

# PRELIMINARY OFFICIAL STATEMENT DATED FEBRUARY 18, 2026

**DAC Bond®**

## NEW ISSUE

Book-Entry Only

Ratings: Aaa/AAA

Moody's/S&P

(See "Miscellaneous – Ratings")

*In the opinion of Bond Counsel, based on existing law and assuming compliance with certain tax covenants of the City, interest on the Bonds (as defined below) is excludable from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals; however, such interest on the Bonds may be taken into account for the purpose of computing the alternative minimum tax imposed on certain corporations. Under existing law and subject to certain exceptions, the Bonds and the income therefrom will be exempt from state, county and municipal taxation in the State of Tennessee. (See "Tax Matters" herein).*

## **CITY OF FRANKLIN, TENNESSEE \$105,690,000\* General Obligation Bonds, Series 2026**

**Dated: Date of Delivery**

**Bonds Due: As set forth on the inside front cover**

The \$105,690,000\* General Obligation Bonds, Series 2026 (the "Bonds") of the City of Franklin, Tennessee (the "City" or the "Issuer"), are issuable as fully registered bonds and, when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"), New York, New York, to which principal and interest payments on the Bonds will be made so long as Cede & Co. is the registered owner of the Bonds. DTC will in turn remit such principal and interest to the DTC Participants (as defined herein) for subsequent distribution to the Beneficial Owners (as defined herein) of the Bonds. Individual purchases of the Bonds will be made in Book-Entry Only form, and individual purchasers ("Beneficial Owners") of the Bonds will not receive physical delivery of bond certificates. DTC will act as securities depository for the Bonds.

Interest on the Bonds is payable on September 1, 2026, and thereafter on each March 1 and September 1. U.S. Bank Trust Company, National Association, Nashville, Tennessee, has been designated as paying agent and bond registrar (the "Registration Agent") for the Bonds. The Bonds will be issued in denominations of \$5,000 each or integral multiples thereof.

The Bonds will be direct general obligations of the City. The full faith, credit and ad valorem taxing power of the City are irrevocably pledged for the prompt payment of the principal of and interest on the Bonds. The Bonds are payable from ad valorem taxes to be levied on all taxable property within the corporate limits of the City without limitation as to rate or amount.

The Bonds will be subject to redemption as described herein.

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**FOR MATURITIES, INTEREST RATES AND PRICES/YIELDS,  
PLEASE REFER TO THE INSIDE OF THIS COVER PAGE**

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This cover page contains certain information for quick reference only. It is not a summary of these issues. Investors must read the entire *Preliminary Official Statement* to obtain information essential to make an informed investment decision.

*The Bonds are offered when, as and if issued, subject to the approval of the legality thereof by Bass, Berry & Sims PLC, Nashville, Tennessee, Bond Counsel, whose opinion will be provided with the Bonds. Certain legal matters will be passed upon for the City by Shauna Billingsley, Esq., as City Attorney. It is expected that the Bonds will be available for delivery through the facilities of The Depository Trust Company, New York, New York, on or about \_\_\_\_\_, 2026.*

Dated: \_\_\_\_\_, 2026

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\* Preliminary, subject to change

## MATURITIES, AMOUNTS, INTEREST RATES PRICES AND/OR YIELDS

### \$105,690,000\* General Obligation Bonds Series 2026

<u>Maturity</u>	<u>Amount*</u>	<u>Interest Rate</u>	<u>Price/Yield</u>	<u>CUSIP**</u>
<u>March 1*</u>				
2027	\$1,955,000			
2028	2,485,000			
2029	3,060,000			
2030	3,555,000			
2031	3,725,000			
2032	3,910,000			
2033	4,120,000			
2034	4,320,000			
2035	4,540,000			
2036	4,765,000			
2037	3,575,000			
2038	3,755,000			
2039	3,940,000			
2040	4,145,000			
2041	4,350,000			
2042	4,565,000			
2043	4,795,000			
2044	5,035,000			
2045	5,290,000			
2046	5,545,000			
2047	4,390,000			
2048	4,610,000			
2049	4,840,000			
2050	5,085,000			
2051	5,335,000			

\* Preliminary, subject to change

\*\* Copyright, American Bankers Association (the "ABA"). CUSIP data herein are provided by CUSIP Global Services, which is managed on behalf of the ABA by S&P Global Market Intelligence, a division of S&P Global Inc. The CUSIP numbers listed above are being provided solely for the convenience of Bondholders only at the time of issuance of the Bonds and the Issuer makes no representation with respect to such numbers nor undertakes any responsibility for their accuracy now or at any time in the future. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of such maturity or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Bonds.

For purposes of compliance with Rule 15c2-12 of the Securities and Exchange Commission, this document, as the same may be supplemented or amended (collectively, the “Official Statement”) by the City of Franklin, Tennessee (the “City”) from time to time, may be treated as an Official Statement with respect to the Bonds described herein that is deemed final by the City as of the date hereof (or of any such supplement or amendment). It is subject to completion with certain information to be established at the time of the sale of the Bonds as permitted by Rule 15c2-12 of the Securities and Exchange Commission.

No dealer, salesperson or other person has been authorized to give any information or to make any representations other than those in the Official Statement in connection with the offering contained herein; and if given or made, such information or representations must not be relied upon. The Official Statement does not constitute an offer of the securities offered hereby to any jurisdiction where such offer or solicitation of such offer would be unlawful. The information set forth herein has been provided by the City and other sources that are believed to be reliable, but the accuracy or completeness of the information is not guaranteed by and is not to be construed as a representation by any party other than the City. The delivery of the Official Statement at any time does not imply that information herein is correct as of any time subsequent to its date.

This Official Statement is not to be construed as a contract or agreement between the City and any purchaser of any of the Bonds. Any statements made herein involving matters of opinion, whether or not expressly so stated, are intended merely as opinion and not as representations of fact. The information contained herein is subject to change without notice and neither the delivery hereof nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the City, or its agencies and authorities, since the date hereof.

This Official Statement should be considered in its entirety and no one factor should be considered more or less important than any other by reason of its position in this Official Statement. Where statutes, reports or other documents are referred to herein, reference should be made to such statutes, reports or other documents for more complete information regarding the rights and obligations of parties thereto, facts and opinions contained therein and the subject matter thereof.

This Official Statement has been prepared only in connection with the initial offering and sale of the Bonds and may not be reproduced or used in whole or in part for any other purpose.

In making an investment decision, investors must rely on their own examination of the City and the terms of the offering, including the merits and risks involved. No registration statement relating to the Bonds has been filed with the Securities and Exchange Commission or with any state securities agency. The Bonds have not been approved or disapproved by the Commission or any state securities agency, nor has the Commission or any state securities agency passed upon the accuracy or adequacy of this Official Statement. Any representation to the contrary is a criminal offense.

Questions regarding information in this Official Statement should be directed to Kristine Brock, Assistant City Administrator/Chief Financial Officer, at 615-791-3217 or PFM Financial Advisors LLC, Financial Advisor to the City at 901-466-4554.

This Official Statement has been prepared by the City in connection with the original offering for sale by it of the Bonds referred to above. See “INTRODUCTION” for a discussion of the financial and other information contained herein and the appendices which are to be used as part of this Official Statement.

**TABLE OF CONTENTS**  
**Part I**

<b>CITY OFFICIALS.....</b>	<b>1</b>	<b>FUTURE ISSUES.....</b>	<b>15</b>
<b>SUMMARY OF THE OFFERING .....</b>	<b>2</b>	<b>RATINGS .....</b>	<b>15</b>
<b>INTRODUCTION .....</b>	<b>4</b>	<b>CONTINUING DISCLOSURE.....</b>	<b>15</b>
<b>THE BONDS.....</b>	<b>4</b>	<b>LITIGATION .....</b>	<b>16</b>
DESCRIPTION.....	4	TAX MATTERS.....	16
BOOK-ENTRY SYSTEM .....	5	UNDERWRITING.....	18
DISCONTINUANCE OF BOOK-ENTRY SYSTEM .....	7	MUNICIPAL ADVISOR.....	18
REDEMPTION PRIOR TO MATURITY .....	7	AUDITED FINANCIAL STATEMENTS.....	18
AUTHORITY FOR ISSUANCE OF THE BONDS .....	8	FORWARD-LOOKING STATEMENTS.....	18
SECURITY AND REMEDIES .....	9	MISCELLANEOUS.....	19
DISCHARGE AND SATISFACTION OF BONDS.....	9	CERTIFICATE AS TO OFFICIAL STATEMENT .....	20
<b>PLAN OF FINANCING.....</b>	<b>9</b>		
<b>ESTIMATED SOURCES AND USES OF FUNDS.....</b>	<b>10</b>		
<b>LONG TERM DEBT SERVICE REQUIREMENTS.....</b>	<b>11</b>		
<b>STATEMENT OF DEBT .....</b>	<b>12</b>		
<b>INVESTMENT CONSIDERATIONS .....</b>	<b>13</b>		
GENERAL.....	13		
ENFORCEABILITY OF REMEDIES .....	13		
FUTURE LEGISLATION .....	13		
SECONDARY MARKET PRICES .....	13		
ADVERSE WEATHER AND OTHER CATASTROPHIC EVENTS	14		
CYBER SECURITY .....	14		
PUBLIC HEALTH			
EMERGENCIES.....	14		

<b>Yearly Information Statement .....</b>	<b>Part II</b>
<b>General Purpose Financial Statements .....</b>	<b>Appendix A</b>
<b>Proposed Form of Bond Counsel Opinion.....</b>	<b>Appendix B</b>
<b>Form of Continuing Disclosure Agreement.....</b>	<b>Appendix C</b>

## **CITY OFFICIALS**

### **MEMBERS OF THE BOARD OF MAYOR AND ALDERMEN**

Dr. Ken Moore, *Mayor*

Patrick Baggett  
Brandy Blanton  
Beverly Burger  
Ann Peterson

Clyde Barnhill  
Matt Brown  
Greg Caesar  
Jason Potts

## **CITY OFFICIALS**

Eric S. Stuckey, *City Administrator*  
Kristine Brock, *Assistant City Administrator/Chief Financial Officer*  
Shauna Billingsley, Esq., *City Attorney*

## **BOND COUNSEL**

Bass, Berry & Sims PLC  
Nashville, Tennessee

## **FINANCIAL ADVISOR**

PFM Financial Advisors LLC  
Memphis, Tennessee

## **REGISTRATION AGENT AND PAYING AGENT**

U.S. Bank Trust Company, National Association  
Nashville, Tennessee

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## SUMMARY OF THE OFFERING

This Summary Statement is not intended to be complete. Before purchasing the Bonds, the purchaser should refer to the Official Statement in its entirety.

THE BONDS .....	The \$105,690,000* General Obligation Bonds, Series 2026 (the "Bonds") of the City of Franklin, Tennessee (the "City"), are issued in fully registered form without coupons.
BOOK ENTRY SYSTEM .....	The Bonds will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository of the Bonds. So long as Cede & Co. is the registered owner of the Bonds, as the nominee for DTC, principal and interest shall be payable to Cede & Co., as nominee for DTC, which will, in turn, remit such principal and interest to the DTC participants for subsequent disbursements to the beneficial owners of the Bonds. Individual purchases of Bonds by the public may be made through the DTC participants in principal amounts of \$5,000 or integral multiples thereof. Beneficial Owners of the Bonds will not receive physical delivery of Bond certificates. See "The Bonds - Book-Entry System" herein.
DENOMINATION .....	Fully registered bonds, \$5,000 or any integral multiple thereof.
DATE OF ISSUE; DELIVERY.....	The Bonds will be delivered on or about _____, 2026, and will be dated the delivery date.
PRINCIPAL PAYMENTS .....	Principal on the Bonds is payable on March 1, 2027, through March 1, 2051.
INTEREST PAYMENTS .....	Interest on the Bonds is payable on March 1 and September 1, commencing September 1, 2026.
OPTIONAL REDEMPTION.....	The Bonds maturing March 1, 2037, and thereafter shall be subject to redemption prior to maturity at the option of the City on or after March 1, 2036, and thereafter as a whole or in part at any time, at the redemption price of par plus interest accrued to the redemption date, as described herein.
PURPOSE.....	The Bonds are being issued to provide monies to finance the (i) acquisition, construction, improvement, repair, renovation, maintenance and/or equipping of (a) a new City Hall building and facilities, (b) parks and recreational facilities, (c) streets, roads and bridges, including but not limited to sidewalks, signage, signalization, related facilities, lighting and drainage improvements and (d) public safety equipment and vehicles, including but not limited to fire apparatus; (ii) acquisition of all property real or personal, appurtenant thereto, or connected with the foregoing; (iii) payment of architectural, engineering,

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\* Preliminary, subject to change

legal, fiscal and administrative costs incident to the foregoing (collectively, the “Projects”); (iv) reimbursement to the appropriate fund of the Municipality for prior expenditures for the Projects and (v) payment of costs incident to the issuance and sale of the Bonds.

SECURITY .....

The Bonds will be direct general obligations of the City. The full faith, credit and ad valorem taxing power of the City are irrevocably pledged for the prompt payment of the principal of and interest on the Bonds.

BOND COUNSEL.....

Bass, Berry & Sims PLC, Nashville, Tennessee.

TAX MATTERS.....

In the opinion of Bass, Berry & Sims PLC, Bond Counsel, based on existing law and assuming compliance with certain tax covenants of the City, interest on the Bonds is excludable from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”), and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals; however, such interest on the Bonds may be taken into account for the purpose of computing the alternative minimum tax imposed on certain corporations. Under existing law and subject to certain exceptions, the Bonds and the income therefrom will be exempt from state, county and municipal taxation in the State of Tennessee. (See “TAX MATTERS” herein).

FINANCIAL ADVISOR .....

PFM Financial Advisors LLC, Memphis, Tennessee.

REGISTRATION AGENT .....

U.S. Bank Trust Company, National Association, Nashville Tennessee

UNDERWRITER .....

FINANCIAL STATEMENTS .....

Independent auditors have audited financial statements of the City for the fiscal year ended June 30, 2025. Information presented herein is derived from these audited financial statements. See Appendix A – General Purpose Financial Statements herein.

**OFFICIAL STATEMENT**  
Regarding  
**CITY OF FRANKLIN, TENNESSEE**  
**\$105,690,000\* General Obligation Bonds, Series 2026**

**INTRODUCTION**

This OFFICIAL STATEMENT, which includes the cover page and the appendices attached hereto, contains information concerning the (a) \$105,690,000\* General Obligation Bonds, Series 2026 (the “Bonds”) and (b) City of Franklin, Tennessee (the “City” or “Issuer”), a political subdivision of the State of Tennessee.

Part II of this Official Statement is the Supplemental Information Statement of the City. The City’s audited financial statements for the fiscal year ended June 30, 2025, are attached as Appendix A. See Appendix A – General Purpose Financial Statements.

**THE BONDS**

**DESCRIPTION**

The Bonds will be issued under and subject to the terms and conditions contained in resolutions adopted by the Board of Mayor and Alderman (the “Board”) of the City on December 9, 2025 (collectively, the “Bond Resolution”). The Bonds will be dated, will mature and will bear interest, all as set forth on the inside cover of this Official Statement. Interest on the Bonds will be payable semiannually on March 1 and September 1 each year, beginning September 1, 2026.

The Bonds are being issued to provide monies to finance, in whole or in part, the (i) acquisition, construction, improvement, repair, renovation, maintenance and/or equipping of (a) a new City Hall building and facilities, (b) parks and recreational facilities, (c) streets, roads and bridges, including but not limited to sidewalks, signage, signalization, related facilities, lighting and drainage improvements, and (d) public safety equipment and vehicles, including but not limited to fire apparatus; (ii) acquisition of all property real or personal, appurtenant thereto, or connected with the foregoing; (iii) payment of architectural, engineering, legal, fiscal and administrative costs incident to the foregoing (collectively, the “Projects”); (iv) reimbursement to the appropriate fund of the City for prior expenditures for the Projects; and (v) payment of costs incident to the issuance and sale of the Bonds.

The Bonds will be issued as fully registered bonds without coupons, in the denomination of principal amounts of \$5,000 or integral multiples thereof. Interest on all Bonds will be calculated on the basis of a 360-day year of twelve 30-day months. The Bonds will be initially registered only in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York (“DTC”), which will act as securities depository for the Bonds. U.S. Bank Trust Company, National Association, Nashville, Tennessee, (the “Registration Agent”), will make all interest payments with respect to the Bonds on each interest payment date directly to the registered owners as shown on the Bond registration records maintained by the Registration Agent as of the close of business on the fifteenth day of the month next preceding the interest payment date (the “Regular Record Date”) by check or draft mailed to such owners at their addresses shown on said registration records, without, except for final payment, the presentation or surrender of such registered Bonds, and all such payments shall discharge the obligations of the City in respect of such Bonds to the extent of the payments so made. Payment of principal of the Bonds shall be made upon presentation and surrender of such Bonds to the Registration Agent as the same shall become due and payable. In the event the Bonds are no longer registered in the name of DTC or its successor or assigns, if requested by the Owner of at least \$1,000,000 in aggregate principal amount of the Bonds, payment of interest on such Bonds shall be paid by wire transfer to a bank within the continental United States or deposited to a designated account if such account is maintained with the Registration Agent and written notice of any such election and designated account is given to the Registration Agent prior to the record date.

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\* Preliminary, subject to change.

