# CITY OF FRANKLIN
## Balance Sheet
## Governmental Funds
## December 31, 2009

| | General | Debt Service | TIF Districts | Nonmajor Governmental Funds | Total Governmental Funds |
|---|---|---|---|---|---|
| **ASSETS** | | | | | |
| Cash and investments | $ 5,861,473 | $ 60,900 | $ 811,878 | $ 3,169,685 | $ 9,903,936 |
| Receivables | | | | | |
| Accounts receivable | 534,234 | - | - | 101,056 | 635,290 |
| Interest receivable | - | - | 57,102 | - | 57,102 |
| Taxes receivable | 16,149,805 | 2,172,215 | 7,457,956 | 2,577,467 | 28,357,443 |
| Note receivable | - | - | 8,785,000 | - | 8,785,000 |
| Special assessments receivable | | 781,874 | - | 1,495,903 | 2,277,777 |
| Due from other funds | 65,551 | - | - | - | 65,551 |
| Due from other governments | 105,798 | - | 8,644 | 71,106 | 185,548 |
| Prepaid items | 9,568 | - | - | 15,707 | 25,275 |
| Inventories | 15,359 | - | - | - | 15,359 |
| Long term advances | - | 2,018,000 | - | 3,445,000 | 5,463,000 |
| **TOTAL ASSETS** | $ 22,741,788 | $ 5,032,989 | $ 17,120,580 | $ 10,875,924 | $ 55,771,281 |
| **LIABILITIES AND FUND BALANCES** | | | | | |
| **LIABILITIES** | | | | | |
| Accounts payable | $ 849,547 | $ - | $ 110,262 | $ 518,474 | $ 1,478,283 |
| Accrued liabilities | 370,609 | - | 15,000 | 2,936 | 388,545 |
| Due to other governments | 80,117 | - | - | - | 80,117 |
| Special deposits | 186,590 | - | - | - | 186,590 |
| Deferred revenue | 16,150,287 | 2,954,089 | 7,515,058 | 4,073,370 | 30,692,804 |
| Long term advances | - | - | 6,063,000 | - | 6,063,000 |
| Total Liabilities | 17,637,150 | 2,954,089 | 13,703,320 | 4,594,780 | 38,889,339 |
| **FUND BALANCES** | | | | | |
| Reserved for: | | | | | |
| Inventories and prepaid items | 24,927 | - | - | 15,707 | 40,634 |
| Advances to other funds | - | 2,018,000 | - | 3,445,000 | 5,463,000 |
| Encumbrances | 1,000 | - | - | 2,000 | 3,000 |
| Contractual obligations | - | - | 367,000 | 150,000 | 517,000 |
| Debt service | - | 60,900 | 8,785,000 | - | 8,845,900 |
| Library services | - | - | - | 442,509 | 442,509 |
| Emergency medical services | - | - | - | 10,598 | 10,598 |
| Utility improvements | - | - | - | 147,317 | 147,317 |
| Development | - | - | - | 406,562 | 406,562 |
| Donations & grants | - | - | - | 269,132 | 269,132 |
| Unreserved balance (deficit) reported in: | | | | | |
| General Fund | 5,078,711 | - | - | - | 5,078,711 |
| Special Revenue Funds | - | - | - | 165,348 | 165,348 |
| Capital Project Funds | - | - | (5,734,740) | 1,226,971 | (4,507,769) |
| Total fund balances | 5,104,638 | 2,078,900 | 3,417,260 | 6,281,144 | 16,881,942 |
| **TOTAL LIABILITIES AND FUND BALANCES** | $ 22,741,788 | $ 5,032,989 | $ 17,120,580 | $ 10,875,924 | $ 55,771,281 |

| | |
|---|---|
| Total fund balances of governmental funds | $ 16,881,942 |
| 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. | 115,276,159 |
| Internal service net assets | 2,331,792 |
| Other long-term assets that are not available to pay for current period expenditures and are deferred in the funds. | 2,334,879 |
| Long-term liabilities, including long-term debt, are not due and payable in the current period and are not reported in the funds. | (47,052,233) |
| **Net assets of governmental activities** | $ 89,772,539 |

