

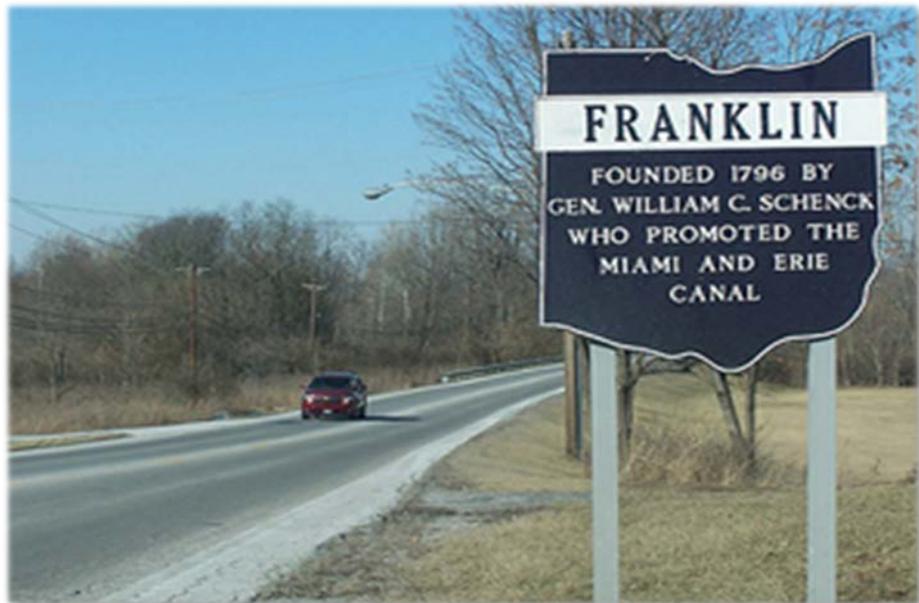
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# City of Franklin Financial Analysis



*A financial snapshot for the fiscal year ended  
12/31/2015*

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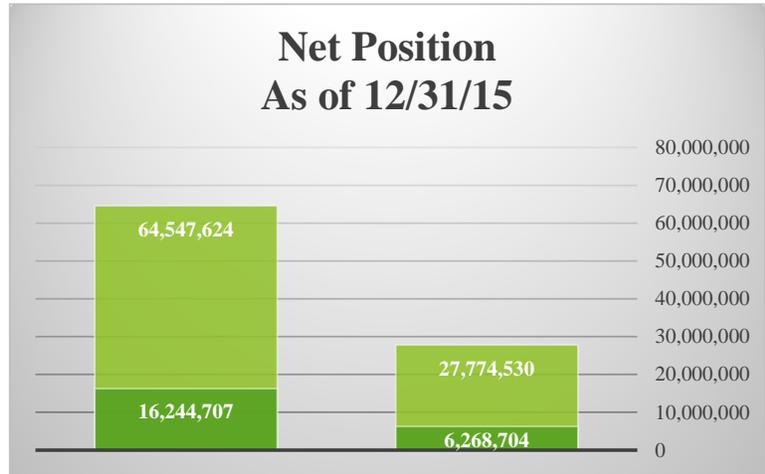
**NET POSITION**

**Statement of Net Position**

The Statement of Net Position presents: what is *owned* by the City (its "assets"), what is *owed* by the City (its "liabilities"), and the difference between those two (its "net position").

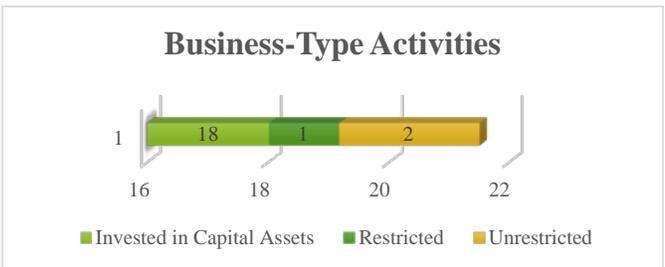
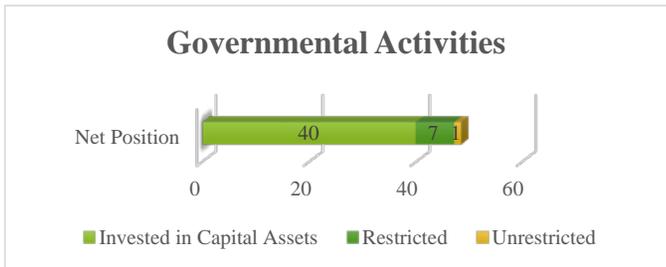
-	<u>Assets</u>	(the resources that the City can use to provide services and pay its cost of operation)
-	<u>Liabilities</u>	(the City's obligations to turn over resources to other organizations or individuals)
=	<u>Net Position</u>	(what the City would have left over after satisfying its liabilities)

	Governmental Activities	Type Activities
Assets	64,547,624	27,774,530
Liability	16,244,707	6,268,704
Net Position	48,302,917	21,505,826
 <i>Total</i>		
<i>Net Position</i>	<u>69,808,743</u>	



The Net Position for the City of Franklin is made up of three components: (1) Investment in Capital Assets, (2) Restricted funds, and (3) Unrestricted funds. Understanding the difference in these components is beneficial in knowing how to budget current and future year expenditures.