Any interest on any Bond which is payable but is not punctually paid or duly provided for on any interest payment date (hereinafter "Defaulted Interest") shall forthwith cease to be payable to the registered owner on the relevant Regular Record Date; and, in lieu thereof, such Defaulted Interest shall be paid by the City to the persons in whose names the Bonds are registered at the close of business on a date (the "Special Record Date") for the payment of such Defaulted Interest, which shall be fixed in the following manner: The City shall notify the Registration Agent in writing of the amount of Defaulted Interest proposed to be paid on each Bond and the date of the proposed payment, and at the same time the City shall deposit with the Registration Agent an amount of money equal to the aggregate amount proposed to be paid in respect of such Defaulted Interest or shall make arrangements satisfactory to the Registration Agent for such deposit prior to the date of the proposed payment, such money when deposited to be held in trust for the benefit of the persons entitled to such Defaulted Interest. Thereupon, not less than ten (10) days after the receipt by the Registration Agent of the notice of the proposed payment, the Registration Agent shall fix a Special Record Date for the payment of such Defaulted Interest which date shall not be more than fifteen (15) nor less than ten (10) days prior to the date of the proposed payment to the registered owners. The Registration Agent shall promptly notify the City of such Special Record Date and, in the name and at the expense of the City, not less than ten (10) days prior to such Special Record Date, shall cause notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor to be mailed, first class postage prepaid, to each registered owner at the address thereof as it appears in the Bond registration records maintained by the Registration Agent as of the date of such notice. Nothing contained in the Resolution or in the Bonds shall impair any statutory or other rights in law or in equity of any registered owner arising as a result of the failure of the City to punctually pay or duly provide for the payment of principal of and interest on the Bonds when due.

#### **BOOK-ENTRY SYSTEM**

*The description which follows of the procedures and record-keeping with respect to beneficial ownership interests in the Bonds, payment of interest and principal on the Bonds to Direct Participants, Indirect Participants or Beneficial Owners (as such terms are defined in this Official Statement) of the Bonds, confirmation and transfer of beneficial ownership interests in the Bonds and other related transactions by and between DTC, the Direct Participants, the Indirect Participants and Beneficial Owners of the Bonds is based solely on information furnished by DTC to the City for inclusion in this Official Statement. Accordingly, the City cannot make any representations concerning these matters.*

DTC, New York, New York, will act as securities depository for the Bonds. The Bonds will be issued as fully registered bonds, registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully registered Bond certificate will be issued for each maturity of the Bonds in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues and money market investments (from over 100 countries) that its DTC's Participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities through electronic computerized book entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a rating of AA+ by S&P Global Ratings. The DTC Rules

applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com) and [www.dtc.org](http://www.dtc.org).

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participant's records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Direct and Indirect Beneficial Owners are, however, expected to receive written confirmation providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interest in Bonds, except in the event that use of the book entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the security documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative Beneficial Owners may wish to provide their names and addresses to the Registration Agent and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC will mail an Omnibus Proxy to the City as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the Bonds will be made to Cede & Co. or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detailed information from the City or the Registration Agent on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Paying Agent, or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the City or the Paying Agent, disbursement of such payments to Direct Participants shall be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners shall be the responsibility of Direct and Indirect Participants.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the City believes to be reliable, but the City takes no responsibility for the accuracy of such information.

THE CITY WILL NOT HAVE ANY RESPONSIBILITY OR OBLIGATION TO THE PARTICIPANTS OR THE BENEFICIAL OWNERS WITH RESPECT TO (1) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY PARTICIPANT, (2) THE PAYMENT BY DTC OR ANY PARTICIPANT OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL AMOUNT OF OR INTEREST ON THE BONDS, (3) THE DELIVERY BY DTC OR ANY PARTICIPANT OF ANY NOTICE TO ANY BENEFICIAL OWNER WHICH IS PERMITTED OR REQUIRED TO BE GIVEN TO BONDHOLDERS UNDER THE TERMS OF THE BOND RESOLUTION, OR (4) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY CEDE & CO., AS THE NOMINEE OF DTC, AS REGISTERED OWNER. SO LONG AS CEDE & CO. IS THE REGISTERED OWNER OF THE BONDS, AS NOMINEE OF DTC, REFERENCES IN THIS OFFICIAL STATEMENT TO THE BONDHOLDERS OR REGISTERED HOLDERS OF THE BONDS SHALL MEAN CEDE & CO. AND SHALL NOT MEAN THE BENEFICIAL OWNERS OF THE BONDS.

#### **DISCONTINUANCE OF BOOK-ENTRY SYSTEM**

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the City or the Registration Agent. Under such circumstances, in the event that a successor securities depository is not obtained, Bond certificates are required to be printed and delivered. The City may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered. In either of the situations described in this paragraph, definitive replacement Bonds shall be issued only upon surrender to the City or an agent appointed by the City of the Bonds by DTC, accompanied by registration instructions for the definitive replacement Bonds from DTC. The City shall not be liable for any delay in delivery of such instructions and conclusively may rely on and shall be protected in relying on such instruction of DTC.

#### **REDEMPTION PRIOR TO MATURITY**

##### **Optional Redemption.**

The Bonds maturing March 1, 2027, through March 1, 2036, are not subject to redemption prior to maturity. The Bonds maturing March 1, 2037, and thereafter shall be subject to redemption prior to maturity at the option of the City on or after March 1, 2036, and thereafter as a whole or in part at any time, at the redemption price of par plus interest accrued to the redemption date. If less than all the Bonds shall be called for redemption, the maturities to be redeemed shall be selected by the Board in its discretion. If less than all of the Bonds within a single maturity shall be called for redemption, the interests within the maturity to be redeemed shall be selected as follows:

(i) if the Bonds are being held under a Book-Entry System by DTC, or a successor Depository, the Bonds to be redeemed shall be determined by DTC, or such successor Depository, by lot or such other manner as DTC, or such successor Depository, shall determine; or

(ii) if the Bonds are not being held under a Book-Entry System by DTC, or a successor Depository, the Bonds within the maturity to be redeemed shall be selected by the Registration Agent by lot or such other random manner as the Registration Agent in its discretion shall determine.

##### **Mandatory Redemption.**

Subject to the credit hereinafter provided, the City shall redeem the Bonds maturing March 1, 20\_\_, on the redemption dates set forth below opposite the maturity dates, in aggregate principal amounts equal to the respective dollar amounts set forth below opposite the respective redemption dates at a price of par plus accrued interest thereon to the date of redemption. DTC, or such Person as shall then be serving as the securities depository for the Bonds, shall determine the interest of each Participant in the Bonds to be redeemed using its procedures generally in use at that time. If DTC or another securities depository is no longer serving as securities depository for the Bonds, the Bonds to be redeemed within a maturity shall be selected by the Registration Agent by lot or such other random manner as the Registration Agent in its

discretion shall select. The dates of redemption and principal amount of the Bonds to be redeemed on said dates are as follows:

<u>Final Maturity</u>	<u>Redemption Date</u>	<u>Principal Amount of the Bonds Redeemed</u>
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At its option, to be exercised on or before the forty-fifth (45th) day next preceding any such redemption date, the City may (i) deliver to the Registration Agent for cancellation the Bonds maturing March 1, 20\_\_, to be redeemed, in any aggregate principal amount desired, and/or (ii) receive a credit in respect of its redemption obligation under this mandatory redemption provision for any Bonds of the maturity to be redeemed which prior to said date have been purchased or redeemed (otherwise than through the operation of this mandatory sinking fund redemption provision) and canceled by the Registration Agent and not theretofore applied as a credit against any redemption obligation under this mandatory sinking fund provision. Each Bond maturing March 1, 20\_\_, so delivered or previously purchased or redeemed shall be credited by the Registration Agent at 100% of the principal amount thereof on the obligation of the City on such payment date and any excess shall be credited on future redemption obligations in chronological order, and the principal amount of the Bonds to be redeemed by operation of this mandatory sinking fund provision shall be accordingly reduced.

**Notice of Redemption.** Notice of call for redemption, whether optional or mandatory, shall be given by the Registration Agent on behalf of the City not less than twenty (20) nor more than sixty (60) days prior to the date fixed for redemption by sending an appropriate notice to the registered owners of the Bonds to be redeemed by first-class mail, postage prepaid, at the addresses shown on the Bond registration records of the Registration Agent as of the date of the notice; but neither failure to mail such notice nor any defect in any such notice so mailed shall affect the sufficiency of the proceedings for redemption of any of the Bonds for which proper notice was given. The notice may state that it is conditioned upon the deposit of moneys in an amount equal to the amount necessary to affect the redemption with the Registration Agent no later than the redemption date ("Conditional Redemption"). As long as DTC, or a successor Depository, is the registered owner of the Bonds, all redemption notices shall be mailed by the Registration Agent to DTC, or such successor Depository, as the registered owner of the Bonds, as and when above provided, and neither the City nor the Registration Agent shall be responsible for mailing notices of redemption to DTC Participants, or Beneficial Owners. Failure of DTC, or any successor Depository, to provide notice to any DTC Participant or Beneficial Owner will not affect the validity of such redemption. The Registration Agent shall mail said notices as and when directed by the City pursuant to written instructions from an authorized representative of the City (other than for a mandatory sinking fund redemption, if applicable, notices of which shall be given at least forty-five (45) days prior to the redemption date unless a shorter notice period shall be satisfactory to the Registration Agent). From and after the redemption date, all Bonds called for redemption shall cease to bear interest if funds are available at the office of the Registration Agent for the payment thereof and if notice has been duly provided. In the case of a Conditional Redemption, the failure of the City to make funds available in part or in whole on or before the redemption date shall not constitute an event of default, and the Registration Agent shall give immediate notice to DTC or the affected Bondholders that the redemption did not occur and that the Bonds called for redemption and not so paid remain outstanding.

#### **AUTHORITY FOR ISSUANCE OF THE BONDS**

The City, pursuant to Section 9-21-101, *et seq.*, of the Tennessee Code Annotated ("T.C.A."), has the power and is authorized to issue the Bonds by resolution.

## **SECURITY AND REMEDIES**

The Bonds will be direct general obligations of the City, and the City has pledged its full faith and credit and unlimited ad valorem taxing power to the punctual payment of the principal of and interest on the Bonds. A tax sufficient to pay when due such principal and interest shall be levied annually and assessed, collected and paid, in like manner with the other taxes of the City and shall be in addition to all the other taxes authorized or limited by law. It shall be the duty of the Board to include in the annual tax levy an amount sufficient to pay the interest on and principal of the Bonds as the same become due. When any part of the principal of or interest on the Bonds shall not be paid when due, there shall be levied and assessed by said Board and collected by the proper collecting officers at the first assessment, levy and collection of taxes in the City, after such omission or failure, a tax sufficient to pay the same.

Any owner or owners of the Bonds shall have the right, in addition to all other rights: (a) by mandamus or other suit, action or proceeding in any court of competent jurisdiction to enforce his or their rights against the City and the Board and any officer, agent or employee of the City, including, but not limited to, the right to require the City and its Board and any proper officer, agent or employee of the City to assess, levy and collect taxes to carry out any agreement as to, or pledge of, such taxes and to require the City and Board and any officer, agent or employee of the City to carry out any other covenants and agreements and to perform its and their duties under the provisions of the Title 9, Chapter 21, Tennessee Code Annotated and (b) by action or suit in equity to enjoin any acts or things which may be unlawful or a violation of the rights of such owner or owners of the Bonds.

## **DISCHARGE AND SATISFACTION OF BONDS**

The Bonds may be discharged and defeased in any one or more of the following ways:

(a) By depositing sufficient funds as and when required with the Registration Agent, to pay the principal of and interest on such Bonds as and when the same become due and payable;

(b) By depositing or causing to be deposited with any trust company or financial institution whose deposits are insured by the Federal Deposit Insurance Corporation or similar federal agency and which has trust powers (an "Agent"; which Agent may be the Registration Agent) in trust or escrow, on or before the date of maturity or redemption, sufficient money or Defeasance Obligations, as hereafter defined, the principal of and interest on which, when due and payable, will provide sufficient moneys to pay or redeem such Bonds and to pay interest thereon when due until the maturity or redemption date (provided, if such Bonds are to be redeemed prior to maturity thereof, proper notice of such redemption shall have been given or adequate provision shall have been made for the giving of such notice);

(c) By delivering such Bonds to the Registration Agent, for cancellation by it;

and if the City shall also pay or cause to be paid all other sums payable under the Resolution, or make adequate provision therefor, and by resolution of the Board instruct any such Agent to pay amounts when and as required to the Registration Agent for the payment of principal of and interest on such Bonds when due, then such Bonds shall be discharged and satisfied and all covenants, agreements and obligations of the City to the holders of such Bonds shall be fully discharged and satisfied.

If the City pays and discharges the indebtedness evidenced by any of the Bonds in the manner provided in either clause (a) or clause (b) above, then the registered owners of such Bonds shall thereafter be entitled only to payment out of the money or Defeasance Obligations.

Defeasance Obligations are direct obligations of, or obligations, the principal of and interest on which are guaranteed by, the United States of America, which bonds or other obligations shall not be subject to redemption prior to their maturity other than at the option of the registered owner thereof.

## **PLAN OF FINANCING**

As provided above, the Bonds are issued to finance the Projects and pay costs of issuance for the Bonds.

## ESTIMATED SOURCES AND USES OF FUNDS

The estimated sources and uses of funds for the plan of financing are as follows (rounded to the nearest whole dollar):

### **Sources:**

Par Value of Bonds	\$
Net Premium/Discount	
<b>Total Sources</b>	<u> </u>

### **Uses:**

Project Funds	\$
Cost of Issuance/Underwriter's Discount	
<b>Total Uses</b>	<u> </u>

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## LONG TERM DEBT SERVICE REQUIREMENTS

### General Obligation Bonds Debt Service <sup>(1)</sup>

*As of June 30, 2025*

Fiscal Year	Existing Debt Service <sup>(1)</sup>			The Bonds			Combined Debt Service			% of Principal Retired
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total	
2026	\$ 13,160,000	\$ 5,776,463	\$ 18,936,463	\$ -	\$ -	\$ -	\$ 13,160,000	\$ 5,776,463	\$ 18,936,463	
2027	13,610,000	5,340,236	18,950,236				13,610,000	5,340,236	18,950,236	
2028	12,395,000	4,744,240	17,139,240				12,395,000	4,744,240	17,139,240	
2029	12,990,000	4,139,040	17,129,040				12,990,000	4,139,040	17,129,040	
2030	10,490,000	3,504,600	13,994,600				10,490,000	3,504,600	13,994,600	47.3%
2031	8,920,000	2,995,700	11,915,700				8,920,000	2,995,700	11,915,700	
2032	9,285,000	2,612,790	11,897,790				9,285,000	2,612,790	11,897,790	
2033	7,050,000	2,213,720	9,263,720				7,050,000	2,213,720	9,263,720	
2034	7,355,000	1,919,190	9,274,190				7,355,000	1,919,190	9,274,190	
2035	6,700,000	1,607,685	8,307,685				6,700,000	1,607,685	8,307,685	77.0%
2036	4,850,000	1,321,350	6,171,350				4,850,000	1,321,350	6,171,350	
2037	5,060,000	1,109,050	6,169,050				5,060,000	1,109,050	6,169,050	
2038	3,555,000	887,450	4,442,450				3,555,000	887,450	4,442,450	
2039	3,715,000	725,050	4,440,050				3,715,000	725,050	4,440,050	
2040	2,225,000	555,250	2,780,250				2,225,000	555,250	2,780,250	91.6%
2041	2,050,000	444,000	2,494,000				2,050,000	444,000	2,494,000	
2042	2,130,000	362,000	2,492,000				2,130,000	362,000	2,492,000	
2043	2,215,000	276,800	2,491,800				2,215,000	276,800	2,491,800	
2044	2,305,000	188,200	2,493,200				2,305,000	188,200	2,493,200	
2045	2,400,000	96,000	2,496,000				2,400,000	96,000	2,496,000	100.0%
2046	-	-	-				-	-	-	
2047	-	-	-				-	-	-	
2048	-	-	-				-	-	-	
2049	-	-	-				-	-	-	
2050	-	-	-				-	-	-	
2051	-	-	-				-	-	-	
Total	\$ 132,460,000	\$ 40,818,814	\$ 173,278,814	\$ -	\$ -	\$ -	\$ 132,460,000	\$ 40,818,814	\$ 173,278,814	

NOTE: Totals may not foot due to rounding.

(1) Does not include water and sewer revenue and tax bonds or State Revolving Fund (SRF) loans, all of which is intended to be paid exclusively from water and sewer revenues. In case of a deficiency in water and sewer revenues, such debt is secured by a general obligation pledge of the City and, in the case of the SRF loans, also by a pledge of state-shared taxes. Please refer to the long-term debt section of the 2025 ACFR for more information.

**STATEMENT OF DEBT**  
**(As of June 30, 2025)**

**City of Franklin**

General Obligation Bonded Debt	
Existing <sup>(1)</sup>	\$ 134,020,000
Less: Self Supporting Debt	<u>(1,560,000)</u>
Net Bonded Debt	132,460,000
Overlapping Bonded Debt <sup>(2)</sup>	\$ 591,045,897
Less Self-Supporting Bonded Debt	<u>(72,878,597)</u>
Net Overlapping Bonded Debt	518,167,300
 Bonded Debt Outstanding Including Overlapping Bonded Debt	\$ 725,065,897
Net Bonded Debt Outstanding Including Net Overlapping Bonded Debt	650,627,300

	City of <u>Franklin</u>	City and Net <u>Overlapping</u>
Bonded Debt Per Capita	\$1,513	\$8,187
Net Direct Bonded Debt Per Capita	\$1,496	\$7,347
 Bonded Debt / Actual Value	0.36%	1.93%
Net Bonded Debt / Actual Value	0.35%	1.73%
 Bonded Debt / Assessed Value	1.78%	9.62%
Net Bonded Debt / Assessed Value	1.76%	8.64%

	Williamson <u>Franklin</u>	Williamson <u>County</u>
FY 2025 Assessed Value	\$ 7,534,304,574	\$ 19,130,162,380
FY 2025 Appraised Value	\$ 37,609,592,237	\$ 105,271,769,144
2025 Population <sup>(3)</sup>	88,558	247,726

Williamson County's Bonded Debt as of June 30, 2025 <sup>(4)</sup>	
Bonded Debt	\$ 1,124,895,000
Self Supporting Bonded Debt	<u>(185,065,000)</u>
Net Bonded Debt	\$ 939,830,000

Franklin's Assessed Value as a Percentage of Williamson County's Assessed Value: 39.384 %

Franklin Special School District Bonded Debt as of June 30, 2025 <sup>(5)</sup>	
Bonded Debt	\$ 158,755,885

Franklin's Assessed Value as a Percentage of Franklin Special School District Assessed Value: 100%

Notes:

(1) General Obligation bonded debt as of June 30, 2025, including self-supporting tax-backed water and sewer revenue and tax bonds. Excludes revenue bonds and loans without general obligation-backing. Excludes unamortized premiums.

