

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Year Ended December 31, 2015



City of Franklin
Franklin, Ohio 45005



Dave Yost • Auditor of State

City Council
City of Franklin
1 Benjamin Franklin Way
Franklin, OH 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, 2015 through December 31, 2015. 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 black ink that reads "Dave Yost".

Dave Yost
Auditor of State

September 15, 2016

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Introductory Section

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City of Franklin, Ohio

Comprehensive Annual Financial Report

For the Year Ended December 31, 2015

Issued by:
Finance Department

Karen Ervin
Finance Director

City of Franklin, Ohio
Comprehensive Annual Financial Report
For the Year Ended December 31, 2015

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CITY OF FRANKLIN

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

June 22, 2016

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, 2015, 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, 2015. 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 18).

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 2016 is again looking up for the City of Franklin, and Council and Staff are excited about the future of our City. Kettering Health Network's ER Facility has been up and running for a full year. Many lives have been saved and made better by having Kettering in our Community. 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 have been completed. 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.

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 2015, City Council and Staff continued 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 that was completed in 2014 where 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. It was even made better in 2015 when the City paved the entire route from Main Street to the City Limits on State Route 123, a 1.2 million dollar project.

We are now looking at what we can do to beautify the State Route 73 entrance around I-75. This is a project that we hope complete in the next few years.

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 (65 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, 2014. 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
As of December 31, 2015*

OFFICE HELD

NAME OF OFFICIAL

City Council:

Mayor/President of Council	Denny Centers
Vice-Mayor/Vice-President	Carl Bray
Councilmember	Michael Aldridge
Councilmember	Brent Centers
Councilmember	Debbie Fouts
Councilmember	Todd Hall
Councilmember	Paul Ruppert
Clerk of Council	Jane McGee

Administration:

City Manager	Sonny Lewis
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Finance Department:

Finance Director	Karen Ervin
Income Tax Administrator	Jennie Loxley
Utility Billing Administrator	Wanda Howell

Law Department:

Law Director	Donnette Fisher
City Prosecutor	Steve Runge

Public Works Department:

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

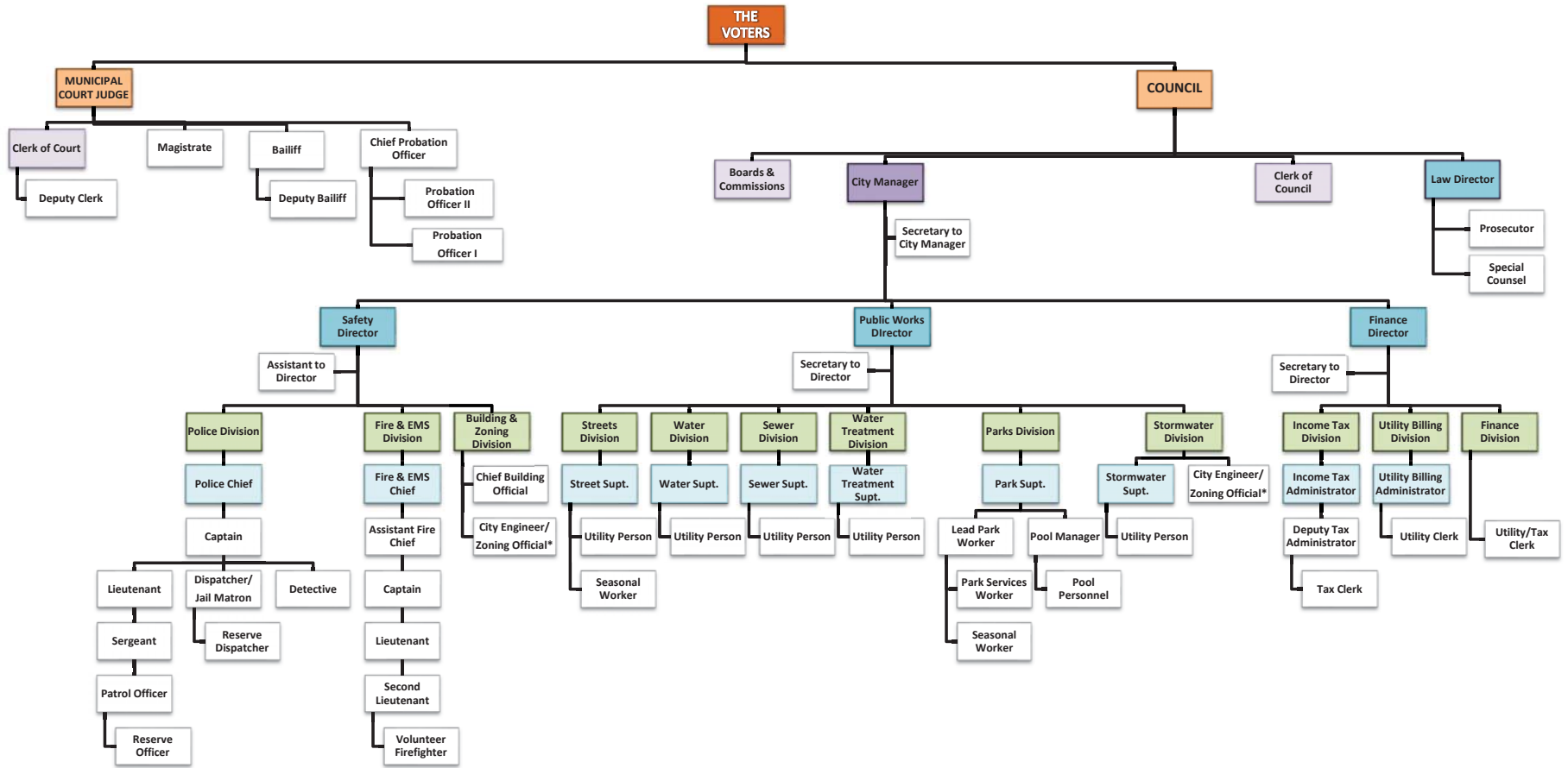
Safety Department:

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

Municipal Court:

Judge	Rupert E. Ruppert
Clerk of Courts	Dodie Lykins
Chief Probation Officer	Katie Perdue

CITY OF FRANKLIN, OHIO
Organizational Chart





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

City of Franklin
Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2014

Executive Director/CEO

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, 2015 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, 2015, and the respective changes in financial position and where applicable, cash flows, thereof and the respective budgetary comparisons for the General Fund and the Fire Levy Fund, a major special revenue fund, thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 3 to the financial statements, during the year ended December 31, 2015, the City of Franklin adopted Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27* and also GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB No. 68*. We did not modify our opinion regarding this matter.

Other Matters

Required Supplementary Information

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

Supplementary and Other Information

Our audit was conducted to opine on the City 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 derive 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, these statements and schedule are 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 22, 2016, 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 22, 2016

City of Franklin, Ohio
Management's Discussion and Analysis
For The Year Ended December 31, 2015
(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, 2015. 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 \$228,524 and net position of business-type activities increased \$1,059,189, resulting in a total increase in net position of \$1,287,713.
- General revenues and transfers of governmental activities accounted for \$10,265,156 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 \$3,425,966 of total governmental revenues and transfers of \$13,691,122.
- The City had \$13,462,598 in expenses related to governmental activities; only \$3,425,966 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 \$919,829. The Water and Sewer Fund reflected operating incomes of \$1,043,254 and \$137,081, respectively while the Trash and Stormwater Utility Funds reflected operating losses of \$1,320 and \$259,186, 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, 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 2015 compared to 2014.

Table 1
Net Position

	Governmental Activities		Business-Type Activities		Total	
	2015	Restated 2014	2015	Restated 2014	2015	Restated 2014
Assets:						
Current and Other Assets	\$18,156,833	\$18,343,745	\$5,036,249	\$4,488,079	\$23,193,082	\$22,831,824
Nondepreciable Capital Assets	20,554,496	19,445,351	1,132,863	1,095,364	21,687,359	20,540,715
Depreciable Capital Assets, Net	24,525,397	26,080,891	21,435,214	21,551,732	45,960,611	47,632,623
Total Assets	63,236,726	63,869,987	27,604,326	27,135,175	90,841,052	91,005,162
Deferred Outflows of Resources:						
Deferred Charge on Refunding Pension	275,586	298,551	15,018	16,936	290,604	315,487
	1,035,312	675,373	155,186	104,316	1,190,498	779,689
Total Deferred Outflows of Resources	1,310,898	973,924	170,204	121,252	1,481,102	1,095,176
Liabilities:						
Current and Other Liabilities	497,030	731,727	613,710	542,137	1,110,740	1,273,864
Long-Term Liabilities:						
Due Within One Year	860,713	908,887	762,819	726,635	1,623,532	1,635,522
Due in More Than One Year:						
Net Pension Liability	7,389,597	7,018,203	855,210	835,893	8,244,807	7,854,096
Other Amounts	5,509,926	6,207,701	4,021,941	4,705,125	9,531,867	10,912,826
Total Liabilities	14,257,266	14,866,518	6,253,680	6,809,790	20,510,946	21,676,308
Deferred Inflows of Resources:						
Property Taxes	1,954,000	1,903,000	0	0	1,954,000	1,903,000
Pension	33,441	0	15,024	0	48,465	0
Total Deferred Inflows of Resources	1,987,441	1,903,000	15,024	0	2,002,465	1,903,000
Net Position:						
Net Investment in Capital Assets	39,854,845	39,594,071	18,014,569	17,408,300	57,869,414	57,002,371
Restricted	7,207,350	7,121,376	1,164,233	1,048,491	8,371,583	8,169,867
Unrestricted	1,240,722	1,358,946	2,327,024	1,989,846	3,567,746	3,348,792
Total Net Position	\$48,302,917	\$48,074,393	\$21,505,826	\$20,446,637	\$69,808,743	\$68,521,030

During 2015, the City adopted GASB Statement 68, “Accounting and Financial Reporting for Pensions— an Amendment of GASB Statement 27,” which significantly revises accounting for pension costs and liabilities. For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the City’s actual financial condition by adding deferred inflows related to pension and the net pension liability to the reported net position and subtracting deferred outflows related to pension.

Governmental Accounting Standards Board standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. When accounting for pension costs, GASB 27 focused on a funding approach. This approach limited pension costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan’s net pension liability. GASB 68 takes an earnings approach to pension accounting; however, the nature of Ohio’s statewide pension systems and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

Under the new standards required by GASB 68, the net pension liability equals the City's proportionate share of each plan's collective:

1. Present value of estimated future pension benefits attributable to active and inactive employees' past service.
2. Minus plan assets available to pay these benefits.

GASB notes that pension obligations, whether funded or unfunded, are part of the "employment exchange" – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension. GASB noted that the unfunded portion of this pension promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the City is not responsible for certain key factors affecting the balance of this liability. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The employee enters the employment exchange with the knowledge that the employer's promise is limited not by contract but by law. The employer enters the exchange also knowing that there is a specific, legal limit to its contribution to the pension system. In Ohio, there is no legal means to enforce the unfunded liability of the pension system as against the public employer. State law operates to mitigate/lessen the moral obligation of the public employer to the employee, because all parties enter the employment exchange with notice as to the law. The pension system is responsible for the administration of the plan.

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

In accordance with GASB 68, the City's statements prepared on an accrual basis of accounting include an annual pension expense for their proportionate share of each plan's change in net pension liability not accounted for as deferred inflows/outflows.

As a result of implementing GASB 68, the City is reporting a net pension liability and deferred inflows/outflows of resources related to pension on the accrual basis of accounting. This implementation also had the effect of restating the governmental net position for governmental and business-type activities at December 31, 2014, from \$54,417,223 to \$48,074,393 and \$21,178,214 to \$20,446,637, respectively.

Net position of the City's governmental activities increased \$228,524 from the prior year. A portion of this increase was related to current, other and long-term liabilities decreasing \$609,252 from the prior year. This decrease was mostly the result of the City making current year debt payments.

Unrestricted net position decreased 8.7 percent and restricted net position increased 1.2 percent, which both changes are insignificant.

Net position of the City's business-type activities increased \$1,059,189. Total liabilities decreased \$556,110 mainly due to the City making annual debt payments. Unrestricted net position increased \$337,178 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, 2015 and December 31, 2014.

Table 2
Changes in Net Position

	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
Revenues:						
Program Revenues:						
Charges for Services and Sales	\$1,623,531	\$1,680,214	\$6,559,078	\$6,287,700	\$8,182,609	\$7,967,914
Operating Grants, Contributions and Interest	925,943	1,024,216	0	0	925,943	1,024,216
Capital Grants, Contributions and Interest	876,492	331,344	432,086	0	1,308,578	331,344
Total Program Revenues	3,425,966	3,035,774	6,991,164	6,287,700	10,417,130	9,323,474
General Revenues:						
Property Taxes	1,812,704	1,778,176	0	0	1,812,704	1,778,176
Income Taxes	7,665,010	6,764,284	0	0	7,665,010	6,764,284
Other Local Taxes	208,667	184,737	0	0	208,667	184,737
Payments in Lieu of Taxes	0	107,787	0	0	0	107,787
Grants and Entitlements	232,675	211,427	0	0	232,675	211,427
Unrestricted Interest	25,681	94,468	0	0	25,681	94,468
Other	190,419	100,436	57,879	84,460	248,298	184,896
Total General Revenues	10,135,156	9,241,315	57,879	84,460	10,193,035	9,325,775
Total Revenues	13,561,122	12,277,089	7,049,043	6,372,160	20,610,165	18,649,249
Program Expenses:						
General Government	2,729,627	2,474,594	0	0	2,729,627	2,474,594
Security of Persons and Property:						
Police	3,530,669	3,648,222	0	0	3,530,669	3,648,222
Fire	2,568,634	2,333,673	0	0	2,568,634	2,333,673
Other	307,910	319,464	0	0	307,910	319,464
Public Health and Welfare	31,824	27,356	0	0	31,824	27,356
Leisure Time Activities	306,096	339,652	0	0	306,096	339,652
Economic Development	54,124	51,449	0	0	54,124	51,449
Basic Utility Services	87,531	105,532	0	0	87,531	105,532
Transportation	3,614,786	1,866,068	0	0	3,614,786	1,866,068
Interest and Fiscal Charges	231,397	258,996	0	0	231,397	258,996
Water	0	0	1,805,446	1,989,322	1,805,446	1,989,322
Sewer	0	0	2,532,207	2,484,895	2,532,207	2,484,895
Trash	0	0	749,283	852,135	749,283	852,135
Stormwater Utility	0	0	772,918	777,287	772,918	777,287
Total Expenses	13,462,598	11,425,006	5,859,854	6,103,639	19,322,452	17,528,645
Change in Net Position Before Transfers	98,524	852,083	1,189,189	268,521	1,287,713	1,120,604
Transfers	130,000	78,300	(130,000)	(78,300)	0	0
Change in Net Position	228,524	930,383	1,059,189	190,221	1,287,713	1,120,604
Beginning Net Position	48,074,393	N/A	20,446,637	N/A	68,521,030	N/A
Ending Net Position	\$48,302,917	\$48,074,393	\$21,505,826	\$20,446,637	\$69,808,743	\$68,521,030

The information necessary to restate the 2014 beginning balances and the 2014 pension expense amounts for the effects of the initial implementation of GASB 68 is not available. Therefore, 2014 functional expenses still include pension expense of \$779,689 computed under GASB 27. GASB 27 required recognizing pension expense equal to the contractually required contributions to the plan. Under GASB 68, pension expense represents additional amounts earned, adjusted by deferred inflows/outflows. The contractually required contribution is no longer a component of pension expense. Under GASB 68, the

2015 statements report pension expense of \$835,223. Consequently, in order to compare 2015 total program expenses to 2014, the following adjustments are needed:

	Governmental Activities	Business-type Activities	Total
Total 2015 program expenses under GASB 68	\$13,462,598	5,859,854	\$19,322,452
Pension expense under GASB 68	(742,197)	(93,026)	(835,223)
2015 contractually required contribution	697,301	109,555	806,856
Adjusted 2015 program expenses	13,417,702	5,876,383	19,294,085
Total 2014 program expenses under GASB 27	11,425,006	6,103,639	17,528,645
Change in program expenses not related to pension	\$1,992,696	(\$227,256)	\$1,765,440

Total governmental activities revenue increased \$1,284,033 from the prior year primarily due to income taxes and capital contributions. General revenues increased \$893,841 and program revenues increased \$390,192. The general revenue change is related to collecting more income taxes when compared to the prior year. The capital contribution increase is related to the City receiving donated depreciable capital assets related to governmental activities. The increase is also related to an increase in grant monies for the State Route 123-Urban Paving project with Ohio Department of Transportation.

Governmental program expenses as a percentage of total governmental expenses for 2015 are expressed as follows:

General Government	20.28%
Security of Persons and Property:	
Police	26.23
Fire	19.08
Other	2.29
Public Health and Welfare	0.24
Leisure Time Activities	2.27
Economic Development	0.40
Basic Utility Services	0.65
Transportation	26.85
Interest and Fiscal Charges	1.71
	<u>100.00%</u>

The above chart clearly indicates the City's major source of expenses, 47.60 percent is related to the operating of safety forces. Transportation makes up 26.85 percent of the City's expenses, which increased from the prior year due to the City spending more on road maintenance and repairs, which were non-capitalized expenditures. All other forms of governmental operations represent 25.55 percent of expenditures. A comparison to the prior year demonstrates that expenses except for transportation were relatively consistent with those in the previous year. Even though Police dropped 5.70 percent transportation had a large increase in expenditures, which increased the total expenses from \$11,425,006 in 2014 to \$13,462,598 in 2015.

Charges for Services and Sales in the business-type activities increased \$271,378 in 2015 due to an increase in fees related to water and sewer. Capital Grants and Contributions increased \$432,086, which is primarily due to the City receiving donated depreciable capital assets and Warren County helping fund the Sewer Lining project.

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 2015	Net Cost of Services 2015	Total Cost Of Services 2014	Net Cost of Services 2014
General Government	\$2,729,627	\$2,263,548	\$2,474,594	\$1,938,687
Security of Persons and Property:				
Police	3,530,669	2,989,625	3,648,222	3,096,505
Fire	2,568,634	1,865,845	2,333,673	1,637,405
Other	307,910	158,887	319,464	174,698
Public Health and Welfare	31,824	13,021	27,356	8,068
Leisure Time Activities	306,096	279,098	339,652	8,308
Economic Development	54,124	53,134	51,449	49,059
Basic Utility Services	87,531	87,531	105,532	105,532
Transportation	3,614,786	2,094,546	1,866,068	1,111,974
Interest and Fiscal Charges	231,397	231,397	258,996	258,996
Total Expenses	<u>\$13,462,598</u>	<u>\$10,036,632</u>	<u>\$11,425,006</u>	<u>\$8,389,232</u>

When looking at the sources of income to support governmental activities, it should be noted that charges for services and sales are only 11.97 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 13.29 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 \$851,296 in the Water Fund during 2015 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 increased \$335,989 mainly due to the Sewer Lining project that Warren County helped fund during 2015.

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 slight decrease of \$902 in 2015. 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 \$127,194 for 2015 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 \$13,595,991 and expenditures of \$13,524,735.

The General Fund's balance decreased \$133,459 as a result of revenues being less than expenditures. Even though the general fund's revenues increased when compared to the prior year, the expenditures also increased when compared to the prior year but by a larger amount.

The Fire Levy Fund's balance increased \$537,493. 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.

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 \$8,997,649 and \$9,249,221, respectively. This is due to the City anticipating collecting more income tax throughout the year than originally anticipated. The City's actual revenues were \$9,176,902 at year-end, which is an insignificant variance when compared to the final budgeted revenues.

Original General Fund appropriations were \$7,147,285 while final appropriations were \$7,151,362. The City's actual expenditures were \$6,344,506 at year-end, a decrease of \$806,856 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	
	2015	2014	2015	2014	2015	2014
Land	\$19,599,817	\$19,445,351	\$1,095,364	\$1,095,364	\$20,695,181	\$20,540,715
Construction in Progress	954,679	0	37,499	0	992,178	0
Land Improvements	220,193	224,765	15,145	10,475	235,338	235,240
Buildings	4,944,441	4,976,432	57,776	58,442	5,002,217	5,034,874
Equipment	597,889	554,837	292,264	303,622	890,153	858,459
Vehicles	426,607	457,582	386,811	402,123	813,418	859,705
Infrastructure	18,336,267	19,867,275	20,683,218	20,777,070	39,019,485	40,644,345
Total	<u>\$45,079,893</u>	<u>\$45,526,242</u>	<u>\$22,568,077</u>	<u>\$22,647,096</u>	<u>\$67,647,970</u>	<u>\$68,173,338</u>

Total capital assets decreased \$525,368, which was due to current year depreciation and deletions exceeding current year additions.

