

City of Mount Vernon Washington



Comprehensive Annual Financial Report

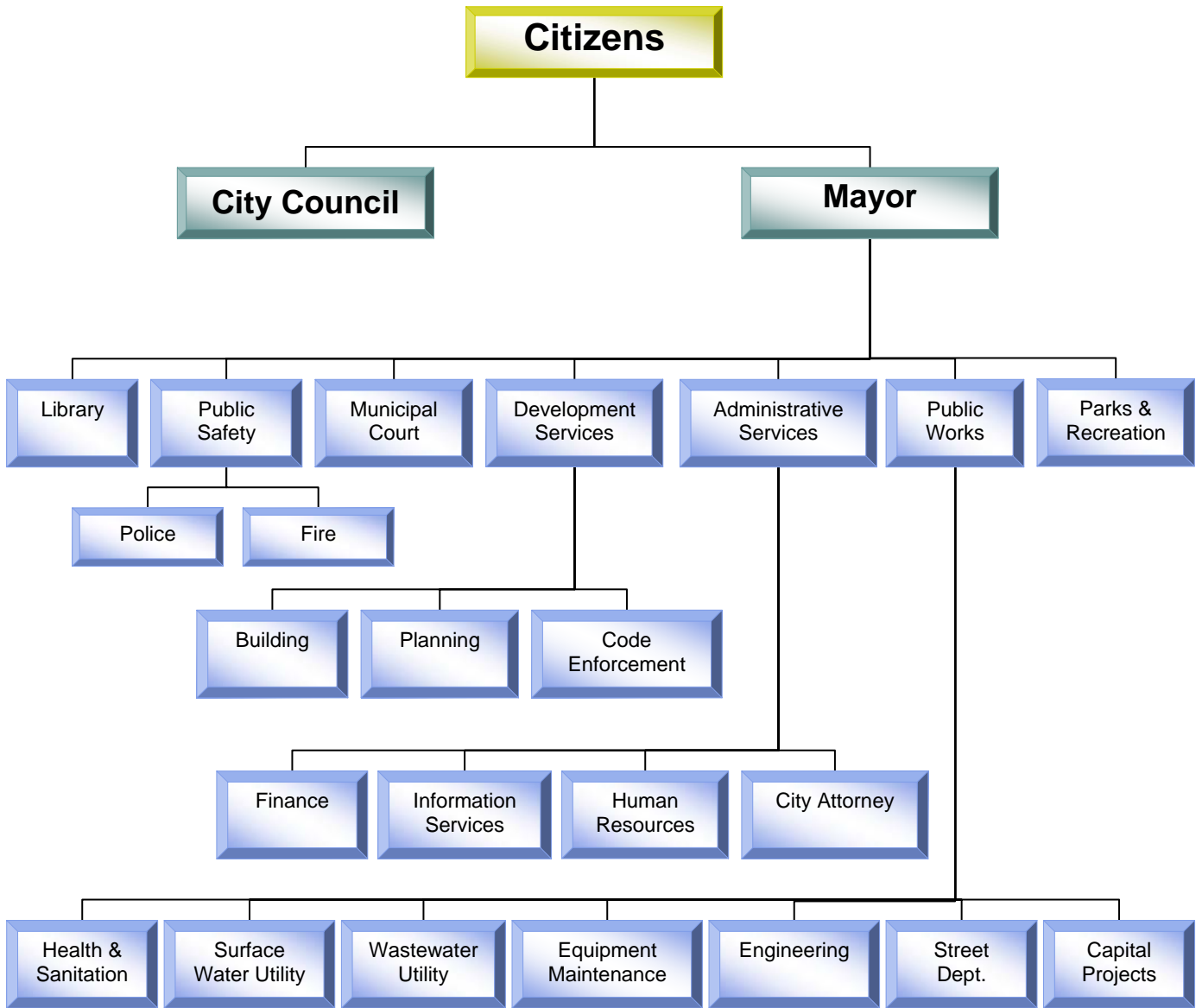
For the Fiscal Year Ended December 31, 2006

