

CITY OF FRANKLIN
WARREN COUNTY



REGULAR AUDIT

FOR THE YEAR ENDED DECEMBER 31, 2022

PLATTENBURG
Certified Public Accountants

OHIO AUDITOR OF STATE
KEITH FABER



88 East Broad Street
Columbus, Ohio 43215
IPAReport@ohioauditor.gov
(800) 282-0370

Honorable Mayor, City Council, and City Manager
City of Franklin
1 Benjamin Franklin Way
Franklin, Ohio 45005

We have reviewed the *Independent Auditor's Report* of the City of Franklin, Warren County, prepared by Plattenburg & Associates, Inc., for the audit period January 1, 2022 through December 31, 2022. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

A handwritten signature in cursive script that reads "Keith Faber".

Keith Faber
Auditor of State
Columbus, Ohio

July 12, 2023

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**CITY OF FRANKLIN
WARREN COUNTY
FOR THE YEAR ENDED DECEMBER 31, 2022**

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

Honorable Mayor, City Council,
and City Manager
City of Franklin, Ohio

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Franklin, Ohio (the City), as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated June 20, 2023.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Plattenburg & Associates, Inc.

Plattenburg & Associates, Inc.
Dayton, Ohio
June 20, 2023

ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Year Ended December 31, 2022



City of Franklin
Franklin, Ohio 45005

Introductory Section

City of Franklin, Ohio
Annual Comprehensive Financial Report
For the Year Ended December 31, 2022

Issued by:
Finance Department

Jenna Trice
Finance Director

City of Franklin, Ohio
 Annual Comprehensive Financial Report
 For the Year Ended December 31, 2022

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June 20, 2023

City of Franklin

Mayor and Members of City Council

We are pleased to present the Annual Comprehensive Financial Report for the City of Franklin. This report, for the year ended December 31, 2022, 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.

Plattenburg and Associates Inc. has issued an unmodified (“clean”) opinion on the City of Franklin’s financial statements for the year ended December 31, 2022. The Independent Auditor’s Report is located at the front of the financial section of this report.

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

FORMATION OF THE CITY

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

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

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

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

PROFILE OF THE GOVERNMENT AND REPORTING ENTITY

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

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

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

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

The Ohio Plan Risk Management, Inc. is a shared risk pool in which the City participates. The Warren County General Health District and the Warren County Fire Response and Life Safety Council of Governments were determined to be jointly governed organizations (See Note 9).

At the beginning of each year, Council adopts a temporary budget, which will give them an extension until March 30th of the current year. Council is required to adopt a final budget by no later than April 1st. Upon presentation by the City Manager of a proposed budget document to Council, Council calls and publicizes a public hearing. Council will subsequently adopt such budget, as it may have been amended, as the City's annual budget effective for the fiscal year beginning January 1. All funds, except custodial funds, are legally required to be budgeted and appropriated. In 2022, the Tax Increment Financing Fund was not budgeted for as the City did not have any planned expenditures from that fund for the year. The legal level of control in the adopted budget has been established by Council at the object level (personnel services and other expenditures) within each fund and department. Budgetary modifications at this level can only be made by ordinance of the City Council.

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

MAJOR INITIATIVE

Economically, the year 2022 remained positive for the City of Franklin despite persistent and negative impacts associated with the ongoing worldwide COVID-19 pandemic. City Council and staff introduced a bold revitalization plan which will eventually transform our community. On the heels of the 2020 passage of Franklin City School's \$166-million school replacement bond campaign, the City began a 24-month process of updating its overall Comprehensive Plan. For the first time ever, a special callout of the City's downtown district has been carved out.

Council formally identified the Downtown Revitalization Zone, which included the implementation of a moratorium upon the issuance of Major Site Plan Permits during the formal study period. The identification of five planning areas includes a Downtown Core, Mixed Use, Riverfront, Civic, and Transitional have been determined based on existing characteristics and potential for change.

The resulting press coverage of these activities has spurred several associated projects both in the downtown region and throughout remaining portions of the City. New businesses are relocating and renovating existing space in the downtown area, while other property owners are making aesthetic improvements on their own. Developers are showing interest in residential, commercial, and industrial projects. The City is amending and updating various codes to facilitate the development goals of the City. New residential and industrial projects are underway. The Great Miami River will serve as the preeminent anchor from which this development will occur.

LOCAL ECONOMY

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

In December of 2021, Moody's Investor's Service upgraded the City's issuer and general obligation limited tax (GOLT) ratings from Aa3 to A1. Moody's cited the City's robust financial position and the growing tax base as the basis for this rating increase.

City staff continue to work and support those companies who are exploring opportunities to expand, which brings additional workers and income tax dollars to the City. City staff have been working closely with a developer who is looking to construct two large buildings which will put more than one-million square feet under roof with an intended use of locating a fulfillment or distribution center. Additionally, plan review and approvals have been granted to construct a new high school and transportation facility, a \$9 million dollar expansion of Kettering Hospital's free-standing Emergency Room, a Domino's Pizza, and a Tommy's Car Wash. Additionally, Cincinnati Bell has purchased a vacant building which will serve as a service hub as they expand into the Dayton Market.

With the support of City Council and staff, the Forever Franklin was established by dedicated citizens and business owners who are committed to supporting a new vision of a revitalized downtown. The goal of Forever Franklin is to improve a community and to make Franklin a great place to live, work, play, and visit. We're following the National Trust for Historic Preservation's Main Street program, a four-point approach to revitalization. The focus is promotion and marketing, design and beautification, economic development, and organization of the district as a whole. This project has renewed momentum as a result of voter approval of Franklin City School's 4.95 mills bond initiative that will construct, in part, a new high school near the targeted downtown development district. Construction on two of these projects is already underway.

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

ECONOMIC DEVELOPMENT

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

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

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

FINANCIAL PLANNING AND POLICIES

The cash fund balance in the General Fund 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 Plattenburg and Associates Inc. has performed this year's audit. The results of the audit are presented in the Independent Auditor's Report.

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Franklin for its Annual Comprehensive Financial Report for the year ended December 31, 2021. To be awarded a Certificate of

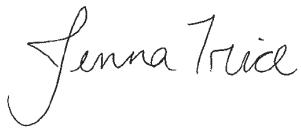
Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current annual comprehensive 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,



Jenna Trice
Director of Finance

*City of Franklin, Ohio
List of Principal Officials
As of December 31, 2022*

OFFICE HELD

NAME OF OFFICIAL

City Council:

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

Clerk of Council	Khristi Dunn
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Administration:

City Manager	Jonathan Westendorf
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Finance Department:

Finance Director	Jenna Trice
Income Tax Administrator	April Newell
Utility Billing Administrator	Wanda Howell

Law Department:

City Prosecutor	Max Kinman
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Public Works Department:

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

Safety Department:

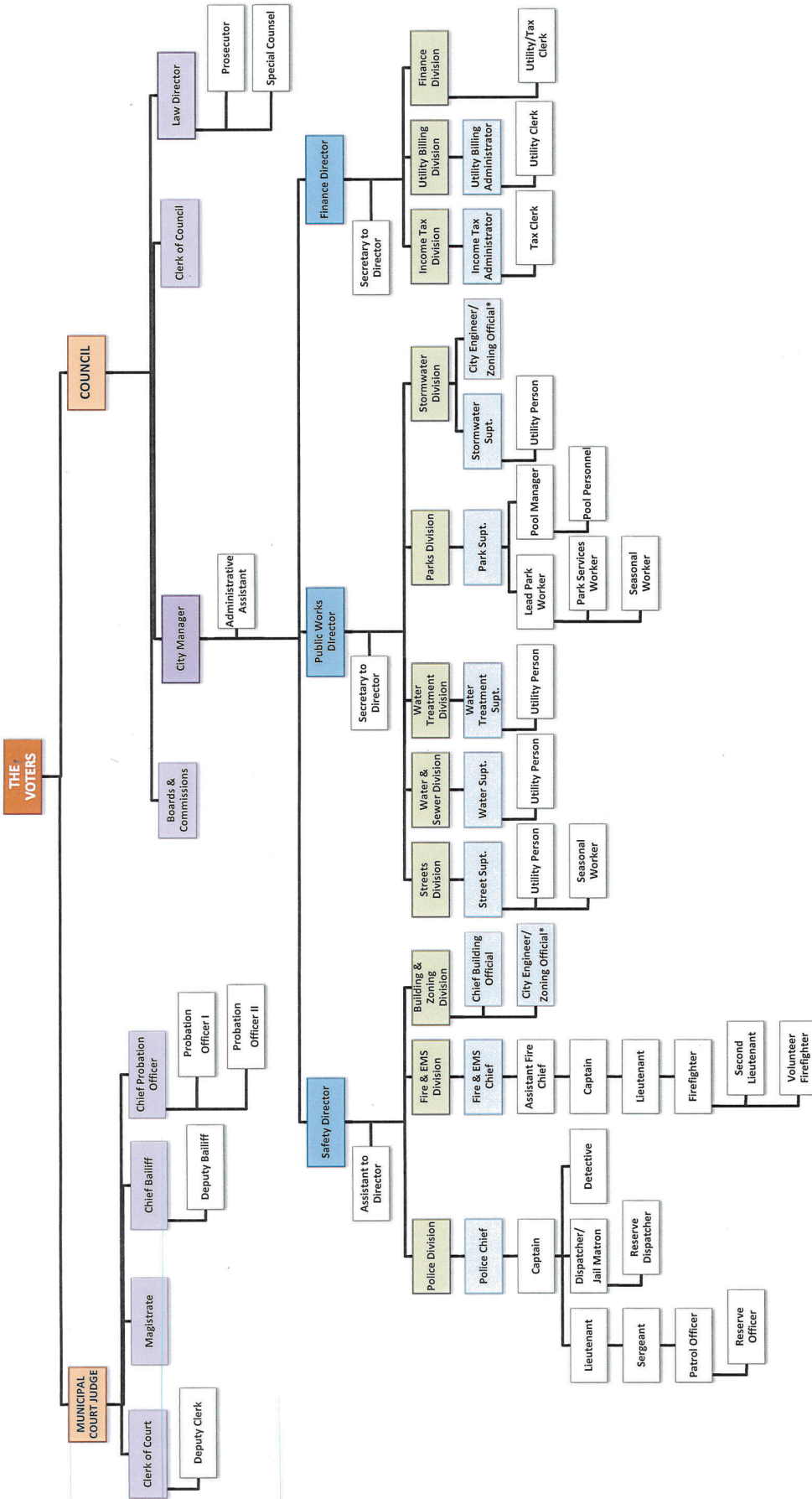
Safety Director	Jonathan Westendorf
Fire & EMS Chief	Daniel Stitzel*
Police Chief	Adam Colon
Zoning Official	Vacant*

Municipal Court:

Judge	Ronald W. Ruppert
Clerk of Courts	Nikki Simpson
Court Administrator	Mandy Weist
Chief Probation Officer	Katie Perdue

* - Fire & EMS Chief and Zoning Official are as of June 20, 2023.

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 Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2021

Christopher P. Morrill

Executive Director/CEO

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Financial Section

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor, City Council,
and City Manager
City of Franklin, Ohio

Report on the Audit of the Financial Statements

Opinions

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, Ohio (the City) as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of December 31, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparisons for the General, Fire Levy, Transportation, and American Rescue Plan Funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, and schedules of pension information and other postemployment information to be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual nonmajor fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and the schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical section but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 20, 2023, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Plattenburg & Associates, Inc.

Plattenburg & Associates, Inc.
Dayton, Ohio
June 20, 2023

City of Franklin, Ohio
Management's Discussion and Analysis
For The Year Ended December 31, 2022
(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, 2022. 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

- Changes to the State-wide pension systems' assumptions led to large changes in the net pension liability as well as deferred inflows related to pension.
- Income taxes saw an increase from the prior year due to the City working to collect on delinquent income taxes and requiring residents to pay estimated income taxes during the year
- The City's construction in progress increased as the City is working on several major infrastructure improvement projects to benefit its residents.

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.

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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, public works, and transportation.

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

REPORTING THE CITY'S MOST SIGNIFICANT FUNDS

Fund Financial Statements

Fund financial statements provide detailed information about the City's major funds – not the City as a whole. Some funds are required by State law and bond covenants. Other funds may be established by the Finance Director, with the approval of Council, to help control, manage, and report money received for a particular purpose or to show that the City is meeting legal responsibilities for the use of grants. The City of Franklin's major funds are the General, Fire Levy, Transportation, American Rescue Plan Act, 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 2022 compared to 2021.

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(Unaudited)

Table 1
Net Position

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Assets:						
Current and Other Assets	\$30,482,912	\$27,811,554	\$8,402,071	\$7,153,331	\$38,884,983	\$34,964,885
Net Pension Asset	44,400	31,649	17,273	12,316	61,673	43,965
Net OPEB Asset	515,817	295,797	200,600	115,034	716,417	410,831
Nondepreciable Capital Assets	23,237,174	21,583,020	1,126,634	1,095,364	24,363,808	22,678,384
Depreciable Capital Assets, Net	24,756,966	26,620,172	18,982,281	19,718,472	43,739,247	46,338,644
Total Assets	79,037,269	76,342,192	28,728,859	28,094,517	107,766,128	104,436,709
Deferred Outflows of Resources:						
Deferred Charge on Refunding	0	137,796	0	3,510	0	141,306
Pension	4,160,030	2,291,286	372,705	153,622	4,532,735	2,444,908
OPEB	1,084,083	1,276,033	15,643	66,361	1,099,726	1,342,394
Asset Retirement Obligation	0	0	27,250	28,250	27,250	28,250
Total Deferred Outflows of Resources	5,244,113	3,705,115	415,598	251,743	5,659,711	3,956,858
Liabilities:						
Current and Other Liabilities	2,100,322	1,276,373	423,055	433,638	2,523,377	1,710,011
Long-Term Liabilities:						
Due Within One Year	1,000,500	977,402	202,981	491,021	1,203,481	1,468,423
Due in More Than One Year:						
Net Pension Liability	9,461,209	10,554,785	577,899	992,063	10,039,108	11,546,848
Net OPEB Liability	1,399,218	1,243,955	0	0	1,399,218	1,243,955
Other Amounts	1,758,959	2,629,546	652,544	857,247	2,411,503	3,486,793
Total Liabilities	15,720,208	16,682,061	1,856,479	2,773,969	17,576,687	19,456,030
Deferred Inflows of Resources:						
Deferred Charge on Refunding	64,049	0	0	0	64,049	0
Property Taxes	2,197,000	2,161,000	0	0	2,197,000	2,161,000
Pension	4,367,198	1,955,083	836,292	456,030	5,203,490	2,411,113
OPEB	1,021,820	1,386,814	228,091	364,426	1,249,911	1,751,240
Total Deferred Inflows of Resources	7,650,067	5,502,897	1,064,383	820,456	8,714,450	6,323,353
Net Position:						
Net Investment in Capital Assets	46,027,692	45,634,920	19,504,554	19,797,199	65,532,246	65,432,119
Restricted	8,245,710	9,074,756	24,327	859,883	8,270,037	9,934,639
Unrestricted	6,637,705	3,152,673	6,694,714	4,094,753	13,332,419	7,247,426
Total Net Position	\$60,911,107	\$57,862,349	\$26,223,595	\$24,751,835	\$87,134,702	\$82,614,184

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The net pension liability (NPL) is the largest single liability reported by the City at December 31, 2022. GASB notes that pension and OPEB obligations, whether funded or unfunded, are part of the "employment exchange" – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension and other postemployment benefits. GASB noted that the unfunded portion of this promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the City is not responsible for certain key factors affecting the balance of these liabilities. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The Ohio Revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

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

Governmental activities current and other asset increased \$2,671,358 from the prior year primarily due to increases in equity in pooled cash and cash equivalents due to increased income tax collections, as well the American Rescue Plan Act grant money that was received during the year, but not spent. Cash and cash equivalents with fiscal agent and intergovernmental receivable increased due to an ongoing project that is being managed for the City by the Ohio Department of Transportation, a portion of which will be covered by a grant that has not been received by the City yet.

Deferred inflows related to pension also increased \$2,412,115 due to the State-wide pension systems' net difference between projected and actual earnings on pension plan investments.

Net pension liability in governmental activities decreased \$1,093,576 due to the State-wide pension systems' changes of assumptions.

Governmental activities unrestricted net position increased \$3,485,032 due to the decrease in the net pension liability.

Table 2 shows the changes in net position for the years ended December 31, 2022, and December 31, 2021.

City of Franklin, Ohio
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Table 2
Changes in Net Position

	Governmental		Business-Type		Total	
	Activities		Activities			
	2022	2021	2022	2021	2022	2021
Revenues:						
Program Revenues:						
Charges for Services and Sales	\$1,825,076	\$1,795,958	\$8,388,899	\$7,966,382	\$10,213,975	\$9,762,340
Operating Grants, Contributions and Interest	1,305,598	2,070,119	0	0	1,305,598	2,070,119
Capital Grants, Contributions and Interest	1,306,899	2,335,272	0	0	1,306,899	2,335,272
Total Program Revenues	4,437,573	6,201,349	8,388,899	7,966,382	12,826,472	14,167,731
General Revenues:						
Property Taxes	\$2,130,316	\$1,905,429	\$0	\$0	\$2,130,316	\$1,905,429
Income Taxes	12,044,559	9,799,231	0	0	12,044,559	9,799,231
Other Local Taxes	191,292	169,706	0	0	191,292	169,706
Grants and Entitlements	598,503	503,838	0	0	598,503	503,838
Unrestricted Investment Earnings	19,004	492,124	2,378	31	21,382	492,155
Contributions and Donations	5,000	200	0	0	5,000	200
Other	209,513	693,958	64,596	73,381	274,109	767,339
Gain on Sale of Capital Assets	0	64,620	0	0	0	64,620
Total General Revenues	15,198,187	13,629,106	66,974	73,412	15,265,161	13,702,518
Total Revenues	19,635,760	19,830,455	8,455,873	8,039,794	28,091,633	27,870,249
Program Expenses:						
General Government	3,268,650	2,080,097	0	0	3,268,650	2,080,097
Security of Persons and Property:						
Police	4,869,371	4,485,390	0	0	4,869,371	4,485,390
Fire	3,538,875	3,507,186	0	0	3,538,875	3,507,186
Other	463,306	675,165	0	0	463,306	675,165
Public Health and Welfare	5,727	8,119	0	0	5,727	8,119
Leisure Time Activities	599,061	377,753	0	0	599,061	377,753
Economic Development	56,533	56,327	0	0	56,533	56,327
Public Works	47,849	47,318	0	0	47,849	47,318
Transportation	3,746,500	1,847,223	0	0	3,746,500	1,847,223
Interest	131,130	116,794	0	0	131,130	116,794
Water	0	0	2,353,453	1,662,146	2,353,453	1,662,146
Sewer	0	0	2,645,628	2,286,852	2,645,628	2,286,852
Trash	0	0	859,247	835,386	859,247	835,386
Stormwater Utility	0	0	985,785	677,316	985,785	677,316
Total Expenses	16,727,002	13,201,372	6,844,113	5,461,700	23,571,115	18,663,072
Change in Net Position						
Before Transfers	2,908,758	6,629,083	1,611,760	2,578,094	4,520,518	9,207,177
Transfers	140,000	140,000	(140,000)	(140,000)	0	0
Change in Net Position	3,048,758	6,769,083	1,471,760	2,438,094	4,520,518	9,207,177
Beginning Net Position	57,862,349	51,093,266	24,751,835	22,313,741	82,614,184	73,407,007
Ending Net Position	\$60,911,107	\$57,862,349	\$26,223,595	\$24,751,835	\$87,134,702	\$82,614,184

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Capital grants, contributions and interest in governmental activities decreased \$1,028,373 due to the City requesting fewer grant reimbursements for capital expenses on infrastructure projects than were requested in the prior year. Income Taxes increased by \$2,245,328 due to the City working to collect on delinquent income taxes and requiring residents to pay estimated income taxes. Total expenses increased \$3,525,630 due to increases in salaries and benefits as well as inflation and overall increases in the cost of goods and services purchased by the City.

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 2022	Net Cost of Services 2022	Total Cost Of Services 2021	Net Cost of Services 2021
General Government	\$3,268,650	\$2,730,057	\$2,080,097	\$1,568,575
Security of Persons and Property:				
Police	4,869,371	4,132,899	4,485,390	3,802,404
Fire	3,538,875	2,793,884	3,507,186	2,471,840
Other	463,306	294,053	675,165	507,373
Public Health and Welfare	5,727	(15,562)	8,119	(12,699)
Leisure Time Activities	599,061	169,486	377,753	261,701
Economic Development	56,533	50,643	56,327	51,584
Basic Utility Services	47,849	47,849	47,318	47,318
Transportation	3,746,500	1,954,990	1,847,223	(1,814,867)
Interest	131,130	131,130	116,794	116,794
Total Expenses	\$16,727,002	\$12,289,429	\$13,201,372	\$7,000,023

When looking at the sources of income to support governmental activities, it should be noted that charges for services and sales are only 9.29 percent of total governmental revenue. Revenues provided by sources other than City residents in the form of operating or capital grants, contributions, and interest comprise another 13.30 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.

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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 \$498,429 during 2022. Despite revenues slightly decreasing compared to 2021, they still outpaced the increase in expenses during 2022.

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 \$996,043, during 2022, revenues continued to outpace expenditures during 2022 as both increased by approximately the same amount compared to 2021.

The Trash Fund charges fees to citizens for the collection of residential garbage. The City outsources the actual collection services. The net position of the Trash Fund saw an increase of \$127,139, during 2022, revenues continued to outpace expenditures during 2022 as both increased by approximately the same amount compared to 2021.

The Stormwater Utility Fund was established to provide a funding mechanism to support Ohio Environmental Protection Agency (OEPA) mandates associated with stormwater management. Each residence is billed a flat fee each month. For all other nonresidential properties, the fee is computed based on total impervious surfaces of the property divided by the average impervious area of an equivalent residential unit. The Stormwater Utility Fund had a decrease in net position of \$149,851 during 2022, primarily due to the overall cost of goods and services purchased by the City increasing from the prior year due to inflation.

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 \$18,577,864 and expenditures of \$17,968,101.

The General Fund's balance decreased \$251,792 as a result of revenues exceeding expenditures. Revenues increased \$2,140,249 mainly due to the City working to collect on delinquent income taxes and requiring residents to pay estimated income taxes. Expenditures and transfers increased due to increases in salaries and benefits as well as the City working on several major infrastructure improvement projects to benefit its residents.

The Fire Levy Fund's balance saw a decrease of \$673,764. Although expenditures decreased from the prior year, expenditures outpaced revenues in 2022.

The Transportation Fund's balance decreased \$932,297 due to a grant that was received in 2021 that was not received in 2022, and an increase in expenditures from the prior year due to ongoing construction projects related to infrastructure.

The American Recovery Plan Act Fund received over \$600,000 in federal funding all of which is unearned revenue as it is a reimbursable grant, but the funds were received in advance of the expenditures.

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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 \$11,373,484 and \$13,595,883, respectively. This is an increase of \$2,222,399 primarily due to the City working to collect on delinquent income taxes. The City's actual revenues were \$14,525,984 at year-end, which is a \$930,101 increase over final budgeted revenues, which is also related to the increase in income tax revenue.

Original General Fund appropriations were \$10,267,131 while final appropriations were \$11,888,886. The increase in appropriations was due to an increase in general government and capital expenditures. The City's actual expenditures were \$9,045,646 at year-end, a decrease of \$2,843,240 when compared to the final appropriations. The largest savings contributing to this decrease was within the general government expenditures. The decrease is due to the City closely monitoring expenditures.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of 2022, the City had \$47,994,140 invested in capital assets (net of accumulated depreciation) governmental activities. This is a \$209,052 decrease from the prior year due to current year depreciation of assets exceeding additions net of the construction in progress that was completed during the year. Business-type activities invested in capital assets (net of accumulated depreciation) at the end of 2022 was \$20,108,915. This is a \$704,921 decrease from the prior year due to very few current year additions exceeded by current year depreciation.

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 general obligation bonds, police and fire pension liability, and financed purchases payable in the amount of \$1,809,347 for governmental activities. Business-type activities had debt obligations at year-end consisting of Ohio Water Development Authority (OWDA) loans, and financed purchases in the amount of \$604,361. The City's long-term obligations also included compensated absences and net pension/OPEB liability for governmental and business-type activities and asset retirement obligations for business-type activities.

As of December 31, 2022, the City's overall legal debt margin (the ability to issue additional amounts of general obligation bonded debt) was \$27,530,052, with an unvoted debt margin of \$13,699,075.

