
Required Supplemental Financial Data

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 December 31,	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Projected Unit Credit	(3) Unfunded AAL (UAAL) (2) - (1)	Funded Ratio (1) / (2)	(4) Annual Covered Payroll	UAAL as a Percentage of Covered Payroll (3) / (4)
1996	\$ 141,175	\$ 380,118	\$ 238,943	37.14%	\$ 2,169,850	11.01%
1995	110,262	352,314	242,052	31.30%	1,998,555	12.11%
1994	90,602	307,750	217,148	29.44%	1,944,845	11.17%
1993	69,182	297,781	228,599	23.23%	1,811,784	12.62%
1992	53,799	278,763	224,964	19.30%	1,598,537	14.07%
1991	47,037	274,446	227,409	17.14%	1,467,429	15.50%

CITY OF SALISBURY, NORTH CAROLINA

LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF EMPLOYER CONTRIBUTIONS

Last Six Fiscal Years⁽¹⁾

<u>Fiscal Year Ended June 30,</u>	<u>Annual Required Contribution</u>	<u>Percentage Contributed</u>
1997	\$ 43,984	115%
1996	39,685	100
1995	46,916	100
1994	42,536	100
1993	38,105	100
1992	31,301	100

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	12/31/96
Actuarial cost method	Projected unit credit
Amortization method	Level dollar closed
Remaining amortization period	23 years
Asset valuation method	Market value
Actuarial assumptions	
Investment rate of return	7.5%
Projected salary increases	4.7% - 8.5%
Includes inflation at	4.0%
Cost of living adjustments	None

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

COMPARATIVE BALANCE SHEETS

June 30, 1997 and 1996

ASSETS	<u>1997</u>	<u>1996</u>
Cash and investments	\$ 4,635,168	\$ 5,510,736
Taxes receivable (net of allowance for uncollectible)	356,181	339,437
Accounts receivable	419,251	385,499
Interest receivable	49,167	17,864
Due from other governments	2,056,889	994,694
Prepaid items	<u>167,926</u>	<u>2,182</u>
Total assets	<u>\$ 7,684,582</u>	<u>\$ 7,250,412</u>
 <u>LIABILITIES AND FUND EQUITY</u>		
LIABILITIES		
Accounts payable and accrued liabilities	\$ 1,278,308	\$ 898,319
Outstanding checks in excess of bank balance	245,887	964,415
Deferred revenue	<u>400,624</u>	<u>372,127</u>
Total liabilities	<u>\$ 1,924,819</u>	<u>\$ 2,234,861</u>
 FUND EQUITY		
Fund balances:		
Reserved by State statute	\$ 2,525,307	\$ 1,398,057
Reserved for encumbrances	1,386,173	336,554
Reserved for prepaid items	167,926	2,182
Unreserved:		
Designated for capital equipment replacement	619,170	756,754
Designated for subsequent year expenditures	150,000	-
Undesignated	<u>911,187</u>	<u>2,522,004</u>
Total fund equity	<u>\$ 5,759,763</u>	<u>\$ 5,015,551</u>
Total liabilities and fund equity	<u>\$ 7,684,582</u>	<u>\$ 7,250,412</u>

CITY OF SALISBURY, NORTH CAROLINA

GENERAL FUND

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

For the Year Ended June 30, 1997

With Comparative Actual Amounts for the Year Ended June 30, 1996

	1997		Actual Over (Under) Budget	1996
	Actual	Budget		Actual
REVENUES:				
Taxes	\$ 10,039,452	\$ 10,312,030	\$ (272,578)	\$ 9,575,016
License and permits	433,327	396,669	36,658	365,826
Intergovernmental	5,230,968	5,825,857	(594,889)	4,374,963
Charges for services	1,211,586	1,201,740	9,846	1,035,203
Miscellaneous	1,381,573	1,654,954	(273,381)	1,205,451
Administrative charges	<u>1,150,000</u>	<u>1,150,000</u>	<u>-</u>	<u>1,073,975</u>
Total revenues	<u>\$ 19,446,906</u>	<u>\$ 20,541,250</u>	<u>\$ (1,094,344)</u>	<u>\$ 17,630,434</u>
OTHER FINANCING SOURCES:				
Capital lease	\$ 1,750,000	\$ 1,750,000	\$ -	\$ 398,271
Fund balance appropriated	<u>-</u>	<u>1,752,761</u>	<u>(1,752,761)</u>	<u>-</u>
Total other financing sources	<u>\$ 1,750,000</u>	<u>\$ 3,502,761</u>	<u>\$ (1,752,761)</u>	<u>\$ 398,271</u>
Total revenues and other financing sources	<u>\$ 21,196,906</u>	<u>\$ 24,044,011</u>	<u>\$ (2,847,105)</u>	<u>\$ 18,028,705</u>
EXPENDITURES:				
Current:				
General government	\$ 3,525,279	\$ 5,094,684	\$ (1,569,405)	\$ 3,835,704
Public safety	7,735,362	7,736,385	(1,023)	6,457,849
Transportation	3,760,941	4,815,153	(1,054,212)	2,633,043
Environmental protection	1,291,270	1,562,368	(271,098)	1,272,247
Culture and recreation	1,990,428	2,538,599	(548,171)	1,609,738
Community and economic development	996,548	1,058,691	(62,143)	912,636
Education	42,342	42,342	-	42,341
Debt service:				
Principal	867,964	863,654	4,310	504,210
Interest	<u>113,889</u>	<u>203,464</u>	<u>(89,575)</u>	<u>87,212</u>
Total expenditures	<u>\$ 20,324,023</u>	<u>\$ 23,915,340</u>	<u>\$ (3,591,317)</u>	<u>\$ 17,354,980</u>
OTHER FINANCING USES:				
Operating transfers to other funds:				
Mass transit	<u>\$ 128,671</u>	<u>\$ 128,671</u>	<u>\$ -</u>	<u>\$ 148,821</u>
Total expenditures and other financing uses	<u>\$ 20,452,694</u>	<u>\$ 24,044,011</u>	<u>\$ (3,591,317)</u>	<u>\$ 17,503,801</u>
NET INCREASE IN FUND BALANCE	\$ 744,212	<u>\$ -</u>	<u>\$ 744,212</u>	\$ 524,904
FUND BALANCE, BEGINNING	<u>5,015,551</u>			<u>4,490,647</u>
FUND BALANCE, ENDING	<u>\$ 5,759,763</u>			<u>\$ 5,015,551</u>

CITY OF SALISBURY, NORTH CAROLINA

GENERAL FUND

SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES -
BUDGET AND ACTUAL

For the Year Ended June 30, 1997

REVENUES:	<u>Actual</u>	<u>Budget</u>	<u>Actual Over (Under) Budget</u>
Taxes:			
General property-current	\$ 7,184,238	\$ 7,388,915	\$ (204,677)
General property-prior	220,870	236,000	(15,130)
Interest on delinquent tax	40,230	40,000	230
Local option sales tax	2,593,133	2,647,015	(53,882)
Other tax	<u>981</u>	<u>100</u>	<u>881</u>
	<u>\$ 10,039,452</u>	<u>\$ 10,312,030</u>	<u>\$ (272,578)</u>
Licenses and permits:			
Privilege license	\$ 281,581	\$ 245,820	\$ 35,761
Franchises	<u>151,746</u>	<u>150,849</u>	<u>897</u>
	<u>\$ 433,327</u>	<u>\$ 396,669</u>	<u>\$ 36,658</u>
Intergovernmental:			
Federal	\$ 21,662	\$ 419,925	\$ (398,263)
State	5,112,384	5,324,063	(211,679)
Local	<u>96,922</u>	<u>81,869</u>	<u>15,053</u>
	<u>\$ 5,230,968</u>	<u>\$ 5,825,857</u>	<u>\$ (594,889)</u>
Charges for services:			
Supportive court services	\$ 18,433	\$ 20,675	\$ (2,242)
Community services	123,178	59,145	64,033
Culture and recreation	152,517	202,631	(50,114)
Environmental protection	656,493	690,550	(34,057)
Public safety	<u>260,965</u>	<u>228,739</u>	<u>32,226</u>
	<u>\$ 1,211,586</u>	<u>\$ 1,201,740</u>	<u>\$ 9,846</u>
Miscellaneous:			
Interest earned on investments	\$ 284,864	\$ 309,060	\$ (24,196)
Insurance proceeds	6,247	10,000	(3,753)
Rentals and sale of property	912,083	940,434	(28,351)
Other	<u>178,379</u>	<u>395,460</u>	<u>(217,081)</u>
	<u>\$ 1,381,573</u>	<u>\$ 1,654,954</u>	<u>\$ (273,381)</u>
Administrative charges:			
Interfund revenues	<u>\$ 1,150,000</u>	<u>\$ 1,150,000</u>	<u>\$ -</u>
Total revenues	<u>\$ 19,446,906</u>	<u>\$ 20,541,250</u>	<u>\$ (1,094,344)</u>
OTHER FINANCING SOURCES:			
Fund balance appropriated	\$ -	\$ 1,752,761	\$ (1,752,761)
Proceeds from capital leases	<u>1,750,000</u>	<u>1,750,000</u>	<u>-</u>
Total other financing sources	<u>\$ 1,750,000</u>	<u>\$ 3,502,761</u>	<u>\$ (1,752,761)</u>
Total revenues and other financing sources	<u>\$ 21,196,906</u>	<u>\$ 24,044,011</u>	<u>\$ (2,847,105)</u>

