Presentation of the 2019 Audit Results For the City of Franklin

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Audit objectives

Our responsibilities

As your independent auditor, our responsibilities include:

- Planning and performing the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. Reasonable assurance is a high level of assurance.
- Assessing the risks of material misstatement of the financial statements, whether due to fraud or error. Included in that assessment is a consideration of the City's internal control over financial reporting.
- Performing appropriate procedures based upon our risk assessment.
- Evaluating the appropriateness of the accounting policies used and the reasonableness of significant accounting estimates made by management.
- Forming and expressing an opinion based on our audit about whether the financial statements prepared by management, with the oversight of the City Council:
  - Are free from material misstatement
  - Present fairly, in all material respects, and in accordance with accounting principles generally accepted in the United States of America

We are also required to communicate significant matters related to our audit that are relevant to the responsibilities of the City Council, including:

- Qualitative aspects of the City's accounting practice including policies, accounting estimates and financial statement disclosures
- Significant difficulties encountered
- Disagreements with management
- Corrected and uncorrected misstatements
- Internal control matters
- Significant estimates
- Other findings or issues arising from the audit

Management's responsibilities

Management	Auditor
Prepare and fairly present the financial statements	Our audit does not relieve management or those charged with governance of their responsibilities
Establish and maintain effective internal control over financial reporting	An audit includes consideration of internal control over financial reporting, but not an expression of an opinion on those controls
Provide us with written representations at the conclusion of the audit	See Reporting and Insight from 2019 audit communication letter for a copy of management's representations

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Audit status

Significant changes to the audit plan

There were no significant changes made to either our planned audit strategy or to the significant risks and other areas of emphasis identified during the performance of our risk assessment procedures.

Audit approach and results

Planned scope and timing

Audit focus

Based on our understanding of the City and environment in which you operate, we focused our audit on the following key areas:

- Key transaction cycles
- Areas with significant estimates
- Implementation of new accounting standards
- Areas of complexity including capital assets and debt

Our areas of audit focus were informed by, among other things, our assessment of materiality. Materiality in the context of our audit was determined based on specific qualitative and quantitative factors combined with our expectations about the City's current year results.

Implementation of GASB No. 84 reporting fiduciary activities

During the current year, your government implemented GASB Statement No. 84 – *Fiduciary Activities*. This standard was issued to provide a clear foundation and reduce inconsistencies in reporting of fiduciary activities. Implementation of this standard required the evaluation of various activities and application of specific criteria to determine the fiduciary activities that required reporting. As a result of this standard you will note the following changes in your financial statements from prior years:

- Reclassification of agency fund activities as custodial funds
- Change in the activity that is reported through the tax collection custodial fund
- Presentation of additions and deductions on the statement of changes in fiduciary net position for all fiduciary funds, including custodial funds

Implementation of GASB No. 88 related to certain debt disclosures

During the current year, your government implemented GASB Statement No. 88 – *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*. This statement defines debt for purposes of disclosure in notes to financial statements and establishes additional financial statement note disclosure requirements related to debt obligations of governments, including direct borrowings and direct placements.

Key areas of focus and significant findings

Significant risks of material misstatement

A significant risk is an identified and assessed risk of material misstatement that, in the auditor's professional judgment, requires special audit consideration. Within our audit, we focused on the following areas below.

Significant risk areas	Testing approach	Conclusion
Management override of controls	Incorporate unpredictability into audit procedures, emphasize professional skepticism and utilize audit team with industry expertise	Procedures identified provided sufficient evidence for our audit opinion

Other key areas of emphasis

We also focused on other areas that did not meet the definition of a significant risk, but were determined to require specific awareness and a unique audit response.

Other key areas of emphasis		
Cash and investments	Revenues and receivables	General disbursements
Payroll	Pension and OPEB liabilities	Long-term debt
Capital assets including infrastructure	Net position calculations	Financial reporting and required disclosures

Nonattest services

The following nonattest services were provided by Baker Tilly:

- Compiled regulatory reports
- Financial statement preparation assistance
- Adjusting journal entries

The above nonattest service does not constitute an audit under generally accepted auditing standards, including *Government Auditing Standards*.

Client service team

Paul Frantz, CPA
Partner

It is a pleasure to serve you. While we work with the City's management and staff in reviewing the financial data and assist in preparing the financial statements, our contract is with the Council and our responsibility is to report to the Council. Accordingly, if any Council or Committee member has any questions or comments concerning our audit, the financial statements, any of the reports presented, or anything else covered, please contact me.

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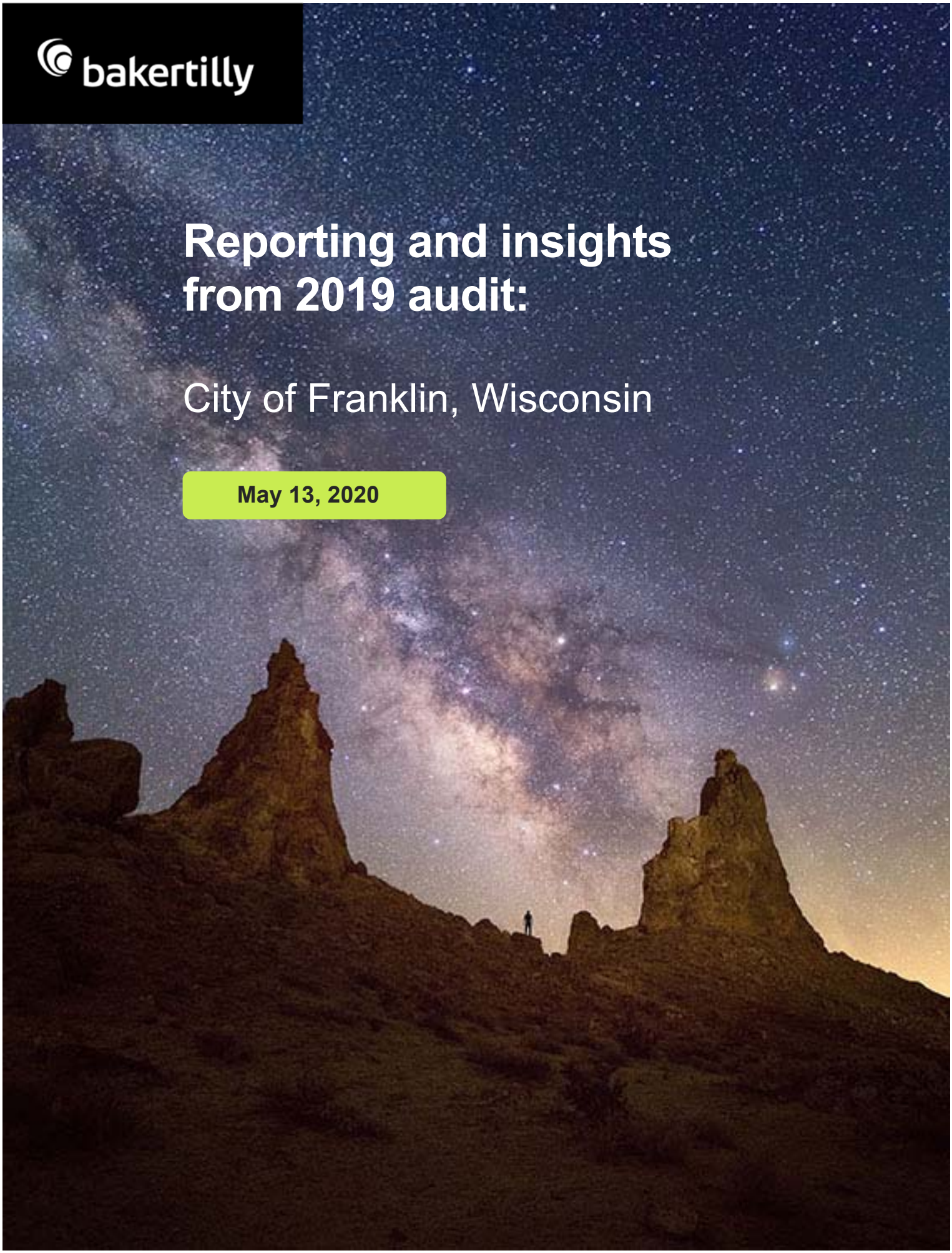
Reporting and insights from 2019 audit:

City of Franklin, Wisconsin

May 13, 2020



Executive summary

We have completed our audit of the financial statements of the City of Franklin (the "City") for the year ended December 31, 2019, and have issued our report thereon dated May 13, 2020. This letter presents communications required by our professional standards.

Your audit should provide you with confidence in your financial statements. The audit was performed based on information obtained from meetings with management, data from your systems, knowledge of your City's operating environment and our risk assessment procedures. We strive to provide you clear, concise communication throughout the audit process and of the final results of our audit.

Additionally, we have included information on key risk areas the City should be aware of in your strategic planning. We are available to discuss these risks as they relate to your organization's financial stability and future planning.

If you have questions at any point, please connect with me:

- Paul Frantz, CPA, Partner: paul.frantz@bakertily.com or +1 (414) 777 5506

Sincerely,

Baker Tilly Virchow Krause, LLP

Baker Tilly Virchow Krause, LLP

Paul Frantz, CPA, Partner

Table of contents

Executive summary 2
Audit objectives 5
Our responsibilities 5
Management's responsibilities 6
Audit status 8
Significant changes to the audit plan 8
Audit approach and results 10
Planned scope and timing 10
Key areas of focus and significant findings 11
Internal control matters 12
Other comments and recommendations 13
Required communications 14
Nonattest services 17
Accounting changes relevant to the City 19
Trending challenges for organizations 22
2020 strategic risks for Councils 22
Cybersecurity 22
Data privacy 23
The talent problem 23
Innovation 24
Public sector executive recruitment 24
Customer experience 25
Operational and organizational sustainability 25
COVID-19 Risks and ongoing response 26
Appendix A: Client service team 27
Appendix B: Management representation letter 29
Appendix C: Two-way communication regarding your audit 36

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Audit objectives

Audit objectives

Our responsibilities

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Provide us with written representations at the conclusion of the audit	See Appendix B for a copy of management's representations

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Audit status

Audit status

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Audit approach and results

Audit approach and results

Planned scope and timing

Audit focus

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Key areas of focus and significant findings

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Other key areas of emphasis		
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Capital assets including infrastructure	Net position calculations	Financial reporting and required disclosures

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Internal control matters

We considered the City's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing our opinions on the financial statements. We are not expressing an opinion on the effectiveness of the City's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis.

A material weakness is a deficiency or combination of deficiencies in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We did not identify any deficiencies in internal control that we consider to be material weaknesses.

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Other comments and recommendations

Departmental Controls

As part of our annual audit process, we focus our efforts on the primary accounting systems, internal controls, and procedures used by the City. This is in keeping with our goal to provide an audit opinion which states that the financial statements of the City are correct in all material respects.

In some cases, the primary system of accounting procedures and controls of the City are supported by smaller systems which are decentralized, and reside within a department or location. In many cases, those systems are as simple as handling cash collections and remitting those collections to the City treasurer. (For example, this would be the case in a typical municipal swimming pool.) In other cases, the department may send invoices or statements of amounts due, and track collections of those amounts in a standalone accounts receivable system. (For example, this would be the case in a typical municipal court.)

Generally, the more centralized a function is, the easier it is to design and implement accounting controls that provide some level of checks and balances. That is because you are able to divide certain tasks over the people available to achieve some segregation of duties. For those tasks that are decentralized, it is usually very difficult to provide for proper segregation of duties. Therefore, with one person being involved in most or all aspects of a transaction, you lose the ability to rely on the controls to achieve the safeguarding of assets and reliability of financial records.

As auditors, we are required to communicate with you on a variety of topics. Since there is now more emphasis on internal controls and management's responsibilities, we believe it is appropriate to make sure that you are informed about the lack of segregation of duties that may occur at departments or locations that handle cash or do miscellaneous billing. Examples in your City that fit this situation may include the Municipal Court, Library, Police Department and Recreation.

As you might expect, similar situations are common in most governments.

As auditors, we are required to focus on the financial statements at a highly summarized level and our audit procedures support our opinion on those financial statements. Departments or locations that handle relatively smaller amounts of money are not the primary focus of our audit. Yet, because of the lack of segregation of duties, the opportunity for loss is higher there than in centralized functions that have more controls.

Because management is responsible for designing and implementing controls and procedures to detect and prevent fraud, we believe that is important for us to communicate this information to you. We have no knowledge of any fraud that has occurred or is suspected to have occurred within the departments mentioned above. However, your role as the governing body is to assess your risk areas and determine that the appropriate level of controls and procedures are in place.

As always, the costs of controls and staffing must be weighed against the perceived benefits of safeguarding your assets.

Without adding staff or splitting up the duties, your own day-to-day contact and knowledge of the operation are also important mitigating factors.

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Required communications

Qualitative aspect of accounting practices

- Accounting policies: Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we have advised management about the appropriateness of accounting policies and their application. The significant accounting policies used by the City are described in Note I to the financial statements, the City changed accounting policies related to financial reporting for fiduciary activities by adopting Governmental Accounting Standards Council (GASB) No. 84 – *Fiduciary Activities* and financial reporting for debt disclosures by adopting Governmental Accounting Standards Council (GASB) No. 88 – *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*, respectively, effective January 1, 2019. We noted no transactions entered into by the City during the year for which accounting policies are controversial or for which there is a lack of authoritative guidance or consensus or diversity in practice.

- Accounting estimates: Accounting estimates, including fair value estimates, are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements, the degree of subjectivity involved in their development and because of the possibility that future events affecting them may differ significantly from those expected. The following estimates are of most significance to the financial statements:

Estimate	Management's process to determine	Baker Tilly's conclusions regarding reasonableness
Net pension liability and related deferrals	Evaluation of information provided by the Wisconsin Retirement System	Reasonable in relation to the financial statements as a whole
Net pension liability and related deferrals	Key assumptions set by management with the assistance of a third party actuary	Reasonable in relation to the financial statements as a whole
Compensated absences	Evaluation of hours earned and accumulated in accordance with employment policies and average wage per hour rates	Reasonable in relation to the financial statements as a whole
Allowance for doubtful accounts	Evaluation of historical revenues and loss levels with the analysis on collectability of individual amounts	Reasonable in relation to the financial statements as a whole
Depreciation	Evaluate estimated useful life of the asset and original acquisition value	Reasonable in relation to the financial statements as a whole
Net/Total OPEB liability and related deferrals	Key assumptions set by management with the assistance of a third party actuary	Reasonable in relation to the financial statements as a whole

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- There have been no significant changes made by management to either the processes used to develop the particularly sensitive accounting estimates, or to the significant assumptions used to develop the estimates, noted above.

- Financial statement disclosures: The disclosures in the financial statements are neutral, consistent and clear.

Significant unusual transactions

There have been no significant transactions that are outside the normal course of business for the City or that otherwise appear to be unusual due to their timing, size or nature.

Other information in documents containing audited financial statements

Official Statements (or Other Equivalent Document)

The City's audited financial statements are "general purpose" financial statements. General purpose financial statements consist of the basic financial statements that can be used by a broad group of people for a broad range of activities. Once we have issued our audit report, we have no further obligation to update our report for events occurring subsequent to the date of our report. The City can use the audited financial statements in other client prepare documents, such as official statements related to the issuance of debt, without our acknowledgement. Unless we have been engaged to perform services in connection with any subsequent transaction requiring the inclusion of our audit report, as well as to issue an auditor's acknowledgment letter, we have neither read the document nor performed subsequent event procedures in order to determine whether or not our report remains appropriate.

Difficulties encountered during the audit

We encountered no significant difficulties in dealing with management and completing our audit.

Disagreements with management

Professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter that could be significant to the financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

Management's consultations with other accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing or accounting matters.

Written communications between management and Baker Tilly

The Appendix includes copies of other material written communications, including a copy of the management representation letter.

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Uncorrected misstatements and corrected misstatements

Professional standards require us to accumulate misstatements identified during the audit, other than those that are clearly trivial, and to communicate accumulated misstatements to management. The table below summarizes the uncorrected misstatements, other than those that are clearly trivial, that we presented to management and the material corrected misstatements that, in our judgment, may not have been detected except through our auditing procedures. In our judgment, neither the uncorrected misstatements nor the misstatements that management corrected, either individually or in the aggregate, indicate matters that could have had a significant effect on the Company's financial reporting process.

Management has determined that the effects of the uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements as a whole. The uncorrected misstatements or the matters underlying them could potentially cause future period financial statements to be materially misstated, even though, in our judgment, such uncorrected misstatements are immaterial to the financial statements under audit. The table below shows the financial statement effects of the uncorrected misstatements:

	Financial Statements Effect - Debit (Credit) to Financial Statement Total		
	Total Revenues	Total Expenses/ Expenditures	Change in Net Position/ Fund Balances
Water Utility	$ -	$ (42,059)	$ 42,059
Sanitary Sewer Utility	(77,143)	-	(77,143)

Compliance with laws and regulations

We did not identify any non-compliance with laws and regulations during our audit.

Fraud

We did not identify any known or suspected fraud during our audit.

Going concern

Pursuant to professional standards, we are required to communicate to you, when applicable, certain matters relating to our evaluation of the City's ability to continue as a going concern for a reasonable period of time but no less than 12 months from the date the financial statements are issued or available to be issued, including the effects on the financial statements and the adequacy of the related disclosures, and the effects on the auditor's report. No such matters or conditions have come to our attention during our engagement.

Independence

We are not aware of any relationships between Baker Tilly and the City that, in our professional judgment, may reasonably be thought to bear on our independence.

Related parties

We did not have any significant findings or issues arise during the audit in connection with the City's related parties.

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Other audit findings or issues

We encountered no other audit findings or issues that require communication at this time.

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the City's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other matters

We applied certain limited procedures to the required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the supplementary information which accompanies the financial statements but is not RSI. With respect to the supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

We were not engaged to report on the other information, which accompanies the financial statements but are not RSI. We did not audit or perform other procedures on this other information and we do not express an opinion or provide any assurance on it.

Nonattest services

The following nonattest services were provided by Baker Tilly:

- Compiled regulatory reports
- Financial statement preparation assistance
- Adjusting journal entries

The above nonattest service does not constitute an audit under generally accepted auditing standards, including *Government Auditing Standards*.

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Accounting changes relevant to the City

Accounting changes relevant to the City

Future accounting standards updates

GASB Statement Number	Description	Potentially Impacts you	Effective Date
87	Leases	✓	12/31/20
89	Accounting for Interest Incurred before the End of a Construction Period	✓	12/31/20
91	Conduit Debt	✓	12/31/21

Further information on upcoming GASB pronouncements

Preparing for the new lease standard

GASB's new single model for lease accounting will be effective for the upcoming year. This standard will require governments to identify and evaluate contracts that convey control of the right to use another entity's nonfinancial asset as specified in the contract for a period of time in an exchange or exchange-like transaction. Contracts meeting the criteria for control, term and other items within the standard will result in recognizing a right to use asset and lease liability or a receivable and deferred inflow of resources.

We recommend the City review this standard and start planning now as to how this will affect your financial reporting. We recommend that you begin by completing an inventory of all contracts that might meet the definition of a lease. The contract listing should include key terms of the contracts such as:

- Description of contract
- Underlying asset
- Contract term
- Options for extensions and terminations
- Service components, if any
- Dollar amount of lease

In addition, the City should begin to establish a lease policy to address the treatment of common lease types, including a dollar threshold for each lease. We are available to discuss this further and help you develop an action plan.

Learn more about GASB 87.

Planning for the new conduit debt reporting

Conduit debt includes arrangements where there are three separate parties involved including a third party that is obligated for payment, a debt holder or lender and an issuing party which is often a government. This standard provides additional criteria for identifying and classifying conduit debt with the intent of providing consistency in how the debt is recorded and reported in governmental financial statements. The City should identify any existing debt arrangements involving third party obligors and evaluate how those arrangements will be reported under the new standard in order to determine the potential impact of this standard on future financial reporting.

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Trending challenges for organizations

Trending challenges for organizations

Management and the governing body of the City must keep the future in mind as they evaluate strategies to achieve future growth. Keeping a balance between risk and sustainability is key, and organizations need to think beyond their immediate needs to their long term goals. Economic uncertainty, coupled with key risk areas and fast paced technology change, make strategic planning complex. Begin the discussion with your management team to find your path to your future.

2020 strategic risks for Councils

Evaluating and mitigating the greatest risks

Public sector organizations face a multitude of internal and external risks in an evolving landscape. Risks can stem from strategy, finances, legal situations, operations, regulatory compliance, information technology, economic environment, and/or fraud, waste and abuse.

By employing a risk assessment, areas with the greatest needs and highest risks are evaluated. Then a risk mitigation plan can be developed and deployed.

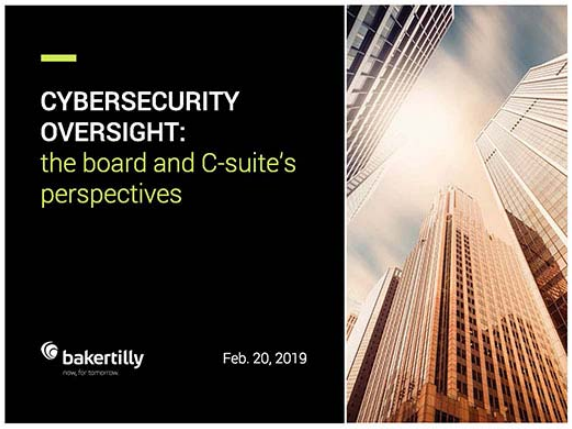
Learn about risk assessment types, tools and strategies.

Cybersecurity

Operational reporting on cybersecurity effectiveness

As Councils engage management in cybersecurity risk discussions, directors should expect management to produce reports on the effectiveness of the organization's cybersecurity-risk management program. Management can (and should) collect and analyze relevant performance measures and metrics to determine if cybersecurity safeguards and controls are operating as intended, and whether any corrective action should be taken to strengthen management's risk-mitigation approaches. While not an exhaustive list, some key processes on which management should report include these:

- Incident management
- Risk management and governance
- Independent assurance on the cybersecurity program



WATCH: On demand webinar about Council governance over cybersecurity.

Learn more about cybersecurity risk management.

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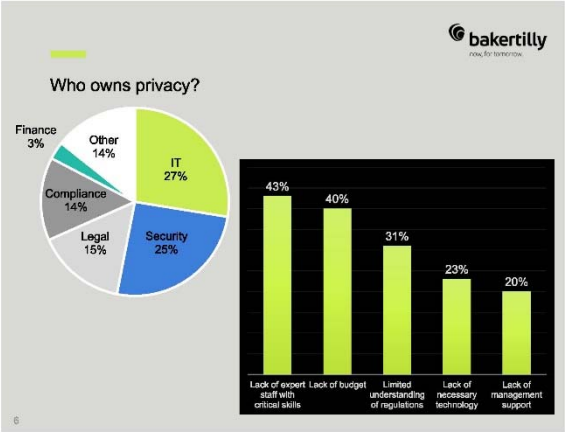
Data privacy

Elevating privacy risks to the forefront of Council agendas

Organizations around the world are still scrambling to comply with the General Data Protection Regulation in the European Union, which went into effect in May 2018. While the data privacy regulatory environment changes rapidly, organizations can take proactive steps to ensure that they stay informed of the existing regulations and of those developing on the near horizon.

Adequate oversight remains a key part of staying on top of data privacy developments. Some regulations specify oversight requirements, and can depend on the type of the organization, the quantity and type of personal data processed, and the locations where operations take place. In many cases, a data protection officer (DPO) must lead the effort. Since the DPO is responsible for overseeing practices related to data protection strategy and implementation, having one in place early on will help ensure that the privacy program is comprehensive and consistent.

Learn more about data privacy risk management.



WATCH: On demand webinar about a risk-based approach to oversight, compliance and management of privacy

The talent problem

Establishing a lifeline for your shifting workforce

Employee recruitment and retention challenges are an all too common struggle in the public sector:

- Aging workers with institutional knowledge retire
- High demand for small qualified candidate pool
- Perception of geographic disadvantages
- Wage/benefit competition with private sector
- Lean operations exclude investments in recruitment, on-the-job training and technology
- Unclear growth and career advancement tracks

Download

Sustainable organizations must have a robust workforce development and succession planning program. Learn how to get started and incorporate a workforce/succession planning program with existing operational practices.

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Innovation

Anticipating disruptive innovation and digital transformation

To stay competitive and relevant in a rapidly changing business landscape, organizations in every industry must navigate an increasingly disruptive, technology-enabled environment. Companies that do not address and embrace new and emerging technologies will be less competitive or may even face obsolescence.

Given these challenges to companies, what does innovation mean in this era of digital transformation? Innovation now involves finding the right problems worth solving; building new offerings, business models, and experiences; and generating value at scale for customers.

Furthermore, the rapid digital transformation of advanced technologies such as blockchain, robotic process automation (RPA), and artificial intelligence (AI) now portend similar effects in industries from financial services and healthcare to communications and manufacturing. Councils must become knowledgeable about these digital disruption trends in order to be able to conduct meaningful oversight that management can use successfully as the company embraces new technologies.

Anticipating Disruptive Innovation and Digital Transformation

To stay competitive and relevant in a rapidly changing business landscape, organizations in every industry must navigate an increasingly disruptive, technology-enabled environment.

Read the blog post.

Learn more about innovation opportunities.

Public sector executive recruitment

Navigating recruitments and smart hiring

Competing for top executive talent in the public sector space takes industry knowledge, familiarity with the general applicant pool and experience navigating recruitments. Search consultants draw upon their understanding of organizational management and human resources to serve as a successful agent for government entities. In turn, public sector organizations can adopt a foundational understanding about search firms to ensure optimal collaboration on hiring opportunities.

Read the three part series to learn what your entity should be thinking about and how Baker Tilly can help.

Three part series on public sector executive recruitment

Navigate the changing workforce landscape with confidence, read the executive recruitment series.

1. Five myths about search firms
2. Recruiting for difficult positions
3. Hiring recommendations for government entities

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Customer experience

Finding your edge in a competitive market

All industries are facing an increasingly competitive marketplace due to more connected consumers, partners and vendors. Where a company may have had a geographic advantage in the past, they now need to be able to compete against non-local organizations.

One of the key factors in maintaining your place in the market is ensuring a positive, fast and easy customer experience. Whether this means enhancing your customer support services through online chat bots or developing a mobile app to allow your customer access to their information around the clock, your organization needs to take your customer experience strategy seriously. Management and Council members should understand where your experience is currently and what strategies you are evaluating to enhance it.

Learn more about why your customer experience is so important.

Operational and organizational sustainability

Aligning resources with strategy

As new demands confront the public sector industry, it's easy to solve an immediate problem instead of pausing to take a holistic view. Rippling inefficiencies, increasing financial pressures, taxing staff resources and plummeting constituent satisfaction can pile atop organizations already facing pressure to improve efficiency, effectiveness, relevance and financial viability.

An operational review follows a systematic, strategic approach to understanding an entity's operations and performance. Opportunities to improve processes, bolster internal controls and reduce costs are uncovered in order to realign organizational resources and strategic objectives.

Learn invaluable methods for executing an operational review while maintaining day-to-day operations.

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COVID-19 Risks and ongoing response

Staying nimble and resilient during unprecedented disruption

COVID-19 has challenged all organizations and the effects continue to unfold. It is critical that management and governing bodies stay nimble to respond to direct and indirect effects of this disruption on operations, cash flow, and people. Some best practices to consider include:

- Establish mechanisms to track COVID-19 related expenses, lost revenues or delayed revenues
- Monitor cash flow projections and seek short term liquidity help
- Create a policy and forms for compliance with Family First Coronavirus Response Act
- Compare anticipated results to bond covenants and track any continuing disclosure items
- Re-evaluate TIF projections with revised development scenarios
- Develop a strategy for leading your community through the crisis

Learn about public sector Coronavirus resources, including the latest news on business continuity and cash flow management, Federal stimulus and tax developments, and more.

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Appendix A: Client service team

Client service team

Paul Frantz, CPA

Partner

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United States

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Appendix B: Management representation letter

May 13, 2020

Baker Tilly Virchow Krause, LLP
777 E Wisconsin Ave
32nd Floor
Milwaukee, Wisconsin 53202

Dear Baker Tilly Virchow Krause, LLP:

We are providing this letter in connection with your audit of the financial statements of the City of Franklin as of December 31, 2019 and for the year then ended for the purpose of expressing opinions as to whether the financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Franklin and the respective changes in financial position and cash flows, where applicable, in conformity with accounting principles generally accepted in the United States of America. We confirm that we are responsible for the fair presentation of the previously mentioned financial statements in conformity with accounting principles generally accepted in the United States of America. We are also responsible for adopting sound accounting policies, establishing and maintaining internal control over financial reporting, and preventing and detecting fraud.

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in the light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, the following representations made to you during your audit.

Financial Statements

1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter.

2) The financial statements referred to above are fairly presented in conformity with accounting principles generally accepted in the United States of America and include all properly classified funds and other financial information of the primary government required by accounting principles generally accepted in the United States of America to be included in the financial reporting entity.

3) We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

4) We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.

5) Significant assumptions we used in making accounting estimates if any are reasonable

6) Related party relationships and transactions including revenues expenditures/expenses, loans, transfers leasing arrangements and guarantees and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with the requirements of accounting principles generally accepted in the United States of America

7) All events subsequent to the date of the financial statements and for which accounting principles generally accepted in the United States of America require adjustment or disclosure have been adjusted or disclosed No other events including instances of noncompliance have occurred subsequent to the balance sheet date and through the date of this letter that would require adjustment to or disclosure in the aforementioned financial statements.

8) All material transactions have been recorded in the accounting records and are reflected in the financial statements

9) We believe the effects of the uncorrected financial statement misstatements summarized in the required communication section of the Reporting and insights from 2019 audit document are immaterial both individually and in the aggregate to the basic financial statements as a whole In addition you have recommended adjusting journal entries and we are in agreement with those adjustments

10) We are not aware of any known actual possible pending or threatened litigation claims or assessments or unasserted claims or assessments that are required to be accrued or disclosed in the financial statements in accordance with accounting principles generally accepted in the United States of America and we have not consulted a lawyer concerning litigation claims or assessments

11) Guarantees whether written or oral under which the City is contingently liable if any have been properly recorded or disclosed

Information Provided

12) We have provided you with

    a) Access to all information of which we are aware that is relevant to the preparation and fair presentation of the financial statements such as financial records and related data documentation and other matters.

    b) Additional information that you have requested from us for the purpose of the audit.

    c) Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence

    d) Minutes of the meetings of Common Council or summaries of actions of recent meetings for which minutes have not yet been prepared

13) We have not completed an assessment of the risk that the financial statements may be materially misstated as a result of fraud

14) We have no knowledge of any fraud or suspected fraud that affects the entity and involves

    a) Management,

b) Employees who have significant roles in internal control or

c) Others where the fraud could have a material effect on the financial statements

15) We have no knowledge of any allegations of fraud or suspected fraud affecting the entity received in communications from employees former employees regulators or others

16)We have no knowledge of known instances of noncompliance or suspected noncompliance with provisions of laws regulations contracts or grant agreements or abuse whose effects should be considered when preparing financial statements

17) There are no known related parties or related party relationships and transactions of which we are aware

Other

18) There have been no communications from regulatory agencies concerning noncompliance with or deficiencies in financial reporting practices

19) We have identified to you any previous financial audits attestation engagements and other studies related to the audit objectives and whether related recommendations have been implemented

20) The City has no plans or intentions that may materially affect the carrying value or classification of assets liabilities, or equity

21) We are responsible for compliance with federal state and local laws regulations and provisions of contracts and grant agreements applicable to us including tax or debt limits debt contracts and IRS arbitrage regulations and we have identified and disclosed to you all federal state and local laws regulations and provisions of contracts and grant agreements that we believe have a direct and material effect on the determination of financial statement amounts or other financial data significant to the audit objectives including legal and contractual provisions for reporting specific activities in separate funds

22) There are no

a) Violations or possible violations of budget ordinances federal state and local laws or regulations (including those pertaining to adopting approving and amending budgets) provisions of contracts and grant agreements, tax or debt limits and any related debt covenants whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency or for reporting on noncompliance except those already disclosed in the financial statement, if any

b) Other liabilities or gain or loss contingencies that are required to be accrued or disclosed by accounting principles generally accepted in the United States of America

c) Nonspendable restricted committed or assigned fund balances that were not properly authorized and approved

d) Rates being charged to customers other than the rates as authorized by the applicable authoritative body

e) Violations of restrictions placed on revenues as a result of bond resolution covenants such as revenue distribution or debt service funding

23) In regards to the nonattest services performed by you listed below we have 1) accepted all management responsibility 2) designated an individual with suitable skill knowledge or experience to oversee the services 3) evaluated the adequacy and results of the services performed and 4) accepted responsibility for the results of the services

a) Adjusting journal entries

b) Compiled regulatory reports

c) Financial statement preparation assistance

None of these nonattest services constitute an audit under generally accepted auditing standards including *Government Auditing Standards*

24) The City of Franklin has satisfactory title to all owned assets and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral

25) The City of Franklin has complied with all aspects of contractual agreements that would have a material effect on the financial statement in the event of noncompliance

26) The financial statements include all component units as well as joint ventures with an equity interest, and properly disclose all other joint ventures and other related organizations if any Component units have been properly presented as either blended or discrete

27) The financial statements properly classify all funds and activities

28) All funds that meet the quantitative criteria in GASB Statement No 34 and No 37 for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users

29) Components of net position (net investment in capital assets restricted and unrestricted) and components of fund balance (nonspendable restricted committed assigned and unassigned) are properly classified and if applicable approved

30) The City of Franklin has no derivative financial instruments such as contracts that could be assigned to someone else or net settled interest rate swaps collars or caps

31) Provisions for uncollectible receivables if any have been properly identified and recorded

32) Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities and allocations have been made on a reasonable basis

33) Revenues are appropriately classified in the statement of activities within program revenues and general revenues

34) Interfund internal and intra-entity activity and balances have been appropriately classified and reported

35) Deposits and investments are properly classified valued and disclosed (including risk disclosures collateralization agreements valuation methods and key inputs as applicable)

36) Provision when material has been made to reduce excess or obsolete inventories to their estimated net realizable value

37) Capital assets including infrastructure and intangible assets are properly capitalized reported and if applicable depreciated/amortized Any known impairments have been recorded and disclosed

38) Tax-exempt bonds issued have retained their tax-exempt status

39) We have appropriately disclosed the City of Franklin s policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available and have determined that net position were properly recognized under the policy We have also disclosed our policy regarding which resources (that is restricted committed assigned or unassigned) are considered to be spent first for expenditures for which more than one resource classification is available

40) We acknowledge our responsibility for the required supplementary information (RSI) The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI

41) With respect to the supplementary information (SI)

    a) We acknowledge our responsibility for presenting the SI in accordance with accounting principles generally accepted in the United States of America and we believe the SI including its form and content, is fairly presented in accordance with accounting principles generally accepted in the United States of America The methods of measurement and presentation of the SI have not changed from those used in the prior period and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information

    b) If the SI is not presented with the audited financial statements we will make the audited financial statements readily available to the intended users of the supplementary information no later than the date we issue the supplementary information and the auditor's report thereon

42) We assume responsibility for and agree with the findings of specialists in evaluating the post-employment health care benefits and have adequately considered the qualifications of the specialists in determining the amounts and disclosures used in the financial statements and underlying accounting records We did not give or cause any instructions to be given to specialists with respect to the values or amounts derived in an attempt to bias their work, and we are not otherwise aware of any matters that have had impact on the independence or objectivity of the specialists

43) We assume responsibility for and agree with the information provided by the Wisconsin Retirement System as audited by the Legislative Audit Bureau relating to the net pension asset/liability and related deferred outflows and deferred inflows and have adequately considered the reasonableness of the amounts and disclosures used in the financial statements and underlying accounting records We also assume responsibility for the census data that has been reported to the plan

44) We have evaluated and considered all potential tax abatements and believe all material tax abatements have been properly reported and disclosed

45) We are responsible for the estimation methods and assumptions used in measuring assets and liabilities reported or disclosed at fair value, including information obtained from brokers, pricing services or third parties. Our valuation methodologies have been consistently applied from period to period. The fair value measurements reported or disclosed represent our best estimate of fair value as the measurement date in accordance with the requirements of GASB 72 – *Fair Value Measurement.* In addition our disclosures related to fair value measurements are consistent with the objectives outlined in GASB 72. We have evaluated the fair value information provided to us by brokers, pricing services or other parties that has been used in the financial statements and believe this information to be reliable and consistent with the requirements.

46) We assume responsibility for, and agree with, the information provided by Principal Financial Group related to the City of Franklin Defined Benefit Retirement Income Plan net pension liability and related deferred outflows and deferred inflows and have adequately considered the reasonableness of the amounts and disclosures used in the financial statements and underlying accounting records. We also assume responsibility for the census data that has been reported to the plan.

47) We have implemented GASB Statement No. 84, Fiduciary Activities, and believe that all fiduciary funds have been identified and properly classified in the financial statements in compliance with the Standard.

48) We have implemented GASB Statement No. 88, Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements, and believe that all required disclosures and accounting considerations have been identified and properly classified in the financial statements in compliance with the Standard.

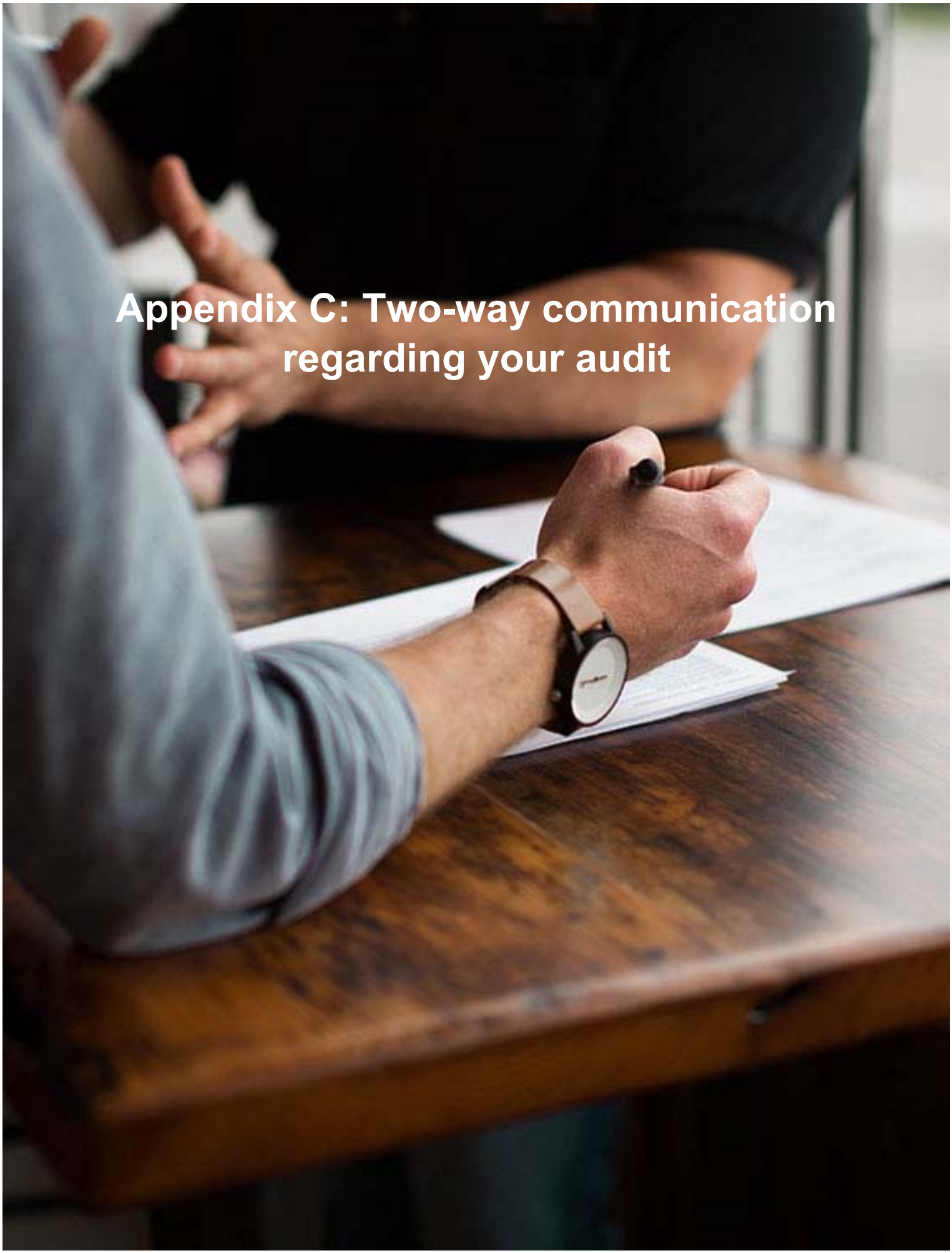
Sincerely,

City of Franklin

Signed: _____
Steve Olson, Mayor

Signed: _____
Paul Rotzenberg, Director of Finance and Treasurer

Appendix C: Two-way communication regarding your audit



As part of our audit of your financial statements, we are providing communications to you throughout the audit process. Auditing requirements provide for two-way communication and are important in assisting the auditor and you with more information relevant to the audit.

