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# **Supplementary Financial Data**

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# General Fund

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The General Fund is used to account for resources traditionally associated with governments which are not required legally or by sound financial management to be accounted for in another fund.

**B-1**

**CITY OF SALISBURY, NORTH CAROLINA**

**GENERAL FUND**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL**

**For the Year Ended June 30, 2006**

**With Comparative Actual Amounts for Year Ended June 30, 2005**

	2006		Variance with Budget Positive (Negative)	2005
	Budget	Actual		Actual
<b>REVENUES:</b>				
Taxes:				
General property-current	\$ 13,631,635	\$ 13,929,982	\$ 298,347	\$ 13,173,937
General property-prior	373,000	318,387	(54,613)	423,808
Auto tax	205,400	200,232	(5,168)	103,434
Interest on delinquent tax	70,000	74,965	4,965	84,809
Local option sales tax	4,541,847	4,755,926	214,079	4,306,693
Other tax	1,500	393	(1,107)	420
	<u>\$ 18,823,382</u>	<u>\$ 19,279,885</u>	<u>\$ 456,503</u>	<u>\$ 18,093,101</u>
Intergovernmental:				
Federal	\$ 1,264,094	\$ 639,402	\$ (624,692)	\$ 425,181
State	4,565,138	3,970,767	(594,371)	3,899,544
Local	18,000	17,920	(80)	17,399
	<u>\$ 5,847,232</u>	<u>\$ 4,628,089</u>	<u>\$ (1,219,143)</u>	<u>\$ 4,342,124</u>
Charges for services:				
Environmental protection	\$ 899,955	\$ 847,469	\$ (52,486)	\$ 830,504
Culture and recreation	180,000	164,896	(15,104)	173,484
GIS training revenues	33,900	33,924	24	
Public safety	449,694	473,190	23,496	416,920
Cemetery	140,000	133,875	(6,125)	135,545
Radio antenna and paging rentals	172,960	203,304	30,344	222,871
Rentals and sale of property	245,115	251,795	6,680	306,845
Licenses and permits	614,488	574,669	(39,819)	589,274
Administrative charges	2,070,628	2,070,628	-	1,711,559
Community services	151,001	139,704	(11,297)	130,145
	<u>\$ 4,957,741</u>	<u>\$ 4,893,454</u>	<u>\$ (64,287)</u>	<u>\$ 4,517,147</u>
Miscellaneous:				
Interest earned on investments	\$ 150,000	\$ 313,978	\$ 163,978	\$ 161,387
Donations	479,972	296,526	(183,446)	290,093
Other	116,507	175,356	58,849	156,582
	<u>\$ 746,479</u>	<u>\$ 785,860</u>	<u>\$ 39,381</u>	<u>\$ 608,062</u>
Total revenues	<u>\$ 30,374,834</u>	<u>\$ 29,587,288</u>	<u>\$ (787,546)</u>	<u>\$ 27,560,434</u>
<b>OTHER FINANCING SOURCES:</b>				
Long-term debt issued	\$ -	\$ -	\$ -	\$ 191,000
Fund balance appropriated	1,557,683	-	(1,557,683)	-
Total other financing sources	<u>\$ 1,557,683</u>	<u>\$ -</u>	<u>\$ (1,557,683)</u>	<u>\$ 191,000</u>
Total revenues and other financing sources	<u>\$ 31,932,517</u>	<u>\$ 29,587,288</u>	<u>\$ (2,345,229)</u>	<u>\$ 27,751,434</u>

**B-1**  
**CITY OF SALISBURY, NORTH CAROLINA**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**For the Year Ended June 30, 2006**  
**With Comparative Actual Amounts for Year Ended June 30, 2005**

