

BALANCE SHEET  
GOVERNMENTAL FUNDS  
December 31, 2005

	General	Advanced Life Support Fund	Capital Improvements Program Fund	Other Governmental Funds	Governmental Funds Total
<b>ASSETS</b>					
Cash and cash equivalents	\$ 207,262	\$ 24,505	\$ 2,865,071	\$ 3,142,769	\$ 6,239,607
Cash with outside agency	-	-	-	10,000	10,000
Investments	3,127,066	-	37,815,147	18,714,072	59,656,285
Receivables:					
Taxes	3,483,607	-	-	1,263,280	4,746,887
Accounts	561,443	-	-	22,808	584,251
Interest	41,870	-	96,914	145,324	284,108
Special assessments	-	-	-	850,788	850,788
Due from other funds	-	-	-	892,886	892,886
Due from other governments	2,373,934	1,014,946	210,657	165,571	3,765,108
Restricted assets:					
Deposit cash	-	-	113,718	3,302	117,020
Deposit investments	1,115,178	-	-	-	1,115,178
Total Assets	<u>\$ 10,910,360</u>	<u>\$ 1,039,451</u>	<u>\$ 41,101,507</u>	<u>\$ 25,210,800</u>	<u>\$ 78,262,118</u>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities:</b>					
Accounts/claims payable	\$ 2,101,852	\$ 5,717	\$ 2,552,499	\$ 412,766	\$ 5,072,834
Employee wages payable	1,199,761	140,848	27,954	55,493	1,424,056
Due to other funds	-	892,886	-	-	892,886
Due to other governments	-	-	81,153	-	81,153
Payable from restricted assets:					
Deposits payable	1,115,178	-	113,718	3,302	1,232,198
Unearned revenues	288,545	-	2,452,894	742,789	3,484,228
Total Liabilities	<u>4,705,336</u>	<u>1,039,451</u>	<u>5,228,218</u>	<u>1,214,350</u>	<u>12,187,355</u>
<b>Fund balances:</b>					
<b>Reserved for:</b>					
Debt service	-	-	-	1,536,679	1,536,679
Petty cash	23,420	-	-	-	23,420
<b>Unreserved, reported in:</b>					
General fund	6,181,604	-	-	-	6,181,604
Special revenue funds	-	-	-	21,413,195	21,413,195
Capital projects funds	-	-	35,873,289	1,046,576	36,919,865
Total Fund Balances	<u>6,205,024</u>	<u>-</u>	<u>35,873,289</u>	<u>23,996,450</u>	<u>66,074,763</u>
Total Liabilities and Fund Balances	<u>\$ 10,910,360</u>	<u>\$ 1,039,451</u>	<u>\$ 41,101,507</u>	<u>\$ 25,210,800</u>	

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 not reported in the funds.	238,551,045
Net pension obligation paid in over required	(238,246)
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds. (Note 3)	1,409,913
Internal service funds are used by management to charge the costs of certain activities, such as insurance, information services, and fleet maintenance, to individual funds. The assets and liabilities of these internal service funds are included in governmental activities in the statement of net assets.	11,028,372
Some liabilities, including bonds, loans, and compensated absences payable, are not due and payable in the current period and therefore are not reported in the funds. (Note 3)	(50,149,635)
Net assets of governmental activities	<u>\$ 266,676,212</u>

See accompanying notes to the financial statements.

STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
For the Year Ended December 31, 2005