As this past audit is concluded, we use what we have learned to begin the planning process for next year's audit. It is important that you understand the following points about the scope and timing of our next audit:

a. We address the significant risks of material misstatement, whether due to fraud or error, through our detailed audit procedures.

b. We will obtain an understanding of the five components of internal control sufficient to assess the risk of material misstatement of the financial statements whether due to error or fraud, and to design the nature, timing, and extent of further audit procedures. We will obtain a sufficient understanding by performing risk assessment procedures to evaluate the design of controls relevant to an audit of financial statements and to determine whether they have been implemented. We will use such knowledge to:

   - Identify types of potential misstatements.
   - Consider factors that affect the risks of material misstatement.
   - Design tests of controls, when applicable, and substantive procedures.

c. We will not express an opinion on the effectiveness of internal control over financial reporting or compliance with laws, regulations, and provisions of contracts or grant programs

d. The concept of materiality recognizes that some matters, either individually or in the aggregate, are important for fair presentation of financial statements in conformity with generally accepted accounting principles while other matters are not important. In performing the audit, we are concerned with matters that, either individually or in the aggregate, could be material to the financial statements. Our responsibility is to plan and perform the audit to obtain reasonable assurance that material misstatements, whether caused by errors or fraud, are detected.

Our audit will be performed in accordance with auditing standards generally accepted in the United States of America.

We are very interested in your views regarding certain matters. Those matters are listed here:

a. We typically will communicate with your top level of management unless you tell us otherwise.

b. We understand that the governing Council has the responsibility to oversee the strategic direction of your organization, as well as the overall accountability of the entity. Management has the responsibility for achieving the objectives of the entity.

c. We need to know your views about your organization's objectives and strategies, and the related business risks that may result in material misstatements.

d. Which matters do you consider warrant particular attention during the audit, and are there any areas where you request additional procedures to be undertaken?

e. Have you had any significant communications with regulators or grantor agencies?

f. Are there other matters that you believe are relevant to the audit of the financial statements?

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Also, is there anything that we need to know about the attitudes, awareness, and actions of the governing body concerning:

a. The entity's internal control and its importance in the entity, including how those charged with governance oversee the effectiveness of internal control?

b. The detection or the possibility of fraud?

We also need to know if you have taken actions in response to developments in financial reporting, laws, accounting standards, governance practices, or other related matters, or in response to previous communications with us.

With regard to the timing of our audit, here is some general information. If necessary, we may do preliminary financial audit work during the months of October-December, and sometimes early January. Our final financial fieldwork is scheduled during February and/or March to best coincide with your readiness and report deadlines. After fieldwork, we wrap up our financial audit procedures at our office and may issue drafts of our report for your review. Final copies of our report and other communications are issued after approval by your staff. This is typically 6-12 weeks after final fieldwork, but may vary depending on a number of factors.

Keep in mind that while this communication may assist us with planning the scope and timing of the audit, it does not change the auditor's sole responsibility to determine the overall audit strategy and the audit plan, including the nature, timing, and extent of procedures necessary to obtain sufficient appropriate audit evidence.

We realize that you may have questions on what this all means, or wish to provide other feedback. We welcome the opportunity to hear from you.

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COMPREHENSIVE ANNUAL FINANCIAL REPORT

AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2019

PREPARED BY THE

DEPARTMENT OF FINANCE

DIRECTOR OF FINANCE & TREASURER

PAUL ROTZENBERG, CPA

CITY OF FRANKLIN, WISCONSIN

TABLE OF CONTENTS
As of and for the Year Ended December 31 2019

INTRODUCTORY SECTION

	Exhibit	Page
Transmittal Letter		1
Organization Chart		6
List of Principal Officials		7
GFOA Certificate of Achievement		8

FINANCIAL SECTION

Independent Auditors Report		9
Management s Discussion and Analysis (Required Supplementary Information)		12
Basic Financial Statements		
Government-wide Financial Statements		
Statement of Net Position	A	26
Statement of Activities	B	27
Fund Financial Statements		
Balance Sheet – Governmental Funds	C	28
Statement of Revenue Expenditures and Changes in Fund Balances – Governmental Funds	D	30
Reconciliation of the Statement of Revenue Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	E	31
General Fund – Statement of Revenue Expenditures and Changes In Fund Balances – Budget and Actual (on a Budgetary Basis)	F	32
Statement of Net Position – Proprietary Funds	G	33
Statement of Revenue Expenses and Changes in Fund Net Position – Proprietary Funds	H	35
Statement of Cash Flows – Proprietary Funds	I	36
Statement of Fiduciary Net Position – Fiduciary Funds	J	38
Statement of Changes in Fiduciary Net Position – Fiduciary Funds	K	39
Notes to Financial Statements		40
Required Supplementary Information		
Schedule of Proportionate Share of the Net Pension Liability (Asset) – Wisconsin Retirement System		97
Schedule of Employer Contributions – Wisconsin Retirement System		97
Schedule of Changes in Net Pension Liability and Related Ratios – City of Franklin Defined Benefit Retirement Income Plan		98
Schedule of Contributions – City of Franklin Defined Benefit Retirement Income Plan		99
Schedule of Changes in Net OPEB Liability and Related Ratios – OPEB Plan		100
Schedule of Contributions – OPEB Plan		101
Notes to Required Supplementary Information		102

CITY OF FRANKLIN, WISCONSIN

TABLE OF CONTENTS
As of and for the Year Ended December 31 2019

FINANCIAL SECTION (CONTINUED)

Supplementary Information

	Schedule	Page
Combining Balance Sheet – Nonmajor Governmental Funds	1	103
Combining Schedule of Revenue Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds	2	105
Schedule of Revenue and Transfers In – Budget and Actual (on a Budgetary Basis) – General Fund	3	107
Schedule of Expenditures and Transfers Out –Budget and Actual (on a Budgetary Basis) – General Fund	4	109
Schedule of Revenue Expenditures and Changes in Fund Balances – Budget and Actual – Debt Service Fund	5	111
Schedule of Revenue Expenditures and Changes in Fund Balances Budget and Actual (on a Budgetary Basis) –Special Revenue Funds	6	112
Schedule of Revenue Expenditures and Changes in Fund Balances - Budget and Actual (on a Budgetary Basis) – Capital Projects	7	116
Not Used	8	
TIF Districts Fund – Combining Balance Sheet	9	119
TIF Districts Fund – Combining Schedule of TIF Districts Revenue Expenditures And Changes in Fund Balances	10	120
TIF Districts Fund – Schedule of Revenue Expenditures and Changes in Fund Balances – Budget and Actual (on a Budgetary Basis)	11	121
Capital Assets Used in the Operation of Governmental Funds		
Schedule by Source	12	124
Schedule by Function and Activity	12 1	125
Schedule of Changes by Function and Activity	12 2	126

CITY OF FRANKLIN, WISCONSIN

TABLE OF CONTENTS
As of and for the Year Ended December 31 2019

STATISTICAL SECTION

	Table	Page
Net Position by Component – Last Ten Years	1	127
Changes in Net Position – Last Ten Years	2	128
Fund Balances Governmental Funds – Last Ten Years	3	130
Changes in Fund Balances Governmental Funds – Last Ten Years	4	131
Assessed Value and Estimated Actual Value of		
Taxable Property – Last Ten Years	5	132
Estimated Actual Values and TID Values	5A	133
Estimated Actual Property Value and Construction Data – Last Ten Years	6	134
Direct and Overlapping Property Tax Rates – Last Ten Years	7	135
Principal Property Taxpayers – Current Year and Nine Years Ago	8	136
Property Tax Levies and Collections – Last Ten Years	9	137
Property Tax Levies by Tax Jurisdiction – Last Ten Years	10	138
Ratios of Net General Bonded Debt Outstanding – Last Ten Years	11	139
Municipal Revenue Obligations Outstanding – Last Ten Years	11A	140
Schedule of Direct and Overlapping Debt	12	141
Computation of Legal Debt Margin – Last Ten Years	13	142
Demographic and Economic Statistics – Last Ten Years	14	143
Principal Employers – Current Year and Nine Years ago	15	144
Full-time Equivalent City Government Employees by Function – Last Ten Years	16	145
Operating Indicators by Function/Program – Last Ten Years	17	146
Capital Asset Statistics by Function/Program – Last Ten Years	18	147

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INTRODUCTORY SECTION

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May 13, 2020

Citizens of Franklin, Honorable Mayor and Common Council members:

Introduction

The Comprehensive Annual Financial Report of the City of Franklin, Wisconsin for the fiscal year ended December 31, 2019, is hereby submitted. State law requires that all local governments with a population over 25,000 publish a complete set of financial statements that are presented in conformity with general accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants.

This report consists of management's representations concerning the finances of the City of Franklin (City). Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the City has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh the benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included in this report.

The City's financial statements have been audited by Baker Tilly Virchow Krause, LLP, a firm of certified public accountants experienced in auditing governmental entities. The goal of the independent audit is to provide reasonable assurance that the financial statements of the City for the fiscal year ended December 31, 2019, are free of material misstatement. The independent audit involves examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. Baker Tilly Virchow Krause, LLP concluded, based upon the audit, that there was reasonable basis for rendering an unmodified opinion that the City's financial statements for the fiscal year ended December 31, 2019, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

GAAP requires that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the independent auditors.

City Profile

The City of Franklin, incorporated in 1956, is located in the southwestern corner of Milwaukee County The City is 34 5 square miles in size and has a population of 35,996 Over the last ten years the City has experienced no real growth in population The city is a residential community (75 7%) with a commercial and industrial component (24 3%) Median Family Income of $102,206 is 144% of the national average Approximately one third of the acreage in the City is undeveloped, which demands attention to growth issues It is considered to be one of the more desirable communities in the Milwaukee metropolitan area in which to live and work The City provides a typical range of municipal services for a suburban community including police fire protection emergency medical/paramedic, maintenance of streets and other infrastructure, library, public health services, recreational activities, building inspection, zoning control, refuse collection, recycling collection, sanitary sewer, storm sewer and water services, both construction and maintenance The City is authorized to levy property tax on real and personal property located within its boundaries to support the services provided

The City operates under the mayor/council form of government Policy making and legislative authority are vested in a governing council consisting of a mayor and six council members The governing council is responsible, among other things, for passing ordinances, adopting the budget, appointing committees and hiring management The City's Mayor is responsible for carrying out the policies and ordinances of the governing council, for overseeing the day-to-day operations of the government and for appointing the heads of the various departments The Council is elected, by district on a non-partisan basis The Mayor and Council members serve staggered three-year terms The City is organized into departments, headed by ten officials appointed by the Mayor or Director of Administration and confirmed by the Common Council Numerous boards, commissions and committees allow for citizen involvement in government by providing a forum for policy input to the Council and guidance to the departments Library service is provided through a separate Library Board that functions like a department of the City and engages the Library Director Water service is provided through a separate Water Utility that functions like a department of the City The Water Utility also has a Board of Water Commissioners which oversees water utility operations In 2015, the State mandated that a portion of hotel taxes be dedicated to tourism, as such the City formed a separate Tourism Commission which utilizes those tax resources to promote the City in the area These areas therefore have been included as an integral part of the City's financial statements The City also is financially accountable for a legally separate Community Development Authority (Authority) The Authority's activities are reported within the City's financial statements Additional information on the Authority can be found in Note 1 in the notes to the financial statements

The budgetary process serves as the foundation of the City's financial planning and control system The objective of the budgetary process is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Common Council The preparation of a forecast for the existing programs for the following year is prepared during July and August Departmental requests for personnel changes and new capital outlay expenditures are made by the middle of August The Mayor then reviews the forecast including recommended personnel and capital expenditures and determines by mid- August the personnel and capital expenditures that will be included in the initial departmental requested budgets The departments take this information and submit their requested budgets by the end of August The budgets are reviewed and the Mayor submits his recommended budget by the middle of September The Council reviews the recommended budget and agrees on a proposed budget by mid-October The Council is required to hold a public hearing on the proposed budget in early November, and then adopts a final budget in mid-November

The adopted budget is prepared by fund, function (e g Public Safety), and department (e g Police) Transfers of appropriations between funds, functions or department require the approval of the governing council Budget-to-actual comparisons are provided in this report for each governmental fund with an adopted budget The General Fund comparison is presented in Exhibit F as part of the basic financial statements for the governmental funds and in Schedules 3 & 4 of the supplementary information For governmental funds with adopted budgets other than the General Fund, this comparison is presented in the supplementary information section of this report

The information presented in the financial statements is perhaps best understood when considered from the broader perspective of the environment that the City operates

Economic Condition and Outlook

The economic activity in Franklin in both the residential and the non-residential sectors was stable New construction was elevated in 2019 compared to 2018 as evidenced by increased construction permit revenues The Ballpark Commons project, estimated to add $160 million in new development saw several commercial projects initiated in 2019 In addition, the Statesman Estates multi-family development completed late in 2019, and the Bear Development project in the southwest portion of the City got infrastructure work underway Several new residential subdivisions are in various stages of completion

Estimated actual property values have grown at an average annual rate of 1 94% since 2009 The new growth was $64 6 million in 2019, $34 6 million in 2018, and $19 million in 2017 2020 growth is expected to be larger still reflecting the impact of Commercial activity New growth has averaged less than 1% the last ten years, with eight of the ten years having less than 1% growth Limits on levy increases are currently restricted to new growth, and this has meaningfully dampened tax levy increases, the largest resource to the City

The City has been successful in restricting tax levy increases by utilizing tools the State provided retarding growth of employee benefits and the shifting tax levy from debt service to operating needs This is a non-sustainable process

A landfill in southwestern portion of the City received an expansion of its license (from the State) The landfill has provided approximately $1 million in revenues to the City in prior years With the license expansion, the per ton rate increased 25% and volumes substantially increased in 2019 to over $2 6 million What this resource funds should be carefully considered, because while it will likely last more than a few years, it will eventually terminate Utilizing this resource for recurring expenditures will challenge future budget decisions when it eventually ends

Residential Growth

Over the past ten years, residential valuation has stagnated, rising just 2 0% The recession of 2008 had longer impacts than many expected The development activity increased in recent years, with several large developments in various stages of approval Longer range, the City has the most developable land in the County and anticipates new subdivisions as economic activity increases again

Commercial and Industrial Growth

Over the past ten years, commercial and industrial valuation has increased at an average annual rate of 0 9 %

In 2005, two TIF Districts (#3 & #4) were established on the eastern side of the City The two districts have equalized value tax increments of $64 8 and $52 6 million, respectively In 2016 a new District #5 was established to aid the Ballpark Commons project A Developers agreement was signed in Q1 2018 The project estimates $125 million in new taxable development In Q4 2018, TID6 was formed to aid the development of an industrial park on the southwest portion of the City That project could generate $54 million in new development In Q4 of 2019, TID7 was created to aid the multi-family portion of Ballpark Commons development with estimated development of $47 million

Expansion of the commercial and industrial tax base is a goal of the City with respect to the overall tax rate New TID creation in the last few years will aid in that Commercial development Currently 75 7% of the City's property value is residential compared to 73 9% ten years ago Future tax relief will need to come from industrial and commercial tax base expansion

Organizational and Service Growth

2019 was a year where overall revenue of $42 1 million grew 9 5% compared to last year Increased landfill siting fee revenues caused by the expanded license and Impact fee collections on new multi-family development drove the revenue increase

2019 and 2018 were revaluation years The last reassessment was done in 2010 Performing revaluations on a regular basis is in line with the Common Council policy to schedule more frequent revaluations to keep property values in line with current market values The State determined that the local assessment, after reassessment, was 97% of fair value The estimated actual value of City properties was approximately $4 2 billion The City has risen to the third largest city in Milwaukee County based upon equalized value

The challenge for the operating departments in 2019 was to continue to maintain service levels at a time of flat revenues and growth of 1 60% in new property base The largest revenue resource – tax levy – is limited to this growth factor Controlling expenditures at this level has challenged many Wisconsin cities, Franklin is not exempt

One threat the City faces is the challenge by larger retail property owners of assessed values Several large Commercial property owners have successfully challenged their assessed values, this places shifts the property tax burden to the residential tax base

Internal Controls

The City's internal control structure is subject to ongoing evaluation by management The City is responsible for ensuring that an adequate internal control structure is in place to ensure compliance with laws, regulations and good financial policies The results of the City's audit for the fiscal year ended December 31, 2019 provided no instances of material weaknesses in the internal control structure or significant violations of applicable laws or regulations

As a recipient of federal and state financial assistance, if the level of grant expenditures exceeds an established level, currently $750,000, a single audit of grants is required The City was not required to have a single audit of grants in 2019 and the last single audit was in 2010

Financial Planning

Long range financial planning is in place, especially for the capital funds and debt service funds, to ensure that resources are in place to meet committed projects, that there is adequate funding for projects prior to their approval, and that adequate funding is in place for debt that has been or will be incurred, with an appropriate plan for repayment

Financial Policies

The City maintains policies on fund balance level debt levels and term, investment policies, budget forecasting policy and a capitalization policy The City also takes advantage of policies that has new development to finance infrastructure needs caused by the new development via special assessments and impact fees Conservative management and the enumerated policies above have served the City well The existence of a fund balance enabled the fund balance to be utilized in 2009 during the revenue decline and replenished in 2010 and 2011 when revenue stabilized

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its Comprehensive Annual Financial Report (CAFR) for the year ended December 31, 2018 The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports This was the 26th consecutive year that the City has received this award

In order to be awarded a Certificate of Achievement, the City must publish an easily readable and efficiently organized CAFR whose contents conform to program standards Such report must satisfy both accounting principles generally accepted in the United States of America and applicable legal requirements

A Certificate of Achievement is valid for a period of one year We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements We will be submitting the CAFR to the GFOA to determine its eligibility for a 2019 Certificate

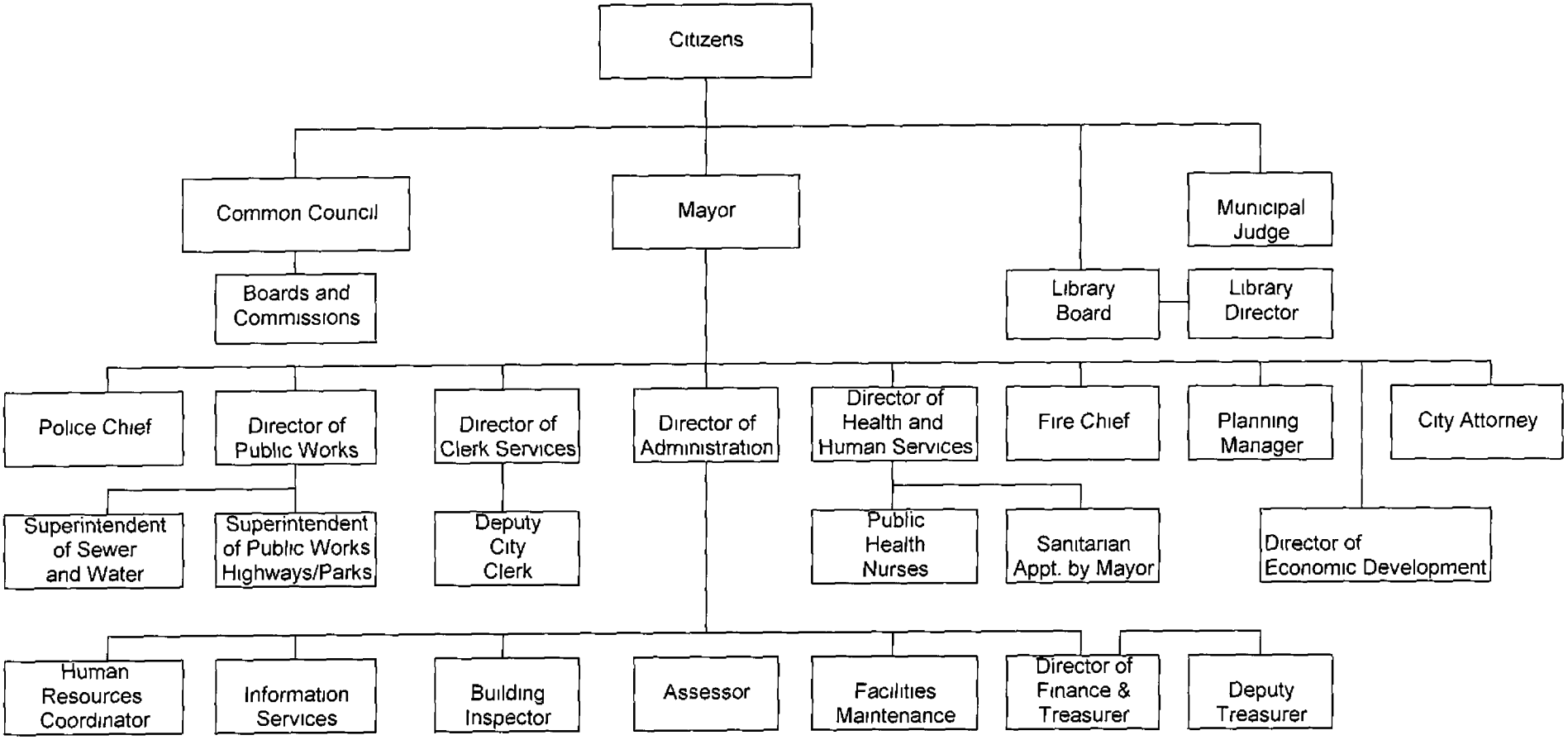
Acknowledgments

Preparation of this report on a timely basis could not have been accomplished without the efficient and dedicated services of the Finance Department staff Appreciation is also extended to all other City employees who contributed to its preparation Thanks are also extended to the Mayor, Common Council, and Finance Committee for their interest and support in planning and conducting the financial operations of the City in a responsible manner

Respectfully submitted,

Paul Rotzenberg, CPA
Director of Finance & Treasurer

CITY OF FRANKLIN, WISCONSIN
Organization Chart



CITY OF FRANKLIN, WISCONSIN
LIST OF PRINCIPAL OFFICIALS

Elected Officials

Title	Name
Mayor	Stephen R Olson
Aldermen	
District No 1	Mark Dandrea
District No 2	Daniel M Mayer
District No 3	Kristen Wilhelm
District No 4	Steve F Taylor
District No 5	Mike Barber
District No 6	John Nelson
Municipal Judge	Fred F Klimetz

Non elected Officials

Assessor	Mark Link
Building Inspector	Scott Satula
City Attorney	Jesse Wesolowski
City Clerk	Sandi Wesolowski
City Engineer/Public Works Director	Glen Morrow
Director of Administration	Mark Luberda
Director of Economic Development	Calli Berg
Director of Finance & Treasurer	Paul Rotzenberg
Director of Health & Human Services	Courtney Day
Fire Chief	Adam Remington
Human Resources Coordinator	Dana Zahn
Information Services Manager	James Matelski
Library Director	Jennifer Loeffel
Planning Manager	Joel Dietl
Police Chief	Rick Oliva
Superintendent of Public Works	Kevin Schlueter
Superintendent of Sewer & Water	Mike Roberts

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Franklin

Wisconsin

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2018

Christopher P. Morrill

Executive Director/CEO

FINANCIAL SECTION

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INDEPENDENT AUDITORS REPORT

To the Mayor and Common Council
City of Franklin
Franklin Wisconsin

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities the business-type activities each major fund and the aggregate remaining fund information of the City of Franklin Wisconsin as of and for the year ended December 31 2019 and the related notes to the financial statements which collectively comprise the City of Franklin s basic financial statements as listed in the table of contents

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements The procedures selected depend on the auditors judgment including the assessment of the risks of material misstatement of the financial statements whether due to fraud or error In making those risk assessments the auditor considers internal control relevant to the City of Franklin s preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the City of Franklin s internal control Accordingly we express no such opinion An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management as well as evaluating the overall presentation of the financial statements

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions

Baker Tilly Virchow Krause LLP trading as Baker Tilly is a member of the global network of Baker Tilly International Ltd the members of which are separate and independent legal entities

Opinions

In our opinion the financial statements referred to above present fairly in all material respects the respective financial position of the governmental activities the business-type activities each major fund and the aggregate remaining fund information of the City of Franklin Wisconsin as of December 31 2019 and the respective changes in financial position and where applicable cash flows thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America

Emphasis of Matters

As discussed in Note I City of Franklin adopted the provisions of GASB Statement No 84 *Fiduciary Activities* effective January 1 2019 Our opinions are not modified with respect to this matter

As discussed in Note I City of Franklin adopted the provisions of GASB Statement No 88 *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements* effective January 1 2019 Our opinions are not modified with respect to this matter

Other Matters

Required Supplementary Information

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

Supplementary Information

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

To the Mayor and Common Council
City of Franklin

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Franklin s basic financial statements The Introductory Section and Statistical Section are presented for purposes of additional analysis and are not a required part of the basic financial statements Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and accordingly we do not express an opinion or provide any assurance on it

Prior Year Comparative Information

We have previously audited the City of Franklin s 2018 financial statements and we expressed unmodified audit opinions on the respective financial statements of the governmental activities the business-type activities each major fund and the aggregate remaining fund information in our report dated April 30 2019 In our opinion the summarized comparative information presented herein as of and for the year ended December 31 2018 is consistent in all material respects with the audited financial statements from which it has been derived

Baker Tilly Virchow Krause, LLP

Milwaukee Wisconsin
May 13 2020

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City of Franklin, Wisconsin
Management's Discussion and Analysis
(Unaudited)

As management of the City of Franklin (the "City"), the following offers readers of the City's financial statements an overview and analysis of the financial activities of the City for the fiscal year ended December 31, 2019 Readers are encouraged to consider this information in conjunction with additional information contained in the letter of transmittal, which can be found on pages 1-5 of this report

Financial Highlights

- The assets and deferred outflows of the City exceeded its liabilities and deferred inflows as of December 31, 2019, by $242 7 million **(net position).** The City now has a $4 2 mil deficit (**in Unrestricted Net Position**), putting pressure on its ability to meet creditor obligations
- The City's total net position decreased by a net amount of $563,000 Net investment in capital assets increased by $15 8 million while unrestricted net position decreased by $14 6 million and restricted net position decreased by $1 8 million Several major development projects continued in 2019, with *the Ballpark Commons project receiving an additional $3 2 million City support, the creation of TID6* for the Bear Development in the southwest portion of the City and Velo Village (TID 7) apartment complex connected to Ballpark Commons In addition, four residential developments were in various stages of completion, Aspen Woods, Ryan Wood, Park Circle and Safeway Reserve Several contributed $1 1 million in new infrastructure to the City in 2019 Additionally, the Statesmen Estates multifamily development was completed
- The City's governmental funds reported, as of December 31, 2019, combined ending fund balances of $45 6 million, an increase of $8 4 million from the prior year Half the increase represents a $4 million refunding bond issue, (with the debt payment in early 2020) The new development noted earlier generated $2 7 million in new impact fees
- The Non-spendable fund balance of $155,690 did not change much
- The restricted fund balances totaling $31 5 million, (an increase of $8 4 million), was driven by development activities with in Tax Increment Financing Districts, principally unspent debt proceeds and collections of impact fees
- The assigned fund balances in total of $5 5 million decreased $1 4 million from the prior year as the City Hall HVAC, roofing and entrance project completed
- The unassigned fund balance as of December 31, 2019 for the General Fund was $8 2 million This represents approximately 32 percent of total 2019 General Fund expenditures The $1 3 million increase was the result of un-expected building permit revenues increased investment income and reduced Public Safety expenditures
- The City's Business type activities generated a $5 5 million surplus, including $7 8 million of capital contributions ($5 9 million from the City and $1 9 million from developers) Depreciation on contributed assets reduced the surplus

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the City's basic financial statements These basic financial statements are comprised of three components 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements This report also contains other supplementary information in addition to the basic financial statements themselves

Government-wide financial statements

The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business The statement of net position presents information on all of the City's assets, deferred outflows, liabilities and deferred inflows, with the difference between the categories reported as net position Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating Table 1 (page 127) provides a ten-year history of Net Position

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows Thus, revenue and expenditures are reported in this statement for some items that will result in cash flows in future fiscal periods (e g , uncollected taxes and earned but unused vacation and sick leave) Table 2 (page 128 & 129) provides a ten-year history of the statement of activities

The government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenue (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-like activities) The governmental activities of the City include general government, public safety, public works, health & human services, culture & recreation and conservation & development The business-type activities include the Franklin Water Utility and the Sanitary Sewer fund

The government-wide financial statements include not only the City itself (known as the primary government) but also a legally separate Community Development Authority for which the City is financially accountable Financial information for this blended component unit is reported as part of the financial information presented for the primary government itself

The government-wide financial statements can be found on Exhibits A and B (page 26 & 27) of this report

Fund financial statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives The City, like other state and local governments uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements All of the funds of the City can be divided into three categories governmental funds, proprietary funds and fiduciary funds

Governmental funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements However, unlike government-wide financial statements, governmental fund financial statements focus on near term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year Such information may be useful in evaluating a government's near-term financing requirements

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements By doing so, readers may better understand the long-term impact of the government's near-term financing decisions Both the governmental fund balance sheet and the governmental fund statement of revenue, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities

The City maintains 17 individual governmental funds Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenue, expenditures, and changes in fund balances for the General Debt Service and TIF Districts Funds that are all considered to be major funds Data from the remaining 14 governmental funds are combined into a single, aggregated presentation Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements later in this report.

The basic governmental fund financial statements can be found on Exhibits C, D, E and F (page 28 – 32) of this report These statements include a budgetary comparison of the General Fund

The City adopts an annual budget for its General Fund, Debt Service Fund, TIF District, Library Operating Fund, Library Auxiliary Fund, Solid Waste Fund, Tourism, Donations, Grant, Civic Celebrations, St Martin's Fair, Capital Outlay Fund, Equipment Replacement Fund, Street Improvement Fund, *Capital Improvement Fund*, *Development Fund*, *Utility Development Fund*, *Sanitary Sewer Fund* and the Franklin Water Utility A budgetary comparison statement has been provided for all governmental funds demonstrating compliance with their budgets

Proprietary funds

Proprietary funds are used to report the functions presented as business-type activities in the government-wide financial statements Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail The proprietary fund financial statements provide separate information for the Franklin Water Utility, the Sanitary Sewer Fund and the Internal Service Fund

The proprietary fund financial statements can be found on Exhibits G, H & I (page 33 – 37) of this report

Custodial funds

Custodial funds are used to account for resources held for the benefit of parties outside the government Custodial funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the City's programs The custodial funds maintained by the City are the Property Tax Agency Fund, that records the tax roll and tax collections for the City and other taxing jurisdictions, a post-employment benefits trust to hold funds until needed to pay designated health benefits for eligible current and future retirees and other agency funds

The basic custodial fund financial statements can be found on Exhibit J & K (page 38 & 39) of this report

Notes to the financial statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements The notes to the financial statements are found on pages 40 – 96 of this report.

Other information

In addition to the basic financial statements, notes and accompanying notes, this report also presents certain **required supplementary information** concerning the City of Franklin's progress in funding its retiree health obligations to eligible full time employees and its participation in the Wisconsin Retirement System and City of Franklin Defined Benefit Pension Plans Required supplementary information can be found on pages 97 - 102 of this report

The combining and individual fund financial statements and schedules section presents combining statements in connection with non-major governmental funds, a detailed budgetary comparison schedule for the General Fund, Special Revenue Capital Projects and TIF Funds to demonstrate compliance with the budget complementing the statement included in the basic governmental fund financial statements, and other information related to the individual funds are presented immediately following the required supplementary information Schedules 1 to 12 2 can be found on pages 103 - 125 of this report

Government-wide Financial Analysis

As noted earlier net position may serve over time as a useful indicator of a government's financial position In the case of the City, assets and deferred outflows exceeded liabilities and deferred inflows by $242 million and $243 million at the end of 2019 and 2018 respectively

CITY OF FRANKLIN NET POSITION
December 31, 2019 and 2018

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Current and other assets	$ 83 521 920	$ 71 044,675	$ 7 775 752	$ 7 905,215	$ 91,297 672	$ 78 949 890
Long term Note Rec		-	16,280 068	17 555 340	16 280 068	17 555 340
Capital assets	135,590,157	126,908,049	110,933,188	105,030,800	246,523,345	231,938,849
Total assets	219,112,077	197,952,724	134,989,008	130,491,355	354,101,085	328,444,079
Deferred Outflows	11,127,908	5,866,670	803,624	192,473	11,931,532	6,059,143
Current liabilities	7 883 909	4 215 583	1 726 984	1,493 373	9,610 893	5 708 956
Long-term liabilities	62,395,660	34,878,642	19,449,699	20,183,810	81,845,359	55,062,452
Total liabilities	70,279,569	39,094,225	21,176,683	21,677,183	91,456,252	60,771,408
Deferred Inflows	31,680,624	30,309,811	212,008	169,353	31,892,632	30,479,164
Net position						
Net Investment in capital assets	123,769 857	113,400 761	92 371 165	85 170 183	212 636,622	196,873,944
Restricted	16 185 146	17 189,242	18,035 340	18 799 969	34 220,486	35 989 211
Unrestricted	(11,675,211)	3,825,355	3,997,436	4,861,140	(4,173,375)	10,383,495
Total net position	$ 128,279,792	$ 134,415,358	$ 114,403,941	$ 108,831,292	$ 242,683,733	$ 243,246,650

The net position section includes an adjustment for capital assets owned by the business-type activities, but financed by the debt of the governmental activities Amounts will not cross-foot as a result

The largest portion of the City's net position (approximately 88 and 81 percent, in 2019 and 2018, respectively) reflects its investment in capital assets (e g land, buildings, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding The City uses these capital assets to provide services to citizens consequently, net position is not available for future spending Although the City's investment in its capital assets is reported net of related debt it should be noted that the resources needed to repay this debt must be provided from other sources, since capital assets themselves cannot be used to liquidate these liabilities

Investment in capital assets accounted for $213 million and $197 million in 2019 and 2018 respectively of the year end net position

In 2019, the Ballpark Commons $28 million infrastructure project was substantially completed In addition, the Statesman project was completed, as well as portions of three other developments Other significant projects included a City Hall $1 8 million roof replacement, Heating Ventilating and Air conditioning replacement, a $1 4 million roundabout at S 51st and Drexel Ave installed and a $634,000 fire engine replacement

In 2018, construction in progress rose to $6 6 million related to the Ballpark Commons project Other significant additions were a second salt dome, and the River Park trail bridge

An additional portion of the City's net position (13% in 2019 and 2018) represent resources that are subject to external restrictions on how they may be used There were $34 2 million and $36 0 million (revised) respectively in those net positions that were restricted to specific purposes A significant increase in residential development increased the Development Fund (Impact fees) resource by $2 9 million

The remaining balance in unrestricted net position of a $4 2 million deficit and $10 4 million surplus (revised) in 2019 and 2018, respectively, may be used to meet the City's ongoing obligations to citizens and creditors The significant reduction in unrestricted net position relates two developer grants A $5 million incentive was for a 180-unit apartment complex completed late in the year, and another $5 9 million in site preparation costs at the Ballpark Commons project on an old landfill

Government-wide activities

The details of changes in net position follow

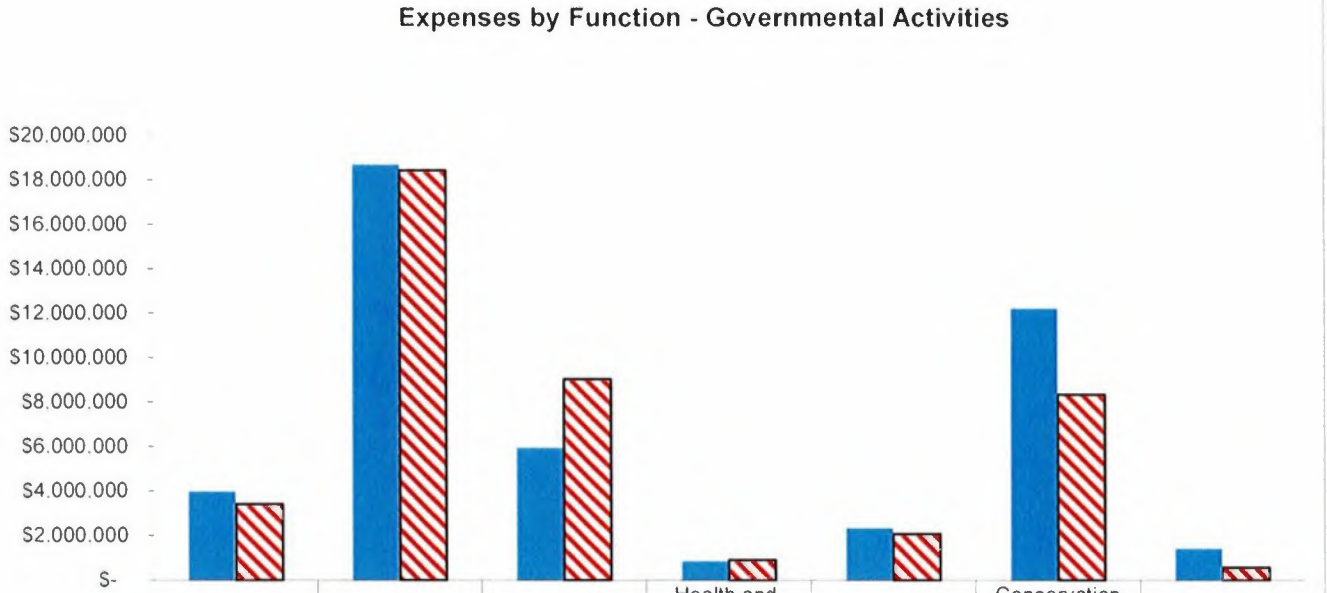
City of Franklin Changes in Net Position
For the Years Ending December 31, 2019 and 2018

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Revenue						
Program revenue:						
Charges for services	$ 9,135 953	$ 6 951 359	$ 9,624,386	$ 9 666,202	$ 18,760 339	$ 16,617,561
Operating grants & contributions	1 991 081	1 932 199			1 991 081	1 932 199
Capital grants & contributions	4 158,787	2 655,553	1 893,179		6,051 966	2 655,553
General revenue:						
Property taxes	23 543,330	23 621 879			23,543,330	23,621 879
Other taxes	1 394,469	1 085,976			1 394,469	1,085 976
Intergovernmental	2,437 929	1 366,802			2,437 929	1,366 802
Investment earnings	1 575,432	847 916	554,542	548,047	2,129,974	1 395 963
Other	41,373	111,751	95,217	134,928	136,590	246,679
Total revenue	44,278,354	38,573,435	12,167,324	10,349,177	56,445,678	48,922,612
Expenses:						
General government	3 979,782	3,412 150			3,979,782	3,412 150
Public safety	18 695,104	18,429,273			18,695 104	18,429 273
Public works	5 952,372	9 042,112			5,952 372	9 042 112
Health & human services	849,373	906,003			849 373	906,003
Culture & recreation	2,331 957	2 073,116			2 331 957	2 073 116
Conservation & development	12,222 229	8 349 725			12 222 229	8,349 725
Interest on long-term debt	1,416,597	574 065			1 416,597	574 065
Water			5,393,192	5,514 057	5,393,192	5 514 057
Sewer			6,167,989	5,949,549	6,167,989	5,949,549
Total expenses	45,447,414	42,786,444	11,561,181	11,463,606	57,008,595	54,250,050
Increase in net position before transfers	(1 169,060)	(4,213,009)	606,143	(1 114,429)	(562 917)	(5,327,438)
Transfers	(4,966,506)	1,011,392	4,966,506	(1,011,392)		
Change in net position	(6,135,566)	(3,201,617)	5,572,649	(2,125,821)	(562,917)	(5,327,438)
Net position - beginning	134,415,358	137,616,975	108,831 292	110,957 113	243,246,650	248 574 088
Net position - ending	$ 128,279,792	$ 134,415,358	$ 114,403,941	$ 108,831,292	$ 242,683,733	$ 243,246,650

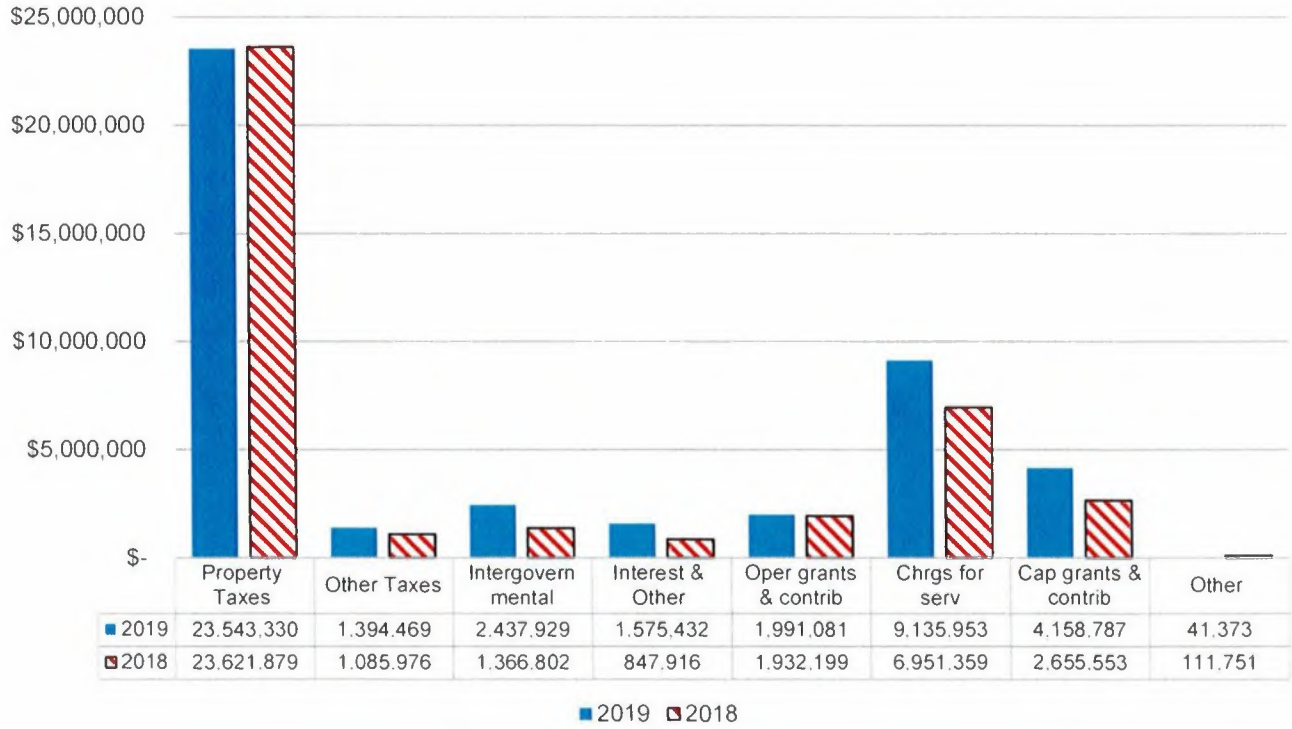
Governmental Activities

2019 saw development activity increase further, with a $5 3 million grant to an apartment developer, over $1 million of subdivision infrastructure contributions and the Ballpark Commons project winding up including $5 9 of developer grants for site preparation, along with significant infrastructure investment The Intergovernmental revenue increase relates to a storm sewer project at Rawson Homes $3 million of developer impact fees added to total revenues These developer grants will be recovered in the future when TID tax collections are realized Interest costs are rising on the increased debt levels

The 2018 Governmental Activities decrease of $3 2 million is the result of developer grants in Ballpark Commons The City committed $22 5 million of site preparation and infrastructure costs to the Developer with approximately $14 4 million spent in 2018 Much of those payments were classified as developer's grants



	General government	Public safety	Public works	Health and human services	Culture and recreation	Conservation and development	Interest on long-term debt
2019	$3,979,782	18,695,104	5,952,372	849,373	2,331,957	12,222,229	1,416,597
2018	$3,412,150	18,429,274	9,042,112	906,003	2,073,116	8,349,725	574,065



	Property Taxes	Other Taxes	Intergovern mental	Interest & Other	Oper grants & contrib	Chrgs for serv	Cap grants & contrib	Other
2019	23,543,330	1,394,469	2,437,929	1,575,432	1,991,081	9,135,953	4,158,787	41,373
2018	23,621,879	1,085,976	1,366,802	847,916	1,932,199	6,951,359	2,655,553	111,751

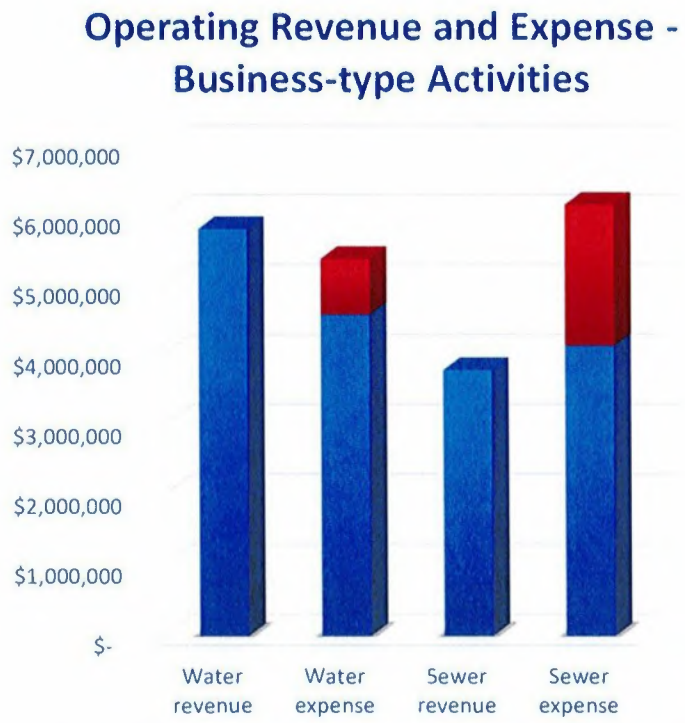
Business-type activities

The Development activity impacted the Business-type activities with capital contributions from both the Government and Developers. City TID activities contributed $5.9 of water and sanitary sewer assets (principally at Ballpark Commons, the new light industrial park and a water main replacement in Rawson Homes), along with residential subdivision infrastructure. $3.5 million of City debt was used to support Business-type assets.