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

Debt

The City had outstanding debt obligations in governmental activities at year-end, including special assessment bonds, general obligation bonds, and police and fire pension liability in the amount of \$5,590,656, including a premium on bonds outstanding of \$308,741 for governmental activities. Business-type activities had debt obligations at year-end consisting of OWDA loans and mortgage revenue bonds in the amount of \$4,565,482, including a premium on bonds in the amount of \$28,390. The City's long-term obligations also included compensated absences for governmental and business-type activities.

As of December 31, 2015, the City's overall legal debt margin (the ability to issue additional amounts of general obligation bonded debt) was \$18,737,678 with an unvoted debt margin of \$7,660,212.

See Note 16 of the notes to the basic financial statements for more detailed information.

CONTACTING THE CITY'S FINANCE DEPARTMENT

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

CITY OF FRANKLIN, OHIO
STATEMENT OF NET POSITION
DECEMBER 31, 2015

	Governmental Activities	Business-Type Activities	Totals
Assets:			
Equity in Pooled Cash and Cash Equivalents	\$12,934,348	\$3,480,960	\$16,415,308
Accrued Interest Receivable	2,754	0	2,754
Accounts Receivable	0	909,970	909,970
Intergovernmental Receivable	556,786	0	556,786
Materials and Supplies Inventory	225,373	50,033	275,406
Income Taxes Receivable	1,817,441	0	1,817,441
Property Taxes Receivable	2,075,104	0	2,075,104
Other Local Taxes Receivable	33,003	0	33,003
Special Assessments Receivable	512,024	0	512,024
Cash and Cash Equivalents with Trustee	0	595,286	595,286
Nondepreciable Capital Assets	20,554,496	1,132,863	21,687,359
Depreciable Capital Assets, Net	24,525,397	21,435,214	45,960,611
Total Assets	63,236,726	27,604,326	90,841,052
Deferred Outflows of Resources:			
Deferred Charge on Refunding Pension	275,586	15,018	290,604
	1,035,312	155,186	1,190,498
Total Deferred Outflows of Resources	1,310,898	170,204	1,481,102
Liabilities:			
Accounts Payable	94,268	29,487	123,755
Accrued Wages and Benefits Payable	83,896	23,991	107,887
Intergovernmental Payable	247,679	36,072	283,751
Contracts Payable	38,406	333,056	371,462
Retainage Payable	11,284	0	11,284
Accrued Interest Payable	17,596	47,854	65,450
Refundable Deposits	0	143,250	143,250
Matured Compensated Absences Payable	3,901	0	3,901
Long-Term Liabilities:			
Due Within One Year	860,713	762,819	1,623,532
Due in More Than One Year:			
Net Pension Liability (See Note 12)	7,389,597	855,210	8,244,807
Other Amounts	5,509,926	4,021,941	9,531,867
Total Liabilities	14,257,266	6,253,680	20,510,946
Deferred Inflows of Resources:			
Property Taxes	1,954,000	0	1,954,000
Pension	33,441	15,024	48,465
Total Deferred Inflows of Resources	1,987,441	15,024	2,002,465
Net Position:			
Net Investment in Capital Assets	39,854,845	18,014,569	57,869,414
Restricted for:			
Debt Service	466,684	586,603	1,053,287
Capital Outlay	1,512,898	0	1,512,898
Fire Protection	1,521,593	0	1,521,593
Transportation	1,111,673	0	1,111,673
Legislative and Executive	400,156	0	400,156
Security of Persons and Property	392,883	0	392,883
Other Purposes	77,177	0	77,177
Revenue Bonds Replacement and Improvement	0	577,630	577,630
Leisure Time Activities Expendable	363,454	0	363,454
Leisure Time Activities Nonexpendable	1,360,832	0	1,360,832
Unrestricted	1,240,722	2,327,024	3,567,746
Total Net Position	\$48,302,917	\$21,505,826	\$69,808,743

See accompanying notes to the basic financial statements

CITY OF FRANKLIN, OHIO
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2015

	Program Revenues			
	Expenses	Charges for Services and Sales	Operating Grants, Contributions and Interest	Capital Grants, Contributions and Interest
Governmental Activities:				
General Government	\$2,729,627	\$464,392	\$1,687	\$0
Security of Persons and Property:				
Police	3,530,669	428,749	112,295	0
Fire	2,568,634	552,753	150,036	0
Other	307,910	149,023	0	0
Public Health and Welfare	31,824	8,759	10,044	0
Leisure Time Activities	306,096	19,305	7,693	0
Economic Development	54,124	0	990	0
Basic Utility Services	87,531	0	0	0
Transportation	3,614,786	550	643,198	876,492
Interest and Fiscal Charges	231,397	0	0	0
Total Governmental Activities	<u>13,462,598</u>	<u>1,623,531</u>	<u>925,943</u>	<u>876,492</u>
Business-Type Activities:				
Water	1,805,446	2,628,095	0	63,900
Sewer	2,532,207	2,669,288	0	244,450
Trash	749,283	747,963	0	0
Stormwater Utility	<u>772,918</u>	<u>513,732</u>	<u>0</u>	<u>123,736</u>
Total Business-Type Activities	<u>5,859,854</u>	<u>6,559,078</u>	<u>0</u>	<u>432,086</u>
Total Activities	<u>\$19,322,452</u>	<u>\$8,182,609</u>	<u>\$925,943</u>	<u>\$1,308,578</u>

General Revenues and Transfers:

Taxes:

 Property Taxes Levied for:

 General Purposes

 Fire

 Other Purposes

 Income Taxes

 Other Local Taxes Levied for General Purposes

Grants and Entitlements not Restricted to Specific Programs

Unrestricted Interest

Other

Transfers

Total General Revenues and Transfers

Change in Net Position

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

Net Position at End of Year

See accompanying notes to the basic financial statements

Net (Expense) Revenue and Changes in Net Position

<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
(\$2,263,548)	\$0	(\$2,263,548)
(2,989,625)	0	(2,989,625)
(1,865,845)	0	(1,865,845)
(158,887)	0	(158,887)
(13,021)	0	(13,021)
(279,098)	0	(279,098)
(53,134)	0	(53,134)
(87,531)	0	(87,531)
(2,094,546)	0	(2,094,546)
(231,397)	0	(231,397)
<u>(10,036,632)</u>	<u>0</u>	<u>(10,036,632)</u>
0	886,549	886,549
0	381,531	381,531
0	(1,320)	(1,320)
<u>0</u>	<u>(135,450)</u>	<u>(135,450)</u>
<u>0</u>	<u>1,131,310</u>	<u>1,131,310</u>
<u>(10,036,632)</u>	<u>1,131,310</u>	<u>(8,905,322)</u>
410,545	0	410,545
1,224,778	0	1,224,778
177,381	0	177,381
7,665,010	0	7,665,010
208,667	0	208,667
232,675	0	232,675
25,681	0	25,681
190,419	57,879	248,298
<u>130,000</u>	<u>(130,000)</u>	<u>0</u>
<u>10,265,156</u>	<u>(72,121)</u>	<u>10,193,035</u>
228,524	1,059,189	1,287,713
<u>48,074,393</u>	<u>20,446,637</u>	<u>68,521,030</u>
<u>\$48,302,917</u>	<u>\$21,505,826</u>	<u>\$69,808,743</u>

CITY OF FRANKLIN, OHIO
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2015

	General Fund	Fire Levy Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$6,081,889	\$1,683,591	\$5,152,679	\$12,918,159
Restricted Assets:				
Equity in Pooled Cash and Cash Equivalents	16,189	0	0	16,189
Materials and Supplies Inventory	15,460	23,200	186,713	225,373
Intergovernmental Receivable	103,912	70,467	382,407	556,786
Income Taxes Receivable	1,817,441	0	0	1,817,441
Property Taxes Receivable	473,899	1,415,310	185,895	2,075,104
Other Local Taxes Receivable	33,003	0	0	33,003
Special Assessments Receivable	0	0	512,024	512,024
Accrued Interest Receivable	2,754	0	0	2,754
Total Assets	\$8,544,547	\$3,192,568	\$6,419,718	\$18,156,833
Liabilities:				
Accounts Payable	\$22,173	\$47,443	\$24,652	\$94,268
Accrued Wages and Benefits Payable	53,759	19,727	10,410	83,896
Intergovernmental Payable	148,713	44,216	54,750	247,679
Contracts Payable	0	0	38,406	38,406
Matured Compensated Absences Payable	3,901	0	0	3,901
Retainage Payable	0	0	11,284	11,284
Total Liabilities	228,546	111,386	139,502	479,434
Deferred Inflows of Resources:				
Property Taxes	446,000	1,333,000	175,000	1,954,000
Unavailable Revenue	1,198,792	152,777	830,186	2,181,755
Total Deferred Inflows of Resources	1,644,792	1,485,777	1,005,186	4,135,755
Fund Balances:				
Nonspendable	31,649	23,200	1,547,545	1,602,394
Restricted	0	1,572,205	3,498,870	5,071,075
Committed	0	0	97,237	97,237
Assigned	1,355,540	0	155,532	1,511,072
Unassigned (Deficit)	5,284,020	0	(24,154)	5,259,866
Total Fund Balances	6,671,209	1,595,405	5,275,030	13,541,644
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$8,544,547	\$3,192,568	\$6,419,718	\$18,156,833

See accompanying notes to the basic financial statements

CITY OF FRANKLIN, OHIO
RECONCILIATION OF TOTAL GOVERNMENTAL FUND
BALANCES TO NET POSITION OF GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2015

Total Governmental Fund Balances \$13,541,644

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	19,599,817	
Construction in Progress	954,679	
Infrastructure	65,107,599	
Other Capital Assets	13,419,853	
Accumulated Depreciation	(54,002,055)	
Total Capital Assets		45,079,893

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	121,104	
Other Local Taxes	51,402	
Income Taxes	1,051,035	
Special Assessments	512,024	
Intergovernmental	446,190	
Total		2,181,755

In the Statement of Activities, interest is accrued on long-term debt, whereas
in governmental funds, an interest expenditure is reported when due. (17,596)

Deferred outflows of resources include deferred charges on
refundings which do not provide current financial resources
and, therefore, are not reported in the funds. 275,586

The net pension liability is not due and payable in the current period; therefore, the
liability and related deferred inflows/outflows are not reported in governmental funds:

Deferred Outflows - Pension	1,035,312	
Deferred Inflows - Pension	(33,441)	
Net Pension Liability	(7,389,597)	
Total		(6,387,726)

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

General Obligation Bonds	(4,833,741)	
Special Assessment Bonds	(700,000)	
Police and Fire Pension	(56,915)	
Compensated Absences	(779,983)	
Total		(6,370,639)

Net Position of Governmental Activities \$48,302,917

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, 2015

	General Fund	Fire Levy Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:				
Property Taxes	\$416,760	\$1,244,887	\$179,886	\$1,841,533
Other Local Taxes	211,815	0	0	211,815
Income Taxes	7,619,746	0	0	7,619,746
Special Assessments	0	0	432,571	432,571
Charges for Services	154,201	550,293	23,082	727,576
Fines, Licenses and Permits	471,912	0	267,085	738,997
Intergovernmental	231,549	148,789	1,412,460	1,792,798
Interest	86,148	0	(60,467)	25,681
Rent	0	0	5,475	5,475
Contributions and Donations	1,687	0	7,693	9,380
Other	101,965	59,605	28,849	190,419
Total Revenues	9,295,783	2,003,574	2,296,634	13,595,991
Expenditures:				
Current:				
General Government	2,596,841	0	151,593	2,748,434
Security of Persons and Property:				
Police	3,241,587	0	509,779	3,751,366
Fire	0	2,098,380	125,704	2,224,084
Other	170,221	0	136,335	306,556
Public Health and Welfare	0	0	31,824	31,824
Leisure Time Activities	90,396	0	333,160	423,556
Economic Development	0	0	54,124	54,124
Transportation	0	0	1,275,227	1,275,227
Capital Outlay	164,542	0	1,590,571	1,755,113
Debt Service:				
Principal Retirement	0	60,134	656,839	716,973
Interest and Fiscal Charges	0	1,786	235,692	237,478
Total Expenditures	6,263,587	2,160,300	5,100,848	13,524,735
Excess of Revenues Over (Under) Expenditures	3,032,196	(156,726)	(2,804,214)	71,256
Other Financing Sources (Uses):				
Transfers In	1	750,000	2,611,172	3,361,173
Proceeds from Sale of Capital Assets	4,516	5,219	0	9,735
Transfers Out	(3,170,172)	(61,000)	(1)	(3,231,173)
Total Other Financing Sources (Uses)	(3,165,655)	694,219	2,611,171	139,735
Net Change in Fund Balances	(133,459)	537,493	(193,043)	210,991
Fund Balances at Beginning of Year	6,804,668	1,057,912	5,468,073	13,330,653
Fund Balances at End of Year	<u>\$6,671,209</u>	<u>\$1,595,405</u>	<u>\$5,275,030</u>	<u>\$13,541,644</u>

See accompanying notes to the basic financial statements

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, 2015

Net Change in Fund Balances - Total Governmental Funds \$210,991

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	1,302,594	
Construction in Progress additions	954,679	
Donated Capital Assets	181,536	
Current Year Depreciation	<u>(2,864,585)</u>	
Excess of depreciation expense over capital outlay		(425,776)

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 gain on sale of capital assets in the Statement of Activities.

Proceeds from Sale of Capital Assets	(9,735)	
Loss on Disposal of Capital Assets	<u>(10,838)</u>	
Total		(20,573)

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	(28,829)	
Other Local Taxes	(3,148)	
Income Taxes	45,264	
Special Assessments	(283,548)	
Charges for Services	2,460	
Intergovernmental	<u>51,396</u>	
Total		(216,405)

Contractually required contributions are reported as expenditures in governmental funds; however, the Statement of Net Position reports these amounts as deferred outflows. 697,301

Except for amounts reported as deferred inflows/outflows, changes in the net pension liability are reported as pension expense in the Statement of Activities. (742,197)

Repayment of long-term obligations is reported as an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.

Special assessment principal retirement	285,000	
Bond Principal Retirement	370,000	
Police and Fire Pension Principal Retirement	1,839	
Capital lease principal retirement	<u>60,134</u>	
Total Long-Term Debt Repayment		716,973

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	<u>2,199</u>	
Total		6,081

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 2,129

Change in Net Position of Governmental Activities \$228,524

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, 2015

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues:				
Property Taxes	\$435,000	\$400,000	\$416,760	\$16,760
Other Local Taxes	210,007	211,000	212,321	1,321
Income Taxes	7,440,234	7,639,000	7,522,214	(116,786)
Charges for Services	51,316	152,820	154,201	1,381
Fines, Licenses and Permits	461,906	460,100	466,995	6,895
Intergovernmental	232,749	216,800	235,314	18,514
Contributions and Donations	1,669	5,700	1,687	(4,013)
Interest	64,697	65,000	65,410	410
Other	100,071	98,801	102,000	3,199
Total Revenues	<u>8,997,649</u>	<u>9,249,221</u>	<u>9,176,902</u>	<u>(72,319)</u>
Expenditures:				
Current:				
General Government	2,825,146	3,075,557	2,668,281	407,276
Security of Persons and Property:				
Police	3,714,135	3,482,301	3,330,451	151,850
Other	208,004	193,504	178,732	14,772
Capital Outlay	400,000	400,000	167,042	232,958
Total Expenditures	<u>7,147,285</u>	<u>7,151,362</u>	<u>6,344,506</u>	<u>806,856</u>
Excess of Revenues Over Expenditures	<u>1,850,364</u>	<u>2,097,859</u>	<u>2,832,396</u>	<u>734,537</u>
Other Financing Sources (Uses):				
Proceeds from Sale of Capital Assets	0	5,000	4,516	(484)
Transfers In	582,480	605,782	1	(605,781)
Transfers Out	(3,133,420)	(3,768,338)	(3,258,316)	510,022
Total Other Financing Sources (Uses)	<u>(2,550,940)</u>	<u>(3,157,556)</u>	<u>(3,253,799)</u>	<u>(96,243)</u>
Net Change in Fund Balance	(700,576)	(1,059,697)	(421,403)	638,294
Fund Balance at Beginning of Year	6,380,250	6,380,250	6,380,250	0
Prior Year Encumbrances Appropriated	<u>23,512</u>	<u>23,512</u>	<u>23,512</u>	<u>0</u>
Fund Balance at End of Year	<u>\$5,703,186</u>	<u>\$5,344,065</u>	<u>\$5,982,359</u>	<u>\$638,294</u>

See accompanying notes to the basic financial statements

CITY OF FRANKLIN, OHIO
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)
FIRE LEVY FUND
FOR THE YEAR ENDED DECEMBER 31, 2015

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues:				
Property Taxes	\$1,299,000	\$1,244,000	\$1,244,887	\$887
Charges for Services	333,095	540,000	552,616	12,616
Fines, Licenses and Permits	0	2,000	0	(2,000)
Intergovernmental	89,684	151,000	148,789	(2,211)
Contributions and Donations	0	1,000	0	(1,000)
Other	35,221	57,000	59,605	2,605
Total Revenues	1,757,000	1,995,000	2,005,897	10,897
Expenditures:				
Current:				
Security of Persons and Property:				
Fire	2,799,396	2,805,331	2,336,030	469,301
Excess of Revenues Under Expenditures	(1,042,396)	(810,331)	(330,133)	480,198
Other Financing Sources (Uses):				
Proceeds from Sale of Capital Assets	0	6,400	5,219	(1,181)
Transfers In	750,000	750,000	750,000	0
Transfers Out	0	(66,000)	(61,000)	5,000
Total Other Financing Sources (Uses)	750,000	690,400	694,219	3,819
Net Change in Fund Balance	(292,396)	(119,931)	364,086	484,017
Fund Balance at Beginning of Year	1,176,408	1,176,408	1,176,408	0
Prior Year Encumbrances Appropriated	15,605	15,605	15,605	0
Fund Balance at End of Year	\$899,617	\$1,072,082	\$1,556,099	\$484,017

See accompanying notes to the basic financial statements

CITY OF FRANKLIN, OHIO
STATEMENT OF FUND NET POSITION
ENTERPRISE FUNDS
DECEMBER 31, 2015

	Water Fund	Sewer Fund	Trash Fund
Assets:			
Current Assets:			
Equity in Pooled Cash and Cash Equivalents	\$997,545	\$1,006,963	\$193,065
Materials and Supplies Inventory	50,033	0	0
Accounts Receivable	242,542	558,226	67,829
Restricted Assets:			
Cash and Cash Equivalents with Trustee	493,683	0	0
Total Current Assets	1,783,803	1,565,189	260,894
Noncurrent Assets:			
Restricted Assets:			
Equity in Pooled Cash and Cash Equivalents	714,020	71,625	0
Cash and Cash Equivalents with Trustee	101,603	0	0
Nondepreciable Capital Assets	1,020,364	37,500	0
Depreciable Capital Assets, Net	8,442,331	3,866,564	0
Total Noncurrent Assets	10,278,318	3,975,689	0
Total Assets	12,062,121	5,540,878	260,894
Deferred Outflows of Resources:			
Deferred Charge on Refunding	15,018	0	0
Pension	75,090	40,048	10,012
Total Deferred Outflows of Resources	90,108	40,048	10,012
Liabilities:			
Current Liabilities:			
Accounts Payable	24,935	2,557	1,605
Accrued Wages and Benefits Payable	16,029	4,252	674
Contracts Payable	0	330,012	0
Intergovernmental Payable	17,172	9,595	1,800
Accrued Interest Payable	47,854	0	0
Compensated Absences Payable	21,207	13,398	858
Revenue Bonds Payable	485,000	0	0
OWDA Loans Payable	235,494	0	0
Total Current Liabilities	847,691	359,814	4,937
Long Term Liabilities:			
Compensated Absences Payable	82,378	67,319	3,557
Revenue Bonds Payable	2,108,390	0	0
OWDA Loans Payable	1,736,598	0	0
Refundable Deposits	71,625	71,625	0
Net Pension Liability	413,811	220,699	55,175
Total Long Term Liabilities	4,412,802	359,643	58,732
Total Liabilities	5,260,493	719,457	63,669
Deferred Inflows of Resources:			
Pension	7,270	3,877	969
Net Position:			
Net Investment in Capital Assets	4,912,231	3,904,064	0
Restricted for:			
Debt Service	586,603	0	0
Revenue Bonds Replacement and Improvements	577,630	0	0
Unrestricted	808,002	953,528	206,268
Total Net Position	\$6,884,466	\$4,857,592	\$206,268

