
Required Supplemental Financial Data

This section contains additional information required by accounting principles generally accepted in the United States of America.

- Schedule of Funding Progress for the Law Enforcement Officers' Special Separation Allowance.
- Schedule of Employer Contributions for the Law Enforcement Officers' Special Separation Allowance.
- Notes to the Required Schedules for the Law Enforcement Officers' Special Separation Allowance.

CITY OF SALISBURY, NORTH CAROLINA

LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF FUNDING PROGRESS

Last Six Fiscal Years

Actuarial Valuation Date <u>December 31,</u>	(1) Actuarial Value of Assets	(2)	(3)	Funded Ratio (1) / (2)	(4) Annual Covered Payroll	UAAL as a Percentage of Covered Payroll (3) / (4)
		Actuarial Accrued Liability (AAL) Projected Unit Credit	Unfunded AAL (UAAL) (2) - (1)			
2006	\$ 832,627	\$ 1,253,054	\$ 420,427	66.45%	\$ 3,147,324	13.36%
2005	746,287	1,220,368	474,081	61.15%	3,043,907	15.57%
2004	636,417	1,214,344	577,927	52.41%	2,940,751	19.65%
2003	543,886	1,185,007	641,121	45.90%	2,980,664	21.51%
2002	462,990	982,204	519,214	47.14%	2,715,519	19.12%
2001	382,392	944,593	562,201	40.48%	2,958,255	19.00%

CITY OF SALISBURY, NORTH CAROLINA

LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF EMPLOYER CONTRIBUTIONS

Last Six Fiscal Years

<u>Fiscal Year Ended June 30,</u>	<u>Annual Required Contribution</u>	<u>Percentage Contributed</u>
2007	\$ 87,266	105
2006	100,962	108
2005	104,153	100
2004	87,696	101
2003	93,425	95
2002	86,797	102

Notes to the Required Schedules:

The information presented in the required supplementary schedules was determined as part of the actuarial valuations at the dates indicated. Additional information as of the latest actuarial valuation follows.

Valuation date	12/31/2006
Actuarial cost method	Projected unit credit
Amortization method	Level percent of pay closed
Remaining amortization period	24 years
Asset valuation method	Market value
Actuarial assumptions	
Investment rate of return*	7.25%
Projected salary increases*	4.5% - 12.3%
* Includes inflation at	3.75%
Cost of living adjustments	N/A

Supplementary Financial Data



General Fund

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.

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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, 2007
With Comparative Actual Amounts for Year Ended June 30, 2006

	<u>2007</u>		Variance with Budget Positive (Negative)	<u>2006</u>
	Budget	Actual		Actual
REVENUES:				
Taxes:				
General property-current	\$ 14,365,250	\$ 14,502,024	\$ 136,774	\$ 13,929,982
General property-prior	328,000	363,194	35,194	318,387
Auto tax	200,000	207,395	7,395	200,232
Interest on delinquent tax	76,000	80,028	4,028	74,965
Other tax	500	347	(153)	393
	<u>\$ 14,969,750</u>	<u>\$ 15,152,988</u>	<u>\$ 183,238</u>	<u>\$ 14,523,959</u>
Unrestricted intergovernmental:				
Local option sales tax	5,021,310	4,928,404	(92,906)	4,755,926
Utilities franchise tax	1,292,533	1,294,288	1,755	1,187,122
Telecommunications sales tax	600,000	621,344	21,344	676,568
Video franchise fee	100,000	113,649	13,649	-
Wine and beer tax	128,750	132,122	3,372	128,475
State reimbursement hold harmless	633,923	630,549	(3,374)	703,923
Other	237,940	153,828	(84,112)	329,310
	<u>\$ 8,014,456</u>	<u>\$ 7,874,184</u>	<u>\$ (140,272)</u>	<u>\$ 7,781,324</u>
Restricted intergovernmental:				
State street aid - Powell Bill	\$ 974,524	\$ 932,401	\$ (42,123)	\$ 945,369
Other	1,766,645	319,547	(1,447,098)	657,322
	<u>\$ 2,741,169</u>	<u>\$ 1,251,948</u>	<u>\$ (1,489,221)</u>	<u>\$ 1,602,691</u>
Charges for services:				
Environmental protection	\$ 1,046,697	\$ 1,017,681	\$ (29,016)	\$ 847,469
Culture and recreation	180,000	167,781	(12,219)	164,896
Public safety	446,295	442,550	(3,745)	473,190
Cemetery	140,000	138,710	(1,290)	133,875
Radio antenna and paging rentals	200,906	190,679	(10,227)	203,304
Rentals and sale of property	270,272	253,154	(17,118)	251,795
Licenses and permits	606,808	473,488	(133,320)	574,669
Administrative charges	2,303,159	2,275,159	(28,000)	2,070,628
Community services	138,570	168,518	29,948	33,924
Other	178,940	111,513	(67,427)	139,704
	<u>\$ 5,511,647</u>	<u>\$ 5,239,233</u>	<u>\$ (272,414)</u>	<u>\$ 4,893,454</u>
Miscellaneous:				
Interest earned on investments	\$ 368,000	\$ 410,322	\$ 42,322	\$ 313,978
Donations	568,456	98,763	(469,693)	296,526
Other	186,180	184,788	(1,392)	175,356
	<u>\$ 1,122,636</u>	<u>\$ 693,873</u>	<u>\$ (428,763)</u>	<u>\$ 785,860</u>
Total revenues	<u>\$ 32,359,658</u>	<u>\$ 30,212,226</u>	<u>\$ (2,147,432)</u>	<u>\$ 29,587,288</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, 2007
With Comparative Actual Amounts for Year Ended June 30, 2006

