

**MUNICIPALITY OF SALEM Accrued  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
For the Year Ended December 31, 2010**

	Enterprise Funds		Internal Service Funds
	Water Fund	Sewer Fund	
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Cash Receipts from Customers	286,926.34	157,032.63	443,958.97
Cash Receipts for Interfund Services Provided			0.00
Other Operating Cash Receipts			0.00
Cash Payments to Employees for Services	(54,275.56)	(27,695.78)	(81,971.34)
Cash Payments to Suppliers of Goods and Services	(98,532.14)	(27,396.87)	(125,929.01)
Cash Payments for Interfund Services Used			0.00
Other Operating Cash Payments	(348.62)		(348.62)
Net Cash Provided (Used) by Operating Activities	133,770.02	101,939.98	235,710.00
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>			
Operating Subsidies	29,980.00		29,980.00
Transfers In			0.00
Transfers Out			0.00
Net Cash Provided (Used) by Noncapital Financing Activities	29,980.00	0.00	29,980.00
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>			
Proceeds from Capital Debt			0.00
Capital Contributions	3,639.42		3,639.42
Purchase of Capital Assets (Enter as Negative)	(66,655.82)	(9,990.00)	(76,645.82)
Proceeds from Sale of Capital Assets			
Principal Paid on Capital Debt (Enter as Negative)	(52,403.38)	(37,464.08)	(89,867.46)
Interest Paid on Capital Debt (Enter as Negative)	(54,485.02)	(25,117.64)	
Other Receipts (Payments)			0.00
Net Cash Provided (Used) by capital and related financing Activities	(169,904.80)	(72,571.72)	(162,873.86)
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Purchase of Investment Securities (Enter as a Negative)			0.00
Proceeds from Sales and Maturities of Investments			0.00
Cash Received for Interest	2,988.42	4,480.99	7,469.41
Net Cash Provided (Used) by Investing Activities	2,988.42	4,480.99	7,469.41
Net Increase (Decrease) in Cash and Cash Equivalents	(3,166.36)	33,849.25	110,285.55
Balances - Beginning	253,495.02	312,374.92	565,869.94
Balances- Ending	250,328.66	346,224.17	676,155.49

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PROPRIETARY FUNDS  
For the Year Ended December 31, 2010**

	<u>Enterprise Funds</u>		<u>Totals</u>	<u>Internal Service Funds</u>
	<u>Water Fund</u>	<u>Sewer Fund</u>		
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:</b>				
Operating Income (Loss)	52,167.45	82,704.53	134,871.98	
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:				
Depreciation Expense	88,566.90	24,381.53	112,948.43	
Change in Assets and Liabilities:				
Receivables	(1,766.56)	455.95	(1,310.61)	
Inventories	(1,863.62)		(1,863.62)	
Accounts and Other Payables	(4,080.85)	(5,149.84)	(9,230.69)	
Accrued Wages Payable	(20.28)	278.13	257.85	
Accrued Leave Payable	(748.02)	(730.32)	(1,478.34)	
Customer Deposits	1,515.00	0.00	1,515.00	
 Net Cash Provided (Used) by Operating Activities	<u>133,770.02</u>	<u>101,939.98</u>	<u>235,710.00</u>	<u>0.00</u>
 Noncash Investing, Capital and Financing Activities:				
Loss on Disposal of Capital Assets Not Affecting Operating Income				
Other				