

**City of Roxboro, North Carolina
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Figure 2

	Governmental Activities		Business-Type Activities		Total	
	2006	2005	2006	2005	2006	2005
Current and other assets	\$ 4,186,217	\$ 4,565,511	\$ 2,531,555	\$ 2,594,501	\$ 6,717,772	\$ 7,160,012
Capital assets	<u>5,562,228</u>	<u>4,910,627</u>	<u>20,442,768</u>	<u>21,010,334</u>	<u>26,004,996</u>	<u>25,920,961</u>
Total assets	<u>9,748,445</u>	<u>9,476,138</u>	<u>22,974,323</u>	<u>23,604,835</u>	<u>32,722,768</u>	<u>33,080,973</u>
Long-term liabilities outstanding	2,452,552	2,896,661	3,427,884	3,883,116	5,880,436	6,779,777
Other liabilities	<u>387,141</u>	<u>270,226</u>	<u>131,348</u>	<u>385,272</u>	<u>518,489</u>	<u>655,498</u>
Total liabilities	<u>2,839,693</u>	<u>3,166,887</u>	<u>3,559,232</u>	<u>4,268,388</u>	<u>6,398,925</u>	<u>7,435,275</u>
Net assets:						
Invested in capital assets, net of related debt	3,381,448	2,304,796	17,120,489	17,224,108	20,501,937	19,528,904
Restricted	279,219	226,236	-	-	279,219	226,236
Unrestricted	<u>3,248,085</u>	<u>3,778,219</u>	<u>2,294,602</u>	<u>2,112,339</u>	<u>5,542,687</u>	<u>5,890,558</u>
Total net assets	<u>\$ 6,908,752</u>	<u>\$ 6,309,251</u>	<u>\$ 19,415,091</u>	<u>\$ 19,336,447</u>	<u>\$ 26,323,843</u>	<u>\$ 25,645,698</u>

Figure 4

	Governmental Activities		Business-Type Activities		Total	
	2006	2005	2006	2005	2006	2005
Land and improvements	\$ 788,907	\$ 640,319	\$ 860,226	\$ 860,226	\$ 1,649,133	\$ 1,500,545
Buildings and plant	2,675,156	2,031,841	4,402,693	4,671,288	7,077,849	6,703,129
Distribution systems and pump stations	-	-	14,026,807	14,160,881	14,026,807	14,160,881
Equipment and vehicles	1,575,562	1,882,000	866,624	963,514	2,442,186	2,845,514
Construction in progress	<u>522,603</u>	<u>356,467</u>	<u>286,418</u>	<u>354,425</u>	<u>809,021</u>	<u>710,892</u>
Total	<u>\$ 5,562,228</u>	<u>\$ 4,910,627</u>	<u>\$ 20,442,768</u>	<u>\$ 21,010,334</u>	<u>\$ 26,004,996</u>	<u>\$ 25,920,961</u>

Figure 5

	Governmental Activities		Business-Type Activities		Total	
	2006	2005	2006	2005	2006	2005
Installment purchase agreements	\$ 1,650,919	\$ 1,881,807	\$ 3,138,581	\$ 3,514,082	\$ 4,789,500	\$ 5,395,889
Capital leases	<u>529,861</u>	<u>724,024</u>	<u>183,698</u>	<u>272,144</u>	<u>713,559</u>	<u>996,168</u>
Total outstanding debt	<u>\$ 2,180,780</u>	<u>\$ 2,605,831</u>	<u>\$ 3,322,279</u>	<u>\$ 3,786,226</u>	<u>\$ 5,503,059</u>	<u>\$ 6,392,057</u>

	Governmental Activities		Business-Type Activities		Total	
	2006	2005	2006	2005	2006	2005
Revenues:						
Program revenues:						
Charges for services	\$ 585,622	\$ 538,133	\$ 3,832,491	\$ 3,522,033	\$ 4,418,113	\$ 4,060,166
Operating grants and contributions	1,091,869	763,101	158,220	186,363	1,250,089	949,464
Capital grants and contributions	196,644	-	117,910	685,586	314,554	685,586
General revenues:						
Property taxes	3,945,343	3,822,201	-	-	3,945,343	3,822,201
Local option sales tax	1,294,723	1,264,391	-	-	1,294,723	1,264,391
Other taxes	181,362	168,151	-	-	181,362	168,151
Grants and contributions not restricted to specific programs						
	797,731	701,962	-	-	797,731	701,962
Other revenues	143,149	88,542	57,831	42,726	200,980	131,268
Total revenues	<u>8,236,443</u>	<u>7,346,481</u>	<u>4,166,452</u>	<u>4,436,708</u>	<u>12,402,895</u>	<u>11,783,189</u>
Expenses:						
General government	1,181,337	1,109,937	-	-	1,181,337	1,109,937
Public safety	3,769,296	3,694,366	-	-	3,769,296	3,694,366
Transportation	1,174,336	1,488,614	-	-	1,174,336	1,488,614
Environmental protection	875,463	850,112	-	-	875,463	850,112
Economic and physical development	720,699	279,741	-	-	720,699	279,741
Cultural and recreation	575	462	-	-	575	462
Interest on long-term debt	91,501	85,902	-	-	91,501	85,902
Water and sewer	-	-	3,911,543	3,757,550	3,911,543	3,757,550
Total expenses	<u>7,813,207</u>	<u>7,509,134</u>	<u>3,911,543</u>	<u>3,757,550</u>	<u>11,724,750</u>	<u>11,266,684</u>
Increase in net assets before transfers	<u>423,236</u>	<u>(162,653)</u>	<u>254,909</u>	<u>679,158</u>	<u>678,145</u>	<u>516,505</u>
Transfers	<u>176,265</u>	<u>227,550</u>	<u>(176,265)</u>	<u>(227,550)</u>	<u>-</u>	<u>-</u>
Increase in net assets	599,501	64,897	78,644	451,608	678,145	516,505
Net assets, July 1, as restated	<u>6,309,251</u>	<u>6,244,354</u>	<u>19,336,447</u>	<u>18,884,839</u>	<u>25,645,698</u>	<u>25,129,193</u>
Net assets, June 30	<u>\$ 6,908,752</u>	<u>\$ 6,309,251</u>	<u>\$ 19,415,091</u>	<u>\$ 19,336,447</u>	<u>\$ 26,323,843</u>	<u>\$ 25,645,698</u>

