

APPROVAL <i>Slw</i> <i>PD</i>	REQUEST FOR COMMON COUNCIL ACTION	MEETING DATE NOV 3, 2014
REPORTS & RECOMMENDATIONS	Recommendation for Adoption of Post Debt Issuance Compliance Policy	ITEM NUMBER <i>G.9.</i>

Background

Recent changes have been made to IRS Form 8038-G which is the information return that must be filed upon each issuance of tax-exempt obligations. The form asks issuers if they have written procedures to monitor compliance with the arbitrage and private activity rules. Although there is no statutory requirement that the City have written procedures, disclosing the absence of such procedures may prompt further IRS scrutiny.

Quarles & Brady, Bond Council for City of Franklin Debt issues has provided the attached draft policy for consideration.

The record keeping for debt issuance can last up to twenty years for Bond issues. Each debt issue has separate financial recordkeeping so as to track receipts, disbursements and earnings.

Analysis

While the use of debt proceeds is one issue that must be dealt with, the Continuing Disclosure agreement requires ongoing disclosure of information. The required base information is the CAFR document. Franklin has also been disclosing the budget document.

A challenge has become reporting ratings agency changes, not only on the City but also on insurers of the City debt (i.e. MBIA for the 2008 issue). Reporting must take place within ten days of the ratings change. However, the City does not receive notice of ratings changes on insurers. This creates a challenge and potential Continuing Disclosure violation for ratings changes on insurers of City debt.

The solution to this problem will likely be a revised ratings disclosure requirement in the Continuing Disclosure Agreement for insurers.

The Finance Committee reviewed this policy at it October 28, 2014 meeting and recommends approval.

Recommendation

COUNCIL ACTION REQUESTED

Motion to adopt Resolution 2014-____ adopting Post Debt Issuance Compliance Policy dated November 3, 2014

STATE OF WISCONSIN: CITY OF FRANKLIN: MILWAUKEE COUNTY

RESOLUTION NO. 2014-_____

A RESOLUTION ADOPTING POST DEBT ISSUANCE COMPLIANCE POLICY

WHEREAS, the Internal Revenue Service requires information reports (form 8038G) upon the issuance of each tax-exempt obligation; and

WHEREAS, the City of Franklin contemplates a tax exempt obligation offering later this year; and

WHEREAS, it is desirable for the City of Franklin, Wisconsin (the "City"), to have a formal policy on compliance with debt issuance requirements immediately following, ongoing and upon ultimate final payment of obligations; and

WHEREAS, disclosing the presence of such a policy on the Internal Revenue Service information return insulates against unwanted scrutiny to the City of Franklin.

NOW, THEREFORE, BE IT RESOLVED, by the Mayor and Common Council of the City of Franklin that the Post Debt Issuance Compliance Policy dated November 3, 2014 is approved

Introduced at a regular meeting of the Common Council of the City of Franklin this 3rd^h day of November, 2014 by Alderman _____.

Passed and adopted at a regular meeting of the common Council of the City of Franklin this 3rd day of November, 2014.

APPROVED:

Stephen R Olson, Mayor

ATTEST:

Sandra L Wesolowski, City Clerk

AYES ____ NOES ____ ABSENT ____

PAR/

\\finance\council\resolutions\post debt issuance compliance policy

**City of Franklin
Finance Department Policy/Procedure**

**Post-Issuance Compliance Policy for Tax-Exempt and Tax-Advantaged
Obligations
and Continuing Disclosure**

Adopted: November 3, 2014

Statement of Purpose

This Post-Issuance Compliance Policy (the "Policy") sets forth specific policies of the City of Franklin, Wisconsin (the "Issuer") designed to monitor post-issuance compliance:

- (i) with applicable provisions of the Internal Revenue Code of 1986, as amended (the "Code"), and regulations promulgated there under ("Treasury Regulations") for obligations issued by the Issuer on tax-exempt or tax-advantaged basis ("Obligations"); and
- (ii) with applicable requirements set forth in certificates and agreement(s) ("Continuing Disclosure Agreements") providing for ongoing disclosure in connection with the offering of obligations to investors ("Offerings"), for obligations (whether or not tax-exempt / tax-advantaged) subject to the continuing disclosure requirements of Rule 15c2-12(b)(5) (the "Rule") promulgated by the Securities and Exchange Commission ("SEC") under the Securities Exchange Act of 1934.

This Policy documents practices and describes various procedures and systems designed to identify on a timely basis facts relevant to demonstrating compliance with the requirements that must be satisfied subsequent to the issuance of Obligations in order that the interest on such Obligations continue to be eligible to be excluded from gross income for federal income tax purposes or that the Obligations continue to receive tax-advantaged treatment. The federal tax law requirements applicable to each particular issue of Obligations will be detailed in the arbitrage or tax certificate prepared by bond counsel and signed by officials of the Issuer and the post-closing compliance checklist provided by bond counsel with respect to that issue. This Policy establishes a permanent, ongoing structure of practices and procedures that will facilitate compliance with the requirements for individual borrowings.

This Policy similarly documents practices and describes various procedures and systems designed to ensure compliance with Continuing Disclosure Agreements, by preparing and disseminated related reports and information and reporting "material events" for the benefit of the holders of the Issuer's obligations and to assist the Participating Underwriters (within the meaning of the Rule) in complying with the Rule.

The Issuer recognizes that compliance with pertinent law is an on-going process, necessary during the entire term of the obligations, and is an integral component of the Issuer's debt management. Accordingly, the analysis of those facts and implementation of the Policy will require on-going monitoring and consultation with bond counsel and the Issuer's accountants and advisors.

General Policies and Procedures

The following policies relate to procedures and systems for monitoring post-issuance compliance generally.

- A. The Director of Finance & Treasurer (or successor Officer) (the "Compliance Officer") shall be responsible for monitoring post-issuance compliance issues. For any Franklin Water Utility issues, the Compliance Officer will coordinate with the Utility's Manager with respect to monitoring post-issuance compliance.]
- B. The Compliance Officer will coordinate procedures for record retention and review of such records.
- C. All documents and other records relating to Obligations issued by the Issuer shall be maintained by or at the direction of the Compliance Officer. In maintaining such documents and records, the Compliance Officer will comply with applicable Internal Revenue Service ("IRS") requirements, such as those contained in Revenue Procedure 97-22. [Rules about using electronic system to record and retain financial records]
- D. The Compliance Officer shall be aware of options for voluntary corrections for failure to comply with post-issuance compliance requirements (such as remedial actions under Section 1.141-12 of the Regulations and the Treasury's Tax-Exempt Bonds Voluntary Closing Agreement Program) and take such corrective action when necessary and appropriate.
- E. The Compliance Officer will review post-issuance compliance procedures and systems on a periodic basis, but not less than annually.

Issuance of Obligations - Documents and Records

With respect to each issue of Obligations, the Compliance Officer will:

- A. Obtain and store a closing binder and/or CD or other electronic copy of the relevant and customary transaction documents (the "Transcript").
- B. Confirm that bond counsel has filed the applicable information report (e.g., Form 8038, Form 8038-G, Form 8038-CP) for such issue with the IRS on a timely basis.

- C. Coordinate receipt and retention of relevant books and records with respect to the investment and expenditure of the proceeds of such Obligations with other applicable staff members of the Issuer.

Arbitrage

The following policies relate to the monitoring and calculating of arbitrage and compliance with specific arbitrage rules and regulations.

The Compliance Officer will:

- A. Confirm that a certification of the initial offering prices of the Obligations with such supporting data, if any, required by bond counsel, is included in the Transcript.
- B. Confirm that a computation of the yield on such issue from the Issuer's financial advisor or bond counsel (or an outside arbitrage rebate specialist) is contained in the Transcript.
- C. Maintain a system for tracking investment earnings on the proceeds of the Obligations.
- D. Coordinate the tracking of expenditures, including the expenditure of any investment earnings. If the project(s) to be financed with the proceeds of the Obligations will be funded with multiple sources of funds, confirm that the Issuer has adopted an accounting methodology that maintains each source of financing separately and monitors the actual expenditure of proceeds of the Obligations.
- E. Maintain a procedure for the allocation of proceeds of the issue and investment earnings to expenditures, including the reimbursement of pre-issuance expenditures. This procedure shall include an examination of the expenditures made with proceeds of the Obligations within 18 months after each project financed by the Obligations is placed in service and, if necessary, a reallocation of expenditures in accordance with Section 1.148-6(d) of the Treasury Regulations.
- F. Monitor compliance with the applicable "temporary period" (as defined in the Code and Treasury Regulations) exceptions for the expenditure of proceeds of the issue, and provide for yield restriction on the investment of such proceeds if such exceptions are not satisfied.
- G. Ensure that investments acquired with proceeds of such issue are purchased at fair market value. In determining whether an investment is purchased at fair market value, any applicable Treasury Regulation safe harbor may be used.

- H. Avoid formal or informal creation of funds reasonably expected to be used to pay debt service on such issue without determining in advance whether such funds must be invested at a restricted yield.
- I. Consult with bond counsel prior to engaging in any post-issuance credit enhancement transactions or investments in guaranteed investment contracts.
- J. Identify situations in which compliance with applicable yield restrictions depends upon later investments and monitor implementation of any such restrictions.
- K. Monitor compliance with six-month, 18-month or 2-year spending exceptions to the rebate requirement, as applicable.
- L. Procure a timely computation of any rebate liability and, if rebate is due, to file a Form 8038-T and to arrange for payment of such rebate liability.
- M. Arrange for timely computation and payment of "yield reduction payments" (as such term is defined in the Code and Treasury Regulations), if applicable.

Private Activity Concerns

The following polices relate to the monitoring and tracking of private uses and private payments with respect to facilities financed with the Obligations.

The Compliance Officer will:

- A. Maintain records determining and tracking facilities financed with specific Obligations and the amount of proceeds spent on each facility.
- B. Maintain records, which should be consistent with those used for arbitrage purposes, to allocate the proceeds of an issue and investment earnings to expenditures, including the reimbursement of pre-issuance expenditures.
- C. Maintain records allocating to a project financed with Obligations any funds from other sources that will be used for otherwise non-qualifying costs.
- D. Monitor the expenditure of proceeds of an issue and investment earnings for qualifying costs.
- E. Monitor private use of financed facilities to ensure compliance with applicable limitations on such use. Examples of potential private use include:
 - 1. Sale of the facilities, including sale of capacity rights;

2. Lease or sub-lease of the facilities (including leases, easements or use arrangements for areas outside the four walls, e.g., hosting of cell phone towers) or leasehold improvement contracts;
3. Management contracts (in which the Issuer authorizes a third party to operate a facility, e.g., cafeteria) and research contracts;
4. Preference arrangements (in which the Issuer permits a third party preference, such as parking in a public parking lot);
5. Joint-ventures, limited liability companies or partnership arrangements;
6. Output contracts or other contracts for use of utility facilities (including contracts with large utility users);
7. Development agreements which provide for guaranteed payments or property values from a developer;
8. Grants or loans made to private entities, including special assessment agreements; and
9. Naming rights arrangements.

Monitoring of private use should include the following:

1. Procedures to review the amount of existing private use on a periodic basis; and
2. Procedures for identifying in advance any new sale, lease or license, management contract, sponsored research arrangement, output or utility contract, development agreement or other arrangement involving private use of financed facilities and for obtaining copies of any sale agreement, lease, license, management contract, research arrangement or other arrangement for review by bond counsel.

If the Compliance Officer identifies private use facilities financed with tax-exempt or tax-advantaged debt, the Compliance Officer will consult with the Issuer's bond counsel to determine whether private use will adversely affect the tax status of the issue and if so, what remedial action is appropriate. The Compliance Officer should retain all documents related to any of the above potential private uses.

Qualified Tax-Exempt Obligations

If the Issuer issues "qualified tax-exempt obligations" in any year, the Compliance Officer shall monitor all tax-exempt financings (including lease purchase arrangements

and other similar financing arrangements and conduit financings on behalf of 501(c)(3) organizations) to assure that the \$10,000,000 "small issuer" limit is not exceeded.

Federal Subsidy Payments

The Compliance Officer shall be responsible for the calculation of the amount of any federal subsidy payments and the timely preparation and submission of the applicable tax form and application for federal subsidy payments for tax-advantaged obligations such as Build America Bonds, New Clean Renewable Energy Bonds and Qualified School Construction Bonds.

Reissuance

The following policies relate to compliance with rules and regulations regarding the reissuance of Obligations for federal law purposes.

The Compliance Officer will identify and consult with bond counsel regarding any post-issuance change to any terms of an issue of Obligations which could potentially be treated as a reissuance for federal tax purposes.

Record Retention

The following policies relate to retention of records relating to the Obligations issued.

The Compliance Officer will:

- A. Coordinate with staff regarding the records to be maintained by the Issuer to establish and ensure that an issue remains in compliance with applicable federal tax requirements for the life of such issue.
- B. Coordinate with staff to comply with provisions imposing specific recordkeeping requirements and cause compliance with such provisions, where applicable.
- C. Coordinate with staff to generally maintain the following:
 1. The Transcript relating to the transaction (including any arbitrage or other tax certificate and the bond counsel opinion);
 2. Documentation evidencing expenditure of proceeds of the issue;
 3. Documentation regarding the types of facilities financed with the proceeds of an issue, including, but not limited to, whether such facilities are land, buildings or equipment, economic life calculations and information regarding depreciation.
 4. Documentation evidencing use of financed property by public and private entities (e.g., copies of leases, management contracts,

utility user agreements, developer agreements and research agreements);

5. Documentation evidencing all sources of payment or security for the issue; and
 6. Documentation pertaining to any investment of proceeds of the issue (including the purchase and sale of securities, SLGs subscriptions, yield calculations for each class of investments, actual investment income received by the investment of proceeds, guaranteed investment contracts, and rebate calculations).
- D. Coordinate the retention of all records in a manner that ensures their complete access to the IRS.
- E. Keep all material records for so long as the issue is outstanding (including any refunding), plus seven years.

Conduit Bond Financings

In conduit bond financings, such as industrial revenue bonds or Midwestern Disaster Area Bonds, the Issuer is not in a position to directly monitor compliance with arbitrage requirements and qualified use requirements because information concerning and control of those activities lies with the private borrower. The Issuer's policy in connection with conduit financings is to require that the bond documents in such financings impose on the borrower (and trustee or other applicable party) responsibility to monitor compliance with qualified use rules and arbitrage and other federal tax requirements and to take necessary action if remediation of nonqualified bonds is required.

Continuing Disclosure

Under the provisions of SEC Rule 15c2-12 (the "Rule"), Participating Underwriters (as defined in the Rule) are required to determine that issuers (such as the Issuer) have entered into written Continuing Disclosure Agreements to make ongoing disclosure in connection with Offerings subject to the Rule. Unless the Issuer is exempt from compliance with the Rule or the continuing disclosure provisions of the Rule as a result of certain permitted exemptions, the Transcript for each issue of related obligations will include a Continuing Disclosure Agreement executed by the Issuer.

In order to monitor compliance by the Issuer with its Continuing Disclosure Agreements, the Compliance Officer will take the actions listed below, if and as required by such Continuing Disclosure Agreements. The Compliance Officer may coordinate with staff, and may engage a dissemination agent, counsel, and/or other professionals to assist in discharging the Compliance Officer's duties under these Procedures as the Compliance Officer deems necessary.