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, 2009

| | General | Debt Service | TIF Districts | Nonmajor Governmental Funds | Total Governmental Funds |
|---|---|---|---|---|---|
| **REVENUE** | | | | | |
| Taxes | $ 16,131,019 | $ 1,900,000 | $ 4,900,339 | $ 2,702,000 | $ 25,633,358 |
| Intergovernmental revenue | 2,538,782 | - | 415,066 | 345,800 | 3,299,648 |
| Licenses and permits | 609,278 | - | - | - | 609,278 |
| Fines, forfeitures and penalties | 385,427 | - | - | - | 385,427 |
| Public charges for services | 1,565,779 | - | - | 34,534 | 1,600,313 |
| Special assessments | - | 263,000 | - | 554,736 | 817,736 |
| Intergovernmental charges for services | 291,584 | - | - | - | 291,584 |
| Investment earnings | 398,410 | 327,181 | 224,946 | 326,063 | 1,276,600 |
| Miscellaneous revenue | 164,384 | - | 1,000 | 470,040 | 635,424 |
| Total Revenue | 22,084,663 | 2,490,181 | 5,541,351 | 4,433,173 | 34,549,368 |
| **EXPENDITURES** | | | | | |
| Current | | | | | |
| General government | 2,780,111 | - | - | 333 | 2,780,444 |
| Public safety | 15,017,640 | - | - | 25,988 | 15,043,628 |
| Public works | 4,504,611 | - | - | - | 4,504,611 |
| Health and human services | 619,555 | - | - | 82,266 | 701,821 |
| Culture, recreation and education | 156,087 | - | - | 1,299,615 | 1,455,702 |
| Conservation and development | 344,442 | - | 143,519 | 88,243 | 576,204 |
| Capital outlay | - | - | 881,725 | 5,179,900 | 6,061,625 |
| Debt service | | | | | |
| Principal | - | 7,800,000 | 3,115,000 | - | 10,915,000 |
| Interest | - | 973,711 | 1,377,171 | - | 2,350,882 |
| Total Expenditures | 23,422,446 | 8,773,711 | 5,517,415 | 6,676,345 | 44,389,917 |
| Excess (Deficiency) of Revenue Over Expenditures | (1,337,783) | (6,283,530) | 23,936 | (2,243,172) | (9,840,549) |
| **OTHER FINANCING SOURCES (USES)** | | | | | |
| Transfers in | 923,280 | 23,190 | - | 1,282,566 | 2,229,036 |
| Transfers out | (25,900) | - | (351,540) | (928,316) | (1,305,756) |
| Net change in fund balances | (440,403) | (6,260,340) | (327,604) | (1,888,922) | (8,917,269) |
| Fund balances - beginning | 5,545,041 | 8,339,240 | 3,744,864 | 8,170,066 | 25,799,211 |
| **Fund balances - ending** | $ 5,104,638 | $ 2,078,900 | $ 3,417,260 | $ 6,281,144 | $ 16,881,942 |

See accompanying notes to the financial statements.

Exhibit E

# 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, 2009

| | |
|---|---|
| Net change in fund balances - total governmental funds | $ (8,917,269) |
| Amounts reported for governmental activities in the statement of activities (page 26) 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 ($4,701,133) exceeded depreciation ($2,765,863) in the current period. | 1,935,270 |
| Contributed capital assets are reported as revenues in the statement of activities. | 350,947 |
| 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. | 10,915,000 |
| 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. | (61,263) |
| 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 | 142,314 |
| Revenue in the statement of activities not providing current financial resources are not reported as revenue in the funds | 585,182 |
| Revenue in the governmental funds that provides current financial resources but has been previously reported as revenue in the statement of activities | (506,671) |
| Internal service fund change in net assets | 678,445 |
| **Net change in net assets of governmental activities** | $ 5,121,955 |

