CITY OF FRANKLIN
Balance Sheet
Governmental Funds
December 31, 2007

	General	Debt Service	TIF Districts	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS					
Cash and investments	$ 5,765,053	$ 2,240,785	$ 443,264	$ 5,251,227	$ 13,700,329
Receivables					
Accounts receivable	653,085	-	277,258	91,989	1,022,332
Taxes receivable	14,575,540	2,319,865	4,685,811	3,175,494	24,756,710
Note receivable	-	-	10,000,000	-	10,000,000
Special assessments receivable	-	1,060,462	-	1,356,480	2,416,942
Due from other funds	11,196	-	-	-	11,196
Due from other governments	151,126	-	119,343	36,675	307,144
Prepaid items	8,664	-	-	6,590	15,254
Inventories	16,326	-	-	-	16,326
Long term advances	1,000,000	10,000,000	-	4,100,000	15,100,000
TOTAL ASSETS	$ 22,180,990	$ 15,621,112	$ 15,525,676	$ 14,018,455	$ 67,346,233
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts payable	$ 628,741	$ -	$ 376,003	$ 1,379,541	$ 2,384,285
Accrued liabilities	925,562	-	15,000	21,069	961,631
Due to other governments	71,452	-	-	-	71,452
Special deposits	85,203	-	-	-	85,203
Deferred revenue	14,534,550	3,380,327	4,685,811	4,531,974	27,132,662
Long term advances	-	-	15,100,000	-	15,100,000
Total Liabilities	16,245,508	3,380,327	20,176,814	5,932,584	45,735,233
FUND BALANCES					
Reserved for:					
Inventories and prepaid items	24,990	-	-	-	24,990
Advances to other funds	1,000,000	10,000,000	-	4,100,000	15,100,000
Encumbrances	21,000	-	-	431,000	452,000
Contractual obligations	-	-	604,000	661,000	1,265,000
Debt service	-	2,240,785	10,000,000	-	12,240,785
Library services	-	-	-	357,875	357,875
Emergency medical services	-	-	-	12,354	12,354
Utility improvements	-	-	-	380,961	380,961
Development	-	-	-	-	-
Donations & grants	-	-	-	250,844	250,844
Unreserved balance (deficit) reported in:					
General Fund	4,889,492	-	-	-	4,889,492
Special Revenue Funds	-	-	-	1,206,529	1,206,529
Capital Project Funds	-	-	(15,255,138)	685,308	(14,569,830)
Total fund balances	5,935,482	12,240,785	(4,651,138)	8,085,871	21,611,000
TOTAL LIABILITIES AND FUND BALANCES	$ 22,180,990	$ 15,621,112	$ 15,525,676	$ 14,018,455	$ 67,346,233

Total fund balances of governmental funds	$ 21,611,000
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in government funds are not financial resources and are not reported in the funds.	108,520,754
Internal service net assets	742,794
Other long-term assets that are not available to pay for current period expenditures and are deferred in the funds.	2,885,301
Long-term liabilities, including long-term debt, are not due and payable in the current period and are not reported in the funds.	(53,830,171)
Net assets of governmental activities	$ 79,929,678

See accompanying notes to the financial statements.

Exhibit D

CITY OF FRANKLIN
Statement of Revenue, Expenditures and Changes in Fund Balances
Governmental Funds
Year Ended December 31, 2007