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CITY OF SALISBURY, NORTH CAROLINA
GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES -
BUDGET AND ACTUAL
For the Year Ended June 30, 1997

EXPENDITURES:	<u>Actual</u>	<u>Budget</u>	<u>Actual Over (Under) Budget</u>
Current:			
General government:			
City council	\$ 68,410	\$ 68,857	\$ (447)
City manager's office	556,574	558,981	(2,407)
Purchasing	133,628	134,732	(1,104)
Human resources	254,884	285,798	(30,914)
Finance	538,992	542,122	(3,130)
Fleet management	491,527	646,233	(154,706)
Public services administration	145,800	152,292	(6,492)
City hall	341,476	1,649,896	(1,308,420)
Telecommunication	295,230	300,684	(5,454)
Information technologies	<u>698,758</u>	<u>755,089</u>	<u>(56,331)</u>
	<u>\$ 3,525,279</u>	<u>\$ 5,094,684</u>	<u>\$ (1,569,405)</u>
Public safety:			
Police:			
Administration	\$ 521,610	\$ 524,525	\$ (2,915)
Services	1,152,465	1,185,837	(33,372)
Operations	3,088,497	3,100,434	(11,937)
Fire	<u>2,972,790</u>	<u>2,925,589</u>	<u>47,201</u>
	<u>\$ 7,735,362</u>	<u>\$ 7,736,385</u>	<u>\$ (1,023)</u>
Transportation:			
Traffic engineering	\$ 356,418	\$ 364,727	\$ (8,309)
Engineering	1,644,041	2,452,710	(808,669)
Streets	1,458,958	1,695,157	(236,199)
Street lighting	<u>301,524</u>	<u>302,559</u>	<u>(1,035)</u>
	<u>\$ 3,760,941</u>	<u>\$ 4,815,153</u>	<u>\$ (1,054,212)</u>
Environmental protection:			
Solid waste management	\$ 1,074,855	\$ 1,332,715	\$ (257,860)
Cemetery	<u>216,415</u>	<u>229,653</u>	<u>(13,238)</u>
	<u>\$ 1,291,270</u>	<u>\$ 1,562,368</u>	<u>\$ (271,098)</u>
Culture and recreation:			
Landscaping	\$ 549,054	\$ 599,288	\$ (50,234)
Recreation	<u>1,441,374</u>	<u>1,939,311</u>	<u>(497,937)</u>
	<u>\$ 1,990,428</u>	<u>\$ 2,538,599</u>	<u>\$ (548,171)</u>
Community and economic development:			
Community development	\$ 548,305	\$ 564,957	\$ (16,652)
The Plaza	128,410	140,776	(12,366)
Developmental services	<u>319,833</u>	<u>352,958</u>	<u>(33,125)</u>
	<u>\$ 996,548</u>	<u>\$ 1,058,691</u>	<u>\$ (62,143)</u>
Education	<u>\$ 42,342</u>	<u>\$ 42,342</u>	<u>\$ -</u>
Debt service:			
Principal	\$ 867,964	\$ 863,654	\$ 4,310
Interest	<u>113,889</u>	<u>203,464</u>	<u>(89,575)</u>
	<u>\$ 981,853</u>	<u>\$ 1,067,118</u>	<u>\$ (85,265)</u>
Total expenditures	\$ 20,324,023	\$ 23,915,340	\$ (3,591,317)
OTHER FINANCING USES:			
Operating transfers to other funds:			
Mass transit	<u>128,671</u>	<u>128,671</u>	<u>-</u>
Total expenditures and other financing uses	<u>\$ 20,452,694</u>	<u>\$ 24,044,011</u>	<u>\$ (3,591,317)</u>

Special Revenue 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 two special revenue funds.

Community Development Fund - 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.

Salisbury New Horizons Housing Corporation - to account for the operations of the City's blended component unit.

CITY OF SALISBURY, NORTH CAROLINA

SPECIAL REVENUE FUND - COMMUNITY DEVELOPMENT
COMPARATIVE BALANCE SHEETS

June 30, 1997 and 1996

<u>ASSETS</u>	<u>1997</u>	<u>1996</u>
Cash and investments	\$ 214,354	\$ 129,301
Accounts receivable	<u>548</u>	<u>1,759</u>
Total assets	<u>\$ 214,902</u>	<u>\$ 131,060</u>
 <u>LIABILITIES AND FUND EQUITY</u>		
LIABILITIES		
Accounts payable and accrued liabilities	<u>\$ 24,266</u>	<u>\$ 44,776</u>
Total liabilities	<u>\$ 24,266</u>	<u>\$ 44,776</u>
 FUND EQUITY		
Fund balances:		
Reserved by State statute	\$ 548	\$ 1,759
Unreserved:		
Designated for subsequent year's expenditures	<u>190,088</u>	<u>84,525</u>
Total fund equity	<u>\$ 190,636</u>	<u>\$ 86,284</u>
Total liabilities and fund equity	<u>\$ 214,902</u>	<u>\$ 131,060</u>

CITY OF SALISBURY, NORTH CAROLINA

SPECIAL REVENUE FUND - COMMUNITY DEVELOPMENT

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

For the Year Ended June 30, 1997
With Comparative Actual Amounts for the Year Ended June 30, 1996

	1997		1996	
	Actual	Budget	Actual Over (Under) Budget	Actual
REVENUES:				
Intergovernmental:				
Federal	\$ 366,672	\$ 890,000	\$ (523,328)	\$ 336,467
Miscellaneous:				
Interest earned on investments	1,780	-	1,780	902
Other	<u>176,122</u>	<u>100,000</u>	<u>76,122</u>	<u>126,215</u>
Total revenues	<u>\$ 544,574</u>	<u>\$ 990,000</u>	<u>\$ (445,426)</u>	<u>\$ 463,584</u>
EXPENDITURES:				
Current:				
General government	\$ 84,905	\$ 87,913	\$ (3,008)	\$ 89,895
Community and economic development	<u>355,317</u>	<u>902,087</u>	<u>(546,770)</u>	<u>367,560</u>
Total expenditures	<u>\$ 440,222</u>	<u>\$ 990,000</u>	<u>\$ (549,778)</u>	<u>\$ 457,455</u>
NET INCREASE IN FUND BALANCE	\$ 104,352	<u>\$ -</u>	<u>\$ 104,352</u>	\$ 6,129
FUND BALANCE, BEGINNING	<u>86,284</u>			<u>80,155</u>
FUND BALANCE, ENDING	<u>\$ 190,636</u>			<u>\$ 86,284</u>

Capital Projects Fund

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.