A. Compilation of Currently Effective Continuing Disclosure Agreements

The Compliance Officer shall compile and maintain a set of all currently effective Continuing Disclosure Agreements of the Issuer. Such agreements are included in the transcript of proceedings for the Issuer's respective bond or note issue. Continuing Disclosure Agreements are "Currently Effective" for purposes of these Procedures (and hence shall be included in the set of Currently Effective Continuing Disclosure Agreements) for so long as the bonds or notes to which they relate are outstanding. As bonds or notes are completely repaid or redeemed, the Compliance Officer shall remove the related continuing disclosure agreements from the set of Currently Effective Continuing Disclosure Agreements.

B. Annual Review and Annual Reporting Requirements

The Compliance Officer shall ensure that all necessary financial statements, financial information and operating data is filed in the manner and by the filing dates set forth in the Currently Effective Continuing Disclosure Agreements. The Compliance Officer shall review the set of Currently Effective Continuing Disclosure Agreements annually, prior to each annual filing, keeping in mind:

- The financial information and operating data required to be reported under a particular Continuing Disclosure Agreement may differ from the financial information and operating data required to be reported under another Continuing Disclosure Agreement; and
- The timing requirements for reporting under a particular Continuing Disclosure Agreement may differ from the timing requirements for filing under another Continuing Disclosure Agreement.

C. Calendar; EMMA Notification System

The Compliance Officer shall keep a calendar of all pertinent filing dates required under the Issuer's Currently Effective Continuing Disclosure Agreements. The Compliance Officer shall also subscribe to notification services made available through the EMMA system.

D. Annual Review of Prior Filings

As part of the annual review process, the Compliance Officer shall also review prior filings made within the past five years subsequent to the last such review of prior filings. If the Compliance Officer discovers any late or missing filings, the Compliance Officer (after discussing the circumstances with the Issuer's dissemination agent, counsel or other agents as necessary) shall "remedy" such prior failures by ensuring that the missing information is filed.

E. Monitoring of Material Events

The Compliance Officer shall monitor the occurrence of any of the following events and/or other events set forth in the Currently Effective Continuing Disclosure Agreements and shall provide notice of the same in the required manner and by the relevant reporting deadline (likely within 10 days of the occurrence):

- Principal and interest payment delinquencies;
- Non-payment related defaults, if material;
- Unscheduled draws on debt service reserves reflecting financial difficulties;
- Unscheduled draws on credit enhancements reflecting financial difficulties;
- Substitution of credit or liquidity providers, or their failure to perform;
- Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Issuer's bonds or notes, or other material events affecting the tax status of the Issuer's bonds or notes;
- Modification to rights of holders of the Issuer's bonds or notes, if material;
- Calls of the Issuer's bonds or notes, if material, and tender offers;
- Defeasances of the Issuer's bonds or notes;
- Release, substitution or sale of property securing repayment of the Issuer's bonds or notes, if material;
- Rating changes;
- Bankruptcy, insolvency, receivership or similar event of the Issuer;
- The consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and

- Appointment of a successor or additional trustee or the change of name of a trustee, if material.

F. Review of Official Statements

The Compliance Officer shall review drafts of any Official Statement for a new offering or bonds or notes, with assistance from its dissemination agent, counsel or other agents of the Issuer as necessary, and shall determine that the Official Statement accurately and completely describes the Issuer's continuing disclosure compliance history within the five years prior to the date of the respective Official Statement. This compliance review is not meant to limit the Issuer's other reviews of or diligence procedures relating to its Official Statements.

G. Municipalities Continuing Disclosure Cooperative Initiative

If the Issuer has previously reported to the Division of Enforcement (the "Division") of the U.S. Securities and Exchange Commission (the "Commission") under the *Municipalities Continuing Disclosure Cooperative Initiative* (the "MCDC Initiative") and if the Division recommended enforcement proceedings and settlement terms in that connection, then the Compliance Officer shall also be responsible, with assistance from its dissemination agent, counsel, and/or other agents of the Issuer, for implementing the undertakings required by such settlement. A list of these "undertakings" is set forth in the Division's announcement describing the MCDC Initiative: <http://www.sec.gov/divisions/enforce/municipalities-continuing-disclosure-cooperation-initiative.shtml>.

H. Record Retention

The Compliance Officer shall retain documentation evidencing the Issuer's annual reviews and its reviews of Official Statements in connection with new offerings as set forth above. This Issuer shall retain this documentation, for each Continuing Disclosure Agreement, for the period that the related bonds or notes are outstanding.

I. Annual Review Checklist

The Compliance Officer may (or may not) choose to use and retain the attached Annual Review Checklist to assist in implementing these Procedures.

CONTINUING DISCLOSURE ANNUAL REVIEW CHECKLIST

1. Fiscal Year Ending: _____

2. Compliance Officer: _____

3. Checklist Completion Date: _____

4. Bonds/Notes for which there are Currently Effective Continuing Disclosure Agreements - Attach Agreements:

\$ _____, _____, dated
_____, 20__

5. Have any new Bonds or Notes subject to Continuing Disclosure Been Issued this Year?

_____ No

_____ Yes (Add Agreement to Set of Currently Effective Continuing Disclosure Agreements)

If Yes, did the Compliance Officer review the Official Statement's Description of the Issuer's Continuing Disclosure Compliance History within the Prior 5 Years?
Circle: Y / N (If N, review and discuss any issues with counsel.)

6. Have any Bonds or Notes subject to Continuing Disclosure Been Completely Paid or Redeemed this Year?

_____ No

_____ Yes (Remove Agreement from Set of Currently Effective Continuing Disclosure Agreements)

7. (a) Has the Compliance Officer Review the Annual Continuing Disclosure Filing to Ensure that all Necessary Financial Statements, Financial Information and Operating Data is Included?

_____ Yes

_____ No (Compliance Officer must review the Annual Continuing Disclosure Filing)

(b) For purposes of this review, please keep in mind:

	Checked?
Different Continuing Disclosure Agreements may require different information to be file (so check each one)	Y / N
Different Continuing Disclosure Agreements may have different filing timing requirements (so check each one).	Y / N

Have any of the Following Events Occurred this Year?

Event	Circle
1. Principal and interest payment delinquencies	Y / N
2. Non-payment related defaults, if material	Y / N
3. Unscheduled draws on debt service reserves reflecting financial difficulties	Y / N
4. Unscheduled draws on credit enhancements reflecting financial difficulties	Y / N
5. Substitution of credit or liquidity providers, or their failure to perform	Y / N
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed	Y / N

Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Issuer's bonds or notes, or other material events affecting the tax status of the Issuer's bonds or notes

- | | | |
|-----|---|-------|
| 7. | Modification to rights of holders of the Issuer's bonds or notes, if material | Y / N |
| 8. | Calls of the Issuer's bonds or notes, if material, and tender offers | Y / N |
| 9. | Defeasances of the Issuer's bonds or notes | Y / N |
| 10. | Release, substitution or sale of property securing repayment of the Issuer's bonds or notes, if material | Y / N |
| 11. | Rating changes | Y / N |
| 12. | Bankruptcy, insolvency, receivership or similar event of the Issuer | Y / N |
| 13. | The consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material | Y / N |
| 14. | Appointment of a successor or additional trustee or the change of name of a trustee, if material | Y / N |

If any such Event Occurred, was Proper Notice Provided?

_____ Yes

_____ No (Call your dissemination agent or counsel immediately to discuss)

_____ N/A

Has the Issuer Retained a Dissemination Agent? (i.e., a Paid Third Party that Assists with Filings)

_____ Yes: Name/Contact: _____

_____ No

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APPROVAL <i>Slw Paul</i>	REQUEST FOR COUNCIL ACTION	MEETING DATE NOV 3, 2014
REPORTS & RECOMMENDATIONS	September 2014 Monthly Financial Report	ITEM NUMBER <i>G.10.</i>

Background

The September, 2014 Quarterly Financial Report is attached. Items of note are included in the cover memo from the Director of Finance & Treasurer.

The Finance Committee has reviewed this report and recommends their acceptance.

COUNCIL ACTION REQUESTED

Action: Motion to Receive and place on File

VII

Date: October 17, 2014

To: Mayor Stephen Olson, Common Council Members
and Finance Committee Members

From: Paul Rotzenberg, Director of Finance & Treasurer

Subject: Nine month 2014 Financial Report

Attached is the 2014 financial report for the nine months for the City of Franklin.

The following items are included in this report:

- | | |
|--|--|
| General Fund Summary of Revenues and Expenditures | |
| General Fund Schedules of Revenue by Category and Expenditures by Department/Program | |
| Library Fund Financial Report | Solid Waste Collection Fund Report |
| Capital Outlay Fund Report | Equipment Replacement Fund Report |
| Street Improvement Financial Report | Capital Improvement Fund Report |
| Development Fund Report | |
| Debt Service Fund Financial Report | TIF Districts Financial Reports |
| Sewer Fund Financial Report | Water Utility Financial Report |
| Self Insurance Fund Report | Post Employment Benefits Trust Report |
| NonMajor Governmental Funds | Park Commission Revenue and Expenditures |

The presentation in each fund is meant to provide a picture of where the City is in relation to the budget as the year progresses. The budget is broken down by month based upon the average of the prior five years actual expenditures. Comments below highlight some General Fund and other funds significant accounts and fluctuations.

General Fund Revenue

The 2014 YTD revenue of \$21,545,959 exceeds the YTD budget of \$21,413,680 by \$132,279. Permit revenue is \$46,202 unfavorable to budget, but \$111,560 unfavorable to last year. 2013 had several large projects pulled later in the year. Ambulance revenues are the main reason Public Charges for Services are unfavorable to budget. Investment income represents unrealized gains on the investment portfolio, reversing the unrealized losses in 2013.

General Fund Expenditures

The 2014 YTD expenditures of \$16,653,987 are \$1,309,250 less than the YTD budget. Public Safety is \$1,139,423 favorable to YTD budget (primarily on reduced charges for Retiree Health costs), while Public Works had a very busy snow removal task in Q1, which unfavorably impacted performance. The \$192,760 unfavorable performance in Highway Non-Personnel costs relates to the replenishment of salt. It is expected to be on budget by year end. The unfavorable performance in Culture & Recreation will be within budget by year end as no additional expenditures are expected.

Change in Fund Balance of General Fund

The Fund Balance reflects the revenue and expense activity for the first nine months. Tax revenue is received early in the fiscal year and accounts for the increase in the Fund Balance and will be used during the later portion of the year to support operational expenses. The current year results are comparable to prior years.

Development Fund

Impact fee collections are 7% better than budget, while approximately \$269,415 less than last year at this time. The reduced development activity (as compared to 2013) is generating less impact fees than needed to service the debt for the Library, Law Enforcement, and Transportation issues.

Park Impact fees which total \$4,121,833 (including the Community Center fees) will reach the ten year maximum holding period early in 2015. At that time, if not spent, unspent Park Impact fees will need to be refunded to current property owners. The 2014 Pleasant View Park project will move the refund period back a few months.

\$873,727 of Water Impact fees were transferred to the Water Utility in support of the Puetz Water Tower project completed in 2002, but were uncollected until now.

Self Insurance Fund

Q3 2014 produced a surplus of \$199,672 (8.5% of expenditures) – reversing the first quarter results. Revenues totaled \$2,533,451. Claims cost of \$2,333,779 was \$300,596 favorable to forecast and \$396,627 favorable to Q3 2013. The prior year produced a deficit of \$97,545. Care must be taken as health costs can be rather unpredictable and sporadic.

Post Employment Benefits Trust

Q3 2014 had operating deficit in insurance results of \$34,956. Q3 2013, by comparison, experienced a \$349,345 deficit. These represent Implicit rate subsidies, which are much smaller in 2014.

The Actuarial Required Contribution (ARC) of \$229,405 is slightly greater than forecast because of the reduced Implicit rate subsidy. The forecasted ARC would have been higher had no implicit rate subsidy been forecasted. A change in Actuarial assumptions for a future Cadillac tax, reduced the expected 2014 ARC by \$219,884 to \$550,916.

The \$165,177 of investment results are below forecast. The lower investment results are caused by an overweight to equities and the equity market declines in the recent quarter. The \$116,451 overdraft at September 30, 2014, is expected to either be eliminated by operating results or be funded from the Trust before December 31, 2014.

Non-Major Funds

A report of the Non-major fund activities not reported elsewhere has been included for your review. Thru the first nine months, those funds collectively had had a \$177,832 surplus. The Utility Development fund accounted for most of that surplus. The St. Martin's Fair fund had reduced permit revenues compared to prior years (\$6,493) and as a result generated a deficit this year. The Civic Celebrations fund had increased contractor costs (\$11,198) which then resulted in a \$5,194 deficit.



Paul Rotzenberg
Director of Finance & Treasurer

Pc: Department Heads

City of Franklin
General Fund

Comparative Statement of Revenue, Expenses and Fund Balance
For the 9 months ended September 30, 2014 and 2013

Revenue	2014		2014		2014		2013		2013		Variance Favorable (Unfavorable)
	Amended Budget	Year-to-Date Budget	Year-to-Date Actual	Year-to-Date Actual	Year-to-Date Budget	Year-to-Date Actual	Amended Budget	Year-to-Date Budget	Year-to-Date Actual		
Property Taxes	\$ 16,220,400	\$ 16,190,289	\$ 16,201,001	\$ 10,712	\$ 16,330,000	\$ 16,302,041	\$ 16,202,435	\$ (89,606)			
Other Taxes	1,770,500	1,165,601	1,157,384	(8,217)	1,802,000	1,351,500	1,170,176	(181,324)			
Intergovernmental Revenue	2,549,550	1,796,266	1,794,401	(1,865)	2,542,600	1,906,950	1,826,352	(80,598)			
Regulation and Compliance	864,300	686,170	650,620	(35,550)	753,000	568,250	760,190	191,940			
Law and Ordinance Violations	444,000	344,071	339,259	(4,812)	450,000	337,500	323,657	(13,843)			
Public Charges for Services	1,416,400	995,162	957,485	(37,677)	1,323,500	992,625	1,007,759	15,134			
Intergovernmental Charges	125,000	68,522	54,965	(13,557)	125,000	93,750	43,784	(49,966)			
Investment Income	138,500	103,875	266,959	163,084	142,000	106,500	29,034	(77,466)			
Miscellaneous Revenue	74,700	63,724	123,885	60,161	91,000	68,250	147,507	79,257			
Transfers from Other Funds	400,000	-	-	-	-	-	-	-			
Total Revenue	\$ 24,003,350	\$ 21,413,680	\$ 21,545,959	\$ 132,279	\$ 23,559,100	\$ 21,727,366	\$ 21,510,894	\$ 413,362			
			100.62%				99.00%				
Expenditures	2014		2014		2014		2013		2013		Variance Favorable (Unfavorable)
	Amended Budget	Year-to-Date Budget	Year-to-Date Actual	Year-to-Date Actual	Year-to-Date Budget	Year-to-Date Actual	Amended Budget	Year-to-Date Budget	Year-to-Date Actual		
General Government	\$ 2,934,266	\$ 2,230,929	\$ 2,045,050	E \$ 185,879	\$ 2,865,763	\$ 2,158,501	\$ 1,995,564	\$ 162,937			
Public Safety	16,121,722	12,298,032	11,158,609	E 1,139,423	16,176,990	12,135,196	11,547,928	587,268			
Public Works	3,080,900	2,533,038	2,592,308	E (59,270)	3,522,359	2,659,442	2,308,774	350,568			
Health and Human Services	657,804	510,878	451,604	E 59,274	659,002	494,251	459,443	34,808			
Other Culture and Recreation	173,662	122,740	141,857	(19,117)	171,901	128,925	119,547	9,378			
Conservation and Development	471,758	343,026	264,559	78,467	408,010	306,008	254,942	51,066			
Contingency and Unclassified	928,800	94,818	-	94,818	1,074,575	92,518	-	92,518			
Anticipated underexpenditures	(360,300)	(270,225)	-	(270,225)	(350,000)	(262,500)	-	(262,500)			
Transfers to Other Funds	400,000	100,000	-	100,000	85,982	85,982	-	85,982			
Encumbrances	-	-	-	-	-	-	-	-			
Total Expenditures	\$ 25,008,432	\$ 17,963,236	\$ 16,653,987	\$ 1,309,250	\$ 24,616,562	\$ 17,798,323	\$ 16,686,198	\$ 1,112,125			
			92.71%				93.75%				
Excess of revenue over (under) expenditures	(1,005,082)	3,450,444	4,891,972	\$ 1,441,529	(1,057,482)	3,929,043	4,824,696	\$ 1,525,487			
Add back Encumbrances	-	-	190,932	-	-	-	-	-			
Fund balance, beginning of year	7,781,566	7,781,566	7,781,566	7,781,566	6,502,134	6,502,134	6,502,134	6,502,134			
Fund balance, end of period	\$ 6,776,484	\$ 12,964,470	\$ 12,964,470	\$ 12,964,470	\$ 5,444,652	\$ 11,326,830	\$ 11,326,830	\$ 11,326,830			