(2) Source: Overlapping debt is for Williamson County and Franklin Special School District

(3) Source: US Census Bureau QuickFacts

(4) Source: Williamson County

(5) Source: Franklin Special School District

## INVESTMENT CONSIDERATIONS

### GENERAL

The purchase of the Bonds is subject to a number of investment considerations. The following is a discussion of certain investment considerations, which, among others, could affect the ability of the City to pay the principal of and interest and premium, if any, on the Bonds and which could also affect the marketability of, or the market price for, the Bonds. Such discussion is not, and is not intended to be, a comprehensive compilation of all possible investment considerations nor a substitute for an independent evaluation of the information presented in this Official Statement, including the Appendices attached hereto. Each prospective purchaser of any Bond should read this Official Statement, including the Appendices attached hereto, in its entirety and consult such prospective purchaser's own investment or legal advisor for a more complete explanation of the matters that should be considered when purchasing an investment such as the Bonds.

### ENFORCEABILITY OF REMEDIES

The remedies available to the holders or beneficial owners of the Bonds upon any event of default under the Bond Resolution are in many respects dependent upon judicial actions which are often subject to discretion and delay.

The enforceability of remedies or rights with respect to the Bonds may be limited by state and federal laws, rulings and decisions affecting remedies and by bankruptcy, insolvency or other laws affecting creditors' rights or remedies heretofore or hereafter enacted.

Under existing law, municipalities must obtain the consent of state governments in order to avail themselves of federal bankruptcy protection under Title 11 of the United States Code. There is currently no law in the State granting such consent. The various legal opinions to be delivered concurrently with the delivery of the Bonds will be qualified as to the enforceability of the various legal instruments by limitations imposed by bankruptcy, reorganization, insolvency, moratorium, or other similar laws affecting the rights of creditors generally or as to the availability of any particular remedy.

### FUTURE LEGISLATION

From time to time, the Tennessee General Assembly considers bills purporting to limit the amount by which Tennessee local governments may increase ad valorem tax levies for purposes other than the payment of general obligation debt service without first obtaining voter approval by referendum. If enacted into law, such bills would have no impact on the security for the payment of the Bonds. However, such laws could impact the City's ability to raise revenue for other governmental operating and capital requirements. See also "TAX MATTERS – Changes in Federal and State Tax Law" for the potential impact of changes in tax law on the Bonds.

### SECONDARY MARKET PRICES

No assurance can be given that a secondary market for any of the Bonds will be available, and no assurance can be given that the initial offering prices for the Bonds will continue for any period of time.

The Bonds may not constitute a liquid investment, and there is no assurance that a liquid secondary market will exist for the Bonds in the event a holder or beneficial owner thereof determines to solicit purchasers of the Bonds. Even if a liquid secondary market exists, there can be no assurance as to the price

for which the Bonds may be sold. Such price may be lower than that paid by the current holder or beneficial owner of the Bonds, depending on existing market conditions and other factors.

### **ADVERSE WEATHER AND OTHER CATASTROPHIC EVENTS**

Numerous scientific studies have detailed changing global weather patterns and the potential for increasing extreme weather events across the world. The City's location in the southern United States near various waterways increases its vulnerability to flooding and extreme heat. In addition to flooding and extreme heat, the City faces other threats due to changing weather patterns, including possible drought conditions that could become more severe and frequent. Severe weather events and natural disasters, generally, including tornados and other storm events, can affect the City and its residents in a myriad of ways, including by potentially damaging City property, causing the temporary or permanent displacement of City residents and interrupting City services. Along with natural disasters, catastrophic events caused by human activity could also materially impact the City in a manner that would adversely impact the City's finances and/or operations. The City cannot predict the timing, extent or severity of any adverse weather events and/or other catastrophic events and any potential impact on the City's operations and finances.

### **CYBER SECURITY**

The City utilizes various computer systems and network technology to perform many of its vital operations. Such operations often include the storage and transmission of sensitive information. As a result, the City may be the target of cyberattacks attempting to gain access to such information or otherwise disrupt City operations. In addition to intentional attacks, information breaches may occur due to unintentional employee error. A successful cyberattack or unintentional breach may require the expenditure of an unknown amount of money or time to resolve, substantially interrupt City services and operations and subject the City to legal action. Attempted cyber security attacks against organizations or entities similar to the City are increasingly common. In January 2024, the Federal Bureau of Investigation issued a specific warning that international hackers are working to attack governmental infrastructure in the United States. To mitigate against such risks, the City has instituted various policies and procedures to protect its network infrastructure, including a cyber-security training requirement for certain departments, as well as general cyber security training and awareness for all employees. The City also maintains insurance against cyber security incidents, though such insurance may not be sufficient to cover all losses incurred by the City as a result of any cyberattack. Despite the City's measures to safeguard its network infrastructure, there are no guarantees that such measures will be successful.

### **PUBLIC HEALTH EMERGENCIES**

The emergence of an epidemic, pandemic or other widespread public health emergency would have an unknown impact on the City's economy and operations. The outbreak in 2020 of the COVID-19 pandemic led, from time to time, to quarantine and other "social distancing" measures across the world, including in the City. These measures included: (i) the closure, from time to time, of nonessential businesses, (ii) recommendations and warnings to limit nonessential travel and promote telecommuting, (iii) the postponement or cancellation of or reduced capacity at large-scale gatherings such as conventions, concerts and sporting events, (iv) limits on operations and customer capacity at commercial and retail establishments and (v) the closure, from time to time, of school buildings and community centers. Though such quarantining and "social distancing" measures related to COVID-19 have since terminated, the City is unable to predict whether and to what extent any increases in COVID-19 cases or the emergence of any other epidemic, pandemic or other widespread public health emergency may disrupt the local or global economy, or how any such disruption may affect the operations or financial condition of the City.

See herein and attached hereto for various financial data of the City reflecting periods both before and during the COVID-19 pandemic. Various types of information regarding employment, income trends, and business activity in the City are detailed in Part II, including historical data collected both before and during the COVID-19 pandemic. Certain data and other information collected prior to and during the COVID-19 outbreak may not reflect current conditions. For example, some of the largest employers and taxpayers in the City may have been forced to reduce their employment during the COVID-19 outbreak and may be similarly affected as a result of any future epidemic, pandemic or other public health emergency. For additional information, see Part II to this Official Statement.

## **FUTURE ISSUES**

The City's Capital Investment Plan ("CIP") is prepared annually to detail the capital expenditures planned by the City for each of the next ten fiscal years. The total costs of each project and the sources of funding (local, state, federal and private) are estimated. The CIP is prepared by the City Administrator and presented to the Board for adoption. The CIP authorizes in detail the capital expenditures to be made or incurred in the next ten fiscal years and is then adopted by the Board concurrently with the Capital Budget.

In 2025, the Board adopted the City's Fiscal Year 2026-2035 CIP in the amount of \$456,011,892 to fund various capital improvement projects in the City, including but not limited to City buildings, parks, road improvements and public safety improvements.

The cash/debt ratio of funding for the Fiscal Year 2026-2035 CIP is approximately 70%/30%, with new debt issued over this period forecasted as \$139.2 million, which includes the Bonds offered herein. The next general obligation bond issue is forecasted for issuance in 2028, though no bond resolution has been adopted by the Board to authorize such bonds and the timing and amount of any future bond issue is subject to change. See also "FINANCIAL INFORMATION – Capital Investment Plan" in Part II to this Official Statement.

## **RATINGS**

Moody's Ratings ("Moody's") and S&P Global Ratings ("S&P") have assigned ratings of "Aaa" and "AAA", respectively, to the Bonds. Further explanation of the significance of these ratings may be obtained from Moody's and S&P. The ratings are not a recommendation to buy, sell or hold the Bonds. The City furnished to each rating agency certain information and materials, some of which may not be included in this Official Statement. There is no assurance that any such ratings will not be withdrawn or revised downward by Moody's and S&P. Such action, if taken, could have an adverse effect on the market price of the Bonds. The City makes no representation as to the appropriateness of the ratings.

## **CONTINUING DISCLOSURE**

The City will at the time the Bonds are delivered execute a Continuing Disclosure Agreement under which it will covenant for the benefit of holders and beneficial owners of the Bonds to provide certain annual financial information and operating data relating to the City (the "Annual Report") and to provide notice of the occurrence of certain enumerated events. The Annual Report and notices of events will be filed by the City with the Municipal Securities Rulemaking Board ("MSRB") at [www.emma.msrb.org](http://www.emma.msrb.org) and with any State Information Depository which may hereafter be established in Tennessee. The specific nature of the information to be contained in the Annual Report or the notices of events can be found in the form of the Continuing Disclosure Agreement attached hereto as Appendix C. These covenants in the Continuing Disclosure Agreement have been made by the City in order to assist the Underwriter in complying with Securities and Exchange Commission Rule 15c2-12(b), as it may be amended from time to time (the "Rule").

The City has not failed to comply with its previous continuing disclosure undertakings in any material respects for the past five years.

## **LITIGATION**

At the time of delivery of the Bonds, the City will certify that there is no litigation or other proceedings of any nature pending or, to the knowledge of the City, threatening to restrain or enjoin the sale, execution, issuance or delivery of the Bonds or in any way contesting the validity of the Bonds or affecting corporate existence or the boundaries of the City or the titles of its officers to the respecting offices or the power of the City to levy and collect taxes to pay the Bonds.

## **TAX MATTERS**

### **Federal Taxes**

*General.* Bass, Berry & Sims PLC, Nashville, Tennessee, is Bond Counsel for the Bonds. Their opinion under existing law, relying on certain statements by the City and assuming compliance by the City with certain covenants, is that interest on the Bonds:

- is excludable from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”), and
- is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals; however, such interest on the Bonds may be taken into account for the purpose of computing the alternative minimum tax imposed on certain corporations.

The Code imposes requirements on the Bonds that the City must continue to meet after the Bonds are issued. These requirements generally involve the way that Bond proceeds must be invested and ultimately used. If the City does not meet these requirements, it is possible that a bondholder may have to include interest on the Bonds in its federal gross income on a retroactive basis to the date of issue. The City has covenanted to do everything necessary to meet these requirements of the Code.

A bondholder who is a particular kind of taxpayer may also have additional tax consequences from owning the Bonds. This is possible if a bondholder is:

- an S corporation,
- a United States branch of a foreign corporation,
- a financial institution,
- a property and casualty or a life insurance company,
- an individual receiving Social Security or railroad retirement benefits,
- an individual claiming the earned income credit or
- a borrower of money to purchase or carry the Bonds.

If a bondholder is in any of these categories, it should consult its tax advisor.

Bond Counsel is not responsible for updating its opinion in the future. It is possible that future events or changes in applicable law could change the tax treatment of the interest on the Bonds or affect the market price of the Bonds. See also “Changes in Federal and State Tax Law” below.

Bond Counsel expresses no opinion on the effect of any action taken or not taken in reliance upon an opinion of other counsel on the federal income tax treatment of interest on the Bonds, or under State, local or foreign tax law.

*Bond Premium.* If a bondholder purchases a Bond for a price that is more than the principal amount, generally the excess is “bond premium” on that Bond. The tax accounting treatment of bond premium is complex. It is amortized over time and as it is amortized a bondholder’s tax basis in that Bond will be reduced. The holder of a Bond that is callable before its stated maturity date may be required to amortize the bond premium over a shorter period, resulting in a lower yield on such Bonds. A bondholder in certain circumstances may realize a taxable gain upon the sale of a Bond with bond premium, even though the Bond is sold for an amount less than or equal to the owner’s original cost. If a bondholder owns any Bonds with bond premium, it should consult its tax advisor regarding the tax accounting treatment of bond premium.

*Original Issue Discount.* A Bond will have “original issue discount” if the price paid by the original purchaser of such Bond is less than the principal amount of such Bond. Bond Counsel’s opinion is that any original issue discount on these Bonds as it accrues is excluded from a bondholder’s federal gross income under the Internal Revenue Code. The tax accounting treatment of original issue discount is complex. It accrues on an actuarial basis and as it accrues a bondholder’s tax basis in these Bonds will be increased. If a bondholder owns one of these Bonds, it should consult its tax advisor regarding the tax treatment of original issue discount.

*Information Reporting and Backup Withholding.* Information reporting requirements apply to interest on tax-exempt obligations, including the Bonds. In general, such requirements are satisfied if the interest recipient completes, and provides the payor with a Form W-9, “Request for Taxpayer Identification Number and Certification,” or if the recipient is one of a limited class of exempt recipients. A recipient not otherwise exempt from information reporting who fails to satisfy the information reporting requirements will be subject to “backup withholding,” which means that the payor is required to deduct and withhold a tax from the interest payment, calculated in the manner set forth in the Code. For the foregoing purpose, a “payor” generally refers to the person or entity from whom a recipient receives its payments of interest or who collects such payments on behalf of the recipient.

If an owner purchasing a Bond through a brokerage account has executed a Form W-9 in connection with the establishment of such account, as generally can be expected, no backup withholding should occur. In any event, backup withholding does not affect the excludability of the interest on the Bonds from gross income for Federal income tax purposes. Any amounts withheld pursuant to backup withholding would be allowed as a refund or a credit against the owner’s Federal income tax once the required information is furnished to the Internal Revenue Service.

## **State Taxes**

Under existing law, the Bonds and the income therefrom are exempt from all present state, county and municipal taxes in Tennessee except (a) Tennessee excise taxes on interest on the Bonds during the period the Bonds are held or beneficially owned by any organization or entity, or other than a sole proprietorship or general partnership doing business in the State of Tennessee and (b) Tennessee franchise taxes by reason of the inclusion of the book value of the Bonds in the Tennessee franchise tax base of any organization or entity, other than a sole proprietorship or general partnership, doing business in the State of Tennessee.

## **Changes in Federal and State Tax Law**

From time to time, there are Presidential proposals, proposals of and discussions by various federal and Congressional committees, and legislative proposals in the Congress and in the states that, if enacted, could eliminate, alter or amend the federal and state tax matters referred to herein or adversely affect the marketability or market value of the Bonds or otherwise prevent holders of the Bonds from realizing the benefit or the full benefit of the tax exemption of interest on the Bonds. For example, various proposals have been made in Congress and by the President which, if enacted, would subject interest on bonds, such as the Bonds, that is otherwise excluded from gross income for federal income tax purposes, to a tax payable

by certain bondholders with an adjusted gross income in excess of certain proposed thresholds. Further, such proposals may impact the marketability of the Bonds simply by being proposed. It cannot be predicted whether, or in what form, these proposals might be enacted or if enacted, whether they would apply to Bonds issued prior to enactment. In addition, regulatory actions are from time to time announced or proposed and litigation is threatened or commenced which, if implemented or concluded in a particular manner, could adversely affect the market value, marketability or tax status of the Bonds. It cannot be predicted whether any such regulatory action will be implemented, how any particular litigation or judicial action will be resolved, or whether the Bonds would be impacted. Purchasers of the Bonds should consult their tax advisors regarding any pending or proposed legislation, regulatory initiatives or litigation. The opinions expressed by Bond Counsel are based upon existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of issuance and delivery of the Bonds, and Bond Counsel has expressed no opinion as of any date subsequent thereto or with respect to any proposed or pending legislation, regulatory initiatives or litigation.

#### **Miscellaneous**

Prospective purchasers of the Bonds should consult their own tax advisors regarding the foregoing matters.

#### **UNDERWRITING**

\_\_\_\_\_ as the underwriter (the “Underwriter”) and such other securities dealers as it may designate, will purchase the Bonds for an aggregate purchase price of \$\_\_\_\_\_ (consisting of the par amount of \$\_\_\_\_\_, plus original issue premium of \$\_\_\_\_\_, less \$\_\_\_\_\_ underwriters’ discount).

The Underwriter may offer and sell the Bonds to certain dealers (including dealer banks and dealers depositing the Bonds into investment trusts) and others at prices different from the public offering prices stated on the cover page of this Official Statement. Such initial public offering prices may be changed from time to time by the Underwriter.

#### **MUNICIPAL ADVISOR**

PFM Financial Advisors LLC (“PFM”) has been engaged by the City to perform professional services in the capacity of municipal advisor. In the role as municipal advisor, PFM has provided advice on the plan of financing and structure of the issue, reviewed and commented on certain legal documents and reviewed the pricing of the Bonds by the purchasers thereof. The information set forth herein has been obtained from the City and other sources, which are believed to be reliable. PFM has not verified the factual information contained in the Official Statement but relied on the information supplied by the City and the City's certificate as to the Official Statement. PFM does not guarantee the accuracy or completeness of such information.

PFM’s fee for services rendered with respect to the sale of the Bonds is contingent upon the issuance and delivery of the Bonds.

#### **AUDITED FINANCIAL STATEMENTS**

The audited financial statements of the City and the report of Crosslin, PLLC, for the fiscal year ended June 30, 2025, are included in Appendix A hereto as part of the Official Statement. This Official Statement has not been reviewed by Crosslin, PLLC, nor has Crosslin, PLLC performed any procedures related to this Official Statement.

#### **FORWARD-LOOKING STATEMENTS**

The statements contained in this Official Statement, and in any other information provided that are not purely historic, are forward-looking statements, including statements regarding the expectations, hopes,

intentions, or strategies regarding the future. Readers should not place undue reliance on forward-looking statements. All forward-looking statements included in this Official Statement are based on information available on the date hereof, and the City assumes no obligation to update any such forward-looking statements.

The forward-looking statements herein are necessarily based on various assumptions and estimates and are inherently subject to various risks and uncertainties, including risks and uncertainties relating to the possible invalidity of the underlying assumptions and estimates and possible changes or developments in social, economic, business, industry, market, legal and regulatory circumstances and conditions and actions taken or omitted to be taken by third parties, including customers, suppliers, business partners and competitors, and legislative, judicial and other governmental authorities and officials. Assumptions related to the foregoing involve judgments with respect to, among other things, future economic, competitive, and market conditions and future business and policy decisions, all of which are difficult or impossible to predict accurately and, therefore, there can be no assurance that the forward-looking statements included in this Official Statement would prove to be accurate.

