

CITY OF FRANKLIN  
WARREN COUNTY



SINGLE AUDIT

FOR THE YEAR ENDED DECEMBER 31, 2023

**PLATTENBURG**  
Certified Public Accountants



OHIO AUDITOR OF STATE  
KEITH FABER



65 East State Street  
Columbus, Ohio 43215  
ContactUs@ohioauditor.gov  
800-282-0370

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

We have reviewed the *Independent Auditor's Report* of the City of Franklin, Warren County, prepared by Plattenburg & Associates, Inc., for the audit period January 1, 2023 through December 31, 2023. 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 01, 2024**

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**CITY OF FRANKLIN  
WARREN COUNTY  
FOR THE YEAR ENDED DECEMBER 31, 2023**

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**CITY OF FRANKLIN  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2023**

<b>Federal Grantor/Pass - Through Grantor, Program Title</b>	<b>Pass Through Entity Number</b>	<b>Assistance Listing Number</b>	<b>Provided to Subrecipients</b>	<b>Total Federal Expenditures</b>
<u>United States Department of Housing and Urban Development</u>				
Direct Award:				
Economic Development Initiative, Community Project Funding, and Miscellaneous grants	N/A	14.251	\$781,705	\$781,705
Passed Through Warren County Board of Commissioners:				
CDBG - Entitlement Grants Cluster:				
Community Development Block Grants/Entitlement Grants	N/A	14.218	<u>0</u>	<u>180,000</u>
Total CDBG - Entitlement Grants Cluster			<u>0</u>	<u>180,000</u>
Total U.S. Department of Housing and Urban Development			<u>781,705</u>	<u>961,705</u>
<u>United States Department of Transportation</u>				
Passed Through Ohio Department of Commerce:				
E-911 Grant Program	N/A	20.615	<u>0</u>	<u>37,599</u>
Total U.S. Department of Transportation			<u>0</u>	<u>37,599</u>
<u>United States Department of Homeland Security</u>				
Passed Through Ohio Department of Public Safety:				
Staffing for Adequate Fire and Emergency Response	N/A	97.083	<u>0</u>	<u>45,494</u>
Total U.S. Department of Homeland Security			<u>0</u>	<u>45,494</u>
<u>United States Department of the Treasury</u>				
Direct Award:				
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	5CV4	21.027	<u>0</u>	<u>66,779</u>
Total U.S. Department of the Treasury			<u>0</u>	<u>66,779</u>
<u>United States Department of Justice</u>				
Passed Through Ohio Department of Public Safety:				
Bulletproof Vest Partnership Program	N/A	16.607	<u>0</u>	<u>10,562</u>
Total U.S. Department of Justice			<u>0</u>	<u>10,562</u>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<u><u>\$781,705</u></u>	<u><u>\$1,122,139</u></u>

N/A - not applicable

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**NOTE A -- SIGNIFICANT ACCOUNTING POLICIES**

The accompanying schedule of expenditures of federal awards is a summary of the activity of the City's federal award programs. The schedule has been prepared using the cash basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). The City did not elect to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

**NOTE B -- SUBRECIPIENTS**

The City passes certain federal awards received from the United States Department of Housing and Urban Development to other governments or not-for-profit agencies (subrecipients). As Note A describes, the City reports expenditures of Federal awards to subrecipients when paid in cash. As a pass-through entity, the City has certain compliance responsibilities, such as monitoring its subrecipients to help assure they use these subawards as authorized by laws, regulations, and the provisions of contracts or grant agreements, and that subrecipients achieve the award's performance goals.

**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, 2023, 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 14, 2024.

**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 14, 2024

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS  
APPLICABLE TO EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL  
OVER COMPLIANCE AND ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
REQUIRED BY THE UNIFORM GUIDANCE**

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

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited the City of Franklin, Ohio's (the City) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended December 31, 2023. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2023.

***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the City's federal programs.

## ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

## **Report on Internal Control over Compliance**

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated June 14, 2024, which contained unmodified opinions on those financial statements. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is 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 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 schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

*Plattensburg & Associates, Inc.*

Plattensburg & Associates, Inc.  
Dayton, Ohio  
June 14, 2024

**CITY OF FRANKLIN**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**Year Ended December 31, 2023**

**Section I – Summary of Auditor’s Results**

**Financial Statements**

Type of auditor’s report issued on whether the financial statements audited were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? No
- Significant Deficiency(s) identified? None reported

Noncompliance material to financial statements noted? No

**Federal Awards**

Internal control over major federal programs:

- Material weakness(es) identified? No
- Significant Deficiency(s) identified? None reported

Type of auditor’s report issued on compliance for major federal programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? No

Identification of major federal programs:

Economic Development Initiative, Community Project Funding, and Miscellaneous Grants – AL # 14.251

Dollar threshold used to distinguish between Type A and Type B Programs \$750,000

Auditee qualified as low-risk auditee? No

**Section II – Findings Related to the Financial Statements Required to be reported in Accordance with GAGAS**

None

**Section III – Federal Award Findings and Questioned Costs**

None

**CITY OF FRANKLIN**  
**SCHEDULE OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS**  
**December 31, 2023**

The City of Franklin had no prior audit findings or questioned costs.

# ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Year Ended December 31, 2023



City of Franklin  
Franklin, Ohio 45005

# **City Of Franklin, Ohio**

## **Annual Comprehensive Financial Report For The Year Ended December 31, 2023**

**Issued by:  
Finance Department**

**Jenna Trice  
Finance Director**



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# ***INTRODUCTORY SECTION***

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## City of Franklin

1 Benjamin Franklin Way, Franklin, Ohio 45005  
(937) 746-9921 [www.FranklinOhio.org](http://www.FranklinOhio.org)



**June 14, 2024**

### **City of Franklin**

Mayor, Members of City Council, and  
Citizens of the City of Franklin, Ohio

We are pleased to present the Annual Comprehensive Financial Report for the City of Franklin. This report, for the year ended December 31, 2023, 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, 2023. 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 17).

At the beginning of each year, upon presentation by the Finance Director of a proposed budget document to Council, Council calls and publicizes a public hearing. Council will subsequently adopt such budget as the City's annual budget effective for the fiscal year beginning January 1. All funds, except custodial funds, are legally required to be budgeted and appropriated. The legal level of control in the adopted budget has been established by Council at the object level (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 2023 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, 2022. 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, 2023**

<u>OFFICE HELD</u>	<u>NAME OF OFFICIAL</u>
<u>City Council:</u>	
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
<u>Administration:</u>	
City Manager	Jonathan Westendorf
<u>Finance Department:</u>	
Finance Director	Jenna Trice
Income Tax Administrator	April Newell
Utility Billing Administrator	Wanda Howell
<u>Law Department:</u>	
City Prosecutor	Maxwell Kinman
<u>Public Works Department:</u>	
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
<u>Safety Department:</u>	
Safety Director	Jonathan Westendorf
Fire & EMS Chief	Daniel Stitzel
Police Chief	Adam Colon
Zoning Official	Elden Ward
<u>Municipal Court:</u>	
Judge	Ronald W. Ruppert
Clerk of Courts	Nikki Simpson
Court Administrator	Mandy Weist
Chief Probation Officer	Katie Perdue





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, 2022

*Christopher P. Morill*

Executive Director/CEO

# ***FINANCIAL SECTION***

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**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, 2023, 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, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof 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, budgetary comparison information 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 14, 2024, 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 14, 2024

## **City of Franklin, Ohio**

Management's Discussion and Analysis  
For The Year Ended December 31, 2023  
(Unaudited)

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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, 2023. The intent of this discussion and analysis is to look at the City's financial performance as a whole, and readers are encouraged to review the transmittal letter, the basic financial statements and notes to enhance their understanding of the City's overall financial performance.

### **Financial Highlights**

- The City's total net position increased \$6,501,294. Net position of governmental activities increased \$6,286,931, net position of business-type activities increased by \$214,363.
- The General Fund reported a fund balance of \$9,988,994.
- Business-type operations reflected operating income of \$95,550.
- The City had \$19,995,410 in expenses relating to governmental activities; program revenues offset only \$10,201,068 of these expenses. General revenues of \$15,941,273 were also used to provide for these programs.

### **Overview of the Financial Statements**

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.

### **Government-wide Financial Statements**

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.

These two statements report the City's net position and changes to that position. This change informs the reader whether the City's financial position, as a whole, has improved or diminished. 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.

## **City of Franklin, Ohio**

Management's Discussion and Analysis  
For The Year Ended December 31, 2023  
(Unaudited)

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In the Government-wide Financial Statements, 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.

### **Fund Financial Statements**

The analysis of the City's major funds is presented later in the Management's Discussion and Analysis section. 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 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 use of grants. The City of Franklin's major funds are the General, Fire Levy, American Rescue Plan Act, ODOT Project, Property Acquisition, 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.

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

### **The City as a Whole**

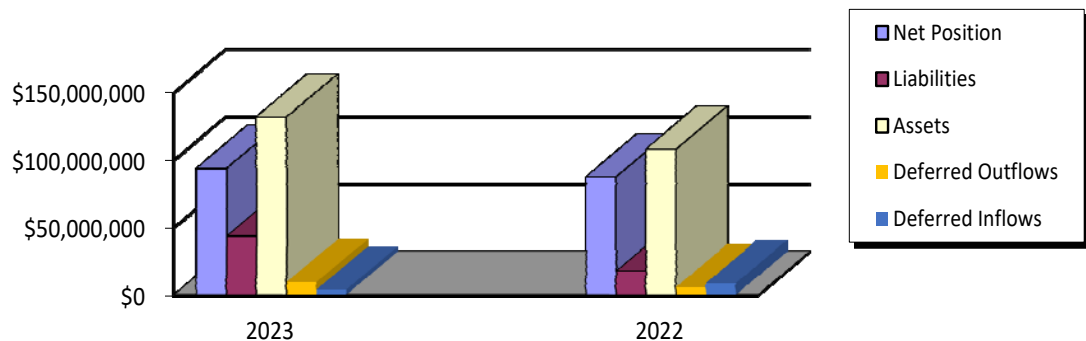
As stated previously, the statement of net position looks at the City as a whole. Table 1 provides a summary of the City's net position for 2023 compared to 2022.

**City of Franklin, Ohio**

Management’s Discussion and Analysis  
For The Year Ended December 31, 2023  
(Unaudited)

**Table 1**  
**Net Position**

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
<b>Assets:</b>						
Current and Other Assets	\$42,008,459	\$31,043,129	\$10,255,478	\$8,619,944	\$52,263,937	\$39,663,073
Capital Assets	58,224,034	47,994,140	21,221,594	20,108,915	79,445,628	68,103,055
<b>Total Assets</b>	<b>100,232,493</b>	<b>79,037,269</b>	<b>31,477,072</b>	<b>28,728,859</b>	<b>131,709,565</b>	<b>107,766,128</b>
<b>Deferred Outflows of Resources:</b>						
Pension	7,076,756	4,160,030	913,495	372,705	7,990,251	4,532,735
OPEB	1,268,995	1,084,083	133,233	15,643	1,402,228	1,099,726
Asset Retirement Obligation	0	0	26,250	27,250	26,250	27,250
<b>Total Deferred Outflows</b>	<b>8,345,751</b>	<b>5,244,113</b>	<b>1,072,978</b>	<b>415,598</b>	<b>9,418,729</b>	<b>5,659,711</b>
<b>Liabilities:</b>						
Long-Term Liabilities	34,709,500	13,619,886	5,632,790	1,433,424	40,342,290	15,053,310
Other Liabilities	2,881,371	2,100,322	462,028	423,055	3,343,399	2,523,377
<b>Total Liabilities</b>	<b>37,590,871</b>	<b>15,720,208</b>	<b>6,094,818</b>	<b>1,856,479</b>	<b>43,685,689</b>	<b>17,576,687</b>
<b>Deferred Inflows of Resources:</b>						
Deferred Charge on Refunding	42,699	64,049	0	0	42,699	64,049
Property Taxes	2,204,000	2,197,000	0	0	2,204,000	2,197,000
Pension	541,478	4,367,198	2,150	836,292	543,628	5,203,490
OPEB	1,001,158	1,021,820	15,124	228,091	1,016,282	1,249,911
<b>Total Deferred Inflows</b>	<b>3,789,335</b>	<b>7,650,067</b>	<b>17,274</b>	<b>1,064,383</b>	<b>3,806,609</b>	<b>8,714,450</b>
<b>Net Position:</b>						
Net Investment in Capital Assets	56,310,989	46,027,692	18,227,398	19,504,554	74,538,387	65,532,246
Restricted	7,333,102	8,245,710	0	24,327	7,333,102	8,270,037
Unrestricted	3,553,947	6,637,705	8,210,560	6,694,714	11,764,507	13,332,419
<b>Total Net Position</b>	<b>\$67,198,038</b>	<b>\$60,911,107</b>	<b>\$26,437,958</b>	<b>\$26,223,595</b>	<b>\$93,635,996</b>	<b>\$87,134,702</b>



**City of Franklin, Ohio**

Management's Discussion and Analysis  
For The Year Ended December 31, 2023  
(Unaudited)

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The net pension liability (NPL) is the largest single liability reported by the City at December 31, 2023. 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.

Total net position of the City as a whole increased \$6,501,294. Net position of the City's governmental activities increased \$6,286,931, while the net position of the City's business-type activities increased \$214,363 from 2022. The largest portion of the City's net position reflect its investment in capital assets, less any related debt to acquire those assets that are still outstanding. The City uses these capital assets to provide services to citizens of the City. The City had an unrestricted net position balance that may be used to meet the government's ongoing obligations to citizens and creditors.

Governmental Activities capital assets increased mainly due to current year depreciation expense being less than current year additions (which includes construction in progress for the year). Long-term liabilities increased due to an increase in net pension and OPEB liabilities. Business-Type Activities capital assets increased mainly due to current year additions being greater than current year depreciation expense. Long-term liabilities increased due to an increase in net pension liability.

Table 2 shows the changes in net position at year-end.

**City of Franklin, Ohio**
**Management's Discussion and Analysis  
 For The Year Ended December 31, 2023  
 (Unaudited)**
**Table 2  
 Changes in Net Position**

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Revenues:						
Program Revenues:						
Charges for Services	\$1,848,905	\$1,825,076	\$8,698,011	\$8,388,899	\$10,546,916	\$10,213,975
Operating Grants and Contributions	1,447,585	1,305,598	97,754	0	1,545,339	1,305,598
Capital Grants and Contributions	6,904,578	1,306,899	199,831	0	7,104,409	1,306,899
Total Program Revenues	10,201,068	4,437,573	8,995,596	8,388,899	19,196,664	12,826,472
General Revenues:						
Property Taxes	\$2,356,499	\$2,321,608	\$0	\$0	\$2,356,499	\$2,321,608
Income Taxes	10,977,023	12,044,559	0	0	10,977,023	12,044,559
Grants and Entitlements	611,296	598,503	0	0	611,296	598,503
Investment Earnings	1,428,859	19,004	0	2,378	1,428,859	21,382
Contributions and Donations	324,666	5,000	0	0	324,666	5,000
Other	242,930	209,513	0	64,596	242,930	274,109
Total General Revenues	15,941,273	15,198,187	0	66,974	15,941,273	15,265,161
Total Revenues	26,142,341	19,635,760	8,995,596	8,455,873	35,137,937	28,091,633
Program Expenses:						
General Government	6,150,402	3,268,650	0	0	6,150,402	3,268,650
Security of Persons and Property	9,555,478	8,871,552			9,555,478	8,871,552
Public Health and Welfare	3,742	5,727	0	0	3,742	5,727
Leisure Time Activities	707,697	599,061	0	0	707,697	599,061
Economic Development	105,776	56,533	0	0	105,776	56,533
Public Works	41,249	47,849	0	0	41,249	47,849
Transportation	2,853,536	3,746,500	0	0	2,853,536	3,746,500
Interest	577,530	131,130	0	0	577,530	131,130
Water	0	0	3,401,005	2,353,453	3,401,005	2,353,453
Sewer	0	0	3,351,873	2,645,628	3,351,873	2,645,628
Trash	0	0	876,565	859,247	876,565	859,247
Stormwater Utility	0	0	1,011,790	985,785	1,011,790	985,785
Total Program Expenses	19,995,410	16,727,002	8,641,233	6,844,113	28,636,643	23,571,115
Increase (Decrease) in Net Position	6,146,931	2,908,758	354,363	1,611,760	6,501,294	4,520,518
Transfers - Internal Activities	140,000	140,000	(140,000)	(140,000)	0	0
Change in Net Position	6,286,931	3,048,758	214,363	1,471,760	6,501,294	4,520,518
Beginning Net Position	60,911,107	57,862,349	26,223,595	24,751,835	87,134,702	82,614,184
Ending Net Position	\$67,198,038	\$60,911,107	\$26,437,958	\$26,223,595	\$93,635,996	\$87,134,702

**Governmental Activities**

Capital grants and contributions in governmental activities increased from 2022 to 2023 due to the City requesting more grant reimbursements for capital expenses on infrastructure projects than were requested in the prior year. Investment earnings increased from the prior year due to improved investment market during 2023. Income taxes decreased from the prior year due to the City collecting

## **City of Franklin, Ohio**

Management's Discussion and Analysis  
For The Year Ended December 31, 2023  
(Unaudited)

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less income taxes from residents during 2023. Total expenses increased \$3,268,408 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, and increases in both net pension and OPEB liabilities.

The 2.0% 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.

When looking at the sources of income to support governmental activities, it should be noted that charges for services and sales are only 7% of total governmental revenue. Revenues provided by sources other than City residents in the form of operating or capital grants, contributions, and investment earnings comprise another 37%. The remaining revenues are primarily generated locally through property and income taxes. City Council relies on these taxes to furnish the quality of life to businesses and citizens to which they and previous Councils have always been committed.

### ***Business-Type Activities***

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

The Water Fund collects the fees charged for the sale of water. Those fees are then used to maintain lines for delivery, to treat water for further consumption, to maintain its treatment facility and storage towers, and for the payment of debt incurred for improvements. Net position decreased \$80,546 during 2023. Charges for services revenue in the Waterworks Fund decreased in 2023 compared to 2022 mainly due to a decrease in consumption for water services. Water Utilities expenses increased due to an increase in personal and contractual services.

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 \$255,274, during 2023, revenues continued to outpace expenditures during 2023 as both increased by approximately the same amount compared to 2022.

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 \$135,257, during 2023, revenues continued to outpace expenditures during 2023 as both increased by approximately the same amount compared to 2022.

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 \$95,622 during 2023, primarily due to the increase of personal services (salaries and benefits) expenses.



## **City of Franklin, Ohio**

Management's Discussion and Analysis  
For The Year Ended December 31, 2023  
(Unaudited)

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### **The City's Funds**

The City has five major governmental funds: General, Fire Levy, American Rescue Plan Act, ODOT Project and Property Acquisition. Assets of these funds comprised \$33,423,174 (80%) of the total \$41,997,349 governmental funds' assets.

**General Fund:** Fund balance at December 31, 2023 was \$9,988,994 a decrease in fund balance of \$1,924,991 from 2022. The decrease in fund balance is mainly due to an increase in general government expense (increases in salaries and benefits) and capital outlay expense (several major capital improvement projects to benefit its residents) during 2023.

**Fire Levy Fund:** Fund balance at December 31, 2023 was \$1,021,450 a decrease in fund balance of \$264,664 from 2022. The decreases is mainly due to a decrease in intergovernmental revenues (grant monies received during the year).

**American Rescue Plan Act Fund:** Fund balance at December 31, 2023 was \$29,280 and unearned revenues of \$1,174,446.

**ODOT Project Fund:** Fund balance at December 31, 2023 was \$797,158 a decrease in fund balance of \$479,102 from 2022. The decrease is mainly due to an increase in capital outlay expense (several major infrastructure improvement projects to benefit its residents).

**Property Acquisition Fund:** Fund balance at December 31, 2023 was \$13,531,260 an increase in fund balance of \$12,059,650 from 2022. The increase in fund balance is mainly due to the issuance of annual appropriation bonds during 2023.

### **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 \$12,862,298 and \$14,916,071, respectively. This is an increase of \$2,053,773 primarily due to the City underestimating the amount of income taxes to be collected during 2023. The City's actual revenues were \$14,916,071 at year-end, which is equal to the final budgeted revenues.

Variations from the final budget expenditure amounts to the original budget expenditure amounts are primarily due to the following reasons: The City overestimated the general government and security of persons and property expenditures for 2023. Variations from actual expenditure amounts to the final budget expenditure amounts are primarily due to the following reasons: The City overestimated the general government as well as for the security of persons and property expenditures during 2023.

**City of Franklin, Ohio**

Management's Discussion and Analysis  
For The Year Ended December 31, 2023  
(Unaudited)

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**Capital Assets and Debt Administration**

**Capital Assets**

At year end, the City had \$79,445,628 invested in land (includes permanent easements), construction in progress, buildings and improvements, equipment and infrastructure, net of accumulated depreciation.

Table 3 shows 2023 balances compared to 2022:

**Table 3**  
**Capital Assets**

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Land	\$19,729,343	\$19,729,343	\$1,095,364	\$1,095,364	\$20,824,707	\$20,824,707
Construction in Progress	11,173,814	3,507,831	8,250	31,270	11,182,064	3,539,101
Buildings and Improvements	11,005,204	9,898,407	136,264	127,204	11,141,468	10,025,611
Equipment	8,506,342	8,042,249	2,205,227	2,069,913	10,711,569	10,112,162
Infrastructure	79,010,994	76,491,762	44,921,103	42,985,611	123,932,097	119,477,373
Accumulated Depreciation	(71,201,663)	(69,675,452)	(27,144,614)	(26,200,447)	(98,346,277)	(95,875,899)
Total Net Capital Assets	<u>\$58,224,034</u>	<u>\$47,994,140</u>	<u>\$21,221,594</u>	<u>\$20,108,915</u>	<u>\$79,445,628</u>	<u>\$68,103,055</u>

Increases in Governmental Activities capital assets were mainly due to the current year depreciation expense being less than current year additions. Increases in Business-Type Activities capital assets increased mainly due to current year additions being greater than current year depreciation expense.

See Note 9 to the notes to the basic financial statements for further details on the City's capital assets.

**Debt**

At year-end the City had \$17,565,800 in long-term debt. There have been no changes in credit ratings during 2023.

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**City of Franklin, Ohio**

Management's Discussion and Analysis  
For The Year Ended December 31, 2023  
(Unaudited)

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**Table 4**  
**Outstanding Debt at Year End**

	<u>2023</u>	<u>2022</u>
Governmental Activities		
<u>Bonds</u>		
Various Purpose Refunding Bonds, Series 2022	\$1,020,000	\$1,515,000
Annual Appropriation Bonds, Series 2023	12,000,000	0
Premium on Annual Appropriation Bonds, Series 2023	701,258	0
Total Bonds	<u>13,721,258</u>	<u>1,515,000</u>
Police and Fire Pension	39,060	41,633
Financed Purchases	<u>811,286</u>	<u>252,714</u>
Total Governmental Activities	<u>14,571,604</u>	<u>1,809,347</u>
Business-Type Activities		
<u>OWDA Loans from Direct Borrowing</u>		
OWDA Loan #4729 - Franklin Waterlines & Water Tower	422,581	497,128
OWDA Loan #9976 - Millard Drive & Bryant Ave Water Main Replacement	<u>2,150,600</u>	<u>0</u>
Total OWDA Loans from Direct Borrowing	<u>2,573,181</u>	<u>497,128</u>
Financed Purchases	<u>421,015</u>	<u>107,233</u>
Total Business-Type Activities	<u>2,994,196</u>	<u>604,361</u>
Total Long-Term Debt	<u>\$17,565,800</u>	<u>\$2,413,708</u>

See Note 15 to the notes to the basic financial statements for further details on the City's long-term debt.

**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.

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City of Franklin, Ohio  
Statement of Net Position  
December 31, 2023

	Governmental Activities	Business-Type Activities	Total
<b>Assets:</b>			
Equity in Pooled Cash and Investments	\$22,090,244	\$8,179,142	\$30,269,386
Restricted Cash	550,424	142,211	692,635
Cash Equivalents and Investments with Fiscal Agent	12,126,564	0	12,126,564
<b>Receivables (Net):</b>			
Taxes	4,828,579	0	4,828,579
Accounts	26,039	1,650,958	1,676,997
Interest	26,496	0	26,496
Intergovernmental	1,969,809	199,831	2,169,640
Special Assessments	140,721	0	140,721
Economic Development Property	11,110	0	11,110
Inventory	238,473	83,336	321,809
Nondepreciable Capital Assets	30,903,157	1,103,614	32,006,771
Depreciable Capital Assets, Net	27,320,877	20,117,980	47,438,857
<b>Total Assets</b>	<b>100,232,493</b>	<b>31,477,072</b>	<b>131,709,565</b>
<b>Deferred Outflows of Resources:</b>			
Pension	7,076,756	913,495	7,990,251
OPEB	1,268,995	133,233	1,402,228
Asset Retirement Obligations	0	26,250	26,250
<b>Total Deferred Outflows of Resources</b>	<b>8,345,751</b>	<b>1,072,978</b>	<b>9,418,729</b>
<b>Liabilities:</b>			
Accounts Payable	1,087,162	384,779	1,471,941
Accrued Wages and Benefits	466,577	63,151	529,728
Contracts Payable	79,901	0	79,901
Accrued Interest Payable	63,966	13,904	77,870
Intergovernmental Payable	9,319	194	9,513
Unearned Revenue	1,174,446	0	1,174,446
<b>Long-Term Liabilities:</b>			
Due Within One Year	1,082,375	251,416	1,333,791
Due In More Than One Year			
Net Pension Liability	17,880,420	2,180,372	20,060,792
Net OPEB Liability	1,057,730	44,890	1,102,620
Other Amounts	14,688,975	3,156,112	17,845,087
<b>Total Liabilities</b>	<b>37,590,871</b>	<b>6,094,818</b>	<b>43,685,689</b>
<b>Deferred Inflows of Resources:</b>			
Property Taxes	2,204,000	0	2,204,000
Deferred Charge on Refunding	42,699	0	42,699
Pension	541,478	2,150	543,628
OPEB	1,001,158	15,124	1,016,282
<b>Total Deferred Inflows of Resources</b>	<b>3,789,335</b>	<b>17,274</b>	<b>3,806,609</b>
<b>Net Position:</b>			
Net Investment in Capital Assets	56,310,989	18,227,398	74,538,387
<b>Restricted for:</b>			
Debt Service	252,901	0	252,901
Capital Outlay	394,772	0	394,772
Fire Protection	792,058	0	792,058
Transportation	951,966	0	951,966
Security of Persons and Property	842,172	0	842,172
Legislative and Executive	974,147	0	974,147
Leisure Time Activities Expendable	461,669	0	461,669
Leisure Time Activities Nonexpendable	2,562,099	0	2,562,099
Other Purposes	101,318	0	101,318
Unrestricted	3,553,947	8,210,560	11,764,507
<b>Total Net Position</b>	<b>\$67,198,038</b>	<b>\$26,437,958</b>	<b>\$93,635,996</b>

See accompanying notes to the basic financial statements.

