

Year ended June 30, 2010

Comprehensive Annual
Financial Report

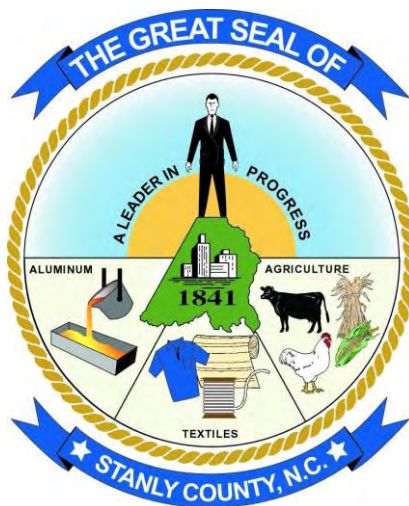


Stanly County, NC

**STANLY COUNTY
NORTH CAROLINA**

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

***For Fiscal Year Ended
June 30, 2010***



***Prepared and Issued by:
Stanly County Finance Department***

***Toby R. Hinson
Finance Director***

STANLY COUNTY, NORTH CAROLINA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Fiscal Year Ended June 30, 2010
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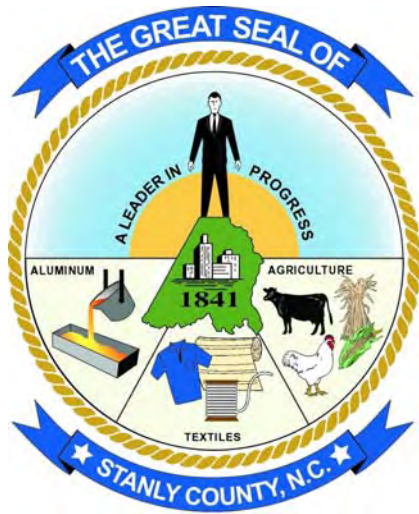
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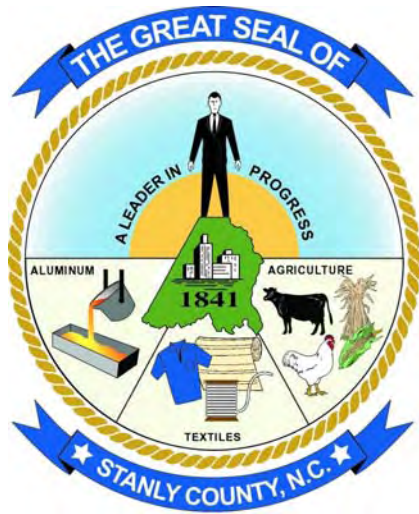
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INTRODUCTORY SECTION



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STANLY COUNTY
FINANCE OFFICE
1000 NORTH FIRST STREET, SUITE 10B
ALBEMARLE, NORTH CAROLINA 28001



October 31, 2010

The Board of County Commissioners
Stanly County, North Carolina:

The Comprehensive Annual Financial Report (CAFR) of Stanly County for the fiscal year ended June 30, 2010 is hereby submitted. The County is responsible for the accuracy, completeness, and fairness of the presentation, including all disclosures. The data presented is materially accurate and the financial statements fairly present the County's financial position as measured by activity in the various funds. All disclosures have been included as necessary to enable the reader to understand the County's financial activities.

The Governmental Accounting Standards Board (GASB) by Statement No. 34 requires that management provide a narrative introduction, overview and analysis to accompany the Basic Financial Statements in the form of management's discussion and analysis (MD&A). This letter of transmittal is intended to complement the MD&A and should be read in conjunction with it. The MD&A can be found immediately following the Independent Auditor's Report.

The County must submit a compliance/single audit to conform to provisions of the Single Audit Implementation Act and the U.S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations." Information related to this single audit, including the "Schedule of Expenditures of Federal and State Awards", findings, recommendations, and the independent auditor's reports on the internal control structure and compliance with applicable laws and regulations are presented in the compliance section of the report.

DESCRIPTION OF COUNTY

Stanly County is located in the south central portion of North Carolina. Its western boundary is ten (10) miles from the largest county in the state, Mecklenburg, and twenty (20) miles from the largest city in the state, Charlotte. Albemarle is the county seat. It is forty-two (42) miles northeast of Charlotte; sixty (60) miles south of Greensboro; and one hundred (100) miles southwest of the North Carolina capital city of Raleigh. It is a county of lakes, rolling farmland and small towns. Industry includes modular home and aircraft tire manufacturing.

The entire eastern boundary of the county consists of Badin Lake and Lake Tillery. Badin Lake is a recreational facility that is peaceful in beautiful natural surroundings where families can enjoy skiing, swimming, boating and fishing. Lake Tillery is a 5,000-acre lake with a one hundred four (104) mile shoreline that serves recreational and residential needs of the area. Lake Tillery also serves as the reservoir for the Tillery Hydroelectric Plant on the Pee Dee River. The Morrow Mountain State Park is bounded on two sides by Lake Tillery and covers 4,693 acres of the ancient Uwharrie Mountains. This beautiful park is an important tourist attraction for the County.

DESCRIPTION OF GOVERNMENT

Stanly County is governed by a commission/manager form of government. The five-member board of commissioners is elected to four-year staggered terms. The County provides a full range of services as follows: public safety (law enforcement, detention facilities, funds for fire protection in unincorporated areas, building inspection, emergency medical services, and E-911 emergency telephone service); human services (social services, public health, senior services, and veterans services); culture and recreation (library, historic museum, and civic center); environmental protection (soil and water conservation services, solid waste collection, and disposal services); public utilities (water and sewer services); airport services; and general government services. In addition, the County provides financial support to the Stanly County Board of Education, Stanly Community College, Piedmont Mental Health Authority, and various non-profit organizations that provide services to Stanly County residents.

EDUCATIONAL INSTITUTIONS

Educational institutions include Pfeiffer University, Stanly Community College and the Stanly County Public School System. Pfeiffer University, founded in 1885, is a four-year college that offers accredited undergraduate degree programs in twenty-nine different majors, day and evening classes, and continuing education courses at all of its campuses. Various satellite campuses also offer graduate programs in business administration, health administration and organization management.

Stanly Community College is governed by a thirteen-member appointed board of trustees that offers two-year degree programs with standard courses that are eligible for transfer to four-year institutions of higher learning. It also offers technical and trade courses. The County contributes funds to the community college.

For financial reporting purposes, in conformance with the Governmental Accounting Standards Board (GASB), the County includes in the report all funds that are considered to be within its oversight responsibility. Because the school administrative unit and the

community college listed above do not meet the criteria for inclusion in the general purpose financial statements of Stanly County, their financial statements are not included in this report. Audited financial statements for the school administrative unit and the community college are available from their respective business offices.

ECONOMIC CONDITION AND OUTLOOK

The economic health of Stanly County remains strong despite the sluggishness of the economy. This year saw reductions in workforce through targeted layoffs and furloughs, but few plant closures. There was only one major employer that ceased operations and it closed in the first quarter of 2009-2010. Unemployment settled in at 11.9% at June 30, 2010. This year did see the expansion of Michelin Aircraft Tire in Norwood, which will bring 74 new jobs to Stanly County over the next year and a half. Companies are also adding new machinery and diversifying their product offerings. Stanly County will recover, but it will be at a much slower pace than previous economic downturns. This is due to concentration in construction related industries and limited access to the interstate highway system in the Southeast.

Declining manufacturing operations and accelerated depreciation on manufacturing equipment continues to contribute to low growth in property tax values. The \$91,000,000 increase in tax value is only a 2.2% increase.

The North Carolina Department of Transportation has completed the construction on the widening of Highway 24/27. This four-lane highway to Charlotte is expected to enhance economic development. The North Carolina Department of Transportation began construction of the new Highway 52 last year with completion anticipated in 2011. This addition is also expected to enhance economic development.

LONG TERM FINANCIAL PLANNING

The unreserved fund balance in the General Fund continues to be above the 8% minimum recommended for local governments in North Carolina. Unreserved fund balance in the General Fund decreased to 11.92% compared to 16.58% in 2009. This is primarily due to a decrease in cash of close to \$2,500,000 and a decrease in revenues of close to \$2,200,000. Generally, low-cost capital projects have been paid on a pay-as-you-go basis from fund balance. The County has started seeking financing for certain capital projects instead of using fund balance.

The County refunded General Obligation Bond Series 2001 and 2002 in February 2010. The par amount of the bonds refunded was \$16,325,000. This refunding generates cash flow savings in the amount of \$620,171 through 2022. Net present value debt service savings total \$475,648 or 3.001% of the refunded principal amount of the General Obligation Bonds. The County currently has two private placement loans that are to be refunded in Fiscal Year 10-11.

MAJOR INITIATIVES

Economic development and water and sewer expansion are two of the highest priorities for the Board of County Commissioners. The following utility projects were completed and closed during Fiscal Year 2009-2010: Highway 731 and Morrow Mountain Road Water Projects. There are currently seven utility projects open with some anticipating

completion in Fiscal Year 2010-2011. The County Commissioners created the Stanly Water and Sewer Authority in 2006 as a tool for securing grant funding, and as a means of completing water line installation. The Highway 24/27/73 East Water Project has just recently been completed while two others are currently ongoing.

Construction on an \$8,200,000 jail addition and improvement project began in June 2006. The new addition started receiving inmates in August 2009. Final work was complete during Fiscal Year 2009-2010. Funding was provided by a \$1,500,000 USDA loan, a \$5,500,000 installment loan, and by a \$1,220,000 appropriation from the General Fund.

The Stanly County Board of Education started construction on improvements to two schools that began in the summer of 2008. Construction was complete by the start of the school year in August 2009. Funding was provided by a \$13,000,000 loan from BB&T with the debt service being paid by lottery proceeds and \$1,000,000 in lottery funds on hand. This Capital Project Fund has been closed as of June 30, 2010.

AIRPORT

Albemarle-Stanly County Airport is located northeast of Albemarle near Palestine. The airport, which was dedicated in 1979, is a transport category facility that can accommodate Boeing 737-300 class aircraft. The airport contains a primary 5,500 foot runway and a secondary 3,500 foot runway. The airport is home to a number of units of the North Carolina Air National Guard including elements of the 145th Airlift Wing based at Charlotte/Douglas Regional Airport. The North Carolina Division of Emergency Management has constructed a forward storage facility adjacent to the airport and the airport has approximately eight acres of ramp space capable of supporting C-130 and C-17 aircraft that would support the emergency storage facility.

The airport has been identified as an important economic development asset to the County. Executive jet usage at the airport has increased in recent years. To accommodate this growth and to further enhance countywide economic development activity, the airport has identified a number of improvements to enhance services to both civilian and military aircraft. A new state-of-the-art air traffic control tower was completed in May 2001. A 1,000 foot extension of the runway is planned to allow for fully-loaded take-off of 737-300 aircraft from the primary runway. The new and beautiful terminal building under construction for the past year is almost complete and will be ready for occupancy before Thanksgiving, 2010. The old terminal building is now being leased by the North Carolina Air National Guard's Regional Training Site. The North Carolina Air National Guard has also installed a radar system that is currently going through a testing phase and new approach procedures for the radar are expected within the next few months.

