MAYFIELD TOWN

FINANCIAL STATEMENTS

JUNE 30, 2006

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Kimball & Roberts
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Honorable Mayor and Town Council
Mayfield Town
Mayfield, Utah 84643

We have reviewed the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of Mayfield Town as of and for the year ended June 30, 2006, which collectively comprise Mayfield Town's basic financial statements as listed in the table of contents, in accordance with *Statements on Standards for Accounting and Review Services* issued by the American Institute of Certified Public Accountants. All information included in these financial statements is the representation of the management of Mayfield Town.

A review consists principally of inquiries of Town personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with generally accepted accounting principles.

The management discussion and analysis, condition assessment of the Town's infrastructure and budgetary comparison information on pages 4 through 14, 44 and 45 through 48, are not a required part of the basic financial statements but are supplementary information required by the Governmental accounting Standards Board. Such information has not been subjected to the inquiry and analytical procedures applied in the review of the basic financial statements, but was compiled from information that is the representation of management, without audit or review. Accordingly, we do not express an opinion or any other form of assurance on the supplementary information.

Respectfully submitted,

Kimball & Roberts

KIMBALL & ROBERTS, P. C.
Certified Public Accountants

July 28, 2006
Richfield, Utah

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is used to assist in formatting, for easier reading)

MAYFIELD TOWN
MANAGEMENT'S DISCUSSION AND ANALYSIS

This discussion of Mayfield Town's financial performance provided an overview of the Town's financial activities for the year ending June 30, 2006. This report is in conjunction with the Town's financial statements.

The purpose of the Town is to provide general services to its residents which includes general government, public safety, public health, highways and public improvements, park and recreation, and cemetery.

Financial Highlights

* The assets of Mayfield Town exceeded its liabilities as of the close of the most recent year by $1,455,159 (net assets). Of this amount, $207,566 (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors.

* The government's total net assets increased by $45,893. The revenues were less than the adopted budgeted amounts, and expenditures were less than the adopted budgeted amounts.

* At the close of the current year, the Mayfield Town governmental funds reported combined ending fund balances of $254,238, an increase of $12,455 in comparison with the prior year. Approximately 35 percent of this total amount, $88,088 is available for spending at the government's discretion (unreserved fund balance).

* At the end of the current year, unreserved fund balance for the general fund was $88,088, or 117 percent of total general fund expenditures.

* Mayfield Town total debt decreased by $41,459 during the current year.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to Mayfield Town's basic financial statements. Mayfield Town'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 Mayfield Town's finances, in a manner similar to a private sector business.

The *statement of net assets* presents information on all of Mayfield Town'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 Mayfield Town 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 related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of Mayfield Town 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 and charges. The governmental activities of Mayfield Town include general government, public safety, public health, highways and public improvements, parks and recreating, and cemetery. The business-type activity of Mayfield Town is the culinary water, sanitation and fire enterprise fund.

Refer to the table of contents for the location of the government-wide financial statements.

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. Mayfield Town like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of Mayfield Town can be divided into two categories: governmental funds and enterprise 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 statement, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources* , as well as on balance of spendable resources available at the end of the 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, expenditure, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities* .

Mayfield Town maintains two individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund and special revenue fund (Municipal Building Authority) both are considered to be major funds.

Mayfield Town adopts an annual appropriated budget for all its governmental funds. Budgetary comparison statements have been provided for the general fund and the special revenue fund to demonstrate compliance with those budgets.

Refer to the table of contents for the location of the basic governmental fund financial statements.

Proprietary Funds

Mayfield Town maintains 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. Mayfield Town uses an enterprise fund to account for culinary water fees, sanitation fees and fire protection fees.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the enterprise fund, which is considered to be a major fund of Mayfield Town.

Refer to the table of contents for the location of the basic proprietary fund financial statements.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those fund are *not* available to support Mayfield Town's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

Notes To The Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes are part of the basic financial statements.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning Mayfield Town.

Government-Wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of Mayfield Town's assets exceeded liabilities by $1,455,159 at the close of the most recent fiscal year.

By far the largest portion of Mayfield Town's net assets (87 percent) reflects its investment in capital assets (e.g. land, buildings, machinery, equipment and infrastructure), less any related debt used to acquire those assets that is still outstanding. Mayfield Town uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although Mayfield Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Continued

Mayfield Town's Net Assets

	Governmental Activities		Business-Type Activities		Total	
	2006	2005	2006	2005	2006	2005
Current and Other Assets	88,088	241,783	198,050	164,236	286,138	406,019
Capital Assets	605,827	453,700	919,695	944,805	1,525,522	1,398,505
Total Assets	693,915	695,483	1,117,745	1,109,041	1,811,660	1,804,524
Long-Term Liabilities	80,000	85,000	229,319	302,887	309,319	387,887
Other Liabilities	5,000	-	39,182	2,371	39,182	2,371
Total Liabilities	85,000	85,000	268,501	305,258	348,501	390,258
Net Assets:						
Invested in Capital Assets Net of Related Debt	354,677	363,700	650,267	639,547	1,004,944	1,003,247
Restricted	166,150	160,989	76,499	65,801	242,649	226,790
Unrestricted	88,088	80,794	119,478	98,435	207,566	179,229
Total Net Assets	608,915	605,483	846,244	803,783	1,455,159	1,409,266

A portion of Mayfield Town's net assets (17 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets ($207,566) may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the year, Mayfield Town is able to report positive balances in all three categories of net assets, both for the government as a whole, as well as for its separate governmental and business-type activities.

Governmental Activities

Governmental activities increased Mayfield Town's net assets by $3,432. Key elements of this increase follows:

* Increase in Sales Tax Revenue

For the most part, increases in expenses closely paralleled inflation and growth in the demand for services.

Continued

Mayfield Town's Changes in Net Assets

	Governmental Activities		Business-Type Activities		Total	
	2006	2005	2006	2005	2006	2005
Revenues:						
Program Revenues:						
Charges for Services	14,565	18,446	115,756	131,147	130,321	149,593
Operating Grants and Contributions	27,046	25,666	-	-	27,046	25,666
General Revenues:						
Property Taxes	11,671	12,173	-	-	11,671	12,173
Other Taxes	40,417	36,274	-	-	40,417	36,274
Unrestricted Investment Earnings	1,907	3,519	6,307	3,813	8,214	7,332
Total Revenues	95,606	96,078	122,063	134,960	217,669	231,038
Expenses:						
General Government	54,213	72,699	-	-	54,213	72,699
Public Safety	4,367	5,812	-	-	4,367	5,812
Highways and Public Improvements	20,763	16,955	-	-	20,763	16,955
Parks and Recreation	8,236	7,972	-	-	8,236	7,972
Cemetery	4,595	5,004	-	-	4,595	5,004
Interest on Long-Term Debt	-	250	6,414	-	6,414	250
Water, Sanitation and Fire Protection	-	-	73,188	92,710	73,188	92,710
Total Expenses	92,174	108,692	79,602	92,710	171,776	201,402
Increase in Net Assets Before Transfers	3,432	(12,614)	42,461	42,250	45,893	29,636
Transfers	-	-	-	-	-	-
Increase in Net Assets	3,432	(12,614)	42,461	42,250	45,893	29,636
Net Assets - Beginning	605,483	618,097	803,783	761,533	1,409,266	1,379,630
Net Assets - Ending	608,915	605,483	846,244	803,783	1,455,159	1,409,266

Business-Type Activities

Business-type activities increased Mayfield Town's net assets by $42,461.
Key elements of this increase are as follows:

* Cost of operations went down by $10,000, and impact fees went up by $12,000.
* Interest increased by $2,500.

General Fund Budgetary Highlights

Differences between the original budget of $118,860 and the final amended budget of $118,860 can be briefly summarized as follows:

* $6,000 increase in general government.
* $6,000 decrease in highways and streets.

During the year actual revenues were less than budgeted revenues by $27,046 and actual expenditures were less than budgeted expenditures by $43,604 resulting in a net increase in fund balance of $14,605.

Capital Asset and Debt Administration

Capital Assets

Mayfield Town's investment in capital assets for its governmental activities as of June 30, 2006, was $439,677 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements other than buildings, equipment and infrastructure.

