

STATEMENT OF NET ASSETS
December 31, 2008

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 6,572,414	\$ 6,059,631	\$ 12,632,045
Cash with fiscal agent	25,000	-	25,000
Investments	10,286,055	5,777,880	16,063,935
Receivables:			
Taxes	1,259,275	-	1,259,275
Accounts	88,158	1,709,984	1,798,142
Interest	71,014	52,863	123,877
Special assessments	49,716	-	49,716
Due from other governments	1,759,977	-	1,759,977
Inventory	6,875	76	6,951
Net pension asset	456,577	-	456,577
Restricted assets:			
Cash and cash equivalents	-	688,851	688,851
Capital assets:			
Non-depreciable	41,998,813	35,241,318	77,240,131
Depreciable, net	70,444,145	87,065,878	157,510,023
Total Assets	133,018,019	136,596,481	269,614,500
LIABILITIES			
Accounts payable	1,436,999	1,453,159	2,890,158
Employee wages payable	570,049	82,759	652,808
Interest payable	32,516	93,762	126,278
Matured bonds payable	25,000	-	25,000
Deferred revenues	243,828	-	243,828
Noncurrent liabilities:			
Special assessment debt with government commitment due within one year	10,000	-	10,000
Other non-current due within one year	721,674	778,034	1,499,708
Net other postemployment benefit obligation	180,896	-	180,896
Other non-current due in more than one year	5,797,858	29,789,574	35,587,432
Total Liabilities	9,018,820	32,197,288	41,216,108
NET ASSETS			
Invested in capital assets, net of related debt	106,304,907	91,755,639	198,060,546
Restricted for:			
Streets and transportation	638,057	-	638,057
Culture and recreation	467,632	-	467,632
Debt service	144,736	688,851	833,587
Other purposes	371,303	-	371,303
Unrestricted	16,072,564	11,954,703	28,027,267
Total Net Assets	\$ 123,999,199	\$ 104,399,193	\$ 228,398,392

The accompanying notes are an integral part of this statement

STATEMENT OF ACTIVITIES
For The Year Ended December 31, 2008

Functions/Program	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:							
General government	\$ 3,338,575	\$ 658,095	\$ 290,206	\$ 55,000	\$ (2,335,274)	\$ -	\$ (2,335,274)
Security of persons and property	12,543,697	318,472	413,547	31,050	(11,780,628)	-	(11,780,628)
Physical environment	1,479,510	175,807	-	-	(1,303,703)	-	(1,303,703)
Transportation	4,083,395	737,995	672,919	4,318,218	1,645,737	-	1,645,737
Economic environment	971,573	1,021,772	6,000	1,123,431	1,179,630	-	1,179,630
Culture and recreation	2,859,109	583,522	17,779	29,000	(2,228,808)	-	(2,228,808)
Interest on long-term debt	258,680	-	-	-	(258,680)	-	(258,680)
Total governmental activities	<u>25,534,539</u>	<u>3,495,663</u>	<u>1,400,451</u>	<u>5,556,699</u>	<u>(15,081,726)</u>	<u>-</u>	<u>(15,081,726)</u>
Business-type activities:							
Wastewater	6,996,799	6,606,614	-	5,947,184	-	5,556,999	5,556,999
Health and sanitation	4,395,004	4,209,703	-	-	-	(185,301)	(185,301)
Surfacewater	2,190,157	1,389,716	-	4,665,567	-	3,865,126	3,865,126
Total business-type activities	<u>13,581,960</u>	<u>12,206,033</u>	<u>-</u>	<u>10,612,751</u>	<u>-</u>	<u>9,236,824</u>	<u>9,236,824</u>
Total government	<u>\$ 39,116,499</u>	<u>\$ 15,701,696</u>	<u>\$ 1,400,451</u>	<u>\$ 16,169,450</u>	<u>\$ (15,081,726)</u>	<u>\$ 9,236,824</u>	<u>\$ (5,844,902)</u>
General revenues:							
Taxes:							
Property taxes					6,592,048	-	6,592,048
Sales taxes					5,395,214	-	5,395,214
Utility taxes					3,786,765	-	3,786,765
Real estate excise taxes					971,500	-	971,500
Criminal justice sales taxes					592,824	-	592,824
Hotel/motel, liquor & leasehold taxes					579,841	-	579,841
Interest and investment earnings					897,362	349,989	1,247,351
Miscellaneous					1,213	106,706	107,919
Transfers, internal activities					282,000	(282,000)	-
Total general revenues and transfers					<u>19,098,767</u>	<u>174,695</u>	<u>19,273,462</u>
Change in net assets					4,017,041	9,411,519	13,428,560
Net assets-beginning (restated)					<u>119,982,158</u>	<u>94,987,674</u>	<u>214,969,832</u>
Net assets-ending					<u>\$ 123,999,199</u>	<u>\$ 104,399,193</u>	<u>\$ 228,398,392</u>