See accompanying notes to the basic financial statements

Stormwater Utility Fund	Total
\$497,742	\$2,695,315
0	50,033
41,373	909,970
0	493,683
<u>539,115</u>	<u>4,149,001</u>
0	785,645
0	101,603
74,999	1,132,863
<u>9,126,319</u>	<u>21,435,214</u>
<u>9,201,318</u>	<u>23,455,325</u>
<u>9,740,433</u>	<u>27,604,326</u>
0	15,018
<u>30,036</u>	<u>155,186</u>
<u>30,036</u>	<u>170,204</u>
390	29,487
3,036	23,991
3,044	333,056
7,505	36,072
0	47,854
6,862	42,325
0	485,000
<u>0</u>	<u>235,494</u>
<u>20,837</u>	<u>1,233,279</u>
23,699	176,953
0	2,108,390
0	1,736,598
0	143,250
<u>165,525</u>	<u>855,210</u>
<u>189,224</u>	<u>5,020,401</u>
<u>210,061</u>	<u>6,253,680</u>
<u>2,908</u>	<u>15,024</u>
9,198,274	18,014,569
0	586,603
0	577,630
<u>359,226</u>	<u>2,327,024</u>
<u>\$9,557,500</u>	<u>\$21,505,826</u>

CITY OF FRANKLIN, OHIO
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2015

	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Trash Fund</u>
Operating Revenues:			
Charges for Services	<u>\$2,628,095</u>	<u>\$2,669,288</u>	<u>\$747,963</u>
Operating Expenses:			
Personal Services	695,251	337,936	63,258
Contractual Services	483,836	2,002,378	675,743
Supplies and Materials	152,695	47,969	10,282
Depreciation	242,393	143,924	0
Other	<u>10,666</u>	<u>0</u>	<u>0</u>
Total Operating Expenses	<u>1,584,841</u>	<u>2,532,207</u>	<u>749,283</u>
Operating Income (Loss)	<u>1,043,254</u>	<u>137,081</u>	<u>(1,320)</u>
Non-Operating Revenues (Expenses):			
Capital Grants and Contributions	63,900	244,450	0
Other Non-Operating Revenues	29,747	19,458	418
Interest and Fiscal Charges	<u>(220,605)</u>	<u>0</u>	<u>0</u>
Total Non-Operating Revenues (Expenses)	<u>(126,958)</u>	<u>263,908</u>	<u>418</u>
Income (Loss) Before Transfers	916,296	400,989	(902)
Transfers Out	<u>(65,000)</u>	<u>(65,000)</u>	<u>0</u>
Change in Net Position	851,296	335,989	(902)
Net Position at Beginning of Year - Restated (See Note 3)	<u>6,033,170</u>	<u>4,521,603</u>	<u>207,170</u>
Net Position at End of Year	<u><u>\$6,884,466</u></u>	<u><u>\$4,857,592</u></u>	<u><u>\$206,268</u></u>

See accompanying notes to the basic financial statements

Stormwater Utility Fund	Total
<u>\$513,732</u>	<u>\$6,559,078</u>
296,642	1,393,087
28,573	3,190,530
13,640	224,586
434,063	820,380
<u>0</u>	<u>10,666</u>
<u>772,918</u>	<u>5,639,249</u>
<u>(259,186)</u>	<u>919,829</u>
123,736	432,086
8,256	57,879
<u>0</u>	<u>(220,605)</u>
<u>131,992</u>	<u>269,360</u>
(127,194)	1,189,189
<u>0</u>	<u>(130,000)</u>
(127,194)	1,059,189
<u>9,684,694</u>	<u>20,446,637</u>
<u><u>\$9,557,500</u></u>	<u><u>\$21,505,826</u></u>

CITY OF FRANKLIN, OHIO
STATEMENT OF CASH FLOWS
ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2015

	Water Fund	Sewer Fund	Trash Fund	Stormwater Utility Fund	Totals
<u>Increase (Decrease) in Cash and Cash Equivalents</u>					
<u>Cash Flows from Operating Activities:</u>					
Cash Received from Customers	\$2,648,429	\$2,573,255	\$746,677	\$529,418	\$6,497,779
Cash Paid for Employee Services and Benefits	(708,447)	(337,614)	(65,817)	(295,996)	(1,407,874)
Cash Paid to Suppliers for Goods and Services	(630,707)	(1,863,640)	(739,292)	(41,704)	(3,275,343)
Utility Deposits Received	24,471	24,672	0	0	49,143
Utility Deposits Returned	(23,271)	(23,472)	0	0	(46,743)
Other Operating Expenses	(10,180)	0	0	0	(10,180)
Other Non-Operating Revenues	43,939	19,458	418	8,256	72,071
Net Cash Provided by (Used for) Operating Activities	1,344,234	392,659	(58,014)	199,974	1,878,853
<u>Cash Flows from Noncapital Financing Activities:</u>					
Transfers In/Out to Other Funds	(65,000)	(65,000)	0	0	(130,000)
Net Cash Provided by (Used for) Noncapital Financing Activities	(65,000)	(65,000)	0	0	(130,000)
<u>Cash Flows from Capital and Related Financing Activities:</u>					
Acquisition of Capital Assets	(202,909)	(26,634)	0	(79,732)	(309,275)
Interest Paid on OWDA Loans	(130,893)	0	0	0	(130,893)
Principal Paid on OWDA Loans	(221,625)	0	0	0	(221,625)
Interest Paid on Mortgage Revenue Bonds	(129,889)	0	0	0	(129,889)
Principal Paid on Mortgage Revenue Bonds	(465,000)	0	0	0	(465,000)
Net Cash Used for Capital and Related Financing Activities	(1,150,316)	(26,634)	0	(79,732)	(1,256,682)
Net Increase (Decrease) in Cash and Cash Equivalents	128,918	301,025	(58,014)	120,242	492,171
Cash and Cash Equivalents at Beginning of Year	2,177,933	777,563	251,079	377,500	3,584,075
Cash and Cash Equivalents at End of Year	\$2,306,851	\$1,078,588	\$193,065	\$497,742	\$4,076,246
<u>Reconciliation of Operating Income (Loss) to</u>					
<u>Net Cash Provided by (Used for) Operating Activities:</u>					
Operating Income (Loss)	\$1,043,254	\$137,081	(\$1,320)	(\$259,186)	\$919,829
<u>Adjustments to Reconcile Operating Income (Loss)</u>					
<u>to Net Cash Provided by (Used for) Operating Activities:</u>					
Depreciation Expense	242,393	143,924	0	434,063	820,380
Other Non-Operating Revenues	43,939	19,458	418	8,256	72,071
<u>Change in Assets and Liabilities:</u>					
Decrease in Materials and Supplies Inventory	2,986	0	0	0	2,986
(Increase) Decrease in Accounts Receivable	21,652	(95,571)	(1,214)	16,148	(58,985)
(Increase) in Deferred Outflows - Pension	2,986	1,592	397	1,194	6,169
Increase (Decrease) in Accounts Payable	2,581	(1,304)	(53,267)	(2,535)	(54,525)
Decrease in Accrued Wages and Benefits Payable	(15,482)	(6,600)	(1,630)	(5,543)	(29,255)
Increase in Contracts Payable	0	188,011	0	3,044	191,055
Decrease in Intergovernmental Payable	(9,882)	(823)	(800)	(2,319)	(13,824)
Increase in Compensated Absences Payable	19,590	11,549	866	11,245	43,250
Decrease in Net Pension Liability	(7,629)	(4,069)	(1,017)	(3,051)	(15,766)
Increase in Refundable Deposits Payable	1,200	1,200	0	0	2,400
Decrease in Deferred Inflows - Pension	(3,354)	(1,789)	(447)	(1,342)	(6,932)
Total Adjustments	300,980	255,578	(56,694)	459,160	959,024
Net Cash Provided by (Used for) Operating Activities	\$1,344,234	\$392,659	(\$58,014)	\$199,974	\$1,878,853
<u>Noncash Capital Financing Activities:</u>					
During 2015, the City received capital assets, infrastructure, in the amount of \$207,086.					
	\$63,900	\$19,450	\$0	\$123,736	\$207,086

See accompanying notes to the basic financial statements

CITY OF FRANKLIN, OHIO
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
DECEMBER 31, 2015

Assets:	
Equity in Pooled Cash and Cash Equivalents	\$379
Cash in Segregated Accounts	<u>168,554</u>
Total Assets	<u><u>\$168,933</u></u>
Liabilities:	
Intergovernmental Payable	\$37,067
Undistributed Monies	18,238
Deposits Held and Due to Others	<u>113,628</u>
Total Liabilities	<u><u>\$168,933</u></u>

See accompanying notes to the basic financial statements

CITY OF FRANKLIN, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2015

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 18 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

CITY OF FRANKLIN, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2015

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.

CITY OF FRANKLIN, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2015

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.

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

Proprietary Funds

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

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

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

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

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

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

Fiduciary Funds

Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, 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.

CITY OF FRANKLIN, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2015

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.

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.

CITY OF FRANKLIN, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2015

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 7 and 8). Revenue from grants, entitlements, and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted; matching requirements, in which the City must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

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 deferred charges on refunding and pension 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. The deferred outflows of resources related to pension are explained in Note 12.

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, unavailable revenue, and pension. Property taxes represent amounts for which there is an enforceable legal claim as of December 31, 2015, but which were levied to finance 2016 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. The details of these unavailable revenues are identified on the Reconciliation of Total Governmental Fund Balance to Net Position of Governmental Activities found on page 17. Deferred inflows of resources related to pension are reported on the government-wide Statement of Net Position (See Note 12).

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.

CITY OF FRANKLIN, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2015

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 Bank 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 2015. 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, 2015.

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 2015 amounted to \$86,148, which includes \$48,335 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.

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 expensed/expended when used. Inventories consist of materials and supplies held for consumption.

CITY OF FRANKLIN, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2015

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 and construction in progress, 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.

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.

CITY OF FRANKLIN, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2015

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.

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

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

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 and net pension liability 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).

CITY OF FRANKLIN, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
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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. City Council approved by ordinance to have a committed fund balance in the Recreation Fund in order to utilize the monies for park facility upkeep.

Assigned - Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. These amounts are assigned by City Council. In the general fund, assigned amounts represent intended uses established by City Council or a City official delegated that authority by City Charter or ordinance or by State Statute. State statute authorizes the Finance Director to assign fund balance for purchases on order provided such amounts have been lawfully appropriated. The future appropriations amount assigned in the General Fund represents 2015 appropriations that exceed estimated resources.

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

CITY OF FRANKLIN, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2015

assets. A portion of certain governmental long-term liabilities is not related to governmental activities because part of the proceeds was used to purchase assets used in the business-type activities. The unrelated portion of these liabilities is included in the calculation of net position restricted for debt service. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. 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.

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

Bond Premiums

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

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

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.

Pensions

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

CITY OF FRANKLIN, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
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Note 3 – Change in Accounting Principle and Restatement of Net Position

For 2015, the City implemented the Governmental Accounting Standards Board (GASB) Statement No. 68, “Accounting and Financial Reporting for Pensions” and GASB Statement No. 71, “Pension Transition for Contributions Made Subsequent to the Measurement Date—an amendment of GASB Statement No. 68.” GASB 68 established standards for measuring and recognizing pension liabilities, deferred outflows of resources, deferred inflows of resources and expense/expenditure. The implementation of this pronouncement had the following effect on net position as reported December 31, 2014:

	Governmental Activities	Business -Type Activities
Net position December 31, 2014	\$54,417,223	\$21,178,214
Adjustments:		
Net Pension Liability	(7,018,203)	(835,893)
Deferred Outflow - Payments Subsequent to Measurement Date	675,373	104,316
Restated Net Position December 31, 2014	\$48,074,393	\$20,446,637

	Water Fund	Sewer Fund	Trash Fund	Stormwater Utility Fund	Total Enterprise
Net position December 31, 2014	\$6,387,158	\$4,710,397	\$254,369	\$9,826,290	\$21,178,214
Adjustments:					
Net Pension Liability	(404,464)	(215,714)	(53,929)	(161,786)	(\$835,893)
Deferred Outflow - Payments Subsequent to Measurement Date	50,476	26,920	6,730	20,190	\$104,316
Restated Net Position December 31, 2014	\$6,033,170	\$4,521,603	\$207,170	\$9,684,694	\$20,446,637

Other than employer contributions subsequent to the measurement date, the City made no restatement for deferred inflows/outflows of resources as the information needed to generate these restatements was not available.

Note 4 – Accountability

At December 31, 2015, the Police and Fire Pension fund, which is a special revenue fund, is the only fund with a deficit fund balance. For 2015, the deficit fund balance was \$24,154.

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.

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Note 5 – Budgetary Basis of Accounting

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

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

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Encumbrances are treated as expenditures (budget basis) rather than restricted, committed, or assigned fund balance (GAAP basis).
4. Unrecorded cash 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)
6. Cash that is held by the agency fund on behalf of City funds on a budget basis are allocated and reported on the balance sheet (GAAP basis) in the appropriate City fund.

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

Net Change in Fund Balance		
	General Fund	Fire Levy Fund
GAAP Basis	(\$133,459)	\$537,493
Revenue Accruals	30,604	74,875
Expenditure Accruals	(47,431)	(87,576)
Encumbrances	(33,488)	(88,154)
Unrecorded Cash - 2014	(58,327)	(33,214)
Unrecorded Cash - 2015	(4,200)	(39,338)
Increase in Fair Value of Investments - 2014	1,343	0
Increase in Fair Value of Investments - 2015	(20,556)	0
Agency Fund Cash Allocation - 2014	(31,414)	0
Agency Fund Cash Allocation - 2015	(36,331)	0
Transfers	(88,144)	0
Budget Basis	(\$421,403)	\$364,086

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Note 6 – 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 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 Farm Credit Bank, Federal Home Loan Mortgage Corporation. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. No-load money market mutual funds consisting exclusively of obligations described in (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
4. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
5. Bonds and other obligations of the State of Ohio; and with certain limitations bonds and other obligations of political subdivisions 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 40 percent of the interim monies available for investment at any one time if training requirements have been met; and
8. Written repurchase agreements in the securities described in (1) or (2) provided the market value of the securities subject to the repurchase agreement must exceed the

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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;
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, 2015, the City had the following investments:

Investment Type	Fair Value	Investment Maturity (in Years)	Moody's Rating	Percentage of Total Investments
STAROhio	\$405,393	Less than One	N/A	N/A
Common Stock	1,718,055	Less than One	N/A	58.77%
Federal Home Loan Mortgage Notes	200,046	Less than Five	Aaa	N/A
Federal National Mortgage Association Notes	399,810	Less than Five	Aaa	13.68%
Huntington Bank Mutual Fund	100,165	Less than Five	Aaa	N/A
Federal Farm Credit Bank Consolidation Bonds	99,819	Less than Five	Aaa	N/A
Total Investments	<u>\$2,923,288</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.

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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.

Concentration of Credit Risk

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

Note 7 – Property Taxes

Property taxes include amounts levied against all real and public utility property located in the City. Property tax revenue received during 2015 for real and public utility property taxes represents collections of 2014 taxes.

2015 real property taxes were levied after October 1, 2015 on the assessed value as of January 1, 2015, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2015 real property taxes are collected in and intended to finance 2016.

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. 2015 public utility property taxes, which became a lien December 31, 2014, are levied after October 1, 2015 and are collected in 2016 with real property taxes.

The full tax rate for all City operations for the year ended December 31, 2015 was \$9.32 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2015 property tax receipts were based are as follows:

<u>Category</u>	<u>Assessed Value</u>
Real Property	\$205,282,110
Public Utility Personal Property	16,267,200
Totals	<u><u>\$221,549,310</u></u>

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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, 2015, and for which there was an enforceable legal claim. In governmental funds, the portion of the receivable not levied to finance 2015 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 8 – Income Tax

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

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

Income tax proceeds are to be used to pay the cost of administering the tax, General Fund operations, capital improvements, debt service, and other governmental functions when needed, as determined by Council. In 2015, the proceeds were allocated to the General Fund.

Note 9 – Receivables

Receivables at December 31, 2015 consisted of intergovernmental, including grants, entitlements and shared revenues, income taxes, property taxes, other local taxes, 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 \$98,887. The City has \$291,840 in delinquent special assessments at December 31, 2015.

A summary of intergovernmental receivables follows:

	Amount
<u>Governmental Activities:</u>	
Local Government Assistance	\$82,066
Homestead and Rollback Exemption	96,170
Ohio Department of Transportation Grant	66,639
Charges for Services	4,680
Gasoline Tax	160,135
Motor Vehicle License Tax	79,363
Permissive Motor Vehicle License Tax	67,733
Total Governmental Activities	\$556,786

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Note 10 – Capital Assets

Capital assets activity for the year ended December 31, 2015 was as follows:

	Balance at January 1, 2015	Additions	Deletions	Balance at December 31, 2015
Governmental Activities:				
Capital Assets, Not Being Depreciated:				
Land	\$19,445,351	\$154,466	\$0	\$19,599,817
Construction in Progress	0	954,679	0	954,679
Total Capital Assets, Not Being Depreciated	<u>19,445,351</u>	<u>1,109,145</u>	<u>0</u>	<u>20,554,496</u>
Depreciable Capital Assets:				
Land Improvements	1,387,473	21,300	0	1,408,773
Buildings	7,061,570	85,836	0	7,147,406
Equipment	1,721,604	290,651	(112,186)	1,900,069
Vehicles	2,972,362	133,598	(142,355)	2,963,605
Infrastructure	64,309,320	798,279 *	0	65,107,599
Total Depreciable Capital Assets	<u>77,452,329</u>	<u>1,329,664</u>	<u>(254,541)</u>	<u>78,527,452</u>
Less Accumulated Depreciation:				
Land Improvements	(1,162,708)	(25,872)	0	(1,188,580)
Buildings	(2,085,138)	(117,827)	0	(2,202,965)
Equipment	(1,166,767)	(232,180)	96,767	(1,302,180)
Vehicles	(2,514,780)	(159,419)	137,201	(2,536,998)
Infrastructure	(44,442,045)	(2,329,287)	0	(46,771,332)
Total Accumulated Depreciation	<u>(51,371,438)</u>	<u>(2,864,585)</u>	<u>233,968</u>	<u>(54,002,055)</u>
Depreciable Capital Assets, Net	<u>26,080,891</u>	<u>(1,534,921)</u>	<u>(20,573)</u>	<u>24,525,397</u>
Governmental Activities Capital Assets, Net	<u>\$45,526,242</u>	<u>(\$425,776)</u>	<u>(\$20,573)</u>	<u>\$45,079,893</u>

* \$181,536 of the additions consisted of assets donated by Kettering Health Network.

Depreciation expense was charged to governmental programs as follows:

	Amount
General Government	\$37,702
Security of Persons and Property:	
Police	100,689
Fire	262,173
Leisure Time Activities	25,998
Public Works	82,198
Transportation	2,355,825
Total Depreciation Expense	<u>\$2,864,585</u>

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	Balance at January 1, 2015	Additions	Deletions	Balance at December 31, 2015
Business-Type Activities:				
Capital Assets, Not Being Depreciated:				
Land	\$1,095,364	\$0	\$0	\$1,095,364
Construction in Progress	0	37,499	0	37,499
Total Capital Assets, Not Being Depreciated	1,095,364	37,499	0	1,132,863
Depreciable Capital Assets:				
Land Improvements	12,921	5,000	0	17,921
Buildings	72,700	0	0	72,700
Equipment	450,417	0	0	450,417
Vehicles	599,014	24,998	0	624,012
Infrastructure	39,793,198	673,864 *	0	40,467,062
Total Depreciable Capital Assets	40,928,250	703,862	0	41,632,112
Less Accumulated Depreciation:				
Land Improvements	(2,446)	(330)	0	(2,776)
Buildings	(14,258)	(666)	0	(14,924)
Equipment	(146,795)	(11,358)	0	(158,153)
Vehicles	(196,891)	(40,310)	0	(237,201)
Infrastructure	(19,016,128)	(767,716)	0	(19,783,844)
Total Accumulated Depreciation	(19,376,518)	(820,380)	0	(20,196,898)
Depreciable Capital Assets, Net	21,551,732	(116,518)	0	21,435,214
Business-Type Activities Capital Assets, Net	\$22,647,096	(\$79,019)	\$0	\$22,568,077

* \$207,086 of the additions consisted of assets donated by Kettering Health Network.

Note 11 – Risk Management

Property and Liability

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

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.

