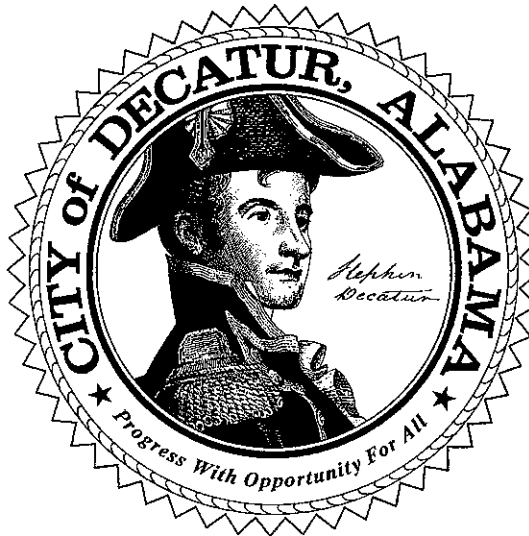


COMPREHENSIVE ANNUAL FINANCIAL REPORT

OF THE

CITY OF DECATUR, ALABAMA



FOR THE FISCAL YEAR ENDED

SEPTEMBER 30,

2005

ADMINISTRATIVE SERVICES

DEPARTMENT OF FINANCE
Linda McKinney, Finance Supervisor

TECHNICAL ASSISTANCE / COMPUTER GRAPHICS
Allen Stover

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Decatur,
Alabama

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
September 30, 2004

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Nancy L. Ziehl

President

Jeffrey R. Emer

Executive Director



CITY OF Decatur
COMPREHENSIVE ANNUAL FINANCIAL REPORT
SEPTEMBER 30, 2005

Table of Contents

Part I - Introductory Section:	Page
Title Page	I
GFOA Certificate of Achievement	II
Table of Contents	III
Organizational Chart	VII
Boards and Commissions	VIII
Officials of the City of Decatur, Alabama	IX
Letter of Transmittal	X
 Part II - Financial Section:	
Independent Auditor's Report	1
Management's Discussion and Analysis	3
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Assets	12
Statement of Activities	13
Fund Financial Statements:	
Balance Sheet – Governmental Funds	14
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	15
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	16
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual	17
Statement of Net Assets – Proprietary Funds	18
Statement of Revenues, Expenses, and Changes in Fund Net Assets – Proprietary Funds	19
Statement of Cash Flows – Proprietary Funds	20

Table of Contents

Combining Statement of Net Assets – Discretely Presented Component Units	21
Combining Statement of Activities – Discretely Presented Component Units	22
Notes to the Financial Statements	23
Supplementary Information:	
Combining and Individual Fund Financial Statements:	
Balance Sheet – General Fund.....	54
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget & Actual – General Fund	55
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget & Actual – By Activity – General Fund.....	56
Combining Balance Sheet – Non-major Governmental Funds (by fund type)	63
Combining Statement of Revenue, Expenditures and Changes in Fund Balances – Non-major Governmental Funds (by fund type).....	64
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual: 7 Cent Gas Tax Fund.....	65
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual: 4 & 5 Cent Gas Tax Fund	66
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual: Personnel Board Fund	67
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual: Heritage Trust Fund	68
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual: Corrections Fund	69
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual: Docket Fee Fund	70
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual: Drug Seizure Fund.....	71
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual: Room Occupancy Tax Fund	72
Combining Statement of Net Assets – Non-major Proprietary Funds	73
Combining Statement of Revenue, Expenses and Changes in Fund Net Assets – Non-major Proprietary Funds	74
Combining Statement of Cash Flows – Non-major Proprietary Funds.....	75

Table of Contents

Part III – Single Audit Section:

Independent Auditor’s Reports.....	76
Schedule of Expenditures of Federal Awards.....	80
Notes to Schedule of Expenditures of Federal Awards.....	82
Schedule of Findings and Questioned Costs.....	83
Summary Schedule of Prior Year Audit Findings.....	86

