

**CITY OF FRANKLIN**  
**Balance Sheet**  
**Governmental Funds**  
**December 31, 2008**

	<u>General</u>	<u>Debt Service</u>	<u>TIF Districts</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>					
Cash and investments	\$ 6,845,967	\$ 2,639,240	\$ 758,873	\$ 8,260,517	\$ 18,504,597
Receivables					
Accounts receivable	664,688	-	-	108,838	773,526
Taxes receivable	15,581,720	2,207,196	4,829,215	2,857,916	25,476,047
Note receivable	-	-	9,400,000	-	9,400,000
Special assessments receivable	-	915,468	-	1,340,900	2,256,368
Due from other funds	16,374	-	-	-	16,374
Due from other governments	200,011	-	122,881	341,899	664,791
Prepaid items	6,053	-	-	8,342	14,395
Inventories	19,056	-	-	-	19,056
Long term advances	-	5,700,000	-	600,000	6,300,000
<b>TOTAL ASSETS</b>	<u>\$ 23,333,869</u>	<u>\$ 11,461,904</u>	<u>\$ 15,110,969</u>	<u>\$ 13,518,412</u>	<u>\$ 63,425,154</u>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>LIABILITIES</b>					
Accounts payable	\$ 624,414	\$ -	\$ 193,790	\$ 1,122,957	\$ 1,941,161
Accrued liabilities	1,080,142	-	15,000	26,573	1,121,715
Due to other governments	66,639	-	-	-	66,639
Special deposits	450,974	-	28,100	-	479,074
Deferred revenue	15,566,659	3,122,664	4,829,215	4,198,816	27,717,354
Long term advances	-	-	6,300,000	-	6,300,000
Total Liabilities	<u>17,788,828</u>	<u>3,122,664</u>	<u>11,366,105</u>	<u>5,348,346</u>	<u>37,625,943</u>
<b>FUND BALANCES</b>					
Reserved for:					
Inventories and prepaid items	25,109	-	-	-	25,109
Advances to other funds	-	5,700,000	-	600,000	6,300,000
Encumbrances	-	-	-	1,236,000	1,236,000
Contractual obligations	-	-	1,173,000	279,000	1,452,000
Debt service	-	2,639,240	9,452,420	-	12,091,660
Library services	-	-	-	414,428	414,428
Emergency medical services	-	-	-	9,568	9,568
Utility improvements	-	-	-	12,640	12,640
Development	-	-	-	3,083,708	3,083,708
Donations & grants	-	-	-	276,546	276,546
Unreserved balance (deficit) reported in:					
General Fund	5,519,932	-	-	-	5,519,932
Special Revenue Funds	-	-	-	132,206	132,206
Capital Project Funds	-	-	(6,880,556)	2,125,970	(4,754,586)
Total fund balances	<u>5,545,041</u>	<u>8,339,240</u>	<u>3,744,864</u>	<u>8,170,066</u>	<u>25,799,211</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 23,333,869</u>	<u>\$ 11,461,904</u>	<u>\$ 15,110,969</u>	<u>\$ 13,518,412</u>	<u>\$ 63,425,154</u>
Total fund balances of governmental funds					\$ 25,799,211
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.					112,989,942
Internal service net assets					1,653,347
Other long-term assets that are not available to pay for current period expenditures and are deferred in the funds.					2,256,368
Long-term liabilities, including long-term debt, are not due and payable in the current period and are not reported in the funds.					(58,048,284)
<b>Net assets of governmental activities</b>					<u>\$ 84,650,584</u>

See accompanying notes to the financial statements.