	<u>2007</u>		<u>2006</u>	
	<u>Budget</u>	<u>Actual</u>	<u>Variance with Budget Positive (Negative)</u>	<u>Actual</u>
OTHER FINANCING SOURCES:				
Long-term debt issued	\$ 1,170,000	\$ 674,425	\$ (495,575)	\$ -
Fund balance appropriated	1,536,765	-	(1,536,765)	-
Total other financing sources	<u>\$ 2,706,765</u>	<u>\$ 674,425</u>	<u>\$ (2,032,340)</u>	<u>\$ -</u>
Total revenues and other financing sources	<u>\$ 35,066,423</u>	<u>\$ 30,886,651</u>	<u>\$ (4,179,772)</u>	<u>\$ 29,587,288</u>
EXPENDITURES:				
Current:				
General government:				
City council	\$ 147,436	\$ 133,157	\$ 14,279	\$ 128,387
City administration	866,222	854,459	11,763	738,086
Purchasing	130,248	130,109	139	117,726
Human resources	706,186	691,971	14,215	615,256
Finance	1,327,687	1,251,897	75,790	1,209,952
Fleet management	879,426	809,857	69,569	773,223
Public services administration	274,541	269,941	4,600	256,771
Facilities Maintenance	606,922	569,773	37,149	740,534
Telecommunication	355,471	328,446	27,025	206,047
Information technologies	2,008,075	1,475,086	532,989	1,311,083
	<u>\$ 7,302,214</u>	<u>\$ 6,514,696</u>	<u>\$ 787,518</u>	<u>\$ 6,097,065</u>
Public safety:				
Police:				
Administration	\$ 664,653	\$ 612,048	\$ 52,605	\$ 472,345
Services	1,419,993	1,294,699	125,294	1,272,396
Operations	4,784,307	4,501,452	282,855	4,667,169
Fire	5,250,697	5,176,104	74,593	4,982,870
	<u>\$ 12,119,650</u>	<u>\$ 11,584,303</u>	<u>\$ 535,347</u>	<u>\$ 11,394,780</u>
Transportation:				
Traffic operations	\$ 557,313	\$ 525,518	\$ 31,795	\$ 551,128
Engineering	2,052,404	657,872	1,394,532	1,305,578
Streets	3,219,033	2,610,972	608,061	2,426,099
Street lighting	349,400	348,687	713	331,117
	<u>\$ 6,178,150</u>	<u>\$ 4,143,049</u>	<u>\$ 2,035,101</u>	<u>\$ 4,613,922</u>
Environmental protection:				
Solid waste management	\$ 1,805,729	\$ 1,774,579	\$ 31,150	\$ 1,576,988
Cemetery	231,916	219,666	12,250	224,127
	<u>\$ 2,037,645</u>	<u>\$ 1,994,245</u>	<u>\$ 43,400</u>	<u>\$ 1,801,115</u>

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CITY OF SALISBURY, NORTH CAROLINA

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -

For the Year Ended June 30, 2007

With Comparative Actual Amounts for Year Ended June 30, 2006

	2007		Variance with Budget Positive (Negative)	2006
	Budget	Actual		Actual
EXPENDITURES :				
Current (continued):				
Culture and recreation:				
Landscaping	\$ 707,067	\$ 655,842	\$ 51,225	\$ 635,615
Recreation	2,184,620	1,934,411	250,209	1,965,771
	<u>\$ 2,891,687</u>	<u>\$ 2,590,253</u>	<u>\$ 301,434</u>	<u>\$ 2,601,386</u>
Community and economic development:				
Community development	\$ 1,082,943	\$ 968,858	\$ 114,085	\$ 919,135
The Plaza	207,023	197,424	9,599	197,637
Developmental services	445,902	436,365	9,537	408,763
	<u>\$ 1,735,868</u>	<u>\$ 1,602,647</u>	<u>\$ 133,221</u>	<u>\$ 1,525,535</u>
Education	\$ 42,342	\$ 42,342	\$ -	\$ 42,342
Debt service:				
Principal	\$ 938,602	\$ 922,857	\$ 15,745	\$ 634,950
Interest	384,961	370,668	14,293	263,132
	<u>\$ 1,323,563</u>	<u>\$ 1,293,525</u>	<u>\$ 30,038</u>	<u>\$ 898,082</u>
Total expenditures	<u>\$ 33,631,119</u>	<u>\$ 29,765,060</u>	<u>\$ 3,866,059</u>	<u>\$ 28,974,227</u>
OTHER FINANCING USES:				
Transfers to other funds	\$ 1,435,304	\$ 1,433,225	\$ 2,079	\$ 213,118
Total expenditures and other financing uses	<u>\$ 35,066,423</u>	<u>\$ 31,198,285</u>	<u>\$ 3,868,138</u>	<u>\$ 29,187,345</u>
Excess of revenues and other sources over (under) expenditures and other uses	<u>\$ -</u>	<u>\$ (311,634)</u>	<u>\$ (311,634)</u>	<u>\$ 399,943</u>
FUND BALANCES, BEGINNING		<u>7,184,363</u>		<u>6,784,420</u>
FUND BALANCES, ENDING		<u>\$ 6,872,729</u>		<u>\$ 7,184,363</u>



Non Major Governmental Funds

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.