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, 2009

| | Original Budget | Final Budget | Actual | Variance with final budget - Favorable (Unfavorable) |
|---|---|---|---|---|
| **REVENUE** | | | | |
| Taxes | $ 17,096,000 | $ 17,096,000 | $ 17,054,299 | $ (41,701) |
| Intergovernmental revenue | 2,391,000 | 2,391,000 | 2,538,782 | 147,782 |
| Licenses and permits | 816,400 | 816,400 | 609,278 | (207,122) |
| Fines, forfeitures and penalties | 400,000 | 400,000 | 385,427 | (14,573) |
| Public charges for services | 2,185,000 | 2,185,000 | 1,565,779 | (619,221) |
| Intergovernmental charges for services | 266,000 | 266,000 | 291,584 | 25,584 |
| Investment earnings | 755,000 | 755,000 | 398,410 | (356,590) |
| Miscellaneous revenue | 106,600 | 106,600 | 164,384 | 57,784 |
| Total Revenue | 24,016,000 | 24,016,000 | 23,007,943 | (1,008,057) |
| **EXPENDITURES** | | | | |
| Current | | | | |
| General government | 3,579,666 | 3,561,666 | 2,780,111 | 781,555 |
| Public safety | 15,762,020 | 15,762,020 | 15,017,640 | 744,380 |
| Public works | 4,670,054 | 4,688,054 | 4,505,611 | 182,443 |
| Health and human services | 636,860 | 636,860 | 619,555 | 17,305 |
| Culture and recreation | 229,325 | 229,325 | 181,987 | 47,338 |
| Conservation and development | 447,075 | 447,075 | 344,442 | 102,633 |
| Total Expenditures | 25,325,000 | 25,325,000 | 23,449,346 | 1,875,654 |
| Excess (Deficiency) of Revenue Over (Under) Expenditures | (1,309,000) | (1,309,000) | (441,403) | 867,597 |
| **OTHER FINANCING SOURCES (USES)** | | | | |
| Transfers in | - | - | - | - |
| Transfers out | - | - | - | - |
| Net change in fund balance - budgetary basis | (1,309,000) | (1,309,000) | (441,403) | 867,597 |
| Adjustments to generally accepted accounting principles basis | | | | |
| 2009 encumbrances | 1,000 | 1,000 | 1,000 | - |
| 2008 encumbrances | - | - | - | - |
| Net change in fund balance - generally accepted accounting principles basis | (1,308,000) | (1,308,000) | (440,403) | 867,597 |
| Fund Balances - beginning | 5,545,041 | 5,545,041 | 5,545,041 | - |
| **Fund Balances - ending** | $ 4,237,041 | $ 4,237,041 | $ 5,104,638 | $ 867,597 |

See accompanying notes to the financial statements.

# CITY OF FRANKLIN
## Statement of Net Assets
## Proprietary Funds
## December 31, 2009
## (with comparative information for December 31, 2008)

| | 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 | $ 1,254,300 | $ 1,179,017 | $ 652,395 | $ 379,502 | $ 1,906,695 | $ 1,817,004 |
| Receivables | | | | | | |
| Accounts receivable | 1,080,661 | 966,604 | 813,835 | 713,260 | 1,894,496 | 103,631 |
| Taxes receivable | 152,597 | 115,531 | 146,263 | 103,310 | 298,860 | - |
| Due from other funds | - | - | 45,183 | 46,256 | 45,183 | - |
| Prepaid expenses | - | - | - | - | - | 42,404 |
| Long term advances | - | - | - | - | - | 600,000 |
| Total current assets | 2,487,558 | 2,261,152 | 1,657,676 | 1,242,328 | 4,145,234 | 1,963,039 |
| Noncurrent assets | | | | | | |
| Restricted cash and investments | - | - | 227,388 | 231,384 | 227,388 | - |
| Total restricted assets | - | - | 227,388 | 231,384 | 227,388 | - |
| Capital assets | | | | | | |
| Land | 117,215 | 115,465 | 312,669 | 310,919 | 429,884 | - |
| Buildings and improvements | 730,075 | 730,075 | 1,592,175 | 1,592,175 | 2,322,250 | - |
| Improvements other than buildings | 53,324,210 | 52,030,542 | 53,176,007 | 53,147,792 | 106,500,217 | - |
| Machinery and equipment | 1,901,710 | 1,354,765 | 634,002 | 620,311 | 2,535,712 | - |
| Construction in progress | 29,029 | 585,614 | 27,200 | 26,000 | 56,229 | - |
| Less accumulated depreciation | (10,611,680) | (9,859,742) | (10,404,053) | (9,811,430) | (21,015,733) | - |
| Total capital assets ( net of accumulated depreciation) | 45,490,559 | 44,956,719 | 45,338,000 | 45,885,767 | 90,828,559 | - |
| Total noncurrent assets | 45,490,559 | 44,956,719 | 45,565,388 | 46,117,151 | 91,055,947 | - |
| **Total assets** | 47,978,117 | 47,217,871 | 47,223,064 | 47,359,479 | 95,201,181 | 1,963,039 |

