<u>265,000</u>	<u>0</u>
Net Change in Fund Balance	(31,634)	(14,503)	17,131
Fund Balance at Beginning of Year	94,352	94,352	0
Prior Year Encumbrances Appropriated	<u>1,323</u>	<u>1,323</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$64,041</u></u>	<u><u>\$81,172</u></u>	<u><u>\$17,131</u></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, 2014

	Final Budget	Actual	Variance With Final Budget
Revenues:			
Fines, Licenses and Permits	\$2,200	\$1,774	(\$426)
Intergovernmental	14,000	7,441	(6,559)
Total Revenues	16,200	9,215	(6,985)
Expenditures:			
Current:			
Public Health			
Other	35,000	11,250	23,750
Net Change in Fund Balance	(18,800)	(2,035)	16,765
Fund Balance at Beginning of Year	50,446	50,446	0
Fund Balance at End of Year	\$31,646	\$48,411	\$16,765

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, 2014

	Final Budget	Actual	Variance With Final Budget
Revenues:			
Fines, Licenses and Permits	\$7,000	\$9,988	\$2,988
Expenditures:			
Current:			
Public Health			
Other	17,000	16,106	894
Net Change in Fund Balance	(10,000)	(6,118)	3,882
Fund Balance at Beginning of Year	17,788	17,788	0
Fund Balance at End of Year	<u>\$7,788</u>	<u>\$11,670</u>	<u>\$3,882</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, 2014

	Final Budget	Actual	Variance With Final Budget
Revenues:			
Fines, Licenses and Permits	\$25,000	\$25,229	\$229
Expenditures:			
Current:			
General Government			
Municipal Court			
Other	27,200	26,446	754
Net Change in Fund Balance	(2,200)	(1,217)	983
Fund Balance at Beginning of Year	10,125	10,125	0
Fund Balance at End of Year	<u>\$7,925</u>	<u>\$8,908</u>	<u>\$983</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, 2014

	Final Budget	Actual	Variance With Final Budget
Revenues:			
Special Assessments	\$137,738	\$162,726	\$24,988
Expenditures:			
Current:			
Security of Persons and Property			
Street Lighting			
Other	140,000	139,975	25
Excess of Revenues Over (Under) Expenditures	(2,262)	22,751	25,013
Other Financing Sources:			
Transfers In	2,811	2,811	0
Net Change in Fund Balance	549	25,562	25,013
Fund Balance at Beginning of Year	21,931	21,931	0
Fund Balance at End of Year	<u>\$22,480</u>	<u>\$47,493</u>	<u>\$25,013</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, 2014

	Final Budget	Actual	Variance With Final Budget
Revenues:			
Property Taxes	\$49,833	\$47,732	(\$2,101)
Intergovernmental	0	99	99
	<hr/>	<hr/>	<hr/>
Total Revenues	49,833	47,831	(2,002)
Expenditures:			
Current:			
Economic Development			
Other	51,449	51,449	0
	<hr/>	<hr/>	<hr/>
Excess of Revenues Under Expenditures	(1,616)	(3,618)	(2,002)
Other Financing Sources:			
Transfers In	0	5,240	5,240
	<hr/>	<hr/>	<hr/>
Net Change in Fund Balance	(1,616)	1,622	3,238
Fund Balance at Beginning of Year	1,616	1,616	0
	<hr/>	<hr/>	<hr/>
Fund Balance at End of Year	<u>\$0</u>	<u>\$3,238</u>	<u>\$3,238</u>

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, 2014

	Final Budget	Actual	Variance With Final Budget
Revenues:			
Property Taxes	\$146,413	\$133,728	(\$12,685)
Intergovernmental	12,000	456	(11,544)
Total Revenues	<u>158,413</u>	<u>134,184</u>	<u>(24,229)</u>
Expenditures:			
Current:			
Security of Persons and Property			
Police Law Enforcement			
Personal Services	319,089	326,677	(7,588)
Fire Department			
Personal Services	109,947	124,051	(14,104)
Total Security of Persons and Property	<u>429,036</u>	<u>450,728</u>	<u>(21,692)</u>
Debt Service:			
Principal Retirement	1,762	1,762	0
Interest and Fiscal Charges	2,538	2,538	0
Total Debt Service	<u>4,300</u>	<u>4,300</u>	<u>0</u>
Total Expenditures	<u>433,336</u>	<u>455,028</u>	<u>(21,692)</u>
Excess of Revenues Under Expenditures	(274,923)	(320,844)	(45,921)
Other Financing Sources:			
Transfers In	290,000	336,960	46,960
Net Change in Fund Balance	15,077	16,116	1,039
Fund Balance (Deficit) at Beginning of Year	<u>(11,778)</u>	<u>(11,778)</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$3,299</u></u>	<u><u>\$4,338</u></u>	<u><u>\$1,039</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, 2014

	Final Budget	Actual	Variance With Final Budget
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Revenues:			
Debt Service:			
Principal Retirement	360,000	360,000	0
Interest and Fiscal Charges	<u>196,325</u>	<u>192,329</u>	<u>3,996</u>
Total Expenditures	<u>556,325</u>	<u>552,329</u>	<u>3,996</u>
Excess of Revenues Under Expenditures	(556,325)	(552,329)	3,996
Other Financing Sources:			
Transfers In	<u>551,325</u>	<u>546,325</u>	<u>(5,000)</u>
Net Change in Fund Balance	(5,000)	(6,004)	(1,004)
Fund Balance at Beginning of Year	<u>157,537</u>	<u>157,537</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$152,537</u></u>	<u><u>\$151,533</u></u>	<u><u>(\$1,004)</u></u>

CITY OF FRANKLIN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)
ISSUE II FUND
FOR THE YEAR ENDED DECEMBER 31, 2014

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
Revenues:	\$0	\$0	\$0
Expenditures:	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balance	0	0	0
Fund Balance at Beginning of Year	<u>24,017</u>	<u>24,017</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$24,017</u></u>	<u><u>\$24,017</u></u>	<u><u>\$0</u></u>