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

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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, 2022

	Governmental Activities	Business-Type Activities	Totals
Assets:			
Equity in Pooled Cash and			
Cash Equivalents	\$22,852,885	\$6,834,862	\$29,687,747
Cash and Cash Equivalents with Fiscal Agent	781,706	0	781,706
Accounts Receivable	0	1,468,113	1,468,113
Intergovernmental Receivable	1,412,085	0	1,412,085
Materials and Supplies Inventory	303,023	99,096	402,119
Income Taxes Receivable	2,671,157	0	2,671,157
Property Taxes Receivable	2,219,851	0	2,219,851
Other Local Taxes Receivable	35,128	0	35,128
Special Assessments Receivable	174,988	0	174,988
Accrued Interest Receivable	20,979	0	20,979
Economic Development Property	11,110	0	11,110
Net Pension Asset	44,400	17,273	61,673
Net OPEB Asset	515,817	200,600	716,417
Nondepreciable Capital Assets	23,237,174	1,126,634	24,363,808
Depreciable Capital Assets, Net	24,756,966	18,982,281	43,739,247
Total Assets	79,037,269	28,728,859	107,766,128
Deferred Outflows of Resources:			
Pension	4,160,030	372,705	4,532,735
OPEB	1,084,083	15,643	1,099,726
Asset Retirement Obligations	0	27,250	27,250
Total Deferred Outflows of Resources	5,244,113	415,598	5,659,711
Liabilities:			
Accounts Payable	233,559	41,387	274,946
Accrued Wages and Benefits Payable	292,717	63,301	356,018
Intergovernmental Payable	214,507	32,879	247,386
Contracts Payable	134,685	135,068	269,753
Accrued Interest Payable	2,493	7,978	10,471
Matured Compensated Absences Payable	1,136	0	1,136
Refundable Deposits	0	142,442	142,442
Unearned Revenue	1,221,225	0	1,221,225
Long-Term Liabilities:			
Due Within One Year	1,000,500	202,981	1,203,481
Due in More Than One Year:			
Net Pension Liability	9,461,209	577,899	10,039,108
Net OPEB Liability	1,399,218	0	1,399,218
Other Amounts	1,758,959	652,544	2,411,503
Total Liabilities	15,720,208	1,856,479	17,576,687
Deferred Inflows of Resources:			
Deferred Charge on Refunding	64,049	0	64,049
Property Taxes	2,197,000	0	2,197,000
Pension	4,367,198	836,292	5,203,490
OPEB	1,021,820	228,091	1,249,911
Total Deferred Inflows of Resources	7,650,067	1,064,383	8,714,450
Net Position:			
Net Investment in Capital Assets	46,027,692	19,504,554	65,532,246
Restricted for:			
Debt Service	247,941	0	247,941
Capital Outlay	1,751,172	0	1,751,172
Fire Protection	1,114,758	0	1,114,758
Transportation	482,297	0	482,297
Security of Persons and Property	690,914	0	690,914
Legislative and Executive	922,485	0	922,485
Assessment of Waste Water Treatment	8,765	0	8,765
Pension/OPEB Plans	39,315	24,327	63,642
Leisure Time Activities Expendable	677,850	0	677,850
Leisure Time Activities Nonexpendable	2,310,213	0	2,310,213
Unrestricted	6,637,705	6,694,714	13,332,419
Total Net Position	\$60,911,107	\$26,223,595	\$87,134,702

See accompanying notes to the basic financial statements

CITY OF FRANKLIN, OHIO
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2022

	Program Revenues			
	Expenses	Charges for Services and Sales	Operating Grants, Contributions and Interest	Capital Grants, Contributions and Interest
Governmental Activities:				
General Government	\$3,268,650	\$538,593	\$0	\$0
Security of Persons and Property:				
Police	4,869,371	608,036	128,436	0
Fire	3,538,875	386,943	358,048	0
Other	463,306	169,253	0	0
Public Health and Welfare	5,727	8,596	12,693	0
Leisure Time Activities	599,061	96,132	58,443	275,000
Economic Development	56,533	0	5,890	0
Public Works	47,849	0	0	0
Transportation	3,746,500	17,523	742,088	1,031,899
Interest	131,130	0	0	0
Total Governmental Activities	16,727,002	1,825,076	1,305,598	1,306,899
Business-Type Activities:				
Water	2,353,453	2,883,555	0	0
Sewer	2,645,628	3,685,150	0	0
Trash	859,247	986,266	0	0
Stormwater Utility	985,785	833,928	0	0
Total Business-Type Activities	6,844,113	8,388,899	0	0
Total Activities	\$23,571,115	\$10,213,975	\$1,305,598	\$1,306,899

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 Investment Earnings

Contributions and Donations

Other

Transfers

Total General Revenues and Transfers

Change in Net Position

Net Position at Beginning of Year

Net Position at End of Year

See accompanying notes to the basic financial statements

Net (Expense) Revenue and Changes in Net Position

Governmental Activities	Business-Type Activities	Total
(\$2,730,057)	\$0	(\$2,730,057)
(4,132,899)	0	(4,132,899)
(2,793,884)	0	(2,793,884)
(294,053)	0	(294,053)
15,562	0	15,562
(169,486)	0	(169,486)
(50,643)	0	(50,643)
(47,849)	0	(47,849)
(1,954,990)	0	(1,954,990)
(131,130)	0	(131,130)
<u>(12,289,429)</u>	<u>0</u>	<u>(12,289,429)</u>
0	530,102	530,102
0	1,039,522	1,039,522
0	127,019	127,019
0	(151,857)	(151,857)
<u>0</u>	<u>1,544,786</u>	<u>1,544,786</u>
<u>(12,289,429)</u>	<u>1,544,786</u>	<u>(10,744,643)</u>
555,519	0	555,519
1,365,461	0	1,365,461
209,336	0	209,336
12,044,559	0	12,044,559
191,292	0	191,292
598,503	0	598,503
19,004	2,378	21,382
5,000	0	5,000
209,513	64,596	274,109
140,000	(140,000)	0
<u>15,338,187</u>	<u>(73,026)</u>	<u>15,265,161</u>
3,048,758	1,471,760	4,520,518
<u>57,862,349</u>	<u>24,751,835</u>	<u>82,614,184</u>
<u>\$60,911,107</u>	<u>\$26,223,595</u>	<u>\$87,134,702</u>

CITY OF FRANKLIN, OHIO
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2022

	General Fund	Fire Levy Fund	Transportation Fund	American Rescue Plan Act Fund
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$9,651,227	\$1,353,580	\$1,249,480	\$1,221,225
Cash and Cash Equivalents with Fiscal Agent	0	0	0	0
Restricted Assets:				
Equity in Pooled Cash and Cash Equivalents	611,413	0	0	0
Materials and Supplies Inventory	9,584	57,781	234,499	0
Intergovernmental Receivable	148,028	61,688	410,076	0
Income Taxes Receivable	2,671,157	0	0	0
Property Taxes Receivable	569,373	1,428,990	0	0
Other Local Taxes Receivable	35,128	0	0	0
Interfund Receivable	1,250,000	0	0	0
Special Assessments Receivable	0	0	44,495	0
Accrued Interest Receivable	20,979	0	0	0
Total Assets	\$14,966,889	\$2,902,039	\$1,938,550	\$1,221,225
Liabilities:				
Accounts Payable	\$133,637	\$27,305	\$54,387	\$0
Accrued Wages and Benefits Payable	183,937	79,379	24,654	0
Intergovernmental Payable	81,536	21,162	12,908	0
Contracts Payable	56,120	0	1,082	0
Matured Compensated Absences Payable	0	1,136	0	0
Interfund Payable	0	0	1,250,000	0
Unearned Revenue	0	0	0	1,221,225
Total Liabilities	455,230	128,982	1,343,031	1,221,225
Deferred Inflows of Resources:				
Property Taxes	563,000	1,415,000	0	0
Unavailable Revenue	2,034,674	71,853	387,285	0
Total Deferred Inflows of Resources	2,597,674	1,486,853	387,285	0
Fund Balances:				
Nonspendable	39,150	57,781	234,499	0
Restricted	0	1,228,423	0	0
Committed	0	0	0	0
Assigned	9,771,101	0	0	0
Unassigned (Deficit)	2,103,734	0	(26,265)	0
Total Fund Balances	11,913,985	1,286,204	208,234	0
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$14,966,889	\$2,902,039	\$1,938,550	\$1,221,225

See accompanying notes to the basic financial statements

Nonmajor Governmental Funds	Total Governmental Funds
\$8,765,960	\$22,241,472
781,706	781,706
0	611,413
1,159	303,023
792,293	1,412,085
0	2,671,157
221,488	2,219,851
0	35,128
0	1,250,000
130,493	174,988
0	20,979
<u>\$10,693,099</u>	<u>\$31,721,802</u>
\$18,230	\$233,559
4,747	292,717
98,901	214,507
77,483	134,685
0	1,136
0	1,250,000
0	1,221,225
<u>199,361</u>	<u>3,347,829</u>
219,000	2,197,000
<u>925,274</u>	<u>3,419,086</u>
<u>1,144,274</u>	<u>5,616,086</u>
2,311,372	2,642,802
4,209,331	5,437,754
488,459	488,459
2,434,583	12,205,684
(94,281)	1,983,188
<u>9,349,464</u>	<u>22,757,887</u>
<u>\$10,693,099</u>	<u>\$31,721,802</u>

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CITY OF FRANKLIN, OHIO
RECONCILIATION OF TOTAL GOVERNMENTAL FUND
BALANCES TO NET POSITION OF GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2022

Total Governmental Fund Balances		\$22,757,887
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.		47,994,140
Economic development property is not a financial resource and therefore is not reported in the funds.		11,110
Other long-term assets are not available to pay for current-period expenditures and therefore are offset by deferred inflows of resources in the funds:		
Delinquent Property Taxes	21,941	
Income Taxes	1,855,728	
Other Local Taxes	29,786	
Special Assessments	174,988	
Intergovernmental	1,319,715	
Interest	16,928	
Total		3,419,086
In the Statement of Activities, interest is accrued on long-term debt, whereas in governmental funds, an interest expenditure is reported when due.		(2,493)
Deferred inflows of resources represent deferred charges on refundings which do not provide current financial resources and, therefore, are not reported in the funds.		(64,049)
The net pension and net OPEB liabilities are not due and payable in the current period; therefore, the liabilities and related deferred inflows/outflows are not reported in governmental funds.		
Net Pension Asset	44,400	
Net OPEB Asset	515,817	
Deferred Outflows - Pension	4,160,030	
Deferred Outflows - OPEB	1,084,083	
Net Pension Liability	(9,461,209)	
Net OPEB Liability	(1,399,218)	
Deferred Inflows - Pension	(4,367,198)	
Deferred Inflows - OPEB	(1,021,820)	
Total		(10,445,115)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:		
General Obligation Bonds	(1,515,000)	
Financed Purchases	(252,714)	
Police and Fire Pension	(41,633)	
Compensated Absences	(950,112)	
Total		(2,759,459)
Net Position of Governmental Activities		\$60,911,107

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, 2022

	General Fund	Fire Levy Fund	Transportation Fund
Revenues:			
Property Taxes	\$556,388	\$1,371,558	\$0
Income Taxes	11,665,369	0	0
Other Local Taxes	77,417	0	114,718
Special Assessments	0	0	60,384
Charges for Services	168,936	424,131	0
Fines, Licenses, Permits, and Settlements	805,775	0	3,927
Intergovernmental	600,961	240,147	744,723
Investment Earnings	63,770	0	19,948
Contributions and Donations	0	800	0
Other	150,533	40,967	6,778
Total Revenues	14,089,149	2,077,603	950,478
Expenditures:			
Current:			
General Government	3,531,470	0	0
Security of Persons and Property:			
Police	4,131,453	0	0
Fire	0	2,659,083	0
Other	372,264	0	0
Public Health and Welfare	0	0	0
Leisure Time Activities	180,524	0	0
Economic Development	0	0	0
Transportation	0	0	1,157,590
Capital Outlay	639,293	0	1,238,915
Debt Service:			
Principal Retirement	0	0	79,261
Interest	0	0	7,009
Issuance Costs	0	0	0
Payment to Refunded Bond Escrow Agent	0	0	0
Total Expenditures	8,855,004	2,659,083	2,482,775
Excess of Revenues Over (Under)			
Expenditures	5,234,145	(581,480)	(1,532,297)
Other Financing Sources (Uses):			
Refunding Bonds Issued	0	0	0
Transfers In	0	649,525	600,000
Payment to Refunded Bond Escrow Agent	0	0	0
Transfers Out	(5,485,937)	(741,809)	0
Total Other Financing Sources (Uses)	(5,485,937)	(92,284)	600,000
Net Change in Fund Balances	(251,792)	(673,764)	(932,297)
Fund Balances at Beginning of Year	12,165,777	1,959,968	1,140,531
Fund Balances at End of Year	\$11,913,985	\$1,286,204	\$208,234

See accompanying notes to the basic financial statements

Nonmajor Governmental Funds	Total Governmental Funds
\$209,677	\$2,137,623
0	11,665,369
0	192,135
167,472	227,856
16,357	609,424
268,294	1,077,996
815,288	2,401,119
(63,900)	19,818
13,724	14,524
33,722	232,000
<u>1,460,634</u>	<u>18,577,864</u>
177,374	3,708,844
595,710	4,727,163
558,461	3,217,544
91,042	463,306
5,727	5,727
432,266	612,790
56,533	56,533
684,713	1,842,303
629,454	2,507,662
634,774	714,035
38,272	45,281
31,500	31,500
35,413	35,413
<u>3,971,239</u>	<u>17,968,101</u>
<u>(2,510,605)</u>	<u>609,763</u>
1,965,000	1,965,000
5,118,221	6,367,746
(1,965,000)	(1,965,000)
0	(6,227,746)
<u>5,118,221</u>	<u>140,000</u>
2,607,616	749,763
<u>6,741,848</u>	<u>22,008,124</u>
<u>\$9,349,464</u>	<u>\$22,757,887</u>

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, 2022

Net Change in Fund Balances - Total Governmental Funds \$749,763

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

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

Construction in Progress Additions	2,480,817
Capital Assets Additions	26,845
Current Year Depreciation	(2,716,714)

Excess of depreciation expense over capital outlay (209,052)

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	(7,307)
Income Taxes	379,190
Other Local Taxes	(843)
Special Assessments	(47,405)
Charges for Services	(37,568)
Fines, Licenses, Permits, and Settlements	(5,227)
Intergovernmental	800,357
Investment Earnings and Other Interest	(814)
Other	(22,487)

Total 1,057,896

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

Pension	1,127,023
OPEB	19,310

Total 1,146,333

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

Pension	(564,067)
OPEB	218,491

Total (\$345,576)

(Continued)

CITY OF FRANKLIN, OHIO
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2022
(Continued)

Repayment of long-term obligations is reported as an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.		
Bond Principal Retirement	\$450,000	
Payment to Refunded Bond Escrow Agent	1,965,000	
Police and Fire Pension Principal Retirement	2,468	
Financed Purchase Principal Retirement	261,567	
Total Long-Term Debt Repayment		2,679,035
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	147,659	
Amortization of Deferred Charge on Refunding	(201,845)	
Accrued Interest	3,750	
Total		(50,436)
Bond Proceeds are Other Financing Sources in governmental funds but the issuance increases long-term liabilities on the statement of net position.		
		(1,965,000)
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:		
Increase in Compensated Absences		(14,205)
Change in Net Position of Governmental Activities		\$3,048,758
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, 2022

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues:				
Property Taxes	\$546,000	\$546,000	\$556,388	\$10,388
Income Taxes	9,079,929	11,178,125	11,714,336	536,211
Other Local Taxes	60,634	50,000	77,645	27,645
Charges for Services	132,095	341,300	170,620	(170,680)
Fines, Licenses, Permits, and Settlements	618,249	756,850	798,033	41,183
Intergovernmental	462,334	469,008	596,384	127,376
Investment Earnings and Other Interest	359,472	160,000	464,227	304,227
Other	114,771	94,600	148,351	53,751
Total Revenues	11,373,484	13,595,883	14,525,984	930,101
Expenditures:				
Current:				
General Government	4,435,103	4,792,006	3,580,964	1,211,042
Security of Persons and Property:				
Police	4,578,921	4,768,586	4,143,406	625,180
Other	434,400	537,655	426,224	111,431
Leisure Time Activities	243,250	245,551	179,917	65,634
Capital Outlay	575,457	1,545,088	715,135	829,953
Total Expenditures	10,267,131	11,888,886	9,045,646	2,843,240
Excess of Revenues Over Expenditures	1,106,353	1,706,997	5,480,338	3,773,341
Other Financing Sources (Uses):				
Proceeds from Sale of Capital Assets	1,000	1,000	76,005	75,005
Advances In	0	1,850,000	0	(1,850,000)
Advances Out	(1,000,000)	(1,900,000)	(1,250,000)	650,000
Transfers Out	(3,638,611)	(6,073,366)	(5,485,937)	587,429
Total Other Financing Sources (Uses)	(4,637,611)	(6,122,366)	(6,659,932)	(537,566)
Net Change in Fund Balance	(3,531,258)	(4,415,369)	(1,179,594)	3,235,775
Fund Balance at Beginning of Year	11,262,302	11,262,302	11,262,302	0
Prior Year Encumbrances Appropriated	142,706	142,706	142,706	0
Fund Balance at End of Year	\$7,873,750	\$6,989,639	\$10,225,414	\$3,235,775

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, 2022

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues:				
Property Taxes	\$1,402,000	\$1,402,000	\$1,371,558	(\$30,442)
Charges for Services	581,408	263,000	453,877	190,877
Intergovernmental	308,764	240,176	240,147	(29)
Contributions and Donations	0	0	800	800
Other	57,828	40,000	45,107	5,107
Total Revenues	<u>2,350,000</u>	<u>1,945,176</u>	<u>2,111,489</u>	<u>166,313</u>
Expenditures:				
Current:				
Security of Persons and Property:				
Fire	3,370,419	3,426,419	2,776,771	649,648
Excess of Revenues Under Expenditures	<u>(1,020,419)</u>	<u>(1,481,243)</u>	<u>(665,282)</u>	<u>815,961</u>
Other Financing Sources (Uses):				
Proceeds from Sale of Capital Assets	0	0	7,671	7,671
Transfers In	500,000	818,064	649,525	(168,539)
Transfers Out	(683,000)	(769,715)	(741,809)	27,906
Total Other Financing Sources (Uses)	<u>(183,000)</u>	<u>48,349</u>	<u>(84,613)</u>	<u>(132,962)</u>
Net Change in Fund Balance	(1,203,419)	(1,432,894)	(749,895)	682,999
Fund Balance at Beginning of Year	1,987,239	1,987,239	1,987,239	0
Prior Year Encumbrances Appropriated	34,169	34,169	34,169	0
Fund Balance at End of Year	<u>\$817,989</u>	<u>\$588,514</u>	<u>\$1,271,513</u>	<u>\$682,999</u>

See accompanying notes to the basic financial statements

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, 2022

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues:				
Other Local Taxes	\$66,655	\$120,000	\$114,718	(\$5,282)
Special Assessments	35,110	35,000	60,384	25,384
Fines, Licenses, Permits, and Settlements	2,304	12,000	3,999	(8,001)
Intergovernmental	431,969	1,974,034	743,158	(1,230,876)
Investment Earnings and Other Interest	11,575	8,750	19,948	11,198
Other	987	2,200	1,660	(540)
Total Revenues	548,600	2,151,984	943,867	(1,208,117)
Expenditures:				
Current:				
Transportation	800,731	1,292,281	1,155,142	137,139
Capital Outlay	901,580	1,774,454	1,466,034	308,420
Debt Service:				
Principal Retirement	79,261	79,261	79,261	0
Interest	7,009	7,009	7,009	0
Total Expenditures	1,788,581	3,153,005	2,707,446	445,559
Excess of Revenues Under Expenditures	(1,239,981)	(1,001,021)	(1,763,579)	(762,558)
Other Financing Sources (Uses):				
Proceeds from Sale of Capital Assets	0	0	5,250	5,250
Advances In	500,000	1,250,000	1,250,000	0
Transfers In	500,000	600,000	600,000	0
Transfers Out	0	(1,250,000)	0	1,250,000
Total Other Financing Sources (Uses)	1,000,000	600,000	1,855,250	1,255,250
Net Change in Fund Balance	(239,981)	(401,021)	91,671	492,692
Fund Balance at Beginning of Year	911,659	911,659	911,659	0
Prior Year Encumbrances Appropriated	8,681	8,681	8,681	0
Fund Balance at End of Year	\$680,359	\$519,319	\$1,012,011	\$492,692

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)
AMERICAN RESCUE PLAN ACT FUND
FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
Revenues:				
Intergovernmental	\$613,100	\$613,100	\$613,040	(\$60)
Expenditures:				
Capital Outlay	<u>608,185</u>	<u>608,185</u>	<u>0</u>	<u>608,185</u>
				0
Net Change in Fund Balance	4,915	4,915	613,040	608,125
Fund Balance at Beginning of Year	<u>608,185</u>	<u>608,185</u>	<u>608,185</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$613,100</u></u>	<u><u>\$613,100</u></u>	<u><u>\$1,221,225</u></u>	<u><u>\$608,125</u></u>

See accompanying notes to the basic financial statements

CITY OF FRANKLIN, OHIO
STATEMENT OF FUND NET POSITION
ENTERPRISE FUNDS
DECEMBER 31, 2022

	Water Fund	Sewer Fund	Trash Fund	Stormwater Utility Fund	Total
Assets:					
Current Assets:					
Equity in Pooled Cash and Cash Equivalents	\$3,333,224	\$2,095,494	\$410,196	\$853,506	\$6,692,420
Materials and Supplies Inventory	99,096	0	0	0	99,096
Accounts Receivable	602,891	741,140	79,753	44,329	1,468,113
Total Current Assets	4,035,211	2,836,634	489,949	897,835	8,259,629
Noncurrent Assets:					
Restricted Assets:					
Equity in Pooled Cash and Cash Equivalents	71,957	70,485	0	0	142,442
Net Pension Asset	10,487	3,086	617	3,083	17,273
Net OPEB Asset	121,790	35,822	7,167	35,821	200,600
Nondepreciable Capital Assets	1,051,634	37,500	0	37,500	1,126,634
Depreciable Capital Assets, Net	8,407,949	3,551,594	0	7,022,738	18,982,281
Total Noncurrent Assets	9,663,817	3,698,487	7,784	7,099,142	20,469,230
Total Assets	13,699,028	6,535,121	497,733	7,996,977	28,728,859
Deferred Outflows of Resources:					
Pension	270,481	46,794	9,199	46,231	372,705
OPEB	15,386	117	24	116	15,643
Asset Retirement Obligations	0	27,250	0	0	27,250
Total Deferred Outflows of Resources	285,867	74,161	9,223	46,347	415,598
Liabilities:					
Current Liabilities:					
Accounts Payable	31,743	4,212	1,351	4,081	41,387
Accrued Wages and Benefits Payable	41,777	9,895	951	10,678	63,301
Contracts Payable	0	135,068	0	0	135,068
Intergovernmental Payable	20,698	6,094	746	5,341	32,879
Accrued Interest Payable	7,978	0	0	0	7,978
Compensated Absences Payable	41,635	13,137	638	7,880	63,290
Financed Purchase Payable	25,779	9,548	0	29,817	65,144
OWDA Loans Payable	74,547	0	0	0	74,547
Total Current Liabilities	244,157	177,954	3,686	57,797	483,594
Long Term Liabilities:					
Compensated Absences Payable	79,912	26,247	4,307	17,408	127,874
Financed Purchase Payable	0	0	0	42,089	42,089
OWDA Loans Payable	422,581	0	0	0	422,581
Refundable Deposits	71,957	70,485	0	0	142,442
Asset Retirement Obligations	0	60,000	0	0	60,000
Net Pension Liability	350,865	103,196	20,639	103,199	577,899
Total Long Term Liabilities	925,315	259,928	24,946	162,696	1,372,885
Total Liabilities	\$1,169,472	\$437,882	\$28,632	\$220,493	\$1,856,479

(Continued)

CITY OF FRANKLIN, OHIO
STATEMENT OF FUND NET POSITION
ENTERPRISE FUNDS
DECEMBER 31, 2022
(Continued)

	Water Fund	Sewer Fund	Trash Fund	Stormwater Utility Fund	Total
Deferred Inflows of Resources:					
Pension	\$433,476	\$218,427	\$25,756	\$158,633	\$836,292
OPEB	128,142	50,228	7,610	42,111	228,091
Total Deferred Inflows of Resources	<u>561,618</u>	<u>268,655</u>	<u>33,366</u>	<u>200,744</u>	<u>1,064,383</u>
Net Position:					
Net Investment in Capital Assets	8,936,676	3,579,546	0	6,988,332	19,504,554
Restricted for:					
Pension and OPEB Plans	17,229	3,551	547	3,000	24,327
Unrestricted	3,299,900	2,319,648	444,411	630,755	6,694,714
Total Net Position	<u>\$12,253,805</u>	<u>\$5,902,745</u>	<u>\$444,958</u>	<u>\$7,622,087</u>	<u>\$26,223,595</u>

See accompanying notes to the basic financial statements

CITY OF FRANKLIN, OHIO
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2022

	Water Fund	Sewer Fund	Trash Fund	Stormwater Utility Fund	Total
Operating Revenues:					
Charges for Services	\$2,883,555	\$3,685,150	\$986,266	\$833,928	\$8,388,899
Operating Expenses:					
Personal Services	768,151	158,052	39,849	182,578	1,148,630
Contractual Services	945,689	2,264,578	818,881	334,718	4,363,866
Materials and Supplies	248,660	47,420	517	26,352	322,949
Depreciation	348,731	174,693	0	439,182	962,606
Other	925	0	0	0	925
Total Operating Expenses	2,312,156	2,644,743	859,247	982,830	6,798,976
Operating Income (Loss)	571,399	1,040,407	127,019	(148,902)	1,589,923
Non-Operating Revenues (Expenses):					
Investment Earnings and Other Interest	2,378	0	0	0	2,378
Other Non-Operating Revenues	40,949	21,521	120	2,006	64,596
Interest	(41,297)	(885)	0	(2,955)	(45,137)
Total Non-Operating Revenues (Expenses)	2,030	20,636	120	(949)	21,837
Income (Loss) Before Transfers	573,429	1,061,043	127,139	(149,851)	1,611,760
Transfers Out	(75,000)	(65,000)	0	0	(140,000)
Change in Net Position	498,429	996,043	127,139	(149,851)	1,471,760
Net Position at Beginning of Year	11,755,376	4,906,702	317,819	7,771,938	24,751,835
Net Position at End of Year	\$12,253,805	\$5,902,745	\$444,958	\$7,622,087	\$26,223,595

See accompanying notes to the basic financial statements

CITY OF FRANKLIN, OHIO
STATEMENT OF CASH FLOWS
ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2022

	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	\$2,917,949	\$3,904,153	\$977,485	\$824,587	\$8,624,174
Cash Paid for Employee Services and Benefits	(984,013)	(288,046)	(55,850)	(310,152)	(1,638,061)
Cash Paid to Suppliers for Goods and Services	(1,174,500)	(2,353,290)	(820,258)	(365,139)	(4,713,187)
Utility Deposits Received	16,900	15,300	0	0	32,200
Utility Deposits Returned	(18,358)	(18,230)	0	0	(36,588)
Other Operating Expenses	(925)	0	0	0	(925)
Other Non-Operating Revenues	45,124	21,753	131	2,085	69,093
Net Cash Provided by Operating Activities	802,177	1,281,640	101,508	151,381	2,336,706
<u>Cash Flows from Noncapital Financing Activities:</u>					
Transfers Out to Other Funds	(75,000)	(65,000)	0	0	(140,000)
<u>Cash Flows from Capital and Related Financing Activities:</u>					
Acquisition of Capital Assets	(200,442)	0	0	(57,243)	(257,685)
Interest Paid on OWDA Loans	(22,038)	0	0	0	(22,038)
Principal Paid on OWDA Loans	(71,533)	0	0	0	(71,533)
Interest Paid on Mortgage Revenue Bonds	(14,777)	0	0	0	(14,777)
Principal Paid on Mortgage Revenue Bonds	(275,000)	0	0	0	(275,000)
Interest Paid on Financed Purchases	(2,388)	(885)	0	(2,955)	(6,228)
Principal Paid on Financed Purchases	(24,612)	(9,115)	0	(28,886)	(62,613)
Net Cash Used for Capital and Related Financing Activities	(610,790)	(10,000)	0	(89,084)	(709,874)
<u>Cash Flows from Investing Activities:</u>					
Interest	2,378	0	0	0	2,378
Net Increase in Cash and Cash Equivalents	118,765	1,206,640	101,508	62,297	1,489,210
Cash and Cash Equivalents at Beginning of Year	3,286,416	959,339	308,688	791,209	5,345,652
Cash and Cash Equivalents at End of Year	\$3,405,181	\$2,165,979	\$410,196	\$853,506	\$6,834,862

(Continued)

CITY OF FRANKLIN, OHIO
STATEMENT OF CASH FLOWS
ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2022
(Continued)

	Water Fund	Sewer Fund	Trash Fund	Stormwater Utility Fund	Totals
Reconciliation of Operating Income (Loss) to <u>Net Cash Provided by Operating Activities:</u>					
Operating Income (Loss)	\$571,399	\$1,040,407	\$127,019	(\$148,902)	\$1,589,923
Adjustments to Reconcile Operating Income (Loss) <u>to Net Cash Provided by Operating Activities:</u>					
Depreciation Expense	348,731	174,693	0	439,182	962,606
Other Non-Operating Revenues	45,124	21,753	131	2,085	69,093
Decrease (Increase) in Assets:					
Materials and Supplies Inventory	698	0	0	0	698
Accounts Receivable	34,394	219,003	(8,781)	(9,341)	235,275
Net Pension Asset	(1,196)	(352)	(71)	(352)	(1,971)
Net OPEB Asset	1,764	519	103	519	2,905
Deferred Outflows - Pension	172,516	49,711	6,644	38,717	267,588
Deferred Outflows - OPEB	59,747	16,145	3,019	15,444	94,355
Deferred Outflows - ARO	0	1,000	0	0	1,000
Increase (Decrease) in Liabilities:					
Accounts Payable	18,434	(52,198)	(860)	(4,069)	(38,693)
Accrued Wages and Benefits Payable	4,919	2,209	153	2,532	9,813
Contracts Payable	0	9,906	0	0	9,906
Intergovernmental Payable	4,923	1,618	84	930	7,555
Compensated Absences Payable	(39,063)	(1,230)	(910)	(35,754)	(76,957)
Net Pension Liability	(20,158)	(5,930)	(1,186)	(5,928)	(33,202)
Refundable Deposits Payable	(1,458)	(2,930)	0	0	(4,388)
Deferred Inflows - Pension	(243,071)	(138,014)	(14,600)	(94,672)	(490,357)
Deferred Inflows - OPEB	(155,526)	(54,670)	(9,237)	(49,010)	(268,443)
Total Adjustments	230,778	241,233	(25,511)	300,283	746,783
Net Cash Provided by Operating Activities	\$802,177	\$1,281,640	\$101,508	\$151,381	\$2,336,706

See accompanying notes to the basic financial statements

CITY OF FRANKLIN, OHIO
STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUND
DECEMBER 31, 2022

	Municipal Court Fund
Assets:	
Cash in Segregated Accounts	<u>\$113,176</u>
Liabilities:	
Due to Other Governments	<u>\$113,176</u>

See accompanying notes to the basic financial statements

CITY OF FRANKLIN, OHIO
 STATEMENT OF CHANGE IN FIDUCIARY NET POSITION
 CUSTODIAL FUND
 FOR THE YEAR ENDED DECEMBER 31, 2022

	Municipal Court Fund
Additions:	
Fines, Licenses, Permits, and Settlements for Other Governments	\$1,355,488
Deductions:	
Distributions to the State of Ohio	625,861
Distributions to Other Governments	729,627
Total Deductions	1,355,488
Change in Net Position	0
Net Position at Beginning of Year	0
Net Position at End of Year	\$0

See accompanying notes to the basic financial statements

CITY OF FRANKLIN, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

Note 1 – Description of the City and Reporting Entity

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

Reporting Entity

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

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

The City participates in one shared risk pool, and two jointly governed organizations. These organizations are presented in Note 18 of the basic financial statements. These organizations are:

Shared Risk Pool:

Ohio Plan Risk Management, Inc. (OPRM)

Jointly Governed Organizations:

Warren County General Health District

Warren County Fire Response and Life Safety Council of Governments

Note 2 – Summary of Significant Accounting Policies

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

Basis of Presentation

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

CITY OF FRANKLIN, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

Government-Wide Financial Statements

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

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

Fund Financial Statements

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

Fund Accounting

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

Governmental Funds

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

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

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

CITY OF FRANKLIN, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

Transportation Fund – This fund accounts for and reports gasoline tax and motor vehicle license fees restricted for routine maintenance of streets and State highways within the City.