2018 business-type activities decreased the City's net position by $2.1 million.

Utility rates in both Water & Sewer do not recover the cost of contributed assets. As replacements of those assets occur, future rates will rise to recover the replacement costs. Water mains were replaced in the older Rawson Homes subdivision in 2019.

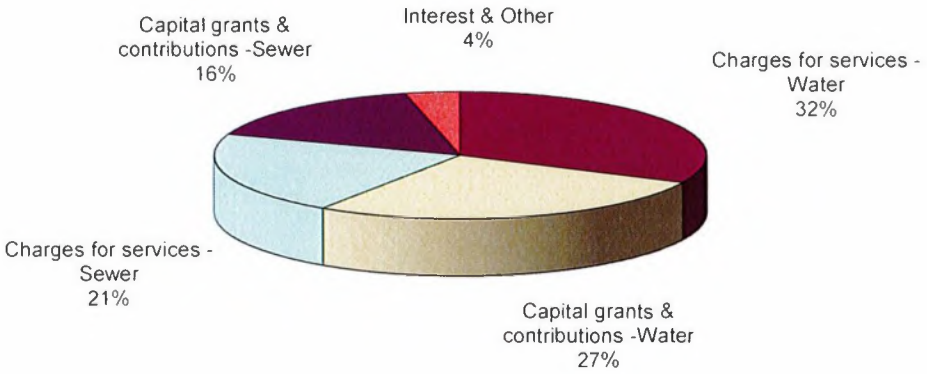
The following graph compares charges for services to the operating expenses for water and sewer activities.



Water and Sewer expenses can exceed revenue due to the current policy of including only depreciation from City spending on capital assets in the rate formula. The large amount of infrastructure that has been contributed is the reason for this policy. 84% of the Business-type assets have been contributed by developers or new growth resources (impact fees). When maintenance and replacement costs increase, this policy may need to be reevaluated. The City replaced $1.3 million of water mains in 2019 and is planning a $3.2 million sanitary sewer project in the next two years.

As shown on the following chart, the Business-type revenue includes capital grants and contributions, investment earnings and miscellaneous income in addition to charges for services (operating revenue).

Revenue by Source - Business-type Activities



2019 was a wetter than normal summer, and irrigation usage declined as a result, reducing water revenues as compared to 2018. Average residential usage per household continues to decline as the new development installs more water efficient appliances. 2019 Sewer rates increased 2.2% driven by Milwaukee Metropolitan Sewerage District processing costs, increasing sewer revenues.

2018 Water revenues decreased $95,735 (1.6%) on lower volumes related to wetter weather conditions. Sewer revenues increased $390,998 (11.8%) to recover a large cost increase from the sanitary sewer processor. There were no infrastructure contributions in 2018.

Financial Analysis of the Government's Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the City's **governmental funds** is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of $45.6 million, an increase of $8.4 million from the prior year. At year end the unassigned fund balance was $8.2 million, an increase of $1.4 million related primarily to the General Fund surplus. A small deficit in the TIF Fund represents a tax refund in TID#3.

The City has assigned fund balances for activities of the Capital Projects of $5.5 million. In addition, $132,393 of General Fund Balance has been assigned for purchase commitments into 2020.

Outside party restrictions have resulted in restricted fund balances

1) to pay debt service $1 1 million –collections of special assessments increased the balance
2) for utility improvements - $2 2 million – the increase resulted from utility assessment collections and interest on deferred assessment balances
3) for development purposes - $8 8 million – two large multi-family projects resulted in significant impact fee revenues
4) for TIF Districts of $17 3 million – $6 million in new Debt resources during the year went unspent as the developer experienced delays, and a $4 million refunding bond was sold in December, for which the refunding will occur in the first quarter of 2020 At the same time, the Ballpark Commons TID spent down debt proceeds from 2018 on infrastructure projects
5) for library services $711,000
6) for Solid Waste services $455,000
7) for Tourism activities - $470,000 and
7) for donations, health grant funds, and recreational activities – totaling $441,000

The City also has nonspendable fund balances to indicate that it is not available for new spending because it has already been committed for prepaid expenses and inventories and for advances to other funds ($136,200) The General Fund provided a 10 year advance to the Water Utility in 2017 to finance an extraordinary contribution to the Public Works Retirement plan (in excess of the Actuarially Determined Contribution) This was financed out of the collection of the Sewer Fund advance

The **General Fund** is the chief operating fund of the City As of December 31, 2019, the total fund balance of the General Fund was $8 6 million of which $8 3 million was unassigned This unassigned fund balance represents approximately 32% of 2019 General Fund expenditures

The total General fund balance increased by $1 3 million during 2019 Much of the surplus came from increased building permits and investment earnings Reduced Public Safety projects left $600,000 of appropriations unspent

The **Debt Service Fund** has a total fund balance of $1 1, restricted for the payment of debt service Much of the fund balance relates to collections of street special assessments

The **TIF Districts Fund** has total fund balance of $17 2 million The TID#4 $4 1 million fund balance will fund 2020 project costs Ballpark Commons (TID#5) sold a new $3 2 million bond in 2019 using the proceeds on additional project costs TID#6 sold $6 4 million of new bonds to fund infrastructure projects, however developer delays left $5 4 million unspent Velo Village (TID#7) sold $3 million of notes to fund a developer mortgage in early 2020

The **Nonmajor Governmental Funds** have a total fund balance of $18 6 million Special Revenue fund balances totaled $2 1 million Capital Project funds had fund balances totaling $16 5 million half of which is in the Development Fund (Impact fees) The City issued $2 2 million in new notes during 2019 to provide resources for the 2019 capital project programs

The City's **Proprietary Funds** provide the same type of information found in the government-wide financial statements, but in more detail

Unrestricted net position of the Water Utility at the end of the year amounted to $2 8 million a decrease of $531,130 from the prior year The Utility replaced the Rawson Homes water main spending $1 3 million

Unrestricted net position of the Sanitary Sewer Utility at the end of the year amounted to $1 2 million, a decrease of $332,571 from the prior year The Utility performed significant maintenance costs on sewer lift stations

The enterprise funds financial statements can be found on Exhibits G, H and I (page 33 – 37) of this report

An Internal Service Fund providing resources related to employee health benefits had a $728,353 surplus, increasing fund balance to $2 5 million The City introduced a high deductible option in 2019, with a larger than expected participation As a result claims costs were reduced 22% In addition, the Stop Loss carrier introduced a rebate program that generated $122,000 The fund balance represents a significant percentage of annual health benefit costs (94%)

General Fund Budgetary Highlights

Revenue exceeded the amended budget by $538 000 The Original budget was amended to add $650,000 of revenues to recognize charges to developers for inspection services on expected donated infrastructure construction The largest revenue increase ($273,000) came from construction permits on new development Investment earnings of $510,000, exceeded expectations as short-term rates rose

Actual expenditures were less than amended budgeted by $2 7 million (9 5% of the amended budget) The City introduced a High Deductible health plan option for employees in 2019 after the 2019 budget was adopted The appropriations for the High Deductible plan were included in Contingency and the 2019 budget was amended in the first quarter to re-align that employee benefit across activities The City established a $1 8 million amended contingency That contingency was not spent Public Safety project costs were not spent and the retirement of inspection personnel resulted in unspent personnel appropriations

A $1 3 million surplus compares favorably to the amended budgeted deficit of $2 1 million Removing the $1 8 million contingency noted above the amended budget deficit was more like $0 3 million

Capital assets

The City's investment in capital assets for its governmental and business type activities as of December 31, 2019, amounts to $246 5 million, net of accumulated depreciation This investment in capital assets includes land buildings, improvements other than buildings and machinery and equipment

City of Franklin's Investment in Capital Assets

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Land	$ 25 450 016	$ 25 109 551	$ 888 479	$ 888,479	$ 26 338,495	$ 25,998 030
Buildings and Improvements	28 404 573	27 233 712	6 328 241	6 702,216	34 732 814	33,935 928
Improvements other than buildings	119 046 303	105 348,431	142 378 652	134 188 155	261,424 955	239 536 586
Machinery and and equipment	20 023 758	18 894 992	6 129,239	5 809 997	26 152 997	24 704 989
Construction in process	1,986,204	6,611,711	1,160,685	63,054	3,146,889	6,674,765
Total capital assets	194,910 854	183 198 397	156 885 296	147 651 901	351 796 150	330 850,298
Less Accumulated depreciation	(59,320,697)	(56,290,348)	(45,952,108)	(42,621,101)	(105,272,805)	(98,911,449)
Capital assets net of depreciation	$ 135,590,157	$ 126,908,049	$ 110,933,188	$ 105,030,800	$ 246,523,345	$ 231,938,849

The total increase in the City's net investment in capital assets net of depreciation for the current fiscal year was $14 6 million or 6 3% Development drove most of the increase, with infrastructure at Ballpark Commons (TID#5) the round-about at S 51st and Drexel Ave, a fire engine, City Hall roof replacement and Heating Ventilating and Cooling system replacement some of the larger projects

For further details on capital asset activity refer to Note 1(D)6 and Note 3(E) of the Notes to Financial Statements and Schedules 12 – 12 2 (page 124 – 126)

Long-term debt

State statutes limit the amount of general obligation debt a governmental entity may issue up to 5 percent of its total equalized valuation At December 31, 2019, the City had general obligation note and bond issues outstanding totaling $71 9 million The current legal debt limitation for the City is $218 0 million The City's current outstanding general obligation debt is 33 0% of the statutory debt limit

By City policy, outstanding general obligation debt is limited to 2% of total equalized value or $87 2 million Outstanding debt represents 82% of this internal limit, leaving an internal debt limit margin of $15 3 million The Finance Committee reviewed the Debt Policy in July, 2019 and noted that supporting current development activity is likely to cause the City to exceed it internal debt limit and urged the Common Council to consider that when considering new debt issues

The City's present rating from Moody's for its general obligation debt is "Aa2" The "Aa2 rating was affirmed with the 2019 debt issues

In May 2018 the City issued $23 48 million in Note Anticipation Notes to finance projects in the Ballpark Commons development The City agreed to reserve this much of the General Obligation Debt limit for the future refunding of this issue

In 2019, City had four new debt issues two in February and two in December 2019A (a $13 7 million Bond was issued to support a $3 million grant in TID#3 and refund $10 million of the 2018A NAN 2019B

(A $6 3 million bond) was issued to support infrastructure projects in TID#6 2019C (a $12 4 million bond) was issued to support $5 2 of infrastructure at the Ballpark Commons development $3 million to fund a second mortgage financing commitment to Velo Village and $4 million to refund a portion of the 2018A NAN Finally, 2019D (a $2 3 million note) provided resources for the 2019 Capital Improvement projects

City of Franklin's Outstanding Debt (All purposes)

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
General obligation						
Premium (Discount)	$ 446 398	$ 150,083	$ (8,318)	$ (9 353)	$ 438 080	$ 140 730
Note Anticipation Notes	13 480 000	23 480 000	-	-	13 480 000	23 480 000
Bonds	34 620,000	3 385 000	18 570,341	19 869 970	53 190 341	23 254 970
Notes	5,200,000	3,145,000	-	-	5,200,000	3,145,000
Total	$ 53,746,398	$ 30,160,083	$ 18,562,023	$ 19,860,617	$ 72,308,421	$ 50,020,700

Additional information of the City s long-term debt can be found in Note 3(H) (page 65-68) Schedule 5 (page 106) and Tables 11 – 13 (page 134 -137) in the statistical section of the report

In 2018 the City issued two Municipal Revenue Obligations to developers The first was a $3 5 million incentive grant to the Ballpark Commons Developer payable over the life of the TID The note carries a 5 5% interest rate No interest or principal payments are being made on note at this time The second was a $2 million instrument payable over the remaining eight years of that TID This note bears interest at 4 5% A $202 000 payment was made in 2019 The remaining balance of all the notes at December 31 2019 was $5 189 000

New Developer agreements in 2019 committed the City to two additional MRO s a $3 1 million grant in TID#6 issuable upon acceptance of donated infrastructure and a $14 952 grant in TID#7 supporting the 265 unit Velo Village apartment project issuable upon construction initiation for the project

Other Changes of Significance

Post Employment Health Care Benefits

The City of Franklin provides retiree health care benefits to certain retiree groups from the date of retirement until age 65 Prior to 2008 the City's portion of health care cost was recognized as an expenditure in the period premiums were paid Funding for those costs was provided out of the current operating budget of the City This was referred to as financing on a pay as you go basis

The Government Accounting Standards Board (GASB) issued Statement #45 effective for the City of Franklin on January 1, 2008 that said that the expense of these benefits has to be recognized over the working lives of the employees The Common Council concluded that the City of Franklin should not only recognize the expense on its financial statements but should fund those amounts out of its general revenue starting in 2008 with the establishment of a section 115 trust

In 2017, the City adopted GASB 75 which treats OPEB liabilities similarly to pension obligations

More detailed information can be found in Note 4(C)

Economic Factors, Tax Rates and Next Year's Budgets

- The unemployment rate as of December 31 2019 for the City was 3 0% and Milwaukee County which includes the City, was 3 5% This compares with an unemployment rate of 3 5% for the State of Wisconsin
- The 2019 Budget assessed tax rate of $5 43 was down from $5 61 from the prior year Tax rates are declining as the State imposed levy limits are resulting in smaller increases in the tax levy, while property values are rising faster
- The City's tax levy rose from $21 0 million the previous five years, to $21 4 million in 2019 Much of the restrained total levy increase came by way a shift of debt service levy, which declined $450 000 over that same period, shifting tax levy to operating and capital levy
- The 2020 tax levy increased another $352 600 (1 7%) by another use of a one-time tool in state levy limits
- 2019 budgeted expenditures increased $1 13 million (4 0%) This was made possible by the use of Charges for Services as an increasing resource in Capital Project funds and applying the prior tax levy resource to the General Fund
- This larger increase in expenditures compared to tax levy resources is not sustainable

Subsequent Events of Note:

- In March 2020 the US President, WI Governor and Franklin's Mayor declared a public health emergency It is too early to project the financial impact of this crisis on City finances The Common Council adopted a 2020 Budget Amendment appropriating $250,000 of contingency to fight the disease
- Related to that health crisis, the US Equity markets declined significantly, and the City's Defined Benefit Plan administrator placed a $750,000 call for additional one-time contributions The Common Council authorized 2020 appropriations to support a $1 million extraordinary contribution and also authorized the Director of Finance to make up to a $750,000 contribution if necessary, returning to Council should additional contributions be required
- The 2020 Budget anticipated $2 7 million of Landfill Siting revenues (Public Charges for Services) substantially supporting capital programs By April, 2020, this revenue stream began to decline, such that the Common Council considered reductions in 2020 capital program appropriations
- On April 6, 2020, the Common Council authorized the issuance of a $14 952 million Municipal Revenue Obligation to Velo Village under the terms of a Developer's Agreement signed in October, 2019

Requests for Information

This financial report is designed to provide a general overview of the City's finances for those with an interest in the government's finances Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Director of Finance & Treasurer, City of Franklin 9229 West Loomis Road, Franklin, WI 53132

General information or more detailed financial and budget information relating to the City of Franklin can be found at the City's website www franklinwi gov - Finance Department tab

BASIC FINANCIAL STATEMENTS

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Exhibit A

CITY OF FRANKLIN, WISCONSIN
Statement of Net Position
As of December 31, 2019

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and investments	$ 53 523,392	$ 3,475,763	$ 56 999 155
Receivables			
Accounts	1,455,277	2,386,979	3 842 256
Taxes	26,628,560	280 938	26 909,498
Special assessments	691 966		691 966
Due from other governments	1 080 035	1,275,272	2 355 307
Prepaid items	5 326		5 326
Inventories	14 164		14 164
Long term advances	123 200	(123 200)	
Restricted cash		480 000	480,000
Due from other governments long term		16 280 068	16,280,068
Capital assets (net of accumulated depreciation)			
Land	25,450,016	888,479	26 338,495
Buildings and improvements	16,558,754	6 328,241	22 886 995
Machinery and equipment	6 980 916	6 129,239	13 110 155
Infrastructure	84,614,267	96,426,543	181 040 810
Construction in progress	1,986,204	1,160,686	3,146,890
Total assets	219,112,077	134,989,008	354,101,085
DEFERRED OUTFLOWS OF RESOURCES			
Pension and OPEB related	10,809,272	648,098	11,457,370
Total deferred outflow of resources	10,809,272	648,098	11,457,370
LIABILITIES			
Accounts payable	4,848,870	1 605,442	6,454,312
Accrued liabilities	2,266,899	37 944	2 304,843
Due to other governments	130 380		130,380
Accrued interest	581,424	83,598	665,022
Special deposits	56,306		56,306
Noncurrent liabilities			
Benefit obligations due within one year	743 005	80,486	823,491
Benefit obligations due in more than one year	7 906 255	807 190	8 713,445
General obligation debt due within one year	6 090 000	1 330,272	7,420 272
General obligation debt due in more than one year	47,656,400	17,231,751	64,888,151
Total liabilities	70,279,539	21,176,683	91,456,222
DEFERRED INFLOWS OF RESOURCES			
Pension and OPEB related	4 830,062	56,482	4 886 544
Subsequent year property taxes	26,531,956		26,531,956
Total Deferred Inflow of Resources	31,362,018	56,482	31,418,500
NET POSITION			
Net Investment in capital assets	123,769,857	92 371 165	212,636,622
Restricted for			
Debt service	127 211		127,211
Utility improvements	2 586,422		2 586,422
Development	9 066,099		9,066,099
TID Funds	2 328 611		2 328,611
Library	710 872		710 872
Solid Waste	455 125		455 125
Recreation services	80 952		80 952
Health	198,561		198,561
Donations	161,342		161,342
Tourism Commission	469 951		469 951
Sewer equipment replacement		480 000	480,000
Intergovernmental Cooperation Agreement		17,555 340	17 555 340
Unrestricted (deficit)	(11,675,211)	3,997,436	(4,173,375)
Total net position	$ 128,279,792	$ 114,403,941	$ 242,683,733

See accompanying notes to the financial statements

Exhibit B

CITY OF FRANKLIN WISCONSIN
Statement of Activities
For the Year Ended December 31 2019

Functions/Programs	Expenses	Program Revenue: Charges for Services	Program Revenue: Operating Grants and Contributions	Program Revenue: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Governmental Activities	Net (Expense) Revenue and Changes in Net Position: Business-type Activities	Net (Expense) Revenue and Changes in Net Position: Total
Governmental activities							
General government	$ 3 979 782	$ 186 597	$	$ 21 684	$ (3 771 501)	$	$ (3 771 501)
Publ c safety	18 695 104	3 189 400	368 185	496 353	(14 641 166)		(14 641 166)
Public works	5 952 372	5 207 303	1 324 182	2 413 929	2 993 042		2 993 042
Health and human services	849 373	209 064	204 647		(435 662)		(435 662)
Culture and recreation	2 331 957	193 019	94 067	1 226 821	(818 050)		(818 050)
Conservation and development	12 222 229	150 570			(12 071 659)		(12 071 659)
Interest on long term debt	1,416,597				(1 416 597)		(1,416,597)
Total governmenta activities	45,447,414	9,135 953	1,991,081	4,158,787	(30,161,593)		(30 161 593)
Business-type activ ties							
Water	5 393 192	5 822 259		1 189 743		1 618 810	1 618 810
Sewer	6 167,989	3,802,127		703 436		(1,662,426)	(1 662,426)
Total bus ness-type act vities	11,561,181	9,624,386		1,893 179		(43,616)	(43,616)
Total primary government	$ 57,008 595	$ 18,760,339	$ 1,991 081	$ 6,051,966	(30,161,593)	(43 616)	(30,205,209)
General revenue							
Property taxes levied for general purposes					20 068 272		20 068 272
Property taxes levied for debt service					1 300 000		1 300 000
Property taxes levied for TIF Districts					2 175 058		2 175 058
Other taxes					1 394 469		1 394 469
Intergovernmental revenue not restricted to specific programs					2 437 929		2 437 929
Investment earnings					1 575 432	554 542	2 129 974
M scellaneous revenue					41 373	95 217	136 590
Transfers					(4,966,506)	4,966,506	
Total genera revenue and transfers					24 026,027	5 616,265	29,642,292
Change in net position					(6 135 566)	5 572 649	(562 917)
Net position beginning					134,415,358	108,831 292	243,246,650
Net position ending					$ 128,279,792	$ 114,403,941	$ 242,683 733

See accompanying notes to the financial statements

Exhibit C

CITY OF FRANKLIN WISCONSIN
Balance Sheet
Governmental Funds
As of December 31 2019

	General	Debt Service	TIF Districts	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS					
Cash and investments	$ 8 946 683	$ 1 093 213	$ 22 308 355	$ 18 483 341	$ 50 831 592
Receivables					
Accounts	1 172 832			282 445	1 455 277
Taxes	19 005 823	1 125 347	3 261 911	3 235 479	26 628 560
Special assessments		36 475		655 491	691 966
Due from other governments	80 694			999 341	1 080 035
Prepaid items	5 326				5 326
Inventories	14 164				14 164
Advances to other funds	136.200			1 500 000	1 636 200
TOTAL ASSETS	$ 29 361 722	$ 2 255 035	$ 25 570.266	$ 25 156 097	$ 82 343 120
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts payable	$ 619 010	$	$ 2 730 799	$ 1 470 812	$ 4 820 621
Accrued liabilities	916 573		865 135	310 191	2 091 899
Due to other governments	130 380				130 380
Special deposits	56 306				56 306
Advance from other funds			1 513 000		1 513 000
Total liabilities	1 722,269		5 108 934	1 781 003	8 612 206
DEFERRED INFLOWS OF RESOURCES					
Unearned & unavailable revenue	19 005 699	1 136 475	3 261 911	4 731 579	28 135 664
FUND BALANCES					
Nonspendable					
Inventories and prepaid items	19 490				19 490
Advances to other funds	136 200				136 200
Restricted					
Debt service		1 118 560			1 118 560
Utility improvements				2 194 797	2 194 797
Development				8 833 459	8 833 459
TIF Districts			17 307 511		17 307 511
Donations				161 342	161 342
Health services				198 561	198 561
Library services				710 872	710 872
Solid waste				455 125	455 125
Recreational services				80 952	80 952
Tourism				469 951	469 951
Assigned					
Purchases on order	132 393				132 393
Capital projects				5 538 456	5 538 456
Unassigned (deficit)	8 345 671		(108 090)		8.237 581
Total fund balances	8 633 754	1 118 560	17 199 421	18 643 515	45 595 250
TOTAL LIABILITIES DEFERRED INFLOWS AND FUND BALANCES	$ 29 361 722	$ 2 255 035	$ 25 570 266	$ 25 156 097	$ 82 343 120

See accompanying notes to the financial statements

Exhibit C 1

CITY OF FRANKLIN, WISCONSIN
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
As of December 31, 2019

Fund balances total governmental funds	$ 45 595 250
Amounts reported for governmental activities in the statement of net position are different because	
Capital assets used in governmental funds are not financial resources and are therefore are not reported in the funds	
Capital assets net of depreciation	135 590 157
Some receivables that are not currently available are reported as deferred inflows of resources in the fund financial statements but are recognized as revenues when earned in the government-wide statements	
Special assessments	428 100
Impact fees	232 640
Intergovernment grant	943 000
Deferred outflows of resources and deferred inflows of resources related to pensions and OPEB are applicable to future periods and therefore are not reported in fund statements	
Deferred outflows	11 127 908
Deferred inflows	(5 148 698)
Internal Service Fund net position	2 488 521
Long-term liabilities applicable to the City's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities Interest on long term debt is not accrued in governmental funds but rather is recognized as an expenditure when due	
General obligation debt	(53 300 002)
Compensated absences	(2 148 384)
Net pension and OPEB obligations	(6 500 878)
Unamortized debt premiums	(446 398)
Accrued Interest	(581 424)
Net position of governmental activities	$ 128 279 792

See accompanying notes to the financial statements

Exhibit D

CITY OF FRANKLIN WISCONSIN
Statement of Revenue Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31 2019

	General	Debt Service	TIF Districts	Nonmajor Governmental Funds	Total Governmental Funds
REVENUE					
Taxes	$ 18 829 930	$ 1 300 000	$ 2 278 617	$ 2 134 421	$ 24 542 968
Intergovernmental revenue	1 757 347		504 013	1 052 400	3,313 760
Licenses and permits	1 314 918			20 671	1 335,589
Fines forfeitures and penalties	451 062				451 062
Public charges for services	2 829 033			4 080 163	6 909 196
Special assessments		28 524		3 474 482	3,503 006
Intergovernmental charges for services	226 178				226 178
Investment earnings	510 943	35 588	444 570	518 850	1 509 951
Miscellaneous revenue	189 606		42 500	160 965	393 071
Total revenue	26 109,017	1 364 112	3,269 700	11 441 952	42 184 781
EXPENDITURES					
Current					
General government	2 953 923		266 229	6 701	3,226,853
Public safety	17 157 353			24 431	17 181 784
Public works	4 140 073		52 499	1 660 197	5 852 769
Health and human services	646 760			210 595	857 355
Culture recreation and education	223 360			1 475 219	1 698,579
Conservation and development	606 419		11 540 612	88 594	12 235 625
Capital outlay			7 985 635	7 937 731	15 923 366
Debt service					
Principal		1 405 000	10 000 000		11 405 000
Interest		135 338	899 969		1 035 307
Debt issuance costs			423 173	49 924	473 097
Total expenditures	25 727 888	1 540 338	31 168 117	11 453,392	69 889 735
Excess (deficiency) of revenue over expenditures	381 129	(176 226)	(27 898 417)	(11,440)	(27 704 954)
OTHER FINANCING SOURCES (USES)					
Sale of capital assets				34 478	34 478
Transfers in	968 448	323 419		356 731	1 648 598
Transfers out	(52 100)	(92 000)		(536 050)	(680 150)
General obligation debt issued			17 685 000	2 285 000	19 970 000
Refunding debt issued			14 725 000		14 725 000
Premium on debt issued		80 648	270 685	12 598	363,931
Total other financing sources and uses	916 348	312 067	32 680 685	2 152 757	36 061 857
Net change in fund balances	1 297 477	135 841	4 782 268	2 141 317	8 356 903
Fund balances beginning	7 336 277	982 719	12 417 153	16 502 198	37 238 347
Fund balances ending	$ 8 633 754	$ 1 118 560	$ 17 199 421	$ 18 643 515	$ 45 595 250

See accompanying notes to the financial statements

Exhibit E

CITY OF FRANKLIN WISCONSIN
Reconciliation of the Statement of Revenue
Expenditures and Changes in Fund Balances of Governmental Funds
To the Statement of Activities
For the Year Ended December 31, 2019

Net change in fund balances total governmental funds	$ 8 356 903
Amounts reported for governmental activities in the statement of activities are different because	
Governmental funds report capital outlays as expenditures However in the statement of activities the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense or losses when disposed of	
Capital outlay as reported in the governmental funds	15 923 366
Capital outlay contributed to business-type units	(5 934 954)
Items capitalized from non outlay accounts	1 388 621
Depreciation	(3 727 753)
Net book value of assets disposed	(77 234)
Contributed capital assets are reported as revenues in the statement of activities	1 110 062
The issuance of long term debt (e g notes leases) provides current financial resources to governmental funds while the repayment of the principal on long term debt consumes current financial resources of government funds Neither transaction however has any effect on net position	
Principal paid on long term debt	11 405 000
Proceeds from long term debt net of premium	(35 058 931)
The Governmental Funds report Deferred Inflows for resources that are not available for activities	
Grants & Charges for Services	943 000
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the government funds	
Compensated absences pensions and OPEB	(923 258)
Accrued interest payable and amortization of debt premium	(209 293)
Revenue in the governmental funds that provides current financial resources but has been previously reported as revenue in the statement of activities	
Net special assessments	(59 448)
Internal service fund change in net position	728 353
Net change in net position of governmental activities	$ (6,135 566)

See accompanying notes to the financial statements

Exhibit F

CITY OF FRANKLIN WISCONSIN
General Fund
Statement of Revenue Expenditures and Changes in Fund Balances
Budget and Actual (on a Budgetary Basis)
For the Year Ended December 31 2019

	Budgeted Amount				Variance with final budget
	Original	Change Inc (Dec)	Final	Actual	Excess (Deficiency)
REVENUE					
Taxes	$ 19 876 475	$	$ 19 876 475	$ 19 798 378	$ (78 097)
Intergovernmental revenue	1 736 127		1 736 127	1 757 347	21 220
Licenses and permits	1.041.490		1 041 490	1 314 918	273 428
Fines forfeitures and penalties	546 000		546 000	451 062	(94 938)
Public charges for services	2 056 950	650 000	2 706 950	2 829 033	122 083
Intergovernmental charges for services	207.500		207 500	226 178	18 678
Investment earnings	265 000		265 000	510 943	245 943
Miscellaneous revenue	159 650		159 650	189 606	29 956
Total revenue	25.889 192	650.000	26 539 192	27 077 465	538.273
EXPENDITURES					
Current					
General government	4 894 848	(206 984)	4 687 864	2 926 072	1 761 792
Public safety	17 784 187	(32 700)	17 751.487	17 150 753	600 734
Public works	3 571 132	571 783	4 142 915	4.020 678	122 237
Health and human services	750 797	(9 935)	740 862	646 760	94 102
Culture and recreation	182 702	43 541	226 243	223 360	2 883
Conservation and development	640 776	73 513	714.289	620.688	93.601
Total expenditures	27 824 442	439 218	28 263 660	25 588 311	2 675 349
Excess (deficiency) of revenue over (under) expenditures	(1 935 250)	210 782	(1 724 468)	1 489 154	3 213 622
OTHER FINANCING SOURCES (USES)					
Transfers in	59 250	30 625	89 875		(89 875)
Transfers out	(274 000)	(8 100)	(282 100)	(52 100)	230 000
Net change in fund balance budgetary basis	(2 150 000)	233 307	(1 916 693)	1 437 054	3 353 747
Adjustments to generally accepted accounting principles basis					
2019 encumbrances			132 393	132 393	
2018 encumbrances			(271 970)	(271 970)	
Net change in fund balance generally accepted accounting principles basis	(2 150 000)		(2.056 270)	1.297.477	3 353 747
Fund Balances beginning	7 336 277		7 336 277	7 336 277	
Fund Balances ending	$ 5 186 277		$ 5 280 007	$ 8 633 754	$ 3 353 747

See accompanying notes to the financial statements

Exhibit G

CITY OF FRANKLIN WISCONSIN
Statement of Net Position
Proprietary Funds
As of December 31 2019
(with comparative information for December 31 2018)

	Business-type Activities Enterprise Funds					Governmental Activities Internal Service Funds
	Water Utility Current Year	Water Utility Prior Year	Sanitary Sewer Current Year	Sanitary Sewer Prior Year	Current Year Totals	
ASSETS						
Current assets						
Cash and investments	$ 2.425 883	$ 2 731.422	$ 1 049 880	$ 1 383 225	$ 3 475 763	$ 2 691 800
Receivables						
Accounts receivable	1 395 461	1 399 959	991 518	956 759	2 386 979	
Taxes receivable	161 985	173 394	118 953	108 886	280 938	
Due from other governments			1 275 272	1 244 629	1 275 272	
Prepaid expenses		2 291		2 291		
Total current assets	3 983 329	4 307 066	3,435,623	3 695 790	7 418 952	2 691 800
Noncurrent assets						
Restricted cash and investments			480 000		480 000	
Due from other governments			16 280 068	17 555 340	16 280 068	
Regulatory assets		42 059				
Capital assets						
Land	162 885	162 885	725 594	725 594	888,479	
Buildings and improvements	3 020 191	3 020 191	3,308 050	3 308 050	6 328 241	
Improvements other than buildings	60 725 142	55 613 608	81 653 509	78 754 451	142 378 651	
Machinery and equipment	4 920 074	4 821 896	1 209 165	1 182 171	6 129 239	
Construction in progress	1 065 176	60 301	95 510	2 753	1 160 686	
Less accumulated depreciation	(21,423 626)	(20 238 971)	(24 528.482)	(22 382,129)	(45 952 108)	
Total capital assets (net of accumulated depreciation)	48,469 842	43 439 910	62 463 346	61 590 890	110 933 188	
Total noncurrent assets	48 469 842	43 481 969	79 223 414	79 146 230	127 693 256	
Total assets	52 453 171	47 789 035	82 659 037	82 842 020	135 112 208	2 691 800
DEFERRED OUTFLOWS OF RESOURCES						
Pension and OPEB related	346 811	102 915	301.287	89 558	648 098	

Continued

CITY OF FRANKLIN WISCONSIN
Statement of Net Position
Proprietary Funds
As of December 31 2019
(with comparative information for December 31 2018)

	Business-type Activities Enterprise Funds					Governmental Activities Internal Service Funds
	Water Utility Current Year	Water Utility Prior Year	Sanitary Sewer Current Year	Sanitary Sewer Prior Year	Current Year Totals	
LIABILITIES						
Current liabilities						
Accounts payable	$ 943 378	$ 760 659	$ 662 064	$ 620 577	$ 1 605 442	$ 28 279
Accrued liabilities	689	689	37 255	29 109	37 944	175 000
Accrued interest payable	11 563	11 196	72 035	77 143	83 598	
Current portion of accrued compensated absences	40 243		40 243		80 486	
Current portion of long-term advances	16 750	16 500			16 750	
Current portion of long-term obligations	55 000	55 000	1 275 272	1 244 629	1 330 272	
Total current liabilities	1 067 623	844 044	2 086 869	1 971 458	3,154 492	203 279
Noncurrent liabilities						
Net pension liability	379 808	66 480	328 016	57 415	707 824	
Net OPEB liability	14 026	24 289	14 026	24 289	28 052	
General obligation notes payable	951 682	1 005 647	16 280 069	17 555 341	17 231 751	
Accrued compensated absences	35,657	75 360	35 657	75 360	71 314	
Total noncurrent liabilities	1,381 173	1 171 776	16,657 768	17 712,405	18 038 941	
Long-term advances	106,450	123 200			106 450	
Total liabilities	2 555 246	2 139 020	18 744 637	19 683 863	21 299 883	203,279
DEFERRED INFLOWS OF RESOURCES						
Pension and OPEB related	29 911	90 872	26 571	78 481	56 482	
NET POSITION						
Net investment n capital assets	47 463 160	42 379 263	44 908 005	42 790 920	92 371 165	
Restricted						
Sewer equipment replacement			480 000		480 000	
Intergovernmental cooperation agreement			17 555 340	18 799 969	17 555 340	
Unrestricted	2 751 665	3 282 795	1 245 771	1 578 345	3,997 436	2 488 521
Total net position	$ 50 214 825	$ 45,662 058	$ 64 189 116	$ 63 169 234	$ 114 403 941	$ 2 488 521

See accompanying notes to the financial statements.

