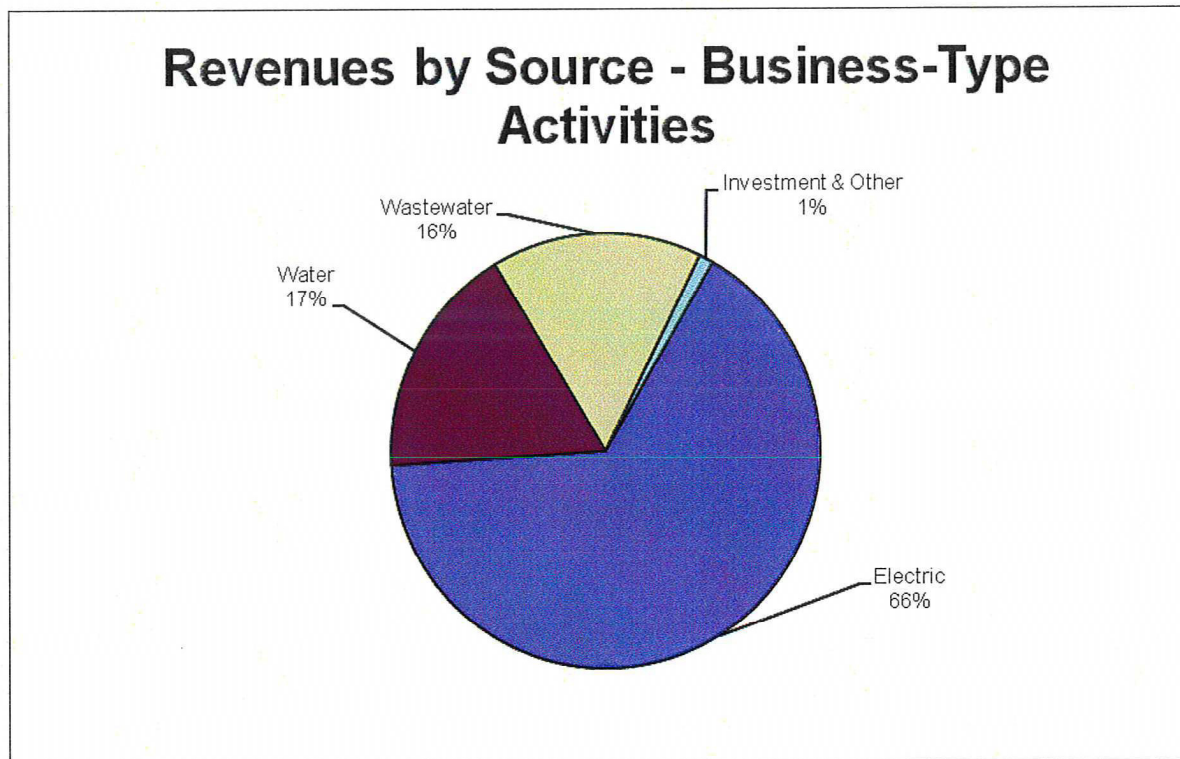


Overall program and general revenues for the City's business type activities are:



FINANCIAL ANALYSIS OF THE CITY'S FUNDS:

The City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds

The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of resources that are available for spending. Such information is useful in assessing the City's financing requirements. In particular, unreserved fund balance may serve as a useful measure of the City's net resources available for spending at the end of the fiscal year.

As of the end of 2009, the City's governmental funds reported combined ending fund balances of \$2,820,158, an increase of \$3,359,710 in comparison with the prior year.

The General Fund is the chief operating fund of the City. At the end of 2009, the fund balance of the General Fund was \$2,658,516. Fund balance represents 30% of total General Fund expenditures of \$8,883,977. This year's fund balance represents a decrease of \$341,058 over the previous year's balance. This decrease is generally accredited to the slowing of growth in the number of consumers and citizens in the City and the decrease in property values. This decline in growth subsequently decreases the number of building permits and fees the City receives.