City of Franklin, Ohio  
Statement of Activities  
For the Fiscal Year Ended December 31, 2023

	Expenses	Program Revenues		
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
<b>Governmental Activities:</b>				
General Government	\$6,150,402	\$453,549	\$96,059	\$0
Security of Persons and Property	9,555,478	1,237,979	323,501	2,975
Economic Development	105,776	0	5,529	0
Leisure Time Activities	707,697	92,755	0	0
Transportation	2,853,536	57,125	1,015,765	6,901,603
Public Works	41,249	0	0	0
Public Health and Welfare	3,742	7,497	6,731	0
Interest and Other Charges	577,530	0	0	0
<b>Total Governmental Activities</b>	<b>19,995,410</b>	<b>1,848,905</b>	<b>1,447,585</b>	<b>6,904,578</b>
<b>Business-Type Activities:</b>				
Water	3,401,005	3,155,546	40,082	199,831
Sewer	3,351,873	3,634,770	37,377	0
Trash Collection	876,565	1,011,465	357	0
Stormwater Utility	1,011,790	896,230	19,938	0
<b>Total Business-Type Activities</b>	<b>8,641,233</b>	<b>8,698,011</b>	<b>97,754</b>	<b>199,831</b>
<b>Totals</b>	<b>\$28,636,643</b>	<b>\$10,546,916</b>	<b>\$1,545,339</b>	<b>\$7,104,409</b>

General Revenues:  
Income Taxes  
Property Taxes Levied for:  
    General Purposes  
    Special Revenue Purposes  
Grants and Entitlements, Not Restricted  
Unrestricted Contributions  
Investment Earnings  
Other Revenues  
Transfers-Internal Activities  
  
Total General Revenues and Transfers  
  
Change in Net Position  
  
Net Position - Beginning of Year  
  
Net Position - 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
(\$5,600,794)	\$0	(\$5,600,794)
(7,991,023)	0	(7,991,023)
(100,247)	0	(100,247)
(614,942)	0	(614,942)
5,120,957	0	5,120,957
(41,249)	0	(41,249)
10,486	0	10,486
(577,530)	0	(577,530)
<u>(9,794,342)</u>	<u>0</u>	<u>(9,794,342)</u>
0	(5,546)	(5,546)
0	320,274	320,274
0	135,257	135,257
0	(95,622)	(95,622)
<u>0</u>	<u>354,363</u>	<u>354,363</u>
<u>(9,794,342)</u>	<u>354,363</u>	<u>(9,439,979)</u>
10,977,023	0	10,977,023
598,513	0	598,513
1,757,986	0	1,757,986
611,296	0	611,296
324,666	0	324,666
1,428,859	0	1,428,859
242,930	0	242,930
140,000	(140,000)	0
<u>16,081,273</u>	<u>(140,000)</u>	<u>15,941,273</u>
6,286,931	214,363	6,501,294
<u>60,911,107</u>	<u>26,223,595</u>	<u>87,134,702</u>
<u>\$67,198,038</u>	<u>\$26,437,958</u>	<u>\$93,635,996</u>

City of Franklin, Ohio  
Balance Sheet  
Governmental Funds  
December 31, 2023

	General	Fire Levy	American Rescue Plan Act	ODOT Project	Property Acquisition
<b>Assets:</b>					
Equity in Pooled Cash and Investments	\$9,039,003	\$1,130,206	\$1,174,446	\$1,772,241	\$1,404,696
Restricted Cash	550,424	0	0	0	0
Cash Equivalents and Investments with Fiscal Agent	0	0	0	0	12,126,564
Receivables (Net):					
Taxes	3,145,575	1,456,586	0	0	0
Accounts	26,039	0	0	0	0
Interest	26,496	0	0	0	0
Intergovernmental	160,275	64,003	29,280	1,281,706	0
Special Assessments	0	0	0	0	0
Inventory	13,502	22,132	0	0	0
<b>Total Assets</b>	<b>12,961,314</b>	<b>2,672,927</b>	<b>1,203,726</b>	<b>3,053,947</b>	<b>13,531,260</b>
<b>Liabilities:</b>					
Accounts Payable	142,417	2,983	0	919,896	0
Accrued Wages and Benefits	297,507	130,790	0	0	0
Compensated Absences	42,774	0	0	0	0
Contracts Payable	24,714	0	0	55,187	0
Intergovernmental Payable	9,319	0	0	0	0
Unearned Revenue	0	0	1,174,446	0	0
<b>Total Liabilities</b>	<b>516,731</b>	<b>133,773</b>	<b>1,174,446</b>	<b>975,083</b>	<b>0</b>
<b>Deferred Inflows of Resources:</b>					
Property and Income Taxes	2,247,312	1,415,000	0	0	0
Grants and Other Taxes	140,771	61,028	0	1,281,706	0
Unavailable Revenue	67,506	41,586	0	0	0
<b>Total Deferred Inflows of Resources</b>	<b>2,455,589</b>	<b>1,517,614</b>	<b>0</b>	<b>1,281,706</b>	<b>0</b>
<b>Fund Balances:</b>					
Nonspendable	42,448	22,132	0	0	0
Restricted	0	999,408	29,280	0	12,126,564
Committed	0	0	0	0	0
Assigned	7,973,184	0	0	797,158	1,404,696
Unassigned	1,973,362	0	0	0	0
<b>Total Fund Balances</b>	<b>9,988,994</b>	<b>1,021,540</b>	<b>29,280</b>	<b>797,158</b>	<b>13,531,260</b>
<b>Total Liabilities, Deferred Inflows and Fund Balances</b>	<b>\$12,961,314</b>	<b>\$2,672,927</b>	<b>\$1,203,726</b>	<b>\$3,053,947</b>	<b>\$13,531,260</b>

See accompanying notes to the basic financial statements.

Other Governmental Funds	Total Governmental Funds
\$7,569,652	\$22,090,244
0	550,424
0	12,126,564
226,418	4,828,579
0	26,039
0	26,496
434,545	1,969,809
140,721	140,721
202,839	238,473
<u>8,574,175</u>	<u>41,997,349</u>
21,866	1,087,162
38,280	466,577
0	42,774
0	79,901
0	9,319
0	1,174,446
<u>60,146</u>	<u>2,860,179</u>
219,000	3,881,312
361,517	1,845,022
148,139	257,231
<u>728,656</u>	<u>5,983,565</u>
2,764,938	2,829,518
3,951,941	17,107,193
415,584	415,584
652,910	10,827,948
0	1,973,362
<u>7,785,373</u>	<u>33,153,605</u>
<u>\$8,574,175</u>	<u>\$41,997,349</u>



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City of Franklin, Ohio  
 Reconciliation of Total Governmental Fund Balance to  
 Net Position of Governmental Activities  
 December 31, 2023

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Total Governmental Fund Balance \$33,153,605

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.

Capital assets used in the operation of Governmental Funds 58,224,034

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 deferred in the funds.

Income Taxes	1,677,312	
Delinquent Property Taxes	67,999	
Interest	22,472	
Intergovernmental	1,845,022	
Other Receivables	<u>166,760</u>	
		3,779,565

In the statement of net position interest payable is accrued when  
 incurred; whereas, in the governmental funds interest is  
 reported as a liability only when it will require the use of  
 current financial resources. (63,966)

Some liabilities reported in the statement of net position do not  
 require the use of current financial resources and, therefore,  
 are not reported as liabilities in governmental funds.

Compensated Absences (1,156,972)

Deferred inflows of resources represent deferred charges on refundings  
 which do not provide current financial resources and, therefore, are  
 not reported in the funds. (42,699)

Deferred outflows and inflows or resources related to pension  
 and OPEB are applicable to future periods and, therefore, are not  
 reported in the funds.

Deferred outflows of resources related to pensions	7,076,756	
Deferred inflows of resources related to pensions	(541,478)	
Deferred outflows of resources related to OPEB	1,268,995	
Deferred inflows of resources related to OPEB	<u>(1,001,158)</u>	
		6,803,115

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

Net Pension Liability	(17,880,420)	
Net OPEB Liability	(1,057,730)	
Other Amounts	<u>(14,571,604)</u>	
		<u>(33,509,754)</u>

Net Position of Governmental Activities \$67,198,038

See accompanying notes to the basic financial statements.

City of Franklin, Ohio  
Statement of Revenues, Expenditures and Changes in Fund Balance  
Governmental Funds  
For the Fiscal Year Ended December 31, 2023

	General	Fire Levy	American Rescue Plan Act	ODOT Project	Property Acquisition
<b>Revenues:</b>					
Property and Other Taxes	\$601,459	\$1,337,565	\$0	\$0	\$0
Income Taxes	11,185,225	0	0	0	0
Charges for Services	129,546	451,801	0	0	0
Investment Earnings	1,562,929	0	0	0	(194,319)
Intergovernmental	538,195	130,376	96,059	5,619,897	0
Special Assessments	0	0	0	0	0
Fines, Licenses, Permits, and Settlements	748,594	0	0	0	0
Contributions and Donations	324,666	0	0	0	0
Other Revenues	169,201	26,576	0	0	450
<b>Total Revenues</b>	<b>15,259,815</b>	<b>1,946,318</b>	<b>96,059</b>	<b>5,619,897</b>	<b>(193,869)</b>
<b>Expenditures:</b>					
<b>Current:</b>					
General Government	5,434,867	0	29,280	0	0
Security of Persons and Property	4,432,995	2,641,999	0	0	0
Economic Development	30,381	0	0	0	0
Leisure Time Activities	172,932	0	0	0	0
Transportation	0	0	0	0	0
Public Health and Welfare	0	0	0	0	0
Capital Outlay	1,503,156	0	37,499	8,085,999	767,364
<b>Debt Service:</b>					
Principal	88,521	0	0	0	0
Interest and Other Charges	120,318	0	0	0	0
Bond Issuance Cost	0	0	0	0	380,375
<b>Total Expenditures</b>	<b>11,783,170</b>	<b>2,641,999</b>	<b>66,779</b>	<b>8,085,999</b>	<b>1,147,739</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>3,476,645</b>	<b>(695,681)</b>	<b>29,280</b>	<b>(2,466,102)</b>	<b>(1,341,608)</b>
<b>Other Financing Sources (Uses):</b>					
Inception of Financed Purchases	637,914	0	0	0	0
Proceeds from Sale of Capital Assets	0	19,403	0	0	0
Issuance of Annual Appropriation Bonds	0	0	0	0	12,000,000
Premium on Annual Appropriation Bonds	0	0	0	0	701,258
Transfers In	0	411,614	0	1,990,000	700,000
Transfers (Out)	(6,039,550)	0	0	0	0
<b>Total Other Financing Sources (Uses)</b>	<b>(5,401,636)</b>	<b>431,017</b>	<b>0</b>	<b>1,990,000</b>	<b>13,401,258</b>
<b>Net Change in Fund Balance</b>	<b>(1,924,991)</b>	<b>(264,664)</b>	<b>29,280</b>	<b>(476,102)</b>	<b>12,059,650</b>
<b>Fund Balance - Beginning of Year</b>	<b>11,913,985</b>	<b>1,286,204</b>	<b>0</b>	<b>1,273,260</b>	<b>1,471,610</b>
<b>Fund Balance - End of Year</b>	<b>\$9,988,994</b>	<b>\$1,021,540</b>	<b>\$29,280</b>	<b>\$797,158</b>	<b>\$13,531,260</b>

See accompanying notes to the basic financial statements.

Other Governmental Funds	Total Governmental Funds
\$371,417	\$2,310,441
0	11,185,225
17,837	599,184
57,493	1,426,103
2,053,625	8,438,152
216,028	216,028
288,542	1,037,136
0	324,666
48,700	244,927
<u>3,053,642</u>	<u>25,781,862</u>
202,931	5,667,078
822,874	7,897,868
75,395	105,776
420,222	593,154
896,155	896,155
3,742	3,742
2,217,856	12,611,874
807,285	895,806
36,714	157,032
0	380,375
<u>5,483,174</u>	<u>29,208,860</u>
<u>(2,429,532)</u>	<u>(3,426,998)</u>
318,891	956,805
5,250	24,653
0	12,000,000
0	701,258
3,077,936	6,179,550
0	(6,039,550)
<u>3,402,077</u>	<u>13,822,716</u>
972,545	10,395,718
<u>6,812,828</u>	<u>22,757,887</u>
<u>\$7,785,373</u>	<u>\$33,153,605</u>

City of Franklin, Ohio  
 Reconciliation of the Statement of Revenues, Expenditures, and Changes  
 in Fund Balance of Governmental Funds to the Statement of Activities  
 For the Fiscal Year Ended December 31, 2023

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Net Change in Fund Balance - Total Governmental Funds \$10,395,718

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

Governmental funds report capital asset additions as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount of the difference between capital asset additions, transfers of capital asset to Business-Type Activities and depreciation in the current period.

Capital Assets used in governmental activities	12,598,954	
Depreciation Expense	<u>(2,341,969)</u>	
		10,256,985

Governmental funds only report the disposal of assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal. The amount of the proceeds must be removed and the gain or loss on the disposal of capital assets must be recognized. This is the amount of the difference between the proceeds and the gain or loss. (27,091)

Governmental funds report pension and OPEB contributions as expenditures. However in the Statement of Activities, the cost of pension and OPEB benefits earned net of employee contributions are reported as pension and OPEB expense.

Pension Contributions	1,040,131	
Pension Expense	(2,761,296)	
OPEB Contributions	16,268	
OPEB Expense	<u>14,977</u>	
		(1,689,920)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Income Taxes	(178,416)	
Delinquent Property Taxes	46,058	
Interest	5,544	
Intergovernmental	525,307	
Other	<u>(38,014)</u>	
		360,479

In the statement of activities, certain costs and proceeds associated with long-term debt obligations issued during the year are accrued and amortized over the life of the debt obligation. In governmental funds these costs and proceeds are recognized as financing sources and uses.

Premium on Bonds Issued (701,258)

Repayment of long-term obligations principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. 895,806

In the statement of activities interest expense is accrued when incurred; whereas, in governmental funds an interest expenditure is reported when due. (61,473)

(Continued)

City of Franklin, Ohio  
Reconciliation of the Statement of Revenues, Expenditures, and Changes  
in Fund Balance of Governmental Funds to the Statement of Activities  
For the Fiscal Year Ended December 31, 2023

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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.

Compensated Absences	(206,860)	
Amortization of Deferred Charge on Refunding-Inflow	<u>21,350</u>	
		(185,510)

Proceeds from debt and financing purchases issued that are an other financing source in the funds, but a debt issue increases long-term liabilities in the statement of net position.

(12,956,805)

Change in Net Position of Governmental Activities

\$6,286,931

See accompanying notes to the basic financial statements.

City of Franklin, Ohio  
Statement of Net Position  
Proprietary Funds  
December 31, 2023

	Business-Type Activities Enterprise Funds				Total Business-Type Activities
	Water	Sewer	Trash	Stormwater Utility	
<b>Current Assets:</b>					
Equity in Pooled Cash and Investments	\$3,934,122	\$2,655,475	\$541,906	\$1,047,639	\$8,179,142
Restricted Cash	71,085	71,126	0	0	142,211
<b>Receivables (Net):</b>					
Accounts	653,007	861,296	74,214	62,441	1,650,958
Intergovernmental	199,831	0	0	0	199,831
Inventory	83,336	0	0	0	83,336
<b>Total Current Assets</b>	<b>4,941,381</b>	<b>3,587,897</b>	<b>616,120</b>	<b>1,110,080</b>	<b>10,255,478</b>
<b>Noncurrent Assets:</b>					
<b>Capital Assets:</b>					
Nondepreciable Capital Assets	1,028,614	37,500	0	37,500	1,103,614
Depreciable Capital Assets, Net	10,004,495	3,364,061	0	6,749,424	20,117,980
<b>Total Noncurrent Assets</b>	<b>11,033,109</b>	<b>3,401,561</b>	<b>0</b>	<b>6,786,924</b>	<b>21,221,594</b>
<b>Total Assets</b>	<b>15,974,490</b>	<b>6,989,458</b>	<b>616,120</b>	<b>7,897,004</b>	<b>31,477,072</b>
<b>Deferred Outflows of Resources:</b>					
Pension	539,398	184,471	25,930	163,696	913,495
OPEB	78,671	26,905	3,782	23,875	133,233
Asset Retirement Obligations	0	26,250	0	0	26,250
<b>Total Deferred Outflows of Resources</b>	<b>618,069</b>	<b>237,626</b>	<b>29,712</b>	<b>187,571</b>	<b>1,072,978</b>
<b>Liabilities:</b>					
<b>Current Liabilities:</b>					
Accounts Payable	23,969	360,556	254	0	384,779
Accrued Wages and Benefits	38,190	11,815	1,709	11,437	63,151
Compensated Absences	46,915	13,860	0	7,252	68,027
Accrued Interest Payable	9,831	1,117	0	2,956	13,904
Intergovernmental Payable	194	0	0	0	194
Financed Purchase Payable	51,162	15,513	0	39,026	105,701
OWDA Loans Payable	77,688	0	0	0	77,688
<b>Total Current Liabilities</b>	<b>247,949</b>	<b>402,861</b>	<b>1,963</b>	<b>60,671</b>	<b>713,444</b>
<b>Long-Term Liabilities:</b>					
Compensated Absences	98,805	28,743	0	15,546	143,094
OWDA Loans and Financed Purchase Payable	2,677,292	53,478	0	80,037	2,810,807
Net Pension Liability	1,287,461	440,304	61,890	390,717	2,180,372
Net OPEB Liability	26,507	9,065	1,274	8,044	44,890
Refundable Deposits	71,085	71,126	0	0	142,211
Asset Retirement Obligations	0	60,000	0	0	60,000
<b>Total Long-Term Liabilities</b>	<b>4,161,150</b>	<b>662,716</b>	<b>63,164</b>	<b>494,344</b>	<b>5,381,374</b>
<b>Total Liabilities</b>	<b>4,409,099</b>	<b>1,065,577</b>	<b>65,127</b>	<b>555,015</b>	<b>6,094,818</b>
<b>Deferred Inflows of Resources:</b>					
Pension	1,270	434	61	385	2,150
OPEB	8,931	3,054	429	2,710	15,124
<b>Total Deferred Inflows of Resources</b>	<b>10,201</b>	<b>3,488</b>	<b>490</b>	<b>3,095</b>	<b>17,274</b>
<b>Net Position:</b>					
Net Investment in Capital Assets	8,226,967	3,332,570	0	6,667,861	18,227,398
Unrestricted	3,946,292	2,825,449	580,215	858,604	8,210,560
<b>Total Net Position</b>	<b>\$12,173,259</b>	<b>\$6,158,019</b>	<b>\$580,215</b>	<b>\$7,526,465</b>	<b>\$26,437,958</b>

See accompanying notes to the basic financial statements.

City of Franklin, Ohio  
Statement of Revenues, Expenses and Changes in Fund Net Position  
Proprietary Funds  
For the Fiscal Year Ended December 31, 2023

	Business-Type Activities Enterprise Funds				Total Business-Type Activities
	Water	Sewer	Trash	Stormwater Utility	
Operating Revenues:					
Charges for Services	\$3,155,546	\$3,634,770	\$1,011,465	\$896,230	\$8,698,011
Total Operating Revenues	3,155,546	3,634,770	1,011,465	896,230	8,698,011
Operating Expenses:					
Personal Services	1,234,021	289,670	40,563	297,632	1,861,886
Contactual Services	1,399,032	2,804,006	833,517	250,517	5,287,072
Materials and Supplies	362,310	64,890	21	14,714	441,935
Depreciation	369,348	187,533	0	443,948	1,000,829
Other Expense	5,737	2,538	2,464	0	10,739
Total Operating Expenses	3,370,448	3,348,637	876,565	1,006,811	8,602,461
Operating Income (Loss)	(214,902)	286,133	134,900	(110,581)	95,550
Non-Operating Revenues (Expenses):					
Interest and Fiscal Charges	(30,557)	(3,236)	0	(4,979)	(38,772)
Other Non-Operating Revenues	40,082	37,377	357	19,938	97,754
Total Non-Operating Revenues (Expenses)	9,525	34,141	357	14,959	58,982
Income (Loss) Before Contributions and Transfers	(205,377)	320,274	135,257	(95,622)	154,532
Capital Grants and Contributions	199,831	0	0	0	199,831
Transfers (Out)	(75,000)	(65,000)	0	0	(140,000)
Change in Net Position	(80,546)	255,274	135,257	(95,622)	214,363
Net Position - Beginning of Year	12,253,805	5,902,745	444,958	7,622,087	26,223,595
Net Position - End of Year	\$12,173,259	\$6,158,019	\$580,215	\$7,526,465	\$26,437,958

See accompanying notes to the basic financial statements.



City of Franklin, Ohio  
Statement of Cash Flows  
Proprietary Funds  
For the Fiscal Year Ended December 31, 2023

	Business-Type Activities Enterprise Funds				Total Business-Type Activities
	Water	Sewer	Trash	Stormwater Utility	
<b>Cash Flows from Operating Activities:</b>					
Cash Received from Customers	\$3,104,558	\$3,515,255	\$1,017,004	\$878,118	\$8,514,935
Cash Paid for Employee Services and Benefits	(1,020,719)	(335,176)	(48,552)	(309,111)	(1,713,558)
Cash Paid to Suppliers for Goods and Services	(1,754,815)	(2,646,620)	(834,635)	(269,312)	(5,505,382)
Other Operating Expenses	(5,737)	(2,538)	(2,464)	0	(10,739)
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>323,287</b>	<b>530,921</b>	<b>131,353</b>	<b>299,695</b>	<b>1,285,256</b>
<b>Cash Flows from Noncapital Financing Activities:</b>					
Payments to Other Funds	(75,000)	(65,000)	0	0	(140,000)
<b>Net Cash Provided (Used) by Noncapital Financing Activities</b>	<b>(75,000)</b>	<b>(65,000)</b>	<b>0</b>	<b>0</b>	<b>(140,000)</b>
<b>Cash Flows from Capital and Related Financing Activities:</b>					
Payments for Capital Acquisitions	(1,942,874)	0	0	(170,634)	(2,113,508)
Debt and Financed Purchases Proceeds	2,425,679	83,816	0	98,974	2,608,469
Debt Principal Payments	(142,444)	(24,373)	0	(51,817)	(218,634)
Debt Interest Payments	(28,704)	(2,119)	0	(2,023)	(32,846)
<b>Net Cash Provided (Used) by Capital and Related Financing Activities</b>	<b>311,657</b>	<b>57,324</b>	<b>0</b>	<b>(125,500)</b>	<b>243,481</b>
<b>Cash Flows from Investing Activities:</b>					
Other Non-Operating Revenues	40,082	37,377	357	19,938	97,754
<b>Net Cash Provided (Used) by Cash Flows from Investing Activities</b>	<b>40,082</b>	<b>37,377</b>	<b>357</b>	<b>19,938</b>	<b>97,754</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>600,026</b>	<b>560,622</b>	<b>131,710</b>	<b>194,133</b>	<b>1,486,491</b>
Cash and Cash Equivalents - Beginning of Year	3,405,181	2,165,979	410,196	853,506	6,834,862
Cash and Cash Equivalents - End of Year	4,005,207	2,726,601	541,906	1,047,639	8,321,353
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities</b>					
Operating Income (Loss)	(214,902)	286,133	134,900	(110,581)	95,550
<b>Adjustments:</b>					
Depreciation	369,348	187,533	0	443,948	1,000,829
<b>Changes in Assets &amp; Liabilities:</b>					
(Increase) Decrease in Receivables	(50,116)	(120,156)	5,539	(18,112)	(182,845)
(Increase) Decrease in Inventory	15,760	0	0	0	15,760
(Increase) Decrease in Deferred Outflows of Resources	(321,715)	(160,379)	(19,872)	(138,141)	(640,107)
(Increase) Decrease in Net OPEB Asset	121,790	35,822	7,167	35,821	200,600
Increase (Decrease) in Payables	(7,580)	356,344	(1,097)	(4,081)	343,586
Increase (Decrease) in Accrued Liabilities	(112)	(136,023)	(4,933)	0	(141,068)
Increase (Decrease) in Refundable Deposits Payable	(872)	641	0	(7,072)	(7,303)
Increase (Decrease) in Deferred Inflows of Resources	(551,417)	(265,167)	(32,876)	(197,649)	(1,047,109)
Increase (Decrease) in Net Pension Liability	936,596	337,108	41,251	287,518	1,602,473
Increase (Decrease) in Net OPEB Liability	26,507	9,065	1,274	8,044	44,890
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>\$323,287</b>	<b>\$530,921</b>	<b>\$131,353</b>	<b>\$299,695</b>	<b>\$1,285,256</b>

See accompanying notes to the basic financial statements.