	<u>2006</u>		Variance with Budget Positive (Negative)	<u>2005</u>
	<u>Budget</u>	<u>Actual</u>		<u>Actual</u>
EXPENDITURES:				
Current:				
General government:				
City council	\$ 148,529	\$ 128,387	\$ 20,142	\$ 111,443
City administration	752,473	738,086	14,387	682,250
Purchasing	139,299	117,726	21,573	123,011
Human resources	630,464	615,256	15,208	561,791
Finance	1,251,870	1,209,952	41,918	1,140,030
Fleet management	811,890	773,223	38,667	778,791
Public services administration	272,108	256,771	15,337	250,245
Facilities Maintenance	747,602	740,534	7,068	642,855
Telecommunication	218,621	206,047	12,574	469,803
Information technologies	1,329,869	1,311,083	18,786	1,283,029
	<u>\$ 6,302,725</u>	<u>\$ 6,097,065</u>	<u>\$ 205,660</u>	<u>\$ 6,043,248</u>
Public safety:				
Police:				
Administration	\$ 531,383	\$ 472,345	\$ 59,038	\$ 519,296
Services	1,572,960	1,272,396	300,564	1,218,369
Operations	4,700,088	4,667,169	32,919	4,536,319
Fire	5,746,319	4,982,870	763,449	4,117,102
	<u>\$ 12,550,750</u>	<u>\$ 11,394,780</u>	<u>\$ 1,155,970</u>	<u>\$ 10,391,086</u>
Transportation:				
Traffic operations	\$ 584,639	\$ 551,128	\$ 33,511	\$ 542,813
Engineering	2,545,463	1,305,578	1,239,885	683,546
Streets	2,450,497	2,426,099	24,398	2,100,369
Street lighting	353,324	331,117	22,207	309,286
	<u>\$ 5,933,923</u>	<u>\$ 4,613,922</u>	<u>\$ 1,320,001</u>	<u>\$ 3,636,014</u>
Environmental protection:				
Solid waste management	\$ 1,587,116	\$ 1,576,988	\$ 10,128	\$ 1,688,729
Cemetery	230,492	224,127	6,365	213,841
	<u>\$ 1,817,608</u>	<u>\$ 1,801,115</u>	<u>\$ 16,493</u>	<u>\$ 1,902,570</u>
Culture and recreation:				
Landscaping	\$ 637,861	\$ 635,615	\$ 2,246	\$ 587,259
Recreation	1,975,243	1,965,771	9,472	1,908,629
	<u>\$ 2,613,104</u>	<u>\$ 2,601,386</u>	<u>\$ 11,718</u>	<u>\$ 2,495,888</u>
Community and economic development:				
Community development	\$ 935,015	\$ 919,135	\$ 15,880	\$ 730,605
The Plaza	204,581	197,637	6,944	145,927
Developmental services	410,911	408,763	2,148	333,707
	<u>\$ 1,550,507</u>	<u>\$ 1,525,535</u>	<u>\$ 24,972</u>	<u>\$ 1,210,239</u>

**B-1**

**CITY OF SALISBURY, NORTH CAROLINA**

**GENERAL FUND**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**

**For the Year Ended June 30, 2006**

**With Comparative Actual Amounts for Year Ended June 30, 2005**

	<b>2006</b>		<b>Variance with</b>	<b>2005</b>
			<b>Budget</b>	
	<b>Budget</b>	<b>Actual</b>	<b>Positive</b>	<b>Actual</b>
			<b>(Negative)</b>	
EXPENDITURES :				
Current (continued):				
Education	\$ 42,342	\$ 42,342	\$ -	\$ 42,342
Debt service:				
Principal	\$ 642,099	\$ 634,950	\$ 7,149	\$ 598,890
Interest	266,341	263,132	3,209	283,100
	\$ 908,440	\$ 898,082	\$ 10,358	\$ 881,990
Total expenditures	\$ 31,719,399	\$ 28,974,227	\$ 2,745,172	\$ 26,603,377
OTHER FINANCING USES:				
Transfers to other funds	\$ 213,118	\$ 213,118	\$ -	\$ 173,570
Total expenditures and other financing uses	\$ 31,932,517	\$ 29,187,345	\$ 2,745,172	\$ 26,776,947
Excess of revenues and other sources over expenditures and other uses	\$ -	\$ 399,943	\$ 399,943	\$ 974,487
FUND BALANCES, BEGINNING		6,784,420		5,809,933
FUND BALANCES, ENDING		\$ 7,184,363		\$ 6,784,420



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# Major Governmental Fund

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The Capital Projects Fund is used to account for the acquisition or construction of capital projects, other than those financed by enterprise funds, internal service funds, or trust funds.