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CITY OF SALISBURY, NORTH CAROLINA

CAPITAL PROJECTS FUND

COMPARATIVE BALANCE SHEETS

June 30, 1997 and 1996

<u>ASSETS</u>	<u>1997</u>	<u>1996</u>
Cash and investments	\$ 351,279	\$ 570,211
Total assets	<u>\$ 351,279</u>	<u>\$ 570,211</u>
<u>LIABILITIES AND FUND EQUITY</u>		
FUND EQUITY		
Fund Balances:		
Unreserved:		
Designated for subsequent year's expenditures	\$ 351,279	\$ 570,211
Total fund equity	<u>\$ 351,279</u>	<u>\$ 570,211</u>
Total liabilities and fund equity	<u>\$ 351,279</u>	<u>\$ 570,211</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, 1997

	Project Authorization	Actual		
		Prior Years	Current Year	Total to Date
REVENUES:				
Miscellaneous				
Interest earned on investments	\$ 71,675	\$ 71,675	\$ 28,084	\$ 99,759
EXPENDITURES:				
Culture and recreation	\$ 556,278	\$ 195,658	\$ 139,873	\$ 335,531
Transportation	493,397	283,806	107,143	390,949
Total expenditures	\$ 1,049,675	\$ 479,464	\$ 247,016	\$ 726,480
Total revenues over (under) expenditures	\$ (978,000)	\$ (407,789)	\$ (218,932)	\$ (626,721)
OTHER FUNDING SOURCES				
Proceeds from sale of bonds	978,000	978,000	-	978,000
NET INCREASE (DECREASE) IN FUND BALANCE	\$ -	\$ 570,211	\$ (218,932)	\$ 351,279
FUND BALANCE, BEGINNING			570,211	
FUND BALANCE, ENDING			\$ 351,279	

Enterprise Funds

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.

CITY OF SALISBURY, NORTH CAROLINA

ENTERPRISE FUNDS

COMBINING BALANCE SHEET

June 30, 1997

With Comparative Totals at June 30, 1996

<u>ASSETS</u>	Water and Sewer	Mass Transit	Totals	
			1997	1996
CURRENT ASSETS				
Cash and investments	\$ 14,671,470	\$ 125,063	\$ 14,796,533	\$ 19,496,462
Accounts receivable (net of allowance for uncollectible)	1,935,329	5,886	1,941,215	1,502,715
Interest receivable	114,969	625	115,594	31,591
Due from other governments	407,890	44,317	452,207	98,997
Inventories	235,236	71,485	306,721	310,383
Total current assets	<u>\$ 17,364,894</u>	<u>\$ 247,376</u>	<u>\$ 17,612,270</u>	<u>\$ 21,440,148</u>
FIXED ASSETS				
Land	\$ 1,596,768	\$ -	\$ 1,596,768	\$ 1,019,871
Buildings and improvements	53,587,367	481,794	54,069,161	51,164,201
Equipment	5,002,635	885,049	5,887,684	5,343,193
Construction in progress	13,251,971	-	13,251,971	6,718,886
Less accumulated depreciation	(23,734,408)	(1,223,683)	(24,958,091)	(23,345,719)
Total fixed assets	<u>\$ 49,704,333</u>	<u>\$ 143,160</u>	<u>\$ 49,847,493</u>	<u>\$ 40,900,432</u>
Total assets	<u>\$ 67,069,227</u>	<u>\$ 390,536</u>	<u>\$ 67,459,763</u>	<u>\$ 62,340,580</u>
<u>LIABILITIES AND FUND EQUITY</u>				
CURRENT LIABILITIES				
Accounts payable and accrued liabilities	\$ 1,986,992	\$ 37,827	\$ 2,024,819	\$ 1,012,286
Interest payable	188,702	-	188,702	202,146
Current maturities of long-term debt	1,045,000	-	1,045,000	1,045,000
Customer deposits	131,631	-	131,631	112,578
Total current liabilities	<u>\$ 3,352,325</u>	<u>\$ 37,827</u>	<u>\$ 3,390,152</u>	<u>\$ 2,372,010</u>
LONG-TERM DEBT				
Bonds payable	<u>\$ 18,101,205</u>	<u>\$ -</u>	<u>\$ 18,101,205</u>	<u>\$ 18,330,000</u>
FUND EQUITY				
Contributed capital	\$ 22,054,841	\$ 1,463,158	\$ 23,517,999	\$ 21,133,631
Retained earnings (deficit)	23,560,856	(1,110,449)	22,450,407	20,504,939
Total fund equity	<u>\$ 45,615,697</u>	<u>\$ 352,709</u>	<u>\$ 45,968,406</u>	<u>\$ 41,638,570</u>
Total liabilities and fund equity	<u>\$ 67,069,227</u>	<u>\$ 390,536</u>	<u>\$ 67,459,763</u>	<u>\$ 62,340,580</u>

CITY OF SALISBURY, NORTH CAROLINA

ENTERPRISE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN RETAINED EARNINGSFor the Year Ended June 30, 1997
With Comparative Totals For The Year Ended June 30, 1996

	Water and Sewer	Mass Transit	Totals	
			1997	1996
OPERATING REVENUES:				
Charges for services	\$ 10,999,379	\$ 80,388	\$ 11,079,767	\$ 10,490,837
OPERATING EXPENSES:				
Management and administration	\$ 2,125,656	\$ 104,054	\$ 2,229,710	\$ 2,222,865
Water resources	3,249,918	-	3,249,918	2,795,761
Maintenance and distribution	1,812,234	-	1,812,234	1,669,919
Depreciation	1,816,927	87,208	1,904,135	1,723,049
Mass transit operations	-	322,470	322,470	292,072
Total operating expenses	\$ 9,004,735	\$ 513,732	\$ 9,518,467	\$ 8,703,666
OPERATING INCOME (LOSS)	\$ 1,994,644	\$ (433,344)	\$ 1,561,300	\$ 1,787,171
NONOPERATING REVENUES (EXPENSES):				
Interest earned on investments	\$ 856,387	\$ -	\$ 856,387	\$ 827,900
Intergovernmental	-	211,613	211,613	446,086
Miscellaneous revenues	177,891	11,900	189,791	243,925
Interest expense	(1,002,294)	-	(1,002,294)	(778,652)
Net nonoperating revenues (expenses)	\$ 31,984	\$ 223,513	\$ 255,497	\$ 739,259
INCOME (LOSS) BEFORE OPERATING TRANSFERS	\$ 2,026,628	\$ (209,831)	\$ 1,816,797	\$ 2,526,430
OPERATING TRANSFERS IN:				
General Fund	-	128,671	128,671	148,821
NET INCOME (LOSS)	\$ 2,026,628	\$ (81,160)	\$ 1,945,468	\$ 2,675,251
RETAINED EARNINGS (DEFICIT), BEGINNING	21,534,228	(1,029,289)	20,504,939	17,829,688
RETAINED EARNINGS (DEFICIT), ENDING	\$ 23,560,856	\$ (1,110,449)	\$ 22,450,407	\$ 20,504,939

E-3
CITY OF SALISBURY, NORTH CAROLINA
ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
For the Year Ended June 30, 1997
With Comparative Totals for the Year Ended June 30, 1996