For as long as the airport has been in its present location, access from U.S. Highway 52 and NC Hwy 24/27 have been through narrow, winding, two-lane roads that made access difficult and for some dangerous. Recognizing such, the North Carolina Department of Transportation has completed construction of a new access to the airport from the Northeast Connector. This new road, "Ridge Street Extension," ties in with "Airport Road" just south of the entryway to the old terminal building. This has dramatically improved access to the Albemarle-Stanly County Airport.

The airport has hangar space available and room to construct additional hangar space or will lease to third parties for hangar construction. Crash, fire and rescue is provided by the North Carolina Air National Guard and is backed up by local volunteers.

TRANSPORTATION

Transportation within the County is very important to the Board of Commissioners. In 1986, the Board established a transportation system called SCUSA Transportation to serve the entire County. SCUSA Transportation currently operates 20 vehicles. Lift vehicles are available to serve disabled passengers. Service schedules are Monday through Friday from 5:30 am to 5:30 pm with trips to medical facilities, community college campuses, shopping facilities, work sites, etc. Out of County medical trips are on a pre-scheduled basis. Mileage reimbursement is offered to qualified individuals on a limited basis. During Fiscal Year 09-10, SCUSA Transportation provided 18,991 service hours, traveled 351,009 miles, while providing 63,848 trips.

FINANCIAL INFORMATION

General governmental funds are presented on a modified accrual basis. Revenues are recorded when measurable and available, and expenditures are recorded when the liabilities are incurred, except for accumulated compensated absences and interest on long-term debt. Adjustments are made to governmental funds to convert them to full accrual basis that is used in presenting the government-wide statements.

The adequacy of internal accounting controls is considered when evaluating and developing the accounting system. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding (1) the safeguarding of assets against loss from unauthorized use or disposition, and (2) the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived, and (2) the evaluation of costs and benefits require estimates and judgments by management. Stanly County's internal accounting controls adequately safeguard assets and provide reasonable assurance for properly recording financial transactions.

Budgeting Controls

In government, much more than in business, the budget is an integral part of the accounting system. Legal limits on spending are created by an annual budget ordinance or by special project ordinances. In Stanly County, appropriations in the General Fund are budgeted on a function level. In other funds the budget may be adopted at the function or fund level. However, for internal accounting purposes, budgetary control is maintained on a specific line-item basis with an encumbrance system. As purchase orders are issued, corresponding appropriations are reserved for later payment. If an over-encumbrance of the budget level would result, purchase orders are not to be issued until additional appropriations are approved. Encumbrances remaining at June 30 are cancelled, and all appropriations except capital projects lapse. Encumbrances outstanding at June 30 have either been included in next year's budget or will be approved by future budget amendments.

OTHER INFORMATION

Independent Audit

North Carolina general statutes require each local government unit to have its financial statements audited annually by a certified public accountant, or by an accountant certified by the North Carolina Local Government Commission as qualified to audit local government accounts. The auditor is selected by and reports to the Board of County Commissioners. This requirement has been complied with and the independent auditors' report has been included herein.

Federal and state single audit acts require auditors to study internal controls and perform additional tests on transactions involving grant funds. The auditors' report on this work is included in the "Compliance Section" of this publication. Any findings or questioned costs reported in this section are subject to subsequent review by the appropriate grantor agencies. The review could result in refunds of grant money if any expenditures are deemed improper. Every effort has been made to insure all disbursements were made in accordance with grant stipulations.

Awards

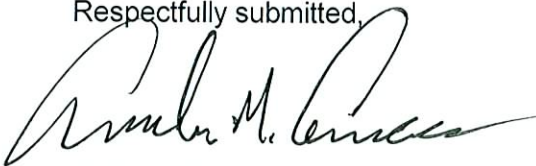
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Stanly County for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2009. The Certificate of Achievement is a prestigious national award that recognizes conformance with the highest standards in preparing state and local government financial reports. In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. The CAFR must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. Stanly County has received a Certificate of Achievement for the last nineteen (19) consecutive years. We believe the current report satisfies the Certificate of Achievement Program requirements, and it is being submitted to the GFOA.

Acknowledgments

We thank the Board of County Commissioners for their support and participation in conducting Stanly County financial operations in a responsible manner. We also thank the entire Finance Department staff, without whose assistance the report would not have been accomplished. We also recognize the cooperation and support provided by each County department and agency.

Respectfully submitted,



Andrew M. Lucas
County Manager



Toby R. Hinson
Finance Director

STANLY COUNTY, NORTH CAROLINA
LIST OF ELECTED AND APPOINTED OFFICIALS
June 30, 2010

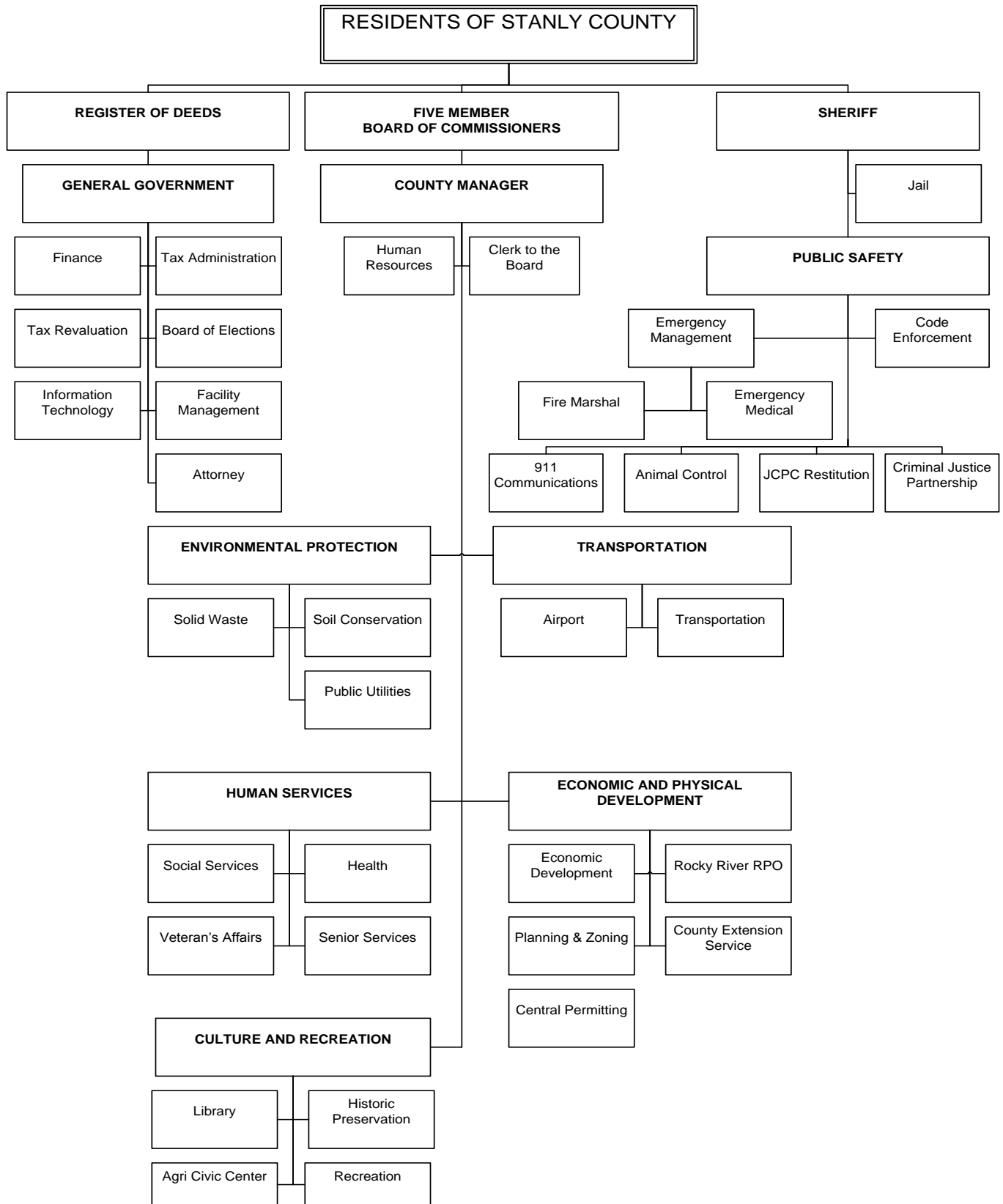
Elected Officials

Board of Commissioners – Chairman Tony M. Dennis
Board of Commissioners – Vice-Chairman Gene McIntyre
Board of Commissioners Lindsey R. Dunevant
Board of Commissioners Janet K. Lowder
Board of Commissioners Sherrill Smith
Sheriff Rick Burris
Register of Deeds Suzanne W. Lowder

Appointed Officials

County Manager Andrew M. Lucas
Clerk to the Board Tyler L. Brummitt
Agri – Civic Center Director Candice B. Moffitt
Airport Director David M. Griffin
Central Permitting Carol C. Almond
Code Enforcement David M. Harrington
Communications Director – E 911 Karen L. McDaniel
County Attorney Jenny Furr
County Extension Service Lori S. Ivey
Criminal Justice Partnership Allen E. Lawrence
Economic Development Director Kevin M. Gullette
Election Supervisor Kimberly R. Wilson
Emergency Management Director Brian T. Simpson
Facility Management and Solid Waste Director Jerry R. Morton
Finance Director Toby R. Hinson
Health Director Dennis R. Joyner
Historic Preservation Director Jonathan A. Underwood
Human Resources Director Emily F. Valentine
Information Technology Director Chad A. Coble
JCPC Restitution Shelly D. Ross
Library Director Melanie Holles
Planning Director Michael M. Sandy
Public Utilities Director Donna L. Davis
Senior Services Director Rebecca G. Weemhoff
Social Services Director Sharon S. Scott
Soil and Water Conservation Cost Share Technician Gerald M. McSwain
Tax Administrator Richard R. Johnson
Transportation Director Gwen L. Hinson
Veterans Service Officer W. Timothy Pressley

STANLY COUNTY ORGANIZATIONAL CHART



Certificate of Achievement for Excellence in Financial Reporting

Presented to

Stanly County
North Carolina

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2009

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



A stylized, handwritten signature in black ink, likely belonging to the President of the GFOA.

President

A handwritten signature in black ink, reading "Jeffrey R. Enen".

Executive Director



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FINANCIAL SECTION



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MARTIN ♦ STARNES & ASSOCIATES, CPAs, P.A.

"A Professional Association of Certified Public Accountants and Management Consultants"

INDEPENDENT AUDITOR'S REPORT

Board of County Commissioners
Stanly County, North Carolina

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Stanly County, North Carolina, as of and for the year then ended June 30, 2010, which collectively comprise Stanly County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County as of June 30, 2010, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 22, 2010 on our consideration of Stanly County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Management's Discussion and Analysis and the Law Enforcement Officers' Special Separation Allowance Schedules of Funding Progress and Employer Contributions and the Other Post-employment Benefits Schedule of Funding Progress and Employer Contributions, are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit this information and express no opinion on it.

Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements of Stanly County, North Carolina. The introductory information, combining and individual non-major fund financial statements and schedules, budget and actual schedules, ad valorem tax schedules, and the statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual non-major fund financial statements and schedules, budget and actual schedules, ad valorem tax schedules, and other supplementary schedules have been subjected to the auditing procedures applied in our audit of the basic financial statements and, in our opinion, are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole. The introductory section and the statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Martin Starnes & Associates, CPAs, P.A.

Martin Starnes & Associates, CPAs, P.A.
Hickory, North Carolina
October 22, 2010

STANLY COUNTY, NORTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2010

Management's Discussion and Analysis

This discussion and analysis is provided as an overview of Stanly County's financial activities for the fiscal year ended June 30, 2010. The transmittal letter that begins on *page i* provides additional highlights and explanations and should also be read in conjunction with the financial statements.

Financial Highlights

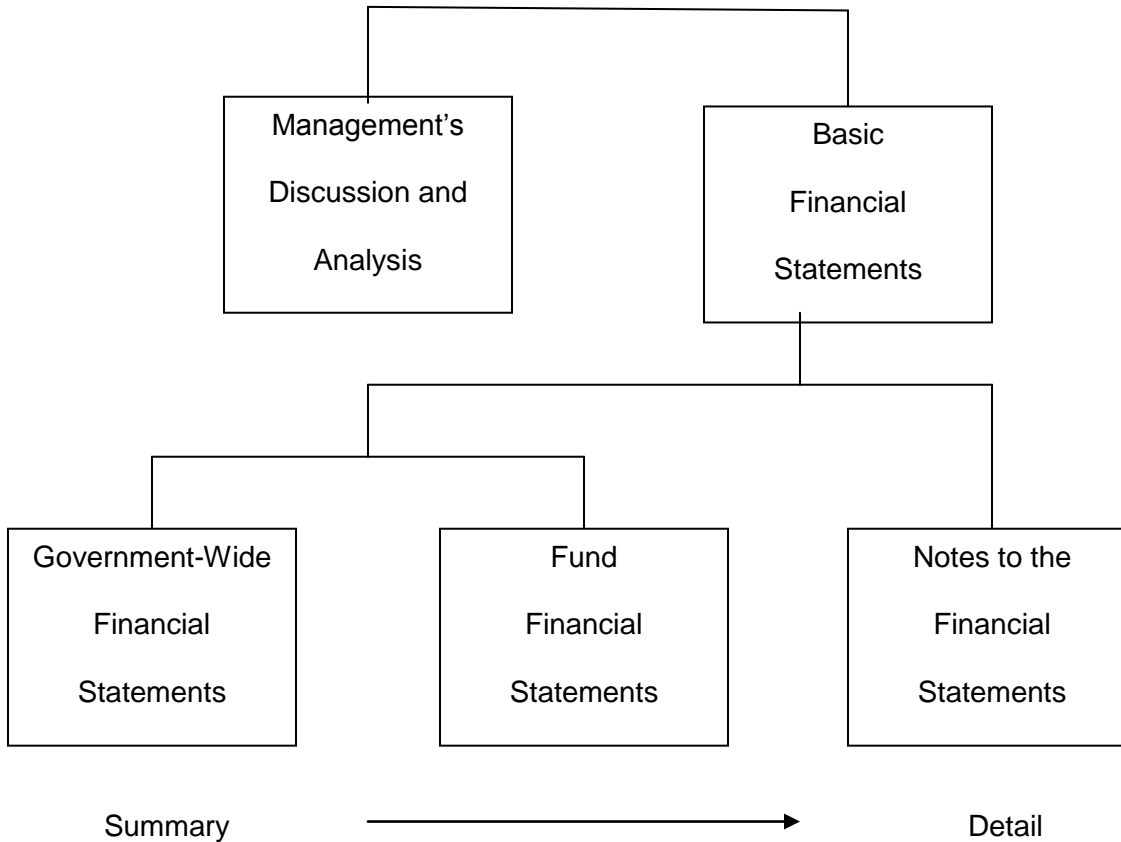
- The assets of Stanly County exceeded its liabilities at the close of the fiscal year by \$35,320,444 (*net assets*). Net assets would be much greater except Stanly County reports \$30,390,790 debt liability for the school system, and the school reports the assets.
- The government's total net assets decreased by \$6,632,907, primarily due to a decrease in governmental activities net assets.
- As of the close of the current fiscal year, Stanly County's governmental funds reported combined ending fund balances of \$15,381,399, after a net decrease in fund balance of \$5,461,332. Approximately 36.77% of this total amount, or \$5,655,028, is available for spending at the government's discretion (unreserved fund balance).
- At the end of the current fiscal year, unreserved fund balance for the General Fund was \$6,702,846, or 11.92% of total General Fund expenditures for the fiscal year.
- Stanly County's total debt decreased by \$1,751,061 (4.74%) during the current fiscal year. Regular and scheduled debt payments, and General Obligation Bond refunding account for the decrease.
- Stanly County maintained its Standard & Poor's A+ bond rating for the second consecutive year. Moody's bond rating for Stanly County was updated from A2 to Aa3 this year.
- The \$1,824,669 decrease (3.12%) in the General Fund budget occurred primarily because of decrease in revenue.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to Stanly County's basic financial statements, which consist of three components: 1) government-wide financial statements; 2) fund financial statements; and 3) notes to the financial statements (see diagram on next page). The government-wide statements and fund statements present two different perspectives that, along with the supplemental information, illustrate Stanly County's financial condition.

STANLY COUNTY, NORTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2010

Required Components of Annual Financial Reports



Basic Financial Statements

The first two statements (Exhibits A and B) in the basic financial statements are the Government-Wide Financial Statements. They provide both short and long-term information concerning the County's financial status.

Exhibits C through J are the Fund Financial Statements that focus on the activities of the individual parts of the County's government and provide more detail than the government-wide statements. There are four sections to the Fund Financial Statements: 1) the governmental funds statements; 2) the budgetary comparison statements; 3) the proprietary fund statements; 4) and the fiduciary fund statements.

The next section is the notes that provide narrative and data explanation regarding selected financial statement presentations. Supplementary information is then provided to show details about the County's nonmajor governmental funds and internal service fund, all of which are combined in one column on the basic financial statements. Budgetary information required by the General Statutes can also be found in this part of the statements.

STANLY COUNTY, NORTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2010

Required supplementary information regarding funding for the County's pension plans follows the notes.

Government-Wide Financial Statements

The government-wide financial statements are similar in format to private-sector business financial statements and are designed to provide a broad overview of the County's finances. The government-wide statements also provide information regarding the short and long-term financial status as a whole. These statements report increases and decreases of net assets, which are the difference between the County's total assets and total liabilities. Change in net assets is a primary tool to gauge the County's financial condition.

The government-wide statements are divided into three categories: 1) governmental activities, 2) business-type activities, and 3) component unit. The governmental activities include most of the basic services such as public safety, general administration, human services, transportation, and environmental protection. Property taxes, State and federal grants, and fees finance most of these activities. Business-type activities are those for which the County charges a fee to consumers to provide, such as water and sewer and airport services offered by the County. The final category is the component unit. Stanly County Water & Sewer Authority exists to provide water and sewer services to residences of the County. The County appoints the Board of Directors for the Authority.

Fund Financial Statements

Fund financial statements provide a detailed analysis of the more significant activities. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. All funds of the County can be divided into three categories, governmental, proprietary, and fiduciary funds. Stanly County, like all other governmental entities in North Carolina, uses fund accounting to ensure and report compliance (or non-compliance) with finance-related legal requirements, such as General Statutes or budget ordinances.

Governmental Funds – Governmental funds are used to account for functions reported as governmental activities in the government-wide financial statements. Most basic services are accounted for in governmental funds. These funds focus on how assets can readily be converted into cash flow in and out, and what monies are left at year-end that will be available for spending in the next year. Governmental funds are reported using an accounting method called *modified accrual accounting* that has a current financial resources focus. As a result, the governmental fund financial statements present a detailed short-term view that helps determine the amount of financial resources available to finance programs and activities. The relationship between government activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds is described in a reconciliation that is a part of the fund financial statements.

STANLY COUNTY, NORTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2010

Stanly County adopts an annual budget for its General Fund, as required by the General Statutes. The budget is a legally adopted document that incorporates input from residents, staff, and governing body regarding which services to provide and how to pay for them. It also identifies and authorizes revenue sources to finance current-period activities. The budgetary statement provided for the General Fund demonstrates how well the County complied with the budget ordinance, and whether or not the County succeeded in providing the services as planned when the budget was adopted. The budgetary comparison statement uses the budgetary basis of accounting and is presented using the same format, language, and classifications as the legal budget document. The statement shows four columns: 1) the original budget as adopted by the Board; 2) the final budget as amended by the Board; 3) the actual resources, charges to appropriations, and ending balances in the General Fund; and 4) the difference or variance between the final budget and the actual resources and charges. A reconciliation is provided at the end of the budgetary statement to account for the difference between the budgetary basis and modified accrual accounting basis.

Proprietary Funds – Enterprise and internal service funds are the only kind of proprietary funds maintained by Stanly County. Enterprise funds are used to report the same functions that are presented as business-type activities in the government-wide financial statements. Enterprise funds account for water and sewer activities and airport operations. These funds are the same as those separate activities shown in the business-type activities in the Statement of Net Assets and in the Statement of Activities.

The Group Health Fund is an internal service fund used to account for the medical self-insurance plan and worker's compensation benefits.

Fiduciary Funds – Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Stanly County maintains five agency funds and has no permanent fiduciary funds.

Notes to the Financial Statements – The notes provide additional information that is essential to fully understand data provided in the government-wide and fund financial statements. The notes to the financial statements begin on page 24 of this report.

Other Information – In addition to the basic financial statements and accompanying notes, this report includes certain required supplementary information concerning funding of employee pension obligations. Required supplementary information can be found beginning on page 58 of this report.

STANLY COUNTY, NORTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2010

STANLY COUNTY'S NET ASSETS

	Governmental Activities		Business-Type Activities		Total	
	2010	2009	2010	2009	2010	2009
Current and other assets	\$ 23,210,520	\$ 29,491,092	\$ 466,030	\$ 2,635,541	\$ 23,676,550	\$ 32,126,633
Capital assets	<u>19,974,091</u>	<u>20,187,833</u>	<u>34,931,793</u>	<u>33,744,521</u>	<u>54,905,884</u>	<u>53,932,354</u>
Total assets	<u>43,184,611</u>	<u>49,678,925</u>	<u>35,397,823</u>	<u>36,380,062</u>	<u>78,582,434</u>	<u>86,058,987</u>
Long-term liabilities outstanding	37,809,012	38,053,042	373,661	511,853	38,182,673	38,564,895
Other liabilities	<u>4,362,814</u>	<u>5,219,498</u>	<u>716,503</u>	<u>321,243</u>	<u>5,079,317</u>	<u>5,540,741</u>
Total liabilities	<u>42,171,826</u>	<u>43,272,540</u>	<u>1,090,164</u>	<u>833,096</u>	<u>43,261,990</u>	<u>44,105,636</u>
Net assets:						
Invested in capital assets, net of related debt	14,377,226	18,364,949	34,634,482	33,309,479	49,011,708	51,674,428
Restricted	81,434	71,511	-	-	81,434	71,511
Unrestricted (deficit)	<u>(13,445,875)</u>	<u>(12,030,075)</u>	<u>(326,823)</u>	<u>2,237,487</u>	<u>(13,772,698)</u>	<u>(9,792,588)</u>
Total net assets	<u>\$ 1,012,785</u>	<u>\$ 6,406,385</u>	<u>\$ 34,307,659</u>	<u>\$ 35,546,966</u>	<u>\$ 35,320,444</u>	<u>\$ 41,953,351</u>

Government-Wide Financial Analysis

As noted earlier, comparing changes in net assets over time provides one useful indicator of financial condition. The assets of Stanly County exceeded liabilities by \$35,320,444 as of June 30, 2010.