	2006 Percent of Total	June 30, 2006	June 30, 2005	Increase (Decrease)	Percent Increase (Decrease)
Revenues:					
Ad valorem taxes	48.14%	\$ 3,955,451	\$ 3,793,796	\$ 161,655	4.26%
Local option sales tax	15.76%	1,294,723	1,264,391	30,332	2.40%
Other taxes and licenses	2.21%	181,362	168,157	13,205	7.85%
Unrestricted intergovernmental	9.71%	797,731	701,962	95,769	13.64%
Restricted intergovernmental	15.68%	1,288,513	763,101	525,412	68.85%
Permits and fees	0.08%	6,807	11,044	(4,237)	-38.36%
Sales and services	6.88%	564,956	541,211	23,745	4.39%
Investment earnings	1.14%	94,137	62,697	31,440	50.15%
Miscellaneous	0.40%	32,720	13,911	18,809	135.21%
Total Revenues	100.00%	\$ 8,216,400	\$ 7,320,270	\$ 896,130	12.24%

	2006 Percent of Total	June 30, 2006	June 30, 2005	Increase (Decrease)	Percent Increase (Decrease)
Expenditures:					
Current:					
General government	13.02%	\$ 1,164,074	\$ 1,102,185	\$ 61,889	5.62%
Public safety	39.86%	3,562,824	3,401,629	161,195	4.74%
Transportation	11.81%	1,056,087	1,578,753	(522,666)	-33.11%
Environmental protection	10.06%	899,124	1,013,258	(114,134)	-11.26%
Economic and physical development	9.45%	845,206	273,481	571,725	209.05%
Capital outlay	9.97%	890,947	165,329	725,618	438.89%
Debt service:					
Principal retirement	4.76%	425,051	398,624	26,427	6.63%
Interest and fees	1.07%	95,711	92,091	3,620	3.93%
Total Expenditures	100.00%	\$ 8,939,024	\$ 8,025,350	\$ 913,674	11.38%

City of Roxboro, North Carolina
Statement of Net Assets
June 30, 2006

Assets	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Current Assets			
Cash and cash equivalents	\$ 2,719,511	\$ 900,100	\$ 3,619,611
Receivables (net):			
Taxes receivable	347,310	-	347,310
Accounts receivable	86,129	526,410	612,539
Due from other governmental units	788,030	68,871	856,901
Assessments receivable	10,714	-	10,714
Notes receivable	43,485	-	43,485
Licenses receivable	11,843	-	11,843
Internal balances	4,300	-	4,300
Inventory	28,138	-	28,138
Prepaid items	14,588	27,177	41,765
	4,054,048	1,522,558	5,576,606
Noncurrent Assets			
Restricted cash and investments	-	1,008,997	1,008,997
Net pension obligation	132,169	-	132,169
Capital assets			
Land and improvements	788,907	860,226	1,649,133
Construction in progress	522,603	286,418	809,021
	1,311,510	1,146,644	2,458,154
Buildings and plant	3,290,034	8,265,567	11,555,601
Leasehold improvements	4,454	-	4,454
Distribution system and pump stations	-	18,461,151	18,461,151
Equipment and vehicles	4,807,060	2,548,338	7,355,398
	8,101,548	29,275,056	37,376,604
Total depreciable assets	8,101,548	29,275,056	37,376,604
Less accumulated depreciation	3,850,830	9,978,932	13,829,762
	4,250,718	19,296,124	23,546,842
Total depreciable assets (net)	4,250,718	19,296,124	23,546,842
Capital assets (net)	5,562,228	20,442,768	26,004,996
Total noncurrent assets	5,694,397	21,451,765	27,146,162
Total assets	\$ 9,748,445	\$ 22,974,323	\$ 32,722,768

The notes to the financial statements are an integral part of this statement.

City of Roxboro, North Carolina
Statement of Net Assets
June 30, 2006

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Liabilities			
Current Liabilities			
Accounts payable	\$ 295,193	\$ 24,628	\$ 319,821
Accrued salaries	23,657	9,901	33,558
Accrued interest	33,419	45,864	79,283
Unearned revenue	34,872	-	34,872
Customer deposits	-	50,955	50,955
Current maturities of long-term debt			
Capital leases payable	164,638	90,650	255,288
Installment purchase agreements payable	239,065	387,333	626,398
	<u>790,844</u>	<u>609,331</u>	<u>1,400,175</u>
Total current liabilities			
	<u>790,844</u>	<u>609,331</u>	<u>1,400,175</u>
Noncurrent Liabilities			
Compensated absences payable	271,772	105,605	377,377
Capital leases payable	365,223	93,048	458,271
Installment purchase agreements payable	1,411,854	2,751,248	4,163,102
	<u>2,048,849</u>	<u>2,949,901</u>	<u>4,998,750</u>
Total noncurrent liabilities			
	<u>2,048,849</u>	<u>2,949,901</u>	<u>4,998,750</u>
Total liabilities	<u>2,839,693</u>	<u>3,559,232</u>	<u>6,398,925</u>
Net Assets			
Investment in capital assets, net of related debt	3,381,448	17,120,489	20,501,937
Restricted for:			
Transportation	170,503	-	170,503
Environmental protection	30,269	-	30,269
Economic and community development	78,447	-	78,447
Unrestricted	3,248,085	2,294,602	5,542,687
	<u>3,248,085</u>	<u>2,294,602</u>	<u>5,542,687</u>
Total net assets	<u>\$ 6,908,752</u>	<u>\$ 19,415,091</u>	<u>\$ 26,323,843</u>

The notes to the financial statements are an integral part of this statement.

City of Roxboro, North Carolina
Statement of Net Assets
June 30, 2006

Primary Government		
Governmental	Business-Type	
Activities	Activities	Total

City of Roxboro, North Carolina
Statement of Net Assets
June 30, 2006

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Total liabilities and net assets	<u>\$ 9,748,445</u>	<u>\$ 22,974,323</u>	<u>\$ 32,722,768</u>
	-	-	-

City of Roxboro, North Carolina
Statement of Activities
For the Fiscal Year Ended June 30, 2006

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental Activities:				
General government	\$ 1,181,337	\$ 17,520	\$ 2,500	\$ -
Public safety	3,769,296	400	396,610	115,599
Transportation	1,174,336	250	266,231	-
Environmental protection	875,463	532,903	4,828	-
Economic and physical development	720,699	34,549	421,700	81,045
Cultural and recreation	575	-	-	-
Interest on long-term debt	91,501	-	-	-
Total governmental activities (See Note 1)	<u>7,813,207</u>	<u>585,622</u>	<u>1,091,869</u>	<u>196,644</u>
Business-type activities:				
Water and sewer	<u>3,911,543</u>	<u>3,832,491</u>	<u>158,220</u>	<u>117,910</u>
Total business-type activities	<u>3,911,543</u>	<u>3,832,491</u>	<u>158,220</u>	<u>117,910</u>
Total primary government	<u>\$ 11,724,750</u>	<u>\$ 4,418,113</u>	<u>\$ 1,250,089</u>	<u>\$ 314,554</u>

General revenues:

Taxes:

Property taxes, levied for general purpose

Local option sales taxes

Other taxes and licenses

Grants and contributions not restricted to specific programs

Unrestricted investment earnings

Miscellaneous

Transfers

Total general revenues and transfers

Change in net assets

Net assets, beginning

Net assets, ending

The notes to the financial statements are an integral part of this statement.