## CITY OF SALISBURY, NORTH CAROLINA

## CAPITAL PROJECTS FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL

From Inception and for the Year Ended June 30, 2006

	Project Authorization	Actual		
		Prior Years	Current Year	Total to Date
REVENUES:				
Miscellaneous				
Interest earned on investments	\$ 70,000	\$ -	\$ 17,143	\$ 17,143
EXPENDITURES:				
General government	\$ 100,000	\$ 88,824	\$ 8,066	\$ 96,890
Public safety				
Police	3,826,887	664,921	2,368,266	3,033,187
Fire	1,233,787	-	537,655	537,655
Total expenditures	\$ 5,160,674	\$ 753,745	\$ 2,913,987	\$ 3,667,732
Total revenues under expenditures	\$ (5,090,674)	\$ (753,745)	\$ (2,896,844)	\$ (3,650,589)
OTHER FINANCING SOURCES				
Proceeds from issuance of debt	\$ 3,565,680	\$ -	\$ 3,565,680	\$ 3,565,680
Contributions from General Fund	1,524,994	-	608,259	608,259
Total other financing sources	\$ 5,090,674	\$ -	\$ 4,173,939	\$ 4,173,939
NET INCREASE (DECREASE) IN FUND BALANCE	\$ -	\$ (753,745)	\$ 1,277,095	\$ 523,350
FUND BALANCE (DEFICIT), BEGINNING			(753,745)	
FUND BALANCE , ENDING			\$ 523,350	



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# **Non Major Governmental Fund**

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Special revenue funds are used to account for the proceeds of specific revenues that are legally restricted to expenditures for particular purposes. The City has one special revenue fund, the Community Development Fund. This fund is used to account for the operations of the City's community development programs. Financing is provided by the U.S. Department of Housing and Urban Development.

D-1

CITY OF SALISBURY, NORTH CAROLINA

SPECIAL REVENUE FUND - COMMUNITY DEVELOPMENT

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL

For the Year Ended June 30, 2006  
With Comparative Actual Amounts for the Year Ended June 30, 2005

	2006		2005	
	Budget	Actual	Variance with Budget Positive (Negative)	Actual
REVENUES:				
Intergovernmental:				
Federal	\$ 773,359	\$ 467,036	\$ (306,323)	\$ 618,046
Miscellaneous:				
Other	325,000	470,361	145,361	310,430
Total revenues	<u>\$ 1,098,359</u>	<u>\$ 937,397</u>	<u>\$ (160,962)</u>	<u>\$ 928,476</u>
EXPENDITURES:				
Current:				
General government	\$ 103,461	\$ 93,117	\$ 10,344	\$ 104,188
Community and economic development	1,029,118	701,945	327,173	864,194
Debt Service:				
Principal	32,000	32,000	-	32,000
Interest	24,833	24,833	-	25,305
Total expenditures	<u>\$ 1,189,412</u>	<u>\$ 851,895</u>	<u>\$ 337,517</u>	<u>\$ 1,025,687</u>
OTHER FINANCING SOURCES				
Fund balance appropriated	<u>\$ 91,053</u>	<u>\$ -</u>	<u>\$ (91,053)</u>	<u>\$ -</u>
NET INCREASE (DECREASE) IN FUND BALANCE	<u>\$ -</u>	<u>\$ 85,502</u>	<u>\$ 85,502</u>	<u>\$ (97,211)</u>
FUND BALANCE, BEGINNING		<u>96,944</u>		<u>194,155</u>
FUND BALANCE, ENDING		<u>\$ 182,446</u>		<u>\$ 96,944</u>



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# Proprietary Fund Types

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Proprietary Funds Types - Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the cost of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

**Water and Sewer Fund** - to account for the provision of water and sewer services to the residents of the City and immediate area around the City.

**Mass Transit Fund** - to account for the provision of public bus services to the residents of the City.

All activities necessary to provide such services are accounted for in these funds, including, but not limited to, administration, operations, maintenance, financing and related debt service, and billing and collection.

**E-1**  
**City of Salisbury, North Carolina**  
**Combining Balance Sheet**  
**Proprietary Funds**  
**June 30, 2006**