The County's net assets decreased by \$6,632,907 for the fiscal year ended June 30, 2010. Capital assets (e.g. land, buildings, machinery and equipment) reflect the largest portion of net assets. Stanly County's investment in its capital assets is reported net of the outstanding related debt. Stanly County uses capital assets to provide services to citizens; consequently, these assets are not available for future spending. The resources needed to repay that debt must be provided by other sources, since capital assets cannot be used to liquidate these liabilities. An additional portion of Stanly County's net assets represents resources that are subject to external restrictions on how they may be used.

Stanly County issues and pays the debt service on bonds sold and notes issued for school improvements. The Board of Education reports the assets on their books, and the County only the debt. The debt owed for school improvements is \$30,390,790.

STANLY COUNTY, NORTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2010

Stanly County's Changes in Net Assets

	Governmental Activities		Business-Type Activities		Total	
	2010	2009	2010	2009	2010	2009
Revenues:						
Program revenues:						
Charges for services	\$ 7,881,465	\$ 8,807,738	\$ 3,381,708	\$ 3,297,326	\$ 11,263,173	\$ 12,105,064
Operating grants and contributions	11,297,862	9,307,612	-	-	11,297,862	9,307,612
Capital grants and contributions	1,123,874	1,706,125	377,689	1,092,003	1,501,563	2,798,128
General revenues:						-
Property taxes	30,245,704	29,839,262	-	-	30,245,704	29,839,262
Other taxes	7,322,742	9,362,040	-	-	7,322,742	9,362,040
Interest earned on investments	373,880	612,476	23,857	29,042	397,737	641,518
Total revenues	<u>58,245,527</u>	<u>59,635,253</u>	<u>3,783,254</u>	<u>4,418,371</u>	<u>62,028,781</u>	<u>64,053,624</u>
Expenses:						
General government	6,799,601	6,207,070	-	-	6,799,601	6,207,070
Public safety	13,957,473	13,941,395	-	-	13,957,473	13,941,395
Transportation	948,122	923,081	-	-	948,122	923,081
Environmental protection	1,155,970	1,108,942	-	-	1,155,970	1,108,942
Economic development	2,817,237	1,494,393	-	-	2,817,237	1,494,393
Human services	14,851,419	16,136,859	-	-	14,851,419	16,136,859
Cultural and recreation	1,954,960	2,035,578	-	-	1,954,960	2,035,578
Education	19,284,505	24,661,209	-	-	19,284,505	24,661,209
Interest on long-term debt	1,659,370	1,393,628	-	-	1,659,370	1,393,628
Water and sewer	-	-	3,714,625	3,809,744	3,714,625	3,809,744
Airport	-	-	1,518,407	1,548,508	1,518,407	1,548,508
Total expenses	<u>63,428,656</u>	<u>67,902,155</u>	<u>5,233,032</u>	<u>5,358,252</u>	<u>68,661,689</u>	<u>73,260,407</u>
Increase (decrease) in net assets before transfers and special items	(5,183,129)	(8,266,902)	(1,449,778)	(939,881)	(6,632,907)	(9,206,783)
Transfers in (out)	<u>(210,471)</u>	<u>(610,360)</u>	<u>210,471</u>	<u>610,360</u>	<u>-</u>	<u>-</u>
Increase (decrease) in net assets	(5,393,600)	(8,877,262)	(1,239,307)	(329,521)	(6,632,907)	(9,206,783)
Net assets, July 1	<u>6,406,385</u>	<u>15,283,647</u>	<u>35,546,966</u>	<u>35,876,487</u>	<u>41,953,351</u>	<u>51,160,134</u>
Net assets, June 30	<u>\$ 1,012,785</u>	<u>\$ 6,406,385</u>	<u>\$ 34,307,659</u>	<u>\$ 35,546,966</u>	<u>\$ 35,320,444</u>	<u>\$ 41,953,351</u>

STANLY COUNTY, NORTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2010

Governmental Activities. Governmental activities decreased the County's net assets by \$5,393,600. Key elements of that decrease were as follows:

- Current year expenditures exceeded revenues by \$5,183,129
- Cash decreased by \$4,727,571
- Net capital assets decreased by over \$200,000

Business-Type Activities. Business-type activities decreased Stanly County's net assets by \$1,239,307. Key financial elements of business-type activities are as follows:

- Capital grants and contributions decreased by \$714,314
- Cash decreased by \$532,652

Financial Analysis of the County's Funds

As noted earlier, Stanly County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds. The focus of governmental funds is to provide information on near-term inflows, outflows, and balances of usable resources. Such information is useful in assessing financing requirements. Specifically, unreserved fund balance at year-end is a useful measure of resources available to spend in future years.

The General Fund is the chief operating fund. The unreserved fund balance at the end of the fiscal year was \$6,702,846 and total fund balance was \$16,401,135. As a measure of the General Fund's liquidity, it is useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 11.92% of total General Fund expenditures, while total fund balance represents 29.17% of that same amount. The decrease in unreserved fund balance is a result of the decrease in cash of \$2,469,347.

At June 30, 2010, the Jail Construction Fund is showing a deficit fund balance of \$1,464,929. The construction is complete, and the County is to receive the loan proceeds from the USDA loan early in FY 10/11 to close this project fund.

At June 30, 2010, the governmental funds of Stanly County reported a combined fund balance of \$15,381,399, a 26.20 percent decrease from last year. The primary reason for this decrease is the decrease in fund balance in the nonmajor governmental funds, more specifically the School Construction Capital Project Fund.

General Fund Budgetary Highlights. During the fiscal year, the County revised the budget on several occasions. Generally, budget amendments fall into one of three categories: 1) amendments made to adjust the estimates that are used to prepare the original budget ordinance once exact information is available; 2) amendments made to recognize new funding amounts from external sources, such as federal and State grants; and 3) increases in appropriations that become necessary to maintain services.

STANLY COUNTY, NORTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2010

Total amendments to the General Fund increased expenditures by \$20,310,300 and revenues by only \$18,207,119 with the remaining \$2,103,181 funded by fund balance. Total amendments of \$145,000 were transfers to capital projects. Another \$319,291 was appropriated to document an increase in the transfer for school building cost from the state bond fund. The budget was also increased by \$16,325,000 for the amount of the 2001 and 2002 General Obligation Bond Refunding.

Proprietary Funds. Stanly County's proprietary funds provide the same type of information found in the government-wide statements, but in more detail. Unrestricted net assets of the Utility Funds at the end of the fiscal year amounted to \$372,598 and for the airport \$(699,421). The total decrease in net assets for all enterprise funds was \$1,239,307. Other factors concerning the finances of these two funds have already been addressed in the discussion of business-type activities.

Capital Assets and Debt Administration

Capital Assets. Stanly County's capital assets for its governmental and business-type activities as of June 30, 2010, totaled \$54,905,884 (net of accumulated depreciation). These assets included buildings, land, machinery and equipment, and vehicles.

Major capital asset transactions during the year included:

- Jail Construction Project near closing
- Airport improvements and utility projects are ongoing
- Completion of water lines

STANLY COUNTY'S CAPITAL ASSETS
(net of depreciation)

	Governmental Activities		Business-Type Activities		Total	
	2010	2009	2010	2009	2010	2009
Land	\$ 1,949,950	\$ 1,949,950	\$ 5,147,879	\$ 5,147,879	\$ 7,097,829	\$ 7,097,829
Buildings and improvements	8,221,394	8,668,595	24,683,123	25,638,687	32,904,517	34,307,282
Equipment and vehicles	1,346,009	1,595,585	93,698	189,914	1,439,707	1,785,499
Constuction in progress	<u>8,456,738</u>	<u>7,973,703</u>	<u>5,007,093</u>	<u>2,768,041</u>	<u>13,463,831</u>	<u>10,741,744</u>
Total	<u>\$ 19,974,091</u>	<u>\$ 20,187,833</u>	<u>\$ 34,931,793</u>	<u>\$ 33,744,521</u>	<u>\$ 54,905,884</u>	<u>\$ 53,932,354</u>

Additional information on capital assets can be found in the financial notes of the Basic Financial Statements on page 37.

STANLY COUNTY, NORTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2010

Long-Term Debt. As of June 30, 2010, Stanly County had total bonded debt outstanding of \$18,145,000 all of which is debt backed by the full faith and credit of the County.

Stanly County's Outstanding Debt
General Obligation Bonds

	Governmental Activities		Business-Type Activities		Total	
	2010	2009	2010	2009	2010	2009
General obligation bonds	<u>\$ 18,075,000</u>	<u>\$ 18,950,000</u>	<u>\$ 70,000</u>	<u>\$ 185,000</u>	<u>\$ 18,145,000</u>	<u>\$ 19,135,000</u>

Stanly County's total debt decreased by \$1,751,061 (4.74%) during the past fiscal year, primarily due to regularly scheduled debt payments, and General Obligation bond refunding.

As mentioned in the financial highlights section of this document, Stanly County maintained its Standard & Poor's A+ bond rating for the second consecutive year. Moody's bond rating for Stanly County updated from A2 to Aa3 this year. These bond ratings are an indication of sound financial condition.

The State of North Carolina limits the amount of general obligation debt that a unit of government can issue to 8% of the total assessed value of taxable property located within that government's boundaries. The legal debt margin for Stanly County is \$301,644,251. The County has no bonds authorized but unissued at June 30, 2010.

Additional information regarding Stanly County's long-term debt can be found in note III beginning on page 49 of this audited financial report.

Economic Factors and Next Year's Budgets and Rates

The following key indicators reflect the economic status of Stanly County.

- The County is experiencing an increase in the unemployment rate at 11.9%, which is slightly above the State average.
- Retail vacancy rates are high compared to prior years.
- Continued reductions in workforce through targeted layoffs and furloughs.

Budget Highlights for the Fiscal Year Ending June 30, 2011

Governmental Activities: Property tax values are expected to increase only by .02%, primarily because of accelerated depreciation on manufacturing equipment. Solid waste and other fees increased slightly.

General Fund expenditures were budgeted to fall from \$55,716,925 to \$53,671,168 which is a 3.67% decrease. This is largely due to the decrease in sales tax revenues.

STANLY COUNTY, NORTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2010

Requests for Information

This report is designed to provide an overview of the County's finances. Questions concerning any of the information found in this report or requests for additional information should be directed to the Director of Finance, Stanly County, 1000 North First Street, Suite 10B, Albemarle, North Carolina, 28001.