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.

CITY OF SALISBURY, NORTH CAROLINA

ALL NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET

June 30, 2007

<u>ASSETS</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Total</u>
Cash and investments	\$ 92,960	\$ -	\$ 92,960
Accounts receivable	7,724	-	7,724
Due from other governments	<u>8</u>	<u>-</u>	<u>8</u>
Total assets	<u>\$ 100,692</u>	<u>\$ -</u>	<u>\$ 100,692</u>
 <u>LIABILITIES AND FUND EQUITY</u>			
LIABILITIES			
Accounts payable and accrued liabilities	<u>\$ 134</u>	<u>\$ -</u>	<u>\$ 134</u>
FUND EQUITY			
Fund balances:			
Reserved by State statute	\$ 7,724	\$ -	\$ 7,724
Unreserved:			
Undesignated	<u>92,834</u>	<u>-</u>	<u>92,834</u>
Total fund equity	<u>\$ 100,558</u>	<u>\$ -</u>	<u>\$ 100,558</u>
Total liabilities and fund equity	<u>\$ 100,692</u>	<u>\$ -</u>	<u>\$ 100,692</u>

CITY OF SALISBURY, NORTH CAROLINA
ALL NON-MAJOR GOVERNMENTAL FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

For the Year Ended June 30, 2007

	<u>Special</u>	<u>Capital</u>	<u>Total</u>
	<u>Revenue Fund</u>	<u>Projects Fund</u>	<u>Total</u>
REVENUES:			
Restricted intergovernmental	\$ 466,524	\$ -	\$ 466,524
Miscellaneous:	<u>265,104</u>	<u>53,389</u>	<u>318,493</u>
Total revenues	<u>\$ 731,628</u>	<u>\$ 53,389</u>	<u>\$ 785,017</u>
EXPENDITURES:			
General government	\$ 90,208	\$ -	\$ 90,208
Public safety	-	1,651,395	1,651,395
Community and economic development	667,139	-	667,139
Debt Service:			
Principal	32,000	-	32,000
Interest	<u>24,169</u>	<u>-</u>	<u>24,169</u>
Total expenditures	<u>\$ 813,516</u>	<u>\$ 1,651,395</u>	<u>\$ 2,464,911</u>
OTHER FINANCING SOURCES			
Contribution from General Fund	<u>\$ -</u>	<u>\$ 1,074,656</u>	<u>\$ 1,074,656</u>
NET INCREASE (DECREASE) IN FUND BALANCE	\$ (81,888)	\$ (523,350)	\$ (605,238)
FUND BALANCE, BEGINNING	<u>182,446</u>	<u>523,350</u>	<u>705,796</u>
FUND BALANCE, ENDING	<u>\$ 100,558</u>	<u>\$ -</u>	<u>\$ 100,558</u>

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, 2007

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

	2007		Variance with Budget Positive (Negative)	2006
	Budget	Actual		Actual
REVENUES:				
Intergovernmental:				
Federal	\$ 774,699	\$ 466,524	\$ (308,175)	\$ 467,036
Miscellaneous:				
Other	266,000	265,104	(896)	470,361
Total revenues	<u>\$ 1,040,699</u>	<u>\$ 731,628</u>	<u>\$ (309,071)</u>	<u>\$ 937,397</u>
EXPENDITURES:				
Current:				
General government	\$ 93,413	\$ 90,208	\$ 3,205	\$ 93,117
Community and economic development	1,068,672	667,139	401,533	701,945
Debt Service:				
Principal	32,000	32,000	-	32,000
Interest	24,169	24,169	-	24,833
Total expenditures	<u>\$ 1,218,254</u>	<u>\$ 813,516</u>	<u>\$ 404,738</u>	<u>\$ 851,895</u>
OTHER FINANCING SOURCES				
Fund balance appropriated	<u>\$ 177,555</u>	<u>\$ -</u>	<u>\$ (177,555)</u>	<u>\$ -</u>
NET INCREASE (DECREASE) IN FUND BALANCE	<u>\$ -</u>	<u>\$ (81,888)</u>	<u>\$ (81,888)</u>	<u>\$ 85,502</u>
FUND BALANCE, BEGINNING		182,446		96,944
FUND BALANCE, ENDING		<u>\$ 100,558</u>		<u>\$ 182,446</u>