	<u>Water and Sewer Fund</u>	<u>Water and Sewer Capital ProjectsFund</u>	<u>Transit Fund</u>	<u>Total</u>
<b><u>ASSETS</u></b>				
Current assets:				
Cash and cash equivalents	\$ 1,997,905	\$ 5,959,041	\$ 6,522	\$ 7,963,468
Accounts receivable (net)	2,594,985	-	1,568	2,596,553
Interest receivable	7,528	23,936	12	31,476
Due from other governments	76,682	7,722	44,887	129,291
Prepaid items	7,845	-	-	7,845
Inventories	290,896	-	-	290,896
Total current assets	<u>\$ 4,975,841</u>	<u>\$ 5,990,699</u>	<u>\$ 52,989</u>	<u>\$ 11,019,529</u>
Noncurrent assets:				
Capital assets:				
Land	\$ 2,072,067	\$ -	\$ -	\$ 2,072,067
Buildings and improvements	155,476,641	-	-	155,476,641
Equipment	6,813,131	-	2,289,515	9,102,646
Construction in progress	820,711	-	-	820,711
Accumulated depreciation	(48,690,400)	-	(1,478,657)	(50,169,057)
Total noncurrent assets	<u>\$ 116,492,150</u>	<u>\$ -</u>	<u>\$ 810,858</u>	<u>\$ 117,303,008</u>
Total assets	<u>\$ 121,467,991</u>	<u>\$ 5,990,699</u>	<u>\$ 863,847</u>	<u>\$ 128,322,537</u>
<b><u>LIABILITIES</u></b>				
Current liabilities:				
Accounts payable and accrued liabilities	\$ 419,656	\$ 261,732	\$ 32,875	\$ 714,263
Interest payable	413,866	-	-	413,866
Bonds, notes, and loans payable	3,201,696	-	-	3,201,696
Compensated absences	89,402	-	11,050	100,452
Customer deposits	503,357	-	-	503,357
Total current liabilities	<u>\$ 4,627,977</u>	<u>\$ 261,732</u>	<u>\$ 43,925</u>	<u>\$ 4,933,634</u>
Noncurrent liabilities:				
Bonds, notes, and loans payable	\$ 41,502,703	\$ -	\$ -	\$ 41,502,703
Compensated absences	268,207	-	33,153	301,360
Total noncurrent liabilities	<u>\$ 41,770,910</u>	<u>\$ -</u>	<u>\$ 33,153</u>	<u>\$ 41,804,063</u>
Total liabilities	<u>\$ 46,398,887</u>	<u>\$ 261,732</u>	<u>\$ 77,078</u>	<u>\$ 46,737,697</u>
<b><u>NET ASSETS</u></b>				
Invested in capital assets, net of related debt	\$ 71,787,751	\$ -	\$ 786,769	\$ 72,574,520
Unrestricted	3,281,353	5,728,967	-	9,010,320
Total net assets	<u>\$ 75,069,104</u>	<u>\$ 5,728,967</u>	<u>\$ 786,769</u>	<u>\$ 81,584,840</u>
Total liabilities and net assets	<u>\$ 121,467,991</u>	<u>\$ 5,990,699</u>	<u>\$ 863,847</u>	<u>\$ 128,322,537</u>

## CITY OF SALISBURY, NORTH CAROLINA

## WATER AND SEWER FUND

SCHEDULE OF REVENUES AND EXPENDITURES  
BUDGET AND ACTUAL (NON-GAAP)