City of Franklin, Ohio  
Statement of Fiduciary Net Position  
Custodial Fund  
December 31, 2023

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	<u>Municipal Court</u>
Assets:	
Cash in Segregated Accounts	<u>\$51,588</u>
Total Assets	<u>51,588</u>
Liabilities:	
Due to Other Governments	<u>51,588</u>
Total Liabilities	<u>51,588</u>
Net Position:	
Restricted for Individuals, Organizations, and Other Governments	<u>0</u>
Total Net Position	<u>\$0</u>

See accompanying notes to the basic financial statements.

City of Franklin, Ohio  
Statement of Changes in Fiduciary Net Position  
Custodial Fund  
For the Fiscal Year Ended December 31, 2023

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	<u>Municipal Court</u>
Additions:	
Fines, Licenses, Permits, and Settlements for Other Governments	<u>\$1,446,685</u>
Total Additions	<u>1,446,685</u>
Deductions:	
Distributions to the State of Ohio and Other Governments	<u>1,446,685</u>
Total Deductions	<u>1,446,685</u>
Change in Net Position	0
Net Position - Beginning of Year	<u>0</u>
Net Position - End of Year	<u><u>\$0</u></u>

See accompanying notes to the basic financial statements.

**CITY OF FRANKLIN, OHIO**

Notes to the Basic Financial Statements

December 31, 2023

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**Note 1 – Description of the City and Reporting Entity**

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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 17 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**

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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.

**CITY OF FRANKLIN, OHIO**

Notes to the Basic Financial Statements

December 31, 2023

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**Basis of Presentation**

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

Government-Wide Financial Statements

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

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

Fund Financial Statements

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

**Fund Accounting**

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

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

**CITY OF FRANKLIN, OHIO**

Notes to the Basic Financial Statements

December 31, 2023

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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.

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.

ODOT Project Fund – This fund accounts for and reports monies assigned to road paving projects whose cost is shared between the City and the Ohio Department of Transportation.

Property Acquisition Fund – This fund is used to account for and report monies assigned for economic development purchases and projects within the City.

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.

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

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

Deferred Outflows/Inflows of Resources

In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources, 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 11 and 12.

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net 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 and income taxes, grants and other 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.



**CITY OF FRANKLIN, OHIO**

Notes to the Basic Financial Statements

December 31, 2023

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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, 2023, but which were levied to finance fiscal year 2024 operations. These amounts have been recorded as deferred inflows on both the government-wide statement of net position and the governmental fund financial statements. Income tax and unavailable revenue are 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, 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 11 and 12).

Expenses/Expenditures

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

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

**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.

**Equity in Pooled Cash and Investments**

To improve cash management the City's cash and investments are pooled. Monies for all funds, except cash and investments held in segregated accounts, are maintained in this pool. Individual fund integrity is maintained through City records. Each fund's interest in the pool is presented as "Equity in Pooled Cash and Investments" on the financial statements.

During the year, the City's investments were limited to STAR Ohio, 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.

**CITY OF FRANKLIN, OHIO**

Notes to the Basic Financial Statements

December 31, 2023

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For 2023, 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. Interest revenue during 2023 amounted to \$1,562,929 in the general fund, (\$194,319) in the property acquisition fund and \$57,493 in other governmental 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.

**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.

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December 31, 2023

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**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 expensed.

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:

Buildings and Improvements	20-30 years
Equipment and Vehicles	3-20 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.

**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.

**CITY OF FRANKLIN, OHIO**

Notes to the Basic Financial Statements

December 31, 2023

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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 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

**CITY OF FRANKLIN, OHIO**

Notes to the Basic Financial Statements

December 31, 2023

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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 2024 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.

**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

**CITY OF FRANKLIN, OHIO**

Notes to the Basic Financial Statements

December 31, 2023

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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. Of the City's \$7,333,102 in restricted net position, none was restricted by enabling legislation.

**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.

**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. In 2023, a distribution of \$20,741 is reflected in the OneOhio Special Revenue Fund, which is included in Other Governmental Funds.

### **Note 3 – Implementation of New Accounting Principles**

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For fiscal year 2023, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements, GASB Statement No. 96, Subscription-Based Information Technology Arrangements.

GASB Statement No. 94 sets out to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. Some PPPs meet the definition of a service concession arrangement (SCA), which the Board defines in this Statement as a PPP in which (1) the operator collects and is compensated by fees from third parties; (2) the transferor determines or has the ability to modify or approve which services the operator is required to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services; and (3) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement. The implementation of GASB Statement No. 94 did not have an effect on the financial statements of the City.

GASB Statement No. 96 provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the

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Notes to the Basic Financial Statements

December 31, 2023

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standards established in Statement No. 87, *Leases*, as amended. The implementation of GASB Statement No. 96 did not have an effect on the financial statements of the City.

**Note 4 – Accountability**

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At December 31, 2023, there were no deficit fund balances.

**Note 5 – Equity in Pooled Cash and Investments**

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Cash resources of several individual funds are combined to form a pool of cash and investments. Each fund type's portion of this pool is displayed on the combined balance sheet as "Equity in Pooled Cash and Investments."

State statute requires the classification of monies held by the City into three categories:

Active Monies - 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 Monies – 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 Monies – 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. Ohio law permits interim monies to be invested or deposited 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



**CITY OF FRANKLIN, OHIO**

Notes to the Basic Financial Statements

December 31, 2023

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- 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.

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 institution's 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.

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. 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.

**Deposits**

Custodial credit risk for deposits is the risk that in the event of bank failure, the City will not be able to recover deposits or collateral securities that are in the possession of an outside party. As of December 31, 2023, \$9,621,006 of the City's bank balance of \$9,871,006 was exposed to custodial credit risk because it was uninsured and collateralized.

The City has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits either be insured or be protected by:

Eligible securities pledged to the City and deposited with a qualified trustee by the financial institution as security for repayment whose fair value at all times shall be at least 105% of the deposits being secured; or

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. OPCS requires the total fair value of the securities pledged to be 102% of the deposits being secured or a rate set by the Treasurer of State.

**Investments**

The following is a summary of the fair value hierarchy of the fair value of investments of the City as of December 31, 2023:

**CITY OF FRANKLIN, OHIO**

Notes to the Basic Financial Statements

December 31, 2023

Investment Type	Fair Value Measurements Using			Net Asset Value*	Weighted Average Maturity (Years)
	Net Asset Value* / Fair Value	Active Markets for Identical Assets	Significant Other Observable Inputs		
		Level 1	Level 2		
Federal National Mortgage Association	\$1,768,810		\$1,768,810		1.08
Common Stock	2,567,099	\$2,567,099	0		0.00
Negotiable Certificates of Deposit	1,738,593	0	1,738,593		0.75
Federal Home Loan Bank	3,700,553	0	3,700,553		0.84
Federal Farm Credit Bank	3,047,321	0	3,047,321		0.70
Federal Home Loan Mortgage Corporation	1,001,796	0	1,001,796		0.69
United States Treasury Bonds/Notes	1,826,812	0	1,826,812		0.48
Commercial Paper	6,844,656	0	6,844,656		0.44
STAR Ohio*	10,410,200	0	0	\$10,410,200	0.13
Money Market	440,305	440,305	0	0	0.00
<b>Total</b>	<b>\$33,346,145</b>	<b>\$3,007,404</b>	<b>\$19,928,541</b>	<b>\$10,410,200</b>	

Portfolio Weighted Average Maturity 0.43

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, 2023. 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). The investment funds (STAR Ohio) are measured at net asset value (NAV).

*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 STAR Ohio, are exposed to custodial credit risk in that they are uninsured, unregistered, and held by the counterparty's trust department or agent but not in the City's name. The City has no policy for custodial credit risk beyond the requirements of State statute.

*Interest Rate Risk*

The City has no investment policy that addresses interest rate risk beyond the requirements of State statute. State statute requires that an investment mature within five years from the date of purchase, unless matched to a specific obligation or debt of the City, and that an investment must be purchased with the expectation that it will be held to maturity.

**CITY OF FRANKLIN, OHIO**

Notes to the Basic Financial Statements

December 31, 2023

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*Credit Risk*

The City's investments are for Federal National Mortgage Association, US Treasury Notes, Federal Home Loan Bank, Federal Farm Credit Bank, and the Federal Home Loan Mortgage Corporation were rated AA+ by Standard and Poor's and Aaa by Moody's. Investments in Commercial Paper were rated A-1 or A-1+ by Standard & Poor's and P-1 by Moody's Investors Service. 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. Negotiable CDs, Common Stock, and Money Market Funds are not rated. The City has no additional policy regarding credit risk.

*Concentration of Credit Risk*

The City's investment policy allows investments in Federal Government Securities or Instrumentalities. The City has invested 6% in US Treasury Notes, 8% in Common Stock, 5% in Federal National Mortgage Association, 3% in Federal Home Loan Mortgage Corporation, 9% in Federal Farm Credit Bank, 11% in Federal Home Loan Bank, 21% in Commercial Paper, 5% in Negotiable CDs, 31% in STAR Ohio, and 1% in Money Market Funds.

**Note 6 – Property Taxes**

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Property taxes include amounts levied against all real and public utility property located in the City. Property tax revenue received during 2023 for real and public utility property taxes represents collections of 2022 taxes.

2023 real property taxes were levied after October 1, 2022, on the assessed value as of January 1, 2023, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2023 real property taxes are collected in and intended to finance 2024.

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. 2023 public utility property taxes, which became a lien December 31, 2022, are levied after October 1, 2023, and are collected in 2024 with real property taxes.

The full tax rate for all City operations for the year ended December 31, 2023, was \$9.32 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2023 property tax receipts were based are as follows:

<u>Category</u>	<u>Assessed Value</u>
Real Property	\$252,130,870
Public Utility Personal Property	28,303,070
Totals	<u><u>\$280,433,940</u></u>

The County Treasurer collects property taxes on behalf of all taxing districts in the county, including the City. The County Auditor periodically remits to the City its portion of the taxes collected. Property taxes receivable represents real and public utility property taxes and outstanding delinquencies, which were measurable as of December 31, 2023, and for which there was an enforceable legal claim. In governmental funds, the portion of the receivable not levied to finance 2023 operations is offset to deferred inflows of

**CITY OF FRANKLIN, OHIO**

Notes to the Basic Financial Statements

December 31, 2023

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resources – property taxes. On the accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue while on the modified accrual basis the revenue has been reported as deferred inflows of resources – unavailable revenue.

**Note 7 – Income Taxes**

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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.

**Note 8 – Receivables**

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Receivables at December 31, 2023, consisted of accounts, intergovernmental, including grants, entitlements and shared revenues, income taxes, property taxes, other local taxes, notes, 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.

The City has approximately \$11,000 in delinquent special assessments at December 31, 2023.

**Note 9 – Capital Assets**

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Capital assets activity for the year ended December 31, 2023, was as follows:

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**CITY OF FRANKLIN, OHIO**

## Notes to the Basic Financial Statements

December 31, 2023

	Beginning Balance	Additions	Deletions	Ending Balance
<i>Governmental Activities</i>				
Non-depreciable capital assets:				
Land	\$19,729,343	\$0	\$0	\$19,729,343
Construction in Progress	3,507,831	11,540,249	(3,874,266)	11,173,814
Non-depreciable capital assets:	<u>23,237,174</u>	<u>11,540,249</u>	<u>(3,874,266)</u>	<u>30,903,157</u>
Depreciable capital assets:				
Buildings & Improvements	9,898,407	1,140,236	(33,439)	11,005,204
Equipment and Vehicles	8,042,249	1,273,503	(809,410)	8,506,342
Infrastructure	76,491,762	2,519,232	0	79,010,994
Depreciable capital assets:	<u>94,432,418</u>	<u>4,932,971</u>	<u>(842,849)</u>	<u>98,522,540</u>
Less: accumulated depreciation				
Buildings & Improvements	4,530,005	138,978	(25,530)	4,643,453
Equipment and Vehicles	5,864,590	494,620	(790,228)	5,568,982
Infrastructure	59,280,857	1,708,371	0	60,989,228
Accumulated depreciation	<u>69,675,452</u>	<u>2,341,969</u>	<u>(815,758)</u>	<u>71,201,663</u>
Depreciable capital assets, net	<u>24,756,966</u>	<u>2,591,002</u>	<u>(27,091)</u>	<u>27,320,877</u>
Governmental activities capital assets, net	<u>\$47,994,140</u>	<u>\$14,131,251</u>	<u>(\$3,901,357)</u>	<u>\$58,224,034</u>

Depreciation expense was charged to governmental programs as follows:

	Amount
General Government	\$90,041
Public Safety	338,020
Leisure Time Activities	65,554
Public Works	41,249
Transportation	1,807,105
Total Depreciation Expense	<u>\$2,341,969</u>

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**CITY OF FRANKLIN, OHIO**

## Notes to the Basic Financial Statements

December 31, 2023

Business-type activities' capital asset activity for the year ended December 31, 2023 was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
<i><u>Business-Type Activities</u></i>				
Non-depreciable capital assets:				
Land	\$1,095,364	\$0	\$0	\$1,095,364
Construction in Progress	31,270	8,250	(31,270)	8,250
Non-depreciable capital assets	<u>1,126,634</u>	<u>8,250</u>	<u>(31,270)</u>	<u>1,103,614</u>
Depreciable capital assets:				
Buildings & Improvements	127,204	9,060	0	136,264
Equipment and Vehicles	2,069,913	173,614	(38,300)	2,205,227
Infrastructure	42,985,611	1,953,854	(18,362)	44,921,103
Depreciable capital assets:	<u>45,182,728</u>	<u>2,136,528</u>	<u>(56,662)</u>	<u>47,262,594</u>
Less: accumulated depreciation				
Buildings & Improvements	30,429	2,896	0	33,325
Equipment and Vehicles	825,340	161,402	(38,300)	948,442
Infrastructure	25,344,678	836,531	(18,362)	26,162,847
Accumulated depreciation	<u>26,200,447</u>	<u>1,000,829</u>	<u>(56,662)</u>	<u>27,144,614</u>
Depreciable capital assets, net	<u>18,982,281</u>	<u>1,135,699</u>	<u>0</u>	<u>20,117,980</u>
Business-type activities capital assets, net	<u>\$20,108,915</u>	<u>\$1,143,949</u>	<u>(\$31,270)</u>	<u>\$21,221,594</u>

**Note 10 – Risk Management****Property and Liability**

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

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

**CITY OF FRANKLIN, OHIO**

## Notes to the Basic Financial Statements

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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, 2023.

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, 2022 and 2021 (the latest information available).

	<u>2022</u>	<u>2021</u>
Assets	\$21,662,291	\$21,777,000
Liabilities	<u>(18,158,351)</u>	<u>(15,037,000)</u>
Members' Equity	<u>\$3,503,940</u>	<u>\$6,740,000</u>

You can read the complete audited financial statements for OPRM at the Plan's website, [www.ohioplan.org](http://www.ohioplan.org).

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

<u>Type of Coverage</u>	<u>Coverage</u>	<u>Deductible</u>
General Liability (per Occurrence/aggregate)	\$8,000,000/\$10,000,000	N/A
Employers Liability (per Occurrence/aggregate)	8,000,000/8,000,000	N/A
Employee Benefits Liability (per Occurrence/aggregate)	8,000,000/10,000,000	N/A
Law Enforcement Officers Liability (per Occurrence/aggregate)	8,000,000/10,000,000	5,000
Public Officials Liability (per Occurrence/aggregate)	8,000,000/10,000,000	5,000
Automobile Liability (per Occurrence)	8,000,000	N/A
Property Coverage	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 11 – Defined Benefit Pension Plans**

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

***Net Pension Liability/Net OPEB Liability***

Pensions and OPEB are a component of exchange transactions - between an employer and its employees - of salaries and benefits for employee services. Pensions are provided to an employee - on a deferred-payment basis - as part of the total compensation package offered by an employer for employee services each financial period.

The net pension/OPEB liability represents 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 calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting this estimate annually.

Ohio Revised Code limits the City's obligation for this liability to annually required payments. The City cannot control benefit terms or the manner in which pensions/OPEB 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 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. Resulting adjustments to the net pension/OPEB liability 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 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 accrued wages and benefits on both the accrual and modified accrual bases of accounting.

The remainder of this note includes the pension disclosures. See Note 12 for the 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



**CITY OF FRANKLIN, OHIO**

Notes to the Basic Financial Statements

December 31, 2023

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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. Effective January 1, 2022, new members may no longer select the Combined Plan, and current members may no longer make a plan change to this 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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<u>Group A</u> Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	<u>Group B</u> 20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	<u>Group C</u> Members not in other Groups and members hired on or after January 7, 2013
<u>State and Local</u>	<u>State and Local</u>	<u>State and Local</u>
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
<u>Public Safety</u>	<u>Public Safety</u>	<u>Public Safety</u>
Age and Service Requirements: Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	Age and Service Requirements: Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	Age and Service Requirements: Age 52 with 25 years of service credit or Age 56 with 15 years of service credit
<u>Law Enforcement</u>	<u>Law Enforcement</u>	<u>Law Enforcement</u>
Age and Service Requirements: Age 52 with 15 years of service credit	Age and Service Requirements: Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	Age and Service Requirements: Age 48 with 25 years of service credit or Age 56 with 15 years of service credit
<u>Public Safety and Law Enforcement</u>	<u>Public Safety and Law Enforcement</u>	<u>Public Safety and Law Enforcement</u>
Traditional Plan Formula: 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25	Traditional Plan Formula: 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25	Traditional Plan Formula: 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25

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

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

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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.

**Funding Policy**

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

	<u>State and Local</u>	<u>Public Safety</u>	<u>Law Enforcement</u>
<b>2023 Statutory Maximum Contribution Rates</b>			
Employer	14.0 %	18.1 %	18.1 %
Employee *	10.0 %	**	***
<b>2023 Actual Contribution Rates</b>			
Employer:			
Pension ****	14.0 %	18.1 %	18.1 %
Post-employment Health Care Benefits *****	0.0	0.0	0.0
Total Employer	<u>14.0 %</u>	<u>18.1 %</u>	<u>18.1 %</u>
Employee	<u>10.0 %</u>	<u>12.0 %</u>	<u>13.0 %</u>

- \* Member contributions within the combined plan are not used to fund the defined benefit retirement allowance.
- \*\* This rate is determined by OPERS' Board and has no maximum rate established by ORC.
- \*\*\* This rate is also determined by OPERS' Board, but is limited by ORC to not more than 2 percent greater than the Public Safety rate.
- \*\*\*\* 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; however, effective July 1, 2022, a portion of the health care rate is funded with reserves.

Employer contribution rates are actuarially determined within the constraints of statutory limits for each division and expressed as a percentage of covered payroll.

For 2023, the City's contractually required contribution was \$533,267, of this amount \$62,942 is reported in accrued wages and benefits.

**CITY OF FRANKLIN, OHIO**

Notes to the Basic Financial Statements

December 31, 2023

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***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](http://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.

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

The annual pension benefit for normal service retirement is equal to a percentage of the allowable average annual salary. The percentage equals 2.5 percent for each of the first 20 years of service credit, 2.0 percent for each of the next five years of service credit and 1.5 percent for each year of service credit in excess of 25 years. The maximum pension of 72 percent of the allowable average annual salary is paid after 33 years of service credit (see OP&F 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, statutory survivors and annuity beneficiaries. 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.

**CITY OF FRANKLIN, OHIO**

Notes to the Basic Financial Statements

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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:

	<u>Police</u>	<u>Firefighters</u>
<b>2023 Statutory Maximum Contribution Rates</b>		
Employer	19.50 %	24.00 %
Employee	12.25 %	12.25 %
<b>2023 Actual Contribution Rates</b>		
Employer:		
Pension	19.00 %	23.50 %
Post-employment Health Care Benefits	<u>0.50</u>	<u>0.50</u>
Total Employer	<u>19.50 %</u>	<u>24.00 %</u>
Employee	<u>12.25 %</u>	<u>12.25 %</u>

Employer contribution rates are expressed as a percentage of covered payroll. The City's contractually required contribution to OP&F was \$664,503 for 2023, of this amount \$91,194 is reported as accrued wages and benefits.

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

The net pension liability for OPERS was measured as of December 31, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. OP&F's total pension liability was measured as of December 31, 2022, and was determined by rolling forward the total pension liability as of January 1, 2022, to December 31, 2022. The City's proportion of the net pension liability was based on the City's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share of the City's defined benefit pension plans:

**CITY OF FRANKLIN, OHIO**

Notes to the Basic Financial Statements

December 31, 2023

	OPERS		
	<u>Traditional Plan</u>	<u>OPF</u>	<u>Total</u>
Proportionate Share of the:			
Net Pension Liability	\$7,375,854	\$12,684,938	\$20,060,792
Proportion of the Net Pension Liability:			
Current Measurement Date	0.02496900%	0.13353930%	
Prior Measurement Date	<u>0.02372200%</u>	<u>0.12765580%</u>	
Change in Proportionate Share	<u>0.00124700%</u>	<u>0.00588350%</u>	
Pension Expense	\$1,106,614	\$1,995,465	\$3,102,078

At December 31 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	OPERS		
	<u>Traditional Plan</u>	<u>OPF</u>	<u>Total</u>
<u>Deferred Outflows of Resources</u>			
Differences between expected and actual experience	\$244,995	\$190,268	\$435,263
Changes in assumptions	77,921	1,144,138	1,222,059
Net difference between projected and actual earnings on pension plan investments	2,102,350	1,846,772	3,949,122
Changes in employer proportionate share of net pension liability	131,671	1,054,366	1,186,037
Contributions subsequent to the measurement date	<u>533,267</u>	<u>664,503</u>	<u>1,197,770</u>
Total Deferred Outflows of Resources	<u>\$3,090,204</u>	<u>\$4,900,047</u>	<u>\$7,990,251</u>
<u>Deferred Inflows of Resources</u>			
Differences between expected and actual experience	\$0	\$289,000	\$289,000
Changes in assumptions	0	247,352	247,352
Changes in employer proportionate share of net pension liability	<u>7,276</u>	<u>0</u>	<u>7,276</u>
Total Deferred Inflows of Resources	<u>\$7,276</u>	<u>\$536,352</u>	<u>\$543,628</u>

\$1,197,770 reported as deferred outflows of resources related to pension resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year Ending	OPERS		
	<u>Traditional Plan</u>	<u>OPF</u>	<u>Total</u>
December 31:			
2024	\$367,313	\$608,175	\$975,488
2025	533,646	927,560	1,461,206
2026	618,824	941,528	1,560,352
2027	1,029,878	1,192,044	2,221,922
2028	<u>0</u>	<u>29,885</u>	<u>29,885</u>
Total	<u>\$2,549,661</u>	<u>\$3,699,192</u>	<u>\$6,248,853</u>

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Notes to the Basic Financial Statements

December 31, 2023

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**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, 2022, using the following key actuarial assumptions and methods applied to all periods included in the measurement in accordance with the requirements of GASB 67:

	<u>OPERS Traditional Plan</u>
Wage Inflation	2.75 percent
Future Salary Increases, including inflation	2.75 to 10.75 percent including wage inflation
COLA or Ad Hoc COLA:	
Pre-January 7, 2013 Retirees	3.0 percent, simple
Post-January 7, 2013 Retirees	3.0 percent, simple through 2023, then 2.05 percent, simple
Investment Rate of Return	6.9 percent
Actuarial Cost Method	Individual Entry Age

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.

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

During 2022, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio, and the Defined Contribution portfolio. The Defined Benefit portfolio contains the investment assets for the Traditional Pension Plan, the defined benefit component of the Combined Plan and the annuitized accounts of the Member-Directed Plan. Within the Defined Benefit portfolio contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio was 12.1 percent for 2022.

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

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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, 2022, these best estimates are summarized below:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Geometric)
Fixed Income	22.00%	2.62%
Domestic Equities	22.00	4.60
Real Estate	13.00	3.27
Private Equity	15.00	7.53
International Equities	21.00	5.51
Risk Parity	2.00	4.37
Other investments	5.00	3.27
Total	100.00%	

**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 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 Proportionate Share of the Net Pension Liability to Changes in the Discount Rate**

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

	1% Decrease (5.90%)	Current Discount Rate (6.90%)	1% Increase (7.90%)
Proportionate share of the net pension liability	\$11,048,783	\$7,375,854	\$4,320,636

**Actuarial Assumptions – OP&F**

OP&F's total pension liability as of December 31, 2022, is based on the results of an actuarial valuation date of January 1, 2022, and rolled-forward using generally accepted actuarial procedures. The total



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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, 2022, are presented below.