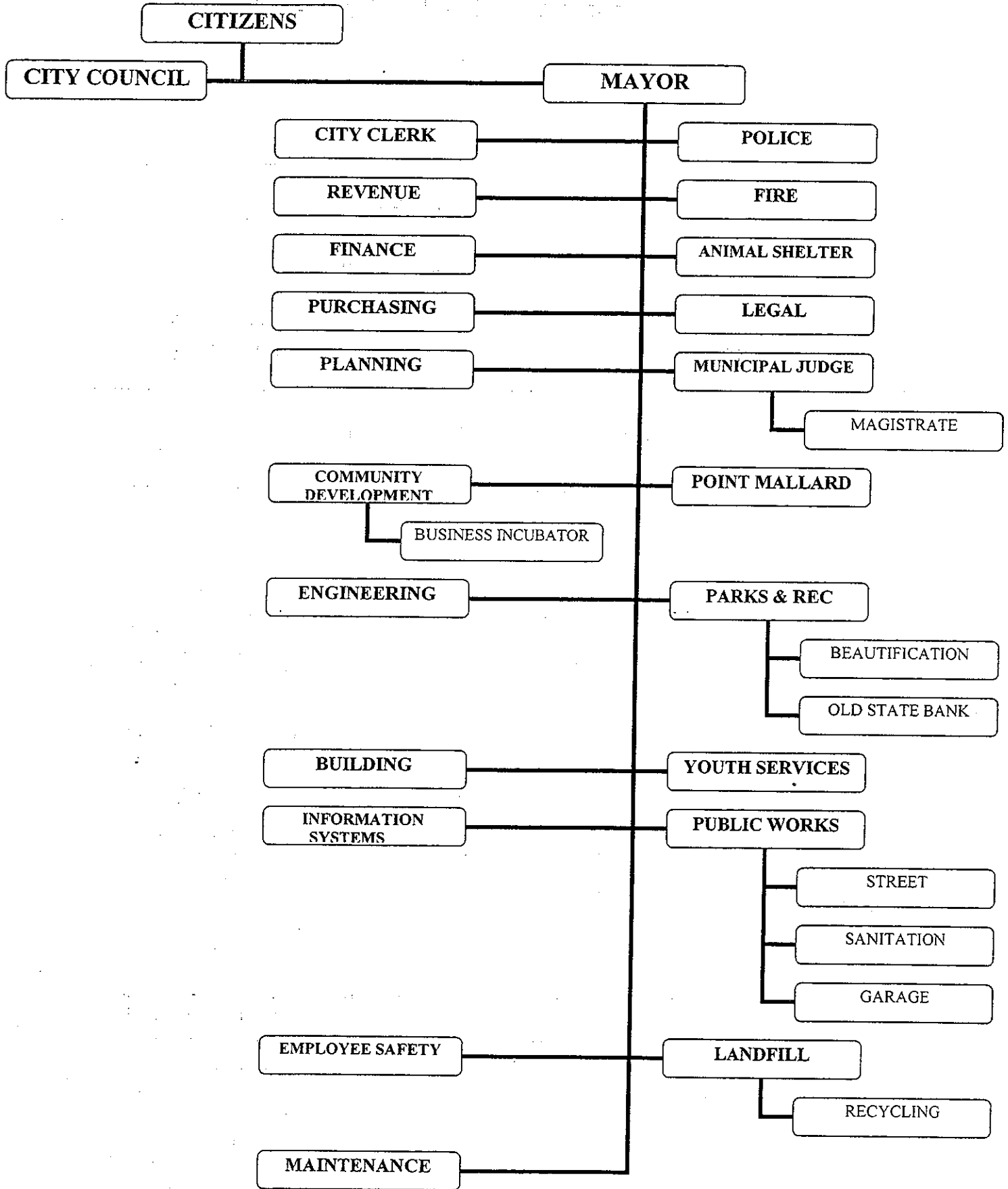
Part IV - Statistical Section:

General Governmental Expenditures by Function	S1
General Governmental Revenues by Source.....	S3
General Governmental Tax Revenues by Source.....	S5
Property Tax Levies and Collections.....	S6
Assessed and Estimated Actual Value of Property.....	S7
Property Tax Rates – Direct and Overlapping Governments	S8
Principal Taxpayers.....	S9
Special Assessment Billings and Collections.....	S10
Computation of Legal Debt Margin	S11
Ratio of Net General Obligation Bonded Debt to Assessed Value and Net General Obligation Debt Per Capita	S13
Ratio of Annual Debt Service Expenditures for General Obligation Bonded Debt to General Governmental Expenditures	S14
Computation of Direct and Overlapping Tax Supported Debt.....	S15
Revenue Bond Coverage – Municipal Utilities	S17
Demographic Statistics	S18
Property Value, Construction, and Bank Deposits	S19
Miscellaneous Statistics	S20
Supporting Information.....	S21

Table of Contents

This Page Intentionally Left Blank

CITY OF DECATUR 2005 ORGANIZATIONAL CHART



Personnel Department works independently and answers to the Personnel Board whose members are appointed by the City Council.

City of Decatur

Boards and Commissions

Decatur Historic Preservation Commission

Medical Clinic Board

Industrial Development Board

Public Building Authority

Housing Authority

Board of Examinations and Appeals

Parks & Recreation Board

Old Bank Board

Decatur Beautification Board

Community Preservation
Board

Downtown Redevelopment Authority

Housing Board of Adjustments
& Appeals

Planning Commission

Board of Zoning and Adjustment

Decatur Animal Shelter Board

Decatur Health Care Authority

Small Business Development Board

Personnel Board

Municipal Utilities Board

City Board of Education

Point Mallard Facilities Board

Urban Forestry Board

Educational Building Authority

City / County Boards

North Central Mental
Retardation Authority

State Products Mart Authority

E-911 Board

Civil Defense/Emergency
Management

Decatur/ Morgan County Port Authority

EMS Advisory Committee

Board of Equalization

Wheeler Basin Regional Library

Healthcare Authority of
Morgan County

Airport Authority

Decatur/Morgan County
Farmer's Market Board

Mental Health Center
of North Central Alabama

OFFICIALS OF THE CITY OF DECATUR

MAYOR

Don Kyle

CITY COUNCIL

Billy Jackson – President

Ronny Russell – President Pro Tempore
Gary Hammon

David Bolding
Ray Metzger

DEPARTMENT DIRECTORS

Animal Shelter
Building Department
City Attorney
City Clerk
City Engineer (Acting)
Community Development
Fire Chief
Information Systems
Municipal Judge
Landfill
Parks & Recreation
Personnel
Planning
Point Mallard
Police Chief
Public Works (Acting)
Youth Services

Danny Melson
Jimmy Brothers
Herman Marks
Gail Busbey
Carl Prewitt
Michelle Gilliam-Jordan
Charlie Johnson
Todd Russell
Bill Cook, Jr.
Rickey Terry
Jeff Dunlap
Ken Smith
Jim Fisher
Bob Stewart
Joel Gilliam
Franklin Parham
Bruce Jones

OTHER KEY PERSONNEL

Beautification Coordinator
Business Incubator
Court Magistrate
Employee Safety Coordinator
Finance Supervisor
Maintenance Supervisor
Old State Bank Coordinator
Purchasing Agent
Recycling Coordinator
Revenue Administrator

Linda Eubanks
Jim Gregory
Janice Clemons
Mike Voss
Linda McKinney
Ray Wilkinson
Melinda Dunn
Jeff Fussell
Emily Johnson
Ronne Harvell



Commodore Stephen Decatur
1779 - 1820

CITY of DECATUR

P.O. Box 488 - Decatur, Alabama 35602

March 30, 2006

To the Honorable Mayor, Members of the City Council, and Citizens of the City of Decatur, Alabama

The Comprehensive Annual Financial Report of the City of Decatur, Alabama, for the fiscal year ending September 30, 2005, is hereby submitted. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with management. This report, including the exhibits and statistical data contained herein, has been prepared by the Finance Department of the City of Decatur in conformity with the standards established by the Governmental Accounting Standards Board and complies with accounting principles generally accepted in the United States of America (GAAP). We believe the data as presented is accurate in all material aspects, and that it is presented in a manner to fairly set forth the financial position and results of operations of the City.