BASIC FINANCIAL STATEMENTS



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STANLY COUNTY, NORTH CAROLINA

STATEMENT OF NET ASSETS

JUNE 30, 2010

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Stanly Water and Sewer Authority
Assets:				
Cash and cash equivalents	\$ 12,112,002	\$ 1,486,410	\$ 13,598,412	\$ 362,109
Receivables, net	6,222,374	758,645	6,981,019	81,132
Internal balances	1,874,784	(1,874,784)	-	-
Notes receivable	2,965,000	-	2,965,000	-
Inventories	-	89,632	89,632	-
Prepaid items	36,360	-	36,360	-
Bond discount, net of amortization	-	6,127	6,127	-
Capital assets:				
Land	1,949,950	5,147,879	7,097,829	-
Construction in progress	8,456,738	5,007,093	13,463,831	4,443,728
Capital assets net of depreciation	9,567,403	24,776,821	34,344,224	-
Capital assets, net	19,974,091	34,931,793	54,905,884	4,443,728
Total assets	43,184,611	35,397,823	78,582,434	4,886,969
Liabilities:				
Accounts payable	2,708,997	573,320	3,282,317	49,023
Interest payable	571,923	1,710	573,633	-
Payroll payable	900,539	41,563	942,102	-
Deposits payable	-	99,910	99,910	-
Due to other governments	8,016	-	8,016	-
Unearned revenue	173,339	-	173,339	-
Non-current liabilities:				
Due within a year	3,349,968	117,731	3,467,699	-
Due in more than a year	34,459,044	255,930	34,714,974	2,965,000
Total liabilities	42,171,826	1,090,164	43,261,990	3,014,023
Net Assets:				
Invested in capital assets, net of related debt	14,377,226	34,634,482	49,011,708	4,443,728
Restricted for:				
Register of Deeds	81,434	-	81,434	-
Unrestricted (deficit)	(13,445,875)	(326,823)	(13,772,698)	(2,570,782)
Total net assets	\$ 1,012,785	\$ 34,307,659	\$ 35,320,444	\$ 1,872,946

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

STANLY COUNTY, NORTH CAROLINA

STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2010

Functions/Programs	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
Governmental Activities:				
General government	\$ 6,799,601	\$ 1,468,042	\$ 1,817,152	\$ -
Public safety	13,957,473	3,003,195	435,292	-
Transportation	948,122	364,756	400,253	-
Environmental protection	1,155,970	862,811	-	-
Economic and physical development	2,817,237	13,770	-	-
Human services	14,851,419	2,147,188	8,062,695	-
Education	19,284,505	-	582,400	1,123,874
Culture and recreation	1,954,960	21,703	70	-
Interest on long-term debt	1,659,370	-	-	-
Total governmental activities	63,428,656	7,881,465	11,297,862	1,123,874
Business-Type Activities:				
Greater Badin Water and Sewer District	727,564	468,125	-	-
Piney Point Water District	138,838	197,044	-	-
Stanly County Utility Fund	2,848,223	2,404,573	-	(31,431)
Airport Fund	1,518,407	311,966	-	409,120
Total business-type activities	5,233,032	3,381,708	-	377,689
Total primary government	\$ 68,661,688	\$ 11,263,173	\$ 11,297,862	\$ 1,501,563
Component Unit:				
Water & Sewer Authority	174,617	187,667	-	72,462
Total Component Unit	\$ 174,617	\$ 187,667	\$ -	\$ 72,462

General Revenues:

Ad valorem taxes
Local option sales tax
Other taxes
Interest earned on investments
Miscellaneous income
Transfers in (out)
Total general revenues and transfers

Change in net assets

Net Assets:

Beginning of year - July 1

End of year - June 30

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

Exhibit B

Net (Expense) Revenue and Changes in Net Assets			
Primary Government			Component Unit
Governmental Activities	Business-Type Activities	Total	Stanly Water and Sewer Authority
\$ (3,514,407)	\$ -	\$ (3,514,407)	\$ -
(10,518,986)	-	(10,518,986)	-
(183,113)	-	(183,113)	-
(293,159)	-	(293,159)	-
(2,803,467)	-	(2,803,467)	-
(4,641,536)	-	(4,641,536)	-
(17,578,231)	-	(17,578,231)	-
(1,933,187)	-	(1,933,187)	-
(1,659,370)	-	(1,659,370)	-
(43,125,455)	-	(43,125,455)	-
-	(259,439)	(259,439)	-
-	58,206	58,206	-
-	(475,081)	(475,081)	-
-	(797,321)	(797,321)	-
-	(1,473,635)	(1,473,635)	-
(43,125,455)	(1,473,635)	(44,599,090)	-
-	-	-	85,512
-	-	-	85,512
30,245,704	-	30,245,704	-
6,841,679	-	6,841,679	-
481,063	-	481,063	-
373,880	23,857	397,737	172
-	-	-	122
(210,471)	210,471	-	-
37,731,855	234,328	37,966,183	294
(5,393,600)	(1,239,307)	(6,632,907)	85,806
6,406,385	35,546,966	41,953,351	1,787,140
\$ 1,012,785	\$ 34,307,659	\$ 35,320,444	\$ 1,872,946

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

STANLY COUNTY, NORTH CAROLINA

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2010

	General	Jail Construction Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets:				
Cash and cash equivalents	\$ 9,018,454	\$ -	\$ 500,615	\$ 9,519,069
Receivables, net	5,536,147	-	204,430	5,740,577
Due from other funds	3,397,053	-	-	3,397,053
Notes receivable	2,965,000	-	-	2,965,000
Prepaid items	36,360	-	-	36,360
Total assets	<u>\$ 20,953,014</u>	<u>\$ -</u>	<u>\$ 705,045</u>	<u>\$ 21,658,059</u>
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable and accrued liabilities	\$ 2,052,820	\$ -	\$ 114,653	\$ 2,167,473
Due to other governments	8,016	-	-	8,016
Due to other funds	-	1,464,929	57,340	1,522,269
Deferred revenue	2,317,704	-	87,859	2,405,563
Unearned revenue	173,339	-	-	173,339
Total liabilities	<u>4,551,879</u>	<u>1,464,929</u>	<u>259,852</u>	<u>6,276,660</u>
Fund Balances:				
Reserved/restricted for:				
By State statute	9,580,495	-	28,082	9,608,577
Register of Deeds	81,434	-	-	81,434
Prepaid items	36,360	-	-	36,360
Unreserved Reported In:				
General Fund	6,702,846	-	-	6,702,846
Special Revenue Fund	-	-	417,111	417,111
Capital Project Fund	-	(1,464,929)	-	(1,464,929)
Total fund balances	<u>16,401,135</u>	<u>(1,464,929)</u>	<u>445,193</u>	<u>15,381,399</u>
Total liabilities and fund balances	<u>\$ 20,953,014</u>	<u>\$ -</u>	<u>\$ 705,045</u>	

Amounts reported for governmental activities in the Statement of Net Assets (Exhibit A) are different because:

Capital assets used in governmental activities are not financial resources and are not reported in the funds.	19,974,091
The focus of governmental funds is on short-term financing; long-term assets are deferred in the funds.	2,877,426
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	(38,380,935)
Internal service funds are used by management to charge the costs of certain activities to individual funds. These assets and liabilities are included in governmental activities in the Statement of Net Assets.	<u>1,160,804</u>
Net assets of governmental activities	<u>\$ 1,012,785</u>

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

STANLY COUNTY, NORTH CAROLINA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2010

	General	Jail Construction Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:				
Ad valorem taxes	\$ 28,171,510	\$ -	\$ 1,854,435	\$ 30,025,945
Local option sales taxes	6,841,679	-	-	6,841,679
Other taxes and licenses	481,063	-	-	481,063
Unrestricted intergovernmental	425	-	-	425
Restricted intergovernmental	11,164,968	-	905,982	12,070,950
Sales and services	6,382,021	-	336,979	6,719,000
Permits and fees	688,288	-	6,000	694,288
Investment earnings	277,583	-	7,868	285,451
Miscellaneous	635,110	-	-	635,110
Total revenues	<u>54,642,647</u>	<u>-</u>	<u>3,111,264</u>	<u>57,753,911</u>
Expenditures:				
Current:				
General government	6,270,171	-	28,177	6,298,348
Public safety	11,508,622	483,036	2,067,857	14,059,515
Transportation	837,489	-	-	837,489
Environmental protection	1,131,079	-	-	1,131,079
Economic and physical development	1,820,868	-	944,762	2,765,630
Human services	14,668,505	-	-	14,668,505
Education	14,172,927	-	3,738,378	17,911,305
Culture and recreation	1,716,764	-	-	1,716,764
Debt service:				
Principal	2,400,877	-	-	2,400,877
Interest and other charges	1,697,261	-	-	1,697,261
Total expenditures	<u>56,224,563</u>	<u>483,036</u>	<u>6,779,174</u>	<u>63,486,773</u>
Revenues over (under) expenditures	<u>(1,581,916)</u>	<u>(483,036)</u>	<u>(3,667,910)</u>	<u>(5,732,862)</u>
Other Financing Sources (Uses):				
Installment debt issued	312,547	-	-	312,547
Refunding bonds issued	16,325,000	-	-	16,325,000
Payment to bondholders - retired debt	(17,223,200)	-	-	(17,223,200)
Bond premium	1,067,654	-	-	1,067,654
Transfers from other funds	190,572	-	-	190,572
Transfers to other funds	(313,771)	-	(87,272)	(401,043)
Total other financing sources (uses)	<u>358,802</u>	<u>-</u>	<u>(87,272)</u>	<u>271,530</u>
Net change in fund balances	(1,223,114)	(483,036)	(3,755,182)	(5,461,332)
Fund Balances:				
Beginning of year - July 1	<u>17,624,249</u>	<u>(981,893)</u>	<u>4,200,375</u>	<u>20,842,731</u>
End of year - June 30	<u>\$ 16,401,135</u>	<u>\$ (1,464,929)</u>	<u>\$ 445,193</u>	<u>\$ 15,381,399</u>

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

STANLY COUNTY, NORTH CAROLINA

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2010

Amounts reported for governmental activities in the Statement of Activities (Exhibit B)
are different due to the following items:

Net change in fund balances for governmental funds	\$ (5,461,332)
Governmental funds report capital outlays as expenditures. In the Statement of Activities, the cost of those assets is depreciated over their estimated useful lives.	
Capital outlays \$ 1,137,249	
Depreciation <u>(1,332,880)</u>	(195,631)
Costs of capital assets disposed of during the year, not recognized on modified accrual basis	(18,111)
The issuance of long-term debt (e.g., bonds, leases) is a resource and the repayment of bond principal is an expenditure in governmental funds, but those transactions increase or reduce long-term liabilities in the Statement of 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. This amount is the net effect of those differences.	
	545,676
Some revenues reported in the Statement of Activities are not yet available and, therefore, are not reported as revenues in the governmental funds.	256,843
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 the governmental funds.	(263,755)
Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue of most of these activities is reported with governmental activities.	<u>(257,290)</u>
Change in net assets of governmental activities	<u>\$ (5,393,600)</u>