Continued

# CITY OF FRANKLIN
## Statement of Net Assets
## Proprietary Funds
## December 31, 2009
## (with comparative information forDecember 31, 2008)

| | 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 | 554,650 | 560,749 | 469,154 | 410,124 | 1,023,804 | 43,247 |
| Accrued liabilities | 3,004 | - | 9,616 | 36,345 | 12,620 | 188,000 |
| Due to other funds | 110,734 | 62,630 | - | - | 110,734 | - |
| Special deposits | 2,000 | 2,252 | - | - | 2,000 | - |
| Current portion of compensated absences | 20,138 | 20,755 | 20,138 | 20,755 | 40,276 | - |
| Total current liabilities | 690,526 | 646,386 | 498,908 | 467,224 | 1,189,434 | 231,247 |
| Noncurrent liabilities | | | | | | |
| Accrued compensated absences | 40,039 | 40,317 | 40,039 | 40,317 | 80,078 | - |
| Total noncurrent liabilities | 40,039 | 40,317 | 40,039 | 40,317 | 80,078 | - |
| Total liabilities | 730,565 | 686,703 | 538,947 | 507,541 | 1,269,512 | 231,247 |
| **NET ASSETS** | | | | | | |
| Invested in capital assets | 45,490,559 | 44,956,719 | 45,338,000 | 45,885,767 | 90,828,559 | - |
| Restricted for | | | | | | |
| Sewer equipment replacement | - | - | 227,388 | 231,384 | 227,388 | - |
| Unrestricted | 1,756,993 | 1,574,449 | 1,118,729 | 734,787 | 2,875,722 | 2,331,792 |
| **Total net assets** | $ 47,247,552 | $ 46,531,168 | $ 46,684,117 | $ 46,851,938 | $ 93,931,669 | $ 2,331,792 |

See accompanying notes to the financial statements.

# CITY OF FRANKLIN
## Statement of Revenue, Expenses and Changes in Fund Net Assets
## Proprietary Funds
## Year Ended December 31, 2009
## (with comparative information for the year ended December 31, 2008)

| | Business-type Activities - Enterprise Funds | | | | | Governmental Activities - Internal Service Funds |
|---|---|---|---|---|---|---|
| | Water Utility Current Year | Water Utility Prior Year | Sanitary Sewer Current Year | Sanitary Sewer Prior Year | Current Year Totals | |
| **OPERATING REVENUE** | | | | | | |
| Metered sales | | | | | | |
| Residential | $ 2,118,410 | $ 2,035,675 | $ 1,663,438 | $ 1,568,915 | $ 3,781,848 | $ - |
| Commercial | 1,108,264 | 961,520 | 819,430 | 678,153 | 1,927,694 | - |
| Industrial | 189,916 | 229,014 | 246,502 | 238,452 | 436,418 | - |
| Public authority | 304,113 | 270,696 | 225,314 | 191,351 | 529,427 | - |
| Total metered sales | 3,720,703 | 3,496,905 | 2,954,684 | 2,676,871 | 6,675,387 | - |
| Group health & dental charges | - | - | - | - | - | 3,659,707 |
| Unmetered sales | (5,192) | 2,782 | - | - | (5,192) | - |
| Public fire protection service | 579,230 | 568,819 | - | - | 579,230 | - |
| Private fire protection service | 114,745 | 111,439 | - | - | 114,745 | - |
| Forfeited discounts, penalties and other | 45,009 | 38,708 | 39,340 | 29,712 | 84,349 | 7,917 |
| Total operating revenue | 4,454,495 | 4,218,653 | 2,994,024 | 2,706,583 | 7,448,519 | 3,667,624 |
| **OPERATING EXPENSES** | | | | | | |
| Cost of sales and services | 2,802,961 | 2,591,573 | 2,337,337 | 2,191,809 | 5,140,298 | 3,057,035 |
| Depreciation | 833,300 | 804,341 | 643,700 | 636,958 | 1,477,000 | - |
| Administration | 482,321 | 532,664 | 245,224 | 225,113 | 727,545 | - |
| Total operating expenses | 4,118,582 | 3,928,578 | 3,226,261 | 3,053,880 | 7,344,843 | 3,057,035 |
| Operating income (loss) | 335,913 | 290,075 | (232,237) | (347,297) | 103,676 | 610,589 |
| **NON-OPERATING REVENUE (EXPENSES)** | | | | | | |
| Investment earnings | 22,697 | 46,469 | 24,041 | 21,148 | 46,738 | 67,856 |
| Sundry | 40,082 | 266,099 | 17,545 | 1,720 | 57,627 | - |
| Loss on property abandoned | (97,871) | - | - | (15,643) | (97,871) | - |
| Total non-operating revenue (expenses) | (35,092) | 312,568 | 41,586 | 7,225 | 6,494 | 67,856 |
| Income (loss) before capital contributions and transfers | 300,821 | 602,643 | (190,651) | (340,072) | 110,170 | 678,445 |
| Capital contributions | 1,336,229 | 689,955 | 25,444 | 477,220 | 1,361,673 | - |
| Transfers in | - | - | - | - | - | - |
| Transfers out | (920,666) | (854,682) | (2,614) | (2,338) | (923,280) | - |
| Change in net assets | 716,384 | 437,916 | (167,821) | 134,810 | 548,563 | 678,445 |
| Net assets - beginning | 46,531,168 | 46,093,252 | 46,851,938 | 46,717,128 | 93,383,106 | 1,653,347 |
| **Net assets - ending** | $ 47,247,552 | $ 46,531,168 | $ 46,684,117 | $ 46,851,938 | $ 93,931,669 | $ 2,331,792 |