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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 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	37,347,485	1,000
Special Property Coverage	2,058,685	1,000
Electronic Equipment Coverage	310,750	1,000
Public Employee Dishonesty Coverage	100,000	N/A

There have been no significant reductions in insurance coverage from 2014, 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.

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Note 12 – Defined Benefit Pension Plans

Net Pension Liability

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

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

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

GASB 68 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires all funding to come from these employers. All contributions to date have come solely from these employers (which also includes costs paid in the form of withholdings from employees). State statute requires the pension plans to amortize unfunded liabilities within 30 years. If the amortization period exceeds 30 years, each pension plan’s board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension liability. Resulting adjustments to the net pension liability would be effective when the changes are legally enforceable.

The proportionate share of each plan’s unfunded benefits is presented as a long-term *net pension liability* on the accrual basis of accounting. Any liability for the contractually-required pension contribution outstanding at the end of the year is included in *intergovernmental payable* on both the accrual and modified accrual bases of accounting.

Plan Description – Ohio Public Employees Retirement System (OPERS)

Plan Description - City employees, other than full-time police and firefighters, participate in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan and the combined plan is a cost-sharing, multiple-employer defined benefit pension plan with defined contribution features. While members (e.g. City employees) may elect the member-directed plan and the combined plan, substantially all employee members are in OPERS’ traditional plan; therefore, the following disclosure focuses on the traditional pension plan.

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

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

Group A Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	Group B 20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	Group C Members not in other Groups and members hired on or after January 7, 2013
State and Local	State and Local	State and Local
Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Formula: 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35
Public Safety	Public Safety	Public Safety
Age and Service Requirements: Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	Age and Service Requirements: Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	Age and Service Requirements: Age 52 with 25 years of service credit or Age 56 with 15 years of service credit
Law Enforcement	Law Enforcement	Law Enforcement
Age and Service Requirements: Age 52 with 15 years of service credit	Age and Service Requirements: Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	Age and Service Requirements: Age 48 with 25 years of service credit or Age 56 with 15 years of service credit
Public Safety and Law Enforcement	Public Safety and Law Enforcement	Public Safety and Law Enforcement
Formula: 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25	Formula: 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25	Formula: 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25

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

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount.

When a benefit recipient has received benefits for 12 months, an annual cost of living adjustment (COLA) is provided. This COLA is calculated on the base retirement benefit at the date of retirement and is not

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compounded. For those retiring prior to January 7, 2013, the COLA will continue to be a 3 percent simple annual COLA. For those retiring subsequent to January 7, 2013, beginning in calendar year 2019, the COLA will be based on the average percentage increase in the Consumer Price Index, capped at 3 percent.

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

	<u>State and Local</u>	<u>Public Safety</u>	<u>Law Enforcement</u>
2015 Statutory Maximum Contribution Rates			
Employer	14.0%	18.1%	18.1%
Employee	10.0%	*	**
2015 Actual Contribution Rates			
Employer:			
Pension	12.0%	16.1%	16.1%
Post-employment Health Care Benefits	<u>2.0%</u>	<u>2.0%</u>	<u>2.0%</u>
Total Employer	<u>14.0%</u>	<u>18.1%</u>	<u>18.1%</u>
Employee	<u>10.0%</u>	<u>12.0%</u>	<u>13.0%</u>

* This rate is determined by OPERS' Board and has no maximum rate established by ORC.

** This rate is also determined by OPERS' Board, but is limited by ORC to not more than 2 percent greater than the Public Safety rate.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's contractually required contribution was \$353,403 for 2015. Of this amount, \$32,058 is reported as an intergovernmental payable.

Plan Description – Ohio Police & Fire Pension Fund (OPF)

Plan Description - City full-time police and firefighters participate in Ohio Police and Fire Pension Fund (OPF), a cost-sharing, multiple-employer defined benefit pension plan administered by OPF. 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 and detailed information about OPF fiduciary net position. 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.

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

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

The annual pension benefit for normal service retirement is equal to a percentage of the allowable average annual salary. The percentage equals 2.5 percent for each of the first 20 years of service credit, 2.0 percent for each of the next five years of service credit and 1.5 percent for each year of service credit in excess of 25 years.

The maximum pension of 72 percent of the allowable average annual salary is paid after 33 years of service credit.

Under normal service retirement, retired members who are at least 55 years old and have been receiving OPF benefits for at least one year may be eligible for a cost-of-living allowance adjustment. The age 55 provision for receiving a COLA does not apply to those who are receiving a permanent and total disability benefit and statutory survivors.

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

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

	<u>Police</u>	<u>Firefighters</u>
2015 Statutory Maximum Contribution Rates		
Employer	19.50%	24.00%
Employee:		
January 1, 2015 through July 1, 2015	11.50%	11.50%
July 2, 2015 through December 31, 2015	12.25%	12.25%
2015 Actual Contribution Rates		
Employer:		
Pension	19.00%	23.50%
Post-employment Health Care Benefits	<u>0.50%</u>	<u>0.50%</u>
Total Employer	<u>19.50%</u>	<u>24.00%</u>
Employee:		
January 1, 2015 through July 1, 2015	11.50%	11.50%
July 2, 2015 through December 31, 2015	12.25%	12.25%

Employer contribution rates are expressed as a percentage of covered payroll. The City's contractually required contribution to OPF was \$453,453 for 2015. Of this amount \$44,682 is reported as an intergovernmental payable.

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In addition to current contributions, the City pays installments on a specific liability of the City incurred when the State of Ohio established the statewide pension system for police and fire fighters in 1967. As of December 31, 2015, the specific liability of the City was \$56,915 payable in semi-annual payments through the year 2035.

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

The net pension liability for OPERS was measured as of December 31, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. OPF's total pension liability was measured as of December 31, 2014, and was determined by rolling forward the total pension liability as of January 1, 2014, to December 31, 2014. The City's proportion of the net pension liability was based on the City's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Proportionate Share of the Net Pension Liability	\$2,758,741	\$5,486,066	\$8,244,807
Proportion of the Net Pension Liability	0.0228730%	0.1059001%	
Pension Expense	\$300,083	\$535,140	\$835,223

At December 31, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Deferred Outflows of Resources			
Net difference between projected and actual earnings on pension plan investments	\$147,198	\$236,444	\$383,642
City contributions subsequent to the measurement date	<u>353,403</u>	<u>453,453</u>	<u>806,856</u>
Total Deferred Outflows of Resources	<u>\$500,601</u>	<u>\$689,897</u>	<u>\$1,190,498</u>
Deferred Inflows of Resources			
Differences between expected and actual experience	<u>\$48,465</u>	<u>\$0</u>	<u>\$48,465</u>

\$806,856 reported as deferred outflows of resources related to pension resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

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	OPERS	OP&F	Total
Year Ending December 31:			
2016	\$14,437	\$59,111	\$73,548
2017	14,437	59,111	73,548
2018	33,058	59,111	92,169
2019	36,801	59,111	95,912
Total	\$98,733	\$236,444	\$335,177

Actuarial Assumptions - OPERS

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

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability in the December 31, 2014, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Wage Inflation	3.75 percent
Future Salary Increases, including inflation COLA or Ad Hoc COLA	4.25 to 10.05 percent including wage inflation 3 percent, simple
Investment Rate of Return	8 percent
Actuarial Cost Method	Individual Entry Age

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

The most recent experience study was completed for the five year period ended December 31, 2010.

The long-term rate of return on defined benefit investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation.

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OPERS manages investments in four investment portfolios: the Defined Benefits portfolio, the Health Care portfolio, the 115 Health Care Trust portfolio and the Defined Contribution portfolio. The Defined Benefit portfolio includes the investment assets of the Traditional Pension Plan, the defined benefit component of the Combined Plan, the annuitized accounts of the Member-Directed Plan and the VEBA Trust. Within the Defined Benefit portfolio, contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The money weighted rate of return, net of investments expense, for the Defined Benefit portfolio is 6.95 percent for 2014.

The allocation of investment assets with the Defined Benefit portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The table below displays the Board-approved asset allocation policy for 2014 and the long-term expected real rates of return:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)</u>
Fixed Income	23.00%	2.31%
Domestic Equities	19.90	5.84
Real Estate	10.00	4.25
Private Equity	10.00	9.25
International Equities	19.10	7.40
Other investments	18.00	4.59
Total	<u>100.00%</u>	<u>5.28%</u>

Discount Rate

The discount rate used to measure the total pension liability was 8 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the statutorily required rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefits payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following table presents the City's proportionate share of the net pension liability calculated using the current period discount rate assumption of 8 percent, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (7 percent) or one-percentage-point higher (9 percent) than the current rate:

	<u>1% Decrease (7.00%)</u>	<u>Current Discount Rate (8.00%)</u>	<u>1% Increase (9.00%)</u>
City's proportionate share of the net pension liability	\$5,075,290	\$2,758,741	\$807,646

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Actuarial Assumptions – OPF

OPF's total pension liability as of December 31, 2014 is based on the results of an actuarial valuation date of January 1, 2014, and rolled-forward using generally accepted actuarial procedures. The total pension liability is determined by OPF's actuaries in accordance with GASB Statement No. 67, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of January 1, 2014, are presented below:

Valuation Date	January 1, 2014
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	8.25 percent
Projected Salary Increases	4.25 percent to 11 percent
Payroll Increases	3.75 percent
Inflation Assumptions	3.25 percent
Cost of Living Adjustments	2.60 percent and 3.00 percent

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

The most recent experience study was completed January 1, 2012.

The long-term expected rate of return on pension plan investments was determined using a building-block approach and assumes a time horizon, as defined in the Statement of Investment Policy. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted averaged of the expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes. Best estimates of the long-term expected geometric real rates of return for each major asset class included in OPF's target asset allocation as of December 31, 2014 are summarized below:

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<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long Term Expected Real Rate of Return</u>
Cash and Cash Equivalents	0.00%	-25.00%
Domestic Equity	16.00	4.47
Non-US Equity	16.00	4.47
Core Fixed Income *	20.00	1.62
Global Inflation Protected *	20.00	1.33
High Yield	15.00	3.39
Real Estate	12.00	3.93
Private Markets	8.00	6.98
Timber	5.00	4.92
Master Limited Partnerships	8.00	7.03
 Total	 <u>120.00%</u>	

* levered 2x

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

Discount Rate

The total pension liability was calculated using the discount rate of 8.25 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earning were calculated using the longer-term assumed investment rate of return 8.25 percent. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, a long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

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

Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 8.25 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (7.25 percent), or one percentage point higher (9.25 percent) than the current rate.

	<u>1% Decrease (7.25%)</u>	<u>Current Discount Rate (8.25%)</u>	<u>1% Increase (9.25%)</u>
City's proportionate share of the net pension liability	\$7,588,060	\$5,486,066	\$3,706,317

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Note 13 – 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 two cost-sharing, multiple-employer defined benefit postemployment health care trusts, which fund multiple health care plans including medical coverage, prescription drug coverage, deposits to a health reimbursement arrangement and Medicare Part B premium reimbursements, to qualifying benefit recipients of both the traditional pension and combined plans. Members of the member-directed plan do not qualify for ancillary benefits, including OPERS sponsored health care coverage.

In order to qualify for postemployment health care coverage, age and service retirees under the traditional pension and combined plans must have twenty or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 45. See OPERS' CAFR referenced below for additional information.

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

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

Funding Policy - The Ohio Revised Code provides the statutory authority requiring public employers to fund postemployment health care through their contributions to OPERS. A portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2015, state and local employers contributed at a rate of 14.0 percent of earnable salary. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

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OPERS maintains three health care trusts. The two cost-sharing, multiple employer trusts, the 401(h) Health Care Trust and the 115 Health Care Trust, work together to provide health care funding to eligible retirees of the Traditional Pension and Combined plans. The third trust is a Voluntary Employee's Beneficiary Association (VEBA) that provides funding for a Retiree Medical Account for Member-Directed Plan members. Each year, the OPERS Board of Trustees determines the portion of the employer contribution rate that will be set aside to fund health care plans. The portion of employer contributions allocated to health care for members in the Traditional Pension Plan and Combined Plan was 2.0 percent during calendar year 2015. As recommended by OPERS' actuary, the portion of employer contributions allocated to health care beginning January 1, 2016 remained at 2.0 percent for both plans. The Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited to the VEBA for participants in the Member-Directed Plan for 2015 was 4.5 percent.

The City's contributions allocated to fund post-employment health care benefits for the years ended December 31, 2015, 2014, and 2013 were \$54,139, \$24,498, and \$25,086, respectively. For 2015, 89.63 percent has been contributed with the balance being reported as an intergovernmental payable. The full amount has been contributed for 2014 and 2013.

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 post-employment healthcare plan administered by OPF. OPF provides health care 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 health care coverage for any person who receives or is eligible to receive a monthly service, disability, or statutory survivor benefit, or is a spouse or eligible dependent child of such person. The health care coverage provided by OPF meets the definition of an Other Post Employment 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 health care 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 to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan members, currently 19.5 percent and 24 percent of covered payroll for police and fire employer units. Active members do not make contributions to the OPEB Plan.

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OPF maintains funds for health care in two separate accounts. One for health care benefits under an IRS Code Section 115 trust and one for Medicare Part B 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 contributions made into the pension plan to the Section 115 trust and the Section 401(h) account as the employer contribution for retiree health care benefits. The portion of employer contributions allocated to health care was 0.5 percent of covered payroll from January 1, 2015 through December 31, 2015. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded 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 health care plan by retirees and their eligible dependents or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

The City's contribution to OPF which was allocated to fund postemployment healthcare benefits for police and firefighters was \$11,252 and \$6,962 for the year ended December 31, 2015, \$62,849 and \$39,920 for the year ended December 31, 2014, and \$54,884 and \$22,675 for the year ended December 31, 2013. For 2015, 92.46 percent has been contributed for police and 95.92 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 2014 and 2013.

Note 14 –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.

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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.

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 \$750 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 15 - 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. Principal payments in 2015 totaled \$60,134.

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

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	Governmental Activities
Asset: Vehicle	\$179,138
Less: Accumulated Depreciation	(100,764)
Total	\$78,374

Note 16 – Long -Term Obligations

A schedule of changes in bonds and other long-term obligations of the governmental activities of the City during 2015 follows:

Types/Issues	January 1, 2015	Increases	Decreases	December 31, 2015	Due Within One Year
<u>Special Assessment Bonds with Governmental</u>					
<u>Commitment:</u>					
1995 - 6.00% Miller Stub Street \$78,513	\$6,000	\$0	\$6,000	\$0	\$0
1995 - 5.75% Shotwell Drive \$227,000	19,000	0	19,000	0	0
1997 - 5.80% Franklin Commerce Center \$577,400	95,000	0	45,000	50,000	50,000
1998 - 5.00% Scholl Road \$514,177	125,000	0	40,000	85,000	40,000
1998 - 5.00% Fourth Street Improvement \$337,705	85,000	0	25,000	60,000	30,000
1998 - 5.00% Schumaker-Franklin \$1,322,708	330,000	0	105,000	225,000	110,000
1998 - 5.00% Deardoff Phase II \$158,410	40,000	0	10,000	30,000	15,000
1999 - 5.70% Eastlawn Sewer Line Extension \$119,779	45,000	0	5,000	40,000	10,000
2001 - 5.125% Shotwell Drive Phase III \$490,000	240,000	0	30,000	210,000	30,000
Total - Special Assessment Bonds	985,000	0	285,000	700,000	285,000
<u>General Obligation Bonds (Unvoted):</u>					
2012 - 3.00% - 4.00% Various Purpose Refunding Bonds \$5,630,000	4,895,000	0	370,000	4,525,000	380,000
Premium on Debt Issue	335,588	0	26,847	308,741	0
Total - General Obligation Bonds	5,230,588	0	396,847	4,833,741	380,000
<u>Net Pension Liability:</u>					
OPERS	1,860,536	42,995	0	1,903,531	0
OP&F	5,157,667	328,399	0	5,486,066	0
Total - Net Pension Liability	7,018,203	371,394	0	7,389,597	0
<u>Other Long-Term Obligations:</u>					
Compensated Absences	782,112	342,956	345,085	779,983	193,796
2.50% - Police and Fire Pension	58,754	0	1,839	56,915	1,917
Capital Leases Payable	60,134	0	60,134	0	0
Total - Other Long-Term Obligations	901,000	342,956	407,058	836,898	195,713
Total - All General Long-Term Obligations	\$14,134,791	\$714,350	\$1,088,905	\$13,760,236	\$860,713

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

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

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

<u>Year</u>	<u>Amount</u>
2024	\$270,000
2025	275,000
Total	<u><u>\$545,000</u></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><u>\$590,000</u></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 City pays obligations related to employee compensation from the fund benefiting from their service. For additional information related to the net pension liability see note 12.

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, 2015, \$56,915 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 2015 were as follows:

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Types/Issues	Balance January 1, 2015	Increases	Decreases	Balance December 31, 2015	Due Within One Year
OWDA Loans	\$2,193,717	\$0	\$221,625	\$1,972,092	\$235,494
2006 - 4.000% - 4.125% Mortgage Revenue					
Refunding Bonds - \$6,140,000	3,030,000	0	465,000	2,565,000	485,000
Premium on Debt Issue	32,015	0	3,625	28,390	0
Compensated Absences	176,028	116,787	73,537	219,278	42,325
Net Pension Liability - OPERS	835,893	19,317	0	855,210	0
Total - Business-Type Activities	<u>\$6,267,653</u>	<u>\$136,104</u>	<u>\$763,787</u>	<u>\$5,639,970</u>	<u>\$762,819</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.

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 73.69 percent of net revenues. The total principal and interest remaining to be paid on the debt is \$5,302,841, with principal and interest of \$2,377,175 remaining on the OWDA Loan and \$2,925,666 on the Mortgage Revenue Refunding Bonds. Principal and interest paid for the current year was \$947,407, with \$352,518 paid on the OWDA Loans, and \$594,889 paid on the Mortgage Revenue Refunding Bonds. Total net revenues were \$1,285,647.

Compensated absences of the business-type activities will be paid from the Water, Sewer, Trash, and Stormwater Utility funds. The City pays obligations related to employee compensation from the fund benefitting from their service. For additional information related to the net pension liability see note 12.

As of December 31, 2015 the City's overall legal debt margin (the ability to issue additional amounts of general obligation bonded debt) was \$18,737,678, with an unvoted debt margin of \$7,660,212.

Principal and interest requirements to retire the City's long-term obligations outstanding at December 31, 2015 are:

CITY OF FRANKLIN, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2015

Governmental Activities				
Year	General Obligation Bonds		Special Assessment Bonds	
	Principal	Interest	Principal	Interest
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	455,000	107,825	40,000	4,100
2021-2025	1,845,000	281,150	40,000	2,050
2026-2027	590,000	30,037	0	0
Totals	\$4,525,000	\$1,013,712	\$700,000	\$79,637

Business-Type Activities				
Year	Mortgage Revenue Bonds		OWDA Loans	
	Principal	Interest	Principal	Interest
2016	\$485,000	\$104,194	\$235,494	\$78,342
2017	500,000	84,792	250,261	68,897
2018	525,000	64,168	265,985	58,862
2019	250,000	42,512	282,729	48,198
2020	260,000	32,200	300,321	36,861
2021-2025	545,000	32,800	373,370	95,129
2026-2028	0	0	263,932	18,794
	\$2,565,000	\$360,666	\$1,972,092	\$405,083

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, 2015 on the Emerald Edge/Warren, Limited Partnership revenue housing bonds is \$6,636,000. The outstanding balance at December 31, 2015 on the Sound Preservation 202 LP revenue housing bonds is \$3,472,286.

Note 17 – Interfund Activity

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						
	General	Fire	Nonmajor	Water	Sewer	Total
	Fund	Levy Fund	Governmental Funds	Fund	Fund	
General Fund	\$0	\$0	\$1	\$0	\$0	\$1
Fire Levy Fund	750,000	0	0	0	0	750,000
Nonmajor Governmental Funds	2,420,172	61,000	0	65,000	65,000	2,611,172
Total	\$3,170,172	\$61,000	\$1	\$65,000	\$65,000	\$3,361,173

CITY OF FRANKLIN, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2015

Transfers from the General Fund to the Fire Levy 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 the General Fund is related to closing the ODOT Escrow II Fund.

Note 18 – 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 \$32,424 in 2015. 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.

The following is a summary of the financial information for the joint venture for the year ended December 31, 2015 prepared on the basis of cash receipts and disbursements:

	Joint Recreation Facility
	\$118,157
Operating Revenues	118,157
Operating Expenditures	0
Excess of Operating Revenues	0
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.