Investment in Capital Assets	(the difference between the amount shown for capital assets and the outstanding debt incurred to finance those assets)
Restricted Funds	(the resources of the City that are limited to a particular purpose - i.e., grant monies)
Unrestricted Funds	(the resources that the City can use for any purpose)





**CASH BALANCE**

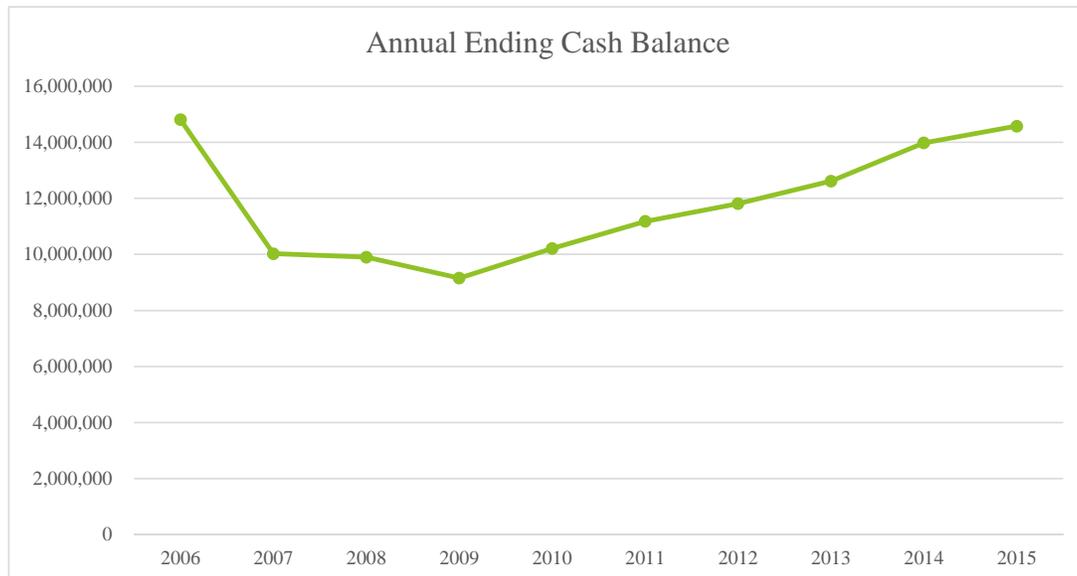
**Cash Balance**

When creating the Comprehensive Annual Financial Report (CAFR), the City of Franklin is required to use specific generally accepted accounting principles (GAAP) as developed by the Governmental Accounting Standards Board. These standards make the City's financial statements comparable to the financial statements of other local communities.

Note: GAAP requires the use of accrual accounting rather than cash-basis accounting. The cash basis of accounting records revenues when cash is received and expenditures when cash is handed out, whereas the accrual basis of accounting records revenues when they are earned and expenditures when they are accrued regardless of when the cash is received or paid.

Most of the analysis in this document will be based on the CAFR, and therefore, will be accrual-based numbers. The following graph demonstrates the actual cash balances of the City as a comparison tool.

2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
14,809,242	10,025,394	9,899,024	9,151,706	10,206,994	11,178,688	11,814,437	12,617,368	13,983,986	14,577,626



# Annual Financial Analysis

As of 12/31/2015

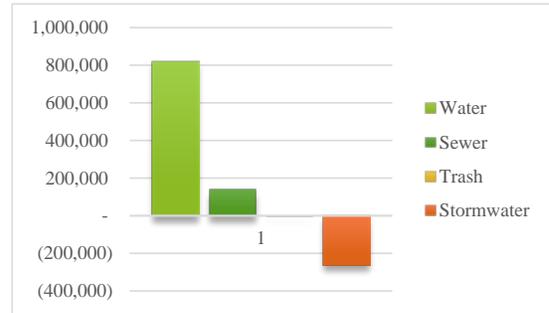
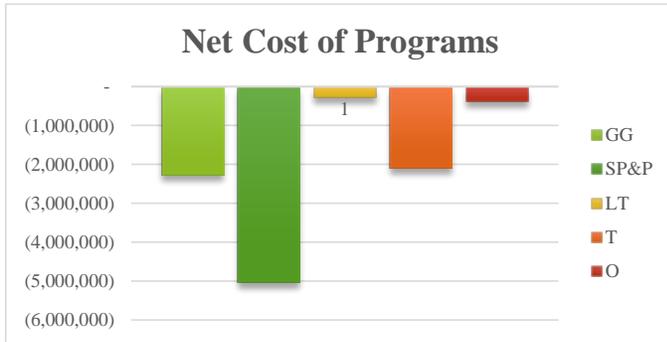