Also, the Town has elected to use the modified approach to account for its infrastructure assets, such as roads and bridges. That information can be found in the required supplemental information following the notes to the financial statements.

Mayfield Town's Capital Assets
(net of depreciation)

	Governmental Activities		Business-Type Activities		Total	
	2006	2005	2006	2005	2006	2005
Land	30,200	30,200	40,000	40,000	70,200	70,200
Water Rights	-	-	20,000	20,000	20,000	20,000
Infrastructure	124,000	124,000		-	124,000	124,000
Buildings	239,621	248,714	2,380	2,522	242,001	251,236
Improvements Other than Buildings	19,380	20,520	854,315	882,283	873,695	902,803
Equipment	26,476	30,266	-	-	26,476	30,266
Total	439,677	453,700	916,695	944,805	1,356,372	1,398,505

Additional information on Mayfield Town's capital assets can be found in the notes to the financial statements.

Long -Term Debt

At the end of the current year, Mayfield Town, Inc. had total bonded debt outstanding of $351,448. The debt represents bonds secured solely by specified revenue sources (i.e. revenue bonds).

	Governmental Activities		Business-Type Activities		Total	
	2006	2005	2006	2005	2006	2005
Revenue Bonds	85,000	90,000	266,428	302,887	351,428	392,887

State statutes limit the amount of general obligation debt a governmental entity may issue to 12 percent of its total fair market value of taxable property in the Town. Mayfield Town has no general obligation debt.

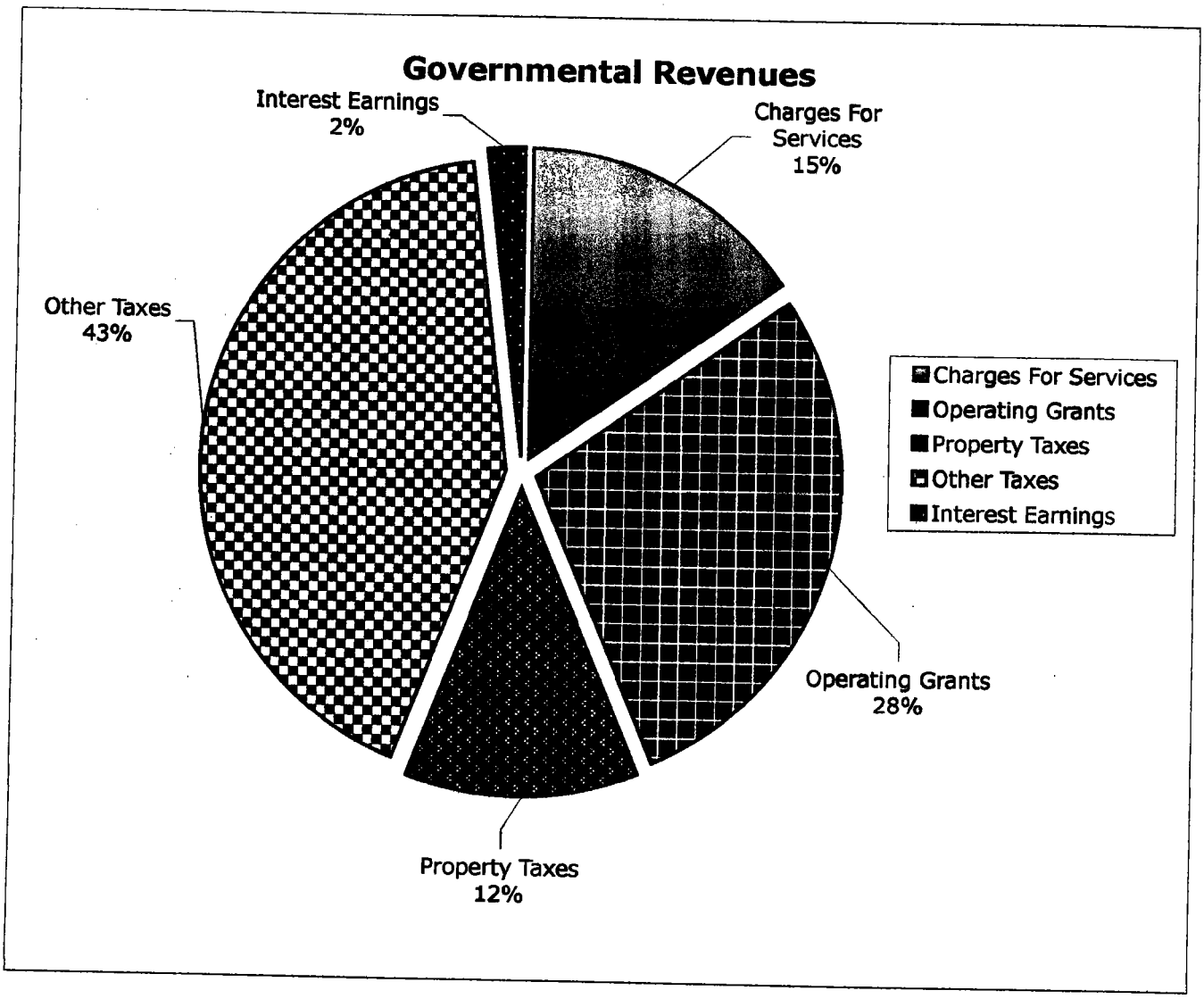
Additional information on Mayfield Town, Inc.'s long-term debt can be found in the notes of the financial statements.

Request for Information

This financial report is designed to provide a general overview of Mayfield Town's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Mayfield Town Clerk, Mayfield, Utah, 84643.

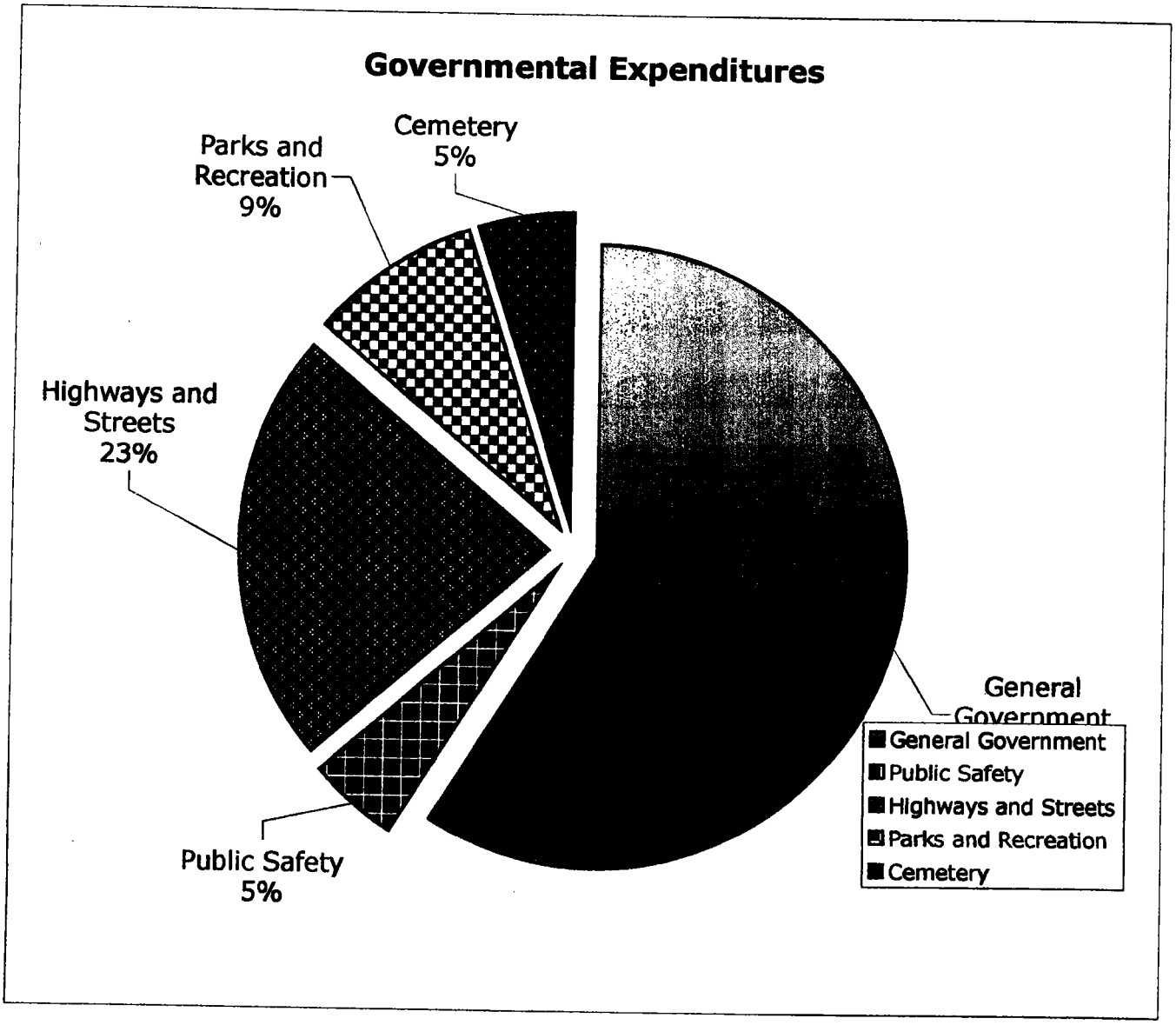
Mayfield Town
Governmental Funds Revenues
For the Fiscal Year Ended June 30, 2006