The accompanying notes are an integral part of this statement

BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2008

	General Fund	Road Improvement Capital Project Funds	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 1,475,249	\$ 340,564	\$ 1,970,402	\$ 3,786,215
Cash with fiscal agent	-	-	25,000	25,000
Investments	2,982,895	1,242,447	2,222,261	6,447,603
Receivables:				
Taxes	251,682	-	12,060	263,742
Accounts	484,518	-	115,129	599,647
Interest	20,371	7,057	18,988	46,416
Special assessments	-	-	49,716	49,716
Due from other governments	64,364	1,412,812	282,801	1,759,977
Total Assets	\$ 5,279,079	\$ 3,002,880	\$ 4,696,357	\$ 12,978,316
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 311,957	\$ 353,031	\$ 366,986	\$ 1,031,974
Matured bonds payable	-	-	25,000	25,000
Deferred revenues	688,191	-	176,905	865,096
Total Liabilities	1,000,148	353,031	568,891	1,922,070
Fund Balances:				
Reserved for:				
Debt service	-	-	145,220	145,220
Unreserved, reported in:				
General fund	4,278,931	-	-	4,278,931
Special revenue funds	-	-	2,089,842	2,089,842
Capital project funds	-	2,649,849	1,892,404	4,542,253
Total Fund Balances	4,278,931	2,649,849	4,127,466	11,056,246
Total Liabilities and Fund Balances	\$ 5,279,079	\$ 3,002,880	\$ 4,696,357	\$ 12,978,316

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, 2008

Fund balances - total governmental funds		\$ 11,056,246
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	41,998,813	
Depreciable assets (net)	66,490,954	108,489,767
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.		
Net pension asset	456,577	
Deferred revenue	1,102,311	1,558,888
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	(954,418)	
Interest payable	(32,516)	
Net other postemployment benefit obligation	(180,896)	
Long-term liabilities	(6,138,051)	(7,305,881)
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.	10,200,179	10,200,179
Net assets of governmental activities		\$ <u><u>123,999,199</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, 2008

	General Fund	Road Improvement Capital Project Funds	Other Governmental Funds	Total Governmental Funds
REVENUES				
Taxes	\$ 12,746,251	\$ -	\$ 4,925,997	\$ 17,672,248
Licenses and permits	1,025,100	-	68,220	1,093,320
Intergovernmental revenues	1,001,875	2,946,759	1,974,079	5,922,713
Charge for services	1,554,336	2,420	894,805	2,451,561
Fines and forfeitures	249,271	-	34,332	283,603
Investment income	517,279	52,704	138,261	708,244
Other revenue	117,747	-	510,719	628,466
Total Revenues	<u>17,211,859</u>	<u>3,001,883</u>	<u>8,546,413</u>	<u>28,760,155</u>
EXPENDITURES				
Current				
General government	3,838,084	-	-	3,838,084
Security of persons and property	11,570,490	-	208,659	11,779,149
Physical environment	1,541,107	-	38,966	1,580,073
Transportation	-	-	1,696,177	1,696,177
Economic environment	657,957	-	288,007	945,964
Culture and recreation	-	-	2,500,981	2,500,981
Capital outlay	538,382	4,655,314	4,262,327	9,456,023
Debt service				
Principal	212,986	-	816,000	1,028,986
Interest and debt issue costs	15,804	-	258,746	274,550
Total Expenditures	<u>18,374,810</u>	<u>4,655,314</u>	<u>10,069,863</u>	<u>33,099,987</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,162,951)</u>	<u>(1,653,431)</u>	<u>(1,523,450)</u>	<u>(4,339,832)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	182,900	1,680,000	1,560,908	3,423,808
Transfers out	(1,331,161)	-	(2,002,963)	(3,334,124)
Insurance recovery	-	-	126,153	126,153
Contractual debt issued	250,000	-	22,037	272,037
Total other financing sources (uses)	<u>(898,261)</u>	<u>1,680,000</u>	<u>(293,865)</u>	<u>487,874</u>
Net change in fund balances	(2,061,212)	26,569	(1,817,315)	(3,851,958)
Fund Balances - January 1	<u>6,340,143</u>	<u>2,623,280</u>	<u>5,944,781</u>	<u>14,908,204</u>
Fund Balances - December 31	<u>\$ 4,278,931</u>	<u>\$ 2,649,849</u>	<u>\$ 4,127,466</u>	<u>\$ 11,056,246</u>