American Rescue Plan Act Fund – This fund is used to account for and report monies received from the federal American Rescue Plan Act, whose use is restricted for local Coronavirus relief.

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

Proprietary Funds

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

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

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

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

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

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

Fiduciary Funds

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

Measurement Focus

Government-Wide Financial Statements

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

CITY OF FRANKLIN, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

Fund Financial Statements

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

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

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

Basis of Accounting

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

Revenues - Exchange and Non-Exchange Transactions

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

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

CITY OF FRANKLIN, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

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

Deferred Outflows/Inflows of Resources

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

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets 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 deferred charges on refunding, property taxes, pension, OPEB, and unavailable revenue. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is amortized over the shorter of the life of the refunded or refunding debt. Property taxes represent amounts for which there is an enforceable legal claim as of December 31, 2022, but which were levied to finance fiscal year 2023 operations. These amounts have been recorded as deferred inflows on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet and represents receivables that will not be collected within the available period. For the City, unavailable revenue includes delinquent property taxes, other local taxes, income taxes, special assessments, accounts receivable, intergovernmental receivables, including grants, and interest. These amounts are deferred and recognized as inflows of resources in the period when the amounts become available. The details of these unavailable revenues are identified on the Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities found on page 19. Deferred inflows of resources related to pension and OPEB plans are reported on the government-wide Statement of Net Position (See Notes 12 and 13).

Expenses/Expenditures

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

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

Unearned Revenue

Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied. The City recognizes unearned revenue for intergovernmental revenue received before the eligibility requirements are met.

CITY OF FRANKLIN, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

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 deposited money with the Ohio Department of Transportation (ODOT) for a project that ODOT is managing on-behalf of the City which is presented on the financial statements as "Cash and Cash Equivalents with Fiscal Agent." The City maintains separate funds for unclaimed monies, employee retirement benefits, and customer utility deposits, which are presented on the financial statements as "Restricted Assets: Equity in Pooled Cash and Cash Equivalents."

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

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

For 2022, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, twenty-four hours advance notice is appreciated for deposits and withdrawals of \$100 million or more. STAR Ohio reserves the right to limit the transactions to \$250 million per day, requiring the excess amount to be transacted the following business day(s), but only to the \$250 million limit. All accounts of the participant will be combined for these purposes.

Following Ohio statutes, the City has, by resolution, specified the funds to receive an allocation of interest earnings. Investment earnings credited to the General Fund during 2022 amounted to \$63,770, which includes \$56,126 assigned from other City funds.

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

Restricted Assets

Assets are reported as restricted when limitations on their use change the nature or normal understanding of the availability of the asset. Such constraints are either externally imposed by creditors, contributors, grantors, or laws of other governments, or imposed by law through constitutional provisions or enabling legislation. Restricted assets in the General Fund represent cash and cash equivalents legally required to be set aside by the City for unclaimed monies and employee retirement benefits. Restricted assets in the enterprise funds represent cash and cash equivalents for water and sewer customer deposits. Restricted assets in the enterprise funds represent amounts held in trust by the pension and OPEB plans for future benefits.

CITY OF FRANKLIN, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

Economic Development Property

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

Inventory

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

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

Capital Assets

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

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

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

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

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

CITY OF FRANKLIN, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

Compensated Absences

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

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

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

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

Accrued Liabilities and Long-Term Obligations

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

Pensions/Other Postemployment Benefits (OPEB)

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

Fund Balance

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

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

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

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

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

Assigned - Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. These amounts are assigned by City Council. In the General Fund and General Capital Improvements 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 2023 appropriations that exceed estimated resources. The Bond Retirement Fund has an assigned balance due to transfers from governmental and business-type funds to support required debt service payments.

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

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

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Net Position

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

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

Internal Activity

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

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

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

Budgetary Process

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

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

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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.

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

Operating Revenues and Expenses

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

Estimates

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

OneOhio Opioid Settlement Monies

During 2021, Ohio reached an agreement with the three largest distributors of opioids. Although the settlement has been reached, uncertainties remain related to measurement. As a participating subdivision, the City received the first of eighteen distributions in 2022. This distribution of \$4,624 is reflected as fines, licenses, permits and settlements revenue in the OneOhio Special Revenue Fund in the accompanying financial statements.

Note 3 – Change in Accounting Principles

For fiscal year 2022, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases* and related guidance from (GASB) Implementation Guide No. 2019-3, *Leases*. The City also implemented GASB Statement No. 91, *Conduit Debt Obligations*, GASB Statement No. 92, *Omnibus 2020*, GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*, and *Implementation Guide No. 2020-1*.

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GASB Statement 87 enhances the relevance and consistency of information of the government's leasing activities. It establishes requirements for lease accounting based on the principle that leases are financings of the right to use an underlying asset. A lessee is required to recognize a lease liability and an intangible right to use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. The City did not have any contracts that met the GASB 87 definition of a lease.

GASB 91 clarifies the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures.

GASB 92 addresses a variety of topics including reporting by public entity risk pools for amounts that are recoverable from reinsurers or excess insurers and references to nonrecurring fair value measurements of assets or liabilities in authoritative literature. These changes did not impact the City's financial statements.

GASB 97, among other items, requires that a Section 457 plan be classified as either a pension plan or an other employee benefit plan depending on whether the plan meets the definition of a pension plan.

The changes for GASB 87, GASB 91, and GASB 97 were incorporated in the City's 2022 financial statements; however, there was no effect on beginning net position/fund balance.

Note 4 – Accountability

At December 31, 2022, the Transportation fund and Police and Fire Pension fund, which are both special revenue funds, had deficit fund balances of \$26,265 and \$94,281, respectively.

These deficits are the result of the recognition of payables in accordance with generally accepted accounting principles as well as short-term interfund loans from the General Fund needed for operations until the receipt of grant monies. The General Fund provides transfers to cover deficit balances; however, this is done when cash is needed rather than when accruals occur.

Note 5 – Budgetary Basis of Accounting

While reporting financial position, results of operations, and changes in fund balance on the basis of GAAP, the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The statement of revenues, expenditures and changes in fund balance - budget and actual (budget basis) - General Fund and Fire Levy, Transportation, and American Rescue Plan Act 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).

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

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

	Net Change in Fund Balance			
	General Fund	Fire Levy Fund	Transportation Fund	American Rescue Plan Act Fund
GAAP Basis	(\$251,792)	(\$673,764)	(\$932,297)	\$0
Revenue Accruals	246,342	41,557	(1,361)	613,040
Expenditure Accruals	136,457	(35,621)	12,798	0
Encumbrances	(327,099)	(82,067)	(237,469)	0
Advances	(1,250,000)	0	1,250,000	0
Increase in Fair Value of Investments - 2021	(63,388)	0	0	0
Decrease in Fair Value of Investments - 2022	339,099	0	0	0
Custodial Fund Cash Allocation - 2021	40,013	0	0	0
Custodial Fund Cash Allocation - 2022	(49,226)	0	0	0
Budget Basis	<u>(\$1,179,594)</u>	<u>(\$749,895)</u>	<u>\$91,671</u>	<u>\$613,040</u>

Note 6 – Deposits and Investments

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

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

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

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

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

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

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

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

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

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Investments

As of December 31, 2022, the City had the following investments:

Measurement/Investment	Measurement Amount	Investment Maturity (in Years)	Moody or S&P Rating	Percentage of Total Investments
Net Asset Value Per Share				
STAROhio	\$9,881,107	Less than One	AAAm	N/A
Fair Value - Level One Inputs				
Common Stock	2,584,106	Less than One	N/A	12.83%
Money Market Mutual Fund	48,411	Less than One	N/A	N/A
Total Fair Value - Level One Inputs	<u>2,632,517</u>			
Fair Value - Level Two Inputs				
Negotiable Certificates of Deposits	2,650,502	Less than Three	AA+	13.16%
Federal Home Loan Bank Notes	827,410	Less than Three	AA+	N/A
Federal Home Loan Mortgage Notes	492,381	Less than Three	AA+	N/A
Federal Home Loan Bank Discount Notes	524,779	Less than One	AA+	N/A
Federal Farm Credit Bank Notes	917,086	Less than Three	AA+	N/A
Federal National Mortgage Association Notes	184,136	Less than Two	AA+	N/A
United States Treasury Notes	1,785,194	Less than Two	AA+	8.86%
United States Treasury Bills	244,960	Less than One	A-1+	N/A
Total Fair Value - Level Two Inputs	<u>7,626,448</u>			
Total Investments	<u>\$20,140,072</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.

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The above chart identifies the City's recurring fair value measurements as of December 31, 2022. The Common Stock and Money Market Mutual Fund are measured at fair value and is valued using quoted market prices (Level 1 inputs). The City's remaining investments measured at fair value are valued using methodologies that incorporate market inputs such as benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids, offers and reference data including market research publications. Market indicators and industry and economic events are also monitored, which could require the need to acquire further market data. (Level 2 inputs).

Custodial Credit Risk

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

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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. 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 2022 for real and public utility property taxes represents collections of 2021 taxes.

2022 real property taxes were levied after October 1, 2022, on the assessed value as of January 1, 2022, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2022 real property taxes are collected in and intended to finance 2023.

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. 2022 public utility property taxes, which became a lien December 31, 2021, are levied after October 1, 2022, and are collected in 2023 with real property taxes.

The full tax rate for all City operations for the year ended December 31, 2022, was \$9.32 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2022 property tax receipts were based are as follows:

Category	Assessed Value
Real Property	\$248,335,950
Public Utility Personal Property	28,283,590
Totals	\$276,619,540

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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, 2022, and for which there was an enforceable legal claim. In governmental funds, the portion of the receivable not levied to finance 2022 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 2022, the proceeds were allocated to the General Fund.

Note 9 – Receivables

Receivables at December 31, 2022, consisted of accounts, intergovernmental, including grants, entitlements and shared revenues, income taxes, property taxes, other local taxes, interfund, special assessments, and accrued interest on investments. All receivables are considered fully collectible and will be received within one year with the exception of property taxes, income taxes, and special assessments. Water, sewer, trash, and stormwater charges for accounts receivable, which, if delinquent, may be certified and collected as special assessments, are subject to foreclosure for nonpayment. Property taxes and income taxes, although ultimately collectible, include some portion of delinquents that will not be collected within one year.

Special assessments expected to be collected in more than one year amount to \$10,989. The City has \$11,572 in delinquent special assessments at December 31, 2022.

A summary of intergovernmental receivables follows:

<u>Governmental Activities:</u>	<u>Amount</u>
Homestead and Rollback Exemption	\$94,486
Permissive Motor Vehicle License Tax	60,803
Motor Vehicle License Tax	43,742
Gasoline Excise Tax	305,531
Township Fire Runs	3,825
Local Government Monies	121,698
Housing and Urban Development Grant	782,000
Total Governmental Activities	<u><u>\$1,412,085</u></u>

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Note 10 – Capital Assets

Capital assets activity for the year ended December 31, 2022, was as follows:

	Balance at January 1, 2022	Additions	Deletions	Balance at December 31, 2022
Governmental Activities:				
Capital Assets, Not Being Depreciated:				
Land	\$19,714,843	\$14,500	\$0	\$19,729,343
Construction in Progress	1,868,177	2,480,817	(841,163)	3,507,831
Total Capital Assets, Not Being Depreciated	<u>21,583,020</u>	<u>2,495,317</u>	<u>(841,163)</u>	<u>23,237,174</u>
Depreciable Capital Assets:				
Land Improvements	2,497,783	0	0	2,497,783
Buildings	7,400,624	0	0	7,400,624
Equipment	3,167,202	103,818	(50,000)	3,221,020
Vehicles	4,856,529	0	(35,300)	4,821,229
Infrastructure	75,742,072	749,690	0	76,491,762
Total Depreciable Capital Assets	<u>93,664,210</u>	<u>853,508</u>	<u>(85,300)</u>	<u>94,432,418</u>
Less Accumulated Depreciation:				
Land Improvements	(1,408,769)	(64,500)	0	(1,473,269)
Buildings	(2,931,507)	(125,229)	0	(3,056,736)
Equipment	(2,031,172)	(205,124)	50,000	(2,186,296)
Vehicles	(3,412,071)	(301,523)	35,300	(3,678,294)
Infrastructure	(57,260,519)	(2,020,338)	0	(59,280,857)
Total Accumulated Depreciation	<u>(67,044,038)</u>	<u>(2,716,714)</u>	<u>85,300</u>	<u>(69,675,452)</u>
Depreciable Capital Assets, Net	<u>26,620,172</u>	<u>(1,863,206)</u>	<u>0</u>	<u>24,756,966</u>
Governmental Activities Capital Assets, Net	<u>\$48,203,192</u>	<u>\$632,111</u>	<u>(\$841,163)</u>	<u>\$47,994,140</u>

For the year ended December 31, 2022, \$91,473 of the construction in progress deletes were not capitalized.

Depreciation expense was charged to governmental programs as follows:

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	Amount
General Government	\$104,449
Security of Persons and Property:	
Police	171,889
Fire	220,219
Leisure Time Activities	76,043
Public Works	47,849
Transportation	2,096,265
Total Depreciation Expense	\$2,716,714

	Balance at January 1, 2022	Additions	Deletions	Balance at December 31, 2022
Business-Type Activities:				
Capital Assets, Not Being Depreciated:				
Land	\$1,095,364	\$0	\$0	\$1,095,364
Construction in Progress	0	31,270	0	31,270
Total Capital Assets, Not Being Depreciated	1,095,364	31,270	0	1,126,634
Depreciable Capital Assets:				
Land Improvements	22,301	0	0	22,301
Buildings	104,903	0	0	104,903
Equipment	837,783	114,486	0	952,269
Vehicles	1,005,715	111,929	0	1,117,644
Infrastructure	42,985,611	0	0	42,985,611
Total Depreciable Capital Assets	44,956,313	226,415	0	45,182,728
Less Accumulated Depreciation:				
Land Improvements	(4,533)	(631)	0	(5,164)
Buildings	(23,186)	(2,079)	0	(25,265)
Equipment	(380,730)	(56,762)	0	(437,492)
Vehicles	(297,042)	(90,806)	0	(387,848)
Infrastructure	(24,532,350)	(812,328)	0	(25,344,678)
Total Accumulated Depreciation	(25,237,841)	(962,606)	0	(26,200,447)
Depreciable Capital Assets, Net	19,718,472	(736,191)	0	18,982,281
Business-Type Activities Capital Assets, Net	\$20,813,836	(\$704,921)	\$0	\$20,108,915

Note 11 – Risk Management

Property and Liability

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

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

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

OPRM coverage programs are developed specific to each member’s risk management needs and the related premiums for coverage are determined through the application of uniform underwriting criteria addressing the member’s exposure to loss. Effective November 1, 2016, the OPRM retained 50 percent of the premium and losses on the first \$250,000 casualty treaty and 30 percent of the first \$1,000,000 property treaty. Effective November 1, 2017, the OPRM retained 47 percent of the premium and losses on the first \$250,000 casualty treaty and 30 percent of the first \$1,000,000 property treaty. Effective November 1, 2018, the OPRM the property retention remained unchanged, however, the Plan assumed 100% of the first \$250,000 casualty treaty. Effective November 1, 2019, the OPRM’s property retention increased from 30% to 33%, while the casualty treaty remains unchanged and still assumes 100% of the first \$250,000 casualty treaty. OPRM had 771 members as of December 31, 2022.

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

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

The Plan’s audited financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities and equity at December 31, 2021 and 2020 (the latest information available).

	2021	2020
Assets	\$21,777,000	\$18,826,974
Liabilities	(15,037,000)	(13,530,267)
Members' Equity	\$6,740,000	\$5,296,707

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

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

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<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	42,255,005	N/A
Special Property Coverage	3,215,662	1,000
Electronic Equipment Coverage	239,182	1,000
Public Employee Dishonesty Coverage	50,000	250

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

Workers' Compensation

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

Note 12 – Defined Benefit Pension Plans

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

Net Pension Liability (Asset)/Net OPEB Liability (Asset)

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

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

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

GASB 68/75 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires funding to come from these employers. All pension contributions to date have come solely from these employers (which also includes pension costs paid in the form of withholdings from employees). The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits. In addition, health care plan enrollees pay a portion of the health care costs in the form of a monthly premium. State statute requires the retirement systems to

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amortize unfunded pension liabilities within 30 years. If the pension amortization period exceeds 30 years, each retirement system's board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension/OPEB liability (asset). Resulting adjustments to the net pension/OPEB liability (asset) would be effective when the changes are legally enforceable. The Ohio Revised Code permits but does not require the retirement systems to provide healthcare to eligible benefit recipients.

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

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 is a cost-sharing, multiple employer public employee retirement system which administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan and the combined plan is a combination cost-sharing, multiple-employer defined benefit/defined contribution pension plan. Participating employers are divided into state, local, law enforcement and public safety divisions. While members in the state and local divisions may participate in all three plans, law enforcement and public safety divisions exist only within the traditional plan.

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

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

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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
Traditional Plan Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Traditional Plan Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Traditional Plan Formula: 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35
Combined Plan Formula: 1% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	Combined Plan Formula: 1% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	Combined Plan Formula: 1% of FAS multiplied by years of service for the first 35 years and 1.25% for service years in excess of 35

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

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount. The amount of a member's pension benefit vests upon receipt of the initial benefit payment. The options for Public Safety and Law Enforcement permit early retirement under qualifying circumstances as early as age 48 with a reduced benefit.

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

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

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Effective January 1, 2022, the Combined Plan is no longer available for member selection.

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

	<u>State and Local</u>
2022 Statutory Maximum Contribution Rates:	
Employer	14.0%
Employee *	10.0%
2022 Actual Contribution Rates:	
Employer:	
Pension **	14.0%
Post-employment Health Care Benefits **	0.0
Total Employer	14.0%
Employee	10.0%

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

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

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

For 2022, the City’s contractually required contribution was \$541,858 for the traditional plan, \$11,096 for the combined plan and \$5,889 for the member-directed plan. Of these amounts, \$87,826 is reported as an intergovernmental payable for the traditional plan, \$1,801 for the combined plan, and \$955 for the member-directed plan.

Ohio Police & Fire Pension Fund (OP&F)

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

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

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

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

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

The COLA amount for members who have 15 or more years of service credit as of July 1, 2013, and members who are receiving a pension benefit that became effective before July 1, 2013, will be equal to 3.0 percent of the member’s base pension benefit.

The COLA amount for members who have less than 15 years of service credit as of July 1, 2013, and members whose pension benefit became effective on or after July 1, 2013, will be equal to a percentage of the member’s base pension benefit where the percentage is the lesser of 3.0 percent or the percentage increase in the consumer price index, if any, over the twelve-month period that ends on the thirtieth day of September of the immediately preceding year, rounded to the nearest one-tenth of one percent.

Members who retired prior to July 24, 1986, or their surviving beneficiaries under optional plans are entitled to cost-of-living allowance increases. The annual increase is paid on July 1st of each year. The annual COLA increase is \$360 under a Single Life Annuity Plan with proportional reductions for optional payment plans.

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

	Police	Firefighters
2022 Statutory Maximum Contribution Rates:		
Employer	19.50%	24.00%
Employee	12.25%	12.25%
2022 Actual Contribution Rates:		
Employer:		
Pension	19.00%	23.50%
Post-employment Health Care Benefits	0.50	0.50
Total Employer	19.50%	24.00%
Employee	12.25%	12.25%

Employer contribution rates are expressed as a percentage of covered payroll. The City’s contractually required contribution to OP&F was \$728,897 for 2022. Of this amount, \$129,963 is reported as an intergovernmental payable.

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In addition to current contributions, the City pays installments on a specific liability the City incurred when the State of Ohio established the statewide pension system for police and fire fighters in 1967. As of December 31, 2022, the specific liability of the City was \$41,633 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 (asset) for OPERS was measured as of December 31, 2021, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date. OP&F's total pension liability was measured as of December 31, 2021, and was determined by rolling forward the total pension liability as of January 1, 2021, to December 31, 2021. The City's proportion of the net pension liability (asset) was based on the City's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense of the City's defined benefit pension plans:

	OPERS <u>Traditional Plan</u>	OPERS <u>Combined Plan</u>	<u>OP&F</u>	<u>Total</u>
Proportion of the Net Pension Liability/Asset:				
Current Measurement Date	0.02372200%	0.01565300%	0.12765580%	
Prior Measurement Date	0.02392700%	0.01523100%	0.11740760%	
Change in Proportionate Share	<u>(0.00020500%)</u>	<u>0.00042200%</u>	<u>0.01024820%</u>	
Proportionate Share of the:				
Net Pension (Asset)	\$0	(\$61,673)	\$0	(\$61,673)
Net Pension Liability	2,063,911	0	7,975,197	10,039,108
Pension Expense	(365,740)	(2,522)	829,215	460,953

2022 pension expense for the member-directed defined contribution plan was \$8,245. The aggregate pension expense for all pension plans was \$469,198 for 2022.

At December 31, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to defined benefit pensions from the following sources:

	OPERS <u>Traditional Plan</u>	OPERS <u>Combined Plan</u>	<u>OP&F</u>	<u>Total</u>
Deferred Outflows of Resources:				
Differences between expected and actual experience	\$105,215	\$383	\$229,958	\$335,556
Changes of assumptions	258,090	3,099	1,457,524	1,718,713
Changes in proportion and differences between City contributions and proportionate share of contributions	114,119	1,085	1,081,411	1,196,615
City contributions subsequent to the measurement date	541,858	11,096	728,897	1,281,851
Total Deferred Outflows of Resources	<u>\$1,019,282</u>	<u>\$15,663</u>	<u>\$3,497,790</u>	<u>\$4,532,735</u>

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	OPERS Traditional Plan	OPERS Combined Plan	OP&F	Total
Deferred Inflows of Resources:				
Differences between expected and actual experience	\$45,267	\$6,897	\$414,601	\$466,765
Net difference between projected and actual earnings on pension plan investments	2,454,945	13,222	2,090,973	4,559,140
Changes in proportion and differences between City contributions and proportionate share of contributions	167,673	2,609	7,303	177,585
Total Deferred Inflows of Resources	<u>\$2,667,885</u>	<u>\$22,728</u>	<u>\$2,512,877</u>	<u>\$5,203,490</u>

\$1,281,851 reported as deferred outflows of resources related to pension resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability or increase to the net pension asset in 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	OPERS Traditional Plan	OPERS Combined Plan	OP&F	Total
Year Ending December 31:				
2023	(\$370,975)	(\$4,292)	\$341,098	(\$34,169)
2024	(851,704)	(5,844)	(313,750)	(1,171,298)
2025	(577,258)	(3,915)	(9,869)	(591,042)
2026	(390,524)	(2,955)	1,558	(391,921)
2027	0	(605)	236,979	236,374
Thereafter	0	(550)	0	(550)
Total	<u>(\$2,190,461)</u>	<u>(\$18,161)</u>	<u>\$256,016</u>	<u>(\$1,952,606)</u>

Actuarial Assumptions – OPERS

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

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability was determined by an actuarial valuation as of December 31, 2021, using the following key actuarial assumptions and methods applied to all periods included in the measurement in accordance with the requirements of GASB 67. In 2021, the Board's actuarial consultants conducted an experience study for the period 2016 through 2020, comparing assumptions to actual results. The experience study incorporates both a historical review and forward-looking projections to determine the appropriate set of assumptions to keep the plan on a path toward full funding. Information from this study led to changes in both demographic and economic assumptions, with the most notable being a reduction in the actuarially assumed rate of return from 7.2 percent down to 6.9 percent, for the defined benefit investments. Key actuarial assumptions and methods used in the latest actuarial valuation, prepared as of December 31, 2021, reflecting experience study results, are presented below:

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	<u>OPERS Traditional Plan</u>	<u>OPERS Combined Plan</u>
Wage Inflation	2.75 percent	2.75 percent
Future Salary Increases, including inflation	2.75 to 10.75 percent including wage inflation	2.75 to 8.25 percent including wage inflation
COLA or Ad Hoc COLA:		
Pre-January 7, 2013 Retirees	3 percent, simple	3 percent, simple
Post-January 7, 2013 Retirees	3 percent, simple through 2022, then 2.05 percent, simple	3 percent, simple through 2022, then 2.05 percent, simple
Investment Rate of Return	6.9 percent	6.9 percent
Actuarial Cost Method	Individual Entry Age	Individual Entry Age

Key actuarial assumptions and methods used in the prior actuarial valuation, prepared as of December 31, 2020, are presented below:

	<u>OPERS Traditional Plan</u>	<u>OPERS Combined Plan</u>
Wage Inflation	3.25 percent	3.25 percent
Future Salary Increases, including inflation	3.25 to 10.75 percent including wage inflation	3.25 to 8.25 percent including wage inflation
COLA or Ad Hoc COLA:		
Pre-January 7, 2013 Retirees	3 percent, simple	3 percent, simple
Post-January 7, 2013 Retirees	.5 percent, simple through 2021, then 2.15 percent, simple	.5 percent, simple through 2021, then 2.15 percent, simple
Investment Rate of Return	7.2 percent	7.2 percent
Actuarial Cost Method	Individual Entry Age	Individual Entry Age

For 2021, pre-retirement mortality rates are based on 130 percent of the Pub-2010 General Employee Mortality tables (males and females) for State and Local Government divisions and 170 percent of the Pub-2010 Safety Employee Mortality tables (males and females) for the Public Safety and Law Enforcement divisions. Post-retirement mortality rates are based on 115 percent of the PubG-2010 Retiree Mortality Tables (males and females) for all divisions. Post-retirement mortality rates for disabled retirees are based on the PubNS-2010 Disabled Retiree Mortality Tables (males and females) for all divisions. For all the previously described tables, the base year is 2010 and mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scales (males and females) to all these tables.

For 2020, pre-retirement mortality rates are based on the RP-2014 Employees mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates are based on the RP-2014 Healthy Annuitant mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates for disabled retirees are based on the RP-2014 Disabled mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to all the above-described tables.

The most recent experience study was completed for the five-year period ended December 31, 2020.

During 2021, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio, and the Defined Contribution portfolio. The Defined Benefit portfolio contains the investment assets for the Traditional Pension Plan, the defined benefit component of the Combined Plan

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and the annuitized accounts of the Member-Directed Plan. Within the Defined Benefit portfolio contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio was 15.3 percent for 2021.