	General Fund	Advanced Life Support Fund	Capital Improvements Program Fund	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>					
Taxes	\$ 37,485,011	\$ -	\$ 1,100,000	\$ 12,932,392	\$ 51,517,403
Special assessments	-	-	-	296,954	296,954
Licenses and permits	5,548,727	-	-	-	5,548,727
Contributions from property owners	41,811	-	546,914	248,500	837,225
Intergovernmental	6,600,251	3,845,753	1,950,066	521,898	12,917,968
Charges for services	3,473,123	-	963,591	1,822,254	6,258,968
Fines and forfeitures	89,299	-	-	7,325	96,624
Investment income	291,097	-	843,176	447,852	1,582,125
Miscellaneous	202,196	-	95,301	306,508	604,005
Total Revenues	<u>53,731,515</u>	<u>3,845,753</u>	<u>5,499,048</u>	<u>16,583,683</u>	<u>79,659,999</u>
<b>EXPENDITURES</b>					
Current					
General government	9,912,351	-	2,289,382	414,513	12,616,246
Security of persons and property	25,716,284	3,870,258	252,968	168,506	30,008,016
Physical environment	2,587,565	-	-	407,527	2,995,092
Transportation	2,702,476	-	1,836,780	698,107	5,237,363
Economic environment	2,343,629	-	160,828	792,185	3,296,642
Mental/physical health	10,786	-	-	83,514	94,300
Culture and recreation	4,406,576	-	253,487	2,565,280	7,225,343
Capital outlay	56,304	-	11,478,064	763,209	12,297,577
Debt service:					
Principal	-	-	630,884	3,837,554	4,468,438
Interest and debt issue costs	-	-	200,216	406,485	606,701
Total Expenditures	<u>47,735,971</u>	<u>3,870,258</u>	<u>17,102,609</u>	<u>10,136,880</u>	<u>78,845,718</u>
Excess (deficiency) of revenues over (under) expenditures	<u>5,995,544</u>	<u>(24,505)</u>	<u>(11,603,561)</u>	<u>6,446,803</u>	<u>814,281</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Disposition of capital assets	-	-	-	3,750	3,750
Transfers in (Note 10)	19,000	24,505	13,286,680	3,846,915	17,177,100
Transfers out (Note 10)	(4,840,474)	-	(1,574,366)	(10,664,008)	(17,078,848)
Total other financing sources and uses	<u>(4,821,474)</u>	<u>24,505</u>	<u>11,712,314</u>	<u>(6,813,343)</u>	<u>102,002</u>
Net change in fund balances	1,174,070	-	108,753	(366,540)	916,283
Fund balances-beginning	5,030,954	-	35,764,536	24,362,990	65,158,480
Fund balances-ending	<u>\$ 6,205,024</u>	<u>\$ -</u>	<u>\$ 35,873,289</u>	<u>\$ 23,996,450</u>	<u>\$ 66,074,763</u>

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, 2005

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Amounts reported for governmental funds in the statement of activities are different because

Net change in fund balances-total governmental funds.	\$	916,283
Governmental funds report capital outlays as expenditures. However in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays (\$12,328,414) exceeded depreciation (\$7,427,074) in the current period.		4,901,340
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. (Note 3)		3,211,311
Receipt of long-term debt proceeds increases the current financial resources of governmental funds and repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net assets. (Note 3)		4,468,439
Internal service funds are used by management to charge the costs of certain activities, such as insurance, information services, and fleet maintenance, to individual funds. The net revenue (expense) of certain internal service funds is reported with governmental activities.		101,734
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 governmental funds. (Note 3)		<u>(122,217)</u>
Change in net assets of governmental activities.	\$	<u><u>13,476,890</u></u>

See accompanying notes to the financial statements.

