

# NORTH PENN WATER AUTHORITY

Statements of Net Assets - December 31, 2006 and 2005

Assets	2006	2005
<b>Current Assets:</b>		
Cash and cash equivalents	\$10,018,169	\$10,884,862
Accounts receivable - customers	1,297,236	1,358,678
Accounts receivable - PECO Energy Company	1,159,855	1,218,696
Accounts receivable - other	168,720	155,114
Assessments - current portion	16,960	10,368
Unbilled revenues	1,420,834	1,487,781
Materials inventory	640,123	570,142
Interest receivable	7,907	25,494
Other	34,108	93,084
<b>Total Current Assets</b>	<b>14,763,912</b>	<b>15,804,219</b>
<b>Restricted Assets:</b>		
Cash and cash equivalents	16,345	34,227
Investments at fair value	25,200,285	31,749,404
Prepaid pension asset	1,982,772	1,938,298
Interest receivable	36,379	68,306
<b>Total Restricted Assets</b>	<b>27,235,781</b>	<b>33,790,235</b>
<b>Utility Plant:</b>		
Property, plant and equipment, net	68,242,223	66,580,281
Investment in Forest Park Water, net	55,232,561	49,142,865
<b>Total Utility Plant</b>	<b>123,474,784</b>	<b>115,723,146</b>
<b>Other Assets:</b>		
Other assets - assessments receivable (non-current portion)	7,462	26,780
Unamortized debt cost and discount, net	2,258,140	2,382,532
<b>Total Other Assets</b>	<b>2,265,602</b>	<b>2,409,312</b>
<b>Total Assets</b>	<b>\$167,740,079</b>	<b>\$167,726,912</b>
<b>Liabilities and Net Assets</b>		
<b>Current Liabilities:</b>		
Accounts payable	\$272,848	\$894,914
Main extension deposits	2,902,688	2,749,094
Other	536,039	523,381
Current liabilities payable from restricted assets:		
Accrued interest on bonds	306,195	301,912
Current portion of bonds payable	2,050,000	1,965,000
Deferred cost of refunded bonds	(149,787)	(149,787)
<b>Total Current Liabilities</b>	<b>5,917,983</b>	<b>6,284,514</b>
<b>Deferred Credits and Other Liabilities:</b>		
Long-term debt - bonds payable	61,305,000	63,355,000
Deferred cost of refunded bonds	(2,296,960)	(2,446,746)
Deferred pension credit	1,982,772	1,938,298
<b>Total Deferred Credits and Other Liabilities</b>	<b>60,990,812</b>	<b>62,846,552</b>
<b>Total Liabilities</b>	<b>66,908,795</b>	<b>69,131,066</b>
<b>Net Assets:</b>		
Invested in capital assets, net of related debt	62,566,531	52,999,679
Restricted assets	6,489,519	6,489,519
Unrestricted assets	31,775,234	39,106,648
<b>Total Net Assets</b>	<b>100,831,284</b>	<b>98,595,846</b>
<b>Total Liabilities and Net Assets</b>	<b>\$167,740,079</b>	<b>\$167,726,912</b>

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Statement of Revenue, Expenses and Changes in Net Assets • Years Ended December 31, 2006 and 2005

<b>Operating Revenues:</b>	<b>2006</b>	<b>2005</b>
Metered sales	\$12,074,071	\$12,248,200
Unmetered sales	436,136	361,233
Other	66,378	52,583
<b>Total Operating Revenues</b>	<b>12,576,585</b>	<b>12,662,016</b>
<b>Operating Expenses:</b>		
Water collection system	2,292,700	2,157,644
Purification system	42,356	58,987
Laboratory costs	360,209	305,028
Pumping system	492,093	461,768
Metering and customer service	285,343	282,586
Distribution system	975,042	1,028,214
Landscape maintenance	118,902	111,756
Administration and engineering	1,532,714	1,373,731
General expenses	1,940,342	1,960,146
<b>Total Operating Expenses</b>	<b>8,039,701</b>	<b>7,739,860</b>
<b>Operating Income</b>	<b>4,536,884</b>	<b>4,922,156</b>
<b>Non-operating Income</b>	<b>5,170,505</b>	<b>5,774,454</b>
<b>Income before debt service costs and depreciation and amortization</b>	<b>9,707,389</b>	<b>10,696,610</b>
<b>Debt Service Costs:</b>		
Interest on bonds	2,953,651	3,592,629
Amortization of debt costs	124,392	99,577
<b>Total Debt Service Costs</b>	<b>3,078,043</b>	<b>3,692,206</b>
<b>Income exclusive of depreciation and amortization</b>	<b>6,629,346</b>	<b>7,004,404</b>
<b>Depreciation and Amortization:</b>		
Property, plant and equipment	2,724,968	2,586,787
Forest Park Water	1,668,940	1,699,351
<b>Total Depreciation and Amortization</b>	<b>4,393,908</b>	<b>4,286,138</b>
<b>Change in Net Assets</b>	<b>2,235,438</b>	<b>2,718,266</b>
<b>Accumulated Net Assets, Beginning of Year</b>	<b>98,595,846</b>	<b>95,877,580</b>
<b>Accumulated Net Assets, End of Year</b>	<b>\$100,831,284</b>	<b>\$98,595,846</b>