	General	Debt Service	TIF Districts	Nonmajor Governmental Funds	Total Governmental Funds
REVENUE					
Taxes	$ 14,044,931	$ 2,110,000	$ 3,127,116	$ 2,789,000	$ 22,071,047
Intergovernmental revenue	2,460,464	-	1,411,157	398,348	4,269,969
Licenses and permits	978,942	-	-	-	978,942
Fines, forfeitures and penalties	392,451	-	-	-	392,451
Public charges for services	1,559,178	398,167	-	41,351	1,998,696
Special assessments	-	330,866	-	1,251,096	1,581,962
Intergovernmental charges for services	426,387	-	-	-	426,387
Investment earnings	941,177	728,006	168,841	675,679	2,513,703
Miscellaneous revenue	129,119	-	419,752	385,270	934,141
Total Revenue	20,932,649	3,567,039	5,126,866	5,540,744	35,167,298
EXPENDITURES					
Current					
General government	2,609,731	-	-	-	2,609,731
Public safety	13,835,982	-	-	20,050	13,856,032
Public works	4,110,460	-	-	-	4,110,460
Health and human services	553,418	-	-	78,469	631,887
Culture, recreation and education	213,296	-	-	1,223,691	1,436,987
Conservation and development	497,501	-	6,080,083	9,451	6,587,035
Capital outlay	-	-	4,519,439	6,412,150	10,931,589
Debt service					
Principal	-	2,350,000	2,820,000	-	5,170,000
Interest	-	1,122,372	1,461,708	-	2,584,080
Debt issuance costs	-	97,477	33,125	-	130,602
Total Expenditures	21,820,388	3,569,849	14,914,355	7,743,811	48,048,403
Excess (Deficiency) of Revenue Over (Under) Expenditures	(887,739)	(2,810)	(9,787,489)	(2,203,067)	(12,881,105)
OTHER FINANCING SOURCES (USES)					
Transfers in	837,345	1,922,093	-	3,478,367	6,237,805
Transfers out	(1,035,958)	-	(287,478)	(4,077,024)	(5,400,460)
General obligation debt issued	-	-	10,000,000	-	10,000,000
Refunding debt issued	-	9,925,000	-	-	9,925,000
Premium (Discount) on debt issued	-	41,670	(6,700)	-	34,970
Payment to refunding escrow agent	-	(10,040,675)	-	-	(10,040,675)
Net change in fund balances	(1,086,352)	1,845,278	(81,667)	(2,801,724)	(2,124,465)
Fund balances (deficit) - beginning	7,021,834	10,395,507	(4,569,471)	10,887,595	23,735,465
Fund balances (deficit) - ending	$ 5,935,482	$ 12,240,785	$ (4,651,138)	$ 8,085,871	$ 21,611,000

See accompanying notes to the financial statements.

CITY OF FRANKLIN
Reconciliation of the Statement of Revenue Expenditures and Changes in Fund Balances of Governmental Funds To the Statement of Activities
Year Ended December 31, 2007

Net change in fund balances - total governmental funds	$ (2,124,465)
Amounts reported for governmental activities in the statement of activities (page 25) are different because:	
Governmental funds report capital outlays as expenditures. However in the statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays ($8,081,877) exceeded depreciation ($2,504,160) in the current period.	5,577,717
Contributed capital assets are reported as revenues in the statement of activities.	1,470,261
The issuance of long-term debt (e.g. notes, leases) provides current financial resources to governmental funds, while the repayment of the principal on long-term debt consumes current financial resources of government funds. Neither transaction, however,has any effect on net assets. This amount is the net effect of differences in the treatment of long term debt.	(5,285,000)
Government funds report the effects of issuance costs, premiums, discounts and similar items when the debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of the differences in the treatment of these items.	615,320
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore, are not reported as expenditures in the government funds	(311,631)
Revenue in the statement of activities not providing current financial resources are not reported as revenue in the funds	509,153
Revenue in the governmental funds that provides current financial resources but has been previously reported as revenue in the statement of activities	(819,080)
Internal service fund change in net assets	528,961
Net change in net assets of governmental activities	$ 161,236

See accompanying notes to the financial statements.

CITY OF FRANKLIN
General Fund
Statement of Revenue, Expenditures and Changes in Fund Balances - Budget and Actual (on a Budgetary basis)
Year Ended December 31, 2007

	Original Budget	Final Budget	Actual	Variance with final budget - Favorable (Unfavorable)
REVENUE				
Taxes	$ 14,808,000	$ 14,808,000	$ 14,882,276	$ 74,276
Intergovernmental revenue	2,554,000	2,554,000	2,460,464	(93,536)
Licenses and permits	1,284,500	1,284,500	978,942	(305,558)
Fines, forfeitures and penalties	400,000	400,000	392,451	(7,549)
Public charges for services	1,435,600	1,723,600	1,559,178	(164,422)
Intergovernmental charges for services	572,000	284,000	426,387	142,387
Investment earnings	654,500	654,500	941,177	286,677
Miscellaneous revenue	110,400	110,400	129,119	18,719
Total Revenue	21,819,000	21,819,000	21,769,994	(49,006)
EXPENDITURES				
Current				
General government	3,081,167	3,021,167	2,614,931	406,236
Public safety	14,249,902	14,249,902	13,840,082	409,820
Public works	4,218,372	4,210,372	4,100,460	109,912
Health and human services	583,115	583,115	553,418	29,697
Culture and recreation	201,520	201,520	234,254	(32,734)
Conservation and development	534,924	549,924	509,201	40,723
Total Expenditures	22,869,000	22,816,000	21,852,346	963,654
Excess (Deficiency) of Revenue Over (Under) Expenditures	(1,050,000)	(997,000)	(82,352)	914,648
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	(1,015,000)	(1,015,000)	-
Net change in fund balance - budgetary basis	(1,050,000)	(2,012,000)	(1,097,352)	914,648
Adjustments to generally accepted accounting principles basis				
2007 encumbrances	21,000	21,000	21,000	-
2006 encumbrances	(10,000)	(10,000)	(10,000)	-
Net change in fund balance - generally accepted accounting principles basis	(1,039,000)	(2,001,000)	(1,086,352)	914,648
Fund Balances - beginning	7,021,834	7,021,834	7,021,834	-
Fund Balances - ending	$ 5,982,834	$ 5,020,834	$ 5,935,482	$ 914,648