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, 2007

	Project Authorization	Actual		
		Prior Years	Current Year	Total to Date
REVENUES:				
Miscellaneous				
Interest earned on investments	\$ 70,000	\$ 17,143	\$ 53,389	\$ 70,532
EXPENDITURES:				
General government	\$ 96,890	\$ 96,890	\$ -	\$ 96,890
Public safety				
Police	3,939,497	3,033,187	906,293	3,939,480
Fire	1,304,287	537,655	745,102	1,282,757
Total expenditures	\$ 5,340,674	\$ 3,667,732	\$ 1,651,395	\$ 5,319,127
Total revenues under expenditures	\$ (5,270,674)	\$ (3,650,589)	\$ (1,598,006)	\$ (5,248,595)
OTHER FINANCING SOURCES				
Proceeds from issuance of debt	\$ 3,565,680	\$ 3,565,680	\$ -	\$ 3,565,680
Contributions from General Fund	1,704,994	608,259	1,074,656	1,682,915
Total other financing sources	\$ 5,270,674	\$ 4,173,939	\$ 1,074,656	\$ 5,248,595
NET DECREASE IN FUND BALANCE	\$ -	\$ 523,350	\$ (523,350)	\$ -
FUND BALANCE, BEGINNING			523,350	
FUND BALANCE , ENDING			\$ -	

Proprietary Fund Types

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.

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City of Salisbury, North Carolina
Combining Balance Sheet
Proprietary Funds
June 30, 2007

	Water and Sewer Fund	Water and Sewer Capital Projects Fund	Transit Fund	Total
<u>ASSETS</u>				
Current assets:				
Cash and cash equivalents	\$ 2,466,659	\$ 7,253,655	\$ 35,898	\$ 9,756,212
Accounts receivable (net)	3,043,265	-	1,153	3,044,418
Interest receivable	24,035	64,485	407	88,927
Due from other governments	134,318	40,564	59,830	234,712
Prepaid items	7,844	-	-	7,844
Inventories	331,690	-	-	331,690
Restricted assets:				
Cash and cash equivalents	-	4,433,614	-	4,433,614
Total current assets	<u>\$ 6,007,811</u>	<u>\$ 11,792,318</u>	<u>\$ 97,288</u>	<u>\$ 17,897,417</u>
Noncurrent assets:				
Capital assets:				
Land	\$ 2,072,067	\$ -	\$ -	\$ 2,072,067
Buildings and improvements	155,887,754	-	467,924	156,355,678
Equipment	7,038,751	-	1,600,832	8,639,583
Construction in progress	3,978,576	-	-	3,978,576
Accumulated depreciation	<u>(52,685,550)</u>	<u>-</u>	<u>(1,485,207)</u>	<u>(54,170,757)</u>
Total noncurrent assets	<u>\$ 116,291,598</u>	<u>\$ -</u>	<u>\$ 583,549</u>	<u>\$ 116,875,147</u>
Total assets	<u>\$ 122,299,409</u>	<u>\$ 11,792,318</u>	<u>\$ 680,837</u>	<u>\$ 134,772,564</u>
<u>LIABILITIES</u>				
Current liabilities:				
Accounts payable and accrued liabilities	\$ 538,348	\$ 667,919	\$ 82,848	\$ 1,289,115
Interest payable	402,283	-	-	402,283
Bonds, notes, and loans payable	3,352,816	-	-	3,352,816
Compensated absences	78,997	-	10,100	89,097
Customer deposits	<u>532,521</u>	<u>-</u>	<u>-</u>	<u>532,521</u>
Total current liabilities	<u>\$ 4,904,965</u>	<u>\$ 667,919</u>	<u>\$ 92,948</u>	<u>\$ 5,665,832</u>
Noncurrent liabilities:				
Bonds, notes, and loans payable	\$ 44,170,235	\$ -	\$ -	\$ 44,170,235
Compensated absences	<u>236,990</u>	<u>-</u>	<u>30,299</u>	<u>267,289</u>
Total noncurrent liabilities	<u>\$ 44,407,225</u>	<u>\$ -</u>	<u>\$ 30,299</u>	<u>\$ 44,437,524</u>
Total liabilities	<u>\$ 49,312,190</u>	<u>\$ 667,919</u>	<u>\$ 123,247</u>	<u>\$ 50,103,356</u>
<u>NET ASSETS</u>				
Invested in capital assets, net of related debt	\$ 68,768,547	\$ -	\$ 557,590	\$ 69,326,137
Restricted	-	4,433,614	-	4,433,614
Unrestricted	<u>4,218,672</u>	<u>6,690,785</u>	<u>-</u>	<u>10,909,457</u>
Total net assets	<u>\$ 72,987,219</u>	<u>\$ 11,124,399</u>	<u>\$ 557,590</u>	<u>\$ 84,669,208</u>
Total liabilities and net assets	<u>\$ 122,299,409</u>	<u>\$ 11,792,318</u>	<u>\$ 680,837</u>	<u>\$ 134,772,564</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, 2007