#### **MISCELLANEOUS**

The foregoing summaries do not propose to be complete and are expressly made subject to the exact provisions of the complete documents. For details of all terms and conditions, purchasers are referred to the Bond Resolution, a copy of which may be obtained from Kristine Brock, Assistant City Administrator/CFO at 615-791-3217 or Lauren Lowe with PFM Financial Advisors LLC at 901-466-4554.

Any statement made in this Official Statement involving matters of opinion and estimates, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates will be realized.

The execution and delivery of this Official Statement was duly authorized by the City.

## **CERTIFICATE AS TO OFFICIAL STATEMENT**

At the time of payment for and delivery of the Bonds, the City will furnish the purchaser a certificate, signed by the Mayor, to the effect that (a) the descriptions and statements of or pertaining to the City contained in its Official Statement and any addendum thereto, for its Bonds, on the date of such Official Statement, on the date of sale of the Bonds and on the date of the delivery, were and are true and correct in all material respects; (b) insofar as the City and its affairs, including its financial affairs, are concerned, such Official Statement did not and does not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of circumstances under which they were made, not misleading; (c) insofar as the descriptions and statements, including financial data of or pertaining to entities other than the City, and their activities contained in such Official Statement are concerned, such statements and data have been obtained from sources which the City believes to be reliable and that the City has no reason to believe that they are untrue in any material respect; and (d) there has been no material adverse change in the financial condition of the City since June 30, 2025, the date of the last audited financial statements of the City appearing in Appendix A.

/s/

Mayor

ATTEST:

/s/

City Recorder

**PART II**  
**SUPPLEMENTAL INFORMATION STATEMENT**

**CITY OF FRANKLIN, TENNESSEE  
YEARLY INFORMATION STATEMENT**

In addition to providing information as of and for the year ended June 30, 2025, the City of Franklin, Tennessee intends that this Yearly Information Statement will be used, together with information to be specifically provided by the City for that purpose, in connection with the offering and issuance by the City of its securities.

The City of Franklin has prepared an annual comprehensive financial report for fiscal year 2025 containing additional financial statements and other information for the periods covered by this Yearly Information Statement.

Although the City of Franklin does not contract to do so, and does not represent that it will do so, it may maintain, from time to time, a mailing list of parties wishing to receive annual and other information regarding the City.

Please contact Ms. Kristine Brock, Assistant City Administrator/Chief Financial Officer at 615-791-3217 for questions regarding information in this Yearly Information Statement, copies of the Annual Financial Report or placement on the mailing list for the Yearly Information Statement.

The information included in this statement is dated June 30, 2025, unless otherwise indicated.

No person, except as noted on the cover page, has been authorized by the City to give any information or to make any representations not contained in this Yearly Information Statement or any supplement which may be issued hereto, and if given or made, such other information or representations must not be relied upon as having been authorized.

The information estimates and expressions of opinion in this Yearly Information Statement are subject to change without notice. The delivery of this Yearly Information Statement shall not, under any circumstances, create any implication that there has been no material change in the affairs of the City since the date of this Yearly Information Statement.

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## TABLE OF CONTENTS

If used in conjunction with an Official Statement or Offering Memorandum, this Table of Contents will relate only to this Supplemental Information Statement. A separate Table of Contents should be included for such Official Statement or Offering Memorandum.

THE CITY OF FRANKLIN, TENNESSEE.....	II-1
Introduction .....	II-1
Governmental Structure.....	II-2
Organizational Chart.....	II-3
FINANCIAL MANAGEMENT .....	II-4
Department of Finance .....	II-4
Fiscal Year.....	II-4
Accounting System.....	II-4
Basis of Accounting.....	II-4
Budgeting And Appropriations Procedures .....	II-4
Budget for Fiscal Year 2025.....	II-5
Cash Management .....	II-6
Financial Reporting .....	II-6
Fund Structure .....	II-6
Retirement System.....	II-6
Other Post Employment Benefits .....	II-7
General Government Operations .....	II-8
Governmental Funds' Reserves .....	II-9
Fund Balances .....	II-10
FINANCIAL INFORMATION.....	II-10
Local Option Sales Tax .....	II-10
State Tax Revenues (Local Share).....	II-10
Property Tax .....	II-11
Values of Taxable Property .....	II-12
Property Tax Levies and Collections.....	II-12
Largest Taxpayers.....	II-13
Hotel/Motel Occupancy Tax.....	II-13
Historical Tax Revenue Collections .....	II-14
Capital Investment Plan.....	II-15
Bond Authorization .....	II-15
Debt Limit .....	II-15
LONG-TERM OBLIGATIONS.....	II-15
Compensated Absence Liabilities .....	II-15
MAJOR FUNDS SUMMARIES.....	II-16
General Fund .....	II-16
Special Revenue Funds .....	II-17
Debt Service Fund.....	II-19
Capital Project Fund.....	II-20
ECONOMIC AND DEMOGRAPHIC INFORMATION .....	II-20
Population Trends.....	II-20
Income and Buying Power .....	II-20
Employment .....	II-21
Principal Industries.....	II-22
Largest Employers.....	II-22
Housing and Construction .....	II-22
Financial Institutions .....	II-23
ECONOMIC DEVELOPMENT .....	II-24
The Economy .....	II-24
Trade Area.....	II-24
Agribusiness .....	II-25
Tourism .....	II-25
Central Business District .....	II-25
Office Space .....	II-26
Residential Development.....	II-26
Entertainment/Retail.....	II-26
Transportation and Distribution .....	II-26
Utilities .....	II-26
Education.....	II-27
Medical Facilities .....	II-29

## THE CITY OF FRANKLIN, TENNESSEE

### INTRODUCTION

The City of Franklin (“Franklin” or the “City”) was founded October 26, 1799, and was named after Benjamin Franklin, a close friend of Dr. Hugh Williamson, a member of the Continental Congress for whom Williamson County was named.

The City, the county seat of Williamson County, is located 15 miles south of Nashville. Williamson County (or the “County”) is located in a rich agricultural area, and before the Civil War, was the wealthiest county in Tennessee, a status it still holds. Laid out on a portion of a 640-acre tract owned by Major Anthony Sharpe, a Revolutionary War Veteran, Franklin originally consisted of 109 acres that contained 200 lots. The original town plan was designed by Abram Maury, a surveyor and planter who came from Virginia in 1797.

The City covers an area of approximately 42 square miles and serves a population of 83,454 according to the 2020 Census. The City is the ninth largest and one of the fastest growing municipalities in the State of Tennessee.

Today, Franklin has a robust and diversified economy. The City is known as a retail and banking center, with a large commercial area on its east side which includes retail outlets, a regional mall, and several corporate headquarters, including Big Idea Productions, CKE Enterprises (Carl’s Jr/Hardees), Clarcor, Community Health Systems, Ford Motor Credit, Healthways, Jackson National Life, Mars Petcare, Nissan North America and Verizon Wireless. The area is also home to a regional conference center and several major hotel chains, including Aloft, Drury Plaza Hotel, Embassy Suites, Hilton, Homewood Suites, Hyatt Place, and Marriott.

The City has won numerous awards, but none more recent being named the “6th best place to live for families in 2024” by Forbes Magazine. The City was also named an All-American City in 2020 by the National Civic League. Other honors include receiving the National Main Street Award from the National Trust of Historic Preservation, being named the “Number One Small Town in Tennessee”, being designated a Preserve America Community by former First Lady Laura Bush, being listed as one of “America’s Distinctive Destinations” by the National Trust for Historic Preservation, being ranked by Southern Living magazine in the top ten “Best Small Towns” list, being named by Business Week as the top city in Tennessee and among the top 50 nationally in terms of places to start a small business and being ranked continuously by Money magazine in its “Top 10 Best Places to Live” for the last six years. Main Street in downtown Franklin has been carefully preserved and contains many buildings from the 19th century. Additions to the Downtown area include a Judicial Center and two parking facilities which greatly increases the amount of parking available to visitors and employees.



## GOVERNMENTAL STRUCTURE

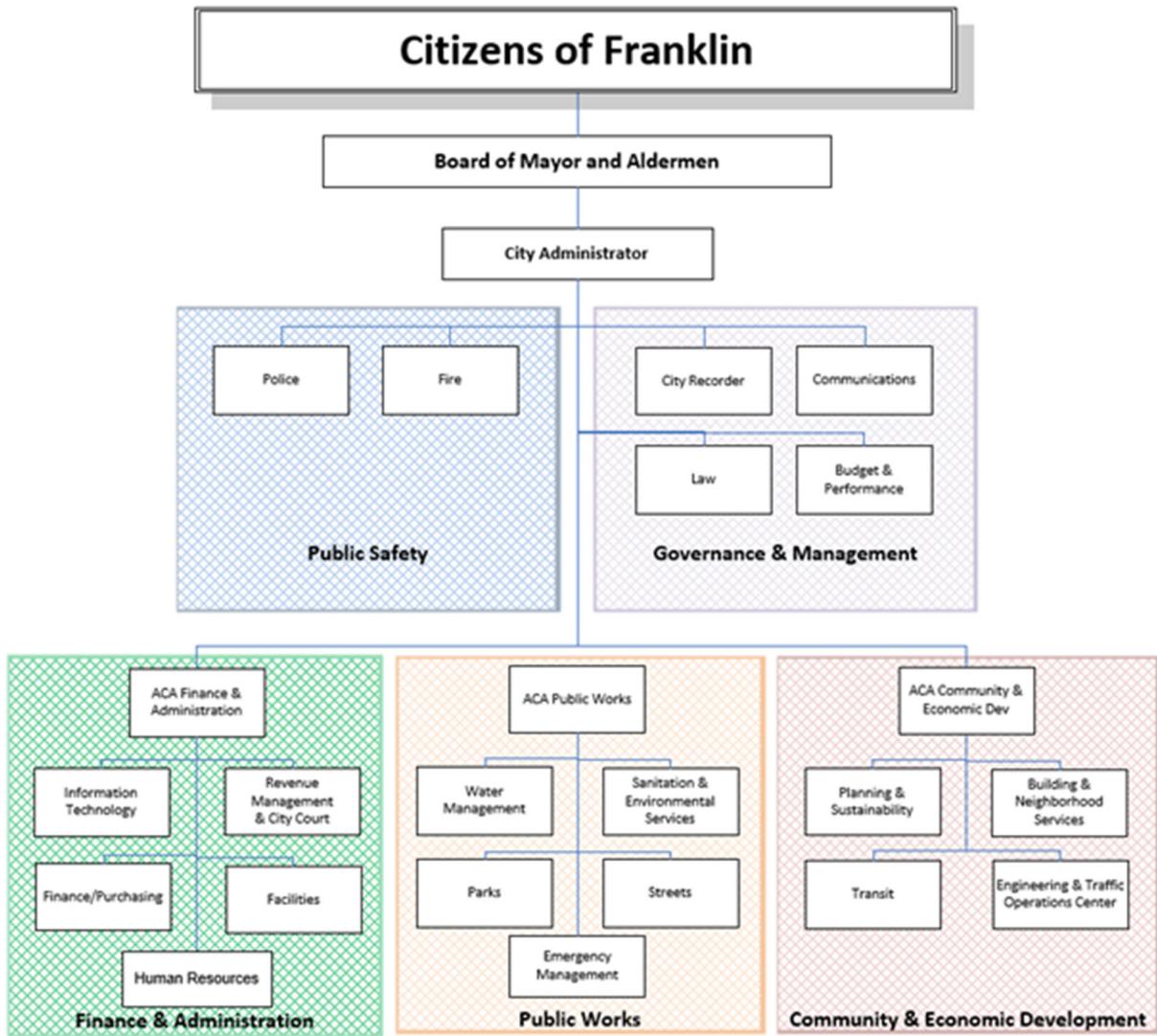
The City of Franklin was chartered by the Tennessee General Assembly in 1815 and incorporated in 1903. The City has operated under a Mayor/Board of Aldermen form of government since its incorporation in 1903. Policy-making and legislative authority are vested in a governing body consisting of the Mayor and eight (8) Aldermen. The Mayor serves a term of four years. The Aldermen are representative citizens who are elected on a non-partisan basis. Aldermen serve four-year staggered terms, with four Aldermen elected at-large and the remaining four are elected two years later by political divisions of the City called wards. The Aldermen elected by wards must live within the ward in which they represent. The Board of Mayor and Aldermen (sometimes referred to herein as the “Board”) is responsible for, among other things, passing ordinances, adopting the budget, appointing committees, and hiring the government’s City Administrator. The City Administrator’s responsibilities include carrying out the policies and ordinances of the governing board, preparing an annual budget, overseeing day-to-day operations and management of the government. The City government is organized under five primary operating units which include:

- **Governance & Management**, which is comprised of Elected Officials, Administration, Budget and Performance, Law, and Communications;
- **Finance & Administration**, which consolidates the administration of six departments: Finance, Human Resources, Information Technology, Purchasing, Billing & Licensing, Court, and Project and Facilities Management;
- **Community & Economic Development**, which is comprised of Building and Neighborhood Services, Planning and Sustainability, Engineering/Traffic Operations Center, Community Development Block Grant, Economic Development and Transit; and
- **Public Works**, which is comprised of Streets/Traffic/Fleet, Storm Water, Parks, Water Management Department, Parks; and Sanitation & Environmental Services; Emergency Management and
- **Public Safety**, which includes the Police and Fire Departments and Drug Fund Operations

The City provides a full range of services, including police and fire protection; the construction and maintenance of highways, streets, and other infrastructure; pickup and disposal of solid waste, planning and codes; operation of a city court; implementation of storm water regulations and remedies; an inner-city transit system, and a city-wide park system. The City also owns and operates its own water, sewer, and reclaimed water system.

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## ORGANIZATIONAL CHART



## FINANCIAL MANAGEMENT

### DEPARTMENT OF FINANCE

The Finance Department is responsible for overseeing the security and management of the City's financial and property interests, accounts payable and payroll processing, grant accounting and the purchasing function. The Department also plans and executes the issuance of bonds and other financing mechanisms available to municipalities. Other responsibilities include producing the City's line item document, monthly and quarterly financial monitoring and reporting, fiscal forecasting and planning, and financial and policy analysis.

### FISCAL YEAR

The City operates on a fiscal year that commences July 1 and ends June 30.

### ACCOUNTING SYSTEM

The City's accounting system is maintained by the Finance Department. In addition, the City retains an independent certified public accounting firm to provide annual audits of all City funds.

### BASIS OF ACCOUNTING

The City of Franklin follows accounting principles set forth in Audits of State and Local Governments, published by the American Institute of Certified Public Accountants, and in statements and interpretations issued by the GASB. Accounting records for general governmental operations, expendable trust funds and agency funds are maintained on a modified accrual basis. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual, that is, both measurable and available. Expenditures, other than interest on general long-term debt, are recorded when the liability is incurred, if measurable. The accrual basis of accounting is used by Proprietary Funds and the Pension Fund.

### BUDGETING AND APPROPRIATIONS PROCEDURES

The financial plans of the City are included in the annual capital and operating budgets. These budgets project all receipts and disbursements and present the level of governmental services and the method of distributing costs to the various segments of the community through the collection of taxes and fees.

The annual budget serves as the foundation for the City's financial planning and control. All departments of the City are required to submit requests for budget appropriations to the Administrator in the first quarter of the calendar year. The City Administrator, in concert with the Chief Financial Officer, uses these requests as a starting point for developing a proposed budget. After numerous meetings with department heads, the Administrator presents the budget to the Board of Mayor and Aldermen for approval. Three meetings of the full board and a public hearing are necessary for approving the budget. Budgets are amended by ordinance of the Board of Mayor and Aldermen authorizing expenditures of various funds received within the total dollar limitations of the Budget Ordinance. At any time during the year, the Mayor may make transfers of appropriations within a department. A transfer of appropriations between funds requires three more readings by the Board and a public hearing.

The Office of Budget & Performance is responsible for managing the annual budget process and performance-measurement initiatives. In the budget, each department identified key performance measures related to their service delivery efforts and sustainability initiatives. Departments within the City participate in peer group studies and continue to review and adopt "best practices" that are recommended by the International City Managers Association, the Government Finance Officers Association, American Public Works Association, American Planning Association, and other national and international organizations.

**OPERATING BUDGET.** The Annual Operating Budget is enacted annually by ordinance by the Board by June 30. The budgets of these funds constitute legal spending limits. The final budget is available to the Board, the staff and all citizens via the City's website ([www.franklintn.gov](http://www.franklintn.gov)). For the sixteenth year, the Government Finance Officers Association of the United States and Canada (GFOA) has presented the City the Distinguished Budget Presentation Award for Budget Preparation to the City for its operating budget for the fiscal year beginning July 1, 2025 through June 30, 2026. The Distinguished Budget Presentation Award is evidence that the City's budget documents are of the highest quality, reflecting both the guidelines established by the National Advisory Council on State and Local Budgeting and the GFOAs best practices.

**CAPITAL BUDGET.** The Capital Investment Plan (or “CIP”) is prepared annually to detail the capital expenditures planned for each of the next ten fiscal years. The total costs of each project and the sources of funding (local, state, federal and private) are estimated. The Capital Investment Plan is prepared by the City Administrator and presented to the Board for adoption. The Capital Investment Plan authorizes in detail the capital expenditures to be made or incurred in the next ten fiscal years and is then adopted by the Board concurrently with the Capital Budget. Phase I of the Fiscal Year (or “FY”) 2026-2035 CIP has been financed and approved by the Board via resolution 2025-85 on October 14, 2025. See also “FINANCIAL INFORMATION – Capital Investment Plan” in this Part II.