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, 2014

	Final Budget	Actual	Variance With Final Budget
	<u> </u>	<u> </u>	<u> </u>
Revenues:	\$0	\$0	\$0
Expenditures:			
Capital Outlay			
Other	429,220	48,595	380,625
	<u> </u>	<u> </u>	<u> </u>
Excess of Revenues Under Expenditures	(429,220)	(48,595)	380,625
Other Financing Sources:			
Transfers In	225,000	324,076	99,076
	<u> </u>	<u> </u>	<u> </u>
Net Change in Fund Balance	(204,220)	275,481	479,701
Fund Balance at Beginning of Year	263,733	263,733	0
Prior Year Encumbrances Appropriated	29,850	29,850	0
	<u> </u>	<u> </u>	<u> </u>
Fund Balance at End of Year	<u>\$89,363</u>	<u>\$569,064</u>	<u>\$479,701</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, 2014

	Final Budget	Actual	Variance With Final Budget
Revenues:	\$0	\$0	\$0
Expenditures:			
Capital Outlay			
Other	400,000	150,191	249,809
Excess of Revenues Under Expenditures	(400,000)	(150,191)	249,809
Other Financing Sources:			
Transfers In	400,000	400,000	0
Net Change in Fund Balance	0	249,809	249,809
Fund Balance at Beginning of Year	94,563	94,563	0
Fund Balance at End of Year	<u>\$94,563</u>	<u>\$344,372</u>	<u>\$249,809</u>

CITY OF FRANKLIN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)
TAX INCREMENT FINANCING FUND
FOR THE YEAR ENDED DECEMBER 31, 2014

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
Revenues:			
Payments in Lieu of Taxes	<u>\$110,673</u>	<u>\$107,787</u>	<u>(\$2,886)</u>
Expenditures:			
Transportation			
Special Appropriations			
Other	1,179	1,152	27
Capital Outlay			
Other	<u>448,821</u>	<u>426,296</u>	<u>22,525</u>
Total Expenditures	<u>450,000</u>	<u>427,448</u>	<u>22,552</u>
Net Change in Fund Balance	(339,327)	(319,661)	19,666
Fund Balance at Beginning of Year	<u>647,574</u>	<u>647,574</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$308,247</u></u>	<u><u>\$327,913</u></u>	<u><u>\$19,666</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, 2014

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
Revenues:	\$0	\$0	\$0
Expenditures:			
Capital Outlay			
Other	<u>69,000</u>	<u>17,410</u>	<u>51,590</u>
Net Change in Fund Balance	(69,000)	(17,410)	51,590
Fund Balance at Beginning of Year	<u>52,909</u>	<u>52,909</u>	<u>0</u>
Fund Balance (Deficit) at End of Year	<u><u>(\$16,091)</u></u>	<u><u>\$35,499</u></u>	<u><u>\$51,590</u></u>

Statistical Section

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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	108-119
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	120-121
These schedules contain information to help the reader assess the City’s most significant local revenue source, the income tax.	
Debt Capacity	122-128
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	129-131
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	132-137
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)

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Governmental Activities:				
Net Investment in Capital Assets	\$38,402,623	\$37,961,827	\$39,414,521	\$40,600,904
Restricted For:				
Debt Service	1,808,834	2,824,993	2,969,595	2,813,950
Capital Outlay	209,519	381,125	402,419	299,798
Fire Protection	741,999	1,007,644	997,563	1,078,765
Transportation	572,347	481,120	513,502	369,520
Other Purposes	413,483	459,472	612,035	845,165
Leisure Time Activities Expendable	0	0	0	20,957
Leisure Time Activities Nonexpendable	0	0	0	1,003,387
Unrestricted	<u>4,566,811</u>	<u>4,187,811</u>	<u>2,263,639</u>	<u>2,348,013</u>
<i>Total Governmental Activities Net Position</i>	<u>46,715,616</u>	<u>47,303,992</u>	<u>47,173,274</u>	<u>49,380,459</u>
Business-Type Activities:				
Net Investment in Capital Assets	15,441,096	14,506,779	14,664,105	15,491,196
Restricted For:				
Debt Service	275,515	587,392	802,640	610,290
Revenue Bonds Replacement and Improvement	302,020	295,220	333,769	217,630
Unrestricted	<u>991,690</u>	<u>1,749,945</u>	<u>1,752,795</u>	<u>2,434,615</u>
<i>Total Business-Type Activities</i>	<u>17,010,321</u>	<u>17,139,336</u>	<u>17,553,309</u>	<u>18,753,731</u>
Primary Government:				
Net Investment in Capital Assets	53,843,719	52,468,606	54,078,626	56,092,100
Restricted	4,323,717	6,036,966	6,631,523	7,259,462
Unrestricted	<u>5,558,501</u>	<u>5,937,756</u>	<u>4,016,434</u>	<u>4,782,628</u>
<i>Total Primary Government Net Position</i>	<u>\$63,725,937</u>	<u>\$64,443,328</u>	<u>\$64,726,583</u>	<u>\$68,134,190</u>

<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
\$40,499,186	\$40,076,220	\$39,349,974	\$39,750,554	\$39,365,157	\$39,594,071
2,609,134	2,186,575	1,593,584	1,349,506	1,061,246	751,216
479,323	1,072,744	1,165,427	1,766,673	1,049,228	1,584,069
907,226	386,580	494,090	302,684	561,889	988,131
747,319	896,504	1,050,712	1,140,087	1,140,136	1,209,777
925,090	727,799	621,613	668,427	662,162	745,528
240,340	276,950	266,190	247,845	127,025	335,947
1,002,296	1,077,699	1,126,400	1,162,406	1,391,796	1,506,708
1,615,731	3,467,921	4,464,786	6,426,853	8,128,201	7,701,776
<u>49,025,645</u>	<u>50,168,992</u>	<u>50,132,776</u>	<u>52,815,035</u>	<u>53,486,840</u>	<u>54,417,223</u>
16,509,392	16,980,657	16,772,997	16,862,816	17,650,787	17,408,300
620,446	566,309	615,677	617,060	617,111	570,861
232,630	247,630	262,630	277,630	377,630	477,630
2,015,800	2,396,518	3,042,701	3,026,717	2,342,465	2,721,423
<u>19,378,268</u>	<u>20,191,114</u>	<u>20,694,005</u>	<u>20,784,223</u>	<u>20,987,993</u>	<u>21,178,214</u>
57,008,578	57,056,877	56,122,971	56,613,370	57,015,944	57,002,371
7,763,804	7,438,790	7,196,323	7,532,318	6,988,223	8,169,867
3,631,531	5,864,439	7,507,487	9,453,570	10,470,666	10,423,199
<u>\$68,403,913</u>	<u>\$70,360,106</u>	<u>\$70,826,781</u>	<u>\$73,599,258</u>	<u>\$74,474,833</u>	<u>\$75,595,437</u>