CITY OF FRANKLIN, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2015

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 \$7,692 during 2015 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 to its representation of the Council. The City contributed \$1,883 during 2015 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.

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:

Governmental Funds:	
General Fund	\$33,488
Fire Fund	88,154
Nonmajor Governmental Funds	<u>128,364</u>
Total Governmental Funds	<u>250,006</u>
Proprietary Funds:	
Water Fund	82
Sewer Fund	48
Trash Fund	45
Storm Water Fund	<u>187,332</u>
Total Proprietary Funds	<u>187,507</u>
Total	<u>\$437,513</u>

CITY OF FRANKLIN, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2015

Contractual Commitments

As of December 31, 2015, the City had the following contractual purchase commitments for:

Project/Contractor	Contract Amount	Amount Expended	Balance at December 31, 2015
Downtown Signal Management System Phase 1			
CT Consultants	\$86,800	\$19,312	\$67,488
State Route 123 Resurfacing			
John R Jurgensen Co.	1,051,014	935,367	115,647
Total	\$1,137,814	\$954,679	\$183,135

Note 20 – 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 Fund	Fire Levy Fund	Nonmajor Governmental Funds	Total
<i>Nonspendable</i>				
Inventory	\$15,460	\$23,200	\$186,713	\$225,373
Unclaimed Monies	16,189	0	0	16,189
Parks and Recreation	0	0	1,360,832	1,360,832
Total Nonspendable	31,649	23,200	1,547,545	1,602,394
<i>Restricted For</i>				
Fire Services	0	1,572,205	0	1,572,205
Special Assessment Bonds	0	0	133,882	133,882
Transportation Services	0	0	736,209	736,209
Law Enforcement/Security of				
Persons and Property	0	0	751,547	751,547
Street Lighting	0	0	45,878	45,878
Assessment of Wastewater				
Treatment	0	0	2,866	2,866
ODOT Project	0	0	640,641	640,641
Property Acquisition	0	0	438,101	438,101
Infrastructure Improvements	0	0	386,292	386,292
Parks and Recreation	0	0	363,454	363,454
Total Restricted	0	1,572,205	3,498,870	5,071,075
<i>Committed To</i>				
Park Facilities	0	0	97,237	97,237
<i>Assigned To</i>				
Debt Service Payments	0	0	155,532	155,532
Future Appropriations	1,260,692	0	0	1,260,692
Purchases on Order	94,848	0	0	94,848
Total Assigned	1,355,540	0	155,532	1,511,072
Unassigned (Deficit)	5,284,020	0	(24,154)	5,259,866
Total Fund Balances	\$6,671,209	\$1,595,405	\$5,275,030	\$13,541,644

CITY OF FRANKLIN, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2015

Note 21 – Contingencies

Federal and State Grants

For the period January 1, 2015 to December 31, 2015, 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.

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City of Franklin

Required Supplementary Information

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

	2014	2013
City's Proportion of the Net Pension Liability	0.0228730%	0.0228730%
City's Proportionate Share of the Net Pension Liability	\$2,758,741	\$2,696,429
City's Covered-Employee Payroll	\$2,804,208	\$2,860,364
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	98.38%	94.27%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	86.45%	86.36%

(1) Information prior to 2013 is not available.

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

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

	2014	2013
City's Proportion of the Net Pension Liability	0.1059001%	0.1059001%
City's Proportionate Share of the Net Pension Liability	\$5,486,066	\$5,157,667
City's Covered-Employee Payroll	\$2,209,509	\$2,843,578
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	248.29%	181.38%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	72.20%	73.00%

(1) Information prior to 2013 is not available.

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

City of Franklin, Ohio
Required Supplementary Information
Schedule of City Contributions
Ohio Public Employees Retirement System - Traditional Plan
Last Three Years (1)

	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually Required Contribution	\$353,403	\$336,504	\$371,847
Contributions in Relation to the Contractually Required Contribution	<u>(353,403)</u>	<u>(336,504)</u>	<u>(371,847)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City Covered-Employee Payroll	\$2,945,024	\$2,804,208	\$2,860,364
Contributions as a Percentage of Covered-Employee Payroll	12.00%	12.00%	13.00%

(1) Information prior to 2013 is not available.

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

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Contractually Required Contribution	\$453,453	\$443,185	\$488,777	\$393,075
Contributions in Relation to the Contractually Required Contribution	<u>(453,453)</u>	<u>(443,185)</u>	<u>(488,777)</u>	<u>(393,075)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City Covered-Employee Payroll	\$2,261,788	\$2,209,509	\$2,843,578	\$2,790,432
Contributions as a Percentage of Covered-Employee Payroll:	20.05%	20.06%	17.19%	14.09%

<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
\$398,863	\$314,282	\$357,255	\$378,207	\$390,448	\$243,210
<u>(398,863)</u>	<u>(314,282)</u>	<u>(357,255)</u>	<u>(378,207)</u>	<u>(390,448)</u>	<u>(243,210)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$2,829,624	\$2,319,946	\$2,569,777	\$2,647,653	\$2,747,641	\$1,903,584
14.10%	13.55%	13.90%	14.28%	14.21%	12.78%

Combining Financial Statements and Individual Fund Schedules

CITY OF FRANKLIN, OHIO

NONMAJOR FUND DESCRIPTIONS

SPECIAL REVENUE FUNDS

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

NONMAJOR SPECIAL REVENUE FUNDS

Transportation Fund

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

E-911 Fund

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

Court Fund

To account for and report fines, 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.

Drug Law Enforcement Fund

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

Recreation Fund

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

Indigent Drivers Fund

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

Indigent Drivers Alcohol Monitoring Fund

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

In-House Monitoring Fund

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

Street Lighting Fund

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

(continued)

CITY OF FRANKLIN, OHIO

NONMAJOR FUND DESCRIPTIONS

(continued)

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

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

Police and Fire Pension Fund

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

DEBT SERVICE 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 Fund

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

Special Assessment Bond Fund

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

CAPITAL PROJECTS FUNDS

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

NONMAJOR CAPITAL PROJECTS FUNDS

Issue Two Fund

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

ODOT Project Fund

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 Fund

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 Fund

To account for and report payments received in lieu of taxes on property granted a tax exemption by the City. These monies are restricted for land purchases or infrastructure improvements.

(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 Fund

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

CITY OF FRANKLIN, OHIO
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2015

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Nonmajor Permanent Fund	Total Nonmajor Governmental Funds
Assets:					
Equity in Pooled Cash and Cash Equivalents	\$1,649,923	\$289,414	\$1,489,056	\$1,724,286	\$5,152,679
Materials and Supplies Inventory	186,713	0	0	0	186,713
Intergovernmental Receivable	315,768	0	66,639	0	382,407
Property Taxes Receivable	185,895	0	0	0	185,895
Special Assessments Receivable	122,053	389,971	0	0	512,024
Total Assets	\$2,460,352	\$679,385	\$1,555,695	\$1,724,286	\$6,419,718
Liabilities:					
Accounts Payable	\$24,652	\$0	\$0	\$0	\$24,652
Accrued Wages and Benefits Payable	10,410	0	0	0	10,410
Intergovernmental Payable	54,750	0	0	0	54,750
Contracts Payable	0	0	38,406	0	38,406
Retainage Payable	0	0	11,284	0	11,284
Total Liabilities	89,812	0	49,690	0	139,502
Deferred Inflows of Resources:					
Property Taxes	175,000	0	0	0	175,000
Unavailable Revenue	399,244	389,971	40,971	0	830,186
Total Deferred Inflows of Resources	574,244	389,971	40,971	0	1,005,186
Fund Balances:					
Nonspendable	186,713	0	0	1,360,832	1,547,545
Restricted	1,536,500	133,882	1,465,034	363,454	3,498,870
Committed	97,237	0	0	0	97,237
Assigned	0	155,532	0	0	155,532
Unassigned (Deficit)	(24,154)	0	0	0	(24,154)
Total Fund Balances	1,796,296	289,414	1,465,034	1,724,286	5,275,030
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$2,460,352	\$679,385	\$1,555,695	\$1,724,286	\$6,419,718

CITY OF FRANKLIN, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2015

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Nonmajor Permanent Fund	Total Nonmajor Governmental Funds
Revenues:					
Property Taxes	\$179,886	\$0	\$0	\$0	\$179,886
Special Assessments	143,793	288,778	0	0	432,571
Charges for Services	13,830	9,252	0	0	23,082
Fines, Licenses and Permits	267,085	0	0	0	267,085
Intergovernmental	758,475	0	653,985	0	1,412,460
Interest	3,524	35,738	0	(99,729)	(60,467)
Rent	5,475	0	0	0	5,475
Contributions and Donations	7,693	0	0	0	7,693
Other	28,849	0	0	0	28,849
Total Revenues	1,408,610	333,768	653,985	(99,729)	2,296,634
Expenditures:					
Current:					
General Government	151,593	0	0	0	151,593
Security of Persons and Property:					
Police	509,779	0	0	0	509,779
Fire	125,704	0	0	0	125,704
Other	136,335	0	0	0	136,335
Public Health and Welfare	31,824	0	0	0	31,824
Leisure Time Activities	333,160	0	0	0	333,160
Economic Development	54,124	0	0	0	54,124
Transportation	1,275,227	0	0	0	1,275,227
Capital Outlay	48,912	0	1,523,019	18,640	1,590,571
Debt Service:					
Principal Retirement	1,839	655,000	0	0	656,839
Interest and Fiscal Charges	2,461	233,231	0	0	235,692
Total Expenditures	2,670,958	888,231	1,523,019	18,640	5,100,848
Excess of Revenues Under Expenditures	(1,262,348)	(554,463)	(869,034)	(118,369)	(2,804,214)
Other Financing Sources (Uses):					
Transfers In	1,305,647	555,525	750,000	0	2,611,172
Transfers Out	0	0	(1)	0	(1)
Total Other Financing Sources (Uses)	1,305,647	555,525	749,999	0	2,611,171
Net Change in Fund Balances	43,299	1,062	(119,035)	(118,369)	(193,043)
Fund Balances at Beginning of Year	1,752,997	288,352	1,584,069	1,842,655	5,468,073
Fund Balances at End of Year	\$1,796,296	\$289,414	\$1,465,034	\$1,724,286	\$5,275,030

**CITY OF FRANKLIN, OHIO
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2015**

	Transportation Fund	E-911 Fund	Court Fund	Drug Law Enforcement Fund	Recreation Fund
Assets:					
Equity in Pooled Cash and Cash Equivalents	\$710,800	\$236,011	\$396,746	\$51,468	\$106,053
Materials and Supplies Inventory	185,644	0	0	0	1,069
Intergovernmental Receivable	307,231	0	0	0	0
Property Taxes Receivable	0	0	0	0	0
Special Assessments Receivable	0	0	0	0	0
Total Assets	\$1,203,675	\$236,011	\$396,746	\$51,468	\$107,122
Liabilities:					
Accounts Payable	\$6,177	\$0	\$2,760	\$0	\$3,008
Accrued Wages and Benefits Payable	6,128	2,159	368	0	1,755
Intergovernmental Payable	11,758	3,026	81	0	4,053
Total Liabilities	24,063	5,185	3,209	0	8,816
Deferred Inflows of Resources:					
Property Taxes	0	0	0	0	0
Unavailable Revenue	257,759	0	0	0	0
Total Deferred Inflows of Resources	257,759	0	0	0	0
Fund Balances:					
Nonspendable	185,644	0	0	0	1,069
Restricted	736,209	230,826	393,537	51,468	0
Committed	0	0	0	0	97,237
Unassigned (Deficit)	0	0	0	0	0
Total Fund Balances (Deficit)	921,853	230,826	393,537	51,468	98,306
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$1,203,675	\$236,011	\$396,746	\$51,468	\$107,122

Indigent Drivers Fund	Indigent Drivers Alcohol Monitoring Fund	In-House Monitoring Fund	Street Lighting Fund	Miami Conservancy District Fund	Police and Fire Pension Fund	Total Nonmajor Special Revenue Funds
\$49,601	\$20,227	\$6,619	\$57,854	\$2,866	\$11,678	\$1,649,923
0	0	0	0	0	0	186,713
0	0	0	0	2,291	6,246	315,768
0	0	0	0	49,923	135,972	185,895
0	0	0	122,053	0	0	122,053
<u>\$49,601</u>	<u>\$20,227</u>	<u>\$6,619</u>	<u>\$179,907</u>	<u>\$55,080</u>	<u>\$153,896</u>	<u>\$2,460,352</u>
\$0	\$731	\$0	\$11,976	\$0	\$0	\$24,652
0	0	0	0	0	0	10,410
0	0	0	0	0	35,832	54,750
0	731	0	11,976	0	35,832	89,812
0	0	0	0	47,000	128,000	175,000
0	0	0	122,053	5,214	14,218	399,244
0	0	0	122,053	52,214	142,218	574,244
0	0	0	0	0	0	186,713
49,601	19,496	6,619	45,878	2,866	0	1,536,500
0	0	0	0	0	0	97,237
0	0	0	0	0	(24,154)	(24,154)
49,601	19,496	6,619	45,878	2,866	(24,154)	1,796,296
<u>\$49,601</u>	<u>\$20,227</u>	<u>\$6,619</u>	<u>\$179,907</u>	<u>\$55,080</u>	<u>\$153,896</u>	<u>\$2,460,352</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, 2015

	Transportation Fund	E-911 Fund	Court Fund	Drug Law Enforcement Fund	Recreation Fund
Revenues:					
Property Taxes	\$0	\$0	\$0	\$0	\$0
Special Assessments	0	0	0	0	0
Charges for Services	0	0	0	0	13,830
Fines, Licenses and Permits	550	0	236,303	15,018	0
Intergovernmental	633,899	108,818	0	158	0
Interest	3,524	0	0	0	0
Rent	0	0	0	0	5,475
Contributions and Donations	0	0	0	0	7,693
Other	20,505	835	1,810	4,000	1,699
Total Revenues	658,478	109,653	238,113	19,176	28,697
Expenditures:					
Current:					
General Government	0	0	142,132	0	0
Security of Persons and Property:					
Police	0	170,438	0	4,691	0
Fire	0	0	0	0	0
Other	0	0	0	0	0
Public Health and Welfare	0	0	0	0	21,300
Leisure Time Activities	0	0	0	0	333,160
Economic Development	0	0	0	0	0
Transportation	1,275,227	0	0	0	0
Capital Outlay	0	0	48,912	0	0
Debt Service:					
Principal Retirement	0	0	0	0	0
Interest and Fiscal Charges	0	0	0	0	0
Total Expenditures	1,275,227	170,438	191,044	4,691	354,460
Excess of Revenues Over (Under) Expenditures	(616,749)	(60,785)	47,069	14,485	(325,763)
Other Financing Sources:					
Transfers In	500,000	100,000	0	0	355,000
Net Change in Fund Balances	(116,749)	39,215	47,069	14,485	29,237
Fund Balances (Deficit) at Beginning of Year	1,038,602	191,611	346,468	36,983	69,069
Fund Balances (Deficit) at End of Year	\$921,853	\$230,826	\$393,537	\$51,468	\$98,306

Indigent Drivers Fund	Indigent Drivers Alcohol Monitoring Fund	In-House Monitoring Fund	Street Lighting Fund	Miami Conservancy District Fund	Police and Fire Pension Fund	Total Nonmajor Special Revenue Funds
\$0	\$0	\$0	\$0	\$48,262	\$131,624	\$179,886
0	0	0	143,793	0	0	143,793
0	0	0	0	0	0	13,830
1,500	7,259	6,455	0	0	0	267,085
4,037	6,007	0	0	990	4,566	758,475
0	0	0	0	0	0	3,524
0	0	0	0	0	0	5,475
0	0	0	0	0	0	7,693
0	0	0	0	0	0	28,849
<u>5,537</u>	<u>13,266</u>	<u>6,455</u>	<u>143,793</u>	<u>49,252</u>	<u>136,190</u>	<u>1,408,610</u>
0	0	9,461	0	0	0	151,593
0	0	0	0	0	334,650	509,779
0	0	0	0	0	125,704	125,704
0	0	0	136,335	0	0	136,335
4,531	5,993	0	0	0	0	31,824
0	0	0	0	0	0	333,160
0	0	0	0	54,124	0	54,124
0	0	0	0	0	0	1,275,227
0	0	0	0	0	0	48,912
0	0	0	0	0	1,839	1,839
0	0	0	0	0	2,461	2,461
<u>4,531</u>	<u>5,993</u>	<u>9,461</u>	<u>136,335</u>	<u>54,124</u>	<u>464,654</u>	<u>2,670,958</u>
1,006	7,273	(3,006)	7,458	(4,872)	(328,464)	(1,262,348)
<u>0</u>	<u>0</u>	<u>0</u>	<u>5,147</u>	<u>4,500</u>	<u>341,000</u>	<u>1,305,647</u>
1,006	7,273	(3,006)	12,605	(372)	12,536	43,299
<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>1,752,997</u>
<u>\$49,601</u>	<u>\$19,496</u>	<u>\$6,619</u>	<u>\$45,878</u>	<u>\$2,866</u>	<u>(\$24,154)</u>	<u>\$1,796,296</u>

CITY OF FRANKLIN, OHIO
COMBINING BALANCE SHEET
NONMAJOR DEBT SERVICE FUNDS
DECEMBER 31, 2015

	Bond Retirement Fund	Special Assessment Bond Fund	Total Nonmajor Debt Service Funds
Assets:			
Equity in Pooled Cash and Cash Equivalents	\$155,532	\$133,882	\$289,414
Special Assessments Receivable	0	389,971	389,971
Total Assets	<u>\$155,532</u>	<u>\$523,853</u>	<u>\$679,385</u>
Liabilities:	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Deferred Inflows of Resources:			
Unavailable Revenue	<u>0</u>	<u>389,971</u>	<u>389,971</u>
Fund Balances:			
Restricted	0	133,882	133,882
Assigned	<u>155,532</u>	<u>0</u>	<u>155,532</u>
Total Fund Balances	<u>155,532</u>	<u>133,882</u>	<u>289,414</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$155,532</u>	<u>\$523,853</u>	<u>\$679,385</u>

CITY OF FRANKLIN, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR DEBT SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2015

	Bond Retirement Fund	Special Assessment Bond Fund	Total Nonmajor Debt Service Funds
	<u> </u>	<u> </u>	<u> </u>
Revenues:			
Special Assessments	\$0	\$288,778	\$288,778
Charges for Services	0	9,252	9,252
Interest	0	35,738	35,738
	<u> </u>	<u> </u>	<u> </u>
Total Revenues	0	333,768	333,768
	<u> </u>	<u> </u>	<u> </u>
Expenditures:			
Debt Service:			
Principal Retirement	370,000	285,000	655,000
Interest and Fiscal Charges	181,525	51,706	233,231
	<u> </u>	<u> </u>	<u> </u>
Total Expenditures	551,525	336,706	888,231
	<u> </u>	<u> </u>	<u> </u>
Excess of Revenues Under Expenditures	(551,525)	(2,938)	(554,463)
	<u> </u>	<u> </u>	<u> </u>
Other Financing Sources:			
Transfers In	555,525	0	555,525
	<u> </u>	<u> </u>	<u> </u>
Net Change in Fund Balances	4,000	(2,938)	1,062
	<u> </u>	<u> </u>	<u> </u>
Fund Balances at Beginning of Year	151,532	136,820	288,352
	<u> </u>	<u> </u>	<u> </u>
Fund Balances at End of Year	<u>\$155,532</u>	<u>\$133,882</u>	<u>\$289,414</u>

CITY OF FRANKLIN, OHIO
COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
DECEMBER 31, 2015

	Issue Two Fund	ODOT Project Fund	Property Acquisition Fund	Tax Increment Financing Fund	Total Nonmajor Capital Projects Funds
Assets:					
Equity in Pooled Cash and Cash Equivalents	\$24,017	\$621,866	\$438,101	\$405,072	\$1,489,056
Intergovernmental Receivable	<u>0</u>	<u>66,639</u>	<u>0</u>	<u>0</u>	<u>66,639</u>
Total Assets	<u>\$24,017</u>	<u>\$688,505</u>	<u>\$438,101</u>	<u>\$405,072</u>	<u>\$1,555,695</u>
Liabilities:					
Contracts Payable	\$0	\$6,893	\$0	\$31,513	\$38,406
Retainage Payable	<u>0</u>	<u>0</u>	<u>0</u>	<u>11,284</u>	<u>11,284</u>
Total Liabilities	<u>0</u>	<u>6,893</u>	<u>0</u>	<u>42,797</u>	<u>49,690</u>
Deferred Inflows of Resources:					
Unavailable Revenue	<u>0</u>	<u>40,971</u>	<u>0</u>	<u>0</u>	<u>40,971</u>
Fund Balances:					
Restricted	<u>24,017</u>	<u>640,641</u>	<u>438,101</u>	<u>362,275</u>	<u>1,465,034</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$24,017</u>	<u>\$688,505</u>	<u>\$438,101</u>	<u>\$405,072</u>	<u>\$1,555,695</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, 2015*