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, 2008

Net changes in fund balances - total governmental funds	\$	(3,851,958)
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	8,941,828	
Less current year depreciation	<u>(3,139,582)</u>	5,802,246
The effect of various miscellaneous transactions involving capital assets not reported in governmental funds.		
Contributions of capital assets	1,276,452	
Disposals of capital assets	<u>(79,332)</u>	1,197,120
Issuance of long-term debt is an other financing source and repayment of debt principal is an expenditure in governmental funds, but the issuance or repayment increases/reduces long-term liabilities in the statement of net assets.		
Debt issuance	(272,037)	
Principal payments	<u>1,028,986</u>	756,949
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>(485,627)</u>	(485,627)
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>598,311</u>	<u>598,311</u>
Change in net assets of governmental activities	\$	<u><u>4,017,041</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, 2008

	Original Budget 2008	Final Budget 2008	Actual 2008	Variance with Final Budget Positive (Negative)
REVENUES				
Taxes				
Property	\$ 2,807,180	\$ 2,807,180	\$ 2,855,073	\$ 47,893
Sales	5,920,000	5,920,000	5,490,409	(429,591)
Utility	3,523,000	3,523,000	3,786,765	263,765
Other	677,000	677,000	614,004	(62,996)
Licenses and permits	1,063,000	1,063,000	1,025,100	(37,900)
Intergovernmental revenues	1,317,158	1,407,231	1,001,875	(405,356)
Charge for services	1,664,598	1,664,598	1,554,336	(110,262)
Fines and forfeitures	204,500	204,500	249,271	44,771
Investment income	550,000	550,000	517,279	(32,721)
Other revenue	85,670	90,670	117,747	27,077
Total Revenues	<u>17,812,106</u>	<u>17,907,179</u>	<u>17,211,859</u>	<u>(695,320)</u>
EXPENDITURES				
Current				
General government	4,472,173	4,437,173	3,838,084	599,089
Security of persons and property	11,695,643	11,757,185	11,570,490	186,695
Physical environment	1,565,752	1,600,752	1,541,107	59,645
Economic environment	748,727	748,727	657,957	90,770
Capital outlay	708,185	741,716	538,382	203,334
Debt service				
Principal	168,800	168,800	212,986	(44,186)
Interest and debt issue costs	9,990	9,990	15,804	(5,814)
Total Expenditures	<u>19,369,270</u>	<u>19,464,343</u>	<u>18,374,810</u>	<u>1,089,533</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,557,164)</u>	<u>(1,557,164)</u>	<u>(1,162,951)</u>	<u>394,213</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	182,900	182,900	182,900	-
Transfers out	(1,306,161)	(1,306,161)	(1,331,161)	(25,000)
Contractual debt issued	-	-	250,000	250,000
Total other financing sources (uses)	<u>(1,123,261)</u>	<u>(1,123,261)</u>	<u>(898,261)</u>	<u>225,000</u>
Net change in fund balances	(2,680,425)	(2,680,425)	(2,061,212)	619,213
Fund Balances - January 1	<u>6,340,143</u>	<u>6,340,143</u>	<u>6,340,143</u>	<u>-</u>
Fund Balances - December 31	<u>\$ 3,659,718</u>	<u>\$ 3,659,718</u>	<u>\$ 4,278,931</u>	<u>\$ 619,213</u>