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

STANLY COUNTY, NORTH CAROLINA

GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2010

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Over/Under</u>
Revenues:				
Ad valorem taxes	\$ 28,139,300	\$ 28,139,300	\$ 28,171,510	\$ 32,210
Sales taxes	7,359,086	7,359,086	6,841,679	(517,407)
Other taxes	553,000	559,000	481,063	(77,937)
Unrestricted intergovernmental	-	-	425	425
Restricted intergovernmental	11,586,431	12,934,871	11,164,968	(1,769,903)
Licenses and permits	872,853	872,853	688,288	(184,565)
Sales and services	5,981,853	6,030,777	6,382,021	351,244
Investment earnings	500,000	500,000	277,583	(222,417)
Miscellaneous	532,244	581,555	635,110	53,555
Total revenues	<u>55,524,767</u>	<u>56,977,442</u>	<u>54,642,647</u>	<u>(2,334,795)</u>
Expenditures:				
Current:				
General government	4,875,206	6,684,825	6,270,171	414,654
Public safety	11,649,670	11,937,636	11,508,622	429,014
Transportation	1,092,839	1,112,669	837,489	275,180
Environmental protection	1,119,936	1,130,936	1,131,079	(143)
Economic and physical development	1,608,211	2,144,451	1,820,868	323,583
Human services	15,212,239	16,003,833	14,668,505	1,335,328
Education	15,207,519	15,439,538	14,172,927	1,266,611
Culture and recreation	1,857,639	1,922,399	1,716,764	205,635
Debt service:				
Principal	1,732,667	1,732,667	2,400,877	(668,210)
Bond interest and costs	2,395,111	2,482,383	1,697,261	785,122
Total expenditures	<u>56,751,037</u>	<u>60,591,337</u>	<u>56,224,563</u>	<u>4,366,774</u>
Revenues over (under) expenditures	<u>(1,226,270)</u>	<u>(3,613,895)</u>	<u>(1,581,916)</u>	<u>2,031,979</u>
Other Financing Sources (Uses):				
Transfers out	(232,498)	(377,498)	(313,771)	63,727
Transfers in	143,810	190,572	190,572	-
Installment debt issued	-	312,515	312,547	32
Refunding bonds issued	-	16,325,001	16,325,000	(1)
Payment to bondholders - retired debt	-	(16,325,000)	(17,223,200)	(898,200)
Payment to bondholders - interest	-	-	-	-
Bond premium	-	70,166	1,067,654	997,488
Appropriated fund balance	<u>1,314,958</u>	<u>3,418,139</u>	<u>-</u>	<u>(3,418,139)</u>
Total other financing sources (uses)	<u>1,226,270</u>	<u>3,613,895</u>	<u>358,802</u>	<u>(3,255,093)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>(1,223,114)</u>	<u>\$ (1,223,114)</u>
Fund Balance:				
Beginning of year - July 1			<u>17,624,249</u>	
End of year - June 30			<u>\$ 16,401,135</u>	

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

STANLY COUNTY, NORTH CAROLINA

STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
JUNE 30, 2010

	Enterprise Funds					Governmental Activities
	Greater Badin Water & Sewer District Fund	Piney Point Water District Fund	Stanly County Utility Fund	Airport Fund	Total	Internal Service Group Health Fund
Assets:						
Current assets:						
Cash and cash equivalents	\$ 185,022	\$ 196,569	\$ 758,441	\$ 346,378	\$ 1,486,410	\$ 2,592,933
Accounts receivable, net	104,563	22,809	611,495	15,271	754,138	-
Interest receivable	709	755	1,715	1,328	4,507	9,934
Inventories	-	-	46,628	43,004	89,632	-
Total current assets	290,294	220,133	1,418,279	405,981	2,334,687	2,602,867
Non-current assets:						
Bond discount, net of amortization	-	-	6,127	-	6,127	-
Total deferred debits	-	-	6,127	-	6,127	-
Capital assets:						
Land	-	-	223,784	4,924,095	5,147,879	-
Construction in progress	-	-	2,824,664	2,182,429	5,007,093	-
Capital assets, net of depreciation	2,499,468	166,422	11,514,417	10,596,514	24,776,821	-
Total capital assets, net	2,499,468	166,422	14,562,865	17,703,038	34,931,793	-
Total non-current assets	2,499,468	166,422	14,568,992	17,703,038	34,937,920	-
Total assets	2,789,762	386,555	15,987,271	18,109,019	37,272,607	2,602,867
Liabilities:						
Current liabilities:						
Accounts payable	3,555	3,628	373,536	192,601	573,320	1,689
Interest payable	1,488	-	222	-	1,710	-
Payroll payable	-	-	32,171	9,392	41,563	-
Due to other funds	-	-	983,665	891,119	1,874,784	-
Compensated absences payable	-	-	20,000	5,000	25,000	-
Current portion of long-term debt	52,731	-	40,000	-	92,731	-
Health and workers' compensation payable	-	-	-	-	-	1,440,374
Total current liabilities	57,774	3,628	1,449,594	1,098,112	2,609,108	1,442,063
Non-current liabilities:						
Customer deposits	13,250	3,120	83,540	-	99,910	-
Compensated absences payable	-	-	44,060	7,291	51,351	-
Non-current portion of long-term debt	204,579	-	-	-	204,579	-
Total non-current liabilities	217,829	3,120	127,600	7,291	355,840	-
Total liabilities	275,603	6,748	1,577,194	1,105,403	2,964,948	1,442,063
Net Assets:						
Invested in capital assets, net of related debt	2,242,158	166,422	14,522,865	17,703,037	34,634,482	-
Unrestricted	272,001	213,385	(112,788)	(699,421)	(326,823)	1,160,804
Total net assets	\$ 2,514,159	\$ 379,807	\$ 14,410,077	\$ 17,003,616	\$ 34,307,659	\$ 1,160,804

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

STANLY COUNTY, NORTH CAROLINA

STATEMENT OF REVENUES, EXPENSES, AND CHANGES
IN FUND NET ASSETS - PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2010

	Enterprise Funds					Governmental Activities
	Greater Badin Water & Sewer District Fund	Piney Point Water District Fund	Stanly County Utility Fund	Airport Fund	Total	Internal Service Group Health Fund
Operating Revenues:						
Sales and charges	\$ 465,155	\$ 196,743	\$ 2,129,194	\$ 311,966	\$ 3,103,058	\$ 4,657,695
Other	2,970	301	33,222	-	36,493	-
Total operating revenues	<u>468,125</u>	<u>197,044</u>	<u>2,162,416</u>	<u>311,966</u>	<u>3,139,551</u>	<u>4,657,695</u>
Operating Expenses:						
Administration	66,226	55,852	339,306	-	461,384	-
Distribution and maintenance	214,584	1,396	1,284,969	-	1,500,949	-
Water purchases	68,297	46,828	492,292	-	607,417	-
Airport operations	-	-	-	557,231	557,231	-
Group health operations	-	-	-	-	-	4,347,487
Workers' compensation	-	-	-	-	-	618,843
Depreciation	367,226	34,762	724,138	961,176	2,087,302	-
Total operating expenses	<u>716,333</u>	<u>138,838</u>	<u>2,840,705</u>	<u>1,518,407</u>	<u>5,214,283</u>	<u>4,966,330</u>
Operating income (loss)	<u>(248,208)</u>	<u>58,206</u>	<u>(678,289)</u>	<u>(1,206,441)</u>	<u>(2,074,732)</u>	<u>(308,635)</u>
Non-Operating Revenues (Expenses):						
Interest income	3,917	4,272	9,457	6,211	23,857	51,345
Administrative charges	-	-	242,157	-	242,157	-
Interest on long-term debt	(11,231)	-	(7,518)	-	(18,749)	-
Total non-operating revenues (expenses)	<u>(7,314)</u>	<u>4,272</u>	<u>244,096</u>	<u>6,211</u>	<u>247,265</u>	<u>51,345</u>
Income before contributions and transfers	<u>(255,522)</u>	<u>62,478</u>	<u>(434,193)</u>	<u>(1,200,230)</u>	<u>(1,827,467)</u>	<u>(257,290)</u>
Contributions and Transfers:						
Transfers in	-	-	45,332	293,770	339,102	-
Transfers out	-	(51,831)	(76,800)	-	(128,631)	-
Capital contributions	-	-	(31,431)	409,120	377,689	-
Total contributions and transfers	<u>-</u>	<u>(51,831)</u>	<u>(62,899)</u>	<u>702,890</u>	<u>588,160</u>	<u>-</u>
Change in net assets (deficit)	<u>(255,522)</u>	<u>10,647</u>	<u>(497,092)</u>	<u>(497,340)</u>	<u>(1,239,307)</u>	<u>(257,290)</u>
Net Assets:						
Beginning of year - July 1	<u>2,769,681</u>	<u>369,160</u>	<u>14,907,169</u>	<u>17,500,956</u>	<u>35,546,966</u>	<u>1,418,094</u>
End of year - June 30	<u>\$ 2,514,159</u>	<u>\$ 379,807</u>	<u>\$ 14,410,077</u>	<u>\$ 17,003,616</u>	<u>\$ 34,307,659</u>	<u>\$ 1,160,804</u>

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

STANLY COUNTY, NORTH CAROLINA

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2010

	Enterprise Funds					Governmental Activities
	Greater Badin Water & Sewer District Fund	Piney Point Water District Fund	Stanly County Utility Fund	Airport Fund	Total	Internal Service Group Health Fund
Cash Flows From Operating Activities:						
Cash received from customers	\$ 458,494	\$ 193,007	\$ 2,598,107	\$ 309,813	\$ 3,559,421	\$ 4,657,690
Cash paid for goods and services	(353,925)	(100,464)	(513,398)	700,349	(267,438)	(4,911,073)
Cash paid to employees for services	-	-	(764,089)	(243,444)	(1,007,533)	-
Customer deposits	50	(90)	3,160	-	3,120	-
Net cash provided (used) by operating activities	104,619	92,453	1,323,780	766,718	2,287,570	(253,378)
Cash Flows From Non-Capital Financing Activities:						
Transfers from General Fund	-	-	45,332	293,770	339,102	-
Transfers to General Fund	-	(51,831)	(76,800)	-	(128,631)	-
Net cash provided (used) by non-capital financing activities	-	(51,831)	(31,468)	293,770	210,471	-
Cash Flows From Capital and Related Financing Activities:						
Acquisition and construction of capital assets	-	-	(1,483,834)	(1,790,740)	(3,274,574)	-
Principal paid on bond maturities and lease purchases	(62,731)	-	(75,000)	-	(137,731)	-
Interest paid on bond maturities and lease purchases	(11,999)	-	(7,935)	-	(19,934)	-
Capital contribution	-	-	(31,431)	409,120	377,689	-
Net cash provided (used) by capital and related financing activities	(74,730)	-	(1,598,200)	(1,381,620)	(3,054,550)	-
Cash Flows From Investing Activities:						
Interest on investments	3,917	4,272	9,457	6,211	23,857	50,625
Net increase (decrease) in cash and cash equivalents	33,806	44,894	(296,431)	(314,921)	(532,652)	(202,753)
Cash and cash equivalents, July 1	151,216	151,675	1,054,872	661,299	2,019,062	2,795,686
Cash and cash equivalents, June 30	\$ 185,022	\$ 196,569	\$ 758,441	\$ 346,378	\$ 1,486,410	\$ 2,592,933
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:						
Operating income (loss)	\$ (248,208)	\$ 58,206	\$ (678,289)	\$ (1,206,441)	\$ (2,074,732)	\$ (308,635)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:						
Depreciation	367,226	34,762	724,138	961,176	2,087,302	-
Other non-operating revenue	-	-	242,157	-	242,157	-
Changes in assets and liabilities:						
(Increase) decrease in accounts receivable	(9,630)	(4,037)	193,534	(2,153)	177,714	-
(Increase) decrease in inventory	-	-	(3,531)	19,857	16,326	-
Increase (decrease) in accounts payable and liabilities	(4,818)	3,612	839,863	996,377	1,835,034	55,257
Increase (decrease) in customer deposits	50	(90)	3,160	-	3,120	-
Increase (decrease) in compensated absences	-	-	2,748	(2,098)	650	-
Total adjustments	352,828	34,247	2,002,069	1,973,159	4,362,303	55,257
Net cash provided (used) by operating activities	\$ 104,619	\$ 92,453	\$ 1,323,780	\$ 766,718	\$ 2,287,570	\$ (253,378)