City of Mount Vernon, Washington
Comprehensive Annual Financial Report
For the Fiscal Year Ended December 31, 2006

Report Prepared By:
City of Mount Vernon Finance Department

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Organization Chart



STATEMENT OF NET ASSETS
December 31, 2006

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 8,211,080	\$ 2,404,160	\$ 10,615,240
Investments	9,454,853	9,511,776	18,966,629
Receivables:			
Taxes	1,392,046	-	1,392,046
Accounts	61,910	1,407,129	1,469,039
Interest	93,643	96,536	190,179
Special assessments	184,096	-	184,096
Due from other funds	-	49,487	49,487
Due from other governments	1,082,403	-	1,082,403
Inventory	6,570	-	6,570
Deferred charges	-	32,210	32,210
Restricted assets:			
Cash and cash equivalents	-	1,169,513	1,169,513
Capital assets:			
Non-depreciable	35,664,950	7,993,257	43,658,207
Depreciable, net	67,394,363	70,608,722	138,003,085
Total Assets	123,545,914	93,272,790	216,818,704
LIABILITIES			
Accounts payable	949,865	318,966	1,268,831
Employee wages payable	661,363	85,798	747,161
Due to other funds	-	49,487	49,487
Interest payable	26,877	73,514	100,391
Deferred revenues	330,809	-	330,809
Noncurrent liabilities:			
Special assessment debt with government commitment due within one year	110,000	-	110,000
Other non-current due within one year	780,000	1,350,907	2,130,907
Special assessment debt with government commitment due in more than one year	35,000	-	35,000
Other non-current due in more than one year	6,700,000	5,939,628	12,639,628
Total Liabilities	9,593,914	7,818,300	17,412,214
NET ASSETS			
Invested in capital assets, net of related debt	95,434,313	71,311,444	166,745,757
Restricted for:			
Streets and transportation	1,039,002	-	1,039,002
Culture and recreation	352,455	-	352,455
Debt service	139,076	1,169,513	1,308,589
Other purposes	224,174	-	224,174
Unrestricted	16,762,980	12,973,533	29,736,513
Total Net Assets	\$ 113,952,000	\$ 85,454,490	\$ 199,406,490

The accompanying notes are an integral part of this statement

STATEMENT OF ACTIVITIES
For The Year Ended December 31, 2006

Functions/Program	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
General government	\$ 3,147,881	\$ 597,810	\$ 256,956	\$ 367,937
Security of persons and property	10,046,680	263,041	626,873	-
Physical environment	1,399,005	359,194	-	100,687
Transportation	3,873,947	711,889	656,207	808,869
Economic environment	623,796	1,458,692	111,850	-
Culture and recreation	2,462,222	723,828	41,456	30,000
Interest on long-term debt	280,883	-	-	-
Total governmental activities	21,834,414	4,114,454	1,693,342	1,307,493
Business-type activities:				
Wastewater	6,233,553	6,296,578	-	7,076,190
Health and sanitation	4,217,069	4,207,867	-	-
Surfacewater	1,778,049	1,345,072	-	4,932,248
Total business-type activities	12,228,671	11,849,517	-	12,008,438
 Total government	 \$ 34,063,085	 \$ 15,963,971	 \$ 1,693,342	 \$ 13,315,931
General revenues:				
Taxes:				
Property taxes				
Sales taxes				
Other taxes				
Interest and investment earnings				
Miscellaneous				
Gain (Loss) on sale of capital assets				
Transfers, internal activities				
Total general revenues and transfers				
Change in net assets				
Net assets-beginning (restated)				
Net assets-ending				