For the Fiscal Year Ended June 30, 2006

With Comparative Actual Amounts for Year Ended June 30, 2005

	2006		Variance with Budget Positive (Negative)	2005
	Budget	Actual		Actual
OPERATING REVENUES:				
Charges for services	\$ 16,327,390	\$ 16,289,386	\$ (38,004)	\$ 15,342,078
Water and sewer taps	550,000	602,276	52,276	474,771
Other operating revenues	760,949	936,914	175,965	793,586
Total operating revenues	<u>17,638,339</u>	<u>17,828,576</u>	<u>190,237</u>	<u>16,610,435</u>
OPERATING EXPENDITURES OTHER THAN DEPRECIATION:				
Management and administration	\$ 4,200,137	\$ 4,128,445	\$ 71,692	\$ 3,473,429
Water resources	1,629,849	1,586,055	43,794	1,577,930
Maintenance and construction	3,492,700	3,482,257	10,443	3,286,305
Wastewater collection and treatment	2,074,495	2,073,183	1,312	1,980,016
Environmental services	585,594	584,175	1,419	562,222
Total operating expenses other than depreciation	<u>\$ 11,982,775</u>	<u>\$ 11,854,115</u>	<u>\$ 128,660</u>	<u>\$ 10,879,902</u>
NONOPERATING REVENUES (EXPENDITURES):				
Investment earnings	\$ 66,000	\$ 124,134	\$ 58,134	\$ 62,639
Developers' contributions	-	6,663	6,663	570,000
Capital outlay	(943,610)	(882,057)	61,553	(1,120,369)
Interest expense	(1,893,020)	(1,893,019)	1	(2,002,463)
Net nonoperating revenues	<u>\$ (2,770,630)</u>	<u>\$ (2,644,279)</u>	<u>\$ 126,351</u>	<u>\$ (2,490,193)</u>
Revenues over expenditures	<u>\$ 2,884,934</u>	<u>\$ 3,330,182</u>	<u>\$ 445,248</u>	<u>\$ 3,240,340</u>
OTHER FINANCING SOURCES (USES):				
Payment of debt principal	\$ (3,222,938)	\$ (3,223,118)	\$ (180)	\$ (3,213,615)
Fund balance appropriated	338,004	-	(338,004)	-
Total other financing sources (uses)	<u>\$ (2,884,934)</u>	<u>\$ (3,223,118)</u>	<u>\$ (338,184)</u>	<u>\$ (3,213,615)</u>
REVENUES OVER EXPENDITURES AND OTHER FINANCING SOURCES (USES)				
	<u>\$ -</u>	<u>\$ 107,064</u>	<u>\$ 107,064</u>	<u>\$ 26,725</u>
RECONCILIATION OF MODIFIED ACCRUAL BASIS WITH FULL ACCRUAL:				
Revenues over expenditures and other financing sources (uses)		\$ 107,064		
Capital outlay		882,057		
Depreciation		(4,297,445)		
Bond amortization		(119,577)		
Payment of debt principal		3,223,118		
Interest income from Capital Projects Fund		218,684		
Refund of capital contributions in Capital Project Fund		(39,020)		
Interest expense adjustment		21,798		
Inventories		41,063		
Vacation pay		(30,301)		
Change in net assets		<u>\$ 7,441</u>		

## CITY OF SALISBURY, NORTH CAROLINA

## WATER AND SEWER CAPITAL PROJECTS FUND

SCHEDULE OF REVENUES AND EXPENDITURES -  
BUDGET AND ACTUAL (NON-GAAP)

From Inception and for the Year Ended June 30, 2006

	Project Authorization	Actual		
		Prior Years	Current Year	Total to Date
REVENUES				
Miscellaneous				
Interest on investments	\$ -	\$ 2,528,906	\$ 218,684	\$ 2,747,590
EXPENDITURES-SEWER PROJECT				
Construction	\$ 2,426,809	\$ 1,463,327	\$ 714,118	\$ 2,177,445
Engineering	1,024,330	165,275	10,368	175,643
Total expenditures-Sewer project	\$ 3,451,139	\$ 1,628,602	\$ 724,486	\$ 2,353,088
EXPENDITURES-WATER PROJECT				
Construction	\$ 2,818,953	\$ 2,177,708	\$ 341,314	\$ 2,519,022
Engineering	600,518	248,414	164,335	412,749
Total expenditures-Water project	\$ 3,419,471	\$ 2,426,122	\$ 505,649	\$ 2,931,771
Total expenditures	\$ 6,870,610	\$ 4,054,724	\$ 1,230,135	\$ 5,284,859
Total revenues under expenditures	\$ (6,870,610)	\$ (1,525,818)	\$ (1,011,451)	\$ (2,537,269)
OTHER FINANCING SOURCES (USES):				
Proceeds from sale of bonds	\$ 800,000	\$ -	\$ -	\$ -
Developer contributions	875,000	600,000	-	600,000
Refund of developer contributions	-	-	(39,021)	(39,021)
Appropriated fund balance	5,195,610	-	-	-
Total other financing sources	\$ 6,870,610	\$ 600,000	\$ (39,021)	\$ 560,979
Unexpended revenues and receipts	\$ -	\$ (925,818)	\$ (1,050,472)	\$ (1,976,290)

## CITY OF SALISBURY, NORTH CAROLINA

## MASS TRANSIT FUND

SCHEDULE OF REVENUES AND EXPENDITURES  
BUDGET AND ACTUAL (NON-GAAP)For the Year Ended June 30, 2006  
With Comparative Actual Amounts for Year Ended June 30, 2005