## STATEMENT OF ACTIVITIES

### Statement of Activities

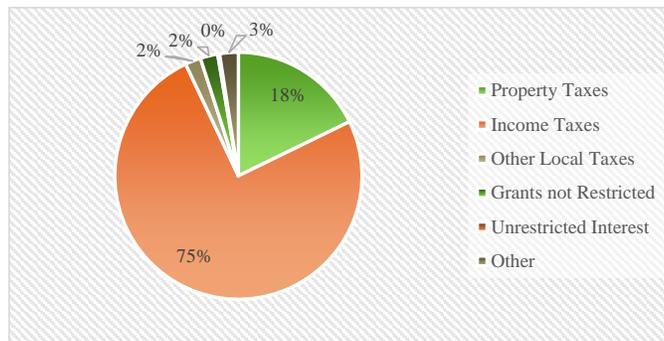
This statement demonstrates how the City of Franklin finances its various programs & services. The statement compares the costs ("expenses") of the programs to the income that the programs generate themselves ("program revenues"). In general, governmental activities will not be able to support themselves, while business-type activities should generate the amount of income necessary to sustain itself.

Governmental Programs	Expenses	Total	Net	Business-Type Programs	Expenses	Total	Net
		Program Revenues	(Expense) Revenue			Program Revenues	(Expense) Revenue
General Government	2,729,627	466,079	(2,263,548)	Water	1,805,446	2,628,095	822,649
Security of Persons/Property	6,407,213	1,392,856	(5,014,357)	Sewer	2,532,207	2,669,288	137,081
Leisure Time Activities	306,096	26,998	(279,098)	Trash	749,283	747,963	(1,320)
Transportation	3,614,786	1,520,240	(2,094,546)	Stormwater	772,918	513,732	(259,186)
Other	404,876	19,793	(385,083)	<b>Total</b>	<b>5,859,854</b>	<b>6,559,078</b>	<b>699,224</b>
<b>Total</b>	<b>13,462,598</b>	<b>3,425,966</b>	<b>(10,036,632)</b>				



If the City's programs cannot sustain themselves (costs exceed income), the Statement of Activities also shows the general revenues that will be used to subsidize the programs.

General Revenues	
Property Taxes	1,812,704
Income Taxes	7,665,010
Other Local Taxes	208,667
Grants not Restricted	232,675
Unrestricted Interest	25,681
Other	248,298
<b>Total</b>	<b>10,193,035</b>



This statement can be useful for budgeting. The City can prioritize the programs and services it wishes to offer knowing the income that each program/service generates and the amount of general revenues available for allocation to the various programs/services.

The Statement of Activities also demonstrates the change in net position (the difference between what the City owns and what the City owes) from the previous year.

Below is an analysis of the change in net position over the last five years.

	<b><u>Net Position</u></b>
2011	70,826,781
2012	73,599,258
2013	74,474,833
2014	75,595,437
2015	69,808,743

*\*\*This dramatic drop is related to a change in pension reporting*



The graph below describes one component of the City's net position: unrestricted net position. This component is used by the City to fund its discretionary projects and services.

	<b><u>Unrestricted Net Position</u></b>
2011	7,507,487
2012	9,453,570
2013	10,470,666
2014	10,423,199
2015	3,567,746

*\*\*This dramatic drop is related to a change in pension reporting*



# Annual Financial Analysis

As of 12/31/2015



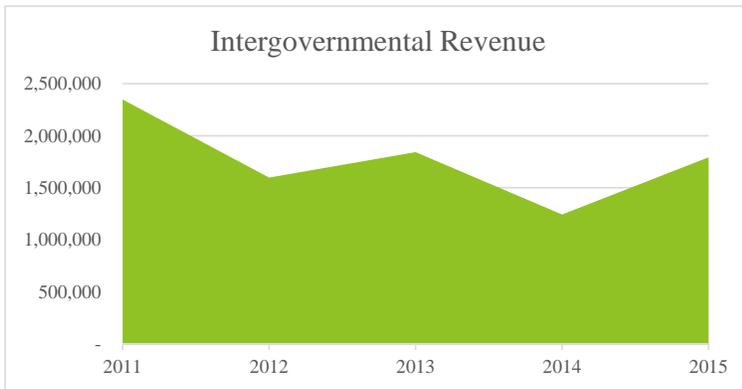
## OPERATING STATEMENT

### Statement of Revenues, Expenditures, and Changes in Fund Balance

The Statement of Revenues, Expenditures, and Changes in Fund Balances is commonly known as the Operating Statement and is similar to a business' Income Statement. As indicated in its title, this statement tracks the revenues and expenses of the City of Franklin, thereby demonstrating the changes in balance for each of the City's funds.