\$

The accompanying notes are an integral part of this statement

Net (Expense) Revenue and
Changes in Net Assets

Governmental Activities	Business-type Activities	Total
(1,925,178)	\$ -	\$ (1,925,178)
(9,156,766)	-	(9,156,766)
(939,124)	-	(939,124)
(1,696,982)	-	(1,696,982)
946,746	-	946,746
(1,666,938)	-	(1,666,938)
(280,883)	-	(280,883)
<u>(14,719,125)</u>	<u>-</u>	<u>(14,719,125)</u>
-	7,139,215	7,139,215
-	(9,202)	(9,202)
-	4,499,271	4,499,271
<u>-</u>	<u>11,629,284</u>	<u>11,629,284</u>
<u>(14,719,125)</u>	<u>\$ 11,629,284</u>	<u>\$ (3,089,841)</u>
5,916,658	-	5,916,658
5,779,558	-	5,779,558
6,038,224	-	6,038,224
905,252	442,279	1,347,531
20,345	43,311	63,656
500	(1,252)	(752)
175,000	(175,000)	-
<u>18,835,537</u>	<u>309,338</u>	<u>19,144,875</u>
4,116,412	11,938,622	16,055,034
<u>109,835,588</u>	<u>73,515,868</u>	<u>183,351,456</u>
<u>113,952,000</u>	<u>\$ 85,454,490</u>	<u>\$ 199,406,490</u>

BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2006

	General Fund	Other Governmental Funds	Total Governmental Funds
ASSETS			
Cash and cash equivalents	\$ 2,802,555	\$ 2,995,667	\$ 5,798,222
Investments	2,427,321	3,460,180	5,887,501
Receivables:			
Taxes	198,992	8,425	207,417
Accounts	324,294	116,122	440,416
Interest	23,622	34,971	58,593
Special assessments	-	184,096	184,096
Due from other funds	-	131,697	131,697
Due from other governments	694,136	388,267	1,082,403
	<u>6,470,920</u>	<u>7,319,425</u>	<u>13,790,345</u>
Total Assets	\$ <u>6,470,920</u>	\$ <u>7,319,425</u>	\$ <u>13,790,345</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 418,414	\$ 174,463	\$ 592,877
Due to other funds	-	131,697	131,697
Deferred revenues	487,313	308,643	795,956
Total Liabilities	<u>905,727</u>	<u>614,803</u>	<u>1,520,530</u>
Fund Balances:			
Reserved for:			
Debt service	-	139,666	139,666
Unreserved, reported in:			
General fund	5,565,193	-	5,565,193
Special revenue funds	-	2,401,972	2,401,972
Capital project funds	-	4,162,984	4,162,984
Total Fund Balances	<u>5,565,193</u>	<u>6,704,622</u>	<u>12,269,815</u>
Total Liabilities and Fund Balances	\$ <u>6,470,920</u>	\$ <u>7,319,425</u>	\$ <u>13,790,345</u>

The accompanying notes are an integral part of this statement

RECONCILIATION OF THE BALANCE SHEET
TO THE STATEMENT OF NET ASSETS
GOVERNMENTAL FUNDS
December 31, 2006

Fund balances - total governmental funds		\$ 12,269,815
Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Non-depreciable assets	35,664,950	
Depreciable assets (net)	<u>63,850,481</u>	99,515,431
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.		
Deferred revenue	<u>1,268,270</u>	1,268,270
Some liabilities, including bonds payable and compensated absences payable are not due and payable in the current period and therefore are not reported in the governmental funds.		
Employee wages payable	(656,453)	
Interest payable	(26,877)	
Long-term liabilities	<u>(7,625,000)</u>	(8,308,330)
Internal service funds are used by management to charge the cost of certain activities to individual funds.		
Total assets and liabilities of the internal service funds that are reported with governmental activities.	<u>9,206,814</u>	<u>9,206,814</u>
Net assets of governmental activities		\$ <u><u>113,952,000</u></u>