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

STANLY COUNTY, NORTH CAROLINA

STATEMENT OF NET ASSETS

FIDUCIARY FUND

JUNE 30, 2010

	<u>Agency Fund</u>
Assets:	
Cash and cash equivalents	\$ 140,848
Inmate cash	<u>2,686</u>
Total assets	<u>\$ 143,534</u>
 Liabilities:	
Liabilities:	
Accounts payable	\$ 121,993
Client payable	<u>21,541</u>
Total liabilities	<u>\$ 143,534</u>

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

STANLY COUNTY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2010

I. Summary of Significant Accounting Policies

The accounting policies of Stanly County conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant accounting policies:

A. Reporting Entity

The County, which is governed by a five-member board of commissioners, is one of the 100 counties established in North Carolina under North Carolina General Statute 153A-10. As required by generally accepted accounting principles, these financial statements present the County and its component units, which are legally separate entities for which the County is financially accountable. The blended component units, although legally separate entities, are in substance part of the County's operations.

Blended Component Units – Piney Point Water District and Greater Badin Water and Sewer District (Districts) exist to provide and maintain water and sewer services for residents within the Districts. Under State law (G. S. 162A-89), the County's Board of Commissioners serves as the governing board for the Districts. Therefore, the Districts are reported as enterprise funds in the County's financial statements. The Districts do not issue separate financial statements.

Discretely Presented Component Units

Stanly County Industrial Facility and Pollution Control Financing Authority exists to issue and service revenue bond debt of private businesses for economic development purposes. The County Commissioners appoint a seven-member board to govern the Authority. The County Commissioners can remove any Authority member with or without cause. The Authority has no financial transactions or account balances; therefore, it is not presented in the County's financial statements at June 30, 2010. The Authority does not issue separate financial statements.

Stanly Water and Sewer Authority exists to provide water and sewer services for the County. The Board of Directors is appointed by the Stanly County Board of Commissioners and can be removed at any time with or without cause. Complete financial statements for the Authority may be obtained from the Director of Finance, Stanly County, 1000 North First Street, Suite 10B, Albemarle, North Carolina, 28001.

B. Basis of Presentation, Basis of Accounting

Basis of Presentation, Measurement Focus – Basis of Accounting

The government-wide statements (Exhibit A – Statement of Net Assets, and Exhibit B – the Statement of Activities) report information on all activities of the primary government (the County) and its component units. These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. Interfund services provided and used are not eliminated in the process of consolidation. These statements distinguish between the *governmental* and *business-type activities* of the County. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

STANLY COUNTY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2010

The Statement of Activities presents a comparison between direct expenses and program revenues for the different business-type activities of the County, and for each function of the County's governmental activities. Direct expenses are those that are specifically associated with a program or function, and therefore are clearly identifiable to a particular function. Indirect expense allocations that have been made in the funds have been reversed for the statement of activities. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements: The fund financial statements provide information about the County's funds, including its fiduciary funds and blended component units. Separate statements for each fund category – *governmental, proprietary, and fiduciary* – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Non-operating revenues, such as subsidies and investment earnings, result from non-exchange transactions or ancillary activities.

The County reports the following major governmental funds:

General Fund – This is the County's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Jail Construction Fund – This project fund accounts for the construction of jail additions and future improvements to the County Jail.

The County reports the following major enterprise funds:

Greater Badin Water and Sewer District Fund, Piney Point Water District Fund, and Stanly County Utility Fund provide water and sewer services. The Airport Fund operations provide for landings, take-offs, tie-down slots, hangars, and refueling for both civilian and military aircraft.

The County reports the following fund types:

Agency Funds - Agency funds are custodial in nature and do not involve measurement of results of operations. Agency funds are used to account for assets the County holds on behalf of others. The County maintains the following agency funds: the Fines and Forfeitures Fund, which is used to account for monies collected by the Clerk of Court for the benefit of the Board of Education located within Stanly County; the Sheriff's Execution Agency Fund, which is used to account for monies collected for tax warrants and judgments; the Protective Payee Fund, which is used to account for monies deposited with the County's Social Services Department for the benefit of certain individuals for whom the County acts as agent; the Property Tax Clearing Fund, which is used to account for monies collected from ad valorem taxes for the benefit of municipalities located in the County; and the Delinquent Vehicle Tax Fund which accounts for the three percent interest collected on the first month of delinquent motor vehicle taxes that the County is required to remit to the North Carolina Department of Motor Vehicles.

STANLY COUNTY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2010

Internal Service Fund – The Internal Service Fund is used to account for the financial activities of the County's self-insured benefit plans for employee group health care and workers' compensation.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

In accordance with North Carolina General Statutes, all funds of the County are maintained during the year using the modified accrual basis of accounting.

Government-Wide, Proprietary, and Fiduciary Fund Financial Statements. The government-wide, proprietary, and fiduciary fund financial statements are reported using the economic resources measurement focus, except agency funds that have no measurement focus. The government-wide, proprietary fund, and fiduciary fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the County gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Amounts reported as program revenues include (1) charges to customers or applicants for goods, services, or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of enterprise funds are charges to customers for sales and services. The County also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Governmental Fund Financial Statements. Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

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The County considers all revenues available if they are collected within 60 days after year-end, except for property taxes. Ad valorem property taxes are not accrued as a revenue because the amount is not susceptible to accrual. At June 30, taxes receivable are materially past due and are not considered to be an available resource to finance the operations of the current year. Also, as of January 1, 1993, State law altered the procedures for the assessment and collection of property taxes on registered motor vehicles in North Carolina. Effective with this change of the law, the County is responsible for billing and collecting the property taxes on all registered motor vehicles on behalf of all municipalities and special tax districts in the County. For registered motor vehicles, property taxes are due the first day of the fourth month after the vehicles are registered. The billed taxes are applicable to the fiscal year in which they become due. Therefore, taxes for vehicles registered from March 2009 through February 2010 apply to the fiscal year ended June 30, 2010. Uncollected taxes that were billed during this period are shown as a receivable on these financial statements and are offset by deferred revenues.

Sales taxes and certain intergovernmental revenues, such as utilities franchise tax, collected and held by the State at year-end on behalf of the County are recognized as revenue. Intergovernmental revenues and sales and services are not susceptible to accrual because generally they are not measurable until received in cash. Grant revenues which are unearned at year-end are recorded as unearned revenues. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been satisfied.

Under the terms of grant agreements, the County funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants, and general revenues. Thus when program expenses are incurred, there are both restricted and unrestricted net assets available to finance the program. It is the County's policy to first apply cost-reimbursement grant resources to such programs, followed by categorical block grants, and then by general revenues.

All governmental and business-type activities and enterprise funds of the County follow FASB Statements and Interpretations issued on or before November 30, 1989, Accounting Principles Board Opinions, and Accounting Research Bulletins, unless those pronouncements conflict with GASB pronouncements.

C. Budgetary Data

The County's budgets are adopted as required by the North Carolina General Statutes. An annual budget is adopted for the General Fund, Emergency Telephone System Fund, Fire Districts Fund, Adequate Facilities Reserve Fund, 2009 Urgent Repair Fund, and the Enterprise Funds. All annual appropriations lapse at the end of the fiscal year. Project ordinances are adopted for the Community Development Block Grants Special Revenue Funds, Jail Construction Fund, School Construction Fund, and the Enterprise Capital Projects Funds, which are consolidated with the enterprise operating funds for reporting purposes.

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NOTES TO THE FINANCIAL STATEMENTS
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All budgets are prepared using the modified accrual basis of accounting, which is consistent with the accounting system used to record transactions. The legal level of control over expenditures is at a functional level for the General Fund and at the fund level for Special Revenue Funds, Capital Project Funds, and Enterprise Funds. The balances in the capital reserve funds will be appointed when transferred to a capital project fund or to the school system in accordance with the project ordinance adopted for the reserve funds. The County Manager is authorized by the budget ordinance to expend monies from departmental budgets and to approve all budget transfers within a department budget. Intra-department transfers to or from personal services and/or capital outlay in excess of \$5,000 must have Board approval. During the year, a number of amendments to the original budget were necessary. The budget ordinance must be adopted by July 1 of the fiscal year or the Board of Commissioners must adopt an interim budget that covers that time until the annual ordinance can be adopted.

D. Assets, Liabilities, and Fund Equity

1. Deposits and Investments – All deposits of the County are made in board-designated official depositories and are secured as required by G.S. 159-31. The County may designate, as an official depository, any bank or savings and loan association whose principal office is located in North Carolina. Also, the County may establish time deposit accounts such as NOW and Super NOW accounts, money market accounts, and certificates of deposit. State law [G.S. 159-30 (c)] authorizes the County to invest in obligations of the United States or obligations fully guaranteed both as to principal and interest by the United States; obligations of the State of North Carolina; bonds and notes of any North Carolina local government or public authority; obligations of certain non-guaranteed federal agencies; certain high-quality issues of commercial paper and bankers' acceptances; and the North Carolina Capital Management Trust (NCCMT).

The County's investments with maturity of more than one year at acquisition and non-money market investments are carried at fair value as determined by quoted market price. The securities of the NCCMT-Cash Portfolio, a SEC-registered (2a-7) money market mutual fund, are valued at fair value, which is the NCCMT's share price.

2. Cash and Cash Equivalents – The County pools monies from several funds to facilitate disbursement and investment and to maximize investment income. Therefore, all cash and investments are essentially demand deposits and are considered cash and cash equivalents.

3. Ad Valorem Taxes Receivable – In accordance with State law [G. S. 105-347 and G. S. 159-13 (a)], the County levies ad valorem taxes on property other than certain motor vehicles on July 1, the beginning of the fiscal year. The taxes are due on September 1; however, penalties and interest do not accrue until the following January 6, when property taxes attach as enforceable liens. These taxes are based on the assessed values as of January 1, 2009. As allowed by State law, the County has established a schedule of discounts that apply to taxes that are paid prior to the due date. In the General Fund, ad valorem tax revenues are reported net of such discounts.