#### **BUDGET FOR FISCAL YEAR 2026**

A summary of the fiscal year 2026 approved budget is as follows:

##### **General Fund - Approved Budget for Fiscal Year Ending June 30, 2026**

###### **Revenues**

Local Sales Tax	\$ 67,079,745	52.4%
State Shared	18,375,670	14.3%
Property Tax	20,355,844	15.9%
Alcohol Tax	5,803,499	4.5%
Building Permits & Licenses	2,437,311	1.9%
Franchise Fees	2,464,228	1.9%
Grants	2,077,602	1.6%
Court Fines & Fees	435,188	0.3%
In Lieu of Tax	386,039	0.3%
Interest Income	3,043,842	2.4%
Other	5,642,516	4.4%
Fund Balance Allocation	-	0.0%
<b>Total Revenues</b>	<b>\$ 128,101,484</b>	<b>100.0%</b>

###### **Expenditures**

Governance & Management	\$ 4,232,438	3.3%
Public Safety	56,317,704	44.0%
Finance & Administration	16,523,108	12.9%
Community & Economic Development	11,894,135	9.3%
Public Works	17,554,162	13.7%
Other Operating Expenses	21,579,935	16.8%
<b>Total Expenditures</b>	<b>\$ 128,101,482</b>	<b>100.0%</b>

###### **Other Financing Uses**

Transfers to Other Funds	\$ -	100.0%
<b>Total Expenditures &amp; Other Financing Uses</b>	<b>\$128,101,482</b>	<b>100.0%</b>

NOTE: Totals may not foot due to rounding.

## CASH MANAGEMENT

The City strives to keep abreast of current trends and procedures for cash management and forecasting so as to ensure efficient and profitable use of the City's cash resources. State statutes, however, restrict the City's ability to incorporate as policy many investment methods. Cash temporarily idle during the year is invested in commercial banks and savings and loan certificates of deposit as well as various instruments guaranteed by the United States Government. These instruments have terms ranging from one week to one year. Cash idle for a longer period of time is invested in longer-term government securities with maturities up to four years. The City has adopted an Investment Policy, most recently in April 2021, which is regularly reviewed for any changes in applicable laws or economic conditions.

## FINANCIAL REPORTING

The City maintains a financial reporting system which provides timely and accurate reports of revenues, expenditures, and financial position. The City's financial statements are audited annually by independent certified public accountants. The City has received the GFOA Certificate of Achievement for Excellence in Financial Reporting for its fiscal year 2024 Comprehensive Annual Financial Report, marking the 34th year in a row it has received the award. This certificate evidences conformance with the high financial reporting standards promulgated by the Government Accounting Standards Board ("GASB"). The reports of the certified public accountants with respect to the City's General Purpose Financial Statements for the fiscal year ended June 30, 2025 is included in the Yearly Information Statement of the Official Statement in its final form as Appendix A.

## FUND STRUCTURE

The City utilizes the fund types and account groups recommended by GASB Statement 1. Each fund is considered to be a separate fiscal and accounting entity. They are:

- Governmental Funds to account for most general governmental functions;
- Proprietary Funds to account for ongoing activities and organizations that are similar to private enterprises;
- Fiduciary Funds to account for assets held by the City in a trust capacity for the benefit of parties outside the government.

## RETIREMENT SYSTEM (CLOSED AND TCRS PLANS)

The City of Franklin participates in two defined benefit pension plans: The City of Franklin Employees' Pension Plan and Trust (the "Closed Plan") and the Tennessee Consolidated Retirement System Legacy Plan (the "TCRS Plan"). The Closed Plan is a single-employer plan that was established on May 1, 1971, and closed to new employees effective December 31, 2016. All new hires as of January 1, 2017, and thereafter are members of the TCRS Plan, a multiple employer defined benefit pension plan administered by the Tennessee Department of the Treasury.

Below is the summary of the Closed Plan as reported by the actuary in its most recent report:

Actuarial Valuation Date	Actuarial Valuation of Assets	Actuarial Accrued Liability	Unfunded Actuarial Accrued Liability	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
1/1/2016	\$ 86,832,411	\$ 108,425,076	\$ 21,592,665	80.1%	\$ 30,362,658	71.1%
1/1/2017	93,312,443	117,949,394	24,636,951	79.1%	30,832,419	79.9%
1/1/2018	108,421,369	132,093,369	23,672,000	82.1%	31,118,096	76.1%
1/1/2019	104,845,757	142,749,586	37,903,829	73.4%	31,795,391	119.2%
1/1/2020	123,325,787	151,162,490	27,836,703	81.6%	30,013,785	92.7%
1/1/2021	136,804,759	165,278,119	28,473,360	82.8%	29,868,272	95.3%
1/1/2022	160,783,824	177,338,994	16,555,170	90.7%	29,370,570	56.4%
1/1/2023	143,656,006	195,578,819	51,922,813	73.5%	30,238,979	171.7%
1/1/2024	159,374,145	237,729,906	78,355,761	67.0%	37,030,890	211.6%
1/1/2025	173,812,673	259,552,351	85,739,678	67.0%	37,641,024	227.8%

For additional information on the Closed Plan, see the notes to the City's Annual Comprehensive Financial Report.

All City employees hired on or after January 1, 2017 are members of the TCRS Legacy Defined Benefit Plan.

TCRS was established by act of the General Assembly of the State in 1972 as a trust to provide a defined benefit pension plan for three groups of public employees: state employees, teachers and employees of participating local governments. TCRS is governed by a twenty-member board of trustees (the “Board of Trustees”), which includes such members as the State Commissioner of Human Resources, Commissioner of Finance and Administration, Comptroller of the Treasury and Secretary of State, and such Board of Trustees is responsible for the general administration and operations of TCRS within applicable statutory parameters. Local governments, such as the City, may join TCRS as a participating employer in order to provide pension benefits for their employees. Each local government, including the City, is responsible, however, for the financial obligation of the benefits provided by TCRS to their employees to the extent such obligations are not covered by employee contributions and investment earnings. The State is not responsible for the liability associated with local governments participating in TCRS.

Each participating local government in TCRS is maintained separately for actuarial and financial obligation purposes and is considered an agent employer pursuant to GASB 68. The assets of all public employee groups participating in TCRS, however, are commingled for investment purposes with each group receiving its pro rata share of investment gains and losses. By statute, an actuarial valuation of TCRS is to be conducted annually for both accounting and funding purposes.

TCRS issues audited financial statements on an annual basis. By statute, an independent audit is conducted by the Comptroller of the Treasury of the State.

For additional information on the TCRS Plan, see the notes to the City’s Annual Comprehensive Financial Report. Further information is available on the website for the Tennessee Consolidated Retirement System/ GASB and Actuarial Information at <https://publicreports.treasury.tn.gov/>.

#### **OTHER POST EMPLOYMENT BENEFITS**

GASB recently issued GASB Statement No. 75 which requires governmental employers to disclose the liabilities and costs associated with their retiree healthcare and other benefits, commonly known as Other Post Employment Benefits (“OPEB”). The statement had an effective date of fiscal year ended June 30, 2025 for the City. Based on the City’s actuarial valuation of OPEB liabilities, the estimated cost if pre-funded has been determined to be \$26.690 million. The City has no assets held in a trust so no assets are shown in 2018. The City has created an OPEB reserve account that holds an amount equal to two percent of the General Fund budgeted expenditures. If a trust is later established pursuant to the OPEB liability, the OPEB reserve account can be extinguished from the overall fund balance. The OPEB reserve comprised assets shown prior to 2018. Please refer to the City’s Comprehensive Annual Financial reports prior to 2018 to view reporting of OPEB liabilities prior to GASB Statement No. 75.

	<b>Total OPEB Liability</b>
<b>Balance at June 30, 2024</b>	<u>\$ 21,850,998</u>
<b>Changes for the year:</b>	
Service Cost	553,620
Interest	903,743
Change of benefit terms	-
Differences between expected and actual experience	3,512,614
Changes in assumptions or other inputs	806,817
Benefit payments	<u>(938,040)</u>
Net Changes	<u>4,838,754</u>
<b>Balance at June 30, 2025</b>	<u>\$ 26,689,752</u>

Source: City of Franklin Department of Finance; Annual Reports of the City

For additional information on the City’s OPEB, see the notes to the City’s Annual Comprehensive Financial Report attached as Appendix A.

## GENERAL GOVERNMENT OPERATIONS

The following schedules present a summary of combined revenues of the General Fund, Special Revenue Funds, Debt Service Fund, and Capital Projects Fund (expressed in thousands) for the fiscal year ended June 30, 2025 (Unaudited) and the amount and percentage of increases or decreases in relation to the prior year.

<u>Revenues</u>	<u>Amount (000s)</u>	<u>Percent of Total</u>	<u>Increase (Decrease)</u>	<u>From FY 2024 as %</u>
Local Taxes	\$ 103,534	40.7%	\$ 2,096	2.1%
Licenses and Permits	13,679	5.4%	(4,967)	-26.6%
Fines & Fees	893	0.4%	141	18.8%
Charges for Services	15,416	6.1%	1,406	10.0%
Intergovernmental	29,747	11.7%	(2,893)	-8.9%
Use of Money & Property	9,489	3.7%	(319)	-3.3%
Miscellaneous and Other	861	0.3%	(34)	-3.8%
<b>Total Revenues</b>	<b>\$ 173,620</b>	<b>68.3%</b>	<b>\$ (4,571)</b>	<b>-2.6%</b>
<b><u>Other Financing Sources</u></b>				
Issuance of debt	\$ 43,775	17.2%	\$ 43,775	100.0%
Premium on debt issuance	3,992	1.6%	3,992	100.0%
Lease Proceeds	215	0.1%	(74)	-25.6%
Transfers from other funds	32,777	12.9%	8,641	35.8%
<b>Total Revenues &amp; Other Financing Sources</b>	<b>\$ 254,379</b>	<b>100.0%</b>	<b>\$ 51,764</b>	<b>25.5%</b>

The amount and changes in levels of expenditures (expressed in thousands) for major functions of the City for fiscal year ended June 30, 2025 and the amount and percentage of increases or decreases in relation to the prior year are shown in the table below.

<u>Expenditures</u>	<u>Amount (000s)</u>	<u>Percent of Total</u>	<u>Increase (Decrease) Amount</u>	<u>From FY 2024 as %</u>
Governance & Management	\$ 4,371	1.9%	\$ (1,703)	-28.0%
Public Safety	56,772	24.7%	3,689	7.0%
Finance & Administration	13,832	6.0%	1,918	16.1%
Community & Economic Development	14,251	6.2%	(800)	-5.3%
Public Works	44,085	19.2%	(575)	-1.3%
Other Expenditures	8,114	3.5%	3,442	73.7%
Debt Service	15,608	6.8%	(689)	-4.2%
Capital Outlay	<u>40,092</u>	<u>17.5%</u>	<u>9,142</u>	<u>29.5%</u>
<b>Total Expenditures</b>	<b><u>\$ 197,125</u></b>	<b><u>85.8%</u></b>	<b><u>\$ 14,424</u></b>	<b><u>7.9%</u></b>
<b><u>Other Financing Uses</u></b>				
Transfers to other funds	(32,577)	-12.8%	(8,641)	36.1%
<b>Total Expenditures &amp; Other Financing Uses</b>	<b><u>\$ 229,702</u></b>	<b><u>73.0%</u></b>	<b><u>\$ 5,783</u></b>	<b><u>2.6%</u></b>

Source: City of Franklin Department of Finance; Annual Reports of the City

## GOVERNMENTAL FUNDS' RESERVES

The operating budget will provide funding of certain reserves considered necessary to the continued financial health of the City. The City's Undesignated/Unreserved Fund consists of two accounts: the Financial Stabilization Account and the Surplus Account as outlined below:

Financial Stabilization Account – consists of 33 percent of General Fund Expenditures and several subaccounts: Contingency, Emergency, Cash Flow Stabilization, Debt Service, Property/Casualty/Health Insurance and Other Post Employment Benefits subaccounts. Capital Outlay Account – consists of above 45 percent of General Fund Expenditures. A full description of the Financial Stabilization Account and the related subaccounts can be located in the City's formally adopted Reserve Policy.

### FUND BALANCES (000s)

	2025	2024	2023	2022	2021
General Fund	\$ 89,484	\$ 86,660	\$ 84,641	\$ 74,433	\$ 65,482
Capital Projects Fund	51,412	18,892	28,919	19,323	25,521
Debt Service Fund	128	547	806	1,162	937
Other Governmental Funds	<u>64,312</u>	<u>74,560</u>	<u>70,315</u>	<u>75,486</u>	<u>62,039</u>
Total	<u>\$ 205,336</u>	<u>\$ 180,660</u>	<u>\$ 184,682</u>	<u>\$ 170,404</u>	<u>\$ 153,979</u>

Note: For a breakdown of non-spendable, restricted, committed, assigned and unassigned amounts within each fund, please refer to page 82 of the City's 2025 ACFR.

**Source: City of Franklin Department of Finance; Annual Reports of the City**

## FINANCIAL INFORMATION

### LOCAL OPTION SALES TAX

The Local Option Sales Tax is the City's primary revenue source and accounts for approximately half of General Fund revenue. In accordance with the 1963 Local Option Revenue Act (the "Act") Title 67, Chapter 6, Part 7 of the Tennessee Code Annotated, as amended, the City and the County have adopted a Local Option Sales Tax. Pursuant to the Act, the levy of the sales tax by a county precludes any City within that county from levying a sales tax, but a City may levy a sales tax in addition to the county sales tax at a rate not exceeding the difference between the county sales tax rate and the maximum allowable local sales tax rate which is currently 2.75 percent. The total local option tax is currently levied at a rate of 2.75%, which is levied on the first \$1,600 of a sale of any single item, of which the City receives ½ for sales within the City and the other half is directed to K-12 education.

### STATE TAX REVENUES (LOCAL SHARE)

The City receives funds from the State of Tennessee which are briefly described below:

- (1) State Sales Tax – A 7% sales tax is imposed on the gross proceeds from retail sale or use of tangible personal property and some services. Municipalities are granted a small share of that sales tax, which is shared on the basis of population. Approximately 80% (per FY2024 ACFR) of total state shared revenue that the City receives is derived from this source.
- (2) State Gasoline Taxes – The City receives a pro-rata share of the State Gasoline Tax of \$.26 per gallon and the State Motor Vehicle Tax (Diesel) of \$.27 per gallon, a portion of which is earmarked for Tennessee municipalities. Allocation among Tennessee cities is determined on a per capita basis. These funds are used for street maintenance.
- (3) Other State Taxes – The City also receives State revenues derived from the Beer Tax, Alcoholic Beverage Tax, Liquor by the Drink Tax, and Bank Excise Tax.

The City has received local option sales tax receipts for the most recent ten years as follows:

<b>Fiscal Year</b>	<b>Total Local Option Tax</b>
2016	31,309,367
2017	32,694,269
2018	34,151,972
2019	36,168,178
2020	35,453,379
2021	41,999,727
2022	57,745,532
2023	60,556,943
2024	62,424,823
2025	65,865,952

Source: City of Franklin Department of Finance; Annual Reports of the City

#### **PROPERTY TAX**

The Property Tax (Real Estate and Personal Property) provides the City with its second largest source of tax revenue. The Property Tax levy is without legal limit but has not increased since FY2017. All real and personal property within the City is assessed in accordance with the State constitutional and statutory provisions by the County Property Assessor except most utility property, which is assessed by the State Public Service Commission. All property taxes are due on October 1 of each year based upon appraisals as of January 1 of the same calendar year. All property taxes are delinquent on March 1 of the subsequent calendar year. Delinquent taxes begin accumulating interest and penalties on that date. Additional costs are incurred and attached to real estate after delinquent tax lawsuits are filed in Chancery Court by the City one year after taxes are delinquent.

State law mandates that after June 1, 1989, all property in the State will be re-appraised on a continuous six (6) year or four (4) year cycle as determined by the assessor with the approval of the local governing body, the director of the division of property assessments and approved by the state board of equalization composed of an on-sight review of each parcel of property over a five (5) year period or a three (3) year period, respectively, followed by reevaluation of all such property in the year following the completion of the review. The most recent countywide reappraisal occurred in the 2025 tax year.

The County Assessor assesses property values. The Property Assessment and Classification Act of 1993 provides for assessing properties at varying percentages of actual value as follows: Residential and Farms real property at 25 percent of the current market value; Commercial and Industrial real property at 40 percent of the current market value; Utilities real and personal property at 55 percent of the current value; and, Personal Property at 30 percent of the current market value.

The tables set forth below describe the assessed and estimated actual value of taxable property within the City for the last ten fiscal years, the property tax levies and collections for the last ten fiscal years, and the top ten taxpayers for the most recent fiscal year.

For fiscal year 2015, the City approved a 3 cents per \$100 of assessed value, or 8%, increase in the property tax rate, the total increase was approximately \$1 million. Half of the increase remains earmarked for street maintenance; the other half for capital funding.

For fiscal year 2017, the City approved a 10 cents per \$100 of assessed value, or 33%, increase in the property tax rate. The total increase is approximately \$4.6 million. \$0.07 (7 cents) is earmarked for the Invest Franklin initiative – a targeted capital improvements program dedicated to improving transportation throughout the City as well as other, high-priority projects as determined by the Board of Mayor and Aldermen. \$0.03 (3 cents) was earmarked for general operations, the first such increase in the property tax rate for general operations in nearly three decades.

For fiscal year 2026, the City approved a 6.5 cents per \$100 of assessed value, or 28%, increase in the property tax rate. The total increase is approximately \$6.75 million. \$0.044 (4.4 cents) is earmarked for the Invest Franklin 2.0 initiative – a targeted capital improvements program dedicated to improving transportation, specifically the widening of southeast Mack Hatcher in partnership with the State of Tennessee. \$0.021 (2.1 cents) was earmarked for City operations.