The accompanying notes are an integral part of this statement

STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended December 31, 2006

	General Fund	Other Governmental Funds	Total Governmental Funds
REVENUES			
Taxes	\$ 12,269,218	\$ 5,090,182	\$ 17,359,400
Licenses and permits	1,307,519	67,649	1,375,168
Intergovernmental revenues	1,489,617	1,728,624	3,218,241
Charge for services	1,846,716	853,302	2,700,018
Fines and forfeitures	198,614	45,175	243,789
Investment income	522,766	180,428	703,194
Other revenue	90,860	613,049	703,909
Total Revenues	17,725,310	8,578,409	26,303,719
EXPENDITURES			
Current			
General government	3,575,643	-	3,575,643
Security of persons and property	9,443,991	172,239	9,616,230
Physical environment	1,377,605	33,126	1,410,731
Transportation	-	1,486,267	1,486,267
Economic environment	473,712	139,877	613,589
Culture and recreation	-	2,162,092	2,162,092
Capital outlay	656,488	2,581,915	3,238,403
Debt service			
Principal	-	585,000	585,000
Interest and debt issue costs	-	284,533	284,533
Total Expenditures	15,527,439	7,445,049	22,972,488
Excess (deficiency) of revenues over (under) expenditures	2,197,871	1,133,360	3,331,231
OTHER FINANCING SOURCES (USES)			
Transfers in	122,337	2,072,874	2,195,211
Transfers out	(339,873)	(1,680,338)	(2,020,211)
Sale of capital assets	500	-	500
Total other financing sources (uses)	(217,036)	392,536	175,500
Net change in fund balances	1,980,835	1,525,896	3,506,731
Fund Balances - January 1	3,584,358	5,178,726	8,763,084
Fund Balances - December 31	\$ 5,565,193	\$ 6,704,622	\$ 12,269,815

The accompanying notes are an integral part of this statement

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2006

Net changes in fund balances - total governmental funds	\$	3,506,731
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets are depreciated over their estimated useful lives.		
Expenditures for capital assets	2,385,316	
Less current year depreciation	<u>(2,737,566)</u>	(352,250)
Repayment of bond principal is an expenditure in governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.		
Principal payments	<u>585,000</u>	585,000
Some revenues or expenditures reported in the statement of activities are not yet available or expensed and therefore are not reported as revenue or expense in governmental funds.		
	<u>91,557</u>	91,557
Internal service funds or activities are used by management to charge the costs of certain activities to individual funds. The net revenue (expense) of the internal service funds and internal balances are reported with governmental activities.		
	<u>285,374</u>	<u>285,374</u>
Change in net assets of governmental activities	\$	<u><u>4,116,412</u></u>

The accompanying notes are an integral part of this statement

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 GENERAL FUND
 For the Year Ended December 31, 2006

	Original Budget 2006	Final Budget 2006	Actual 2006	Variance with Final Budget Positive (Negative)
REVENUES				
Taxes				
Property	\$ 3,704,875	\$ 3,704,875	\$ 3,772,489	\$ 67,614
Sales	3,540,750	3,560,750	4,590,843	1,030,093
Other	3,434,000	3,434,000	3,905,886	471,886
Licenses and permits	963,500	963,500	1,307,519	344,019
Intergovernmental revenues	1,640,985	1,672,985	1,489,617	(183,368)
Charge for services	1,476,736	1,516,736	1,846,716	329,980
Fines and forfeitures	181,500	181,500	198,614	17,114
Investment income	193,000	193,000	522,766	329,766
Other revenue	64,670	76,670	90,860	14,190
Total Revenues	<u>15,200,016</u>	<u>15,304,016</u>	<u>17,725,310</u>	<u>2,421,294</u>
EXPENDITURES				
Current				
General government	3,754,834	3,762,975	3,575,643	187,332
Security of persons and property	9,733,074	9,750,233	9,443,991	306,242
Physical environment	1,428,749	1,437,449	1,377,605	59,844
Economic environment	502,488	542,488	473,712	68,776
Capital outlay	445,102	475,102	656,488	(181,386)
Total Expenditures	<u>15,864,247</u>	<u>15,968,247</u>	<u>15,527,439</u>	<u>440,808</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(664,231)</u>	<u>(664,231)</u>	<u>2,197,871</u>	<u>2,862,102</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	96,000	96,000	122,337	26,337
Transfers out	(632,854)	(632,854)	(339,873)	292,981
Sale of capital assets	-	-	500	500
Total other financing sources (uses)	<u>(536,854)</u>	<u>(536,854)</u>	<u>(217,036)</u>	<u>319,818</u>
Net change in fund balances	(1,201,085)	(1,201,085)	1,980,835	3,181,920
Fund Balances - January 1	<u>3,584,358</u>	<u>3,584,358</u>	<u>3,584,358</u>	<u>-</u>
Fund Balances - December 31	<u>\$ 2,383,273</u>	<u>\$ 2,383,273</u>	<u>\$ 5,565,193</u>	<u>\$ 3,181,920</u>