# CITY OF REDMOND

## STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL GENERAL FUND

For the Biennium Ended December 31, 2005

	Original Budget 2005-2006	Final Budget 2005-2006	Actual Biennium to Date Through 12/31/2005	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
Taxes				
Property	\$ 21,342,852	\$ 21,342,852	\$ 11,061,344	\$ (10,281,508)
Sales	36,429,271	36,429,271	17,306,532	(19,122,739)
Other	18,781,560	18,781,560	9,117,135	(9,664,425)
Licenses and permits	9,965,415	9,965,415	5,548,727	(4,416,688)
Intergovernmental	13,043,350	13,043,350	6,600,251	(6,443,099)
Charges for services	6,832,311	6,832,311	3,473,123	(3,359,188)
Fines and forfeitures	201,969	201,969	89,299	(112,670)
Investment income	669,564	669,564	291,097	(378,467)
Miscellaneous	332,745	337,745	244,007	(93,738)
Total Revenues	<u>107,599,037</u>	<u>107,604,037</u>	<u>53,731,515</u>	<u>(53,872,522)</u>
<b>EXPENDITURES</b>				
Current				
General government	22,263,067	22,532,513	9,912,351	12,620,162
Security of persons and property	49,174,746	51,118,471	25,716,284	25,402,187
Physical environment	5,957,213	6,121,382	2,587,565	3,533,817
Transportation	5,298,406	5,330,313	2,702,476	2,627,837
Economic development	4,910,835	5,006,504	2,343,629	2,662,875
Mental/physical health	19,255	19,255	10,786	8,469
Culture and recreation	8,658,099	8,761,713	4,406,576	4,355,137
Capital outlay	8,400	32,328	56,304	(23,976)
Debt service				
Principal	972,930	972,930	-	972,930
Total Expenditures	<u>97,262,951</u>	<u>99,895,409</u>	<u>47,735,971</u>	<u>52,159,438</u>
Excess (deficiency) of revenues over (under) expenditures	<u>10,336,086</u>	<u>7,708,628</u>	<u>5,995,544</u>	<u>(1,713,084)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Disposition of capital assets	1,897	1,897	-	(1,897)
Transfers in	38,000	38,000	19,000	(19,000)
Transfers out	(9,589,848)	(9,589,848)	(4,840,474)	4,749,374
Total other financing sources and uses	<u>(9,549,951)</u>	<u>(9,549,951)</u>	<u>(4,821,474)</u>	<u>4,728,477</u>
Net change in fund balance	786,135	(1,841,323)	1,174,070	3,015,393
Fund balance-beginning	2,739,447	3,159,807	5,030,954	1,871,147
Fund balance-ending	<u>\$ 3,525,582</u>	<u>\$ 1,318,484</u>	<u>\$ 6,205,024</u>	<u>\$ 4,886,540</u>

See accompanying notes to the financial statements.

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL  
 ADVANCED LIFE SUPPORT SPECIAL REVENUE FUND  
 For the Biennium Ended December 31, 2005

	Original Budget <u>2005-2006</u>	Final Budget <u>2005-2006</u>	Actual Biennium to Date Through <u>12/31/05</u>	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
Intergovernmental	\$ 7,543,712	\$ 7,951,667	\$ 3,845,753	\$ (4,105,914)
Total Revenues	<u>7,543,712</u>	<u>7,951,667</u>	<u>3,845,753</u>	<u>(4,105,914)</u>
<b>EXPENDITURES</b>				
Security of persons and property	7,160,019	7,567,974	3,870,258	3,697,716
Capital outlay	387,517	387,517	-	387,517
Total Expenditures	<u>7,547,536</u>	<u>7,955,491</u>	<u>3,870,258</u>	<u>4,085,233</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,824)</u>	<u>(3,824)</u>	<u>(24,505)</u>	<u>(20,681)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	24,505	24,505
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>24,505</u>	<u>24,505</u>
Net change in fund balance	(3,824)	(3,824)	-	3,824
Fund balance-beginning	582,089	582,089	-	(582,089)
Fund balance-ending	<u>\$ 578,265</u>	<u>\$ 578,265</u>	<u>\$ -</u>	<u>\$ (578,265)</u>

See accompanying notes to the financial statements.

STATEMENT OF NET ASSETS  
 PROPRIETARY FUNDS  
 December 31, 2005

	Business-type Activities Enterprise Funds			Totals	Governmental Activities Internal Service Funds
	Water/ Wastewater	UPD Water/ Wastewater	Stormwater Management		
<b>ASSETS</b>					
<b>Current assets:</b>					
Cash and cash equivalents	\$ 1,233,186	\$ 422,271	\$ 550,449	\$ 2,205,906	\$ 1,059,089
Investments	14,983,783	4,617,865	6,662,056	26,263,704	7,508,317
Accounts and contracts receivable	428,399	51,031	177,797	657,227	-
Interest receivable	154,711	51,075	54,026	259,812	72,923
Due from other government	11,996	-	-	11,996	-
Inventory	101,967	-	-	101,967	27,037
Pre-Paid Insurance	-	-	-	-	124,387
<b>Restricted assets:</b>					
<b>Customer deposits:</b>					
Cash and cash equivalents	-	-	-	-	1,771
Investments	652,904	544,250	85,681	1,282,835	-
<b>Total current assets</b>	<b>17,566,946</b>	<b>5,686,492</b>	<b>7,530,009</b>	<b>30,783,447</b>	<b>8,793,524</b>
<b>Noncurrent assets:</b>					
Deferred charges	537,172	-	-	537,172	-
<b>Capital assets:</b>					
Land	1,017,756	3,011,886	957,098	4,986,740	584,292
Buildings	5,335,523	9,056,934	738,100	15,130,557	619,494
Improvements other than buildings	101,539,591	42,530,029	28,188,443	172,258,063	248,876
Equipment	146,399	443,369	111,574	701,342	8,572,024
Construction in progress	8,704,217	-	5,272,969	13,977,186	-
Other property	8,775	-	-	8,775	-
Less accumulated depreciation	(23,460,272)	(4,019,502)	(5,960,827)	(33,440,601)	(6,419,034)
<b>Total capital assets (net of depreciation)</b>	<b>93,291,989</b>	<b>51,022,716</b>	<b>29,307,357</b>	<b>173,622,062</b>	<b>3,605,652</b>
<b>Total noncurrent assets</b>	<b>93,829,161</b>	<b>51,022,716</b>	<b>29,307,357</b>	<b>174,159,234</b>	<b>3,605,652</b>
<b>Total Assets</b>	<b>\$ 111,396,107</b>	<b>\$ 56,709,208</b>	<b>\$ 36,837,366</b>	<b>\$ 204,942,681</b>	<b>\$ 12,399,176</b>