Exhibit H

CITY OF FRANKLIN WISCONSIN
Statement of Revenue, Expenses and Changes in Fund Net Position
Proprietary Funds
For the Year Ended December 31 2019
(with comparative information for December 31 2018)

	Business-type Activities Enterprise Funds					Governmental Activities Internal Service Funds
	Water Utility Current Year	Water Utility Prior Year	Sanitary Sewer Current Year	Sanitary Sewer Prior Year	Current Year Totals	
OPERATING REVENUE						
Metered sales						
Residential	$ 2,874 381	$ 2,918 671	$ 2 066 966	$ 2 019 797	$ 4 941 347	$
Multi-Family	741 263	751 798	503 338	498.485	$ 1 244 601	
Commercial	648 437	689 710	591 845	584 945	1 240 282	
Irrigation	108 212	139 507			108 212	
Industrial	438 327	475 734	430.270	415 365	868 597	
Publ c authority	268 223	248 797	171 112	152.553	439 335	
Total metered sales	5.078 843	5.224 217	3 763.531	3 671 145	8 842 374	
Group hea th & dental charges						3 315 854
Unmetered sales	20 928	17 155	2.355		23 283	
Public fire protection service	544 847	542 668			544 847	
Private fire protection service	125 087	123 381			125.087	
Forfeited discounts, penalties and other	52 554	53 929	36.241	33 707	88 795	
Total operating revenue	5 822 259	5 961 350	3 802 127	3 704 852	9.624 386	3 315 854
OPERATING EXPENSES						
Cost of sales and services	3.539 664	3.541 829	2 534 298	2 534 885	6.073 962	2,652 981
Depreciation	1 245 739	1 204.485	2.172.379	2 135 076	3.418 118	
Amortization	42 059	130 666			42 059	
Administration	529 598	599 458	1 018 886	806.763	1 548 484	
Total operating expenses	5.357 060	5.476.438	5.725 563	5 476.724	11 082 623	2,652 981
Operating ncome (loss)	465 199	484 912	(1 923 436)	(1 771 872)	(1 458 237)	662 873
NONOPERATING REVENUE (EXPENSES)						
Investment earnings	66 996	43 412	487 546	504 635	554 542	65 480
Sundry	92 997	112 106	2 220	22 822	95 217	
Interest expense	(36 132)	(37 619)	(442.426)	(472 825)	(478 558)	
Total non-operating revenue (expenses)	123 861	117 899	47 340	54 632	171 201	65 480
Income (loss) before capital contributions and transfers	589 060	602 811	(1 876 096)	(1 717 240)	(1 287 036)	728 353
Capital contributions	4 929 075		2.899 058		7 828 133	
Transfers out	(965 368)	(1 008 038)	(3.080)	(3 354)	(968.448)	
Change n net position	4 552 767	(405 227)	1 019 882	(1 720 594)	5.572 649	728.353
Net position beginning	45 662 058	46 067.285	63 169 234	64 889 828	108.831 292	1 760 168
Net position ending	$ 50 214 825	$ 45 662 058	$ 64 189 116	$ 63 169 234	$ 114.403 941	$ 2.488 521

See accompanying notes to the financial statements

Exhibit I

CITY OF FRANKLIN WISCONSIN
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31 2019
(with comparative information for December 31 2018)

	Business-type Activities Enterprise Funds					Governmental
	Water Utility Current Year	Water Utility Prior Year	Sanitary Sewer Current Year	Sanitary Sewer Prior Year	Current Year Totals	Activities Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES						
Receipts from customers and users	$ 5,936 577	$ 6 181 203	$ 3,767 823	$ 3 634 238	$ 9 704,400	$ 3,377 516
Payments to suppliers	(3,329 430)	(3 382,687)	(3,065 756)	(2 921 813)	(6 395,186)	(2,621 990)
Payments to employees	(416 854)	(597 759)	(352 076)	(484,497)	(768,930)	
Payments for nterfund services used	(131 823)	(105 330)	(104,410)	(106,545)	(236,233)	
Net cash flows provided by (used n) operating activities	2 058 470	2 095 427	245 581	121 383	2 304 051	755,526
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Advances from other funds						(115,700)
Transfer out paid for tax equ valent	(965 368)	(1 008,038)	(3,080)	(3 354)	(968 448)	
Net Cash F ows from Noncapital F nancing Activities	(965 368)	(1 008,038)	(3,080)	(3 354)	(968,448)	(115,700)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Advances to other funds	(16 500)	(16,000)			(16 500)	
Proceeds on disposal of asset				22 822		
Payments on capita debt	(55 000)	(55 000)	(1 244 628)	(1 214 724)	(1 299 628)	
Payments from other governments			1 244 628	1 214 723	1 244 628	
Interest on capita debt	(34 730)	(36,180)	(447 535)	(477 808)	(482 265)	
Acquisition of capital assets	(1 359 407)	(192,326)	(130,748)	(471 233)	(1 490 155)	
Net cash provided (used) by capital and related financing activities	(1 465 637)	(299 506)	(578,283)	(926 220)	(2,043 920)	
CASH FLOWS FROM INVESTING ACTIVITIES						
Investment earnings	66 996	43,413	482,437	504,635	549 433	65,480
Net cash provided (used) by investing activities	66 996	43 413	482,437	504 635	549 433	65,480
Net increase (decrease) in cash and cash equivalents	(305 539)	831 296	146,655	(303 556)	(158 884)	705,306
Cash and cash equivalents Beginning	2,731,422	1 900 126	1 383,225	1 686 781	4 114 647	1 986,494
Cash and cash equivalents Ending	$ 2,425 883	$ 2 731 422	$ 1 529 880	$ 1 383 225	$ 3,955 763	$ 2,691 800
Cash and Investments Unrestricted	$ 2,425 883	$ 2 731 422	$ 1 049 880	$ 1 383 225	$ 3,475 763	$ 2,691 800
Cash and Investments Restricted			480 000		480 000	
	$ 2,425 883	$ 2 731 422	$ 1 529,880	$ 1 383 225	$ 3,955 763	$ 2,691 800

Continued

See accompanying notes to the financial statements.

Exhibit I
(concluded)

CITY OF FRANKLIN WISCONSIN
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31 2019
(with comparative information for December 31 2018)

	Business-type Activities Enterprise Funds					Governmental Activities Internal Service Funds
	Water Utility Current Year	Water Utility Prior Year	Sanitary Sewer Current Year	Sanitary Sewer Prior Year	Current Year Totals	
Reconciliation of operating income (loss) to net cash provided by operating activities						
Operating income (loss)	$ 465,199	$ 484 912	$ (1 923 436)	$ (1 771 872)	$ (1.458 237)	$ 662 873
Adjustments to reconcile operating income (loss) to net cash flows provided by operating activities						
Depreciation	1 245.740	1 204,485	2 172 379	2 135 076	3.418 119	
Depreciation allocated to other funds	12 809	12 927	(12 809)	(12 750)		
Amortization	42 059	130 666			42 059	
Nonoperating revenues	92 997	118 006			92 997	
(Increase) decrease in assets and deferred outflows of resources						
Accounts receivable	4 498	74 125	(29 651)	(103 322)	(25 153)	61 662
Taxes receivable	11.409	(11 538)	(10 067)	(11 871)	1 342	
Prepaid expense	2 291	(2 291)	2 291	(2 291)	4 582	3 045
Due from other funds		39 260		44 579		
Deferred outflows of resources	918	(4 960)	918	(4 960)	1 836	
Increase (decrease) in liabilities and deferred inflow of resources						
Accounts payable	182 720	49 363	41 489	(179 912)	224 209	27 946
Accrued liabilities	540	339	8 686	1 364	9 226	
Due to other funds		(55 014)		(20 908)		
Pension obligations	2 139	50 586	630	43 688	2 769	
Post employment retirement benefit	(10.263)	4 562	(10 263)	4 562	(20 526)	
Deferred nflows of resources	5 414		5 414		10 828	
Total adjustments	1 593.271	1.610 515	2 169 017	1 893 255	3 762 288	92 653
Net cash flows provided by (used in) operating activities	$ 2 058.470	$ 2 095.427	$ 245 581	$ 121 383	$ 2 304 051	$ 755 526
Noncash Capital Activities						
Cost of Utility plant installed and/or financed by external parties or the City	$ 4 929 075	$	$ 2 899 058	$	$ 7 828 133	$

See accompany ng notes to the financial statements.

Exhibit J

CITY OF FRANKLIN WISCONSIN
Statement of Fiduciary Net Position
As of December 31, 2019

	Custodial Funds	City of Franklin Defined Benefit Retirement Income Plan	City of Franklin Post Employment Benefits Trust
ASSETS			
Cash	$ 59 903 922	$	$ 222 237
Investments			
Fixed Income Securities		4 622 948	1 946 434
Domestic Equities		4 458 815	3 939 768
International Equities		1,514,407	449,569
Total Cash & Investments	59 903 922	10 596 170	6 558 008
Taxes receivable	15 412 512		
Accounts receivable	1,688		
Total assets	75,318,122	10,596,170	6,558,008
LIABILITIES			
Accounts payable	$ 24 569	$	$ 9 248
Accrued liabilities			10 000
Due to other governments	75 274 916		
Special deposits	18,637		
Total liabilities	75,318,122		19,248
NET POSITION			
Restricted for post employment benefits		10,596,170	6,538,760
Total Net Position	$	$ 10,596 170	$ 6 538 760

See accompanying notes to the financial statements

Exhibit K

CITY OF FRANKLIN, WISCONSIN
Statement of Changes in Fiduciary Net Position
For the Year Ended December 31, 2019

	Custodial Funds	City of Franklin Defined Benefit Retirement Income Plan	City of Franklin Post Employment Benefits Trust
ADDITIONS			
Tax collections	$ 72 779 386	$	$
Contributions			
City of Franklin		178 174	377 172
Retirees		79 397	153 829
Net investment earnings (losses)		1 732,648	1,101 085
Total additions	72 779 386	1 990,219	1 632,086
DEDUCTIONS			
Tax distributions	72 779 386		
Incurred claims		504 915	79 674
Prescription drug claims	-		119 408
Claims fees		-	43 059
Stop loss premiums less claims received	-		80,589
Total deductions	72 779 386	504,915	322 730
Change in net position		1 485 304	1 309 356
Net position beginning		9,110 866	5 229 404
Net position - ending	$	$ 10,596 170	$ 6 538,760

See accompanying notes to the financial statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying summary of the City of Franklin s (the City') more significant accounting policies is presented to assist the reader in interpreting the financial statements and other data in this report These policies as presented should be reviewed as an integral part of the accompanying financial statements The accounting policies of the City conform to accounting principles generally accepted in the United States of America as applicable to governmental units A summary of the significant accounting policies follows

A REPORTING ENTITY

This report includes all of the funds of the City The reporting entity for the City consists of the primary government and its component units Component units are legally separate organizations for which the primary government is financially accountable or other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the reporting entity s financial statements to be misleading The primary government is financially accountable if (1) it appoints a voting majority of the organization's governing body and it is able to impose its will on that organization (2) it appoints a voting majority of the organization s governing body and there is a potential for the organization to provide specific financial benefits to or impose specific financial burdens on the primary government (3) the organization is fiscally dependent on and there is a potential for the organization to provide specific financial benefits to or impose specific financial burdens on the primary government Certain legally separate tax exempt organizations should also be reported as a component unit if all of the following criteria are met (1) the economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government its component units or its constituents (2) the primary government or its component units is entitled to or has the ability to access a majority of the economic resources received or held by the separate organization and (3) the economic resources received or held by an individual organization that the primary government or its component units is entitled to or has the ability to otherwise access are significant to the primary government

Component units are reported using one of two methods discrete presentation or blending Generally component units should be discretely presented in a separate column in the financial statements A component unit should be reported as part of the primary government using the blending method if it meets any one of the following criteria (1) the primary government and the component unit have substantively the same governing body and a financial benefit or burden relationship exists (2) the primary government and the component unit have substantively the same governing body and management of the primary government has operational responsibility for the component unit (3) the component unit serves or benefits exclusively or almost exclusively the primary government rather than its citizens or (4) the total debt of the component unit will be paid entirely or almost entirely from resources of the primary government The City has not identified any component units required to be discretely presented

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

A REPORTING ENTITY (continued)

Blended Component Unit

The Community Development Authority (Authority) was created by the City in 1992 to serve as a financing vehicle for certain Tax Incremental Districts (TID) development within the City That District was closed in 2012 The Authority is governed by a seven member board appointed by the Mayor and confirmed by the Common Council Although it is legally separate from the City the Authority is reported as if it were part of the primary government because its sole purpose is to finance and manage certain TID development projects for the benefit of the City The Authority had no financial transactions during 2019 nor does the Authority own any assets or liable for any debt Therefore no financial statements are presented in this report The Authority does not issue separate financial statements

B GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

In January 2017 the GASB issued statement No 84 - *Fiduciary Activities* This statement establishes criteria for identifying fiduciary activities of all state and local governments for accounting and financial reporting purposes and how those activities should be reported This standard was implemented January 1 2019 As a result of the implementation of this standard the City of Franklin s Defined Benefit Retirement Income Plan Pension Trust has been included in the reporting of the City s Fiduciary Funds

In March 2018 the GASB issued statement No 88 - *Certain Disclosures Related to Debt including Direct Borrowings and Direct Placements* This Statement defines debt for purposes of disclosure in notes to financial statements and establishes additional financial statement note disclosure requirements related to debt obligations of governments including direct borrowings and direct placements This standard was implemented January 1 2019

Government-Wide Financial Statements

The statement of net position (Exhibit A) and statement of activities (Exhibit B) display information about the reporting government as a whole They include all funds of the reporting entity except for fiduciary funds The statements distinguish between governmental and business type activities Governmental activities generally are financed through taxes intergovernmental revenue and other non-exchange revenue Business-type activities are financed in whole or in part by fees charged to external parties for goods and services provided

The statement of activities demonstrates the degree that direct expenses of a given segment or function are offset by program revenue Direct expenses are those that are clearly identifiable with a specific function or segment The City does not allocate all indirect expenses to functions in the statement of activities Program revenue includes 1) charges to customers or applicants who purchase use or directly benefit from goods services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment Taxes and other items not included among program revenue are reported as general revenue Internally dedicated resources are reported as general revenue rather than as program revenue

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (continued)

Fund Financial Statements

Financial statements of the reporting entity are organized into funds with a fund considered to be a separate accounting entity Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets deferred outflows of resources liabilities deferred inflows of resources net position/fund equity revenue and expenditures/expenses Funds are organized as major funds or nonmajor funds within the governmental and enterprise fund statements An emphasis is placed on major funds within the governmental and enterprise categories

A fund is considered major if it is the primary operating fund of the City or meets the following criteria

a Total assets and deferred outflows liabilities and deferred inflows revenue or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type

b The same element of the individual governmental fund or enterprise fund that met the 10 percent test is at least 5 percent of the corresponding total for all governmental and enterprise funds combined

c In addition any other governmental or enterprise fund that the City believes is important to financial statement users may be reported as a major fund

Separate financial statements are provided for governmental funds proprietary funds and fiduciary funds with the latter being excluded from government-wide financial statements Major individual government funds and major individual enterprise funds are reported as separate columns in the fund financial statements

Major Governmental Funds

General Fund – accounts for the City s primary operating activities It is used to account for all financial resources except those required to be accounted for in another fund

Debt Service Fund – accounts for resource accumulation from taxes special assessments and other revenue along with payments made for principal and interest on long term debt other than enterprise fund debt

TIF Districts Fund – accounts for resource accumulation from tax increments and other revenue of the TID along with payments made for capital outlay other expenditures principal and interest on long-term debt obligations of the TIDs Each TID is a sub fund of the TID Fund

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (continued)

Major Enterprise Funds (continued)

Enterprise funds are used to account for operations (a) that are financed and operated in a manner similar to private business where the intent of the governing body is that the costs (expenses including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges or (b) where the governing body has decided that periodic determination of revenue earned expenses incurred and/or net income is appropriate for capital maintenance public policy management control accountability or other purposes

Water Utility Fund – accounts for operations of providing water services to City residents and bills for those services

Sanitary Sewer Fund – accounts for the operations of providing sanitary sewer services for City residents and bills for those services

In addition the City reports

Nonmajor Governmental Funds

Special Revenue Funds – account for the proceeds of specific revenue sources (other than major capital projects) that are legally or policy restricted to expenditures for specified purposes The funds include Library Operating Library Auxiliary Solid Waste Collection Tourism Commission St Martin s Fair Donation Civic Celebrations and Grant

Capital Projects Funds – account for resources accumulated to be used for the purchase of equipment street replacement acquisition of land and the construction of capital improvement projects The funds include Capital Outlay Equipment Replacement Capital Improvement Street Improvement Utility Improvement and Development

Other Fund Types

Internal Service Funds – account for the payment by the City for active employees of group health and dental charges for services and stop loss insurance charges and the billing of departments or agencies of the City on a cost reimbursement basis for the services received

Custodial Funds – used to account for and report assets controlled by the City and the assets are for the benefit of individuals private organizations and for other governmental entities

Employee Benefit Trust Funds – used to account for and report resources that are required to be held in trust for the members and beneficiaries of defined benefit plans and other post-employment benefit plans

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION

Government-Wide Financial Statements

The government-wide statement of net position and statement of activities are reported using the economic resources measurement focus and the accrual basis of accounting Under the accrual basis of accounting revenue is recognized when earned and expenses are recorded when the liability is incurred or economic asset used Revenue expenses gains losses assets deferred inflows liabilities and deferred outflows resulting from exchange and exchange-like transactions are recognized when the exchange takes place Property taxes are recognized as revenue in the year that they are levied for

Taxes receivable for the following year are recorded as receivables and deferred inflows of resources Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider are met Special assessments are recorded as revenue when earned Receivables are recorded as revenue when services are performed At December 31 2019 there were $405 676 of anticipated future assessments This is not reported as receivables because collection is subject to certain events occurring in the future and no formal repayment schedule has been established

As a general rule the effect of interfund activity has been eliminated from the government wide financial statements Exceptions to this general rule are charges between the City s Water Utility and Sanitary Sewer fund and various other functions of the government Elimination of these charges would distort the direct costs and program revenue reported for the various functions concerned

Fund Financial Statements

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting Revenue is recorded when it is both measurable and available Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period For this purpose the City considers grant revenue to be available if they are collected within 150 days of the end of the current fiscal period and all other revenue to be available if they are collected within 60 days of the end of the current fiscal period Expenditures are recorded when the related fund liability is incurred except for unmatured interest on long-term debt claims judgments compensated absences and pension expenditures which are recorded as a fund liability when due and payable

Property taxes are recorded the year levied as receivable and deferred inflow of resources and are recognized as revenue the next year when services financed by the levy are provided

Intergovernmental aids and grants are recognized as revenue in the period the City is entitled to the resources and the amounts are available Amounts owed to the City are recorded as receivables Amounts not available or received prior to the entitlement period are recorded as deferred inflows of resources

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION (continued)

Fund Financial Statements (continued)

Special assessments levied for benefits to property owners for installation of sanitary sewers water mains roads and other improvements are recorded as revenue when they become measurable and available Annual installments due in future years are recorded as receivables and deferred inflows of resources

Revenue susceptible to accrual includes property taxes room taxes public charges for services and interest Other general revenue such as permits fines and forfeitures licenses and miscellaneous revenue are recognized when received or when measurable and available under the criteria mentioned above

Deferred inflows of resources are reported on the governmental funds balance sheet Deferred inflows of resources arise from taxes levied in the current year that are for subsequent year's operations For governmental fund financial statements unearned revenues arise where potential revenue does not meet both the measurable and available criteria for recognition in the current period Unearned revenue arises when resources are received before the City has a legal claim to them as when grant monies are received prior to the incurrence of qualifying expenditures In subsequent periods when both revenue recognition criteria are met or when the City has a legal claim to the resources the liability is removed from the balance sheet and revenue is recognized

Proprietary and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting

Proprietary funds distinguish operating revenue and expenses from non-operating items Operating revenue and expenses generally result from providing services and delivering goods in connection with the proprietary fund s principal operations The principal operating revenue of the Water and Sanitary Sewer funds are charges to customers for sales and services provided The rates billed in the Water Utility are approved by the Public Service Commission Sanitary sewer charges are billed at rates established by City policy based on the charges received from the Milwaukee Metropolitan Sewerage District and local operation and maintenance expenses The principal operating revenue of the internal service fund is charges to other funds for group health coverage

Operating expenses for proprietary funds include the cost of sales and services administration and depreciation on capital assets Revenue and expenses not meeting this definition are reported as non operating revenue and expenses

All Financial Statements

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenue and expenditures/expenses during the reporting period Actual results could vary from those estimates

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION OR EQUITY

1 Cash and Investments

For purposes of the statement of cash flows the City considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents

The City of Franklin maintains two investment policies The first covers all funds except fiduciary funds for retiree health purposes The objective of this policy is to generate current income consistent with safety and reasonable risk as defined under prudent person rules As operating reserves the quality liquidity and maturity structure of the portfolio are most important The investment policy

a Requires a minimum rating at time of purchase of Aa3 by either Moody s or Standard & Poor's
b Limits an issuer to 10% or less and asset classes to 35% or less of the fair value of the portfolio with the exception of U S Government Treasury and Agency securities that have the full faith guarantee of the U S Government
c Specifies a minimum amount of cash equivalents be maintained an average life of the portfolio not exceeding 6 years and no individual issue with a maturity exceeding seven years at the date of purchase to limit interest rate risk
d Limits investments highly sensitive to market changes through its duration and diversification policies to limit interest rate risk
e Prohibits the investment in foreign owned securities
f Limits derivative investments to those with a final maturity of seven years or less

In addition the City s investment policy restricts allowable investments to investments that follow state statutes section 66 0603 which limits investments to

a Time deposits in any credit union bank savings bank trust company or loan association authorized to transact business in the state and maturing in three years or less
b The Local Government Investment Pool (LGIP)
c Bonds or securities issued or guaranteed by the federal government
d Bonds or securities of any county city drainage district technical college district village town or school district of the State of Wisconsin Also bonds issued by a local exposition district a local professional baseball park district a local professional football stadium district a cultural arts district or by the University of Wisconsin Hospitals and Clinics Authority and the Wisconsin Aerospace Authority
e Any security maturing in seven years or less and having the highest or second highest rating category assigned of a nationally recognized rating agency
f Securities of an open-ended management investment company or investment trust subject to various conditions and investment options
g Repurchase agreements with public depositories with certain conditions

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION OR EQUITY (continued)

1 Cash and Investments (continued)

The second investment policy is for its fiduciary fund for retiree health purposes The policy

a Requires the investment to be in a section 115 trust for retiree health purposes
b Requires compliance with the prudent person standard
c Requires asset allocation policy that considers the liability stream of benefits the relationship to current and projected assets the historical performance of capital markets and the perception of future economic conditions
d Primary investment objectives are safety diversification and return
e Allows investment in various asset classes
f Limits investment in equities to 75% of total assets to be invested

The City manages the various risks in its cash and investments as follows

a Custodial credit risk – investments are held by a trustee or third party custodian
– deposits in excess of FDIC insurance limits are maintained in the State LGIP or secured bank balances in amounts of at least 75% of the year end cash balances
b Credit risk – securities purchased need to have an AA or better investment rating
c Concentration of credit risk – issuer or asset class not to exceed 10% of the market value of the portfolio with the exception of U S issued securities
d Interest rate risk – managed by limiting the length of maturity of newly purchased investments and limits the average life of the portfolio to control risk

Investments are stated at fair value which is the amount at which an investment could be exchanged in a current transaction between willing parties Fair values are based on methods and inputs as outlined in Note 3 A No investments are reported at amortized cost

Adjustments necessary to record investments at fair value are recorded in the operating statement as increases or decreases in investment income (loss) Investment income (loss) on commingled investments of various City Funds is allocated based on average investment balances

The Wisconsin Local Government Investment Pool (LGIP) is part of the State Investment Fund (SIF) and is managed by the State of Wisconsin Investment Board The SIF is not registered with the Securities and Exchange Commission but operates under the statutory authority of Wisconsin Chapter 25 The SIF reports the fair value of its underlying assets annually Participants in the LGIP have the right to withdraw funds in total on one day s notice At December 31 2019 the fair value of the City s share of LGIP assets was substantially equal to the amount reported in these statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION OR EQUITY (continued)

2 Receivables

Property taxes are levied in December on the assessed value as of the prior January 1 In addition to property taxes for the municipality taxes are collected for and remitted to the state government county government three local school districts technical college district and metropolitan sewerage district Taxes for all other governmental units billed in the current year for the succeeding year are reflected as receivables and due to other taxing units on the accompanying fiduciary funds statement of fiduciary net position within the reported Custodial Funds The Solid Waste fee is billed and collected along with Property Taxes

Property tax calendar – 2019 tax roll

Lien date and levy date	December 2019
Tax bills mailed	December 2019
Payment in full or	January 31 2020
First installment due	January 31 2020
Second installment due	March 31 2020
Third installment due	May 31 2020
Personal property taxes in full	January 31 2020
Final tax settlement with County	August 20 2020
Tax deed by County – 2019	
Delinquent real estate taxes	October 2022

Accounts receivable have been shown net of an allowance for uncollectible accounts No provision for uncollectible accounts receivable has been made for enterprise funds because of their right by law to place delinquent bills on the tax roll

During the course of operations transactions occur between individual funds that may result in amounts owed between funds Short-term interfund loans are reported as due to and from other funds Long term interfund loans are reported as advances from and to other funds

Interfund receivables and payables between funds within governmental activities are eliminated in the statement of net position Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government wide financial statements as internal balances

In the general fund financial statements advances to other funds are offset equally by nonspendable fund balance which indicates that they do not constitute expendable available financial resources and therefore are not available for appropriation Advances in all other governmental funds are classified in fund balance based on the availability of repayments for use

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION OR EQUITY (continued)

3 Inventories and Prepaid Items

Governmental fund inventory items except fuel inventory are charged to expenditures when purchased The fuel inventory is recorded at cost on a first-in first-out basis using the consumption method of accounting The cost of such inventories is recorded as expenditures/expenses when consumed rather than when purchased Year-end inventory was not significant

Proprietary fund inventories are generally used for construction and for operation and maintenance work They are not for sale Material and supplies on hand at year end are considered immaterial

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased

4. Restricted Assets

Mandatory segregation of assets are presented as restricted assets Such segregation is required by agreements with external parties Current liabilities payable from restricted assets are so classified The Pension Asset if any is reported as restricted This asset represents funds held by the Plan Trust which can only be used to settle Plan obligations The excess of restricted assets over current liabilities will be used first for equipment replacement The remainder if generated from earnings is shown as restricted net position

5. Benefit Obligations

For purposes of measuring the net pension obligations (assets) deferred outflows of resources and deferred inflows of resources related to pensions and pension expense information about the fiduciary net positions of the Wisconsin Retirement System (WRS) and the City of Franklin Defined Benefit Retirement Income Plan (DPW) and additions to/deductions from WRS and DPW s fiduciary net position have been determined on the same basis as they are reported by WRS and DPW For this purpose benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms Investments are reported at fair value

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION OR EQUITY (continued)

5 Benefit Obligations (continued)

For purposes of measuring the net OPEB liability deferred outflows of resources and deferred inflows of resources related to OPEB and OPEB expense information about the fiduciary net position of the City of Franklin Post Employment Benefits Trust and additions to/deductions from the City of Franklin Post Employment Benefits Trust s fiduciary net position have been determined on the same basis as they are reported by the City of Franklin Post Employment Benefits Trust For this purpose the City of Franklin Post Employment Benefits Trust recognizes benefit payments when due and payable in accordance with the benefit terms Investments are reported at fair value except for money market investments and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less which are reported at cost

6 Capital Assets

Government-Wide Statements

Capital assets which include property plant and equipment are reported in the government-wide financial statements Capital assets are defined by the government as assets with an initial cost of more than $5 000 for general capital assets and $25 000 for infrastructure assets with estimated useful lives of two years or more Capital assets are recorded at historical cost or estimated historical cost if actual amounts are not available Donated capital assets are recorded at acquisition value at the date of donation Additions to and replacements of capital assets of business-type activities are recorded at original cost which includes material labor and overhead

The cost of renewals and betterments relating to retirement units is added to plant accounts The cost of property replaced retired or otherwise disposed of is deducted from plant accounts and generally together with removal costs less salvage is charged to the applicable function

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the statement of activities with accumulated depreciation reflected in the statement of net position Depreciation is provided over the assets estimated useful lives using the straight-line method of depreciation The range of useful lives by asset type follows

Buildings and improvements	5 50 Years
Machinery and equipment	2-30 Years
Water and sewer infrastructure	20-100 Years
Infrastructure	20-90 Years

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION OR EQUITY (continued)

6 Capital Assets (continued)

Fund Financial Statements

In the fund financial statements capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition Capital assets used in proprietary fund operations are accounted for the same in the government-wide statements

7 Deferred Inflows of Resources and Deferred Outflows of Resources

A deferred outflow of resources represents a consumption of net position/fund balance that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until that future time A deferred inflow of resources represents an acquisition of net position/fund balance that applies to a future period and therefore will not be recognized as an inflow of resources (revenue) until that future time

In governmental funds property taxes receivable special assessments and interest revenue not yet due are not recognized as revenue in the current period For the government wide and proprietary fund type financial statements special assessments and interest revenue are recognized as revenue in the current period This leaves property tax receivable as a deferred inflow of resources in the statement of net position

Certain items affect the net pension obligation (asset) are amortized over the period determined to be affected by the change The balance at year end of these items is reported as deferred outflows of resources or deferred inflows of resources section of the statement of net position

8 Compensated Absences

Under terms of employment employees may earn compensatory time and are granted sick leave severance pay and vacations in varying amounts Only benefits considered to be vested are disclosed in these statements All vested compensatory time severance pay and vacation pay are accrued when incurred in the government-wide proprietary and fiduciary fund financial statements A liability for these amounts is reported in governmental funds only if they have matured For example a liability as a result of employee resignations or retirements are payable with expendable available resources

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION OR EQUITY (continued)

8 Compensated Absences (continued)

Payments for vested compensatory time severance pay and vacation pay will be made at rates in effect when the benefits are used Accumulated vested compensatory time severance pay and vacation pay liabilities are determined on the basis of current salary rates and include salary related payments Vacation and compensatory time are used on a first-in first-out basis Accordingly all accrued amounts are considered to be due within one year Severance due within one year is estimated based on employee age and expected retirement

9 Long-term Obligations/Conduit Debt

All long-term obligations to be repaid from governmental and business-type resources are reported as liabilities in the government wide statements The long-term obligations consist of notes and bonds payable and accrued compensated absences

Long term obligations for governmental funds are not reported as liabilities in the fund financial statements The face value of debt (plus any premium) is reported as other financing sources and payments of principal and interest are reported as expenditures The proprietary fund accounting is the same as it is in the government wide statements

For the government-wide statements and proprietary fund statements bond premiums and discounts are amortized over the life of the issue using the interest rate method The balance at year end is shown as an increase or decrease in the liability section of the statement of net position

The City has approved issuance of industrial development revenue bonds (IDRB) for the benefit of private business enterprises IDRB s are secured by mortgages or revenue agreements on associated projects of the business enterprises The IDRB s do not constitute indebtedness of the City Accordingly the bonds are not reported as liabilities in the financial statements Two series of Industrial Revenue Bonds originally issued with an aggregate principal amount of $8 375 000 are outstanding with a December 31 2019 balance of $4 025 000

10 Claims and Judgments

Claims and judgments are recorded as liabilities if all the conditions of Governmental Accounting Standards Board pronouncements are met Claims and judgments that would normally be liquidated with expendable available financial resources are recorded during the year as expenditures in the government funds If they are not to be liquidated with expendable available financial resources no liability is recognized in governmental fund financial statements The related expenditure is recognized when the liability is liquidated Claims and judgments are recorded in the government-wide statements and proprietary funds as expenses when the related liabilities are incurred There were no significant claims or judgments at year end

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION OR EQUITY (continued)

11 Equity Classifications

Government-Wide Statements

Equity is classified as net position and displayed in three components

a Net investment in capital assets – Consists of capital assets net of accumulated depreciation reduced by the outstanding balances of bonds mortgages notes or other borrowings that are attributable to the acquisition construction or improvement of those assets Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition construction or improvement of those assets or related debt are also included in this component of net position

b Restricted net position – Consists of net position with constraints placed on their use either by 1) external groups such as creditors grantors contributors or laws or regulations of other governments or 2) law through constitutional provisions or enabling legislation and includes restricted assets reduced by liabilities related to those assets Generally a liability relates to restricted assets if the asset results from a resource flow that also results in the recognition of a liability or if the liability will be liquidated with the restricted assets reported

c Unrestricted net position – The net amount of the assets deferred outflows of resources liabilities and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted components of net position

The net position section includes an adjustment for capital assets owned by the business type activities column but financed by the debt of the governmental activities column The amount is a reduction of net investment in capital assets and an increase in unrestricted' net position shown only in the total column A reconciliation of this adjustment is as follows

	Governmental Activities	Business-type Activities	Adjustment	Total
Net investment in capital assets	$ 123 769 857	$ 92 371 165	$ (3 504 400)	$ 212 636 622
Unrestricted	(11 675 211)	3 997 436	3 504 400	(4 173 375)

When both restricted and unrestricted resources are available for use it is the City s policy to use restricted resources first then unrestricted resources as they are needed

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION OR EQUITY (continued)

11 Equity Classifications (continued)

Fund Statements

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes The government itself can establish limitation on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance)

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the government s highest decision making authority The governing council is the highest level of decision making authority for the government that can by adoption of an ordinance prior to the end of the fiscal year commit fund balance Once adopted the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation The City does not report any committed fund balance

Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as committed The governing council (Common Council) has by resolution authorized the Director of Finance & Treasurer to assign fund balance (Resolution 2014 7025) The Common Council may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year s appropriated budget Unlike commitments assignments generally only exist temporarily In other words as additional action does not normally have to be taken for the removal of an assignment Conversely as discussed above an additional action is essential to either remove or revise a commitment

When committed assigned and unassigned resources are available for use it is the City s policy to use committed resources first then assigned resources and then unassigned resources as they are needed

The City has adopted a fund balance policy (Res 2016-7216) for all governmental funds supported by tax levy as follows the ratio of year end fund balance to current year Expenditures shall target a range between 20 and 30% The amount of Fund Balance will be taken into consideration when establishing the following year s budget At least 15% of the succeeding year expenditure budget be maintained for working capital Any non-spendable fund balance of the General Fund shall be excluded from the ratio As of the year ended December 31 2019 the City exceeded the 30% upper level by 3 5%

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION OR EQUITY (continued)

12 Comparative Data

The basic financial statements include comparative data for the prior year for individual enterprise funds in the fund financial statements in order to provide an understanding of the changes in financial position and operations of these funds This comparative data is not at the level of detail required for a presentation in conformity with general accepted accounting principles Accordingly such information should be read in conjunction with the City s financial statements for the year ended December 31 2018 from which the data was derived Also certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year s presentation

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A BUDGETARY INFORMATION

Budgetary information is derived from the annual operating budget and is presented using the same basis of accounting for each fund as described in Note 1 C with the exception of encumbrances transfers from the General Fund to Special Revenue Funds and tax equivalent from the Water Utility Actual (budgetary basis) expenditures presented reflect actual (GAAP) expenditures adjusted for expenditures budgeted under the prior period and encumbrances expected to be liquidated under the current period budget Actual (budgetary basis) revenue presents the tax equivalent from the Water Utility as tax revenue while GAAP basis statements present this item as a transfer

A budget has been adopted for the General Debt Service TID #3 TID #4 TID #5 Library Operating Library Auxiliary Solid Waste Collection Civic Celebrations St Martin s Fair Donations Grant Tourism Capital Outlay Equipment Replacement Capital Improvement Street Improvement Utility Improvement Development Sanitary Sewer and Water Utility funds

The budget amounts presented include any amendments made during the year The City may authorize transfers of budget amounts within departments Transfers between departments and changes to the overall budget must be approved by a two thirds vote of the Common Council Supplemental appropriations during the year were not significant Appropriations lapse at the end of the year unless specifically carried over Carryovers to the following year were not significant Budgets are adopted for personnel and non personnel expenditures at the function level

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (continued)

B. LIMITATIONS ON THE CITY'S TAX LEVY

Wisconsin law limits the City's future tax levies Generally, the City is limited to its prior tax levy dollar amount (excluding TIF Districts and Debt Service Levy), increased by the greater of the percentage change in the City's equalized value due to new construction or zero percent Changes in debt service from one year to the next are generally exempt from this limit with certain exceptions The City is required to reduce its allowable levy by the estimated amount of fee revenue increase it collects for certain services, if those services were funded in 2013 by the property tax levy Levies can be increased above the allowable limits if the amount is approved by referendum The Solid Waste fee was enacted prior to this restriction

C. EXCESS EXPENDITURES OVER APPROPRIATIONS

The City controls General Fund expenditures at the Department personnel and non-personnel level (e g police personnel) Other funds are controlled activity level For the year ended December 31 2019 the following funds had expenditures exceeding budget

Fund/Function	Budget Expenditures	Actual Expenditures	Excess Expenditures Over Budget
General Fund			
Public Health - Non-Personnel	$ 73 250	$ 75 056	$ 1 806
Debt Service			
Interest	$ 135 188	$ 135 338	$ 150
Library Auxiliary Fund			
Culture and recreation	$ 47,520	$ 50 785	$ 3 265
Solid Waste Fund			
Public Works	$ 1 659 501	$ 1 660 197	$ 696
St Martin's Fair Fund			
Culture and recreation	$ 52 756	$ 53,339	$ 583
Grant Fund			
Public Safety	$ 6,000	$ 6 299	$ 299

NOTE 3 - DETAILED NOTES ON ALL FUNDS

A. CASH AND INVESTMENTS

The City maintains a cash and investment pool that is utilized by all funds Each fund's portion of this pool is displayed on the statement of net position and balance sheet as cash and investments of the City In addition, investments are separately held by several of the funds

Deposits in each local and area bank are insured by the FDIC in the amount of $250,000 for time and savings accounts and $250,000 for demand deposit accounts (interest-bearing and noninterest-bearing) In addition, if deposits are held in institutions outside of the state in which the government is located, insured amounts are further limited to a total of $250,000 for the combined amount of all deposit accounts

NOTE 3 - DETAILED NOTES ON ALL FUNDS (continued)

A. CASH AND INVESTMENTS (continued)

The City's bank accounts are also insured by the State of Wisconsin Deposit Guarantee Fund in the amount of $400 000 per financial institution However although the fund had reserves available at December 31 2019 the future availability of resources to cover the losses cannot be projected because provisions of the 1985 Wisconsin Act 35 provided that the amount in the fund will be used to repay public depositors for losses until the appropriation is exhausted at which time the fund is abolished This coverage has not been considered in computing custodial credit risk

The City maintains a collateral arrangement with its main bank to provide collateralization in excess of deposits maintained at the bank The collateral is maintained in the form of a letter of credit from the Federal Home Loan Bank of Cincinnati in the amount of $20 000 000

The City maintains both Non-FDIC insured and collateralized balances with an investment manager that deposits funds with US Banks The funds are held in accounts As Agent for its Customers The manager utilizes FDIC insurance third party insurance and Federal Home Loan Bank letters of credit as collateral for balances

Cash and investments as shown on the December 31 2019 statement of net position are subject to the following risks

	Carrying Value	Bank & Investment Balances	Risks
Local Government Investment Pool	$ 2 962 536	$ 2 962 536	Credit
Money market funds	280 709	280 709	Custodial credit
U S treasuries	7 056 406	7 056 406	Custodial credit and interest rate
Certificates of Deposit	4 745 475	4 745 475	Custodial credit
U S agencies	10 123 831	10 123 831	Credit custodial credit interest rate and concentration of credit
Total fixed income investments	25 168 957	25 168 957	
Equity funds	10 362 559	10 362 559	Custodial credit
Fixed income funds	6 569 382	6 569 382	Credit and interest rate
Cash and demand deposits	92,436 357	81 827,947	Custodial credit
Total	$ 134 537,255	$ 123 928,845	

Reconciliation to the financial statements is shown below

Per Statement of Net Position	
Primary Government	
Unrestricted cash and investments	$ 56 999 155
Restricted cash and investments	480 000
Per Statement of Fiduciary Net Position	
Custodial Fund	59 903 922
Defined Benefit Retirement Income Plan Trust	10 596 170
City of Franklin Post Employment Benefits Trust	6 558 008
	$ 134 537 255

NOTE 3 - DETAILED NOTES ON ALL FUNDS (continued)

A CASH AND INVESTMENTS (continued)

Custodial Credit Risk For deposits - Custodial credit risk is the risk that in the event of a financial institution failure the City s deposits may not be returned to the City As of December 31 2019 none of the City s total bank balances were uninsured and uncollateralized and therefore exposed to custodial credit risk For investments – Custodial credit risk is the risk that in the event of the failure of the counterparty the City will not be able to recover the value of its investments or collateral securities in the possession of an outside party All of the City s investments have a tri party relationship with the investments held by a party independent of the party managing the investment

Credit Risk Credit risk is the risk that an issuer or other counterparty will not fulfill its obligation The City s policy requires a minimum credit rating of Aa3 at time of purchase The City s fixed income investments subject to credit risk include agencies securities corporate asset backed securities corporate bonds government repurchase agreements and money market funds and were rated by Moody s Investor Service

As of December 31 2019 98% of the fixed income investments were in rated fixed income investments and subject to credit risk The ratings as a percentage of the total investment portfolio were as follows Aa at 64% The portfolio makeup of fixed income investments was treasury and agency securities at 64% Local Government Investment Pool at 11% and money market funds at 1% The Local Government Investment Pool is not rated Equities and fixed income mutual funds held in trust at 24% make up the remainder of the investments and are not individually rated

Concentration of Credit Risk Concentration of credit risk is the risk of loss attributed to a large investment position in a single issuer As of December 31 2019 no issuer other than U S Treasury and Agency securities that have the full faith guarantee of the U S government had a position of greater than ten percent of the portfolio

Interest Rate Risk Interest rate risk is the risk that rising interest rates will have an adverse impact on the fair value of the investments in the portfolio The longer the maturities in the portfolio the greater the risk of loss is in portfolio value

The portfolio policy limits this risk by limiting the length of permitted investments and limits the purchase of investments highly sensitive to market changes

NOTE 3 - DETAILED NOTES ON ALL FUNDS (continued)

A CASH AND INVESTMENTS (continued)

As of December 31 2019 the City s investments exposed to interest rate risk were as follows

Investment type	Fair Value	Investment Maturity in years			
		Less than 1	2 - 3	4 - 5	6 - 7
U S treasuries and agencies	$ 17 180 237	$ 6 557 472	$ 10 622 765	$ -	$ -
Fixed income funds	6,569 381	575 255	748 521	414 618	4 830 987
Total	$ 23,749 618	$ 7 132 727	$ 11 371 286	$ 414 618	$ 4 830 987

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles The hierarchy is based on the valuation inputs used to measure the fair value of the asset Level 1 inputs are quoted prices in active markets for identical assets Level 2 inputs are significant other observable inputs Level 3 inputs are significant unobservable inputs

The valuation methods for recurring fair value measurements are as follows

Market approach – prices or other information from market transactions involving identical or similar assets

	As of December 31 2019			
Investment Type	Level 1	Level 2	Level 3	Total
US treasuries and agencies	$	$17 180 237	$	$17 180 237
Equity funds	10 362 559	-		10 362 559
Fixed income funds	6 569 381	-		6 569 381
Total	$16 931 940	$17 180 237	$	$34 112 177

NOTE 3 - DETAILED NOTES ON ALL FUNDS (continued)

B RECEIVABLES

Receivables consist of accounts taxes notes and special assessments from citizens and others Receivables are reported net of uncollectible amounts The reserve for bad debts principally for personal property taxes special assessments and ambulance revenue was $101 866 at December 31 2019 Other than the special assessment receivables all other receivables are expected to be collected within one year

Governmental funds report unavailable or unearned revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period Property taxes levied for the subsequent year are not earned and cannot be used to liquidate liabilities of the current period Governmental funds also defer revenue recognition in connection with resources that have been received but not yet earned At the end of the current fiscal year the various components of unavailable revenue and unearned revenue reported in the governmental funds were as follows

	Unavailable	Unearned	Total
Governmental funds			
Subsequent year property taxes	$ -	$ 26 531 924	$ 26 531 924
Impact fee note receivable	232 640	-	232 640
Intergovernmental grant receivable	943 000		943 000
Special assessments not yet due	428 100		428 100
Total deferred inflows of resources for governmental funds	$ 1 603 740	$ 26 531 924	$ 28 135 664