	Issue Two Fund	ODOT Project Fund	Property Acquisition Fund	Tax Increment Financing Fund	Total Nonmajor Capital Projects Funds
Revenues:					
Intergovernmental	\$0	\$653,985	\$0	\$0	\$653,985
Expenditures:					
Capital Outlay	0	1,032,407	206,271	284,341	1,523,019
Excess of Revenues Under Expenditures	0	(378,422)	(206,271)	(284,341)	(869,034)
Other Financing Sources (Uses):					
Transfers In	0	450,000	300,000	0	750,000
Transfers Out	0	(1)	0	0	(1)
Total Other Financing Sources (Uses)	0	449,999	300,000	0	749,999
Net Change in Fund Balances	0	71,577	93,729	(284,341)	(119,035)
Fund Balances at Beginning of Year	24,017	569,064	344,372	646,616	1,584,069
Fund Balances at End of Year	<u>\$24,017</u>	<u>\$640,641</u>	<u>\$438,101</u>	<u>\$362,275</u>	<u>\$1,465,034</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 Fund

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

Joint Recreation Fund

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

Building Standards Fee Fund

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, 2015**

	Balance 1/1/2015	Additions	Reductions	Balance 12/31/2015
MUNICIPAL COURT FUND				
Assets:				
Cash in Segregated Accounts	\$66,553	\$168,554	\$66,553	\$168,554
Liabilities:				
Intergovernmental Payable	\$32,249	\$37,067	\$32,249	\$37,067
Undistributed Monies	15,332	17,859	15,332	17,859
Deposits Held and Due to Others	18,972	113,628	18,972	113,628
Total Liabilities	\$66,553	\$168,554	\$66,553	\$168,554
JOINT RECREATION FUND				
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$0	\$167,261	\$167,261	\$0
Liabilities:				
Undistributed Monies	\$0	\$167,261	\$167,261	\$0
BUILDING STANDARDS FEE FUND				
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$307	\$1,200	\$1,128	\$379
Liabilities:				
Undistributed Monies	\$307	\$1,200	\$1,128	\$379
TOTAL - ALL AGENCY FUNDS				
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$307	\$168,461	\$168,389	\$379
Cash in Segregated Accounts	66,553	168,554	66,553	168,554
Total Assets	\$66,860	\$337,015	\$234,942	\$168,933
Liabilities:				
Intergovernmental Payable	\$32,249	\$37,067	\$32,249	\$37,067
Undistributed Monies	15,639	186,320	183,721	18,238
Deposits Held and Due to Others	18,972	113,628	18,972	113,628
Total Liabilities	\$66,860	\$337,015	\$234,942	\$168,933

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, 2015

	Final Budget	Actual	Variance With Final Budget
Revenues:			
Property Taxes	\$400,000	\$416,760	\$16,760
Other Local Taxes	211,000	212,321	1,321
Income Taxes	7,639,000	7,522,214	(116,786)
Charges for Services	152,820	154,201	1,381
Fines, Licenses and Permits	460,100	466,995	6,895
Intergovernmental	216,800	235,314	18,514
Contributions and Donations	5,700	1,687	(4,013)
Interest	65,000	65,410	410
Other	98,801	102,000	3,199
Total Revenues	9,249,221	9,176,902	(72,319)
Expenditures:			
Current:			
General Government			
Clerk and Council			
Personal Services	185,689	178,439	7,250
Other	99,310	64,398	34,912
Total Clerk and Council	284,999	242,837	42,162
Municipal Court			
Personal Services	823,988	775,442	48,546
Other	117,695	79,440	38,255
Total Municipal Court	941,683	854,882	86,801
Probation			
Personal Services	197,649	185,490	12,159
Other	16,310	11,206	5,104
Total Probation	213,959	196,696	17,263
Mayor's and Administrative Office			
Personal Services	135,309	70,174	65,135
Other	12,400	1,393	11,007
Total Mayor's and Administrative Office	\$147,709	\$71,567	\$76,142

(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, 2015
(continued)

	Final Budget	Actual	Variance With Final Budget
Clerk Treasurer			
Personal Services	\$272,303	\$216,145	\$56,158
Other	21,490	18,773	2,717
Total Clerk Treasurer	<u>293,793</u>	<u>234,918</u>	<u>58,875</u>
Income Tax Administration			
Personal Services	159,674	152,693	6,981
Other	305,959	296,525	9,434
Total Income Tax Administration	<u>465,633</u>	<u>449,218</u>	<u>16,415</u>
Solicitor			
Personal Services	177,772	175,976	1,796
Other	38,010	26,350	11,660
Total Solicitor	<u>215,782</u>	<u>202,326</u>	<u>13,456</u>
Civil Service Commission			
Personal Services	1,000	393	607
Other	10,800	4,550	6,250
Total Civil Service Commission	<u>11,800</u>	<u>4,943</u>	<u>6,857</u>
Planning Commission			
Personal Services	1,500	600	900
Other	6,600	6,598	2
Total Planning Commission	<u>8,100</u>	<u>7,198</u>	<u>902</u>
Building and Grounds			
Personal Services	66,409	64,061	2,348
Other	197,320	178,348	18,972
Total Building and Grounds	<u>263,729</u>	<u>242,409</u>	<u>21,320</u>
Special Appropriations			
Personal Services	38,860	27,438	11,422
Other	114,510	86,671	27,839
Total Special Appropriations	<u>153,370</u>	<u>114,109</u>	<u>39,261</u>
Community Services			
Other	<u>\$25,000</u>	<u>\$6,103</u>	<u>\$18,897</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, 2015
(continued)

	Final Budget	Actual	Variance With Final Budget
Economic Development			
Other	\$10,000	\$6,323	\$3,677
Engineering			
Other	40,000	34,752	5,248
Total General Government	3,075,557	2,668,281	407,276
Security of Persons and Property:			
Police Law Enforcement			
Personal Services	2,878,234	2,841,303	36,931
Other	604,067	489,148	114,919
Total Police Law Enforcement	3,482,301	3,330,451	151,850
Other			
Personal Services	128,714	123,073	5,641
Other	64,790	55,659	9,131
Total Other	193,504	178,732	14,772
Total Security of Persons and Property	3,675,805	3,509,183	166,622
Capital Outlay			
Other	400,000	167,042	232,958
Total Expenditures	7,151,362	6,344,506	806,856
Excess of Revenues Over Expenditures	2,097,859	2,832,396	734,537
Other Financing Sources (Uses):			
Sale of Capital Assets	5,000	4,516	(484)
Transfers In	605,782	1	(605,781)
Transfers Out	(3,768,338)	(3,258,316)	510,022
Total Other Financing Sources (Uses)	(3,157,556)	(3,253,799)	(96,243)
Net Change in Fund Balance	(1,059,697)	(421,403)	638,294
Fund Balance at Beginning of Year	6,380,250	6,380,250	0
Prior Year Encumbrances Appropriated	23,512	23,512	0
Fund Balance at End of Year	\$5,344,065	\$5,982,359	\$638,294

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, 2015

	Final Budget	Actual	Variance With Final Budget
Revenues:			
Property Taxes	\$1,244,000	\$1,244,887	\$887
Charges for Services	540,000	552,616	12,616
Fines, Licenses and Permits	2,000	0	(2,000)
Intergovernmental	151,000	148,789	(2,211)
Contributions and Donations	1,000	0	(1,000)
Other	57,000	59,605	2,605
Total Revenues	<u>1,995,000</u>	<u>2,005,897</u>	<u>10,897</u>
Expenditures:			
Current:			
Security of Persons and Property			
Fire			
Personal Services	2,120,402	1,740,192	380,210
Other	684,929	595,838	89,091
Total Expenditures	<u>2,805,331</u>	<u>2,336,030</u>	<u>469,301</u>
Excess of Revenues Under Expenditures	<u>(810,331)</u>	<u>(330,133)</u>	<u>480,198</u>
Other Financing Sources (Uses):			
Proceeds from Sale of Capital Assets	6,400	5,219	(1,181)
Transfers In	750,000	750,000	0
Transfers Out	(66,000)	(61,000)	5,000
Total Other Financing Sources (Uses)	<u>690,400</u>	<u>694,219</u>	<u>3,819</u>
Net Change in Fund Balance	(119,931)	364,086	484,017
Fund Balance at Beginning of Year	1,176,408	1,176,408	0
Prior Year Encumbrances Appropriated	15,605	15,605	0
Fund Balance at End of Year	<u><u>\$1,072,082</u></u>	<u><u>\$1,556,099</u></u>	<u><u>\$484,017</u></u>

CITY OF FRANKLIN, OHIO
SCHEDULE OF REVENUES, EXPENSES AND CHANGES
IN FUND EQUITY - BUDGET AND ACTUAL (BUDGET BASIS)
WATER FUND
FOR THE YEAR ENDED DECEMBER 31, 2015

	Final Budget	Actual	Variance With Final Budget
Revenues:			
Charges for Services	\$2,543,000	\$2,651,647	\$108,647
Other	26,000	29,747	3,747
Deposits Received	25,500	24,471	(1,029)
Total Revenues	<u>2,594,500</u>	<u>2,705,865</u>	<u>111,365</u>
Expenses:			
Personal Services	725,371	708,484	16,887
Contractual Services	471,907	409,864	62,043
Supplies and Materials	173,218	150,759	22,459
Other	10,710	10,180	530
Deposit Refunds	23,385	23,271	114
Capital Outlay	931,577	273,038	658,539
Debt Service:			
Principal Retirement	686,625	686,625	0
Interest and Fiscal Charges	261,211	260,782	429
Total Expenses	<u>3,284,004</u>	<u>2,523,003</u>	<u>761,001</u>
Excess of Revenues Over (Under) Expenses Before Transfers	(689,504)	182,862	872,366
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	(754,504)	117,862	872,366
Fund Equity at Beginning of Year	1,580,733	1,580,733	0
Prior Year Encumbrances Appropriated	<u>14,106</u>	<u>14,106</u>	<u>0</u>
Fund Equity at End of Year	<u><u>\$840,335</u></u>	<u><u>\$1,712,701</u></u>	<u><u>\$872,366</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, 2015

	Final Budget	Actual	Variance With Final Budget
Revenues:			
Charges for Services	\$2,540,947	\$2,574,885	\$33,938
Deposits Received	26,661	24,672	(1,989)
Other	19,500	19,458	(42)
Total Revenues	<u>2,587,108</u>	<u>2,619,015</u>	<u>31,907</u>
Expenses:			
Personal Services	385,104	337,617	47,487
Contractual Services	2,104,436	1,796,627	307,809
Supplies and Materials	53,508	47,431	6,077
Deposit Refunds	23,588	23,472	116
Capital Outlay	268,376	46,261	222,115
Other	20,725	0	20,725
Total Expenses	<u>2,855,737</u>	<u>2,251,408</u>	<u>604,329</u>
Excess of Revenues Over (Under) Expenses Before Transfers	(268,629)	367,607	636,236
Transfers In	10,000	0	(10,000)
Transfers Out	<u>(75,000)</u>	<u>(65,000)</u>	<u>10,000</u>
Net Change in Fund Equity	(333,629)	302,607	636,236
Fund Equity at Beginning of Year	729,453	729,453	0
Prior Year Encumbrances Appropriated	<u>46,250</u>	<u>46,250</u>	<u>0</u>
Fund Equity at End of Year	<u><u>\$442,074</u></u>	<u><u>\$1,078,310</u></u>	<u><u>\$636,236</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, 2015

	Final Budget	Actual	Variance With Final Budget
Revenues:			
Charges for Services	\$742,517	\$746,854	\$4,337
Other	500	418	(82)
	<u>743,017</u>	<u>747,272</u>	<u>4,255</u>
Total Revenues			
Expenses:			
Personal Services	75,737	65,817	9,920
Contractual Services	799,212	729,055	70,157
Supplies and Materials	10,655	10,282	373
	<u>885,604</u>	<u>805,154</u>	<u>80,450</u>
Total Expenses			
Net Change in Fund Equity	(142,587)	(57,882)	84,705
Fund Equity at Beginning of Year	<u>250,610</u>	<u>250,610</u>	<u>0</u>
Fund Equity at End of Year	<u><u>\$108,023</u></u>	<u><u>\$192,728</u></u>	<u><u>\$84,705</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, 2015

	Final Budget	Actual	Variance With Final Budget
Revenues:			
Charges for Services	\$512,000	\$530,194	\$18,194
Other	8,300	8,256	(44)
	<u>520,300</u>	<u>538,450</u>	<u>18,150</u>
Total Revenues			
Expenses:			
Personal Services	333,733	296,011	37,722
Contractual Services	20,160	15,209	4,951
Supplies and Materials	15,275	13,411	1,864
Capital Outlay	298,640	280,133	18,507
	<u>667,808</u>	<u>604,764</u>	<u>63,044</u>
Total Expenses			
Net Change in Fund Equity	(147,508)	(66,314)	81,194
Fund Equity at Beginning of Year	<u>376,545</u>	<u>376,545</u>	<u>0</u>
Fund Equity at End of Year	<u><u>\$229,037</u></u>	<u><u>\$310,231</u></u>	<u><u>\$81,194</u></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, 2015

	Final Budget	Actual	Variance With Final Budget
Revenues:			
Fines, Licenses and Permits	\$500	\$550	\$50
Intergovernmental	647,700	667,174	19,474
Interest	100	3,524	3,424
Other	11,000	20,505	9,505
Total Revenues	<u>659,300</u>	<u>691,753</u>	<u>32,453</u>
Expenditures:			
Current:			
Transportation			
Street Maintenance and Repair			
Personal Services	595,405	523,990	71,415
Other	811,430	648,507	162,923
Total Street Maintenance and Repair	<u>1,406,835</u>	<u>1,172,497</u>	<u>234,338</u>
State Highway Maintenance			
Capital Outlay	19,887	19,887	0
Other	35,113	34,404	709
Total State Highway Maintenance	<u>55,000</u>	<u>54,291</u>	<u>709</u>
Total Expenditures	<u>1,461,835</u>	<u>1,226,788</u>	<u>235,047</u>
Excess of Revenues Under Expenditures	(802,535)	(535,035)	267,500
Other Financing Sources:			
Transfers In	500,000	500,000	0
Net Change in Fund Balance	(302,535)	(35,035)	267,500
Fund Balance at Beginning of Year	<u>744,217</u>	<u>744,217</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$441,682</u></u>	<u><u>\$709,182</u></u>	<u><u>\$267,500</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, 2015

	Final Budget	Actual	Variance With Final Budget
Revenues:			
Intergovernmental	\$100,000	\$108,818	\$8,818
Other	850	835	(15)
	<u>100,850</u>	<u>109,653</u>	<u>8,803</u>
Total Revenues	100,850	109,653	8,803
Expenditures:			
Current:			
Security of Persons and Property			
Police Law Enforcement			
Personal Services	184,888	177,603	7,285
	<u>184,888</u>	<u>177,603</u>	<u>7,285</u>
Excess of Revenues Under Expenditures	(84,038)	(67,950)	16,088
Other Financing Sources:			
Transfers In	100,000	100,000	0
	<u>100,000</u>	<u>100,000</u>	<u>0</u>
Net Change in Fund Balance	15,962	32,050	16,088
Fund Balance at Beginning of Year	204,112	204,112	0
	<u>204,112</u>	<u>204,112</u>	<u>0</u>
Fund Balance at End of Year	<u>\$220,074</u>	<u>\$236,162</u>	<u>\$16,088</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, 2015

	Final Budget	Actual	Variance With Final Budget
Revenues:			
Fines, Licenses and Permits	\$231,403	\$233,515	\$2,112
Other	2,050	1,810	(240)
	<u>233,453</u>	<u>235,325</u>	<u>1,872</u>
Total Revenues			
Expenditures:			
Current:			
General Government			
Municipal Court			
Personal Services	68,737	40,738	27,999
Contractual Services	24,000	15,114	8,886
Other	160,824	84,687	76,137
	<u>253,561</u>	<u>140,539</u>	<u>113,022</u>
Total General Government			
Capital Outlay			
Other	49,439	48,912	527
	<u>303,000</u>	<u>189,451</u>	<u>113,549</u>
Total Expenditures			
Net Change in Fund Balance	(69,547)	45,874	115,421
Fund Balance at Beginning of Year	<u>331,697</u>	<u>331,697</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$262,150</u></u>	<u><u>\$377,571</u></u>	<u><u>\$115,421</u></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, 2015

	Final Budget	Actual	Variance With Final Budget
Revenues:			
Fines, Licenses and Permits	\$15,000	\$15,692	\$692
Intergovernmental	160	158	(2)
Contributions and Donations	200	0	(200)
Other	4,100	4,000	(100)
	<u>19,460</u>	<u>19,850</u>	<u>390</u>
Total Revenues			
Expenditures:			
Current:			
Security of Persons and Property			
Police Law Enforcement			
Other	15,000	4,691	10,309
Public Health			
Other	5,000	0	5,000
	<u>20,000</u>	<u>4,691</u>	<u>15,309</u>
Total Expenditures			
Net Change in Fund Balance	(540)	15,159	15,699
Fund Balance at Beginning of Year	36,209	36,209	0
Fund Balance at End of Year	<u>\$35,669</u>	<u>\$51,368</u>	<u>\$15,699</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, 2015

	Final Budget	Actual	Variance With Final Budget
Revenues:			
Charges for Services	\$13,600	\$13,830	\$230
Rent	5,400	5,475	75
Contributions and Donations	7,500	7,693	193
Other	2,000	1,699	(\$301)
Total Revenues	<u>28,500</u>	<u>28,697</u>	<u>197</u>
Expenditures:			
Current:			
Leisure Time Activities			
Recreation Program			
Personal Services	239,524	226,048	13,476
Other	171,839	132,466	39,373
Total Expenditures	<u>411,363</u>	<u>358,514</u>	<u>52,849</u>
Excess of Revenues Under Expenditures	(382,863)	(329,817)	53,046
Other Financing Sources:			
Transfers In	<u>335,000</u>	<u>355,000</u>	<u>20,000</u>
Net Change in Fund Balance	(47,863)	25,183	73,046
Fund Balance at Beginning of Year	<u>81,172</u>	<u>81,172</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$33,309</u></u>	<u><u>\$106,355</u></u>	<u><u>\$73,046</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, 2015

	Final Budget	Actual	Variance With Final Budget
Revenues:			
Fines, Licenses and Permits	\$2,000	\$1,644	(\$356)
Intergovernmental	4,000	4,037	37
Total Revenues	6,000	5,681	(319)
Expenditures:			
Current:			
Public Health			
Other	24,000	4,531	19,469
Net Change in Fund Balance	(18,000)	1,150	19,150
Fund Balance at Beginning of Year	48,411	48,411	0
Fund Balance at End of Year	\$30,411	\$49,561	\$19,150

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, 2015

	Final Budget	Actual	Variance With Final Budget
Revenues:			
Fines, Licenses and Permits	\$7,000	\$7,207	\$207
Intergovernmental	6,000	6,007	7
Total Revenues	13,000	13,214	214
Expenditures:			
Current:			
Public Health			
Other	7,000	5,262	1,738
Net Change in Fund Balance	6,000	7,952	1,952
Fund Balance at Beginning of Year	11,670	11,670	0
Fund Balance at End of Year	\$17,670	\$19,622	\$1,952

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, 2015

	Final Budget	Actual	Variance With Final Budget
Revenues:			
Fines, Licenses and Permits	\$7,000	\$6,558	(\$442)
Expenditures:			
Current:			
General Government			
Municipal Court			
Other	15,900	9,461	6,439
Net Change in Fund Balance	(8,900)	(2,903)	5,997
Fund Balance at Beginning of Year	8,908	8,908	0
Fund Balance at End of Year	\$8	\$6,005	\$5,997

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, 2015

	Final Budget	Actual	Variance With Final Budget
Revenues:			
Special Assessments	\$141,870	\$143,793	\$1,923
Expenditures:			
Current:			
Security of Persons and Property			
Street Lighting			
Other	144,700	136,327	8,373
Excess of Revenues Over (Under) Expenditures	(2,830)	7,466	10,296
Other Financing Sources:			
Transfers In	2,895	2,895	0
Net Change in Fund Balance	65	10,361	10,296
Fund Balance at Beginning of Year	47,493	47,493	0
Fund Balance at End of Year	<u>\$47,558</u>	<u>\$57,854</u>	<u>\$10,296</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, 2015