Alabama state law requires an annual audit to be made, in accordance with generally accepted auditing standards, of all books and accounts of the City by independent certified public accountants. This requirement has been complied with and the report of Beason & Nalley, Inc., Certified Public Accountants, for the fiscal year ended September 30, 2005 is included in this report.

This year's annual audit included a single audit of all federal grants, which complies with federal legislation. The single audit report is forwarded to the City's grantor agencies for review.

GAAP require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The City of Decatur's MD&A can be found immediately following the report of our independent auditors, Beason & Nalley, Inc., Certified Public Accountants.

Profile of the Government

Decatur, Alabama was named in honor of the illustrious naval hero, Commodore Stephen Decatur, famed for his gallantry in the conflict with the Barbary States of North Africa, and later in the War of 1812. The town was incorporated December 8, 1826, by an act of the legislature.

Decatur, the county seat of Morgan County, is situated in northern Alabama, on the Tennessee River, midway between Nashville, Tennessee (110 miles to the north), Birmingham, Alabama (85 miles to the south), Atlanta, Georgia (200 miles to the east), and Memphis Tennessee (200 miles to the west). Huntsville, Alabama is thirty miles east of Decatur.

Since October 1968, the City of Decatur has been governed by a mayor-council form of government. The mayor is chief executive officer of the city and is elected by general election to a four year term. The city council is the legislative body and consists of five (5) members, who are elected for four year terms. Prior to 1988, members of the city council were elected on an "at large" basis. In 1988, the city council established five (5) electoral districts, one of which is primarily black in population. An election was held August 23, 1988, on a "single member district" basis to fill all five places on the city council.

The City of Decatur provides a full range of services. These include police and fire protection, sanitation services, the construction and maintenance of streets and infrastructure, recreational facilities (24 parks comprising 1,263 acres, 34 tennis courts, 4 recreation centers, 32 ball fields, 4 pools, 4 golf courses both public & private, 31 soccer fields), cultural events, community services, and general administrative services. The city operates Point Mallard Park, a major 750 acre family recreation park on the Tennessee River, and home of America's first wave pool. At this location, in addition to the wave pool, there is an Olympic diving pool, water slides, 18-hole championship golf course, regulation size ice rink, and a 210 pad campground. The City continues to make major investments in the park. Utility services are provided through a separate Municipal Utilities Board, which functions as a department of the City of Decatur and has been included as an integral part of the City's financial statements.

The City maintains budgetary controls to ensure compliance with legal provisions in the annually appropriated budgets adopted by the City Council. Activities of the general fund and special revenue funds are included in the budget process. Project length financial plans are adopted for all capital project funds. A formal budget is not adopted for the debt service funds because effective control is achieved through the related debt's indenture provisions. Although not legally required, the City Council also approves operating budgets for the Point Mallard and Landfill enterprise funds and the Cemetery permanent fund. The legal level of budgetary control is the department level. A formal amendment to the original budget is adopted after the Council reviews and approves changes at mid-year. All annual appropriations lapse at year-end.

Local economy

The information presented in the financial statements is better understood when it is considered from the broader perspective of the specific environment within which the City of Decatur operates.

Decatur and Morgan County have a strong, diversified industrial base built on the area's access to raw materials and their end markets. Looking back on economic activity for the past year, positive trends continue for the area despite layoffs and company downsizings that have occurred over the past couple of years. Our manufacturers are still investing money into their companies and many are expanding operations. In fiscal year 2005, there was one new company, and twenty-seven expansions investing \$183.35 million and creating 374 jobs. The numbers are up from the previous year, and companies continue to invest in their local facilities, expressing a confidence in their outlook of Decatur and Morgan County.

The Decatur MSA unemployment rate improved in 2005 with 3.9% unemployed compared with 6.1% at 9/30/04. This rate is slightly higher than the state's average unemployment rate which was 3.5%.