See accompanying notes to the financial statements.

# CITY OF FRANKLIN
## Statement of Cash Flows
## Proprietary Funds
## Year Ended December 31, 2009
## (with comparative information for the year ended December 31, 2008)

| | 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 | $ 4,105,422 | $ 4,180,327 | $ 2,865,132 | $ 2,501,157 | $ 6,970,554 | $ 3,678,702 |
| Receipts for interfund services provided | 247,528 | 240,928 | 2,910 | 2,895 | 250,438 | - |
| Payments to suppliers | (2,629,967) | (2,432,463) | (1,961,350) | (1,827,589) | (4,591,317) | (3,121,848) |
| Payments to employees | (511,553) | (515,140) | (498,329) | (464,145) | (1,009,882) | - |
| Payments for interfund services used | (99,900) | (97,200) | (99,900) | (97,200) | (199,800) | |
| Net cash flows provided by operating activities | 1,111,530 | 1,376,452 | 308,463 | 115,118 | 1,419,993 | 556,854 |
| **CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES** | | | | | | |
| Transfer out - paid for tax equivalent | (920,666) | (854,682) | (2,614) | (2,338) | (923,280) | - |
| **CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES** | | | | | | |
| Acquisition of capital assets | (138,278) | (696,597) | (60,993) | (177,160) | (199,271) | - |
| **CASH FLOWS FROM INVESTING ACTIVITIES** | | | | | | |
| Advances to other funds | - | - | - | - | - | (600,000) |
| Investment earnings | 22,697 | 46,469 | 24,041 | 21,148 | 46,738 | 67,856 |
| Net increase (decrease) in cash and cash equivalents | 75,283 | (128,358) | 268,897 | (43,232) | 344,180 | 24,710 |
| Cash and cash equivalents - Beginning | 1,179,017 | 1,307,375 | 610,886 | 654,118 | 1,789,903 | 1,792,294 |
| **Cash and cash equivalents - Ending** | $ 1,254,300 | $ 1,179,017 | $ 879,783 | $ 610,886 | $ 2,134,083 | $ 1,817,004 |
| Cash and Investments - Unrestricted | $ 1,254,300 | $ 1,179,017 | $ 652,395 | $ 379,502 | $ 1,906,695 | $ 1,817,004 |
| Cash and Investments - Restricted | - | - | 227,388 | 231,384 | 227,388 | - |
| | $ 1,254,300 | $ 1,179,017 | $ 879,783 | $ 610,886 | $ 2,134,083 | $ 1,817,004 |

Continued

See accompanying notes to the financial statements.