	Water		Totals	
	and Sewer	Mass Transit	1997	1996
CASH FLOWS FROM OPERATING ACTIVITIES				
Operating income (loss)	\$ 1,994,644	\$ (433,344)	\$ 1,561,300	\$ 1,787,171
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation	1,816,927	87,208	1,904,135	1,723,049
(Gain) loss on sale of fixed assets	10,187	-	10,187	(16,060)
Other receipts	177,891	11,900	189,791	461,356
Change in assets and liabilities:				
(Increase) decrease in accounts and interest receivable	(518,097)	(4,406)	(522,503)	(52,343)
(Increase) decrease in inventory	3,756	(94)	3,662	(30,996)
(Increase) decrease due from other governments	(350,804)	(2,406)	(353,210)	(2,218)
Increase (decrease) in accounts and interest payable and accrued liabilities	992,775	6,314	999,089	501,610
Increase (decrease) in customer deposits	19,053	-	19,053	1,456
Net cash provided by (used for) operating activities	<u>\$ 4,146,332</u>	<u>\$ (334,828)</u>	<u>\$ 3,811,504</u>	<u>\$ 4,373,025</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Operating grants received	\$ -	\$ 211,613	\$ 211,613	\$ 228,655
Operating transfer from general fund	-	128,671	128,671	148,821
Net cash provided by noncapital financing activities	<u>\$ -</u>	<u>\$ 340,284</u>	<u>\$ 340,284</u>	<u>\$ 377,476</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Proceeds from issuing general obligation bonds	\$ 816,205	\$ -	\$ 816,205	\$ 13,650,000
Proceeds from sale of fixed assets	3,450	-	3,450	17,906
Capital grants received	-	100,998	100,998	5,078
Interest paid on general obligation bonds	(1,015,738)	-	(1,015,738)	(657,691)
Interest paid on capital leases	-	-	-	(9,611)
Acquisition of capital assets	(10,702,403)	(148,986)	(10,851,389)	(6,136,158)
Principal paid on general obligation bonds	(1,045,000)	-	(1,045,000)	(495,000)
Principal paid on capital leases	-	-	-	(328,364)
Capital contributed by developers	2,283,370	-	2,283,370	40,215
Net cash provided by (used for) capital and related financing activities	<u>\$ (9,660,116)</u>	<u>\$ (47,988)</u>	<u>\$ (9,708,104)</u>	<u>\$ 6,086,375</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest received on investment securities	<u>\$ 856,387</u>	<u>\$ -</u>	<u>\$ 856,387</u>	<u>\$ 827,900</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	\$ (4,657,397)	\$ (42,532)	\$ (4,699,929)	\$ 11,664,776
CASH AND CASH EQUIVALENTS, BEGINNING	<u>19,328,867</u>	<u>167,595</u>	<u>19,496,462</u>	<u>7,831,686</u>
CASH AND CASH EQUIVALENTS, ENDING	<u><u>\$ 14,671,470</u></u>	<u><u>\$ 125,063</u></u>	<u><u>\$ 14,796,533</u></u>	<u><u>\$ 19,496,462</u></u>

CITY OF SALISBURY, NORTH CAROLINA

WATER AND SEWER FUND

COMPARATIVE BALANCE SHEETS

June 30, 1997 and 1996

<u>ASSETS</u>	<u>1997</u>	<u>1996</u>
CURRENT ASSETS		
Cash and investments	\$ 14,671,470	\$ 19,328,867
Accounts receivable (net of allowance for uncollectible)	1,935,329	1,501,001
Interest receivable	114,969	31,200
Due from other governments	407,890	57,086
Inventories	235,236	238,992
Total current assets	<u>\$ 17,364,894</u>	<u>\$ 21,157,146</u>
FIXED ASSETS		
Land	\$ 1,596,768	\$ 1,019,871
Buildings and improvements	53,587,367	50,707,629
Equipment	5,002,635	4,483,299
Construction in progress	13,251,971	6,718,886
Less accumulated depreciation	<u>(23,734,408)</u>	<u>(22,110,635)</u>
Total fixed assets	<u>\$ 49,704,333</u>	<u>\$ 40,819,050</u>
Total assets	<u><u>\$ 67,069,227</u></u>	<u><u>\$ 61,976,196</u></u>
<u>LIABILITIES AND FUND EQUITY</u>		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 1,986,992	\$ 980,773
Interest payable	188,702	202,146
Current maturities of long-term debt	1,045,000	1,045,000
Customer deposits	131,631	112,578
Total current liabilities	<u>\$ 3,352,325</u>	<u>\$ 2,340,497</u>
LONG-TERM DEBT		
Bonds payable	<u>\$ 18,101,205</u>	<u>\$ 18,330,000</u>
FUND EQUITY		
Contributed capital	\$ 22,054,841	\$ 19,771,471
Retained earnings	23,560,856	21,534,228
Total fund equity	<u>\$ 45,615,697</u>	<u>\$ 41,305,699</u>
Total liabilities and fund equity	<u><u>\$ 67,069,227</u></u>	<u><u>\$ 61,976,196</u></u>

CITY OF SALISBURY, NORTH CAROLINA

WATER AND SEWER FUND

SCHEDULE OF REVENUES AND EXPENSES - BUDGET AND ACTUAL
(NON-GAAP, MODIFIED ACCRUAL BASIS)For the Year Ended June 30, 1997
With Comparative Actual Amounts for Year Ended June 30, 1996

	1997		1996	
	Actual	Budget	Actual Over (Under) Budget	Actual
OPERATING REVENUES:				
Charges for services	\$ 10,999,379	\$ 11,787,597	\$ (788,218)	\$ 10,412,898
OPERATING EXPENSES OTHER THAN DEPRECIATION:				
Management and administration	\$ 2,101,244	\$ 1,902,963	\$ 198,281	\$ 2,066,490
Water resources	3,263,832	3,272,782	(8,950)	2,801,451
Maintenance and distribution	1,794,564	2,183,340	(388,776)	1,702,129
Total operating expenses other than depreciation	\$ 7,159,640	\$ 7,359,085	\$ (199,445)	\$ 6,570,070
NONOPERATING REVENUES (EXPENSES):				
Interest on investments	\$ 856,387	\$ 576,000	\$ 280,387	\$ 827,900
Intergovernmental	-	-	-	217,431
Miscellaneous revenues	177,891	108,500	69,391	235,245
Interest expense	(1,015,738)	(1,697,132)	681,394	(667,302)
Net nonoperating revenues	\$ 18,540	\$ (1,012,632)	\$ 1,031,172	\$ 613,274
Income (loss) from operations	\$ 3,858,279	\$ 3,415,880	\$ 442,399	\$ 4,456,102
OTHER FINANCING SOURCES (USES):				
Capital outlay	\$ (10,702,403)	\$ (26,484,737)	\$ 15,782,334	\$ (6,132,810)
Contributed capital	2,283,370	4,329,084	(2,045,714)	40,215
Payment of debt principal	(1,045,000)	(1,045,000)	-	(823,364)
Proceeds from sale of bonds	816,205	11,348,045	(10,531,840)	13,650,000
Retained earnings appropriated	-	8,436,728	(8,436,728)	-
Total other financing sources (uses)	\$ (8,647,828)	\$ (3,415,880)	\$ (5,231,948)	\$ 6,734,041
EXCESS OF REVENUES OVER EXPENSES	\$ (4,789,549)	\$ -	\$ (4,789,549)	\$ 11,190,143
RECONCILIATION OF MODIFIED ACCRUAL BASIS WITH FULL ACCRUAL:				
Excess of revenues over expenses	\$ (4,789,549)			
Capital outlay	10,702,403			
Depreciation	(1,816,927)			
Payment of debt principal	1,045,000			
Proceeds from sale of bonds	(816,205)			
Interest expense	13,444			
Inventories	(3,756)			
Vacation pay	(24,412)			
Contributed capital	(2,283,370)			
NET INCOME	\$ 2,026,628			

CITY OF SALISBURY, NORTH CAROLINA

WATER AND SEWER FUND

COMPARATIVE STATEMENTS OF CASH FLOWS

For the Years Ended June 30, 1997 and 1996

	<u>1997</u>	<u>1996</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Operating income (loss)	\$ 1,994,644	\$ 2,270,008
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:		
Depreciation	1,816,927	1,589,954
(Gain) loss on sale of fixed assets	10,187	(16,060)
Other receipts	177,891	452,676
Change in assets and liabilities:		
(Increase) decrease in accounts and interest receivable	(518,097)	(57,829)
(Increase) decrease in inventory	3,756	(37,900)
(Increase) decrease in due from other governments	(350,804)	(5,123)
Increase (decrease) in accounts and interest payable and accrued liabilities	992,775	502,202
Increase (decrease) in customer deposits	19,053	1,456
Net cash provided by operating activities	<u>\$ 4,146,332</u>	<u>\$ 4,699,384</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Proceeds from issuing general obligation bonds	\$ 816,205	\$ 13,650,000
Proceeds from sale of fixed assets	3,450	17,906
Interest paid on general obligation bonds	(1,015,738)	(657,691)
Interest paid on capital leases	-	(9,611)
Acquisition of capital assets	(10,702,403)	(6,132,810)
Principal paid on general obligation bonds	(1,045,000)	(495,000)
Principal paid on capital leases	-	(328,364)
Capital contributed by developers	2,283,370	40,215
Net cash (used for) capital and related financing activities	<u>\$ (9,660,116)</u>	<u>\$ 6,084,645</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received on investment securities	<u>\$ 856,387</u>	<u>\$ 827,900</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	\$ (4,657,397)	\$ 11,611,929
CASH AND CASH EQUIVALENTS, BEGINNING	<u>19,328,867</u>	<u>7,716,938</u>
CASH AND CASH EQUIVALENTS, ENDING	<u>\$ 14,671,470</u>	<u>\$ 19,328,867</u>