**CITY OF FRANKLIN**  
**Statement of Revenue, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**Year Ended December 31, 2008**

	General	Debt Service	TIF Districts	Nonmajor Governmental Funds	Total Governmental Funds
<b>REVENUE</b>					
Taxes	\$ 15,104,725	\$ 2,000,000	\$ 4,685,811	\$ 2,902,000	\$ 24,692,536
Intergovernmental revenue	2,608,433	-	383,896	544,306	3,536,635
Licenses and permits	723,225	-	-	-	723,225
Fines, forfeitures and penalties	362,928	-	-	-	362,928
Public charges for services	1,868,363	-	-	40,110	1,908,473
Special assessments	-	383,148	-	731,350	1,114,498
Intergovernmental charges for services	206,156	-	-	-	206,156
Investment earnings	730,239	558,465	63,725	445,309	1,797,738
Miscellaneous revenue	105,425	-	223,962	394,337	723,724
<b>Total Revenue</b>	<u>21,709,494</u>	<u>2,941,613</u>	<u>5,357,394</u>	<u>5,057,412</u>	<u>35,065,913</u>
<b>EXPENDITURES</b>					
<b>Current</b>					
General government	2,825,791	-	-	44	2,825,835
Public safety	15,205,978	-	-	30,662	15,236,640
Public works	4,632,957	-	-	-	4,632,957
Health and human services	605,012	-	-	61,352	666,364
Culture, recreation and education	157,229	-	-	1,333,707	1,490,936
Conservation and development	452,859	-	276,415	-	729,274
Capital outlay	-	-	2,199,988	5,427,467	7,627,455
<b>Debt service</b>					
Principal	-	3,025,000	2,975,000	-	6,000,000
Interest	-	1,133,681	1,409,513	-	2,543,194
Debt issuance costs	-	-	65,650	-	65,650
<b>Total Expenditures</b>	<u>23,879,826</u>	<u>4,158,681</u>	<u>6,926,566</u>	<u>6,853,232</u>	<u>41,818,305</u>
Excess (Deficiency) of Revenue Over (Under) Expenditures	(2,170,332)	(1,217,068)	(1,569,172)	(1,795,820)	(6,752,392)
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	1,805,666	-	6,565	3,973,950	5,786,181
Transfers out	(25,775)	(2,684,477)	(124,974)	(2,093,935)	(4,929,161)
General obligation debt issued	-	-	10,000,000	-	10,000,000
Premium (Discount) on debt issued	-	-	83,583	-	83,583
<b>Net change in fund balances</b>	(390,441)	(3,901,545)	8,396,002	84,195	4,188,211
Fund balances (deficit) - beginning	5,935,482	12,240,785	(4,651,138)	8,085,871	21,611,000
<b>Fund balances - ending</b>	<u>\$ 5,545,041</u>	<u>\$ 8,339,240</u>	<u>\$ 3,744,864</u>	<u>\$ 8,170,066</u>	<u>\$ 25,799,211</u>

**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, 2008**

Net change in fund balances - total governmental funds	\$ 4,188,211
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 (\$5,983,226) exceeded depreciation (\$2,670,459) in the current period.	3,312,767
Contributed capital assets are reported as revenues in the statement of activities.	1,156,421
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.	(4,000,000)
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.	(86,118)
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	(131,995)
Revenue in the statement of activities not providing current financial resources are not reported as revenue in the funds	359,322
Revenue in the governmental funds that provides current financial resources but has been previously reported as revenue in the statement of activities	(988,255)
Internal service fund change in net assets	<u>910,553</u>
<b>Net change in net assets of governmental activities</b>	<u>\$ 4,720,906</u>