City of Franklin
General Fund
Comparative Statement of Revenue
For the 9 months ended September 30, 2014 and 2013

Revenue	2014 Amended Budget	2014 Year-to-Date Budget	2014 Year-to-Date Actual	Variance Favorable (Unfavorable)	2013 Amended Budget	2013 Year-to-Date Budget	2013 Year-to-Date Actual	Variance Favorable (Unfavorable)
Taxes:								
General property	\$ 16,220,400	\$ 16,190,289	\$ 16,201,001	\$ 10,712	\$ 16,330,000	\$ 16,302,041	\$ 16,202,435	\$ (99,606)
Water utility - tax equivalent	1,059,000	778,670	802,800	24,130	1,070,000	802,500	802,500	-
Cable television franchise fees	500,000	282,209	250,534	(31,675)	515,000	385,250	257,180	(129,070)
Mobile Home	26,500	13,250	18,316	5,066	27,000	20,250	18,649	(1,601)
Room tax	185,000	91,472	85,734	(5,738)	190,000	142,900	91,847	(50,653)
Total taxes	17,990,900	17,355,890	17,358,385	2,495	18,132,000	17,653,541	17,372,611	(280,930)
Intergovernmental Revenue:								
State shared revenue	475,000	68,170	71,745	3,575	475,000	356,250	71,598	(284,652)
Expenditure restraint revenue	255,525	254,812	252,238	(2,574)	217,100	162,825	217,114	54,289
State computer aid	350,925	350,949	350,949	24	307,000	230,250	348,818	118,568
State transportation aids	1,295,600	971,614	971,503	(111)	1,363,000	1,022,250	1,021,975	(275)
Fire insurance dues	112,500	112,500	132,435	19,935	115,000	86,250	119,948	33,698
Other grants	60,000	38,245	15,531	(22,714)	65,500	49,125	46,899	(2,226)
Total intergovernmental	2,549,550	1,796,286	1,794,401	(1,865)	2,542,600	1,906,950	1,826,352	(80,598)
Regulation and Compliance:								
Licenses	138,400	132,073	142,725	10,652	140,500	105,375	140,735	35,360
Permits	725,900	554,097	507,895	(46,202)	612,500	462,875	619,455	156,580
Fines, forfeitures and penalties	444,000	344,071	339,259	(4,812)	450,000	337,500	323,657	(13,843)
Total regulation and compliance	1,308,300	1,030,241	989,879	(40,362)	1,203,000	905,750	1,083,847	178,097
Public Charges for Services:								
Planning related fees	73,950	58,057	37,700	(20,357)	59,000	44,250	37,641	(6,609)
General government	6,950	5,136	5,814	678	6,200	6,900	23,288	16,388
Architectural Board Review	3,300	2,488	3,680	1,192	3,300	2,475	5,860	3,365
Police and related	9,000	6,633	2,712	(3,921)	6,000	4,500	4,669	169
Ambulance services - ALS	556,700	419,446	450,250	30,804	520,000	390,000	449,177	59,177
Ambulance services - BLS	450,000	342,237	284,950	(57,287)	417,000	312,750	347,079	34,329
Fire safety training	2,000	947	190	(757)	2,000	1,500	648	(852)
Fire Sprinkler Plan Review	60,000	43,140	62,670	19,530	60,000	45,000	48,138	3,138
Fire Inspections	30,000	17,331	19,028	1,697	30,000	22,500	17,759	(4,741)
Quarry reimbursement	42,000	12,864	23,950	11,086	42,000	31,500	6,336	(25,164)
Weed cutting	14,000	7,526	2,269	(5,257)	15,000	11,287	10,405	(862)
Engineering fees	10,000	7,913	29,446	21,533	5,000	1,500	1,227	(273)
Public works fees	35,000	14,123	13,373	(750)	35,500	26,738	17,344	(9,394)
Weights & Measures	4,000	1,286	1,048	(238)	6,800	5,100	1,556	(3,544)
Landfill Operations - Siting	19,500	13,921	-	(13,921)	19,500	14,625	-	(14,625)
Landfill Operations - Emerald Park	40,000	25,152	39,643	14,491	40,000	30,000	27,494	(2,506)
Health Department	60,000	16,962	(19,238)	(36,200)	56,000	42,000	9,138	(32,862)
Total charges for services	1,416,400	995,162	957,485	(37,677)	1,323,500	992,625	1,007,759	15,134

City of Franklin
General Fund
Comparative Statement of Revenue
For the 9 months ended September 30, 2014 and 2013

Revenue	2014 Amended Budget	2014 Year-to-Date Budget	2014 Year-to-Date Actual	Variance Favorable (Unfavorable)	2013 Amended Budget	2013 Year-to-Date Budget	2013 Year-to-Date Actual	Variance Favorable (Unfavorable)
Intergovernmental Charges:								
Milwaukee County - paramedics	125,000	68,522	54,965	(13,557)	125,000	93,750	43,784	(49,966)
Total intergovernmental charges	125,000	68,522	54,965	(13,557)	125,000	93,750	43,784	(49,966)
Investment Income:								
Interest on investments	90,000	67,500	73,042	5,542	75,000	56,250	87,067	30,817
Market value change on investments	(23,000)	(17,250)	96,253	113,503	(10,000)	(7,500)	(144,355)	(136,855)
Interest - tax roll	70,000	52,500	97,589	45,089	75,000	56,250	84,419	28,169
Other interest	1,500	1,125	105	(1,020)	2,000	1,500	1,903	403
Total interest revenue	138,500	103,875	266,959	163,084	142,000	105,500	29,034	(77,466)
Miscellaneous Revenue:								
Rental of property	34,000	32,998	42,708	9,710	34,000	25,500	40,521	15,021
Refunds/reimbursements	20,000	13,044	1,341	(11,703)	30,000	22,500	35,423	12,923
Insurance dividend	15,000	13,405	66,395	52,990	15,000	11,250	58,192	46,942
Sale of property	1,450	1,112	8,645	7,533	3,000	5,700	9,198	3,498
Other revenue	4,250	3,165	4,796	1,631	9,000	3,300	4,173	873
Total miscellaneous revenue	74,700	63,724	123,885	60,161	91,000	68,250	147,507	79,257
Transfer from Other Funds:								
Capital Improvement Fund	200,000	-	-	-	-	-	-	-
Street Improvement Fund	200,000	-	-	-	-	-	-	-
Total transfers from other funds	400,000	-	-	-	-	-	-	-
Total revenue	\$ 24,003,350	\$ 21,413,680	\$ 21,545,959	\$ 132,279	\$ 23,559,100	\$ 21,727,366	\$ 21,510,894	\$ 413,362
			100.62%				99.00%	

City of Franklin
General Fund
Comparative Statement of Expenditures
For the 9 months ended September 30, 2014 and 2013

Expenditures	2014		2014		2014		2013		2013		Variance Favorable (Unfavorable)
	Amended Budget	Year-to-Date Budget	Year-to-Date Actual	Year-to-Date Actual	Favorable (Unfavorable)	Amended Budget	Year-to-Date Budget	Year-to-Date Actual	Year-to-Date Actual		
General Government:											
Mayor & Aldermen - Labor	\$ 65,950	\$ 50,731	\$ 49,453	\$ 1,278	\$	\$ 65,950	\$ 49,785	\$ 49,463	\$	\$ 322	
Mayor & Aldermen - Non-personnel	33,180	27,943	22,628	5,315	1,785	32,400	24,529	22,744	1,785	5,496	
Municipal Court - Labor	178,671	137,439	124,668	12,781	12,781	181,993	136,485	130,999	130,999	(2,150)	
Municipal Court - Non-Personnel	44,850	35,772	34,941	831	(261)	44,550	33,413	35,563	35,563	16,378	
City Clerk Labor	284,398	218,768	219,029	(261)		291,632	218,724	202,346	202,346	4,262	
City Clerk - Non-Personnel	26,950	19,477	17,362	2,115		26,850	20,138	15,876	15,876	(418)	
Elections - Labor	41,568	31,975	26,017	5,958		18,605	13,954	14,372	14,372	(942)	
Elections - Non-Personnel	16,800	12,138	21,468	(9,330)		12,200	9,150	9,492	9,492	29,199	
Information Services	361,205	271,335	237,365	33,970		332,300	249,225	220,026	220,026	7,938	
Administration - Labor	355,668	273,591	201,276	72,315		276,957	207,718	199,780	199,780	35,713	
Administration - Non-Personnel	209,525	148,919	94,696	54,223		154,100	115,575	79,862	79,862	13,346	
Finance - Labor	404,978	311,522	287,985	23,537		476,095	357,071	343,725	343,725	13,087	
Finance - Non-Personnel	56,783	35,032	29,685	5,347		63,813	47,860	34,773	34,773	6,835	
Independent Audit	29,790	29,790	28,135	1,655		34,500	34,500	27,665	27,665	14,733	
Assessor - Labor	52,790	40,608	38,347	2,261		70,219	52,664	37,951	37,951	66,898	
Assessor - Non-Personnel	171,450	92,772	91,580	1,192		183,250	137,438	70,540	70,540	27,382	
Legal Services	329,950	223,611	217,697	5,914		324,920	243,690	216,308	216,308	14,682	
Municipal Buildings - Labor	34,280	26,369	21,118	5,251		62,339	46,754	32,072	32,072	(8,309)	
Municipal Buildings - Non-Pers	134,833	91,616	96,962	(5,346)		132,040	99,030	107,339	107,339	(83,901)	
Property/liability insurance	100,647	151,521	184,648	(33,127)		81,050	60,787	144,688	144,688	162,937	
Total general government	2,934,266	2,230,929	2,045,050	185,879		2,865,763	2,158,501	1,995,564	1,995,564		
Public Safety:											
Police Department - Labor	8,086,034	6,220,026	5,504,679	715,347		8,098,646	6,073,984	5,833,945	5,833,945	240,039	
Police Department - Non-Personnel	1,184,817	847,205	733,768	113,447		1,162,425	870,572	717,422	717,422	153,150	
Fire Department - Labor	5,452,854	4,194,503	3,899,381	295,122		5,601,165	4,200,874	4,047,129	4,047,129	153,745	
Fire Department - Non-Personnel	393,780	272,697	340,989	(68,292)		397,940	298,455	288,805	288,805	9,650	
Public Fire Protection	251,700	189,606	191,196	(1,590)		244,300	183,225	183,225	183,225	-	
Building Inspection - Labor	707,157	543,967	463,936	80,031		629,564	472,673	453,481	453,481	19,192	
Building Inspection - Non-Personnel	38,580	23,228	17,870	5,358		38,150	28,613	17,121	17,121	11,492	
Weights and Measures	6,800	6,800	6,800	-		6,800	6,800	6,800	6,800	-	
Total public safety	16,121,722	12,298,032	11,158,609	1,139,424		16,178,990	12,135,196	11,547,928	11,547,928	567,268	
Public Works:											
Engineering - Labor	597,006	459,235	433,014	26,221		582,975	437,231	414,522	414,522	22,709	
Engineering - Non-Personnel	24,132	15,482	16,664	(1,182)		23,930	17,948	12,564	12,564	5,384	
Highway - Labor	1,770,877	1,362,213	1,267,254	94,959		1,787,074	1,325,306	1,268,124	1,268,124	57,182	
Highway - Non-Personnel	949,205	476,208	668,968	(192,760)		791,600	597,871	391,180	391,180	206,691	
Street Lighting	324,630	209,285	195,533	13,752		341,730	269,798	213,799	213,799	55,999	
Weed Control	15,050	10,615	10,875	(260)		15,050	11,288	8,585	8,585	2,703	
Total public works	3,680,900	2,533,038	2,592,308	(59,270)		3,522,359	2,659,442	2,308,774	2,308,774	350,668	
Health and Human Services:											
Public Health - Labor	557,899	429,153	382,518	46,635		504,797	378,598	359,906	359,906	18,692	
Public Health - Non-Personnel	58,205	42,795	35,497	7,298		105,155	78,866	62,169	62,169	16,697	
Animal Control	41,700	38,930	33,589	5,341		49,050	36,788	37,368	37,368	(581)	
Total health and human services	657,804	510,878	451,604	59,274		659,002	494,251	459,443	459,443	34,806	

A Represents an amendment to Adopted Budget
E Represents an encumbrance for current year from prior year

City of Franklin
General Fund

Comparative Statement of Revenue, Expenses and Fund Balance
For the 9 months ended September 30, 2014 and 2013

Expenditures	2014		2014		2014		2013		Variance Favorable (Unfavorable)
	Amended Budget	Year-to-Date Budget	Year-to-Date Actual	Year-to-Date Favorable (Unfavorable)	Amended Budget	Year-to-Date Budget	Year-to-Date Actual		
Culture and Recreation:									
St. Martins Fair	11,000	6,875	11,000	(4,125)	11,000	8,250	11,000	(2,750)	
Civic Celebrations	13,000	7,800	13,000	(5,200)	13,000	9,750	13,000	(3,250)	
Senior Travel	16,800	9,732	12,881	(3,919)	15,000	11,250	9,631	1,619	
Parks - Labor	107,910	83,008	90,354	(7,346)	108,191	81,143	71,480	9,663	
Parks - Non-Personnel	25,172	15,325	14,622	703	24,710	18,532	14,436	4,096	
Total culture and recreation	\$ 173,682	\$ 122,740	\$ 141,857	\$ (19,117)	\$ 171,901	\$ 128,925	\$ 119,547	\$ 9,378	
Conservation and Development:									
Planning - Labor	319,708	245,929	230,154	15,775	333,860	250,395	227,996	22,399	
Planning - Non-Personnel	60,750	27,737	31,165	(3,428)	59,850	44,888	14,710	30,178	
Economic Dev - Labor	75,800	56,308	-	56,308	-	-	-	-	
Economic Dev - Non-Personnel	15,500	11,052	3,240	7,812	14,300	10,725	12,236	(1,511)	
Total conservation and development	471,758	343,026	284,559	78,467	408,010	306,008	294,942	51,066	
Contingency and Unclassified:									
Restricted - other	801,100	-	-	-	950,000	-	-	-	
Unrestricted	125,000	93,750	-	93,750	122,075	90,643	-	90,643	
Unclassified	2,500	1,068	-	1,068	2,500	1,875	-	1,875	
Total contingency	928,600	94,818	-	94,818	1,074,575	92,518	-	92,518	
Anticipated underexpenditures	(360,300)	(270,225)	-	(270,225)	(350,000)	(262,500)	-	(262,500)	
Transfers to other funds:									
Street Improvement Fund	200,000	-	-	-	-	-	-	-	
Capital Improvement Fund	200,000	100,000	-	100,000	85,982	85,982	-	85,982	
Total transfers to other funds	400,000	100,000	-	100,000	85,982	85,982	-	85,982	
Total expenditures	\$ 25,008,432	\$ 17,963,236	\$ 16,653,987	\$ 1,309,251	\$ 24,616,582	\$ 17,798,323	\$ 16,686,198	\$ 1,112,125	
% of YTD Budget			92.71%				93.75%		