Net (Expense) Revenue and Changes in Net Assets

Primary Government		
Governmental Activities	Business-type Activities	Total
\$ (1,161,317)	\$ -	\$ (1,161,317)
(3,256,687)	-	(3,256,687)
(907,855)	-	(907,855)
(337,732)	-	(337,732)
(183,405)	-	(183,405)
(575)	-	(575)
<u>(91,501)</u>	<u>-</u>	<u>(91,501)</u>
<u>(5,939,072)</u>	<u>-</u>	<u>(5,939,072)</u>
-	197,078	197,078
-	197,078	197,078
<u>(5,939,072)</u>	<u>197,078</u>	<u>(5,741,994)</u>
3,945,343	-	3,945,343
1,294,723	-	1,294,723
181,362	-	181,362
797,731	-	797,731
94,137	58,761	152,898
49,012	(930)	48,082
176,265	(176,265)	-
<u>6,538,573</u>	<u>(118,434)</u>	<u>6,420,139</u>
<u>599,501</u>	<u>78,644</u>	<u>678,145</u>
<u>6,309,251</u>	<u>19,336,447</u>	<u>25,645,698</u>
<u>\$ 6,908,752</u>	<u>\$ 19,415,091</u>	<u>\$ 26,323,843</u>

\$ -

City of Roxboro, North Carolina
Balance Sheet
Governmental Funds
June 30, 2006

Assets	Major Funds		
	General Fund	Capital Projects Fund	Total Nonmajor Funds
Current Assets			
Cash and cash equivalents	\$ 2,612,530	\$ -	\$ 106,981
Receivables (net):			
Taxes receivable	375,659	-	-
Accounts receivable	86,129	-	-
Due from other governmental units	457,876	11,340	318,814
Assessments receivable	10,714	-	-
Notes receivable	-	-	43,485
Licenses receivable	11,843	-	-
Due from other funds	382,367	-	-
Inventory	28,138	-	-
Prepaid items	300	-	-
	<hr/>	<hr/>	<hr/>
Total assets	<u>\$ 3,965,556</u>	<u>\$ 11,340</u>	<u>\$ 469,280</u>

The notes to the financial statements are an integral part of this statement.

City of Roxboro, North Carolina
Balance Sheet
Governmental Funds
June 30, 2006

	Major Funds		
	General Fund	Capital Projects Fund	Total Nonmajor Funds
Liabilities and Fund Balances			
Current Liabilities			
Accounts payable	\$ 123,689	\$ 34,618	\$ 136,886
Accrued salaries	23,657	-	-
Unearned revenue	34,872	-	-
Deferred revenues	386,373	-	43,485
Due to other funds	-	216,516	161,551
	<u>568,591</u>	<u>251,134</u>	<u>341,922</u>
Total liabilities			
Fund Balances:			
Fund balances			
Reserved for inventories	28,138	-	-
Reserved for encumbrances	102,996	-	-
Reserved by state statute	926,672	11,340	318,814
Reserved for streets - Powell Bill	170,503	-	-
Reserved for cemetery	30,269	-	-
Reserved for economic and community development	-	-	78,447
Unreserved			
Designated for subsequent year's expenditures	449,430	-	15,000
Undesignated	1,688,957	(251,134)	(284,903)
	<u>3,396,965</u>	<u>(239,794)</u>	<u>127,358</u>
Total fund balances			
	<u>3,396,965</u>	<u>(239,794)</u>	<u>127,358</u>
Total liabilities and fund balances	<u>\$ 3,965,556</u>	<u>\$ 11,340</u>	<u>\$ 469,280</u>

Amounts reported for governmental activities in the statement of net assets (Exhibit 1) are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.

Other long-term assets (accrued interest receivable from taxes) are not available to pay for current-period expenditures and therefore are deferred in the funds.

interest

Prepaid interest

Liabilities for earned but deferred revenues in fund statements.

Some liabilities, including bonds payable and accrued interest, are not due and payable in the current period and therefore are not reported in the funds (Note 4).

Accrued interest

Capitalized leases

Installment purchase agreements

Compensated absences

Net pension obligation

Net assets of governmental activities

The notes to the financial statements are an integral part of this statement.

Total Governmental Funds	June 30, 2005
\$ 2,719,511	\$ 3,085,859
375,659	389,533
86,129	77,259
788,030	534,435
10,714	24,092
43,485	16,248
11,843	10,055
382,367	4,300
28,138	23,738
<u>300</u>	<u>872</u>
<u>\$ 4,446,176</u>	<u>\$ 4,466,391</u>

Total Governmental Funds	June 30, 2005
\$ 295,193	\$ 113,929
23,657	82,396
34,872	34,388
429,858	432,711
<u>378,067</u>	<u>-</u>
<u>1,161,647</u>	<u>663,424</u>
28,138	23,738
102,996	49,664
1,256,826	614,027
170,503	20,836
30,269	30,269
78,447	171,150
464,430	807,171
<u>1,152,920</u>	<u>2,082,131</u>
3,284,529	3,802,967
5,562,228	4,910,627
90,806	97,370
(119,155)	(129,485)
14,288	16,172
429,858	432,711
(33,419)	(39,513)
(529,861)	(724,024)
(1,650,919)	(1,881,807)
(271,772)	(290,830)
<u>132,169</u>	<u>115,063</u>
<u>\$ 6,908,752</u>	<u>\$ 6,309,251</u>

City of Roxboro, North Carolina
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2006