Valuation Date	January 1, 2022, with actuarial liabilities rolled forward to December 31, 2022
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

For 2022, mortality for service retirees is based on the Pub-2010 Below-Median Safety Amount-Weighted Healthy Retiree mortality table with rates adjusted by 96.2 percent for males and 98.7 percent for females. All rates are projected using the MP-2021 Improvement Scale.

For 2022, mortality for disabled retirees is based on the Pub-2010 Safety Amount-Weighted Disabled Retiree mortality table with rates adjusted by 135 percent for males and 97.9 percent for females. All rates are projected using the MP-2021 Improvement Scale.

For 2022, mortality for contingent annuitants is based on the Pub-2010 Below-Median Safety Amount-Weighted Contingent Annuitant Retiree mortality table with rates adjusted by 108.9 percent for males and 131 percent for females. All rates are projected using the MP-2021 Improvement Scale.

For 2022, Mortality for active members is based on the Pub-2010 Below-Median Safety Amount-Weighted Employee mortality table. All rates are projected using the MP- 2021 Improvement Scale.

For 2021, 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

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For 2021, 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.

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, 2021.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The assumption is intended to be a long-term assumption (30 to 50 years) and is not expected to change absent a significant change in the asset allocation, a change in the underlying inflation assumption, or a fundamental change in the market that alters expected returns in future years.

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, 2022, are summarized below:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	18.60 %	4.80 %
Non-US Equity	12.40	5.50
Private Markets	10.00	7.90
Core Fixed Income *	25.00	2.50
High Yield Fixed Income	7.00	4.40
Private Credit	5.00	5.90
U.S. Inflation Linked Bonds*	15.00	2.00
Midstream Energy Infrastructure	5.00	5.90
Real Assets	8.00	5.90
Gold	5.00	3.60
Private Real Estate	12.00	5.30
Commodities	2.00	3.60
Total	125.00 %	

Note: Assumptions are geometric.

\* levered 2.5x

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 2022, 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 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%)
Proportionate share of the net pension liability	\$16,733,882	\$12,684,938	\$9,319,052

**Note 12 – Postemployment Benefits**

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**Net OPEB Liability**

See Note 11 for a description of the net OPEB liability.

**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. The 115 Health Care Trust (115 Trust or Health Care Trust) was established in 2014, under Section 115 of the Internal Revenue Code (IRC). The purpose of the 115 Trust is to fund health care for the Traditional Pension, Combined and Member-Directed plans. Medicare-enrolled retirees in the Traditional Pension and Combined plans may have an allowance deposited into a health reimbursement arrangement (HRA) account to be used toward the health care program of their choice selected with the assistance of an OPERS vendor. Non-Medicare retirees have converted to an arrangement similar to the Medicare-enrolled retirees, and are no longer participating in OPERS provided self-insured group plans.

With one exception, OPERS-provided health care coverage is neither guaranteed nor statutorily required. Ohio law currently requires Medicare Part A equivalent coverage or Medicare Part A premium reimbursement for eligible retirees and their eligible dependents.

OPERS offers a health reimbursement arrangement (HRA) allowance to traditional pension plan and combined plan benefit recipients meeting certain age and service credit requirements. The HRA is an account funded by OPERS that provides tax free reimbursement for qualified medical expenses such as

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monthly post-tax insurance premiums, deductibles, co-insurance, and co-pays incurred by eligible benefit recipients and their dependents.

OPERS members enrolled in the Traditional Pension Plan or Combined Plan retiring with an effective date of January 1, 2022, or after must meet the following health care eligibility requirements to receive an HRA allowance:

**Medicare Retirees** - Medicare-eligible with a minimum of 20 years of qualifying service credit

**Non-Medicare Retirees** - Non-Medicare retirees qualify based on the following age-and-service criteria:

**Group A** - 30 years of qualifying service credit at any age;

**Group B** - 32 years of qualifying service credit at any age or 31 years of qualifying service credit and minimum age 52;

**Group C** - 32 years of qualifying service credit and minimum age 55; or,

A retiree from groups A, B or C who qualifies for an unreduced pension, but a portion of their service credit is not health care qualifying service, can still qualify for health care at age 60 if they have at least 20 years of qualifying health care service credit.

Retirees who don't meet the requirement for coverage as a non-Medicare participant can become eligible for coverage at age 65 if they have at least 20 years of qualifying service.

Members with a retirement date prior to January 1, 2022, who were eligible to participate in the OPERS health care program will continue to be eligible after January 1, 2022.

Eligible retirees may receive a monthly HRA allowance for reimbursement of health care coverage premiums and other qualified medical expenses. Monthly allowances, based on years of service and the age at which the retiree first enrolled in OPERS coverage, are provided to eligible retirees, and are deposited into their HRA account.

Retirees will have access to the OPERS Connector, which is a relationship with a vendor selected by OPERS to assist retirees participating in the health care program. The OPERS Connector may assist retirees in selecting and enrolling in the appropriate health care plan.

When members become Medicare-eligible, recipients enrolled in OPERS health care programs must enroll in Medicare Part A (hospitalization) and Medicare Part B (medical).

OPERS reimburses retirees who are not eligible for premium-free Medicare Part A (hospitalization) for their Part A premiums as well as any applicable surcharges (late-enrollment fees). Retirees within this group must enroll in Medicare Part A and select medical coverage, and may select prescription coverage, through the OPERS Connector. OPERS also will reimburse 50 percent of the Medicare Part A premium and any applicable surcharges for eligible spouses. Proof of enrollment in Medicare Part A and confirmation that the retiree is not receiving reimbursement or payment from another source must be submitted. The premium reimbursement is added to the monthly pension benefit.

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.

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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.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2023, 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 2023, OPERS did not allocate any employer contribution to health care for members in the Traditional Pension Plan and beginning July 1, 2022, there was a two percent allocation to health care for the Combined Plan. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the member-directed plan for 2022 was 4.0 percent; however, effective July 1, 2022, a portion of the health care rate was funded with reserves.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The City’s contractually required contribution was \$0 for 2023.

***Ohio Police & 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

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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](http://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.

The Board of Trustees is authorized to allocate a portion of the total employer contributions for retiree health care benefits. For 2023, 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 \$16,268 for 2023.

**Net OPEB Liability**

The net OPEB liability and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2021, rolled forward to the measurement date of December 31, 2022, 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, 2022, and was determined by rolling forward the total OPEB liability as of January 1, 2022, to December 31, 2022. The City's proportion of the net OPEB liability was based on the City's share of contributions to the retirement plan relative to the contributions of all participating entities. Following is information related to the proportionate share:

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	OPERS		
	Traditional Plan	OPF	Total
Proportionate Share of the:			
Net OPEB Liability	\$151,860	\$950,760	\$1,102,620
Proportion of the Net OPEB Liability:			
Current Measurement Date	0.02408500%	0.13353930%	
Prior Measurement Date	0.02287300%	0.12765580%	
Change in Proportionate Share	0.00121200%	0.00588350%	
OPEB Expense	(\$289,995)	\$189,955	(\$100,040)

At December 31 2023, reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	OPERS		
	Traditional Plan	OPF	Total
<u>Deferred Outflows of Resources</u>			
Differences between expected and actual experience	\$0	\$56,736	\$56,736
Changes in assumptions	148,326	473,806	622,132
Net difference between projected and actual earnings on pension plan investments	301,600	81,548	383,148
Changes in employer proportionate share of net OPEB liability	777	323,167	323,944
Contributions subsequent to the measurement date	0	16,268	16,268
Total Deferred Outflows of Resources	\$450,703	\$951,525	\$1,402,228
<u>Deferred Inflows of Resources</u>			
Differences between expected and actual experience	\$37,880	\$187,471	\$225,351
Changes in assumptions	12,205	777,643	789,848
Changes in employer proportionate share of net OPEB liability	1,083	0	1,083
Total Deferred Inflows of Resources	\$51,168	\$965,114	\$1,016,282

\$16,268 reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending December 31, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending	OPERS		
December 31:	Traditional Plan	OPF	Total
2024	\$49,197	\$100,153	\$149,350
2025	110,592	100,373	210,965
2026	94,049	(11,215)	82,834
2027	145,697	4,157	149,854
2028	0	(55,268)	(55,268)
Thereafter	0	(168,057)	(168,057)
Total	\$399,535	(\$29,857)	\$369,678

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**Actuarial Assumptions – OPERS**

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

Projections of health care costs for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of coverage provided at the time of each valuation and the historical pattern of sharing of costs between OPERS and plan members. The total OPEB liability was determined by an actuarial valuation as of December 31, 2021, rolled forward to the measurement date of December 31, 2022. The actuarial valuation used the following key actuarial assumptions and methods applied to all prior periods included in the measurement in accordance with the requirements of GASB 74:

Wage Inflation	2.75 percent
Projected Salary Increases,	2.75 to 10.75 percent
	including wage inflation
Single Discount Rate	5.22 percent
Prior Year Single Discount Rate	6.00 percent
Investment Rate of Return	6.00 percent
Municipal Bond Rate	4.05 percent
Prior Year Municipal Bond Rate	1.84 percent
Health Care Cost Trend Rate	5.5 percent, initial
	3.50 percent, ultimate in 2036
Actuarial Cost Method	Individual Entry Age

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.

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

During 2022, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio. The Health Care portfolio includes the assets for health care expenses for the Traditional Pension Plan, Combined Plan and Member-Directed Plan eligible members. Within the Health Care portfolio, if any contribution are made into the plans, the contributions are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made. Health care-related payments are assumed to occur mid-year. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Health Care portfolio was 15.6 percent for 2022.



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The allocation of investment assets within the Health Care portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Assets are managed on a total return basis with a long-term objective of continuing to offer a sustainable health care program for current and future retirees. OPERS' primary goal is to achieve and maintain a fully funded status for the benefits provided through the defined pension plans. Health care is a discretionary benefit. The long-term expected rate of return on health care investment assets was determined using a building-block method in which best-estimate ranges of expected future 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, 2022, these best estimates are summarized in the following table:

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return (Geometric)
Fixed Income	34.00%	2.56%
Domestic Equities	26.00	4.60
Real Estate Investment Trust	7.00	4.70
International Equities	25.00	5.51
Risk Parity	2.00	4.37
Other investments	6.00	1.84
Total	100.00%	

**Discount Rate**

A single discount rate of 5.22 percent was used to measure the OPEB liability on the measurement date of December 31, 2022; however, the single discount rate used at the beginning of the year was 6 percent. 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 4.05 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 2054. As a result, the actuarial assumed long-term expected rate of return on health care investments was applied to projected costs through the year 2054, and the municipal bond rate was applied to all health care costs after that date.

**Sensitivity of the Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate**

The following table presents the City's proportionate share of the net OPEB liability calculated using the single discount rate of 5.22 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 (4.22 percent) or one-percentage-point higher (6.22 percent) than the current rate:

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	1% Decrease (4.22%)	Current Discount Rate (5.22%)	1% Increase (6.22%)
Proportionate share of the net OPEB Liability	\$516,864	\$151,860	(\$149,327)

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

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

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 2023 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
Proportionate share of the net OPEB liability	\$142,342	\$151,860	\$162,574

***Actuarial Assumptions – OP&F***

OP&F's total OPEB liability as of December 31, 2022, is based on the results of an actuarial valuation date of January 1, 2022, 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

**CITY OF FRANKLIN, OHIO**

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employee and any applicable contingent annuitant. In many cases, actuarial calculations reflect several decades of service with the employer and the payment of benefits after termination.

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

Valuation Date	January 1, 2022, with actuarial liabilities rolled forward to December 31, 2022
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	4.27 percent
Prior measurement date	2.84 percent
Cost of Living Adjustments	2.2 percent simple per year
Projected Depletion Year of OPEB Assets	2036

For 2022, mortality for service retirees is based on the Pub-2010 Below-Median Safety Amount-Weighted Healthy Retiree mortality table with rates adjusted by 96.2 percent for males and 98.7 percent for females. All rates are projected using the MP-2021 Improvement Scale.

For 2022, mortality for disabled retirees is based on the Pub-2010 Safety Amount-Weighted Disabled Retiree mortality table with rates adjusted by 135 percent for males and 97.9 percent for females. All rates are projected using the MP-2021 Improvement Scale.

For 2022, mortality for contingent annuitants is based on the Pub- 2010 Below-Median Safety Amount-Weighted Contingent Annuitant Retiree mortality table with rates adjusted by 108.9 percent for males and 131 percent for females. All rates are projected using the MP-2021 Improvement Scale.

For 2022, mortality for active members is based on the Pub-2010 Below-Median Safety Amount-Weighted Employee mortality table. All rates are projected using the MP- 2021 Improvement Scale.

For 2021, 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

For 2021, 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, 2021.

The long-term expected rate of return on OPEB 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, 2022, are summarized below:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	18.60 %	4.80 %
Non-US Equity	12.40	5.50
Private Markets	10.00	7.90
Core Fixed Income *	25.00	2.50
High Yield Fixed Income	7.00	4.40
Private Credit	5.00	5.90
U.S. Inflation Linked Bonds*	15.00	2.00
Midstream Energy Infrastructure	5.00	5.90
Real Assets	8.00	5.90
Gold	5.00	3.60
Private Real Estate	12.00	5.30
Commodities	2.00	3.60
Total	<u>125.00 %</u>	

Note: Assumptions are geometric.

\* levered 2.5x

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 the relationship between asset classes and economic environments. From the notional portfolio perspective above, the Total Portfolio may be levered up to 1.2 times due to the application of leverage in certain fixed income asset classes.

**Discount Rate**

For 2022, the total OPEB liability was calculated using the discount rate of 4.27 percent. For 2021, the total OPEB liability was calculated using the discount rate of 2.84 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

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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, for 2022, the long-term assumed rate of return on investments of 7.50 percent was applied to periods before December 31, 2035, and the Municipal Bond Index Rate of 3.65 percent was applied to periods on and after December 31, 2035, resulting in a discount rate of 4.27 percent. For 2021, a municipal bond rate of 2.05 percent at December 31, 2021, was blended with the long-term rate of 7.5 which resulted in a blended discount rate of 2.84. The municipal bond rate was determined using the Bond Buyers General Obligation 20-year Municipal Bond Index Rate.

***Sensitivity of the 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 4.27 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 (3.27 percent), or one percentage point higher (5.27 percent) than the current rate.

	1% Decrease (3.27%)	Current Discount Rate (4.27%)	1% Increase (5.27%)
Proportionate share of the net OPEB liability	\$1,170,773	\$950,760	\$765,015

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

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

**Note 13 – 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 14 – Employee Benefits**

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**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.

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*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.

*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**

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 15 – Long-Term Obligations**

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A schedule of changes in bonds and other long-term obligations of the governmental activities of the City during 2023 follows:

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## Notes to the Basic Financial Statements

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	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
<b>Governmental Activities:</b>					
<u>Bonds:</u>					
Various Purpose Refunding Bonds, Series 2022	\$1,515,000	\$0	\$495,000	\$1,020,000	\$505,000
Annual Appropriation Bonds, Series 2023	0	12,000,000	0	12,000,000	0
Premium on Annual Appropriation Bonds, Series 2023	0	701,258	0	701,258	0
<b>Total Bonds</b>	<b>1,515,000</b>	<b>12,701,258</b>	<b>495,000</b>	<b>13,721,258</b>	<b>505,000</b>
<u>Other Long-Term Obligations:</u>					
Police and Fire Pension	41,633	0	2,573	39,060	2,684
Financed Purchases from Direct Borrowing	252,714	956,805	398,233	811,286	229,709
Net Pension Liability	9,461,209	8,419,211	0	17,880,420	0
Net OPEB Liability	1,399,218	0	341,488	1,057,730	0
Compensated Absences	950,112	541,936	292,302	1,199,746	344,982
<b>Total Other Long-Term Obligations</b>	<b>12,104,886</b>	<b>9,917,952</b>	<b>1,034,596</b>	<b>20,988,242</b>	<b>577,375</b>
<b>Total Governmental Activities</b>	<b>\$13,619,886</b>	<b>\$22,619,210</b>	<b>\$1,529,596</b>	<b>\$34,709,500</b>	<b>\$1,082,375</b>

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 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.

On September 26, 2023, the City issued \$12,000,000 in City Annual Appropriation Bonds through the Warren County Port Authority. The proceeds of the bonds were used to finance the acquisition, construction, and installation of certain public improvements consisting of streets, public walkways, parks, and other public spaces and any land acquisition or other costs for the Main Street Streetscaping Project. The bonds are special obligations of the Port Authority payable from appropriation payments made by the City under a cooperative agreement. The City's obligation to make payments is subject to and dependent upon annual appropriations being made by the City. The City intends to make these debt service payments from the Restricted Income Tax collections.

Financed Purchases - In current and prior years, the City entered into various financed purchase agreements for vehicles. Financed purchase payments are reflected as debt service expenditures in the fund financial statements. Principal payments made in 2023 totaled \$398,233 and \$144,087 for governmental and business-type, respectively.

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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 11 and 12.

The Police and Fire Pension liability is paid from special revenue fund taxes and is recorded as an expenditure of Debt Service: Principal Retirement. In addition to current contributions, the City pays installments on the accrued liability incurred when the State of Ohio established the Statewide pension system for police and firefighters in 1967. As of December 31, 2023, \$39,060 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 2023 were as follows:

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
<b>Business Type Activities</b>					
<u>OWDA Loans from Direct Borrowing</u>					
OWDA Loan #4729 - Franklin Waterlines & Water Tower	\$497,128	\$0	\$74,547	\$422,581	\$77,688
OWDA Loan #9976 - Millard Drive & Bryant Ave Water Main Replacement	0	2,150,600	0	2,150,600	0
Total OWDA Loans	497,128	2,150,600	74,547	2,573,181	77,688
Financed Purchases From Direct Borrowing	107,233	457,869	144,087	421,015	105,701
Asset Retirement Obligations	60,000	0	0	60,000	0
Refundable Deposits	142,442	0	231	142,211	0
Net Pension Liability	577,899	1,602,473	0	2,180,372	0
Net OPEB Liability	0	44,890	0	44,890	0
Compensated Absences	191,164	83,247	63,290	211,121	68,027
Total - Business-Type Activities	<u>\$1,575,866</u>	<u>\$4,339,079</u>	<u>\$282,155</u>	<u>\$5,632,790</u>	<u>\$251,416</u>

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 \$2,573,181 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.



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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 \$3,479,641. Principal and interest paid for the current year was \$93,823.

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 11 and 12.

Principal and interest requirements to retire the City's long-term obligations outstanding at year end are as follows:

Government Activities				
Year Ending December 31	General Obligation and Annual Appopriation Bonds		Financed Purchases From Direct Borrowing	
	Principal	Interest	Principal	Interest
2024	\$505,000	\$715,782	\$229,709	\$42,555
2025	515,000	707,096	241,032	31,232
2026	200,000	698,238	148,642	20,095
2027	210,000	688,237	156,261	12,475
2028	220,000	677,737	35,642	1,645
2029-2033	1,290,000	3,205,087	0	0
2034-2038	1,705,000	2,795,663	0	0
2039-2043	2,250,000	2,246,250	0	0
2044-2048	3,005,000	1,497,300	0	0
2049-2052	3,120,000	481,500	0	0
Totals	<u>\$13,020,000</u>	<u>\$13,712,890</u>	<u>\$811,286</u>	<u>\$108,003</u>

Business-Type Activities				
Year Ending December 31	OWDA Loans		Financed Purchases From Direct Borrowing	
	Principal	Interest	Principal	Interest
2024	\$77,688	\$16,135	\$105,701	\$21,068
2025	131,019	63,242	110,564	16,203
2026	135,613	58,786	92,364	12,564
2027	140,379	54,164	97,112	7,817
2028	145,325	49,371	15,274	705
2029-2033	288,109	213,413	0	0
2034-2038	323,808	177,713	0	0
2039-2043	363,934	137,589	0	0
2044-2048	409,027	92,493	0	0
2049-2053	459,712	41,812	0	0
2054	98,567	1,742	0	0
Totals	<u>\$2,573,181</u>	<u>\$906,460</u>	<u>\$421,015</u>	<u>\$58,357</u>

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**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, 2023, on the Sound Preservation 202 LP revenue housing bonds is \$2,848,877.

**Note 16 – Interfund Activity**

Transfers in and out for the year end, consisted of the following:

	Transfers	
	In	Out
Major Funds:		
General Fund	\$0	\$6,039,550
Fire Levy	411,614	0
ODOT Project	1,990,000	0
Property Acquisition	700,000	0
Water	0	75,000
Sewer	0	65,000
Other Governmental Funds	3,077,936	0
Total All Funds	<u>\$6,179,550</u>	<u>\$6,179,550</u>

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 the General Fund to the Fire Levy, ODOT Project, Property Acquisition, 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.

**Note 17 – 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.

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December 31, 2023

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**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 \$1,268 during 2023 for the operation of the District. The City does not have any financial interest in or responsibility for the District. The County Commissioners serve as the taxing authority, and the County Auditor and Treasurer serve as fiscal officers. Financial information may be obtained at the Warren County Health District, 416 S. East Street, Lebanon, Ohio 45036.

The Warren County Fire Response and Life Safety Council of Governments (the COG) is a jointly governed organization, consisting of cities, villages and townships in Warren County. The COG, which consists of a representative from each of the participating governments, including the City, contracts with the Greater Cincinnati Hazardous Materials Unit, Inc. for hazardous materials response services to each of the participating governments. The Council exercises total control over the operation of the COG including budgeting, appropriating, contracting and designating management. Each member’s degree of control is limited it’s representation of the Council. The City contributed over \$350 during 2023 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 18 – Significant Commitments**

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**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:

<u>Fund</u>	<u>Amount</u>
General Fund	\$1,516,864
American Rescue Plan Act Fund	1,145,446
Fire Levy Fund	127,901
ODOT Project Fund	1,758,686
Property Acquisition Fund	1,139,001
Water Fund	546,782
Sewer Fund	1,500
Stormwater Utility Fund	5,000
Nonmajor Governmental Funds	<u>56,501</u>
Total	<u><u>\$6,297,681</u></u>

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**Contractual Commitments**

As of December 31, 2023, the City had the following contractual purchase commitments:

<u>Project</u>	<u>Spent-to-date</u>	<u>Commitment Remaining</u>
2022 Municipal Paving Program	\$592,794	\$5,511
2023 Municipal Paving Program	712,142	34,926
6th Street Water Main	8,250	104,166
Clearcreek Bikepath	4,381,956	28,858
Downtown Riverfront	243,266	522,534
Downtown Riverbank	211,287	97,663
Downtown Streetscape	383,983	14,012,427
Franklin Community Park Drive Intersection	407,116	2,340,191
I-75 and SR 73 Interchange Beautification Project	56,150	197,210
I-75 and SR 73 Interchange Project	1,459,246	41,913
North Dixie Repaving Ph 2	390,675	39,795
North River Reconstruction	24,200	8,200
SR 73 Resurfacing	16,800	1,709,610
St Rt 123 at Beal/Shotwell	1,840,924	344,654
Third St. Water Tank Replacement	175,481	4,254,021
Total	<u>\$10,904,270</u>	<u>\$23,741,680</u>

**Note 19 – 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:

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December 31, 2023

Fund Balances	General Fund	Fire Levy Fund	American Rescue Plan Fund	ODOT Project Fund	Property Acquisition Fund	Nonmajor Governmental Funds	Total
<b>Nonspendable:</b>							
Inventory	\$13,502	\$22,132	\$0	\$0	\$0	\$202,839	\$238,473
Unclaimed Monies	28,946	0	0	0	0	0	28,946
Leisure Time Activities	0	0	0	0	0	2,562,099	2,562,099
<b>Total Nonspendable</b>	<b>42,448</b>	<b>22,132</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,764,938</b>	<b>2,829,518</b>
<b>Restricted For:</b>							
Debt Service	0	0	0	0	0	252,901	252,901
E-911	0	0	0	0	0	172,218	172,218
Court	0	0	0	0	0	917,358	917,358
Drug Law Enforcement	0	0	0	0	0	60,491	60,491
Indigent Drivers	0	0	0	0	0	97,778	97,778
Indigent Drivers Alcohol Monitoring	0	0	0	0	0	69,758	69,758
In-House Monitoring	0	0	0	0	0	56,789	56,789
Street Lighting	0	0	0	0	0	311,469	311,469
Miami Conservancy District	0	0	0	0	0	21,614	21,614
OneOhio Opioid	0	0	0	0	0	25,365	25,365
Capital Outlay	0	0	0	0	0	969,466	969,466
Fire Protection	0	999,408	0	0	0	0	999,408
American Rescue Plan	0	0	29,280	0	0	0	29,280
Transportation	0	0	0	0	0	527,446	527,446
FEMA	0	0	0	0	0	7,619	7,619
Property Acquisition	0	0	0	0	12,126,564	0	12,126,564
Leisure Time Activities	0	0	0	0	0	461,669	461,669
<b>Total Restricted</b>	<b>0</b>	<b>999,408</b>	<b>29,280</b>	<b>0</b>	<b>12,126,564</b>	<b>3,951,941</b>	<b>17,107,193</b>
<b>Committed To:</b>							
Park Facilities	0	0	0	0	0	415,584	415,584
<b>Total Committed</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>415,584</b>	<b>415,584</b>
<b>Assigned To:</b>							
Debt Service Payments	0	0	0	0	0	38,042	38,042
Budgetary Resource	5,293,406	0	0	0	0	0	5,293,406
Capital Improvements	1,305,331	0	0	0	0	0	1,305,331
Purchase On Order For:							
General Government	130,248	0	0	0	0	0	130,248
Security of Persons and Property	9,681	0	0	0	0	0	9,681
Economic Development	13,719	0	0	0	0	0	13,719
Capital Improvements	1,220,799	0	0	0	0	0	1,220,799
ODOT Project	0	0	0	797,158	0	0	797,158
Property Acquisition	0	0	0	0	1,404,696	0	1,404,696
Capital Project	0	0	0	0	0	614,868	614,868
<b>Total Assigned</b>	<b>7,973,184</b>	<b>0</b>	<b>0</b>	<b>797,158</b>	<b>1,404,696</b>	<b>652,910</b>	<b>10,827,948</b>
<b>Unassigned (Deficit)</b>	<b>1,973,362</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,973,362</b>
<b>Total Fund Balances</b>	<b>\$9,988,994</b>	<b>\$1,021,540</b>	<b>\$29,280</b>	<b>\$797,158</b>	<b>\$13,531,260</b>	<b>\$7,785,373</b>	<b>\$33,153,605</b>

**Note 20 – Contingencies**

**Federal and State Grants**

For the period January 1, 2023, to December 31, 2023, 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

**CITY OF FRANKLIN, OHIO**

Notes to the Basic Financial Statements

December 31, 2023

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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, 2023. 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.