The allocation of investment assets with the Defined Benefit portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans. The long-term expected rate of return on defined benefit investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation. Best estimates of geometric rates of return were provided by the Board's investment consultant. For each major class that is included in the Defined Benefit portfolio's target asset allocation as of December 31, 2021, these best estimates are summarized below:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)</u>
Fixed Income	24.00%	1.03%
Domestic Equities	21.00	3.78
Real Estate	11.00	3.66
Private Equity	12.00	7.43
International Equities	23.00	4.88
Risk Parity	5.00	2.92
Other investments	4.00	2.85
Total	<u>100.00%</u>	<u>4.21%</u>

Discount Rate

The discount rate used to measure the total pension liability for the current year was 6.9 percent for the traditional plan and the combined plan. The discount rate for the prior year was 7.2 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 contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefits payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the traditional pension plan, combined plan and member-directed plan was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following table presents the City's proportionate share of the net pension liability (asset) calculated using the current period discount rate assumption of 6.9 percent, as well as what the City's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is one-percentage-point lower (5.9 percent) or one-percentage-point higher (7.9 percent) than the current rate:

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	1% Decrease (5.90%)	Discount Rate (6.90%)	1% Increase (7.90%)
City's proportionate share of the net pension liability (asset)			
OPERS Traditional Plan	\$5,441,590	\$2,063,911	(\$746,769)
OPERS Combined Plan	(46,020)	(61,673)	(73,882)

Actuarial Assumptions – OP&F

OP&F’s total pension liability as of December 31, 2021, is based on the results of an actuarial valuation date of January 1, 2021, and rolled-forward using generally accepted actuarial procedures. The total pension liability is determined by OP&F’s actuaries in accordance with GASB Statement No. 67, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future. Assumptions considered are: withdrawal rates, disability retirement, service retirement, DROP elections, mortality, percent married and forms of the payment, DROP interest rate, CPI-based COLA, investment returns, salary increases and payroll growth.

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results, prepared as of January 1, 2021, are presented below.

Valuation Date	January 1, 2021, with actuarial liabilities rolled forward to December 31, 2021
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	7.5 percent
Projected Salary Increases	3.75 percent to 10.5 percent
Payroll Growth	3.25 percent per annum, compounded annually, consisting of Inflation rate of 2.75 percent plus productivity increase rate of 0.5 percent
Cost of Living Adjustments	2.2 percent simple per year

In February 2022, the OP&F Board adopted a change in the investment rate of return, changing it from 8 percent for the 2020 measurement period to 7.5 percent for the 2021 measurement period.

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

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

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

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

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

The long-term expected rate of return on pension plan investments was determined using a building-block approach and assumes a time horizon, as defined in the Statement of Investment Policy. A forecasted rate of inflation serves as the baseline for the return expected. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted averaged of the expected real return premiums for each asset class, adding the projected inflation rate and adding the expected return from rebalancing uncorrelated asset classes. Best estimates of the long-term expected geometric real rates of return for each major asset class included in OP&F's target asset allocation as of December 31, 2021, are summarized below:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash and Cash Equivalents	0.00%	0.00%
Domestic Equity	21.00	3.60
Non-US Equity	14.00	4.40
Private Markets	8.00	6.80
Core Fixed Income *	23.00	1.10
High Yield Fixed Income	7.00	3.00
Private Credit	5.00	4.50
U.S. Inflation Linked Bonds *	17.00	0.80
Midstream Energy Infrastructure	5.00	5.00
Real Assets	8.00	5.90
Gold	5.00	2.40
Private Real Estate	12.00	4.80
Total	125.00%	

Note: Assumptions are geometric.

* levered 2x

OP&F's Board of Trustees has incorporated the risk parity concept into OP&F's asset liability valuation with the goal of reducing equity risk exposure, which reduces overall Total Portfolio risk without sacrificing return, and creating a more risk-balanced portfolio based on their relationship between asset classes and economic environments. From the notional portfolio perspective above, the Total Portfolio may be levered up to 1.25 times due to the application of leverage in certain fixed income asset classes.

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Discount Rate

For 2021, the total pension liability was calculated using the discount rate of 7.50 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earning were calculated using the longer-term assumed investment rate of return of 7.50 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 7.50 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 (6.50 percent), or one percentage point higher (8.50 percent) than the current rate.

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
City's proportionate share of the net pension liability	\$11,827,105	\$7,975,197	\$4,767,507

Note 13 - Defined Benefit OPEB Plans

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

Ohio Public Employees Retirement System (OPERS)

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

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust, which funds multiple health care plans including medical coverage, prescription drug coverage and deposits to a Health Reimbursement Arrangement (HRA) to qualifying benefit recipients of both the traditional pension and the combined plans. Currently, Medicare-eligible retirees are able to select medical and prescription drug plans from a range of options and may elect optional vision and dental plans. Retirees and eligible dependents enrolled in Medicare Parts A and B have the option to enroll in a Medicare supplemental plan with the assistance of the OPERS Medicare Connector. The OPERS Medicare Connector is a relationship with a vendor selected by OPERS to assist retirees, spouses and dependents with selecting a medical and pharmacy plan. Monthly allowances, based on years of service and the age at which the retiree first enrolled in OPERS coverage, are deposited into an HRA. For non-Medicare retirees and eligible dependents, OPERS sponsors medical and prescription coverage through a professionally managed self-insured plan. An allowance to offset a portion of the monthly premium is offered to retirees and eligible dependents. The allowance is based on the retiree’s years of service and age when they first enrolled in OPERS coverage.

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OPERS provides a monthly allowance for health care coverage for eligible retirees and their eligible dependents. The base allowance is determined by OPERS. For those retiring on or after January 1, 2015, the allowance has been determined by applying a percentage to the base allowance. The percentage applied is based on years of qualifying service credit and age when the retiree first enrolled in OPERS health care. Monthly allowances range between 51 percent and 90 percent of the base allowance. Those who retired prior to January 1, 2015, will have an allowance of at least 75 percent of the base allowance.

The health care trust is also used to fund health care for member-directed plan participants, in the form of a Retiree Medical Account (RMA). At retirement or separation, member directed plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA balance.

Effective January 1, 2022, OPERS discontinued the group plans currently offered to non-Medicare retirees and re-employed retirees. Instead, eligible non-Medicare retirees will select an individual medical plan. OPERS will provide a subsidy or allowance via an HRA allowance to those retirees who meet health care eligibility requirements. Retirees will be able to seek reimbursement for plan premiums and other qualified medical expenses.

In order to qualify for postemployment health care coverage, age and service retirees under the traditional pension and combined plans must have twenty or more years of qualifying Ohio service credit with a minimum age of 60. Members in Group A are eligible for coverage at any age with 30 or more years of qualifying service. Members in Group B are eligible at any age with 32 years of qualifying service, or at age 52 with 31 years of qualifying service. Members in Group C are eligible for coverage with 32 years of qualifying service and a minimum age of 55. Current retirees eligible (or who became eligible prior to January 1, 2022) to participate in the OPERS health care program will continue to be eligible after January 1, 2022. Eligibility requirements change for those retiring after January 1, 2022, with differing eligibility requirements for Medicare retirees and non-Medicare retirees. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 75. See OPERS' Annual Comprehensive Financial Report referenced below for additional information.

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

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

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

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2022, state and local employers contributed at a rate of 14.0 percent of earnable salary and public safety and law enforcement employers contributed at 18.1 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. For 2022, OPERS did not allocate any employer contribution to health care for members in the Traditional Pension Plan and Combined Plan. The OPERS Board is also authorized to

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establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the member-directed plan for 2022 was 4.0 percent.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City's contractually required contribution was \$2,356 for 2022. Of this amount, \$382 is reported as an intergovernmental payable.

Ohio Police and Fire Pension Fund (OP&F)

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

OP&F contracted with a vendor who assists eligible retirees in choosing health care plans that are available where they live (both Medicare-eligible and pre-65 populations). A stipend funded by OP&F is available to these members through a Health Reimbursement Arrangement and can be used to reimburse retirees for qualified health care expenses.

Regardless of a benefit recipient's participation in the health care program, OP&F is required by law to pay eligible recipients of a service pension, disability benefit and spousal survivor benefit for their Medicare Part B insurance premium, up to the statutory maximum provided the benefit recipient is not eligible to receive reimbursement from any other source. Once OP&F receives the necessary documentation, a monthly reimbursement is included as part of the recipient's next benefit payment. The stipend provided by OP&F meets the definition of an Other Post Employment Benefit (OPEB) as described in Governmental Accounting Standards Board (GASB) Statement No. 75.

OP&F maintains funds for health care in two separate accounts: one account for health care benefits and one account for Medicare Part B reimbursements. A separate health care trust accrual account is maintained for health care benefits under IRS Code Section 115 trust. IRS Code Section 401(h) account is maintained for Medicare Part B reimbursements.

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

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

Funding Policy – The Ohio Revised Code provides for contribution requirements of the participating employers and of plan members to the OP&F defined benefit pension plan. Participating employers are required to contribute to the pension plan at rates expressed as percentages of the payroll of active pension plan members, currently 19.5 percent and 24 percent of covered payroll for police and fire employer units, respectively. The Ohio Revised Code states that the employer contribution may not exceed 19.5 percent of covered payroll for police employer units and 24 percent of covered payroll for fire employer units. Active members do not make contributions to the OPEB Plan.

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The Board of Trustees is authorized to allocate a portion of the total employer contributions for retiree health care benefits. For 2022, the portion of employer contributions allocated to health care was 0.5 percent of covered payroll. The amount of employer contributions allocated to the health care plan each year is subject to the Trustees' primary responsibility to ensure that pension benefits are adequately funded. The OP&F Board of Trustees is also authorized to establish requirements for contributions to the health care plan by retirees and their eligible dependents or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

The City's contractually required contribution to OP&F was \$17,615 for 2022. Of this amount, \$3,133 is reported as an intergovernmental payable.

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

The net OPEB liability (asset) and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2020, rolled forward to the measurement date of December 31, 2021, by incorporating the expected value of health care cost accruals, the actual health care payment, and interest accruals during the year. OP&F's total OPEB liability was measured as of December 31, 2021, and was determined by rolling forward the total OPEB liability as of January 1, 2021, to December 31, 2021. The City's proportion of the net OPEB liability (asset) was based on the City's share of contributions to the retirement plan relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Proportion of the Net OPEB Liability/Asset:			
Current Measurement Date	0.02287300%	0.12765580%	
Prior Measurement Date	<u>0.02306000%</u>	<u>0.11740760%</u>	
Change in Proportionate Share	<u>(0.00018700%)</u>	<u>0.01024820%</u>	
Proportionate Share of the Net			
OPEB Liability	\$0	\$1,399,218	\$1,399,218
OPEB Asset	(\$716,417)	\$0	(\$716,417)
OPEB Expense	(\$609,007)	\$219,994	(\$389,013)

At December 31, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>OPERS</u>	<u>OP&F</u>	<u>Total</u>
Deferred Outflows of Resources:			
Differences between expected and actual experience	\$0	\$63,652	\$63,652
Changes of assumptions	0	619,336	619,336
Changes in proportion and differences between City contributions and proportionate share of contributions	14,985	381,782	396,767
City contributions subsequent to the measurement date	<u>2,356</u>	<u>17,615</u>	<u>19,971</u>
Total Deferred Outflows of Resources	<u>\$17,341</u>	<u>\$1,082,385</u>	<u>\$1,099,726</u>

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	OPERS	OP&F	Total
Deferred Inflows of Resources:			
Differences between expected and actual experience	\$108,669	\$184,926	\$293,595
Changes of assumptions	289,997	162,511	452,508
Net difference between projected and actual earnings on OPEB plan investments	341,538	126,396	467,934
Changes in proportion and differences between City contributions and proportionate share of contributions	35,874	0	35,874
Total Deferred Inflows of Resources	\$776,078	\$473,833	\$1,249,911

\$19,971 reported as deferred outflows of resources related to OPEB resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	OPERS	OP&F	Total
Year Ending December 31:			
2023	(\$477,581)	\$162,837	(\$314,744)
2024	(159,838)	144,072	(15,766)
2025	(74,623)	144,127	69,504
2026	(49,051)	34,814	(14,237)
2027	0	49,344	49,344
Thereafter	0	55,743	55,743
Total	(\$761,093)	\$590,937	(\$170,156)

Actuarial Assumptions – OPERS

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

Projections of health care costs for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of coverage provided at the time of each valuation and the historical pattern of sharing of costs between OPERS and plan members. In 2021, the Board's actuarial consultants conducted an experience study for the period 2016 through 2020, comparing historical assumptions to actual results. The experience study incorporates both a historical review and forward-looking projections to determine the appropriate set of assumptions to keep the plan on a path toward full funding. Information from this study led to changes in both demographic and economic assumptions. The actuarial valuation used for 2021 compared to those used for 2020 are as follows:

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	December 31, 2021	December 31, 2020
Wage Inflation	2.75 percent	3.25 percent
Projected Salary Increases,	2.75 to 10.75 percent	3.25 to 10.75 percent
	including wage inflation	including wage inflation
Single Discount Rate	6.00 percent	6.00 percent
Investment Rate of Return	6.00 percent	6.00 percent
Municipal Bond Rate	1.84 percent	2.00 percent
Health Care Cost Trend Rate	5.5 percent, initial	8.5 percent, initial
	3.50 percent, ultimate in 2034	3.50 percent, ultimate in 2035
Actuarial Cost Method	Individual Entry Age	Individual Entry Age

For 2021, pre-retirement mortality rates are based on 130 percent of the Pub-2010 General Employee Mortality tables (males and females) for State and Local Government divisions and 170 percent of the Pub-2010 Safety Employee Mortality tables (males and females) for the Public Safety and Law Enforcement divisions. Post-retirement mortality rates are based on 115 percent of the PubG-2010 Retiree Mortality Tables (males and females) for all divisions. Post-retirement mortality rates for disabled retirees are based on the PubNS-2010 Disabled Retiree Mortality Tables (males and females) for all divisions. For all of the previously described tables, the base year is 2010 and mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scales (males and females) to all of these tables.

For 2020, pre-retirement mortality rates are based on the RP-2014 Employees mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates are based on the RP-2014 Healthy Annuitant mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates for disabled retirees are based on the RP-2014 Disabled mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to all of the above-described tables.

The most recent experience study was completed for the five-year period ended December 31, 2020.

During 2021, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio. The Health Care portfolio includes the assets for health care expenses for the Traditional Pension Plan, Combined Plan and Member-Directed Plan eligible members. Within the Health Care portfolio, if any contributions are made into the plans, the contributions are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made. Health care-related payments are assumed to occur mid-year. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Health Care portfolio was 14.3 percent for 2021.

The allocation of investment assets within the Health Care portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Assets are managed on a total return basis with a long-term objective of continuing to offer a sustainable health care program for current and future retirees. OPERS' primary goal is to achieve and maintain a fully funded status for the benefits provided through the defined pension plans. Health care is a discretionary benefit. The long-term expected rate of return on health care investment assets was determined using a building-block method in which best-estimate ranges of expected

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future rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future rates of return by the target asset allocation percentage, adjusted for inflation. Best estimates of geometric rates of return were provided by the Board’s investment consultant. For each major asset class that is included in the Health Care’s portfolio’s target asset allocation as of December 31, 2021, these best estimates are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)</u>
Fixed Income	34.00%	0.91%
Domestic Equities	25.00	3.78
Real Estate Investment Trust	7.00	3.71
International Equities	25.00	4.88
Risk Parity	2.00	2.92
Other investments	7.00	1.93
Total	<u>100.00%</u>	<u>3.45%</u>

Discount Rate

A single discount rate of 6.0 percent was used to measure the OPEB liability on the measurement date of December 31, 2021. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on an expected rate of return on the health care investment portfolio of 6.00 percent and a municipal bond rate of 1.84 percent (Fidelity Index’s “20-Year Municipal GO AA Index”). The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through 2121. As a result, the actuarial assumed long-term expected rate of return on health care investments was applied to projected costs through the year 2121, the duration of the projection period through which projected health care payments are fully funded.

Sensitivity of the City’s Proportionate Share of the Net OPEB Asset to Changes in the Discount Rate

The following table presents the City’s proportionate share of the net OPEB asset calculated using the single discount rate of 6.00 percent, as well as what the City’s proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is one-percentage-point lower (5.00 percent) or one-percentage-point higher (7.00 percent) than the current rate:

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	1% Decrease (5.00%)	Current Discount Rate (6.00%)	1% Increase (7.00%)
City's proportionate share of the net OPEB asset	(\$421,321)	(\$716,417)	(\$961,352)

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

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

Retiree health care valuations use a health care cost-trend assumption that changes over several years built into the assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2022 is 5.50 percent. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is the health plan cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.50 percent in the most recent valuation.

	1% Decrease	Current Health Care Cost Trend Rate Assumption	1% Increase
City's proportionate share of the net OPEB asset	(\$724,159)	(\$716,417)	(\$707,233)

Actuarial Assumptions – OP&F

OP&F's total OPEB liability as of December 31, 2021, is based on the results of an actuarial valuation date of January 1, 2021, and rolled-forward using generally accepted actuarial procedures. The total OPEB liability is determined by OP&F's actuaries in accordance with GASB Statement No. 74, as part of their annual valuation. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, salary increases, disabilities, retirements and employment terminations. Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

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

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

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

Valuation Date	January 1, 2021, with actuarial liabilities rolled forward to December 31, 2021
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	7.5 percent
Projected Salary Increases	3.75 percent to 10.5 percent
Payroll Growth	3.25 percent
Blended discount rate:	
Current measurement date	2.84 percent
Prior measurement date	2.96 percent
Cost of Living Adjustments	2.2 percent simple per year

In February 2022, the OP&F Board adopted a change in the investment rate of return, changing it from 8 percent for the 2020 measurement period to 7.5 percent for the 2021 measurement period.

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

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

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

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

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

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

Discount Rate

For 2021, the total OPEB liability was calculated using the discount rate of 2.84 percent. For 2020, the total OPEB liability was calculated using the discount rate of 2.96 percent. The projection of cash flows used to determine the discount rate assumed the contribution from employers and from members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earnings were calculated using the longer-term assumed investment rate of return of 7.5 percent. Based on those assumptions, OP&F's fiduciary net position was projected to not be able to make all future benefit payments of current plan members. Therefore, a municipal bond rate of 2.05 percent at December

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31, 2021, and 2.12 percent at December 31, 2020, was blended with the long-term rate of 7.5 percent for 2021 and 8 percent for 2020, which resulted in a blended discount rate of 2.84 percent for 2021 and 2.96 percent for 2020. The municipal bond rate was determined using the Bond Buyers General Obligation 20-year Municipal Bond Index Rate. The OPEB plan’s fiduciary net position was projected to be available to make all projected OPEB payments until 2037. The long-term expected rate of return on health care investments was applied to projected costs through 2037, and the municipal bond rate was applied to all health care costs after that date.

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

Net OPEB liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net OPEB liability calculated using the discount rate of 2.84 percent, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (1.84 percent), or one percentage point higher (3.84 percent) than the current rate.

	1% Decrease (1.84%)	Current Discount Rate (2.84%)	1% Increase (3.84%)
City's proportionate share of the net OPEB liability	\$1,758,847	\$1,399,218	\$1,103,601

Note 14 – Asset Retirement Obligations

The Governmental Accounting Standard Board’s (GASB) Statement No. 83, Certain Asset Retirement Obligations, provides guidance related to asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. Ohio Revised Code Section 6111.44 requires the City to submit any changes to their sewerage system to the Ohio EPA for approval. Through this review process, the City would be responsible to address any public safety issues associated with their waste water treatment facilities. These public safety issues would include removing any pumps and equipment, relocating and reconnecting any existing sewer mains, removing the structure to three feet below grade, filling in the old lift station chamber and backfilling, grading, installing topsoil and seed to the disturbed areas. This asset retirement obligation (ARO) of \$60,000, associated with the City waste water treatment facilities, were estimated by the City engineer. The remaining useful life of these facilities range from 5 to 60 years.

Note 15 –Employee Benefits

Compensated Absences

Accumulated Unpaid Vacation

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

Accumulated Unpaid Sick Leave

City employees earn sick leave at a rate of 4.62 hours per 80 hours of service. Sick leave is cumulative without limit. In the case of death or retirement, employees hired before June 7, 2005, will be paid a payment up to 150 days of sick leave hours. Upon retirement with at least ten years of service credit, employees hired on or after June 7, 2005, will be paid 25 percent of accumulated sick leave up to a maximum payment of 240 hours.

CITY OF FRANKLIN, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
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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 police employees, who may accrue a maximum of 160 hours or clerical and service employees, who may accrue a maximum of 16 hours. Upon departure from City employment, an employee (or his or her estate) will be paid for unused compensatory time.

Health Care Benefits

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

Health Savings Account

In 2022, employees had the option of contributing to a Health Savings Account up to \$2,650 for single coverage or \$6,300 for family coverage. The City may contribute a match up to \$1,000 to each employee's Health Savings Account.

Deferred Compensation

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

Note 16– Long-Term Obligations

A schedule of changes in bonds and other long-term obligations of the governmental activities of the City during 2022 follows:

CITY OF FRANKLIN, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

Types/Issues	Balance January 1, 2022	Increases	Decreases	Balance December 31, 2022	Due Within One Year
<u>General Obligation Bonds (Unvoted):</u>					
2012 - 3.00% - 4.00% Various Purpose					
Refunding Bonds \$5,630,000	\$1,965,000	\$0	\$1,965,000	\$0	\$0
Premium on Debt Issue	147,659	0	147,659	0	0
2022 - 1.72% Various Purpose					
Refunding Bonds \$1,965,000	0	1,965,000	450,000	1,515,000	495,000
Total - General Obligation Bonds	<u>2,112,659</u>	<u>1,965,000</u>	<u>2,562,659</u>	<u>1,515,000</u>	<u>495,000</u>
<u>Net Pension Liability:</u>					
OPERS	2,551,004	0	1,064,992	1,486,012	0
OP&F	8,003,781	0	28,584	7,975,197	0
Total - Net Pension Liability	<u>10,554,785</u>	<u>0</u>	<u>1,093,576</u>	<u>9,461,209</u>	<u>0</u>
<u>Net OPEB Liability:</u>					
OPERS	0	0	0	0	0
OP&F	1,243,955	155,263	0	1,399,218	0
Total - Net OPEB Liability	<u>1,243,955</u>	<u>155,263</u>	<u>0</u>	<u>1,399,218</u>	<u>0</u>
<u>Other Long-Term Obligations:</u>					
Compensated Absences	935,907	449,860	435,655	950,112	292,302
2.50% - Police and Fire Pension	44,101	0	2,468	41,633	2,573
Financed Purchases From Direct Borrowing	514,281	0	261,567	252,714	210,625
Total - Other Long-Term Obligations	<u>1,494,289</u>	<u>449,860</u>	<u>699,690</u>	<u>1,244,459</u>	<u>505,500</u>
Total - All General Long-Term Obligations	<u>\$15,405,688</u>	<u>\$2,570,123</u>	<u>\$4,395,925</u>	<u>\$13,579,886</u>	<u>\$1,000,500</u>

The special assessment bond issues were backed by the full faith and credit of the City. In the event that an assessed property owner fails to make payments, the City was 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 were refunded with the 2022 Various Purpose Refunding Bonds.

On March 17, 2022, the City issued \$1,965,000 in Various Purpose General Obligation Bonds for the purpose of refunding bonds that were previously issued for making improvement to second street and constructing a new administration building, a new police building, and a new fire department building. The bonds were issued for a 4 year period with final maturity in December 2025. The bonds will be paid from the Debt Service Fund with transfers from the General, Water, and Sewer funds.

CITY OF FRANKLIN, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

The liability for the refunded bonds has been removed from the City’s financial statements. The City decreased its total debt service payments by \$145,456 as a result of the refunding. The City also incurred an economic gain (difference between present value of the old and new debt service payments) of \$117,744, and incurred an accounting difference of \$85,399 (difference between amount paid to bond escrow agent and the refunding amount), which is shown in the following table:

2012 Various Purpose Refunding Bonds:	
Bonds Outstanding	\$1,965,000
Premium Outstanding	147,659
Amortization of Premium	<u>(26,847)</u>
Net Carrying Amount of Bonds	2,085,812
Payment to Refunded Bond Escrow Agent	<u>(2,000,413)</u>
2022 Refunding Accounting Difference	<u><u>\$85,399</u></u>

\$1,555,000 of the outstanding bonds were defeased as of December 31, 2022.

Financed Purchases - In prior years, the City entered into financed purchase agreements for vehicles. Financed purchase payments are reflected as debt service expenditures in the fund financial statements. Principal payments made in 2022 totaled \$261,567 and \$62,613 for governmental and business-type, respectively.

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

The Police and Fire Pension liability is paid from special revenue fund taxes and is recorded as an expenditure of Debt Service: Principal Retirement. In addition to current contributions, the City pays installments on the accrued liability incurred when the State of Ohio established the Statewide pension system for police and firefighters in 1967. As of December 31, 2022, \$41,633 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 2022 were as follows:

CITY OF FRANKLIN, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

Types/Issues	Balance January 1, 2022	Increases	Decreases	Balance December 31, 2022	Due Within One Year
Mortgage Revenue Refunding Bonds:					
2006 - 4.000% - 4.125% - \$6,140,000	\$275,000	\$0	\$275,000	\$0	\$0
Premium on Debt Issue	6,640	0	6,640	0	0
Total Mortgage Revenue Refunding Bonds	<u>281,640</u>	<u>0</u>	<u>281,640</u>	<u>0</u>	<u>0</u>
Direct Borrowing:					
OWDA Loans	568,661	0	71,533	497,128	74,547
Net Pension Liability - OPERS	992,063	0	414,164	577,899	0
Asset Retirement Obligations	60,000	0	0	60,000	0
Compensated Absences	268,121	63,901	140,858	191,164	63,290
Financed Purchases From Direct Borrowing	169,846	0	62,613	107,233	65,144
Total - Business-Type Activities	<u>\$2,340,331</u>	<u>\$63,901</u>	<u>\$970,808</u>	<u>\$1,433,424</u>	<u>\$202,981</u>

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

The Water Fund's bond indentures had certain restrictive covenants and principally required 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 Ohio Water Development Authority (OWDA) loans from direct borrowings are for the construction of water mains and a new water tower. The loans will be paid from Water Fund operating revenues. The City's outstanding OWDA loans from direct borrowings of \$497,128 related to business-type activities contain provisions that in an event of default (1) the amount of any such default shall bear interest at the default rate from the due date until the date of payment, (2) for each additional 30 days during which the charges remain unpaid, the City shall continue to pay an additional late charge on the default amount until such charges are paid, and (3) pay any cost incurred by OWDA to cure the default as part of their loan agreement.

The City has pledged future revenues, net of operating expenses, to repay the OWDA Loans in the City's Water Fund. The debt is payable solely from net revenues and is payable through 2028. Annual principal and interest payments on the debt issues are expected to require less than 40 percent of net revenues. The total principal and interest remaining to be paid on the debt is \$564,200. Principal and interest paid for the current year was \$93,571. Total net revenues were \$922,508.

Financed purchase obligations are paid from the Water, Sewer, and Stormwater Utility funds. Compensated absences of the business-type activities will be paid from the Water, Sewer, Trash, and Stormwater Utility funds. There is no repayment schedule for the net pension and OPEB liabilities. However, employer pension and OPEB contributions are made from the following funds: Water, Sewer, Trash, and Stormwater Utility. For additional information related to the net pension and OPEB liabilities see Notes 12 and 13.

As of December 31, 2022, the City's overall legal debt margin (the ability to issue additional amounts of general obligation bonded debt) was \$27,530,052, with an unvoted debt margin of \$13,699,075.