	<b>Governmental Funds</b>	<b>Business-Type Funds</b>
Total Revenues for 2015	16,966,899	7,049,043
Total Expenditures for 2015	16,755,908	5,989,854
<i>Net Change to Fund Balances</i>	↑ 210,991	↑ 1,059,189

Throughout the last few years, intergovernmental revenue has been subject to much discussion within the legislative body (i.e., local government fund). The graph below demonstrates the intergovernmental revenues collected by the City over the last five years.



	<b>Governmental Funds</b>
2011	2,347,841
2012	1,598,314
2013	1,842,515
2014	1,243,956
2015	1,792,798

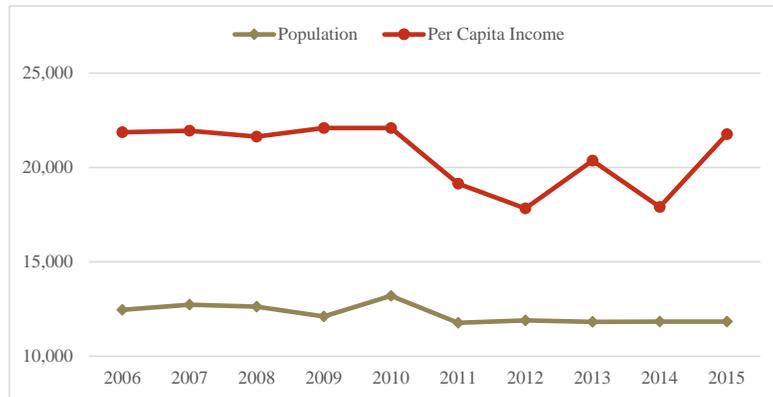


**DEMOGRAPHIC & ECONOMIC STATISTICS**

**Population & Total Personal Income**

As demonstrated in the Statistical Section of the Comprehensive Annual Financial Report (CAFR), the following graphs show the trend in population and per capita income for the City of Franklin over the last ten years. These statistics are best estimates based on information obtained from the U.S. Census Bureau, U.S. Department of Commerce, Bureau of the Census and Computation, and the City of Franklin.

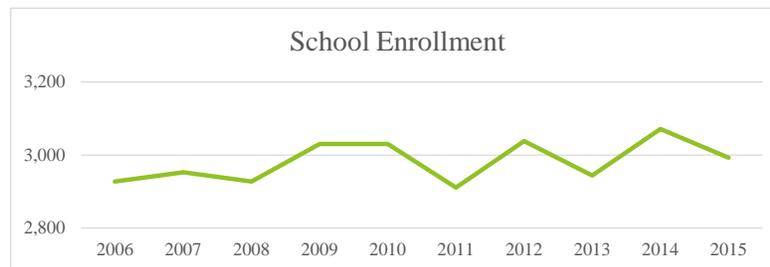
<b>Year</b>	<b>Population</b>	<b>Per Capita Income</b>
2006	12,457	21,861
2007	12,731	21,948
2008	12,622	21,638
2009	12,104	22,092
2010	13,200	22,092
2011	11,771	19,137
2012	11,896	17,831
2013	11,819	20,360
2014	11,829	17,910
2015	11,829	21,766



**School Enrollment**

Per the Ohio Department of Education and the Franklin City School District Treasurer, school enrollment for Franklin City Schools has remained relatively stable throughout the last ten years.

<b>Year</b>	<b>School Enrollment</b>
2006	2,927
2007	2,953
2008	2,927
2009	3,030
2010	3,030
2011	2,911
2012	3,038
2013	2,944
2014	3,071
2015	2,993



**Principal Employers**

For the fiscal year 2015, the top five principal employers were as follows:

	<b><u># of Employees</u></b>
Caliper Inc	628
CBS Personnel	545
Faurecia Exhaust	514
Franklin City School District	448
Walmart	403



**EMPLOYMENT**

**Years of Service**

During fiscal year 2015, the City of Franklin employed 199 employees, 79 of which were classified as full-time. 39 percent of the full-time employees have been employed with the City of Franklin for less than 10 years, while 61 percent have been employed with the City for 10 years or more.

	Less Than 5 Yrs	5-10 Yrs	10-15 Yrs	15-20 Yrs	More Than 20 Yrs
General	13	7	7	8	9
Public Safety	4	7	4	13	7