A Represents an amendment to Adopted Budget
E Represents an encumbrance for current year from prior year

BALANCE SHEET

ASSETS		9/30/2013
Cash and investments	\$ 11,388,442	\$ 11,366,651
Accounts & Taxes receivable	395,799	379,897
Due from/Advances to other funds	2,171,913	629,908
Due from other governments	(3,848)	17,370
Prepaid expenditures & Inventories	34,124	5,992
Total Assets	\$ 13,986,430	\$ 12,399,818
LIABILITIES		
Accounts payable	\$ 219,169	\$ -
Accrued liabilities	457,514	487,626
Due to other funds & governments	187,400	277,711
Special deposits	217,551	156,506
Unearned revenue	40,326	151,146
Total Liabilities	1,121,960	1,072,989
FUND BALANCES		
Nonspendable - inventories, Prepaids and Advances	1,955,362	62,836
Unassigned	10,909,108	11,263,893
Total fund balances	12,864,470	11,326,829
Total Liabilities and fund balances	\$ 13,986,430	\$ 12,399,818

City of Franklin
Library Fund
Balance Sheet
September 30, 2014 and 2013

	Operating		Restricted	
	2014	2013	2014	2013
Assets				
Cash and investments	\$ 753,409	\$ 666,259	\$ 146,188	\$ 132,779
Prepaid expenses	-	1,575	900	900
Total Assets	<u>\$ 753,409</u>	<u>\$ 667,834</u>	<u>\$ 147,088</u>	<u>\$ 133,679</u>
Liabilities and Fund Balance				
Accounts payable	\$ 17,334	\$ -	\$ 86	\$ 301
Accrued salaries & wages	10,774	8,107	-	-
Nonspendable fund balance	1,575	8,450	900	900
Encumbrance	2,626	-	-	-
Assigned fund balance	721,100	651,277	146,102	132,478
Total Liabilities and Fund Balance	<u>\$ 753,409</u>	<u>\$ 667,834</u>	<u>\$ 147,088</u>	<u>\$ 133,679</u>

Statement of Revenue, Expenses and Fund Balance - Operating Fund
For the Nine months ended September 30, 2014 and 2013

	2014		2013		Variance Favorable (Unfavorable)
	Annual Budget	Year-to-Date Actual	Annual Budget	Year-to-Date Actual	
Revenue					
Property taxes	\$ 1,240,000	\$ 1,240,000	\$ 1,240,000	\$ 1,240,000	-
Reciprocal borrowing (restricted)	50,000	-	50,000	-	-
Investment income	5,000	8,472	16,000	12,000	(4,000)
Transfers in	10,000	-	21,000	-	(11,000)
Total Revenue	<u>1,305,000</u>	<u>1,248,472</u>	<u>1,327,000</u>	<u>1,252,000</u>	<u>(74,528)</u>
Expenditures:					
Salaries and benefits	906,567	697,359	898,098	631,848	267,249
Contractual services	16,779	38,520	16,221	16,169	(4,003)
Supplies	36,037	28,199	37,237	27,928	(9,038)
Services and charges	49,310	41,173	44,500	33,375	11,125
Facility charges	248,313	180,661	240,800	180,600	60,200
Capital outlay	103,500	76,904	102,500	97,102	(5,398)
Capital outlay (restricted)	17,000	-	34,000	23,346	(10,654)
Total Library Costs	<u>1,377,506</u>	<u>1,062,816</u>	<u>1,373,356</u>	<u>1,030,017</u>	<u>347,539</u>
Total expenditures	<u>1,377,506</u>	<u>1,062,816</u>	<u>1,373,356</u>	<u>1,030,017</u>	<u>347,539</u>
Revenue over (under) expenditures	<u>(72,506)</u>	<u>214,011</u>	<u>(46,356)</u>	<u>221,983</u>	<u>12,991</u>
Fund balance, beginning of year	439,670	439,670	424,753	424,753	-
Fund balance, end of period	<u>\$ 367,164</u>	<u>\$ 722,675</u>	<u>\$ 378,397</u>	<u>\$ 659,727</u>	<u>\$ 281,530</u>

City of Franklin
Solid Waste Collection Fund
Balance Sheet
September 30, 2014 and 2013

<u>Assets</u>	<u>2014</u>	<u>2013</u>
Cash and investments	\$ 668,893	\$ 563,720
Total Assets	\$ 668,893	\$ 563,720
<u>Liabilities and Fund Balance</u>		
Accounts payable	\$ 122,118	\$ -
Accrued salaries & wages	315	317
Restricted fund balance	546,460	563,403
Total Liabilities and Fund Balance	\$ 668,893	\$ 563,720

Statement of Revenue, Expenses and Fund Balance
For the Nine months ended September 30, 2014 and 2013

<u>Revenue</u>	<u>2014</u> <u>Adopted</u> <u>Budget</u>	<u>2014</u> <u>Year-to-Date</u> <u>Budget</u>	<u>2014</u> <u>Year-to-Date</u> <u>Actual</u>	<u>2013</u> <u>Year-to-Date</u> <u>Actual</u>
Grants	\$ 69,000	69,000	\$ 69,214	\$ 69,267
User Fees	1,157,000	1,156,948	1,168,087	1,153,776
Landfill Operations-tippage	331,800	217,662	231,949	214,008
Investment Income	-	-	7,389	(4,453)
Sale of Recycling Bins	-	-	-	21
Sale of Recyclables	5,000	3,750	5,674	7,125
Total Revenue	1,562,800	1,447,360	1,482,313	1,439,744
Expenditures:				
Personal Services	22,194	17,072	13,818	24,298
Refuse Collection	654,200	490,650	487,295	423,468
Recycling Collection	361,800	271,350	268,863	233,893
Leaf & Brush Pickups	53,000	39,750	17,530	17,119
Tippage Fees	430,600	322,950	334,734	276,909
Miscellaneous	1,960	1,470	1,920	1,200
Total expenditures	1,523,754	1,143,242	1,124,160	976,887
 Revenue over (under) expenditures	 39,046	 <u>304,118</u>	 358,153	 462,857
 Fund balance, beginning of year	 188,307		 188,307	 100,546
 Fund balance, end of period	 <u>\$ 227,353</u>		 <u>\$ 546,460</u>	 <u>\$ 563,403</u>

City of Franklin
Capital Outlay Fund
Balance Sheet
September 30, 2014 and 2013

<u>Assets</u>	<u>2014</u>	<u>2013</u>
Cash and investments	\$ 472,304	\$ 474,603
Accrued Receivables	-	757
Total Assets	<u>\$ 472,304</u>	<u>\$ 475,360</u>
<u>Liabilities and Fund Balance</u>		
Accounts payable	\$ 3,679	\$ -
Miscellaneous claims payable	18,278	23,746
Encumbrance	9,883	-
Assigned fund balance	440,464	451,614
Total Liabilities and Fund Balance	<u>\$ 472,304</u>	<u>\$ 475,360</u>

**Statement of Revenue, Expenses and Fund Balance
For the Nine months ended September 30, 2014 and 2013**

<u>Revenue</u>	<u>2014 Amended Budget</u>	<u>2014 Year-to-Date Budget</u>	<u>2014 Year-to-Date Actual *</u>	<u>2013 Year-to-Date Actual</u>
Property Taxes	\$ 430,000	\$ 430,000	\$ 430,000	\$ 394,000
Grants	-	-	10,082	-
Landfill Siting	67,000	66,310	67,000	100,000
Investment Income	-	-	10,435	(2,973)
Miscellaneous Revenue	30,000	10,530	10,440	27,800
Transfers from Fund Balance	97,296	-	-	-
Total Revenue	<u>624,296</u>	<u>506,840</u>	<u>527,957</u>	<u>518,827</u>
Expenditures:				
General Government	130,250	58,187	28,457	54,942
Public Safety	448,562	281,750	319,280	283,419
Public Works	84,870	63,652	53,028	62,206
Health and Human Services	510	383	-	-
Culture and Recreation	18,000	13,500	19,303	1,099
Conservation and Development	1,750	1,313	-	680
Contingency	55,000	37,500	5,000	-
Total expenditures	<u>738,942</u>	<u>456,285</u>	<u>425,068</u>	<u>402,346</u>
Revenue over (under) expenditures	(114,646)	<u>50,556</u>	102,889	116,481
Fund balance, beginning of year	<u>337,575</u>		<u>337,575</u>	<u>335,133</u>
Fund balance, end of period	<u>\$ 222,929</u>		<u>\$ 440,464</u>	<u>\$ 451,614</u>

* Amount shown is actual expenditures plus encumbrance

10/16/2014

Findata:Qtrrpt Capital Outlay September 2014

**City of Franklin
Equipment Replacement Fund
Comparative Balance Sheet
September 30, 2014 and 2013**

<u>Assets</u>	<u>2014</u>	<u>2013</u>
Cash and investments	\$ 2,176,400	\$ 1,888,271
Total Assets	<u>\$ 2,176,400</u>	<u>\$ 1,888,271</u>
 <u>Liabilities and Fund Balance</u>		
Accounts payable	\$ -	\$ -
Encumbrance	15,492	-
Assigned fund balance	2,160,908	1,888,271
Total Liabilities and Fund Balance	<u>\$ 2,176,400</u>	<u>\$ 1,888,271</u>

**Comparative Statement of Revenue, Expenses and Fund Balance
For the Nine months ended September 30, 2014 and 2013**

	<u>2014</u>	<u>2014</u>	<u>2014</u>	<u>2013</u>
	<u>Amended</u>	<u>Year-to-Date</u>	<u>Year-to-Date</u>	<u>Year-to-Date</u>
	<u>Budget</u>	<u>Budget</u>	<u>Actual *</u>	<u>Actual</u>
Revenue:				
Property Taxes	\$ 337,000	\$337,000	\$ 337,000	\$ 285,000
Landfill	100,000	98,970	100,000	150,000
Investment Income	-	-	39,796	(10,251)
Property Sales	-	-	3,077	24,791
Transfers From Fund Balance	10,600	-	-	-
Total revenue	<u>447,600</u>	<u>435,970</u>	<u>479,873</u>	<u>449,540</u>
Expenditures:				
Public Safety	60,100	47,492	56,159	156,661
Public Works	182,000	131,726	178,851	171,303
Total expenditures	<u>242,100</u>	<u>179,218</u>	<u>235,010</u>	<u>327,964</u>
Revenue over (under) expenditures	205,500	<u>256,752</u>	244,863	121,576
Fund balance, beginning of year	<u>1,916,045</u>		<u>1,916,045</u>	<u>1,766,695</u>
Fund balance, end of period	<u>\$ 2,121,545</u>		<u>\$ 2,160,908</u>	<u>\$ 1,888,271</u>

* Amount shown is actual expenditures plus emcumbrance

**City of Franklin
Street Improvement Fund
Balance Sheet
September 30, 2014 and 2013**

<u>Assets</u>	<u>2014</u>	<u>2013</u>
Cash and investments	\$ 1,025,896	\$ 643,498
Total Assets	<u>\$ 1,025,896</u>	<u>\$ 643,498</u>
<u>Liabilities and Fund Balance</u>		
Accounts payable	\$ 1,140	\$ -
Assigned fund balance	1,024,756	643,498
Total Liabilities and Fund Balance	<u>\$ 1,025,896</u>	<u>\$ 643,498</u>

**Statement of Revenue, Expenses and Fund Balance
For the Nine months ended September 30, 2014 and 2013**

	<u>2014 Amended Budget</u>	<u>2014 Year-to-Date Totals</u>	<u>2013 Year-to-Date Totals</u>
Revenue:			
Property Taxes	\$ 681,600	\$ 681,600	\$ 610,000
Landfill Siting	133,000	133,000	200,000
Investment Income	-	10,392	(4,489)
Local Road Improvement Aids	78,000	-	-
Transfer from General Fund	200,000	-	-
Transfer from Fund Balance	36,900	-	-
Total revenue	<u>1,129,500</u>	<u>824,992</u>	<u>805,511</u>
Expenditures:			
Street Reconstruction Program - Current Year	960,000	18,799	511,337
Transfer to General Fund	200,000	-	-
Street Reconstruction Program - Prior Year	36,900	-	-
Total expenditures	<u>1,196,900</u>	<u>18,799</u>	<u>511,337</u>
Revenue over (under) expenditures	(67,400)	806,193	294,174
Fund balance, beginning of year	<u>218,563</u>	<u>218,563</u>	<u>349,324</u>
Fund balance, end of period	<u>\$ 151,163</u>	<u>\$ 1,024,756</u>	<u>\$ 643,498</u>

**City of Franklin
Capital Improvement Fund
Balance Sheet
September 30, 2014 and 2013**

<u>Assets</u>	<u>2014</u>	<u>2013</u>
Cash and investments	\$ 228,485	\$ 126,687
Due from State of Wisconsin	-	-
Accrued receivables	847	847
Total Assets	<u>\$ 229,332</u>	<u>\$ 127,534</u>
<u>Liabilities and Fund Balance</u>		
Accounts payable	\$ 459,331	\$ -
Contracts Payable	50,861	3,537
Accrued payables	-	-
Encumbrance	-	-
Assigned fund balance	(280,860)	123,997
Total Liabilities and Fund Balance	<u>\$ 229,332</u>	<u>\$ 127,534</u>

**Statement of Revenue, Expenses and Fund Balance
For the Nine months ended September 30, 2014 and 2013**

	<u>2014 Amended Budget</u>	<u>2014 Year-to-Date Totals</u>	<u>2013 Year-to-Date Totals</u>
Revenue:			
Block Grants	\$ 147,000	\$ -	\$ -
Landfill Siting	296,000	253,296	32,326
Transfers from Other Funds	2,700,000	-	-
Transfers from General Funds	200,000	-	-
Transfers from Impact Fees	1,410,140	100,000	-
Transfers from Connection Fees	1,000,000	-	-
Transfers from Fund Balance	137,519	-	-
Bond Proceeds	2,000,000	-	-
DPW Charges	7,250	-	-
Investment Income	-	166	(1,309)
Total revenue	<u>7,897,909</u>	<u>353,462</u>	<u>31,017</u>
Expenditures:			
General Government	257,764	3,127	-
Public Safety	313,000	235,433	6,143
Public Works	834,712	462,160	104,961
Culture and Recreation	341,137	244,256	7,703
Sewer & Water	-	8,274	61,825
Contingency	5,923,189	-	-
Total expenditures	<u>7,669,802</u>	<u>953,250</u>	<u>180,632</u>
Revenue over (under) expenditures	228,107	(599,788)	(149,615)
Fund balance, beginning of year	<u>318,928</u>	<u>318,928</u>	<u>273,612</u>
Fund balance, end of period	<u>\$ 547,035</u>	<u>\$ (280,860)</u>	<u>\$ 123,997</u>