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

	2005	2006	2007	2008
Program Revenues:				
Charges for Services and Sales:				
General Government	\$765,938	\$739,222	\$614,629	\$709,146
Security of Persons and Property:				
Police	0	56,570	27,997	9,660
Fire	122,804	119,531	127,698	97,292
Other	86,240	88,199	95,000	104,500
Public Health and Welfare	44,657	68,352	17,929	42,422
Transportation	25	863	535	867
Operating Grants, Contributions and Interest	875,940	1,248,551	1,220,580	1,414,446
Capital Grants, Contributions and Interest	122,817	75,222	2,255,359	2,871,175
<i>Total Governmental Activities Program Revenues</i>	<u>2,018,421</u>	<u>2,396,510</u>	<u>4,359,727</u>	<u>5,249,508</u>
Business-Type Activities:				
Charges for Services:				
Water	2,295,097	2,571,541	2,372,746	2,391,732
Sewer	2,352,990	2,267,333	2,302,373	2,546,969
Trash	562,349	591,737	624,251	649,671
Stormwater Utility	440,221	448,074	442,470	457,602
Operating Grants, Contributions and Interest	0	0	0	0
Capital Grants, Contributions and Interest	722	0	0	0
<i>Total Business-Type Activities Program Revenues</i>	<u>5,651,379</u>	<u>5,878,685</u>	<u>5,741,840</u>	<u>6,045,974</u>
<i>Total Primary Government Program Revenues</i>	<u>7,669,800</u>	<u>8,275,195</u>	<u>10,101,567</u>	<u>11,295,482</u>
Expenses:				
Governmental Activities:				
Current:				
General Government	3,248,993	2,591,951	2,618,300	2,107,127
Security of Persons and Property	4,675,721	5,473,036	5,550,877	5,004,072
Public Health and Welfare	27,626	64,790	21,911	59,846
Leisure Time Activities	291,418	299,128	345,357	353,315
Economic Development	88,113	30,476	95,314	84,517
Basic Utility Services	91,914	57,355	57,355	80,111
Transportation	2,177,960	2,277,692	3,490,439	2,173,257
Interest and Fiscal Charges	632,945	645,007	585,256	523,872
<i>Total Governmental Activities Expenses</i>	<u>11,234,690</u>	<u>11,439,435</u>	<u>12,764,809</u>	<u>10,386,117</u>
Business-Type Activities:				
Water	1,735,657	2,193,130	1,866,287	1,948,802
Sewer	2,798,516	2,414,728	2,618,355	2,240,853
Trash	537,279	574,010	584,968	654,623
Stormwater Utility	595,199	712,710	737,361	674,377
<i>Total Business-Type Activities Expenses</i>	<u>5,666,651</u>	<u>5,894,578</u>	<u>5,806,971</u>	<u>5,518,655</u>
Net (Expense)/Revenue:				
Governmental Activities	(9,216,269)	(9,042,925)	(8,405,082)	(5,136,609)
Business-Type Activities	(15,272)	(15,893)	(65,131)	527,319
<i>Total Primary Government Net Expense</i>	<u>(\$9,231,541)</u>	<u>(\$9,058,818)</u>	<u>(\$8,470,213)</u>	<u>(\$4,609,290)</u>

2009	2010	2011	2012	2013	2014
\$615,128	\$889,757	\$672,936	\$794,169	\$289,851	\$532,555
17,283	104,619	18,541	8,787	388,207	440,377
30,224	68,603	69,060	50,253	348,778	548,905
108,680	114,114	131,211	137,793	140,549	144,766
105,353	12,805	4,884	12,026	9,496	11,847
1,606	433	765	663	1,256	1,764
1,433,860	1,388,880	1,082,600	848,632	1,030,371	1,024,216
1,410,224	1,027,095	1,076,702	796,103	124,668	331,344
3,722,358	3,606,306	3,056,699	2,648,426	2,333,176	3,035,774
2,514,213	2,485,178	2,609,827	2,509,825	2,527,385	2,566,139
2,596,582	2,944,427	3,198,842	2,510,827	2,403,048	2,474,765
673,260	700,817	711,350	736,048	746,766	762,790
421,920	476,739	496,374	470,519	455,305	484,006
0	0	0	0	105,072	0
635,971	0	0	0	0	0
6,841,946	6,607,161	7,016,393	6,227,219	6,237,576	6,287,700
10,564,304	10,213,467	10,073,092	8,875,645	8,570,752	9,323,474
2,298,636	2,400,627	1,965,549	2,474,033	2,421,208	2,474,594
5,108,503	4,861,552	5,277,083	5,660,608	6,173,685	6,301,359
11,810	7,199	13,361	8,567	11,250	27,356
308,359	276,892	321,029	326,993	316,393	339,652
44,630	44,666	43,926	44,414	51,449	51,449
84,331	84,329	101,873	101,875	97,090	105,532
2,825,088	2,277,099	3,154,060	2,225,466	3,524,995	1,866,068
494,341	461,532	460,542	329,589	279,948	258,996
11,175,698	10,413,896	11,337,423	11,171,545	12,876,018	11,425,006
2,067,302	1,832,887	2,115,087	1,935,129	1,924,148	1,989,322
3,032,843	2,731,399	2,907,671	2,576,395	2,522,418	2,484,895
684,648	684,848	731,408	712,050	811,545	852,135
578,995	700,850	664,908	791,053	656,697	777,287
6,363,788	5,949,984	6,419,074	6,014,627	5,914,808	6,103,639
(7,453,340)	(6,807,590)	(8,280,724)	(8,523,119)	(10,542,842)	(8,389,232)
478,158	657,177	597,319	212,592	322,768	184,061
(\$6,975,182)	(\$6,150,413)	(\$7,683,405)	(\$8,310,527)	(\$10,220,074)	(\$8,205,171)

(continued)