	<u>Major Funds</u>		<u>Total Nonmajor Funds</u>	<u>Totals Governmental Funds June 30, 2006</u>
	<u>General</u>	<u>Capital Projects</u>		
Revenues:				
Ad valorem taxes	\$ 3,955,451	\$ -	\$ -	\$ 3,955,451
Local option sales tax	1,294,723	-	-	1,294,723
Other taxes and licenses	106,913	-	74,449	181,362
Unrestricted intergovernmental	784,336	11,340	2,055	797,731
Restricted intergovernmental	679,626	106,142	502,745	1,288,513
Permits and fees	6,807	-	-	6,807
Sales and services	564,451	-	505	564,956
Investment earnings	86,567	1,842	5,728	94,137
Miscellaneous	32,720	-	-	32,720
	<u>7,511,594</u>	<u>119,324</u>	<u>585,482</u>	<u>8,216,400</u>
Expenditures:				
Current:				
General government	1,162,958	-	1,116	1,164,074
Public safety	3,562,824	-	-	3,562,824
Transportation	1,056,087	-	-	1,056,087
Environmental protection	899,124	-	-	899,124
Economic and physical development	222,945	-	622,261	845,206
Capital outlay	-	890,947	-	890,947
Debt service:				
Principal retirement	425,051	-	-	425,051
Interest and fees	95,711	-	-	95,711
	<u>7,424,700</u>	<u>890,947</u>	<u>623,377</u>	<u>8,939,024</u>
Revenues over (under) expenditures	<u>86,894</u>	<u>(771,623)</u>	<u>(37,895)</u>	<u>(722,624)</u>
Other Financing Sources (Uses):				
Transfers from other funds	493,517	225,600	25,000	744,117
Transfers to other funds	(497,852)	-	(70,000)	(567,852)
Sale of fixed assets	23,521	-	-	23,521
	<u>19,186</u>	<u>225,600</u>	<u>(45,000)</u>	<u>199,786</u>
Net change in fund balance	106,080	(546,023)	(82,895)	(522,838)
Fund Balance:				
Beginning of year, July 1	3,286,485	306,229	210,253	3,802,967
Change in reserve for inventories	4,400	-	-	4,400
End of year, June 30	<u>\$ 3,396,965</u>	<u>\$ (239,794)</u>	<u>\$ 127,358</u>	<u>\$ 3,284,529</u>

The notes to the financial statements are an integral part of this statement.

Revenues:				
Ad valorem taxes	\$ 3,955,451	\$ -	\$ -	\$ 3,955,451
Local option sales tax	1,294,723	-	-	1,294,723
Other taxes and licenses	106,913	-	74,449	181,362
Unrestricted intergovernmental	784,336	11,340	2,055	797,731
Restricted intergovernmental	679,626	106,142	502,745	1,288,513
Permits and fees	6,807	-	-	6,807
Sales and services	564,451	-	505	564,956
Investment earnings	86,567	1,842	5,728	94,137
Miscellaneous	32,720	-	-	32,720
	<u>7,511,594</u>	<u>119,324</u>	<u>585,482</u>	<u>8,216,400</u>
Total revenues				
Expenditures:				
Current:				
General government	1,162,958	-	1,116	1,164,074
Public safety		-	-	-
Police	2,149,180			2,149,180
Fire	1,329,364			1,329,364
Emergency Communications	84,280			84,280
Transportation	1,056,087	-	-	1,056,087
Environmental protection		-	-	-
Refuse collection	847,727			847,727
Cemetery	51,397			51,397
Economic and physical development	222,945	-	622,261	845,206
Cultural and recreational	-	-	-	-
Capital outlay	-	890,947	-	890,947
Debt service:				
Principal retirement	425,051	-	-	425,051
Interest and fees	95,711	-	-	95,711
	<u>7,424,700</u>	<u>890,947</u>	<u>623,377</u>	<u>8,939,024</u>
Total expenditures				
Total debt service	-	-	-	-
Revenues over (under) expenditures	<u>86,894</u>	<u>(771,623)</u>	<u>(37,895)</u>	<u>(722,624)</u>
Other Financing Sources (Uses):				
Transfers from other funds	493,517	225,600	25,000	744,117
Transfers to other funds	(497,852)	-	(70,000)	(567,852)
Proceeds of capital leases and installment purchase agreements	-	-	-	-
Sale of fixed assets	23,521	-	-	23,521
	<u>19,186</u>	<u>225,600</u>	<u>(45,000)</u>	<u>199,786</u>
Total other financing sources (uses)				
Net change in fund balance	106,080	(546,023)	(82,895)	(522,838)
Fund Balance:				
Beginning of year, July 1	3,286,485	306,229	210,253	3,802,967
Prior period adjustment	-	-	-	-
Beginning of year, July 1	<u>3,286,485</u>	<u>306,229</u>	<u>210,253</u>	<u>3,802,967</u>
Change in reserve for inventories	4,400	-	-	4,400
End of year, June 30	<u>\$ 3,396,965</u>	<u>\$ (239,794)</u>	<u>\$ 127,358</u>	<u>\$ 3,284,529</u>

Capital Outlay	Depreciation	Basis of Fixed Assets Sold	Donated Assets	Principal & Interest Payments	Net Pension Obligation	Current Year Deferred Revenues	Prior Year Deferred Revenues
						375,659	(389,533)
						-	-
						43,485	(16,248)
						10,714	(24,092)
-	-	-	-	-	-	-	(2,838)
-	-	-	-	-	-	429,858	(432,711)
						Compensated Absences	Compensated Absences
(19,337)	18,850					35,484	(29,241)
(22,018)	275,407				(17,106)	191,047	(220,858)
(38,935)	158,528					31,928	(28,872)
(48,768)	25,622					7,521	(8,036)
(131,830)	5,354					5,792	(3,823)
(879,440)							
				(425,051)			
-	-	-	-	(4,210)	-	-	-
(1,140,328)	484,336	-	-	(429,261)	(17,106)	271,772	(290,830)
1,140,328	(484,336)	-	-	429,261	17,106	158,086	(141,881)
-	-	(4,391)	-	-	-	-	-
-	-	(4,391)	-	-	-	-	-
1,140,328	(484,336)	(4,391)	-	429,261	17,106	158,086	(141,881)
1,140,328	(484,336)	(4,391)	-	429,261	17,106	158,086	(141,881)

Prepaid Interest End Year	(14,288)	Interest Tax Rec
Prepaid Interest Beg Year	16,172	Interest Tax Rec
Accrued Interest End Year	33,419	Allowance Bad D
Accrued Interest Beg Year	(39,513)	Allowance Bad D
Difference in Interest	(4,210)	Net Change in Tax