**City of Franklin
Development Fund
Comparative Balance Sheet
September 30, 2014 and 2013**

<u>Assets</u>	<u>2014</u>	<u>2013</u>
Cash and investments	\$ 1,186,586	\$ 1,851,038
Due From Debt Service Fund	1,075,000	2,137,000
Due From TID 3	2,250,000	1,150,000
Total Assets	<u>\$ 4,511,586</u>	<u>\$ 5,138,038</u>
 <u>Liabilities and Fund Balance</u>		
Accounts payable	\$ -	\$ 1,850
Non- Spendable - Advances	3,287,000	3,112,000
Assigned fund balance	1,224,586	2,024,188
Total Fund Balance	<u>4,511,586</u>	<u>5,136,188</u>
Total Liabilities and Fund Balance	<u>\$ 4,511,586</u>	<u>\$ 5,138,038</u>

**Comparative Statement of Revenue, Expenses and Fund Balance
For the Nine months ended September 30, 2014 and 2013**

	<u>2014</u>	<u>2014</u>	<u>2014</u>	<u>2013</u>
	<u>Amended</u>	<u>Year-to-Date</u>	<u>Year-to-Date</u>	<u>Year-to-Date</u>
Revenue:	Budget	Budget	Actual	Actual
Impact Fee: Parks	\$ 194,250	\$ 165,086	\$ 140,896	\$ 255,850
Impact Fee: Southwest Sewer Serv	-	-	14,640	5,856
Impact Fee: Administration	5,000	4,113	4,730	5,170
Impact Fee: Water	275,000	191,848	175,330	346,659
Impact Fee: Transportation	17,000	12,893	46,678	30,549
Impact Fee: Fire Protection	31,250	25,423	40,332	38,552
Impact Fee: Law Enforcement	60,000	48,784	74,013	70,100
Impact Fee: Library	62,500	52,794	39,595	52,893
Total Impact Fees	<u>645,000</u>	<u>500,941</u>	<u>536,214</u>	<u>805,629</u>
Investment Income	10,000	7,500	33,235	(7,058)
Interfund Interest Income	85,694	64,270	90,507	89,162
Total revenue	<u>740,694</u>	<u>572,711</u>	<u>659,956</u>	<u>887,733</u>
 Expenditures:				
Other Professional Services	-	-	-	-
Transfer to Debt Service:				
Law Enforcement	204,978	102,489	78,010	154,678
Fire	43,013	21,506	42,959	43,013
Transportation	73,535	36,768	44,734	73,535
Library	133,650	66,825	61,108	95,050
Total Transfers to Debt Service	<u>455,176</u>	<u>227,588</u>	<u>226,811</u>	<u>366,276</u>
Transfer to Capital Improvement Fund:				
Water	-	-	-	-
Park	1,557,949	-	100,000	-
Total Transfers to Capital Improve	<u>1,557,949</u>	<u>-</u>	<u>100,000</u>	<u>-</u>
Transfer to Water Utility	<u>873,727</u>	<u>-</u>	<u>873,727</u>	<u>-</u>
Total expenditures	<u>2,886,852</u>	<u>227,588</u>	<u>1,200,538</u>	<u>366,276</u>
Revenue over (under) expenditures	<u>(2,146,158)</u>	<u>345,123</u>	<u>(540,582)</u>	<u>521,457</u>
Fund balance, beginning of year	<u>5,052,168</u>		<u>5,052,168</u>	<u>4,614,731</u>
Fund balance, end of period	<u>\$ 2,906,010</u>		<u>\$ 4,511,586</u>	<u>\$ 5,136,188</u>

**City of Franklin
Development Fund Financial Report
For the nine months ended September 30, 2014**

Effective with all permits applied for after May 31, 2002, in accordance with our Impact Fee Ordinance 2002-1712 new impact fees were adopted. The fees are automatically increased 5% in January of each year. The components of the fees for 2013 are as follows.

	Single Family	Two Family	Multi Family per Unit
Park and Playground Facilities	\$ 3,799.00	\$ 7,598.00	\$ 2,534.00
Fire Protection Facilities	391.00	782.00	271.00
Law Enforcement Facilities	726.00	1,452.00	504.00
Water system ¹ per every 169 gallons of daily use	1,970.00	3,940.00	1,970.00 ¹
Transportation Facilities	76.00	152.00	54.00
Administrative Fee	55.00	110.00	55.00
Library Facilities	797.00	1,594.00	532.00
Sanitary Sewer - Ryan Creek	2,928.00	4,392.00	see note ²
	\$10,742.00	\$20,020.00	\$ 5,920.00

In addition to the above, there is an established commercial impact fee of \$.353 psf, an industrial impact fee of \$.092 psf and an institutional impact fee of \$.500 psf. There is also a charge on each commercial, industrial or institutional building for water of \$1,470 per REC (residential equivalency) and an administrative fee of \$55 for the first 10,000 sq. ft. plus \$55 for each additional 10,000 sq. ft.

The funds generated are available for capital projects or related debt service of those municipal activities. Interest revenue is credited to each account balance.

²

On May 21, 2013, the Common Council adopted Ordinance 2013-2105 to provide for the extension of and cost recovery of public sanitary sewer within the southwest sanitary sewer service area served by the Ryan Creek Interceptor public sanitary sewer. The fee for a single family dwelling with a 0.75" meter is \$2,928.00. For a multi family dwelling the fee is \$2,928.00 for the first unit and \$1,464.00 for each additional unit.

City of Franklin
Development Fund

Summary of Impact Fee Activity
For the nine months ended September 30, 2014

Cash Acct	4292	4293	4294	4295	4296	4297	4299	Net
Revenue Acct								Cash
Expenditure Acct								Balance
	4291/7510.5828							
	Parks/Recreation	Admin	Water	Transportation	Fire	Law	Library	
	Acquisition	Fee			Protection	Enforcement		
	Development	Center	SW Sewer					
Beginning Bal, 12/31/13	2,567,855.21	1,412,916.08	11,773.72	909,912.49	32.55	47,442.09	28,827.12	5,054,018.27
1st Quarter								
Impact Fees	19,712.00	0.00	2,928.00	63,040.00	15,142.00	17,892.00	5,579.00	134,863.00
Expenditures	2,587,567.21	1,412,916.08	14,701.72	(1,850.00) ²	(36,821.75) ¹	0.00	(33,000.00) ¹	(86,338.87)
subtotal				971,102.49	307.43	37,566.97	1,406.12	5,102,542.40
Transfers						0.00		0.00
Investment Income	21,361.56	11,708.87	109.70	7,794.01	1.41	237.18	125.27	42,083.84
Ending balance 3/31/2014	2,608,928.77	1,424,624.95	14,811.42	978,896.50	308.84	37,804.15	1,531.39	5,144,626.24
2nd Quarter								
Impact Fees	70,496.00		2,928.00	65,010.00	24,711.00	38,268.00	19,670.00	244,635.00
Expenditures	2,679,424.77	1,424,624.95	17,739.42	1,043,906.50	41,759.36	76,072.15	21,201.39	5,389,261.24
subtotal								0.00
Transfers								0.00
Investment Income	24,544.71	13,050.19	162.50	9,562.64	229.19	696.85	194.21	49,368.00
Ending balance 6/30/2014	2,703,969.48	1,437,675.14	17,901.92	1,053,469.14	25,249.03	76,769.00	21,395.60	5,438,629.24
3rd Quarter								
Impact Fees	50,688.00		8,784.00	47,280.00	6,825.00	17,853.00	14,346.00	156,716.00
Expenditures	(100,000.00)			(873,727.29) ³	(29,867.12) ¹	(78,010.00) ¹	(28,107.82) ¹	(1,116,049.73)
subtotal	2,654,657.48	1,437,675.14	26,685.92	227,021.85	2,206.91	16,612.00	7,633.78	4,479,295.51
Transfers								0.00
Investment Income	19,136.69	10,363.80	192.37	1,636.54	15.91	119.75	55.03	32,290.00
Ending balance 9/30/2014	2,673,794.17	1,448,038.94	26,878.29	228,658.39	2,222.82	16,731.75	7,688.81	4,511,565.51
Number of Months	351.05			15.65	0.57	2.71	2.33	
Year-to-Date Impact Fees	140,896.00		14,640.00	175,330.00	46,678.00	74,013.00	39,595.00	536,214.00
2013 Impact Fees	317,206.00		11,712.00	427,429.00	31,829.00	82,280.00	66,179.00	976,193.00
2012 Impact Fees	263,398.00		0.00	233,136.00	57,171.00	96,141.00	56,468.00	764,478.00

* Funded by an Administrative Fee not an impact fee

Scheduled Debt Payment (P&I - 2013)

Remaining Debt Balance

¹ Debt service payments

² Oversizing payments made

³ Transfer to Water Utility for Puetz Road Water Tower Project

Oversizing payments due in future periods

City of Franklin
Debt Service Funds
Balance Sheet
September 30, 2014 and 2013

	2014 Special Assessment	2014 Debt Service	2014 Total	2013 Special Assessment	2013 Debt Service	2013 Total
Assets						
Cash and investments	\$ 470,504	\$ 47,869	\$ 518,373	\$ 530,824	\$ 58,294	\$ 589,118
Taxes receivable	-	-	-	-	-	-
Special assessment receivable	199,699	-	199,699	270,575	-	270,575
Total Assets	\$ 670,203	\$ 47,869	\$ 718,072	\$ 801,399	\$ 58,294	\$ 859,693
Liabilities and Fund Balance						
Unearned & unavailable revenue	\$ 199,699	-	\$ 199,699	\$ 270,575	-	\$ 270,575
Due to other funds	-	1,075,000	1,075,000	-	2,137,000	2,137,000
Unassigned fund balance	470,504	(1,027,131)	(556,627)	530,824	(2,078,706)	(1,547,882)
Total Liabilities and Fund Balance	\$ 670,203	\$ 47,869	\$ 718,072	\$ 801,399	\$ 58,294	\$ 859,693

Statement of Revenue, Expenses and Fund Balance
For the Nine months ended September 30, 2014 and 2013

	2014 Special Assessment	2014 Debt Service	2014 Year-to-Date Actual	2014 Annual Budget	Variance Favorable (Unfavorable)	2013 Special Assessment	2013 Debt Service	2013 Year-to-Date Actual	2013 Annual Budget	Variance Favorable (Unfavorable)
Revenue										
Property Taxes	\$ -	\$ 1,600,000	\$ 1,600,000	\$ 1,600,000	\$ -	\$ -	\$ 1,650,000	\$ 1,650,000	\$ 1,650,000	\$ -
Special Assessments	5,669	-	5,669	-	5,669	2,533	2,533	-	-	2,533
Investment Income	8,653	83	8,736	-	8,736	(5,049)	(5,049)	-	-	(5,049)
Total Revenue	14,322	1,600,083	1,614,405	1,600,000	14,405	(2,516)	1,650,000	1,647,484	1,650,000	(2,516)
Expenditures:										
Debt Service:										
Principal	-	570,000	570,000	570,000	-	-	620,000	620,000	620,000	-
Interest	-	300,200	300,200	300,200	-	-	322,810	322,810	322,810	-
Interfund Interest Expense	-	34,876	34,876	45,444	10,568	-	65,564	44,558	86,570	42,012
Total expenditures	-	905,076	905,076	915,644	10,568	-	1,008,374	987,368	1,029,380	42,012
Transfers in	-	377,574	377,574	377,644	(70)	-	366,276	366,276	377,644	(11,368)
Transfers out	(150,763)	-	(150,763)	-	150,763	-	-	-	-	-
Net change in fund balances	(136,441)	1,072,581	936,140	1,062,000	175,666	(2,516)	1,007,902	1,026,392	998,264	28,128
Fund balance, beginning of year	606,945	(2,099,712)	(1,492,767)	(1,492,767)		533,340	(3,086,608)	(2,553,268)	(2,553,268)	
Fund balance, end of period	\$ 470,504	\$ (1,027,131)	\$ (556,627)	\$ (430,767)		\$ 530,824	\$ (2,078,706)	\$ (1,526,876)	\$ (1,555,004)	

City of Franklin
Tax Increment Financing District #3
Balance Sheet
September 30, 2014 and 2013

<u>Assets</u>	2014	2013
Cash and investments	\$ 459,828	\$ 154,964
Accounts & Interest receivable	-	-
Notes receivable	-	6,195,000
Taxes receivable	-	-
Total Assets	\$ 459,828	\$ 6,349,964
<u>Liabilities and Fund Balance</u>		
Accounts payable	\$ 39,856	\$ -
Unearned revenue	-	-
Line of Credit Advance from Development Fund	3,350,000	1,150,000
Total Liabilities	3,389,856	1,150,000
Nonspendable fund balance - note receivable	-	7,345,000
Unassigned fund balance	(2,930,028)	(2,145,036)
Total Fund Balance	(2,930,028)	5,199,964
Total Liabilities and Fund Balance	\$ 459,828	\$ 6,349,964

Statement of Revenue, Expenses and Fund Balance
For the Nine months ended September 30, 2014 and 2013

	2014	2014	2014	2013
	Annual	Year-to-Date	Year-to-Date	Year-to-Date
	Forecast	Forecast	Actual	Actual
Revenue				
General property tax levy	\$ 1,572,200	\$ 1,572,200	\$ 1,572,198	\$ 1,547,835
State exempt computer aid	407,500	407,500	407,508	361,741
Investment income	60,776	60,776	97,942	126,524
Total revenue	2,040,476	2,040,476	2,077,648	2,036,100
Expenditures				
Transfer to other funds	-	\$ -	-	-
Debt service principal	9,695,000	9,695,000	9,695,000	3,170,000
Debt service interest & fees	347,900	347,900	215,030	488,598
Administrative expenses	29,000	21,750	9,747	16,301
Interfund interest	-	-	81,157	23,598
Capital outlays	40,400	30,300	180,240	-
Total expenditures	10,112,300	10,094,950	10,181,174	3,698,497
	(8,071,824)	\$ (8,054,474)	(8,103,526)	(1,662,397)
Fund balance, beginning of year	5,173,498		5,173,498	6,862,361
Fund balance, end of period	\$ (2,898,326)		\$ (2,930,028)	\$ 5,199,964

City of Franklin
Tax Increment Financing District #4
Balance Sheet
September 30, 2014 and 2013

<u>Assets</u>	<u>2014</u>	<u>2013</u>
Cash and investments	\$ 122,193	\$ 130,990
Developer receivable	1,199	1,199
Taxes receivable	-	-
Total Assets	\$ 123,392	\$ 132,189
<u>Liabilities and Fund Balance</u>		
Accounts payable	\$ -	\$ -
Unearned revenue	-	-
Interfund Advance from Development Fund	1,238,000	2,163,000
Total Liabilities	1,238,000	2,163,000
 Unassigned Fund Balance	 (1,114,608)	 (2,030,811)
Total Liabilities and Fund Balance	\$ 123,392	\$ 132,189

Statement of Revenue, Expenses and Fund Balance
For the Nine months ended September 30, 2014 and 2013

	<u>2014</u> <u>Annual</u> <u>Forecast</u>	<u>2014</u> <u>Year-to-Date</u> <u>Forecast</u>	<u>2014</u> <u>Year-to-Date</u> <u>Actual</u>	<u>2013</u> <u>Year-to-Date</u> <u>Actual</u>
Revenue				
General property tax levy	\$ 954,700	\$ 954,700	\$ 972,728	\$ 862,296
State exempt computer aid	24,600	24,600	24,620	46,504
Investment income	1,600	1,200	934	(2,128)
Total revenue	980,900	980,500	998,282	906,672
 Expenditures				
Debt service/interfund interest	77,400	\$ 58,050	45,706	76,991
Administrative expenses	11,400	8,550	8,307	9,990
Capital outlays	-	-	-	-
Total expenditures	88,800	66,600	54,013	86,981
Revenue over (under) expenditures	892,100	\$ 913,900	944,269	819,691
Fund balance, beginning of year	<u>(2,058,877)</u>		<u>(2,058,877)</u>	<u>(2,850,502)</u>
Fund balance, end of period	\$ (1,166,777)		\$ (1,114,608)	\$ (2,030,811)

**City of Franklin
2014 Nine Month Financial Report
Sanitary Sewer Fund**

The nine month 2014 financial report for the City of Franklin Sanitary Sewer Fund is attached. Significant fluctuations from the budget are detailed below.