	Final Budget	Actual	Variance With Final Budget
Revenues:			
Property Taxes	\$45,980	\$48,262	\$2,282
Intergovernmental	990	990	0
	<hr/>	<hr/>	<hr/>
Total Revenues	46,970	49,252	2,282
Expenditures:			
Current:			
Economic Development			
Other	54,440	54,124	316
	<hr/>	<hr/>	<hr/>
Excess of Revenues Under Expenditures	(7,470)	(4,872)	2,598
Other Financing Sources:			
Transfers In	4,500	4,500	0
	<hr/>	<hr/>	<hr/>
Net Change in Fund Balance	(2,970)	(372)	2,598
Fund Balance at Beginning of Year	3,238	3,238	0
	<hr/>	<hr/>	<hr/>
Fund Balance at End of Year	<u>\$268</u>	<u>\$2,866</u>	<u>\$2,598</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, 2015

	Final Budget	Actual	Variance With Final Budget
Revenues:			
Property Taxes	\$124,000	\$131,624	\$7,624
Intergovernmental	4,630	4,566	(64)
Total Revenues	<u>128,630</u>	<u>136,190</u>	<u>7,560</u>
Expenditures:			
Current:			
Security of Persons and Property			
Police Law Enforcement			
Personal Services	344,839	338,710	6,129
Fire Department			
Personal Services	129,862	126,840	3,022
Total Security of Persons and Property	<u>474,701</u>	<u>465,550</u>	<u>9,151</u>
Debt Service:			
Principal Retirement	1,839	1,839	0
Interest and Fiscal Charges	2,461	2,461	0
Total Debt Service	<u>4,300</u>	<u>4,300</u>	<u>0</u>
Total Expenditures	<u>479,001</u>	<u>469,850</u>	<u>9,151</u>
Excess of Revenues Under Expenditures	(350,371)	(333,660)	16,711
Other Financing Sources:			
Transfers In	371,000	341,000	(30,000)
Net Change in Fund Balance	20,629	7,340	(13,289)
Fund Balance at Beginning of Year	<u>4,338</u>	<u>4,338</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$24,967</u></u>	<u><u>\$11,678</u></u>	<u><u>(\$13,289)</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, 2015

	Final Budget	Actual	Variance With Final Budget
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Revenues:			
Expenditures:			
Debt Service:			
Principal Retirement	370,000	370,000	0
Interest and Fiscal Charges	185,525	181,525	4,000
Total Expenditures	<u>555,525</u>	<u>551,525</u>	<u>4,000</u>
Excess of Revenues Under Expenditures	(555,525)	(551,525)	4,000
Other Financing Sources:			
Transfers In	<u>551,325</u>	<u>555,525</u>	<u>4,200</u>
Net Change in Fund Balance	(4,200)	4,000	8,200
Fund Balance at Beginning of Year	<u>151,533</u>	<u>151,533</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$147,333</u></u>	<u><u>\$155,533</u></u>	<u><u>\$8,200</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, 2015

	Final Budget	Actual	Variance With Final Budget
Revenues:			
Special Assessments	\$338,000	\$333,768	(\$4,232)
Expenditures:			
Debt Service:			
Principal Retirement	285,000	285,000	0
Interest and Fiscal Charges	51,710	51,706	4
Total Expenditures	336,710	336,706	4
Net Change in Fund Balance	1,290	(2,938)	(4,228)
Fund Balance at Beginning of Year	136,820	136,820	0
Fund Balance at End of Year	\$138,110	\$133,882	(\$4,228)

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, 2015

	<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, 2015

	Final Budget	Actual	Variance With Final Budget
Revenues:	\$0	\$0	\$0
Expenditures:			
Capital Outlay			
Other	900,000	471,578	428,422
Excess of Revenues Under Expenditures	<u>(900,000)</u>	<u>(471,578)</u>	<u>428,422</u>
Other Financing Sources (Uses):			
Transfers In	450,000	450,000	0
Transfers Out	<u>(1)</u>	<u>(1)</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>449,999</u>	<u>449,999</u>	<u>0</u>
Net Change in Fund Balance	(450,001)	(21,579)	428,422
Fund Balance at Beginning of Year	<u>569,064</u>	<u>569,064</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$119,063</u></u>	<u><u>\$547,485</u></u>	<u><u>\$428,422</u></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, 2015

	Final Budget	Actual	Variance With Final Budget
Revenues:	\$0	\$0	\$0
Expenditures:			
Capital Outlay			
Other	300,000	206,271	93,729
Excess of Revenues Under Expenditures	(300,000)	(206,271)	93,729
Other Financing Sources:			
Transfers In	300,000	300,000	0
Net Change in Fund Balance	0	93,729	93,729
Fund Balance at Beginning of Year	344,372	344,372	0
Fund Balance at End of Year	<u>\$344,372</u>	<u>\$438,101</u>	<u>\$93,729</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, 2015

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
Revenues:	\$0	\$0	\$0
Expenditures:			
Capital Outlay			
Other	<u>605,703</u>	<u>293,328</u>	<u>312,375</u>
Net Change in Fund Balance	(605,703)	(293,328)	312,375
Fund Balance at Beginning of Year	327,913	327,913	0
Prior Year Encumbrances Appropriated	<u>318,703</u>	<u>318,703</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$40,913</u></u>	<u><u>\$353,288</u></u>	<u><u>\$312,375</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, 2015

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
Revenues:	\$0	\$0	\$0
Expenditures:			
Capital Outlay			
Other	<u>45,399</u>	<u>18,640</u>	<u>26,759</u>
Net Change in Fund Balance	(45,399)	(18,640)	26,759
Fund Balance at Beginning of Year	35,499	35,499	0
Prior Year Encumbrances Appropriated	<u>9,900</u>	<u>9,900</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$0</u></u>	<u><u>\$26,759</u></u>	<u><u>\$26,759</u></u>

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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	120-131
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	132-133
These schedules contain information to help the reader assess the City’s most significant local revenue source, the income tax.	
Debt Capacity	134-140
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	141-143
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	144-149
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>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Governmental Activities:				
Net Investment in Capital Assets	\$37,961,827	\$39,414,521	\$40,600,904	\$40,499,186
Restricted For:				
Debt Service	2,824,993	2,969,595	2,813,950	2,609,134
Capital Outlay	381,125	402,419	299,798	479,323
Fire Protection	1,007,644	997,563	1,078,765	907,226
Transportation	481,120	513,502	369,520	747,319
Other Purposes	459,472	612,035	845,165	925,090
Leisure Time Activities Expendable	0	0	20,957	240,340
Leisure Time Activities Nonexpendable	0	0	1,003,387	1,002,296
Unrestricted	<u>4,187,811</u>	<u>2,263,639</u>	<u>2,348,013</u>	<u>1,615,731</u>
<i>Total Governmental Activities Net Position</i>	<u>47,303,992</u>	<u>47,173,274</u>	<u>49,380,459</u>	<u>49,025,645</u>
Business-Type Activities:				
Net Investment in Capital Assets	14,506,779	14,664,105	15,491,196	16,509,392
Restricted For:				
Debt Service	587,392	802,640	610,290	620,446
Revenue Bonds Replacement and Improvement	295,220	333,769	217,630	232,630
Unrestricted	<u>1,749,945</u>	<u>1,752,795</u>	<u>2,434,615</u>	<u>2,015,800</u>
<i>Total Business-Type Activities</i>	<u>17,139,336</u>	<u>17,553,309</u>	<u>18,753,731</u>	<u>19,378,268</u>
Primary Government:				
Net Investment in Capital Assets	52,468,606	54,078,626	56,092,100	57,008,578
Restricted	6,036,966	6,631,523	7,259,462	7,763,804
Unrestricted	<u>5,937,756</u>	<u>4,016,434</u>	<u>4,782,628</u>	<u>3,631,531</u>
<i>Total Primary Government Net Position</i>	<u>\$64,443,328</u>	<u>\$64,726,583</u>	<u>\$68,134,190</u>	<u>\$68,403,913</u>

Note: The City reported the impact of GASB Statement No. 68 in 2015.

<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
\$40,076,220	\$39,349,974	\$39,750,554	\$39,365,157	\$39,594,071	\$39,854,845
2,186,575	1,593,584	1,349,506	1,061,246	751,216	466,684
1,072,744	1,165,427	1,766,673	1,049,228	1,584,069	1,512,898
386,580	494,090	302,684	561,889	988,131	1,521,593
896,504	1,050,712	1,140,087	1,140,136	1,209,777	1,111,673
727,799	621,613	668,427	662,162	745,528	870,216
276,950	266,190	247,845	127,025	335,947	363,454
1,077,699	1,126,400	1,162,406	1,391,796	1,506,708	1,360,832
3,467,921	4,464,786	6,426,853	8,128,201	1,358,946	1,240,722
<u>50,168,992</u>	<u>50,132,776</u>	<u>52,815,035</u>	<u>53,486,840</u>	<u>48,074,393</u>	<u>48,302,917</u>
16,980,657	16,772,997	16,862,816	17,650,787	17,408,300	18,014,569
566,309	615,677	617,060	617,111	570,861	586,603
247,630	262,630	277,630	377,630	477,630	577,630
2,396,518	3,042,701	3,026,717	2,342,465	1,989,846	2,327,024
<u>20,191,114</u>	<u>20,694,005</u>	<u>20,784,223</u>	<u>20,987,993</u>	<u>20,446,637</u>	<u>21,505,826</u>
57,056,877	56,122,971	56,613,370	57,015,944	57,002,371	57,869,414
7,438,790	7,196,323	7,532,318	6,988,223	8,169,867	8,371,583
5,864,439	7,507,487	9,453,570	10,470,666	3,348,792	3,567,746
<u>\$70,360,106</u>	<u>\$70,826,781</u>	<u>\$73,599,258</u>	<u>\$74,474,833</u>	<u>\$68,521,030</u>	<u>\$69,808,743</u>

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

	2006	2007	2008	2009
Program Revenues:				
Charges for Services and Sales:				
General Government	\$739,222	\$614,629	\$709,146	\$615,128
Security of Persons and Property:				
Police	56,570	27,997	9,660	17,283
Fire	119,531	127,698	97,292	30,224
Other	88,199	95,000	104,500	108,680
Public Health and Welfare	68,352	17,929	42,422	105,353
Leisure Time Activities	0	0	0	0
Transportation	863	535	867	1,606
Operating Grants, Contributions and Interest	1,248,551	1,220,580	1,414,446	1,433,860
Capital Grants, Contributions and Interest	75,222	2,255,359	2,871,175	1,410,224
<i>Total Governmental Activities Program Revenues</i>	<u>2,396,510</u>	<u>4,359,727</u>	<u>5,249,508</u>	<u>3,722,358</u>
Business-Type Activities:				
Charges for Services:				
Water	2,571,541	2,372,746	2,391,732	2,514,213
Sewer	2,267,333	2,302,373	2,546,969	2,596,582
Trash	591,737	624,251	649,671	673,260
Stormwater Utility	448,074	442,470	457,602	421,920
Operating Grants, Contributions and Interest	0	0	0	0
Capital Grants, Contributions and Interest	0	0	0	635,971
<i>Total Business-Type Activities Program Revenues</i>	<u>5,878,685</u>	<u>5,741,840</u>	<u>6,045,974</u>	<u>6,841,946</u>
<i>Total Primary Government Program Revenues</i>	<u>8,275,195</u>	<u>10,101,567</u>	<u>11,295,482</u>	<u>10,564,304</u>
Expenses:				
Governmental Activities:				
Current:				
General Government	2,591,951	2,618,300	2,107,127	2,298,636
Security of Persons and Property	5,473,036	5,550,877	5,004,072	5,108,503
Public Health and Welfare	64,790	21,911	59,846	11,810
Leisure Time Activities	299,128	345,357	353,315	308,359
Economic Development	30,476	95,314	84,517	44,630
Basic Utility Services	57,355	57,355	80,111	84,331
Transportation	2,277,692	3,490,439	2,173,257	2,825,088
Interest and Fiscal Charges	645,007	585,256	523,872	494,341
<i>Total Governmental Activities Expenses</i>	<u>11,439,435</u>	<u>12,764,809</u>	<u>10,386,117</u>	<u>11,175,698</u>
Business-Type Activities:				
Water	2,193,130	1,866,287	1,948,802	2,067,302
Sewer	2,414,728	2,618,355	2,240,853	3,032,843
Trash	574,010	584,968	654,623	684,648
Stormwater Utility	712,710	737,361	674,377	578,995
<i>Total Business-Type Activities Expenses</i>	<u>5,894,578</u>	<u>5,806,971</u>	<u>5,518,655</u>	<u>6,363,788</u>
Net (Expense)/Revenue:				
Governmental Activities	(9,042,925)	(8,405,082)	(5,136,609)	(7,453,340)
Business-Type Activities	(15,893)	(65,131)	527,319	478,158
<i>Total Primary Government Net Expense</i>	<u>(\$9,058,818)</u>	<u>(\$8,470,213)</u>	<u>(\$4,609,290)</u>	<u>(\$6,975,182)</u>

2010	2011	2012	2013	2014	2015 (2)
\$889,757	\$672,936	\$794,169	\$289,851	\$532,555	\$464,392
104,619	18,541	8,787	388,207	440,377	428,749
68,603	69,060	50,253	348,778	548,905	552,753
114,114	131,211	137,793	140,549	144,766	149,023
12,805	4,884	12,026	9,496	11,847	8,759
0	0	0	0	0	19,305
433	765	663	1,256	1,764	550
1,388,880	1,082,600	848,632	1,030,371	1,024,216	925,943
1,027,095	1,076,702	796,103	124,668	331,344	876,492
3,606,306	3,056,699	2,648,426	2,333,176	3,035,774	3,425,966
2,485,178	2,609,827	2,509,825	2,527,385	2,566,139	2,628,095
2,944,427	3,198,842	2,510,827	2,403,048	2,474,765	2,669,288
700,817	711,350	736,048	746,766	762,790	747,963
476,739	496,374	470,519	455,305	484,006	513,732
0	0	0	105,072	0	0
0	0	0	0	0	432,086
6,607,161	7,016,393	6,227,219	6,237,576	6,287,700	6,991,164
10,213,467	10,073,092	8,875,645	8,570,752	9,323,474	10,417,130
2,400,627	1,965,549	2,474,033	2,421,208	2,474,594	2,729,627
4,861,552	5,277,083	5,660,608	6,173,685	6,301,359	6,407,213
7,199	13,361	8,567	11,250	27,356	31,824
276,892	321,029	326,993	316,393	339,652	306,096
44,666	43,926	44,414	51,449	51,449	54,124
84,329	101,873	101,875	97,090	105,532	87,531
2,277,099	3,154,060	2,225,466	3,524,995	1,866,068	3,614,786
461,532	460,542	329,589	279,948	258,996	231,397
10,413,896	11,337,423	11,171,545	12,876,018	11,425,006	13,462,598
1,832,887	2,115,087	1,935,129	1,924,148	1,989,322	1,805,446
2,731,399	2,907,671	2,576,395	2,522,418	2,484,895	2,532,207
684,848	731,408	712,050	811,545	852,135	749,283
700,850	664,908	791,053	656,697	777,287	772,918
5,949,984	6,419,074	6,014,627	5,914,808	6,103,639	5,859,854
(6,807,590)	(8,280,724)	(8,523,119)	(10,542,842)	(8,389,232)	(10,036,632)
657,177	597,319	212,592	322,768	184,061	1,131,310
(\$6,150,413)	(\$7,683,405)	(\$8,310,527)	(\$10,220,074)	(\$8,205,171)	(\$8,905,322)

(continued)

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

	2006	2007	2008	2009
General Revenues and Other Changes in Net Position:				
Governmental Activities:				
Property Taxes Levied for:				
General Purposes	\$631,920	\$658,432	\$472,445	\$420,843
Fire	642,487	571,233	534,375	492,312
Other Purposes	168,733	193,805	134,236	129,542
Income Taxes	7,115,266	5,639,866	5,322,030	4,822,556
Other Local Taxes Levied for General Purposes (1)	0	0	124,412	160,540
Payments in Lieu of Taxes	0	0	0	207,659
Grants and Entitlements not Restricted to Specific Programs	669,145	633,352	502,780	596,149
Gain on Sale of Capital Assets	0	11,096	0	0
Unrestricted Interest	338,330	610,369	213,422	56,486
Contributions and Donations	0	0	0	0
Other	179,786	182,322	310,224	307,846
Transfers	(114,366)	(226,111)	(420,598)	(95,407)
<i>Total Governmental Activities</i>	<u>9,631,301</u>	<u>8,274,364</u>	<u>7,193,326</u>	<u>7,098,526</u>
Business-Type Activities:				
Unrestricted Interest	24,489	33,902	10,423	0
Other	6,053	15,075	14,930	50,972
Transfers	114,366	226,111	420,598	95,407
<i>Total Business-Type Activities</i>	<u>144,908</u>	<u>275,088</u>	<u>445,951</u>	<u>146,379</u>
<i>Total Primary Government General Revenues and Other Changes in Net Position</i>	<u>9,776,209</u>	<u>8,549,452</u>	<u>7,639,277</u>	<u>7,244,905</u>
Change in Net Position				
Governmental Activities	588,376	(130,718)	2,056,717	(354,814)
Business-Type Activities	129,015	209,957	973,270	624,537
Prior Year Restatement of Net Position	<u>0</u>	<u>0</u>	<u>377,620</u>	<u>0</u>
<i>Total Primary Government Changes in Net Position</i>	<u>\$717,391</u>	<u>\$79,239</u>	<u>\$3,407,607</u>	<u>\$269,723</u>

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

(2) Expenses are first impacted by the implementation of GASB Statement No. 68 in 2015.