Charges For Services	14,565
Operating Grants	27,046
Property Taxes	11,671
Other Taxes	40,417
Interest Earnings	1,907
Total Revenues	95,606



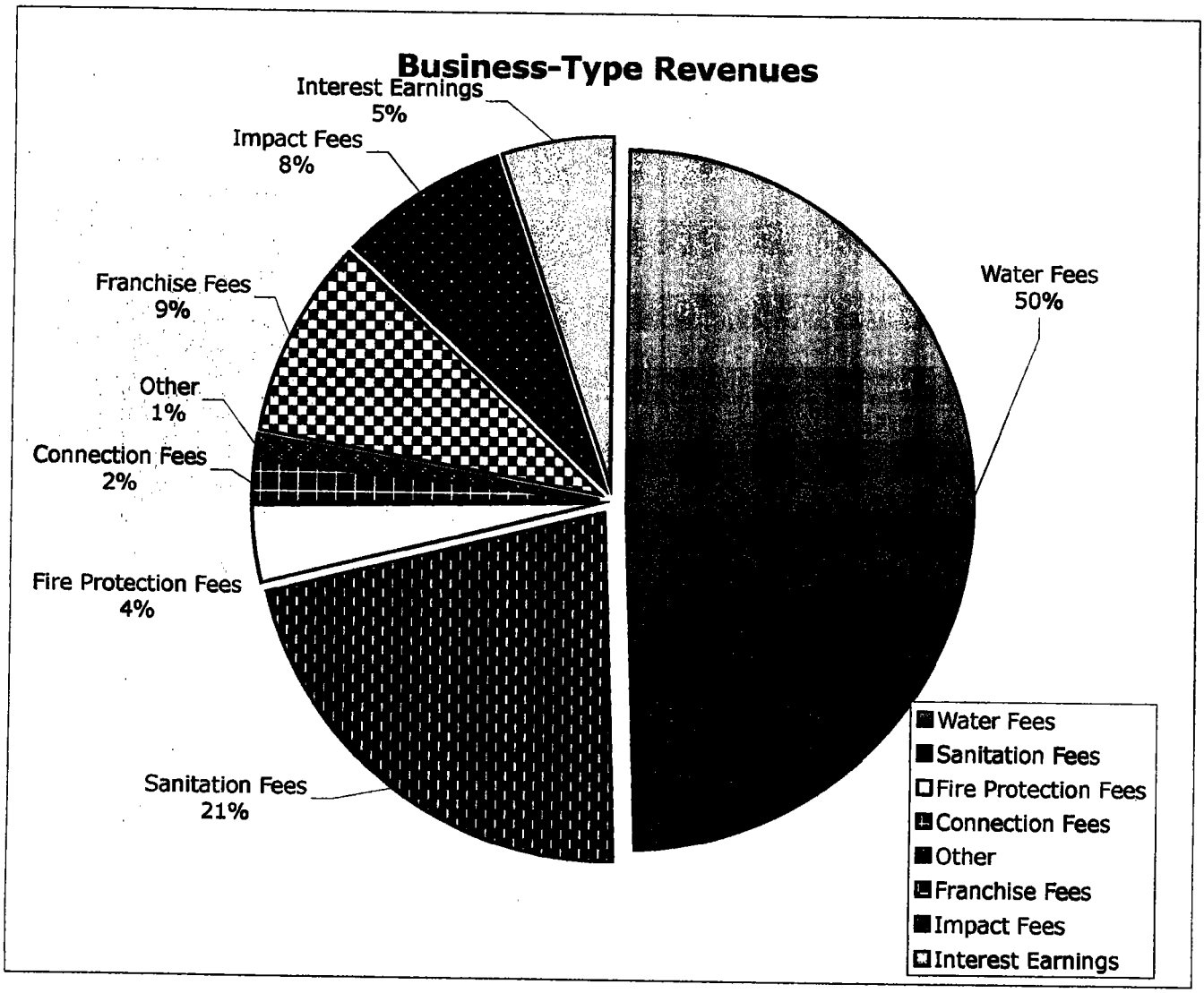
Mayfield Town
Governmental Expenditures
For the Fiscal Year Ended June 30, 2006

General Government	54,213
Public Safety	4,367
Highways and Streets	20,763
Parks and Recreation	8,236
Cemetery	4,595
Total Expenditures	92,174



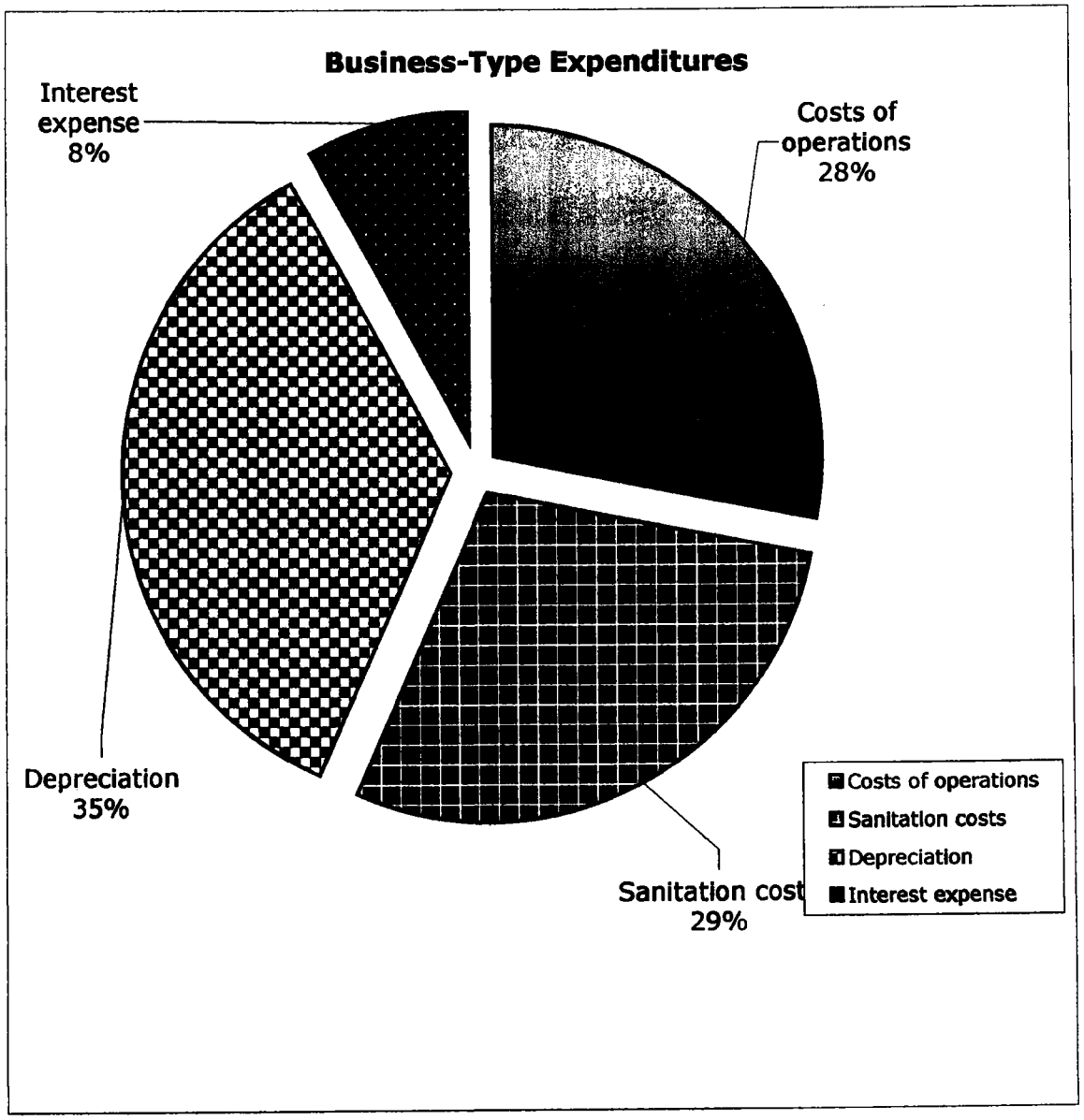
Mayfield Town
Business-Type Revenues
For the Fiscal Year Ended June 30, 2006