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***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  
 Last Ten Fiscal Years

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
City's Proportion of the Net Pension Liability	0.02496900%	0.02372200%	0.02392700%	0.02453500%
City's Proportionate Share of the Net Pension Liability	\$7,375,854	\$2,063,911	\$3,543,067	\$4,849,509
City's Covered Payroll	\$3,870,414	\$3,442,814	\$3,370,007	\$3,449,600
City's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	190.57%	59.95%	105.14%	140.58%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	75.74%	92.62%	86.88%	82.17%

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

See accompanying notes to the required supplementary information.

2019	2018	2017	2016	2015	2014
0.02339000%	0.02394900%	0.02357200%	0.02366400%	0.02287300%	0.02287300%
\$6,406,047	\$3,757,134	\$5,352,801	\$4,098,904	\$2,758,741	\$2,696,429
\$3,159,271	\$3,263,108	\$3,142,750	\$2,945,024	\$2,804,208	\$2,860,364
202.77%	113.49%	170.32%	139.18%	98.38%	94.27%
74.70%	84.66%	77.25%	81.08%	86.45%	86.36%

City of Franklin, Ohio  
 Required Supplementary Information  
 Schedule of City Contributions for Net Pension Liability  
 Ohio Public Employees Retirement System  
 Last Ten Fiscal Years

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Contractually Required Contribution	\$533,267	\$541,858	\$481,994	\$471,801	\$482,944
Contributions in Relation to the Contractually Required Contribution	<u>(533,267)</u>	<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>	<u>\$0</u>
City Covered Payroll	\$3,809,050	\$3,870,414	\$3,442,814	\$3,370,007	\$3,449,600
Contributions as a Percentage of Covered Payroll	14.00%	14.00%	14.00%	14.00%	14.00%

See accompanying notes to the required supplementary information.

<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
\$442,298	\$424,204	\$377,130	\$353,403	\$336,504
<u>(442,298)</u>	<u>(424,204)</u>	<u>(377,130)</u>	<u>(353,403)</u>	<u>(336,504)</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
14.00%	13.00%	12.00%	12.00%	12.00%

City of Franklin, Ohio  
 Required Supplementary Information  
 Schedule of the City's Proportionate Share of the Net Pension Liability  
 Ohio Police & Fire Pension Fund  
 Last Ten Fiscal Years

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
City's Proportion of the Net Pension Liability	0.13353930%	0.12765580%	0.11740760%	0.11069720%
City's Proportionate Share of the Net Pension Liability	\$12,684,939	\$7,975,197	\$8,003,781	\$7,457,156
City's Covered Payroll	\$3,522,877	\$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	360.07%	234.44%	271.28%	277.01%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	62.90%	75.03%	70.65%	69.89%

Note - Amounts presented as of the City's measurement date which is the prior fiscal 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	\$12,749,428
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 City Contributions for Net Pension Liability  
 Ohio Police & Fire Pension Fund  
 Last Ten Fiscal Years

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Contractually Required Contribution	\$664,503	\$728,897	\$701,843	\$601,388	\$542,139
Contributions in Relation to the Contractually Required Contribution	<u>(664,503)</u>	<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>	<u>\$0</u>
City Covered Payroll	\$3,253,546	\$3,522,877	\$3,401,818	\$2,950,366	\$2,692,040
Contributions as a Percentage of Covered Payroll	20.42%	20.69%	20.63%	20.38%	20.14%

See accompanying notes to the required supplementary information.

<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
\$513,084	\$467,507	\$440,233	\$453,453	\$443,185
<u>(513,084)</u>	<u>(467,507)</u>	<u>(440,233)</u>	<u>(453,453)</u>	<u>(443,185)</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
20.04%	19.91%	19.86%	20.05%	20.06%



City of Franklin, Ohio  
 Required Supplementary Information  
 Schedule of the City's Proportionate Share of the Net Postemployment Benefits Other Than Pension (OPEB) Liability (Asset)  
 Ohio Public Employees Retirement System  
 Last Seven Fiscal Years (1)

	2023	2022	2021
City's Proportion of the Net OPEB Liability (Asset)	0.02408500%	0.02287300%	0.02306000%
City's Proportionate Share of the Net OPEB Liability (Asset)	\$151,861	(\$716,417)	(\$410,831)
City's Covered Payroll	\$3,870,414	\$3,566,903	\$3,487,428
City's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of its Covered Payroll	3.92%	-20.09%	-11.78%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (Asset)	94.79%	128.23%	115.57%

(1) - The schedule is intended to show information for the past 10 years and the additional years' information will be displayed as it becomes available. Information prior to 2017 is not available.

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

See accompanying notes to the required supplementary information.

2020	2019	2018	2017
0.02360200%	0.02253500%	0.02304000%	0.02274000%
\$3,260,049	\$2,938,031	\$2,501,974	\$2,296,817
\$3,563,293	\$3,268,578	\$3,361,352	\$3,238,283
91.49%	89.89%	74.43%	70.93%
47.80%	46.33%	54.14%	54.04%

City of Franklin, Ohio  
 Required Supplementary Information  
 Schedule of City Contributions to Postemployment Benefits Other Than Pension (OPEB)  
 Ohio Public Employees Retirement System  
 Last Eight Fiscal Years (1)

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Contractually Required Contribution to OPEB	\$0	\$2,356	\$2,109	\$2,012
Contributions to OPEB in Relation to the Contractually Required Contribution	<u>0</u>	<u>(2,356)</u>	<u>(2,109)</u>	<u>(2,012)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
City Covered Payroll	\$3,809,050	\$4,008,571	\$3,566,903	\$3,487,428
Contributions to OPEB as a Percentage of Covered Payroll	0.00%	0.06%	0.06%	0.06%

(1) - The schedule is intended to show information for the past 10 years and the additional years' information will be displayed as it becomes available. Information prior to 2016 is not available.

See accompanying notes to the required supplementary information.

2019	2018	2017	2016
\$1,874	\$1,810	\$34,849	\$65,579
(1,874)	(1,810)	(34,849)	(65,579)
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$3,563,293	\$3,268,578	\$3,361,352	\$3,238,283
0.05%	0.06%	1.04%	2.03%

City of Franklin, Ohio  
 Required Supplementary Information  
 Schedule of the City's Proportionate Share of the Net Postemployment Benefits Other Than Pension (OPEB) Liability  
 Ohio Police & Fire Pension Fund  
 Last Seven Fiscal Years (1)

	2023	2022	2021
City's Proportion of the Net OPEB Liability	0.13353930%	0.12765580%	0.11740760%
City's Proportionate Share of the Net OPEB Liability	\$950,761	\$1,399,218	\$1,243,955
City's Covered Payroll	\$3,522,877	\$3,401,818	\$2,950,366
City's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	26.99%	41.13%	42.16%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	52.60%	46.90%	45.40%

(1) - The schedule is intended to show information for the past 10 years and the additional years' information will be displayed as it becomes available. Information prior to 2017 is not available.

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

See accompanying notes to the required supplementary information.

2020	2019	2018	2017
0.11069720%	0.10981200%	0.10360700%	0.09630500%
\$1,093,438	\$1,000,008	\$5,870,227	\$4,571,382
\$2,692,040	\$2,559,919	\$2,347,911	\$2,216,434
40.62%	39.06%	250.02%	206.25%
47.08%	46.57%	14.13%	15.96%

City of Franklin, Ohio  
 Required Supplementary Information  
 Schedule of City Contributions to Postemployment Benefits Other Than Pension (OPEB)  
 Ohio Police & Fire Pension Fund  
 Last Ten Fiscal Years

	2023	2022	2021	2020	2019
Contractually Required Contribution to OPEB	\$16,268	\$17,615	\$17,009	\$14,751	\$13,461
Contributions to OPEB in Relation to the Contractually Required Contribution	<u>(16,268)</u>	<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>	<u>\$0</u>
City Covered Payroll	\$3,253,546	\$3,522,877	\$3,401,818	\$2,950,366	\$2,692,040
Contributions to OPEB as a Percentage of Covered Payroll	0.50%	0.50%	0.50%	0.50%	0.50%

See accompanying notes to the required supplementary information.

2018	2017	2016	2015	2014
\$12,800	\$11,738	\$11,082	\$11,309	\$11,048
(12,800)	(11,738)	(11,082)	(11,309)	(11,048)
\$0	\$0	\$0	\$0	\$0
\$2,559,919	\$2,347,911	\$2,216,434	\$2,261,788	\$2,209,509
0.50%	0.50%	0.50%	0.50%	3.62%



City of Franklin, Ohio  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual (Non-GAAP Budgetary Basis)  
For the Fiscal Year Ended December 31, 2023

	General Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
<b>Revenues:</b>				
Property and Other Taxes	\$518,501	\$601,292	\$601,292	\$0
Income Taxes	9,594,849	11,126,895	11,126,895	0
Charges for Services	47,106	54,628	54,628	0
Investment Earnings	1,130,133	1,310,586	1,310,586	0
Intergovernmental	466,390	540,860	540,860	0
Fines, Licenses, Permits, and Settlements	699,112	810,742	810,742	0
Contributions and Donations	279,963	324,666	324,666	0
Other Revenues	126,244	146,402	146,402	0
<b>Total Revenues</b>	<b>12,862,298</b>	<b>14,916,071</b>	<b>14,916,071</b>	<b>0</b>
<b>Expenditures:</b>				
<b>Current:</b>				
General Government	5,068,921	5,586,601	4,720,412	866,189
Security of Persons and Property	4,610,036	5,080,851	4,293,077	787,774
Economic Development	47,356	52,192	44,100	8,092
<b>Debt Service:</b>				
Interest and Fiscal Charges	96,977	96,977	96,977	0
<b>Total Expenditures</b>	<b>9,823,290</b>	<b>10,816,621</b>	<b>9,154,566</b>	<b>1,662,055</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>3,039,008</b>	<b>4,099,450</b>	<b>5,761,505</b>	<b>1,662,055</b>
<b>Other Financing Sources (Uses):</b>				
Advances In	1,077,889	1,250,000	1,250,000	0
Transfers In	2,262	2,843	2,623	(220)
Transfers (Out)	(9,182,568)	(10,130,271)	(8,544,561)	1,585,710
<b>Total Other Financing Sources (Uses)</b>	<b>(8,102,417)</b>	<b>(8,877,428)</b>	<b>(7,291,938)</b>	<b>1,585,490</b>
<b>Net Change in Fund Balance</b>	<b>(5,063,409)</b>	<b>(4,777,978)</b>	<b>(1,530,433)</b>	<b>3,247,545</b>
<b>Fund Balance Beginning of Year (includes prior year encumbrances appropriated)</b>	<b>8,656,739</b>	<b>8,656,739</b>	<b>8,656,739</b>	<b>0</b>
<b>Fund Balance End of Year</b>	<b>\$3,593,330</b>	<b>\$3,878,761</b>	<b>\$7,126,306</b>	<b>\$3,247,545</b>

See accompanying notes to the required supplementary information.

City of Franklin, Ohio  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual (Non-GAAP Budgetary Basis)  
For the Fiscal Year Ended December 31, 2023

	Fire Levy Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
<b>Revenues:</b>				
Property and Other Taxes	\$1,472,457	\$1,337,565	\$1,337,565	\$0
Charges for Services	\$497,365	\$451,801	\$451,801	\$0
Intergovernmental	\$144,460	\$131,226	\$131,226	\$0
Other Revenues	29,256	26,576	26,576	0
<b>Total Revenues</b>	<b>2,143,538</b>	<b>1,947,168</b>	<b>1,947,168</b>	<b>0</b>
<b>Expenditures:</b>				
<b>Current:</b>				
Security of Persons and Property	3,471,956	3,566,609	2,759,082	807,527
<b>Total Expenditures</b>	<b>3,471,956</b>	<b>3,566,609</b>	<b>2,759,082</b>	<b>807,527</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(1,328,418)</b>	<b>(1,619,441)</b>	<b>(811,914)</b>	<b>807,527</b>
<b>Other Financing Sources (Uses):</b>				
Proceeds from Sale of Capital Assets	21,360	19,403	19,403	0
Transfers In	1,218,102	1,106,511	1,106,511	0
Transfers (Out)	(837,165)	(859,988)	(665,275)	194,713
<b>Total Other Financing Sources (Uses)</b>	<b>402,297</b>	<b>265,926</b>	<b>460,639</b>	<b>194,713</b>
<b>Net Change in Fund Balance</b>	<b>(926,121)</b>	<b>(1,353,515)</b>	<b>(351,275)</b>	<b>1,002,240</b>
<b>Fund Balance Beginning of Year (includes prior year encumbrances appropriated)</b>	<b>1,353,580</b>	<b>1,353,580</b>	<b>1,353,580</b>	<b>0</b>
<b>Fund Balance End of Year</b>	<b>\$427,459</b>	<b>\$65</b>	<b>\$1,002,305</b>	<b>\$1,002,240</b>

See accompanying notes to the required supplementary information.

City of Franklin, Ohio  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended December 31, 2023

	American Rescue Plan Act Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Intergovernmental	\$36,000	\$20,000	\$20,000	\$0
Total Revenues	36,000	20,000	20,000	0
Expenditures:				
Current:				
General Government	30,767	36,000	36,000	0
Capital Outlay	1,005,233	1,176,225	1,176,225	0
Total Expenditures	1,036,000	1,212,225	1,212,225	0
Net Change in Fund Balance	(1,000,000)	(1,192,225)	(1,192,225)	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	1,221,225	1,221,225	1,221,225	0
Fund Balance End of Year	<u>\$221,225</u>	<u>\$29,000</u>	<u>\$29,000</u>	<u>\$0</u>

See accompanying notes to the required supplementary information.

**City of Franklin, Ohio**  
**Notes to the Required Supplementary Information**  
**For The Fiscal Year Ended December 31, 2023**

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**Note 1 – Budgetary Process**

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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. 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.

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.

While the City is reporting financial position, results of operations and changes in fund balance on the basis of generally accepted accounting principles (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 Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Non-GAAP Budgetary Basis) presented for the General, Fire Levy, and American Rescue Plan Act fund 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 GAAP basis are as follows:

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

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements to the budgetary basis statements for the General, Fire Levy, and American Rescue Plan Act Fund.

**City of Franklin, Ohio**  
**Notes to the Required Supplementary Information**  
**For The Fiscal Year Ended December 31, 2023**

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Net Change in Fund Balance

	General Fund	Fire Levy Fund	American Rescue Plan Act Fund
GAAP Basis	(\$1,924,991)	(\$264,664)	\$29,280
Revenue Accruals	(343,744)	850	(76,059)
Expenditure Accruals	2,852,050	10,818	(1,145,446)
Issuance of Debt	(637,914)	0	0
Transfers In	2,623	694,897	0
Transfers (Out)	(2,505,011)	(665,275)	0
Advances In	1,250,000	0	0
Encumbrances	(223,446)	(127,901)	0
Budget Basis	(\$1,530,433)	(\$351,275)	(\$1,192,225)

**Note 2 – Net Pension Liability**

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**Ohio Public Employees Retirement System Changes in Benefit Terms and Assumptions**

**Changes in assumptions:**

2023: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for this period.

2022: The following were the most significant changes of assumptions that affected total pension liability since the prior measurement date

- Reduction in actuarial assumed rate of return from 7.20% to 6.90%
- Decrease in wage inflation from 3.25% to 2.75%
- Change in future salary increases from a range of 3.25%-10.75% to 2.75%-10.75%

2021-2020: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for this period.

2019: OPERS Board adopted a change in the investment return assumption, reducing it from 7.50% to 7.20%.

2018: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions.

2017: The following were the most significant changes of assumptions that affected total pension liability since the prior measurement date

- Reduction in actuarial assumed rate of return from 8.00% to 7.50%
- Decrease in wage inflation from 3.75% to 3.25%
- Change in future salary increases from a range of 4.25%-10.02% to 3.25%-10.75%

2016-2014: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions.

**City of Franklin, Ohio**  
**Notes to the Required Supplementary Information**  
**For The Fiscal Year Ended December 31, 2023**

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**Changes in benefit terms:**

2023-2014: There were no changes in benefit terms for this period.

**Ohio Police and Fire Pension Fund Changes in Benefit Terms and Assumptions**

**Changes in assumptions:**

2023: Mortality for service retirees is based on the Pub-2010 Below-Median Safety Amount-Weighted Healthy Retiree mortality table with rates adjusted by 96.2 percent for males and 98.7 percent for females. All rates are projected using the MP-2021 Improvement Scale. Mortality for disabled retirees is based on the Pub-2010 Safety Amount-Weighted Disabled Retiree mortality table with rates adjusted by 135 percent for males and 97.9 percent for females. All rates are projected using the MP-2021 Improvement Scale. Mortality for contingent annuitants is based on the Pub-2010 Below-Median Safety Amount-Weighted Contingent Annuitant Retiree mortality table with rates adjusted by 108.9 percent for males and 131 percent for females. All rates are projected using the MP-2021 Improvement Scale. Mortality for active members is based on the Pub-2010 Below-Median Safety Amount-Weighted Employee mortality table. All rates are projected using the MP- 2021 Improvement Scale.

2022: The following were the most significant changes of assumptions that affected total pension liability since the prior measurement date.

- Reduction in actuarial assumed investment rate of return from 8.00% to 7.50%

2021-2019: There have been no OP&F pension plan amendments adopted or changes in assumptions used in the calculation of actuarial determined contributions.

2018: The following were the most significant changes of assumptions that affected total pension liability since the prior measurement date.

- Reduction in actuarial assumed rate of return from 8.25% to 8.00%
- Decrease salary increases from 3.75% to 3.25%
- Change in payroll growth from 3.75% to 3.25%
- Reduce DROP interest rate from 4.5% to 4.0%
- Reduce CPI-based COLA from 2.6% to 2.2%
- Inflation component reduced from 3.25% to 2.75%

2017-2014: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions.

**Changes in benefit terms:**

2023-2014: There were no changes in benefit terms for the period.

**Note 3 - Net OPEB Liability (Asset)**

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**Ohio Public Employees Retirement System Changes in Benefit Terms and Assumptions**

**Changes in assumptions:**

2023: The following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The single discount rate decreased from 6.00% to 5.22%.
- The municipal bond rate increased from 1.84% to 4.05%.

2022: The following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The municipal bond rate decreased from 2.00% to 1.84%.
- The initial health care cost trend rate decreased from 8.50% to 5.50%.
- Decrease in wage inflation from 3.25% to 2.75%.
- Change in future salary increases from a range of 3.25%-10.75% to 2.75%-10.75%.

2021: The following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The single discount rate increased from 3.16% to 6.00%.
- The municipal bond rate decreased from 2.75% to 2.00%.
- The initial health care cost trend rate decreased from 10.50% to 8.50%.

2020: The following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The single discount rate decreased from 3.96% to 3.16%.
- The municipal bond rate decreased from 3.71% to 2.75%.
- The initial health care cost trend rate increased from 10.00% to 10.50%.

2019: The following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The single discount rate increased from 3.85% to 3.96%.
- The investment rate of return decreased from 6.50% to 6.00%.
- The municipal bond rate increased from 3.31% to 3.71%.
- The initial health care cost trend rate increased from 7.50% to 10.00%.

2018: The single discount rate changed from 4.23% to 3.85%.

**Changes in Benefit Terms:**

2023: There were no changes in benefit terms for the period.

2022: 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.

2021: There were no changes in benefit terms for the period.

**City of Franklin, Ohio**  
**Notes to the Required Supplementary Information**  
**For The Fiscal Year Ended December 31, 2023**

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

2019-2018: There were no changes in benefit terms for the period.

**Ohio Police and Fire Pension Fund Changes in Benefit Terms and Assumptions**

**Changes in assumptions:**

2023: The following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The single discount rate changed from 2.84% to 4.27%
- The depletion year of OPEB assets is projected in year 2036
- Mortality for service retirees is based on the Pub-2010 Below-Median Safety Amount-Weighted Healthy Retiree mortality table with rates adjusted by 96.2 percent for males and 98.7 percent for females. All rates are projected using the MP-2021 Improvement Scale. Mortality for disabled retirees is based on the Pub-2010 Safety Amount-Weighted Disabled Retiree mortality table with rates adjusted by 135 percent for males and 97.9 percent for females. All rates are projected using the MP-2021 Improvement Scale. Mortality for contingent annuitants is based on the Pub-2010 Below-Median Safety Amount-Weighted Contingent Annuitant Retiree mortality table with rates adjusted by 108.9 percent for males and 131 percent for females. All rates are projected using the MP-2021 Improvement Scale. Mortality for active members is based on the Pub-2010 Below-Median Safety Amount-Weighted Employee mortality table. All rates are projected using the MP- 2021 Improvement Scale.

2022: The following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- Reduction in actuarial assumed rate of return from 8.00% to 7.50%
- The single discount rate changed from 2.96% to 2.84%

2021: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions. The single discount rate changed from 3.56% to 2.96%.

2020: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions. The single discount rate changed from 4.66% to 3.56%.

2019: Beginning January 1, 2019 OP&F changed its retiree health care model and the current self-insured health care plan is no longer offered. In its place will be a stipend-based health care model. OP&F has contracted with a vendor who will assist eligible retirees in choosing health care plans from their marketplace (both Medicare-eligible and pre-Medicare populations). A stipend funded by OP&F will be placed in individual Health Reimbursement Accounts that retirees will use to be reimbursed for health care expenses. As a result of changing from the current health care model to the stipend based health care model, management expects that it will be able to provide stipends to eligible participants for the next 15 years. Beginning in 2020 the Board approved a change to the Deferred Retirement Option Plan.



**City of Franklin, Ohio**  
**Notes to the Required Supplementary Information**  
**For The Fiscal Year Ended December 31, 2023**

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The minimum interest rate accruing will be 2.5%. The single discount rate increased from 3.24% to 4.66% and the municipal bond rate from 3.16% to 4.13%.

2018: The single discount rate changed from 3.79% to 3.24%

**Changes in benefit terms:**

2023-2020: There were no changes in benefit terms for the period.

2019: See above regarding change to stipend-based model.

2018: There were no changes in benefit terms for the period.

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***COMBINING STATEMENTS AND INDIVIDUAL FUND SCHEDULES***

## **MAJOR GOVERNMENTAL FUNDS**

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

*The Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balance are included in the Basic Financial Statements. The Schedule of Revenues, Expenditures and Changes in Fund Balance Budget and Actual (Non-GAAP Budgetary Basis) follows this page.*

**Property Acquisition** – To account for and report monies assigned for economic development purchases and projects within the City.

*The Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balance are included in the Basic Financial Statements. The Schedule of Revenues, Expenditures and Changes in Fund Balance Budget and Actual (Non-GAAP Budgetary Basis) follows this page.*

City of Franklin, Ohio  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual (Non-GAAP Budgetary Basis)  
For the Fiscal Year Ended December 31, 2023

	ODOT Project Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$5,619,897	\$5,619,897	\$0
Total Revenues	5,619,897	5,619,897	0
Expenditures:			
Current:			
Capital Outlay	10,963,846	8,165,379	2,798,467
Total Expenditures	10,963,846	8,165,379	2,798,467
Excess of Revenues Over (Under) Expenditures	(5,343,949)	(2,545,482)	2,798,467
Other Financing Sources (Uses):			
Transfers In	1,990,000	1,990,000	0
Total Other Financing Sources (Uses)	1,990,000	1,990,000	0
Net Change in Fund Balance	(3,353,949)	(555,482)	2,798,467
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	569,037	569,037	0
Fund Balance End of Year	(\$2,784,912)	\$13,555	\$2,798,467

City of Franklin, Ohio  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended December 31, 2023

	Property Acquisition Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Other Revenues	\$450	\$450	\$0
Total Revenues	450	450	0
Expenditures:			
Current:			
Capital Outlay	2,081,757	1,908,884	172,873
Total Expenditures	2,081,757	1,908,884	172,873
Excess of Revenues Over (Under) Expenditures	(2,081,307)	(1,908,434)	172,873
Other Financing Sources (Uses):			
Transfers In	700,000	700,000	0
Total Other Financing Sources (Uses)	700,000	700,000	0
Net Change in Fund Balance	(1,381,307)	(1,208,434)	172,873
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	1,474,129	1,474,129	0
Fund Balance End of Year	<u>\$92,822</u>	<u>\$265,695</u>	<u>\$172,873</u>

## **NONMAJOR GOVERNMENTAL FUNDS**

### **Special Revenue Funds**

Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects. The term *proceeds of specific revenue sources* establishes that one or more specific restricted or committed revenues should be the foundation for a special revenue fund.