2010	2011	2012	2013	2014	2015 (2)
\$385,893	\$381,481	\$402,435	\$382,168	\$394,024	\$410,545
480,797	560,031	534,509	1,236,803	1,209,420	1,224,778
131,048	158,099	154,252	166,527	174,732	177,381
5,900,995	5,902,578	9,079,755	8,091,731	6,764,284	7,665,010
176,828	186,011	185,820	191,449	184,737	208,667
150,507	192,413	203,459	199,588	107,787	0
614,411	574,395	284,897	553,230	211,427	232,675
0	0	0	0	0	0
55,726	44,891	56,470	77,465	94,468	25,681
1,886	11	0	0	0	0
191,376	124,598	159,958	185,686	100,436	190,419
(138,530)	120,000	143,823	130,000	78,300	130,000
<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>	<u>10,265,156</u>
2,509	0	0	0	0	0
14,630	25,572	21,449	11,002	84,460	57,879
<u>138,530</u>	<u>(120,000)</u>	<u>(143,823)</u>	<u>(130,000)</u>	<u>(78,300)</u>	<u>(130,000)</u>
<u>155,669</u>	<u>(94,428)</u>	<u>(122,374)</u>	<u>(118,998)</u>	<u>6,160</u>	<u>(72,121)</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>	<u>10,193,035</u>
1,143,347	(36,216)	2,682,259	671,805	930,383	228,524
812,846	502,891	90,218	203,770	190,221	1,059,189
0	0	0	0	(7,074,407)	0
<u>\$1,956,193</u>	<u>\$466,675</u>	<u>\$2,772,477</u>	<u>\$875,575</u>	<u>(\$5,953,803)</u>	<u>\$1,287,713</u>

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

Function / Program:	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Governmental Activities:				
General Government	\$995,688	\$833,514	\$1,010,717	\$815,284
Security of Persons and Property:				
Police	100,744	159,804	168,656	119,548
Fire	478,813	418,331	449,407	393,310
Other	88,199	95,000	104,500	108,680
Public Health and Welfare	71,110	18,625	43,268	236,492
Leisure Time Activities	0	0	1,138,136	218,292
Economic Development	3,852	6,780	15,637	5,972
Transportation	658,104	2,827,673	2,319,187	1,824,780
<i>Total Governmental Activities</i>	<u>2,396,510</u>	<u>4,359,727</u>	<u>5,249,508</u>	<u>3,722,358</u>
Business-Type Activities:				
Water	2,571,541	2,372,746	2,391,732	2,884,719
Sewer	2,267,333	2,302,373	2,546,969	2,596,582
Trash	591,737	624,251	649,671	673,260
Stormwater Utility	448,074	442,470	457,602	687,385
<i>Total Business-Type Activities</i>	<u>5,878,685</u>	<u>5,741,840</u>	<u>6,045,974</u>	<u>6,841,946</u>
<i>Total Primary Government</i>	<u><u>\$8,275,195</u></u>	<u><u>\$10,101,567</u></u>	<u><u>\$11,295,482</u></u>	<u><u>\$10,564,304</u></u>

<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
\$1,043,409	\$887,648	\$1,101,565	\$291,939	\$535,907	\$466,079
144,916	46,507	151,562	511,274	551,717	541,044
320,132	244,283	92,122	593,711	696,268	702,789
114,114	131,211	137,793	140,549	144,766	149,023
138,210	124,571	22,696	15,876	19,288	18,803
112,013	92,179	82,875	124,668	331,344	26,998
10,778	5,864	3,978	9,773	2,390	990
<u>1,722,734</u>	<u>1,524,436</u>	<u>1,055,835</u>	<u>645,386</u>	<u>754,094</u>	<u>1,520,240</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>	<u>3,425,966</u>
2,485,178	2,609,827	2,509,825	2,527,385	2,566,139	2,691,995
2,944,427	3,198,842	2,510,827	2,403,048	2,474,765	2,913,738
700,817	711,350	736,048	851,838	762,790	747,963
<u>476,739</u>	<u>496,374</u>	<u>470,519</u>	<u>455,305</u>	<u>484,006</u>	<u>637,468</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>6,991,164</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>	<u>\$10,417,130</u>

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

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
General Fund				
Nonspendable	\$0	\$0	\$0	\$0
Assigned	0	0	0	0
Unassigned	0	0	0	0
Reserved	145,333	14,739	54,806	6,114
Unreserved	<u>3,483,285</u>	<u>1,175,034</u>	<u>1,905,918</u>	<u>1,369,098</u>
<i>Total General Fund</i>	<u>3,628,618</u>	<u>1,189,773</u>	<u>1,960,724</u>	<u>1,375,212</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	86,965	99,411	1,078,834	1,032,305
Unreserved, Undesignated, Reported in:				
Special Revenue Funds	1,758,396	1,897,625	2,033,024	2,179,954
Debt Service Fund	174,538	557,710	557,424	623,678
Capital Projects Funds	65,420	208,754	48,781	181,392
Permanent Fund	<u>0</u>	<u>0</u>	<u>0</u>	<u>240,340</u>
<i>Total All Other Governmental Funds</i>	<u>2,085,319</u>	<u>2,763,500</u>	<u>3,718,063</u>	<u>4,257,669</u>
<i>Total Governmental Funds</i>	<u>\$5,713,937</u>	<u>\$3,953,273</u>	<u>\$5,678,787</u>	<u>\$5,632,881</u>

The City implemented GASB Statement No. 54 in 2011.

2010	2011	2012	2013	2014	2015
\$17,762	\$17,079	\$20,301	\$24,599	\$34,432	\$31,649
78,581	89,926	115,154	152,330	593,718	1,355,540
3,233,617	3,900,839	5,045,729	6,471,899	6,176,518	5,284,020
0	0	0	0	0	0
0	0	0	0	0	0
3,329,960	4,007,844	5,181,184	6,648,828	6,804,668	6,671,209
1,271,686	1,328,086	1,341,689	1,510,720	1,801,205	1,570,745
3,002,848	3,137,877	3,194,444	3,425,266	4,542,443	5,071,075
40,844	51,662	69,140	79,913	67,495	97,237
102,479	56,043	27,637	157,536	151,532	155,532
(33,692)	(181,080)	(439,720)	(49,858)	(36,690)	(24,154)
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
4,384,165	4,392,588	4,193,190	5,123,577	6,525,985	6,870,435
\$7,714,125	\$8,400,432	\$9,374,374	\$11,772,405	\$13,330,653	\$13,541,644

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

	2006	2007	2008	2009
Revenues:				
Property Taxes	\$1,370,974	\$1,406,763	\$1,146,837	\$1,038,798
Other Local Taxes (1)	0	0	125,956	153,622
Income Taxes	6,958,137	5,398,222	5,513,546	4,937,793
Payments in Lieu of Taxes	0	0	0	207,659
Special Assessments	344,528	347,421	367,129	392,219
Charges for Services	238,036	223,945	285,640	257,271
Fines, Licenses and Permits	672,599	485,236	508,971	504,197
Intergovernmental	1,626,424	2,261,029	3,539,564	2,418,831
Interest	551,059	812,926	509,905	270,155
Rent	0	0	0	0
Contributions and Donations	199,519	0	1,138,136	186,659
Other	187,886	192,777	310,224	389,460
Total Revenues	12,149,162	11,128,319	13,445,908	10,756,664
Expenditures:				
Current:				
General Government	2,521,962	2,673,282	2,361,988	2,313,715
Security of Persons and Property	5,064,237	5,528,164	4,950,296	4,944,740
Public Health and Welfare	64,790	21,911	59,846	11,810
Leisure Time Activities	244,662	288,923	299,801	275,250
Economic Development	30,476	95,314	84,517	44,630
Transportation	696,812	1,842,933	894,171	1,348,543
Capital Outlay	1,018,125	1,219,077	2,115,784	678,476
Debt Service:				
Principal Retirement	570,260	616,313	631,369	583,428
Interest and Fiscal Charges	615,338	598,441	548,796	500,670
Issuance Costs	0	0	0	0
Current Refunding	20,000	103,000	65,000	322,500
Total Expenditures	10,846,662	12,987,358	12,011,568	11,023,762
Excess of Revenues Over (Under) Expenditures	1,302,500	(1,859,039)	1,434,340	(267,098)
Other Financing Sources (Uses):				
Bond Anticipation Notes Issued	0	775,000	710,000	387,500
Refunding Bonds Issued	0	0	0	0
Current Refunding	(665,000)	(775,000)	(710,000)	(387,500)
Transfers In	2,836,820	5,122,307	2,573,987	3,037,723
Refunding Notes Issued	878,000	0	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	11,096	18,919	0
Transfers Out	(2,951,186)	(5,035,028)	(2,299,182)	(2,816,531)
Total Other Financing Sources (Uses)	98,634	98,375	293,724	221,192
Net Change in Fund Balances	\$1,401,134	(\$1,760,664)	\$1,728,064	(\$45,906)
Debt Service as a Percentage of Noncapital Expenditures	12.3%	11.2%	12.7%	13.4%

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

2010	2011	2012	2013	2014	2015
\$1,011,884	\$1,084,876	\$1,083,889	\$1,780,029	\$1,765,711	\$1,841,533
172,307	227,839	152,896	191,711	185,344	211,815
5,844,404	5,973,040	8,125,750	8,106,000	7,305,812	7,619,746
150,507	192,413	203,459	199,588	107,787	0
431,696	361,487	397,406	423,490	469,089	432,571
387,196	114,030	79,297	389,831	790,782	727,576
676,215	665,920	786,601	645,207	745,001	738,997
2,979,788	2,347,841	1,598,314	1,842,515	1,243,956	1,792,798
315,503	338,252	206,927	202,133	425,812	25,681
0	0	0	0	0	5,475
1,886	3,011	13,151	3,302	3,352	9,380
204,505	146,344	159,958	185,686	100,436	190,419
<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>	<u>13,595,991</u>
2,451,752	1,933,507	2,177,554	2,369,068	2,423,409	2,748,434
4,833,128	5,172,755	5,398,829	6,176,635	6,266,741	6,282,006
7,199	13,361	8,567	11,250	27,356	31,824
273,552	293,418	293,064	290,506	315,950	423,556
44,666	43,926	44,414	51,449	51,449	54,124
1,115,056	1,013,128	1,150,966	1,253,886	1,068,905	1,275,227
326,111	1,167,232	2,049,678	612,417	550,529	1,755,113
619,490	646,554	642,621	650,295	694,161	716,973
461,803	464,365	337,951	285,955	264,634	237,478
0	0	0	0	0	0
100,000	140,500	147,000	0	0	0
<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>13,524,735</u>
<u>1,943,134</u>	<u>566,307</u>	<u>557,004</u>	<u>2,268,031</u>	<u>1,479,948</u>	<u>71,256</u>
287,500	147,000	0	0	0	0
0	0	5,630,000	0	0	0
(287,500)	(147,000)	0	0	0	0
1,294,945	2,363,996	3,330,421	2,806,611	3,234,442	3,361,173
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	9,735
<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>(3,231,173)</u>
<u>138,110</u>	<u>120,000</u>	<u>416,938</u>	<u>130,000</u>	<u>78,300</u>	<u>139,735</u>
<u>\$2,081,244</u>	<u>\$686,307</u>	<u>\$973,942</u>	<u>\$2,398,031</u>	<u>\$1,558,248</u>	<u>\$210,991</u>
12.2%	12.2%	10.5%	8.7%	8.9%	8.5%

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
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
2015	5,642,638	75%	911,342	12%	6,553,980	87%	965,070	13%	7,519,050

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 2012-2015, the percent has remained at two percent.

City of Franklin, Ohio
Principal Income Taxpayers - Withholding Accounts
2015 and 2006

Range of Withholding Amount	2015		2006	
	Number of Withholding Accounts	Percentage of Total Withholding Revenue	Number of Withholding Accounts	Percentage of Total Withholding Revenue
\$100,001 - 300,000	12	25.00%	6	26.60%
\$55,001 - 100,000	7	10.00	5	10.50
Total	19	35.00	11	37.10
All Others	927	65.00	1,415	62.90
Total Withholding Accounts	<u>946</u>	<u>100.00%</u>	<u>1,426</u>	<u>100.00%</u>

Source: City Income Tax Department

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

City of Franklin, Ohio
 Computation of All Direct and Overlapping Governmental Activities Debt
 December 31, 2015

Jurisdiction	Debt Outstanding	Percentage Applicable to the City of Franklin	Amount Applicable to the City of Franklin
Direct			
City of Franklin			
General Obligation Bonds	\$4,833,741	100.00%	\$4,833,741
Special Assessment Bonds	700,000	100.00	700,000
Total Direct Debt	<u>5,533,741</u>		<u>5,533,741</u>
Overlapping Subdivisions			
Warren County			
General Obligation Bonds	11,056,090	3.72	411,287
Special Assessment Bonds	8,405,097	3.72	312,670
OPWC Loan	222,524	3.72	8,278
State 166 Loan	2,508,500	3.72	93,316
Franklin City School District			
General Obligation Bonds	2,032,338	52.77	1,072,465
Energy Conservation Bonds	639,335	52.77	337,377
Carlisle Local School District			
Capital Leases	202,283	0.11	223
Warren County Career Center			
Energy Conservation Notes	600,000	5.55	33,300
Capital Leases	12,041	5.55	668
Total Overlapping Debt	<u>25,678,208</u>		<u>2,269,584</u>
Grand Total	<u><u>\$31,211,949</u></u>		<u><u>\$7,803,325</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
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
2015	4,833,741	596,436,123	11,829	0.81%	408.63

(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
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
2015	4,833,741	700,000	0	0	2,593,390	1,972,092	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>
\$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
10,099,223	11,829	257,470,014	3.92	854

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

	2006	2007	2008	2009
Total Assessed Property Value	<u>\$240,026,372</u>	<u>\$246,303,533</u>	<u>\$219,771,600</u>	<u>\$219,559,180</u>
Overall Legal Debt Limit (10 ½ % of Assessed Valuation)	<u>25,202,769</u>	<u>25,861,871</u>	<u>23,076,018</u>	<u>23,053,714</u>
Debt Outstanding:				
General Obligation Bonds	7,505,000	7,170,000	6,830,000	6,560,000
Mortgage Revenue Bonds	6,140,000	5,815,000	5,460,000	5,095,000
Special Assessment Bonds	3,303,000	3,023,000	2,733,000	2,421,000
Bond Anticipation Notes	2,200,000	2,123,000	2,000,000	1,800,000
OWDA Loans	<u>2,156,781</u>	<u>2,107,550</u>	<u>3,067,762</u>	<u>2,991,797</u>
Total Gross Indebtedness	21,304,781	20,238,550	20,090,762	18,867,797
Less:				
Mortgage Revenue Bonds	(6,140,000)	(5,815,000)	(5,460,000)	(5,095,000)
Special Assessment Bonds	(3,303,000)	(3,023,000)	(2,733,000)	(2,421,000)
Bond Anticipation Notes	(1,245,000)	(1,245,000)	(1,225,000)	(1,090,000)
OWDA Loans	<u>(2,156,781)</u>	<u>(2,107,550)</u>	<u>(3,067,762)</u>	<u>(2,991,797)</u>
Total Net Debt Applicable to Debt Limit	<u>8,460,000</u>	<u>8,048,000</u>	<u>7,605,000</u>	<u>7,270,000</u>
Legal Debt Margin Within 10 ½ % Limitations	<u>\$16,742,769</u>	<u>\$17,813,871</u>	<u>\$15,471,018</u>	<u>\$15,783,714</u>
Legal Debt Margin as a Percentage of the Debt Limit	66.43%	68.88%	67.04%	68.46%
Unvoted Debt Limitation (5 ½ % of Assessed Valuation)	<u>\$13,201,450</u>	<u>\$13,546,694</u>	<u>\$12,087,438</u>	<u>\$12,075,755</u>
Total Gross Indebtedness	21,304,781	20,238,550	20,090,762	18,867,797
Less:				
Mortgage Revenue Bonds	(6,140,000)	(5,815,000)	(5,460,000)	(5,095,000)
Special Assessment Bonds	(3,303,000)	(3,023,000)	(2,733,000)	(2,421,000)
Bond Anticipation Notes	(1,245,000)	(1,245,000)	(1,225,000)	(1,090,000)
OWDA Loans	<u>(2,156,781)</u>	<u>(2,107,550)</u>	<u>(3,067,762)</u>	<u>(2,991,797)</u>
Net Debt Within 5 ½ % Limitations	<u>8,460,000</u>	<u>8,048,000</u>	<u>7,605,000</u>	<u>7,270,000</u>
Unvoted Legal Debt Margin Within 5 ½ % Limitations	<u>\$4,741,450</u>	<u>\$5,498,694</u>	<u>\$4,482,438</u>	<u>\$4,805,755</u>
Unvoted legal Debt Margin as a Percentage of the Unvoted Debt Limitation	35.92%	40.59%	37.08%	39.80%

Source: City Financial Records

2010	2011	2012	2013	2014	2015
<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>	<u>\$221,549,310</u>
21,978,122	21,493,533	21,999,170	21,704,895	22,919,480	23,262,678
6,275,000	5,975,000	5,595,000	5,255,000	4,895,000	4,525,000
4,715,000	4,320,000	3,905,000	3,475,000	3,030,000	2,565,000
2,088,000	1,743,000	1,507,000	1,259,000	985,000	700,000
1,282,500	982,500	582,500	0	0	0
<u>2,923,288</u>	<u>2,783,537</u>	<u>2,598,675</u>	<u>2,402,315</u>	<u>2,193,717</u>	<u>1,972,092</u>
17,283,788	15,804,037	14,188,175	12,391,315	11,103,717	9,762,092
(4,715,000)	(4,320,000)	(3,905,000)	(3,475,000)	(3,030,000)	(2,565,000)
(2,088,000)	(1,743,000)	(1,507,000)	(1,259,000)	(985,000)	(700,000)
(895,000)	(695,000)	(445,000)	0	0	0
<u>(2,923,288)</u>	<u>(2,783,537)</u>	<u>(2,598,675)</u>	<u>(2,402,315)</u>	<u>(2,193,717)</u>	<u>(1,972,092)</u>
6,662,500	6,262,500	5,732,500	5,255,000	4,895,000	4,525,000
<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>	<u>\$18,737,678</u>
69.69%	70.86%	73.94%	75.79%	78.64%	80.55%
<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>	<u>\$12,185,212</u>
17,283,788	15,804,037	14,188,175	12,391,315	11,103,717	9,762,092
(4,715,000)	(4,320,000)	(3,905,000)	(3,475,000)	(3,030,000)	(2,565,000)
(2,088,000)	(1,743,000)	(1,507,000)	(1,259,000)	(985,000)	(700,000)
(895,000)	(695,000)	(445,000)	0	0	0
<u>(2,923,288)</u>	<u>(2,783,537)</u>	<u>(2,598,675)</u>	<u>(2,402,315)</u>	<u>(2,193,717)</u>	<u>(1,972,092)</u>
6,662,500	6,262,500	5,732,500	5,255,000	4,895,000	4,525,000
<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>	<u>\$7,660,212</u>
42.13%	44.38%	50.25%	53.78%	59.23%	62.86%

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	
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
2015	2,628,095	1,342,448	1,285,647	686,625	260,782	1.36

(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
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
2015	11,829	257,470,014	21,766	2,993	4.8

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
2015 and 2006

2015

Employer	Number of Employees	Rank	Percentage of Total Employment
Caliper Inc	628	1	5.72%
CBS Personnel	545	2	4.97
Faurecia Exhaust	514	3	4.68
Franklin City School District	448	4	4.08
Wal-Mart	403	5	3.67
Valued Relations	394	6	3.59
Patrick Staffing	323	7	2.94
Burrows	315	8	2.87
Cox Media	270	9	2.46
Hahtamaki	160	10	1.46
Total	4,000		36.44
All Other Employers	6,975		63.56
Total Employment within the City	<u>10,975</u>		<u>100.00%</u>

2006

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	9,357		73.52
Total Employment within the City	<u>12,727</u>		<u>100.00%</u>

Source: City of Franklin Tax Department

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

Function/Program	2006		2007		2008		2009	
	Full-Time	All	Full-Time	All	Full-Time	All	Full-Time	All
General Government	20	34	18	28	18	28	21	28
Security of Persons and Property	43	96	43	74	41	74	29	63
Leisure Time Activities	2	52	2	52	2	52	2	71
Economic Development	0	0	0	0	0	0	0	0
Basic Utility Services	16	24	18	27	18	27	19	25
<i>Total Number of Employees</i>	<u>81</u>	<u>206</u>	<u>81</u>	<u>181</u>	<u>79</u>	<u>181</u>	<u>71</u>	<u>187</u>

Source: City Payroll Records

2010		2011		2012		2013		2014		2015	
Full-Time	All	Full-Time	All	Full-Time	All	Full-Time	All	Full-Time	All	Full-Time	All
20	28	20	28	19	26	19	25	21	26	22	26
27	60	29	62	38	63	38	81	38	92	36	88
2	52	2	52	2	58	2	49	2	50	2	57
0	0	0	0	0	0	0	0	0	0	0	0
19	25	18	25	17	26	17	26	17	22	19	28
<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>	<u>79</u>	<u>199</u>

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

Function/Program	2006	2007	2008	2009
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	49
Miles of Sanitary Sewers	44.00	44.00	44.00	46.00
Water Treatment Facility	0	1	1	1
Transportation:				
Miles of Streets	110.00	110.00	110.00	109.00
Number of Street Lights	929	929	929	929

Source: City Capital Assets Records

<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</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	46.05
1	1	1	1	1	1
109.00	109.00	109.00	109.00	109.00	109.34
929	929	929	937	937	946

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

Function/Program	2006	2007	2008	2009
General Government:				
Active Income Tax Accounts	8,972	7,400	7,468	7,276
Individual	6,432	5,402	5,551	5,430
Business	1,173	1,056	972	867
Withholding	1,367	942	945	979
Clerk of Courts:				
Traffic Court Cases	7,356	6,336	6,180	6,014
Civil Court Cases	643	658	965	632
Small Claims Court Cases	55	53	99	98
Security of Persons and Property:				
Police Calls	24,893	24,864	21,645	24,655
Physical Arrests	794	2,216	1,357	1,190
Citations	2,235	1,696	1,958	1,809

Source: Department reports

<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
6,974	7,027	7,454	7,683	8,133	7,786
5,409	5,528	5,508	5,759	6,019	5,943
842	768	847	855	947	940
663	731	1,099	1,069	1,167	903
8,273	8,052	7,170	6,322	7,506	6,837
601	659	626	524	551	543
49	42	37	41	33	25
25,202	24,810	23,759	23,543	23,143	24,091
2,189	2,003	2,226	2,192	1,727	1,491
767	895	1,654	1,708	1,104	998

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**CITY OF FRANKLIN
WARREN COUNTY, OHIO**

SUPPLEMENTAL REPORT

DECEMBER 31, 2015

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, 2015, 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 22, 2016, wherein we noted as discussed in Note 3, the City of Franklin adopted Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27* and No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*, an amendment of GASB Statement No. 68.

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 22, 2016



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
SEPTEMBER 27, 2016**