	2006			2005
	Budget	Actual	Variance with Budget Positive (Negative)	Actual
OPERATING REVENUES:				
Charges for services	\$ 63,254	\$ 80,372	\$ 17,118	\$ 64,225
Other operating revenues	-	2,420	2,420	1,860
Total operating revenues	<u>\$ 63,254</u>	<u>\$ 82,792</u>	<u>\$ 19,538</u>	<u>\$ 66,085</u>
OPERATING EXPENDITURES OTHER THAN DEPRECIATION:				
Management and administration	\$ 139,577	\$ 139,575	\$ 2	\$ 133,688
Mass transit operations	590,730	598,199	(7,469)	541,617
Total operating expenditures other than depreciation	<u>\$ 730,307</u>	<u>\$ 737,774</u>	<u>\$ (7,467)</u>	<u>\$ 675,305</u>
NONOPERATING REVENUES (EXPENDITURES):				
Intergovernmental	\$ 495,235	\$ 489,428	\$ (5,807)	\$ 1,427,045
Interest on investments	700	142	(558)	366
Capital outlay	(42,000)	(34,366)	7,634	(1,138,845)
Total nonoperating revenues (expenditures)	<u>\$ 453,935</u>	<u>\$ 455,204</u>	<u>\$ 1,269</u>	<u>\$ 288,566</u>
Revenues over (under) expenditures	<u>\$ (213,118)</u>	<u>\$ (199,778)</u>	<u>\$ 13,340</u>	<u>\$ (320,654)</u>
OTHER FINANCING SOURCES:				
Operating transfers in:				
General fund	\$ 213,118	\$ 213,118	\$ -	\$ 173,570
REVENUES OVER EXPENDITURES AND OTHER FINANCING SOURCES	<u>\$ -</u>	<u>\$ 13,340</u>	<u>\$ 13,340</u>	<u>\$ (147,084)</u>
RECONCILIATION OF MODIFIED ACCRUAL BASIS WITH FULL ACCRUAL:				
Excess of expenses over revenues, above		\$ 13,340		
Depreciation		(232,023)		
Capital outlay		34,366		
Vacation pay		(7,673)		
Change in net assets		<u>\$ (191,990)</u>		

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# **Internal Service Funds**

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Internal Service Funds are used for allocating the cost of providing certain central services among the different funds.

**Workers' Compensation Fund** - to account for monies provided by the City and interest earnings to provide the City's reserve for Workers' Compensation.

**Employee Health Care Fund** - to account for monies withheld from employees' wages and charges to the City to fund the City's health insurance plan.

## CITY OF SALISBURY, NORTH CAROLINA

## INTERNAL SERVICE FUNDS

## COMBINING BALANCE SHEET

June 30, 2006

With Comparative Totals at June 30, 2005

<u>ASSETS</u>	<u>Workers'</u> <u>Compensation</u>	<u>Employee</u> <u>Health Care</u>	<u>Totals</u>	
			<u>2006</u>	<u>2005</u>
CURRENT ASSETS				
Cash and investments	\$ 441,018	\$ 660,143	\$ 1,101,161	\$ 962,896
Interest receivable	<u>1,726</u>	<u>3,456</u>	<u>5,182</u>	<u>7,261</u>
Total assets	<u>\$ 442,744</u>	<u>\$ 663,599</u>	<u>\$ 1,106,343</u>	<u>\$ 970,157</u>
<u>LIABILITIES AND FUND EQUITY</u>				
CURRENT LIABILITIES				
Accounts payable and accrued liabilities	\$ 27,946	\$ 474,378	\$ 502,324	\$ 521,080
NET ASSETS	<u>414,798</u>	<u>189,221</u>	<u>604,019</u>	<u>449,077</u>
Total liabilities and net assets	<u>\$ 442,744</u>	<u>\$ 663,599</u>	<u>\$ 1,106,343</u>	<u>\$ 970,157</u>

## CITY OF SALISBURY, NORTH CAROLINA

## INTERNAL SERVICE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENSES,  
AND CHANGES IN NET ASSETSFor the Year Ended June 30, 2006  
With Comparative Totals For The Year Ended June 30, 2005