NOTE 3 - DETAILED NOTES ON ALL FUNDS (continued)

C DUE FROM OTHER GOVERNMENTS

In 2011 the City entered into an intergovernmental cooperation agreement with another government for the construction and financing of the Ryan Creek Interceptor Sewer The terms of this agreement include that the other government will reimburse the City for substantially all of the debt service costs resulting from the City taking on a State Clean Water Fund Loan Those reimbursements will continue over the life of the loan ending in 2031 This is presented as due from other governments in the statement of net position Annual principal and interest payments to maturity received as part of this agreement are as follows

Year Ending	Business type Activities	
December 31	Principal	Interest
2020	$ 1 275 272	$ 416 514
2021	1 306 669	384 730
2022	1 338 839	352 164
2023	1 371 802	318 796
2024	1 405 575	284 607
2025 2029	7 564 314	879 993
2030 2031	3 292 870	81 563
Total	$ 17 555 341	$ 2 718 367

D RESTRICTED ASSETS

In accordance with the City s ordinance enacting a sewer user charge system and regulations of the Department of Natural Resources the Sanitary Sewer Fund – an Enterprise Fund incorporated an equipment replacement charge as a component of the rate structure to be used for significant mechanical equipment replacement as required by the Wisconsin Department of Natural Resources Revenue generated from this charge is accumulated and used for replacement of certain equipment The balance in this account at December 31 2019 is $480 000

NOTE 3 - DETAILED NOTES ON ALL FUNDS (continued)

E CAPITAL ASSETS

Capital asset activity for the year ended December 31 2019 was as follows

Governmental Activities	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not depreciated				
Land	$ 25 109 551	$ 340 465	$	$ 25 450 016
Construction in progress	6,611,711		4,625,507	1 986 204
Total capital assets not depreciated	31,721,262	340,465	4,625,507	27 436 220
Capital assets depreciated				
Buildings & improvements	27 233 712	1 718 564	547 703	28 404 573
Machinery & equipment	18 894 992	1 232 411	103 645	20 023 758
Infrastructure	105 348,431	13,821,162	123 290	119 046 303
Total capital assets depreciated	151 477,135	16,772,137	774 638	167,474,634
Less Accumulated depreciation for:				
Buildings & improvements	11 611 127	725 873	491 181	11 845 819
Machinery & equipment	12 103 127	1 022 648	82 933	13 042 842
Infrastructure	32,576,094	1,979,232	123,290	34 432,036
Total accumulated depreciation	56,290,348	3 727,753	697 404	59,320 697
Net capital assets depreciated	95 186,787	13 044 384	77 234	108 153 937
Governmental activities capital assets net of accumulated depreciation	$ 126,908 049	$ 13,384,849	$ 4,702,741	$ 135,590,157

Depreciation expense was charged to functions as follows

Governmental Activities	
General government	$ 224 075
Public safety	699 600
Public works	2 350 418
Health & human services	1 214
Culture & recreation	451 066
Conservation & development	1 380
Total governmental activities depreciation expense	$ 3 727 753

NOTE 3 - DETAILED NOTES ON ALL FUNDS (continued)

E CAPITAL ASSETS (continued)

	Beginning Balance	Additions	Dispositions	Ending Balance
Business-type Activities				
Capital Assets not depreciated				
Land	$ 888 479	$	$	$ 888 479
Construction in progress	63,054	2,345,266	1 247,634	1,160,686
Total capital assets not depreciated	951,533	2,345,266	1,247,634	2,049,165
Capital assets depreciated				
Buildings & improvements	6 328 241			6 328 241
Machinery & equipment	6 004 067	213 923	88 751	6 129 239
Infrastructure	134,368,060	8,010,591		142,378,651
Total capital assets depreciated	146,700,368	8 224,514	88,751	154,836,131
Less Accumulated depreciation for				
Buildings & improvements	1 924 170	207 696		2 131 866
Machinery & equipment	3 664 124	302 249	87 111	3 879 262
Infrastructure	37 032 807	2,908,173		39,940,980
Total accumulated depreciation	42,621 101	3,418,118	87,111	45 952 108
Net capital assets depreciated	104,079,267	4 806,396	1 640	108,884,023
Business-type Activities Capital Assets Net of Accumulated Depreciation	$ 105 030 800	$ 7,151,662	$ 1,249,274	$ 110 933,188

Depreciation expense was charged to functions as follows

Business-Type Activities	
Water	$1 245 739
Sewer	2,172,379
Total Business—Type Activities Depreciation Expense	$3,415,118

NOTE 3 - DETAILED NOTES ON ALL FUNDS (continued)

F LEASE DISCLOSURES

OPERATING LEASES

The City has entered into several lease agreements with telecommunications companies wherein the City has agreed to allow the use of water utility property for the purpose of telecommunication relays Revenue from this activity totaled $157 666 for the year ended December 31 2019 Future minimum lease payments receivable in conjunction with the leases are as follows

	Governmental Activities	Business-Type Activities	Total
2020	$ 69 907	$ 69 907	$ 139 814
2021	50 300	50 300	100 600
2022	50 207	50 207	100 414
2023	80 234	40 117	120 351
2024	30,707	30,707	61 414
Total	$ 281,355	$ 241 238	$ 522 593

NOTE 3 - DETAILED NOTES ON ALL FUNDS (continued)

G INTERFUND RECEIVABLES/PAYABLES, ADVANCES AND TRANSFERS

Interfund receivables/payables result from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur (2) transactions are recorded in the accounting system and (3) payments between funds are made In all cases amounts are repaid within one year

There were no interfund receivables and payables at December 31 2019

Advances

The City of Franklin provides short and long term advances to its TIF Districts and Water Utility The amounts advanced are either from proceeds of a borrowing or from fund reserves They are used to enable the TIF Districts to carry out approved project plans The TIF Districts interest rate is based upon the interest rate incurred by the Debt Service Fund on its borrowings or the reinvestment rate available to other funds The advances will be repaid as the TIF District resources are available In 2017 the City made an advance payment on the Public Works Defined Benefit Pension Plan In doing so advanced $155 700 to the Water Utility on a ten year note to aid the Water Utility portion of the payment In 2019 the Development Fund advanced $1 5 million to TIF District 7 as funding for a 10-year Mortgage to a Developer The balances at December 31 2019 were

	Receivable Fund			
Payable Fund	General	Development Fund	Total	Due within one year
TIF Districts	$ 13 000	$ 1 500 000	$ 1 513 000	$ 13 000
Water Fund	123 200	-	123 200	16 750
	$ 136 200	$ 1 500 000	$ 1 636,200	$ 29,750

NOTE 3 - DETAILED NOTES ON ALL FUNDS (continued)

G. INTERFUND RECEIVABLES/PAYABLES, ADVANCES AND TRANSFERS (continued)

Transfers

Generally transfers are used to (1) move revenue from the funds that collect them to the fund that the budget requires to expend them (2) move receipts restricted to debt service from the funds collecting the receipts to the Debt Service Fund and (3) use unrestricted revenue collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations

Transfers as presented on the fund financial statements during the year ended December 31 2019 were as follows

	Transfers Out				
	General Fund	Debt Service Fund	Nonmajor Governmental Funds	Enterprise Funds	Fund Totals
Transfers In					
General Fund	$	$	$	$ 968 448	$ 968 448
Debt Service Fund			323 419		323 419
Nonmajor Governmental Funds	52,100	92 000	212 631		356 731
Total	$ 52,100	$ 92 000	$ 536 050	$ 968 448	$ 1 648,598

Current year transfers into the debt service fund from nonmajor governmental funds were completed for principal and interest payments Transfers from the enterprise funds to the general fund were for tax-equivalent payments All other transfers were completed for general operational purposes and capital activities

A reconciliation of fund statement transfers to government wide transfers for the year ended December 31 2019 is as follows

	Governmental Funds	Enterprise Funds
Transfers in per fund statements	$ 1 648 598	$ -
Transfers out per fund statements	(680 150)	(968 448)
Municipality finance addition to Utility Plant	(5 934 954)	5,934 954
Government Wide Transfers	$ (4 966 506)	$ 4,966 506

NOTE 3 - DETAILED NOTES ON ALL FUNDS (continued)

H LONG TERM OBLIGATIONS

General Obligation Debt

Long-term liabilities for the year ended December 31 2019 were as follows

	Beginning Balance	Additions	Deletions	Ending Balance	Amounts due within one year
Governmental Activities					
General obligation debt	$ 30 010 000	$ 34 695 000	$ 11 405 000	$ 53 300 000	$ 6 090 000
Premium	150 083	363 931	67,616	446,398	
Sub-total	30 160,083	35 058 931	11 472,616	53 746 398	6,090 000
Compensated absences					
Accrued vacation pay	426 086	1 117 492	1 068 475	475 103	475 101
Accrued severance pay	1 407 466	152 658	81 548	1 478 576	73 200
Accrued compensatory time	175,601	270,485	251,381	194,705	194,704
Total compensated absences	2 009 153	1 540 635	1 401 404	2 148 384	743 005
Net pension obligation WRS		3 258 799		3 258 799	
Net pension obligation City of Franklin Defined Benefit Retirement Plan	253 833	1 196 342		1 450 175	
Net OPEB obligation	2 455 573		663,669	1 791,904	
Total benefit obligations	4 718,559	5,995 776	2.065 073	8,649,262	743 005
Governmental activities Long term liabilities	$ 34 878 642	$ 41 054 707	$ 13,537 689	$ 62.395 660	$ 6 833 005

NOTE 3 - DETAILED NOTES ON ALL FUNDS (continued)

H LONG TERM OBLIGATIONS (continued)

General Obligation Debt (continued)

	Beginning Balance	Additions	Deletions	Ending Balance	Amounts due within one year
Business-type Activities					
General obligation debt	$ 1 070 000	$	$ 55 000	$ 1 015 000	$ 55 000
General obligation bonds from direct borrowings	18 799 970		1 244 629	17 555 341	1 275 272
Discount	(9,353)		(1 035)	(8,318)	
Subtotal	19 860,617		1 298 594	18 562,023	1 330 272
Compensated absences					
Accrued vacation pay	48 182	42 592	43 052	47 722	47 722
Accrued severance pay	76 967	7 619	4 660	79 926	8 612
Accrued compensatory time	25,570	7,050	8,468	24,152	24,152
Total compensated absences	150 719	57 261	56 180	151 800	80 486
Net OPEB obligation	48 578		20 526	28 052	-
Net pension obligation					
City of Franklin Defined Benefit Retirement Plan	123 895	583 929	-	707 824	
Total Benefit Obligations	323 192	641 190	76 706	887 676	80 486
Business-type activities Long-term liabilities	$ 20,183,809	$ 641 190	$ 1,375,300	$ 19 449,699	$ 1,410,758

NOTE 3 - DETAILED NOTES ON ALL FUNDS (continued)

H LONG TERM OBLIGATIONS (continued)

Details of general obligation notes and bonds payable as of December 31 2019 are as follows

Type	Date of Issue	Interest Rate	Principal Payable	Interest Payable	Original Amount	Balance Outstanding 12/31
General obligation Refunding Bonds						
	4/20/2016	2 0%	3/1/17 21	3/1 & 9/1	$ 5 770 000	$ 2 210 000
General obligation Promissory Notes						
	12/18/14	2 0% 2 5%	3/1/15-24	3/1 & 9/1	5 320 000	1 350 000 [1]
General obligation Notes						
	12/21/17	2 5% 3 0%	3/1/19-27	3/1 & 9/1	1 630 000	1 565 000 [4]
Note Anticpation Note						
	5/1/18	2 5% 3 2%	3/1/19 23	3/1 & 9/1	23 480 000	13 480 000 [5]
General obligation Bonds 2019A						
	2/20/19	3 0% 3 5%	3/1/20 32	3/1 & 9/1	13 685 000	13 685 000 [6]
General obligation Bonds 2019B						
	2/20/19	3 0% 4 0%	3/1/22 34	3/1 & 9/1	6 365 000	6 365 000 [7]
General obligation Bonds 2019C						
	12/4/19	1 75% 3 05%	3/1/22 37	3/1 & 9/1	12 360 000	12 360 000 [8]
General obligation Notes 2019D						
	12/4/19	2 0% 3 0%	3/1/20 27	3/1 & 9/1	2 285 000	2,285 000 [4]
Total Governmental Activities Debt						$ 53 300 000
Business-type Activity Debt						
General obligation Clean Water Fund Loan			direct			
	1/25/12	2 46%	5/1/14 31	5/1 & 11/1	27 562 754	$ 17 555 341 [2]
General obligation Bonds						
	12/18/14	2 0% 3 125%	3/1/15 34	3/1 & 9/1	1 290 000	1 015,000 [3]
Total Business-type Activities Debt						$ 18 570 341

[1] Issued 63% for capital TIF purposes and 37% for general capital purposes [2] Issued for a sewer extension on W Ryan Rd [3] Issued for water building purposes [4] Issued for general Capital Improvement purposes [5] Issued for capital TID 5 infrastructure and developer grant purposes [6] Issued to Refund $10 mil of the 2018A NAN s and a Developer Grant in TID 3 [7] Issued for infrastructure projects in TID 6 [8] Issued to refund $4 million of the 2018A NAN capital projects in TID 5 & 7 and finance a Developer Mortgage in TID 7

NOTE 3 – DETAILED NOTES ON ALL FUNDS (continued)

H LONG TERM OBLIGATIONS (continued)

Annual principal and interest payments to maturity on general obligation notes and bonds payable are as follows

Year Ending	Governmental Activities		Business-type Activities	
December 31	Principal	Interest	Principal	Interest
2020	$ 6 090 000	$ 1 319 205	$ 55 000	$ 29 738
2021	2 445 000	1 359 683	60 000	28 288
2022	2 775 000	1 289 339	60 000	26 488
2023	11 770 000	1 064 703	60 000	24 688
2024	2 520 000	844 010	60 000	22 888
2025-29	15 490 000	3 050 546	335 000	85 263
2030-34	10 030 000	1 007 275	385 000	30 500
2034-37	2 180 000	92 900		
Total	$ 53,300,000	$ 10,027,661	$ 1 015,000	$ 247 853

	Business-type Activities	
	Notes from Direct Borrowings	
	Principal	Interest
2020	$ 1 275 272	$ 416 514
2021	1 306 669	384 730
2022	1 338 839	352 164
2023	1 371 802	318 796
2024	1 405 575	284 607
2025-29	7 564 313	879 993
2030-34	3,292,871	81,563
Total	$ 17,555,341	$ 2,718,367

The City's statutory debt limit and margin of indebtedness at December 31 2019 are $218 013 450 and $146 143 109 respectively By City debt policy the debt limit and margin of indebtedness limit are $87 205 380 (40% of the limit prescribed by law) and $15 335 039 respectively

In 2018 the City issued a municipal revenue obligation (MRO) as part of a development agreement The amount of the obligation was $2 million and is payable to the developer solely from tax increments collected from a development in TID #3 A $202 000 payment was made in 2019 The MRO bears interest at 4 5% payable March 1 annually The balance of the MRO was $1 689 000 at December 31 2019

In 2018 the City issued a municipal revenue obligation (MRO) as part of a development agreement The amount of the obligation was $3 5 million and is payable to the developer solely from tax increments collected from a development in TID #5 The MRO bears interest at 5 5% payable March 1 annually No payments have been made on the MRO The balance of the MRO was $3 5 million at December 31 2019

NOTE 3 – DETAILED NOTES ON ALL FUNDS (continued)

H LONG TERM OBLIGATIONS (continued)

The obligations do not constitute a charge upon any funds of the City In the event that future tax increments are not sufficient to pay off the obligations the obligations terminate with no further liability to the City Since the amount of future payments is contingent on the collection of future TID increments the obligation are not reported as a liability in the accompanying financial statements The balance of the outstanding MRO principal at year end was $5 189 000

The City's outstanding direct borrowing and / or direct placement related to business-type activities of $17 555 341 contain a provision that in an event of default outstanding principal and any accrued interest become immediately due and payable

In February 2019 the City issued a $10 680 000 General Obligation Bond to provide the resources to pay $10 000 000 of the principal balance on a $23 480 000 Note Anticipation Note sold in May 2018

The 2018 NAN issue had the following objectives 1) to finance the City commitment on a TID project plan related to redevelopment of a closed landfill 2) provide long term financing for the estimated $10 million sunk costs after the first year 3) provide flexibility on refunding the balance of the NAN as increment was constructed so that future debt service could match up with increment generation and 4) provide flexibility to retire the NAN should the developer abandon the project before completion

The $10 000 000 was due on March 1 2020 under the terms of the NAN The NAN had a true interest cost of 3 2537% at time of sale The refunding 2019 issue had a true interest cost of 3 2990% The 2019 Refunding Bond will result in $2 922 727 of interest thru March 1 2032

In December 2019 the City issued a $4 045 000 General Obligation Bond to refund $4 000 000 of the 2018 Note Anticipation Notes on March 1 2020 (the earliest call date for the 2018 NAN) The refunding issue has a true interest cost of 2 6477% Had the refunding not been initiated the City would have paid $448 000 of interest on the NANs until the final due date of March 1 2023 The refunding Bonds have a final due date of March 1 2035 and includes $1 006 950 of interest over the term of the bonds

NOTE 3 – DETAILED NOTES ON ALL FUNDS (continued)

I NET POSITION/FUND BALANCES

Governmental Activities

Governmental activities net position reported on the government-wide statement of net position at December 31 2019 include the following

Net investment in capital assets	
Land	$ 25 450 016
Construction in process	1 986 204
Other capital assets net of accumulated depreciation	108 153 937
Less related long term debt outstanding net of unspent bond proceeds	(11 820 300)
Net investment in capital assets	$ 123 769 857

Business-type Activities

Business-type activities net position reported on the government-wide statement of net position at December 31 2019 include the following

Net investment in capital assets	
Land	$ 888 479
Construction in process	1 160 686
Other capital assets net of accumulated depreciation	108 884 023
Less related long term debt outstanding	(18,562 023)
Net investment in capital assets	$ 92,371 165

NOTE 3 – DETAILED NOTES ON ALL FUNDS (continued)

I NET POSITION/FUND BALANCES (continued)

Governmental Fund Balances

Reported on the fund financial statements at December 31 2019 include the following

Nonspendable fund balances		
General Fund - advances	$	136 200
General Fund - prepaid items and inventory		19 490
Total nonspendable fund balance	$	155,690
Restricted fund balances		
Debt service	$	1 118 560
Utility improvements		2 194 797
Development		8 833 459
TIF Districts		17 307 511
Donations		161 342
Health services		198 561
Library services		710 872
Solid waste		455 125
Recreational services		80 952
Tourism commission		469 951
Total restricted fund balance	$	31 531,130
Assigned Fund balances		
General Fund - purchases on order	$	132 393
Capital Projects		
Capital outlay		491 711
Equipment replacement		2 528 062
Capital improvement		2 012 476
Street improvement		506 207
Total assigned fund blances	$	5 670 849
Unassigned fund balances		
General Fund	$	8 345 671
TIF Districts (Deficit)		(108 090)
Total unassigned fund balances	$	8 237 581

NOTE 4 - OTHER INFORMATION

A DEFINED BENEFIT PENSION PLANS

Wisconsin Retirement System (Protective Occupation Employees only)

General Information about the Pension Plan

Plan description The WRS is a cost-sharing multiple-employer defined benefit pension plan WRS benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes Benefit terms may only be modified by the legislature The retirement system is administered by the Wisconsin Department of Employee Trust Funds (ETF) The system provides coverage to all eligible State of Wisconsin local government and other public employees All employees initially employed by a participating WRS employer on or after July 1 2011 and expected to work at least 1 200 hours a year (880 hours teachers and school district educational support employees) and expected to be employed for at least one year from employee s date of hire are eligible to participate in the WRS

ETF issues a standalone Comprehensive Annual Financial Report (CAFR) which can be found at http //etf wi gov/publications/cafr htm

Vesting For employees beginning participation on or after January 1 1990 and no longer actively employed on or after April 24 1998 creditable service in each of five years is required for eligibility for a retirement annuity Participants employed prior to 1990 and on or after April 24 1998 and prior to July 1 2011 are immediately vested Participants who initially became WRS eligible on or after July 1 2011 must have five years of creditable service to be vested

NOTE 4 - OTHER INFORMATION (continued)

A DEFINED BENEFIT PENSION PLANS (continued)

Wisconsin Retirement System (continued)

General Information about the Pension Plan (continued)

Benefits provided. Employees who retire at or after age 65 (54 for protective occupation employees 62 for elected officials and executive service retirement participants if hired on or before 12/31/2016) are entitled to retirement benefit based on a formula factor their average earnings and creditable service

Final average earnings is the average of the participant s three highest annual earnings period Creditable service includes current service and prior service for which a participant received earnings and made contributions as required Creditable service also includes creditable military service The retirement benefit will be calculated as a money purchase benefit based on the employee's contributions plus matching employer's contributions with interest if that benefit is higher than the formula benefit

Vested participants may retire at age 55 (50 for protective occupations) and receive an actuarially reduced benefit Participants terminating covered employment prior to eligibility for an annuity may either receive employee-required contributions plus interest as a separation benefit or leave contributions on deposit and defer application until eligible to receive a retirement benefit

The WRS also provides death and disability benefits for employees

Post-retirement adjustments The Employee Trust Funds Board may periodically adjust annuity payments from the retirement system based on annual investment performance in accordance with s 40 27 Wis Stat An increase (or decrease) in annuity payments may result when investment gains (losses) together with other actuarial experience factors create a surplus (shortfall) in the reserves as determined by the system s consulting actuary Annuity increases are not based on cost of living or other similar factors For Core annuities decreases may be applied only to previously granted increases By law Core annuities cannot be reduced to an amount below the original guaranteed amount (the 'floor') set at retirement The Core and Variable annuity adjustments granted during recent years are as follows

NOTE 4 - OTHER INFORMATION (continued)

A. DEFINED BENEFIT PENSION PLANS (continued)

Wisconsin Retirement System (continued)

General Information about the Pension Plan (continued)

Year	Core Fund Adjustment	Variable Fund Adjustment
2009	(2 1)	(42 0)%
2010	(1 3)	(22 0)
2011	(1 2)	11 0
2012	(7 0)	(7 0)
2013	(9 6)	9 0
2014	4 7	25 0
2015	2 9	2 0
2016	0 5	(5 0)
2017	2 0	4 0
2018	2 4	17 0

Contributions Required contributions are determined by an annual actuarial valuation in accordance with Chapter 40 of the Wisconsin Statutes The employee required contribution is one-half of the actuarially determined contribution rate for General category employees including Teachers Executives and Elected Officials Starting on January 1 2016 the Executives and Elected Officials category merged into the General Employee category Required contributions for protective employees are the same rate as general employees Employers are required to contribute the remainder of the actuarially determined contribution rate The employer may not pay the employee required contribution unless provided for by an existing collective bargaining agreement

During the reporting period the WRS recognized $973 134 in contributions from the employer

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

Contribution rates as of December 31 2019 are

Employee Category	Employee	Employer
Protective with Social Security	6 7%	10 7%

NOTE 4 - OTHER INFORMATION (continued)

A DEFINED BENEFIT PENSION PLANS (continued)

Wisconsin Retirement System (continued)

Pension ~~Liabilities~~Liability, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

At December 31 2019 the City reported a liability of $3 258 799 for its proportionate share of the net pension liability The net pension liability was measured as of December 31 2018 and the total pension ~~asset~~ liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31 2017 rolled forward to December 31 2018 No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date The City s proportion of the net pension liability was based on the City s share of contributions to the pension plan relative to the contributions of all participating employers At December 31 2018 the City s proportion was 0 09159883% which was an increase of 0 00378347% from its proportion measured as of December 31 2017

For the year ended December 31 2019 the City recognized pension expense of $2 097 674 which includes amounts paid to WRS related to duty disability payments

At December 31 2019 the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 2 538 111	$ 4 486 467
Changes in assumptions	549 314	
Net differences between projected and actual earnings on pension plan investments	4 759 253	
Changes in proportion and differences between employer contributions and proportionate share of contributions	18 308	35 441
Employer contributions subsequent to the measurement date	1 380 924	
Total	$ 9 245 910	$ 4 521 908

NOTE 4 - OTHER INFORMATION (continued)

A DEFINED BENEFIT PENSION PLANS (continued)

Wisconsin Retirement System (continued)

Pension ~~Liabilities~~Liability, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

$1 380 924 reported as deferred outflows related to pension resulting from the WRS Employer's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31 2020 Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows

Year ended December 31	Deferred Outflows of Resources and Deferred Inflows of Resources (net)
2020	$ 1 220 667
2021	296 602
2022	526 465
2023	1 299 344

NOTE 4 - OTHER INFORMATION (continued)

A DEFINED BENEFIT PENSION PLANS (continued)

Wisconsin Retirement System (continued)

Pension LiabilitiesLiability, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

Actuarial assumptions The total pension ~~(asset)~~ liability in the December 31 2018 actuarial valuation was determined using the following actuarial assumptions applied to all periods included in the measurement

Actuarial Valuation Date	December 31 2017
Measurement Date of Net Pension Liability (Asset)	December 31 2018
Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Fair Value
Long Term Expected Rate of Return	7 0%
Discount Rate	7 0%
Salary Increases	
Inflation	3 0%
Seniority/Merit	0 1% 5 6%
Mortality	Wisconsin 2018 Mortality Table
Post-retirement Adjustments*	1 9%

** No post-retirement adjustment is guaranteed Actual adjustments are based on recognized investment return actuarial experience and other factors 1 9% is the assumed annual adjustment based on the investment return assumption and the post-retirement discount rate*

Actuarial assumptions are based upon an experience study conducted in 2018 that covered a three-year period from January 1 2015 to December 31 2017 Based on this experience study actuarial assumptions used to measure the Total Pension Liability changed from prior year including the discount rate long term expected rate of return post retirement adjustment wage inflation rate mortality and separation rates The Total Pension Liability for December 31 2018 is based upon a roll-forward of the liability calculated from the December 31 2017 actuarial valuation

NOTE 4 - OTHER INFORMATION (continued)

A DEFINED BENEFIT PENSION PLANS (continued)

Wisconsin Retirement System (continued)

Pension ~~Liabilities~~Liability, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

Long-term expected return on plan assets. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns net of pension plan investment expense and inflation) are developed for each major asset class These ranges are combined to produce the long term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table

Core Fund Asset Class	Current Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long Term Expected Real Rate of Return %
Global Equities	49%	8 1%	5 5%
Fixed Income	24 5	4 0	1 5
Inflation Sensitive Assets	15 5	3 8	1 3
Real Estate	9	6 5	3 9
Private Equity/Debt	8	9 4	6 7
Multi-Asset	4	6 7	4 1
Total Core Fund	110	7 3	4 7
Variable Fund Asset Class			
US Equities	70	7 6	5 0
International Equities	30	8 5	5 9
Total Variable Fund	100	8 0	5 4

New England Pension Consultants Long Term US CPI (Inflation) Forecast 2 5%
Asset allocations are managed within established ranges target percentages may differ from actual monthly allocations.

NOTE 4 - OTHER INFORMATION (continued)

A DEFINED BENEFIT PENSION PLANS (continued)

Wisconsin Retirement System (continued)

Pension ~~Liabilities~~Liability, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

Single discount rate A single discount rate of 7 00% was used to measure the total pension liability This single discount rate was based on the expected rate of return on pension plan investments of 7 00% and a long term bond rate of 3 71% Because of the unique structure of WRS the 7 00% expected rate of return implies that a dividend of approximately 1 9% will always be paid For purposes of the single discount rate it was assumed that the dividend would always be paid The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate Based on these assumptions the pension plan s fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members Therefore the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability

Sensitivity of the city's proportionate share of the net pension liability (asset) to changes in the discount rate The following presents the city s proportionate share of the net pension liability (asset) calculated using the discount rate of 7 00 percent as well as what the city s proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1 percentage-point lower (6 00 percent) or 1 percentage-point higher (8 00 percent) than the current rate

	1% Decrease to Discount Rate (6 00%)	Current Discount Rate (7 00%)	1% Increase to Discount Rate (8 00%)
City s proportionate share of the net pension liability (asset)	$ 12 950 809	$ 3 258 799	$ (3 947 962)

Pension plan fiduciary net position Detailed information about the pension plan s fiduciary net position is available in separately issued financial statements available at http //etf wi gov/publications/cafr htm

At December 31 2019 the city reported a payable to the pension plan of $184 066 which represents contractually required contributions outstanding as of the end of the year

NOTE 4 - OTHER INFORMATION (continued)

A DEFINED BENEFIT PENSION PLANS (continued)

City of Franklin Defined Benefit Retirement Income Plan

General Information about the Pension Plan

Plan Description The City is also a participant in the City of Franklin Defined Benefit Retirement Income Plan a single employer defined benefit pension plan covering eligible public works employees The assets of this Plan are administered by Principal Life Insurance Company An annual financial report may be obtained by writing to the plan administrator at Principal Financial Group P O Box 9693 Des Moines IA 50306-9396

Vesting – Participants with five years of credible service are 50% vested in the plan Upon reaching 10 years of credible service participants are fully vested in the plan

Benefits provided – The City of Franklin Defined Benefit Retirement Income Plan provides retirement benefits to former bargaining employees of the City that are not covered under Wisconsin State Pension Plan (Wisconsin Retirement System) or who are regular part time employees as defined by Civil Service and who have a minimum of 6 months of service Employees who retire at or after age 60 are entitled to receive an unreduced retirement benefit

The factors influencing the benefit are (1) average compensation at retirement (2) years of creditable service and (3) a formula factor

Average compensation at retirement is the average of the participant's three highest consecutive years earnings out of the ten latest years prior to retirement Creditable service is the creditable current and prior service expressed in years or fractional partial years for which a participant receives earnings The formula factor is a standard percentage based on the plan provisions

Employees may retire at age 55 with a minimum of 10 completed years of service and receive reduced benefits Employees terminating covered employment before becoming eligible for a retirement benefit may receive either normal retirement benefits at normal retirement date or a lump-sum cash payment of participant s vested accumulations

The plan also provides death and disability benefits for employees

NOTE 4 - OTHER INFORMATION (continued)

A DEFINED BENEFIT PENSION PLANS (continued)

City of Franklin Defined Benefit Retirement Income Plan (continued)

General Information about the Pension Plan (continued)

Participating employees - Membership in the plan as of date of study consisted of the following classes of participants

Active employees	29
Terminated vested participants	11
Retirees	26
Total	66

Contributions Contribution requirements are established through action of the City Council and may be amended only through city ordinance Employees make a non elective and non-discretionary pension contribution that is equal to 8 2% of their payroll The City contributes all remaining amounts necessary to fund the pension plan During the reporting period contributions of $251 009 were made by the City to the plan

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

At December 31 2019 the City reported a liability of $2 157 999 for its net pension liability The net pension liability was measured as of December 31 2018 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31 2018 No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date

NOTE 4 - OTHER INFORMATION (continued)

A DEFINED BENEFIT PENSION PLANS (continued)

City of Franklin Defined Benefit Retirement Income Plan (continued)

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

Current year changes in the net pension liability were as follows

	Total Pension Liability (a)	Increase (Decrease) Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at December 31 2018	$ 10 069 831	$ 9 692 099	$ 377 732
Changes for the year:			
Service cost	161 806		161 806
Interest	675 093	-	675 093
Difference between expected and actual experience	149 778	-	149 778
Changes of assumptions	1 303 694	-	1 303 694
Change in benefit terms	(656 529)		(656 529)
Contributions - employer		251 009	(251 009)
Net investment income	-	(363 980)	363 980
Benefit payments	(434 808)	(434 808)	
Administrative Expense		(33 454)	33 454
Balance at December 31 2019	$ 11,268,865	$ 9,110,866	$ 2,157,999

Plan fiduciary net position as a percentage of the total pension liability 80 85%

At December 31 2019 the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 187 345	$ 60 185
Changes in assumptions	1 043 833	79 004
Net differences between projected and actual earnings on pension plan investments	489 043	
Employer contributions subsequent to measurement date	176 603	
Total	$ 1,896,824	$ 139,189

NOTE 4 - OTHER INFORMATION (continued)

A. DEFINED BENEFIT PENSION PLANS (continued)

City of Franklin Defined Benefit Retirement Income Plan (continued)

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

The $176 603 reported as deferred outflows related to pension resulting from the City s contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31 2020 Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows

Year Ended December 31	Deferred Outflows of Resources and Deferred Inflows of Resources (net)
2020	$ 734 856
2021	480 649
2022	163 740
2023	201 787

Actuarial assumptions - The pension liability in the December 31 2018 actuarial valuation was determined use the following actuarial assumptions applied to all periods in the measurement

Actuarial Valuation Date	December 31 2018
Measurement Date of Net Pension Liability (Asset)	December 31 2018
Actuarial Cost Method	Entry Age
Asset Valuation Method	Market Value
Long Term Expected Rate of Return	6 50%
Discount Rate	5 93%
Salary increase - Inflation	2 25%
Salary increase - Seniority/Merit	4 00%
Mortality	2019 IRS Prescribed Mortality - Optional Combined Table for Small Plans

Actuarial assumptions are based upon an experience study conducted in 2018 using historical experience The net pension liability reported for fiscal year end December 31 2019 was measured as of December 31 2018 using the total pension liability that was determined by an actuarial valuation as of December 31 2018

NOTE 4 - OTHER INFORMATION (continued)

A. DEFINED BENEFIT PENSION PLANS (continued)

City of Franklin Defined Benefit Retirement Income Plan (continued)

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

Long-term Expected Return on Plan Assets The long-term expected rate of return on pension plan investments was determined using the weighted average rate based on the target asset allocation and the Long-Term Capital Market Assumptions These ranges are combined to produce the long term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table

Asset Class	Long Term Real Rate of Return	Target Allocation
US Equity - Large Cap	7 70%	34 50%
US Equity - Mid Cap	7 95%	4 00%
US Equity Small Cap	8 50%	2 00%
Non US Equity	7 95%	13 50%
Real Estate	5 55%	6 00%
Core Bonds	4 00%	37 00%
High Yield	6 45%	3 00%

Discount rate A discount rate of 5 93% was used to measure the total pension liability This single discount rate was based on the expected rate of return on pension plan investments of 5 93% and a long term bond rate of 3 97% The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that the City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate Based on these assumptions the pension plan s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members Therefore the long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability

NOTE 4 - OTHER INFORMATION (continued)

A. DEFINED BENEFIT PENSION PLANS (continued)

City of Franklin Defined Benefit Retirement Income Plan (continued)

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

Sensitivity of the net pension liability to changes in the discount rate – The following presents the City s net pension liability calculated using the discount rate of 5 93% as well as what the City s net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (4 93%) or 1-percentage-point higher (6 93%) than the current rate

	1% Decrease to Discount Rate (4 93%)	Current Discount Rate (5 93%)	1% Increase to Discount Rate (6 93%)
City's net pension liability	$ 3 428 409	$ 2 157 999	$ 1 080 562

For the year ended December 31 2019 the City recognized pension expense of $~~522-445~~405 488

B. DEFINED CONTRIBUTION PLAN

Based on City ordinances all eligible City of Franklin non protective employees (except public works employees) participate in the City of Franklin Defined Contribution Plan (the Plan) The Plan assets are administered by the Principal Life Insurance Company

Employees after completing six months of service with the City are eligible to participate The Plan requires the City to make periodic contributions to each participant s account equal to 10% of such participant's annual compensation Employees are required to make contributions of 5% of wages A participant s accrued benefit for City contributions is 100% vested and non-forfeitable upon death normal retirement early retirement or permanent and total disability as defined in the Plan If employment is terminated for any other reason each participant s accrued benefit vests at various percentages based on years of service During ~~2017~~2019 total contributions of $ [illegible]88 408 or 10% of covered payroll were made The City contributed $[illegible]44 204 and employees $44 204[illegible] The City may make amendments to the Plan

NOTE 4 - OTHER INFORMATION (continued)

C POST-EMPLOYMENT HEALTH CARE BENEFITS

General Information About the OPEB Plan

Plan administration and description The City administers the City of Franklin Post Employment Benefits Trust (City OPEB Plan) a single-employer defined benefit OPEB plan that is used to provide post-employment health care benefits for all eligible full-time employees of the City Management of the City OPEB Plan is vested in the City s Common Council Separate financial statements are not prepared for the City OPEB Plan

Benefits provided City of Franklin eligible full time employees meeting minimum age and service requirements may receive group health care benefits at a reduced cost during the period from their normal retirement date until they reach age 65 This results in another post-employment benefit (OPEB) obligation for those groups These groups commonly have higher medical costs than anticipated in the blended premium rates That differential is referred to as an implicit rate subsidy

Employees covered by benefit terms At December 31 2019 the following employees were covered by the benefit terms

Active employees	174
Inactive employees entitled to by not yet receiving benefits	
Retirees receiving benefits	26
Total	200

Contributions. Contribution requirements are established by either City ordinance or collective bargaining and may be amended only by the groups establishing the requirements The City s periodic contribution is determined and fixed at the time of retirement The retiree pays the balance of the periodic blended premium The eligibility for the benefit follows

Employee Group	#	City Amount	Age	Years Service
Non-represented	33	75% of Premium at Retirement	62	20
Police	71	75% of Premium at Retirement	53	15
Dispatch	13	75% of 2005 Premium	62	20
Fire	54	75% of Premium at Retirement	53	20
DPW	29	75% of Premium at Retirement	60	15

NOTE 4 - OTHER INFORMATION (continued)

C POST-EMPLOYMENT HEALTH CARE BENEFITS (continued)

Investments

Investment policy The City is authorized to invest funds of the City OPEB Plan in accordance with the City s investment policy for the City OPEB Plan

The long-term expected rate of return on OPEB plan investments was determined using a method in which best-estimate ranges of expected future real rates of return (expected returns net of OPEB plan investment expense and inflation) are developed for each major asset class These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equity (maximum)	75%	10 0%
Domestic equity (minimum)	25	10 0
Fixed income (maximum)	50	2 5
Fixed income (minimum)	25	2 5

Concentrations All OPEB plan assets have been invested in bonds and equity securities See Note 3 A for additional information

Rate of return The annual money-weighted rate of return on investments net of investment expense for 2019 was 16 813 6% The money weighted rate of return expresses investment performance net of investment expense adjusted for the changing amounts actually invested

NOTE 4 - OTHER INFORMATION (continued)

C POST-EMPLOYMENT HEALTH CARE BENEFITS (continued)

Net OPEB Liability

The City s net OPEB liability was measured as of December 31 2019 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date

Actuarial assumptions The total OPEB liability in the December 31 2019 actuarial valuation was determined using the following actuarial assumptions applied to all periods included in the measurement unless otherwise specified

Salary increases	2 00 percent average including inflation
Investment rate of return	6 50 percent net of OPEB plan investment expense including inflation
Healthcare cost trend rates	2021 and 2022 6 75% 2023 and 2024 6 25% 2025 and 2026 5 75% 2027 and 2028 5 25% and 2029+ 5 00%

Mortality rates are a blend of the Death-In-Service and Retired Lives mortality rates from the Wisconsin Retirement System 2015-2017 Experience Study with the MP 2018 generational improvement scale (multiplied by 50%)

The actuarial assumptions used in the January 1 2020 valuation were based on the results of an actuarial experience study for the period January 1 2015 – December 31 2017

Discount rate The discount rate used to measure the total OPEB liability was 6 5 percent The projection of cash flows used to determine the discount rate assumed that City contributions will be made at rates equal to the actuarially determined contribution rates over the next 40 years This rate is a blend of expected earnings on Plan assets and the current yield for 20 year tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher

NOTE 4 - OTHER INFORMATION (continued)

C POST-EMPLOYMENT HEALTH CARE BENEFITS (continued)

Changes in the Net OPEB Liability

	Total OPEB Liability (a)	Increase (Decrease) Plan Fiduciary Net Position (b)	Net OPEB Liability (a) (b)
Balance at December 31 2018	$ 7 733 557	$ 5 229 404	$ 2 504 153
Changes for the year:			
Service cost	210 159		210 159
Interest	516 342		516 342
Difference between expected and actual experience	132 200		132 200
Changes of assumptions	208 654		208 654
Contributions employer		377 172	(377 172)
Contributions - employees		215 296	(215 296)
Net investment income	-	1 101 085	(1 101 085)
Benefit payments	(442 196)	(442 196)	
Estimated Balance at December 31 2019	$ 8 358 716	$ 6 480 761	$ 1 877 955
Difference between estimated and actual Plan Fiduciary Net Position		57 999	(57 999)
Actual Balance at December 31 2019	$ 8 358 716	$ 6 538 760	$ 1 819 956

Plan fiduciary net position as a percentage of the total OPEB liability 78 23%

Sensitivity of the net OPEB liability to changes in the discount rate and healthcare cost trend rates The following presents the net OPEB liability of the City as well as what the City s net OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (5 5 percent) or 1 percentage point higher (7 5 percent) than the current discount rate

	1% Decrease to Discount Rate (5 5%)	Current Discount Rate (6 5%)	1% Increase to Discount Rate (7 5%)
City's net OPEB liability	$ 2 561 109	$ 1 819 956	$ 1 151 795

NOTE 4 - OTHER INFORMATION (continued)

C POST-EMPLOYMENT HEALTH CARE BENEFITS (continued)

Changes in the Net OPEB Liability (continued)

Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates
The following presents the net OPEB liability of the City as well as what the City s net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage point lower (6 0 percent decreasing to 4 5 percent) or 1-percentage-point higher (8 0 percent decreasing to 6 5 percent) than the current healthcare cost trend rates