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

	2005	2006	2007	2008
General Revenues and Other Changes in Net Position:				
Governmental Activities:				
Property Taxes Levied for:				
General Purposes	\$627,814	\$631,920	\$658,432	\$472,445
Fire	650,127	642,487	571,233	534,375
Other Purposes	188,120	168,733	193,805	134,236
Income Taxes	5,138,832	7,115,266	5,639,866	5,322,030
Other Local Taxes Levied for General Purposes (1)	0	0	0	124,412
Payments in Lieu of Taxes	0	0	0	0
Grants and Entitlements not Restricted to Specific Programs	606,232	669,145	633,352	502,780
Gain on Sale of Capital Assets	0	0	11,096	0
Unrestricted Interest	137,003	338,330	610,369	213,422
Contributions and Donations	0	0	0	0
Other	692,525	179,786	182,322	310,224
Transfers	90,448	(114,366)	(226,111)	(420,598)
<i>Total Governmental Activities</i>	<u>8,131,101</u>	<u>9,631,301</u>	<u>8,274,364</u>	<u>7,193,326</u>
Business-Type Activities:				
Unrestricted Interest	43,120	24,489	33,902	10,423
Other	1,114	6,053	15,075	14,930
Transfers	(90,448)	114,366	226,111	420,598
<i>Total Business-Type Activities</i>	<u>(46,214)</u>	<u>144,908</u>	<u>275,088</u>	<u>445,951</u>
<i>Total Primary Government General Revenues and Other Changes in Net Position</i>	<u>8,084,887</u>	<u>9,776,209</u>	<u>8,549,452</u>	<u>7,639,277</u>
Change in Net Position				
Governmental Activities	(1,085,168)	588,376	(130,718)	2,056,717
Business-Type Activities	(61,486)	129,015	209,957	973,270
Prior Year Restatement of Net Position	<u>508,170</u>	<u>0</u>	<u>0</u>	<u>377,620</u>
<i>Total Primary Government Changes in Net Position</i>	<u>(\$638,484)</u>	<u>\$717,391</u>	<u>\$79,239</u>	<u>\$3,407,607</u>

(1) Prior to 2008, the City reported Other Local Taxes with Property Taxes.

2009	2010	2011	2012	2013	2014
\$420,843	\$385,893	\$381,481	\$402,435	\$382,168	\$394,024
492,312	480,797	560,031	534,509	1,236,803	1,209,420
129,542	131,048	158,099	154,252	166,527	174,732
4,822,556	5,900,995	5,902,578	9,079,755	8,091,731	6,764,284
160,540	176,828	186,011	185,820	191,449	184,737
207,659	150,507	192,413	203,459	199,588	107,787
596,149	614,411	574,395	284,897	553,230	211,427
0	0	0	0	0	0
56,486	55,726	44,891	56,470	77,465	94,468
0	1,886	11	0	0	0
307,846	191,376	124,598	159,958	185,686	100,436
(95,407)	(138,530)	120,000	143,823	130,000	78,300
<u>7,098,526</u>	<u>7,950,937</u>	<u>8,244,508</u>	<u>11,205,378</u>	<u>11,214,647</u>	<u>9,319,615</u>
0	2,509	0	0	0	0
50,972	14,630	25,572	21,449	11,002	84,460
95,407	138,530	(120,000)	(143,823)	(130,000)	(78,300)
<u>146,379</u>	<u>155,669</u>	<u>(94,428)</u>	<u>(122,374)</u>	<u>(118,998)</u>	<u>6,160</u>
<u>7,244,905</u>	<u>8,106,606</u>	<u>8,150,080</u>	<u>11,083,004</u>	<u>11,095,649</u>	<u>9,325,775</u>
(354,814)	1,143,347	(36,216)	2,682,259	671,805	930,383
624,537	812,846	502,891	90,218	203,770	190,221
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>\$269,723</u>	<u>\$1,956,193</u>	<u>\$466,675</u>	<u>\$2,772,477</u>	<u>\$875,575</u>	<u>\$1,120,604</u>

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

Function / Program:	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Governmental Activities:				
General Government	\$845,795	\$995,688	\$833,514	\$1,010,717
Security of Persons and Property:				
Police	70,532	100,744	159,804	168,656
Fire	175,757	478,813	418,331	449,407
Other	86,240	88,199	95,000	104,500
Public Health and Welfare	45,639	71,110	18,625	43,268
Leisure Time Activities	0	0	0	1,138,136
Economic Development	2,716	3,852	6,780	15,637
Transportation	791,742	658,104	2,827,673	2,319,187
<i>Total Governmental Activities</i>	<u>2,018,421</u>	<u>2,396,510</u>	<u>4,359,727</u>	<u>5,249,508</u>
Business-Type Activities:				
Water	2,295,097	2,571,541	2,372,746	2,391,732
Sewer	2,352,990	2,267,333	2,302,373	2,546,969
Trash	562,349	591,737	624,251	649,671
Stormwater Utility	440,221	448,074	442,470	457,602
<i>Total Business-Type Activities</i>	<u>5,650,657</u>	<u>5,878,685</u>	<u>5,741,840</u>	<u>6,045,974</u>
<i>Total Primary Government</i>	<u><u>\$7,669,078</u></u>	<u><u>\$8,275,195</u></u>	<u><u>\$10,101,567</u></u>	<u><u>\$11,295,482</u></u>

<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
\$815,284	\$1,043,409	\$887,648	\$1,101,565	\$291,939	\$535,907
119,548	144,916	46,507	151,562	511,274	551,717
393,310	320,132	244,283	92,122	593,711	696,268
108,680	114,114	131,211	137,793	140,549	144,766
236,492	138,210	124,571	22,696	15,876	19,288
218,292	112,013	92,179	82,875	124,668	331,344
5,972	10,778	5,864	3,978	9,773	2,390
<u>1,824,780</u>	<u>1,722,734</u>	<u>1,524,436</u>	<u>1,055,835</u>	<u>645,386</u>	<u>754,094</u>
<u>3,722,358</u>	<u>3,606,306</u>	<u>3,056,699</u>	<u>2,648,426</u>	<u>2,333,176</u>	<u>3,035,774</u>
2,884,719	2,485,178	2,609,827	2,509,825	2,527,385	2,566,139
2,596,582	2,944,427	3,198,842	2,510,827	2,403,048	2,474,765
673,260	700,817	711,350	736,048	851,838	762,790
<u>687,385</u>	<u>476,739</u>	<u>496,374</u>	<u>470,519</u>	<u>455,305</u>	<u>484,006</u>
<u>6,841,946</u>	<u>6,607,161</u>	<u>7,016,393</u>	<u>6,227,219</u>	<u>6,237,576</u>	<u>6,287,700</u>
<u>\$10,564,304</u>	<u>\$10,213,467</u>	<u>\$10,073,092</u>	<u>\$8,875,645</u>	<u>\$8,570,752</u>	<u>\$9,323,474</u>