Operating Revenue

Sewer service revenue is less than the budget by \$45,764. Revenues are \$32,219 (1.33%) greater than the prior year. The 2014 rate increase became effective in the second quarter.

Operating Expenditures

Sewer service charges to the Milwaukee Metropolitan Sewerage District for the year are \$1,492,990 which is \$43,167 less than the budget. Shared meter costs with the water utility are allocated at the end of the year.

Other operating expenditures, not including MMSD charges, are \$83,624 less than the budgeted levels.

Non-operating Revenue (Expenditures)

Investment income and expense relates to the Clean Water Fund loan, and is a pass thru to MMSD. The depreciation on contributions was on budget. The value of the capital contributions is recorded at year end. The depreciation is allocated monthly and the actual expense is calculated and adjusted at years end.

Retained Earnings

Retained earnings are the measure of the health of the operation. For the year, the retained earnings have increased \$202,422.

Impact of the Ryan Creek Interceptor Sewer Project

The Ryan Creed Interceptor Sewer Project, begun in 2011, was completed in 2013 for \$24,588,635, \$2.1 million less than contracted. Funds were borrowed under the Clean Water Fund program, and are recoverable from MMSD beginning in 2015. The Sewer Fund has borrowed \$1,909,497 from general fund to fund principal & interest payments to date. These funds will be recovered in 2017 from MMSD and then repaid to general fund.

Sewer Infrastructure Funding Sources

In May, 2013, the Common Council adopted Ordinance 2013-2105 to create the Southwest Sewer District and provide for the extension of and cost recovery of public sanitary sewer within the service area served by the Ryan Creek Interceptor public sanitary sewer. An Impact fee was established at \$2,928 for a residential unit with an additional \$1,464 for each additional unit. Through September 30, 2014, \$28,878 has been collected.

In addition to the sewer fund operations, the City also collects a sewer connection fee on connections from new and existing construction outside the Southwest Sewer service area, to be used to fund sewer construction projects. YTD collection of sewer connection fees in 2014 amounts to \$29,220 and funds on hand at September 30, 2014 totaled \$269,254.

City of Franklin
Sanitary Sewer Fund
Statement of Revenue, Expenditures,
and Changes in Net Assets
For the Nine months ended September 30, 2014 and 2013

	2014 Amended Budget	2014 Year-to-Date Budget	Current Year-to-Date Totals	Prior Year-to-Date Totals
Operating Revenue				
Residential	\$ 1,919,075	\$ 1,438,683	\$ 1,384,641	\$ 1,366,959
Commercial	869,938	665,446	330,090	623,412
Industrial	284,321	210,668	296,907	281,308
Public Authority	218,545	164,241	118,575	132,366
Penalties/Other	40,000	19,946	16,450	16,956
Multi Family	-	-	306,557	-
Total Operating Revenue	<u>3,331,879</u>	<u>2,498,984</u>	<u>2,453,220</u>	<u>2,421,001</u>
Operating Expenditures				
Salaries and benefits	\$ 462,678	\$ 355,906	\$ 324,094	\$ 371,495
Contractual services	100,365	82,682	88,086	72,091
Supplies	102,500	74,475	41,047	48,587
Facility charges	57,504	42,180	28,341	31,888
Shared meter costs	10,000	7,500	-	-
Sewer service - MMSD	2,048,209	1,536,157	1,492,990	1,461,513
Other operating costs	21,945	17,072	17,017	14,848
Allocated expenses	108,510	81,383	78,300	78,771
Sewer improvements	250,000	112,777	113,391	92,019
Depreciation	63,500	47,625	47,700	54,756
Total operating expenditures	<u>3,225,211</u>	<u>2,357,757</u>	<u>2,230,966</u>	<u>2,225,968</u>
Operating Income (Loss)	106,668	141,227	222,254	195,033
Non-Operating Revenue (Expenditures)				
Miscellaneous income	3,000	2,333	1,250	1,600
Investment income	518,860	389,145	347,886	184,903
Interest expense	(510,860)	(383,145)	(302,345)	(188,634)
RCI expenses	-	-	-	-
Total non-operating revenue (expenditures)	<u>11,000</u>	<u>8,333</u>	<u>46,791</u>	<u>(2,131)</u>
Income (Loss) before Capital Contributions	<u>117,668</u>	<u>149,560</u>	<u>269,045</u>	<u>192,902</u>
Retained Earnings- Beginning	2,660,847	2,660,847	2,660,847	2,422,962
Transfer (to) from Invested in Capital Assets	(1,430,450)	(3,218,513)	(66,623)	(628)
Retained Earnings- Ending	<u>1,348,065</u>	<u>(408,106)</u>	<u>2,863,269</u>	<u>2,615,236</u>
Capital Contributions	600,000	450,000	-	-
Depreciation - CIAC	(586,000)	(439,500)	(440,100)	(439,500)
Transfer (to) from Retained Earnings	1,430,450	1,072,838	66,623	628
Change in Net Investment in Capital Assets	1,444,450	1,083,338	(373,477)	(438,872)
Net Investment in Capital Assets-Beginning	43,811,878	43,811,878	43,811,878	43,655,926
Net Investment in Capital Assets-Ending	<u>45,256,328</u>	<u>44,895,216</u>	<u>43,438,401</u>	<u>43,217,054</u>
Total net assets	<u>\$ 46,604,393</u>	<u>\$ 44,487,110</u>	<u>\$ 46,301,670</u>	<u>\$ 45,832,290</u>

**City of Franklin
Sanitary Sewer Fund
Statement of Cash Flows
For the Nine months ended September 30, 2014 and 2013**

	2014	2013
Cash Flows from Operating Activities		
Operating income (loss)	\$ 222,254	\$ 195,033
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	47,700	54,756
allocated from water utility	-	-
(Increase) decrease in assets:		
Accounts receivable	(184,908)	(400,418)
Taxes receivable	133,253	131,668
Due from other funds	(15,409)	27,297
Due from MMSD & Other Governments		
Miscellaneous receivable	-	-
Increase (decrease) in liabilities:		
Accounts payable	(54,332)	(1,842,726)
Accrued expenses	1,581	(354,018)
Due to other funds	(10,214)	(18,329)
Due to general fund	1,403,700	211,172
Notes payable		
Compensated absences reserve	-	-
Total Adjustments	1,321,371	(2,190,598)
Net Cash Provided by Operating Activities	\$ 1,543,625	\$ (1,995,565)
 Cash Flows From Capital & Related Financing Activities		
Due from MMSD & Other Governments	(319,739)	(1,002,255)
Notes payable	(1,078,901)	2,439,811
Acquisition of capital assets	(114,324)	(55,384)
Net Cash Provided (Used) in Capital and Financing Activities	(1,512,964)	1,382,172
 Cash Flows from Investing Activities		
Interest and other income	349,136	186,503
Interest expense	(302,345)	(188,634)
Net Change in Cash and Cash Equivalents	77,452	(615,524)
 Cash and Cash Equivalents, beginning of period	1,973,399	1,683,815
Cash and Cash Equivalents, end of period	\$ 2,050,851	\$ 1,068,291

**City of Franklin
Sanitary Sewer Fund
Comparative Balance Sheet
September 30, 2014 and 2013**

	<u>2014</u>	<u>2013</u>
<u>Assets</u>		
Current assets:		
Cash and investments	\$ 2,050,851	\$ 1,583,578
Accounts receivable	978,153	1,015,282
Accrued receivables	-	-
Due from Franklin Water Utility	70,107	22,789
Miscellaneous receivable	96,426	299,204
Total current assets	<u>3,195,537</u>	<u>2,920,853</u>
Non current assets:		
Due from MMSD	25,771,125	25,002,203
Sanitary Sewer plant in service:		
Land	358,340	358,340
Buildings and improvements	1,605,333	1,605,333
Improvements other than buildings	53,965,043	53,255,869
Machinery and equipment	819,266	689,530
Construction in progress	102,471	99,867
	<u>56,850,453</u>	<u>56,008,939</u>
Less accumulated depreciation	<u>(13,412,052)</u>	<u>(12,791,885)</u>
Net sanitary sewer plant in service	<u>43,438,401</u>	<u>43,217,054</u>
Total Assets	<u>\$ 72,405,063</u>	<u>\$ 71,140,110</u>
<u>Liabilities and Net Assets</u>		
Current liabilities:		
Accounts payable	\$ 522,519	\$ -
Accrued liabilities	26,441	23,942
Due to Franklin Water Utility	-	-
Due to General Fund - non-interest bearing	2,010,184	211,172
Total current liabilities	<u>2,559,144</u>	<u>235,114</u>
Non current liabilities:		
Accrued compensated absences	57,727	52,775
General Obligation Notes payable - CWF	23,486,522	24,504,644
Total liabilities	<u>26,103,393</u>	<u>24,792,533</u>
Net Assets:		
Invested in capital assets, net of related debt	43,438,401	43,217,054
Sewer equipment replacement	277,230	334,508
Retained earnings	2,586,039	2,796,015
Total net assets	<u>46,301,670</u>	<u>46,347,577</u>
Total Liabilities and Net Assets	<u>\$ 72,405,063</u>	<u>\$ 71,140,110</u>

Franklin Municipal Water Utility
Notes to the Financial Statements
For the period ended September 30, 2014 and 2013

- ¹ Operating revenue is below budgeted levels for the first three quarters. Actual billings were used for the statements. Water usage thru Sept 2014 is 3% below 2013. A 3% rate increase in Sept 2013 is boosting revenues.
- ² Operating expenditures are also less than the budget for the first nine months. The cost of wholesale water purchased from Oak Creek was estimated for the statements. Transmission costs of \$332,039 compare unfavorably to budget of \$250,637. Repair costs on mains and laterals are driving these costs up in 2014. The S 76th Street costs in connection with the County road project have not yet been recorded but are likely to exceed \$220,000

Water Connection Fee

Prior to May 31, 2002, the City collected a water connection fee on new construction and connections to existing properties, to be used to fund water main construction projects. The water connection fees on hand on September 30, 2014 total \$327,872.

Water Impact Fee

Since May 31, 2002 a water impact fee on residential and commercial construction replaced the water connection fee. Water Impact Fees collected in 2014 total \$175,330. During Q2 of 2014, \$873,727 of Impact fees were transferred to the Water Utility in payment of the Puetz Water Tower construction costs. Water Impact fees on hand at September 30, 2014 total \$228,869.

**Franklin Municipal Water Utility
Comparative Balance Sheet
September 30, 2014 & 2013**

Assets	2014	2013
Current Assets:		
Cash and investments	\$ 1,280,691	\$ 159,718
Accounts receivable	1,707,377	1,827,800
Accrued receivables	-	2,720
Due from City of Franklin	68,321	123,428
Total current assets	3,056,389	2,113,666
Utility plant in service:		
Land	162,885	162,885
Buildings and improvements	1,833,594	1,833,594
Construction in Progress	107,145	142,737
Improvements other than buildings	53,434,293	55,308,955
Machinery and equipment	4,436,664	2,113,986
	59,974,581	59,562,157
Less accumulated depreciation	15,390,965	14,395,838
Net utility plant in service	44,583,616	45,166,319
Total Assets	\$ 47,640,005	\$47,279,985
Liabilities and Net Assets		
Liabilities:		
Accounts payable	\$ 29,936	\$ -
Accrued liabilities	830,689	948,189
Due to City of Franklin	332,542	293,316
Advance from municipality	-	150,000
Customer deposits	1,200	2,600
Compensated absences reserve	57,727	52,775
Total liabilities	1,252,094	1,446,880
Net Assets		
Invested in capital assets, net of related debt	44,583,616	45,166,319
Retained earnings	1,804,295	666,786
Total net assets	46,387,911	45,833,105
Total Liabilities and Net Assets	\$ 47,640,005	\$47,279,985

Franklin Municipal Water Utility
Comparative Statement of Cash Flows
For the period ended September 30, 2014 and 2013

	2014	2013
Cash Flows from Operating Activities		
Operating income (loss)	\$ 104,075	\$ (34,916)
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	277,200	334,242
(Increase) decrease in assets:		
Accounts receivable	(403,254)	(577,149)
Due from other funds	10,385	(80,088)
Taxes receivable	181,829	151,144
Accrued receivables	-	83,933
Increase (decrease) in liabilities:		
Accounts payable	(716,942)	(724,061)
Accrued expenses	830,000	945,118
Due to other funds	215,277	215,550
Advance from municipality	(60,000)	(147,000)
Customer deposits	(1,300)	300
Total Adjustments	333,697	201,989
Net Cash Provided (Used) by Operating Activities	437,772	167,073
 Cash Flows From Capital & Related Financing Activities		
Acquisition of capital assets	744,968	(96,178)
Net Cash Provided (Used) in Capital and Financing Activities	744,968	(96,178)
 Cash Flows from Investing Activities		
Interest, property rental & other income	43,829	33,258
Net Change in Cash and Cash Equivalents	1,226,569	104,153
Cash and Cash Equivalents, beginning of period	54,122	55,565
Cash and Cash Equivalents, end of period	\$ 1,280,691	\$ 159,718

Franklin Municipal Water Utility
Comparative Statement of Revenue, Expenditures,
and Changes in Net Assets
For the period ended September 30, 2014 and 2013

Operating Revenue	2014	2013
Total metered sales	3,633,568	3,625,450
Fire protection	471,212	451,969
Forfeited discounts, penalties and other	27,641	25,921
Total Operating Revenue	4,132,421	4,103,340
Operating Expenditures		
Operation and maintenance expenses:		
Source of supply	2,205,135	2,352,298
Pumping	93,475	95,397
Water treatment	8,127	1,500
Transmission and distribution	332,039	220,138
Customers' accounts	37,188	39,262
Administrative and general	254,863	277,120
Total operation and maintenance expenses	2,930,827	2,985,715
Depreciation	277,200	334,242
Taxes	820,319	818,299
Total Operating Expenditures	4,028,346	4,138,256
Operating Income (Loss)	104,075	(34,916)
Non-Operating Revenue (Expenses)		
Sundry	46,715	37,140
Interest on investments	(2,886)	(3,882)
Interest-Debt to Municipality	-	(4,441)
Depreciation - CIAC	(551,250)	(333,333)
Total Non-Operating Revenue (Expenses)	(507,421)	(304,516)
Income before Capital Contributions	(403,346)	(339,432)
Capital Contributions-Developer & Municipality	873,727	-
Net change in net assets	470,381	(339,432)
Net Assets, beginning of period	45,917,530	46,172,537
Net Assets, end of period	\$ 46,387,911	\$45,833,105

Franklin Municipal Water Utility
Detailed Statement of Revenue, Expenditures
and Changes in Net Assets
For the period ended September 30, 2014 and 2013