#### VALUES OF TAXABLE PROPERTY

Fiscal Year	Appraised Value			Assessed Value	Assessed Value to Estimated Actual Value
	Real & Personal	Public Utilities	Total Appraised Value		
2016	11,459,545,137	131,906,009	11,591,451,146	3,576,977,148	30.86%
2017	14,774,637,390	156,587,716	14,931,225,106	4,648,444,160	31.13%
2018	15,544,671,317	151,503,072	15,696,174,389	4,883,087,226	31.11%
2019	18,060,693,461	147,536,009	18,208,229,470	5,048,158,858	27.72%
2020	18,771,927,367	148,463,068	18,920,390,435	5,254,702,750	27.77%
2021	21,042,554,405	147,590,270	21,190,144,675	5,458,752,751	25.76%
2022	22,790,879,021	194,537,459	22,985,416,480	7,146,199,812	31.09%
2023	23,432,729,634	236,694,239	23,669,423,873	7,370,695,089	31.14%
2024	23,382,920,676	236,191,118	23,619,111,794	7,422,490,165	31.43%
2025	37,233,496,315	376,095,922	37,609,592,237	7,534,304,574	20.03%

Source: ACFR and Tax Aggregate Reports of Tennessee

#### PROPERTY TAX LEVIES AND COLLECTIONS

Fiscal Year	Total Tax Levy <sup>(1)</sup>	First Year Collections <sup>(2)</sup>	Percent Collected	Subsequent Year Collections		Collections as Percent of Levy	Outstanding Delinquent	Delinquent as Percent of Levy
				Year Collections	Total Collections			
2016	14,306,693	14,114,206	98.65%	187,118	14,301,324	99.96%	5,369	0.04%
2017	19,203,126	19,013,067	99.01%	184,074	19,197,141	99.97%	5,985	0.03%
2018	20,126,690	19,895,443	98.85%	222,716	20,118,159	99.96%	8,531	0.04%
2019	20,834,771	20,584,843	98.80%	235,549	20,820,392	99.93%	14,379	0.07%
2020	21,688,376	21,436,320	98.84%	235,803	21,672,123	99.93%	16,253	0.07%
2021	22,527,506	22,328,725	99.12%	182,481	22,511,206	99.93%	16,300	0.07%
2022	23,026,943	22,818,189	99.09%	179,989	22,998,178	99.88%	28,765	0.12%
2023	23,744,832	23,536,380	99.12%	151,498	23,687,878	99.76%	56,954	0.24%
2024	24,006,775	23,769,831	99.01%	186,646	23,956,477	99.79%	50,298	0.21%
2025	24,371,369	24,091,563	98.85%	-	24,091,563	98.85%	279,806	1.15%

(1) Initial tax levy and includes RR & Public Utilities, but does not include rollbacks or adjustments.

(2) Collections made during the initial year of tax levy; tax year 2024 (FY 2025) reflects collections through June 2025.

Source: ACFR

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**TEN LARGEST TAXPAYERS**

As of June 30, 2025

<b>Taxpayer</b>	<b>Business</b>	<b>2025 Assessment</b>	<b>% of Assessed Valuation</b>
NRB McEwen	Multi-Family Housing	\$ 181,014,120	2.40%
Boyle Investments	Commercial RE & Dev	163,611,080	2.17%
Highwoods Properties	Commercial Real Estate	151,460,080	2.01%
IMT	Multi-Family Housing	141,025,600	1.87%
Galleria Associates (CBL Assoc.)	Shopping Mall and Retail	102,744,640	1.36%
Northwood Investors	Comm/Multi-Family RE & Dev	82,916,160	1.10%
Legacy Cool Springs	Multi-Family Housing	67,530,320	0.90%
STAR Brentwood LLC	Medical Facilities/Offices	58,288,120	0.77%
PBONE Aspen Grove LLC	Multi-Family Housing	53,654,160	0.71%
TA The Harper LLC	Multi-Family Housing	<u>50,984,840</u>	0.68%
 Total for Principal Taxpayers		\$ 1,053,229,120	13.98%
 All Other Taxpayers		<u>\$ 6,481,075,454</u>	<u>86.02%</u>
 Total for All Taxpayers		<u>\$ 7,534,304,574</u>	<u>100.00%</u>

Source: ACFR

**HOTEL/MOTEL OCCUPANCY TAX**

This tax is currently 4.0% of gross occupancy revenues of hotels and funds debt payments (previously on the Cool Springs Conference Center, and now the Harlinsdale and Battlefield parks) and expenditures related to tourism. A portion is also committed to funding the Williamson County Convention and Visitors Bureau. The tax can be increased by the City to 5.0%. Please see the table below which provides a history of all tax collections across the board including the hotel/motel tax.

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## HISTORICAL TAX REVENUE COLLECTIONS

The table below provides a ten-year history of tax revenue collections across all governmental funds.

Fiscal Year	Property Tax (1)	Sales Tax <sup>(2)</sup> (3)	Business Tax	Alcoholic Beverage Taxes <sup>(4)</sup> (5)	Facilities Tax	Hotel/Motel Tax <sup>(6)</sup>	Other <sup>(7)</sup>	Total
2016	13,363,982	31,309,367	3,762,344	3,926,711	4,827,968	3,557,971	360,464	61,108,807
2017	18,713,592	32,694,269	4,537,922	4,021,090	3,864,453	3,710,589	335,018	67,876,933
2018	18,304,565	34,151,972	4,739,599	4,200,285	4,788,042	4,097,695	300,378	70,582,536
2019	18,728,545	36,168,178	4,515,866	4,390,576	2,610,311	4,103,235	303,732	70,820,443
2020	19,626,189	35,453,379	4,703,004	4,599,512	3,051,110	3,138,814	457,515	71,029,523
2021	20,215,870	41,999,727	4,536,119	5,262,169	2,682,395	2,575,830	408,847	77,680,957
2022	20,762,555	57,745,532	4,983,975	5,844,876	2,666,214	4,875,687	327,108	97,205,947
2023	22,732,092	60,556,943	5,390,052	5,646,950	1,301,950	5,638,692	421,290	101,687,969
2024	23,806,250	62,424,823	5,689,807	5,676,549	2,321,255	5,907,179	406,051	106,231,914
2025	23,856,357	65,865,952	6,227,233	5,530,491	1,999,441	5,476,275	409,244	109,364,993

1 This amount includes the General, Debt Service, Street Aid, and Capital Projects funds amounts.

2 Local sales tax is the City's most significant revenue source. The local sales tax rate is 2.75%. The City received half of the tax amount if the sale occurs inside the City. Local sales tax applies only to the first \$1,600 of a single article purchase of tangible personal property. The entire amount is in the General Fund. (Through March 2021, 0.5% of the 2.75% rate is contributed to Williamson County for school debt service.)

3 This amount includes business tax from state (under intergovernmental) recorded in the General Fund.

4 Includes beer, beer privilege, wholesale liquor, liquor privilege & mixed drink taxes. All are recorded in the General Fund.

5 This amount is recorded in the Facilities Tax special revenue fund.

6 This amount is recorded in the Hotel/Motel Tax special revenue fund.

7 Includes penalty and interest on property tax, in lieu of taxes, and special assessment (if any).

Source: City of Franklin Department of Finance

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## **CAPITAL INVESTMENT PLAN**

In 2016, City staff retooled the City's long range, ten-year CIP. Biennially, as part of the CIP process, City departments are asked to review and prioritize their capital needs for the next ten years. The capital projects for the first fiscal year of the ten-year CIP form the basis of the capital budget for that fiscal year. The Board of Mayor and Alderman prioritize the capital projects through a ranking system. When the capital budget projects are finalized for the fiscal year, those projects are formally adopted by the Board of Mayor and Aldermen. The capital budget is funded each year from a variety of sources, including debt proceeds, City appropriations and Federal and State. Since departmental needs often change over time, the CIP is considered preliminary and subject to change until a capital budget is formally adopted by the Board of Mayor and Aldermen for a given fiscal year.

The FY 2026-2035 CIP for the City has been reviewed and updated by the Board of Mayor and Alderman. In Fall 2025 and as part of the FY 2026-2027 Budget, staff presented an updated Financial Model with updates to anticipated revenues and revised expenses for approved projects. That model forecasts \$460.1 million in revenues to support major capital projects against \$364.5 million in approved projects still to be constructed. The Board allocated most of the remaining capacity – over \$91.5 million – for additional projects for a total ten-year CIP totaling just over \$456.0 million. A revised FY 2026-2035 CIP was adopted by the Board on October 14, 2025, via Resolution 2025-85.

This iteration of the CIP assumes 70% of total funding being allocated from cash sources (local sales & property taxes, impact fees, federal and state grants, contributions from utilities and private donations). The remaining 30% of the funding is forecast to come from the City's General Obligation Bonds, Series 2026 and future general obligation bonds of the City.

## **BOND AUTHORIZATION**

Bonds are authorized on behalf of the City by an initial resolution of the Board of Mayor and Aldermen which requires a simple majority. The initial resolution must be published one time in a newspaper of general circulation in the City. Unless 10% of the registered voters of the City protest the issuance of the bonds within twenty days of publication, the bonds may be issued as authorized.

## **DEBT LIMIT**

Tennessee Code Annotated Title 9, Chapter 21, as amended, provides that bonds may be issued by a municipality without regard to any limit on indebtedness.

## **LONG-TERM OBLIGATIONS**

### **COMPENSATED ABSENCE LIABILITIES**

GASB Statement 16 requires recognition of the liability for compensated absences that has been earned and is reasonably expected to be paid to existing employees. The City of Franklin has recognized the non-current portion of this liability for general City employees in its Statement of General Long-Term Debt in the amount of \$12,814,954 as of June 30, 2025.

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## MAJOR FUNDS SUMMARIES

### GENERAL FUND

**Summary of Revenues, Expenditures, and Changes in Fund Balance**  
**For the Fiscal Years Ended June 30**  
*(In Thousands of Dollars)*

	<b>2025</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>
Revenues and other Sources					
Taxes	\$ 84,345	\$ 80,240	\$ 77,417	\$ 71,991	\$ 56,159
Licenses and Permits	5,812	5,253	4,954	5,122	5,283
Fines and Fees	697	468	447	399	308
Charges for Services	974	994	905	233	81
Intergovernmental	21,943	21,301	17,603	18,495	18,149
Use of Money & Property	4,168	4,148	1,719	(725)	317
Miscellaneous and Other	<u>126</u>	<u>115</u>	<u>1,983</u>	<u>74</u>	<u>263</u>
Total Revenues	<u>\$ 118,066</u>	<u>\$ 112,519</u>	<u>\$ 105,029</u>	<u>\$ 95,588</u>	<u>\$ 80,560</u>
	5%	7%			
Expenditures and Other Uses					
Governance & Management	\$ 4,371	\$ 6,074	\$ 5,548	\$ 4,469	\$ 3,598
Public Safety	56,016	52,707	47,303	40,922	35,632
Finance & Administration	13,831	11,913	10,482	7,541	6,371
Community & Economic Development	10,348	10,293	8,112	7,288	6,302
Public Works	16,970	15,642	14,393	11,576	10,593
Debt Service	256	-	-	-	-
Capital Outlay	527	1,186	705	1,005	2,676
Other General Fund Expenditures	<u>4,307</u>	<u>3,261</u>	<u>(1,142)</u>	<u>924</u>	<u>(305)</u>
Total Expenditures	<u>\$ 106,626</u>	<u>\$ 101,077</u>	<u>\$ 85,402</u>	<u>\$ 73,726</u>	<u>\$ 64,868</u>
Revenues and Other Sources Over (Under) Expenditures and Other Uses	11,440	11,442	19,626	21,862	15,692
Other Financing Sources					
Leases	214				
Operating Transfers Out	<u>(8,831)</u>	<u>(9,423)</u>	<u>(9,418)</u>	<u>(12,911)</u>	<u>(3,427)</u>
Fund Balance at Beginning of Year	<u>86,660</u>	<u>84,642</u>	<u>74,434</u>	<u>65,482</u>	<u>53,217</u>
Fund Balance at End of Year	<u>\$ 89,484</u>	<u>\$ 86,660</u>	<u>\$ 84,642</u>	<u>\$ 74,434</u>	<u>\$ 65,482</u>

NOTE: Totals may not foot due to rounding.

Source: ACFR

Source: Annual Comprehensive Financial Reports of the City.

## NONMAJOR GOVERNMENTAL FUNDS

### Summary of Revenues, Expenditures, and Changes in Fund Balance For the Fiscal Years Ended June 30 (In Thousands of Dollars)

	2025	2024	2023	2022	2021	2020
Revenues						
Taxes	\$ 9,403	\$ 9,241	\$ 8,697	\$ 9,605	\$ 7,003	\$ 7,858
Licenses and Permits	2,442	4,117	2,345	1,516	801	1,464
Fines and Fees	196	284	417	112	134	172
Charges for Services	14,442	13,016	13,376	13,464	12,890	12,093
Intergovernmental	7,290	8,155	6,936	6,675	5,252	5,063
Use of Money & Property	2,370	2,614	896	(468)	311	1,705
Miscellaneous and Other	523	316	383	645	343	-
Total Revenues	36,665	38,743	33,050	31,549	26,734	28,356
Expenditures						
General Government	2,011	1,358	17,955	1,397	1,376	1,380
Public Safety	147	144	160	66	92	101
Community & Economic Development	3,855	4,700	-			
Public Works	21,013	22,498	5,092	18,803	18,365	18,205
Capital Outlay	3,245	9,592	672	2,654	3,861	9,054
Total Expenditures	30,272	38,291	23,880	22,920	23,693	28,740
Excess (deficiency) of revenues over (under) expenditures	6,393	452	9,170	8,629	3,041	(384)
Other Financing Sources (Uses)						
Operating Transfers In	3,791	3,612	2,271	2,211	1,927	622
Operating Transfers Out	(9,206)	(9,263)	(9,064)	(3,854)	(4,594)	(6,651)
	(5,415)	(5,651)	(6,793)	(1,643)	(2,667)	(6,029)
Fund Balance at Beginning of Year	45,629	45,660	43,283	36,297	35,924	58,927
Change within financial reporting unit (nonmajor to major and major to nonmajor)	-	5,168	2,377	6,986	374	(16,590)
Fund Balance at Beginning of Year as adjusted or restated	45,629	50,828	45,660	43,283	36,297	42,337
Fund Balance at End of Year	<u>\$ 46,608</u>	<u>\$ 45,629</u>	<u>\$ 45,660</u>	<u>\$ 43,283</u>	<u>\$ 36,297</u>	<u>\$ 35,924</u>

NOTE: Totals may not foot due to rounding.

Source: Annual Comprehensive Financial Reports of the City.

**DEBT SERVICE FUND**

**Summary of Revenues, Expenditures, and Changes in Fund Balance**  
**For the Fiscal Years Ended June 30**  
*(In Thousands of Dollars)*

	<b>2025</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>
Revenues and other Sources					
Taxes	\$ 9,787	\$ 10,958	\$ 10,846	\$ 11,630	\$ 10,919
Intergovernmental	-	-	-	-	-
Use of Money & Property	<u>137</u>	<u>231</u>	<u>198</u>	<u>10</u>	<u>18</u>
Total Revenues	<u>9,924</u>	<u>11,188</u>	<u>11,043</u>	<u>11,640</u>	<u>10,936</u>
Expenditures and Other Uses					
Debt Service	<u>15,089</u>	<u>16,298</u>	<u>15,709</u>	<u>15,737</u>	<u>15,320</u>
Total Expenditures	<u>15,089</u>	<u>16,298</u>	<u>15,709</u>	<u>15,737</u>	<u>15,320</u>
Excess (deficiency) of revenues over (under) expenditures	(5,165)	(5,110)	(4,666)	(4,097)	(4,383)
Other Financing Sources (Uses)					
Bond Proceeds	-	-	-	-	-
Refunding of Debt	-	-	-	-	-
Operating Transfers In	<u>4,746</u>	<u>4,850</u>	<u>4,311</u>	<u>4,322</u>	<u>4,516</u>
	<u>4,746</u>	<u>4,850</u>	<u>4,311</u>	<u>4,322</u>	<u>4,516</u>
Fund Balance at Beginning of Year	<u>547</u>	<u>806</u>	<u>1,162</u>	<u>937</u>	<u>804</u>
Fund Balance at End of Year	<u><u>\$ 127</u></u>	<u><u>\$ 547</u></u>	<u><u>\$ 806</u></u>	<u><u>\$ 1,162</u></u>	<u><u>\$ 937</u></u>

NOTE: Totals may not foot due to rounding.

Source: ACFR

Source: Annual Comprehensive Financial Reports of the City.

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**CAPITAL PROJECTS FUND**

**Summary of Revenues, Expenditures, and Changes in Fund Balance**  
**For the Fiscal Years Ended June 30**  
*(In Thousands of Dollars)*

	<b>2025</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>
Revenues and other Sources					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	514	3,184	56	-	901
Use of Money & Property	1,328	1,522	537	(216)	-
Miscellaneous and Other	212	464	3,022	3,524	196
Total Revenues	<u>2,053</u>	<u>5,170</u>	<u>3,615</u>	<u>3,309</u>	<u>1,097</u>
Expenditures and Other Uses					
Governance & Management	\$ -	\$ -	\$ -	\$ -	\$ -
Public Safety	609	232	2	-	82
Finance & Administration	1	-	-	-	-
Community & Economic Development	48	58	-	-	-
Public Works	2,503	5,188	5,369	5,115	4,959
Other Government	1,920	53	589	3	29
Debt Service	264	-	-	-	-
Capital Outlay	<u>36,195</u>	<u>20,173</u>	<u>11,202</u>	<u>18,105</u>	<u>9,606</u>
Total Expenditures	<u>41,540</u>	<u>25,703</u>	<u>17,162</u>	<u>23,224</u>	<u>14,676</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(39,487)</u>	<u>(20,533)</u>	<u>(13,547)</u>	<u>(19,915)</u>	<u>(13,579)</u>
Other Financing Sources (Uses)					
Bond Proceeds	47,767	-	-	-	-
Operating Transfers In	24,240	15,673	23,143	13,718	4,609
Operating Transfers Out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>72,007</u>	<u>15,673</u>	<u>23,143</u>	<u>13,718</u>	<u>4,609</u>
Fund Balance at Beginning of Year	<u>18,891</u>	<u>28,919</u>	<u>19,322</u>	<u>25,520</u>	<u>34,490</u>
Change within financial reporting unit (major to nonmajor)		<u>(5,168)</u>			
Fund Balance at Beginning of Year as adjusted or restated		<u>23,751</u>			
Fund Balance at End of Year	<u>\$ 32,520</u>	<u>\$ 18,891</u>	<u>\$ 28,919</u>	<u>\$ 19,322</u>	<u>\$ 25,520</u>

NOTE: Totals may not foot due to rounding.