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

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
General Fund				
Nonspendable	\$0	\$0	\$0	\$0
Assigned	0	0	0	0
Unassigned	0	0	0	0
Reserved	5,386	145,333	14,739	54,806
Unreserved	<u>3,432,280</u>	<u>3,483,285</u>	<u>1,175,034</u>	<u>1,905,918</u>
<i>Total General Fund</i>	<u>3,437,666</u>	<u>3,628,618</u>	<u>1,189,773</u>	<u>1,960,724</u>
All Other Governmental Funds				
Nonspendable	0	0	0	0
Restricted	0	0	0	0
Committed	0	0	0	0
Assigned	0	0	0	0
Unassigned (Deficit)	0	0	0	0
Reserved	167,084	86,965	99,411	1,078,834
Unreserved, Undesignated (Deficit), Reported in:				
Special Revenue Funds	1,329,298	1,758,396	1,897,625	2,033,024
Debt Service Fund	(603,359)	174,538	557,710	557,424
Capital Projects Funds	(17,886)	65,420	208,754	48,781
Permanent Fund	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Total All Other Governmental Funds</i>	<u>875,137</u>	<u>2,085,319</u>	<u>2,763,500</u>	<u>3,718,063</u>
<i>Total Governmental Funds</i>	<u>\$4,312,803</u>	<u>\$5,713,937</u>	<u>\$3,953,273</u>	<u>\$5,678,787</u>

The City implemented GASB Statement No. 54 in 2011.

2009	2010	2011	2012	2013	2014
\$0	\$17,762	\$17,079	\$20,301	\$24,599	\$34,432
0	78,581	89,926	115,154	152,330	593,718
0	3,233,617	3,900,839	5,045,729	6,471,899	6,176,518
6,114	0	0	0	0	0
1,369,098	0	0	0	0	0
1,375,212	3,329,960	4,007,844	5,181,184	6,648,828	6,804,668
0	1,271,686	1,328,086	1,341,689	1,510,720	1,801,205
0	3,002,848	3,137,877	3,194,444	3,425,266	4,542,443
0	40,844	51,662	69,140	79,913	67,495
0	102,479	56,043	27,637	157,536	151,532
0	(33,692)	(181,080)	(439,720)	(49,858)	(36,690)
1,032,305	0	0	0	0	0
2,179,954	0	0	0	0	0
623,678	0	0	0	0	0
181,392	0	0	0	0	0
240,340	0	0	0	0	0
4,257,669	4,384,165	4,392,588	4,193,190	5,123,577	6,525,985
\$5,632,881	\$7,714,125	\$8,400,432	\$9,374,374	\$11,772,405	\$13,330,653

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

	2005	2006	2007	2008
Revenues:				
Property Taxes	\$1,466,764	\$1,370,974	\$1,406,763	\$1,146,837
Other Local Taxes (1)	0	0	0	125,956
Income Taxes	5,181,967	6,958,137	5,398,222	5,513,546
Payments in Lieu of Taxes	0	0	0	0
Special Assessments	524,451	344,528	347,421	367,129
Charges for Services	279,341	238,036	223,945	285,640
Fines, Licenses and Permits	540,103	672,599	485,236	508,971
Intergovernmental	1,598,288	1,626,424	2,261,029	3,539,564
Interest	174,674	551,059	812,926	509,905
Contributions and Donations	0	199,519	0	1,138,136
Other	1,097,570	187,886	192,777	310,224
<i>Total Revenues</i>	<u>10,863,158</u>	<u>12,149,162</u>	<u>11,128,319</u>	<u>13,445,908</u>
Expenditures:				
Current:				
General Government	3,151,782	2,521,962	2,673,282	2,361,988
Security of Persons and Property	4,493,448	5,064,237	5,528,164	4,950,296
Public Health and Welfare	27,626	64,790	21,911	59,846
Leisure Time Activities	234,362	244,662	288,923	299,801
Economic Development	88,113	30,476	95,314	84,517
Basic Utility Services	34,559	0	0	0
Transportation	707,360	696,812	1,842,933	894,171
Capital Outlay	582,822	1,018,125	1,219,077	2,115,784
Debt Service:				
Principal Retirement	589,479	570,260	616,313	631,369
Interest and Fiscal Charges	636,119	615,338	598,441	548,796
Current Refunding	50,000	20,000	103,000	65,000
<i>Total Expenditures</i>	<u>10,595,670</u>	<u>10,846,662</u>	<u>12,987,358</u>	<u>12,011,568</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>267,488</u>	<u>1,302,500</u>	<u>(1,859,039)</u>	<u>1,434,340</u>
Other Financing Sources (Uses):				
Bond Anticipation Notes Issued	0	0	775,000	710,000
Refunding Bonds Issued	0	0	0	0
Current Refunding	(685,000)	(665,000)	(775,000)	(710,000)
Transfers In	1,675,230	2,836,820	5,122,307	2,573,987
Refunding Notes Issued	685,000	878,000	0	0
Inception of Capital Lease	0	0	0	0
Premium on Debt Issued	0	0	0	0
Payment to Refunded Bond Escrow Agent	0	0	0	0
Proceeds from Sale of Capital Assets	0	0	11,096	18,919
Transfers Out	(1,584,782)	(2,951,186)	(5,035,028)	(2,299,182)
<i>Total Other Financing Sources (Uses)</i>	<u>90,448</u>	<u>98,634</u>	<u>98,375</u>	<u>293,724</u>
<i>Net Change in Fund Balances</i>	<u>\$357,936</u>	<u>\$1,401,134</u>	<u>(\$1,760,664)</u>	<u>\$1,728,064</u>
<i>Debt Service as a Percentage of Noncapital Expenditures</i>	12.7%	12.3%	11.2%	12.7%

(1) Prior to 2008, the City reported Other Local Taxes with Property Taxes.