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, 2008**

	Original Budget	Final Budget	Actual	Variance with final budget - Favorable (Unfavorable)
<b>REVENUE</b>				
Taxes	\$ 15,868,000	\$ 15,993,000	\$ 15,961,745	\$ (31,255)
Intergovernmental revenue	2,271,000	2,449,000	2,608,433	159,433
Licenses and permits	1,279,500	1,279,500	723,225	(556,275)
Fines, forfeitures and penalties	411,000	411,000	362,928	(48,072)
Public charges for services	1,865,200	1,885,200	1,868,363	(16,837)
Intergovernmental charges for services	284,000	284,000	206,156	(77,844)
Investment earnings	804,900	804,900	730,239	(74,661)
Miscellaneous revenue	113,400	113,400	105,425	(7,975)
Total Revenue	<u>22,897,000</u>	<u>23,220,000</u>	<u>22,566,514</u>	<u>(653,486)</u>
<b>EXPENDITURES</b>				
Current				
General government	3,062,709	3,044,209	2,820,591	223,618
Public safety	14,866,269	15,641,669	15,201,878	439,791
Public works	4,441,196	4,662,496	4,632,957	29,539
Health and human services	643,267	647,667	605,012	42,655
Culture and recreation	261,274	270,374	183,004	87,370
Conservation and development	572,285	577,585	441,159	136,426
Total Expenditures	<u>23,847,000</u>	<u>24,844,000</u>	<u>23,884,601</u>	<u>959,399</u>
Excess (Deficiency) of Revenue Over (Under) Expenditures	(950,000)	(1,624,000)	(1,318,087)	305,913
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	948,000	948,646	646
Transfers out	-	-	-	-
Net change in fund balance - budgetary basis	(950,000)	(676,000)	(369,441)	306,559
Adjustments to generally accepted accounting principles basis				
2008 encumbrances	-	-	-	-
2007 encumbrances	(21,000)	(21,000)	(21,000)	-
Net change in fund balance - generally accepted accounting principles basis	(971,000)	(697,000)	(390,441)	306,559
Fund Balances - beginning	<u>5,935,482</u>	<u>5,935,482</u>	<u>5,935,482</u>	<u>-</u>
<b>Fund Balances - ending</b>	<u>\$ 4,964,482</u>	<u>\$ 5,238,482</u>	<u>\$ 5,545,041</u>	<u>\$ 306,559</u>

See accompanying notes to the financial statements.

**CITY OF FRANKLIN**  
**Statement of Net Assets**  
**Proprietary Funds**  
**December 31, 2008**

(with comparative information for the year ended December 31, 2007)

	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		
<b>ASSETS</b>							
Current assets							
Cash and investments	\$ 1,179,017	\$ 1,307,375	\$ 379,502	\$ 428,941	\$ 1,558,519	\$ 1,792,294	
Receivables							
Accounts receivable	966,604	912,273	713,260	550,525	1,679,864	114,709	
Taxes receivable	115,531	95,799	103,310	61,794	218,841	-	
Due from other funds	-	-	46,256	45,572	46,256	-	
Prepaid expenses	-	-	-	-	-	39,079	
Total current assets	<u>2,261,152</u>	<u>2,315,447</u>	<u>1,242,328</u>	<u>1,086,832</u>	<u>3,503,480</u>	<u>1,946,082</u>	
Noncurrent assets							
Restricted cash and investments	-	-	231,384	225,177	231,384	-	
Total restricted assets	-	-	<u>231,384</u>	<u>225,177</u>	<u>231,384</u>	-	
Capital assets							
Land	115,465	115,465	310,919	310,919	426,384	-	
Buildings and improvements	730,075	730,075	1,592,175	1,653,266	2,322,250	-	
Improvements other than buildings	52,030,542	50,643,157	53,147,792	52,535,731	105,178,334	-	
Machinery and equipment	1,354,765	1,370,638	620,311	589,163	1,975,076	-	
Construction in progress	585,614	633,848	26,000	28,852	611,614	-	
Less accumulated depreciation	<u>(9,859,742)</u>	<u>(9,109,628)</u>	<u>(9,811,430)</u>	<u>(9,258,632)</u>	<u>(19,671,172)</u>	-	
Total capital assets ( net of accumulated depreciation)	<u>44,956,719</u>	<u>44,383,555</u>	<u>45,885,767</u>	<u>45,859,299</u>	<u>90,842,486</u>	-	
Total noncurrent assets	<u>44,956,719</u>	<u>44,383,555</u>	<u>46,117,151</u>	<u>46,084,476</u>	<u>91,073,870</u>	-	
<b>Total assets</b>	<u>\$ 47,217,871</u>	<u>\$ 46,699,002</u>	<u>\$ 47,359,479</u>	<u>\$ 47,171,308</u>	<u>\$ 94,577,350</u>	<u>\$ 1,946,082</u>	