Account Description	Annual Budget	Year to Date Budget	Current Year to Date	Prior Year to Date
Operating Revenue				
Metered Sales-Residential	\$ 2,892,961	\$ 2,240,998	\$ 2,061,484	\$ 2,113,256
Metered Sales-Commercial	1,493,706	1,154,332	495,823	1,019,773
Metered Sales-Industrial	336,501	245,721	286,621	248,980
Other Sales to Public Authority	279,336	208,223	216,355	243,441
Metered Sales-Multifamily	-	-	493,300	-
Metered Sales-Irrigation	-	-	79,985	-
Total Metered Sales	5,002,504	3,849,274	3,633,568	3,625,450
Unmetered Sales	-	-	1,926	1,744
Private Fire Protection	116,000	87,966	88,500	84,632
Public Fire Protection	501,400	377,437	382,712	367,337
Forfeited Discount	60,000	29,711	25,715	24,177
Total Operating Revenue	\$ 5,679,904	\$ 4,344,388	\$ 4,132,421	\$ 4,103,340
Operating Expenditures				
Operation and maintenance expense				
Source of Supply-Oper Labor	\$ 1,500	\$ 1,154	\$ 1,928	\$ 2,129
Operations Supplies & Expense	10,000	6,019	5,622	3,363
Wholesale Water	3,137,056	2,352,792	2,194,708	2,346,336
Maint of Water Source plant	4,000	1,760	2,877	470
Source of Supply	3,152,556	2,361,725	2,205,135	2,352,298
Pumping-Fuel	46,350	30,269	37,250	35,421
Pumping-Operations Labor	68,000	52,308	54,108	56,165
Pumping-Main Labor Pumping	10,400	8,000	301	318
Pumping-Main Expense Pumping	11,000	8,462	1,816	3,493
Pumping	135,750	99,039	93,475	95,397
Water Treat Chemicals	500	250	-	-
Water Treat Operation Labor	520	400	1,507	-
Water Treat Tests	23,000	14,496	6,583	656
Water Treat Maint Labor	520	400	-	844
Water Treat Maint Expenses	500	206	37	-
Water Treatment	25,040	15,752	8,127	1,500
Storage Software Maintenance	11,000	2,636	16,914	-
Trans & Distr Labor	33,280	25,600	-	19,936
Trans & distr Supp Exp	31,000	22,210	6,398	12,532
Trans & Distr Safety Supplies & Expense	4,000	1,371	374	621
Maint Labor-Distr Reservoir	4,000	3,077	343	135
Maint Expenses-Distr Reservoir	4,000	1,715	2,535	502
Maintenance Labor-Mains	15,600	12,000	12,564	7,616
Maintenance Expense-Mains	35,000	21,942	71,236	32,005
Locating Labor-Mains	12,150	9,346	8,069	5,041
Maint Labor-Services	17,000	13,077	8,111	6,928
Maint Expense-Services	57,000	36,711	75,577	23,450
Locating Labor-Services	12,000	9,231	7,928	10,716
Maint Labor-Meters	20,800	16,000	17,424	12,811
Maint Expenses-Meters	3,000	2,507	692	1,348
Maint Labor-Hydrants	26,000	20,000	27,437	25,665
Maint Expenses-Hydrants	48,000	30,591	39,723	41,852
Maint Labor-Plant	11,024	8,480	24,020	13,212
Maint Expenses-Plant	15,000	14,143	12,694	5,768
Transmission & Distribution	359,854	250,637	332,039	220,138

Franklin Municipal Water Utility
Detailed Statement of Revenue, Expenditures
and Changes in Net Assets
For the period ended September 30, 2014 and 2013

Account Description	Annual Budget	Year to Date Budget	Current Year to Date	Prior Year to Date
Meter Reading Labor	8,112	6,240	4,599	4,454
Acct & Collection Labor	23,140	17,800	6,611	12,425
Acctg & Coll Payroll Exp	13,468	10,360	9,650	9,713
Supplies & Expense	8,000	5,624	4,142	5,682
Bank Fees	10,150	7,487	10,661	6,492
Uncollectible Accounts	-	-	1,525	496
Customer Accounts	62,870	47,511	37,188	39,262
Admin & General Payroll Exp	49,192	37,840	35,250	35,475
Office Supplies	1,100	825	138	466
Conferences/Dues/Subscriptions	6,000	3,446	4,966	3,086
Mileage	1,000	663	437	189
Outside Services	46,200	34,650	19,121	57,404
Insurance	29,952	21,153	18,720	18,727
Employee Leave Time & Benefits	208,012	160,009	159,984	146,858
Regulatory Commision Exp	5,000	75	125	125
Misc General Expense	1,000	406	-	1,185
Maintenance of General Plant	5,500	4,936	15,433	13,259
Transportation Expenses	19,500	14,624	689	346
Administrative and general	372,456	278,627	254,863	277,120
Total Operation and Maintenance Expenditures	4,108,526	3,053,291	2,930,827	2,985,715
Depreciation	355,000	277,202	277,200	334,242
Taxes-Property Tax Equivalent	1,070,000	789,151	802,800	802,500
Taxes-FICA	24,253	17,184	17,519	15,799
Total Operating Expenditures ²	5,557,779	4,136,828	4,028,346	4,138,256
Operating Income	\$ 122,125	\$ 207,560	\$ 104,075	\$ (34,916)
Non-Operating Revenue (Expenditures)				
Interest Income	-	-	(2,886)	(3,882)
Misc Revenue	3,000	1,544	-	1,254
Water Property Rent	39,000	33,013	42,708	34,705
Other Water Revenue	-	-	4,007	1,181
Interest-Debt to Municipality	-	-	-	(4,441)
Total non-operating revenue	42,000	34,557	43,829	28,817
Income before capital contributions	\$ 164,125	\$ 242,117	\$ 147,904	\$ (6,099)
Retained earnings - beginning	634,223	634,223	634,223	430,380
Transfer (to) from invested in capital assets	(1,735,680)	(1,301,760)	1,022,168	242,505
Retained earnings - ending	\$ (937,332)	\$ (425,420)	\$ 1,804,295	\$ 666,786
Capital contributions	500,000	-	873,727	-
Depreciation - CIAC	(500,000)	(375,000)	(551,250)	(333,333)
Transfer (to) from retained earnings	1,735,680	1,301,760	(1,022,168)	(242,505)
Change in net investment	(138,984)	(1,225,840)	(699,691)	(575,838)
Net investment in capital assets - beginning	45,283,307	45,283,307	45,283,307	45,742,157
Net investment in capital assets - ending	\$ 45,144,323	\$ 44,057,467	\$ 44,583,616	\$ 45,166,319
Total net assets	\$ 44,206,991	\$ 43,632,047	\$ 46,387,911	\$ 45,833,105

City of Franklin
Self Insurance Fund - Actives
Balance Sheet
September 30, 2014 and 2013

<u>Assets</u>	<u>2014</u>	<u>2013</u>
Cash and investments	\$ 1,415,036	\$ 1,119,705
Accounts receivable	576	651
Interfund advance receivable	2,338,000	2,163,000
Prepaid expenses	57,500	-
Total Assets	<u>\$ 3,811,112</u>	<u>\$ 3,283,356</u>
<u>Liabilities and Net Assets</u>		
Accounts payable	\$ 125,939	\$ -
Claims payable	379,100	352,000
Special deposits	-	-
Unrestricted net assets	3,306,073	2,931,356
Total Liabilities and Fund Balance	<u>\$ 3,811,112</u>	<u>\$ 3,283,356</u>

City of Franklin Self Insurance Fund - Actives
Statement of Revenue, Expenses and Fund Balance
For the Nine months ended September 30, 2014 and 2013

<u>Revenue</u>	<u>2014</u>	<u>2014</u>	<u>2014</u>	<u>2013</u>
	<u>Forecast</u>	<u>Year-to-Date</u>	<u>Year-to-Date</u>	<u>Year-to-Date</u>
		<u>Forecast</u>	<u>Actual</u>	<u>Actual</u>
Medical Premiums-City	\$ 2,959,000	\$ 2,219,250	\$ 1,986,552	\$ 2,142,721
Medical Premiums-Employee	412,300	309,225	334,340	296,820
Other - Investment Income, etc.	92,190	69,143	89,004	73,174
Medical Revenue	<u>3,463,490</u>	<u>2,597,618</u>	<u>2,409,896</u>	<u>2,512,715</u>
Dental Premiums-City	105,630	79,223	78,372	72,291
Dental Premiums-Retirees	6,000	4,500	4,800	5,580
Dental Premiums-Employee	59,000	44,250	40,383	42,274
Dental Revenue	<u>170,630</u>	<u>127,973</u>	<u>123,555</u>	<u>120,145</u>
Total Revenue	<u>3,634,120</u>	<u>2,725,590</u>	<u>2,533,451</u>	<u>2,632,860</u>
Expenditures:				
Active Employees-Medical				
Medical claims - Current Year	2,275,200	1,706,400	1,003,984	1,548,220
Medical claims - Prior Year	54,300	40,725	361,617	406,323
Prescription drug claims	341,100	255,825	204,486	244,171
Refunds-Stop Loss Coverage	-	-	(418)	(145,322)
Total Claims-Actives	<u>2,670,600</u>	<u>2,002,950</u>	<u>1,569,669</u>	<u>2,053,392</u>
Medical Claim Fees	167,600	125,700	152,247	124,692
Memberships	-	-	4,525	-
Miscellaneous Wellness	21,300	15,975	7,024	15,182
Section 125 administration Fee	5,500	4,125	3,811	(316)
Stop Loss Premiums	487,500	365,625	462,403	406,555
Total Medical Costs-Actives	<u>3,352,500</u>	<u>2,514,375</u>	<u>2,199,679</u>	<u>2,599,505</u>
Active Employees-Dental				
Dental claims - Current Year	147,000	110,250	103,212	104,167
Dental claims - Prior Year	-	-	16,966	16,050
Dental Claim Fees	5,600	4,200	9,361	4,322
Total Dental Costs-Actives	<u>152,600</u>	<u>114,450</u>	<u>129,539</u>	<u>124,539</u>
Retirees-Dental				
Dental claims - Current Year	7,400	5,550	4,290	5,444
Dental claims - Prior Year	-	-	-	808
Dental Claim Fees	-	-	271	110
Total Dental Costs-Retirees	<u>7,400</u>	<u>5,550</u>	<u>4,561</u>	<u>6,362</u>
Total Dental Costs	<u>160,000</u>	<u>120,000</u>	<u>134,100</u>	<u>130,901</u>
Total Expenditures	<u>3,512,500</u>	<u>2,634,375</u>	<u>2,333,779</u>	<u>2,730,406</u>
Revenue over (under) expenditures	121,620	<u>\$ 91,215</u>	199,672	(97,545)
Net assets, beginning of year	3,106,401		3,106,401	3,028,901
Net assets, end of period	<u>\$ 3,228,021</u>		<u>\$ 3,306,073</u>	<u>\$ 2,931,356</u>

City of Franklin
City of Franklin Post Employment Benefits Trust
Balance Sheet
September 30, 2014 and 2013

<u>Assets</u>	<u>2014</u>	<u>2013</u>
Cash and investments	\$ (116,451)	\$ (132,516)
Investments held in trust - Fixed Inc	998,532	528,831
Investments held in trust - Equities	3,396,376	3,359,775
Accounts receivable	14,408	15,834
Total Assets	<u>\$ 4,292,865</u>	<u>\$ 3,771,924</u>
<u>Liabilities and Net Assets</u>		
Accounts payable	\$ 14,917	\$ -
Claims payable	77,182	24,500
Due from OPEB Trust	-	-
Net assets held in trust for post employment benefits	4,200,766	3,747,424
Total Liabilities and Fund Balance	<u>\$ 4,292,865</u>	<u>\$ 3,771,924</u>

City of Franklin Post Employment Benefits Trust
Statement of Revenue, Expenses and Fund Balance
For the Nine months ended September 30, 2014 and 2013

<u>Revenue</u>	<u>2014</u> <u>Forecast</u>	<u>2014</u> <u>Year-to-Date</u> <u>Forecast</u>	<u>2014</u> <u>Year-to-Date</u> <u>Actual</u>	<u>2013</u> <u>Year-to-Date</u> <u>Actual</u>
ARC Medical Charges - City	\$ 209,300	\$ 156,975	\$ 149,220	\$ 144,349
Medical Charges - Retirees	125,000	93,750	84,492	95,487
Implicit Rate Subsidy	261,080	195,810	34,956	349,345
Interest Income			(1,114)	(1,480)
Medical Revenue	<u>595,380</u>	<u>446,535</u>	<u>267,554</u>	<u>587,701</u>
Expenditures:				
Retirees-Medical				
Medical claims - Current Year	342,400	256,800	130,833	358,233
Medical claims - Prior Year	39,080	29,310	86,481	66,077
Prescription drug claims	160,200	120,150	61,761	138,731
Refunds-Stop Loss Coverage	-	-	(69,880)	(24,872)
Total Claims-Retirees	<u>541,680</u>	<u>406,260</u>	<u>209,195</u>	<u>538,169</u>
Medical Claim Fees	7,500	5,625	12,177	11,123
Stop Loss Premiums	46,200	34,650	46,096	38,372
Miscellaneous Expense	-	-	86	37
Total Medical Costs-Retirees	<u>595,380</u>	<u>446,535</u>	<u>267,554</u>	<u>587,701</u>
Revenue over (under) expenditures	-	-	-	-
Annual Required Contribution-Net	300,420	225,315	229,405	110,548
Other - Investment Income, etc.	302,100	226,575	165,177	260,722
Total Revenues	<u>602,520</u>	<u>451,890</u>	<u>394,582</u>	<u>371,270</u>
Net Revenues (Expenditures)	602,520	451,890	394,582	371,270
Net assets, beginning of year	<u>3,806,184</u>		<u>3,806,184</u>	<u>3,376,154</u>
Net assets, end of period	<u>\$ 4,408,704</u>		<u>\$ 4,200,766</u>	<u>\$ 3,747,424</u>

CITY OF FRANKLIN, WISCONSIN
Schedule of Revenue, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Three Months Ended September 30, 2014

	Utility Development Fund	Library Auxiliary Fund	St Martin's Fair Fund	Donation Fund	Civic Celebrations Fund	Grant Fund	Total
REVENUE							
Intergovernmental revenue	\$ -	\$ -	\$ 11,000	\$ -	\$ 13,000	\$ 125,325	\$ 149,325
Public charges for services		3,543	25,592				29,135
Special assessments	149,346	-	-	-	-	-	149,346
Investment earnings	5,372	-	-	714	-	103	6,189
Miscellaneous revenue	-	39,136	450	19,303	93,783	11,578	164,250
Total revenue	154,718	42,679	37,042	20,017	106,783	137,006	498,245
EXPENDITURES							
Current:							
General government				134			134
Public safety				16,875		7,758	24,633
Public works	12,037						12,037
Health and human services				395		24,889	25,284
Culture and recreation		22,212	46,961		111,977	3,400	184,550
Conservation and development							
Capital outlay		16,087				57,688	73,775
Total expenditures	12,037	38,299	46,961	17,404	111,977	93,735	320,413
Excess (deficiency) of revenue over expenditures	142,681	4,380	(9,919)	2,613	(5,194)	43,271	177,832
OTHER FINANCING SOURCES (USES)							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Net change in fund balances	142,681	4,380	(9,919)	2,613	(5,194)	43,271	177,832
Fund balances - beginning	443,438	142,622	(708)	102,325	51,476	165,846	904,999
Fund balances - ending	\$ 586,119	\$ 147,002	\$ (10,627)	\$ 104,938	\$ 46,282	\$ 209,117	\$ 1,082,831

CITY OF FRANKLIN, WISCONSIN
Balance Sheet
Nonmajor Governmental Funds
September 30, 2014