See accompanying notes to the financial statements.

Exhibit G

CITY OF FRANKLIN
Statement of Net Assets
Proprietary Funds
December 31, 2007
(with comparative information for the year ended December 31, 2006)

	Business-type Activities - Enterprise Funds					Governmental Activities - Internal Service Funds
	Water Utility Current Year	Water Utility Prior Year	Sanitary Sewer Current Year	Sanitary Sewer Prior Year	Current Year Totals	
ASSETS						
Current assets						
Cash and investments	$ 1,307,375	$ 1,125,885	$ 428,941	$ 702,692	$ 1,736,316	$ 1,036,397
Receivables						
Accounts receivable	912,273	814,189	550,525	496,616	1,462,798	167,131
Taxes receivable	95,799	130,093	61,794	65,863	157,593	-
Due from other funds	-	-	45,572	-	45,572	-
Total current assets	2,315,447	2,070,167	1,086,832	1,265,171	3,402,279	1,203,528
Noncurrent assets						
Restricted cash and investments	-	-	225,177	215,267	225,177	-
Total restricted assets	-	-	225,177	215,267	225,177	-
Capital assets						
Land	115,465	115,465	310,919	310,919	426,384	-
Buildings and improvements	730,075	730,075	1,653,266	1,643,266	2,383,341	-
Improvements other than buildings	50,643,157	49,118,159	52,535,731	50,908,998	103,178,888	-
Machinery and equipment	1,370,638	1,385,336	589,163	543,028	1,959,801	-
Construction in progress	633,848	-	28,852	566,427	662,700	-
Less accumulated depreciation	(9,109,628)	(8,366,663)	(9,258,632)	(8,655,358)	(18,368,260)	-
Total capital assets (net of accumulated depreciation)	44,383,555	42,982,372	45,859,299	45,317,280	90,242,854	-
Total noncurrent assets	44,383,555	42,982,372	46,084,476	45,532,547	90,468,031	-
Total assets	$ 46,699,002	$ 45,052,539	$ 47,171,308	$ 46,797,718	$ 93,870,310	$ 1,203,528

Continued

CITY OF FRANKLIN
Statement of Net Assets
Proprietary Funds
December 31, 2007
(with comparative information for the year ended December 31, 2006)

	Business-type Activities - Enterprise Funds					Governmental Activities - Internal Service Funds
	Water Utility Current Year	Water Utility Prior Year	Sanitary Sewer Current Year	Sanitary Sewer Prior Year	Current Year Totals	
LIABILITIES						
Current liabilities						
Accounts payable	$ 467,507	$ 417,340	$ 344,777	$ 320,908	$ 812,284	$ 34,421
Accrued liabilities	23,431	7,391	53,059	45,164	76,490	396,000
Due to other governments	-	-	-	-	-	-
Due to other funds	56,768	40,021	-	138,743	56,768	-
Special deposits	1,700	1,600	-	-	1,700	30,313
Current portion of compensated absences	21,309	21,116	21,308	21,115	42,617	-
Total current liabilities	570,715	487,468	419,144	525,930	989,859	460,734
Noncurrent liabilities						
Accrued compensated absences	35,035	33,181	35,036	33,182	70,071	-
Total noncurrent liabilities	35,035	33,181	35,036	33,182	70,071	-
Total liabilities	605,750	520,649	454,180	559,112	1,059,930	460,734
NET ASSETS						
Invested in capital assets	44,383,555	42,982,372	45,859,299	45,317,280	90,242,854	-
Restricted for						
Sewer equipment replacement	-	-	225,177	215,267	225,177	-
Unrestricted	1,709,697	1,549,518	632,652	706,059	2,342,349	742,794
Total net assets	$ 46,093,252	$ 44,531,890	$ 46,717,128	$ 46,238,606	$ 92,810,380	$ 742,794

See accompanying notes to the financial statements.