Principal and interest requirements to retire the City's long-term obligations outstanding at December 31, 2022, are:

CITY OF FRANKLIN, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

Governmental Activities				
Year	General Obligation Bonds		From Direct Borrowing	
			Financed Purchases	
	Principal	Interest	Principal	Interest
2023	\$495,000	\$26,058	\$210,625	\$8,931
2024	505,000	17,544	20,779	1,061
2025	515,000	8,858	21,310	531
Totals	<u>\$1,515,000</u>	<u>\$52,460</u>	<u>\$252,714</u>	<u>\$10,523</u>

Business-Type Activities				
Year	From Direct Borrowing			
	OWDA Loans		Financed Purchases	
	Principal	Interest	Principal	Interest
2023	\$74,547	\$19,148	\$65,144	\$3,696
2024	77,688	16,135	20,781	1,060
2025	80,961	12,995	21,308	532
2026	84,372	9,723	0	0
2027	87,927	6,312	0	0
2028	91,633	2,759	0	0
Totals	<u>\$497,128</u>	<u>\$67,072</u>	<u>\$107,233</u>	<u>\$5,288</u>

Revenue Housing Bonds

The City served as the issuer of \$4,500,000 in revenue housing bonds in 2007. 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 backed by the full faith and credit or taxing power of the City pledged to make repayment. The outstanding balance at December 31, 2022, on the Sound Preservation 202 LP revenue housing bonds is \$2,917,621.

Note 17 – Interfund Activity

Advances From/To Other Funds

At December 31, 2022, outstanding interfund balances were \$1,250,000 receivable in the General Fund from the Transportation Fund. The outstanding balance results from the time difference between the dates that the original advance was made and when it is repaid. The outstanding balance is expected to be paid within one year.

CITY OF FRANKLIN, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

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	Water	Sewer	
		Fund	Levy	Fund	Fund	Total
		Fund	Fund	Fund	Fund	Fund
Transfers to	Fire Levy Fund	\$649,525	\$0	\$0	\$0	\$649,525
	Transportation Fund	600,000	0	0	0	600,000
	Nonmajor					
	Governmental Funds	4,236,412	741,809	75,000	65,000	5,118,221
	Total	<u>\$5,485,937</u>	<u>\$741,809</u>	<u>\$75,000</u>	<u>\$65,000</u>	<u>\$6,367,746</u>

Transfers from the General Fund to the Fire Levy, ODOT Project, and nonmajor governmental 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.

Note 18 – Shared Risk Pool and Jointly Governed Organizations

Shared Risk Pool

The City belongs to the Ohio Plan Risk Management, Inc. (OPRM) (the “Plan”), a non-assessable, unincorporated non-profit association providing a formalized, jointly administered self-insurance risk management program and other administrative services to Ohio governments (“Members”). The Plan was legally separate from its member governments. The Board of Trustees consists of 7 members that include appointed and elected officials from member organizations.

Jointly Governed Organizations

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

The City contributed over \$5,000 during 2022 for the operation of the District. The City does not have any financial interest in or responsibility for the District. The County Commissioners serve as the taxing authority, and the County Auditor and Treasurer serve as fiscal officers. Financial information may be obtained at the Warren County Health District, 416 S. East Street, Lebanon, Ohio 45036.

CITY OF FRANKLIN, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

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 over \$1,000 during 2022 for the operation of the COG. The City does not have any financial interest in or responsibility for the COG. Matt Nolan acts as fiscal agent for the organization. Financial information may be obtained at 406 Justice Drive, Lebanon, Ohio 45036.

Note 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	\$327,099
Transportation Fund	237,469
Fire Fund	82,067
ODOT Project Fund	178,712
Nonmajor Governmental Funds	<u>1,306,297</u>
Total Governmental Funds	<u>2,131,644</u>
Proprietary Funds:	
Water Fund	139,141
Sewer Fund	1,469
Trash Fund	9,458
Stormwater Utility Fund	<u>4,655</u>
Total Proprietary Funds	<u>154,723</u>
Total	<u><u>\$2,286,367</u></u>

Contractual Commitments

As of December 31, 2022, the City had the following contractual purchase commitments:

CITY OF FRANKLIN, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

Contractor/Project	Balance at December 31, 2022
CT Consultants:	
Clearcreek Bikepath	\$25,165
State Route 123 at Beal/Shotwell	27,390
Downtown Streetscape	585,342
Franklin Community Park Drive Intersection	237,690
Millard Water Main Replacement	3,872
Third Street Water Tank Replacement	100,000
Apex:	
William C. Good Extension	10,250
Kleingers:	
Downtown Water and Sewer Improvements	33,125
North Dixie Repaving Phase 2	375
State Route 73 Resurfacing	23,160
Armbruster:	
William C. Good Extension	19,000
Bowser Morner:	
Third Street Water Tank Replacement	7,100
Brumbaugh:	
Clearcreek Bikepath	3,418,712
Double Z:	
State Route 123 at Beal/Shotwell	1,812,223
Fillmore Construction:	
Municipal Paving Program	5,511
KT Supply:	
William C. Good Extension	221,608
Stantec:	
Great Miami River Floodway Study	308,950
Total	\$6,839,473

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 as follows:

CITY OF FRANKLIN, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

Fund Balances	General Fund	Fire Levy Fund	Transportation Fund	Nonmajor Governmental Funds	Total
<i>Nonspendable:</i>					
Inventory	\$9,584	\$57,781	\$234,499	\$1,159	\$303,023
Unclaimed Monies	29,566	0	0	0	29,566
Leisure Time Activities	0	0	0	2,310,213	2,310,213
<i>Total Nonspendable</i>	39,150	57,781	234,499	2,311,372	2,642,802
<i>Restricted For:</i>					
Debt Service	0	0	0	250,113	250,113
Capital Outlay	0	0	0	1,751,172	1,751,172
Fire Protection	0	1,228,423	0	0	1,228,423
Security of Persons and Property	0	0	0	653,045	653,045
Legislative and Executive Assessment of Wastewater Treatment	0	0	0	5,336	5,336
Leisure Time Activities	0	0	0	677,850	677,850
<i>Total Restricted</i>	0	1,228,423	0	4,209,331	5,437,754
<i>Committed To:</i>					
Park Facilities	0	0	0	488,459	488,459
<i>Assigned To:</i>					
Debt Service Payments	0	0	0	19,100	19,100
Future Appropriations	8,621,016	0	0	0	8,621,016
Capital Improvements	950,328	0	0	0	950,328
Purchases On Order For:					
General Government	137,898	0	0	0	137,898
Security of Persons and Property:					
Police	10,485	0	0	0	10,485
Other	51,153	0	0	0	51,153
Leisure Time Activities	221	0	0	0	221
Capital Outlay	0	0	0	2,415,483	2,415,483
<i>Total Assigned</i>	9,771,101	0	0	2,434,583	12,205,684
<i>Unassigned (Deficit)</i>	2,103,734	0	(26,265)	(94,281)	1,983,188
Total Fund Balances	\$11,913,985	\$1,286,204	\$208,234	\$9,349,464	\$22,757,887

Note 21 – Contingencies

Federal and State Grants

For the period January 1, 2022, to December 31, 2022, the City received federal and State grants for specific purposes that are subject to review and audit by grantor agencies or their designee. Such audits could lead to a request for reimbursement to the grantor agency for expenditures disallowed under the terms of the grant. Based on prior experience, the City believes such disallowance, if any, would be immaterial.

Litigation

The City of Franklin is currently a party to legal proceedings seeking damages or injunctive relief generally incidental to its operations as of December 31, 2022. The City's management is of the opinion that ultimate disposition of these claims and legal proceedings will not have a material effect, if any, on the financial condition of the City.

CITY OF FRANKLIN, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

Note 22 – COVID-19

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio's state of emergency ended in June, 2021 while the national state of emergency ended in April 2023. During 2022, the City received COVID-19 funding. The City will continue to spend available COVID-19 funding consistent with the applicable program guidelines.

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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 Nine Years (1)

	2022	2021	2020	2019
City's Proportion of the Net Pension Liability	0.02372200%	0.02392700%	0.02453500%	0.02339000%
City's Proportionate Share of the Net Pension Liability	\$2,063,911	\$3,543,067	\$4,849,509	\$6,406,047
City's Covered Payroll	\$3,442,814	\$3,370,007	\$3,449,600	\$3,159,271
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	59.95%	105.14%	140.58%	202.77%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	92.62%	86.88%	82.17%	74.70%

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

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

See accompanying notes to the required supplementary information.

2018	2017	2016	2015	2014
0.02394900%	0.02357200%	0.02366400%	0.02287300%	0.02287300%
\$3,703,234	\$5,352,801	\$4,098,904	\$2,758,741	\$2,696,429
\$3,263,108	\$3,142,750	\$2,945,024	\$2,804,208	\$2,860,364
113.49%	170.32%	139.18%	98.38%	94.27%
84.66%	77.25%	81.08%	86.45%	86.36%

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

	2022	2021	2020	2019	2018
City's Proportion of the Net Pension Liability (Asset)	0.01565300%	0.01523100%	0.01501600%	0.01497700%	0.01393500%
City's Proportionate Share of the Net Pension Liability (Asset)	(\$61,673)	(\$43,965)	(\$31,312)	(\$16,748)	(\$18,969)
City's Covered Payroll	\$71,364	\$67,121	\$66,843	\$64,057	\$57,069
City's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	(86.42%)	(65.50%)	(46.84%)	(26.15%)	(33.24%)
Plan Fiduciary Net Position as a Percentage of the Total Pension Asset	169.88%	157.67%	145.28%	126.64%	137.28%

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

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

See accompanying notes to the required supplementary information.

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

	2022	2021	2020
City's Proportion of the Net OPEB Liability (Asset)	0.02287300%	0.02306000%	0.02360200%
City's Proportionate Share of the Net OPEB Liability (Asset)	(\$716,417)	(\$410,831)	\$3,260,049
City's Covered Payroll	\$3,566,903	\$3,487,428	\$3,563,293
City's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of its Covered Payroll	-20.09%	-11.78%	91.49%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	128.23%	115.57%	47.80%

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

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

See accompanying notes to the required supplementary information.

<u>2019</u>	<u>2018</u>	<u>2017</u>
0.02253500%	0.02304000%	0.02274000%
\$2,938,031	\$2,501,974	\$2,296,817
\$3,268,578	\$3,361,352	\$3,238,283
89.89%	74.43%	70.93%
46.33%	54.14%	54.04%

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 Nine Years (1)

	<u>2022</u>	<u>2021</u>	<u>2020</u>
City's Proportion of the Net Pension Liability	0.12765580%	0.11740760%	0.11069720%
City's Proportionate Share of the Net Pension Liability	\$7,975,197	\$8,003,781	\$7,457,156
City's Covered Payroll	\$3,401,818	\$2,950,366	\$2,692,040
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	234.44%	271.28%	277.01%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	75.03%	70.65%	69.89%

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

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

See accompanying notes to the required supplementary information.

2019	2018	2017	2016	2015	2014
0.10981200%	0.10360700%	0.09630500%	0.10455000%	0.10590010%	0.10590010%
\$8,963,559	\$6,358,828	\$6,099,862	\$6,725,775	\$5,486,066	\$5,157,667
\$2,559,919	\$2,347,911	\$2,216,434	\$2,261,788	\$2,209,509	\$2,843,578
350.15%	270.83%	275.21%	297.37%	248.29%	181.38%
63.07%	70.91%	68.36%	66.77%	71.71%	73.00%

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

	<u>2022</u>	<u>2021</u>	<u>2020</u>
City's Proportion of the Net OPEB Liability	0.12765580%	0.11740760%	0.11069720%
City's Proportionate Share of the Net OPEB Liability	\$1,399,218	\$1,243,955	\$1,093,438
City's Covered Payroll	\$3,401,818	\$2,950,366	\$2,692,040
City's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	41.13%	42.16%	40.62%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	46.90%	45.40%	47.08%

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

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

See accompanying notes to the required supplementary information.

<u>2019</u>	<u>2018</u>	<u>2017</u>
0.10981200%	0.10360700%	0.09630500%
\$1,000,008	\$5,870,227	\$4,571,382
\$2,559,919	\$2,347,911	\$2,216,434
39.06%	250.02%	206.25%
46.57%	14.13%	15.96%

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

	2022	2021	2020	2019
Net Pension Liability - Traditional Plan				
Contractually Required Contribution	\$541,858	\$481,994	\$471,801	\$482,944
Contributions in Relation to the Contractually Required Contribution	<u>(541,858)</u>	<u>(481,994)</u>	<u>(471,801)</u>	<u>(482,944)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City Covered Payroll	\$3,870,414	\$3,442,814	\$3,370,007	\$3,449,600
Pension Contributions as a Percentage of Covered Payroll	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>
Net Pension Liability - Combined Plan				
Contractually Required Contribution	\$11,096	\$9,991	\$9,397	\$9,358
Contributions in Relation to the Contractually Required Contribution	<u>(11,096)</u>	<u>(9,991)</u>	<u>(9,397)</u>	<u>(9,358)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City Covered Payroll	\$79,257	\$71,364	\$67,121	\$66,843
Pension Contributions as a Percentage of Covered Payroll	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>
Net OPEB Liability/Asset - OPEB Plan				
Contractually Required Contribution	\$2,356	\$2,109	\$2,012	\$1,874
Contributions in Relation to the Contractually Required Contribution	<u>(2,356)</u>	<u>(2,109)</u>	<u>(2,012)</u>	<u>(1,874)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City Covered Payroll (3)	\$4,008,571	\$3,566,903	\$3,487,428	\$3,563,293
OPEB Contributions as a Percentage of Covered Payroll	<u>0.06%</u>	<u>0.06%</u>	<u>0.06%</u>	<u>0.05%</u>

(1) Although this schedule is intended to reflect information for ten years, information prior to 2013 is not available. An additional column will be added each year.

(2) Beginning in 2016, OPERS used one trust fund as the funding vehicle for all health care plans; therefore, information prior to 2016 is not presented for the OPEB plan.

(3) The OPEB plan includes the members from the traditional plan, the combined plan, and the member directed plan. The member directed pension plan is a defined contribution pension plan; therefore, the pension side is not included above.

See accompanying notes to the required supplementary information.

<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
\$442,298	\$424,204	\$377,130	\$353,403	\$336,504	\$371,847
<u>(442,298)</u>	<u>(424,204)</u>	<u>(377,130)</u>	<u>(353,403)</u>	<u>(336,504)</u>	<u>(371,847)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$3,159,271	\$3,263,108	\$3,142,750	\$2,945,024	\$2,804,208	\$2,860,364
<u>14.00%</u>	<u>13.00%</u>	<u>12.00%</u>	<u>12.00%</u>	<u>12.00%</u>	<u>13.00%</u>
\$8,968	\$7,419	\$6,583	\$6,430	\$6,155	\$6,347
<u>(8,968)</u>	<u>(7,419)</u>	<u>(6,583)</u>	<u>(6,430)</u>	<u>(6,155)</u>	<u>(6,347)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$64,057	\$57,069	\$54,858	\$53,583	\$51,292	\$48,823
<u>14.00%</u>	<u>13.00%</u>	<u>12.00%</u>	<u>12.00%</u>	<u>12.00%</u>	<u>13.00%</u>
\$1,810	\$34,849	\$65,579			
<u>(1,810)</u>	<u>(34,849)</u>	<u>(65,579)</u>			
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>			
\$3,268,578	\$3,361,352	\$3,238,283			
<u>0.06%</u>	<u>1.04%</u>	<u>2.03%</u>			

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

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Net Pension Liability				
Contractually Required Contribution	\$728,897	\$701,843	\$601,388	\$542,139
Contributions in Relation to the Contractually Required Contribution	<u>(728,897)</u>	<u>(701,843)</u>	<u>(601,388)</u>	<u>(542,139)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City Covered Payroll (1)	\$3,522,877	\$3,401,818	\$2,950,366	\$2,692,040
Contributions as a Percentage of Covered Payroll:	20.69%	20.63%	20.38%	20.14%
Net OPEB Liability				
Contractually Required Contribution	\$17,615	\$17,009	\$14,751	\$13,461
Contributions in Relation to the Contractually Required Contribution	<u>(17,615)</u>	<u>(17,009)</u>	<u>(14,751)</u>	<u>(13,461)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
OPEB Contributions as a Percentage of Covered Payroll	<u>0.50%</u>	<u>0.50%</u>	<u>0.50%</u>	<u>0.50%</u>
Total Contributions as a Percentage of Covered Payroll	<u>21.19%</u>	<u>21.13%</u>	<u>20.88%</u>	<u>20.64%</u>

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

See accompanying notes to the required supplementary information.

<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
\$513,084	\$467,507	\$440,233	\$453,453	\$443,185	\$488,777
<u>(513,084)</u>	<u>(467,507)</u>	<u>(440,233)</u>	<u>(453,453)</u>	<u>(443,185)</u>	<u>(488,777)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$2,559,919	\$2,347,911	\$2,216,434	\$2,261,788	\$2,209,509	\$2,843,578
20.04%	19.91%	19.86%	20.05%	20.06%	17.19%
\$12,800	\$11,738	\$11,082	\$11,309	\$11,048	\$102,843
<u>(12,800)</u>	<u>(11,738)</u>	<u>(11,082)</u>	<u>(11,309)</u>	<u>(11,048)</u>	<u>(102,843)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>0.50%</u>	<u>0.50%</u>	<u>0.50%</u>	<u>0.50%</u>	<u>0.50%</u>	<u>3.62%</u>
<u>20.54%</u>	<u>20.41%</u>	<u>20.36%</u>	<u>20.55%</u>	<u>20.56%</u>	<u>20.81%</u>

CITY OF FRANKLIN, OHIO
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2022

Changes in Assumptions – OPERS Pension – Traditional Plan

Amounts reported beginning in 2022 incorporate changes in assumptions used by OPERS in calculating the total pension liability in the latest actuarial valuation. These new assumptions compared with those used in prior years are presented below:

	2022	2019	2018 and 2017	2016 and prior
Wage Inflation	2.75 percent	3.25 percent	3.25 percent	3.75 percent
Future Salary Increases	2.75 to 10.75 percent including wage inflation	3.25 to 10.75 percent including wage inflation	3.25 to 10.75 percent including wage inflation	4.25 to 10.05 percent including wage inflation
COLA or Ad Hoc COLA:				
Pre-January 7, 2013 Retirees	3 percent, simple	3 percent, simple	3 percent, simple	3 percent, simple
Post-January 7, 2013 Retirees:	see below	see below	see below	see below
Investment Rate of Return	6.9 percent	7.2 percent	7.5 percent	8 percent
Actuarial Cost Method	Individual Entry Age	Individual Entry Age	Individual Entry Age	Individual Entry Age

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

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

2022	3.0 percent, simple through 2022 then 2.05 percent, simple
2021	0.5 percent, simple through 2021 then 2.15 percent, simple
2020	1.4 percent, simple through 2020 then 2.15 percent, simple
2017 through 2019	3.0 percent, simple through 2018 then 2.15 percent, simple
2016 and prior	3.0 percent, simple through 2018 then 2.80 percent, simple 5.50 to 5.00 percent

Amounts reported beginning in 2022 use pre-retirement mortality rates based on 130 percent of the Pub-2010 General Employee Mortality tables (males and females) for State and Local Government divisions and 170 percent of the Pub-2010 Safety Employee Mortality tables (males and females) for the Public Safety and Law Enforcement divisions. Post-retirement mortality rates are based on 115 percent of the PubG-2010 Retiree Mortality Tables (males and females) for all divisions. Post-retirement mortality rates for disabled retirees are based on the PubNS-2010 Disabled Retiree Mortality Tables (males and females) for all divisions. For all the previously described tables, the base year is 2010 and mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scales (males and females) to all these tables.

Amounts reported beginning in 2017 use pre-retirement mortality rates are based on the RP-2014 Employees mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates are based on the RP-2014 Healthy Annuitant mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates for disabled retirees are based on the RP-2014 Disabled

CITY OF FRANKLIN, OHIO
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2022

mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to all of the above described tables.

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

Changes in Assumptions – OPERS Pension – Combined Plan

	2022	2019	2018
Wage Inflation	2.75 percent	3.25 percent	3.25 percent
Future Salary Increases	2.75 to 8.25 percent including wage inflation	3.25 to 8.25 percent including wage inflation	3.25 to 8.25 percent including wage inflation
COLA or Ad Hoc COLA:			
Pre-January 7, 2013 Retirees	3 percent, simple	3 percent, simple	3 percent, simple
Post-January 7, 2013 Retirees	see below	see below	see below
Investment Rate of Return	6.9 percent	7.2 percent	7.5 percent
Actuarial Cost Method	Individual Entry Age	Individual Entry Age	Individual Entry Age

For 2022, 2021, and 2020, the Combined Plan had the same change in COLA or Ad Hoc COLA for Post-January 2, 2013, retirees as the Traditional Plan.

Changes in Assumptions – OP&F Pension

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

	Beginning in 2018	2017 and Prior
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Investment Rate of Return	8.0 percent	8.25 percent
Projected Salary Increases	3.75 percent to 10.5 percent	4.25 percent to 11 percent
Payroll Growth	3.25 percent per annum, compounded annually, consisting of Inflation rate of 2.75 percent plus productivity increase rate of 0.5 percent	Inflation rate of 3.25 percent plus productivity increase rate of 0.5 percent
Cost of Living Adjustments	2.2 percent simple for increases based on the lesser of the increase in CPI and 3 percent	3.00 percent simple; 2.6 percent simple for increases based on the lesser of the increase in CPI and 3 percent

For 2022, the OP&F Board adopted a change in the investment rate of return, changing it from 8 percent for 2018 through 2021 to 7.5 percent for 2022.

CITY OF FRANKLIN, OHIO
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2022

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

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

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

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

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

Changes in Assumptions – OPERS OPEB

Wage Inflation:	
2022	2.75 percent
2021 and prior	3.25 percent
Projected Salary Increases (including wage inflation):	
2022	2.75 to 10.75 percent
2021 and prior	3.25 to 10.75 percent
Investment Return Assumption:	
Beginning in 2019	6.00 percent
2018	6.50 percent
Municipal Bond Rate:	
2022	1.84 percent
2021	2.00 percent
2020	2.75 percent
2019	3.71 percent
2018	3.31 percent
	(continued)

CITY OF FRANKLIN, OHIO
 NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
 DECEMBER 31, 2022

Single Discount Rate:

2022	6.00 percent
2021	6.00 percent
2020	3.16 percent
2019	3.96 percent
2018	3.85 percent

Health Care Cost Trend Rate:

2022	5.5 percent, initial 3.5 percent, ultimate in 2034
2021	8.5 percent, initial 3.5 percent, ultimate in 2035
2020	10.5 percent, initial 3.5 percent, ultimate in 2030
2019	10.0 percent, initial 3.25 percent, ultimate in 2029
2018	7.5 percent, initial 3.25 percent, ultimate in 2028

Changes in Assumptions – OP&F OPEB

Blended Discount Rate:

2022	2.84 percent
2021	2.96 percent
2020	3.56 percent
2019	4.66 percent
2018	3.24 percent

For 2022, the OP&F Board adopted a change in the investment rate of return, changing it from 8 percent for 2018 through 2021 to 7.5 percent for 2022.

Changes in Benefit Terms – OPERS OPEB

On January 15, 2020, the Board approved several changes to the health care plan offered to Medicare and non-Medicare retirees in efforts to decrease costs and increase the solvency of the health care plan. These changes are effective January 1, 2022, and include changes to base allowances and eligibility for Medicare retirees, as well as replacing OPERS-sponsored medical plans for non-Medicare retirees with monthly allowances, similar to the program for Medicare retirees. These changes are reflected in 2021.

Changes in Benefit Terms – OP&F OPEB

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

Combining Financial Statements and Individual Fund Schedules

CITY OF FRANKLIN, OHIO

NONMAJOR FUND DESCRIPTIONS

SPECIAL REVENUE FUNDS

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

NONMAJOR SPECIAL REVENUE FUNDS

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 related to law enforcement, received by the Municipal Court, whose use is restricted for services required to be provided by State statute.

FEMA Fund

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

Drug Law Enforcement Fund

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

OneOhio Opioid Fund

OneOhio Opioid Settlement Fund accounts for and reports restricted revenues from the Ohio opioid settlement.

Recreation Fund

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

Indigent Drivers Fund

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

Indigent Drivers Alcohol Monitoring Fund

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

In-House Monitoring Fund

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

(Continued)

CITY OF FRANKLIN, OHIO

**NONMAJOR FUND DESCRIPTIONS
(Continued)**

Street Lighting Fund

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

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

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

Police and Fire Pension Fund

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

DEBT SERVICE FUNDS

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

NONMAJOR DEBT SERVICE FUNDS

Bond Retirement Fund

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

Special Assessment Bond Fund

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

CAPITAL PROJECTS FUNDS

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

NONMAJOR CAPITAL PROJECTS FUNDS

Issue Two Fund

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

ODOT Project Fund

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

Property Acquisition Fund

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

Tax Increment Financing Fund

To account for and report payments received in lieu of taxes on property granted a tax exemption by the City. These monies are restricted for land purchases or infrastructure improvements. This fund had no cash nor budgetary activity during fiscal year 2022. Therefore, no budgetary statement is presented.

(Continued)

CITY OF FRANKLIN, OHIO

**NONMAJOR FUND DESCRIPTIONS
(Continued)**

Fire and EMS Replacement Fund

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

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.