Continued

**CITY OF FRANKLIN**  
**Statement of Net Assets**  
**Proprietary Funds**  
**December 31, 2008**

(with comparative information for the year ended December 31, 2007)

	Business-type Activities - Enterprise Funds						Governmental Activities - Internal Service Funds
	Water Utility		Sanitary Sewer		Sanitary Sewer		
	Current Year	Prior Year	Current Year	Prior Year	Prior Year	Current Year Totals	
<b>LIABILITIES</b>							
Current liabilities							
Accounts payable	\$ 560,749	\$ 467,507	\$ 410,124	\$ 344,777	\$ 344,777	\$ 970,873	\$ 29,069
Accrued liabilities	-	23,431	36,345	53,059	53,059	36,345	250,000
Due to other funds	62,630	56,768	-	-	-	62,630	-
Special deposits	2,252	1,700	-	-	-	2,252	13,666
Current portion of compensated absences	20,755	21,309	20,755	21,308	21,308	41,510	-
Total current liabilities	<u>646,386</u>	<u>570,715</u>	<u>467,224</u>	<u>419,144</u>	<u>419,144</u>	<u>1,113,610</u>	<u>292,735</u>
Noncurrent liabilities							
Accrued compensated absences	40,317	35,035	40,317	35,036	35,036	80,634	-
Total noncurrent liabilities	<u>40,317</u>	<u>35,035</u>	<u>40,317</u>	<u>35,036</u>	<u>35,036</u>	<u>80,634</u>	<u>-</u>
Total liabilities	<u>686,703</u>	<u>605,750</u>	<u>507,541</u>	<u>454,180</u>	<u>454,180</u>	<u>1,194,244</u>	<u>292,735</u>
<b>NET ASSETS</b>							
Invested in capital assets	44,956,719	44,383,555	45,885,767	45,859,299	45,859,299	90,842,486	-
Restricted for							
Sewer equipment replacement	-	-	231,384	225,177	225,177	231,384	-
Unrestricted	1,574,449	1,709,697	734,787	632,652	632,652	2,309,236	1,653,347
Total net assets	<u>\$ 46,531,168</u>	<u>\$ 46,093,252</u>	<u>\$ 46,851,938</u>	<u>\$ 46,717,128</u>	<u>\$ 46,717,128</u>	<u>\$ 93,383,106</u>	<u>\$ 1,653,347</u>

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, 2008**  
**(with comparative information for the year ended December 31, 2007)**