Water Fees	60,472
Sanitation Fees	26,166
Fire Protection Fees	4,696
Connection Fees	2,250
Other	1,357
Franchise Fees	11,215
Impact Fees	9,600
Interest Earnings	6,307
Total Expenditures	122,063



Mayfield Town
Business-Type Expenditures
For The Fiscal Year Ended June 30, 2006

Costs of operations	22,387
Sanitation costs	22,691
Depreciation	28,110
Interest expense	6,414
Total Expenditures	79,602



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BASIC FINANCIAL STATEMENTS

MAYFIELD TOWN
STATEMENT OF NET ASSETS

June 30, 2006

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current Assets:			
Cash and Cash Equivalents	88,088	139,869	227,957
Accounts Receivable (Net)	-	14,120	14,120
Total Current Assets	88,088	153,989	242,077
Noncurrent Assets:			
Restricted Cash and Cash Equivalents	166,150	44,061	210,211
Capital Assets (Net of Accumulated Depreciation):			
Water Rights	-	20,000	20,000
Land	30,200	40,000	70,200
Buildings	239,621	2,380	242,001
Improvements Other Than Buildings	19,380	854,315	873,695
Equipment	26,476	-	26,476
Infrastructure	124,000	-	124,000
Total Noncurrent Assets	605,827	960,756	1,566,583
TOTAL ASSETS	693,915	1,114,745	1,808,660
LIABILITIES			
Current Liabilities:			
Bond Interest Payable	-	2,073	2,073
Revenue Bonds Payable - Due Within One Year	5,000	37,109	42,109
Total Current Liabilities	5,000	39,182	44,182
Noncurrent Liabilities:			
Revenue Bonds Payable - More Than One Year	80,000	229,319	309,319
Total Noncurrent Liabilities	80,000	229,319	309,319
TOTAL LIABILITIES	85,000	268,501	353,501
NET ASSETS			
Investment in Capital Assets, Net of Debt	354,677	650,267	1,004,944
Restricted For:			
Bond Retirement	3,333	44,061	47,394
ClassC Road	67,000	-	67,000
Town Cabin	2,667	-	2,667
Impact Fees	-	32,438	32,438
Perpetual Care	93,150	-	93,150
Unrestricted	88,088	119,478	207,566
TOTAL NET ASSETS	608,915	846,244	1,455,159
TOTAL LIABILITIES AND NET ASSETS	693,915	1,114,745	1,808,660

See accompanying notes and accountant's report.

MAYFIELD TOWN
STATEMENT OF ACTIVITIES

For The Fiscal Year Ended June 30, 2006

		Program Revenues			Net (Expense) Revenues and Changes in Net Asset		
	Expenses	Charges for Services	Operating Grants/ Contributions	Capital Grants/ Contributions	Governmental Activities	Business-Type Activities	Total
Function/Programs Primary Government:							
Governmental Activities:							
General Government	54,213	10,000	-	-	(44,213)	-	(44,213)
Public Safety	4,367	-	456	-	(3,911)	-	(3,911)
Highways and Public Improvements	20,763	-	26,590	-	5,827	-	5,827
Parks and Recreation	8,236	3,305	-	-	(4,931)	-	(4,931)
Cemetery	4,595	1,260	-	-	(3,335)	-	(3,335)
Interest on Long-Term Debt	-	-	-	-	-	(6,414)	(6,414)
Total Governmental Activities	92,174	14,565	27,046	-	(50,563)	(6,414)	(56,977)
Business-Type Activities:							
Water, Sanitation and Fire Protection	73,188	115,756	-	-	-	42,568	42,568
Total Primary Government	165,362	130,321	27,046	-	(50,563)	36,154	(14,409)
General Revenues:							
Property Taxes					11,671	-	11,671
Fee-In-Lieu of Property Taxes					3,980	-	3,980
Sales Taxes					36,437	-	36,437
Unrestricted Investment Earnings					1,907	6,307	8,214
Total General Revenues and Transfers					53,995	6,307	60,302
Change in Net Assets					3,432	42,461	45,893
Net Assets - Beginning					605,483	803,783	1,409,266
Net Assets - Ending					608,915	846,244	1,455,159

See accompanying notes and accountant's report.

MAYFIELD TOWN
BALANCE SHEET
GOVERNMENTAL FUNDS

For The Fiscal Year Ended June 30, 2006

	General Fund	Municipal Building Authority	Non-Major Perpetual Care Permanent Fund	Total
ASSETS				
Cash and Cash Equivalents				
Unrestricted	157,755	-	-	157,755
Restricted:				
Bond Reserves	-	3,333	-	3,333
Perpetual Care	-	-	93,150	93,150
TOTAL ASSETS	157,755	3,333	93,150	254,238
LIABILITIES AND FUND BALANCES				
Liabilities	-	-	-	-
Total Liabilities	-	-	-	-
Fund Balances:				
Reserved For:				-
Class C Road	67,000	-	-	67,000
Perpetual Care	-	-	93,150	93,150
Town Cabin	2,667	-	-	2,667
Town Building	-	3,333	-	3,333
Unreserved	88,088	-	-	88,088
Total Fund Balance	157,755	3,333	93,150	254,238
TOTAL LIABILITIES AND FUND BALANCE	157,755	3,333	93,150	254,238

See accompanying notes and accountant's report.

MAYFIELD TOWN
BALANCE SHEET RECONCILIATION TO STATEMENT OF NET ASSETS

June 30, 2006

Total Fund Balances - Governmental Fund Types		254,238
Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets used in governmental activities are not financial resource and, therefore, are not reported in the funds.		
Land	30,200	
Buildings	239,621	
Improvements	19,380	
Equipment	26,476	
Infrastructure	124,000	
Total		439,677
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.		
Revenue Bonds		(85,000)
Net Assets of Government Activities		608,915

MAYFIELD TOWN
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS

For The Fiscal Year Ended June 30, 2006

	General Fund	Municipal Building Authority	Non-Major Perpetual Care Permanent Fund	Total
Revenues:				
Taxes	52,628			52,628
Licenses and Permits	725	-	-	725
Intergovernmental Revenue	27,046	-	-	27,046
Charges for Services	5,650	-	-	5,650
Interest	1,162	285	460	1,907
Miscellaneous Revenues	2,650	5,000	-	7,650
Total Revenues	89,861	5,285	460	95,606
Expenditures:				
Current:				
General Government	41,478	-	-	41,478
Public Safety	4,367	-	-	4,367
Highways and Public Improvements	19,220	-	-	19,220
Parks and Recreation	6,166	-	-	6,166
Cemetery	4,025	-	-	4,025
Capital Outlay	-	2,895	-	2,895
Debt Service:				
Principal	-	5,000	-	5,000
Total Expenditures	75,256	7,895	-	83,151
Net Change In Fund Balance	14,605	(2,610)	460	12,455
Fund Balance - Beginning	143,150	5,943	92,690	241,783
Fund Balance - Ending	157,755	3,333	93,150	254,238

See accompanying notes and accountant's report.