The accompanying notes are an integral part of this statement

STATEMENT OF NET ASSETS
 PROPRIETARY FUNDS
 December 31, 2008

	Business-type Activities Enterprise Funds			Totals	Governmental Activities Internal Service Funds
	Wastewater	Health and Sanitation	Surface- water		
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 5,000,784	\$ 816,214	\$ 242,633	\$ 6,059,631	\$ 2,786,199
Investments	4,343,511	1,111,131	323,238	5,777,880	3,838,452
Accounts receivable	970,188	555,810	183,986	1,709,984	3,000
Interest receivable	39,139	9,824	3,900	52,863	24,599
Inventory	-	-	-	-	6,721
Prepaid expenses	76	-	-	76	153
Total current assets	<u>10,353,698</u>	<u>2,492,979</u>	<u>753,757</u>	<u>13,600,434</u>	<u>6,659,124</u>
Noncurrent assets:					
Restricted assets					
Debt service:					
Cash and cash equivalents	606,312	-	82,539	688,851	-
Total restricted assets	<u>606,312</u>	<u>-</u>	<u>82,539</u>	<u>688,851</u>	<u>-</u>
Capital assets:					
Land	1,799,325	204,000	1,231,263	3,234,588	-
Buildings	16,596,725	715,482	-	17,312,207	145,000
Improvements other than buildings	69,709,976	-	35,772,201	105,482,177	72,545
Machinery and equipment	672,589	68,067	272,054	1,012,710	9,993,167
Construction in progress	32,006,730	-	-	32,006,730	-
Less accumulated depreciation	<u>(28,161,475)</u>	<u>(82,773)</u>	<u>(8,496,968)</u>	<u>(36,741,216)</u>	<u>(6,257,520)</u>
Total capital assets (net of depreciation)	<u>92,623,870</u>	<u>904,776</u>	<u>28,778,550</u>	<u>122,307,196</u>	<u>3,953,192</u>
Total noncurrent assets	<u>93,230,182</u>	<u>904,776</u>	<u>28,861,089</u>	<u>122,996,047</u>	<u>3,953,192</u>
Total assets	<u>\$ 103,583,880</u>	<u>\$ 3,397,755</u>	<u>\$ 29,614,846</u>	<u>\$ 136,596,481</u>	<u>\$ 10,612,316</u>

The accompanying notes are an integral part of this statement

STATEMENT OF NET ASSETS
 PROPRIETARY FUNDS
 December 31, 2008

	Business-type Activities Enterprise Funds			Totals	Governmental Activities Internal Service Funds
	Wastewater	Health and Sanitation	Surface- water		
LIABILITIES					
Current liabilities:					
Accounts payable	\$ 1,197,666	\$ 185,418	\$ 70,075	\$ 1,453,159	\$ 405,025
Employee benefits payable	53,551	29,208	-	82,759	7,112
Matured interest payable	73,953	-	19,809	93,762	-
Matured loans payable	612,957	-	165,077	778,034	-
Total current liabilities	<u>1,938,127</u>	<u>214,626</u>	<u>254,961</u>	<u>2,407,714</u>	<u>412,137</u>
Noncurrent liabilities:					
Employee benefits payable	11,446	4,605	-	16,051	-
Loans payable	28,617,981	-	1,155,542	29,773,523	-
Total noncurrent liabilities	<u>28,629,427</u>	<u>4,605</u>	<u>1,155,542</u>	<u>29,789,574</u>	<u>-</u>
Total liabilities	<u>30,567,554</u>	<u>219,231</u>	<u>1,410,503</u>	<u>32,197,288</u>	<u>412,137</u>
NET ASSETS					
Investment in capital assets, net of related debt	63,392,932	904,776	27,457,931	91,755,639	3,953,192
Restricted for debt service	606,312	-	82,539	688,851	-
Unrestricted	9,017,082	2,273,748	663,873	11,954,703	6,246,987
Total net assets	<u>\$ 73,016,326</u>	<u>\$ 3,178,524</u>	<u>\$ 28,204,343</u>	<u>\$ 104,399,193</u>	<u>\$ 10,200,179</u>

The accompanying notes are an integral part of this statement

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
 PROPRIETARY FUNDS
 For the Year Ended December 31, 2008