The accompanying notes are an integral part of this statement

STATEMENT OF NET ASSETS
 PROPRIETARY FUNDS
 December 31, 2006

	Business-type Activities Enterprise Funds			Totals	Governmental Activities Internal Service Funds
	Wastewater	Health and Sanitation	Surface- water		
LIABILITIES					
Current liabilities:					
Accounts payable	\$ 107,400	\$ 201,981	\$ 9,585	\$ 318,966	\$ 356,988
Employee benefits payable	53,164	32,634	-	85,798	4,910
Due to other funds	-	-	49,487	49,487	-
Matured interest payable	48,752	-	24,762	73,514	-
Matured loans payable	545,830	-	165,077	710,907	-
Matured bonds payable	640,000	-	-	640,000	-
Total current liabilities	<u>1,395,146</u>	<u>234,615</u>	<u>248,911</u>	<u>1,878,672</u>	<u>361,898</u>
Noncurrent liabilities:					
Loans payable	3,793,931	-	1,485,697	5,279,628	-
Revenue bonds payable, net	660,000	-	-	660,000	-
Total noncurrent liabilities	<u>4,453,931</u>	<u>-</u>	<u>1,485,697</u>	<u>5,939,628</u>	<u>-</u>
Total liabilities	<u>5,849,077</u>	<u>234,615</u>	<u>1,734,608</u>	<u>7,818,300</u>	<u>361,898</u>
NET ASSETS					
Investment in capital assets, net of related debt	50,902,950	16,924	20,391,570	71,311,444	3,543,882
Restricted for debt service	1,062,213	-	107,300	1,169,513	-
Unrestricted	<u>8,891,894</u>	<u>3,207,987</u>	<u>873,652</u>	<u>12,973,533</u>	<u>5,662,932</u>
Total net assets	<u>\$ 60,857,057</u>	<u>\$ 3,224,911</u>	<u>\$ 21,372,522</u>	<u>\$ 85,454,490</u>	<u>\$ 9,206,814</u>

The accompanying notes are an integral part of this statement

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 For the Year Ended December 31, 2006

	Business-type Activities Enterprise Funds			Totals	Governmental Activities Internal Service Funds
	Wastewater	Health and Sanitation	Surface- water		
CASH FLOWS FROM OPERATING ACTIVITIES:					
Cash received from customers	\$ 6,255,080	\$ 4,203,382	\$ 1,344,432	\$ 11,802,894	\$ 3,336,460
Cash payments to suppliers	(2,280,993)	(2,925,104)	(972,888)	(6,178,985)	(2,456,223)
Cash payments to employees	(1,066,343)	(842,178)	-	(1,908,521)	(209,899)
Cash payments for taxes	(537,406)	(437,500)	(18,001)	(992,907)	-
Other operating receipts and payments	10,886	-	-	10,886	-
Non-operating income	32,401	10,910	-	43,311	4,089
Net cash provided (used) by operating activities	<u>2,413,625</u>	<u>9,510</u>	<u>353,543</u>	<u>2,776,678</u>	<u>674,427</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:					
Operating transfers out	-	(17,000)	(158,000)	(175,000)	-
Interfund loans from other funds	-	-	49,487	49,487	218,414
Interfund loans to other funds	-	(49,487)	-	(49,487)	-
Net cash provided (used) by noncapital financing activities	<u>-</u>	<u>(66,487)</u>	<u>(108,513)</u>	<u>(175,000)</u>	<u>218,414</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
Acquisition and construction of capital assets	(2,262,682)	-	(8,117)	(2,270,799)	(654,799)
Proceeds from sale of assets	-	50	-	50	64,950
Loan/grant proceeds	800,000	-	-	800,000	-
Principal paid on revenue bonds	(625,000)	-	-	(625,000)	-
Principal paid on other debt	(547,098)	-	(165,077)	(712,175)	-
Interest paid on revenue bonds and other debt	(152,188)	-	(54,475)	(206,663)	-
Net cash provided (used) for capital and related financing activities	<u>(2,786,968)</u>	<u>50</u>	<u>(227,669)</u>	<u>(3,014,587)</u>	<u>(589,849)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:					
Investment purchases	(6,665,000)	(2,115,000)	(800,000)	(9,580,000)	(3,682,278)
Investment sales/maturities	6,650,000	2,500,000	600,000	9,750,000	4,190,000
Interest on investments	233,039	74,878	31,219	339,136	149,881
Net cash provided (used) by investing activities	<u>218,039</u>	<u>459,878</u>	<u>(168,781)</u>	<u>509,136</u>	<u>657,603</u>
Net increase (decrease) in cash and cash equivalents	(155,304)	402,951	(151,420)	96,227	960,595
Cash and cash equivalents, January 1	2,856,389	362,337	258,720	3,477,446	1,452,263
Cash and cash equivalents, December 31	<u>\$ 2,701,085</u>	<u>\$ 765,288</u>	<u>\$ 107,300</u>	<u>\$ 3,573,673</u>	<u>\$ 2,412,858</u>