With Comparative Actual Amounts for Year Ended June 30, 2006

	2007		Variance with Budget Positive (Negative)	2006
	Budget	Actual		Actual
OPERATING REVENUES:				
Charges for services	\$ 17,408,616	\$ 17,912,180	\$ 503,564	\$ 16,289,386
Water and sewer taps	550,000	478,546	(71,454)	602,276
Other operating revenues	822,693	1,038,277	215,584	936,914
Total operating revenues	<u>18,781,309</u>	<u>19,429,003</u>	<u>647,694</u>	<u>17,828,576</u>
OPERATING EXPENDITURES OTHER THAN DEPRECIATION:				
Management and administration	\$ 4,381,611	\$ 4,380,803	\$ 808	\$ 4,128,445
Water resources	1,706,338	1,687,430	18,908	1,586,055
Maintenance and construction	3,743,963	3,689,969	53,994	3,482,257
Wastewater collection and treatment	2,177,616	2,176,528	1,088	2,073,183
Environmental services	572,481	575,880	(3,399)	584,175
Total operating expenses other than depreciation	<u>\$ 12,582,009</u>	<u>\$ 12,510,610</u>	<u>\$ 71,399</u>	<u>\$ 11,854,115</u>
NONOPERATING REVENUES (EXPENDITURES):				
Investment earnings	\$ 102,000	\$ 152,087	\$ 50,087	\$ 124,134
Developers' contributions	-	7,500	7,500	6,663
Capital outlay	(481,366)	(464,730)	16,636	(882,057)
Interest expense	(1,919,009)	(1,919,006)	3	(1,893,019)
Net nonoperating revenues	<u>\$ (2,298,375)</u>	<u>\$ (2,224,149)</u>	<u>\$ 74,226</u>	<u>\$ (2,644,279)</u>
Revenues over expenditures	<u>\$ 3,900,925</u>	<u>\$ 4,694,244</u>	<u>\$ 793,319</u>	<u>\$ 3,330,182</u>
OTHER FINANCING SOURCES (USES):				
Payment of debt principal	\$ (3,300,925)	\$ (3,300,924)	\$ 1	\$ (3,223,118)
Transfer to Capital Projects Fund	(600,000)	(550,000)	50,000	-
Total other financing sources (uses)	<u>\$ (3,900,925)</u>	<u>\$ (3,850,924)</u>	<u>\$ 50,001</u>	<u>\$ (3,223,118)</u>
REVENUES OVER EXPENDITURES AND OTHER FINANCING SOURCES (USES)				
	<u>\$ -</u>	<u>\$ 843,320</u>	<u>\$ 843,320</u>	<u>\$ 107,064</u>
RECONCILIATION OF MODIFIED ACCRUAL BASIS WITH FULL ACCRUAL:				
Revenues over expenditures and other financing sources (uses)		\$ 843,320		
Capital outlay		464,730		
Depreciation		(4,225,411)		
Bond amortization		(119,577)		
Payment of debt principal		3,300,924		
Interest income from Capital Projects Fund		489,832		
Capital contributions in Capital Project Fund		1,915,729		
Transfer to Capital Projects Fund		550,000		
Interest expense adjustment		11,583		
Inventories		40,794		
Vacation pay		41,623		
Change in net assets		<u>\$ 3,313,547</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, 2007

	Project Authorization	Actual		
		Prior Years	Current Year	Total to Date
REVENUES				
Miscellaneous				
Interest on investments	\$ 315,590	\$ 2,747,221	\$ 489,832	\$ 3,237,053
EXPENDITURES-SEWER PROJECT				
Construction	\$ 4,727,261	\$ 26,380	\$ 1,408,796	\$ 1,435,176
Engineering	1,420,903	196,461	1,155,125	1,351,586
Total expenditures-Sewer project	\$ 6,148,164	\$ 222,841	\$ 2,563,921	\$ 2,786,762
EXPENDITURES-WATER PROJECT				
Construction	\$ 3,144,121	\$ 538,884	\$ 827,703	\$ 1,366,587
Engineering	861,431	58,986	168,505	227,491
Total expenditures-Water project	\$ 4,005,552	\$ 597,870	\$ 996,208	\$ 1,594,078
Total expenditures	\$ 10,153,716	\$ 820,711	\$ 3,560,129	\$ 4,380,840
Total revenues under expenditures	\$ (9,838,126)	\$ 1,926,510	\$ (3,070,297)	\$ (1,143,787)
OTHER FINANCING SOURCES:				
Proceeds from sale of bonds	\$ 6,000,000	\$ -	\$ 6,000,000	\$ 6,000,000
Developer contributions	2,959,700	400,000	1,915,729	2,315,729
Contribution from Water and Sewer Fund	-	-	550,000	550,000
Appropriated fund balance	878,426	-	-	-
Total other financing sources	\$ 9,838,126	\$ 400,000	\$ 8,465,729	\$ 8,865,729
Unexpended revenues and receipts	\$ -	\$ 2,326,510	\$ 5,395,432	\$ 7,721,942

CITY OF SALISBURY, NORTH CAROLINA

MASS TRANSIT FUND

SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL (NON-GAAP)For the Year Ended June 30, 2007
With Comparative Actual Amounts for Year Ended June 30, 2006