### **Debt Service Funds**

Debt service funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest. Debt service funds should be used to report resources if legally mandated (i.e. debt payable from property taxes). Financial resources that are being accumulated for principal and interest maturing in future years also should be reported in debt service funds.

### **Capital Project Funds**

The Capital Projects Funds are used 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. Capital projects funds exclude those types of capital-related outflows financed by proprietary funds or for assets that will be held in trust for individuals, private organizations, or other governments.

### **Permanent Fund**

The Permanent Fund is used to account for the financial resources that are restricted. Only the income earned can be used for specific purposes.

City of Franklin, Ohio  
Combining Balance Sheet  
Nonmajor Governmental Funds  
December 31, 2023

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Nonmajor Permanent Fund	Total Nonmajor Governmental Funds
<b>Assets:</b>					
Equity in Pooled Cash and Investments	\$2,670,607	\$290,943	\$1,584,334	\$3,023,768	\$7,569,652
Receivables (Net):					
Taxes	226,418	0	0	0	226,418
Intergovernmental	434,545	0	0	0	434,545
Special Assessments	140,721	0	0	0	140,721
Inventory	202,839	0	0	0	202,839
<b>Total Assets</b>	<b>3,675,130</b>	<b>290,943</b>	<b>1,584,334</b>	<b>3,023,768</b>	<b>8,574,175</b>
<b>Liabilities:</b>					
Accounts Payable	21,866	0	0	0	21,866
Accrued Wages and Benefits	38,280	0	0	0	38,280
<b>Total Liabilities</b>	<b>60,146</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>60,146</b>
<b>Deferred Inflows of Resources:</b>					
Property and Income Taxes	219,000	0	0	0	219,000
Grants and Other Taxes	361,517	0	0	0	361,517
Unavailable Revenue	148,139	0	0	0	148,139
<b>Total Deferred Inflows of Resources</b>	<b>728,656</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>728,656</b>
<b>Fund Balances:</b>					
Nonspendable	202,839	0	0	2,562,099	2,764,938
Restricted	2,267,905	252,901	969,466	461,669	3,951,941
Committed	415,584	0	0	0	415,584
Assigned	0	38,042	614,868	0	652,910
<b>Total Fund Balances</b>	<b>2,886,328</b>	<b>290,943</b>	<b>1,584,334</b>	<b>3,023,768</b>	<b>7,785,373</b>
<b>Total Liabilities, Deferred Inflows and Fund Balances</b>	<b>\$3,675,130</b>	<b>\$290,943</b>	<b>\$1,584,334</b>	<b>\$3,023,768</b>	<b>\$8,574,175</b>

City of Franklin, Ohio  
Combining Statement of Revenues, Expenditures and Changes in Fund Balance  
Nonmajor Governmental Funds  
For the Fiscal Year Ended December 31, 2023

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Nonmajor Permanent Fund	Total Nonmajor Governmental Funds
<b>Revenues:</b>					
Property and Other Taxes	\$371,417	\$0	\$0	\$0	\$371,417
Charges for Services	17,837	0	0	0	17,837
Investment Earnings	0	2,788	0	54,705	57,493
Intergovernmental	2,053,625	0	0	0	2,053,625
Special Assessments	216,028	0	0	0	216,028
Fines, Licenses, Permits, and Settlements	288,542	0	0	0	288,542
Other Revenues	48,700	0	0	0	48,700
<b>Total Revenues</b>	<b>2,996,149</b>	<b>2,788</b>	<b>0</b>	<b>54,705</b>	<b>3,053,642</b>
<b>Expenditures:</b>					
<b>Current:</b>					
General Government	202,931	0	0	0	202,931
Security of Persons and Property	822,874	0	0	0	822,874
Economic Development	56,395	0	0	19,000	75,395
Leisure Time Activities	420,222	0	0	0	420,222
Transportation	896,155	0	0	0	896,155
Public Health and Welfare	3,742	0	0	0	3,742
Capital Outlay	1,862,421	0	355,435	0	2,217,856
<b>Debt Service:</b>					
Principal	104,341	495,000	207,944	0	807,285
Interest and Other Charges	5,816	26,058	4,840	0	36,714
<b>Total Expenditures</b>	<b>4,374,897</b>	<b>521,058</b>	<b>568,219</b>	<b>19,000</b>	<b>5,483,174</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(1,378,748)</b>	<b>(518,270)</b>	<b>(568,219)</b>	<b>35,705</b>	<b>(2,429,532)</b>
<b>Other Financing Sources (Uses):</b>					
Inception of Financed Purchases	88,123	0	230,768	0	318,891
Proceeds from Sale of Capital Assets	5,250	0	0	0	5,250
Transfers In	2,037,936	540,000	500,000	0	3,077,936
<b>Total Other Financing Sources (Uses)</b>	<b>2,131,309</b>	<b>540,000</b>	<b>730,768</b>	<b>0</b>	<b>3,402,077</b>
<b>Net Change in Fund Balance</b>	<b>752,561</b>	<b>21,730</b>	<b>162,549</b>	<b>35,705</b>	<b>972,545</b>
<b>Fund Balance - Beginning of Year</b>	<b>2,133,767</b>	<b>269,213</b>	<b>1,421,785</b>	<b>2,988,063</b>	<b>6,812,828</b>
<b>Fund Balance - End of Year</b>	<b>\$2,886,328</b>	<b>\$290,943</b>	<b>\$1,584,334</b>	<b>\$3,023,768</b>	<b>\$7,785,373</b>



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## **NONMAJOR SPECIAL REVENUE FUNDS**

### **Fund Descriptions**

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

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

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

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

**Drug Law Enforcement** – To account for and report monies received from drug conviction fines restricted for drug law enforcement expenditures.

**OneOhio Opioid** – To account for restricted revenues from the Ohio Opioid settlement.

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

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

**Indigent Drivers Alcohol Monitoring** - To account for monies received from fines for driving while intoxicated which are restricted for probation activities related to such violations.

**In-House Monitoring** – To account for monies received from fines for in-house monitoring of convicted individuals restricted for the activities related to the continued operations of the program.

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

**Miami Conservancy District** – To account for and report the accumulation of restricted property taxes levied for the purpose of paying the City’s annual assessment for wastewater treatment.

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

City of Franklin, Ohio  
Combining Balance Sheet  
Nonmajor Special Revenue Funds  
December 31, 2023

	Transportation	E-911	Court	FEMA	Drug Law Enforcement	OneOhio Opioid
<b>Assets:</b>						
Equity in Pooled Cash and Investments	\$504,605	\$172,218	\$918,653	\$7,619	\$60,661	\$25,365
Receivables (Net):						
Taxes	0	0	0	0	0	0
Intergovernmental	424,191	0	0	0	0	0
Special Assessments	10,263	0	0	0	0	0
Inventory	201,801	0	0	0	0	0
<b>Total Assets</b>	<b>1,140,860</b>	<b>172,218</b>	<b>918,653</b>	<b>7,619</b>	<b>60,661</b>	<b>25,365</b>
<b>Liabilities:</b>						
Accounts Payable	18,682	0	1,295	0	170	0
Accrued Wages and Benefits	31,505	0	0	0	0	0
<b>Total Liabilities</b>	<b>50,187</b>	<b>0</b>	<b>1,295</b>	<b>0</b>	<b>170</b>	<b>0</b>
<b>Deferred Inflows of Resources:</b>						
Property and Income Taxes	0	0	0	0	0	0
Grants and Other Taxes	351,163	0	0	0	0	0
Unavailable Revenue	10,263	0	0	0	0	0
Accounts	0	0	0	0	0	0
Deferred Charge on Refunding Pension	0	0	0	0	0	0
<b>Total Deferred Inflows of Resources</b>	<b>361,426</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Fund Balances:</b>						
Nonspendable	201,801	0	0	0	0	0
Restricted	527,446	172,218	917,358	7,619	60,491	25,365
Committed	0	0	0	0	0	0
<b>Total Fund Balances</b>	<b>729,247</b>	<b>172,218</b>	<b>917,358</b>	<b>7,619</b>	<b>60,491</b>	<b>25,365</b>
<b>Total Liabilities, Deferred Inflows and Fund Balances</b>	<b>\$1,140,860</b>	<b>\$172,218</b>	<b>\$918,653</b>	<b>\$7,619</b>	<b>\$60,661</b>	<b>\$25,365</b>

Recreation	Indigent Drivers	Indigent Drivers Alcohol Monitoring	In-House Monitoring	Street Lighting	Miami Conservancy District	Police and Fire Pension	Total Nonmajor Special Revenue Funds
\$424,078	\$97,778	\$69,758	\$56,789	\$311,469	\$21,614	\$0	\$2,670,607
0	0	0	0	0	60,990	165,428	226,418
0	0	0	0	0	2,778	7,576	434,545
0	0	0	0	130,458	0	0	140,721
1,038	0	0	0	0	0	0	202,839
<u>425,116</u>	<u>97,778</u>	<u>69,758</u>	<u>56,789</u>	<u>441,927</u>	<u>85,382</u>	<u>173,004</u>	<u>3,675,130</u>
1,719	0	0	0	0	0	0	21,866
6,775	0	0	0	0	0	0	38,280
<u>8,494</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>60,146</u>
0	0	0	0	0	59,000	160,000	219,000
0	0	0	0	0	2,778	7,576	361,517
0	0	0	0	130,458	1,990	5,428	148,139
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>130,458</u>	<u>63,768</u>	<u>173,004</u>	<u>728,656</u>
1,038	0	0	0	0	0	0	202,839
0	97,778	69,758	56,789	311,469	21,614	0	2,267,905
415,584	0	0	0	0	0	0	415,584
<u>416,622</u>	<u>97,778</u>	<u>69,758</u>	<u>56,789</u>	<u>311,469</u>	<u>21,614</u>	<u>0</u>	<u>2,886,328</u>
<u>\$425,116</u>	<u>\$97,778</u>	<u>\$69,758</u>	<u>\$56,789</u>	<u>\$441,927</u>	<u>\$85,382</u>	<u>\$173,004</u>	<u>\$3,675,130</u>

City of Franklin, Ohio  
Combining Statement of Revenues, Expenditures and Changes in Fund Balance  
Nonmajor Special Revenue Funds  
For the Fiscal Year Ended December 31, 2023

	Transportation	E-911	Court	FEMA	Drug Law Enforcement	OneOhio Opioid
<b>Revenues:</b>						
Property and Other Taxes	\$162,153	\$0	\$0	\$0	\$0	\$0
Charges for Services	0	0	0	0	0	0
Intergovernmental	1,848,240	114,901	0	37,230	0	20,741
Special Assessments	49,393	0	0	0	0	0
Fines, Licenses, Permits, and Settlements	8,493	0	260,979	0	3,393	0
Other Revenues	32,361	246	0	0	12,235	0
<b>Total Revenues</b>	<b>2,100,640</b>	<b>115,147</b>	<b>260,979</b>	<b>37,230</b>	<b>15,628</b>	<b>20,741</b>
<b>Expenditures:</b>						
<b>Current:</b>						
General Government	0	0	202,931	0	0	0
Security of Persons and Property	0	103,179	0	29,611	23,399	0
Economic Development	0	0	0	0	0	0
Leisure Time Activities	0	0	0	0	0	0
Transportation	896,155	0	0	0	0	0
Public Health and Welfare	0	0	0	0	0	0
Capital Outlay	1,650,987	0	12,505	0	0	0
<b>Debt Service:</b>						
Principal	101,768	0	0	0	0	0
Interest and Other Charges	4,090	0	0	0	0	0
<b>Total Expenditures</b>	<b>2,653,000</b>	<b>103,179</b>	<b>215,436</b>	<b>29,611</b>	<b>23,399</b>	<b>0</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(552,360)</b>	<b>11,968</b>	<b>45,543</b>	<b>7,619</b>	<b>(7,771)</b>	<b>20,741</b>
<b>Other Financing Sources (Uses):</b>						
Inception of Financed Purchases	88,123	0	0	0	0	0
Proceeds from Sale of Capital Assets	5,250	0	0	0	0	0
Transfers In	980,000	0	0	0	0	0
<b>Total Other Financing Sources (Uses)</b>	<b>1,073,373</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Net Change in Fund Balance</b>	<b>521,013</b>	<b>11,968</b>	<b>45,543</b>	<b>7,619</b>	<b>(7,771)</b>	<b>20,741</b>
<b>Fund Balance - Beginning of Year</b>	<b>208,234</b>	<b>160,250</b>	<b>871,815</b>	<b>0</b>	<b>68,262</b>	<b>4,624</b>
<b>Fund Balance - End of Year</b>	<b>\$729,247</b>	<b>\$172,218</b>	<b>\$917,358</b>	<b>\$7,619</b>	<b>\$60,491</b>	<b>\$25,365</b>

Recreation	Indigent Drivers	Indigent Drivers Alcohol Monitoring	In-House Monitoring	Street Lighting	Miami Conservancy District	Police and Fire Pension	Total Nonmajor Special Revenue Funds
\$0	\$0	\$0	\$0	\$0	\$56,144	\$153,120	\$371,417
17,837	0	0	0	0	0	0	17,837
0	5,173	6,731	0	0	5,529	15,080	2,053,625
0	0	0	0	166,635	0	0	216,028
0	2,061	7,497	6,119	0	0	0	288,542
3,318	0	540	0	0	0	0	48,700
<u>21,155</u>	<u>7,234</u>	<u>14,768</u>	<u>6,119</u>	<u>166,635</u>	<u>61,673</u>	<u>168,200</u>	<u>2,996,149</u>
0	0	0	0	0	0	0	202,931
0	0	0	0	78,229	0	588,456	822,874
0	0	0	0	0	56,395	0	56,395
420,222	0	0	0	0	0	0	420,222
0	0	0	0	0	0	0	896,155
0	0	3,742	0	0	0	0	3,742
198,929	0	0	0	0	0	0	1,862,421
0	0	0	0	0	0	2,573	104,341
0	0	0	0	0	0	1,726	5,816
<u>619,151</u>	<u>0</u>	<u>3,742</u>	<u>0</u>	<u>78,229</u>	<u>56,395</u>	<u>592,755</u>	<u>4,374,897</u>
<u>(597,996)</u>	<u>7,234</u>	<u>11,026</u>	<u>6,119</u>	<u>88,406</u>	<u>5,278</u>	<u>(424,555)</u>	<u>(1,378,748)</u>
0	0	0	0	0	0	0	88,123
0	0	0	0	0	0	0	5,250
525,000	0	0	0	3,100	11,000	518,836	2,037,936
<u>525,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3,100</u>	<u>11,000</u>	<u>518,836</u>	<u>2,131,309</u>
(72,996)	7,234	11,026	6,119	91,506	16,278	94,281	752,561
489,618	90,544	58,732	50,670	219,963	5,336	(94,281)	2,133,767
<u>\$416,622</u>	<u>\$97,778</u>	<u>\$69,758</u>	<u>\$56,789</u>	<u>\$311,469</u>	<u>\$21,614</u>	<u>\$0</u>	<u>\$2,886,328</u>

City of Franklin, Ohio  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual (Non-GAAP Budgetary Basis)  
For the Fiscal Year Ended December 31, 2023

	Transportation Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Property and Other Taxes	\$162,154	\$162,153	(\$1)
Intergovernmental	1,842,515	1,842,498	(17)
Special Assessments	49,393	49,393	0
Fines, Licenses, Permits, and Settlements	8,493	8,493	0
Other Revenues	32,361	32,361	0
Total Revenues	<u>2,094,916</u>	<u>2,094,898</u>	<u>(18)</u>
Expenditures:			
Current:			
Transportation	1,345,236	1,299,215	46,021
Capital Outlay	1,347,743	1,301,636	46,107
Total Expenditures	<u>2,692,979</u>	<u>2,600,851</u>	<u>92,128</u>
Excess of Revenues Over (Under) Expenditures	<u>(598,063)</u>	<u>(505,953)</u>	<u>92,110</u>
Other Financing Sources (Uses):			
Proceeds from Sale of Capital Assets	5,250	5,250	0
Transfers In	980,009	980,000	(9)
Transfers (Out)	(1,294,278)	(1,250,000)	44,278
Total Other Financing Sources (Uses)	<u>(309,019)</u>	<u>(264,750)</u>	<u>44,269</u>
Net Change in Fund Balance	(907,082)	(770,703)	136,379
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>1,249,480</u>	<u>1,249,480</u>	<u>0</u>
Fund Balance End of Year	<u>\$342,398</u>	<u>\$478,777</u>	<u>\$136,379</u>

City of Franklin, Ohio  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended December 31, 2023

	E-911 Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$114,901	\$114,901	\$0
Other Revenues	246	246	0
Total Revenues	<u>115,147</u>	<u>115,147</u>	<u>0</u>
Expenditures:			
Current:			
Security of Persons and Property	<u>133,617</u>	<u>120,104</u>	<u>13,513</u>
Total Expenditures	<u>133,617</u>	<u>120,104</u>	<u>13,513</u>
Net Change in Fund Balance	(18,470)	(4,957)	13,513
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>161,448</u>	<u>161,448</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$142,978</u></u>	<u><u>\$156,491</u></u>	<u><u>\$13,513</u></u>



City of Franklin, Ohio  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended December 31, 2023

	Court Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Fines, Licenses, Permits, and Settlements	\$264,679	\$264,679	\$0
Total Revenues	264,679	264,679	0
Expenditures:			
Current:			
General Government	553,764	210,533	343,231
Capital Outlay	32,892	12,505	20,387
Total Expenditures	586,656	223,038	363,618
Net Change in Fund Balance	(321,977)	41,641	363,618
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	853,797	853,797	0
Fund Balance End of Year	\$531,820	\$895,438	\$363,618

City of Franklin, Ohio  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended December 31, 2023

	FEMA Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$37,230	\$37,230	\$0
Total Revenues	37,230	37,230	0
Expenditures:			
Current:			
General Government	0	0	0
Total Expenditures	0	0	0
Excess of Revenues Over (Under) Expenditures	37,230	37,230	0
Other Financing Sources (Uses):			
Transfers (Out)	(35,000)	(29,611)	5,389
Total Other Financing Sources (Uses)	(35,000)	(29,611)	5,389
Net Change in Fund Balance	2,230	7,619	5,389
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	0	0	0
Fund Balance End of Year	<u>\$2,230</u>	<u>\$7,619</u>	<u>\$5,389</u>

City of Franklin, Ohio  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual (Non-GAAP Budgetary Basis)  
For the Fiscal Year Ended December 31, 2023

	Drug Law Enforcement Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Fines, Licenses, Permits, and Settlements	\$3,047	\$3,047	\$0
Other Revenues	12,235	12,235	0
Total Revenues	15,282	15,282	0
Expenditures:			
Current:			
Security of Persons and Property	30,500	23,229	7,271
Total Expenditures	30,500	23,229	7,271
Net Change in Fund Balance	(15,218)	(7,947)	7,271
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	68,177	68,177	0
Fund Balance End of Year	\$52,959	\$60,230	\$7,271

City of Franklin, Ohio  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended December 31, 2023

	OneOhio Opioid Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$20,741	\$20,741	\$0
Total Revenues	20,741	20,741	0
Expenditures:			
Current:			
General Government	0	0	0
Total Expenditures	0	0	0
Net Change in Fund Balance	20,741	20,741	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	4,624	4,624	0
Fund Balance End of Year	\$25,365	\$25,365	\$0

City of Franklin, Ohio  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual (Non-GAAP Budgetary Basis)  
For the Fiscal Year Ended December 31, 2023

	Recreation Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Charges for Services	\$17,837	\$17,837	\$0
Other Revenues	3,318	3,318	0
Total Revenues	21,155	21,155	0
Expenditures:			
Current:			
Leisure Time Activities	502,420	433,548	68,872
Capital Outlay	230,530	198,929	31,601
Total Expenditures	732,950	632,477	100,473
Excess of Revenues Over (Under) Expenditures	(711,795)	(611,322)	100,473
Other Financing Sources (Uses):			
Transfers In	525,000	525,000	0
Total Other Financing Sources (Uses)	525,000	525,000	0
Net Change in Fund Balance	(186,795)	(86,322)	100,473
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	502,888	502,888	0
Fund Balance End of Year	\$316,093	\$416,566	\$100,473

City of Franklin, Ohio  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended December 31, 2023

	Indigent Drivers Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$5,173	\$5,173	\$0
Fines, Licenses, Permits, and Settlements	2,101	2,101	0
Total Revenues	7,274	7,274	0
Expenditures:			
Current:			
General Government	7,000	0	7,000
Total Expenditures	7,000	0	7,000
Net Change in Fund Balance	274	7,274	7,000
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	90,419	90,419	0
Fund Balance End of Year	\$90,693	\$97,693	\$7,000

City of Franklin, Ohio  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended December 31, 2023

	Indigent Drivers Alcohol Monitoring Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$6,731	\$6,731	\$0
Fines, Licenses, Permits, and Settlements	7,650	7,650	0
Other Revenues	540	540	0
<b>Total Revenues</b>	<b>14,921</b>	<b>14,921</b>	<b>0</b>
Expenditures:			
Current:			
Public Health and Welfare	30,155	4,959	25,196
<b>Total Expenditures</b>	<b>30,155</b>	<b>4,959</b>	<b>25,196</b>
<b>Net Change in Fund Balance</b>	<b>(15,234)</b>	<b>9,962</b>	<b>25,196</b>
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	59,329	59,329	0
<b>Fund Balance End of Year</b>	<b>\$44,095</b>	<b>\$69,291</b>	<b>\$25,196</b>

City of Franklin, Ohio  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended December 31, 2023

	In-House Monitoring Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Fines, Licenses, Permits, and Settlements	\$6,202	\$6,202	\$0
Total Revenues	6,202	6,202	0
Expenditures:			
Current:			
General Government	0	0	0
Total Expenditures	0	0	0
Net Change in Fund Balance	6,202	6,202	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	50,347	50,347	0
Fund Balance End of Year	<u>\$56,549</u>	<u>\$56,549</u>	<u>\$0</u>



City of Franklin, Ohio  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual (Non-GAAP Budgetary Basis)  
For the Fiscal Year Ended December 31, 2023

	Street Lighting Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Special Assessments	\$166,636	\$166,636	\$0
Total Revenues	166,636	166,636	0
Expenditures:			
Current:			
Security of Persons and Property	134,635	85,000	49,635
Total Expenditures	134,635	85,000	49,635
Excess of Revenues Over (Under) Expenditures	32,001	81,636	49,635
Other Financing Sources (Uses):			
Transfers In	3,100	3,100	0
Total Other Financing Sources (Uses)	3,100	3,100	0
Net Change in Fund Balance	35,101	84,736	49,635
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	226,734	226,734	0
Fund Balance End of Year	<u>\$261,835</u>	<u>\$311,470</u>	<u>\$49,635</u>

City of Franklin, Ohio  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual (Non-GAAP Budgetary Basis)  
For the Fiscal Year Ended December 31, 2023

	Miami Conservancy District Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Property and Other Taxes	\$56,144	\$56,144	\$0
Intergovernmental	5,529	5,529	0
Total Revenues	<u>61,673</u>	<u>61,673</u>	<u>0</u>
Expenditures:			
Current:			
Economic Development	57,000	56,395	605
Total Expenditures	<u>57,000</u>	<u>56,395</u>	<u>605</u>
Excess of Revenues Over (Under) Expenditures	<u>4,673</u>	<u>5,278</u>	<u>605</u>
Other Financing Sources (Uses):			
Transfers In	11,000	11,000	0
Total Other Financing Sources (Uses)	<u>11,000</u>	<u>11,000</u>	<u>0</u>
Net Change in Fund Balance	15,673	16,278	605
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>5,336</u>	<u>5,336</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$21,009</u></u>	<u><u>\$21,614</u></u>	<u><u>\$605</u></u>

City of Franklin, Ohio  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended December 31, 2023

	Police and Fire Pension Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Property and Other Taxes	\$153,120	\$153,120	\$0
Intergovernmental	15,080	15,080	0
Total Revenues	<u>168,200</u>	<u>168,200</u>	<u>0</u>
Expenditures:			
Current:			
Security of Persons and Property	<u>869,911</u>	<u>687,036</u>	<u>182,875</u>
Total Expenditures	<u>869,911</u>	<u>687,036</u>	<u>182,875</u>
Excess of Revenues Over (Under) Expenditures	<u>(701,711)</u>	<u>(518,836)</u>	<u>182,875</u>
Other Financing Sources (Uses):			
Transfers In	<u>518,836</u>	<u>518,836</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>518,836</u>	<u>518,836</u>	<u>0</u>
Net Change in Fund Balance	(182,875)	0	182,875
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance End of Year	<u>(\$182,875)</u>	<u>\$0</u>	<u>\$182,875</u>

## **NONMAJOR DEBT SERVICE FUNDS**

### **Fund Descriptions**

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

**Special Assessment Bond** – To account for and report the resources restricted for payment of principal and interest and fiscal charges on special assessment debt.