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 For the Year Ended December 31, 2006

	Business-type Activities Enterprise Funds			Totals	Governmental Activities Internal Service Funds
	Wastewater	Health and Sanitation	Surface- water		
Cash at the end of the year consists of:					
Cash and cash equivalents	\$ 1,638,872	\$ 765,288	\$ -	\$ 2,404,160	\$ 2,412,858
Restricted assets:					
Cash and cash equivalents	1,062,213	-	107,300	1,169,513	-
Total cash at end of year	<u>\$ 2,701,085</u>	<u>\$ 765,288</u>	<u>\$ 107,300</u>	<u>\$ 3,573,673</u>	<u>\$ 2,412,858</u>

Reconciliation of operating income to
net cash provided by operating activities:

Operating income (loss)	\$ 210,905	\$ (9,202)	\$ (380,978)	\$ (179,275)	\$ (4,754)
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Adjustments to reconcile operating income to
to net cash provided by operating activities:

Depreciation	2,270,649	3,242	756,747	3,030,638	652,104
(Increase) decrease in accounts receivable	19,052	28,625	7,668	55,345	(1,000)
(Increase) decrease in inventory	-	-	-	-	9,647
(Increase) decrease in prepaid expenses	-	-	-	-	(15)
Increase (decrease) in accounts payable	(121,772)	(21,448)	(29,894)	(173,114)	13,753
Increase (decrease) in employee bene's pay	2,390	(2,617)	-	(227)	603
Non-operating revenue	<u>32,401</u>	<u>10,910</u>	<u>-</u>	<u>43,311</u>	<u>4,089</u>

Net cash provided by operating activities	<u>\$ 2,413,625</u>	<u>\$ 9,510</u>	<u>\$ 353,543</u>	<u>\$ 2,776,678</u>	<u>\$ 674,427</u>
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Noncash investing, capital and financing activities:

Developers contributed infrastructure valued at	\$ 7,076,190	\$ -	\$ 4,932,248	\$ 12,008,438	\$ -
Other funds of the city transferred vehicles valued at	-	-	-	-	68,993
Fair value of investments increased by	65,967	27,582	4,537	98,086	45,010
Bad debt expense	49,664	33,110	8,309	91,083	-

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
 PROPRIETARY FUNDS
 For the Year Ended December 31, 2006