STATEMENT OF NET ASSETS  
 PROPRIETARY FUNDS  
 December 31, 2005

	Business-type Activities Enterprise Funds			Totals	Governmental Activities Internal Service Funds
	Water/ Wastewater	UPD Water/ Wastewater	Stormwater Management		
<b>LIABILITIES</b>					
Current liabilities:					
Accounts payable	\$ 1,239,095	\$ 654,588	\$ 330,755	\$ 2,224,438	\$ 1,093,748
Employee wages payable	117,729	7,201	98,097	223,027	114,719
Compensated absences	167,659	9,076	118,411	295,146	128,453
Due to other governments	111,838	-	-	111,838	-
Current LID payable	37,365	-	-	37,365	-
Unearned revenues	-	100,175	-	100,175	-
Liabilities payable from restricted assets:					
Customer deposits payable	652,904	544,250	85,681	1,282,835	1,771
Total current liabilities	<u>2,326,590</u>	<u>1,315,290</u>	<u>632,944</u>	<u>4,274,824</u>	<u>1,338,691</u>
Noncurrent liabilities:					
Loans payable	279,337	-	-	279,337	-
LID assessment	65,198	-	-	65,198	-
Compensated absences	41,915	2,269	29,603	73,787	32,113
Total noncurrent liabilities	<u>386,450</u>	<u>2,269</u>	<u>29,603</u>	<u>418,322</u>	<u>32,113</u>
Total Liabilities	<u>2,713,040</u>	<u>1,317,559</u>	<u>662,547</u>	<u>4,693,146</u>	<u>1,370,804</u>
<b>NET ASSETS</b>					
Invested in capital assets, net of related debt					
	92,798,251	51,022,716	29,307,357	173,128,324	3,605,652
Unrestricted	15,884,816	4,368,933	6,867,462	27,121,211	7,422,720
Total Net Assets	<u>\$ 108,683,067</u>	<u>\$ 55,391,649</u>	<u>\$ 36,174,819</u>	<u>\$ 200,249,535</u>	<u>\$ 11,028,372</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds				154,336	
Net assets of business-type activities				<u>\$ 200,403,871</u>	

See accompanying notes to the financial statements.

**CITY OF REDMOND**

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS  
 PROPRIETARY FUNDS  
 For the Year Ended December 31, 2005