City of Franklin, Ohio  
 Combining Balance Sheet  
 Nonmajor Debt Service Funds  
 December 31, 2023

	Bond Retirement	Special Assessment Bond	Total Nonmajor Debt Service Funds
Assets:			
Equity in Pooled Cash and Investments	\$38,042	\$252,901	\$290,943
Total Assets	<u>38,042</u>	<u>252,901</u>	<u>290,943</u>
Fund Balances:			
Restricted	0	252,901	252,901
Assigned	38,042	0	38,042
Total Fund Balances	<u>38,042</u>	<u>252,901</u>	<u>290,943</u>
Total Liabilities, Deferred Inflows and Fund Balances	<u>\$38,042</u>	<u>\$252,901</u>	<u>\$290,943</u>

City of Franklin, Ohio  
Combining Statement of Revenues, Expenditures  
and Changes in Fund Balance  
Nonmajor Debt Service Funds  
For the Fiscal Year Ended December 31, 2023

	Bond Retirement	Special Assessment Bond	Total Nonmajor Debt Service Funds
Revenues:			
Investment Earnings	\$0	\$2,788	\$2,788
Total Revenues	0	2,788	2,788
Expenditures:			
Current:			
Debt Service:			
Principal	495,000	0	495,000
Interest and Other Charges	26,058	0	26,058
Total Expenditures	521,058	0	521,058
Excess of Revenues Over (Under) Expenditures	(521,058)	2,788	(518,270)
Other Financing Sources (Uses):			
Transfers In	540,000	0	540,000
Total Other Financing Sources (Uses)	540,000	0	540,000
Net Change in Fund Balance	18,942	2,788	21,730
Fund Balance - Beginning of Year	19,100	250,113	269,213
Fund Balance - End of Year	\$38,042	\$252,901	\$290,943

City of Franklin, Ohio  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended December 31, 2023

	Bond Retirement Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Property and Other Taxes	\$0	\$0	\$0
Total Revenues	0	0	0
Expenditures:			
Debt Service:			
Principal Retirement	495,000	495,000	0
Interest and Fiscal Charges	26,058	26,058	0
Total Expenditures	521,058	521,058	0
Excess of Revenues Over (Under) Expenditures	(521,058)	(521,058)	0
Other Financing Sources (Uses):			
Transfers In	540,000	540,000	0
Total Other Financing Sources (Uses)	540,000	540,000	0
Net Change in Fund Balance	18,942	18,942	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	19,100	19,100	0
Fund Balance End of Year	<u>\$38,042</u>	<u>\$38,042</u>	<u>\$0</u>

City of Franklin, Ohio  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended December 31, 2023

	Special Assessment Bond Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Investment Earnings	\$2,788	\$2,788	\$0
Total Revenues	2,788	2,788	0
Expenditures:			
Current:			
General Government	0	0	0
Total Expenditures	0	0	0
Net Change in Fund Balance	2,788	2,788	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	250,113	250,113	0
Fund Balance End of Year	\$252,901	\$252,901	\$0



## **NONMAJOR CAPITAL PROJECTS FUNDS**

### **Fund Descriptions**

**Issue Two** – To account for and report grant monies restricted for making road improvements.

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

*This fund had no cash nor budgetary activity during fiscal year 2023. Therefore, no budgetary statement is presented.*

**Fire and EMS Replacement** – To account for and report monies assigned for the purpose of acquisition, construction improvement of the City's Fire and EMS Division of Safety Department.

City of Franklin, Ohio  
Combining Balance Sheet  
Nonmajor Capital Projects Funds  
December 31, 2023

	Issue Two	Tax Increment Financing	Fire and EMS Replacement	Total Nonmajor Capital Projects Funds
Assets:				
Equity in Pooled Cash and Investments	\$885,564	\$83,902	\$614,868	\$1,584,334
Total Assets	<u>885,564</u>	<u>83,902</u>	<u>614,868</u>	<u>1,584,334</u>
Fund Balances:				
Restricted	885,564	83,902	0	969,466
Assigned	<u>0</u>	<u>0</u>	<u>614,868</u>	<u>614,868</u>
Total Fund Balances	<u>885,564</u>	<u>83,902</u>	<u>614,868</u>	<u>1,584,334</u>
Total Liabilities, Deferred Inflows and Fund Balances	<u>\$885,564</u>	<u>\$83,902</u>	<u>\$614,868</u>	<u>\$1,584,334</u>

City of Franklin, Ohio  
Combining Statement of Revenues, Expenditures and Changes in Fund Balance  
Nonmajor Capital Projects Funds  
For the Fiscal Year Ended December 31, 2023

	Issue Two	Tax Increment Financing	Fire and EMS Replacement	Total Nonmajor Capital Projects Funds
Revenues:				
Intergovernmental	\$0	\$0	\$0	\$0
Total Revenues	0	0	0	0
Expenditures:				
Current:				
Capital Outlay	0	0	355,435	355,435
Debt Service:				
Principal	0	0	207,944	207,944
Interest and Other Charges	0	0	4,840	4,840
Total Expenditures	0	0	568,219	568,219
Excess of Revenues Over (Under) Expenditures	0	0	(568,219)	(568,219)
Other Financing Sources (Uses):				
Inception of Financed Purchases	0	0	230,768	230,768
Transfers In	0	0	500,000	500,000
Total Other Financing Sources (Uses)	0	0	730,768	730,768
Net Change in Fund Balance	0	0	162,549	162,549
Fund Balance - Beginning of Year	885,564	83,902	452,319	1,421,785
Fund Balance - End of Year	<u>\$885,564</u>	<u>\$83,902</u>	<u>\$614,868</u>	<u>\$1,584,334</u>

City of Franklin, Ohio  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended December 31, 2023

	Issue Two Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$0	\$0	\$0
Total Revenues	0	0	0
Expenditures:			
Current:			
Capital Outlay	540,000	0	540,000
Total Expenditures	540,000	0	540,000
Net Change in Fund Balance	(540,000)	0	540,000
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	885,564	885,564	0
Fund Balance End of Year	<u>\$345,564</u>	<u>\$885,564</u>	<u>\$540,000</u>

City of Franklin, Ohio  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended December 31, 2023

	Fire and EMS Replacement Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	0	0	0
Total Revenues	0	0	0
Expenditures:			
Current:			
Capital Outlay	344,285	337,451	6,834
Total Expenditures	344,285	337,451	6,834
Excess of Revenues Over (Under) Expenditures	(344,285)	(337,451)	6,834
Other Financing Sources (Uses):			
Transfers In	500,000	500,000	0
Total Other Financing Sources (Uses)	500,000	500,000	0
Net Change in Fund Balance	155,715	162,549	6,834
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	452,319	452,319	0
Fund Balance End of Year	<u>\$608,034</u>	<u>\$614,868</u>	<u>\$6,834</u>

## **NONMAJOR PERMANENT FUND**

### **Fund Description**

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

*The Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balance are included in the Combining Balance Sheet and Combining Statement of Revenues, Expenditures and Changes in Fund Balance. The Schedule of Revenues, Expenditures and Changes in Fund Balance Budget and Actual (Non-GAAP Budgetary Basis) follows this page.*

City of Franklin, Ohio  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual (Non-GAAP Budgetary Basis)  
For the Fiscal Year Ended December 31, 2023

	FC Dial Recreation Fund		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$0	\$0	\$0
Total Revenues	0	0	0
Expenditures:			
Current:			
Leisure Time Activities	19,000	19,000	0
Total Expenditures	19,000	19,000	0
Net Change in Fund Balance	(19,000)	(19,000)	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	276,510	276,510	0
Fund Balance End of Year	<u>\$257,510</u>	<u>\$257,510</u>	<u>\$0</u>

## **OTHER GENERAL FUNDS**

With the implementation of GASB Statement No. 54, certain funds that the City prepares legally adopted budgets for no longer meet the definition to be reported as Special Revenue funds and have been included with the General Fund in the governmental fund financial statements. The City has only presented the budget schedules for these funds.

### **Fund Descriptions**

**Retirement Fund** – To account for monies received to provide for City employees upon retirement.

**Joint Recreation Fund** – To account for financial transactions related to the joint recreation improvements/project(s) between Franklin Township and the City.

**Unclaimed Monies Fund** – To account for any financial transactions that are related to unclaimed monies received by the City.

**Insurance Reserve Fund** – To account for monies received to provide for insurance reserves for the City.

**Building Standards Fund** – To account for the financial transactions that are related to the State of Ohio fees that are charged for building permits within the City.

**Capital Improvement Fund** – To account as a separate division of the General Fund to reserve resources for capital improvements identified through the City's capital improvement plan and to reserve funds for payment of short-term debt.



City of Franklin, Ohio  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended December 31, 2023

	Retirement Fund (1)		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Charges for Services	\$0	\$0	\$0
Total Revenues	0	0	0
Expenditures:			
Current:			
General Government	9,006	1,418	7,588
Security of Persons and Property	374,393	58,950	315,443
Total Expenditures	383,399	60,368	323,031
Net Change in Fund Balance	(383,399)	(60,368)	323,031
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	581,847	581,847	0
Fund Balance End of Year	<u>\$198,448</u>	<u>\$521,479</u>	<u>\$323,031</u>

(1) This fund is combined with the General fund in GAAP Statements.

City of Franklin, Ohio  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual (Non-GAAP Budgetary Basis)  
For the Fiscal Year Ended December 31, 2023

	Joint Recreation Fund (1)		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Charges for Services	\$75,438	\$75,438	\$0
Other Revenues	26,359	26,359	0
<b>Total Revenues</b>	<b>101,797</b>	<b>101,797</b>	<b>0</b>
Expenditures:			
Current:			
Leisure Time Activities	216,968	173,017	43,951
Capital Outlay	62,203	49,603	12,600
<b>Total Expenditures</b>	<b>279,171</b>	<b>222,620</b>	<b>56,551</b>
Excess of Revenues Over (Under) Expenditures	(177,374)	(120,823)	56,551
Other Financing Sources (Uses):			
Transfers In	175,000	175,000	0
<b>Total Other Financing Sources (Uses)</b>	<b>175,000</b>	<b>175,000</b>	<b>0</b>
<b>Net Change in Fund Balance</b>	<b>(2,374)</b>	<b>54,177</b>	<b>56,551</b>
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	353,525	353,525	0
<b>Fund Balance End of Year</b>	<b>\$351,151</b>	<b>\$407,702</b>	<b>\$56,551</b>

(1) This fund is combined with the General fund in GAAP Statements.

City of Franklin, Ohio  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual (Non-GAAP Budgetary Basis)  
For the Fiscal Year Ended December 31, 2023

	Unclaimed Monies Fund (1)		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Other Revenues	\$2,337	\$2,337	\$0
Total Revenues	2,337	2,337	0
Expenditures:			
Current:			
General Government	0	0	0
Total Expenditures	0	0	0
Excess of Revenues Over (Under) Expenditures	2,337	2,337	0
Other Financing Sources (Uses):			
Transfers (Out)	(3,650)	(2,611)	1,039
Total Other Financing Sources (Uses)	(3,650)	(2,611)	1,039
Net Change in Fund Balance	(1,313)	(274)	1,039
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	29,220	29,220	0
Fund Balance End of Year	<u>\$27,907</u>	<u>\$28,946</u>	<u>\$1,039</u>

(1) This fund is combined with the General fund in GAAP Statements.

City of Franklin, Ohio  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended December 31, 2023

	Insurance Reserve Fund (1)		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Charges for Services	\$0	\$0	\$0
Total Revenues	0	0	0
Expenditures:			
Current:			
General Government	0	0	0
Total Expenditures	0	0	0
Net Change in Fund Balance	0	0	0
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	20,000	20,000	0
Fund Balance End of Year	<u>\$20,000</u>	<u>\$20,000</u>	<u>\$0</u>

(1) This fund is combined with the General fund in GAAP Statements.

City of Franklin, Ohio  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual (Non-GAAP Budgetary Basis)  
 For the Fiscal Year Ended December 31, 2023

	Building Standards Fund (1)		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Fines, Licenses, Permits, and Settlements	\$1,241	\$1,241	\$0
Total Revenues	1,241	1,241	0
Expenditures:			
Current:			
General Government	2,101	2,000	101
Total Expenditures	2,101	2,000	101
Net Change in Fund Balance	(860)	(759)	101
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	2,338	2,338	0
Fund Balance End of Year	<u>\$1,478</u>	<u>\$1,579</u>	<u>\$101</u>

(1) This fund is combined with the General fund in GAAP Statements.

City of Franklin, Ohio  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual (Non-GAAP Budgetary Basis)  
For the Fiscal Year Ended December 31, 2023

	Capital Improvement Fund (1)		
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	\$0	\$0	\$0
Total Revenues	0	0	0
Expenditures:			
Current:			
General Government	1,901,410	2,108,610	(207,200)
Capital Outlay	1,007,515	1,117,306	(109,791)
Total Expenditures	2,908,925	3,225,916	(316,991)
Excess of Revenues Over (Under) Expenditures	(2,908,925)	(3,225,916)	(316,991)
Other Financing Sources (Uses):			
Transfers In	2,330,000	2,330,000	0
Total Other Financing Sources (Uses)	2,330,000	2,330,000	0
Net Change in Fund Balance	(578,925)	(895,916)	(316,991)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	908,843	908,843	0
Fund Balance End of Year	<u>\$329,918</u>	<u>\$12,927</u>	<u>(\$316,991)</u>

(1) This fund is combined with the General fund in GAAP Statements.

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# ***STATISTICAL SECTION***

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## **Statistical Section**

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This part of the City'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.

### **Contents**

**Financial Trends** - These schedules contain trend information to help the reader understand how the City's financial position has changed over time.

**Revenue Capacity** - These schedules contain information to help the reader understand and assess the City's most significant local revenue sources.

**Debt Capacity** - 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.

**Economic and Demographic Information** - These schedules offer economic and demographic indicators to help the reader understand the environment within which the City's financial activities take place and to provide information that facilitates comparisons of financial information over time and among governments.

**Operating Information** - 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 Calendar Years  
 (accrual basis of accounting)  
 Schedule 1

	2014 (1)	2015	2016	2017 (2)
<b>Governmental Activities</b>				
Net Investment in Capital Assets	\$39,594,071	\$39,854,845	\$40,191,340	\$40,644,424
Restricted	7,121,376	7,207,350	7,974,508	8,490,113
Unrestricted	1,358,946	1,240,722	997,246	(4,502,499)
<b>Total governmental activities net position</b>	<b>\$48,074,393</b>	<b>\$48,302,917</b>	<b>\$49,163,094</b>	<b>\$44,632,038</b>
<b>Business-type activities</b>				
Net Investment in Capital Assets	\$17,408,300	\$18,014,569	\$18,125,979	\$18,407,077
Restricted	1,048,491	1,164,233	1,268,281	1,513,948
Unrestricted	1,989,846	2,327,024	2,833,316	1,857,291
<b>Total business-type activities net position</b>	<b>\$20,446,637</b>	<b>\$21,505,826</b>	<b>\$22,227,576</b>	<b>\$21,778,316</b>
<b>Total Primary Government</b>				
Net Investment in Capital Assets	\$57,002,371	\$57,869,414	\$58,317,319	\$59,051,501
Restricted	8,169,867	8,371,583	9,242,789	10,004,061
Unrestricted	3,348,792	3,567,746	3,830,562	(2,645,208)
<b>Total primary government net position</b>	<b>\$68,521,030</b>	<b>\$69,808,743</b>	<b>\$71,390,670</b>	<b>\$66,410,354</b>

- (1) - Amounts reflect a prior period adjustment
- (2) - Restated for GASB Statement No. 75 Implementation
- (3) - Restated for GASB Statement No. 84 Implementation
- (4) - Restated for GASB Statement No. 83 Implementation

Source: City Records

2018 (3)	2019 (4)	2020	2021	2022	2023
\$40,444,418	\$39,420,795	\$40,220,125	\$45,634,920	\$46,027,692	\$56,310,989
6,496,321	8,809,740	10,043,251	9,074,756	8,245,710	7,333,102
(2,746,063)	1,585,507	829,890	3,152,673	6,637,705	3,553,947
\$44,194,676	\$49,816,042	\$51,093,266	\$57,862,349	\$60,911,107	\$67,198,038
\$18,631,808	\$19,718,072	\$19,393,755	\$19,797,199	\$19,504,554	\$18,227,398
1,739,383	708,687	610,087	859,883	24,327	0
1,478,299	1,670,554	2,309,899	4,094,753	6,694,714	8,210,560
\$21,849,490	\$22,097,313	\$22,313,741	\$24,751,835	\$26,223,595	\$26,437,958
\$59,076,226	\$59,138,867	\$59,613,880	\$65,432,119	\$65,532,246	\$74,538,387
8,235,704	9,518,427	10,653,338	9,934,639	8,270,037	7,333,102
(1,267,764)	3,256,061	3,139,789	7,247,426	13,332,419	11,764,507
\$66,044,166	\$71,913,355	\$73,407,007	\$82,614,184	\$87,134,702	\$93,635,996

City of Franklin, Ohio  
Changes in Net Position  
Last Ten Calendar Years  
(accrual basis of accounting)  
Schedule 2

	2014	2015 (1)	2016	2017
<b>Expenses</b>				
<b>Governmental Activities:</b>				
General Government	\$2,474,594	\$2,729,627	\$2,844,525	\$2,971,030
Security of Persons and Property	6,301,359	6,407,213	6,077,154	6,661,747
Economic Development	51,449	54,124	57,487	56,469
Leisure Time Activities	339,652	306,096	407,527	377,392
Transportation	1,866,068	3,614,786	3,031,901	3,266,332
Public Works	105,532	87,531	68,611	59,840
Public Health and Welfare	27,356	31,824	27,006	13,369
Interest and Other Charges	258,996	231,397	203,307	179,092
<b>Total Governmental Activities Expenses</b>	<b>11,425,006</b>	<b>13,462,598</b>	<b>12,717,518</b>	<b>13,585,271</b>
<b>Business-Type Activities:</b>				
Water	1,989,322	1,805,446	1,691,652	1,661,217
Sewer	2,484,895	2,532,207	2,264,959	2,702,896
Trash Collection	852,135	749,283	777,811	801,469
Stormwater Utility	777,287	772,918	1,054,550	1,013,580
<b>Total Business-Type Activities Expenses</b>	<b>6,103,639</b>	<b>5,859,854</b>	<b>5,788,972</b>	<b>6,179,162</b>
<b>Total Primary Government Expenses</b>	<b>\$17,528,645</b>	<b>\$19,322,452</b>	<b>\$18,506,490</b>	<b>\$19,764,433</b>
<b>Program Revenues</b>				
<b>Governmental Activities:</b>				
<b>Charges for Services and Sales:</b>				
General Government	\$532,555	\$464,392	\$827,299	\$816,288
Security of Persons and Property	1,134,048	1,130,525	1,068,304	1,150,969
Leisure Time Activities	0	19,305	15,720	17,316
Transportation	1,764	550	2,196	12,871
Public Health and Welfare	11,847	8,759	9,261	10,724
Operating Grants and Contributions	1,024,216	925,943	859,323	842,790
Capital Grants and Contributions	331,344	876,492	868	793,884
<b>Total Governmental Activities Program Revenues</b>	<b>3,035,774</b>	<b>3,425,966</b>	<b>2,782,971</b>	<b>3,644,842</b>
<b>Business-Type Activities:</b>				
<b>Charges for Services and Sales:</b>				
Water	2,566,139	2,628,095	2,785,464	2,672,773
Sewer	2,474,765	2,669,288	2,499,263	2,412,378
Trash Collection	762,790	747,963	770,084	793,821
Stormwater Utility	484,006	513,732	567,527	579,193
Operating Grants and Contributions	0	0	0	0
Capital Grants and Contributions	0	432,086	0	0
<b>Total Business-Type Activities Program Revenues</b>	<b>6,287,700</b>	<b>6,991,164</b>	<b>6,622,338</b>	<b>6,458,165</b>
<b>Total Primary Government Program Revenues</b>	<b>\$9,323,474</b>	<b>\$10,417,130</b>	<b>\$9,405,309</b>	<b>\$10,103,007</b>

2018 (2)	2019 (3)	2020 (4)	2021	2022	2023
\$3,109,064	\$3,593,221	\$3,948,000	\$2,080,097	\$3,268,650	\$6,150,402
7,558,997	3,026,100	8,251,588	8,667,741	8,871,552	9,555,478
56,022	56,242	56,329	56,327	56,533	105,776
483,546	692,783	549,921	377,753	599,061	707,697
3,429,614	3,179,003	3,156,912	1,847,223	3,746,500	2,853,536
59,840	59,840	59,840	47,318	47,849	41,249
8,042	9,271	3,415	8,119	5,727	3,742
149,865	151,189	138,330	116,794	131,130	577,530
14,854,990	10,767,649	16,164,335	13,201,372	16,727,002	19,995,410
1,892,400	1,860,237	2,143,447	1,662,146	2,353,453	3,401,005
2,771,880	2,716,212	2,623,877	2,286,852	2,645,628	3,351,873
816,988	832,463	834,928	835,386	859,247	876,565
877,092	927,657	839,652	677,316	985,785	1,011,790
6,358,360	6,336,569	6,441,904	5,461,700	6,844,113	8,641,233
\$21,213,350	\$17,104,218	\$22,606,239	\$18,663,072	\$23,571,115	\$28,636,643
\$884,730	\$510,062	\$389,335	\$511,522	\$538,593	\$453,549
1,197,567	1,211,568	1,093,758	1,199,104	1,164,232	1,237,979
16,398	74,843	2,550	68,321	96,132	92,755
97,243	159,486	95,967	9,017	17,523	57,125
12,495	11,153	7,048	7,994	8,596	7,497
856,345	943,681	1,826,974	2,070,119	1,305,598	1,447,585
0	188,900	924,960	2,335,272	1,306,899	6,904,578
3,064,778	3,099,693	4,340,592	6,201,349	4,437,573	10,201,068
2,568,554	2,592,073	2,614,390	3,122,916	2,883,555	3,155,546
2,508,522	2,483,277	2,648,665	3,278,875	3,685,150	3,634,770
816,973	859,449	864,345	922,699	986,266	1,011,465
584,840	591,240	595,447	641,892	833,928	896,230
0	0	0	0	0	97,754
0	98,851	0	0	0	199,831
6,478,889	6,624,890	6,722,847	7,966,382	8,388,899	8,995,596
\$9,543,667	\$9,724,583	\$11,063,439	\$14,167,731	\$12,826,472	\$19,196,664

City of Franklin, Ohio  
Changes in Net Position  
Last Ten Calendar Years  
(accrual basis of accounting)  
Schedule 2 (Continued)

	2014	2015 (1)	2016	2017
Net (Expense)/Revenue				
Governmental Activities	(\$8,389,232)	(\$10,036,632)	(\$9,934,547)	(\$9,940,429)
Business-Type Activities	184,061	1,131,310	833,366	279,003
Total Primary Government Net Expenses	(\$8,205,171)	(\$8,905,322)	(\$9,101,181)	(\$9,661,426)
General Revenues and Other Changes in Net Position				
Governmental Activities:				
Income Taxes	\$6,764,284	\$7,665,010	\$7,844,529	\$8,304,978
Property Taxes	1,962,913	2,021,371	2,001,703	2,012,155
Grants and Entitlements, Not Restricted	211,427	232,675	287,718	214,524
Gain on Sale of Capital Assets	0	0	0	133,883
Revenue in Lieu of Taxes	107,787	0	0	0
Unrestricted Contributions	0	0	0	1,050
Investment Earnings	94,468	25,681	300,759	489,784
Other Revenues	100,436	190,419	230,015	311,277
Transfers-Internal Activities	78,300	130,000	130,000	130,000
Total Governmental Activities	9,319,615	10,265,156	10,794,724	11,597,651
Business-type activities:				
Gain on Sale of Capital Assets	0	0	0	0
Investment Earnings	0	0	0	578
Other Revenues	84,460	57,879	18,384	34,785
Transfers-Internal Activities	(78,300)	(130,000)	(130,000)	(130,000)
Total Business-Type Activities	6,160	(72,121)	(111,616)	(94,637)
Total Primary Government	\$9,325,775	\$10,193,035	\$10,683,108	\$11,503,014
Change in Net Position				
Governmental Activities	\$930,383	\$228,524	\$860,177	\$1,657,222
Business-Type Activities	190,221	1,059,189	721,750	184,366
Prior Year Restatement of Net Position	(7,074,407)	0	0	(6,821,904)
Total Primary Government	(\$5,953,803)	\$1,287,713	\$1,581,927	(\$4,980,316)

Source: City Records

- (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.