\$	-	\$	-	\$	-	\$	-	\$	-	\$	375,659	\$	(389,533)
	-		-		-		-		-		-		-
	-		-		-		-		-		-		-
	-		-		-		-		-		43,485		(16,248)
	-		-		-		-		-		-		-
	-		-		-		-		-		10,714		(24,092)
	-		-		-		-		-		-		-
	-		-		-		-		-		-		(2,838)
	-		-		-		-		-		429,858		(432,711)
	(19,337)		18,850		-		-		-		35,484		(29,241)
	(13,701)		123,165		-		-		(17,106)		125,582		(129,978)
	(8,317)		152,242		-		-		-		65,465		(90,880)
	(38,935)		158,528		-		-		-		31,928		(28,872)
	(42,968)		23,026		-		-		-		7,255		(7,731)
	(5,800)		2,596		-		-		-		266		(305)
	(131,830)		5,354		-		-		-		5,792		(3,823)
	-		575		-		-		-		-		-
	(879,440)		-		-		-		-		-		-
	-		-		-		-		(425,051)		-		-
	-		-		-		-		(4,210)		-		-
	(1,140,328)		484,336		-		-		(429,261)		(17,106)		271,772
	-		-		-		-		-		-		-
	1,140,328		(484,336)		-		-		429,261		17,106		158,086
	-		-		-		-		-		-		-
	-		-		-		-		-		-		-
	-		-		(4,391)		-		-		-		-
	-		-		(4,391)		-		-		-		-
	1,140,328		(484,336)		(4,391)		-		429,261		17,106		158,086
	-		-		-		-		-		-		-
	-		-		-		-		-		-		-
	-		-		-		-		-		-		-
\$	1,140,328	\$	(484,336)	\$	(4,391)	\$	-	\$	429,261	\$	17,106	\$	158,086
													\$ (141,881)

<u>Inventory</u>	<u>Interest on Taxes Receivable</u>	<u>Total GASB 34 Adjustments</u>	<u>Full Accrual To GW Activities</u>
	3,766	(10,108)	3,945,343
		-	1,294,723
		-	181,362
		-	797,731
		27,237	1,315,750
		-	6,807
		(13,378)	551,578
		-	94,137
<u>-</u>	<u>-</u>	<u>(2,838)</u>	<u>29,882</u>
<u>-</u>	<u>3,766</u>	<u>913</u>	<u>8,217,313</u>
		5,756	1,169,830
		206,472	3,769,296
(4,400)		118,249	1,174,336
		(23,661)	875,463
		(124,507)	720,699
		(879,440)	11,507
		-	-
		(425,051)	-
<u>-</u>	<u>-</u>	<u>(4,210)</u>	<u>91,501</u>
<u>(4,400)</u>	<u>-</u>	<u>(1,125,817)</u>	<u>7,813,207</u>
<u>4,400</u>	<u>3,766</u>	<u>1,126,730</u>	<u>404,106</u>
		-	744,117
		-	(567,852)
<u>-</u>	<u>-</u>	<u>(4,391)</u>	<u>19,130</u>
<u>-</u>	<u>-</u>	<u>(4,391)</u>	<u>195,395</u>
4,400	3,766	1,122,339	599,501
		-	6,309,251
(4,400)		(4,400)	-
-	3,766	1,117,939	<u>\$ 6,908,752</u>

End Year	90,806
Beg Year	(97,370)
ebts End Year	(119,155)
ebts Beg Year	129,485
ixes Rec.	3,766

\$	-	\$	3,766	(10,108)	3,945,343
	-		-	-	1,294,723
	-		-	-	181,362
	-		-	-	797,731
	-		-	27,237	1,315,750
	-		-	-	6,807
	-		-	(13,378)	551,578
	-		-	-	94,137
	-		-	(2,838)	29,882
	-		3,766	913	8,217,313
	-		-	5,756	1,169,830
	-		-	-	-
				87,962	2,237,142
				118,510	1,447,874
				-	84,280
(4,400)	-		-	118,249	1,174,336
	-		-	-	-
				(20,418)	827,309
				(3,243)	48,154
	-		-	(124,507)	720,699
	-		-	575	575
	-		-	(879,440)	11,507
	-		-	-	-
	-		-	(425,051)	-
	-		-	(4,210)	91,501
(4,400)	-		-	(1,125,817)	7,813,207
	-		-	-	-
4,400	3,766			1,126,730	404,106
	-		-	-	744,117
	-		-	-	(567,852)
	-		-	-	-
	-		-	(4,391)	19,130
	-		-	(4,391)	195,395
4,400	3,766			1,122,339	599,501
	-		-	-	6,309,251
	-		-	-	-
	-		-	-	6,309,251
	-		-	-	-
(4,400)	-		-	(4,400)	-
\$	-	\$	3,766	1,117,939	\$ 6,908,752

City of Roxboro, North Carolina
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2006

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

Net changes in fund balances - total Governmental Funds	\$	(522,838)
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Change in fund balance due to change in reserve for inventory		4,400
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Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Add capital outlay expenditures		1,140,328
Subtract depreciation expense		(484,336)
Basis of assets sold		(4,391)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Change in deferred revenues		(2,853)
Accrued interest receivable on ad-valorem taxes		3,766

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current resources of governmental funds. Neither transaction has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. These amounts are the net effect of these differences in the treatment of long-term debt and related items

Add payments of principal on long-term debt		425,051
Accrued interest on long-term debt		6,094
Prepaid issuance costs - refinancing		(1,884)

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Compensated absences		19,058
Net pension obligation		17,106

Total changes in net assets of governmental activities	\$	<u>599,501</u>
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\$ -

City of Roxboro, North Carolina
Statement of Revenues, Expenditures and Changes in Fund Balances -
Budget and Actual
General Fund
For the Fiscal Year Ended June 30, 2006