	Business-type Activities- Enterprise Funds			Totals	Governmental Activities- Internal Service Funds
	Water/ Wastewater	UPD Water/ Wastewater	Stormwater Management		
Operating revenues:					
Charges for services	\$ 12,831,662	\$ 3,172,980	\$ 7,164,397	\$ 23,169,039	\$ 2,845,518
Metro service	7,826,443	630,888	-	8,457,331	-
Charges for replacement	-	-	-	-	1,631,286
Charges for insurance	-	-	-	-	6,829,336
Total Operating Revenues	<u>20,658,105</u>	<u>3,803,868</u>	<u>7,164,397</u>	<u>31,626,370</u>	<u>11,306,140</u>
Operating expenses:					
Administrative and general	3,443,364	416,399	3,203,899	7,063,662	9,722,189
Purchased water	4,070,321	1,813,228	-	5,883,549	-
Metro service	7,860,449	593,981	-	8,454,430	-
Supplies	-	-	-	-	430,286
Maintenance and operations	2,361,481	245,860	1,332,355	3,939,696	870,786
Taxes	439,957	64,793	105,855	610,605	-
Depreciation and amortization	2,389,421	868,816	690,258	3,948,495	940,213
Total Operating Expenses	<u>20,564,993</u>	<u>4,003,077</u>	<u>5,332,367</u>	<u>29,900,437</u>	<u>11,963,474</u>
Operating Income (Loss)	<u>93,112</u>	<u>(199,209)</u>	<u>1,832,030</u>	<u>1,725,933</u>	<u>(657,334)</u>
Nonoperating revenues (expenses):					
Interest and investment revenue	443,353	125,735	216,252	785,340	207,083
Grants	-	-	82,500	82,500	-
Interest expense	(12,170)	-	-	(12,170)	-
Gain on sale of capital assets	-	-	-	-	17,906
Miscellaneous	56,241	4,630	2,497	63,368	563,788
Total nonoperating revenues (expenses)	<u>487,424</u>	<u>130,365</u>	<u>301,249</u>	<u>919,038</u>	<u>788,777</u>
Income before contributions and transfers	580,536	(68,844)	2,133,279	2,644,971	131,443
Capital contributions	5,470,929	1,784,127	801,637	8,056,693	-
Transfers in	-	-	-	-	28,494
Transfers out	(28,494)	-	-	(28,494)	(98,252)
Change in net assets	6,022,971	1,715,283	2,934,916	10,673,170	61,685
Total net assets - beginning	<u>102,660,096</u>	<u>53,676,366</u>	<u>33,239,903</u>	<u>189,576,365</u>	<u>10,966,687</u>
Total net assets - ending	<u>\$ 108,683,067</u>	<u>\$ 55,391,649</u>	<u>\$ 36,174,819</u>	<u>200,249,535</u>	<u>\$ 11,028,372</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds				(40,048)	
Change in net assets of business-type activities				<u>\$ 10,633,122</u>	

See accompanying notes to the financial statements.

STATEMENT OF CASH FLOWS  
 PROPRIETARY FUNDS  
 For the Year Ended December 31, 2005

	Business-type Activities- Enterprise Funds			Totals	Governmental Activities- Internal Service Funds
	Water/ Wastewater	UPD Water/ Wastewater	Stormwater Management		
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Cash received from customers	\$ 20,842,374	\$ 3,865,532	\$ 7,219,067	\$ 31,926,973	\$ 9,673,528
Cash received for replacement	-	-	-	-	1,631,286
Cash payments to suppliers	(4,501,773)	(1,404,708)	(713,633)	(6,620,114)	(7,698,833)
Cash payments to employees	(2,598,208)	(300,958)	(1,890,067)	(4,789,233)	(2,508,616)
Cash payments to other governments	(8,300,406)	(658,774)	(105,855)	(9,065,035)	-
Internal activity - payments to other funds	(2,062,737)	(241,573)	(1,760,306)	(4,064,616)	(502,894)
Other operating receipts and payments	(208,450)	(190,128)	(39,853)	(438,431)	439,401
Net cash provided by operating activities	<u>3,170,800</u>	<u>1,069,391</u>	<u>2,709,353</u>	<u>6,949,544</u>	<u>1,033,872</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>					
Transfers out	(28,494)	-	-	(28,494)	(98,252)
Net cash used by noncapital financing activities	<u>(28,494)</u>	<u>-</u>	<u>-</u>	<u>(28,494)</u>	<u>(98,252)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Acquisition and construction of capital assets	(7,072,262)	(71,867)	(5,963,321)	(13,107,450)	(323,312)
Proceeds from sale of capital assets	-	-	-	-	25,133
Proceeds from sale of other assets	56,241	4,630	2,497	63,368	-
Capital contributions	2,791,084	158,500	470,949	3,420,533	-
Loan/grant proceeds	-	-	82,500	82,500	-
Principal paid on other debt	(141,224)	-	-	(141,224)	-
Interest paid on other debt	(14,736)	-	-	(14,736)	-
Net cash provided (used) for capital and related financing activities	<u>(4,380,897)</u>	<u>91,263</u>	<u>(5,407,375)</u>	<u>(9,697,009)</u>	<u>(298,179)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Investment purchases	-	(1,157,956)	-	(1,157,956)	(682,386)
Investment sales/maturities	735,264	-	2,284,036	3,019,300	-
Interest on investments	415,266	105,629	232,080	752,975	185,528
Net cash provided (used) in investing activities	<u>1,150,530</u>	<u>(1,052,327)</u>	<u>2,516,116</u>	<u>2,614,319</u>	<u>(496,858)</u>
Net increase (decrease) in cash and cash equivalents	(88,061)	108,327	(181,906)	(161,640)	140,583
Cash and cash equivalents-beginning of year	1,321,247	313,944	732,355	2,367,546	920,277
Cash and cash equivalents-end of year	<u>\$ 1,233,186</u>	<u>\$ 422,271</u>	<u>\$ 550,449</u>	<u>\$ 2,205,906</u>	<u>\$ 1,060,860</u>