	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	
<b>OPERATING REVENUE</b>					
Metered sales	\$ 2,035,675	\$ 1,916,420	\$ 1,568,915	\$ 1,211,132	\$ 3,604,590
Residential	961,520	862,377	678,153	474,484	1,639,673
Commercial	229,014	225,281	238,452	196,430	467,466
Industrial	270,696	235,767	191,351	128,704	462,047
Public authority	3,496,905	3,239,845	2,676,871	2,010,750	6,173,776
Total metered sales	-	-	-	-	3,659,506
Group health & dental charges	2,782	18,418	-	-	2,782
Unmetered sales	568,819	541,518	-	-	568,819
Public fire protection service	111,439	94,529	-	-	111,439
Private fire protection service	38,708	32,316	29,712	18,697	68,420
Forfeited discounts, penalties and other	4,218,653	3,926,626	2,706,583	2,029,447	6,925,236
Total operating revenue	2,591,573	2,353,129	2,191,809	1,760,179	4,783,382
<b>OPERATING EXPENSES</b>					
Cost of sales and services	804,341	789,562	636,958	620,906	1,441,299
Depreciation	532,664	450,683	225,113	259,007	757,777
Administration	3,928,578	3,593,374	3,053,880	2,640,092	6,982,458
Total operating expenses	290,075	333,252	(347,297)	(610,645)	(57,222)
Operating income (loss)	46,469	86,352	21,148	26,845	67,617
<b>NON-OPERATING REVENUE (EXPENSES)</b>					
Investment earnings	266,099	37,271	1,720	4,165	267,819
Sundry	-	(27,150)	(15,643)	-	(15,643)
Loss on property abandoned	312,568	96,473	7,225	31,010	319,793
Total non-operating revenue (expenses)	602,643	429,725	(340,072)	(579,635)	262,571
Income (loss) before capital contributions and transfers	689,955	1,966,833	477,220	1,060,306	1,167,175
Capital contributions	(854,682)	(835,196)	(2,338)	(2,149)	(857,020)
Transfers in	437,916	1,561,362	134,810	478,522	572,726
Transfers out	46,093,252	44,531,890	46,717,128	46,238,606	92,810,380
Change in net assets	\$ 46,531,168	\$ 46,093,252	\$ 46,851,938	\$ 46,717,128	\$ 93,383,106
Net assets - beginning					742,794
<b>Net assets - ending</b>					<b>\$ 1,653,347</b>

See accompanying notes to the financial statements.

**CITY OF FRANKLIN**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**Year Ended December 31, 2008**  
 (with comparative information for the year ended December 31, 2007)

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Water Utility	Water Utility	Sanitary Sewer	Sanitary Sewer	
	Current Year	Prior Year	Current Year	Prior Year	Current Year Totals
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Receipts from customers and users	\$ 4,180,327	\$ 3,680,829	\$ 2,501,157	\$ 1,981,829	\$ 6,681,484
Receipts for interfund services provided	240,928	227,686	2,895	1,943	243,823
Payments to suppliers	(2,432,463)	(2,166,430)	(1,827,589)	(1,613,428)	(4,260,052)
Payments to employees	(515,140)	(473,825)	(464,145)	(474,669)	(979,285)
Payments for interfund services used	(97,200)	(90,000)	(97,200)	(90,000)	(194,400)
Net cash flows provided by (used in) operating activities	1,376,452	1,178,260	115,118	(194,325)	1,491,570
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>					
Transfer out - paid for tax equivalent	(854,682)	(835,196)	(2,338)	(2,149)	(857,020)
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Acquisition of capital assets	(696,597)	(247,926)	(177,160)	(94,212)	(873,757)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Investment earnings	46,469	86,352	21,148	26,845	67,617
Net increase (decrease) in cash and cash equivalents	(128,358)	181,490	(43,232)	(263,841)	(171,590)
Cash and cash equivalents - Beginning	1,307,375	1,125,885	654,118	917,959	1,961,493
<b>Cash and cash equivalents - Ending</b>	<b>\$ 1,179,017</b>	<b>\$ 1,307,375</b>	<b>\$ 610,886</b>	<b>\$ 654,118</b>	<b>\$ 1,789,903</b>
Cash and Investments - Unrestricted	\$ 1,179,017	\$ 1,307,375	\$ 379,502	\$ 428,941	\$ 1,558,519
Cash and Investments - Restricted	-	-	231,384	225,177	231,384
<b>Cash and Investments - Restricted</b>	<b>\$ 1,179,017</b>	<b>\$ 1,307,375</b>	<b>\$ 610,886</b>	<b>\$ 654,118</b>	<b>\$ 1,789,903</b>

Continued

**CITY OF FRANKLIN**  
Statement of Cash Flows  
Proprietary Funds

Year Ended December 31, 2008

(with comparative information for the year ended December 31, 2007)