	Business-type Activities Enterprise Funds			Totals
	Wastewater	Health and Sanitation	Surface- water	
Operating revenues:				
Charges for utility services	\$ 6,296,578	\$ 4,207,867	\$ 1,345,072	\$ 11,849,517
Charges for replacement	-	-	-	-
Charges for insurance	-	-	-	-
Total operating revenue	<u>6,296,578</u>	<u>4,207,867</u>	<u>1,345,072</u>	<u>11,849,517</u>
Operating expenses:				
Operations and maintenance	3,277,618	3,776,327	951,302	8,005,247
Taxes	537,406	437,500	18,001	992,907
Depreciation and amortization	2,270,649	3,242	756,747	3,030,638
Total operating expenses	<u>6,085,673</u>	<u>4,217,069</u>	<u>1,726,050</u>	<u>12,028,792</u>
Operating income (loss)	<u>210,905</u>	<u>(9,202)</u>	<u>(380,978)</u>	<u>(179,275)</u>
Nonoperating revenues (expenses):				
Investment earnings	299,847	104,874	37,558	442,279
Miscellaneous revenue	32,401	10,910	-	43,311
Interest expense	(147,880)	-	(51,999)	(199,879)
Gain (loss) on sale of fixed assets	(1,302)	50	-	(1,252)
Total nonoperating revenue (expense)	<u>183,066</u>	<u>115,834</u>	<u>(14,441)</u>	<u>284,459</u>
Income (loss) before contributions and transfers	393,971	106,632	(395,419)	105,184
Capital contributions	7,076,190	-	4,932,248	12,008,438
Transfers out	<u>-</u>	<u>(17,000)</u>	<u>(158,000)</u>	<u>(175,000)</u>
Change in net assets	7,470,161	89,632	4,378,829	11,938,622
Total net assets - beginning (restated)	<u>53,386,896</u>	<u>3,135,279</u>	<u>16,993,693</u>	<u>73,515,868</u>
Total net assets - ending	<u>\$ 60,857,057</u>	<u>\$ 3,224,911</u>	<u>\$ 21,372,522</u>	<u>\$ 85,454,490</u>

The accompanying notes are an integral part of this statement

Governmental
Activities
Internal
Service Funds

-
1,614,005
1,723,455
3,337,460

2,690,110
-
652,104
3,342,214
(4,754)

202,058
4,089
-
14,988
221,135

216,381
68,993
-
285,374
8,921,440
9,206,814

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 For the Year Ended December 31, 2006

	Business-type Activities Enterprise Funds			
	Wastewater	Health and Sanitation	Surface- water	Totals
	CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash received from customers	\$ 6,255,080	\$ 4,203,382	\$ 1,344,432	\$ 11,802,894
Cash payments to suppliers	(2,280,993)	(2,925,104)	(972,888)	(6,178,985)
Cash payments to employees	(1,066,343)	(842,178)	-	(1,908,521)
Cash payments for taxes	(537,406)	(437,500)	(18,001)	(992,907)
Other operating receipts and payments	10,886	-	-	10,886
Non-operating income	32,401	10,910	-	43,311
Net cash provided (used) by operating activities	2,413,625	9,510	353,543	2,776,678
 CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:				
Operating transfers out	-	(17,000)	(158,000)	(175,000)
Interfund loans from other funds	-	-	49,487	49,487
Interfund loans to other funds	-	(49,487)	-	(49,487)
Net cash provided (used) by noncapital financing activities	-	(66,487)	(108,513)	(175,000)
 CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Acquisition and construction of capital assets	(2,262,682)	-	(8,117)	(2,270,799)
Proceeds from sale of assets	-	50	-	50
Loan/grant proceeds	800,000	-	-	800,000
Principal paid on revenue bonds	(625,000)	-	-	(625,000)
Principal paid on other debt	(547,098)	-	(165,077)	(712,175)
Interest paid on revenue bonds and other debt	(152,188)	-	(54,475)	(206,663)
Net cash provided (used) for capital and related financing activities	(2,786,968)	50	(227,669)	(3,014,587)
 CASH FLOWS FROM INVESTING ACTIVITIES:				
Investment purchases	(6,665,000)	(2,115,000)	(800,000)	(9,580,000)
Investment sales/maturities	6,650,000	2,500,000	600,000	9,750,000
Interest on investments	233,039	74,878	31,219	339,136
Net cash provided (used) by investing activities	218,039	459,878	(168,781)	509,136
 Net increase (decrease) in cash and cash equivalents	(155,304)	402,951	(151,420)	96,227
Cash and cash equivalents, January 1	2,856,389	362,337	258,720	3,477,446
Cash and cash equivalents, December 31	\$ 2,701,085	\$ 765,288	\$ 107,300	\$ 3,573,673