Source: ACFR

Source: Annual Comprehensive Financial Reports of the City.

## ECONOMIC AND DEMOGRAPHIC INFORMATION

### POPULATION TRENDS

Between 2010 and 2020, the population of the nation is estimated to have increased by 7%; the estimate for the increase in the population of the State of Tennessee is 8.9%; and the population of Williamson County is estimated to have shown an increase of 35.5%. The population of City of Franklin, TN as of the 2024 estimate was 89,142.

#### Population: City, County, State and Nation (In Thousands)

	<u>2024 (est.)</u>	<u>2020</u>	<u>2010</u>	<u>2000</u>	<u>1990</u>	<u>Percent Change</u>		
						<u>2020-2010</u>	<u>2000-2010</u>	<u>1990-2000</u>
City of Franklin	89	84	62	42	20	35.5%	47.6%	110.0%
Williamson County	269	248	183	127	81	35.5%	44.1%	56.3%
Tennessee	7,228	6,911	6,346	5,689	4,877	8.9%	11.5%	16.7%
United States	340,111	331,449	309,758	281,422	249,632	7.0%	10.1%	12.7%

Source: U.S. Census Bureau QuickFacts

### INCOME AND BUYING POWER

Since Franklin is an incorporated area within Williamson County, the following is presented for general information related to Williamson County. It is expected that, in general, incomes of families residing within Williamson County exceed by approximately 200% those of the State of Tennessee.

<u>Year</u>	<u>Per Capita Personal Income (\$)</u>	<u>Percent Change</u>
2014	83,075	3.92%
2015	89,890	8.20%
2016	90,772	0.98%
2017	89,796	(1.08%)
2018	91,380	1.76%
2019	94,560	3.48%
2020	99,318	5.03%
2021	112,642	13.42%
2022	121,424	7.80%
2023	128,610	5.92%

Source: U. S. Bureau of Economic Analysis. [www.bea.gov](http://www.bea.gov)

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### 2024 PERCENTAGE OF HOUSEHOLDS BY EFFECTIVE BUYING INCOME

	<b>City of Franklin</b>	<b>Williamson County</b>	<b>State of Tennessee</b>	<b>United States</b>
\$25,000 - \$34,999	5.0%	3.7%	9.5%	7.8%
\$35,000 - \$49,999	8.2%	6.4%	14.5%	12.6%
\$50,000 and over	81.3%	84.6%	62.6%	64.6%
Median Household EBI	\$104,205	\$117,436	\$63,929	\$69,687

Source: Claritas LLC

### RETAIL SALES BY STORE GROUP Williamson County (In Thousands)

	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>
<b>Building Materials</b>	482,532	500,017	484,586	440,623	365,382
<b>General Merchandise</b>	1,415,027	1,376,495	1,303,868	1,170,882	1,001,407
<b>Food &amp; Beverages</b>	1,095,945	1,100,868	1,075,138	943,470	853,898
<b>Automotive</b>	2,541,424	2,466,177	2,249,326	2,125,943	1,791,702
<b>Service Stations</b>	298,051	271,509	290,830	226,752	155,595
<b>Apparel &amp; Accessories</b>	296,997	285,835	271,312	250,912	176,375
<b>Furniture &amp; Home Décor</b>	281,820	325,402	352,422	369,647	306,857
<b>Eating &amp; Drinking</b>	820,063	804,577	769,882	680,163	511,503
<b>Other Retail</b>	966,031	<u>1,074,748</u>	<u>1,128,731</u>	<u>1,050,770</u>	<u>1,122,330</u>
<b>Total Retail Sales (000's)</b>	<b>8,197,889</b>	<b>8,205,628</b>	<b>7,926,094</b>	<b>7,259,161</b>	<b>6,285,049</b>

Source: Tennessee Department of Revenue.

### EMPLOYMENT

As of November 2025, the unemployment rate for Williamson County was 2.9%. Annualized employment and unemployment trends for Williamson County from 2015 to 2024 are presented below.

### LABOR FORCE TRENDS

<b>Year</b>	<b>Persons in Williamson County</b>		<b>Unemployment Rate (%)</b>		
	<b>Employed</b>	<b>Unemployed</b>	<b>Williamson County</b>	<b>Tennessee</b>	<b>USA</b>
2024	136,761	3,797	2.7	3.7	4.0
2023	134,859	3,533	2.6	3.2	3.6
2022	133,150	3,428	2.5	3.4	3.6
2021	127,957	3,581	2.7	4.5	5.4
2020	118,583	6,117	4.9	7.5	8.1
2019	123,612	3,187	2.5	4.3	4.0
2018	117,694	3,126	2.6	3.5	3.9
2017	112,057	3,261	2.8	3.8	4.4
2016	105,579	3,900	3.6	4.7	4.9
2015	103,722	4,270	4.0	5.6	5.3

Source: Bureau of Labor Statistics

## PRINCIPAL INDUSTRIES

The economy of Franklin and Williamson County are comprised of many industries. Major industries include: retailers, medical and healthcare, automotive, finance, insurance, real estate, telecommunication, biomedical, music and service industries.

## LARGEST EMPLOYERS

The following table presents major employers from all employment sectors in the City of Franklin.

Employer	2025 (a)		Percentage of Total City Employment	2016		Percentage of Total City Employment
	Employees	Rank		Employees (a)	Rank	
Community Health Systems	6,438	1	12.77%	3,092	1	7.90%
Williamson Medical Center	2,300	2	4.56%	1,555	3	3.97%
Lee Company	1,790	3	3.55%			
Nissan North America	1,758	4	3.49%	1,850	2	4.72%
Schneider Electric	1,511	5	3.00%			
Ramsey Solutions	1,000	6	1.98%			
Mars Petcare	1,000	7	1.98%	800	8	2.04%
eviCore Healthcare	653	8	1.30%	625	10	1.60%
Jackson National Life Insurance Co.	632	9	1.25%			
Cigna Healthcare	392	10	0.78%			
MEDHOST, Inc	375	11	0.74%			
Frensenius Medical Care	315	12	0.62%			
Franklin American Mortgage	306	13	0.61%			
APCOM, Inc.	299	14	0.59%			
Parallon Business Solutions				1,100	4	2.81%
Optum				1,000	5	2.55%
Verizon Wireless				950	6	2.43%
Ford Motor Credit				800	7	2.04%
Healthways				717	9	1.83%
Total	18,769		37.22%	12,489		31.89%

(a) Number of employees (job counts) were provided by Williamson, Inc. and were based on information available.  
<https://williamsonchamber.com/economic-development/>

## HOUSING AND CONSTRUCTION

The demand for housing in Williamson County housing units continues to increase

### Williamson County, TN Housing Unit Estimate (as of July 1)

April 1, 2020	2020	2021	2022	2023	2024
Estimates					
Base					
91,153	91,838	94,395	97,442	99,682	101,400

Source: U.S. Bureau of the Census,

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## TOTAL NEW RESIDENTIAL BUILDING PERMITS

<b>Fiscal Year</b>	<b>Number</b>	<b>Valuation (In \$000's)</b>
2016	688	221,739
2017	635	216,949
2018	493	183,676
2019	818	198,581
2020	1283	210,509
2021	1042	236,411
2022	723	223,756
2023	712	223,772
2024	755	286,979
2025	868	331,899

Source: City of Franklin

## FINANCIAL INSTITUTIONS

### TOP WILLIAMSON COUNTY AREA BANKS

<b>Institution</b>	<b>No. of Offices</b>	<b>Deposits (000's)</b>	<b>Market Share</b>
1 Pinnacle Bank	4	\$ 2,216,066	15.2%
2 FirstBank	9	1,628,405	11.2%
3 Bank of America, National Association	5	1,427,215	9.8%
4 Regions Bank	9	1,313,828	9.0%
5 Fifth Third Bank, National Association	6	1,228,919	8.4%
6 First Horizon Bank	9	1,056,218	7.3%
7 Cadence Bank	3	910,957	6.3%
8 Truist Bank	5	603,221	4.1%
9 U.S. Bank National Association	4	468,991	3.2%
10 Studio Bank	1	466,084	3.2%
11 Wells Fargo Bank, National Association	4	366,667	2.5%
12 JPMorgan Chase Bank, National Association	4	328,526	2.3%
13 United Community Bank	2	279,016	1.9%
14 Renasant Bank	2	257,041	1.8%
15 Volunteer Bank	2	213,874	1.5%
<b>Total</b>		<b>\$ 12,765,028</b>	<b>87.7%</b>
<b>Total Deposits</b>		<b>\$ 14,562,065</b>	

Source: Federal Deposit Insurance Corporation, June 30, 2025.

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## **ECONOMIC DEVELOPMENT**

Historic Franklin, Tennessee, the county seat of Williamson County, was founded in 1799 and is built around a restored historic downtown. The largest city in the county, Franklin is a charming suburb just eighteen miles south of Nashville, Tennessee and was named to Southern Living's "Best Small Town" top ten list, and is a beautiful blend of upscale urban development and cultural history rich with upscale shopping and eating establishments as well as historic attractions that tell the story of the Civil War's Battle of Franklin. Franklin's quaint downtown offers a Great American Main Street experience and boasts everything from locally owned antiques to trendy boutiques and restaurants, in a pedestrian-friendly setting.

The City and the County, along with other municipalities within the County, have combined their development efforts into one unit under Williamson County Office of Economic Development. The Williamson County Office of Economic Development is the single point of contact for the coordination and facilitation of the continued development of the economy of Williamson County and its six municipalities. The purpose of the office is to grow the county's economy and improve the quality of life of its residents by partnering with the public and private sector to encourage job and wealth creation. As an additional means to promote business expansion, business relocation and industrial development throughout Williamson County and the six municipalities, the County offers a Payment in Lieu of Tax (PILOT) program which could qualify industries for tax breaks in lieu of ad valorem taxes. Applicants are encouraged to make a significant long-term commitment to the community in terms of capital investment, job creation and strength of wages. Terms of PILOT agreements are decided by the Industrial Development Board of Williamson County (IDBWC) based on the industry's economic needs.

### **THE ECONOMY**

As county seat, the City has always served as the focal point for retail shopping, legal affairs and government. The City continues to experience a high level of population growth, from 46,949 residents in 2000 to 92,230 in 2024, an increase of 96%. (Source: City of Franklin 2024 Development Report).

Franklin continues to benefit from the announcement of new corporate headquarters and growth of existing employers. In January 2023, In-N-Out Burger corporation announced their plan to invest \$125.5 million in Franklin to establish an Eastern US territory office. The company will create 277 new jobs in Williamson County. Groundbreaking occurred in 2024 with completion in 2026

Educational Media Foundation, the parent company of Christian radio networks K-Love and Air1, announced in late 2021 their plans to relocate their headquarters to the Berry Farms development, and relocated to them in December 2024.

Also in 2024, Tru-Green moved their corporate offices to Franklin, bringing 135 new jobs with average salaries over \$150,000 and \$5.67 million in capital investment.

Logo Brands, a manufacturer of officially licensed products for more than 800 colleges and leagues, announced in January 2025 its plans to move to an expanded headquarters in Franklin. Founded in West Tennessee near Memphis in 1999, Logo Brands employs approximately 250 positions in its corporate office.

### **TRADE AREA**

The trade area for regional shopping includes the entire Middle Tennessee area, with shoppers coming from a number of counties (including Williamson) and states such as Alabama to the south and Kentucky on the north. Cool Springs Mall and nearby shopping centers contain stores that attract shoppers from over 100 miles away. The downtown area is known for its quaint and unique shops, including a wide variety of antiques and one-of-a-kind products. A renovated stove factory, simply called The Factory, contains dozens of stores and restaurants and includes open areas for farmers' market produce on the weekends. For third quarter of 2025, the Cool Springs overall commercial vacancy rate was 19.1% compared to the Nashville area average of 16.7%. The Cool Springs commercial area with inventory of 9.8 million square feet is the second largest submarket in the Nashville area. There is an expectation for the vacancy rate to decline as fewer new office projects enter into development combined with persistent tenant demand. (Source: 2025 Cushman & Wakefield)

## AGRIBUSINESS

In addition to the produce of the Farmers' Market and other local produce shopping, agriculture continues to play a role in history and prosperity of Franklin. Horse farms abound in the county surrounding the City and the County maintains an Agricultural Expo Center within the City limits. Each year, a county fair is held to promote and acknowledge the agricultural base of the surrounding area.

## TOURISM

The City's tourism industry has shown considerable growth since 1996. Among the principal reasons for the growth has been the investment of public funds into tourism development projects. Started in 1996 and opened in 1998 was the jointly owned Franklin/Williamson County Conference Center. Constructed adjacent to the Cool Springs Marriott Hotel, the Center is the home of many statewide and regional conventions each year. It is widely used by the corporate headquarters that are congregated around the Center, just off I-65.

The tourism and hospitality sector in Franklin and Williamson County is rebounding after a pandemic induced decline that started abruptly in 2020, when the economic impact data indicated a 31% reduction from 2019's record year of \$1.12 billion. Number of visitors also decreased from 2020. Post-pandemic tourism, however, has been thriving. In 2024, Williamson County saw 8.8 million visitors, close to an all-time record, spending \$1.37 billion. (Source: Visit Franklin). Tourism is a significant component of Franklin's economy. In 2024, Williamson County ranked 6 of 95 Tennessee counties in visitor spending. On an average day in 2024, visitors to Williamson County spent \$3.74 million. (State of TN Department of Tourist Development).

## CENTRAL BUSINESS DISTRICT

Downtown Franklin is famous for its friendliness, walkability and small town feel. As one of the original State of Tennessee Main Street programs, it has been carefully preserved and enhanced with streetscape appointments. Most of the buildings are listed on the historic register. Many restaurants fill the space between unique retail shops, and they are rewarded with foot traffic on nights and weekends, as well as normal shopping hours. The City has recently expanded the streetscape elements to include side streets and two of the major entrances to the historic downtown. Plans for additional streetscape projects envision an expansion of enhancements to all five major entrances over a fifteen-year period. A Hilton Curio Hotel with 119 rooms and suites opened in downtown Franklin in late 2019.

Significant reinvestment is continuing to occur in the Central Business District. Two major projects include:

- **The Factory at Franklin** - A complex of industrial buildings for a stove manufacturer, the Factory at Franklin is located within walking distance of Historic Downtown Franklin. Converted for retail, restaurant and entertainment uses in 1996, new owners began extensive renovations in mid 2022. Since 2023, The Factory at Franklin has added 6 new, full-service dining establishments and significant new retail square footage. In 2024, ownership announced plans to continue expansion with construction of a 250-car parking garage and 120 room hotel. The Factory at Franklin currently draws over 65,000 patrons per month due to its growing mix of retail, restaurant, and entertainment attractions.
- **Margin District** - Announced in late 2024, the project is a \$165 Million redevelopment of a collection of parcels formerly consisting of auto mechanic shops. Designed to serve as an extension of downtown, the Margin District project aims to invite residents and visitors to explore new living, shopping and dining, and working options. The project includes 50,000 sq.ft. of retail space for luxury shops and new restaurants as well as more than 50,000 sq.ft. of "Class A+" office space, with suites starting at 2,500 sq.ft. and a dedicated parking garage. It will also include 25 luxury residential units with an asking price of over \$2MM each. The retail locations are currently under construction, with a completion date of 2027.

## OFFICE SPACE

In addition to the Class A office space that exists in the Cool Springs area, numerous projects are in various stages of development and completion. Berry Farms is a massive project that covers three of the four interstate intersection quadrants at I-65 and Goose Creek Bypass. Boyle Investments is managing the project that has brought hundreds of thousands of square feet of office space to the City. The latest corporate addition to Berry Farms is the Eastern corporate headquarters for In-N-Out Burger scheduled for completion in 2026. Closer to Cool Springs and adjacent to the McEwen Drive Interchange is McEwen Northside, a mixed-use development which opened in a portion of the City's former tax increment financing district. McEwen Northside spans over 45 acres and is 80% complete. It includes 745,000 square feet of Class "A" office space, 113,000 square feet of restaurants and specialty retail, a 310 room business class hotel, 770 luxury apartments and 10 acres of green space. Spectrum/Emery developed 71 acres in a project titled Franklin Park. Two 225,000 SF buildings have been constructed, with a master plan including common park, parking garages and apartment complex all on the grounds. While McEwen Northside is largely complete, new retail continues to open including restaurants Hawkers Asian Street Food and Paris Baguette and women's fashion boutique H. Audrey, all in 2026.

## RESIDENTIAL DEVELOPMENT

The City of Franklin continues to have solid growth in Residential Development. Over the last five calendar years (2021-2025) the City of Franklin has added 4,285 new dwelling units in total, averaging 857 units annually. New multi-family dwelling units (2,388) outpaced new single family (1,212) and townhomes (685) dwelling units added respectively over the five-year period.

## ENTERTAINMENT/RETAIL

Like its larger neighbor to the north, Franklin benefits from the music industry with access to wonderful live music in many of its restaurants. Dozens of homes in the Franklin area contain recording studios and attract Music City personalities. Music printing and licensing companies are among those occupying office space in the Cool Springs office district. Downtown Franklin is also home to many performers and songwriters.

## TRANSPORTATION AND DISTRIBUTION

**Air Service** – Franklin is conveniently located approximately 25 miles from Nashville International Airport. Nashville International Airport offers domestic and international flights through several major airlines. Southwest is the largest airline provider at Nashville International Airport. As of 2026, Nashville offers direct flights to the European cities of London (British Airways), Dublin (Aer Lingus) and Reykjavik (Icelandair). As of June 30, 2025, Nashville International airport averaged 660 daily airline arrivals and departures to 113 nonstop destinations.

**Highway** - Franklin is connected to the rest of the nation by I-65, the major north/south federal interstate highway that stretches from Mobile, Alabama through Tennessee, Kentucky, Indiana and Michigan. There are also three state highway systems that intersect in the Historic Downtown area. These highways make Franklin readily accessible to its surrounding communities.