CITY OF FRANKLIN, OHIO
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2022

	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	\$2,043,733	\$269,213	\$3,464,951	\$2,988,063	\$8,765,960
Cash and Cash Equivalents with Fiscal Agent	0	0	781,706	0	781,706
Materials and Supplies Inventory	1,159	0	0	0	1,159
Intergovernmental Receivable	10,293	0	782,000	0	792,293
Property Taxes Receivable	221,488	0	0	0	221,488
Special Assessments Receivable	130,493	0	0	0	130,493
Total Assets	\$2,407,166	\$269,213	\$5,028,657	\$2,988,063	\$10,693,099
Liabilities:					
Accounts Payable	\$15,711	\$0	\$2,519	\$0	\$18,230
Accrued Wages and Benefits Payable	4,747	0	0	0	4,747
Intergovernmental Payable	98,901	0	0	0	98,901
Contracts Payable	0	0	77,483	0	77,483
Total Liabilities	119,359	0	80,002	0	199,361
Deferred Inflows of Resources:					
Property Taxes	219,000	0	0	0	219,000
Unavailable Revenue	143,274	0	782,000	0	925,274
Total Deferred Inflows of Resources	362,274	0	782,000	0	1,144,274
Fund Balances:					
Nonspendable	1,159	0	0	2,310,213	2,311,372
Restricted	1,530,196	250,113	1,751,172	677,850	4,209,331
Committed	488,459	0	0	0	488,459
Assigned	0	19,100	2,415,483	0	2,434,583
Unassigned (Deficit)	(94,281)	0	0	0	(94,281)
Total Fund Balances	1,925,533	269,213	4,166,655	2,988,063	9,349,464
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$2,407,166	\$269,213	\$5,028,657	\$2,988,063	\$10,693,099

CITY OF FRANKLIN, OHIO
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2022

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Nonmajor Permanent Fund	Total Nonmajor Governmental Funds
Revenues:					
Property Taxes	\$209,677	\$0	\$0	\$0	\$209,677
Special Assessments	167,472	0	0	0	167,472
Charges for Services	16,357	0	0	0	16,357
Fines, Licenses, Permits, and Settlements	268,294	0	0	0	268,294
Intergovernmental	290,389	0	249,899	275,000	815,288
Investment Earnings	0	44,732	0	(108,632)	(63,900)
Contributions and Donations	8,724	0	5,000	0	13,724
Other	28,481	3,777	1,464	0	33,722
Total Revenues	989,394	48,509	256,363	166,368	1,460,634
Expenditures:					
Current:					
General Government	177,374	0	0	0	177,374
Security of Persons and Property:					
Police	595,710	0	0	0	595,710
Fire	449,146	0	109,315	0	558,461
Other	91,042	0	0	0	91,042
Public Health and Welfare	5,727	0	0	0	5,727
Leisure Time Activities	432,266	0	0	0	432,266
Economic Development	56,533	0	0	0	56,533
Transportation	0	0	684,713	0	684,713
Capital Outlay	148,147	0	462,307	19,000	629,454
Debt Service:					
Principal Retirement	2,468	450,000	182,306	0	634,774
Interest	1,832	24,946	11,494	0	38,272
Issuance Costs	0	31,500	0	0	31,500
Payment to Refunded Bond Escrow Agent	0	35,413	0	0	35,413
Total Expenditures	1,960,245	541,859	1,450,135	19,000	3,971,239
Excess of Revenues Over (Under) Expenditures	(970,851)	(493,350)	(1,193,772)	147,368	(2,510,605)
Other Financing Sources (Uses):					
Refunding Bonds Issued	0	1,965,000	0	0	1,965,000
Transfers In	1,142,991	540,000	3,435,230	0	5,118,221
Payment to Refunded Bond Escrow Agent	0	(1,965,000)	0	0	(1,965,000)
Total Other Financing Sources (Uses)	1,142,991	540,000	3,435,230	0	5,118,221
Net Change in Fund Balances	172,140	46,650	2,241,458	147,368	2,607,616
Fund Balances at Beginning of Year	1,753,393	222,563	1,925,197	2,840,695	6,741,848
Fund Balances at End of Year	\$1,925,533	\$269,213	\$4,166,655	\$2,988,063	\$9,349,464

CITY OF FRANKLIN, OHIO
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2022

	E-911 Fund	Court Fund	Drug Law Enforcement Fund	One Ohio Opioid Fund	Recreation Fund	Indigent Drivers Fund
Assets:						
Equity in Pooled Cash and Cash Equivalents	\$161,448	\$873,279	\$68,262	\$4,624	\$502,887	\$90,544
Materials and Supplies Inventory	0	0	0	0	1,159	0
Intergovernmental Receivable	0	0	0	0	0	0
Property Taxes Receivable	0	0	0	0	0	0
Special Assessments Receivable	0	0	0	0	0	0
Total Assets	\$161,448	\$873,279	\$68,262	\$4,624	\$504,046	\$90,544
Liabilities:						
Accounts Payable	\$0	\$1,464	\$0	\$0	\$6,259	\$0
Accrued Wages and Benefits Payable	0	0	0	0	4,747	0
Intergovernmental Payable	1,198	0	0	0	3,422	0
Total Liabilities	1,198	1,464	0	0	14,428	0
Deferred Inflows of Resources:						
Property Taxes	0	0	0	0	0	0
Unavailable Revenue	0	0	0	0	0	0
Total Deferred Inflows of Resources	0	0	0	0	0	0
Fund Balances:						
Nonspendable	0	0	0	0	1,159	0
Restricted	160,250	871,815	68,262	4,624	0	90,544
Committed	0	0	0	0	488,459	0
Unassigned (Deficit)	0	0	0	0	0	0
Total Fund Balances (Deficit)	160,250	871,815	68,262	4,624	489,618	90,544
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$161,448	\$873,279	\$68,262	\$4,624	\$504,046	\$90,544

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
\$59,949	\$50,670	\$226,734	\$5,336	\$0	\$2,043,733
0	0	0	0	0	1,159
0	0	0	2,761	7,532	10,293
0	0	0	59,668	161,820	221,488
0	0	130,493	0	0	130,493
<u>\$59,949</u>	<u>\$50,670</u>	<u>\$357,227</u>	<u>\$67,765</u>	<u>\$169,352</u>	<u>\$2,407,166</u>
\$1,217	\$0	\$6,771	\$0	\$0	\$15,711
0	0	0	0	0	4,747
0	0	0	0	94,281	98,901
<u>1,217</u>	<u>0</u>	<u>6,771</u>	<u>0</u>	<u>94,281</u>	<u>119,359</u>
0	0	0	59,000	160,000	219,000
0	0	130,493	3,429	9,352	143,274
0	0	130,493	62,429	169,352	362,274
0	0	0	0	0	1,159
58,732	50,670	219,963	5,336	0	1,530,196
0	0	0	0	0	488,459
0	0	0	0	(94,281)	(94,281)
<u>58,732</u>	<u>50,670</u>	<u>219,963</u>	<u>5,336</u>	<u>(94,281)</u>	<u>1,925,533</u>
<u>\$59,949</u>	<u>\$50,670</u>	<u>\$357,227</u>	<u>\$67,765</u>	<u>\$169,352</u>	<u>\$2,407,166</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, 2022

	E-911 Fund	Court Fund	FEMA Fund	Drug Law Enforcement Fund	One Ohio Opioid Fund	Recreation Fund
Revenues:						
Property Taxes	\$0	\$0	\$0	\$0	\$0	\$0
Special Assessments	0	0	0	0	0	0
Charges for Services	0	0	0	0	0	16,357
Fines, Licenses, Permits, and Settlements	0	247,930	0	1,551	4,624	0
Intergovernmental	118,935	0	113,176	0	0	25,000
Contributions and Donations	0	0	0	281	0	8,443
Other	254	20	0	24,380	0	3,827
Total Revenues	119,189	247,950	113,176	26,212	4,624	53,627
Expenditures:						
Current:						
General Government	0	177,374	0	0	0	0
Security of Persons and Property:						
Police	93,230	0	0	49,829	0	0
Fire	0	0	113,176	0	0	0
Other	0	0	0	0	0	0
Public Health and Welfare	0	0	0	0	0	0
Leisure Time Activities	0	0	0	0	0	432,266
Economic Development	0	0	0	0	0	0
Capital Outlay	0	20,183	0	0	0	126,743
Debt Service:						
Principal Retirement	0	0	0	0	0	0
Interest	0	0	0	0	0	0
Total Expenditures	93,230	197,557	113,176	49,829	0	559,009
Excess of Revenues Over (Under) Expenditures	25,959	50,393	0	(23,617)	4,624	(505,382)
Other Financing Sources:						
Transfers In	0	0	0	0	0	550,000
Net Change in Fund Balances	25,959	50,393	0	(23,617)	4,624	44,618
Fund Balances (Deficit) at Beginning of Year	134,291	821,422	0	91,879	0	445,000
Fund Balances (Deficit) at End of Year	<u>\$160,250</u>	<u>\$871,815</u>	<u>\$0</u>	<u>\$68,262</u>	<u>\$4,624</u>	<u>\$489,618</u>

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	\$56,255	\$153,422	\$209,677
0	0	0	167,472	0	0	167,472
0	0	0	0	0	0	16,357
1,425	7,171	5,593	0	0	0	268,294
5,998	6,695	0	0	5,523	15,062	290,389
0	0	0	0	0	0	8,724
0	0	0	0	0	0	28,481
<u>7,423</u>	<u>13,866</u>	<u>5,593</u>	<u>167,472</u>	<u>61,778</u>	<u>168,484</u>	<u>989,394</u>
0	0	0	0	0	0	177,374
0	0	0	0	0	452,651	595,710
0	0	0	0	0	335,970	449,146
0	0	0	91,042	0	0	91,042
0	5,727	0	0	0	0	5,727
0	0	0	0	0	0	432,266
0	0	0	0	56,533	0	56,533
0	0	0	1,221	0	0	148,147
0	0	0	0	0	2,468	2,468
0	0	0	0	0	1,832	1,832
<u>0</u>	<u>5,727</u>	<u>0</u>	<u>92,263</u>	<u>56,533</u>	<u>792,921</u>	<u>1,960,245</u>
7,423	8,139	5,593	75,209	5,245	(624,437)	(970,851)
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>592,991</u>	<u>1,142,991</u>
7,423	8,139	5,593	75,209	5,245	(31,446)	172,140
<u>83,121</u>	<u>50,593</u>	<u>45,077</u>	<u>144,754</u>	<u>91</u>	<u>(62,835)</u>	<u>1,753,393</u>
<u>\$90,544</u>	<u>\$58,732</u>	<u>\$50,670</u>	<u>\$219,963</u>	<u>\$5,336</u>	<u>(\$94,281)</u>	<u>\$1,925,533</u>

CITY OF FRANKLIN, OHIO
COMBINING BALANCE SHEET
NONMAJOR DEBT SERVICE FUNDS
DECEMBER 31, 2022

	Bond Retirement Fund	Special Assessment Bond Fund	Total Nonmajor Debt Service Funds
Assets:			
Equity in Pooled Cash and Cash Equivalents	\$19,100	\$250,113	\$269,213
Liabilities:	\$0	\$0	\$0
Fund Balances:			
Restricted	0	250,113	250,113
Assigned	19,100	0	19,100
Total Fund Balances	19,100	250,113	269,213
Total Liabilities and Fund Balances	\$19,100	\$250,113	\$269,213

CITY OF FRANKLIN, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR DEBT SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2022

	Bond Retirement Fund	Special Assessment Bond Fund	Total Nonmajor Debt Service Funds
Revenues:			
Investment Earnings	\$0	\$44,732	\$44,732
Other	3,777	0	3,777
Total Revenues	<u>3,777</u>	<u>44,732</u>	<u>48,509</u>
Expenditures:			
Debt Service:			
Principal Retirement	450,000	0	450,000
Interest	24,946	0	24,946
Issuance Costs	31,500	0	31,500
Payment to Refunded Bond Escrow Agent	35,413	0	35,413
Total Expenditures	<u>541,859</u>	<u>0</u>	<u>541,859</u>
Excess of Revenues Over (Under) Expenditures	<u>(538,082)</u>	<u>44,732</u>	<u>(493,350)</u>
Other Financing Sources (Uses):			
Refunding Notes Issued	1,965,000		1,965,000
Transfers In	540,000	0	540,000
Payment to Refunded Bond Escrow Agent	(1,965,000)	0	(1,965,000)
Total Other Financing Sources (Uses)	<u>540,000</u>	<u>0</u>	<u>540,000</u>
Net Change in Fund Balances	1,918	44,732	46,650
Fund Balances at Beginning of Year	<u>17,182</u>	<u>205,381</u>	<u>222,563</u>
Fund Balances at End of Year	<u><u>\$19,100</u></u>	<u><u>\$250,113</u></u>	<u><u>\$269,213</u></u>

CITY OF FRANKLIN, OHIO
COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
DECEMBER 31, 2022

	Issue Two Fund	ODOT Project Fund	Property Acquisition Fund	Tax Increment Financing Fund
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$885,564	\$569,037	\$1,474,129	\$83,902
Cash and Cash Equivalents with Fiscal Agent	0	781,706	0	0
Intergovernmental Receivable	0	782,000	0	0
Total Assets	\$885,564	\$2,132,743	\$1,474,129	\$83,902
Liabilities:				
Accounts Payable	\$0	\$0	\$2,519	\$0
Contracts Payable	0	77,483	0	0
Total Liabilities	0	77,483	2,519	0
Deferred Inflows of Resources:				
Unavailable Revenue	0	782,000	0	0
Fund Balances:				
Restricted	885,564	781,706	0	83,902
Assigned	0	491,554	1,471,610	0
Total Fund Balances	885,564	1,273,260	1,471,610	83,902
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$885,564	\$2,132,743	\$1,474,129	\$83,902

Fire and EMS Replacement Fund	Total Nonmajor Capital Projects Funds
\$452,319	\$3,464,951
0	781,706
0	782,000
<u>\$452,319</u>	<u>\$5,028,657</u>
\$0	\$2,519
0	77,483
<u>0</u>	<u>80,002</u>
<u>0</u>	<u>782,000</u>
0	1,751,172
452,319	2,415,483
<u>452,319</u>	<u>4,166,655</u>
<u>\$452,319</u>	<u>\$5,028,657</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, 2022

	Issue Two Fund	ODOT Project Fund	Property Acquisition Fund	Tax Increment Financing Fund
Revenues:				
Intergovernmental	\$0	\$219,899	\$30,000	\$0
Contributions and Donations	0	0	0	0
Other	0	0	1,464	0
Total Revenues	0	219,899	31,464	0
Expenditures:				
Current:				
Security of Persons and Property:				
Fire	0	0	0	0
Transportation	8,500	676,213	0	0
Capital Outlay	0	106,103	356,204	0
Debt Service:				
Principal Retirement	0	0	0	0
Interest	0	0	0	0
Total Expenditures	8,500	782,316	356,204	0
Excess of Revenues Over (Under) Expenditures	(8,500)	(562,417)	(324,740)	0
Other Financing Sources:				
Transfers In	0	1,600,000	1,335,230	0
Net Change in Fund Balances	(8,500)	1,037,583	1,010,490	0
Fund Balances at Beginning of Year	894,064	235,677	461,120	83,902
Fund Balances at End of Year	\$885,564	\$1,273,260	\$1,471,610	\$83,902

Fire and EMS Replacement Fund	Total Nonmajor Capital Projects Funds
\$0	\$249,899
5,000	5,000
<u>0</u>	<u>1,464</u>
<u>5,000</u>	<u>256,363</u>
109,315	109,315
0	684,713
0	462,307
182,306	182,306
<u>11,494</u>	<u>11,494</u>
<u>303,115</u>	<u>1,450,135</u>
(298,115)	(1,193,772)
<u>500,000</u>	<u>3,435,230</u>
201,885	2,241,458
<u>250,434</u>	<u>1,925,197</u>
<u>\$452,319</u>	<u>\$4,166,655</u>

CITY OF FRANKLIN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2022

	Final Budget	Actual	Variance With Final Budget
Revenues:			
Property Taxes	\$546,000	\$556,388	\$10,388
Income Taxes	11,178,125	11,714,336	536,211
Other Local Taxes	50,000	77,645	27,645
Charges for Services	341,300	170,620	(170,680)
Fines, Licenses, Permits, and Settlements	756,850	798,033	41,183
Intergovernmental	469,008	596,384	127,376
Investment Earnings and Other Interest	160,000	464,227	304,227
Other	94,600	148,351	53,751
Total Revenues	13,595,883	14,525,984	930,101
Expenditures:			
Current:			
General Government			
Clerk and Council			
Personal Services	182,530	174,090	8,440
Other	89,758	23,636	66,122
Total Clerk and Council	272,288	197,726	74,562
Municipal Court			
Personal Services	816,050	693,224	122,826
Other	237,587	209,230	28,357
Total Municipal Court	1,053,637	902,454	151,183
Probation			
Personal Services	287,787	259,345	28,442
Other	21,835	5,424	16,411
Total Probation	309,622	264,769	44,853
Mayor's and Administrative Office			
Personal Services	453,840	355,296	98,544
Other	17,000	7,782	9,218
Total Mayor's and Administrative Office	\$470,840	\$363,078	\$107,762

(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, 2022
 (Continued)

	Final Budget	Actual	Variance With Final Budget
Clerk Treasurer			
Personal Services	\$733,431	\$360,733	\$372,698
Other	161,000	92,958	68,042
Total Clerk Treasurer	894,431	453,691	440,740
Income Tax Administration			
Personal Services	300,030	145,179	154,851
Other	414,154	356,939	57,215
Total Income Tax Administration	714,184	502,118	212,066
Solicitor			
Personal Services	38,870	28,447	10,423
Other	364,000	355,804	8,196
Total Solicitor	402,870	384,251	18,619
Civil Service Commission			
Personal Services	8,700	2,713	5,987
Other	600	0	600
Total Civil Service Commission	9,300	2,713	6,587
Planning Commission			
Other	9,200	7,834	1,366
Building and Grounds			
Personal Services	67,330	59,480	7,850
Other	139,100	114,070	25,030
Total Building and Grounds	206,430	173,550	32,880
Special Appropriations			
Other	422,590	314,763	107,827
Economic Development			
Other	26,614	14,017	12,597
Total General Government	\$4,792,006	\$3,580,964	\$1,211,042

(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, 2022
(Continued)

	Final Budget	Actual	Variance With Final Budget
Security of Persons and Property:			
Police Law Enforcement			
Personal Services	\$4,053,511	\$3,501,981	\$551,530
Other	715,075	641,425	73,650
Total Police Law Enforcement	4,768,586	4,143,406	625,180
Other			
Building Inspection			
Personal Services	304,355	197,165	107,190
Other	233,300	229,059	4,241
Total Building Inspection	537,655	426,224	111,431
Total Security of Persons and Property	5,306,241	4,569,630	736,611
Leisure Time Activities:			
Joint Recreation			
Personal Services	154,500	114,110	40,390
Other	91,051	65,807	25,244
Total Leisure Time Activities	245,551	179,917	65,634
Capital Outlay	1,545,088	715,135	829,953
Total Expenditures	11,888,886	9,045,646	2,843,240
Excess of Revenues Over Expenditures	1,706,997	5,480,338	3,773,341
Other Financing Sources (Uses):			
Proceeds From Sale of Capital Assets	1,000	76,005	75,005
Advances In	1,850,000	0	(1,850,000)
Advances Out	(1,900,000)	(1,250,000)	650,000
Transfers Out	(6,073,366)	(5,485,937)	587,429
Total Other Financing Sources (Uses)	(6,122,366)	(6,659,932)	(537,566)
Net Change in Fund Balance	(4,415,369)	(1,179,594)	3,235,775
Fund Balance at Beginning of Year	11,262,302	11,262,302	0
Prior Year Encumbrances Appropriated	142,706	142,706	0
Fund Balance at End of Year	\$6,989,639	\$10,225,414	\$3,235,775

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, 2022

	Final Budget	Actual	Variance With Final Budget
Revenues:			
Property Taxes	\$1,402,000	\$1,371,558	(\$30,442)
Charges for Services	263,000	453,877	190,877
Intergovernmental	240,176	240,147	(29)
Contributions and Donations	0	800	800
Other	40,000	45,107	5,107
Total Revenues	<u>1,945,176</u>	<u>2,111,489</u>	<u>166,313</u>
Expenditures:			
Current:			
Security of Persons and Property			
Fire			
Personal Services	2,690,753	2,171,453	519,300
Other	735,666	605,318	130,348
Total Expenditures	<u>3,426,419</u>	<u>2,776,771</u>	<u>649,648</u>
Excess of Revenues Under Expenditures	<u>(1,481,243)</u>	<u>(665,282)</u>	<u>815,961</u>
Other Financing Sources (Uses):			
Proceeds from Sale of Capital Assets	0	7,671	7,671
Transfers In	818,064	649,525	(168,539)
Transfers Out	(769,715)	(741,809)	27,906
Total Other Financing Sources (Uses)	<u>48,349</u>	<u>(84,613)</u>	<u>(132,962)</u>
Net Change in Fund Balance	(1,432,894)	(749,895)	682,999
Fund Balance at Beginning of Year	1,987,239	1,987,239	0
Prior Year Encumbrances Appropriated	<u>34,169</u>	<u>34,169</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$588,514</u></u>	<u><u>\$1,271,513</u></u>	<u><u>\$682,999</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, 2022

	Final Budget	Actual	Variance With Final Budget
Revenues:			
Other Local Taxes	\$120,000	\$114,718	(\$5,282)
Special Assessments	35,000	60,384	25,384
Fines, Licenses, Permits, and Settlements	12,000	3,999	(8,001)
Intergovernmental	1,974,034	743,158	(1,230,876)
Investment Earnings and Other Interest	8,750	19,948	11,198
Other	2,200	1,660	(540)
Total Revenues	<u>2,151,984</u>	<u>943,867</u>	<u>(1,208,117)</u>
Expenditures:			
Current:			
Transportation			
Street Maintenance and Repair			
Personal Services	787,446	713,874	73,572
Other	504,835	441,268	63,567
Total Transportation	<u>1,292,281</u>	<u>1,155,142</u>	<u>137,139</u>
Capital Outlay	<u>1,774,454</u>	<u>1,466,034</u>	<u>308,420</u>
Debt Service:			
Principal Retirement	79,261	79,261	0
Interest and Fiscal Charges	7,009	7,009	0
Total Debt Service	<u>86,270</u>	<u>86,270</u>	<u>0</u>
Total Expenditures	<u>3,153,005</u>	<u>2,707,446</u>	<u>445,559</u>
Excess of Revenues Under Expenditures	<u>(1,001,021)</u>	<u>(1,763,579)</u>	<u>(762,558)</u>
Other Financing Sources (Uses):			
Proceeds from Sale of Capital Assets	0	5,250	5,250
Advances In	1,250,000	1,250,000	0
Transfers In	600,000	600,000	0
Transfers Out	(1,250,000)	0	1,250,000
Total Other Financing Sources (Uses)	<u>600,000</u>	<u>1,855,250</u>	<u>1,255,250</u>
Net Change in Fund Balance	(401,021)	91,671	492,692
Fund Balance at Beginning of Year	911,659	911,659	0
Prior Year Encumbrances Appropriated	8,681	8,681	0
Fund Balance at End of Year	<u>\$519,319</u>	<u>\$1,012,011</u>	<u>\$492,692</u>

CITY OF FRANKLIN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)
AMERICAN RESCUE PLAN ACT FUND
FOR THE YEAR ENDED DECEMBER 31, 2022

	Final Budget	Actual	Variance With Final Budget
Revenues:			
Intergovernmental	\$613,100	\$613,040	(\$60)
Expenditures:			
Capital Outlay	608,185	0	608,185
Net Change in Fund Balance	4,915	613,040	608,125
Fund Balance at Beginning of Year	608,185	608,185	0
Fund Balance at End of Year	<u>\$613,100</u>	<u>\$1,221,225</u>	<u>\$608,125</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, 2022

	Final Budget	Actual	Variance With Final Budget
Revenues:			
Charges for Services	\$2,740,500	\$2,917,949	\$177,449
Deposits Received	20,000	16,900	(3,100)
Other	63,000	45,124	(17,876)
Loans Issued	2,250,000	0	(2,250,000)
Total Revenues	<u>5,073,500</u>	<u>2,979,973</u>	<u>(2,093,527)</u>
Expenses:			
Current:			
Personal Services	1,044,536	984,714	59,822
Contractual Services	815,147	702,107	113,040
Materials and Supplies	253,267	243,289	9,978
Other	141,400	1,414	139,986
Deposit Refunds	50,000	18,358	31,642
Capital Outlay	2,779,350	567,497	2,211,853
Debt Service:			
Principal Retirement	371,612	96,145	275,467
Interest	38,388	24,426	13,962
Total Expenses	<u>5,493,700</u>	<u>2,637,950</u>	<u>2,855,750</u>
Excess of Revenues Over (Under) Expenses Before Transfers	(420,200)	342,023	762,223
Transfers Out	<u>(75,000)</u>	<u>(75,000)</u>	<u>0</u>
Net Change in Fund Equity	(495,200)	267,023	762,223
Fund Equity at Beginning of Year	2,852,777	2,852,777	0
Prior Year Encumbrances Appropriated	<u>146,240</u>	<u>146,240</u>	<u>0</u>
Fund Equity at End of Year	<u><u>\$2,503,817</u></u>	<u><u>\$3,266,040</u></u>	<u><u>\$762,223</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, 2022

	Final Budget	Actual	Variance With Final Budget
Revenues:			
Charges for Services	\$2,810,000	\$3,904,153	\$1,094,153
Deposits Received	20,000	15,300	(4,700)
Other	23,000	21,753	(1,247)
Total Revenues	<u>2,853,000</u>	<u>3,941,206</u>	<u>1,088,206</u>
Expenses:			
Current:			
Personal Services	348,465	288,183	60,282
Contractual Services	2,320,544	2,253,776	66,768
Materials and Supplies	48,917	46,746	2,171
Deposit Refunds	50,000	18,230	31,770
Other	3,000	0	3,000
Capital Outlay	64,100	54,100	10,000
Debt Service:			
Principal Retirement	9,115	9,115	0
Interest	885	885	0
Total Expenses	<u>2,845,026</u>	<u>2,671,035</u>	<u>173,991</u>
Excess of Revenues Over Expenses Before Transfers	7,974	1,270,171	1,262,197
Transfers Out	<u>(65,000)</u>	<u>(65,000)</u>	<u>0</u>
Net Change in Fund Equity	(57,026)	1,205,171	1,262,197
Fund Equity at Beginning of Year	959,140	959,140	0
Prior Year Encumbrances Appropriated	<u>201</u>	<u>201</u>	<u>0</u>
Fund Equity at End of Year	<u><u>\$902,315</u></u>	<u><u>\$2,164,512</u></u>	<u><u>\$1,262,197</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, 2022

	Final Budget	Actual	Variance With Final Budget
Revenues:			
Charges for Services	\$974,000	\$977,485	\$3,485
Other	500	131	(369)
Total Revenues	<u>974,500</u>	<u>977,616</u>	<u>3,116</u>
Expenses:			
Personal Services	62,230	55,898	6,332
Contractual Services	863,646	829,151	34,495
Materials and Supplies	2,652	517	2,135
Other	50,500	0	50,500
Total Expenses	<u>979,028</u>	<u>885,566</u>	<u>93,462</u>
Net Change in Fund Equity	(4,528)	92,050	96,578
Fund Equity at Beginning of Year	308,620	308,620	0
Prior Year Encumbrances Appropriated	<u>68</u>	<u>68</u>	<u>0</u>
Fund Equity at End of Year	<u><u>\$304,160</u></u>	<u><u>\$400,738</u></u>	<u><u>\$96,578</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, 2022

	Final Budget	Actual	Variance With Final Budget
Revenues:			
Charges for Services	\$810,300	\$824,587	\$14,287
Other	600	2,085	1,485
Total Revenues	<u>810,900</u>	<u>826,672</u>	<u>15,772</u>
Expenses:			
Personal Services	348,929	310,330	38,599
Contractual Services	86,256	75,011	11,245
Materials and Supplies	31,567	30,520	1,047
Other	21,950	0	21,950
Capital Outlay	342,350	321,328	21,022
Debt Service:			
Principal Retirement	28,886	28,886	0
Interest and Fiscal Charges	2,955	2,955	0
Total Expenses	<u>862,893</u>	<u>769,030</u>	<u>93,863</u>
Net Change in Fund Equity	(51,993)	57,642	109,635
Fund Equity at Beginning of Year	773,042	773,042	0
Prior Year Encumbrances Appropriated	<u>18,167</u>	<u>18,167</u>	<u>0</u>
Fund Equity at End of Year	<u><u>\$739,216</u></u>	<u><u>\$848,851</u></u>	<u><u>\$109,635</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, 2022

	Final Budget	Actual	Variance With Final Budget
Revenues:			
Intergovernmental	\$119,000	\$118,935	(\$65)
Other	200	277	77
Total Revenues	119,200	119,212	12
Expenditures:			
Current:			
Police Law Enforcement			
Personal Services	97,950	84,291	13,659
Other	20,400	8,838	11,562
Total Expenditures	118,350	93,129	25,221
Net Change in Fund Balance	850	26,083	25,233
Fund Balance at Beginning of Year	135,348	135,348	0
Fund Balance at End of Year	<u>\$136,198</u>	<u>\$161,431</u>	<u>\$25,233</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, 2022

	Final Budget	Actual	Variance With Final Budget
Revenues:			
Fines, Licenses, Permits, and Settlements	\$263,100	\$245,459	(\$17,641)
Other	0	20	20
	<u>263,100</u>	<u>245,479</u>	<u>(17,621)</u>
Total Revenues			
Expenditures:			
Current:			
General Government			
Municipal Court			
Personal Services	121,052	85,292	35,760
Other	267,862	98,107	169,755
	<u>388,914</u>	<u>183,399</u>	<u>205,515</u>
Total General Government			
Capital Outlay	35,000	20,183	14,817
	<u>423,914</u>	<u>203,582</u>	<u>220,332</u>
Total Expenditures			
Net Change in Fund Balance	(160,814)	41,897	202,711
Fund Balance at Beginning of Year	795,942	795,942	0
Prior Year Encumbrances Appropriated	8,962	8,962	0
Fund Balance at End of Year	<u><u>\$644,090</u></u>	<u><u>\$846,801</u></u>	<u><u>\$202,711</u></u>