Long-term financial planning

Envision Decatur is a plan for the renovation of the downtown, uptown, riverfront, and West Moulton Street areas. The consultant contract was completed in the spring of 2004 and estimated time for full implementation of this plan is twenty years. Day Park, an entryway to the City, became part of the North Alabama Birding Trail and was formally dedicated in September 2005. The \$300,000 development was funded by the room occupancy tax imposed by the Hospitality Association. Also funded with the room occupancy tax is the \$1.6 million construction project on the marina and other facilities on the old Ingalls property located adjacent to the Tennessee River. Improvements to Delano Park, funded by grants, include restoration of the Rose Garden, a new \$200,000 water play feature through the Land, Water, and Conservation program, and a \$200,000 walking trail funded through the Alabama Department of Transportation. The Southwest Recreation Center was renamed in honor of Jack Allen, a former Council president. Construction continues on the soccer complex.

The new Turner-Surles Community Resource Center will open March 2006 in Northwest Decatur. The North West Community Development Corporation was formed to provide the organizational framework for community based leadership to plan and implement actions which will lead to the revitalization, development and sustainability of Northwest Decatur using this new Resource Center. The Corporation's mission is to foster economic development programs, opportunities for self-reliance, empowerment and entrepreneurship for residents of Northwest Decatur, expand the availability of and accessibility to decent and affordable housing, enhance employment opportunities of residents through adult training, education, employment programs, and business development opportunities, create programs and opportunities for joint venture projects with successful for-profit business and catalyze and sustain a sense of neighborhood in Northwest Decatur. Approximately one million dollars has been spent on this new resource center funded entirely by community development block grant funds. Future funding to complete the Resource Center and pay costs related to CDC activities will be provided by the Community Development Block Grant program.

The City and the Decatur Board of Education have worked together to insure a safe school environment for the students and faculty. In September 2005, the U.S. Department of Justice awarded a \$372,844 Secure Our Schools grant for the purchase and installation of metal detectors and camera surveillance systems for the two high schools and three middle schools. The City's match was \$111,853. The Cops in Schools grant from the U.S. Department of Justice provides the salaries and benefits for four City of Decatur police officers to be deployed full time in the schools.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Decatur for its comprehensive annual financial report for the fiscal year ended September 30, 2004. This was the thirteenth consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report is possible because of the efficient and dedicated service of the entire staff of the finance department. We wish to express our appreciation to Allen Stover, who assisted in the preparation of this report and our independent auditors, especially Jeremy Jefferys, CPA and Julie Reeves, CPA. We would also like to thank the Mayor and members of the City Council for their interest and support in planning and conducting the financial operations of the City in a responsible manner.

Respectfully submitted,

Gail Busbey
Chief Financial Officer

Linda McKinney
Finance Supervisor



Independent Auditor's Report

The Honorable Mayor and Members
of the City Council
City of Decatur
Decatur, Alabama

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Decatur, Alabama ("the City") as of and for the year ended September 30, 2005, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Decatur's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the City of Decatur's Board of Education ("Board of Education"), which is a component unit of the City, or the financial statements of the Municipal Utilities Board Enterprise Fund ("Utilities Board"). The Board of Education's financial statements represent 98.5% of the total assets and 99.8% of the revenues of the discretely presented component units. The Utilities Board's financial statements represent 91.2% of the total assets and 94.8% of the operating revenues of the enterprise funds. Those financial statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for these entities, is based solely on the reports of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the reports of the other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Decatur, Alabama, as of September 30, 2005, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparisons for the General Fund, and the School Special Revenue Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 5G to the basic financial statements, the City adopted Governmental Accounting Standards Board (GASB) Statement No. 40, *Deposit and Investment Risk Disclosures – an amendment of GASB No. 3*.