	General Fund			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual Amounts	
Revenues:				
Ad valorem taxes	\$ 3,756,515	\$ 3,802,090	\$ 3,955,451	\$ 153,361
Local option sales tax	1,302,043	1,302,043	1,294,723	(7,320)
Other taxes and licenses	94,900	94,900	106,913	12,013
Unrestricted intergovernmental	709,792	749,792	784,336	34,544
Restricted intergovernmental	669,432	682,400	679,626	(2,774)
Permits and fees	8,500	8,500	6,807	(1,693)
Sales and services	549,210	559,160	564,451	5,291
Investment earnings	57,000	57,000	86,567	29,567
Miscellaneous	6,883	32,633	32,720	87
Total revenues	<u>7,154,275</u>	<u>7,288,518</u>	<u>7,511,594</u>	<u>223,076</u>
Expenditures:				
Current:				
General government	1,134,019	1,214,875	1,162,958	51,917
Public safety	3,614,508	3,655,941	3,562,824	93,117
Transportation	1,300,247	1,272,693	1,056,087	216,606
Environmental protection	875,979	918,779	899,124	19,655
Economic and physical development	243,846	243,896	222,945	20,951
Cultural and recreational	-	2,600	-	2,600
Debt service:				
Principal retirement	425,051	425,051	425,051	-
Interest and fees	281,442	95,842	95,711	131
Total expenditures	<u>7,875,092</u>	<u>7,829,677</u>	<u>7,424,700</u>	<u>404,977</u>
Revenues under expenditures	<u>(720,817)</u>	<u>(541,159)</u>	<u>86,894</u>	<u>628,053</u>
Other Financing Sources (Uses):				
Transfers from other funds	503,517	493,517	493,517	-
Transfers to other funds	(252,700)	(478,300)	(497,852)	(19,552)
Sale of fixed assets	25,000	25,000	23,521	(1,479)
Total other financing sources (uses)	<u>275,817</u>	<u>40,217</u>	<u>19,186</u>	<u>(21,031)</u>
Revenues and other financing sources under expenditures and other uses	<u>(445,000)</u>	<u>(500,942)</u>	<u>106,080</u>	<u>607,022</u>
Appropriated Fund Balance	<u>445,000</u>	<u>500,942</u>	<u>-</u>	<u>(500,942)</u>
Revenues, other financing sources, and appropriated fund balance under expenditures and other uses	<u>\$ -</u>	<u>\$ -</u>	<u>106,080</u>	<u>\$ 106,080</u>
Fund Balance:				
Beginning of year, July 1			3,286,485	
Change in reserve for inventories			<u>4,400</u>	
End of year, June 30			<u>\$ 3,396,965</u>	

The notes to the financial statements are an integral part of this statement.

Special Revenue Funds				Totals (Memorandum Only)		
Original Budget	Budget	Actual	Variance with Final Budget Favorable (Unfavorable)	Budget	Actual	Variance with Final Budget Favorable (Unfavorable)
\$ -	\$ -	\$ -	\$ -	\$ 3,802,090	\$ 3,955,451	\$ 153,361
-	-	-	-	1,302,043	1,294,723	(7,320)
69,500	70,000	74,449	4,449	164,900	181,362	16,462
-	-	-	-	749,792	784,336	34,544
5,291	5,291	20,627	15,336	687,691	700,253	12,562
-	-	-	-	8,500	6,807	(1,693)
-	-	-	-	559,160	564,451	5,291
3,709	3,709	5,398	1,689	60,709	91,965	31,256
-	-	-	-	32,633	32,720	87
<u>78,500</u>	<u>79,000</u>	<u>100,474</u>	<u>21,474</u>	<u>7,367,518</u>	<u>7,612,068</u>	<u>244,550</u>
1,000	1,500	1,116	384	1,216,375	1,164,074	52,301
-	-	-	-	3,655,941	3,562,824	93,117
-	-	-	-	1,272,693	1,056,087	216,606
-	-	-	-	918,779	899,124	19,655
131,795	131,795	97,786	34,009	375,691	320,731	54,960
-	-	-	-	2,600	-	2,600
-	-	-	-	425,051	425,051	-
-	-	-	-	95,842	95,711	131
<u>132,795</u>	<u>133,295</u>	<u>98,902</u>	<u>34,393</u>	<u>7,962,972</u>	<u>7,523,602</u>	<u>439,370</u>
<u>(54,295)</u>	<u>(54,295)</u>	<u>1,572</u>	<u>55,867</u>	<u>(595,454)</u>	<u>88,466</u>	<u>683,920</u>
-	-	-	-	493,517	493,517	-
(86,205)	(86,205)	(70,000)	16,205	(564,505)	(567,852)	(3,347)
-	-	-	-	25,000	23,521	(1,479)
<u>(86,205)</u>	<u>(86,205)</u>	<u>(70,000)</u>	<u>16,205</u>	<u>(45,988)</u>	<u>(50,814)</u>	<u>(4,826)</u>
(140,500)	(140,500)	(68,428)	72,072	(641,442)	37,652	679,094
<u>140,500</u>	<u>140,500</u>	<u>-</u>	<u>(140,500)</u>	<u>641,442</u>	<u>-</u>	<u>(641,442)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>(68,428)</u>	<u>\$ (68,428)</u>	<u>\$ -</u>	<u>37,652</u>	<u>\$ 37,652</u>
		181,543			3,468,028	
		-			4,400	
		<u>\$ 113,115</u>			<u>\$ 3,510,080</u>	

City of Roxboro, North Carolina
Statement of Net Assets
Proprietary Funds
June 30, 2006

	Major Enterprise Fund <hr/> Water and Sewer Fund <hr/>
Assets	
Current Assets	
Cash and cash equivalents	\$ 900,100
Receivables (net):	
Accounts receivable	526,410
Due from other governmental units	68,871
Prepaid items	<u>27,177</u>
Total current assets	<u>1,522,558</u>
Noncurrent Assets	
Restricted cash and investments	<u>1,008,997</u>
Capital assets	
Land and improvements	860,226
Construction in progress	<u>286,418</u>
Total non-depreciable assets	<u>1,146,644</u>
Buildings and plant	8,265,567
Distribution system and pump stations	18,461,151
Equipment and vehicles	<u>2,548,338</u>
Total depreciable assets	29,275,056
Less accumulated depreciation	<u>9,978,932</u>
Total depreciable assets (net)	<u>19,296,124</u>
Capital assets (net)	<u>20,442,768</u>
Total noncurrent assets	<u>21,451,765</u>
Total assets	<u>\$ 22,974,323</u>

The notes to the financial statements are an integral part of this statement.

City of Roxboro, North Carolina
Statement of Net Assets
Proprietary Funds
June 30, 2006

	Major Enterprise Fund <hr/> Water and Sewer Fund <hr/>
Liabilities	
Current Liabilities	
Accounts payable	\$ 24,628
Accrued salaries	9,901
Accrued interest	45,864
Customer deposits	50,955
Current maturities of long-term debt	
Capital leases payable	90,650
Installment purchase agreements payable	<u>387,333</u>
Total current liabilities	<u>609,331</u>
Noncurrent Liabilities	
Compensated absences payable	105,605
Capital leases payable	93,048
Installment purchase agreements payable	<u>2,751,248</u>
Total noncurrent liabilities	<u>2,949,901</u>
Total liabilities	<u>3,559,232</u>
Net Assets	
Investment in capital assets, net of related debt	17,120,489
Unrestricted	<u>2,294,602</u>
Total net assets	<u>\$ 19,415,091</u>

The notes to the financial statements are an integral part of this statement.