MAYFIELD TOWN

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

For The Fiscal Year Ended June 30, 2006

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

Net Changes in Fund Balances - Total Governmental Funds	12,455

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 exceeded depreciation in the current period:

Depreciation Expense	(14,023)

The issuance of long-term debt (e.g., bonds, leases) provide current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. This amount is the net effect of these differences in the treatment of long-term debt and related items:

Principal Payment on Bonds	5,000
Changes In Net Assets of Governmental Activities	3,432

MAYFIELD TOWN
STATEMENT OF NET ASSETS
PROPRIETARY FUND

June 30, 2006

	Business-Type Activity Enterprise Fund
	Utility Fund
ASSETS:	
Current Assets:	
Cash and Cash Equivalents	139,869
Accounts Receivable	14,120
Total Current Assets	153,989
Noncurrent Assets:	
Investments - Restricted:	
Bond Reserves	44,061
Capital Assets: (Net of Accumulated Depreciation)	
Water Rights	20,000
Land	40,000
Buildings	2,380
Improvements Other Than Buildings	854,315
Total Noncurrent Assets	960,756
TOTAL ASSETS	1,114,745
LIABILITIES:	
Current Liabilities:	
Bond Interest Payable	2,073
Bonds Payable - Current Portion	37,109
Total Current Liabilities	39,182
Noncurrent Liabilities:	
Bonds Payable - Long-Term Portion	229,319
TOTAL LIABILITIES	268,501
NET ASSETS:	
Invested in Capital Assets, Net of Related Debt	650,267
Restricted for Bond Reserves	44,061
Restricted for Impact Fees	32,438
Unrestricted	119,478
TOTAL NET ASSETS	846,244
TOTAL LIABILITIES AND NET ASSETS	1,114,745

See accompanying notes and accountant's report.

MAYFIELD TOWN
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUND

June 30, 2006

	Business-Type Activity Enterprise Fund
	Utility Fund
Operating Revenues:	
Charges for Services:	
Water Fees	60,472
Sanitation Fees	26,166
Fire District Fees	4,696
Connection Fees	2,250
Other	1,337
Total Operating Revenues	94,921
Operating Expenses:	
Costs of Operations	22,387
Sanitation Costs	22,691
Depreciation	28,110
Total Operating Expenses	73,188
Operating Income	21,733
Nonoperating Revenues (Expenses):	
Franchise Fees	11,215
Impact Fees	9,600
Investment Earnings	6,327
Interest Expense	(6,414)
Total Nonoperating Revenues (Expenses)	20,728
Change in Net Assets	42,461
Total Net Assets - Beginning	803,783
Total Net Assets - Ending	846,244

See accompanying notes and accountant's report.

MAYFIELD TOWN
STATEMENT OF CASH FLOWS
PROPRIETARY FUND

June 30, 2006

	Business-Type Activity Enterprise Fund
	Utility Fund
Cash Flows From Operating Activities:	
Receipts From Customers	82,204
Payments to Suppliers	(19,576)
Payments to Employees	(25,800)
Net Cash Provided by Operating Activities	36,828
Cash Flows From Capital and Related Financing Activities:	
Impact Fees	9,600
Franchise Fees	11,215
Principal Paid on Capital Debt	(36,439)
Interest Paid on Long-Term Debt	(6,414)
Net Cash Provided (Used) by Capital and Related Financing Activities	(22,038)
Cash Flows from Investing Activities:	
Interest Received	6,307
Net Cash Provided (Used) by Investing Activities	6,307
Net Increase (Decrease) in Cash and Cash Equivalents	21,097
Cash and Cash Equivalents - Beginning	162,833
Cash and Cash Equivalents - Ending	183,930
Reconciliation of Operating Income to Net Cash Provided (Used) By Operating Activities:	
Operating Income	21,733
Adjustments to Reconcile Operating Income to Net Cash Provided Provided (Used) By Operating Activities:	
Depreciation	28,110
Increase (Decrease) In Operating Assets:	
Accounts Receivable	(12,717)
Accrued Liabilities	(298)
Total Adjustments	15,095
Net Cash Provided (Used) by Operating Activities	36,828

See accompanying notes and accountant's report.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of Mayfield Town conform to accounting principles generally accepted in the United States of America as applicable to governments. The following is a summary of the more significant policies:

The accompanying basic financial statements present the financial position of various fund types and the results of operations of the various fund types. The basic financial statements are presented for the year ended June 30, 2006.

The following is a summary of the more significant policies:

A. Reporting Entity

Mayfield Town is a municipal corporation in Sanpete County, Utah. It is governed by an elected Mayor and four member board. As required by generally accepted accounting principles, these financial statements are of the primary government, Mayfield Town, the reporting entity. The Town has no component units.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., statement of net assets and statement of changes in net assets) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and accrual basis of accounting as are the proprietary fund and the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, Mayfield Town considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses and interest associated with the current fiscal period are considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenues items are considered to be measurable and available only when cash is received by the government.

The government reports the following major governmental funds:

The General Fund is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Municipal Building Authority receives rents from the General Fund for the use of the Town hall. These funds are used to make the debt service payments on the building.

The government also reports the following non-major governmental fund:

The Perpetual Care Permanent Fund is used to account for principal trust amounts received and related interest income. The interest portion of the trust can be used to maintain the cemetery.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The Government reports the following Proprietary Funds:

The enterprise fund accounts for the activities of the Town culinary water operations, collections for sanitation services and fire protection. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues are charges to customers for services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The government has elected not to follow subsequent private-sector guidance.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

D. Assets, Liabilities and Net Assets or Equity

Deposits and Investments:

The government's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

State statutes authorize the government to invest in obligations of the U. S. Treasury, commercial paper, corporate bonds, repurchase agreements and the State Treasurer's Investment Pool.

Investments for the government, as well as for its component units, are reported at fair value. The State Treasurer's Investment Pool operates in accordance with appropriate state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets:

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than $5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Property, plant and equipment of the primary government, as well as the component units, is depreciated using the straight line method over the following estimated useful lives:

Water Systems	40 - 50 Years
Building	20 - 30 Years
Equipment	10 - 20 Years

Long-Term Obligations:

In the government-wide financial statements long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net assets.

In the fund financial statement, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, if any, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuance are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Fund Equity:

In the fund financial statements, governmental funds report reservations of fund balance for amounts not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designation of fund balance represent tentative management plans that are subject to change.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Use of Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

F. Budgets and Budgetary Accounting:

Annual budgets are prepared and adopted by ordinance by total for each department, in accordance with State law, by the Mayor and Town Board on or before June 22 for the following Fiscal year beginning July 1. Estimated revenues and appropriations may be increased or decreased by resolution of the Town Board at any time during the year. A public hearing must be held prior to any proposed increase in a fund's appropriations. Budgets include activities in the General Fund. The level of the Town's budgetary control (the level at which the Town's expenditures cannot legally exceed appropriations) is established at the department level. Each department head is responsible for operating within the budget for their department. All annual budgets lapse at fiscal year end.

Some Towns find themselves with a deficit fund balance in one or more of their funds. The State Auditor has taken the position that a deficit, created by expenditures being made in excess of those budgeted, is an illegally created debit in violation of the Utah Constitution, Section XIV(3). As such, the total illegally created deficit should be budgeted to be made up in the following fiscal year. Deficits arising from emergencies are not illegal and may be retired over 5 years. Maximum in the general funds may not exceed 75% of the total extimated revenue of the general fund.

Once adopted, the budget may be amended by the Town council without hearing provided the budgeted expenditures do not exceed budgeted revenues and appropriated fund balance. A public hearing must be held if the budgeted expenditures will exceed budgeted revenues and any fund balance which is available for budgeting. With the consent of the Mayor, department heads may reallocate unexpended appropriated balances from one expenditure account to another within that department during the budget year. Budgets for the General Fund are prepared on the modified accrual basis of accounting. Encumbrances are not used.