The accompanying notes are an integral part of this statement

Governmental
Activities
Internal
Service Funds

3,336,460
(2,456,223)
(209,899)

-
-

4,089

674,427

-
218,414

-
218,414

(654,799)
64,950

-
-

-
(589,849)

(3,682,278)
4,190,000
149,881

657,603

960,595

1,452,263
2,412,858

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 For the Year Ended December 31, 2006

	Business-type Activities Enterprise Funds			
	Wastewater	Health and Sanitation	Surface- water	Totals
	Cash at the end of the year consists of:			
Cash and cash equivalents	\$ 1,638,872	\$ 765,288	\$ -	\$ 2,404,160
Restricted assets:				
Cash and cash equivalents	1,062,213	-	107,300	1,169,513
Total cash at end of year	\$ 2,701,085	\$ 765,288	\$ 107,300	\$ 3,573,673
Reconciliation of operating income to net cash provided by operating activities:				
Operating income (loss)	\$ 210,905	\$ (9,202)	\$ (380,978)	\$ (179,275)
Adjustments to reconcile operating income to to net cash provided by operating activities:				
Depreciation	2,270,649	3,242	756,747	3,030,638
(Increase) decrease in accounts receivable	19,052	28,625	7,668	55,345
(Increase) decrease in inventory	-	-	-	-
(Increase) decrease in prepaid expenses	-	-	-	-
Increase (decrease) in accounts payable	(121,772)	(21,448)	(29,894)	(173,114)
Increase (decrease) in employee bene's pay	2,390	(2,617)	-	(227)
Non-operating revenue	32,401	10,910	-	43,311
Net cash provided by operating activities	\$ 2,413,625	\$ 9,510	\$ 353,543	\$ 2,776,678
Noncash investing, capital and financing activities:				
Developers contributed infrastructure valued at	\$ 7,076,190	\$ -	\$ 4,932,248	\$ 12,008,438
Other funds of the city transferred vehicles valued at	-	-	-	-
Fair value of investments increased by	65,967	27,582	4,537	98,086
Bad debt expense	49,664	33,110	8,309	91,083

The accompanying notes are an integral part of this statement

Governmental
Activities
Internal
Service Funds

2,412,858

-

2,412,858

(4,754)

652,104
(1,000)
9,647
(15)
13,753
603
4,089

674,427

-

68,993
45,010
-

STATEMENT OF FIDUCIARY NET ASSETS
 FIDUCIARY FUNDS
 December 31, 2006

	<u>Firemen's Pension Fund</u>	<u>Agency Funds</u>
ASSETS		
Cash and cash equivalents	\$ 337,089	\$ 89,978
Investments	749,623	-
Receivables:		
Interest	<u>7,610</u>	<u>-</u>
Total Assets	<u><u>1,094,322</u></u>	<u><u>89,978</u></u>
LIABILITIES		
Liabilities:		
Accounts payable	266	-
Due to other governments	-	64,442
Custodial	<u>-</u>	<u>25,536</u>
Total Liabilities	<u>266</u>	<u>\$ 89,978</u>
NET ASSETS		
Held in trust for pension benefits	<u><u>\$ 1,094,056</u></u>	

The accompanying notes are an integral part of this statement

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
 FIDUCIARY FUNDS
 For the Year Ended December 31, 2006

	Firemen's Pension Fund
ADDITIONS	
Fire insurance premiums	\$ 25,940
Investment interest	38,084
Total additions	64,024
DEDUCTIONS	
Benefit payments	21,431
Adminstration	-
Total deductions	21,431
Change in net assets	42,593
Net assets - beginning	1,051,463
Net assets - ending	\$ 1,094,056

The accompanying notes are an integral part of this statement