	1% Decrease to (6 75% Decreasing to 5 75%)	Healthcare Cost Trend Rates (6 75%)	1% Increase to (6 75% Increasing to 7 75%)
City s net OPEB liability	$ 1 232 599	$ 1 819 956	$ 2 470 414

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

For the year ended December 31 2019 the City recognized OPEB expense of $262 062

At December 31 2019 the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 122 031	$
Changes in assumptions	192 605	
Net differences between projected and actual earnings on pension plan investments		225 447
Total	$ 314,636	$ 225,447

NOTE 4 - OTHER INFORMATION (continued)

C POST-EMPLOYMENT HEALTH CARE BENEFITS (continued)

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

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows

Year ended December 31	Deferred Outflow of Resources and Deferred Inflows of Resources (net)
2020	$ 1 816
2021	1 816
2022	1 816
2023	(126 019)
Thereafter	209 760

Payable to the OPEB Plan

At December 31 2019 the City does not report a payable for any outstanding amount of contributions to the City OPEB Plan required for the year ended December 31 2019

NOTE 4 - OTHER INFORMATION (continued)

D CONTINGENCIES AND COMMITMENTS

The City at times is party to claims and legal proceedings Although the outcome of such matters in not presently determinable it is the opinion of City management and the City attorney that the likelihood is remote that any such claims or proceedings will have a material adverse effect on the City's financial position

The City has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies Such audits could lead to requests for reimbursements to the grantor agency for expenditures disallowed under terms of the grants Management believes such disallowances if any would be immaterial

The City receives impact fees for new development projects The fees are to be used to fund specific projects within a specific period of time In the event the projects are not completed or the time period elapses the City will be required to refund the impact fees to the current owners of properties that the fees were originally collected

Funding for the operating budget of the City comes from many sources including property taxes grants and aids from other units of government user fees fines and permits and other miscellaneous revenue The State of Wisconsin provides a variety of aid and grant programs that benefit the City Those aid and grant programs are dependent on continued approval and funding by the Wisconsin governor and legislature through their budget process Any changes made by the State to funding or eligibility of local aid programs could have a significant impact on future operating results of the City

NOTE 4 - OTHER INFORMATION (continued)

E RISK MANAGEMENT

The City is exposed to various risks of loss related to torts theft damage or destruction of assets errors and omissions natural disasters and workers' compensation claims that the City carries commercial insurance No significant reductions in insurance coverage occurred for any risk of loss in the past year and settled claims have not exceeded commercial coverage in any of the past three fiscal years

The City also offers a group medical and dental insurance plan to employees for which the City is self-insured This activity is accounted for in the City's Self Insurance Internal Service Fund Group medical and dental costs are charged to City departments and retirees participating in the program A third party administrator handles claims payments The City carries stop loss insurance for claims in excess of $75 000 per year per individual and $75 000 per year per group Liabilities are reported when it is probable that claims have occurred and the amount of the claim can be reasonably estimated Liabilities include an estimated amount for claims that have been incurred but not reported (IBNR)

Changes in the balance of claims payable for the years ended December 31 2019 and 2018 are as follows

Fiscal Year	Balance Beginning of Year	Current Claims and Changes in Estimates	Claims Payments	Balance End of Year
2019	$ 290 700	$ 2 537 281	$ 2 652 981	$ 175 000
2018	290 700	3 412 999	3 412 999	290 700

NOTE 4 - OTHER INFORMATION (continued)

F EFFECT OF NEW ACCOUNTING STANDARDS ON CURRENT PERIOD FINANCIAL STATEMENTS

The Governmental Accounting Standards Board (GASB) has approved the following

- Statement No 87 Leases
- Statement No 89 Accounting for Interest Cost Incurred before the End of a Construction Period
- Statement No 91 Conduit Debt Obligations

When they become effective application of these standards may restate portions of these financial statements

H SUBSEQUENT EVENT

In March 2020 the US President WI Governor and Franklin s Mayor declared a public health emergency It is too early to project the financial impact of this crisis on City finances The Common Council adopted a 2020 Budget Amendment appropriating $250 000 of contingency to fight the disease

Related to that health crisis the US Equity markets declined significantly and the City s Defined Benefit Plan administrator placed a $750 000 call for additional one time contributions The Common Council authorized 2020 appropriations to support a $1 million extraordinary contribution and also authorized the Director of Finance to make up to a $750 000 contribution if necessary returning to Council should additional contributions be required

The 2020 Budget anticipated $2 7 million of Landfill Siting revenues (Public Charges for Services) substantially supporting capital programs By April 2020 this revenue stream began to decline such that the Common Council considered reductions in 2020 capital program appropriations

On April 6 2020 the Common Council authorized the issuance of a $14 952 million Municipal Revenue Obligation to Velo Village under the terms of a Developer's Agreement signed in October 2019

REQUIRED SUPPLEMENTARY INFORMATION

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CITY OF FRANKLIN, WISCONSIN

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)
WISCONSIN RETIREMENT SYSTEM
For the Year Ended December 31 2019

WRS Fiscal Year Ending Date	Proportion of the Net Pension Asset	Proportionate Share of the Net Pension Liability (Asset)	Covered Payroll	Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
12/31/14	0 084116700%	$ (2 065 567)	$ 8 071 472	25 59%	102 74%
12/31/15	0 082739220%	1 344 496	8 459 850	15 89%	98 20%
12/31/16	0 084036620%	692 662	8 682 689	7 98%	99 12%
12/31/17	0 087815360%	(2 607 342)	8 950 304	29 13%	102 93%
12/31/18	0 091598830%	3 258 799	9 094 718	35 83%	96 45%

SCHEDULE OF EMPLOYER CONTRIBUTIONS - WISCONSIN RETIREMENT SYSTEM
For the Year Ended December 31 2019

City Fiscal Year Ending Date	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
12/31/15	$ 689 692	$ 689 692	$	$ 8 459 850	8 15%
12/31/16	869 137	869 137		8 682 689	10 01%
12/31/17	1 074 037	1 074 037		8 950 304	12 00%
12/31/18	1 119 560	1 119 560		9 094 719	12 31%
12/31/19	1 380 924	1 380 924		13 827 280	9 99%

See independent auditors report and accompanying notes to required supplementary information

CITY OF FRANKLIN, WISCONSIN

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
CITY OF FRANKLIN DEFINED BENEFIT RETIREMENT INCOME PLAN
For the Year Ended December 31 2019

	Fiscal Year Ending				
	2015	2016	2017	2018	2019
Total Pension Liability					
Service Cost	$ 165 130	$ 180 074	$ 154,889	$ 182 107	$ 161 806
Interest on the Total Pension Liability	531 850	603 514	606 747	651 297	675 093
Benefit Changes					(656 529)
Difference between Expected and Actual Experience	527 384	(460 357)	425 998	(154 963)	149 778
Assumption Changes	213 402	12 332	709 323	(203,418)	1 303 694
Benefit Payments	(191,375)	(239,861)	(296 465)	(370,146)	(434,808)
Net Change in Total Pension Liability	1 246 391	95 702	1 600 492	104 877	1 199 034
Total Pension Liability Beginning	7,022,369	8 268 760	8,364,462	9,964 954	10,069,831
Total Pension Liability Ending	$ 8 268 760	$ 8 364,462	$ 9 964 954	$ 10 069 831	$ 11 268 865
Plan Fiduciary Net Position					
Employer Contributions	293 632	339 927	302 518	1 133 559	251 009
Pension Plan Net Investment Income	377 842	(41 577)	409,272	1 372 321	(363 980)
Benefit Payments	(191 375)	(239 861)	(296 465)	(370 146)	(434 808)
Pension Plan Administrative Expense	(27 941)	(22 802)	(20 307)	(31,410)	(28,890)
Other					(4,564)
Net Change in Plan Fiduciary Net Position	452 158	35 687	395 018	2 104 324	(581 233)
Plan Fiduciary Net Position Beginning	6,704 912	7 157 070	7,192 757	7 587 775	9,692,099
Plan Fiduciary Net Position Ending	$ 7,157 070	$ 7 192 757	$ 7 587 775	$ 9 692 099	$ 9 110,866
Net Pension Liability (Asset) Ending	$ 1 111 690	$ 1 171 705	$ 2 377 179	$ 377 732	$ 2 157 999
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	87%	86%	76%	96%	81%
Covered Payroll	$ 1 792 628	$ 1 876 995	$ 1 853 074	$ 1 792 628	$ 1 776 639
Net Pension Liability as a Percentage of Covered Payroll	62%	62%	128%	21%	121%

See independent auditors report and accompanying notes to required supplementary information

CITY OF FRANKLIN, WISCONSIN

SCHEDULE OF CONTRIBUTIONS
CITY OF FRANKLIN DEFINED BENEFIT RETIREMENT INCOME PLAN
For the Year Ended December 31 2019

Fiscal Year Ending Date	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a Percentage of Covered Payroll
12/31/15	$ 293 632	$ 293 632	$ -	$ 1 792 628	16%
12/31/16	339 927	339 927		1 876 995	18%
12/31/17	302 518	302 518		1 853 074	16%
12/31/18	233 559	1 133 559	(900 000)	1 792 628	63%
12/31/19	251 009	251 009		1 776 639	14%

See independent auditors report and accompanying notes to required supplementary information

CITY OF FRANKLIN WISCONSIN

SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS
OPEB PLAN
For the Year Ended December 31 2019

	Fiscal Year Ending 2017	2018	2019
Total OPEB Liability			
Service Cost	$ 223 719	$ 238 261	$ 210 159
Interest on the Total OPEB Liability	489 875	509 975	516 342
Difference between Expected and Actual Experience			132 200
Assumption Changes			208 654
Benefit Payments	(418 905)	(622 193)	(442,196)
Net Change in Total OPEB Liability	294 689	126 043	625 159
Total OPEB Liability Beginning	7 312,825	7 607 514	7,733 557
Total OPEB Liability Ending	$ 7 607 514	$ 7 733 557	$ 8 358,716
Plan Fiduciary Net Position			
Employer Contributions	422,684	444 364	377 172
Employee Contributions	91 969	128 294	215 296
OPEB Plan Net Investment Income	673 624	(294 824)	1 159 084
Benefit Payments	(500 350)	(622 193)	(442,196)
Net Change In Plan Fiduciary Net Position	687 927	(344 359)	1 309 356
Plan Fiduciary Net Position Beginning	4,885,836	5 573 763	5 229 404
Plan Fiduciary Net Position Ending	$ 5,573 763	$ 5 229 404	$ 6 538 760
Net OPEB Liability Ending	$ 2 033 751	$ 2 504 153	$ 1 819 956
Plan Fiduciary Net Position as a Percentage of Total OPEB Liability	73%	68%	78%
Covered Payroll	$ 13 879 896	$ 14 188 222	$ 14 300 000
Net OPEB Liability as a Percentage of Covered Payroll	15%	18%	13%

See independent auditors report and accompanying notes to required supplementary information

CITY OF FRANKLIN, WISCONSIN

SCHEDULE OF CONTRIBUTIONS
OPEB PLAN
For the Year Ended December 31 2019

	Fiscal Year Ending		
	2017	2018	2019
Actuarially Determined Contribution	$ 422 684	$ 441 859	$ 377 172
Actual Contribution	422,684	444,364	377,172
Contribution Deficiency (Excess)	$	$ (2 505)	$
Covered Payroll	$ 13 879 896	$ 14 188 222	$ 14 300 000
Actual Contribution as a Percentage of Covered Payroll	3%	3%	3%

See independent auditors report and accompanying notes to required supplementary information

NOTE 1 – PRESENTATION

The City is required to present the last ten years of data on each schedule however the standards allow the City to present as many years as are available until ten years are presented

NOTE 2 – WISCONSIN RETIREMENT SYSTEM

The data presented in the Schedule of Proportionate Share of the Net Pension Liability (Asset) for the Wisconsin Retirement System was taken from the reports issued by the Wisconsin Retirement System

Changes of benefit terms There were no changes of benefit terms for any participating employer in WRS

Changes of assumptions Actuarial assumptions are based upon an experience study conducted in 2018 using experience from 2015 – 2017 Based on the experience study conducted in 2018 actuarial assumptions used to develop Total Pension Liability changed including the discount rate long-term expected rate of return post-retirement adjustment wage inflation rate mortality and separation rates

NOTE 3 – CITY OF FRANKLIN DEFINED BENEFIT RETIREMENT INCOME PLAN

The data presented in the Schedule of Changes in Net Pension Liability and Related Ratios and Schedule of Contributions for the City of Franklin Defined Benefit Retirement Income Plan was taken from the reports issued by the actuary

Changes of benefit terms There were no changes of benefit terms

Changes of assumptions The following assumptions changed 1) the long term rate of return on plan assets has decreased from 6 75 to 6 5% 2) the discount rate has decreased from 6 75% to 5 93% 3) the inflation assumption has increased from 2 00% to 2 25% and 4) Salary projections have been updated from 3 00% to 4 00%

NOTE 4 – OPEB PLAN

The data presented in the Schedule of Changes in Net OPEB Liability and Related Ratios and the Schedule of Contributions for the City of Franklin Post Employment Benefit Trust was taken from the reports issued by the actuary

Changes of benefit terms There were no changes of benefit terms

Changes of assumptions The discount rate was reduced from 7 00% used in the previous actuarial study to 6 5 used in the current study

SUPPLEMENTARY INFORMATION

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Nonmajor Governmental Funds

Special Revenue Funds

Special Revenue Funds account for the proceeds of specific revenue sources (other than debt service or major capital projects) that are restricted for specified purposes

Library Operating Fund – This fund accounts for the budgetary operation of the Library

Library Auxiliary Fund – This fund accounts for Library donations fines and forfeitures

Solid Waste Collection Fund – This fund accounts for solid waste collection activities

Donation Fund – This fund accounts for donations received for specific purposes

St Martin s Fair Fund – This fund accounts for activities related to the farmers/flea market held the first Monday of the spring and summer months and the Labor Day weekend

Civic Celebrations Fund – This fund accounts for activity related to the City s Fourth of July and other celebrations

Tourism Commission – The State mandated that certain portions of the Hotel Tax be dedicated for tourism promotion The Common Council formed a Tourism Commission which determines how those funds are spent

Grant Fund – The City reports its grant activities in this fund Grant activities include Fire Department Police Department Health Department Community Development Block Grants and miscellaneous grants received by the City that are not accounted for elsewhere

Capital Projects Funds

Capital Projects Funds account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Proprietary Funds)

Capital Outlay Fund – This fund accounts for the departmental capital outlays These expenditures are funded by the tax levy normally are less than $25 000 and are under the direction of the department supervisor

Equipment Replacement Fund – This fund accounts for the rolling stock replacement program that accumulates annual funding (from landfill siting fees) for replacement of vehicles and similar equipment in lieu of using borrowed monies

Capital Improvement Fund – This fund accounts for land acquisitions building projects and all public works projects and are usually funded with landfill siting revenues borrowed money or funding from some other source other than the tax levy

Street Improvement Fund – This fund accounts for the activities of the local road improvement program Funding is provided by landfill siting fees and a portion of General Transportation Aids and an every other year local road improvement grant from the State

Utility Improvement Fund – This fund is used to account for water and sewer connection fees and special assessments that are used for water and sewer construction projects

Development Fund – This fund is used to account for impact fees restricted for use to capital improvements

CITY OF FRANKLIN WISCONSIN
Combining Balance Sheet
Nonmajor Governmental Funds
As of December 31 2019

	Special Revenue Funds								
	Library Operating Fund	Library Auxiliary Fund	Solid Waste Collection Fund	St Martin's Fair Fund	Donation Fund	Civic Celebrations Fund	Tourism Commission Fund	Grant Fund	Total
ASSETS									
Cash and investments	$ 556 449	$ 152 539	$ 618 292	$ 3 636	$ 161 495	$ 77 316	$ 393 282	183 176	$ 2 146 185
Receivables									
Accounts			46				77 000	13 397	90,443
Taxes	1 340 500		1 528 114						2 868 614
Special assessments			31,226						31 226
Due from other governments	48,510							7,831	56,341
Total assets	$ 1 945 459	$ 152 539	$ 2,177 678	$ 3 636	$ 161,495	$ 77 316	$ 470,282	$ 204 404	$ 5 192 809
LIABILITIES AND FUND BALANCES									
LIABILITIES									
Accounts payable	$ 12 202	$ 2 249	$ 193 979	$	$ 153	$	$ 331	$ 4 221	$ 213 135
Accrued liabilities	29,330	2,845	460					1,622	34,257
Total liabilities	41,532	5,094	194,439		153		331	5,843	247,392
DEFERRED INFLOWS OF RESOURCES									
Unearned & unavailable revenue	1,340,500		1,528,114						2,868,614
FUND BALANCES									
Restricted									
Utility improvements									
Deve opment									
Donations					161 342				161 342
Health services								198 561	198 561
Library services	563 427	147,445							710 872
Solid waste			455 125						455 125
Recreational services				3 636		77 316			80 952
Tourism Commission							469,951		469,951
Total fund balances	563,427	147,445	455 125	3,636	161,342	77,316	469,951	198,561	2,076,803
Total liabilities deferred inflows and fund balances	$ 1 945 459	$ 152 539	$ 2 177 678	$ 3 636	$ 161 495	$ 77 316	$ 470 282	$ 204 404	$ 5,192 809

(Continued)

CITY OF FRANKLIN WISCONSIN
Combining Balance Sheet
Nonmajor Governmental Funds
As of December 31 2019

	Capital Projects Funds							Total
	Capital Outlay Fund	Equipment Replacement Fund	Capital Improvement Fund	Street Improvement Fund	Utility Improvement Fund	Development Fund	Total	Nonmajor Governmental Funds
ASSETS								
Cash and investments	$ 603 939	$ 2 762 604	$ 2 930 261	$ 478 059	$ 2 123 632	$ 7 438 661	$ 16 337 156	$ 18 483 341
Receivables								
Accounts	253		149 639	42 110			192 002	282 445
Taxes	295 700				71 165		366 865	3 235 479
Special assessments					391 625	232 640	624 265	655 491
Due from other governments			943 000				943 000	999 341
Long-term advances						1,500 000	1,500,000	1,500,000
Total assets	$ 899 892	$ 2,762 604	$ 4 022 900	$ 520 169	$ 2 586 422	$ 9 171 301	$ 19 963 288	$ 25 156 097
LIABILITIES AND FUND BALANCES								
LIABILITIES								
Accounts payable	$ 112 481	$ 234 542	$ 895 424	$ 13 962	$	$ 1 268	$ 1 257 677	$ 1 470 812
Accrued liabilities			172,000			103,934	275,934	310 191
Total liabilities	112,481	234 542	1,067 424	13,962		105,202	1 533 611	1,781,003
DEFERRED INFLOWS OF RESOURCES								
Unearned & unava able revenue	295 700		943,000		391,625	232,640	1,862,965	4 731 579
FUND BALANCES								
Restricted								
Utility improvements					2 194 797		2 194 797	2 194 797
Development						8,833 459	8,833 459	8 833,459
Donations								161 342
Health services								198 561
Library services								710 872
Solid waste								455 125
Recreational services								80 952
Tourism Commission								469 951
Assigned								
Capital projects	491,711	2 528,062	2,012,476	506,207			5,538 456	5,538,456
Total fund balances	491,711	2,528,062	2 012 476	506 207	2,194,797	8,833,459	16,566,712	18 643,515
Total liabilities deferred inflows and fund balances	$ 899 892	$ 2 762 604	$ 4 022 900	$ 520 169	$ 2 586 422	$ 9 171,301	$ 19 963,288	$ 25 156 097

CITY OF FRANKLIN WISCONSIN
Combining Schedule of Revenue Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31 2019

	Special Revenue Funds								
	Library Operating Fund	Library Auxiliary Fund	Solid Waste Fund	St Martin's Fair Fund	Donation Fund	Civic Celebrations Fund	Tourism Commission Fund	Grant Fund	Total
REVENUE									
Taxes	$ 1 312 700	$	$	$	$	$	$ 175 721	$	$ 1 488 421
Intergovernmental revenue	49 181		68 858					230 363	348 402
Publ c charges for services		11 909	1 584 034			93 598			1 689 541
Licenses and permits				20 371		300			20 671
Investment earn ngs	27 174	777	29 382				6 755		64 088
Miscellaneous revenue		58 350	2,301		42,368	38,997		18 156	160,172
Total revenue	1,389,055	71,036	1,684,575	20,371	42,368	132,895	182 476	248,519	3,771,295
EXPENDITURES									
Current:									
Public safety					18 132			6 299	24 431
Public works			1 660 197						1 660 197
Health and human services								210 595	210 595
Culture and recreation	1 232 377	50 785		53 339		138 718			1 475 219
Conservation and development							88 594		88 594
Capital outlay	91,020	13,427			13,500			25,574	143,521
Total expenditures	1,323,397	64 212	1,660,197	53,339	31,632	138,718	88,594	242,468	3,602,557
Excess (deficiency) of revenue over expenditures	65,658	6,824	24,378	(32,968)	10,736	(5,823)	93 882	6,051	168 738
OTHER FINANCING SOURCES (USES)									
Transfers in	8,100			31,000		13,000			52,100
Total other financing sources (uses)	8,100			31 000		13,000			52,100
Net change n fund balances	73 758	6 824	24 378	(1 968)	10 736	7 177	93 882	6 051	220 838
Fund balances beginning	489,669	140,621	430,747	5,604	150,606	70,139	376,069	192,510	1,855,965
Fund balances ending	$ 563,427	$ 147,445	$ 455,125	$ 3 636	$ 161,342	$ 77,316	$ 469,951	$ 198,561	$ 2,076 803

(Continued)

Schedule 2
(concluded)

CITY OF FRANKLIN, WISCONSIN
Combining Schedule of Revenue Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2019

	Capital Projects Funds							Total
	Capital Outlay Fund	Equipment Replacement Fund	Capital Improvement Fund	Street Improvement Fund	Utility Improvement Fund	Development Fund	Total	Nonmajor Governmental Funds
REVENUE								
Taxes	$ 452 800	$ 175 000	$	$ 18,200	$	$	$ 646 000	$ 2 134 421
Intergovernmental revenue	3 998			700 000			703 998	1 052 400
Public charges for services	317 730	500 000	1 229 622	343 270			2 390 622	4 080 163
Licenses and permits								20 671
Special assessments				-	425 757	3 048 725	3 474 482	3 474 482
Investment earnings	17 956	91 827	87 052	14 136	56 502	187 289	454 762	518 850
Miscellaneous revenue	-	728	65	-	-		793	160,965
Total revenue	792 484	767,555	1,316,739	1,075 606	482 259	3 236 014	7 670,657	11,441,952
EXPENDITURES								
Current								
General government	-					6 701	6 701	6 701
Public safety			-					24 431
Public works				-	-			1 660 197
Health and human services								210 595
Culture and recreation								1 475 219
Conservation and development								88 594
Capital outlay	757 143	888 339	5 179 941	968 787			7 794 210	7 937 731
Debt service debt issuance costs			49,924				49 924	49 924
Total expenditures	757,143	888 339	5 229 865	968 787		6 701	7 850 835	11 453,392
Excess (deficiency) of revenue over expenditures	35,341	(120,784)	(3,913,126)	106 819	482,259	3,229,313	(180,178)	(11 440)
OTHER FINANCING SOURCES (USES)								
Sale of capital assets	31 327	3 151					34 478	34 478
Transfers in			304 631				304 631	356 731
Transfers out						(536 050)	(536 050)	(536 050)
General obligation debt issued			2 285 000	-	-		2 285 000	2 285 000
Premium (Discount) on debt issued			12 598			-	12,598	12 598
Total other financing sources (uses)	31 327	3,151	2,602,229			(536,050)	2,100,657	2,152 757
Net change in fund balances	66 668	(117 633)	(1 310 897)	106 819	482 259	2 693 263	1 920 479	2 141 317
Fund balances beginning	425,043	2 645 695	3,323,373	399,388	1,712,538	6,140,196	14,646,233	16 502 198
Fund balances - ending	$ 491,711	$ 2,528,062	$ 2,012,476	$ 506,207	$ 2 194 797	$ 8 833 459	$ 16 566 712	$ 18 643 515

Schedule 3

CITY OF FRANKLIN WISCONSIN
General Fund
Schedule of Revenues and Transfers In Budget and Actual (on a Budgetary Basis)
For the Year Ended December 31, 2019

	Original Budget	Change Inc (Dec)	Final Budget	Actual	Variance with final budget Excess (Deficiency)
TAXES					
General property taxes	$ 18 139 675	$	$ 18 139 675	$ 18 136 986	$ (2 689)
Water Utility tax equivalent	1 050 000		1 050 000	968 448	(81 552)
Cable TV franchise fees	480 000		480 000	489 934	9 934
Hotel/Room Tax	183 300		183 300	183 321	21
Mobile home assessments	23,500		23,500	19,689	(3,811)
	19,876,475		19,876,475	19 798,378	(78,097)
INTERGOVERNMENTAL REVENUE					
State shared revenue	513 900		513 900	524 297	10 397
State expenditure restraint revenue	160 200		160 200	142 891	(17 309)
Fire insurance dues	155 000		155 000	164 859	9 859
Local state and federal grants and aids					
Computer aid	228,350		228 350	228 051	(299)
Transportation aids	520 000		520 000	520 847	847
Other	158,677		158,677	176,402	17 725
	1 736 127		1,736,127	1 757,347	21,220
LICENSES FEES AND PERMITS					
Licenses					
Beer and liquor	33 840		33 840	31 784	(2 056)
Bartenders	16 500		16 500	18 174	1 674
Amusement and related	9 700		9 700	9 655	(45)
Peddlers	2 650		2 650	4 129	1 479
Food and related	4 050		4 050	13 461	9 411
Dog and cat	9 300		9 300	11 314	2 014
Health	76 100		76 100	77 929	1 829
Other	12 550		12 550	18 792	6 242
Permits					
Building	615 000		615 000	736 292	121 292
Electrical	106 000		106 000	151 355	45 355
Plumbing	109 000		109 000	183 445	74 445
Sign	8 500		8 500	10 065	1 565
Park	16 900		16 900	20 738	3 838
Fire	4 500		4 500	4 420	(80)
Other	16,900		16,900	23,365	6,465
	1 041,490		1,041 490	1 314,918	273,428
FINES FORFEITURES AND PENALTIES	546,000		546 000	451 062	(94,938)

(Continued)

CITY OF FRANKLIN WISCONSIN
General Fund
Schedule of Revenues and Transfers In Budget and Actual (on a Budgetary Basis)
For the Year Ended December 31 2019

	Original Budget	Change Inc (Dec)		Final Budget	Actual	Variance with final budget Excess (Deficiency)
PUBLIC CHARGES FOR SERVICES						
General government						
Property reports and document fees	$ 12 900	$		$ 12 900	$ 105 178	$ 92 278
Clerk Services	1 500			1 500	1 132	(368)
Public safety						
Police Department and related	8 000			8 000	13 140	5 140
Ambulance service	1 340 000			1 340 000	1 338 387	(1 613)
Fire Department and related	74 000			74 000	99 912	25 912
Quarry reimbursement	44 000			44 000	37 410	(6 590)
Weights and measures	7 600			7 600	8 643	1 043
Public works						
Weed cutting	9 000			9 000	7 125	(1 875)
Street lighting	13 000			13 000	18 191	5 191
Engineering and DPW fees	35 000	650 000	2	685 000	799 969	114 969
Landfill tippage fees	307 500			307 500	279 789	(27 711)
Health and human services						
Health clinics and other health fees	118 150			118 150	115 245	(2 905)
Conservation and development						
Zoning subdivision and other filing fees	86 300			86 300	4 912	(81,388)
	2 056 950	650 000		2 706 950	2 829 033	122 083
INTERGOVERNMENTAL CHARGES FOR SERVICES	207 500			207 500	226 178	18 678
INVESTMENT EARNINGS	265 000			265 000	510 943	245 943
MISCELLANEOUS REVENUE						
Municipal property rental	50 000			50 000	78 833	28 833
Property sales	31 650			31 650	12 166	(19 484)
Refunds and reimbursements	37 000			37 000	16 461	(20 539)
Insurance dividend	40 000			40 000	82 047	42 047
Other revenue	1 000			1 000	99	(901)
	159,650			159 650	189 606	29 956
Total Revenues	25 889 192	650 000		26 539 192	27 077 465	538 273
Transfers from other funds	59 250	30 625		89 875		(89 875)
Total Revenues and Transfers In	$ 25 948 442	$ 680 625		$ 26 629 067	$ 27 077 465	$ 448 398

1 Planned but unused transfer from nternal Service Fund

2 Recorded Engineering Services gross rather than net is in prior years

CITY OF FRANKLIN WISCONSIN
General Fund
Schedule of Expenditures and Transfers Out Budget and Actual (on a Budgetary Basis)
For the Year Ended December 31 2019

	Original Budget	Change Inc (Dec)		Final Budget	Actual	Variance with final budget Excess (Deficiency)
CURRENT						
General Government						
Mayor Personnel Services	$ 18 482	$		$ 18 482	$ 18 482	$
Mayor Other Services	6 350			6 350	5 890	460
Aldermen Personnel Services	47,409			47 409	47.409	
Aldermen Other Services	25 191			25 191	23 032	2 159
Municipal court Personnel Services	186 933	2 945		189 878	187 333	2 545
Municipal court Other Services	58,450			58 450	15 942	42 508
City clerk Personnel Services	319 569	(5 701)		313 868	305 789	8 079
City clerk Other Services	27,200			27 200	21 835	5 365
Elections Personnel Services	32 525	(167)		32 358	14 025	18 333
Elections Other Services	10 100			10 100	8 704	1 396
Information services Personnel Services	127 381	2 086		129 467	129 250	217
Information services Other Services	392,468	22 920		415 388	407 012	8 376
Administration Personnel Services	311 278	6 930		318.208	317 732	476
Administration Other Services	133 475	(23 300)		110 175	48 689	61.486
Finance Personnel Services	464 090	(26 350)		437 740	409 026	28 714
Finance Other Services	122 870			122,870	104 620	18,250
Independent Audit	37 025			37 025	31 455	5 570
Assessor Other Services	229 550			229 550	226 888	2 662
Legal counsel	348 650			348 650	299 700	48 950
Municipal buildings Personnel Services	97 479	10 601		108 080	107 963	117
Municipal buildings Other Services	117 015			117 015	113 880	3,135
Refunded Taxes	2 500	20 000		22 500	15 979	6,521
Property and liability insurance	86 950			86 950	65,437	21 513
Anticipated Underexpenditure	(375 320)	57 876		(317 444)		(317 444)
Contingency	2 067 228	(274 824)	1	1 792,404		1 792 404
Total General Government	4 894 848	(206 984)		4 687 864	2 926 072	1 761 792
Public Safety						
Police Personnel Services	7 703 409	(159 265)	1	7 544 144	7 507 336	36 808
Police Other Services	1 197 800	(50)		1 197 750	1 037 985	159 765
Dispatch Personnel Services	1 184 017	14 126	1	1 198 143	1 080 162	117 981
Fire Personnel Services	6,009 935	13 370	1	6 023 305	5 884 640	138 665
Fire Other Services	505 860	10 000		515 860	513 914	1 946
Fire protection service charge	283 300			283 300	279 819	3 481
Building inspection Personnel Services	860 216	(15,379)	1	844 837	707 549	137 288
Building inspection Other Services	32 050	104 498	2	136 548	131 748	4 800
Sealer of weights and measures	7 600			7 600	7 600	
Total Public Safety	17,784 187	(32,700)		17 751,487	17 150 753	600 734

1 Change in employer health plan resulted in lower health costs originally budgeted in contingency
2 Outside services used to support vacancies

(Continued)

CITY OF FRANKLIN WISCONSIN
General Fund
Schedule of Expenditures and Transfers Out Budget and Actual (on a Budgetary Basis)
For the Year Ended December 31 2019

	Original Budget	Change Inc (Dec)		Final Budget	Actual	Variance with final budget Excess (Deficiency)
CURRENT						
Public Works						
Engineering Personnel Services	612 306	(609)		611 697	540 914	70 783
Engineering Other Services	30 860	650 000	2	680 860	675 297	5 563
Highway Personnel Services	1 736 098	(77 608)	3	1 658 490	1 648 581	9 909
Highway Other Services	833 318			833 318	805 896	27 422
Street lighting	349 500			349 500	344 092	5 408
Weed control	9 050			9 050	5 898	3 152
Total Public Works	3 571 132	571 783		4 142 915	4 020 678	122 237
Health and Human Services						
Public health Personnel Services	634 447	(9 935)		624 512	528 981	95 531
Public health Other Services	73 250			73 250	75 056	(1 806)
Animal control	43 100			43 100	42 723	377
Total Health and Human Services	750 797	(9 935)		740 862	646 760	94 102
Culture and Recreation						
Senior activities and travel program	22 000	1 450		23 450	23 411	39
Parks Personnel Services	112 477	42 091	3	154 568	153 110	1.458
Parks Other Services	48 225			48 225	46 839	1 386
Total Culture and Recreation	182,702	43,541		226 243	223 360	2 883
Conservation and Development						
Planning Personnel Services	375 395	(22 199)		353 196	332 122	21 074
Planning Other Services	74 450	87 100		161 550	113 214	48 336
Economic development Personnel Services	103 431	20 612		124 043	123 622	421
Economic development Other Services	87 500	(12 000)		75 500	51 730	23 770
Total Conservation and Development	640,776	73,513		714.289	620 688	93,601
Total Expenditures	27 824.442	439 218		28 263 660	25 588.311	2 675 349
Transfers to Other Funds	274,000	8,100		282 100	52 100	230,000
Total Expenditures and Transfers Out	$ 28 098.442	$ 447 318		$ 28 545.760	$ 25 640,411	$ 2 905,349

1 Outside services to support vacancies

2 Recorded Engineering Services gross rather than net is n prior years.

3 Highway & Parks share personnel sh fted budget to a ign actual usage

Schedule 5

CITY OF FRANKLIN WISCONSIN
Debt Service Fund
Schedule of Revenue Expenditures and Changes in Fund Balances Budget and Actual
For the Year Ended December 31 2019

	Original & Final Budget	Actual	Variance with final budget Excess (Deficiency)
REVENUE			
Taxes	$ 1 300 000	$ 1 300 000	$
Special assessments		28 524	28 524
Investment earnings		35,588	35 588
Total revenue	1,300,000	1,364,112	64 112
EXPENDITURES			
Debt service			
Principal	1 405 000	1 405 000	
Interest	135 188	135,338	(150)
Total expenditures	1 540 188	1 540 338	(150)
Excess (deficiency) of revenue over expenditures	(240 188)	(176,226)	63 962
OTHER FINANCING SOURCES (USES)			
Transfers in	240 188	323 419	83 231
Transfers out		(92 000)	(92 000)
Premium (discount) on debt issued		80 648	80 648
Total other financing sources (uses)	240 188	312 067	71 879
Net change in fund balances	$	135 841	$ 135,841
Fund balances beg nning		982 719	
Fund balances ending		$ 1,118 560	

CITY OF FRANKLIN WISCONSIN
Special Revenue Funds
Schedule of Revenue, and Expenditures and Changes in Fund Balances
Budget and Actual (on a Budgetary Basis)
For the Year Ended December 31 2019

	Library Operating Fund					Library Auxiliary Fund		
	Original Budget	Change Inc (Dec)	Final Budget	Actual	Variance with Final Budget Excess (Deficiency)	Original & Final Budget	Actual	Variance with Final Budget Excess (Deficiency)
REVENUE								
Taxes	$ 1 312 700	$	$ 1 312 700	$ 1 312 700	$	$	$	$
Intergovernmental revenue	68 000		68 000	49 181	(18 819)			
Charges for Services						9 400	11 909	2 509
Investment earnings	8 500		8 500	27 174	18 674	100	777	677
Miscellaneous revenue						60,500	58,350	(2,150)
Total revenue	1 389,200		1,389,200	1,389,055	(145)	70,000	71,036	1,036
EXPENDITURES								
Current:								
Culture and recreation	1 291 096	14 340	1 305 436	1 226 137	79 299	47 520	50 785	(3 265)
Capital outlay	91,020		91,020	91,020		22,400	13 427	8 973
Total expenditures	1 382,116	14,340	1,396,456	1,317,157	79,299	69 920	64,212	5,708
Excess (def'ciency) of revenue over (under) expenditures	7 084	(14,340)	(7,256)	71,898	79,154	80	6,824	6,744
OTHER FINANCING SOURCES (USES)								
Transfers in		8 100	8 100	8,100				
Net change in fund balances budgetary basis	$ 7 084	$ (6 240)	$ 844	79 998	$ 79 154	$ 80	6,824	$ 6 744
Adjustments to generally accepted accounting principles basis 2018 encumbrances				(6,240)				
Net change in fund ba ances genera ly accepted accounting principles basis				73 758			6 824	
Fund balances beginn ng				489 669			140,621	
Fund balances ending				$ 563 427			$ 147 445	

(Continued)

CITY OF FRANKLIN WISCONSIN
Special Revenue Funds
Schedule of Revenue, and Expenditures and Changes in Fund Balances
Budget and Actual (on a Budgetary Basis)
For the Year Ended December 31 2019

	Solid Waste Fund					St Martin's Fair Fund				
	Original Budget	Change Inc (Dec)	Final Budget	Actual	Variance with Final Budget Excess (Deficiency)	Original Budget	Change Inc (Dec)	Final Budget	Actual	Variance with Final Budget Excess (Deficiency)
REVENUE										
ntergovernmental revenue	$ 69 000	$	$ 69 000	$ 68,858	$ (142)	$	$	$	$	$
Public charges for services	1 582 200		1 582 200	1 584 034	1 834					
Licenses and permits						26 200		26,200	20 371	(5 829)
Investment earnings	9 500	10 000	19 500	29 382	9 882					
M scellaneous revenue				2 301	2,301	500		500		(500)
Total revenue	1 660,700	10,000	1,670,700	1,684,575	13,875	26,700		26,700	20,371	(6,329)
EXPENDITURES										
Current:										
Public works	1 649 501	10,000	1 659 501	1 660 197	(696)					
Culture and recreation						50,756	2,000	52,756	53,339	(583)
Tota expenditures	1,649,501	10 000	1,659,501	1,660,197	(696)	50,756	2,000	52,756	53,339	(583)
Excess (Deficiency) of Revenue Over (Under) Expenditures	11,199		11 199	24,378	13,179	(24 056)	(2 000)	(26,056)	(32 968)	(6,912)
OTHER FINANCING SOURCES (USES)										
Transfers in						11,000	20 000	31,000	31,000	
Net change in fund balances	$ 11 199	$	$ 11 199	24 378	$ 13 179	$ (13 056)	$ 18 000	$ 4,944	(1 968)	$ (6 912)
Fund balances (deficit) beg nning				430,747					5,604	
Fund balances ending				$ 455 125					$ 3 636	

(Continued)

CITY OF FRANKLIN WISCONSIN
Special Revenue Funds
Schedule of Revenue, and Expenditures and Changes in Fund Balances
Budget and Actual (on a Budgetary Basis)
For the Year Ended December 31 2019

	Donations Fund					Civic Celebrations Fund				
	Original Budget	Change Inc (Dec)	Final Budget	Actual	Variance with Final Budget Excess (Deficiency)	Original Budget	Change Inc (Dec)	Final Budget	Actual	Variance with Final Budget Excess (Deficiency)
REVENUE										
Licenses and permits	$	$	$	$	$	$	$	$	$ 300	$ 300
Charges for services						85 000		85 000	93 598	8 598
Miscellaneous revenue	21 000	12,000	33,000	42,368	9,368	21,000		21,000	38,997	17,997
Total revenue	21,000	12,000	33,000	42,368	9,368	106,000		106,000	132,895	26,895
EXPENDITURES										
C rrent:										
Pulbic Safety	53 400		53,400	18 132	35,268					
Culture and recreation						103 691	35 750	139 441	138 718	723
Capital outlay	35,000	16,000	51 000	13,500	37,500					
Total expenditures	88,400	16,000	104,400	31,632	72,768	103,691	35,750	139 441	138,718	723
Excess (deficiency) of revenue over (under) expenditures	(67,400)	(4,000)	(71,400)	10,736	82,136	2,309	(35,750)	(33,441)	(5,823)	27 618
OTHER FINANCING SOURCES (USES)										
Transfers n						13 000		13 000	3 000	
Net change n fund balances	$ (67 400)	$ (4 000)	$ (71 400)	10 736	$ 82 136	$ 15,309	$ (35,750)	$ (20,441)	7 177	$ 27,618
Fund balances beginn ng				150,606					70,139	
Fund balances ending				$ 161 342					$ 77 316	

(Continued)

CITY OF FRANKLIN WISCONSIN
Special Revenue Funds
Schedule of Revenue, and Expenditures and Changes in Fund Balances
Budget and Actual (on a Budgetary Basis)
For the Year Ended December 31 2019

	Grant Fund					Tourism Commission				
	Original Budget	Change Inc (Dec)	Final Budget	Actual	Variance with Final Budget Excess (Deficiency)	Original Budget	Change Inc (Dec)	Final Budget	Actual	Variance with Final Budget Excess (Deficiency)
REVENUE										
Taxes	$	$	$	$	$	$ 226,000	$	$ 226,000	$ 175 721	$ (50 279)
Intergovernmental revenue	228 450	10 500	238,950	230 363	(8,587)					
Investment earnings									6 755	6 755
Miscellaneous revenue	5,000		5,000	18,156	13,156					
Total revenue	233,450	10,500	243,950	248,519	4,569	226,000		226,000	182 476	(43,524)
EXPENDITURES										
Current										
Public safety	6 000		6 000	6 299	(299)					
Health and human services	311 186	(18 500)	292 686	210 595	82 091					
Conservation and development						167 500	36 937	204,437	53 028	151 409
Capital outlay		30,500	30,500	25,574	4,926		10 056	10,056		10,056
Tota expenditures	317,186	12,000	329,186	242,468	86,718	167,500	46,993	214,493	53,028	161,465
Excess (Deficiency) of Revenue Over (Under) Expenditures	(83,736)	(1,500)	(85,236)	6,051	91,287	58,500	(46,993)	11,507	129,448	117,941
OTHER FINANCING SOURCES (USES)										
Transfers n		1 500	1 500			1 500	(1 500)			(1 500)
Net change in fund ba ances budgetary basis	$ (83 736)	$	$ (83 736)	6 051	$ 91 287	$ 60,000	$ (48,493)	$ 11,507	129 448	$ 116 441
Adjustments to generally accepted accounting principles basis										
2018 encumbrances									(36 937)	
2019 encumbrances									1 371	
Net change in fund balances generally accepted accounting pr nciples basis				6 051					93 882	
Fund balances beg nning				192,510					376,069	
Fund balances ending				$ 98 561					$ 469 951	