G. Property Taxes

Property taxes are assessed and collected for the Town by Sanpete County and remitted to the Town shortly after collection. Property taxes become a lien on January 1 and are levied on the first Monday in August. Taxes are due and payable on November 1, and are delinquent after November 30. All dates are in the year of levy.

NOTE 2 - DEPOSITS AND INVESTMENTS

Mayfield Town maintains a cash and investment pool that is available for use by all funds. Each fund type's portion of this pool is displayed on the combined balance sheet as "Cash and Cash Equivalents".

Deposits:

Mayfield Town's deposits in bank accounts at June 30, 2006, was $66,016. All of this amount was insured by federal depository insurance. The book balance at June 30, 2006, was $73,712. Utah State statutes do not require deposits to be collateralized, however, financial institutions must be approved by the State Money Management Council.

Cash and investments as of June 30, 2006, consist of the following:

	Fair Value
Demand Deposits	73,712
Investments - PTIF	364,456
Total Cash and Investments	438,168

Cash and investments listed above are classified in the accompanying government-wide statement of net assets as follows:

Governmental Activities - Unrestricted	88,088
Governmental Activities - Restricted	166,150
Business-Type Activities - Unrestricted	139,869
Business-Type Activities - Restricted	44,061
Total Cash and Cash Equivalents	438,168

The Utah Money Management Act (UMMA) established specific requirements regarding deposits of public funds by public treasurers. UMMA requires that Town funds be deposited with a qualified depository which includes any depository institution which has been certified by the Utah State Commissioner of Financial Institutions as having met the requirements specified in UMMA Section 51, Chapter 7. UMMA provides the formula for determining the amount of public funds which a qualified depository may hold in order to minimize risk of loss and also defines capital requirements which an Institution must maintain to be eligible to accept public funds. UMMA lists the criteria for investments and specifies the assets which are eligible to be invested in, and for some investments, the amount of time to maturity.

NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)

UMMA enables the State Treasurer to operate the Public Treasurer's Investment Pool (PTIF). PTIF is managed by the Utah State Treasurer's investment staff and comes under the regulatory authority of the Utah Money Management Council. This council is comprised of a select group of financial professionals from units of local and state government and financial institutions doing business in the state. PTIF operations and portfolio composition is monitored at least semi-annually by Utah Money Management Council. PTIF is unrated by any nationally recognized statistical rating organizations.

PTIF operations and portfolio composition is monitored at least semi-annually by Utah Money Management Council. PTIF is unrated by any nationally recognized statistical rating organizations. Deposits in PTIF are not insured or otherwise guaranteed by the State of Utah. Participants share proportionally in any realized gains or losses on investments which are recorded an amortized cost basis. The balance available for withdrawal is based on the accounting records maintained by PTIF. The fair value of the investment pool is approximately equal to the value of the pool shares.

Deposits in PTIF are not insured or otherwise guaranteed by the State of Utah. Participants share proportionally in any realized gains or losses on investments which are recorded an amortized cost basis. The balance available for withdrawal is based on the accounting records maintained by PTIF. The fair value of the investment pool is approximately equal to the value of the pool shares.

Deposits and investments for local government are governed by the Utah Money Management Act (Utah Code Annotated, Title 51, Chapter 7, "the Act") and by rules of the Utah Management Council ("the Council"). Following are discussions of the local government's exposure to various risks related to its cash management activities.

Custodial Credit Risk:

Deposits - Custodial credit risk for deposits is the risk that in the event of a bank failure, the local government's deposits may not be recovered. The local government's policy for managing custodial credit risk is to adhere to the Money Management Act. The Act requires all deposits of the local government to be in a qualified depository, defined as any financial institution whose deposits are insured by an agency of the federal government and which has been certified by the Commissioner of Financial Institutions as meeting the requirements of the Act and adhering to the rules of the Utah Money Management Council. As of June 30, 2006, $0 of the local government's bank balances of $66,016 were uninsured and uncollateralized.

Credit Risk:

Credit risk is the risk that the counterparty of an investment will not fulfill its obligations. The local government's policy for limiting the credit risk of investments is to comply with the Money Management Act.

NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)

The local government is authorized to invest in the Utah Public Treasurer's Investment Fund (PTIF), an external pooled investment fund managed by the Utah State Treasurer and subject to the Act and Council requirements. The PTIF is not registered with the SEC as an investment company, and deposits in the PTIF are not insured or otherwise guaranteed by the State of Utah. The PTIF operates and reports to participants on an amortized cost basis. The income, gains and losses, net of administration fees, of the PTIF are allocated based upon the participants' average daily balances.

For the year ended June 30, 2006, the local governments has investments of $364,456 with the PTIF. The entire balance had a maturity less than one year. The PTIF pool has not been rated.

Interest Rate Risk:

Interest rate risk is the risk that changes in interest rates of debt investments will adversely affect the fair value of an investment. The local government manages its exposure to declines in fair value by investments mainly in the PTIF and by adhering to the Money Management Act. The act requires that the remaining term to maturity of investments may not exceed the period of availability of the funds to be invested.

Concentration of Credit Risk:

Concentration of credit risk the risk of loss attributed to the magnitude of a government's investments. in a single issuer. PTIF falls under the constraints of UMMA in limiting concentrations of investments.

NOTE 3 - BOND RESERVES

Mayfield Town is required to deposit into a emergency repair and replacement fund, in connection with their 1988 Series A and B bond issue:

1. Reserve Fund - Requires payments of $215.87 per month for 120 months which would be $25,904.85. Fully funded as of June 30, 2006.	25,905

Mayfield Town is required to deposit into two reserve funds in connection with the 1976 bond issue:

1. Water Reserve Fund - $47.00 per month until it reaches a Maximum of $5,556. Fully funded.	5,556
2. Emergency Reserve Fund - $25.00 per month until it reaches a Maximum of $2,500. Fully funded.	2,500
Total Funded as of June 30, 2006	8,056

NOTE 3 - BOND RESERVES (CONTINUED)

In connection with the issuance of the Series 2000 Water Revenue Bonds, the following reserves are required:

1. Capital Facilities Replacement Fund - Requires annual payments equal to 5% of the annual operating budget including debt service and depreciation. Balance at June 30, 2006, was $8,000.	8,000
2. Reserve Fund - Requires annual payments equal to 1/10th of annual maximum installment payment. Balance at June 30, 2006, was $2,100.	2,100
Total Funded as of June 30, 2006	10,100

With the issuance of the Municipal Building Authority $100,000 Lease Revenue Bond, Series 2001 the following bond reserve is required:

1. Bond Reserve Fund - Requires 1/6th of the annual payment of $5,000, or $8,333.33, be set aside annually into a bond reserve fund until it reaches a maximum of $5,000. Balance at June 30, 2006 was $3,333.	3,333
Total Bond Reserves	47,394

NOTE 4 - IMPACT FEES - WATER

Effective June 11, 1997, the Town adopted an impact fee ordinance for Water as follows:

Except as provided in the ordinance and any amendment to the ordinance the Town will impose impact fees as a condition of approval of all new development projects. No tentative or final subdivision map, parcel map, grading permit, building permit, final inspection, or certificate of occupancy, or other development permit, may be approved unless the impact fee has been imposed.

Until and unless modified by a subsequent resolution by the Town council, an impact fee of $2,400 shall be imposed with respect to any new development to be connected to the System.

The Town is required to place these impact fees into a separate interest bearing account and may expend these funds only on capital improvements, retiring debt for the system, or other expenditures as allowed by law.

These funds must be expended within six years from receipt or the funds must be returned with interest to the payer.