**City of Roxboro, North Carolina
Statement of Net Assets
Proprietary Funds
June 30, 2006**

	Major Enterprise Fund
	Water and Sewer Fund
Total liabilities and net assets	<u>\$ 22,974,323</u>

-

**June 30,
2005**

\$ 842,310

475,698

32,465

31,081

1,381,554

1,212,947

860,226

354,425

1,214,651

8,265,567

18,116,743

2,515,197

28,897,507

9,101,824

19,795,683

21,010,334

22,223,281

\$ 23,604,835

**June 30,
2005**

\$ 246,701
32,824
52,278
53,469

88,401
375,501

849,174

96,890
183,743
3,138,581

3,419,214

4,268,388

17,224,108
2,112,339

\$ 19,336,447

**June 30,
2005**

\$ 23,604,835

-

City of Roxboro, North Carolina
Statement of Operating Revenues and Expenditures
Proprietary Fund Type - Enterprise Fund
For the Fiscal Year Ended June 30, 2006

	Water	Sewer	Total
Operating Revenues:			
Charges for services			
Water and sewer charges	\$ 2,367,507	\$ 1,214,016	\$ 3,581,523
Water service fees	11,735	-	11,735
Capital fee	170,380	-	170,380
Septic tank permits and fees	-	44,430	44,430
Assessments	-	3,305	3,305
Penalties	21,118	-	21,118
Water and sewer tapping fees	21,780	17,640	39,420
Other operating revenues			
Fishing licenses	1,513	-	1,513
Permit fees - Lake Roxboro	27,688	-	27,688
Miscellaneous billing	-	15,729	15,729
Miscellaneous income	2,163	2,163	4,326
Insurance proceeds	673	-	673
Sales tax refund	11,957	11,957	23,914
	<u>2,636,514</u>	<u>1,309,240</u>	<u>3,945,754</u>
Total operating revenues			
Nonoperating revenues:			
Interest earnings	11,997	11,997	23,994
NC Rural Center Grant	-	40,000	40,000
Person County Grant - Dan River Permit	4,957	-	4,957
	<u>16,954</u>	<u>51,997</u>	<u>68,951</u>
Total nonoperating revenues			
Total revenues	<u>2,653,468</u>	<u>1,361,237</u>	<u>4,014,705</u>
Operating Expenditures:			
Billing and collections	46,476	46,476	92,952
Pump stations	-	194,311	194,311
Meter section	61,780	61,780	123,560
Raw water supply	44,114		44,114
Water line maintenance and construction	398,433		398,433
Water treatment plant	947,227		947,227
Wastewater treatment plant		700,936	700,936
Wastewater treatment plant II	79,116		79,116
Sewer line maintenance and construction		303,968	303,968
Debt Service	237,220	355,726	592,946
Capital Outlay	90,190	24,059	114,249
	<u>1,904,556</u>	<u>1,687,256</u>	<u>3,591,812</u>
Total operating expenditures			
Revenues over (under) expenditures	<u>748,912</u>	<u>(326,019)</u>	<u>422,893</u>

City of Roxboro, North Carolina
Statement of Operating Revenues and Expenditures
Proprietary Fund Type - Enterprise Fund
For the Fiscal Year Ended June 30, 2006

	Water	Sewer	Total
Other Financing Sources (Uses):			
Sale of fixed assets	850	850	1,700
Transfers - in			
From General Fund	123,626	123,626	247,252
From Clean Water Capital Project Fund	21,310	-	21,310
Transfers - out			
To General Fund	(211,759)	(211,759)	(423,517)
Proceeds of capital lease	-	-	-
	<u>(65,973)</u>	<u>(87,283)</u>	<u>(153,255)</u>
Revenues and other financing sources			
Over (under) expenditures and other uses	<u>\$ 682,940</u>	<u>\$ (413,302)</u>	<u>\$ 269,638</u>

City of Roxboro, North Carolina
Statement of Revenues, Expenses and Changes in Fund Net Assets
Proprietary Fund Type - Enterprise Fund
For the Fiscal Year Ended June 30, 2006

	June 30, 2006
Operating Revenues:	
Charges for services	\$ 3,832,491
Water and sewer tapping fees	39,420
Other operating revenues	<u>73,843</u>
Total operating revenues	<u>3,945,754</u>
Operating Expenses:	
Billing and collection	93,706
Pump stations	194,068
Meter section	123,203
Raw water supply	44,044
Water line maintenance and construction	400,077
Water treatment plant	951,472
Wastewater treatment plant	702,448
Wastewater treatment plant II	79,896
Sewer line maintenance and construction	304,418
Depreciation	<u>891,722</u>
Total operating expenses	<u>3,785,054</u>
Operating income	<u>160,700</u>
Nonoperating Revenues (Expenses):	
Investment earnings	58,761
Interest and fees	(126,489)
Person County Grant	4,957
NC Rural Center Grant	40,000
Gain (loss) on sale of fixed assets	<u>(930)</u>
Total nonoperating revenues (expenses)	<u>(23,701)</u>
Income before transfers and capital contributions	<u>136,999</u>
Capital Contributions and Transfers	
Capital contributions	117,910
Transfers from other funds	247,252
Transfers to other funds	<u>(423,517)</u>
Total capital contributions and operating transfers	<u>(58,355)</u>
Change in net assets	78,644
Total Net Assets - Beginning of Year, July 1,	<u>19,336,447</u>
Total Net Assets - End of Year, June 30	<u>\$ 19,415,091</u>

The notes to the financial statements are an integral part of this statement.

City of Roxboro, North Carolina
Statement of Revenues, Expenses and Changes in Fund Net Assets
Proprietary Fund Type - Enterprise Fund
For the Fiscal Year Ended June 30, 2006

Exhibit 7

	June 30, 2006
Retained Earnings - Balance Sheet	<u>\$ 19,415,091</u>
Difference	-
 Adjustments to Convert to Modified Accrual:	
Add back depreciation	891,722
Deduct capital outlay	(114,249)
Deduct principal paid on debt	(463,947)
Add back proceeds of long-term debt	-
(Increase) decrease in prepaid interest	3,904
Add back accrued interest	(6,414)
(Increase) decrease in accrued vacation pay	8,715
Basis of fixed assets disposed	2,630
Deduct capital contributions	(117,910)
Bank fees for refinancing debt	
Capital Projects Funds	
Deduct misc income	21,310
Deduct interest income	(34,767)
Deduct sales tax refunds	-
Add sales tax expense	-
Repairs and maintenance	-
	<u>190,994</u>
 Revenues and other financing sources under expenditures and other uses	 <u>\$ 269,638</u>