Exhibit H

CITY OF FRANKLIN
Statement of Revenue, Expenses and Changes in Fund Net Assets
Proprietary Funds
Year Ended December 31, 2007
(with comparative information for the year ended December 31, 2006)

	Business-type Activities - Enterprise Funds					Governmental Activities - Internal Service Funds
	Water Utility Current Year	Water Utility Prior Year	Sanitary Sewer Current Year	Sanitary Sewer Prior Year	Current Year Totals	
OPERATING REVENUE						
Metered sales						
Residential	$ 1,916,420	$ 1,730,648	$ 1,211,132	$ 1,157,162	$ 3,127,552	$ -
Commercial	862,377	780,448	474,484	407,433	1,336,861	-
Industrial	225,281	203,131	196,430	172,813	421,711	-
Public authority	235,767	226,547	128,704	113,873	364,471	-
Total metered sales	3,239,845	2,940,774	2,010,750	1,851,281	5,250,595	-
Group health & dental charges	-	-	-	-	-	3,707,830
Unmetered sales	18,418	-	-	-	18,418	-
Public fire protection service	541,518	530,743	-	-	541,518	-
Private fire protection service	94,529	84,927	-	-	94,529	-
Forfeited discounts, penalties and other	32,316	29,217	18,697	15,422	51,013	-
Total operating revenue	3,926,626	3,585,661	2,029,447	1,866,703	5,956,073	3,707,830
OPERATING EXPENSES						
Cost of sales and services	2,353,129	2,114,595	1,760,179	1,763,350	4,113,308	3,223,661
Depreciation	789,562	796,563	620,906	608,867	1,410,468	-
Administration	450,683	431,767	259,007	231,435	709,690	-
Total operating expenses	3,593,374	3,342,925	2,640,092	2,603,652	6,233,466	3,223,661
Operating income (loss)	333,252	242,736	(610,645)	(736,949)	(277,393)	484,169
NON-OPERATING REVENUE (EXPENSES)						
Investment earnings	86,352	76,707	26,845	35,746	113,197	44,792
Sundry	37,271	43,350	4,165	3,490	41,436	-
Loss on property abandoned	(27,150)	-	-	-	(27,150)	-
Total non-operating revenue (expenses)	96,473	120,057	31,010	39,236	127,483	44,792
Income (loss) before capital contributions and transfers	429,725	362,793	(579,635)	(697,713)	(149,910)	528,961
Capital contributions	1,966,833	2,313,373	1,060,306	1,911,741	3,027,139	-
Transfers in	-	-	-	-	-	-
Transfers out	(835,196)	(775,518)	(2,149)	(1,820)	(837,345)	-
Change in net assets	1,561,362	1,900,648	478,522	1,212,208	2,039,884	528,961
Net assets - beginning	44,531,890	42,631,242	46,238,606	45,026,398	90,770,496	213,833
Net assets - ending	$ 46,093,252	$ 44,531,890	$ 46,717,128	$ 46,238,606	$ 92,810,380	$ 742,794

See accompanying notes to the financial statements.

CITY OF FRANKLIN
Statement of Cash Flows
Proprietary Funds
Year Ended December 31, 2007
(with comparative information for the year ended December 31, 2006)