# CITY OF FRANKLIN
## Statement of Cash Flows
## Proprietary Funds
## Year Ended December 31, 2009
## (with comparative information for the year ended December 31, 2008)

| | Business-type Activities - Enterprise Funds | | | | | Governmental Activities - Internal Service Funds |
|---|---|---|---|---|---|---|
| | Water Utility Current Year | Water Utility Prior Year | Sanitary Sewer Current Year | Sanitary Sewer Prior Year | Current Year Totals | |
| **Reconciliation of operating income (loss) to net cash provided by operating activities** | | | | | | |
| Operating income (loss) | $ 335,913 | $ 290,075 | $ (232,237) | $ (347,297) | $ 103,676 | $ 610,589 |
| Adjustments to reconcile operating income (loss) to net cash flows provided by operating activities | | | | | | |
| Depreciation | 833,300 | 804,341 | 643,700 | 636,958 | 1,477,000 | - |
| Depreciation allocated to other funds | 9,496 | 9,046 | (9,496) | (9,046) | - | - |
| Other nonoperating income | 40,082 | 266,099 | 17,545 | 1,720 | 57,627 | - |
| Loss on property abandoned | - | - | - | (12,600) | - | - |
| Net book value of property abandoned | - | - | - | (3,043) | - | - |
| (Increase) decrease in assets | | | | | | |
| Accounts receivable | (114,057) | (52,811) | (100,575) | (162,735) | (214,632) | 11,078 |
| Taxes receivable | (37,066) | (19,732) | (42,953) | (41,516) | (80,019) | - |
| Prepaid expense | - | - | - | - | - | (3,325) |
| Due from other funds | - | - | 1,073 | (684) | 1,073 | - |
| Increase (decrease) in liabilities | | | | | | |
| Accounts payable | (6,099) | 93,242 | 59,030 | 65,347 | 52,931 | 14,178 |
| Accrued liabilities | 3,004 | (23,431) | (26,729) | (16,714) | (23,725) | (62,000) |
| Due to other governments | - | - | - | - | - | - |
| Due to other funds | 48,104 | 4,029 | - | - | 48,104 | - |
| Customer deposits | (252) | 866 | - | - | (252) | (13,666) |
| Compensated absences | (895) | 4,728 | (895) | 4,728 | (1,790) | - |
| Total Adjustments | 775,617 | 1,086,377 | 540,700 | 462,415 | 1,316,317 | (53,735) |
| **Net cash flows provided by operating activities** | $ 1,111,530 | $ 1,376,452 | $ 308,463 | $ 115,118 | $ 1,419,993 | $ 556,854 |
| **Noncash Capital Activities** | | | | | | |
| Cost of Utility plant installed and/or financed by external parties | $ 1,336,229 | $ 689,955 | $ 25,444 | $ 477,220 | $ 1,361,673 | $ - |

See accompanying notes to the financial statements.

Exhibit J

# CITY OF FRANKLIN
## Statement of Fiduciary Net Assets
## Fiduciary Funds
## December 31, 2009

| | Agency Funds | City of Franklin Post Employment Benefits Trust |
|---|---|---|
| **ASSETS** | | |
| Cash and investments | $ 46,981,634 | $ 1,273,900 |
| Accounts receivable | - | 2,532 |
| Taxes receivable | 17,548,193 | - |
| Prepaid expense | - | 3,996 |
| **Total assets** | 64,529,827 | 1,280,428 |
| **LIABILITIES** | | |
| Accounts payable | 75,208 | 14,670 |
| Accrued liabilities | - | 11,000 |
| Due to other governments | 64,441,133 | - |
| Special deposits | 13,486 | - |
| **Total liabilities** | 64,529,827 | 25,670 |
| **Total net assets held in trust for post employment benefits** | $ - | $ 1,254,758 |

See accompanying notes to the financial statements.

Exhibit K

# CITY OF FRANKLIN
## Statement of Changes in Fiduciary Net Assets
## Fiduciary Funds
## Year Ended December 31, 2009

| | City of Franklin Post Employment Benefits Trust |
|---|---|
| **ADDITIONS** | |
| Contributions | |
| City of Franklin | $ 591,351 |
| Retirees | 148,073 |
| Investment earnings & appreciation | 238,904 |
| **Total additions** | 978,328 |
| **DEDUCTIONS** | |
| Incurred claims | 185,152 |
| Prescription drug claims | 94,602 |
| Claims fees | 6,586 |
| Stop loss premiums less claims received | 38,742 |
| **Total deductions** | 325,082 |
| **Change in Net Assets** | 653,246 |
| **NET ASSETS HELD IN TRUST FOR POST EMPLOYMENT BENEFITS:** | |
| **Beginning of year** | 601,512 |
| **End of year** | $ 1,254,758 |

See accompanying notes to the financial statements.