CITY OF SALISBURY, NORTH CAROLINA
WATER AND SEWER CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES AND EXPENSES -
BUDGET AND ACTUAL (NON-GAAP)

For the Year Ended June 30, 1997

	Project	Actual		
		Authorization	Prior Years	Current Year
REVENUES				
Miscellaneous				
Interest on investments	\$ 200,000	\$ 307,005	\$ 363,987	\$ 670,992
EXPENSES-SEWER PROJECT				
Construction	\$ 19,954,304	\$ 3,797,450	\$ 4,597,307	\$ 8,394,757
Engineering	2,733,331	1,851,793	561,086	2,412,879
Total expenses-Sewer project	<u>\$ 22,687,635</u>	<u>\$ 5,649,243</u>	<u>\$ 5,158,393</u>	<u>\$ 10,807,636</u>
EXPENSES-WATER PROJECT				
Construction	\$ 5,736,915	\$ 824,442	\$ 3,377,368	\$ 4,201,810
Engineering	1,058,399	320,732	307,495	628,227
Total expenses-Water project	<u>\$ 6,795,314</u>	<u>\$ 1,145,174</u>	<u>\$ 3,684,863</u>	<u>\$ 4,830,037</u>
Total expenses	<u>\$ 29,482,949</u>	<u>\$ 6,794,417</u>	<u>\$ 8,843,256</u>	<u>\$ 15,637,673</u>
Total revenues (under) expenses	<u>\$ (29,282,949)</u>	<u>\$ (6,487,412)</u>	<u>\$ (8,479,269)</u>	<u>\$ (14,966,681)</u>
OTHER FINANCING SOURCES				
Proceeds from sale of bonds	\$ 24,998,045	\$ 13,650,000	\$ -	\$ 13,650,000
Developer contributions	3,365,300	-	1,850,849	
Operating transfers from water and sewer fund	303,000	-	303,000	303,000
Appropriated fund balance	616,604	-	-	-
Total other financing sources	<u>\$ 29,282,949</u>	<u>\$ 13,650,000</u>	<u>\$ 2,153,849</u>	<u>\$ 15,803,849</u>
Unexpended (overexpended) revenues and receipts	<u>\$ -</u>	<u>\$ 7,162,588</u>	<u>\$ (6,325,420)</u>	<u>\$ 837,168</u>

CITY OF SALISBURY, NORTH CAROLINA

MASS TRANSIT FUND

COMPARATIVE BALANCE SHEETS

June 30, 1997 and 1996

<u>ASSETS</u>	<u>1997</u>	<u>1996</u>
CURRENT ASSETS		
Cash and investments	\$ 125,063	\$ 167,595
Accounts receivable (net of allowance for uncollectable)	5,886	1,714
Interest receivable	625	391
Due from other governments	44,317	41,911
Inventories	71,485	71,391
Total current assets	<u>\$ 247,376</u>	<u>\$ 283,002</u>
FIXED ASSETS		
Buildings and improvements	\$ 481,794	\$ 456,572
Equipment	885,049	859,894
Less accumulated depreciation	<u>(1,223,683)</u>	<u>(1,235,084)</u>
Total fixed assets	<u>\$ 143,160</u>	<u>\$ 81,382</u>
Total assets	<u><u>\$ 390,536</u></u>	<u><u>\$ 364,384</u></u>
 <u>LIABILITIES AND FUND EQUITY</u>		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	<u>\$ 37,827</u>	<u>\$ 31,513</u>
Total current liabilities	<u>\$ 37,827</u>	<u>\$ 31,513</u>
FUND EQUITY		
Contributed capital	\$ 1,463,158	\$ 1,362,160
Retained earnings (deficit)	<u>(1,110,449)</u>	<u>(1,029,289)</u>
Total fund equity	<u>\$ 352,709</u>	<u>\$ 332,871</u>
Total liabilities and fund equity	<u><u>\$ 390,536</u></u>	<u><u>\$ 364,384</u></u>

CITY OF SALISBURY, NORTH CAROLINA

MASS TRANSIT FUND

SCHEDULE OF REVENUES AND EXPENSES - BUDGET AND ACTUAL
(NON-GAAP, MODIFIED ACCRUAL BASIS)For the Year Ended June 30, 1997
With Comparative Actual Amounts for Year Ended June 30, 1996

	1997		1996	
	Actual	Budget	Actual Over (Under) Budget	Actual
OPERATING REVENUES:				
Charges for services	\$ 80,388	\$ 90,000	\$ (9,612)	\$ 77,939
OPERATING EXPENSES OTHER THAN DEPRECIATION:				
Management and administration	\$ 100,219	\$ 109,192	\$ (8,973)	\$ 298,391
Mass transit operations	322,564	375,503	(52,939)	120,429
Total operating expenses other than depreciation	\$ 422,783	\$ 484,695	\$ (61,912)	\$ 418,820
NONOPERATING REVENUES (EXPENSES):				
Intergovernmental	\$ 211,613	\$ 262,024	\$ (50,411)	\$ 228,655
Miscellaneous revenues	11,900	4,000	7,900	8,680
Total nonoperating revenues	\$ 223,513	\$ 266,024	\$ (42,511)	\$ 237,335
Loss from operations	\$ (118,882)	\$ (128,671)	\$ 9,789	\$ (103,546)
OTHER FINANCING SOURCES (USES):				
Capital outlay	\$ (148,986)	\$ (149,608)	\$ 622	\$ (3,347)
Contributed capital	100,998	101,798	(800)	5,078
Appropriated fund balance	-	47,810	(47,810)	-
Operating transfers in:				
General fund	128,671	128,671	-	148,821
Total other financing sources (uses)	\$ 80,683	\$ 128,671	\$ (47,988)	\$ 150,552
EXCESS OF REVENUES OVER EXPENSES	\$ (38,199)	\$ -	\$ (38,199)	\$ 47,006
RECONCILIATION OF MODIFIED ACCRUAL BASIS WITH FULL ACCRUAL:				
Excess of revenues over expenses, above	\$ (38,199)			
Depreciation	(87,208)			
Capital outlay	148,986			
Contributed capital	(100,998)			
Inventories	94			
Vacation pay	(3,835)			
NET INCOME	\$ (81,160)			

CITY OF SALISBURY, NORTH CAROLINA

MASS TRANSIT FUND

COMPARATIVE STATEMENTS OF CASH FLOWS

For the Years Ended June 30, 1997 and 1996

	<u>1997</u>	<u>1996</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Operating (loss)	\$ (433,344)	\$ (482,837)
Adjustments to reconcile operating (loss) to net cash (used for) operating activities:		
Depreciation	87,208	133,095
(Gain) loss on sale of fixed assets	-	-
Other receipts	11,900	8,680
Change in assets and liabilities:		
(Increase) decrease in accounts and interest receivable	(4,406)	5,486
(Increase) decrease in inventory	(94)	6,904
(Increase) decrease in due from other governments	(2,406)	2,905
Increase (decrease) in accounts and interest payable and accrued liabilities	6,314	(592)
Net cash (used for) operating activities	<u>\$ (334,828)</u>	<u>\$ (326,359)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Operating grants received	\$ 211,613	\$ 228,655
Operating transfer from general fund	<u>128,671</u>	<u>148,821</u>
Net cash provided by noncapital financing activities	<u>\$ 340,284</u>	<u>\$ 377,476</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Capital grants received	\$ 100,998	\$ 5,078
Acquisition of capital assets	<u>(148,986)</u>	<u>(3,348)</u>
Net cash provided by (used for) capital and related financing activities	<u>\$ (47,988)</u>	<u>\$ 1,730</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	\$ (42,532)	\$ 52,847
CASH AND CASH EQUIVALENTS, BEGINNING	<u>167,595</u>	<u>114,748</u>
CASH AND CASH EQUIVALENTS, ENDING	<u><u>\$ 125,063</u></u>	<u><u>\$ 167,595</u></u>