1 Encumbrance from prior year

CITY OF FRANKLIN, WISCONSIN
Capital Projects Funds
Schedule of Revenue, and Expenditures and Changes in Fund Balances
Budget and Actual (on a Budgetary Basis)
For the Year Ended December 31 2019

	Capital Outlay Fund					Equipment Replacement Fund				
	Original Budget	Change Inc (Dec)	Final Budget	Actual	Variance with final budget Excess (Deficiency)	Original Budget	Change Inc (Dec)	Final Budget	Actual	Variance with final budget Excess (Deficiency)
REVENUE										
Taxes	$ 452 800	$	$ 452 800	$ 452 800	$	$ 175 000	$	$ 175 000	$ 175 000	$
Intergovernmental revenue	5,000		5 000	3 998	(1 002)					
Public charges for services Landfill siting	317 000		317 000	317 730	730	376 700		376 700	500 000	123 300
nvestment earnings (oss)	6,000		6 000	17 956	11 956	29 000		29 000	91 827	62 827
Misce aneous revenue									728	728
Tota revenue	780,800		780 800	792,484	11,684	580,700		580,700	767,555	186,855
EXPENDITURES										
Capital outlay	1,077,945	174,044	1,251,989	742,760	509,229	1,196,670	20,431	1,217,101	1,074,882	142,219
Total expenditures	1,077,945	174,044	1,251,989	742,760	509,229	1,196,670	20,431	1,217,101	1,074,882	142,219
Excess (deficiency) of revenue over expenditures	(297 145)	(174 044)	(471 189)	49 724	520 913	(615 970)	(20 431)	(636 401)	(307 327)	(329 074)
OTHER FINANCING SOURCES (USES)										
Sale of capita assets	25,000		25 000	31 327	6 327	30 000		30 000	3 151	(26 849)
Transfers in	250 000		250 000		(250 000)					
Tota other financing sources (uses)	275 000		275,000	31 327	(243 673)	30 000		30 000	3 151	(26 849)
Net change in fund balances budgetary basis	$ (22,145)	$ (174 044)	$ (196 189)	81 051	$ 277 240	$ (585 970)	$ (20 431)	$ (606,401)	(304 176)	$ (355,923)
Adjustments to genera ly accepted accounting principles basis										
2018 encumbrances				(98 006)					(20 431)	
2019 encumbrances				83 623					206 974	
Net change n fund ba ances general y accepted accounting principles basis				66 668					(117 633)	
Fund balances beginning				425 043					2,645,695	
Fund balances ending				$ 491 711					$ 2 528 062	

1 Encumbrances & Carryovers of 2018 Budget

(Continued)

CITY OF FRANKLIN, WISCONSIN
Capital Projects Funds
Schedule of Revenue, and Expenditures and Changes in Fund Balances
Budget and Actual (on a Budgetary Basis)
For the Year Ended December 31 2019

	Capital Improvement Fund					Street Improvement Fund				
	Original Budget	Change Inc (Dec)	Final Budget	Actual	Variance with final budget Excess (Deficiency)	Original Budget	Change Inc (Dec)	Final Budget	Actual	Variance with final budget Excess (Deficiency)
REVENUE										
Taxes	$	$	$	$	$	$ 18 200	$	$ 18 200	$ 18 200	$
Intergovernmental revenue	1 150 000		1 150 000		(1 150 000)	700 000		700 000	700 000	
Public charges for services Landfill siting	560 000		560 000	1 229 622	669 622	133 000		133 000	343 270	210 270
Investment earnings (loss)	20 000		20 000	87 052	67 052	4 000		4 000	14 136	10 136
Miscellaneous revenue				65	65					
Total revenue	1 730 000		1 730,000	1,316,739	(413 261)	855,200		855,200	1,075,606	220 406
EXPENDITURES										
Capital outlay	7 973 109	844 509	8 817 618	6 342 002	2,475 616	975 000	130 000 2	1 105 000	1 072,490	32 510
Debt ssuance costs	75 000		75,000	49 924	25,076					
Total expenditures	8 048 109	844 509	8,892 618	6 391 926	2 500 692	975 000	130 000	1 105 000	1 072,490	32 510
Excess (deficiency) of revenue over expenditures	(6,318,109)	(844,509)	(7,162,618)	(5,075,187)	2 087,431	(119 800)	(130 000)	(249,800)	3 116	252,916
OTHER FINANCING SOURCES (USES)										
Transfers in	1 384 511		1 384 511	304 631	(1 079,880)					
General obligation debt ssued	2 100 000	650 000 1	2 750 000	2 285 000	(465 000)					
Premium (Discount) on debt issued				12,598	12,598					
Total other financing sources (uses)	3,484,511	650 000	4,134 511	2,602,229	(1 532,282)					
Net change in fund balances budgetary basis	$ (2 833 598)	$ (194 509)	$ (3,028 107)	(2,472 958)	$ 555 149	$ (119 800)	$ (130 000)	$ (249 800)	3 116	$ 252 916
Adjustments to generally accepted accounting principles basis										
2018 encumbrances				(194 509)						
2019 encumbrances				1,356,570					103 703	
Net change in fund balances generally accepted accounting principles basis				(1 310 897)					106 819	
Fund balances beginning				3,323,373					399,388	
Fund balances ending				$2 012 476					$ 506 207	

1 Cost overruns on the 51st & Drexel roundabout funded with debt

2 Street work on the Rawson Homes project

(continued)

CITY OF FRANKLIN WISCONSIN
Capital Projects Funds
Schedule of Revenue, and Expenditures and Changes in Fund Balances
Budget and Actual (on a Budgetary Basis)
For the Year Ended December 31 2019

	Development Fund			Utility Improvement Fund		
	Original & Final Budget	Actual	Variance with final budget Excess (Deficiency)	Original & Final Budget	Actual	Variance with final budget Excess (Deficiency)
REVENUE						
Specia assessments	$ 1 092 500	$ 3 048 725	$ 1 956 225	$ 94 600	$ 425 757	$ 331 157
Investment earnings	60,000	187 289	127,289	27,900	56,502	28,602
Total revenue	1,152,500	3,236 014	2,083,514	122,500	482,259	359,759
EXPENDITURES						
Genera government	35 253		35 253			
Capital outlay	1,000,000	368,415	631,585			
Total expenditures	1,035,253	368,415	666,838			
Excess of revenue over expenditures	7 247	2 867 599	2 750 352	122 500	482 259	359 759
OTHER FINANCING SOURCES (USES)						
Transfers out	(838,961)	(536,050)	302 911	(1,000,000)		1,000,000
Tota other financing sources (uses)	(838,961)	(536,050)	302,911	(1,000 000)		1 000,000
Net change n fund balances budgetary basis	$ (721 714)	2 331 549	$ 3 053 263	$ (877 500)	482 259	$ 1,359 759
Adjustments to generally accepted accounting principles basis						
2018 encumbrances		(15,252)				
2019 encumbrances		376 966				
Net change n fund balances genera ly accepted accounting principles basis		2 693,263			482 259	
Fund balances beginning		6,140 196			1,712,538	
Fund balances ending		$ 8 833 459			$ 2 194 797	

Schedule 9

CITY OF FRANKLIN WISCONSIN
TIF Districts Fund
Combining Balance Sheet
As of December 31 2019

	Northwestern Mutual District #3	Ascension Hospital District #4	Ballpark Commons District #5	Loomis & Ryan District #6	Velo Village District #7	Total
ASSETS						
Cash and nvestments	$ 757 094	$ 4 187 883	$ 5 192 726	$ 6 521 700	$ 5 648 952	$ 22 308 355
Taxes receivable	1 401 748	1 138 802	721 361			3 261 911
Total assets	$ 2 158 842	$ 5 326 685	$ 5,914,087	$ 6,521 700	$ 5 648,952	$ 25 570,266
LIABILITIES AND FUND BALANCES						
LIABILITIES						
Accounts payable	$ 49	$ 119,943	$ 738 013	$ 1 066,850	$ 805,944	$ 2 730 799
Accrued l abi ities	865,135					865 135
Advances from Other Funds				13,000	1 500,000	1 513 000
Total liabilities	865,184	119 943	738 013	1 079 850	2 305 944	5 108 934
DEFERRED INFLOWS OF RESOURCES						
Unearned revenue	1 401 748	1 138,802	721 361			3,261 911
FUND BALANCES (DEFICIT)						
Restricted		4 067 940	4 454 713	5 441 850	3 343,008	17 307 511
Unassigned (deficit)	(108 090)					(108 090)
Total fund balances (deficit)	(108,090)	4 067,940	4 454,713	5,441,850	3 343,008	17,199,421
Total liabilities deferred inflows and fund balances	$ 2 158 842	$ 5 326,685	$ 5,914 087	$ 6 521 700	$ 5,648 952	$ 25,570 266

CITY OF FRANKLIN WISCONSIN
TIF Districts Fund
Combining Schedule of TIF Districts Revenue, Expenditures and Changes in Fund Balances
For the Year Ended December 31 2019

	Northwestern Mutual District #3	Ascension Hospital District #4	Ballpark Commons District #5	Loomis & Ryan District #6	Velo Village District #7	Total
REVENUE						
Taxes	$ 1 114.683	$ 1 132 983	$ 30 951	$	$	$ 2 278 617
Intergovernmental revenue	482.476	21 414	123			504 013
Investment earnings (loss)	95 601	118 138	104 510	120 883	5 438	444 570
Miscellaneous revenue					42,500	42,500
Total revenue	1 692 760	1 272 535	135 584	120 883	47 938	3 269 700
EXPENDITURES						
Current						
General government	100 146	16 714	87 243	12 770	49 356	266 229
Public works		28 589	23 910			52 499
Conservation and development	5 291 991	9 000	5 929 866		309 755	11 540 612
Capital outlay		241 751	5 296 810	1 065 175	1 381 899	7 985 635
Debt service						
Principal			10 000 000			10 000 000
Interest and fiscal charges	47 921		735 085	116 963		899 969
Debt issuance costs	38,682		221 471	109 100	53 920	423,173
Total expenditures	5,478 740	296 054	22 294 385	1 304 008	1,794 930	31 168 117
Excess (deficiency) of revenue over expenditures	(3 785 980)	976 481	(22 158 801)	(1 183 125)	(1 746 992)	(27 898 417)
OTHER FINANCING SOURCES (USES)						
General obligation debt issued	3 005 000		3 225 000	6 365 000	5 090 000	17 685 000
Refunding debt issued			14 725 000			14 725 000
Premium (Discount) on debt issued	19 367		(22 001)	273 319		270 685
Total other financing sources (uses)	3 024 367		17 927,999	6 638 319	5 090 000	32 680 685
Net change in fund balances	(761 613)	976 481	(4 230 802)	5 455 194	3 343 008	4 782 268
Fund balances (deficit) beginning	653 523	3 091 459	8 685 515	(13 344)		12,417 153
Fund balances (deficit) ending	$ (108 090)	$ 4 067 940	$ 4,454 713	$ 5 441 850	$ 3 343 008	$ 17 199,421

CITY OF FRANKLIN WISCONSIN
TIF Districts
Schedule of Revenue, Expenditures and Changes n Fund Balances
Budget and Actual (on a Budgetary Basis)
For the Year Ended December 31 2019

	District 3 Northwestern Mutual					District 4 Ascension Hospital				
	Original Budget	Change Inc (Dec)	Final Budget	Actual	Variance with final budget Excess (Deficiency)	Original Budget	Change Inc (Dec)	Final Budget	Actual	Variance with final budget Excess (Deficiency)
REVENUE										
Taxes	$ 1 180 900	$	$ 1 80,900	$ 1 1 4 683	$ (66,217)	$ 1 156,400	$	$ 1 56,400	$ 32 983	$ (23,417)
nterqovernmental revenue	479,831		479,831	482,476	2 645	19 700		19 700	21,414	1 714
nvestment earnings (loss)	25 000		25 000	95,60	70,60	20,000		20,000	118 138	98,138
Total revenue	1,685,731		,685,73	,692,760	7,029	1,196,100		1,196,100	1,272,535	76,435
EXPENDITURES										
General government	3 350	100,000	213,350	100 146	113 204	39 850	25,000	64,850	16,714	48 136
Public works							107 224	107,224	23,040	84 184
Conservation and development	4,589 265	833 335	5,422,600	5 29 99	130 609				9,000	(9 000)
Capital outlay		984 323	984,323		984 323		8 714,802	8 7 4,802	83,556	8 531 246
Debt Service										
nterest	61 500		61 500	47 92	13,579					
Debt ssuance costs	50,000		50,000	38,682	11,318					
Tota expend tures	4,814,1 5	,9 7 658	6,731 773	5,478 740	1,253,033	39,850	8,847,026	8,886,876	232,310	8,654,566
Excess (deficiency) of revenue over expenditures	(3 28 384)	(1 917 658)	(5,046,042)	(3 785 980	1,260 062	156,250	(8,847,026	(7 690 776)	040,225	8 731 001
OTHER FINANCING SOURCES (USES)										
General obligation debt issued	3 500,000		3,500 000	3,005 000	(495 000)	5 000,000		5,000,000		(5,000,000)
Premium (Discount) on debt ssued				19,367	(19,367)					
Total other financing sources (uses)	3 500,000		3,500,000	3,024,367	(514,367)	5,000,000		5,000,000		(5,000,000)
Net change n fund balances budgetary basis	$ 371,6 6	$ (1,917,658)	$ (1,546,042)	(76 6 3)	$ 745,695	$ 6,156,250	$ (8,847,026)	$ (2,690,776)	040,225	$ 3,731,001
Adjustments to generally accepted accounting principles basis										
2018 encumbrances									(847,025)	
2019 encumbrances									783,281	
Net change in fund ba ances generally accepled account ng pr nciples basis				(76 6 3					976,481	
Fund balances (deficit) beginning				653,523					3,091 459	
Fund balances (deficit) ending				$ 108,090)					$ 4 067 940	

1 Fund Development of Business Park delayed from prior year

(Continued)

CITY OF FRANKLIN WISCONSIN
TIF Districts
Schedule of Revenue Expenditures and Changes in Fund Balances
Budget and Actual (on a Budgetary Basis)
For the Year Ended December 31 2019

	District 5 Ballpark Commons					District 6 Loomis & Ryan Roads				
	Original Budget	Change Inc (Dec)	Final Budget	Actual	Variance with final budget Excess (Deficiency)	Original Budget	Change Inc (Dec)	Final Budget	Actual	Variance with final budget Excess (Deficiency)
REVENUE										
Taxes	$ 31 500	$	$ 31 500	$ 30 951	$ (549)	$	$	$	$	$
Intergovernmenta revenue	400		400	123	(277)					
Investment earn ngs (loss)	25,000		25,000	104 510	79 510		132 300	132 300	20 883	(11 417)
Total revenue	56,900		56,900	135,584	78,684		132,300	132,300	120,883	(1 ,417)
EXPENDITURES										
General government	30 700	114 279	144 979	94 752	50 227		4,100	4 100	2 770	(8,670)
Public works				23,910	(23 910)		29 800	29 800		29 800
Conservation and development	4 000 000		4 000 000	5,910 216	(1 910 216)		1 156	1 156	1 156	
Capital outlay		7 200 000	7 200 000	5,296 810	1 903 190		9,000 000	9 000 000	1 065 175	7 934 825
Debt Service										
Principal	10 000 000	4 000 000 3	14,000 000	10 000,000	4 000 000					
nterest	775 810		775 810	735 085	40 725		116 563	116 563	116 963	(400)
Debt issuance costs	100,000	150 000	250,000	221,471	28,529		78,464	78,464	109,100	(30,636)
Total expenditures	14,906,510	11,464,279	26,370,789	22,282,244	4,088,545		9,230,083	9,230,083	1,305,164	7,924,919
Excess (deficiency) of revenue ove expenditures	(4 849 6 0)	(11,464 279)	(26,313 889)	(22 146 660)	4 167,229		(9 097 783)	(9 097 783)	(1 184 281)	7 913 502
OTHER FINANCING SOURCES (USES)										
Genera obligation debt issued	10 000 000	7 350 000 .3	17 350,000	3 225 000	(14 125 000)		9 629 700	9 629 700	6 365 000	(3 264 700)
Refund ng debt ssued				14 725 000	14 725 000					
Premium (D scount) on debt issued				(22,001)	(22,001)		207,684	207,684	273,319	65,635
Total other financing sources (use	10 000,000	7 350,000	17,350,000	17,927,999	577 999		9,837,384	9,837,384	6,638,319	(3,199,065)
Net change in fund balances budgetary basis	$ (4,849,610)	$ (4,114,279)	$ (8,963,889)	(4 218 661)	$ 4,745,228	$	$ 739,601	$ 739,601	5 454 038	$ 4,714,437
Adjustments to generally accepted accounting pr nciples basis										
2018 encumbrances				(44 279)						
2019 encumbrances				32 138					1 156	
Net change n fund balances genera ly accepted accounting principles basis				(4 230 802)					5 455 194	
Fund balances (deficit) beginn ng				8,685 515					(13,344)	
Fund balances ending				$ 4 454 713					$ 5,441,850	

2 Amendment after Developers Agreement Amendment completded
3 Decsion to Refund portion of 2018 Note Anticipation Note

1 Budget amended as result of Developer's Agreement completed

(Continued)

CITY OF FRANKLIN, WISCONSIN
TIF Districts
Schedule of Revenue, Expenditures and Changes in Fund Balances
Budget and Actual (on a Budgetary Basis)
For the Year Ended December 31 2019

	District 7 Velo Village				
	Original Budget	Change Inc (Dec)	Final Budget	Actual	Variance with final budget Excess (Deficiency)
REVENUE					
Investment earn ngs (loss)	$	$	$	$ 5 438	$ 5 438
Miscellaneous revenue		22,500	22,500	42,500	20,000
Total revenue		22,500	22,500	47,938	25,438
EXPENDITURES					
General government		32,800	32 800	49 356	(16 556)
Public works		2,400	2 400		2 400
Conservation and development				318,855	(318 855)
Capital outlay		2 750 000	2 750 000	381 899	1 368 101
Debt Service					
Interest		3 208	3 208		3 208
Debt ssuance costs		150,000	150,000	53,920	96 080
Total expenditures		2,938,408	2,938 408	1,804,030	1,134,378
Excess (deficiency) of revenue over expenditures		(2 915 908)	(2 915 908)	(1 756 092)	159 816
OTHER FINANCING SOURCES (USES)					
General obligation debt issued		240,000	240,000	5,090,000	4,850,000
Tota other financing sources (use:		240,000	240,000	5,090,000	4,850,000
Net change in fund balances budgetary basis	$	$ (2,675,908)	$ (2,675,908)	3 333 908	$ 6,009,816
Adj istments to generally accepted accounting principles basis					
2018 encumbrances					
2019 encumbrances				9 100	
Net change n fund balances generally accepted accounting principles basis				3 343 008	
Fund balances (deficit) beginning					
Fund balances ending				$ 3 343 008	

Schedule 12

CITY OF FRANKLIN, WISCONSIN
Capital Assets Used in the Operation of Governmental Funds
Schedule by Source
As of December 31, 2019

	2019
Governmental funds capital assets	
Land	$ 25 450 016
Buildings and improvements	28 404 573
Machinery and equipment	20 023 758
Infrastructure improvements	119 046 303
Construction in process	1,986,204
Total governmental funds capital assets	$ 194,910 854
Investment in governmental capital assets by source	
General Fund	$ 545 407
Special Revenue Funds	3 448 825
Capital Projects Funds	113 582 109
Donations	77 334,513
Total governmental funds capital assets	$ 194,910 854

Schedule 12.1

CITY OF FRANKLIN WISCONSIN
Capital Assets Used in the Operation of Governmental Funds
Schedule by Function and Activity
For the Year Ended December 31 2019

Function and Activity	Land	Buildings and Improvements	Machinery and Equipment	Infrastructure Improvements	Construction In process	Total
General Government						
Mayor	$	$	$ 2 202	$	$	$ 2 202
Aldermen			9 584			9 584
Municipal court			35 210			35,210
City clerk			21 416			21 416
Elections			24,610			24 610
Information services			851 356			851 356
Administration			261 310			261 310
Human resources			9 617			9 617
Finance			189 179			189 179
Assessor			46 080			46,080
Attorney			906			906
Municipal buildings	597 437	4 643,143	457 302			5 697 882
Total General Government	597 437	4 643 143	1,908 772			7 149,352
Public Safety						
Police	1 201 829	8 446 443	2 641 340			12 289 612
Fire	63 248	4 351 456	4 673 844			9 088 548
Building inspection			278 406			278 406
Total Public Safety	1 265 077	12 797 899	7,593 590			21 656 566
Public Works						
Engineering			359 023			359 023
Highway	357 407	3 173 572	6 283 535			9 814 514
Street Lighting			1 097			1 097
Infrastructure	19 197 841			119 046 303		138 244 144
Construction in process					1 986 204	1 986,204
Total Public Works	19 555,248	3 173 572	6 643 655	119 046 303	1 986 204	150 404,982
Health & Human Services						
Health			141 889			141 889
Culture and Recreation						
Library		4 969 004	2 891 723			7 860 727
Parks	4 032 254	2 820 955	795,944			7,649 153
Total Culture and Recreation	4,032 254	7 789,959	3 687 667			15,509 880
Conservation and Development.						
Planning			48 185			48,185
Total Conservation and Development			48 185			48,185
Total governmental funds capital assets	$ 25 450 016	$ 28 404 573	$ 20 023,758	$ 119 046 303	$ 1 986,204	$ 194 910 854

Schedule 12 2

CITY OF FRANKLIN WISCONSIN
Capital Assets Used in the Operation of Governmental Funds
Schedule of Changes by Function and Activity
For the Year Ended December 31 2019

Function and Activity	Governmental Funds Capital Assets 12/31/18	Additions	Deletions	12/31/19
General Government.				
Mayor	$ 2 202	$	$	$ 2 202
Aldermen	9 584			9 584
Municipal court	35,210			35 210
City clerk	21 416			21 416
Elections	24 610			24 610
Information services	793 615	57 741		851 356
Administration	261 310			261 310
Human resources	9 617			9 617
Finance	189 179			189 179
Assessor	46 080			46 080
Attorney	906			906
Municipal buildings	4 490,222	1,755,363	547,703	5,697,882
Total General Government	5 883,951	1,813 104	547,703	7,149,352
Public Safety				
Police	12 262 153	68 878	41 419	12 289 612
Fire	8 235 304	866 783	13 539	9 088 548
Building inspection	278,406			278,406
Total Public Safety	20,775,863	935,661	54 958	21,656,566
Public Works				
Engineering	334 980	24 043		359 023
Highway	9 817 770	45 431	48 687	9 814 514
Street lighting	1 097			1 097
Infrastructure	124 205 807	14 161 627	123 290	138 244 144
Construction in process	6,611,711		4 625,507	1,986,204
Total Public Works	140 971,365	14,231,101	4 797,484	150,404,982
Health & Human Services				
Health	131,833	10,056		141,889
Culture and Recreation				
Library	7 755 804	104 923		7 860 727
Parks	7,631,396	17,757		7,649,153
Total Culture and Recreation	15,387 200	122,680		15,509,880
Conservation and Development.				
Planning	48,185			48,185
Total Conservation and Development	48,185			48,185
Total governmental funds capital assets	$ 183,198,397	$ 17,112,602	$ 5,400,145	$ 194,910 854

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STATISTICAL SECTION

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Statistical Section

This part of the City of Franklin s Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the basic financial statements note disclosures and required supplementary information says about the City s overall financial health

Financial Trends **Table 1**

These tables contain trend information to help the reader understand how the City s financial performance and well-being have changed over time

Revenue Capacity **Table 5**

These tables contain trend information to help the reader assess the City s most significant local revenue source the property tax

Debt Capacity **Table 11**

These tables present information to help the reader assess the affordability of the City s current level of outstanding debt and the City s ability to issue additional debt in the future

Demographic and Economic Information **Table 14**

These tables offer demographic and economic indicators to help the reader understand the environment within which the City s financial activities take place

Operating Information **Table 17**

These tables contain service and infrastructure data to help the reader understand how the information in the City s financial report relates to the services the City provides and the activities it performs

Sources Unless otherwise noted the information in these tables is derived from the Comprehensive Annual Financial Report for the relevant year The City implemented GASB Statement 34 in 2003 schedules presenting government wide information include information beginning in that year

Table 1

CITY OF FRANKLIN WISCONSIN

Net Position by Component
Last Ten Years
(accrual basis of accounting)

	2019	2018	2017	2016	2015	2014	2013	Fiscal Yea 2012 (2)	2011	2010
Governmental activities										
Net Investment n capita assets	$ 123 769 857	$ 113 400 761	$ 115 417 617	$ 110 638 152	$ 107 184 603	$ 106 031 877	$ 104 721 982	$ 104 097 426	$ 94 637 222	$ 88 776 271
Restricted										
Debt service	127 211	586,594	552 375	658 091	482 773	580 605	722 710	535,337	4,076 267	3 050 470
Uti ity mprovements	2 586 422	2 374,252	2 169 298	2 103 487	1 999 759	1 918,450	1 523,989	1 623,959	1 985 774	1 723 133
Development	9 066 099	6 140 196	4 166,500	4 058 562	3,851 653	4,170 339	5 052 168	4 614 731	3 895 040	3 620 826
Library	710 872	630 290	581 080	495 660	524 137	598 752	582 292	541 825	492 473	488 302
Donations and other	3 694 542	4 850 568	3,426 760	3,301 860	602 281	560 306	507 955	541 755	300 582	311 101
Pensions		2 607 342								
Unrestricted (deficit)	(11,675,211)	3,825,355	11,303,345	14,522,376	16,401,941	8,848,660	4,889,704	1,487,025	2,582,464	2,311,078
Tota governmenta activities net position	$ 128,279 792	$ 34,415,358	$ 137 616,975	$ 135,778 188	$ 131 047 147	$ 122,708,989	$ 118,000 800	$ 113,442,058	$ 107,969 822	$ 100,281,181
Business-type activities				1						
Net Investment in capital assets	$ 92 371 165	$ 85,170 183	$ 86 584,568	$ 88 115 672	$ 88,861 706	$ 88 567 257	$ 89 095,184	$ 89 398 082	$ 89 550 594	$ 90 202 124
Restricted										
Sewer equipment replacement	480 000		178 590	394 227	356 106	313 558	277 230	334 508	293 844	261 852
Long term receivable RCI	17 555 340	18 799 969	20 014 692	21 200 228						
Unrestricted	3,997,436	4,861,140	4,179,263	3,450,718	2,853,728	4,015,630	3,017,842	2,518,834	3 171,123	2,763,610
Tota business-type activities net position	$ 114,403 941	$ 108 831 292	$ 110 957 113	$ 113 160 845	$ 92 071 540	$ 92,896 445	$ 92,390 256	$ 92 251 424	$ 93 015 561	$ 93 227 586
Total	3	3)	(3	3						
Net Investment in capital assets	$ 212 636 622	$ 196 873 944	$ 201 846,895	$ 198 334 454	$ 196 046 309	$ 194 599 134	$ 193 817 166	$ 193,495,508	$ 184 187 816	$ 178 978,395
Restricted										
Debt service	127 211	586 594	552 375	658 091	482 773	580 605	722 710	535,337	4 076 267	3 050 470
Utility mprovements	2,586 422	2 374,252	2 169 298	2 103 487	1 999 759	1 918,450	1 523 989	1 623 959	1 985 774	1 723 133
Development	9 066 099	6 140 196	4 166 500	4 058 562	3,851 653	4,170 339	5 052 168	4 614 731	3 895 040	3,620 826
TIF D stricts	710 872	630 290	581 080	495 660	524 137	598 752	582 292	541 825	492 473	488 302
Donations and grants	3 694 542	4 850 568	3,426 760	3,301 860	602 281	560 306	507 955	541 755	300 582	311 101
Sewer replacement	480 000		178 590	394 227	356 106	313 558	277 230	334 508	293 844	261 852
Intergovernmental Cooperation	17 555 340	18 799 969	20 014 692	21 200 228						
Pensions		2 607 342								
Unrestricted	(4 173,375)	10,383,495	15,637,898	18,392,464	19,255,669	12,864,290	7,907,546	4,005,859	5,753,587	5,074,688
Total net position	$ 242 683,733	$ 243 246 650	$ 248,574,088	$ 248 939 033	$ 223 118 687	$ 215 605 434	$ 210,391 056	$ 205 693 482	$ 200,985 383	$ 193 508 767

Notes
(1) Ryan Creek Interceptor Sewer brought on Sewer Fund Balance Sheet n 2016
(2) 2012 and prior years have been reclassified to be consistent with the current yea presentation
(3) Amounts do not crossfoot related to Business-type assets financed by Government debt see footnotes revised amounts for TID balances

Table 2

CITY OF FRANKLIN, WISCONSIN

Changes in Net Position Last Ten Years
(accrual basis of accounting)

	2019	2018	2017 ****	2016	2015	2014	2013	2012	2011	2010
								Fiscal Yea		
Expenses										
Governmental activities										
General government	$ 3 979 782	$ 3,412 150	$ 3 310 893	$ 3,202 942	$ 2,990 355	$ 2 919 940	$ 2,915 267	$ 2 794 497	$ 2,749 207	$ 2 897,491
Public safety	18 695 104	18,429 274	18 839 063	18 398 830	16 959 091	16 194,631	16 484 847	17 228,769	16 622 386	16,003,898
Public works	5 952 372	9 042 112	7 478 288	8,432 828	8,304 583	7 231 238	6,550 808	6 182 036	6,596 316	6 208 391
Health and human services	849 373	906 003	889 434	794 502	726 000	673 332	698 088	730,499	649 656	698 944
Culture and recreation	2 331 957	2,073 116	2 202 090	1 872 691	1 969 297	1 865,832	1 838 700	1 870 573	1 890 350	1 919 689
Conservation and development	12 222 229	8 349 725	586,622	547 060	576,421	459 884	422 095	412 066	957 877	529 833
Interest on long term debt	1,416,597	574,065	165,254	313,301	405,022	582,211	802,562	1,272,721	1,553,257	1,920,023
Total governmental activities expenses	45,447,414	42,786,445	33,471,644	33,562,154	31,930,769	29,927,068	29,712,367	30,491 161	31,019,049	30,178,269
Business-type activities										
Water	5 393 192	5 514,057	5 429 943	5 632 322	5,766 088	5 077 744	5 051 835	5 064 149	4,251 187	4 076 409
Sewer	6,167,989	5,949,549	5,724,633	5,758,112	4,148,420	4,180,946	4,133,632	3,640,106	3,373,459	3,376,505
Total business-type activities expenses	11,561 181	11,463,606	11,154,576	11 390,434	9 914,508	9,258,690	9,185,467	8,704,255	7,624,646	7,452,914
Tota expenses	$ 57 008,595	$ 54 250 051	$ 44,626,220	$ 44 952 588	$ 41 845 277	$ 39,185 758	$ 38,897 834	$ 39 195,416	$ 38,643 695	$ 37 631 183
Program Revenue										
Governmental activities										
Charges for services.										
Genera government	$ 186 597	$ 195 685	$ 150 998	$ 138 723	$ 150 787	$ 213 328	$ 251 573	$ 163 947	$ 217 360	$ 270 412
Public safety	3 189,400	2 895 777	2 371 577	2 325 154	2,362 176	2 268 334	2,459 946	2 226 209	2,173,060	2 154 618
Public works	5 207 303	3,296 931	2 699 691	2 828 139	2 719 888	2,638 717	2 388,273	2 417 109	1 490 348	1 230,437
Health and human services	209 064	210 718	181 625	184 304	164 674	115,650	118 702	126 516	105 686	54 385
Cu ture and recreation	193,019	191 991	204 845	176 065	146 594	118 008	113 217	45 992	181 414	311 757
Conservation and development	150 570	160,257	152 247	122 264	152 588	51 917	63 366	73 530	78,667	64 168
Operating grants and contributions	1 991 081	1 932 199	1 829 490	1 882,406	1 809 520	1 901 262	1 838 950	2 144 164	2 136 106	1 921 805
Capital grants and contributions	4,158,787	2,655,553	3,143,577	3,677,886	1,144,757	1,437,524	1,659,859	1 240,439	1,334,285	2,570,564
Total governmental activities program revenue	15,285,821	11,539,111	10,734,050	11,334,941	8,650,984	8,744,740	8,893,886	8,437,906	7,716,926	8,578 146
Business-type activities										
Charges for services										
Water	5 822 259	5,961 350	6 057 085	6,054 573	5,609 928	5 421 719	5,403 994	5 361 646	4,539 066	4 395,269
Sewer	3 802 127	3 704 852	3 313 854	3 328 550	3,340 382	3,266,897	3 243 737	3 142 062	3 124,786	3,062,486
Capital grants and contributions	1,893,179			349,952	566,251	238,557				210,668
Total business-type activities program revenue	11,517,565	9,666,202	9,370,939	9,733,075	9,516,561	8,927,173	8,647,731	8,503,708	7,663,852	7,668,423
Total program revenue	$ 26 803,386	$ 21 205,313	$ 20 104,989	$ 21,068,016	$ 18 167 545	$ 17 671 913	$ 17,541 617	$ 16 941 614	$ 15 380,778	$ 16,246 569

Restated In 2012 the Solid Waste Fee began
Implemer ted GASB 68
ıplemented GASB 75

Table 2
(concluded)

CITY OF FRANKLIN, WISCONSIN
Changes n Net Position Last Ten Years
(accrua basis of accounting)

	Fiscal Year									
	2019	2018	2017 4	2016 3)	2015 (2	2014	2013	2012	2011	2010
Net (Expense)/Revenue										
Governmental activities	$ (30 161 593)	$ (31,247 332)	$ (22,737 594)	$ (22,227 213)	$ (23 279 785)	$ (21 182,328)	$ (20 818 481)	$ (22 053 255)	$ (23 302 123)	$ (21,600 123)
Business-type activities	(43,616)	(1,797,404)	(1,783,637)	(1,657,359)	(397,947)	(331,517)	(537,736)	(200,547)	39,206	215,509
Total net expense	$ (30 205,209)	$ (33,044,736)	$ (24,521,231)	$ (23,884,572)	$ (23 677,732)	$ (21,513,845)	$ (21,356,217)	$ (22,253,802)	$ (23,262,917)	$ (21,384,614)
General Revenue and other Changes In Net Position										
Governmental activities										
Property taxes levied for general purposes	$ 20 068,272	$ 19 850 774	$ 19 209 536	$ 19 057,468	$ 19 022 087	$ 18 905 872	$ 18 884 009	$ 18 695 907	$ 19 058,282	$ 18 523 570
Property taxes levied for debt service	1 300 000	1 300 000	1 300 000	1 500 000	1 600 000	1 600 000	1 650 000	1 750,000	1 900 000	1 900 000
Property taxes levied for TIF Districts	2,175 058	2 471 104	2,415 640	3 111 557	2 690 637	2,526 925	2 410 131	2 560 324	5 645 805	7,457 955
Other taxes	1 394,469	1 085 976	1 020 027	863 735	785,195	726,774	723 985	708 832	673 736	699 431
Intergovernmental revenue not restricted to specific programs	2,437 929	1 366 802	1 404 222	1 350,257	1 804 045	1 519 848	1 620 331	1 590 209	2,292 529	1 485 982
Investment earnings	1 575 432	847 916	406 902	315 376	411,650	695,541	87 278	784,932	973 349	907 723
Miscellaneous revenue	41 373	13 895	27 612	54,447	48 685	43 170	66 191	394 032	40 091	58,885
Ga n on sale of capital assets		97 856	99 668	106 934	13,106	16 988	2 024	32 129	58 871	64 070
Transfers	(4,966,506)	1,011,392	989,602	391,099	1 044,459	(144,601)	(66,726)	1,009,126	348,101	1,011,149
Tota governmenta activities	24,026,027	28,045,715	26 873,209	26,750,873	27,419,864	25,890,517	25,377,223	27,525,491	30,990 764	32 108,765
Business-type activities										
Investment earn ngs	554 542	548 047	529 004	437 909	593 128	642,227	569,444	318 669	32 320	41 393
Miscellaneous revenue	95 217	134 928	85 943	136 782	73 601	50 878	40 398	126,867	64 550	50 164
Transfers	4,966,506	(1,011,392)	(989,602)	(391,099)	(1,044,459)	144,601	66,726	(1,009,126)	(348,101)	(1,011,149)
Total business-type activities	5,616,265	(328,417)	(374,655)	183,592	(377,730)	837,706	676,568	(563,590)	(251,231)	(919,592)
Total General Revenue and other Changes n Net Position	$ 29 642 292	$ 27,717,298	$ 26,498,554	$ 26 934,465	$ 27 042,134	$ 26 728,223	$ 26,053 791	$ 26,961,901	$ 30 739 533	$ 31 189 173
Change in Net Position										
Governmenta activities	$ (6 135 566)	$ (3 201 617)	$ 4 135 615	$ 4,523 660	$ 4 140 079	$ 4,708,189	$ 4 558 742	$ 5,472 236	$ 7 688 641	$ 10 508 642
Governmental activities prior period adjustment			(2,296 828)		4,198 079					
Business-type activities	5,572 649	(2 125 821)	(2 158 292)	(473 767)	(775 677)	506 189	138 832	(764 137)	(212 025)	(704 083)
Business-type activities prior period adjustment			(45,440)	22,451,460	(49,228)					
Tota	$ (562 917)	$ (5 327 438)	$ (364 945)	$ 25,501 353	$ 7 513 253	$ 5,214 378	$ 4 697 574	$ 4,708 099	$ 7 476 616	$ 9,804 559

Restated in 20 2 ie Solid Waste Fee begai
lemer ted GASB 68
3 Restated for Ryan Creek nterceptor Sewer
4 Impler ter ted GASB 75

Table 3

CITY OF FRANKLIN WISCONSIN
Fund Balances Governmental Funds
Last Ten Years
(modified accrual basis of accounting)

	Fiscal Year									
	2019	2018	2017	2016	2015	2014	2013	2012 *	2011	2010
General Fund										
Nonspendable:										
Inventories and prepaid items	$ 19 490	$ 57,423	$ 15 848	$ 46 342	$ 41 186	$ 78 455	$ 45 866	$ 62 936	$ 55 820	$ 75 673
Advances to other funds	136 200	219 700	230 700	2 248 616	2 198 616	2 198 616	505 040			
Assigned Purchase Orders	132 393	271 970	150 565	61 626	147 121	207 270				
Unassigned	8,345 671	6,787,184	6,190,398	5 334 100	6,662 986	6,148 771	7,230 661	6,439 199	6,065,053	5,400 912
Tota general fund	8,633,754	7 336,277	6,587 511	7,690 684	9,049,909	8 633,112	7,781,567	6,502 135	6,120,873	5,476,585
All other governmental funds										
Nonspendable										
Prepaids			650	1,274	730	900	2 475	21 800	10 313	10 181
Restricted										
Debt service	1 118 560	982 719	735 022	651 298	507 283	546 238	6 801 945	7 423 733	7 876 755	8 393 278
Utility mprovements	2 194 797	1 712 538	1 413 378	1 224 190	907 003	672,431	443,438	543,408	640 787	356 798
Development	8 833 459	6 140 196	4 166 500	4 058 562	3 851 653	4 170 339	5 052 168	4 614 731	7,633,040	6,408,826
TIF Districts	17 307 511	12 430 497	2 405 999	2 583 687	996 460	347 978			552 904	1 804 838
Donations	161 342	150 606	150 136	177 333	133 678	122 550	102 326	105,238	299 982	311 101
Health serv ces	198 561	192 510	199,428	161 571	160 003	175 220	165 846	179,239		
Library serv ces	710 872	630 290	580 430	494 386	523 237	596,277	579 817	520 775	492 473	488 302
Solid waste	455 125	430 747	393 677	330 883	260 944	216 385	188 307	100 546		
Recreational services	80 952	75 743	65,727	48 386	47 656	46 151	51,476	52,244	72,857	179,224
Tourism Commission	469 951	376 069	211 793							
Assigned										
Capital projects	5 538 456	6 793,499	6 746 614	5 684 525	4 906 594	4 699 459	2 791 111	2 724 764	2,372,072	2 710 245
Unassigned	(108 090)	(13,344)	(218,450)	(70 316)	(150 927)	(2,196,383)	(5 180,799)	(5,965,890)	(3 663,211)	(4,009,430)
Total all other government funds	36,961,496	29 902,070	16,850,904	15,345 779	12 144,314	9 397,545	10,998,110	10,320,588	16,287,972	16,653,363
Total fund balances	$ 45 595 250	$ 37 238 347	$ 23 438,415	$ 23 036 463	$ 21 194,223	$ 18 030,657	$ 18,779,677	$ 16 822,723	$ 22,408 845	$ 22,129 948

Notes
2012 and prior years have been reclassified to be consistent with the current year presentation