NOTE 4 - IMPACT FEES - WATER (CONTINUED)

The following is an accounting of impact fees collected, interest earned and funds expended:

	Amount	Interest	Total
December 1997	4,800.00	134.00	4,934.00
June 1998	2,400.00	274.09	2,674.09
June 1999	2,400.00	304.45	2,704.45
June 2000	13,000.00	540.00	13,540.00
June 2001	9,600.00	36.00	9,636.00
June 2002	4,800.00	24.00	4,824.00
June 2003	4,800.00	12.62	4,812.62
June 2004	-	-	-
June 2005	21,500.00	239.50	21,739.50
June 2006	9,600.00	1,098.69	10,698.69
Totals	72,900.00	2,663.35	75,563.35
Total Expenditures	(41,800.00)	(1,325.16)	(43,125.16)
Balance June 2006	31,100.00	1,338.19	32,438.19

NOTE 5 - CAPITAL ASSETS

Capital assets activity for the fiscal year ended June 30, 2006, was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities:				
Capital Assets Not Being Depreciated:				
Land	30,200	-	-	30,200
Infrastructure	124,000	-	-	124,000
Total Capital Assets Not Being Depreciated	154,200	-	-	154,200
Capital Assets Being Depreciated:				
Buildings	272,800	-	-	272,800
Improvements Other Than Buildings	22,800	-	-	22,800
Machinery and Equipment	50,400	-	-	50,400
Total Capital Assets Being Depreciated	346,000	-	-	346,000
Less Accumulated Depreciation For:				
Buildings	24,086	9,093	-	33,179
Improvements Other Than Buildings	2,280	1,140	-	3,420
Machinery and Equipment	20,134	3,790	-	23,924
Total Accumulated Depreciation	46,500	14,023	-	60,523
Total Capital Assets Being Depreciated (Net)	299,500	(14,023)	-	285,477
Governmental Activities Capital Assets, Net	453,700	(14,023)	-	439,677

NOTE 5 - CAPITAL ASSETS (CONTINUED)

	Beginning Balance	Additions	Deletions	Ending Balance
Business Type Activities:				
Capital Assets Not Being Depreciated:				
Land	40,000	-	-	40,000
Water Rights	20,000	-	-	20,000
Total Capital Assets Not Being Depreciated	60,000	-	-	60,000
Capital Assets Being Depreciated:				
Buildings	4,300	-	-	4,300
Improvements Other Than Buildings	1,302,273	-	-	1,302,273
Total Capital Assets Being Depreciated	1,306,573	-	-	1,306,573
Less Accumulated Depreciation For:				
Buildings	1,778	142	-	1,920
Improvements Other Than Buildings	419,990	27,968	-	447,958
Total Accumulated Depreciation	421,768	28,110	-	449,878
Total Capital Assets Being Depreciated (Net)	884,805	(28,110)	-	856,695
Business Type Activities Capital Assets, Net	944,805	(28,110)	-	916,695

NOTE 5 - CAPITAL ASSETS (CONTINUED)

Depreciation expense was charged to functions of the Primary Government as follows:

	Governmental Activities	Business Type Activities	Total
General Government	9,840	28,110	37,950
Highways and Public Improvements	1,543	-	1,543
Cemetery	570	-	570
Parks and Recreation	2,070	-	2,070
Total Depreciation Expense	14,023	28,110	42,133

NOTE 6 - LONG-TERM DEBT

General Long-Term Debt

Municipal Building Authority Lease Revenue Bonds:

On June 13, 2001, the Town council of Mayfield Town organized and incorporated the Municipal Building Authority of Mayfield Town, Inc. under the "Utah Non-Profit Corporation and Cooperative Association Act", (Article 2, Chapter 6, Title 16, Utah Code Annotated, 1953 is amended) to accomplish the public purposes for which the Town exists by acquiring, improving, or extending one or more projects and financing the costs thereof on behalf of the Town.

During the fiscal year 2002-2003 the Mayfield Town Municipal Building Authority issued $100,000 of Lease Revenue Bonds, Series 2001 to the Community Impact Board for the purpose of constructing a new Town Community Center. The interest rate is 0%, payments of $5,000 annually for 20 years beginning March 1, 2004. The following is an amortization of these bonds:

	Principal	Interest	Total
2007	5,000	-	5,000
2008	5,000	-	5,000
2009	5,000	-	5,000
2010	5,000	-	5,000
2011	5,000	-	5,000
2012-2016	25,000	-	25,000
2017-2021	25,000	-	25,000
2022-2026	10,000	-	10,000
Total	85,000	-	85,000

NOTE 6 - LONG-TERM DEBT (CONTINUED)

Proprietary Long-Term Debt

1976 Water and Sewer Revenue Bonds:

In 1976 the Town issued a revenue bond that was purchased by Farmers Home Administration. The total bonds issue was $95,000 at 5% interest beginning in 1976 and final payment due in 2016.

The following is an amortization of these bonds:

	Principal	Interest	Total
2007	3,505	2,051	5,556
2008	3,680	1,876	5,556
2009	3,864	1,692	5,556
2010	4,057	1,499	5,556
2011	4,260	1,296	5,556
2012-2016	21,662	3,064	24,726
Total	41,028	11,478	52,506

1988 Series A Parity and Subordinated Water Revenue Bonds:

In 1988 the town sold $350,000 of Series A Parity and Subordinated Water Revenue Bonds to the Community Impact Board with an interest rate of 2%. The payments of principal and interest are $21,405 beginning in 1988 with final payment in 2009.

The following is an amortization of these bonds:

	Principal	Interest	Total
2007	20,195	1,210	21,405
2008	20,599	806	21,405
2009	19,721	394	20,115
Total	60,515	2,410	62,925

NOTE 6 - LONG-TERM DEBT (CONTINUED)

1988 Series B Parity and Subordinated Water Revenue Bonds:

In 1988 the Town sold $75,000 of Series B Parity and Subordinated Water Revenue Bonds to the Community Impact Board with an interest rate of 2%. The payments of principal and interest are $4,587 beginning in 1988 with final payment in 2008.

The following is an amortization of these bonds:

	Principal	Interest	Total
2007	4,409	178	4,587
2008	4,496	90	4,586
Total	8,905	268	9,173

Series 2000 Parity Water Revenue Bonds:

Mayfield Town obtained a $200,000 Parity Water Revenue Bond, Series 2000, sold to the Utah Drinking Water Board on August 1, 2000. The Town also received a $100,000 grant from the Utah Drinking Water Board. These proceeds were used to drill a new culinary water well for the Town. The total cost of the well was $358,383.

The $200,000 Parity Water Revenue Bonds, Series 2000, have an interest rate of 1.69% per annum. Payments of principal and interest will be due January 1st of each year for twenty years.

The following is an amortization of these Parity Water Revenue Bonds:.

	Principal	Interest	Total
2007	9,000	2,636	11,636
2008	9,000	2,484	11,484
2009	9,000	2,332	11,332
2010	10,000	2,180	12,180
2011	10,000	2,011	12,011
2012-2016	52,000	7,804	59,804
2017-2021	57,000	2,941	59,941
Total	156,000	22,388	178,388

NOTE 6 - LONG-TERM DEBT (CONTINUED)

The following is a schedule of changes in bonds payable:

Bond Issue:	Date of Issue	Interest Rate	Total Authorized	Outstanding June 30, 2005	Current Year Changes Issued	Current Year Changes Matured	Outstanding June 30, 2006
General Long-Term Debt:							
Series 2001 Lease Revenue Bonds	2002	0%	100,000	90,000	-	5,000	85,000
Proprietary Long-Term Debt:							
Revenue Bonds - Water and Sewer	1976	5%	95,000	44,366	-	3,338	41,028
Series A Parity and Subordinated Water Revenue bonds - 1988	1988	2%	350,000	80,294	-	19,799	60,495
Series B Parity and Subordinated Water Revenue bonds - 1988	1988	2%	75,000	13,227	-	4,322	8,905
Parity Water Revenue Bonds - Series 2000	2000	1.69%	200,000	165,000	-	9,000	156,000
Total Proprietary Long-Term Debt			720,000	302,887	-	36,459	266,428
Total Long-Term Debt			820,000	392,887	-	41,459	351,428

NOTE 6 - LONG-TERM DEBT (CONTINUED)

The following is an amortization of total long-term debt payable:

	Principal	Interest	Total
2007	42,109	6,075	48,184
2008	42,775	5,256	48,031
2009	37,585	4,418	42,003
2010	19,057	3,679	22,736
2011	19,260	3,307	22,567
2012-2016	98,642	12,607	111,249
2017-2021	82,000	4,006	86,006
2022-2026	10,000	-	10,000
Total	351,428	39,348	390,776

NOTE 7 - CLASS "C" ROAD

The following is a schedule of receipts and disbursements in Class "C" Roads:

Balance - Beginning of Year		58,000
Receipts:		
State of Utah	26,590	
Interest	1,630	
Total Receipts		28,220
Disbursements:		
Road Maintenance		(19,220)
Balance - End of Year		67,000

NOTE 8 - CEMETERY PERPETUAL CARE

The following is a schedule of receipts and disbursements in Cemetery Perpetual Care:

Balance - Beginning of Year	92,690
Receipts:	
Contributions - Residents	460
Disbursements	-
Balance - End of Year	93,150

NOTE 9 - RISK MANAGEMENT

The Town is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; injuries to employees; and natural disasters. The town participates in the Utah Local Governments Trust. The insurance coverage's are written on a group purchase arrangement. All of the insurance coverage is brokered and written through various insurance companies. Utah Local Government Trust acts as the broker.