2009	2010	2011	2012	2013	2014
\$1,038,798	\$1,011,884	\$1,084,876	\$1,083,889	\$1,780,029	\$1,765,711
153,622	172,307	227,839	152,896	191,711	185,344
4,937,793	5,844,404	5,973,040	8,125,750	8,106,000	7,305,812
207,659	150,507	192,413	203,459	199,588	107,787
392,219	431,696	361,487	397,406	423,490	469,089
257,271	387,196	114,030	79,297	389,831	790,782
504,197	676,215	665,920	786,601	645,207	745,001
2,418,831	2,979,788	2,347,841	1,598,314	1,842,515	1,243,956
270,155	315,503	338,252	206,927	202,133	425,812
186,659	1,886	3,011	13,151	3,302	3,352
389,460	204,505	146,344	159,958	185,686	100,436
<u>10,756,664</u>	<u>12,175,891</u>	<u>11,455,053</u>	<u>12,807,648</u>	<u>13,969,492</u>	<u>13,143,082</u>
2,313,715	2,451,752	1,933,507	2,177,554	2,369,068	2,423,409
4,944,740	4,833,128	5,172,755	5,398,829	6,176,635	6,266,741
11,810	7,199	13,361	8,567	11,250	27,356
275,250	273,552	293,418	293,064	290,506	315,950
44,630	44,666	43,926	44,414	51,449	51,449
0	0	0	0	0	0
1,348,543	1,115,056	1,013,128	1,150,966	1,253,886	1,068,905
678,476	326,111	1,167,232	2,049,678	612,417	550,529
583,428	619,490	646,554	642,621	650,295	694,161
500,670	461,803	464,365	337,951	285,955	264,634
322,500	100,000	140,500	147,000	0	0
<u>11,023,762</u>	<u>10,232,757</u>	<u>10,888,746</u>	<u>12,250,644</u>	<u>11,701,461</u>	<u>11,663,134</u>
<u>(267,098)</u>	<u>1,943,134</u>	<u>566,307</u>	<u>557,004</u>	<u>2,268,031</u>	<u>1,479,948</u>
387,500	287,500	147,000	0	0	0
0	0	0	5,630,000	0	0
(387,500)	(287,500)	(147,000)	0	0	0
3,037,723	1,294,945	2,363,996	3,330,421	2,806,611	3,234,442
0	0	0	0	0	0
0	0	0	179,138	0	0
0	0	0	402,706	0	0
0	0	0	(5,938,729)	0	0
0	0	0	0	0	0
<u>(2,816,531)</u>	<u>(1,156,835)</u>	<u>(2,243,996)</u>	<u>(3,186,598)</u>	<u>(2,676,611)</u>	<u>(3,156,142)</u>
<u>221,192</u>	<u>138,110</u>	<u>120,000</u>	<u>416,938</u>	<u>130,000</u>	<u>78,300</u>
<u>(\$45,906)</u>	<u>\$2,081,244</u>	<u>\$686,307</u>	<u>\$973,942</u>	<u>\$2,398,031</u>	<u>\$1,558,248</u>
13.4%	12.2%	12.2%	10.5%	8.7%	8.9%

City of Franklin, Ohio
 Income Tax Revenue by Payer Type (1)
 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
2005	\$3,295,412	64%	\$479,347	9%	\$3,774,759	73%	\$1,364,073	27%	\$5,138,832
2006	2,218,157	31%	293,539	4%	2,511,696	35%	4,603,570	65%	7,115,266
2007	3,947,906	70%	563,987	10%	4,511,893	80%	1,127,973	20%	5,639,866
2008	3,685,640	71%	467,194	9%	4,152,834	80%	1,038,209	20%	5,191,043
2009	3,424,015	71%	578,706	12%	4,002,721	83%	819,835	17%	4,822,556
2010	4,162,302	71%	683,824	12%	4,846,126	82%	1,054,869	18%	5,900,995
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

Source: City Income Tax Department

For years 2002 - 2010, the City levied a municipal income tax of 1.5 percent. 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 2012-2014 the percent has remained at two percent.

City of Franklin, Ohio
Principal Income Taxpayers - Withholding Accounts
2014 and 2006

Range of Withholding Amount	2014		2006 (1)	
	Number of Withholding Accounts	Percentage of Total Withholding Revenue	Number of Withholding Accounts	Percentage of Total Withholding Revenue
\$100,001 - 300,000	9	25.00%	6	26.60%
\$55,001 - 100,000	8	10.00	5	10.50
Total	17	35.00	11	37.10
All Others	1,150	65.00	1,415	62.90
Total Withholding Accounts	<u>1,167</u>	<u>100.00%</u>	<u>1,426</u>	<u>100.00%</u>

Source: City Income Tax Department

(1) Information prior to 2006 was not available.

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, 2014

Jurisdiction	Debt Outstanding	Percentage Applicable to the City of Franklin	Amount Applicable to the City of Franklin
Direct			
City of Franklin			
General Obligation Bonds	\$5,230,588	100.00%	\$5,230,588
Special Assessment Bonds	985,000	100.00	985,000
Capital Leases	60,134	100.00	60,134
Total Direct Debt	<u>6,275,722</u>		<u>6,275,722</u>
Overlapping Subdivisions			
Warren County			
General Obligation Bonds	12,723,008	3.72	473,296
Special Assessment Bonds	9,431,095	3.72	350,837
OPWC Loan	235,240	3.72	8,751
State 166 Loan	3,257,945	3.72	121,196
Franklin City School District			
General Obligation Bonds	2,212,559	52.77	1,167,567
Energy Conservation Bonds	703,268	52.77	371,115
Carlisle Local School District			
Capital Leases	300,812	0.11	331
Warren County Vocational School District			
Certificates of Participation	5,859,606	5.55	325,208
Energy Conservation Notes	810,000	5.55	44,955
Capital Leases	<u>115,975</u>	5.55	<u>6,437</u>
Total Overlapping Debt	<u>35,649,508</u>		<u>2,869,693</u>
Grand Total	<u><u>\$41,925,230</u></u>		<u><u>\$9,145,415</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
2005	\$7,803,872	\$719,769,939	12,410	1.08%	\$628.84
2006	7,489,768	717,007,040	12,457	1.04%	601.25
2007	7,155,664	710,470,887	12,731	1.01%	562.07
2008	6,816,560	626,097,500	12,622	1.09%	540.05
2009	6,547,456	581,548,775	12,104	1.13%	540.93
2010	6,263,352	583,076,975	13,200	1.07%	474.50
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

(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
2005	\$7,803,872	\$3,557,000	\$1,005,000	\$0	\$3,385,000	\$2,252,061	\$1,284,500
2006	7,489,768	3,303,000	955,000	0	6,168,735	2,156,781	1,245,000
2007	7,155,664	3,023,000	878,000	0	5,842,028	2,107,550	1,245,000
2008	6,816,560	2,733,000	775,000	0	5,485,321	3,067,762	1,225,000
2009	6,547,456	2,421,000	710,000	0	5,118,614	2,991,797	1,090,000
2010	6,263,352	2,088,000	387,500	0	4,736,907	2,923,288	895,000
2011	5,964,248	1,743,000	287,500	0	4,340,200	2,783,537	695,000
2012	5,984,282	1,507,000	137,500	179,138	3,944,265	2,598,675	445,000
2013	5,617,435	1,259,000	0	118,533	3,510,640	2,402,315	0
2014	5,230,588	985,000	0	60,134	3,062,015	2,193,717	0