Table 4

CITY OF FRANKLIN WISCONSIN
Changes in F ind Balances, Governmental Funds
Last Ten Years
(modified accrual bas s of accounting)

	Fiscal Year									
	2019	2018	2017	2016	2015	2014	2013	2012 **	2011	2010
Revenue										
Taxes	$ 24 542 968	$ 24 506,840	$23 815 159	$ 24 532,761	$ 24 097 919	$ 23 759 571	$ 23 668 125	$ 23 715 063	$ 27 277 823	$ 28 580 956
Intergovernmenta revenue	3 313 760	3,270 878	3 128 969	3 158 596	3,490 037	3,408 075	3 438 041	3 757 618	4,380 850	3 704 159
Licenses and permits	1 335 589	1 189 096	799 762	692 524	706 977	808 302	912 357	755 027	702,674	729 432
Fines forfeitures and penalties	451 062	475 840	485 407	498 653	484 957	421 976	411 795	457 499	433 106	422 506
Public charges for services	6 909 196	4 843 857	4,139 471	4 042 515	4 065,334	3 799 898	3 791,279	3 612,576	2,589 786	2 211 119
Special assessments	3,503 006	2,845 159	531 729	904 147	642 256	1 057 088	1 483 350	1 236 114	1 305 578	1 119 230
Intergovernmental charges for services	226 178	192 542	172 796	194 806	192 188	136 372	162 308	103,615	245,000	237 319
Investment earnings	1 509 951	818 584	396 563	284 180	426 018	739 930	223 806	661 976	938 226	878 978
Miscellaneous revenue	393,071	394,995	295,899	481,943	419,464	411,301	288,465	674,305	365,129	597 611
Tota revenue	42,184,781	38,537,791	33,765,755	34,790,125	34,525,150	34,542,513	34,379,526	34,973,793	38,238,172	38,481,310
Expenditures										
Current										
General government	3,226 853	3,022 923	3 001 970	2 969 747	2,783 745	2 786 740	2 710 650	2 631 419	2,596 581	2 694 374
Public safety	17 181 784	17 106 793	16,696 452	15 813 354	16 006 187	15 390 139	15 465 617	16 429 496	16 000 393	15 206 317
Public works	5 852 769	5,125 682	5 465 245	5 302 786	4,587 108	5 140 650	4 855 870	4 848 568	4,817 644	4 521 991
Health and human services	857 355	895 261	858 441	766,249	716 169	666 475	668 711	719 447	681 984	629 499
Culture recreation and education	1 698 579	1 706 902	1 639 626	1 710 037	1 606 027	1 575 381	1 514 668	1 539 040	1 575 825	1 565 093
Conservation and development	12 235 625	12 679 197	560 072	523 268	568,364	461 181	416 765	409 996	964 610	524 705
Capital outlay	15 923 366	5 864 385	4 745,936	4 689 147	2,097,046	3 967,446	3 172 706	2 915 159	3,343 196	1 953 999
Debt service										
Principa	1 405 000	2 315 000	3 030 000	1 950 000	615 000	10 265 000	3 790 000	10 825 000	7 395 000	5 275 000
Interest	1 035 307	391 576	218 888	375 697	460 072	731 288	1 033 519	1 334,958	1 618,615	1 939 762
Debt issuance costs	473,097	203,184	40,442	53,789		73,091				
Total expenditures	59,889,735	49,310,903	36,257,072	34,154,054	32,439,718	41,057,391	33,628,506	41,653,083	38,993,848	34,310,740
Excess of revenue over (under) expenditures	(17 704 954)	(10 773 112)	(2 491 317)	636 071	2,085,432	(6 514 878)	751 020	(6 679 290)	(755 676)	4 170 570
Other financing sources (uses)										
Debt issued	19 970 000	23 480 000	1 630 000			5 320 000				
Refunding debt ssued	14 725 000			5 770 000						
Premium on debt issued	363 931		51 071	154 202		232 827				
Principal payment on current refunding	(10 000 000)			(5 895 000)						
Sale of capital assets	34 478	81 652	179 355	126 585	33 675	39 894	75 559	32,129	58,871	64 070
Transfers n	1 648,598	1 738,685	1 231 589	2 859 364	2 408 253	2 125 007	2 769 157	2,398 454	2 415 916	1 389 654
Transfers out	(680,150)	(727,293)	(198,746)	(1 808,982)	(1,363,794)	(1,951,870)	(1,638,782)	(1,337,416)	(1,440,214)	(376,288)
Net change in fund balances	$ 8 356 903	$ 13 799,932	$ 401,952	$ 1 842 240	$ 3 163 566	$ (749 020)	$ 1 956,954	$ (5 586,123)	$ 278 897	$ 5,248 006
Debt service as a percentage of non capital expenditures	4 9%	6.6%	10 %	7 5%	3 7%	29 3%	15 1%	30 9%	24 6%	22 2%

Restated In 2012 the Solid Waste Fee began

Table 5

CITY OF FRANKLIN, WISCONSIN

Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Years

Value As of 1/1		Real property Assessed Value	Real property Estimated Actual Value	Personal property Assessed Value	Personal property Estimated Actual Value	Total Assessed Value	Total Direct Tax Rate	Total Estimated Actual Value	Ratio of Assessed to Estimated Value
2019	#	$ 4 307 636 600	$ 4 307 636 600	$ 52 632 400	$ 52 632 400	$ 4 229 425 745	$ 5 32	$ 4 360 269 000	97 01%
2018	# &	3 892 949 730	3 968 886 600	39 302 100	54 054 800	3 932 251 830	5 43	4 022 941 400	100 20%
2017	#	3 780 102 600	3 815 928 100	74 663 600	72 998 100	3 854 766 200	5 62	3 888 926 200	99 12%
2016	#	3 623 999 925	3 658 026 300	80 479 000	70 976 800	3 704 478 925	5 69	3 729 003 100	99 07%
2015		3 320 368 500	3 558 087 200	76 174 600	91 098 700	3 396 543 100	6 26	3 649 185 900	92 74%
2014		3 279 586 200	3 498 464 700	85 006 600	91 229 400	3 364 592 800	6 28	3 589 694 100	93 73%
2013	#	3 265 704 200	3 314 653 800	94 023 900	99 622 800	3 359 728 100	6 29	3 414 276 600	98 40%
2012		3 557 806 088	3 436 681 800	95 404 700	87 424 100	3 653 210 788	5 78	3 524 105 900	103 66%
2011	*	3 555 065 388	3 587 535 800	90 644 700	88 843 900	3 645 710 088	5 79	3 676 379 700	99 17%
2010		3 550 822 488	3 573 233 300	93 921 500	97 275 400	3 644 743 988	6 22	3 670 508 700	99 30%

* Reassessment year
\# Revaluation year

Assessed Valuation by School District - 2019

	Franklin School District	Oak Creek/ Franklin School District	Whitnall School District	Total Assessed Value
Total	$ 3,208,068,400	$ 771,293,045	$ 250,064,300	$ 4 229 425 745

Note Assessed values are determined by the City and the Wisconsin Department of Revenue Estimated actual values were obtained from the Wisconsin Department of Revenue and include Wisconsin Section 70 57 adjustments
Taxes collected are used in the following year's City operations
& In 2018 the State exempted another class of Personal Property which had a $17 0 million value in 2017

Table 5A

CITY OF FRANKLIN, WISCONSIN

Estimated Actual Values and TID Values
Last Ten Years

Value As of 1/1		Total Estimated Actual Value	Value of TID's TID 2	TID 3	TID 4	TID 5	Pct of Total	Total TID s	Net of TID s Estimated Actual Value	Equalized Tax Rate
2019	#	$ 4 360 269 000		$ 64 781 500	$ 52 629 500	$ 30 859 200	3 40%	$ 148 270 200	$ 4 211 998 800	$ 5 16
2018	#	4 022 941 400		51 181 600	46 431 200	1 261 200	2 46%	98 874 000	3 924 067 400	5 36
2017	#	3 888 926 200		62 049 100	47 593 400	1 211 500	2 85%	110 854 000	3 778 072 200	5 43
2016	#	3 729 003 100		55 256 200	44 691 300		2 68%	99 947 500	3 629 055 600	5 65
2015		3 649 185 900		72 829 900	54 274 300		3 48%	127 104 200	3 522 081 700	5 82
2014		3 589 694 100		72 785 000	43 675 900		3 24%	116 460 900	3 473 233 200	5 90
2013	#	3 414 276 600		64 305 700	39 050 100		3 03%	103 355 800	3 310 920 800	6 19
2012		3 524 105 900		63 917 800	33 693 500		2 77%	97 611 300	3 426 494 600	5 97
2011	*	3 676 379 700		72 652 600	40 050 300		3 07%	112 702 900	3 563 676 800	5 88
2010		3 670 508 700	178 745 000	61 434 700	36 501 900		7 54%	276 681 600	3 393 827 100	6 02

Note Assessed values are determined by the City and the Wisconsin Department of Revenue Estimated actual values were obtained from the Wisconsin Department of Revenue and include Wisconsin Section 70 57 adjustments
Taxes collected are used in the following year's City operations

Table 6

CITY OF FRANKLIN, WISCONSIN

Estimated Actual Property Value and Construction Data
Last Ten Years

	(1) Estimate Actual Property value					(2) Residential Construction		(2) Nonresidential Construction	
Fiscal Year	Residential	% of Total	Commercial and Manufacturing	Agricultural Swamp and Other	Total	# of Units	Value	# of Permits	Value
2019	$ 3 163 899 045	75 7%	$ 994 533 900	$ 19 891 700	4 178 324 645	79	$ 27 938 500	58	$ 69 386 000
2018	2 981 328 700	75 1%	962 660 500	24 897 400	3 968 886 600	45	13 044 120	63	52 927 728
2017	2 870 690 200	75 2%	920 578 100	24 659 800	3 815 928 100	18	8 991 610	13	28 861 659
2016	2 726 337 800	74 5%	907 823 500	23 865 000	3 658 026 300	34	13 912 735	3	7 350 000
2015	2 628 835 800	73 9%	905 420 400	23 831 000	3 558 087 200	34	13 454 139	44	16 589 580
2014	2 580 859 500	73 8%	894 256 900	23 348 300	3 498 464 700	44	14 780 900	68	19 734 951
2013	2 418 991 400	73 0%	871 715 000	23 947 400	3 314 653 800	65	19 942 795	17	2 902 692
2012	2 498 514 100	72 7%	914 654 100	23 513 600	3 436 681 800	55	19 322 659	44	27 991 474
2011	2 619 125 600	73 0%	948 708 000	19 702 200	3 587 535 800	30	9 995 820	41	17 794 034
2010	2 637 514 100	73 8%	917 720 700	17 998 500	3 573 233 300	27	6 559 696	40	22 533 497

(1) Estimated actual values from the Wisconsin Department of Revenue

(2) Source City's Building Inspection Department from Building Permits issued

Table 7

CITY OF FRANKLIN, WISCONSIN

Direct and Overlapping Property Tax Rates
Last Ten Years
(rate per $1 000 of assessed value)

								Overlapping Rates								
	City of Franklin Direct Rates							School Districts								
Budget Year	General	Library	Debt Service	Capital Outlay	Equipment Replacement	Street Improvement	Total	Franklin	Oak Creek	Whitnall	School Credits	Milwaukee Area Technical College	Milwaukee County	Milwaukee Metropolitan Sewerage District	State	(**) Total Rate
2019 #	$ 4 62	$ 0 33	$ 0 33	$ 0 11	$ 0 04	$ 0 00	$ 5 43	$ 11 21	$ 8 58	$ 9 76	$ (1 97)	$ 1 22	$ 4 89	$ 1 69	$	$ 22 47
2018 #	4 52	0 35	0 34	0 12	0 09	0 19	5 61	11 64	8 82	10 29	(2 08)	1 27	5 10	1 74		23 28
2017 #	4 56	0 36	0 36	0 12	0 10	0 20	5 69	12 03	9 38	10 08	(1 97)	1 27	5 13	1 76	0 17	24 09
2016	4 97	0 39	0 45	0 13	0 10	0 21	6 26	13 29	10 57	10 88	(2 14)	1 35	5 52	1 87	0 18	26 33
2015	4 96	0 38	0 49	0 13	0 10	0 21	6 28	13 21	9 76	11 11	(1 88)	1 36	5 44	1 83	0 18	26 42
2014 #	4 98	0 38	0 49	0 13	0 10	0 21	6 29	13 26	9 10	10 67	(1 86)	2 16	5 21	1 73	0 17	26 97
2013	4 60	0 35	0 47	0 11	0 08	0 17	5 78	11 72	9 09	9 72	(1 69)	2 04	4 87	1 57	0 16	24 45
2012	4 59	0 35	0 49	0 11	0 08	0 17	5 79	11 62	8 83	9 56	(1 70)	1 96	4 76	1 52	0 17	24 12
2011 *	5 04	0 35	0 56	0 11	0 04	0 12	6 22	12 22	8 69	10 40	(1 72)	1 93	4 49	1 45	0 17	24 76
2010	4 61	0 33	0 54	0 14	0 08	0 23	5 93	11 33	8 86	10 11	(1 67)	1 98	4 31	1 38	0 18	23 44

Note * Reassessment impact
Revaluation year
** The City has three tax rates dependant upon a property's sewer status and the school district the property is located The total is shown for only the largest school district (Franklin) See Table 5 for assessed values by School and Sewerage District

The Budget year is the year following the fiscal year in which the taxes are levied
In 2014 State law changed which provided Technical Colleges additional state aids reducing their tax levy approximately 35%

Source City of Franklin budget documents

Table 8

CITY OF FRANKLIN, WISCONSIN

Principal Property Taxpayers
Current Year and Ten Years Ago

		2018			2010		
Taxpayer	Type of Business	Taxable Assessed Value	Rank	Percent of Total Taxable Assessed Valuation	Taxable Assessed Value	Rank	Percent of Total Taxable Assessed Valuation
Northwestern Mutual	Insurance Services	$ 104 123 800	1	2 65%	$ 126 271 100	1	3 36%
Ascension Wisconsin	Medical facilities	27 068 300	2	0 69%	24 624 700	2	0 65%
Whitnall Pointe Apartments	Apartments	24 047 700	3	0 61%	20 535 000	3	0 55%
VTLC Development	Packaging manufacturing	22 274 800	4	0 57%	20 946 100	4	0 56%
Manchester Oaks	Apartments	21 690 900	5	0 55%	19 757 300	5	0 53%
Wal-Mart	Retailer	21 353 300	6	0 54%	25 609 300	6	0 68%
Aurora Healthcase - W Rawson Ave	Healthcare Provider	14 788 400	7	0 38%			
Baptista s Bakery Inc	Manufacturing	14 392 400	8	0 37%			
TI Investors of Franklin LLC	Apartments	14 065 700	9				
Franklin Wyndham LLC	Land held for Development	14 023 900	10	0 36%			
Menard Inc	Retail Home Improvement			0 00%	16 709 500	8	0 44%
All Glass Aquarium	Aquariums and fluorescent lights			0 00%	13 700 500	9	0 36%
Harley Davidson	Motorcycle manufacturing				18 570 200	7	0 49%
Waste Management	Landfill and refuse collection				13 592 000	10	0 36%
		$ 277 829 200		6 71%	$ 300 315 700		7 98%

Source City of Franklin Assessor's Office

CITY OF FRANKLIN, WISCONSIN

Property Tax Levies and Collections
Last Ten Years

Fiscal Year	City Tax levy: General Fund	Library Fund	Capital Funds	Debt Service	Total Local Tax Levy	Tax increment financing	Total	Total collections	% of levy collected	Outstanding delinquent PP taxes
2019	$ 18 139 675	$ 1 312 700	$ 646 000	$ 1 300 000	$ 21 398 375	$ 2 156 858	$ 23 555 233	$ 23 552 311	99 99%	$ 2 922
2018	16 909 449	1 303 200	1 515,200	1 300 000	21 027 849	2 471 104	23 498 953	23 493 585	99 98%	5 368
2017	16 414 900	1 296 600	1 497 500	1 300 000	20 509 000	2 267 466	22 776 466	22 772 580	99 98%	3 886
2016	16 248 800	1 287 000	1 473 200	1 500 000	20 509 000	3 020 350	23 529 350	23 567 148	100 16%	2 603
2015	16 209 000	1 240 000	1 460 000	1 600 000	20 509 000	2 690 637	23 199 637	23,212 140	100 05%	57 995
2014	16 220 400	1 240 000	1 448 600	1 600 000	20 509 000	2 526 924	23 035 924	23 016 525	99 92%	52 069
2013	16 330 000	1 240 000	1 289 000	1 650 000	20 509 000	2 363 758	22 872 758	22 851 675	99 91%	52 481
2012	16 226 000	1 222 000	1,269 000	1 750 000	20 467 000	2 560 324	23 027 324	22 981 469	99 80%	75 184
2011	16 975 000	1 175 000	910 000	1 900 000	20 960 000	6 737 305	27 697 305	27 695 587	99 99%	53 589
2010	16 124 000	1 150 000	1 252 000	1 900 000	20 426 000	7 457 956	27 883 956	27 851 459	99 88%	39 718

Source City of Franklin

Notes Collections in subsequent years are not shown because Milwaukee County annually purchases all of the City's outstanding delinquent real estate taxes Payment for the real estate taxes are received by the City every August pursuant to the County's settlement procedures Outstanding delinquent taxes represent personal property taxes which the City attempts further collection until March of the following year At that time the balances are charged back to each of the taxing jurisdictions in proportion to the amounts levied Subsequent collections are insignificant and refunded to all taxing jurisdictions in relation to the amounts originally levied

Total collections may be greater than or less than the total levy in any year due to changes in outstanding delinquent taxes collection of prior year omitted taxes and Wisconsin Section 70 43 corrections

Table 10

CITY OF FRANKLIN WISCONSIN

Property Tax Levies by Tax Jurisdiction
Last Ten Years

Levy Year	State of Wisconsin	Milwaukee County	School Districts			MATC	MMSD	City of Franklin			Total
			Franklin	Whitnall	Oak Creek Franklin			Local	Tax Increment	Special Charges	
2019	$	$ 20 157 046	$ 34 714 826	$ 2 375 394	$ 5 994 101	$ 4 983 668	$ 6 931 842	$ 21 741 900	$ 3 261 911	$ 1 914 605	$ 102 075 293
2018		19 244 848	34 189 665	2 349 780	5 535 027	4 809 220	6 650 847	21 389 375	2 156 858	1 646 735	97 972 355
2017		19 090 000	33 783 303	2 346 376	5 425 692	4 750 585	6 519 552	21 027 849	2 471 104	1 672 640	97 087 101
2016	632 834	18 496 951	33 404 863	2 224 862	5 748 697	4 571 805	6 354 128	20 509 000	2 267 467	1 758 435	95 969 042
2015	619 289	18 083 210	33 404 871	2 223 327	5 928 300	4 428 322	6 145 125	20 509 000	3 020 350	1 727 974	96 089 767
2014	609 193	17 713 835	32 782 988	2 285 650	5 557 471	4 411 951	5 955 818	20 509 000	2 690 638	1 767 143	94 283 685
2013	579 423	16 986 670	32 784 606	2 174 991	5 254 726	7 043 487	5 638 269	20 509 000	2 526 924	1 796 214	95 294 310
2012	598 062	17 287 141	31 787 042	2 237 434	5 553 401	7 258 001	5 582 906	20 509 000	2 363 758	1 799 510	94 976 255
2011	623 904	16 812 497	31 435 718	2 208 503	5 268 377	6 934 559	5 188 886	20 467 000	2 560 324	1 900 389	93 400 157
2010	622 907	15 112 830	31 535 755	2 404 637	4 816 333	6 512 551	4 718 481	20 965 000	6 737 305	758 894	94 184 693

Source State of Wisconsin Department of Revenue Statement of Taxes

Note Each taxing jurisdiction above submits to the City of Franklin their approved tax levy in November of the levy year for use in the following year
The City of Franklin totals the levy requests produces tax bills for all taxable properties collects amounts billed and remits collections to the tax jurisdictions in accordance with Wisconsin Statutes
In 2017 the State sunsetted their Property Tax Levy
In 2014 State aids to technical colleges increased reducing the tax levy by approximately 35%

CITY OF FRANKLIN WISCONSIN

Ratios of Net General Bonded Debt Outstanding
Last Ten Years

	General Bonded Debt												
	Governmental		Business-type								(1)		
Fiscal Year	General Obligation Bonds	General Obligation Notes	Sewer General Obligation Notes	Wate General Obligation Bonds	(D scount) Premium	Total General Bonded Debt	Less Debt Service Fund Balances	Less Amounts due from Tax ncremental Financing Districts	Less Amounts due from Other Taxing Districts	Net General Obligation Debt	Percent of Estimated Actua Property Value	(2) Percent of Personal Income	(2 Pe Capita
2019	$34 620 000	$ 8 680 000	$ 17 555 341	$ 1 015 000	$ 454 716	$72 325 057	$ (1 118,560)	$ (45 890 000)	$ (17 555 341)	$ 7 76 156	0 79%	n/a	2 009
2018	3 385 000	26 625 000	18 799 970	1 070 000	150 083	50 030 053	(982 719)	(23,480 000)	(18 799 970)	6 767 364	0 79%	3.61	1 398
20 7	4 560 000	4 285 000	20 014 693	1 125 000	207 197	30 191 890	(735 022)	(985 000)	(20 014 693)	8 457 175	0 79%	2 24	838
20 6	5 770 000	4,475 000	21 200 228	1 80 000	246 576	32 871 804	(651 298)	(2 660 000)	(21,200,228)	8 360,278	0.90%	2 44%	920
2015	7 095 000	5 225 000	22 357 276	1 235 000	191 221	36 103 497	(507 283)	(3 310 000)	(22 357 276)	9,928 938	01	2 81	013
2014	7 615 000	5 320 000	23 486 522	290 000	252,273	37 963,795	424 721	(3 330 000)	(23,486 522)	1 57 994	1 09%	3.03%	063
2013	8 185 000	9 695 000	24 565 423		2 387	42 466 8 0	1,49 385	(9,695 000)	(24 565,423)	9 697 772	1 28%	3.54	1 186
20 2	8 805 000	12 865 000	22 064 833			43 734 833	2 553 267	(12 865 000)	(22 064 833)	11 358 267	1 27%	3.59%	1 231
201	9 525 000	22 970 000				32 495 000	(4 094 755)	(15 520 000)		12 880,245	0.9	2 96%	9 5
2010	9 730 000	30 60,000				39 890 000	(3 021 278)	(21 860 000)		5 008 722	12	3 67%	125

( ) Estimated Actua Property values are found n Table 6
(2) Population and personal income can be found n Table 14

Notes Debt Service Fund balances represent amounts received that are restricted to future payments of outstanding debt.
Amounts due from tax incremental financing districts represent future receipt of non repealable property tax levys restricted to the payment of debt service
Amounts due from future development represent future mpact fees collected under a 2002 ordinance from residents and restricted for the purpose of reti ing debt on a portion of the police station fire station ibrary and a eligible road project.
n 2018 the City ssued $23,480 000 of Note Anticipation Notes supporting infrastructure costs n TID 5 Ballpark Commons.
n 20 7 the City ssued $1,630 000 of notes to finance the 2018 Capital mprovement plan excluding the City Hal roofing project
n 20 6 the City issued $5,770 000 Proceeds were used to refinance existing genera obligation bonds issued n 2007
n 2014 the Water Utility issued $1 290 000 of 20 Year bonds Proceeds were used to finance the Water Building
In 2014 the City issued $5 320 000 Proceed were used to provide funding for T D projects and Capital mprovement projects
In 2012 the City issued $27 562 754 Proceeds were used to provide funding for Ryan Creek Sewer extension with repayment scheduled to be completed n 2031

Table 11A

CITY OF FRANKLIN WISCONSIN
Municipal Revenue Obligations Outstanding
Last Ten Years

Fiscal Year	Note Balance Dec 31					Payments		Total	Unpaid Accrued
	TID 3	TID 5	TID 6	TID 7	Total	Principal	Interest	Payments	Interest
2019	$ 1 689 000	$ 3 500 000	$	$	$ 5 189 000	$ 202 000	$ 89 991	$ 291 991	$ 320 833
2018	1 891 000	3 500 000			5 391 000	109 000		109 000	128 333
2017		-							
2016	-								
2015							-		-
2014	-				-				
2013								-	
2012							-		
2011									-
2010						-		-	

TID 3 The City Granted a $2 000 000 MRO for removal of a blighted building
TID 5 The City Granted a $3 500,000 MRO to aid in development of a closed landfill
TID 5 The City has committed to a $1 500 000 MRO deliverable in 2031 as a contribution to certain infrastructure
TID 6 The C ty has committed to a $3 100 000 MRO upon delivery of certain infrastructure
TID 7 The City has committed to a $14 952 000 MRO upon completion of certa n development

MRO s are payable only from available TID increment after TID related GO Debt Serv ce

Table 12

CITY OF FRANKLIN, WISCONSIN

Schedule of Direct and Overlapping Debt Governmental Activities
December 31 2019

Jurisdiction	Net general obligation bonded debt outstanding	Percentage applicable to City	Amount applicable to City
Milwaukee County	$ 532 500 000	6 68%	$ 35 549 700
Whitnall School District [4 6]	14 592 984	14 31%	2 088 927
Oak Creek Franklin School District [5]	153 765 000	16 19%	24 897 629
Franklin School District [2 3]	63 700 000	100 00%	63 700 000
Milwaukee Area Technical College	101 965 000	5 30%	5 407 918
Milwaukee Metropolitan Sewerage District	749,232,724	6 81%	50,990 531
Total Overlapping Debt	1 615 755 708		182 634 705
City of Franklin	53,300,000	100 00%	53,300,000
Total	$ 1,669,055,708		$ 235,934,705

History	Milwaukee County	School Districts: Franklin	School Districts: Whitnall	School Districts: Oak Creek/Franklin	MATC	MMSD	Overlapping Debt Total	City of Franklin	Total
2019	$ 34 714 136	$ 63 700 000	$ 2 088 927	$ 25 434 474	$ 5 287 206	$ 49 779 719	$ 181 004 462	$ 53 300 000	$ 415 308 924
2018	36 832 839	66 180 000	1 424 487	17 335 108	5 369 134	54 190 796	181 332 364	30 160 083	211 492 447
2017	39 459 338	69 155 000	16 338	17 951 517	5 466 807	58 329 568	190 378 568	8 845 000	199 223 568
2016	41 064 057	29 120 000	76 706	16 756 664	5 289 102	56 916 164	149 222 693	10 491 576	159 714 269
2015	41 616 636	31 360 000	31 330	17 132 063	7 686 624	61 464 077	159 290 730	12 511 221	171 801 951
2014	42 750 442	33 940 000	39 011	7 614 274	5 531 580	58 752 848	148 628 155	13 187 273	161 815 428
2013	43 757 820	36 275 000	46 013	7 680 950	5 659 039	59 969 813	153 388 635	17 901 387	171 290 022
2012	46 023 745	5 105 000	56 142	8 444 593	5 929 102	63 513 083	129 071 665	21 670 000	150 741 665
2011	49 686 048	6 885 000	1 175 097	8 483 031	5 266 621	58 187 207	129 683 004	32 495 000	162 178 004
2010	49 485 672	8 590 000	366 516	8 804 319	4 624 047	53 906 419	125 776 973	39 890 000	165 666 973

Source Debt information supplied by each taxing jurisdiction and applicable percentages from the State Department of Revenue

Note Debt outstanding provided by each governmental unit and percentage determined by the Department of Revenue Overlapping governments are those that coincide at least in part with the geographic boundaries of the City This process recognizes that when considering the City's ability to issue and repay long term debt the entire debt burden borne by the resident and businesses should be taken into account However this does not imply that every taxpayer is a resident and therefore responsible for repaying the debt of each overlapping district

1 In 2009 Milwaukee County issued $400 000 000 in pension obligation debt
2 In 2013 Franklin Public Schools issued $33 000 000 of Debt to renovate the high school
3 In 2017 Franklin Public Schools issued $41 390 000 to build a new middle school
4 In 2018 Whitnal School District issues $10 000 000 in school construction & repair costs
5 In 2019 Oak Creek Franklin District issued $60 9 million for school construction
6 In 2019 Whitnal School District issued $6 160 000 in support of school building additions and improvements

Table 13

CITY OF FRANKLIN, WISCONSIN

Computation of Legal Debt Margin
Last Ten Years

Fiscal Year	(1) Equalized Valuation	5% of Equalized Value	Total Debt Applicable to Limit	Legal Debt Margin	Percent Used	City Policy** 2% of Equalized Value	City Policy** Debt Margin	City Policy** Percent Used
2019	$ 4 360 269 000	$ 218 013 450	$ 71 870 341	$ 146 143 109	32 97%	$ 87 205 380	$ 15 335 039	82 42%
2018	4 022 941 400	201 147 070	49 879 970	151 267 100	24 80%	80 458 828	30 578 858	61 99%
2017	3 888 926 200	194 446 310	29 984 693	164 461 617	15 42%	77 778 524	47 793 831	38 55%
2016	3 729 003 100	186 450 155	32 625 228	153 824 927	17 50%	74 580 062	41 954 834	43 75%
2015	3 649 185 900	182 459 295	35 912 276	146 547 019	19 68%	72 983 718	37 071 442	49 21%
2014	3 589 694 100	179 484 705	37 711 522	141 773 183	21 01%	71 793 882	34 082 360	52 53%
2013	3 414 276 600	170 713 830	42 445 423	128 268 407	24 86%	68 285 532	25 840 109	62 16%
2012	3 524 105 900	176 205 295	43 734 833	132 470 462	24 82%	70 482 118	26 747 285	62 05%
2011	3 676 379 700	183 818 985	32 495 000	151 323 985	17 68%	73 527 594	41 032 594	44 19%
2010	3 670 508 700	183 525 435	39 890 000	143 635 435	21 74%	73 410 174	33 520 174	54 34%

(1) From Table 5

Note Under state statutes the City's outstanding general obligation debt may not exceed five percent of total equalized property value

** The City Debt Policy limits debt to 40% of Legal Limit - adopted by Resolution 2008-6481

Table 14

CITY OF FRANKLIN, WISCONSIN

Demographic and Economic Statistics
Last Ten Years

Fiscal Year	(1) Population	(2) Personal Income	(2) Per capita adjusted gross income			(3) Unemployment rates		
			City of Franklin	Milwaukee County	State of Wisconsin	City of Franklin	Milwaukee County	State of Wisconsin
2019	35 996	n/a	n/a	n/a	n/a	3 5%	3 1%	3 5%
2018	35 779	$1 387 644 109	$ 38 784	$ 25 780	$ 31 962	2 5%	3 0%	3 0%
2017	36 046	$1 347 878 092	37 393	24 269	30 182	3 2%	3 1%	3 2%
2016	35 741	1 346 060 081	37 662	24 327	29 711	3 4%	3 9%	4 1%
2015	35 655	1 286 727 609	36 088	23 939	29 145	4 0%	5 2%	4 3%
2014	35 702	1 252 194 890	35 074	22 507	27 671	4 2%	6 0%	5 2%
2013	35 810	1 199 623 750	33 500	22 411	26 963	4 8%	7 2%	6 3%
2012	35 520	1 218 584 060	34 307	21 433	26 271	5 6%	8 0%	6 9%
2011	35 504	1 098 257 160	30 933	20 681	24 942	5 4%	8 0%	7 0%
2010	35 451	1 085 585 506	30 622	20 486	24 218	6 2%	8 1%	7 8%

(1) Bureau of Census State of Wisconsin
(2) Wisconsin Department of Revenue Division of Research and Analysis
(3) US Bureau of Labor Statistics
N/A Not Available

Table 15

CITY OF FRANKLIN, WISCONSIN

Principal Employers
Current Year and Nine Years Ago

		2019			2010		
Taxpayer	Type of Business	Employees	Rank	Percent of Total City Employment	Employees	Rank	Percent of Total City Employment
Northwestern Mutual	Insurance/Investment Services	2 313	1	13 07%	2 100	1	11 69%
Krones Incorporated	High speed labeling/filler machines	649	2	3 67%	342	7	1 90%
Franklin Public Schools	K-12 Education	575	3	3 25%	570	2	3 17%
Ascension Health Care	Medical & surgical hospital	502	4	2 84%	529	3	
Baptista s Bakery	Commercial Bakery	432	5	2 44%			
Milwaukee County County Corrections South	Government	396	6	2 24%	381	4	2 12%
Vesta Inc	Medical Device Contract Manufacturer	360	7	2 03%			
Carlisle Interconnect Technologies	Wire harnesses	304	8	1 72%			
Strauss Veal & Lamb Int'l Inc	Animal Processing	265	9	1 50%			
Senior Flexonics GA Precision	Off road engine components mfg	197	10	1 11%	350	6	1 95%
Central Aquatics	Aquariums and fluorescent lights				250	10	
Wal Mart	Retailer				375	5	2 09%
Waste Management	Landfill and refuse collection				340	8	1 89%
Conway Trucking	Trucking				300	9	1 67%
		5 993		33 86%	5 537		30 83%

Source Past Debt offering Official Statements and employer surveys

Table 16

CITY OF FRANKLIN, WISCONSIN

Full time Equivalent City Government Employees by Function
Last Ten Years

Department	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Genera government											
Municipal Court	2 50	2 50	2 50	2 50	2 50	2 50	2 50	2 50	2 00	2 00	2 00
Clerk	4 12	4 12	4 12	4 12	4 12	4 14	4 14	4 14	4 00	4 00	4 00
Information services	1 00	1 00	1 00	1 00							
Administration	3 00	3 00	3 00	3 00	3 00	4 00	3 00	3 00	3 60	3 60	3 60
Finance	6 73	6 60	6.60	6 60	6 60	6 60	7 10	7 10	7 03	7 10	7 10
Assessor					1 00	1 00	1 00	1 00	1 00	1 00	1 00
Municipal buildings	4 03	4 03	4 03	4 03	4 03	2 78	3 74	3 74	3 92	4 74	4 74
Total genera government	21 38	21 25	21 25	21 25	21 25	21 02	21 48	21 48	21 55	22 44	22 44
Public safety											
Police	76 75	76 75	76 75	76 75	76 75	75 75	75 75	76 75	77 25	77 25	77 25
Fire	46 00	46 00	46 50	46 50	46 50	46 50	46 50	46 45	46 48	46 45	46 45
Building inspection	9 15	8.30	8 30	8 00	8 00	7 00	7 00	7 00	8 00	8 00	8 00
Total public safety	131 90	131 05	131 55	131 25	131 25	129 25	129 25	130 20	131 73	131 70	131 70
Public works											
Engineering	8 25	8 25	8 25	8 25	8 25	8 25	8 25	8 25	8 25	8 80	8 80
H ghway	22 00	22 00	22 00	22 00	22 00	22 48	22 00	22 00	22 00	22 00	22 00
Parks	2 00	2 00	2 00	2 00	2 00	2 00	2 00	2 00	2 00	2 00	2 00
Total public works	32 25	32 25	32 25	32 25	32 25	32 73	32 25	32 25	32 25	32 80	32 80
Public health	7 95	7 95	7 50	6 75	6 75	6 75	6 15	6 25	6 25	6 15	6 15
Planning	4 00	4 00	4 00	4 00	4 00	4 00	4 00	4 60	5 60	5 60	5 60
Economic Development	1 00	1 00	2 00	1 00	1 00	0 58					
Total general fund	198 48	197 50	198 55	196 50	196 50	194 33	193 13	194 78	197 38	198 69	198 69
Public health grant											
Library	15 37	15 37	16 68	16 94	16 94	17 19	17 70	16 82	17 12	17 11	17 11
Sewer & water	11 80	10 80	10 80	10 80	11 50	11 55	11 55	11 53	11 53	12 55	12 55
Total	225 65	223 67	226 03	224 24	224 94	223 07	222 38	223 13	226 03	228 35	228 35

Source City of Franklin Budget Document

CITY OF FRANKLIN WISCONSIN

Operating Ind cators by Function/Program
Last Ten Years

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Police											
Part 1 Major crimes	581	528	763	780	844	859	873	852	689	629	804
Arrests	970	1 494	1,455	1 265	1 312	1,290	1 117	1 799	1 554	1 606	1 235
Traffic & park ng citations	8 650	8 661	7 800	6 866	7 859	8 163	7 431	9,449	11 093	9 125	7 793
Calls for service	32 100	31 967	30 029	30 699	30,259	30 040	28 093	29 542	28 847	37 273	28 267
Number of sworn officers	60	60	60	60	60	59	58	58	58	58	58
Fire											
Fire responses	800	735	664	641	689	621	679	594	540	574	496
EMS responses	3,400	3,226	3 309	3 406	2 976	2 863	2754	2 688	2 605	2 546	2 515
Fire inspections	2 620	2 600	2 600	2 500	2 509	2 480	2436	2 485	2 765	2 463	2 611
Number of full-time firefighters	47	47	45	45	45	45	45	45	45	45	46
Basic Life Support Transports	1 000	966	661	966	1 059	1 055	1162	1 137	1 099	1 141	
Paramedic Transports	1 200	1 185	1 401	1 185	1,212	1 091	977	910	863	823	
Highway											
Mi es of crack sealing	20	20	15	31	26	38	28	32	30	28	31
Trees pruned	800	677	1533	1326	1500	679	704	1 053	1,427	2 176	927
Vehicles maintained	177	177	171	170	168	167	167	167	165	165	165
Solid waste											
Non-recyclable refuse collected (tons)	8450	8407	8384	8179	8259	7 923	7972	8 205	8 353	8 320	7 762
Recyclables collected (tons)	2700	2718	2786	2766	2975	3 479	3114	2 737	2 813	2 693	2 676
Yard waste (tons)	300	285	250	340	332	221	322	335	274	295	375
Health											
Home visits				767	951	1 180	1 276	1 435	1 213	1 383	1 616
Immunization clinic v sits	1400	1400	1414	1334	2032	2 130	1 825	2 488	2 653	3 660	8 658
Sanitarian inspections	300	246	298	356	340	429	383	438	298	366	380
Animal control											
Animal control pickups	145	141	129	106	116	122	104	92	120	167	126
Library											
Circulation	390 000	390 701	409 974	439 962	474 658	465 656	477 991	502 989	514 163	519 580	519 054
Collection size	134 000	135 686	134 896	133 556	132 330	139 772	140 000	144 000	142 000	140 000	135 688
Internet use	15 000	20 000	22 261	24 850	28 239	30 970	33 507	39 976	49 638	50 369	50 222
Sanitary sewer											
Number of customers	11 350	11 300	11 200	10 231	10 198	10 090	10 060	10 010	9 970	9 775	9 883
Feet of sewer cleaned	220 000	250 000	258 000	255 000	260 000	255 000	250 000	250 000	217 000	218 000	250 000
Water											
Number of customers -average	8 475	8 375	8 270	8 220	8 172	7 978	7 930	7 931	7 850	7 807	7 756
Average daily consumption	2 800 000	2 850 000	2 850 000	2 800 000	2 800 000	2 800 000	2 400 000	2 615 000	2 370 000	2 298 000	2,461 276
Peak daily consumption	4,220 000	4 375 000	4 001 000	4 788 000	4 888 200	4 969 000	6,770 000	6 770 000	5,604 000	4 212 000	4 803 000

Source City Budget Document

in 2013 Internet session length increased to 2 hours from one

CITY OF FRANKLIN, WISCONSIN

Capital Asset Statistics by Function/Program
Last Ten Years

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Area in square miles	34 5	34 5	34 5	34 5	34 5	34 5	34 5	34 5	34 5	34 5
Area in acres										
Taxable acres (approximate)	15 027	14 963	14 432	14 967	14 984	15 038	14 889	14 804	15 474	15 550
Acres developed (approximate)	9 858	9 711	9 175	9 679	9 681	9 694	9 540	9 410	11 336	11 329
Acres in park and open space	5 169	5 242	5,257	5 288	5 303	5 167	4 928	4 854	3 873	3 873
Miles of road										
State		16 85	16 85	16 85	16 85	16 85	16 85	16 85	16 85	16 85
County		19 49	19 49	21 24	23 24	23 74	23 74	23 74	23 74	23 74
Local		171 25	171 00	169 25	167 05	166 32	166 07	166 51	165 97	165 97
Fire protection and ambulance service										
Number of manned fire stations		3	3	3	3	3	3	3	3	3
Police protection										
Number of stations		1	1	1	1	1	1	1	1	1
Number of sub stations		1	1	1	1	1	1	1	1	1
Sewer and water service										
Miles of sanitary sewer	199 0	195 5	195	194	193	191	185	185	185	185
Miles of watermain	174 5	171 5	171	170	169	168	167	167	167	166
Number of fire hydrants	2665	2595	2579	2565	2155	2 145	2 130	2 120	2 115	2 111
Recreation and culture										
Number of trails			12	11	11	11	10	10	7	7
Number of city parks			13	12	12	12	12	12	12	12
Number of county parks			8	8	8	8	8	8	8	8
Number of libraries			1	1	1	1	1	1	1	1
Municipal buildings (square footage)										
City hall	47 206	47 206	47 206	47 206	47 206	47 206	47 206	47 206	47 206	47,206
Law enforcement building	68 300	68 300	68 300	68 300	68 300	68 300	68 300	68 300	68 300	68 300
Fire stations	37 750	37 750	37 750	37 750	37 750	37 750	37 750	37 750	37 750	37 750
Library	40 000	40 000	40 000	40 000	40 000	40 000	40 000	40 000	40 000	40 000
Public works building	45 450	45 450	45 450	45 450	45 450	45 450	45 450	45 450	45 450	45 450
Sewer & water building	23 215	23 215	23 215	23 215	23 215	6 620	6 620	6 620	6 620	6 620

Source City of Franklin records