	Business-type Activities - Enterprise Funds					Governmental Activities - Internal Service Funds
	Water Utility Current Year	Water Utility Prior Year	Sanitary Sewer Current Year	Sanitary Sewer Prior Year	Current Year Totals	
CASH FLOWS FROM OPERATING ACTIVITIES						
Receipts from customers and users	$ 3,680,829	$ 3,389,001	$ 1,981,829	$ 1,814,980	$ 5,662,658	$ 3,825,110
Receipts for interfund services provided	227,686	226,897	1,943	1,750	229,629	-
Payments to suppliers	(2,346,430)	(2,335,502)	(1,613,428)	(1,318,372)	(3,959,858)	(3,207,147)
Payments to employees	(473,825)	(448,289)	(474,669)	(537,959)	(948,494)	-
Payments for interfund services used	90,000	85,600	(90,000)	(85,600)	-	
Net cash flows provided by (used in) operating activities	1,178,260	917,707	(194,325)	(125,201)	983,935	617,963
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Transfer out - paid for tax equivalent	(835,196)	(775,518)	(2,149)	(1,820)	(837,345)	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Acquisition of capital assets	(247,926)	(329,245)	(94,212)	(51,786)	(342,138)	-
CASH FLOWS FROM INVESTING ACTIVITIES						
Investment earnings	86,352	76,707	26,845	35,746	113,197	44,792
Net increase (decrease) in cash and cash equivalents	181,490	(110,349)	(263,841)	(143,061)	(82,351)	662,755
Cash and cash equivalents - Beginning	1,125,885	1,236,234	917,959	1,061,020	2,043,844	373,642
Cash and cash equivalents - Ending	$ 1,307,375	$ 1,125,885	$ 654,118	$ 917,959	$ 1,961,493	$ 1,036,397
Cash and Investments - Unrestricted	$ 1,307,375	$ 1,125,885	$ 428,941	$ 702,692	$ 1,736,316	$ 1,036,397
Cash and Investments - Restricted	-	-	225,177	215,267	225,177	-
	$ 1,307,375	$ 1,125,885	$ 654,118	$ 917,959	$ 1,961,493	$ 1,036,397

Continued

See accompanying notes to the financial statements.

CITY OF FRANKLIN
Statement of Cash Flows
Proprietary Funds
Year Ended December 31, 2007
(with comparative information for the year ended December 31, 2006)

	Business-type Activities - Enterprise Funds					Governmental Activities - Internal Service Funds
	Water Utility Current Year	Water Utility Prior Year	Sanitary Sewer Current Year	Sanitary Sewer Prior Year	Current Year Totals	
Reconciliation of operating income (loss) to net cash provided (used) by operating activities						
Operating income (loss)	$ 333,252	$ 242,736	$ (610,645)	$ (736,949)	$ (277,393)	$ 484,169
Adjustments to reconcile operating income (loss) to net cash flows provided by (used in) operating activities						
Depreciation	789,562	796,563	620,906	608,867	1,410,468	-
Depreciation allocated to other funds	8,407	8,962	(8,407)	(8,962)	-	-
Other nonoperating income	37,271	43,350	4,165	3,490	41,436	-
Loss on property abandoned	(27,150)	-	-	-	(27,150)	-
Net book value of property abandoned	15,607	-	-	-	15,607	-
(Increase) decrease in assets						
Accounts receivable	(98,083)	(10,025)	(53,909)	(46,682)	(151,992)	117,280
Taxes receivable	34,294	(12,050)	4,069	(6,781)	38,363	-
Due from other funds	(43,789)	145,355	-	-	(43,789)	-
Increase (decrease) in liabilities						
Accounts payable	50,165	4,277	23,869	39,634	74,034	16,514
Accrued liabilities	16,040	6,966	7,895	23,923	23,935	-
Due to other governments	-	(102,368)	-	-	-	-
Due to other funds	60,537	(212,808)	(184,315)	(7,890)	(123,778)	-
Customer deposits	100	600	-	-	100	-
Compensated absences	2,047	6,149	2,047	6,149	4,094	-
Total Adjustments	845,008	674,971	416,320	611,748	1,261,328	133,794
Net cash flows provided by (used in) operating activities	$ 1,178,260	$ 917,707	$ (194,325)	$ (125,201)	$ 983,935	$ 617,963
Noncash Capital Activities						
Cost of Utility plant installed and/or financed by external parties	$ 1,966,833	$ 2,313,373	$ 1,060,306	$ 1,955,221	$ 3,027,139	$ -

See accompanying notes to the financial statements.

Exhibit J

CITY OF FRANKLIN
Statement of Fiduciary Net Assets
Fiduciary Funds
December 31, 2007

	Agency Funds
ASSETS	
Cash and investments	$ 41,959,247
Taxes receivable	17,753,053
Accounts receivable	37,096
Total assets	59,749,396
LIABILITIES	
Accounts payable	132,234
Due to other governments	59,605,079
Special deposits	12,083
Total liabilities	59,749,396
Total net assets	$ -

See accompanying notes to the financial statements.