	2007		Variance with Budget Positive (Negative)	2006
	Budget	Actual		Actual
OPERATING REVENUES:				
Charges for services	\$ 75,500	\$ 79,166	\$ 3,666	\$ 80,372
Other operating revenues	-	6,669	6,669	2,420
Total operating revenues	\$ 75,500	\$ 85,835	\$ 10,335	\$ 82,792
OPERATING EXPENDITURES OTHER THAN DEPRECIATION:				
Management and administration	\$ 276,559	\$ 248,497	\$ 28,062	\$ 139,575
Mass transit operations	717,983	714,221	3,762	598,199
Total operating expenditures other than depreciation	\$ 994,542	\$ 962,718	\$ 31,824	\$ 737,774
NONOPERATING REVENUES (EXPENDITURES):				
Intergovernmental	\$ 568,259	\$ 519,794	\$ (48,465)	\$ 489,428
Interest on investments	500	846	346	142
Capital outlay	(8,286)	(8,000)	286	(34,366)
Total nonoperating revenues (expenditures)	\$ 560,473	\$ 512,640	\$ (47,833)	\$ 455,204
Revenues under expenditures	\$ (358,569)	\$ (364,243)	\$ (5,674)	\$ (199,778)
OTHER FINANCING SOURCES:				
Operating transfers in:				
General fund	\$ 358,569	\$ 358,569	\$ -	\$ 213,118
REVENUES OVER (UNDER) EXPENDITURES AND AND OTHER FINANCING SOURCES				
	\$ -	\$ (5,674)	\$ (5,674)	\$ 13,340
RECONCILIATION OF MODIFIED ACCRUAL BASIS WITH FULL ACCRUAL:				
Excess of expenses over revenues, above		\$ (5,674)		
Depreciation		(235,309)		
Capital outlay		8,000		
Vacation pay		3,804		
Change in net assets		\$ (229,179)		

Internal Service Funds

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, 2007

With Comparative Totals at June 30, 2006

<u>ASSETS</u>	<u>Workers'</u> <u>Compensation</u>	<u>Employee</u> <u>Health Care</u>	<u>Totals</u>	
			<u>2007</u>	<u>2006</u>
CURRENT ASSETS				
Cash and investments	\$ 636,073	\$ 927,362	\$ 1,563,435	\$ 1,101,161
Accounts receivable	-	8,551	8,551	-
Interest receivable	5,511	9,670	15,181	5,182
Due from other government	-	18	18	-
Total assets	<u>\$ 641,584</u>	<u>\$ 945,601</u>	<u>\$ 1,587,185</u>	<u>\$ 1,106,343</u>
<u>LIABILITIES AND FUND EQUITY</u>				
CURRENT LIABILITIES				
Accounts payable and accrued liabilities	\$ 30,546	\$ 521,485	\$ 552,031	\$ 502,324
NET ASSETS	<u>611,038</u>	<u>424,116</u>	<u>1,035,154</u>	<u>604,019</u>
Total liabilities and net assets	<u>\$ 641,584</u>	<u>\$ 945,601</u>	<u>\$ 1,587,185</u>	<u>\$ 1,106,343</u>

CITY OF SALISBURY, NORTH CAROLINA

INTERNAL SERVICE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN NET ASSETS

For the Year Ended June 30, 2007
With Comparative Totals For The Year Ended June 30, 2006

	Workers' Compensation	Employee Health Care	Totals	
			2007	2006
OPERATING REVENUES:				
Charges for services	\$ 355,600	\$ 3,679,562	\$ 4,035,162	\$ 3,730,884
OPERATING EXPENSES:				
Employee benefits	<u>185,241</u>	<u>3,499,288</u>	<u>3,684,529</u>	<u>3,623,958</u>
OPERATING INCOME	\$ 170,359	\$ 180,274	\$ 350,633	\$ 106,926
NONOPERATING REVENUES				
Interest earned on investments	<u>25,881</u>	<u>54,621</u>	<u>80,502</u>	<u>48,016</u>
NET INCOME	\$ 196,240	\$ 234,895	\$ 431,135	\$ 154,942
NET ASSETS, BEGINNING	<u>414,798</u>	<u>189,221</u>	<u>604,019</u>	<u>449,077</u>
NET ASSETS, ENDING	<u>\$ 611,038</u>	<u>\$ 424,116</u>	<u>\$ 1,035,154</u>	<u>\$ 604,019</u>

CITY OF SALISBURY, NORTH CAROLINA
WORKERS' COMPENSATION INTERNAL SERVICE FUND
SCHEDULE OF REVENUES AND EXPENDITURES
FINANCIAL PLAN AND ACTUAL (NON-GAAP)

For the Year Ended June 30, 2007
With Comparative Actual Amounts for Year Ended June 30, 2006

	2007		2006	
	Financial Plan	Actual	Variance with Budget Positive (Negative)	Actual
OPERATING REVENUES:				
Charges for services	\$ 355,600	\$ 355,600	\$ -	\$ 348,600
OPERATING EXPENDITURES:				
Employee benefits	\$ 355,600	\$ 185,241	\$ 170,359	\$ 147,004
NONOPERATING REVENUES:				
Interest on investments	\$ -	\$ 25,881	\$ 25,881	\$ 11,936
Revenues over expenditures	<u>\$ -</u>	<u>\$ 196,240</u>	<u>\$ 196,240</u>	<u>\$ 213,532</u>

CITY OF SALISBURY, NORTH CAROLINA
EMPLOYEE HEALTH CARE INTERNAL SERVICE FUND
SCHEDULE OF REVENUES AND EXPENDITURES
FINANCIAL PLAN AND ACTUAL (NON-GAAP)

For the Year Ended June 30, 2007
With Comparative Actual Amounts for Year Ended June 30, 2006