2018 (2)	2019 (3)	2020 (4)	2021	2022	2023
(\$11,790,212)	(\$7,667,956)	(\$11,823,743)	(\$7,000,023)	(\$12,289,429)	(\$9,794,342)
120,529	288,321	280,943	2,504,682	1,544,786	354,363
(\$11,669,683)	(\$7,379,635)	(\$11,542,800)	(\$4,495,341)	(\$10,744,643)	(\$9,439,979)
\$8,346,175	\$8,787,229	\$8,233,811	\$9,799,231	\$12,044,559	\$10,977,023
2,060,554	2,049,197	2,156,680	2,075,135	2,321,608	2,356,499
240,029	590,830	782,774	503,838	598,503	611,296
0	0	0	64,620	0	0
0	0	0	0	0	0
2,450	800	0	200	5,000	324,666
252,730	1,216,055	687,817	492,124	19,004	1,428,859
308,984	339,637	1,074,885	693,958	209,513	242,930
141,928	216,070	195,000	140,000	140,000	140,000
11,352,850	13,199,818	13,130,967	13,769,106	15,338,187	16,081,273
0	100,000	0	0	0	0
7,594	9,713	1,253	31	2,378	0
84,979	89,239	129,232	73,381	64,596	0
(141,928)	(216,070)	(195,000)	(140,000)	(140,000)	(140,000)
(49,355)	(17,118)	(64,515)	(66,588)	(73,026)	(140,000)
\$11,303,495	\$13,182,700	\$13,066,452	\$13,702,518	\$15,265,161	\$15,941,273
(\$437,362)	\$5,531,862	\$1,307,224	\$6,769,083	\$3,048,758	\$6,286,931
71,174	271,203	216,428	2,438,094	1,471,760	214,363
0	0	0	0	0	0
(\$366,188)	\$5,803,065	\$1,523,652	\$9,207,177	\$4,520,518	\$6,501,294

City of Franklin, Ohio  
 Program Revenues by Function/Program  
 Last Ten Calendar Years  
 (accrual basis of accounting)  
 Schedule 3

Function/Program	2014	2015	2016	2017
<b>Governmental Activities:</b>				
General Government	\$535,907	\$466,079	\$827,667	\$816,288
Security of Persons and Property	1,392,751	1,392,856	1,430,762	1,433,807
Economic Development	2,390	990	4,670	4,610
Leisure Time Activities	331,344	26,998	19,139	19,655
Transportation	754,094	1,520,240	485,900	1,343,917
Public Health and Welfare	19,288	18,803	14,833	26,565
<b>Total Governmental Activities Program Revenues</b>	<b>3,035,774</b>	<b>3,425,966</b>	<b>2,782,971</b>	<b>3,644,842</b>
<b>Business-Type Activities:</b>				
Water	2,566,139	2,691,995	2,785,464	2,672,773
Sewer	2,474,765	2,913,738	2,499,263	2,412,378
Trash Collection	762,790	747,963	770,084	793,821
Stormwater Utility	484,006	637,468	567,527	579,193
<b>Total Business-Type Activities Program Revenues</b>	<b>6,287,700</b>	<b>6,991,164</b>	<b>6,622,338</b>	<b>6,458,165</b>
<b>Total Primary Government Program Revenues</b>	<b>\$9,323,474</b>	<b>\$10,417,130</b>	<b>\$9,405,309</b>	<b>\$10,103,007</b>

Source: City Records



2018	2019	2020	2021	2022	2023
\$884,730	\$515,062	\$389,335	\$511,522	\$538,593	\$549,608
1,498,036	1,489,040	2,991,049	1,886,124	1,650,716	1,564,455
4,592	16,249	4,752	4,743	5,890	5,529
18,284	86,698	3,902	116,052	429,575	92,755
640,349	970,331	933,531	3,662,090	1,791,510	7,974,493
18,787	22,313	18,023	20,818	21,289	14,228
3,064,778	3,099,693	4,340,592	6,201,349	4,437,573	10,201,068
2,568,554	2,592,073	2,614,390	3,122,916	2,883,555	3,395,459
2,508,522	2,483,277	2,648,665	3,278,875	3,685,150	3,672,147
816,973	859,449	864,345	922,699	986,266	1,011,822
584,840	690,091	595,447	641,892	833,928	916,168
6,478,889	6,624,890	6,722,847	7,966,382	8,388,899	8,995,596
\$9,543,667	\$9,724,583	\$11,063,439	\$14,167,731	\$12,826,472	\$19,196,664

City of Franklin, Ohio  
Fund Balances, Governmental Funds  
Last Ten Calendar Years  
(modified accrual basis of accounting)  
Schedule 4

	2014	2015	2016	2017
General Fund				
Nonspendable	\$34,432	\$31,649	\$25,962	\$38,208
Assigned	\$593,718	\$1,355,540	\$147,990	1,038,597
Unassigned	6,176,518	5,284,020	6,841,186	7,049,388
Total General Fund	6,804,668	6,671,209	7,015,138	8,126,193
All Other Governmental Funds				
Nonspendable	1,801,205	1,570,745	1,721,427	1,528,866
Restricted	4,542,443	5,071,075	5,985,872	6,546,886
Committed	67,495	97,237	116,886	426,980
Assigned	151,532	155,532	135,107	106,082
Unassigned	(36,690)	(24,154)	(4,205)	(38,139)
Total all Other Governmental Funds	\$6,525,985	\$6,870,435	\$7,955,087	\$8,570,675
Total Governmental Funds	\$13,330,653	\$13,541,644	\$14,970,225	\$16,696,868

Source: City Records

(1) - Restated

2018 (1)	2019	2020	2021	2022	2023
\$49,959	\$51,329	\$71,323	\$31,155	\$39,150	\$42,448
1,840,310	3,369,063	4,852,391	3,804,788	9,771,101	7,973,184
7,004,397	6,318,020	6,815,608	8,329,834	2,103,734	1,973,362
8,894,666	9,738,412	11,739,322	12,165,777	11,913,985	9,988,994
1,492,071	2,002,410	2,374,915	2,721,245	2,603,652	2,787,070
5,322,018	6,503,001	7,510,874	6,010,201	5,437,754	17,107,193
511,169	547,231	480,423	445,000	488,459	415,584
2,323,470	1,921,591	884,993	728,736	2,434,583	2,854,764
(43,137)	(49,832)	(48,428)	(62,835)	(120,546)	0
\$9,605,591	\$10,924,401	\$11,202,777	\$9,842,347	\$10,843,902	\$23,164,611
\$18,500,257	\$20,662,813	\$22,942,099	\$22,008,124	\$22,757,887	\$33,153,605

City of Franklin, Ohio  
 Changes in Fund Balances, Governmental Funds  
 Last Ten Calendar Years  
 (modified accrual basis of accounting)  
 Schedule 5

	2014	2015	2016	2017
<b>Revenues</b>				
Taxes	\$9,256,867	\$9,673,094	\$9,786,941	\$10,294,118
Charges for Services	790,782	727,576	843,302	806,525
Investment Earnings	425,812	25,681	300,759	478,101
Intergovernmental	1,243,956	1,792,798	1,227,704	1,597,689
Special Assessments	469,089	432,571	440,067	232,980
Fines, Licenses, Permits, and Settlements	745,001	738,997	931,538	1,045,969
Contributions and Donations	3,352	9,380	3,539	3,389
Other Revenues	100,436	190,419	233,120	315,477
<b>Total Revenues</b>	<b>\$13,143,082</b>	<b>\$13,595,991</b>	<b>\$13,766,970</b>	<b>\$14,774,248</b>
<b>Expenditures</b>				
<b>Current:</b>				
General Government	\$2,423,409	\$2,748,434	\$2,718,417	\$2,861,518
Security of Persons and Property	6,266,741	6,282,006	6,629,946	6,202,273
Economic Development	51,449	54,124	57,487	56,469
Leisure Time Activities	315,950	423,556	417,100	479,788
Transportation	1,068,905	1,275,227	1,338,692	1,455,240
Public Health and Welfare	27,356	31,824	27,006	13,369
Capital Outlay	550,529	1,755,113	511,634	1,524,859
<b>Debt Service</b>				
Principal	694,161	716,973	722,881	700,497
Interest	264,634	237,478	209,404	185,387
Issuance Costs	0	0	0	0
Payment to Refunded Bond Escrow Agent	0	0	0	0
<b>Total Expenditures</b>	<b>\$11,663,134</b>	<b>\$13,524,735</b>	<b>\$12,632,567</b>	<b>\$13,479,400</b>
<b>Excess of revenues over (under) expenditures</b>	<b>\$1,479,948</b>	<b>\$71,256</b>	<b>\$1,134,403</b>	<b>\$1,294,848</b>
<b>Other Financing Sources (Uses)</b>				
Inception of Financed Purchases	\$0	\$0	\$164,178	\$0
Proceeds From Sale of Capital Assets	0	9,735	0	301,795
Issuance of Annual Appropriation Bonds	0	0	0	0
Premium on Annual Appropriation Bonds	0	0	0	0
Sale of Refunding Bonds	0	0	0	0
Payments to Refunded Bond Escrow Agent	0	0	0	0
Transfers In	3,234,442	3,361,173	3,655,824	3,210,104
Transfers (Out)	(3,156,142)	(3,231,173)	(3,525,824)	(3,080,104)
<b>Total Other Financing Sources (Uses)</b>	<b>78,300</b>	<b>139,735</b>	<b>294,178</b>	<b>431,795</b>
<b>Prior Year Restatement of Fund Balance</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Net Change in Fund Balances</b>	<b>\$1,558,248</b>	<b>\$210,991</b>	<b>\$1,428,581</b>	<b>\$1,726,643</b>
<b>Debt service as a percentage of noncapital expenditures (1)</b>	<b>8.9%</b>	<b>8.5%</b>	<b>8.7%</b>	<b>7.8%</b>

Source: City Records

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

2018 (1)	2019	2020	2021	2022	2023
\$10,435,684	\$10,578,042	\$10,627,954	\$11,613,013	\$13,995,127	\$13,495,666
785,244	519,827	397,882	591,934	609,424	599,184
243,509	1,201,983	703,745	493,430	19,818	1,426,103
1,214,969	1,465,892	3,941,501	4,623,721	2,401,119	8,438,152
254,107	252,570	269,701	231,042	227,856	216,028
1,152,428	1,132,779	936,855	994,279	1,077,996	1,037,136
4,396	7,265	1,352	4,431	14,524	324,666
314,459	341,812	1,077,210	672,671	232,000	244,927
\$14,404,796	\$15,500,170	\$17,956,200	\$19,224,521	\$18,577,864	\$25,781,862
\$2,812,855	\$2,972,843	\$3,145,805	\$3,266,034	\$3,708,844	\$5,667,078
6,674,260	7,091,209	6,956,320	8,356,820	8,408,013	7,897,868
56,022	56,242	56,329	56,327	56,533	105,776
556,936	565,773	267,966	446,505	612,790	593,154
1,556,904	1,197,426	805,999	1,042,479	1,842,303	896,155
8,042	9,271	3,415	8,119	5,727	3,742
1,140,718	1,123,853	3,903,467	6,518,249	2,507,662	12,611,874
521,803	656,944	667,119	828,387	714,035	895,806
155,311	156,760	143,922	122,438	45,281	157,032
0	0	0	0	31,500	380,375
0	0	0	0	35,413	0
\$13,482,851	\$13,830,321	\$15,950,342	\$20,645,358	\$17,968,101	\$29,208,860
\$921,945	\$1,669,849	\$2,005,858	(\$1,420,837)	\$609,763	(\$3,426,998)
\$596,940	\$297,707	\$0	\$280,273	\$0	\$956,805
0	0	78,428	66,589	0	24,653
0	0	0	0	0	12,000,000
0	0	0	0	0	701,258
0	0	0	0	1,965,000	0
0	0	0	0	(1,965,000)	0
3,993,957	3,553,488	3,981,891	4,638,303	6,367,746	6,179,550
(3,798,957)	(3,358,488)	(3,786,891)	(4,498,303)	(6,227,746)	(6,039,550)
791,940	492,707	273,428	486,862	140,000	13,822,716
89,504	0	0	0	0	0
\$1,803,389	\$2,162,556	\$2,279,286	(\$933,975)	\$749,763	\$10,395,718
5.7%	6.8%	6.2%	6.8%	5.3%	6.3%

City of Franklin, Ohio  
Income Tax Revenue by Payer Type  
Last Ten Calendar Years  
(cash basis of accounting)  
Schedule 6

Calendar Year	Tax Rate	Individual				Business Accounts			
		Withholding	Percentage of Total	Non-Withholding Collections	Percentage of Total	Total Individual	Business Accounts	Percentage of Total	Gross Collections
2014	2.00%	\$5,270,728	72%	\$859,745	12%	\$6,130,473	\$1,158,847	16%	\$7,289,320
2015	2.00%	5,642,638	75%	911,342	12%	6,553,980	965,070	13%	7,519,050
2016	2.00%	5,814,443	74%	897,819	11%	6,712,262	1,173,898	15%	7,886,160
2017	2.00%	5,762,265	70%	1,060,379	13%	6,822,644	1,350,973	17%	8,173,617
2018	2.00%	5,971,365	71%	1,042,071	13%	7,013,436	1,382,554	16%	8,395,990
2019	2.00%	6,272,664	73%	976,044	11%	7,248,708	1,376,159	16%	8,624,867
2020	2.00%	6,015,065	71%	944,901	11%	6,959,966	1,519,980	18%	8,479,946
2021	2.00%	6,360,060	69%	1,103,757	12%	7,463,817	1,780,200	19%	9,244,017
2022	2.00%	7,117,650	60%	1,010,278	9%	8,127,928	3,580,317	31%	11,708,245
2023	2.00%	7,453,804	67%	1,057,525	9%	8,511,329	2,665,804	24%	11,177,133

Source: City Income Tax Department - Cash Basis

City of Franklin, Ohio  
Principal Income Taxpayers - Withholding Accounts  
2023 and 2014  
(Cash basis of accounting)  
Schedule 7

Range of Withholding Amount	2023		2014	
	Number of Withholding Accounts	Percentage of Total Withholding Revenue	Number of Withholding Accounts	Percentage of Total Withholding Revenue
\$300,001 - 500,000	56	16.04%	0	0.00%
\$100,001 - 300,000	156	14.01%	9	25.00%
\$55,001 - 100,000	88	5.09%	8	10.00%
Total	300	35.14%	17	35.00%
All Others	1,514	64.86%	1,150	65.00%
Total Withholding Accounts	1,814	100.00%	1,167	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  
Direct and Overlapping Governmental Activities Debt  
As of December 31, 2023  
Schedule 8

Jurisdiction	Debt Outstanding	Percentage Applicable to the City of Franklin	Amount Applicable to the City of Franklin
<b>Direct</b>			
City of Franklin			
General Obligation Bonds	\$1,020,000	100.00%	\$1,020,000
Annual Appropriation Bonds	12,701,258	100.00%	12,701,258
Financed Purchases	811,286	100.00%	811,286
Total Direct Debt	<u>14,532,544</u>		<u>14,532,544</u>
<b>Overlapping Subdivisions</b>			
Franklin City School District	63,748,933	51.00%	32,511,956
Carlisle Local School District	19,255,000	0.11%	21,181
Miami Valley Career Center	116,770,000	0.00%	0
Warren County Career Center	520,000	4.32%	22,464
Total Overlapping Subdivisions	<u>200,293,933</u>		<u>32,555,600</u>
Grand total	<u>\$214,826,477</u>		<u>\$47,088,144</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  
Ratios of General Bonded Debt to Estimated Actual Value and General Obligation Bonded Debt Per Capita  
Last Ten Calendar Years  
Schedule 9

Calendar 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
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
2023	14,532,444	801,239,829	11,690	1.81%	1,243.15

(1) Includes all 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

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

City of Franklin, Ohio  
Ratios of Outstanding Debt by Type to Total Personal Income and Debt Per Capita  
Last Ten Calendar Years  
Schedule 10

Calendar Year	Governmental Activities				Business-type Activities			Total Outstanding Debt	Population(1)	Personal Income (2)	Ratio of Debt to	
	General Obligation Bonds	Annual Appropriation Bonds	Special Assessment Bonds	Financed Purchases	Mortgage Revenue Bonds	OWDA Loans	Financed Purchases				Personal Income	Personal Income
2014	\$5,230,588	\$985,000	\$985,000	\$60,134	\$3,062,015	\$2,193,717	\$0	\$12,516,454	11,829	\$211,857,390	5.91%	\$1,058
2015	4,833,741	700,000	700,000	0	2,593,390	1,972,092	0	10,799,223	11,829	257,470,014	4.19%	913
2016	4,426,894	415,000	415,000	108,214	2,104,765	1,736,598	0	9,206,471	11,829	266,956,872	3.45%	778
2017	4,000,047	170,000	170,000	54,717	1,601,140	1,486,337	0	7,482,241	11,780	277,277,640	2.70%	635
2018	3,553,200	125,000	125,000	596,940	1,072,515	1,220,352	0	6,693,007	11,735	315,589,355	2.12%	570
2019	3,091,353	80,000	80,000	719,879	818,890	937,623	167,673	5,895,418	11,686	321,528,604	1.83%	504
2020	2,609,506	40,000	40,000	550,029	555,265	637,302	128,621	4,560,723	11,612	325,159,224	1.40%	393
2021	2,112,659	0	0	514,281	281,640	568,661	169,846	3,647,087	11,690	311,304,700	1.17%	312
2022	1,515,000	0	0	252,714	0	497,128	107,233	2,372,075	11,644	312,897,568	0.76%	204
2023	1,020,000	12,701,258	0	811,286	0	2,573,181	421,015	17,526,740	11,690	330,732,729	5.30%	1,499

Source:

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

City of Franklin, Ohio  
 Computation of Legal Debt Margin  
 Last Ten Calendar Years  
 Schedule 11

	2014	2015	2016	2017
Total Assessed Property Values	\$194,136,760	\$202,460,490	\$221,549,310	\$222,420,480
Overall Legal Debt Limit				
Debt Limit (10.5%)	20,384,360	21,258,351	23,262,678	23,354,150
Debt Outstanding				
General Obligation Bonds	4,895,000	4,525,000	4,145,000	3,745,000
Annual Appropriation Bonds	0	0	0	0
Mortgage Revenue Bonds	3,030,000	2,565,000	2,080,000	1,580,000
Special Assessment Bonds	985,000	700,000	415,000	170,000
OWDA Loans	2,193,717	1,972,092	1,736,598	1,486,337
Total Gross Indebtedness	11,103,717	9,762,092	8,376,598	6,981,337
Less:				
Annual Appropriation Bonds	0	0	0	0
Mortgage Revenue Bonds	(3,030,000)	(2,565,000)	(2,080,000)	(1,580,000)
Special Assessment Bonds	(985,000)	(700,000)	(415,000)	(170,000)
OWDA Loans	(2,193,717)	(1,972,092)	(1,736,598)	(1,486,337)
Total Net Debt Applicable to Limit	4,895,000	4,525,000	4,145,000	3,745,000
Legal Debt Margin Within 10.5% Limitations	\$15,489,360	\$16,733,351	\$19,117,678	\$19,609,150
Legal Debt Margin as a Percentage of the Debt Limit	75.99%	78.71%	82.18%	83.96%
Unvoted Debt Limit				
Debt Limit (5.5%)	\$10,677,522	\$11,135,327	\$12,185,212	\$12,233,126
Total Gross Indebtedness	11,103,717	9,762,092	8,376,598	6,981,337
Less:				
Mortgage Revenue Bonds	(3,030,000)	(2,565,000)	(2,080,000)	(1,580,000)
Special Assessment Bonds	(985,000)	(700,000)	(415,000)	(170,000)
OWDA Loans	(2,193,717)	(1,972,092)	(1,736,598)	(1,486,337)
Net Debt Within 5.5% Limitations	4,895,000	4,525,000	4,145,000	3,745,000
Unvoted Legal Debt Margin Within 5.5% Limitations	\$5,782,522	\$6,610,327	\$8,040,212	\$8,488,126
Unvoted Legal Debt Margin as a Percentage of the Unvoted Debt Limitation	54.16%	59.36%	65.98%	69.39%

Source: City Financial Records

2018	2019	2020	2021	2022	2023
\$225,060,940	\$238,117,990	\$241,354,920	\$244,753,380	\$276,619,540	\$280,433,940
23,631,399	25,002,389	25,342,267	25,699,105	29,045,052	29,445,564
3,325,000	2,890,000	2,435,000	1,965,000	1,515,000	1,020,000
0	0	0	0	0	12,701,258
1,055,000	805,000	545,000	275,000	0	0
125,000	80,000	40,000	0	0	0
1,220,352	937,623	637,302	568,661	497,128	2,573,181
5,725,352	4,712,623	3,657,302	2,808,661	2,012,128	16,294,439
0	0	0	0	0	(12,701,258)
(1,055,000)	(805,000)	(545,000)	(275,000)	0	0
(125,000)	(80,000)	(40,000)	0	0	0
(1,220,352)	(937,623)	(637,302)	(568,661)	(497,128)	(2,573,181)
3,325,000	2,890,000	2,435,000	1,965,000	1,515,000	1,020,000
\$20,306,399	\$22,112,389	\$22,907,267	\$23,734,105	\$27,530,052	\$28,425,564
85.93%	88.44%	90.39%	92.35%	94.78%	96.54%
\$12,378,352	\$13,096,489	\$13,274,521	\$13,461,436	\$15,214,075	\$15,423,867
5,725,352	4,712,623	3,657,302	2,808,661	2,012,128	16,294,439
(1,055,000)	(805,000)	(545,000)	(275,000)	0	0
(125,000)	(80,000)	(40,000)	0	0	0
(1,220,352)	(937,623)	(637,302)	(568,661)	(497,128)	(2,573,181)
3,325,000	2,890,000	2,435,000	1,965,000	1,515,000	13,721,258
\$9,053,352	\$10,206,489	\$10,839,521	\$11,496,436	\$13,699,075	\$1,702,609
73.14%	77.93%	81.66%	85.40%	90.04%	11.04%

City of Franklin, Ohio  
Pledged Revenue Coverage  
Last Ten Calendar Years  
Schedule 12

Calendar Year	Water Service Charges and Interest	Direct Operating Expenses (1)	Net Available Revenues	Debt Service		Coverage
				Principal	Interest	
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
2023	3,155,546	3,001,100	154,446	74,547	19,147	1.65

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

City of Franklin, Ohio  
 Demographic and Economic Statistics  
 Last Ten Calendar Years  
 Schedule 13

Calendar Year	Population (1)	Total Personal Income (2)	Per Capita Personal Income (3)	School Enrollment (4)	Unemployment Rate (5) Warren County
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
2023	11,690	330,732,729	28,292	2,528	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

City of Franklin, Ohio  
Principal Employers  
2023 and 2014  
Schedule 14

2023			
Employer	Number of Employees	Rank	Percentage of Total Employment
Walmart Association	582	1	4.81%
Burrow Paper Company	545	2	4.50%
Franklin City School District	480	3	3.97%
Faurecia	435	4	3.60%
Staffmark	303	5	2.50%
Charter	296	6	2.45%
GFR Holdings (McDonald's)	260	7	2.15%
Atlas Roofing	238	8	1.97%
Huntamaki	201	9	1.66%
Greenport	184	10	1.52%
Total	3,524		29.13%
All Other Employers	8,575		70.87%
Total Employment within the City	12,099		100.00%

2014			
Employer	Number of Employees	Rank	Percentage of Total Employment
Franklin City School District	501	1	4.94%
CBS Personnel	408	2	4.02%
Faurecia	406	3	4.00%
Valued Relations	385	4	3.79%
Burrow Paper Company	341	5	3.36%
Cox Media	335	6	3.30%
Walmart Association	260	7	2.56%
Caliper Inc	257	8	2.53%
Patrick Staffing	255	9	2.51%
Ferco Tech	145	10	1.43%
Total	3,293		32.44%
All Other Employers	6,857		67.56%
Total Employment within the City	10,150		100.00%

Source: City of Franklin Tax Department

City of Franklin, Ohio  
City Government Employees by Function/Program  
Last Ten Calendar Years  
Schedule 15

Function/Program	2014		2015		2016		2017	
	Full Time	All	Full Time	All	Full Time	All	Full Time	All
General Government	21	26	22	26	24	29	21	25
Public Safety	38	92	36	88	34	75	37	77
Leisure Time Activities	2	50	2	57	2	54	2	55
Basic Utility Service	17	22	19	28	18	23	19	24
Total	78	190	79	199	78	181	79	181

Source: City Payroll Records



2018		2019		2020		2021		2022		2023	
Full Time	All	Full Time	All	Full Time	All	Full Time	All	Full Time	All	Full Time	All
22	31	22	32	22	32	26	30	24	28	24	30
39	83	42	85	48	88	47	81	43	72	43	67
2	59	2	54	2	3	2	49	2	47	2	17
19	25	22	29	22	26	19	24	21	27	18	24
82	198	88	200	94	149	94	184	90	174	87	138

City of Franklin, Ohio  
 Capital Asset Statistics by Function/Program  
 Last Ten Calendar Years  
 Schedule 16

Function/Program	2014	2015	2016	2017
General Government				
Government Center	1	1	1	1
Public Safety				
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
Utilities				
Water Mains (miles)	65	65	65	65
Sanitary Sewers (miles)	63.50	63.50	63.50	63.50
Water Treatment Facility	1	1	1	1
Transportation				
Streets (miles)	109	109.34	109.34	109.34
Number of Streetlights	937	946	946	946

Source: City Capital Assets Records

2018	2019	2020	2021	2022	2023
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	64
1	1	1	1	1	1
109.34	109.34	109.34	109.34	109.34	109
946	947	947	947	947	947

City of Franklin, Ohio  
 Operating Indicators by Function/Program  
 Last Ten Calendar Years  
 Schedule 17

Function/Program	2014	2015	2016	2017
General Government				
Active Income Tax Accounts	8,133	7,786	8,117	7,294
Individual	6,019	5,943	6,208	5,297
Business	947	940	963	942
Withholding	1,167	903	946	1,055
Clerk of Courts				
Traffic Court Cases	7,506	6,837	7,665	9,533
Civil Court Cases	551	543	592	635
Small Claims Court Cases	33	25	37	25
Police				
Calls for service	23,143	24,091	23,656	24,513
Physical Arrests	1,727	1,491	1,429	1,943
Citations	1,104	998	749	998

Source: Various City Departments

2018	2019	2020	2021	2022	2023
7,665	8,608	8,509	8,431	9,431	10,537
5,595	6,391	6,158	6,155	6,621	6,638
892	1,041	1,083	1,098	1,252	1,946
1,178	1,176	1,268	1,178	1,558	1,950
8,876	8,115	5,599	6,448	5,619	5,874
667	767	575	618	724	637
56	77	71	34	25	32
24,140	24,134	21,195	23,800	25,538	27,548
1,808	1,726	1,620	1,160	1,279	610
891	755	831	976	752	1,475

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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 7/11/2024**

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

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