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>
\$19,287,433	12,410	\$260,907,840	7.39	\$1,554
21,318,284	12,457	272,322,477	7.83	1,711
20,251,242	12,731	279,425,641	7.25	1,591
20,102,643	12,622	273,114,836	7.36	1,593
18,878,867	12,104	267,406,385	6.49	1,560
17,294,047	13,200	291,614,400	5.94	1,310
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

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

	2005	2006	2007	2008
Total Assessed Property Value	\$253,954,030	\$240,026,372	\$246,303,533	\$219,771,600
Overall Legal Debt Limit (10 ½ % of Assessed Valuation)	26,665,173	25,202,769	25,861,871	23,076,018
Debt Outstanding:				
General Obligation Bonds	7,820,000	7,505,000	7,170,000	6,830,000
Mortgage Revenue Bonds	3,385,000	6,140,000	5,815,000	5,460,000
Special Assessment Bonds	3,557,000	3,303,000	3,023,000	2,733,000
Bond Anticipation Notes	2,289,500	2,200,000	2,123,000	2,000,000
OWDA Loans	2,252,061	2,156,781	2,107,550	3,067,762
Total Gross Indebtedness	19,303,561	21,304,781	20,238,550	20,090,762
Less:				
Mortgage Revenue Bonds	(3,385,000)	(6,140,000)	(5,815,000)	(5,460,000)
Special Assessment Bonds	(3,557,000)	(3,303,000)	(3,023,000)	(2,733,000)
Bond Anticipation Notes	0	(1,245,000)	(1,245,000)	(1,225,000)
OWDA Loans	(2,252,061)	(2,156,781)	(2,107,550)	(3,067,762)
Total Net Debt Applicable to Debt Limit	10,109,500	8,460,000	8,048,000	7,605,000
Legal Debt Margin Within 10 ½ % Limitations	\$16,555,673	\$16,742,769	\$17,813,871	\$15,471,018
Legal Debt Margin as a Percentage of the Debt Limit	62.09%	66.43%	68.88%	67.04%
Unvoted Debt Limitation (5 ½ % of Assessed Valuation)	\$13,967,472	\$13,201,450	\$13,546,694	\$12,087,438
Total Gross Indebtedness	19,303,561	21,304,781	20,238,550	20,090,762
Less:				
Mortgage Revenue Bonds	(3,385,000)	(6,140,000)	(5,815,000)	(5,460,000)
Special Assessment Bonds	(3,557,000)	(3,303,000)	(3,023,000)	(2,733,000)
Bond Anticipation Notes	0	(1,245,000)	(1,245,000)	(1,225,000)
OWDA Loans	(2,252,061)	(2,156,781)	(2,107,550)	(3,067,762)
Net Debt Within 5 ½ % Limitations	10,109,500	8,460,000	8,048,000	7,605,000
Unvoted Legal Debt Margin Within 5 ½ % Limitations	\$3,857,972	\$4,741,450	\$5,498,694	\$4,482,438
Unvoted legal Debt Margin as a Percentage of the Unvoted Debt Limitation	27.62%	35.92%	40.59%	37.08%

Source: City Financial Records

2009	2010	2011	2012	2013	2014
<u>\$219,559,180</u>	<u>\$209,315,445</u>	<u>\$204,700,314</u>	<u>\$209,515,900</u>	<u>\$206,713,290</u>	<u>\$218,280,760</u>
23,053,714	21,978,122	21,493,533	21,999,170	21,704,895	22,919,480
6,560,000	6,275,000	5,975,000	5,595,000	5,255,000	4,895,000
5,095,000	4,715,000	4,320,000	3,905,000	3,475,000	3,030,000
2,421,000	2,088,000	1,743,000	1,507,000	1,259,000	985,000
1,800,000	1,282,500	982,500	582,500	0	0
2,991,797	2,923,288	2,783,537	2,598,675	2,402,315	2,193,717
18,867,797	17,283,788	15,804,037	14,188,175	12,391,315	11,103,717
(5,095,000)	(4,715,000)	(4,320,000)	(3,905,000)	(3,475,000)	(3,030,000)
(2,421,000)	(2,088,000)	(1,743,000)	(1,507,000)	(1,259,000)	(985,000)
(1,090,000)	(895,000)	(695,000)	(445,000)	0	0
(2,991,797)	(2,923,288)	(2,783,537)	(2,598,675)	(2,402,315)	(2,193,717)
7,270,000	6,662,500	6,262,500	5,732,500	5,255,000	4,895,000
<u>\$15,783,714</u>	<u>\$15,315,622</u>	<u>\$15,231,033</u>	<u>\$16,266,670</u>	<u>\$16,449,895</u>	<u>\$18,024,480</u>
68.46%	69.69%	70.86%	73.94%	75.79%	78.64%
<u>\$12,075,755</u>	<u>\$11,512,349</u>	<u>\$11,258,517</u>	<u>\$11,523,375</u>	<u>\$11,369,231</u>	<u>\$12,005,442</u>
18,867,797	17,283,788	15,804,037	14,188,175	12,391,315	11,103,717
(5,095,000)	(4,715,000)	(4,320,000)	(3,905,000)	(3,475,000)	(3,030,000)
(2,421,000)	(2,088,000)	(1,743,000)	(1,507,000)	(1,259,000)	(985,000)
(1,090,000)	(895,000)	(695,000)	(445,000)	0	0
(2,991,797)	(2,923,288)	(2,783,537)	(2,598,675)	(2,402,315)	(2,193,717)
7,270,000	6,662,500	6,262,500	5,732,500	5,255,000	4,895,000
<u>\$4,805,755</u>	<u>\$4,849,849</u>	<u>\$4,996,017</u>	<u>\$5,790,875</u>	<u>\$6,114,231</u>	<u>\$7,110,442</u>
39.80%	42.13%	44.38%	50.25%	53.78%	59.23%