	2007		2006	
	Financial Plan	Actual	Variance with Budget Positive (Negative)	Actual
OPERATING REVENUES:				
Charges for services	\$ 3,600,000	\$ 3,679,562	\$ 79,562	\$ 3,382,284
OPERATING EXPENDITURES:				
Employee benefits	\$ 3,645,000	\$ 3,499,288	\$ 145,712	\$ 3,476,954
NONOPERATING REVENUES:				
Interest on investments	\$ 45,000	\$ 54,621	\$ 9,621	\$ 36,080
Revenues over (under) expenditures	\$ -	\$ 234,895	\$ 234,895	\$ (58,590)

CITY OF SALISBURY, NORTH CAROLINA

INTERNAL SERVICE FUNDS

COMBINING STATEMENT OF CASH FLOWS

For the Year Ended June 30, 2007
 With Comparative Totals For The Year Ended June 30, 2006

	Workers' Compensation	Employee Health Care	Totals	
			2007	2006
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from interfund services provided	\$ 355,600	\$ 3,671,011	\$ 4,026,611	\$ 3,730,884
Cash paid for goods and services	<u>(182,641)</u>	<u>(3,452,199)</u>	<u>(3,634,840)</u>	<u>(3,642,714)</u>
Net cash provided by operating activities	<u>\$ 172,959</u>	<u>\$ 218,812</u>	<u>\$ 391,771</u>	<u>\$ 88,170</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Investment earnings	<u>\$ 22,096</u>	<u>\$ 48,407</u>	<u>\$ 70,503</u>	<u>\$ 50,095</u>
Net increase in cash and cash equivalents	\$ 195,055	\$ 267,219	\$ 462,274	\$ 138,265
Balances-beginning of the year	<u>441,018</u>	<u>660,143</u>	<u>1,101,161</u>	<u>962,896</u>
Balances-end of the year	<u>\$ 636,073</u>	<u>\$ 927,362</u>	<u>\$ 1,563,435</u>	<u>\$ 1,101,161</u>
Reconciliation of operating income to net cash provided by operating activities:				
Operating income	\$ 170,359	\$ 180,274	\$ 350,633	\$ 106,926
Adjustments to reconcile operating income to net cash provided by operating activities:				
Changes in current assets and liabilities:				
(Increase) decrease in accounts receivable	-	(8,551)	(8,551)	-
(Increase) decrease in due from other government	-	(18)	(18)	-
Increase (decrease) in accounts payable and accrued liabilities	<u>2,600</u>	<u>47,107</u>	<u>49,707</u>	<u>(18,756)</u>
Net cash provided by operating activities	<u>\$ 172,959</u>	<u>\$ 218,812</u>	<u>\$ 391,771</u>	<u>\$ 88,170</u>



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.

CITY OF SALISBURY, NORTH CAROLINA

AGENCY FUNDS

COMBINING BALANCE SHEET

June 30, 2007

With Comparative Totals at June 30, 2006

	Agency			Totals	
	Boards and Commissions	Municipal Service District	East Spencer Utility Fund	2007	2006
<u>ASSETS</u>					
Cash and investments	\$ 4,781	\$ 1,178	\$ 51,035	\$ 56,994	\$ 78,858
Accounts receivable	<u>-</u>	<u>3,641</u>	<u>110,077</u>	<u>113,718</u>	<u>95,975</u>
Total assets	<u>\$ 4,781</u>	<u>\$ 4,819</u>	<u>\$ 161,112</u>	<u>\$ 170,712</u>	<u>\$ 174,833</u>
<u>LIABILITIES</u>					
Accounts payable and accrued liabilities	<u>\$ 4,781</u>	<u>\$ 4,819</u>	<u>\$ 161,112</u>	<u>\$ 170,712</u>	<u>\$ 174,833</u>

CITY OF SALISBURY, NORTH CAROLINA

AGENCY FUNDS

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

For the Year Ended June 30, 2007

	<u>Balance</u> <u>July 1, 2006</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2007</u>
<u>BOARDS AND COMMISSIONS FUND:</u>				
ASSETS				
Cash and investments	\$ 2,781	\$ 2,000	\$ -	\$ 4,781
Accounts receivable	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 2,781</u>	<u>\$ 2,000</u>	<u>\$ -</u>	<u>\$ 4,781</u>
LIABILITIES				
Accounts payable and accrued liabilities	<u>\$ 2,781</u>	<u>\$ 2,000</u>	<u>\$ -</u>	<u>\$ 4,781</u>
<u>MUNICIPAL SERVICE DISTRICT FUND:</u>				
ASSETS				
Cash and investments	\$ 2,295	\$ -	\$ 1,117	\$ 1,178
Accounts receivable	<u>3,774</u>	<u>-</u>	<u>133</u>	<u>3,641</u>
Total assets	<u>\$ 6,069</u>	<u>\$ -</u>	<u>\$ 1,250</u>	<u>\$ 4,819</u>
LIABILITIES				
Accounts payable and accrued liabilities	<u>\$ 6,069</u>	<u>\$ -</u>	<u>\$ 1,250</u>	<u>\$ 4,819</u>
<u>EAST SPENCER UTILITY FUND:</u>				
ASSETS				
Cash and investments	\$ 73,782	\$ -	\$ 22,747	\$ 51,035
Accounts receivable	<u>92,201</u>	<u>17,876</u>	<u>-</u>	<u>110,077</u>
Total Assets	<u>\$ 165,983</u>	<u>\$ 17,876</u>	<u>\$ 22,747</u>	<u>\$ 161,112</u>
LIABILITIES				
Accounts payable and accrued liabilities	<u>\$ 165,983</u>	<u>\$ -</u>	<u>\$ 5,713</u>	<u>\$ 160,270</u>
<u>TOTAL AGENCY FUNDS:</u>				
ASSETS				
Cash and investments	\$ 78,858	\$ 2,000	\$ 23,864	\$ 56,994
Accounts receivable	<u>95,975</u>	<u>17,876</u>	<u>133</u>	<u>113,718</u>
Total assets	<u>\$ 174,833</u>	<u>\$ 19,876</u>	<u>\$ 23,997</u>	<u>\$ 170,712</u>
LIABILITIES				
Accounts payable and accrued liabilities	<u>\$ 174,833</u>	<u>\$ 2,000</u>	<u>\$ 6,963</u>	<u>\$ 169,870</u>