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, 1997

With Comparative Totals at June 30, 1996

<u>ASSETS</u>	<u>Workers'</u> <u>Compensation</u>	<u>Employee</u> <u>Health Care</u>	<u>Totals</u>	
			<u>1997</u>	<u>1996</u>
CURRENT ASSETS				
Cash and investments	\$ 280,708	\$ 394,221	\$ 674,929	\$ 715,944
Interest receivable	<u>3,681</u>	<u>3,720</u>	<u>7,401</u>	<u>1,971</u>
Total assets	<u>\$ 284,389</u>	<u>\$ 397,941</u>	<u>\$ 682,330</u>	<u>\$ 717,915</u>
 <u>LIABILITIES AND FUND EQUITY</u>				
CURRENT LIABILITIES				
Accounts payable and accrued liabilities	\$ 10,759	\$ 239,543	\$ 250,302	\$ 265,150
FUND EQUITY				
Retained earnings	<u>273,630</u>	<u>158,398</u>	<u>432,028</u>	<u>452,765</u>
Total liabilities and fund equity	<u>\$ 284,389</u>	<u>\$ 397,941</u>	<u>\$ 682,330</u>	<u>\$ 717,915</u>

CITY OF SALISBURY, NORTH CAROLINA

INTERNAL SERVICE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN RETAINED EARNINGS

For the Year Ended June 30, 1997
With Comparative Totals For The Year Ended June 30, 1996

	Workers'	Employee	Totals			
			Compensation	Health Care	1997	1996
OPERATING REVENUES:						
Charges for services	\$ -	\$ 1,571,010	\$ 1,571,010	\$ 1,388,338		
OPERATING EXPENSES:						
Employee benefits	<u>76,116</u>	<u>1,541,129</u>	<u>1,617,245</u>	<u>1,549,680</u>		
OPERATING INCOME (LOSS)	\$ (76,116)	\$ 29,881	\$ (46,235)	\$ (161,342)		
NONOPERATING REVENUES						
Interest earned on investments	<u>15,127</u>	<u>10,371</u>	<u>25,498</u>	<u>36,237</u>		
NET INCOME (LOSS)	\$ (60,989)	\$ 40,252	\$ (20,737)	\$ (125,105)		
RETAINED EARNINGS, BEGINNING	<u>334,619</u>	<u>118,146</u>	<u>452,765</u>	<u>577,870</u>		
RETAINED EARNINGS, ENDING	<u>\$ 273,630</u>	<u>\$ 158,398</u>	<u>\$ 432,028</u>	<u>\$ 452,765</u>		

CITY OF SALISBURY, NORTH CAROLINA

INTERNAL SERVICE FUNDS

COMBINING STATEMENT OF CASH FLOWS

For the Year Ended June 30, 1997
 With Comparative Totals for the Year Ended June 30, 1996

	Workers'	Employee	Totals	
	Compensation	Health Care	1997	1996
CASH FLOWS FROM OPERATING ACTIVITIES				
Operating income (loss)	\$ (76,116)	\$ 29,881	\$ (46,235)	\$ (161,342)
Change in assets and liabilities:				
(Increase) decrease in interest receivable	(2,521)	(2,909)	(5,430)	3,651
Increase (decrease) in accounts payable	<u>(11,807)</u>	<u>(3,041)</u>	<u>(14,848)</u>	<u>27,368</u>
Net cash provided by (used for) operating activities	<u>\$ (90,444)</u>	<u>\$ 23,931</u>	<u>\$ (66,513)</u>	<u>\$ (130,323)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest received on investment securities	<u>\$ 15,127</u>	<u>\$ 10,371</u>	<u>\$ 25,498</u>	<u>\$ 36,237</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS				
	\$ (75,317)	\$ 34,302	\$ (41,015)	\$ (94,086)
CASH AND CASH EQUIVALENTS, BEGINNING				
	<u>356,025</u>	<u>359,919</u>	<u>715,944</u>	<u>810,030</u>
CASH AND CASH EQUIVALENTS, ENDING				
	<u><u>\$ 280,708</u></u>	<u><u>\$ 394,221</u></u>	<u><u>\$ 674,929</u></u>	<u><u>\$ 715,944</u></u>

CITY OF SALISBURY, NORTH CAROLINA
WORKERS' COMPENSATION INTERNAL SERVICE FUND
COMPARATIVE BALANCE SHEETS

June 30, 1997 and 1996

ASSETS	<u>1997</u>	<u>1996</u>
CURRENT ASSETS		
Cash and investments	\$ 280,708	\$ 356,025
Interest receivable	<u>3,681</u>	<u>1,160</u>
Total assets	<u>\$ 284,389</u>	<u>\$ 357,185</u>
 <u>LIABILITIES AND FUND EQUITY</u>		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 10,759	\$ 22,566
FUND EQUITY		
Retained earnings	<u>273,630</u>	<u>334,619</u>
Total liabilities and fund equity	<u>\$ 284,389</u>	<u>\$ 357,185</u>

CITY OF SALISBURY, NORTH CAROLINA
WORKERS' COMPENSATION INTERNAL SERVICE FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN RETAINED EARNINGS

For the Year Ended June 30, 1997
With Comparative Totals For The Year Ended June 30, 1996

	<u>1997</u>	<u>1996</u>
OPERATING REVENUES:		
Charges for services	\$ -	\$ -
OPERATING EXPENSES:		
Employee benefits	<u>76,116</u>	<u>170,195</u>
OPERATING INCOME (LOSS)	\$ (76,116)	\$ (170,195)
NONOPERATING REVENUES		
Interest earned on investments	<u>15,127</u>	<u>22,544</u>
NET INCOME (LOSS)	\$ (60,989)	\$ (147,651)
RETAINED EARNINGS, BEGINNING	<u>334,619</u>	<u>482,270</u>
RETAINED EARNINGS, ENDING	<u><u>\$ 273,630</u></u>	<u><u>\$ 334,619</u></u>

CITY OF SALISBURY, NORTH CAROLINA
WORKERS' COMPENSATION INTERNAL SERVICE FUND
COMPARATIVE STATEMENT OF CASH FLOWS

For the Year Ended June 30, 1997
With Comparative Totals for the Year Ended June 30, 1996

	<u>1997</u>	<u>1996</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Operating income (loss)	\$ (76,116)	\$ (170,195)
Change in assets and liabilities:		
(Increase) decrease in interest receivable	(2,521)	2,162
Increase (decrease) in accounts payable	<u>(11,807)</u>	<u>21,884</u>
Net cash provided by (used for) operating activities	\$ (90,444)	\$ (146,149)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received on investment securities	<u>15,127</u>	<u>22,544</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	\$ (75,317)	\$ (123,605)
CASH AND CASH EQUIVALENTS, BEGINNING	<u>356,025</u>	<u>479,630</u>
CASH AND CASH EQUIVALENTS, ENDING	<u>\$ 280,708</u>	<u>\$ 356,025</u>

CITY OF SALISBURY, NORTH CAROLINA
EMPLOYEE HEALTH CARE INTERNAL SERVICE FUND
COMPARATIVE BALANCE SHEETS

June 30, 1997 and 1996

ASSETS	<u>1997</u>	<u>1996</u>
CURRENT ASSETS		
Cash and investments	\$ 394,221	\$ 359,919
Interest receivable	<u>3,720</u>	<u>811</u>
Total assets	<u>\$ 397,941</u>	<u>\$ 360,730</u>
 <u>LIABILITIES AND FUND EQUITY</u>		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 239,543	\$ 242,584
FUND EQUITY		
Retained earnings	<u>158,398</u>	<u>118,146</u>
Total liabilities and fund equity	<u>\$ 397,941</u>	<u>\$ 360,730</u>