CITY OF FRANKLIN, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)
 FEMA FUND
 FOR THE YEAR ENDED DECEMBER 31, 2022

	Final Budget	Actual	Variance With Final Budget
Revenues:			
Intergovernmental	\$295,000	\$113,176	(\$181,824)
Expenditures:			
Current:			
Security of Persons and Property			
Fire Department			
Personal Services	113,176	113,176	0
Excess of Revenues Over Expenditures	181,824	0	(181,824)
Other Financing Uses:			
Transfers Out	(181,824)	0	181,824
Net Change in Fund Balance	0	0	0
Fund Balance at Beginning of Year	0	0	0
Fund Balance at End of Year	\$0	\$0	\$0

CITY OF FRANKLIN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)
DRUG LAW ENFORCEMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2022

	Final Budget	Actual	Variance With Final Budget
Revenues:			
Fines, Licenses, Permits, and Settlements	\$7,075	\$1,566	(\$5,509)
Contributions and Donations	0	281	281
Other	16,125	10,416	(5,709)
Total Revenues	<u>23,200</u>	<u>12,263</u>	<u>(10,937)</u>
Expenditures:			
Current:			
Security of Persons and Property			
Police Law Enforcement			
Other	77,735	49,829	27,906
Public Health and Welfare			
Health			
Other	3,000	0	3,000
Total Expenditures	<u>80,735</u>	<u>49,829</u>	<u>30,906</u>
Excess of Revenues Under Expenditures	(57,535)	(37,566)	19,969
Other Financing Sources:			
Proceeds from Sale of Capital Assets	6,000	13,964	7,964
Net Change in Fund Balance	(51,535)	(23,602)	27,933
Fund Balance at Beginning of Year	87,044	87,044	0
Prior Year Encumbrances Appropriated	4,735	4,735	0
Fund Balance at End of Year	<u><u>\$40,244</u></u>	<u><u>\$68,177</u></u>	<u><u>\$27,933</u></u>

CITY OF FRANKLIN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)
ONEOHIO OPIOID FUND
FOR THE YEAR ENDED DECEMBER 31, 2022

	Final Budget	Actual	Variance With Final Budget
Revenues:			
Fines, Licenses, Permits, and Settlements	\$4,624	\$4,624	\$0
Expenditures:	0	0	0
Net Change in Fund Balance	4,624	4,624	0
Fund Balance at Beginning of Year	0	0	0
Fund Balance at End of Year	<u>\$4,624</u>	<u>\$4,624</u>	<u>\$0</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, 2022

	Final Budget	Actual	Variance With Final Budget
Revenues:			
Charges for Services	\$11,000	\$16,417	\$5,417
Intergovernmental	60,000	25,000	(35,000)
Rent	2,000	0	(2,000)
Contributions and Donations	2,300	8,443	6,143
Other	2,500	3,882	1,382
Total Revenues	<u>77,800</u>	<u>53,742</u>	<u>(24,058)</u>
Expenditures:			
Current:			
Leisure Time Activities			
Parks and Recreation			
Personal Services	377,221	248,413	128,808
Other	216,575	193,740	22,835
Total Leisure Time Activities	593,796	442,153	151,643
Capital Outlay	167,000	137,061	29,939
Total Expenditures	<u>760,796</u>	<u>579,214</u>	<u>181,582</u>
Excess of Revenues Under Expenditures	(682,996)	(525,472)	157,524
Other Financing Sources:			
Transfers In	550,000	550,000	0
Net Change in Fund Balance	(132,996)	24,528	157,524
Fund Balance at Beginning of Year	452,815	452,815	0
Prior Year Encumbrances Appropriated	2,061	2,061	0
Fund Balance at End of Year	<u>\$321,880</u>	<u>\$479,404</u>	<u>\$157,524</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, 2022

	Final Budget	Actual	Variance With Final Budget
Revenues:			
Fines, Licenses, Permits, and Settlements	\$1,100	\$1,448	\$348
Intergovernmental	3,700	5,998	2,298
Total Revenues	4,800	7,446	2,646
Expenditures:			
Current:			
Public Health			
Other	7,000	0	7,000
Net Change in Fund Balance	(2,200)	7,446	9,646
Fund Balance at Beginning of Year	82,973	82,973	0
Fund Balance at End of Year	\$80,773	\$90,419	\$9,646

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, 2022

	Final Budget	Actual	Variance With Final Budget
Revenues:			
Fines, Licenses, Permits, and Settlements	\$9,500	\$7,069	(\$2,431)
Intergovernmental	8,650	6,695	(1,955)
Total Revenues	18,150	13,764	(4,386)
Expenditures:			
Current:			
Public Health			
Other	25,146	13,579	11,567
Net Change in Fund Balance	(6,996)	185	7,181
Fund Balance at Beginning of Year	45,343	45,343	0
Prior Year Encumbrances Appropriated	4,896	4,896	0
Fund Balance at End of Year	\$43,243	\$50,424	\$7,181

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, 2022

	Final Budget	Actual	Variance With Final Budget
Revenues:			
Fines, Licenses, Permits, and Settlements	\$7,000	\$5,728	(\$1,272)
Expenditures:			
Current:			
General Government			
Municipal Court			
Other	7,000	0	7,000
Net Change in Fund Balance	0	5,728	5,728
Fund Balance at Beginning of Year	44,619	44,619	0
Fund Balance at End of Year	<u>\$44,619</u>	<u>\$50,347</u>	<u>\$5,728</u>

CITY OF FRANKLIN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)
STREET LIGHTING FUND
FOR THE YEAR ENDED DECEMBER 31, 2022

	Final Budget	Actual	Variance With Final Budget
Revenues:			
Special Assessments	\$165,000	\$167,472	\$2,472
Expenditures:			
Current:			
Security of Persons and Property			
Street Lighting			
Other	167,184	133,906	33,278
Capital Outlay	3,000	1,221	1,779
Total Expenditures	170,184	135,127	35,057
Excess of Revenues Over (Under) Expenditures	(5,184)	32,345	37,529
Other Financing Sources:			
Transfers In	3,100	0	(3,100)
Net Change in Fund Balance	(2,084)	32,345	34,429
Fund Balance at Beginning of Year	144,570	144,570	0
Prior Year Encumbrances Appropriated	184	184	0
Fund Balance at End of Year	\$142,670	\$177,099	\$34,429

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, 2022

	Final Budget	Actual	Variance With Final Budget
Revenues:			
Property Taxes	\$57,000	\$56,255	(\$745)
Intergovernmental	4,500	5,523	1,023
Total Revenues	61,500	61,778	278
Expenditures:			
Current:			
Economic Development			
Other	60,000	56,533	3,467
Excess of Revenues Over Expenditures	1,500	5,245	3,745
Other Financing Sources:			
Transfers In	11,000	0	(11,000)
Net Change in Fund Balance	12,500	5,245	(7,255)
Fund Balance at Beginning of Year	91	91	0
Fund Balance at End of Year	\$12,591	\$5,336	(\$7,255)

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, 2022

	Final Budget	Actual	Variance With Final Budget
Revenues:			
Property Taxes	\$156,000	\$153,422	(\$2,578)
Intergovernmental	12,800	15,062	2,262
Total Revenues	<u>168,800</u>	<u>168,484</u>	<u>(316)</u>
Expenditures:			
Current:			
Security of Persons and Property			
Police Law Enforcement			
Personal Services	505,000	431,513	73,487
Other	1,000	1,000	0
Total Police Law Enforcement	<u>506,000</u>	<u>432,513</u>	<u>73,487</u>
Fire Department			
Personal Services	365,011	323,662	41,349
Other	1,000	1,000	0
Total Fire Department	<u>366,011</u>	<u>324,662</u>	<u>41,349</u>
Total Security of Persons and Property	<u>872,011</u>	<u>757,175</u>	<u>114,836</u>
Debt Service:			
Principal Retirement	2,468	2,468	0
Interest	1,832	1,832	0
Total Debt Service	<u>4,300</u>	<u>4,300</u>	<u>0</u>
Total Expenditures	<u>876,311</u>	<u>761,475</u>	<u>114,836</u>
Excess of Revenues Under Expenditures	(707,511)	(592,991)	114,520
Other Financing Sources:			
Transfers In	<u>707,511</u>	<u>592,991</u>	<u>(114,520)</u>
Net Change in Fund Balance	0	0	0
Fund Balance at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$0</u></u>	<u><u>\$0</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)
BOND RETIREMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2022

	Final Budget	Actual	Variance With Final Budget
Revenues:			
Other	\$0	\$3,777	\$3,777
Expenditures:			
Debt Service:			
Principal Retirement	450,000	450,000	0
Interest	32,587	24,946	7,641
Issuance Costs	31,500	31,500	0
Payment to Refunded Bond Escrow Agent	35,413	35,413	0
Total Expenditures	549,500	541,859	7,641
Excess of Revenues Under Expenditures	(549,500)	(538,082)	11,418
Other Financing Sources (Uses):			
Refunding Bonds Issued	1,965,000	1,965,000	0
Transfers In	540,000	540,000	0
Payment to Refunded Bond Escrow Agent	(1,965,000)	(1,965,000)	0
Total Other Financing Sources (Uses)	540,000	540,000	0
Net Change in Fund Balance	(9,500)	1,918	11,418
Fund Balance at Beginning of Year	17,182	17,182	0
Fund Balance at End of Year	\$7,682	\$19,100	\$11,418

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, 2022

	Final Budget	Actual	Variance With Final Budget
Revenues:			
Special Assessments	\$44,750	\$44,732	(\$18)
Expenditures:	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balance	44,750	44,732	(18)
Fund Balance at Beginning of Year	<u>205,381</u>	<u>205,381</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$250,131</u></u>	<u><u>\$250,113</u></u>	<u><u>(\$18)</u></u>

CITY OF FRANKLIN, OHIO
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)
 ISSUE TWO FUND
 FOR THE YEAR ENDED DECEMBER 31, 2022

	Final Budget	Actual	Variance With Final Budget
Revenues:	\$0	\$0	\$0
Expenditures:			
Current:			
Transportation			
Street Maintenance and Repair			
Other	100,000	8,500	91,500
Net Change in Fund Balance	(100,000)	(8,500)	91,500
Fund Balance at Beginning of Year	894,064	894,064	0
Fund Balance at End of Year	\$794,064	\$885,564	\$91,500

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, 2022

	Final Budget	Actual	Variance With Final Budget
Revenues:			
Intergovernmental	\$2,720,764	\$42,764	(\$2,678,000)
Expenditures:			
Capital Outlay	3,795,531	1,524,480	2,271,051
Excess of Revenues Under Expenditures	(1,074,767)	(1,481,716)	(406,949)
Other Financing Sources:			
Transfers In	1,600,000	1,600,000	0
Net Change in Fund Balance	525,233	118,284	(406,949)
Fund Balance at Beginning of Year	44,274	44,274	0
Prior Year Encumbrances Appropriated	227,767	227,767	0
Fund Balance at End of Year	<u>\$797,274</u>	<u>\$390,325</u>	<u>(\$406,949)</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, 2022

	Final Budget	Actual	Variance With Final Budget
Revenues:			
Intergovernmental	\$30,000	\$30,000	\$0
Other	100,000	1,464	(98,536)
Total Revenues	130,000	31,464	(98,536)
Expenditures:			
Capital Outlay	1,891,355	1,570,942	320,413
Excess of Revenues Under Expenditures	(1,761,355)	(1,539,478)	221,877
Other Financing Sources:			
Transfers In	1,335,000	1,335,230	230
Net Change in Fund Balance	(426,355)	(204,248)	222,107
Fund Balance at Beginning of Year	284,765	284,765	0
Prior Year Encumbrances Appropriated	176,355	176,355	0
Fund Balance at End of Year	<u>\$34,765</u>	<u>\$256,872</u>	<u>\$222,107</u>

CITY OF FRANKLIN, OHIO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL (BUDGET BASIS)
FIRE AND EMS REPLACEMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2022

	Final Budget	Actual	Variance With Final Budget
Revenues:			
Contributions and Donations	\$0	\$5,000	\$5,000
Expenditures:			
Capital Outlay	234,543	109,315	125,228
Debt Service:			
Principal Retirement	182,306	182,306	0
Interest and Fiscal Charges	11,494	11,494	0
Total Debt Service	193,800	193,800	0
Total Expenditures	428,343	303,115	125,228
Excess of Revenues Under Expenditures	(428,343)	(298,115)	130,228
Other Financing Sources:			
Transfers In	500,000	500,000	0
Net Change in Fund Balance	71,657	201,885	130,228
Fund Balance at Beginning of Year	177,556	177,556	0
Prior Year Encumbrances Appropriated	72,878	72,878	0
Fund Balance at End of Year	\$322,091	\$452,319	\$130,228

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, 2022

	Final Budget	Actual	Variance With Final Budget
Revenues:			
Intergovernmental	\$275,000	\$275,000	\$0
Expenditures:			
Capital Outlay	19,000	19,000	0
Net Change in Fund Balance	256,000	256,000	0
Fund Balance at Beginning of Year	20,510	20,510	0
Fund Balance at End of Year	<u>\$276,510</u>	<u>\$276,510</u>	<u>\$0</u>

Statistical Section

STATISTICAL TABLES

This part of the City of Franklin’s annual comprehensive 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	152-163
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	164-165
These schedules contain information to help the reader assess the City’s most significant local revenue source, the income tax.	
Debt Capacity	166-172
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	173-175
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	176-181
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 annual comprehensive financial reports for the relevant year.

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

	<u>2013</u>	<u>2014</u>	<u>2015</u>
Governmental Activities:			
Net Investment in Capital Assets	\$39,365,157	\$39,594,071	\$39,854,845
Restricted For:			
Debt Service	1,061,246	751,216	466,684
Capital Outlay	1,049,228	1,584,069	1,512,898
Fire Protection	561,889	988,131	1,521,593
Transportation	1,140,136	1,209,777	1,111,673
Other Purposes	662,162	745,528	870,216
Pension/OPEB Plans	0	0	0
Leisure Time Activities Expendable	127,025	335,947	363,454
Leisure Time Activities Nonexpendable	1,391,796	1,506,708	1,360,832
Unrestricted	<u>8,128,201</u>	<u>1,358,946</u>	<u>1,240,722</u>
<i>Total Governmental Activities Net Position</i>	<u>53,486,840</u>	<u>48,074,393</u>	<u>48,302,917</u>
Business-Type Activities:			
Net Investment in Capital Assets	17,650,787	17,408,300	18,014,569
Restricted For:			
Debt Service	617,111	570,861	586,603
Revenue Bonds Replacement and Improvement	377,630	477,630	577,630
Pension/OPEB Plans	0	0	0
Unrestricted	<u>2,342,465</u>	<u>1,989,846</u>	<u>2,327,024</u>
<i>Total Business-Type Activities</i>	<u>20,987,993</u>	<u>20,446,637</u>	<u>21,505,826</u>
Primary Government:			
Net Investment in Capital Assets	57,015,944	57,002,371	57,869,414
Restricted	6,988,223	8,169,867	8,371,583
Unrestricted	<u>10,470,666</u>	<u>3,348,792</u>	<u>3,567,746</u>
<i>Total Primary Government Net Position</i>	<u>\$74,474,833</u>	<u>\$68,521,030</u>	<u>\$69,808,743</u>

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

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

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

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

2016	2017	2018	2019	2020	2021	2022
\$40,191,340	\$40,644,424	\$40,444,418	\$39,420,795	\$40,220,125	\$45,634,920	\$46,027,692
194,323	216,697	182,708	190,980	192,643	199,479	247,941
1,906,135	1,844,814	111,347	1,522,548	1,722,519	1,292,771	1,751,172
1,970,539	2,409,448	2,015,999	1,949,802	2,195,965	1,792,951	1,114,758
1,108,766	1,063,412	1,068,768	1,243,670	1,252,862	1,458,086	482,297
910,172	1,014,447	1,204,907	1,287,985	1,731,894	1,461,265	1,622,164
0	0	0	0	0	29,509	39,315
605,177	537,849	576,322	1,782,254	2,316,468	356,783	677,850
1,279,396	1,403,446	1,336,270	832,501	630,900	2,483,912	2,310,213
997,246	(4,502,499)	(2,746,063)	1,585,507	829,890	3,152,673	6,637,705
<u>49,163,094</u>	<u>44,632,038</u>	<u>44,194,676</u>	<u>49,816,042</u>	<u>51,093,266</u>	<u>57,862,349</u>	<u>60,911,107</u>
18,125,979	18,407,077	18,631,808	19,718,072	19,393,755	19,797,199	19,504,554
590,651	586,318	561,753	470,642	459,079	286,482	0
677,630	927,630	1,177,630	238,045	151,008	561,920	0
0	0	0	0	0	11,481	24,327
<u>2,833,316</u>	<u>1,857,291</u>	<u>1,478,299</u>	<u>1,670,554</u>	<u>2,309,899</u>	<u>4,094,753</u>	<u>6,694,714</u>
<u>22,227,576</u>	<u>21,778,316</u>	<u>21,849,490</u>	<u>22,097,313</u>	<u>22,313,741</u>	<u>24,751,835</u>	<u>26,223,595</u>
58,317,319	59,051,501	59,076,226	59,138,867	59,613,880	65,432,119	65,532,246
9,242,789	10,004,061	8,235,704	9,518,427	10,653,338	9,934,639	8,270,037
3,830,562	(2,645,208)	(1,267,764)	3,256,061	3,139,789	7,247,426	13,332,419
<u>\$71,390,670</u>	<u>\$66,410,354</u>	<u>\$66,044,166</u>	<u>\$71,913,355</u>	<u>\$73,407,007</u>	<u>\$82,614,184</u>	<u>\$87,134,702</u>

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

	2013	2014	2015 (1)
Program Revenues:			
Charges for Services and Sales:			
General Government	\$289,851	\$532,555	\$464,392
Security of Persons and Property:			
Police	388,207	440,377	428,749
Fire	348,778	548,905	552,753
Other	140,549	144,766	149,023
Public Health and Welfare	9,496	11,847	8,759
Leisure Time Activities	0	0	19,305
Transportation	1,256	1,764	550
Operating Grants, Contributions and Interest	1,030,371	1,024,216	925,943
Capital Grants, Contributions and Interest	124,668	331,344	876,492
<i>Total Governmental Activities Program Revenues</i>	<u>2,333,176</u>	<u>3,035,774</u>	<u>3,425,966</u>
Business-Type Activities:			
Charges for Services:			
Water	2,527,385	2,566,139	2,628,095
Sewer	2,403,048	2,474,765	2,669,288
Trash	746,766	762,790	747,963
Stormwater Utility	455,305	484,006	513,732
Operating Grants, Contributions and Interest	105,072	0	0
Capital Grants, Contributions and Interest	0	0	432,086
<i>Total Business-Type Activities Program Revenues</i>	<u>6,237,576</u>	<u>6,287,700</u>	<u>6,991,164</u>
<i>Total Primary Government Program Revenues</i>	<u>8,570,752</u>	<u>9,323,474</u>	<u>10,417,130</u>
Expenses:			
Governmental Activities:			
Current:			
General Government	2,421,208	2,474,594	2,729,627
Security of Persons and Property	6,173,685	6,301,359	6,407,213
Public Health and Welfare	11,250	27,356	31,824
Leisure Time Activities	316,393	339,652	306,096
Economic Development	51,449	51,449	54,124
Public Works	97,090	105,532	87,531
Transportation	3,524,995	1,866,068	3,614,786
Interest	279,948	258,996	231,397
<i>Total Governmental Activities Expenses</i>	<u>12,876,018</u>	<u>11,425,006</u>	<u>13,462,598</u>
Business-Type Activities:			
Water	1,924,148	1,989,322	1,805,446
Sewer	2,522,418	2,484,895	2,532,207
Trash	811,545	852,135	749,283
Stormwater Utility	656,697	777,287	772,918
<i>Total Business-Type Activities Expenses</i>	<u>5,914,808</u>	<u>6,103,639</u>	<u>5,859,854</u>
Net (Expense)/Revenue:			
Governmental Activities	(10,542,842)	(8,389,232)	(10,036,632)
Business-Type Activities	322,768	184,061	1,131,310
<i>Total Primary Government Net Expense</i>	<u>(\$10,220,074)</u>	<u>(\$8,205,171)</u>	<u>(\$8,905,322)</u>

2016	2017	2018 (2)	2019 (3)	2020 (4)	2021	2022
\$827,299	\$816,288	\$884,730	\$510,062	\$389,335	\$511,522	\$538,593
366,674	533,566	610,393	633,791	561,270	565,861	608,036
552,665	465,504	420,574	409,855	365,500	465,451	386,943
148,965	151,899	166,600	167,922	166,988	167,792	169,253
9,261	10,724	12,495	11,153	7,048	7,994	8,596
15,720	17,316	16,398	74,843	2,550	68,321	96,132
2,196	12,871	97,243	159,486	95,967	9,017	17,523
859,323	842,790	856,345	943,681	1,826,974	2,070,119	1,305,598
868	793,884	0	188,900	924,960	2,335,272	1,306,899
2,782,971	3,644,842	3,064,778	3,099,693	4,340,592	6,201,349	4,437,573
2,785,464	2,672,773	2,568,554	2,592,073	2,614,390	3,122,916	2,883,555
2,499,263	2,412,378	2,508,522	2,483,277	2,648,665	3,278,875	3,685,150
770,084	793,821	816,973	859,449	864,345	922,699	986,266
567,527	579,193	584,840	591,240	595,447	641,892	833,928
0	0	0	0	0	0	0
0	0	0	98,851	0	0	0
6,622,338	6,458,165	6,478,889	6,624,890	6,722,847	7,966,382	8,388,899
9,405,309	10,103,007	9,543,667	9,724,583	11,063,439	14,167,731	12,826,472
2,844,525	2,971,030	3,109,064	3,593,221	3,948,000	2,080,097	3,268,650
6,077,154	6,661,747	7,558,997	3,026,100	8,251,588	8,667,741	8,871,552
27,006	13,369	8,042	9,271	3,415	8,119	5,727
407,527	377,392	483,546	692,783	579,921	377,753	599,061
57,487	56,469	56,022	56,242	56,329	56,327	56,533
68,611	59,840	59,840	59,840	59,840	47,318	47,849
3,031,901	3,266,332	3,429,614	3,179,003	3,156,912	1,847,223	3,746,500
203,307	179,092	149,865	151,189	138,330	116,794	131,130
12,717,518	13,585,271	14,854,990	10,767,649	16,194,335	13,201,372	16,727,002
1,691,652	1,661,217	1,892,400	1,860,237	2,143,447	1,662,146	2,353,453
2,264,959	2,702,896	2,771,880	2,716,212	2,623,877	2,286,852	2,645,628
777,811	801,469	816,988	832,463	834,928	835,386	859,247
1,054,550	1,013,580	877,092	927,657	839,652	677,316	985,785
5,788,972	6,179,162	6,358,360	6,336,569	6,441,904	5,461,700	6,844,113
(9,934,547)	(9,940,429)	(11,790,212)	(7,667,956)	(11,853,743)	(7,000,023)	(12,289,429)
833,366	279,003	120,529	288,321	280,943	2,504,682	1,544,786
(\$9,101,181)	(\$9,661,426)	(\$11,669,683)	(\$7,379,635)	(\$11,572,800)	(\$4,495,341)	(\$10,744,643)

(Continued)

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

	2013	2014	2015 (1)
General Revenues and Other Changes in Net Position:			
Governmental Activities:			
Property Taxes Levied for:			
General Purposes	\$382,168	\$394,024	\$410,545
Fire	1,236,803	1,209,420	1,224,778
Other Purposes	166,527	174,732	177,381
Income Taxes	8,091,731	6,764,284	7,665,010
Other Local Taxes Levied for General Purposes	191,449	184,737	208,667
Payments in Lieu of Taxes	199,588	107,787	0
Grants and Entitlements not Restricted to Specific Programs	553,230	211,427	232,675
Gain on Sale of Capital Assets	0	0	0
Unrestricted Investment Earnings	77,465	94,468	25,681
Contributions and Donations	0	0	0
Other	185,686	100,436	190,419
Transfers	130,000	78,300	130,000
	<i>Total Governmental Activities</i>	<i>9,319,615</i>	<i>10,265,156</i>
Business-Type Activities:			
Gain on Sale of Capital Assets	0	0	0
Unrestricted Investment Earnings	0	0	0
Other	11,002	84,460	57,879
Transfers	(130,000)	(78,300)	(130,000)
	<i>Total Business-Type Activities</i>	<i>6,160</i>	<i>(72,121)</i>
	<i>Total Primary Government General Revenues and Other Changes in Net Position</i>	<i>9,325,775</i>	<i>10,193,035</i>
Change in Net Position			
Governmental Activities	671,805	930,383	228,524
Business-Type Activities	203,770	190,221	1,059,189
Prior Year Restatement of Net Position	0	(7,074,407)	0
	<i>Total Primary Government Changes in Net Position</i>	<i>(\$5,953,803)</i>	<i>\$1,287,713</i>

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

2016	2017	2018 (2)	2019 (3)	2020 (4)	2021	2022
\$419,946	\$419,772	\$431,965	\$445,416	\$478,325	\$451,571	\$555,519
1,243,468	1,245,046	1,282,700	1,256,145	1,350,748	1,277,406	1,365,461
164,114	164,029	168,788	174,054	186,915	176,452	209,336
7,844,529	8,304,978	8,346,175	8,787,229	8,233,811	9,799,231	12,044,559
174,175	183,308	177,101	173,582	140,692	169,706	191,292
0	0	0	0	0	0	0
287,718	214,524	240,029	590,830	782,774	503,838	598,503
0	133,883	0	0	0	64,620	0
300,759	489,784	252,730	1,216,055	687,817	492,124	19,004
0	1,050	2,450	800	0	200	5,000
230,015	311,277	308,984	339,637	1,074,885	693,958	209,513
130,000	130,000	141,928	216,070	195,000	140,000	140,000
<u>10,794,724</u>	<u>11,597,651</u>	<u>11,352,850</u>	<u>13,199,818</u>	<u>13,130,967</u>	<u>13,769,106</u>	<u>15,338,187</u>
0	0	0	100,000	0	0	0
0	578	7,594	9,713	1,253	31	2,378
18,384	34,785	84,979	89,239	129,232	73,381	64,596
<u>(130,000)</u>	<u>(130,000)</u>	<u>(141,928)</u>	<u>(216,070)</u>	<u>(195,000)</u>	<u>(140,000)</u>	<u>(140,000)</u>
<u>(111,616)</u>	<u>(94,637)</u>	<u>(49,355)</u>	<u>(17,118)</u>	<u>(64,515)</u>	<u>(66,588)</u>	<u>(73,026)</u>
<u>10,683,108</u>	<u>11,503,014</u>	<u>11,303,495</u>	<u>13,182,700</u>	<u>13,066,452</u>	<u>13,702,518</u>	<u>15,265,161</u>
860,177	1,657,222	(437,362)	5,531,862	1,277,224	6,769,083	3,048,758
721,750	184,366	71,174	271,203	216,428	2,438,094	1,471,760
0	(6,821,904)	0	0	0	0	0
<u>\$1,581,927</u>	<u>(\$4,980,316)</u>	<u>(\$366,188)</u>	<u>\$5,803,065</u>	<u>\$1,493,652</u>	<u>\$9,207,177</u>	<u>\$4,520,518</u>

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

Function / Program:	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Governmental Activities:				
General Government	\$291,939	\$535,907	\$466,079	\$827,667
Security of Persons and Property:				
Police	511,274	551,717	541,044	485,320
Fire	593,711	696,268	702,789	796,477
Other	140,549	144,766	149,023	148,965
Public Health and Welfare	15,876	19,288	18,803	14,833
Leisure Time Activities	124,668	331,344	26,998	19,139
Economic Development	9,773	2,390	990	4,670
Transportation	645,386	754,094	1,520,240	485,900
<i>Total Governmental Activities</i>	<u>2,333,176</u>	<u>3,035,774</u>	<u>3,425,966</u>	<u>2,782,971</u>
Business-Type Activities:				
Water	2,527,385	2,566,139	2,691,995	2,785,464
Sewer	2,403,048	2,474,765	2,913,738	2,499,263
Trash	851,838	762,790	747,963	770,084
Stormwater Utility	455,305	484,006	637,468	567,527
<i>Total Business-Type Activities</i>	<u>6,237,576</u>	<u>6,287,700</u>	<u>6,991,164</u>	<u>6,622,338</u>
<i>Total Primary Government</i>	<u><u>\$8,570,752</u></u>	<u><u>\$9,323,474</u></u>	<u><u>\$10,417,130</u></u>	<u><u>\$9,405,309</u></u>