Liability:

The Town is insured for $1,000,000 combined single limit with no deductible per occurrence for Comprehensive General Liability. Bodily injury, personal injury, property damage, public officials errors and omissions coverage $1,000,000 aggregate each policy period with no deductible each accident.

Automobile Liability:

The Town is insured for automobile bodily injury for $1,000,000 combined single limit per accident with no deductible each accident. Property damage $1,000,000 aggregate each policy period. The coverage also covers uninsured motorist $50,000 each accident and $50,000 each policy period.

Property:

All of the property coverage is insured through Utah Local Government Trust. Buildings and equipment are covered based on replacement costs subject to a $1,000 deductible.

Workers Compensation:

This coverage is provided through the Workers Compensation Fund of Utah.

The Town has not experienced any significant reduction in insurance coverage from the previous year nor has it paid any settlements in excess of insurance coverage in the past three fiscal years.

REQUIRED SUPPLEMENTARY INFORMATION "UNAUDITED"

MAYFIELD TOWN
CONDITION RATING OF THE TOWN'S ROAD SYSTEM

For The Fiscal Year Ended June 30, 2006

Percentage of Lane-Miles in Good or Better Condition:

	2004	2005	2006
Paved	95	96	97
Gravel	100	97	100
Overall System	95	97	98

Percentage of Lane-Miles in Substandard Condition:

	2004	2005	2006
Paved	5	4	3
Overall System	5	4	2

Comparison of Needed-to-Actual Maintenance/Preservation - Roads and Bridges:

	2004	2005	2006
Estimated	12,000	15,000	25,000
Actual	10,491	12,000	19,220

The condition of road pavement is measured using the American...(AASHTO) pavement management system, which is based on stress factors found in pavement surfaces. The AASHTO pavement management system uses a measurement scale that is based on a condition index ranging from zero for a failed pavement to 100 for a pavement in perfect condition. The condition index is used to classify roads in good condition (70-100), fair condition (50-69), and substandard condition (less than 50). It is the Town's policy to maintain at least 60 percent of its road system at a good or better condition level. No more than 15 percent should be in substandard condition. Condition assessments are determined every year.

This schedule only presents the information for the last three years. GASB standards require reporting the last three complete condition assessments and needed-to-actual information for 5 years. However, the Town implemented these new standards in 2004, and did not collect this information for the prior years. The Town will continue to collect and retain this information so that over a period of five years it will be able to report the required information.

MAYFIELD TOWN
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND

For The Fiscal Year Ended June 30, 2006

	Budgeted Amounts		Actual Amounts (Budgetary Basis) (See Note A)	Variance With Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1, 2005	143,150	143,150	143,150	-
Resources (Inflows):				
Taxes:				
General Property Taxes	10,500	10,500	11,335	835
Delinquent Prior Years Taxes	800	800	336	(464)
Sales and Use Taxes	31,000	31,000	36,437	5,437
Fee-In-Lieu	3,500	3,500	3,980	480
Franchise Fees	-	-	540	540
Total Taxes	45,800	45,800	52,628	6,828
Licenses and Permits:				
Business Licenses and Permits	800	800	275	(525)
Non-Business Licenses and Permits	200	200	450	250
Total Licenses and Permits	1,000	1,000	725	(275)
Intergovernmental Revenue:				
Class C Road	54,960	54,960	26,590	(28,370)
State Liquor Allotment	350	350	456	106
Total Intergovernmental Revenue	55,310	55,310	27,046	(28,264)
Charges for Services:				
Cemeteries	1,000	1,000	1,260	260
Parks and Recreation	-	-	3,305	3,305
Miscellaneous	800	800	1,085	285
Total Charges for Services	1,800	1,800	5,650	3,850
Miscellaneous Revenue:				
Interest Earnings	2,500	2,500	1,162	(1,338)
Rents and Concessions	2,000	2,000	2,650	650
Use of Surplus	10,450	10,450	-	(10,450)
Total Miscellaneous Revenue	14,950	14,950	3,812	(11,138)
Amounts Available for Appropriation	262,010	262,010	233,011	(28,999)

Continued

MAYFIELD TOWN
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND

For The Fiscal Year Ended June 30, 2006

	Budgeted Amounts		Actual Amounts (Budgetary Basis) (See Note A)	Variance With Final Budget Positive (Negative)
	Original	Final		
Charges to Appropriations (Outflows):				
General Government:				
Administration	25,000	25,000	24,646	354
Professional Services	2,000	2,000	2,106	(106)
Rent	-	5,000	5,000	-
Town Hall	9,500	10,500	7,062	3,438
Other	2,700	2,700	2,664	36
Total General Government	39,200	45,200	41,478	3,722
Public Safety:				
Police	500	500	170	330
Fire	6,000	6,000	4,197	1,803
Total Public Safety	6,500	6,500	4,367	2,133
Highways and Streets				
Repair and Maintenance	54,960	48,960	14,467	34,493
Street Lights	5,700	5,700	4,753	947
Total Highways and Streets	60,660	54,660	19,220	35,440
Cultute and Recreation:				
Recreation	3,000	3,000	2,773	227
Parks	4,500	4,500	3,393	1,107
Cemetery	5,000	5,000	4,025	975
Total Cultute and Recreation	12,500	12,500	10,191	2,309
Total Charges to Appropriations	118,860	118,860	75,256	43,604
Budgetary Fund Balance - June 30, 2006	143,150	143,150	157,755	14,605

MAYFIELD TOWN
BUDGETARY COMPARISON SCHEDULE
MUNICIPAL BUILDING AUTHORITY

For The Fiscal Year Ended June 30, 2006

	Budgeted Amounts		Actual Amounts (Budgetary Basis) (See Note A)	Variance With Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1, 2005	5,943	5,943	5,943	-
Resources (Inflows):				
Charges for Services	6,750	6,750	5,000	(1,750)
Interest Earnings	-	-	285	285
Use of Fund Balance	-	1,250	-	(1,250)
Amounts Available for Appropriation	12,693	13,943	11,228	(2,715)
Charges to Appropriations (Outflows):				
Debt Service	5,000	5,000	5,000	-
Capital Outlay	1,750	3,000	2,895	105
Total Charges to Appropriations	6,750	8,000	7,895	105
Budgetary Fund Balance - June 30, 2006	5,943	5,943	3,333	(2,610)

MAYFIELD TOWN
NOTE A
BUDGETARY COMPARISON SCHEDULE
BUDGET-TO-GAAP RECONCILIATION

For The Fiscal Year Ended June 30, 2006

	General Fund	Municipal Building Authority
Sources/Inflows and Resources:		
Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison schedules.	233,011	11,228
Differences - Budget to GAAP:		
The fund balance at the beginning of the year is a budgetary resource but is not a current-year revenue for financial reporting purposes.	(143,150)	(5,943)
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	89,861	5,285
Uses/Outflows of Resources:		
Actual amounts (budgetary Basis "total charges to appropriations" from the budgetary comparison schedules.	75,256	7,895
Differences - Budget to GAAP:		
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting pruposes.	-	-
Total expenditures as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds	75,256	7,895