CITY OF SALISBURY, NORTH CAROLINA
EMPLOYEE HEALTH CARE INTERNAL SERVICE FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN RETAINED EARNINGS

For the Year Ended June 30, 1997
With Comparative Totals For The Year Ended June 30, 1996

	<u>1997</u>	<u>1996</u>
OPERATING REVENUES:		
Charges for services	\$ 1,571,010	\$ 1,388,338
OPERATING EXPENSES:		
Employee benefits	<u>1,541,129</u>	<u>1,379,485</u>
OPERATING INCOME	\$ 29,881	\$ 8,853
NONOPERATING REVENUES		
Interest earned on investments	<u>10,371</u>	<u>13,693</u>
NET INCOME	\$ 40,252	\$ 22,546
RETAINED EARNINGS, BEGINNING	<u>118,146</u>	<u>95,600</u>
RETAINED EARNINGS, ENDING	<u>\$ 158,398</u>	<u>\$ 118,146</u>

CITY OF SALISBURY, NORTH CAROLINA
EMPLOYEE HEALTH CARE INTERNAL SERVICE FUND
COMPARATIVE STATEMENT OF CASH FLOWS

For the Year Ended June 30, 1997
With Comparative Totals for the Year Ended June 30, 1996

	<u>1997</u>	<u>1996</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Operating income (loss)	\$ 29,881	\$ 8,853
Change in assets and liabilities:		
(Increase) decrease in interest receivable	(2,909)	1,489
Increase (decrease) in accounts payable	<u>(3,041)</u>	<u>5,484</u>
Net cash provided by (used for) operating activities	\$ 23,931	\$ 15,826
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received on investment securities	<u>10,371</u>	<u>13,693</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	\$ 34,302	\$ 29,519
CASH AND CASH EQUIVALENTS, BEGINNING	<u>359,919</u>	<u>330,400</u>
CASH AND CASH EQUIVALENTS, ENDING	<u>\$ 394,221</u>	<u>\$ 359,919</u>



Trust and Agency Funds

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

PENSION TRUST FUND

Law Enforcement Officers' Special Separation Allowance Fund - to account for the accumulation of resources for pension benefit payments to qualified law enforcement officers.

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 which the City receives from the County and remits to the Downtown Salisbury, Inc.



CITY OF SALISBURY, NORTH CAROLINA

TRUST AND AGENCY FUNDS

COMBINING BALANCE SHEET

June 30, 1997

With Comparative Totals at June 30, 1996

<u>ASSETS</u>	<u>Pension Trust</u>	<u>Agency</u>	
	<u>Law Officers' Separation Allowance</u>	<u>Boards and Commissions</u>	<u>Municipal Service District</u>
Cash and investments	\$ 162,401	\$ 44,695	\$ 1,742
Taxes receivable (net allowance for uncollectible)	-	-	2,056
Accounts receivable	-	-	-
Interest receivable	<u>2,054</u>	<u>-</u>	<u>235</u>
Total assets	<u>\$ 164,455</u>	<u>\$ 44,695</u>	<u>\$ 4,033</u>
<u>LIABILITIES AND FUND EQUITY</u>			
LIABILITIES			
Accounts payable and accrued liabilities	\$ -	\$ 44,695	\$ 4,033
Deferred compensation benefits payable	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>\$ -</u>	<u>\$ 44,695</u>	<u>\$ 4,033</u>
FUND EQUITY			
Fund Balances:			
Reserved by State statute	\$ 2,054	\$ -	\$ -
Reserved for employees' pension benefits	<u>162,401</u>	<u>-</u>	<u>-</u>
Total fund equity	<u>\$ 164,455</u>	<u>\$ -</u>	<u>\$ -</u>
Total expenditures and other financing uses	<u>\$ 164,455</u>	<u>\$ 44,695</u>	<u>\$ 4,033</u>

<u>Totals</u>	
<u>1997</u>	<u>1996</u>
\$ 208,838	\$ 2,015,473
2,056	1,601
-	7
<u>2,289</u>	<u>424</u>
<u>\$ 213,183</u>	<u>\$ 2,017,505</u>
\$ 48,728	\$ 49,864
<u>-</u>	<u>1,842,951</u>
<u>\$ 48,728</u>	<u>\$ 1,892,815</u>
\$ 2,054	\$ 372
<u>162,401</u>	<u>124,318</u>
<u>\$ 164,455</u>	<u>\$ 124,690</u>
<u>\$ 213,183</u>	<u>\$ 2,017,505</u>

CITY OF SALISBURY, NORTH CAROLINA

PENSION TRUST FUND
LAW OFFICERS' SEPARATION ALLOWANCE FUND

COMPARATIVE BALANCE SHEETS

June 30, 1997 and 1996

<u>ASSETS</u>	<u>1997</u>	<u>1996</u>
Cash and investments	\$ 162,401	\$ 124,318
Interest receivable	<u>2,054</u>	<u>372</u>
Total assets	<u>\$ 164,455</u>	<u>\$ 124,690</u>
 <u>FUND EQUITY</u>		
FUND EQUITY		
Fund balances:		
Reserved by State statute	\$ 2,054	\$ 372
Reserved for employees' pension benefits	<u>162,401</u>	<u>124,318</u>
Total fund equity	<u>\$ 164,455</u>	<u>\$ 124,690</u>

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CITY OF SALISBURY, NORTH CAROLINA

AGENCY FUNDS

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

For the Year Ended June 30, 1997

	<u>Balance</u> <u>July 1, 1996</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 1997</u>
<u>BOARDS AND COMMISSIONS FUND:</u>				
ASSETS				
Cash and investments	\$ 43,352	\$ 1,343	\$ -	\$ 44,695
Accounts receivable	<u>7</u>	<u>-</u>	<u>7</u>	<u>-</u>
Total assets	<u>\$ 43,359</u>	<u>\$ 1,343</u>	<u>\$ 7</u>	<u>\$ 44,695</u>
LIABILITIES				
Accounts payable	<u>\$ 43,359</u>	<u>\$ 1,336</u>	<u>\$ -</u>	<u>\$ 44,695</u>
<u>MUNICIPAL SERVICE DISTRICT FUND:</u>				
ASSETS				
Cash and investments	\$ 4,852	\$ -	\$ 3,110	\$ 1,742
Taxes receivable (net of allowance for uncollectible)	1,601	455	-	2,056
Interest receivable	<u>52</u>	<u>183</u>	<u>-</u>	<u>235</u>
Total assets	<u>\$ 6,505</u>	<u>\$ 638</u>	<u>\$ 3,110</u>	<u>\$ 4,033</u>
LIABILITIES				
Accounts payable	<u>\$ 6,505</u>	<u>\$ -</u>	<u>\$ 2,472</u>	<u>\$ 4,033</u>
<u>DEFERRED COMPENSATION FUND:</u>				
ASSETS				
Cash and investments	<u>\$ 1,842,951</u>	<u>\$ -</u>	<u>\$ 1,842,951</u>	<u>\$ -</u>
LIABILITIES				
Deferred compensation benefits payable	<u>\$ 1,842,951</u>	<u>\$ -</u>	<u>\$ 1,842,951</u>	<u>\$ -</u>
<u>TOTAL AGENCY FUNDS:</u>				
ASSETS				
Cash and investments	\$ 1,891,155	\$ 1,343	\$ 1,846,061	\$ 46,437
Taxes receivable (net of allowance for uncollectible)	1,601	455	-	2,056
Accounts receivable	7	-	7	-
Interest receivable	<u>52</u>	<u>183</u>	<u>-</u>	<u>235</u>
Total assets	<u>\$ 1,892,815</u>	<u>\$ 1,981</u>	<u>\$ 1,846,068</u>	<u>\$ 48,728</u>
LIABILITIES				
Accounts payable	\$ 49,864	\$ 1,336	\$ 2,472	\$ 48,728
Deferred compensation benefits payable	<u>1,842,951</u>	<u>-</u>	<u>1,842,951</u>	<u>-</u>
Total liabilities	<u>\$ 1,892,815</u>	<u>\$ 1,336</u>	<u>\$ 1,845,423</u>	<u>\$ 48,728</u>