	Business-type Activities Enterprise Funds			Totals	Governmental Activities Internal Service Funds
	Wastewater	Health and Sanitation	Surface- water		
Operating revenues:					
Charges for utility services	\$ 6,606,614	\$ 4,209,703	\$ 1,389,716	\$ 12,206,033	\$ -
Charges for replacement	-	-	-	-	1,756,304
Charges for insurance	-	-	-	-	3,164,052
Total operating revenue	<u>6,606,614</u>	<u>4,209,703</u>	<u>1,389,716</u>	<u>12,206,033</u>	<u>4,920,356</u>
Operating expenses:					
Operations and maintenance	3,490,383	3,950,465	1,082,128	8,522,976	4,159,617
Taxes	569,642	442,314	18,294	1,030,250	-
Depreciation and amortization	2,785,629	2,225	1,047,195	3,835,049	598,524
Total operating expenses	<u>6,845,654</u>	<u>4,395,004</u>	<u>2,147,617</u>	<u>13,388,275</u>	<u>4,758,141</u>
Operating income (loss)	<u>(239,040)</u>	<u>(185,301)</u>	<u>(757,901)</u>	<u>(1,182,242)</u>	<u>162,215</u>
Nonoperating revenues (expenses):					
Investment earnings	263,969	61,639	24,381	349,989	189,119
Miscellaneous revenue	60,498	10,620	35,588	106,706	6,520
Interest expense	(151,145)	-	(42,095)	(193,240)	-
Gain (loss) on sale of capital assets	-	-	(445)	(445)	48,141
Total nonoperating revenue (expense)	<u>173,322</u>	<u>72,259</u>	<u>17,429</u>	<u>263,010</u>	<u>243,780</u>
Income (loss) before contributions and transfers	(65,718)	(113,042)	(740,472)	(919,232)	405,995
Capital contributions	5,947,184	-	4,665,567	10,612,751	-
Transfers in	-	-	-	-	192,316
Transfers out	<u>(130,000)</u>	<u>-</u>	<u>(152,000)</u>	<u>(282,000)</u>	<u>-</u>
Change in net assets	5,751,466	(113,042)	3,773,095	9,411,519	598,311
Total net assets - beginning	<u>67,264,860</u>	<u>3,291,566</u>	<u>24,431,248</u>	<u>94,987,674</u>	<u>9,601,868</u>
Total net assets - ending	<u>\$ 73,016,326</u>	<u>\$ 3,178,524</u>	<u>\$ 28,204,343</u>	<u>\$ 104,399,193</u>	<u>\$ 10,200,179</u>

The accompanying notes are an integral part of this statement

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 For the Year Ended December 31, 2008

	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	\$ 6,414,406	\$ 4,155,865	\$ 1,369,006	\$ 11,939,277	\$ 4,920,356
Cash payments to suppliers	(2,185,506)	(2,937,245)	(993,299)	(6,116,050)	(3,807,925)
Cash payments to employees	(1,325,597)	(1,005,139)	(52,357)	(2,383,093)	(246,273)
Cash payments for taxes	(569,642)	(442,314)	(18,294)	(1,030,250)	-
Other operating receipts and payments	8,427	-	-	8,427	-
Non-operating income	60,498	10,620	35,588	106,706	6,520
Net cash provided (used) by operating activities	<u>2,402,586</u>	<u>(218,213)</u>	<u>340,644</u>	<u>2,525,017</u>	<u>872,678</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:					
Transfers in	-	-	-	-	192,316
Transfers out	(130,000)	-	(152,000)	(282,000)	-
Interfund loan repayments from other funds	-	-	-	-	35,000
Net cash provided (used) by noncapital financing activities	<u>(130,000)</u>	<u>-</u>	<u>(152,000)</u>	<u>(282,000)</u>	<u>227,316</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
Acquisition and construction of capital assets	(15,591,588)	(880,564)	(74,203)	(16,546,355)	(548,984)
Proceeds from sale of assets	-	-	-	-	74,303
Capital contributions	655,668	-	-	655,668	-
Loan/grant proceeds	15,644,863	-	31,383	15,676,246	-
Principal paid on revenue bonds	(660,000)	-	-	(660,000)	-
Principal paid on other debt	(660,738)	-	(165,077)	(825,815)	-
Interest paid on revenue bonds and other debt	(147,241)	-	(44,571)	(191,812)	-
Net cash provided (used) for capital and related financing activities	<u>(759,036)</u>	<u>(880,564)</u>	<u>(252,468)</u>	<u>(1,892,068)</u>	<u>(474,681)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:					
Investment purchases	(4,300,000)	(1,100,000)	(320,000)	(5,720,000)	(3,800,000)
Investment sales/maturities	6,250,000	2,500,000	450,000	9,200,000	3,400,000
Interest on investments	251,350	63,072	25,043	339,465	162,702
Net cash provided (used) by investing activities	<u>2,201,350</u>	<u>1,463,072</u>	<u>155,043</u>	<u>3,819,465</u>	<u>(237,298)</u>
Net increase (decrease) in cash and cash equivalents	3,714,900	364,295	91,219	4,170,414	388,015
Cash and cash equivalents, January 1	1,892,196	451,919	233,953	2,578,068	2,398,184
Cash and cash equivalents, December 31	<u>\$ 5,607,096</u>	<u>\$ 816,214</u>	<u>\$ 325,172</u>	<u>\$ 6,748,482</u>	<u>\$ 2,786,199</u>