Other Schedules



G-1

CITY OF SALISBURY, NORTH CAROLINA

GENERAL FUND
PROPERTY TAXES RECEIVABLE

For the Year Ended June 30, 2007

Tax Year	Fiscal Year Ended June 30	Assessed Valuation *	Taxes Levied Prior to June 30, 2006	Collections and Credits Prior to June 30, 2006	Taxes Receivable June 30, 2006	Levy Additions Year Ended June 30, 2007	Collections and Credits Year Ended June 30, 2007	(Note) Other Credits	Taxes Receivable June 30, 2007
2006	2007	\$2,416,776,551				\$ 15,352,130	\$ 14,885,545		\$ 466,585
2005	2006	2,332,871,603	\$ 14,641,622	\$ 14,239,283	\$ 402,339	512	273,725		129,126
2004	2005	2,205,157,905	13,758,017	13,654,001	104,016	18	47,445		56,589
2003	2004	2,171,562,439	12,643,078	12,589,790	53,288		19,134		34,154
2002	2003	1,862,739,075	11,255,252	11,200,166	55,086	63	6,798		48,351
2001	2002	1,854,810,966	11,190,158	11,152,688	37,470		4,223		33,247
2000	2001	1,820,568,216	10,937,764	10,904,599	33,165		3,237		29,928
1999	2000	1,764,727,945	10,160,220	10,132,578	27,642		2,673		24,969
1998	1999	1,482,452,065	9,213,038	9,184,565	28,473		4,282		24,191
1997	1998	1,382,140,359	8,002,560	7,982,109	20,451	10	957		19,504
1996	1997	1,318,874,568	7,759,356	7,739,655	19,701		771	18,930	-
			<u>\$ 109,561,065</u>	<u>\$ 108,779,434</u>	<u>\$ 781,631</u>	<u>\$ 15,352,733</u>	<u>\$ 15,248,790</u>	<u>\$ 18,930</u>	<u>\$ 866,644</u>
									230,000
									<u>\$ 636,644</u>
Reconciliation of Collections and Credits with revenues									
Revenues per Statement B-1									
							\$ 14,502,024		
							363,194		
							<u>207,395</u>		
							\$ 15,072,613		
							108,447		
							52,987		
							<u>14,743</u>		
							<u>\$ 15,248,790</u>		

* All taxable property is assessed at one hundred percent (100%) of its estimated value at the time of revaluation.

Note: Ten year statute of limitations write-off.

CITY OF SALISBURY, NORTH CAROLINA

ANALYSIS OF CURRENT TAX LEVY

For the Year Ended June 30, 2007

	City Wide			Total Levy	
	Property Valuation	Rate	Total Levy	Property Excluding Registered Motor Vehicles	Registered Motor Vehicles
	ORIGINAL LEVY				
Property taxed at current year's rates	\$2,369,814,354	\$0.625	\$ 14,811,322	\$ 14,072,515	\$ 738,807
Registered motor vehicles taxed at prior year's rates	66,280,477	0.615	407,579		407,579
Auto registration fee			224,305	3,205	221,100
Penalties			11,297	11,297	
TOTAL	\$2,436,094,831		\$ 15,454,503	\$ 14,087,017	\$ 1,367,486
DISCOVERY					
Current year rates	1,749,903		10,936	9,912	1,024
Prior years rates			40,878	40,878	
Penalties			7,396	15,674	
TOTAL			\$ 59,210	\$ 66,464	\$ 1,024
ABATEMENTS	(21,068,183)		\$ (161,583)	\$ (131,566)	\$ 30,017
TOTAL PROPERTY VALUATION	\$2,416,776,551				
NET LEVY			\$ 15,352,130	\$ 14,021,915	\$ 1,398,527
Less uncollected tax at June 30, 2007			466,585	292,837	173,748
CURRENT YEAR'S TAXES COLLECTED			\$ 14,885,545	\$13,729,078	\$1,224,779
PERCENT OF CURRENT YEAR COLLECTED			96.96%	97.91%	87.58%