<u>June 30, 2005</u>	Sales Tax Capital Projects					
\$ 3,522,033		108.81%				
40,840						
<u>119,871</u>	65					
<u>3,682,744</u>		<u>Accrued Vacation</u>				
		<u>Current Year</u>		<u>Prior Year</u>		<u>Difference</u>
92,025	65	1,056	1,189	385	433	754
165,495		3,692	4,155	3,908	4,399	(243)
115,727		4,358	4,905	4,675	5,262	(357)
42,571		3,246	3,653	3,308	3,723	(70)
387,791		6,088	6,852	4,627	5,208	1,644
894,278		33,998	38,265	30,224	34,020	4,245
786,736		27,159	30,567	25,813	29,055	1,512
69,280		4,538	5,108	3,845	4,328	780
250,903		9,694	10,911	9,293	10,460	450
<u>825,327</u>			-		-	-
<u>3,630,133</u>		93,829	105,605	86,078	96,889	8,715
<u>52,611</u>						
37,426						
(127,417)						
25,652						
-						
<u>5,300</u>						
<u>(59,039)</u>						
<u>(6,428)</u>						
685,586						
221,110						
<u>(448,660)</u>						
<u>458,036</u>						
451,608						
<u>18,884,839</u>						
<u>\$ 19,336,447</u>						

<u>June 30, 2005</u>	<u>Sales Tax Capital Projects</u>
<u>\$ 19,336,447</u>	
-	
825,327	
(444,598)	
(452,471)	
70,000	
3,904	
(18,505)	
14,324	
1,036	
(685,586)	
-	
(22,259)	
(65)	
65	
<u>-</u>	
<u>(708,828)</u>	
<u>\$ (257,220)</u>	

	<u>2 Years Ago</u>	<u>Difference</u>
	930	1,047 (614)
	4,318	4,860 (461)
	4,180	4,705 557
	2,561	2,883 841
	5,901	6,642 (1,434)
	26,653	30,001 4,020
	19,155	21,561 7,494
	3,171	3,569 759
	6,484	7,298 3,162
	-	-
	73,353	82,566 14,324

City of Roxboro, North Carolina
Statement of Cash Flows
Proprietary Fund Type - Enterprise Fund
For the Fiscal Year Ended June 30, 2006

	June 30, 2006
<hr/>	
Cash Flows From Operating Activities:	
Cash received from customers and users	\$ 3,821,199
Cash paid for goods and services	(1,584,570)
Cash paid to employees for services	(1,402,506)
Customer deposits received	42,350
Customer deposits returned	(44,864)
Other operating revenues	49,929
Sales tax refund	<u>32,465</u>
Net cash provided by operating activities	<u>914,003</u>
Cash Flows From Noncapital Financing Activities:	
Transfers	
Transfers from other funds	247,252
Transfers to other funds	<u>(423,517)</u>
Net cash used for noncapital financing activities	<u>(176,265)</u>
Cash Flows From Capital and Related Financing Activities:	
Acquisition and construction of fixed assets	(351,413)
Principal paid on bond maturities and installment purchase agreements	(463,947)
Interest paid on bond maturities and installment purchase agreements	(128,999)
Proceeds from sale of fixed assets	<u>1,700</u>
Net cash used for capital and related financing activities	<u>(942,659)</u>
Cash Flows From Investing Activities:	
Interest on investments	<u>58,761</u>
Net cash provided by investing activities	<u>58,761</u>
Net decrease in cash and cash equivalents	<u>(146,160)</u>
Cash and Cash Equivalents - Beginning of Year, July 1	<u>2,055,257</u>
Cash and Cash Equivalents - End of Year, June 30	<u>\$ 1,909,097</u>

The notes to the financial statements are an integral part of this statement.

City of Roxboro, North Carolina
Statement of Cash Flows
Proprietary Fund Type - Enterprise Fund
For the Fiscal Year Ended June 30, 2006

June 30,
2006

**Reconciliation of Operating Income to Net Cash
Provided by Operating Activities:**

Operating income	\$ <u>160,700</u>
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	891,722
Changes in assets and liabilities:	
Decrease in accounts receivable	(50,712)
Decrease in due from other governments	8,551
Increase in accounts payable	(79,536)
Increase in accrued salaries	(22,923)
Increase in customer deposits	(2,514)
Increase in accrued vacation pay	<u>8,715</u>
Total adjustments	<u>753,303</u>
Net cash provided by operating activities	\$ <u>914,003</u>

**Reconciliation of Cash and Investments Per Statement of Net Assets to
Cash and Cash Equivalents Per Statement of Cash Flows:**

Unrestricted cash and investments - Exhibit 6	\$ 900,100
Restricted cash and investments - Exhibit 6	<u>1,008,997</u>
Total cash and cash equivalents - Exhibit 8	<u>\$ 1,909,097</u>

The notes to the financial statements are an integral part of this statement.

**June 30,
2005**

\$ 3,638,150
 (1,415,374)
 (1,273,198)
 46,150
 (34,289)
 87,406
64,752

1,113,597

221,110
(448,660)

(198,690)

(551,689)

(452,471)

(142,018)
6,336

(1,069,842)

37,426

37,426

(117,509)

2,172,766

\$ 2,055,257

1,909,097

-

**June 30,
2005**

\$ 52,611

825,327

75,277

32,287

69,086

32,824

11,861

14,324

1,060,986

\$ 1,113,597

\$ 842,310

1,212,947

\$ 2,055,257

**City of Roxboro, North Carolina
Fiduciary Funds
Statement of Fiduciary Net Assets
As of June 30, 2006**

	<u>Pension Trust Fund</u>	<u>Agency Fund</u>	
	Special Separation Allowance Fund	Christmas Club Fund	<u>Totals</u> June 30, 2006
Assets			
Current Assets			
Cash and cash equivalents	\$ 64,875	\$ 13,406	\$ 78,281
Total assets	<u>\$ 64,875</u>	<u>\$ 13,406</u>	<u>\$ 78,281</u>
Liabilities and Net Assets			
Current Liabilities			
Accounts payable - employees	\$ -	\$ 9,106	\$ 9,106
Due to other funds	<u>-</u>	<u>4,300</u>	<u>4,300</u>
Total liabilities	<u>-</u>	<u>13,406</u>	<u>13,406</u>
Net Assets			
Assets held in trust for pension benefits	<u>\$ 64,875</u>	<u>\$ -</u>	<u>\$ 64,875</u>

The notes to the financial statements are an integral part of this statement.

June 30,
2005

\$ 76,603

\$ 76,603

\$ 8,221
4,300

12,521

\$ 64,082