The accompanying notes are an integral part of this statement

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STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 For the Year Ended December 31, 2008

	Business-type Activities Enterprise Funds				Governmental Activities Internal Service Funds
	Wastewater	Health and Sanitation	Surface- water	Totals	
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	
Cash at the end of the year consists of:					
Cash and cash equivalents	\$ 5,000,784	\$ 816,214	\$ 242,633	\$ 6,059,631	\$ 2,786,199
Restricted assets:					
Cash and cash equivalents	606,312	-	82,539	688,851	-
Total cash at end of year	<u>\$ 5,607,096</u>	<u>\$ 816,214</u>	<u>\$ 325,172</u>	<u>\$ 6,748,482</u>	<u>\$ 2,786,199</u>
Reconciliation of operating income to net cash provided by operating activities:					
Operating income (loss)	\$ (239,040)	\$ (185,301)	\$ (757,901)	\$ (1,182,242)	\$ 162,215
Adjustments to reconcile operating income to to net cash provided by operating activities:					
Depreciation	2,785,629	2,225	1,047,195	3,835,049	598,524
(Increase) decrease in accounts receivable	(183,574)	(53,753)	(20,682)	(258,009)	-
(Increase) decrease in inventory	-	-	-	-	1,101
(Increase) decrease in prepaid expenses	(76)	-	-	(76)	(2)
(Increase) decrease in deferred charges	10,737	-	-	10,737	-
Increase (decrease) in accounts payable	(33,322)	7,235	36,444	10,357	100,306
Increase (decrease) in employee bene's pay	1,734	761	-	2,495	4,014
Non-operating revenue	60,498	10,620	35,588	106,706	6,520
Net cash provided by operating activities	<u>\$ 2,402,586</u>	<u>\$ (218,213)</u>	<u>\$ 340,644</u>	<u>\$ 2,525,017</u>	<u>\$ 872,678</u>
Noncash investing, capital and financing activities:					
Developers contributed infrastructure valued at	\$ 5,291,516	\$ -	\$ 4,665,567	\$ 9,957,083	\$ -
Fair value of investments increased by	54,045	8,499	2,765	65,309	34,873
Bad debt expense	207	85	28	320	-

The accompanying notes are an integral part of this statement

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STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
December 31, 2008

	Firemen's Pension Fund	Agency Funds
ASSETS		
Cash and cash equivalents	\$ 433,231	\$ 60,243
Investments		
U.S. Government Agency Securities	374,249	-
Local Government Investment Pool	256,065	-
Municipal Government Securities	26,263	-
Receivables:		
Interest	4,713	-
Total Assets	1,094,521	60,243
LIABILITIES		
Liabilities:		
Accounts payable	186	96
Due to other governments	-	40,769
Custodial	-	19,378
Total Liabilities	186	\$ 60,243
NET ASSETS		
Held in trust for pension benefits	\$ 1,094,335	

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, 2008

	Firemen's Pension Fund
ADDITIONS	
Fire insurance premiums	\$ 29,206
Investment interest	33,847
Total additions	<u>63,053</u>
DEDUCTIONS	
Pension benefit payments	47,600
Healthcare benefit payments	38,097
Administration	-
Total deductions	<u>85,697</u>
Change in net assets	(22,644)
Net assets - beginning	<u>1,116,979</u>
Net assets - ending	<u><u>\$ 1,094,335</u></u>

The accompanying notes are an integral part of this statement