Beason & Nalley, Inc.
101 Monroe Street
Huntsville, Alabama
35801-4829

Tel: 256.533.1720
800.416.1946
Fax: 256.534.8558

www.beasonnalley.com

The management's discussion and analysis beginning on page 3 is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We and other auditors have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Decatur's basic financial statements. The introductory section, supplementary information and statistical information listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The supplementary information has been subjected to the auditing procedures applied by us and the other auditors in the audit of the basic financial statements and, in our opinion, based on our audit and the reports of other auditors, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and the statistical information have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 30, 2006 on our consideration of the City of Decatur's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.



CERTIFIED PUBLIC ACCOUNTANTS

January 30, 2006



Commodore Stephen Decatur
1779 - 1820

CITY of DECATUR

P.O. Box 488 - Decatur, Alabama 35602

Management's Discussion and Analysis

As management of the City, we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2005. We encourage readers to consider the information presented here in conjunction with our letter of transmittal at the front of this report and the City's financial statements, which follow this section.

Financial Highlights

- The assets of the City exceeded its liabilities at the close of fiscal year 2005 by \$243.2 million. Of this amount, \$23.4 million from governmental activities is considered unrestricted, which means the City may use this amount, plus future revenues, to meet its ongoing obligations to citizens and creditors.
- The unrestricted net assets of the business-type activities are \$28.1 million and may be used to meet the ongoing obligations of the business-type activities.
- Total net assets increased \$8.6 million in 2005. Net assets of the governmental activities increased \$2.8 million and net assets of the business-type activities increased \$5.8 million
- Total revenues of the governmental activities increased \$1.5 million or 2.5 percent, and total expenses of governmental activities increased \$1.3 million, or 2 percent.
- As of September 30, 2005, the governmental funds reported a combined ending fund balance of \$25.1 million, a decrease of \$2.6 million from the prior year. Of the ending fund balance, \$22.7 million is unreserved and available to finance the activities of the governmental funds and \$2.4 million is reserved to meet existing obligations.
- The General Fund reported a fund balance of \$19.8 million and \$9.5 million of this amount is available for any purpose. The fund balance decreased \$1.2 million from the prior year.
- The City's total debt decreased by \$10.3 million during 2005. \$10.1 million in principal was paid during the year. Decatur City Schools issued \$26 million in Capital Outlay Warrants, for which the City of Decatur is not responsible.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the City's finances, in a manner similar to private-sector business.

The *statement of net assets* presents information on all of the City's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The *statement of activities* presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the cash flows. Thus, revenue and expenses reported in this statement for some items will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused annual leave).

Management's Discussion and Analysis- Continued

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees or charges (*business-type activities*). The governmental activities of the City include general government, public safety, public works, public services, intergovernmental, community service, community development, and personnel board functions. The intergovernmental functions of the City are those activities whereby the City provides financial resources to other governmental entities, primarily the Decatur Board of Education for support of the city school system.

The business-type activities of the City include the Municipal Utilities Board, Sanitary Landfill and Point Mallard operations.

All of these activities are collectively referred to in the financial statements as those of the *primary government*.

As described in the letter of transmittal and notes to the financial statements, other entities' activities are included in this report because of the relationship of these legally separate entities to the City. Financial information of the Board of Education and Public Building Authority are referred to in the financial statements as those of the *discretely-presented component units*. This discussion and analysis focuses on the primary government, and the complete financial statements (including MD&A) of the component units may be obtained from the Finance Department of the City.

The government-wide financial statements can be found on pages 12 through 13 of this report.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into two categories: governmental funds and proprietary funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on the near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains sixteen individual governmental funds:

- General Fund and the School Fund are considered to be *major* funds, and information is presented separately in the *governmental funds balance sheet* and in the *governmental funds statement of revenues, expenditures, and changes in fund balances* for these funds.
- The fourteen other governmental funds are considered to be *non-major* governmental funds, and they are combined into a single, aggregated presentation in the basic financial statements. Individual fund data for each of these funds is provided in the form of combining statements elsewhere in this report.

The basic governmental fund financial statements can be found on pages 14 through 17 of this report.

Proprietary funds. The City maintains only one type of proprietary fund. *Enterprise funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its Sanitary Landfill and Point Mallard operations and the Municipal Utilities Board Fund.