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	
2005	\$2,295,691	\$1,188,049	\$1,107,642	\$247,195	\$445,222	1.60
2006	2,571,541	1,508,805	1,062,736	220,280	350,372	1.86
2007	2,406,648	1,260,316	1,146,332	374,231	278,503	1.76
2008	2,391,732	1,371,576	1,020,156	460,266	379,841	1.21
2009	2,514,213	1,433,729	1,080,484	526,963	420,605	1.14
2010	2,487,687	1,421,635	1,066,052	570,624	377,330	1.12
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

(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
2005	12,410	\$260,907,840	\$21,024	2,838	4.2
2006	12,457	272,322,477	21,861	2,927	4.9
2007	12,731	279,425,641	21,948	2,953	4.7
2008	12,622	273,114,836	21,638	2,927	8.5
2009	12,104	267,406,385	22,092	3,030	9.3
2010	13,200	291,614,400	22,092	3,030	8.4
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

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
2014 and 2006

2014

Employer	Number of Employees	Rank	Percentage of Total Employment
Franklin City School District	501	1	4.94%
CBS Personnel	408	2	4.02
Faurecia	406	3	4.00
Valued Relations	385	4	3.79
Burrows	341	5	3.36
Cox Media	335	6	3.30
Wal-Mart	260	7	2.56
Caliper Inc	257	8	2.53
Patrick Staffing	255	9	2.51
Ferco Tech	145	10	1.43
Total	3,293		32.44
All Other Employers	<u>6,857</u>		<u>67.56</u>
Total Employment within the City	<u>10,150</u>		<u>100.00%</u>

2006 (1)

Employer	Number of Employees	Rank	Percentage of Total Employment
Franklin City School District	493	1	3.87%
Adesa	468	2	3.67
Dayton Newspapers	436	3	3.43
Burrows	429	4	3.37
Faurecia	406	5	3.19
Ample Industries	305	6	2.40
Frish Ohio	235	7	1.85
Atlas Roofing	210	8	1.65
City of Franklin	206	9	1.62
CHS Miami Valley	182	10	1.43
Total	3,370		26.48
All Other Employers	<u>9,357</u>		<u>73.52</u>
Total Employment within the City	<u>12,727</u>		<u>100.00%</u>

Source: City of Franklin Tax Department

(1) Information prior to 2006 was not available.

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

Function/Program	2005		2006		2007		2008	
	Full-Time	All	Full-Time	All	Full-Time	All	Full-Time	All
General Government	20	34	20	34	18	28	18	28
Security of Persons and Property	40	95	43	96	43	74	41	74
Leisure Time Activities	2	52	2	52	2	52	2	52
Economic Development	0	0	0	0	0	0	0	0
Basic Utility Services	16	24	16	24	18	27	18	27
<i>Total Number of Employees</i>	<u>78</u>	<u>205</u>	<u>81</u>	<u>206</u>	<u>81</u>	<u>181</u>	<u>79</u>	<u>181</u>

Source: City Payroll Records

2009		2010		2011		2012		2013		2014	
Full-Time	All	Full-Time	All	Full-Time	All	Full-Time	All	Full-Time	All	Full-Time	All
21	28	20	28	20	28	19	26	19	25	21	26
29	63	27	60	29	62	38	63	38	81	38	92
2	71	2	52	2	52	2	58	2	49	2	50
0	0	0	0	0	0	0	0	0	0	0	0
19	25	19	25	18	25	17	26	17	26	17	22
<u>71</u>	<u>187</u>	<u>68</u>	<u>165</u>	<u>69</u>	<u>167</u>	<u>76</u>	<u>173</u>	<u>76</u>	<u>181</u>	<u>78</u>	<u>190</u>

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

Function/Program	2005	2006	2007	2008
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	48	48	48	48
Miles of Sanitary Sewers	44.00	44.00	44.00	44.00
Water Treatment Facility	0	0	1	1
Transportation:				
Miles of Streets	110.00	110.00	110.00	110.00
Number of Street Lights	929	929	929	929

Source: City Capital Assets Records

<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</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
49	49	49	49	49	49
46.00	46.00	46.00	46.00	46.00	46.00
1	1	1	1	1	1
109.00	109.00	109.00	109.00	109.00	109.00
929	929	929	929	937	937

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

Function/Program	2005	2006	2007	2008
General Government:				
Active Income Tax Accounts	9,470	8,972	7,400	7,468
Individual	6,888	6,432	5,402	5,551
Business	1,240	1,173	1,056	972
Withholding	1,342	1,367	942	945
Clerk of Courts:				
Traffic Court Cases	7,461	7,356	6,336	6,180
Civil Court Cases	779	643	658	965
Small Claims Court Cases	62	55	53	99
Security of Persons and Property:				
Police Calls	24,031	24,893	24,864	21,645
Physical Arrests	696	794	2,216	1,357
Citations	2,487	2,235	1,696	1,958

Source: Department reports

2009	2010	2011	2012	2013	2014
7,276	6,974	7,027	7,454	7,683	8,133
5,430	5,409	5,528	5,508	5,759	6,019
867	842	768	847	855	947
979	663	731	1,099	1,069	1,167
6,014	8,273	8,052	7,170	6,322	7,506
632	601	659	626	524	551
98	49	42	37	41	33
24,655	25,202	24,810	23,759	23,543	23,143
1,190	2,189	2,003	2,226	2,192	1,727
1,809	767	895	1,654	1,708	1,104

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**CITY OF FRANKLIN
WARREN COUNTY, OHIO**

SUPPLEMENTAL REPORT

DECEMBER 31, 2014

KAREN ERVIN, FINANCE DIRECTOR

**CITY OF FRANKLIN
WARREN COUNTY, OHIO**

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Julian & Grube, Inc.
Serving Ohio Local Governments

333 County Line Rd. West, Westerville, OH 43082 Phone: 614.846.1899 Fax: 614.846.2799

**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 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, Ohio as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the City of Franklin's basic financial statements and have issued our report thereon dated June 26, 2015.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the City of Franklin's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinions on the financial statements, but not to the extent necessary to opine on the effectiveness of the City of Franklin'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 of Franklin'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.

Members of Council and Mayor
City of Franklin

Compliance and Other Matters

As part of reasonably assuring whether the City of Franklin'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 determination of financial statement amounts. 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 of Franklin's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the City of Franklin's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Julian & Grube, Inc.".

Julian & Grube, Inc.
June 26, 2015



Dave Yost • Auditor of State

CITY OF FRANKLIN

WARREN COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
OCTOBER 15, 2015**