	Workers' Compensation	Employee Health Care	Totals	
			2006	2005
OPERATING REVENUES:				
Charges for services	\$ 348,600	\$ 3,382,284	\$ 3,730,884	\$ 3,591,806
OPERATING EXPENSES:				
Employee benefits	<u>147,004</u>	<u>3,476,954</u>	<u>3,623,958</u>	<u>3,237,170</u>
OPERATING INCOME (LOSS)	\$ 201,596	\$ (94,670)	\$ 106,926	\$ 354,636
NONOPERATING REVENUES				
Interest earned on investments	<u>11,936</u>	<u>36,080</u>	<u>48,016</u>	<u>14,900</u>
NET INCOME (LOSS)	\$ 213,532	\$ (58,590)	\$ 154,942	\$ 369,536
NET ASSETS, BEGINNING	<u>201,266</u>	<u>247,811</u>	<u>449,077</u>	<u>79,541</u>
NET ASSETS, ENDING	<u>\$ 414,798</u>	<u>\$ 189,221</u>	<u>\$ 604,019</u>	<u>\$ 449,077</u>

## CITY OF SALISBURY, NORTH CAROLINA

## INTERNAL SERVICE FUNDS

## COMBINING STATEMENT OF CASH FLOWS

For the Year Ended June 30, 2006  
With Comparative Totals For The Year Ended June 30, 2005

	Workers' Compensation	Employee Health Care	Totals	
			2006	2005
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from interfund services provided	\$ 348,600	\$ 3,382,284	\$ 3,730,884	\$ 3,591,806
Cash paid for goods and services	<u>(124,916)</u>	<u>(3,517,798)</u>	<u>(3,642,714)</u>	<u>(3,187,153)</u>
Net cash provided (used) by operating activities	<u>\$ 223,684</u>	<u>\$ (135,514)</u>	<u>\$ 88,170</u>	<u>\$ 404,653</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Investment earnings	<u>\$ 11,717</u>	<u>\$ 38,378</u>	<u>\$ 50,095</u>	<u>\$ 9,616</u>
Net increase (decrease) in cash and cash equivalents	\$ 235,401	\$ (97,136)	\$ 138,265	\$ 414,269
Balances-beginning of the year	<u>205,617</u>	<u>757,279</u>	<u>962,896</u>	<u>548,627</u>
Balances-end of the year	<u>\$ 441,018</u>	<u>\$ 660,143</u>	<u>\$ 1,101,161</u>	<u>\$ 962,896</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	\$ 201,596	\$ (94,670)	\$ 106,926	\$ 354,636
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Changes in current assets and liabilities:				
Increase (decrease) in accounts payable and accrued liabilities	<u>22,088</u>	<u>(40,844)</u>	<u>(18,756)</u>	<u>50,017</u>
Net cash provided (used) by operating activities	<u>\$ 223,684</u>	<u>\$ (135,514)</u>	<u>\$ 88,170</u>	<u>\$ 404,653</u>



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# Agency Funds

Agency funds are used to account for assets held by government as an agent for individuals, private organizations, other governments, and/or other funds.

#### AGENCY FUNDS

**Boards and Commissions** – to account for monies raised by the boards and commissions of the City from private sources to fund their projects.

**Municipal Service District Fund** – to account for tax receipts of the Municipal Service District that the City receives from the County and then remits to Downtown Salisbury, Inc.

**East Spencer Utilities Fund** – to account for billings and receipts of the Town of East Spencer's utilities operations, which the City manages on a contract basis.

G-1

CITY OF SALISBURY, NORTH CAROLINA

AGENCY FUNDS

COMBINING BALANCE SHEET

June 30, 2006

With Comparative Totals at June 30, 2005

	<u>Agency</u>			<u>Totals</u>	
	<u>Boards and Commissions</u>	<u>Municipal Service District</u>	<u>East Spencer Utility Fund</u>	<u>2006</u>	<u>2005</u>
<u>ASSETS</u>					
Cash and investments	\$ 2,781	\$ 2,295	\$ 73,782	\$ 78,858	\$ 78,425
Accounts receivable	<u>-</u>	<u>3,774</u>	<u>92,201</u>	<u>95,975</u>	<u>94,604</u>
Total assets	<u>\$ 2,781</u>	<u>\$ 6,069</u>	<u>\$ 165,983</u>	<u>\$ 174,833</u>	<u>\$ 173,029</u>
<u>LIABILITIES</u>					
Accounts payable and accrued liabilities	<u>\$ 2,781</u>	<u>\$ 6,069</u>	<u>\$ 165,983</u>	<u>\$ 174,833</u>	<u>\$ 173,029</u>