Major Road Projects include:

- **McEwen Phase 4** – The project will be a median divided, 4-lane roadway with left-turn lanes including curb & gutter, an ADA-compliant sidewalk, a multi-use path, and street lighting. Construction began in April 2025 and is expected to take approximately three years with completion scheduled for 2028.

**Public Transit** – The City has a Transit Authority that provides three scheduled routes throughout the City and provides transportation on demand to those that have disabilities or unusual scheduling needs.

**Interstate Bus Lines** - Greyhound Bus Lines is the major interstate bus line servicing Franklin, offering bus to various parts of the continental United States.

## UTILITIES

**Middle Tennessee Electric Membership Corporation** ("MTE") founded, funded and built in 1936 by local farmers and homeowners after being told by urban power companies that rural electricity was infeasible, MTE has grown to become the state's largest electric cooperative and the sixth largest in the United States. MTE supplies electricity to about 750,000 residents in a four-county area south of Nashville including Williamson, Wilson, Rutherford, and Cannon.

All electric power is purchased from the Tennessee Valley Authority (“TVA”) services, a system that is approximately 14,533 miles of line with 53 distribution substations distributing 8.8 billion kilowatt hours of TVA-generated electricity annually.

The City’s Water Management Department provides water, wastewater and reclaimed water services to its customers located primarily in the City of Franklin. Below are the number of utility customers as of June 30, 2025:

Water/Irrigation- 18,573

Wastewater- 28,154

Reclaimed- 115

The City owns and operates a Water Treatment Plant with capacity of treating 2.6 million gallons of water per day. Supplementary water is purchased through an agreement with neighboring Harpeth Valley Utility District. The most recent upgrade to the City’s Water Treatment Plant was completed in June 2018.

Moreover, the City owns and operates a Wastewater Treatment Plant with capacity of treating up to 16 million gallons of effluent per day. In mid 2024, the City completed its most recent expansion project at the plant at a cost of \$153 million. The City is in the early stages of planning and design for a second wastewater treatment plan (Phase I of 6 million gallons per day) to be located in the southeast section of the City. Estimated completion for the second plant is 2034 at a cost of \$325 million.

## EDUCATION

The City of Franklin is served by two public school districts: Franklin Special District, K-8 school system, and Williamson County Schools, K-12 school system. Both public school districts are among the highest rated in the State of Tennessee. The community is also served by a wide variety of high-quality private and faith-based educational institutions.

**Franklin Special District** (“FSD”) is a K-8 school system with approximately 3,051 students enrolled. Students are served by eight schools: five elementary schools, one intermediate school, one middle school, and a K-8 school.

The FSD Board of Education has proudly committed itself to meeting and/or exceeding the state's teacher-pupil ratio requirements, with ratios at: 1 to 20 in kindergarten through third grade, 1 to 22 in fourth grade, and 1 to 25 in grades 5-8.

All schools and the Central Office are accredited by AdvancED, one of the largest and most esteemed school accreditation agencies in the country.

The Franklin Special District gets its unique name from a Special Act of the state legislature that provides the Board of Education its own taxing authority, enabling the schools to be funded appropriately in order to maintain *“Excellence in Teaching and Learning for All.”*

**Williamson County Schools** has over 41,000 students enrolled county-wide. There are currently 52 school sites: 11 high schools, 11 middle schools, 29 elementary schools, and one K-8 school. All schools and the Central Office are accredited by AdvancEd, the nation's largest academic accrediting agency. All high schools have advanced placement programs. The system offers 45 innovative pathways in College, Career, and Technical Education including Tennessee's first Unmanned Aerial System and Autonomous Vehicle Programs of Study. Colleges and Universities in the Franklin area are: Columbia State Community College has a facility in Franklin with 1,723 students at the local campus in Fall 2025, as do several of the four year universities with main campus facilities in Nashville. The Franklin/Williamson County area is served by 23 four year institutions.

## **SCHOOLS OF HIGHER EDUCATION IN THE NASHVILLE AREA**

### Colleges and Universities in or near Nashville

Austin Peay State University (Clarksville)	Middle Tennessee State University (Murfreesboro)
Belmont University (Nashville)	Tennessee State University (Nashville)
Bethel University (McKenzie)	Tennessee Technological University (Cookeville)
Cumberland University (Lebanon)	The University of the South (Sewanee)
Fisk University (Nashville)	Trevecca Nazarene University (Nashville)
Lipscomb University (Nashville)	Vanderbilt University (Nashville)
Meharry Medical College (Nashville)	

Source: Nashville Area Chamber of Commerce (4-year & Postgrad)

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## **MEDICAL FACILITIES**

Franklin is home to Williamson Health. The center offers comprehensive inpatient and outpatient services, 24-hour emergency care for both adults and children, preventive health screenings and wellness activities. Services offered by Williamson Health was developed to provide the most cost-effective, convenient and accessible health care possible. More than 600 outstanding physicians represent more than 70 medical specialties and sub-specialties. Williamson Health's dedication to quality and standards of excellence has earned the hospital full accreditation by The Joint Commission. Accreditation also has been given to the Medical Center's Laboratory by the College of American Pathologists, Cancer Program by the Commission on Cancer of the American College of Surgeons, Mammography by the American College of Radiology, Breast Health Center by the National Accreditation Program for Breast Centers, diabetes education by the American Diabetes Association, the Chest Pain Center by the Society of Chest Pain Centers, and Cardiac Rehabilitation Phase II program by the American Association of Cardiovascular and Pulmonary Rehabilitation. In addition, Williamson Health' Emergency Medical Services holds the highest rating possible from the Tennessee Department of Health, and Williamson Health has been recognized as one of the top Tennessee hospitals regarding surgical processes by QSource, the Medicare Quality Improvement Organization for Tennessee.

In April 2019, The Bone and Joint Institute of Tennessee – partnership between Williamson Health and more than a dozen orthopedic surgeons – opened a new \$40 million 120,000 square ft. outpatient surgery center in Franklin. The center also offers physical therapy, occupational therapy and imaging services. Williamson Health is currently in the midst of a \$200 Million renovation, which includes the addition of 94 medical/surgical private inpatient beds, a new 35-bed Intensive Care Unit and large modern waiting area, a fully renovated and expanded Obstetrics (OB) unit, a new secure Neonatal Intensive Care Unit (NICU) wing, a fully renovated and expanded Emergency Room (increasing overall capacity from 28 to 43 beds) and 2 new state of the art Cardiac Catheterization Labs.

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## **APPENDIX A**

### **AUDITED FINANCIAL STATEMENTS OF THE CITY OF FRANKLIN, TENNESSEE**

**For the Fiscal Year Ended June 30, 2025**

Audited Financial Statements of the City of Franklin, Tennessee, and supplementary information as of and for the Fiscal Year ended June 30, 2025, together with the independent auditors' report from Crosslin, Certified Public Accountants, Nashville, Tennessee, are available through the following website:

**<https://emma.msrb.org/IssuerHomePage/Issuer?id=C9268A3619B8336CE0532C3C000AF4BF>**

and are hereby incorporated by reference as part of this Appendix A. To the extent there are any differences between the electronically posted financial statements of the City and the printed financial statements of the City, the printed version shall control.

**APPENDIX B**  
**FORM OF BOND COUNSEL OPINION**

(Proposed Form of Bond Counsel Opinion)

Bass, Berry & Sims PLC  
21 Platform Way South, Suite 3500  
Nashville, Tennessee 37203

(Dated Closing Date)

We have acted as bond counsel to the City of Franklin, Tennessee (the "Issuer"), in connection with the issuance of \$\_\_\_\_\_ General Obligation Bonds, Series 2026, dated \_\_\_\_\_, 2026 (the "Bonds"). We have examined the law and such certified proceedings and other papers as we deemed necessary to render this opinion.

As to questions of fact material to our opinion, we have relied upon the certified proceedings and other certifications of public officials furnished to us without undertaking to verify such facts by independent investigation.

Based on our examination, we are of the opinion, as of the date hereof, as follows:

1. The Bonds have been duly authorized, executed and issued in accordance with the constitution and laws of the State of Tennessee and constitute valid and binding general obligations of the Issuer.

2. The resolution of the Board of Mayor and Aldermen of the Issuer authorizing the Bonds has been duly and lawfully adopted, is in full force and effect and is a valid and binding agreement of the Issuer.

3. The Bonds constitute general obligations of the Issuer for the payment of which the Issuer has validly and irrevocably pledged its full faith and credit. The principal of and interest on the Bonds are payable from unlimited ad valorem taxes to be levied on all taxable property within the corporate limits of the Issuer.

4. Interest on the Bonds is excludable from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code") and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals; however, such interest on the Bonds may be taken into account for the purpose of computing the alternative minimum tax imposed on certain corporations. The opinion set forth in the preceding sentence is subject to the condition that the Issuer comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, or continue to be, excludable from gross income for federal income tax purposes under Section 103 of the Code. Failure to comply with certain of such requirements could cause interest on the Bonds to be so includable in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds. The Issuer has covenanted to comply with all such requirements.

5. Under existing law, the Bonds and the income therefrom are exempt from all present state, county and municipal taxes in Tennessee except (a) Tennessee excise taxes on all or a portion of the interest on any of the Bonds during the period such Bonds are held or beneficially owned by any organization or entity, other than a sole proprietorship or general partnership, doing business in the State of Tennessee and (b) Tennessee franchise taxes by reason of the inclusion of the book value of the Bonds in the Tennessee franchise tax base of any organization or entity, other than a sole proprietorship or general partnership doing business in the State of Tennessee.

The rights of the owners of the Bonds and the enforceability of the Bonds and the resolution authorizing the Bonds may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting the rights and remedies of creditors, and by equity principles, whether considered at law or in equity.

We express no opinion herein as to the accuracy, adequacy or completeness of the Official Statement relating to the Bonds. Further, we express no opinion herein regarding tax consequences arising with respect to the Bonds other than as expressly set forth herein.

This opinion is given as of the date hereof, and we assume no obligation to update or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Yours truly,

**APPENDIX C**  
**FORM OF CONTINUING DISCLOSURE AGREEMENT**

CITY OF FRANKLIN, TENNESSEE

\$ \_\_\_\_\_ GENERAL OBLIGATION BONDS, SERIES 2026

CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement (this “Disclosure Agreement”) is executed and delivered as of the \_\_\_\_\_ day of \_\_\_\_\_, 2026, by the City of Franklin, Tennessee (the “Issuer”), in connection with the issuance of its \$ \_\_\_\_\_ General Obligation Bonds, Series 2026 (the “Bonds”). The Issuer hereby covenants and agrees as follows:

**SECTION 1. Purpose of and Authority for the Disclosure Agreement.** This Disclosure Agreement is being executed and delivered by the Issuer for the benefit of the Registered Owners and the Beneficial Owners of the Bonds and in order to assist the Participating Underwriters in complying with Rule 15c2-12(b)(5) (the “Rule”) of the Securities and Exchange Commission (the “SEC”). This Disclosure Agreement is being executed and delivered by the Issuer under the authority of the Resolution.

**SECTION 2. Definitions.** In addition to the terms otherwise defined herein, the following capitalized terms shall have the following meanings:

“Beneficial Owner” shall mean any person who (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries) or (b) is treated as the owner of any Bonds for federal income tax purposes.

“Fiscal Year” shall mean any period of twelve consecutive months adopted by the Issuer as its fiscal year for financial reporting purposes, and shall initially mean the period beginning on July of each calendar year and ending June 30 of the following calendar year.

“MSRB” shall mean the Municipal Securities Rulemaking Board.

“Official Statement” shall mean the Official Statement of the Issuer, dated \_\_\_\_\_, 2026, relating to the Bonds.

“Participating Underwriters” shall mean any of the original underwriters of the Bonds required to comply with the Rule in connection with offering of the Bonds.

“Registered Owner” means any person who is identified as a holder of Bonds on the registration records maintained by or on behalf of the Issuer with respect to the Bonds.

“Resolution” shall mean the bond resolution adopted by the Board of Mayor and Aldermen of the Issuer on December 9, 2025.

“State” shall mean the State of Tennessee.

“State Repository” shall mean any public or private repository or entity designated by the State as a state repository to which continuing disclosure information shall be sent pursuant to State law. As of the date of this Disclosure Agreement, there is no State Repository.

SECTION 3. Continuing Disclosure. The Issuer hereby agrees to provide or cause to be provided the information set forth below:

(a) *Annual Financial Information*. For Fiscal Years ending on or after June 30, 2026, the Issuer shall provide annual financial information and operating data within 12 months after the end of the Fiscal Year. The annual financial information and operating data shall include:

(i) The Issuer's audited financial statements, prepared in accordance with generally accepted accounting principles, or, if the Issuer's audited financial statements are not available, then the Issuer's unaudited financial statements; and

(ii) Operating data of the type included under the following headings of the Official Statement, which data may be presented in a manner other than as set forth in the Official Statement:

1. "Long-Term Debt Service Requirements;"
2. "Statement of Debt;"
3. "Retirement System;"
4. "Other Post-Employment Benefits;"
5. "General Government Operations;"
6. "Fund Balances;"
7. "Local Option Sales Tax Receipts for Fiscal Year;"
8. "Values of Taxable Property for Fiscal Year;"
9. "Property Tax Levies and Collections;"
10. "Ten Largest Taxpayers;"
11. "Historical Tax Revenue Collections for the Fiscal Year;" and
12. "Major Funds Summaries."

(b) *Event Notices*. The Issuer will provide notice of the following events relating to the Bonds in a timely manner, not in excess of ten business days after the occurrence of the event:

- (i) Principal and interest payment delinquencies;
- (ii) Non-payment related defaults, if material;
- (iii) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (iv) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (v) Substitution of credit or liquidity providers, or their failure to perform;
- (vi) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds or other material events affecting the tax status of the Bonds;
- (vii) Modifications to rights of Bondholders, if material;
- (viii) Bond calls, if material, and tender offers;
- (ix) Defeasances (including disclosure as to whether the Bonds have been defeased to their maturity or to a preceding call date);
- (x) Release, substitution, or sale of property securing repayment of the securities, if material;
- (xi) Rating changes;
- (xii) Bankruptcy, insolvency, receivership or similar event of the obligated person;
- (xiii) The consummation of a merger, consolidation or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive

agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

(xiv) Appointment of a successor or additional trustee or the change of name of a trustee, if material;

(xv) Incurrence of a financial obligation\* of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the Issuer, any of which affect security holders, if material; and

(xvi) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation\* of the Issuer, any of which reflect financial difficulties.

\* As used in subsections (xv) and (xvi), the term “financial obligation” means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term “financial obligation” does not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

(d) *Notice of Failure to File Annual Financial Information.* The Issuer will provide timely notice of its failure to provide the annual financial information described in subsection (a) above within the time frame prescribed by subsection (a).

(e) *Notice of Amendment of Disclosure Agreement.* The Issuer will provide timely notice of an amendment to this Disclosure Agreement pursuant to the terms of Section 5(a) below.

#### **SECTION 4. Methods of Providing Information.**

(a) All disclosures required by Section 3 shall be transmitted to the MSRB using the MSRB's Electronic Municipal Market Access System (“EMMA”) or by such other method as may be subsequently determined by the MSRB.

(b) Information shall be provided to the MSRB in an electronic format as prescribed by the MSRB, either directly, or indirectly through an indenture trustee or a designated dissemination agent.

(c) All transmissions to the MSRB shall be accompanied by identifying information as prescribed by the MSRB.

(d) Any required disclosure may be incorporated by reference to other documents filed with the MSRB in the manner required by subsection (a) above. The Issuer shall clearly identify each such other document so incorporated by reference.

(e) All disclosures transmitted to the MSRB hereunder shall be simultaneously transmitted to any State Repository.

#### **SECTION 5. Amendment.**

(a) This Disclosure Agreement may be amended or modified so long as: (i) any such amendments are not violative of any rule or regulation of the SEC or MSRB, or other federal or state regulatory body; (ii) the amendment may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of the obligated person, or type of business conducted; (iii) this Disclosure Agreement, as amended, would have

complied with the requirements of the Rule at the time of the primary offering of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and (iv) the amendment does not materially impair the interests of Beneficial Owners or Registered Owners, as determined either by parties unaffiliated with the Issuer (such as bond counsel), or by approving vote of the Beneficial Owners and Registered Owners pursuant to the terms of the Resolution at the time of the amendment.

(b) In the event of any amendment or modification to the financial information or operating data required to be filed pursuant to Section 3(a) above, the Issuer shall describe such amendment in the next filing pursuant to Section 3(a), and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or, in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the Issuer. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, the next filing pursuant to Section 3(a) or 3(b), as applicable, shall present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

**SECTION 6. Termination of Reporting Obligation.** The Issuer's obligations under this Disclosure Agreement shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds.

**SECTION 7. Additional Information.** Nothing in this Disclosure Agreement shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, in addition to that which is required by this Disclosure Agreement. If the Issuer chooses to include any information in any disclosure required hereunder, in addition to that which is specifically required by this Disclosure Agreement, the Issuer shall have no obligation under this Disclosure Agreement to update such information or include it in any future disclosure.

**SECTION 8. Beneficiaries.** This Disclosure Agreement shall inure solely to the benefit of the Registered Owners and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

**SECTION 9. Default.** In the event of a failure of the Issuer to comply with any provision of this Disclosure Agreement, any Registered Owner or Beneficial Owner may take such actions as may be necessary and appropriate, including seeking specific performance by court order, to cause the Issuer to comply with its obligations under this Disclosure Agreement. A default under this Disclosure Agreement shall not be deemed a default under the Resolution, and the sole remedy under this Disclosure Agreement in the event of any failure of any party to comply with this Disclosure Agreement shall be an action to compel performance.

**SECTION 10. Governing Law.** This Disclosure Agreement shall be governed by and construed in accordance with the laws of the State.

**SECTION 11. Severability.** In case any one or more of the provisions of this Disclosure Agreement shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provision of this Disclosure Agreement, but this Disclosure Agreement shall be construed and enforced as if such illegal or invalid provision had not been contained herein.

*[signature page follows]*

CITY OF FRANKLIN, TENNESSEE

By: \_\_\_\_\_  
Mayor

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