	Utility Development Fund	Library Auxiliary Fund	St Martin's Fair Fund	Donation Fund	Civic Celebrations Fund	Grant Fund	Total
ASSETS							
Cash and investments	\$ 597,126	\$ 146,188	\$ (10,448)	\$ 105,499	\$ 47,055	\$ 216,368	\$ 1,101,788
Receivables							
Accounts receivable						2,360	2,360
Special assessments receivable	1,387,532						1,387,532
Due from other funds							
Prepaid items		900					900
Total assets	\$ 1,984,658	\$ 147,088	\$ (10,448)	\$ 105,499	\$ 47,055	\$ 218,728	\$ 2,492,580
LIABILITIES AND FUND BALANCES							
LIABILITIES							
Accounts payable	\$ 11,007	\$ -	\$ 179	\$ 561	\$ 773	\$ 7,225	\$ 19,745
Due other governments		86				2,386	2,472
Total liabilities	11,007	86	179	561	773	9,611	22,217
DEFERRED INFLOWS OF RESOURCES							
Unearned & unavailable revenue	1,387,532						1,387,532
FUND BALANCES							
Nonspendable:							
Prepaid items							
Advances to other funds							
Restricted:							
Utility improvements	586,119						586,119
Development							
Donations				104,938			104,938
Assigned:							
Health services						203,982	203,982
Library services		147,002					147,002
Public Safety services						5,135	5,135
Recreational services			(10,627)		46,282		35,655
Capital projects							
Unassigned							
Total fund balances	586,119	147,002	(10,627)	104,938	46,282	209,117	1,082,831
Total liabilities, Deferred Inflows and Fund Balances	\$ 1,984,658	\$ 147,088	\$ (10,448)	\$ 105,499	\$ 47,055	\$ 218,728	\$ 2,492,580

**City of Franklin
Park Commission
Statement of Revenue and Expenses
For the Nine months ended September 30, 2014**

	2014 Adopted Budget	2014 Year-to-Date Budget	Current Year-to-Date Totals	2013 Year-to-Date Totals
General Fund Operating Expenses:				
Personal Services	\$ 107,910	\$ 83,008	\$ 90,354	\$ 71,480
Park Maintenance	12,628	6,411	7,210	7,163
Uniforms	250	202	-	106
Allocated Insurance	4,794	3,564	3,596	3,525
Mileage	500	314	64	79
Utilities	7,000	4,834	3,752	3,563
Total Operating Fund Expenses	\$ 133,082	\$ 98,333	\$ 104,976	\$ 85,916
Capital Outlay Fund Expenses:				
Landscaping-Park/Tree Maint	\$ 2,000	\$ 1,500	\$ -	\$ 296
Park Improvements-Development	13,000	9,750	10,904	-
Park Equipment & Supplies	3,000	2,250	8,399	-
Total Capital Outlay Expenditures	\$ 18,000	\$ 13,500	\$ 19,303	\$ 296
Development Fund Expenses:				
Appraisal services	\$ -	\$ -	\$ -	\$ -
Transfer to Capital Improvement Fund	1,557,949	-	100,000	-
Total Capital Improvement Expenditures	1,557,949	-	100,000	-
Capital Improvement Fund Expenses:				
Park Improvements	\$ 303,599	\$ -	\$ 244,131	\$ -
North Cape Road Recreation & Bike Trail	-	-	15	-
Pleasant View/Victory Creek Rec & Bike Trail	-	-	111	453
Pleasant View/Victory Creek Trail Bridge	-	-	-	7,250
Legend Park	37,538	-	-	-
Total Capital Improvement Expenditures	341,137	-	244,257	7,703
Less Impact Fees Transfer	-	-	-	-
Amount Due From Impact Fees	\$ 341,137	\$ -	\$ 244,257	\$ 7,703

<p>APPROVAL</p> 	<p>REQUEST FOR COUNCIL ACTION</p>	<p>MEETING DATE</p> <p>11/03/2014</p>
<p>REPORTS & RECOMMENDATIONS</p>	<p>Authorization to Purchase the Budgeted Capital Items to Complete the Computer Network Backup System Plan for 2014</p>	<p>ITEM NUMBER</p> <p><i>G11.</i></p>

The 2014 budget provided funding to enhance the existing backup system for the computer networks. In total \$31,000 is available for these purposes coming from the Information Services budget (\$20,000 backup system and \$2,000 hard drives for backup server) and the Police Department Budget (\$9,000 for backup server). In recent history, the backup system has suffered performance issues stemming largely from the performance of Backup Exec 2012, the primary software component of the City's backup network, as network size required an expansion of data deduplication as part of the backup strategy. (Deduplication is a specialized data compression technique for eliminating duplicate copies of repeating data and, thereby, increasing the efficiency and reducing the size of backups.) Although earlier versions of Backup Exec had worked well for a number of years, the 2012 update has been problematic causing excessive staff effort and periodic lapses in backup copy success (leading to the 2014 budget allocation).

As a result, the City's IS consulting firm was directed to conduct a back-up assessment evaluating the City's immediate and broader needs. This assessment was recently reviewed by the Technology Commission. The Technology Commission concluded that the 2014 resources should be used to address the immediate needs of restoring the consistency of routine backups. Then, in 2015, they recommend the new IT Manager pursue the more strategic considerations of business continuity and disaster recovery. In short, these longer term strategic options focus on business priorities and restoring entire network systems following catastrophic incidents as opposed to our immediate needs of ensuring data backups exist.

Building on the Technology Commission's recommendation and consistent with the discussion with the Commission, staff and Heartland Business Systems recommends replacing Backup Exec with a system called Veeam that has a proven success with networks of our size and structure. For example, the City's efficiency efforts of the last few years to employ multiple virtual servers is addressed well by Veeam, which uses virtual segments itself to increase the efficiency of the backup process and enables it to fully backup a network of our size in much less time (which reduces the likelihood of problems). At the same time, the new server at the PD will be employed to work together with the City Hall backup server. Connected by existing fiber, the backup process will be transitioned to one, more efficient system than the current two, independent systems. This will enable a single tape drive with auto-load features to be used to capture full backups to be stored off-site at a different City facility (in existing fire-proof safes). The larger tape drive capacity significantly increases the functionality of the tape system.

The structure summarized above will achieve the Technology Commission's strong recommendation to find a quick solution to the problems caused by Backup Exec. At the same time, of the entire investment, less than \$6,000 of the purchases and the \$3,200 installation cost would be at risk if the long-term, strategic solution suggests a path other than Veeam. All of the remaining components

(the servers, tape drive, Microsoft licenses, and tapes) would very likely be a component of any long-term solution. Given the importance of the backups, this is a low-risk investment to ensure stability in backups while business continuity and long-term strategies are evaluated next year.

The pricing is competitive due to our government pricing, but the City is not just purchasing the lowest price items for such a critical network. Servers are Dell due to their consistency within our network and due to their historic performance. By purchasing directly from Dell we get very competitive governmental pricing. The tape drive is also a Dell because of our experience with other tape drives failing. Veeam is provided through Heartland Business Systems, as a licensed provider, who will also perform the installation. CDWG has the current state bid for governmental licensing of Microsoft products.

The total price for the project, between the Information Services and Police Department capital outlay purchases is as follows:

Dell; Replication Server (PD)	\$8,942
Dell; PowerVault 124T Autoloader LTO-6 with tapes	\$8,414
CDWG; Microsoft Windows Server Licenses 2012	\$1,710
HBS; Veeam licenses (Backup & Replication for Hyper-V) (6)	\$5,653
HBS; Set-up, Installation & Configuration (32 hours @\$110)	\$3,520
2 TB Hard drives (3)	\$240
Contingency	<u>\$2,521</u>
Total	\$31,000

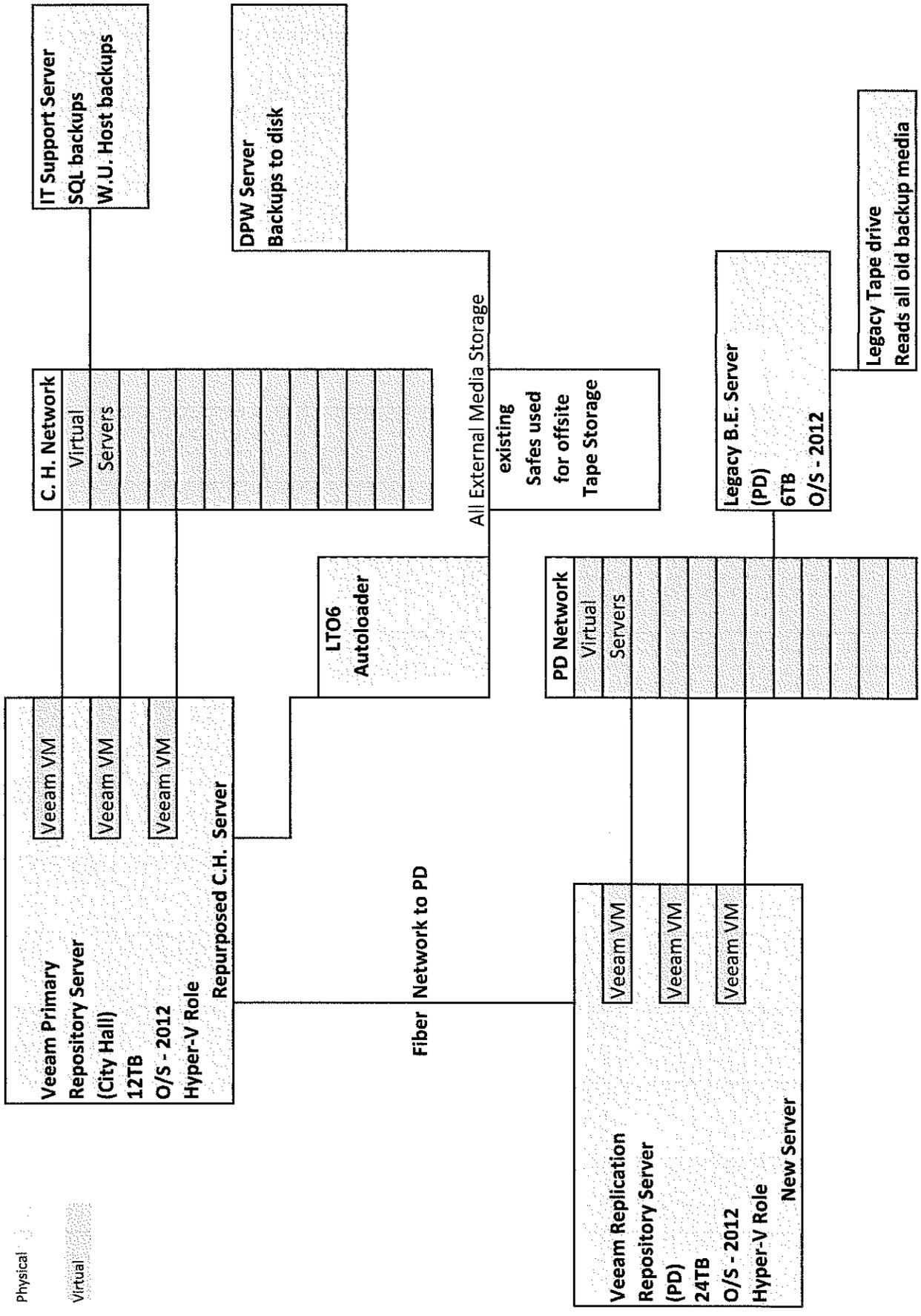
(Notes: The 2 TB Hard Drives will be used to bolster the off-site Public Works backup system. This strategy leaves the entire \$2,000 hard drive appropriation as unspent and available in the contingency. This is a good strategy because although Veeam is a proven strategy for the virtual server backups, its application to other physical servers will be tested after the virtual server back-up is in place. This would enable expansion of backups to cover certain, less-critical physical services not currently addressed. The annual maintenance cost of approximately \$1,850 for Backup Exec will be purchased as planned through the IS operating budget to ensure access to existing backup tapes through 2015. Annual maintenance costs of approximately \$1,431 will be required of the I.S. operating budget to continue Veeam licensing after the first year. As a capital purchase(s) under \$5,000, use of the contingency would be under the oversight and direction of the Mayor.)

Heartland Business Systems and staff recommend approval of this strategy that is consistent with the recommendation of the Technology Commission.

COUNCIL ACTION REQUESTED

Motion to authorize the Police Chief and Director of Administration to purchase the budgeted capital items, as described above, to complete the backup system upgrade.

City of Franklin Backup Plan Diagram



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APPROVAL <i>Slw</i>	REQUEST FOR COUNCIL ACTION	MEETING DATE 11/03/2014
LICENSES AND PERMITS	MISCELLANEOUS LICENSES	ITEM NUMBER H.1.

See attached list from meeting of November 3, 2014.

COUNCIL ACTION REQUESTED



City of Franklin

9229 W. Loomis Road
Franklin, WI 53132-9728

414-425-7500

License Committee

Agenda*

Aldermen's Room

November 3, 2014 – 5:50 pm

1.	Call to Order & Roll Call	Time:		
2.	Applicant Interviews & Decisions			
License Applications Reviewed		Recommendations		
Type/ Time	Applicant Information	Approve	Hold	Deny
Food Establishment License 6:00 p.m.	Eric's Setback Eric Schneeberg 6357 S 27th St			
Operator - New 2014-15	Applin, Qyinn M 4521 W Ramsey Ave, #65 Greendale, WI 53129 Country Lanes			
Operator - New 2014-15	Kikorian, Isaac K 2502A S Wentworth Ave Milwaukee, WI 53207 On the Border			
Operator - New 2014-15	Muth, Shelby M 6930 S 20th St, #2112 Oak Creek, WI 53154 Not Yet Known			
Operator - New 2014-15	Plate, Jordan W 722 N 13th St Milwaukee, WI 53233 Hanley's Grille & Bar			
3.	Adjournment	Time		

*Notice is given that a majority of the Common Council may attend this meeting to gather information about an agenda item over which they have decision-making responsibility. This may constitute a meeting of the Common Council per State ex rel. Badke v. Greendale Village Board, even though the Common Council will not take formal action at this meeting.

APPROVAL <i>Slw Paul</i>	REQUEST FOR COUNCIL ACTION	MEETING DATE 11/3/14
Bills	Vouchers and Payroll Approval	ITEM NUMBER I. 1

Attached is a list of vouchers dated October 17, 2014 through October 30, 2014 Nos. 154126 through Nos. 154294 in the amount of \$ 2,068,349.08. Included in this listing is EFT's Nos. 2724 through Nos. 2733 and Library vouchers in the amount of \$26,762.36. Attached is a list of voided checks in the amount of \$ (560.50).

The net payroll dated October 31, 2014 is \$ 352,707.79, previously estimated at \$ 360,000.00. Payroll deductions for October 31, 2014 are \$ 377,191.37, previously estimated at 385,000.00.

The estimated payroll for November 14, 2014 is \$ 342,000.00 with estimated deductions of \$ 205,000.00.

Attached is a tax refund dated October 27, 2014 No. 13296 in the amount of \$ 204.49. Also attached is a voided check in the amount of \$ (204.49).

COUNCIL ACTION REQUESTED

Motion approving net general checking account City vouchers in the range of Nos. 154126 through Nos. 154294 in the amount of \$ 2,068,349.08 dated October 17, 2014 through October 30, 2014.

Motion approving the net payroll dated October 31, 2014 in the amount of \$ 352,707.79 and payments of the various payroll deductions in the amount of \$ 377,191.37, plus any City matching payments, where required.

Motion approving the net payroll dated November 14, 2014 estimated at \$ 342,000.00 and payments of the various payroll deductions estimated at \$ 205,000.00, plus any City matching payments, where required.

Motion approving property tax refund of Nos. 13296 in the amount of \$204.49 dated October 27, 2014.