## CITY OF SALISBURY, NORTH CAROLINA

## AGENCY FUNDS

## STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

For the Year Ended June 30, 2006

	<u>Balance</u> <u>July 1, 2005</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2006</u>
<u>BOARDS AND COMMISSIONS FUND:</u>				
ASSETS				
Cash and investments	\$ 2,692	\$ 89	\$ -	\$ 2,781
Accounts receivable	<u>39</u>	<u>-</u>	<u>39</u>	<u>-</u>
Total assets	<u>\$ 2,731</u>	<u>\$ 89</u>	<u>\$ 39</u>	<u>\$ 2,781</u>
LIABILITIES				
Accounts payable and accrued liabilities	<u>\$ 2,731</u>	<u>\$ 50</u>	<u>\$ -</u>	<u>\$ 2,781</u>
<u>MUNICIPAL SERVICE DISTRICT FUND:</u>				
ASSETS				
Cash and investments	\$ 1,815	\$ 480	\$ -	\$ 2,295
Accounts receivable	<u>4,854</u>	<u>-</u>	<u>1,080</u>	<u>3,774</u>
Total assets	<u>\$ 6,669</u>	<u>\$ 480</u>	<u>\$ 1,080</u>	<u>\$ 6,069</u>
LIABILITIES				
Accounts payable and accrued liabilities	<u>\$ 6,669</u>	<u>\$ -</u>	<u>\$ 600</u>	<u>\$ 6,069</u>
<u>EAST SPENCER UTILITY FUND:</u>				
ASSETS				
Cash and investments	\$ 73,918	\$ -	\$ 136	\$ 73,782
Accounts receivable	<u>89,711</u>	<u>2,490</u>	<u>-</u>	<u>92,201</u>
Total Assets	<u>\$ 163,629</u>	<u>\$ 2,490</u>	<u>\$ 136</u>	<u>\$ 165,983</u>
LIABILITIES				
Accounts payable and accrued liabilities	<u>\$ 163,629</u>	<u>\$ 2,354</u>	<u>\$ -</u>	<u>\$ 165,983</u>
<u>TOTAL AGENCY FUNDS:</u>				
ASSETS				
Cash and investments	\$ 78,425	\$ 569	\$ 136	\$ 78,858
Accounts receivable	<u>94,604</u>	<u>2,490</u>	<u>1,119</u>	<u>95,975</u>
Total assets	<u>\$ 173,029</u>	<u>\$ 3,059</u>	<u>\$ 1,255</u>	<u>\$ 174,833</u>
LIABILITIES				
Accounts payable and accrued liabilities	<u>\$ 173,029</u>	<u>\$ 2,404</u>	<u>\$ 600</u>	<u>\$ 174,833</u>

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# **Other Schedules**

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H-2

CITY OF SALISBURY, NORTH CAROLINA

ANALYSIS OF CURRENT TAX LEVY

For the Year Ended June 30, 2006

	<u>City Wide</u>			<u>Total Levy</u>	
	<u>Property</u>	<u>Rate</u>	<u>Total Levy</u>	<u>Property</u>	<u>Registered</u>
	<u>Valuation</u>			<u>Excluding</u>	<u>Registered</u>
			<u>Motor</u>	<u>Motor</u>	
			<u>Vehicles</u>	<u>Vehicles</u>	
ORIGINAL LEVY					
Property taxed at current year's rates	\$ 2,243,505,319	\$ 0.615	\$ 13,797,550	\$ 13,098,907	\$ 698,643
Registered motor vehicles taxed at prior year's rates	71,204,863	0.615	437,890		437,890
Auto registration fee			225,890	2,450	223,440
Penalties			1,443	1,443	
TOTAL	\$ 2,314,710,182		\$ 14,462,773	\$ 13,102,800	\$ 1,359,973
DISCOVERY					
Current year rates	38,484,683		236,681	235,983	698
Prior years rates			53,306	53,306	
Penalties			15,674	15,674	
TOTAL			\$ 305,661	\$ 304,963	\$ 698
ABATEMENTS	(20,323,262)		\$ (126,812)	\$ (100,602)	\$ (26,211)
TOTAL PROPERTY VALUATION	<u>\$ 2,332,871,603</u>				
NET LEVY			\$ 14,641,622	\$ 13,307,161	\$ 1,334,460
Less uncollected tax at June 30, 2006			402,339	242,457	159,882
CURRENT YEAR'S TAXES COLLECTED			\$ 14,239,283	\$ 13,064,704	\$ 1,174,578
PERCENT OF CURRENT YEAR COLLECTED			97.25%	98.18%	88.02%