<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
\$816,288	\$884,730	\$515,062	\$389,335	\$511,522	\$538,593
651,919	726,985	753,232	1,230,326	682,986	736,472
629,989	604,451	567,886	1,593,735	1,035,346	744,991
151,899	166,600	167,922	166,988	167,792	169,253
26,565	18,787	22,313	18,023	20,818	21,289
19,655	18,284	86,698	3,902	116,052	429,575
4,610	4,592	16,249	4,752	4,743	5,890
<u>1,343,917</u>	<u>640,349</u>	<u>970,331</u>	<u>933,531</u>	<u>3,662,090</u>	<u>1,791,510</u>
<u>3,644,842</u>	<u>3,064,778</u>	<u>3,099,693</u>	<u>4,340,592</u>	<u>6,201,349</u>	<u>4,437,573</u>
2,672,773	2,568,554	2,592,073	2,614,390	3,122,916	2,883,555
2,412,378	2,508,522	2,483,277	2,648,665	3,278,875	3,685,150
793,821	816,973	859,449	864,345	922,699	986,266
<u>579,193</u>	<u>584,840</u>	<u>690,091</u>	<u>595,447</u>	<u>641,892</u>	<u>833,928</u>
<u>6,458,165</u>	<u>6,478,889</u>	<u>6,624,890</u>	<u>6,722,847</u>	<u>7,966,382</u>	<u>8,388,899</u>
<u>\$10,103,007</u>	<u>\$9,543,667</u>	<u>\$9,724,583</u>	<u>\$11,063,439</u>	<u>\$14,167,731</u>	<u>\$12,826,472</u>

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

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
General Fund				
Nonspendable	\$24,599	\$34,432	\$31,649	\$25,962
Assigned	152,330	593,718	1,355,540	147,990
Unassigned	<u>6,471,899</u>	<u>6,176,518</u>	<u>5,284,020</u>	<u>6,841,186</u>
<i>Total General Fund</i>	<u>6,648,828</u>	<u>6,804,668</u>	<u>6,671,209</u>	<u>7,015,138</u>
All Other Governmental Funds				
Nonspendable	1,510,720	1,801,205	1,570,745	1,721,427
Restricted	3,425,266	4,542,443	5,071,075	5,985,872
Committed	79,913	67,495	97,237	116,886
Assigned	157,536	151,532	155,532	135,107
Unassigned (Deficit)	<u>(49,858)</u>	<u>(36,690)</u>	<u>(24,154)</u>	<u>(4,205)</u>
<i>Total All Other Governmental Funds</i>	<u>5,123,577</u>	<u>6,525,985</u>	<u>6,870,435</u>	<u>7,955,087</u>
<i>Total Governmental Funds</i>	<u>\$11,772,405</u>	<u>\$13,330,653</u>	<u>\$13,541,644</u>	<u>\$14,970,225</u>

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

<u>2017</u>	<u>2018 (1)</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
\$38,208	\$49,959	\$51,329	\$71,323	\$31,155	\$39,150
1,038,597	1,840,310	3,369,063	4,852,391	3,804,788	9,771,101
<u>7,049,388</u>	<u>7,004,397</u>	<u>6,318,020</u>	<u>6,815,608</u>	<u>8,329,834</u>	<u>2,103,734</u>
<u>8,126,193</u>	<u>8,894,666</u>	<u>9,738,412</u>	<u>11,739,322</u>	<u>12,165,777</u>	<u>11,913,985</u>
1,528,866	1,492,071	2,002,410	2,374,915	2,721,245	2,603,652
6,546,886	5,322,018	6,503,001	7,510,874	6,010,201	5,437,754
426,980	511,169	547,231	480,423	445,000	488,459
106,082	2,323,470	1,921,591	884,993	728,736	2,434,583
<u>(38,139)</u>	<u>(43,137)</u>	<u>(49,832)</u>	<u>(48,428)</u>	<u>(62,835)</u>	<u>(120,546)</u>
<u>8,570,675</u>	<u>9,605,591</u>	<u>10,924,401</u>	<u>11,202,777</u>	<u>9,842,347</u>	<u>10,843,902</u>
<u>\$16,696,868</u>	<u>\$18,500,257</u>	<u>\$20,662,813</u>	<u>\$22,942,099</u>	<u>\$22,008,124</u>	<u>\$22,757,887</u>

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

	2013	2014	2015	2016
Revenues:				
Property Taxes	\$1,780,029	\$1,765,711	\$1,841,533	\$1,804,502
Income Taxes	8,106,000	7,305,812	7,619,746	7,805,163
Other Local Taxes	191,711	185,344	211,815	177,276
Payments in Lieu of Taxes	199,588	107,787	0	0
Special Assessments	423,490	469,089	432,571	440,067
Charges for Services	389,831	790,782	727,576	843,302
Fines, Licenses, Permits and Settlements	645,207	745,001	738,997	931,538
Intergovernmental	1,842,515	1,243,956	1,792,798	1,227,704
Investment Earnings	202,133	425,812	25,681	300,759
Rent	0	0	5,475	3,225
Contributions and Donations	3,302	3,352	9,380	3,539
Other	185,686	100,436	190,419	229,895
<i>Total Revenues</i>	<u>13,969,492</u>	<u>13,143,082</u>	<u>13,595,991</u>	<u>13,766,970</u>
Expenditures:				
Current:				
General Government	2,369,068	2,423,409	2,748,434	2,718,417
Security of Persons and Property	6,176,635	6,266,741	6,282,006	6,629,946
Public Health and Welfare	11,250	27,356	31,824	27,006
Leisure Time Activities	290,506	315,950	423,556	417,100
Economic Development	51,449	51,449	54,124	57,487
Transportation	1,253,886	1,068,905	1,275,227	1,338,692
Capital Outlay	612,417	550,529	1,755,113	511,634
Debt Service:				
Principal Retirement	650,295	694,161	716,973	722,881
Interest	285,955	264,634	237,478	209,404
Issuance Costs	0	0	0	0
Payment to Refunded Bond Escrow Agent	0	0	0	0
<i>Total Expenditures</i>	<u>11,701,461</u>	<u>11,663,134</u>	<u>13,524,735</u>	<u>12,632,567</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>2,268,031</u>	<u>1,479,948</u>	<u>71,256</u>	<u>1,134,403</u>
Other Financing Sources (Uses):				
Refunding Bonds Issued	0	0	0	0
Proceeds from Sale of Capital Assets	0	0	9,735	0
Transfers In	2,806,611	3,234,442	3,361,173	3,655,824
Inception of Capital Lease	0	0	0	164,178
Payment to Refunded Bond Escrow Agent	0	0	0	0
Transfers Out	(2,676,611)	(3,156,142)	(3,231,173)	(3,525,824)
<i>Total Other Financing Sources (Uses)</i>	<u>130,000</u>	<u>78,300</u>	<u>139,735</u>	<u>294,178</u>
<i>Prior Year Restatement of Fund Balance</i>	0	0	0	0
<i>Net Change in Fund Balances</i>	<u>\$2,398,031</u>	<u>\$1,558,248</u>	<u>\$210,991</u>	<u>\$1,428,581</u>
<i>Debt Service as a Percentage of Noncapital Expenditures</i>	8.7%	8.9%	8.5%	8.7%

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

2017	2018 (1)	2019	2020	2021	2022
\$1,830,316	\$1,914,208	\$1,949,623	\$1,947,861	\$1,981,296	\$2,137,623
8,281,543	8,347,632	8,455,157	8,540,491	9,460,464	11,665,369
182,259	173,844	173,262	139,602	171,253	192,135
0	0	0	0	0	0
232,980	254,107	252,570	269,701	231,042	227,856
806,525	785,244	519,827	397,882	591,934	609,424
1,045,969	1,152,428	1,132,779	936,855	994,279	1,077,996
1,597,689	1,214,969	1,465,892	3,941,501	4,623,721	2,401,119
478,101	243,509	1,201,983	703,745	493,430	19,818
4,200	5,475	2,175	2,325	1,200	0
3,389	4,396	7,265	1,352	4,431	14,524
311,277	308,984	339,637	1,074,885	671,471	232,000
<u>14,774,248</u>	<u>14,404,796</u>	<u>15,500,170</u>	<u>17,956,200</u>	<u>19,224,521</u>	<u>18,577,864</u>
2,861,518	2,812,855	2,972,843	3,145,805	3,266,034	3,708,844
6,202,273	6,674,260	7,091,209	6,956,320	8,356,820	8,408,013
13,369	8,042	9,271	3,415	8,119	5,727
479,788	556,936	565,773	267,966	446,505	612,790
56,469	56,022	56,242	56,329	56,327	56,533
1,455,240	1,556,904	1,197,426	805,999	1,042,479	1,842,303
1,524,859	1,140,718	1,123,853	3,903,467	6,518,249	2,507,662
700,497	521,803	656,944	667,119	828,387	714,035
185,387	155,311	156,760	143,922	122,438	45,281
0	0	0	0	0	31,500
0	0	0	0	0	35,413
<u>13,479,400</u>	<u>13,482,851</u>	<u>13,830,321</u>	<u>15,950,342</u>	<u>20,645,358</u>	<u>17,968,101</u>
<u>1,294,848</u>	<u>921,945</u>	<u>1,669,849</u>	<u>2,005,858</u>	<u>(1,420,837)</u>	<u>609,763</u>
0	0	0	0	0	1,965,000
301,795	0	0	78,428	66,589	0
3,210,104	3,993,957	3,553,488	3,981,891	4,638,303	6,367,746
0	596,940	297,707	0	280,273	0
0	0	0	0	0	(1,965,000)
<u>(3,080,104)</u>	<u>(3,798,957)</u>	<u>(3,358,488)</u>	<u>(3,786,891)</u>	<u>(4,498,303)</u>	<u>(6,227,746)</u>
<u>431,795</u>	<u>791,940</u>	<u>492,707</u>	<u>273,428</u>	<u>486,862</u>	<u>140,000</u>
0	89,504	0	0	0	0
<u>\$1,726,643</u>	<u>\$1,803,389</u>	<u>\$2,162,556</u>	<u>\$2,279,286</u>	<u>(\$933,975)</u>	<u>\$749,763</u>
7.8%	5.7%	6.8%	6.2%	6.8%	5.3%

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

Year	Individual						Business Accounts		Total
	Withholding	Percentage of Total	Non-Withholding	Percentage of Total	Total Individual	Percentage of Total	Business Accounts	Percentage of Total	
2013	\$5,258,669	65%	\$879,859	11%	\$6,138,528	76%	\$1,953,203	24%	\$8,091,731
2014	5,270,728	72%	859,745	12%	6,130,473	84%	1,158,847	16%	7,289,320
2015	5,642,638	75%	911,342	12%	6,553,980	87%	965,070	13%	7,519,050
2016	5,814,443	74%	897,829	11%	6,712,272	85%	1,173,898	15%	7,886,170
2017	5,762,265	70%	1,060,379	13%	6,822,644	83%	1,350,973	17%	8,173,617
2018	5,971,365	71%	1,042,071	13%	7,013,436	84%	1,382,554	16%	8,395,990
2019	6,272,664	73%	976,044	11%	7,248,708	84%	1,376,159	16%	8,624,867
2020	6,015,065	71%	944,901	11%	6,959,966	82%	1,519,980	18%	8,479,946
2021	6,360,060	69%	1,103,757	12%	7,463,817	81%	1,780,200	19%	9,244,017
2022	7,117,650	60%	1,010,278	9%	8,127,928	69%	3,580,317	31%	11,708,245

Source: City Income Tax Department - Cash Basis

The income tax rate is 2% for all years presented.

City of Franklin, Ohio
Principal Income Taxpayers - Withholding Accounts
2022 and 2013

Range of Withholding Amount	2022		2013	
	Number of Withholding Accounts	Percentage of Total Withholding Revenue	Number of Withholding Accounts	Percentage of Total Withholding Revenue
\$300,001 - 500,000	3	16.04%	0	0.00%
\$100,001 - 300,000	10	14.01	10	31.54
\$55,001 - 100,000	8	5.09	5	6.20
Total	21	35.14	15	37.74
All Others	1,537	64.86	1,454	62.26
Total Withholding Accounts	1,558	100.00%	1,469	100.00%

Source: City Income Tax Department

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

City of Franklin, Ohio
 Computation of All Direct and Overlapping Governmental Activities Debt
 December 31, 2022

Jurisdiction	Debt Outstanding	Percentage Applicable to the City of Franklin	Amount Applicable to the City of Franklin
Direct			
City of Franklin			
General Obligation Bonds	\$1,515,000	100.00%	\$1,515,000
Financed Purchases	252,714	100.00	252,714
Total Direct Debt	<u>1,767,714</u>		<u>1,767,714</u>
Overlapping Subdivisions			
Warren County			
General Obligation Bonds	9,900,000	3.72	368,280
Special Assessment Bonds	1,088,735	3.72	40,501
OPWC Loan	987,000	3.72	36,716
Franklin City School District			
General Obligation Bonds	64,325,000	52.77	33,944,303
Energy Conservation Bonds	127,866	52.77	67,475
Carlisle Local School District			
General Obligation Bonds	19,465,000	0.11	21,412
Warren County Career Center			
General Obligation Bonds	375,000	5.55	20,813
Energy Conservation Notes	225,000	5.55	12,488
Total Overlapping Debt	<u>96,493,601</u>		<u>34,511,988</u>
Grand Total	<u><u>\$98,261,315</u></u>		<u><u>\$36,279,702</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
2013	\$5,617,435	\$549,825,343	11,819	1.02%	\$475.29
2014	5,230,588	554,676,457	11,829	0.94%	442.18
2015	4,833,741	578,458,543	11,829	0.84%	408.63
2016	4,426,894	632,998,029	11,829	0.70%	374.24
2017	4,000,047	635,487,086	11,780	0.63%	339.56
2018	3,553,200	643,031,257	11,735	0.55%	302.79
2019	3,091,353	680,337,114	11,686	0.45%	264.53
2020	2,609,506	689,585,486	11,612	0.38%	224.72
2021	2,112,659	699,295,371	11,690	0.30%	180.72
2022	1,767,714	790,341,543	11,644	0.22%	151.81

(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	Financed Purchases	Mortgage Revenue Bonds	OWDA Loans	Notes Payable	Financed Purchases
2013	\$5,617,435	\$1,259,000	\$0	\$118,533	\$3,510,640	\$2,402,315	\$0	\$0
2014	5,230,588	985,000	0	60,134	3,062,015	2,193,717	0	0
2015	4,833,741	700,000	0	0	2,593,390	1,972,092	0	0
2016	4,426,894	415,000	0	108,214	2,104,765	1,736,598	0	0
2017	4,000,047	170,000	0	54,717	1,601,140	1,486,337	0	0
2018	3,553,200	125,000	0	596,940	1,072,515	1,220,352	0	0
2019	3,091,353	80,000	0	719,879	818,890	937,623	0	167,673
2020	2,609,506	40,000	0	550,029	555,265	637,302	0	128,621
2021	2,112,659	0	0	514,281	281,640	568,661	0	169,846
2022	1,515,000	0	0	252,714	0	497,128	0	107,233

Sources:

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

Total Outstanding Debt	Population (1)	Personal Income (2)	Ratio of Debt to Personal Income	Debt Per Capita
\$12,907,923	11,819	\$240,634,840	5.36	\$1,092
11,531,454	11,829	211,857,390	5.44	975
10,099,223	11,829	257,470,014	3.92	854
8,791,471	11,829	266,956,872	3.29	743
7,312,241	11,780	277,277,640	2.64	621
6,568,007	11,735	315,589,355	2.08	560
5,815,418	11,686	321,528,604	1.81	498
4,520,723	11,612	325,159,224	1.39	389
3,647,087	11,690	311,304,700	1.17	312
2,372,075	11,644	312,897,568	0.76	204

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

	2013	2014	2015	2016
Total Assessed Property Value	<u>\$192,438,870</u>	<u>\$194,136,760</u>	<u>\$202,460,490</u>	<u>\$221,549,310</u>
Overall Legal Debt Limit (10 ½ % of Assessed Valuation)	<u>20,206,081</u>	<u>20,384,360</u>	<u>21,258,351</u>	<u>23,262,678</u>
Debt Outstanding:				
General Obligation Bonds	5,255,000	4,895,000	4,525,000	4,145,000
Mortgage Revenue Bonds	3,475,000	3,030,000	2,565,000	2,080,000
Special Assessment Bonds	1,259,000	985,000	700,000	415,000
OWDA Loans	<u>2,402,315</u>	<u>2,193,717</u>	<u>1,972,092</u>	<u>1,736,598</u>
Total Gross Indebtedness	12,391,315	11,103,717	9,762,092	8,376,598
Less:				
Mortgage Revenue Bonds	(3,475,000)	(3,030,000)	(2,565,000)	(2,080,000)
Special Assessment Bonds	(1,259,000)	(985,000)	(700,000)	(415,000)
OWDA Loans	<u>(2,402,315)</u>	<u>(2,193,717)</u>	<u>(1,972,092)</u>	<u>(1,736,598)</u>
Total Net Debt Applicable to Debt Limit	<u>5,255,000</u>	<u>4,895,000</u>	<u>4,525,000</u>	<u>4,145,000</u>
Legal Debt Margin Within 10 ½ % Limitations	<u>\$14,951,081</u>	<u>\$15,489,360</u>	<u>\$16,733,351</u>	<u>\$19,117,678</u>
Legal Debt Margin as a Percentage of the Debt Limit	73.99%	75.99%	78.71%	82.18%
Unvoted Debt Limitation (5 ½ % of Assessed Valuation)	<u>\$10,584,138</u>	<u>\$10,677,522</u>	<u>\$11,135,327</u>	<u>\$12,185,212</u>
Total Gross Indebtedness	12,391,315	11,103,717	9,762,092	8,376,598
Less:				
Mortgage Revenue Bonds	(3,475,000)	(3,030,000)	(2,565,000)	(2,080,000)
Special Assessment Bonds	(1,259,000)	(985,000)	(700,000)	(415,000)
OWDA Loans	<u>(2,402,315)</u>	<u>(2,193,717)</u>	<u>(1,972,092)</u>	<u>(1,736,598)</u>
Net Debt Within 5 ½ % Limitations	<u>5,255,000</u>	<u>4,895,000</u>	<u>4,525,000</u>	<u>4,145,000</u>
Unvoted Legal Debt Margin Within 5 ½ % Limitations	<u>\$5,329,138</u>	<u>\$5,782,522</u>	<u>\$6,610,327</u>	<u>\$8,040,212</u>
Unvoted legal Debt Margin as a Percentage of the Unvoted Debt Limitation	50.35%	54.16%	59.36%	65.98%

Source: City Financial Records

2017	2018	2019	2020	2021	2022
<u>\$222,420,480</u>	<u>\$225,060,940</u>	<u>\$238,117,990</u>	<u>\$241,354,920</u>	<u>\$244,753,380</u>	<u>\$276,619,540</u>
<u>23,354,150</u>	<u>23,631,399</u>	<u>25,002,389</u>	<u>25,342,267</u>	<u>25,699,105</u>	<u>29,045,052</u>
3,745,000	3,325,000	2,890,000	2,435,000	1,965,000	1,515,000
1,580,000	1,055,000	805,000	545,000	275,000	0
170,000	125,000	80,000	40,000	0	0
<u>1,486,337</u>	<u>1,220,352</u>	<u>937,623</u>	<u>637,302</u>	<u>568,661</u>	<u>497,128</u>
6,981,337	5,725,352	4,712,623	3,657,302	2,808,661	2,012,128
(1,580,000)	(1,055,000)	(805,000)	(545,000)	(275,000)	0
(170,000)	(125,000)	(80,000)	(40,000)	0	0
<u>(1,486,337)</u>	<u>(1,220,352)</u>	<u>(937,623)</u>	<u>(637,302)</u>	<u>(568,661)</u>	<u>(497,128)</u>
<u>3,745,000</u>	<u>3,325,000</u>	<u>2,890,000</u>	<u>2,435,000</u>	<u>1,965,000</u>	<u>1,515,000</u>
<u>\$19,609,150</u>	<u>\$20,306,399</u>	<u>\$22,112,389</u>	<u>\$22,907,267</u>	<u>\$23,734,105</u>	<u>\$27,530,052</u>
83.96%	85.93%	88.44%	90.39%	92.35%	94.78%
<u>\$12,233,126</u>	<u>\$12,378,352</u>	<u>\$13,096,489</u>	<u>\$13,274,521</u>	<u>\$13,461,436</u>	<u>\$15,214,075</u>
6,981,337	5,725,352	4,712,623	3,657,302	2,808,661	2,012,128
(1,580,000)	(1,055,000)	(805,000)	(545,000)	(275,000)	0
(170,000)	(125,000)	(80,000)	(40,000)	0	0
<u>(1,486,337)</u>	<u>(1,220,352)</u>	<u>(937,623)</u>	<u>(637,302)</u>	<u>(568,661)</u>	<u>(497,128)</u>
<u>3,745,000</u>	<u>3,325,000</u>	<u>2,890,000</u>	<u>2,435,000</u>	<u>1,965,000</u>	<u>1,515,000</u>
<u>\$8,488,126</u>	<u>\$9,053,352</u>	<u>\$10,206,489</u>	<u>\$10,839,521</u>	<u>\$11,496,436</u>	<u>\$13,699,075</u>
69.39%	73.14%	77.93%	81.66%	85.40%	90.04%

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	
2013	\$2,527,385	\$1,389,393	\$1,137,992	\$626,360	\$355,972	1.16
2014	2,566,139	1,299,153	1,266,986	653,598	314,718	1.31
2015	2,628,095	1,342,448	1,285,647	686,625	260,782	1.36
2016	2,785,464	1,273,534	1,511,930	720,494	182,532	1.67
2017	2,673,351	1,256,630	1,416,721	750,261	153,112	1.57
2018	2,576,148	1,484,212	1,091,936	790,985	123,032	1.19
2019	2,601,786	1,477,058	1,124,728	532,729	90,711	1.80
2020	2,615,643	1,747,624	868,019	560,321	69,303	1.38
2021	3,122,947	1,276,210	1,846,737	338,641	46,614	4.79
2022	2,885,933	1,963,425	922,508	346,533	36,815	2.41

(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
2013	11,819	\$240,634,840	\$20,360	2,944	6.1
2014	11,829	211,857,390	17,910	3,071	4.4
2015	11,829	257,470,014	21,766	2,993	4.8
2016	11,829	266,956,872	22,568	2,862	4.5
2017	11,780	277,277,640	23,538	2,975	3.6
2018	11,735	315,589,355	26,893	3,000	3.9
2019	11,686	321,528,604	27,514	3,000	3.9
2020	11,612	325,159,224	28,002	3,000	3.9
2021	11,690	311,304,700	26,630	3,000	2.6
2022	11,644	312,897,568	26,872	2,613	2.6

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

2022 and 2013

2022

Employer	Number of Employees	Rank	Percentage of Total Employment
Burrows Paper Company	613	1	5.05%
Walmart Association	603	2	4.96
Franklin City School District	480	3	3.95
Faurecia	435	4	3.58
Staffmark	307	5	2.53
GFR Holdings (McDonald's)	260	6	2.14
Crown Services	257	7	2.12
Atlas Roofing	237	8	1.95
City of Franklin	210	9	1.73
UniFirst	171	10	1.41
Total	3,573		29.42
All Other Employers	8,575		70.58
Total Employment within the City	12,148		100.00%

2013

Employer	Number of Employees	Rank	Percentage of Total Employment
Franklin City School District	519	1	7.69%
CBS Personnel	454	2	6.73
Walmart Association	404	3	5.99
Faurecia	364	4	5.39
Cox Media	360	5	5.33
Valued Relations	337	6	4.99
Burrows	265	7	3.93
Patrick Staffing	222	8	3.29
McDonald's	217	9	3.22
Ferco Tech	184	10	2.73
Total	3,326		49.29
All Other Employers	3,422		50.71
Total Employment within the City	6,748		100.00%

Source: City of Franklin Tax Department

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

Function/Program	2013		2014		2015		2016	
	Full-Time	All	Full-Time	All	Full-Time	All	Full-Time	All
General Government	19	25	21	26	22	26	24	29
Security of Persons and Property	38	81	38	92	36	88	34	75
Leisure Time Activities	2	49	2	50	2	57	2	54
Public Works	17	26	17	22	19	28	18	23
<i>Total Number of Employees</i>	<u>76</u>	<u>181</u>	<u>78</u>	<u>190</u>	<u>79</u>	<u>199</u>	<u>78</u>	<u>181</u>

Source: City Payroll Records

2017		2018		2019		2020		2021		2022	
Full-Time	All	Full-Time	All	Full-Time	All	Full-Time	All	Full-Time	All	Full-Time	All
21	25	22	31	22	32	22	32	26	30	24	28
37	77	39	83	42	85	48	88	47	81	43	72
2	55	2	59	2	54	2	3	2	49	2	47
19	24	19	25	22	29	22	26	19	24	21	27
<u>79</u>	<u>181</u>	<u>82</u>	<u>198</u>	<u>88</u>	<u>200</u>	<u>94</u>	<u>149</u>	<u>94</u>	<u>184</u>	<u>90</u>	<u>174</u>

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

Function/Program	2013	2014	2015	2016
General Government:				
Government Center	1	1	1	1
Security of Persons and Property:				
Number of Police Stations	1	1	1	1
Number of Fire/EMS Stations	1	1	1	1
Leisure Time Activities:				
Number of Parks	6	6	6	6
Number of Swimming Pools	1	1	1	1
Number of Libraries	1	1	1	1
Basic Utility Services:				
Miles of Water Mains	65	65	65	65
Miles of Sanitary Sewers	63.50	63.50	63.50	63.50
Water Treatment Facility	1	1	1	1
Transportation:				
Miles of Streets	109.00	109.00	109.34	109.34
Number of Street Lights	937	937	946	946

Source: City Capital Assets Records

<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
1	1	1	1	1	1
1	1	1	1	1	1
1	1	1	1	1	1
6	6	6	6	6	7
1	1	1	1	1	1
1	1	1	1	1	1
65	65	65	65	65	65
63.50	63.50	63.50	63.50	63.50	63.50
1	1	1	1	1	1
109.34	109.34	109.34	109.34	109.34	109.34
946	946	947	947	947	947

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

Function/Program	2013	2014	2015	2016
General Government:				
Active Income Tax Accounts	7,683	8,133	7,786	8,117
Individual	5,759	6,019	5,943	6,208
Business	855	947	940	963
Withholding	1,069	1,167	903	946
Clerk of Courts:				
Traffic Court Cases	6,322	7,506	6,837	7,665
Civil Court Cases	524	551	543	592
Small Claims Court Cases	41	33	25	37
Security of Persons and Property:				
Police Calls	23,543	23,143	24,091	23,656
Physical Arrests	2,192	1,727	1,491	1,429
Citations	1,708	1,104	998	749

Source: Department reports

2017	2018	2019	2020	2021	2022
7,294	7,665	8,608	8,509	8,431	9,431
5,297	5,595	6,391	6,158	6,155	6,621
942	892	1,041	1,083	1,098	1,252
1,055	1,178	1,176	1,268	1,178	1,558
9,533	8,876	8,115	5,599	6,448	5,619
635	667	767	575	618	724
25	56	77	71	34	25
24,513	24,140	24,134	21,195	23,800	25,538
1,943	1,808	1,726	1,620	1,160	1,279
998	891	755	831	976	752

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OHIO AUDITOR OF STATE KEITH FABER



CITY OF FRANKLIN

WARREN COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 7/25/2023

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

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