General Fixed Asset Account Group

To account for fixed assets not used in proprietary fund operations or accounted for in Trust Funds

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CITY OF SALISBURY, NORTH CAROLINA

SCHEDULE OF GENERAL FIXED ASSETS
BY FUNCTION AND ACTIVITY

June 30, 1997

	<u>Land</u>	<u>Buildings and Improvements</u>	<u>Equipment</u>	<u>Total</u>
GENERAL GOVERNMENT:				
City Administration	\$ -	\$ -	\$ 31,933	\$ 31,933
Human Resources	-	-	62,255	62,255
Information Technologies	-	-	304,469	304,469
Finance	-	-	92,021	92,021
Purchasing	-	16,825	33,143	49,968
City Hall	106,671	1,218,422	70,270	1,395,363
Telecommunications	24,820	62,053	1,400,873	1,487,746
Public Services Administration	-	10,259	4,718	14,977
Fleet Management	889	44,912	203,687	249,488
	<u>\$ 132,380</u>	<u>\$ 1,352,471</u>	<u>\$ 2,203,369</u>	<u>\$ 3,688,220</u>
PUBLIC SAFETY:				
Police	\$ -	\$ 271,242	\$ 2,676,865	\$ 2,948,107
Fire	-	373,129	2,217,810	2,590,939
	<u>\$ -</u>	<u>\$ 644,371</u>	<u>\$ 4,894,675</u>	<u>\$ 5,539,046</u>
TRANSPORTATION:				
Traffic Engineering	\$ -	\$ 45,895	\$ 502,881	\$ 548,776
Engineering	-	66,774	664,539	731,313
Streets	-	179,489	1,655,474	1,834,963
	<u>\$ -</u>	<u>\$ 292,158</u>	<u>\$ 2,822,894</u>	<u>\$ 3,115,052</u>
ENVIRONMENTAL PROTECTION:				
Cemetery	\$ -	\$ 7,262	\$ 131,767	\$ 139,029
Solid Waste Management	-	-	1,009,844	1,009,844
	<u>\$ -</u>	<u>\$ 7,262</u>	<u>\$ 1,141,611</u>	<u>\$ 1,148,873</u>
CULTURE AND RECREATION:				
Landscaping	\$ 164,546	\$ 31,561	\$ 485,496	\$ 681,603
Recreation	77,311	378,450	371,748	827,509
	<u>\$ 241,857</u>	<u>\$ 410,011</u>	<u>\$ 857,244</u>	<u>\$ 1,509,112</u>
LAND MANAGEMENT AND DEVELOPMENT:				
Development Services	\$ -	\$ -	\$ 7,273	\$ 7,273
Community Development	429,463	283,162	94,075	806,700
The Plaza	-	3,234,838	69,699	3,304,537
	<u>\$ 429,463</u>	<u>\$ 3,518,000</u>	<u>\$ 171,047</u>	<u>\$ 4,118,510</u>
TOTAL GENERAL FIXED ASSETS	<u>\$ 803,700</u>	<u>\$ 6,224,273</u>	<u>\$ 12,090,840</u>	<u>\$ 19,118,813</u>



Other Schedules

CITY OF SALISBURY, NORTH CAROLINA

GENERAL FUND
PROPERTY TAXES RECEIVABLE

For the Year Ended June 30, 1997

Tax Year	Fiscal Year Ended June 30	Assessed Valuation	Percent Assessment Ratio	Levy	Collections and Credits Prior to June 30, 1996	Taxes Receivable June 30, 1996	Collections and Credits Year Ended June 30, 1997
1996	1997	\$ 1,314,039,114	100%	\$ 7,797,861	\$ -	\$ -	\$ 7,519,419
1995	1996	1,280,584,979	100%	7,529,260	7,265,209	264,051	162,648
1994	1995	1,146,945,499	100%	7,298,360	7,197,775	100,585	36,694
1993	1994	1,151,692,595	100%	6,785,288	6,748,557	36,731	10,363
1992	1993	1,106,253,503	100%	6,436,232	6,407,938	28,294	5,373
1991	1992	1,084,365,929	100%	6,054,055	6,024,431	29,624	2,614
1990	1991	1,038,891,140	100%	5,528,123	5,503,074	25,049	1,639
1989	1990	804,993,392	100%	4,803,630	4,782,186	21,444	1,306
1988	1989	779,948,519	100%	4,961,612	4,945,081	16,531	409
1987	1988	878,767,664	100%	5,765,591	5,743,424	22,167	433
1986	1987	893,361,141	100%	<u>5,855,241</u>	<u>5,825,879</u>	<u>29,362</u>	<u>276</u>
				<u>\$ 68,815,253</u>	<u>\$ 60,443,554</u>	<u>\$ 573,838</u>	<u>\$ 7,741,174</u>

Note: Ten year statute of limitations write-off.

CITY OF SALISBURY, NORTH CAROLINA

ANALYSIS OF CURRENT TAX LEVY

For the Year Ended June 30, 1997

	<u>Tax Rate per \$100</u>		
	<u>73.5¢</u>	<u>57.5¢</u>	<u>Total</u>
PERSONAL VALUATION			
Personal property	\$ 8,720,075	\$ 314,999,013	\$ 323,719,088
Real property	31,209,229	902,652,367	933,861,596
Public service property	<u>1,100,372</u>	<u>55,358,058</u>	<u>56,458,430</u>
TOTAL PROPERTY VALUATION	<u>\$ 41,029,676</u>	<u>\$ 1,273,009,438</u>	<u>\$ 1,314,039,114</u>
TAX LEVY	<u>\$ 301,568</u>	<u>\$ 7,319,804</u>	\$ 7,621,372
DISCOVERY			
Prior years taxes			169,801
Penalties			<u>6,688</u>
TOTAL TAX LEVY			\$ 7,797,861
Less uncollected tax at June 30, 1997			<u>278,442</u>
CURRENT YEAR'S TAXES COLLECTED			<u>\$ 7,519,419</u>
PERCENT OF CURRENT YEAR COLLECTED			96.43%
DISTRIBUTION OF LEVY			
General Fund			\$ 7,731,552
Municipal Service District Fund			<u>66,309</u>
Total			<u>\$ 7,797,861</u>

CITY OF SALISBURY, NORTH CAROLINA

SCHEDULE OF CASH AND INVESTMENT BALANCES

June 30, 1997

CASH AND INVESTMENTS IN THE FORM OF:

Cash:

Cash on hand	\$ 68,939	
In demand deposits	1,725,584	
Certificate of deposit	<u>1,100,000</u>	
		\$ 2,894,523

Investments:

North Carolina Capital Management Trust	\$ 7,940,209	
U.S. Treasury	2,316,494	
Federal Farm Credit Bank	2,499,375	
Federal Home Loan Bank	1,250,000	
Bankers acceptance	486,202	
Commercial paper	<u>3,494,298</u>	
		<u>17,986,578</u>

TOTAL CASH AND INVESTMENTS

\$ 20,881,101

DISTRIBUTION BY FUNDS:

General	\$ 4,635,168
Special revenue	214,354
Capital projects	351,279
Enterprise	14,796,533
Internal service	674,929
Trust and agency	<u>208,838</u>

TOTAL DISTRIBUTION BY FUNDS

\$ 20,881,101

CITY OF SALISBURY, NORTH CAROLINA

SCHEDULE OF INTERFUND TRANSFERS

For the Year Ended June 30, 1997

<u>Fund</u>	<u>Transfers</u>	
	<u>From</u>	<u>To</u>
General:		
Enterprise	\$ -	\$ 128,671
Enterprise:		
General	<u>128,671</u>	<u>-</u>
	<u>\$ 128,671</u>	<u>\$ 128,671</u>