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Water Utility	Sanitary Sewer	Sanitary Sewer	Current Year Totals	
	Current Year	Prior Year	Prior Year	Current Year Totals	
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities</b>					
Operating income (loss)	\$ 290,075	\$ 333,252	\$ (347,297)	\$ (57,222)	\$ 839,889
Adjustments to reconcile operating income (loss) to net cash flows provided by (used in) operating activities					
Depreciation	804,341	789,562	636,958	1,441,299	-
Depreciation allocated to other funds	9,046	8,407	(9,046)	-	-
Other nonoperating income	266,099	37,271	1,720	267,819	-
Loss on property abandoned	-	(27,150)	(12,600)	(12,600)	-
Net book value of property abandoned	-	15,607	(3,043)	(3,043)	-
(Increase) decrease in assets	(52,811)	(98,083)	(162,735)	(215,546)	52,422
Accounts receivable	(19,732)	34,294	(41,516)	(61,248)	-
Taxes receivable	-	(43,789)	(684)	(684)	-
Due from other funds	-	-	-	-	-
Increase (decrease) in liabilities	93,242	50,165	65,347	158,589	(61,078)
Accounts payable	(23,431)	16,040	(16,714)	(40,145)	(146,000)
Accrued liabilities	-	-	-	-	-
Due to other governments	4,029	60,537	-	4,029	-
Due to other funds	866	100	-	866	-
Customer deposits	4,728	2,047	4,728	9,456	-
Compensated absences	-	-	-	-	-
Total Adjustments	1,086,377	845,008	462,415	1,548,792	(154,656)
<b>Net cash flows provided by (used in) operating activities</b>	\$ 1,376,452	\$ 1,178,260	\$ 115,118	\$ 1,491,570	\$ 685,233
<b>Noncash Capital Activities</b>					
Cost of Utility plant installed and/or financed by external parties	\$ 689,955	\$ 1,966,833	\$ 477,220	\$ 1,060,306	\$ 1,167,175

**CITY OF FRANKLIN**  
**Statement of Fiduciary Net Assets**  
**Fiduciary Funds**  
**December 31, 2008**

<b>ASSETS</b>	<b>Agency Funds</b>	<b>City of Franklin Post Employment Benefits Trust</b>
Cash and investments	\$ 45,516,389	\$ 610,497
Accounts receivable	27,060	1,326
Taxes receivable	17,147,677	
Prepaid expense	-	3,318
<b>Total assets</b>	<b>62,691,126</b>	<b>615,141</b>
 <b>LIABILITIES</b>		
Accounts payable	69,908	7,629
Accrued liabilities	-	6,000
Due to other governments	62,601,035	-
Special deposits	20,183	-
<b>Total liabilities</b>	<b>62,691,126</b>	<b>13,629</b>
<b>Total net assets</b>		
held in trust for post employment benefits	\$ -	\$ 601,512

See accompanying notes to the financial statements.

**CITY OF FRANKLIN**  
**Statement of Changes in Fiduciary Net Assets**  
**Fiduciary Funds**  
**Year Ended December 31, 2008**

	<u>City of Franklin Post Employment Benefits Trust</u>
<b>ADDITIONS</b>	
Contributions	
City of Franklin	\$ 703,713
Retirees	163,217
Investment earnings	<u>15,788</u>
<b>Total additions</b>	<u>882,718</u>
 <b>DEDUCTIONS</b>	
Incurred claims	174,530
Prescription drug claims	76,805
Claims fees	6,794
Stop loss premiums less claims received	<u>23,077</u>
<b>Total deductions</b>	<u>281,206</u>
<b>Change in Net Assets</b>	601,512
 <b>NET ASSETS HELD IN TRUST FOR POST EMPLOYMENT BENEFITS:</b>	
Beginning of year	<u>-</u>
End of year	<u>\$ 601,512</u>

See accompanying notes to the financial statements.