STATEMENT OF CASH FLOWS  
 PROPRIETARY FUNDS  
 For the Year Ended December 31, 2005

	Business-type Activities- Enterprise Funds			Totals	Governmental Activities- Internal Service Funds
	Water/ Wastewater	UPD Water/ Wastewater	Stormwater Management		
Cash at the end of the year consists of:					
Operating fund cash	1,233,186	422,271	550,449	2,205,906	1,059,089
Customer deposits	-	-	-	-	1,771
Total cash at end of year	<u>\$ 1,233,186</u>	<u>\$ 422,271</u>	<u>\$ 550,449</u>	<u>\$ 2,205,906</u>	<u>\$ 1,060,860</u>

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

Operating income (loss)	\$ 93,112	\$ (199,209)	\$ 1,832,030	\$ 1,725,933	\$ (657,334)
Adjustments to reconcile operating income to net cash provided by operating activities:					
Depreciation	2,389,421	868,816	690,258	3,948,495	940,213
Decrease in accounts receivable	184,269	61,664	54,670	300,603	-
Decrease (increase) in inventory	(40,101)	-	-	(40,101)	3,948
Increase in prepaid expenses	-	-	-	-	(124,387)
Increase in due from other governments	(11,996)	-	-	(11,996)	-
Increase in accounts payable	711,447	526,857	142,711	1,381,015	262,141
Increase (decrease) in employee wages payable	19,440	(295)	17,467	36,612	28,650
Increase in employee vacations payable	21,662	1,686	12,070	35,418	15,527
Reclassify other income	-	-	-	-	563,788
Increase (decrease) in customer deposits payable	(196,454)	(52,538)	(39,853)	(288,845)	1,326
Decrease in unearned revenues	-	(137,590)	-	(137,590)	-
Net cash provided by operating activities	<u>\$ 3,170,800</u>	<u>\$ 1,069,391</u>	<u>\$ 2,709,353</u>	<u>\$ 6,949,544</u>	<u>\$ 1,033,872</u>

Noncash investing, capital and financing activities:

Developers contributed infrastructure valued at	\$ 2,679,845	\$ 1,625,627	\$ 330,688	\$ 4,636,160	\$ -
Other funds of the city transferred vehicles valued at	-	-	-	-	28,494
Fair value of investments decreased by	(8,928)	(2,948)	(3,853)	(15,729)	(4,287)

See accompanying notes to the financial statements.

STATEMENT OF FIDUCIARY NET ASSETS  
 FIDUCIARY FUNDS  
 As of December 31, 2005

	Firemen's Pension Fund	Agency Funds
	<u>                    </u>	<u>                    </u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 28,553	\$ 653,148
Investments	324,457	-
Receivables		
Interest	3,210	-
Total Assets	<u>\$ 356,220</u>	<u>653,148</u>
<b>LIABILITIES</b>		
Due to other governments	\$ -	\$ 10,854
Custodial	<u>-</u>	<u>642,294</u>
Total Liabilities	<u>-</u>	<u>\$ 653,148</u>
<b>NET ASSETS</b>		
Held in trust for pension benefits	<u>\$ 356,220</u>	

See accompanying notes to the financial statements.