STANLY COUNTY
NOTES TO THE FINANCIAL STATEMENTS
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4. Allowances for Doubtful Accounts – Receivables that historically experience uncollectible accounts are shown net of allowances for doubtful accounts. These amounts are estimated by analyzing the percentage of receivables written off in prior years.

5. Inventories and Prepaid Items – The inventories of the enterprise funds consist of materials and supplies held for consumption, and are valued using the first-in, first-out method or cost. The cost is recorded as an expense when the inventory is consumed.

Certain payments to vendors reflect cost applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

6. Capital Assets – Purchased or constructed capital assets are reported at cost or estimated historical cost. The County's minimum capitalization threshold is \$2,000. Capital assets are recorded at original cost at the time of acquisition or estimated market value at the time of donation. Interest is capitalized on enterprise capital assets acquired with debt. The amount of interest capitalized is offset by interest income derived from investing the proceeds of the debt. Depreciation is recorded on the straight-line basis using the following depreciable lives:

	<u>Years</u>
Water distribution systems	20-50
Sewer collection system	20
Wastewater treatment facility	20
Buildings and terminal	40
Airport improvements	10-30
Equipment	3-10

7. Long-Term Obligations – In the government-wide financial statements and in the proprietary fund types in the fund financial statements, long-term debt, and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type Statement of Net Assets. In the fund financial statements for governmental fund types, the face amount of debt issued is reported as an other financing source.

8. Compensated Absences – The vacation policy of the County provides for the accumulation of up to thirty (30) days earned vacation leave with such leave being fully vested when earned. For the County's government-wide and proprietary funds, an expense and a liability for compensated absences and the salary-related payments are recorded as the leave is earned.

The sick leave policy of the County provides for an unlimited accumulation of earned sick leave. Sick leave does not vest, but any unused sick leave accumulated at the time of retirement may be used in the determination of length of service for retirement benefit purposes. Because the County has no obligation for the accumulated sick leave until it is actually taken, no accrual for sick leave has been made.

STANLY COUNTY
NOTES TO THE FINANCIAL STATEMENTS
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9. Deferred / Unearned Revenue – Property taxes collected in advance of the fiscal year to which they apply are recorded as unearned revenue in the government-wide financial statements and deferred revenue in the fund financial statements. Certain receivables are also recorded as deferred revenue in the fund financial statements because they are not considered to be available at year-end.

10. Self-Insured - The County is self-insured for workers' compensation and for employee's medical with third party insurance coverage at specified levels. The self-insurance plan is administered by a third party administrator. Amounts remitted by the County to the administrator include estimates of the eventual loss on claims arising prior to year-end, including claims incurred and not yet reported. The liability for estimated claims is accrued in the Group Health Fund.

11. Net Assets/Fund Balances –

Net Assets

Net assets in government-wide and proprietary fund financial statements are classified as invested in capital assets, net of related debt; restricted; and unrestricted. Restricted net assets represent constraints on resources that are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or imposed by law through State statute.

Fund Balances

In the governmental fund financial statements, reservations or restrictions of fund balance represent amounts that are not appropriable or are legally segregated for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

State law [G.S. 159-13(b)(16)] restricts the appropriation of fund balance to an amount not to exceed the sum of cash and investments minus the sum of liabilities, encumbrances, and deferred revenues arising from cash receipts as those amounts stand at the close of the fiscal year preceding the budget year.

The governmental fund types classify fund balances as follows:

Reserved Fund Balances are legal or regulated restrictions as established by State law or by a State regulatory agency.

Reserved by State Statute – portion of fund balance which is not available for appropriation under State law [G.S. 159-8(a)]. This amount is usually comprised of accounts receivable and interfund receivables that are not offset by deferred revenues.

Reserved for Register of Deeds – portion of fund balance constituting the Automation Enhancement and Preservation Fund, funded by 10% of the fees collected and maintained by the Register of Deeds' office. The funds are available for appropriation but are legally restricted for computer and imaging technology in the Register of Deeds' office.

Reserved for prepaid items – portion of fund balance required to be reserved for the amount of prepaid items.

STANLY COUNTY
NOTES TO THE FINANCIAL STATEMENTS
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General Fund Unreserved – Designated fund balances totaling \$2,062,820 are comprised of the following:

Designated for Home Health – portion of fund balance designated for future home health services - \$455,633.

Designated for Medicaid Settlements – portion of fund balance designated for future health related activities - \$49,109.

Designated for Dental Clinic – portion of fund balance designated for future dental clinic services - \$653,929.

Designated for Library Endowment – portion of fund balance designated for Library activities - \$79,831.

Designated for 4-H – portion of fund balance designated for future 4-H services - \$29,405.

Designated for subsequent year's expenditures – portion of fund balance that has been designated for the adopted 2009-2010 budget ordinance - \$741,718.

Designated for RPO – portion of fund balance designated for RPO services - \$6,692.

Designated for Jail Inmates – portion of fund balances designed for inmates \$46,503.

Undesignated – portion of total fund balance available for future appropriations.

E. Accounting Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Actual results could differ from these estimates.

STANLY COUNTY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2010

F. Reconciliation of Government-Wide and Fund Financial Statements

1. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net assets.

The governmental fund balance sheet includes a reconciliation between fund balance, total fund balance, and net assets – governmental activities as reported in the government-wide Statement of Net Assets. The net adjustment of a negative consists of several elements as follows:

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

Land	\$ 1,949,950	
Construction in progress	8,456,738	
Depreciable property	26,944,028	
Accumulated depreciation	<u>(17,376,625)</u>	\$ 19,974,091

The focus of governmental funds is on short-term financing; long-term assets are deferred in the funds.

Interest receivable	471,863	
Deferred taxes	<u>2,405,563</u>	2,877,426

Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds. The County incurs debt for school construction but does not receive title for the building or property. This financial transaction results in a deficit for the County's net assets.

Interest payable	(571,923)	
Due in one year	(3,349,968)	
Due in more than one year	<u>(34,459,044)</u>	(38,380,935)

Internal service funds are used by management to charge the costs of certain activities to individual funds. These assets and liabilities are included in governmental activities in the Statement of Net Assets.

1,160,804

Total adjustment \$ (14,368,614)

STANLY COUNTY
NOTES TO THE FINANCIAL STATEMENTS
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2. Explanation of certain differences between the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balance and the government-wide Statement of Activities.

The governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances includes a reconciliation between net changes in fund balances – total governmental funds and changes in net assets of governmental activities as reported in the government-wide Statement of Activities. The elements of the total adjustments are as follows:

Governmental funds report capital outlays as expenditures.
 In the Statement of Activities, the cost of those assets is depreciated over their estimated useful lives.

Capital outlays	\$ 1,137,249	
Depreciation	<u>(1,332,880)</u>	\$ (195,631)

The cost of capital assets disposed of during the year is not recognized on a modified accrual basis. (18,111)

The issuance of long-term debt (e.g., bonds, leases) is a resource and the repayment of bond principal is an expenditure in governmental funds, but those transactions increase or reduce long-term liabilities in the Statement of Net Assets.

Debt issued	(16,637,547)	
Premium on debt issued	(1,067,654)	
Debt retired	<u>18,250,877</u>	545,676

Some revenues reported in the Statement of Activities are not yet available and, therefore, are not reported as revenues in the governmental funds.

Accrual of interest	37,084	
Accrual of taxes	<u>219,759</u>	256,843

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 the governmental funds.

Allowance for special separation	8,819	
Compensated absences	15,095	
Other post-employment benefits	(325,560)	
Interest expense	<u>37,891</u>	(263,755)

**STANLY COUNTY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2010**

Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue of most of these activities is reported with governmental activities.

(257,290) (257,290)

Total adjustment \$ 67,732

II. Stewardship, Compliance, and Accountability

Deficit Fund Balance or Retained Earnings of Individual Funds:

For the fiscal year ended June 30, 2010, individual funds had deficit fund balance as follows:

Jail Construction Fund \$1,464,929
Single Family Rehabilitation \$3,000 Fund \$19,484

Both deficit fund balances are due to timing. As of July 2010, a USDA loan for \$1,500,000 was secured for the jail construction. The County will diligently monitor the budget in the future.

III. Detail Notes on All Funds

A. Assets

1. Deposits

All of the County's demand deposits and certificates of deposits are either federal depository insured or collateralized by the Pooling Method, a collateral pool, where all uninsured deposits are collateralized with securities held by the State Treasurer's agent in the name of the State Treasurer. Since the State Treasurer is acting in a fiduciary capacity for the County, these deposits are considered to be held by the County's agent in the County's name. The amount of the pledged collateral is based on an approved averaging method for non-interest bearing deposits and the actual current balance for interest-bearing deposits. Depositories using the Pooling Method report to the State Treasurer the adequacy of their pooled collateral covering uninsured deposits. The State Treasurer does not confirm this information with the County or the escrow agent. Because of the inability to measure the exact amount of collateral pledged for the County under the Pooling Method, the potential exists for undercollateralization, and this risk may increase in periods of high cash flows. However, the State Treasurer of North Carolina enforces strict standards of financial stability for each depository using the Pooling Method. The County does not have a policy regarding custodial credit risk for deposits, but relies on the State Treasurer to enforce standards of minimum capitalization for all pooling method financial institutions and to monitor them for compliance. The County complies with the provisions of G.S. 159-31 when designating official depositories and verifying that deposits are properly secured.

The County maintains a pool for substantially all cash, cash equivalents, and investments. These balances are reflected in the financial statements as "cash and cash equivalents" or "restricted assets" as appropriate. Interest earnings are allocated monthly to qualified funds based on the fund's monthly cash balances.

STANLY COUNTY
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At June 30, 2010, the County's demand deposits had a carrying amount of \$12,723,111 and a bank balance of \$12,582,205. Of the bank balance, \$500,000 was covered by federal depository insurance. The remaining \$12,082,205 was collateralized under the Pooling Method. The petty cash funds totaled \$5,667.

2. Investments

As of June 30, 2010, the County had \$1,013,168 invested with the North Carolina Capital Managements Trust's Cash Portfolio.

Interest Rate Risk. As a means of limiting its exposure to fair value losses arising from rising interest rates, the County's investment policy limits at least half of the County's investment portfolio to maturities of less than one year. Also, the County's investment policy requires purchases of securities to be laddered with staggered maturity dates and limits all securities to a final maturity of no more than three years.

Credit Risk. The County's investments in the NC Capital Management Trust Cash Portfolio carried a credit rating of AAAM by Standard & Poor's as of June 30, 2010. All other investments, certificates of deposits, and sweep accounts are covered by financial institutions who participate in the Pooling Method. The County has no formal policy on credit risk.

3. Property Tax - Use-Value Assessment on Certain Lands

In accordance with the general statutes, agriculture, horticulture, and forestland may be taxed at present use-value rather than market value. When the property loses its eligibility for use-value taxation, the property tax is recomputed at market value for the current year and the three preceding fiscal years, along with accrued interest from the original due date. This tax is immediately due and payable. The following are property taxes that could become due if the present use-value eligibility is lost. These amounts have not been recorded in the financial statements.

<u>Year Levied</u>	<u>Tax</u>	<u>Interest</u>	<u>Total</u>
2007	\$ 2,356,732	\$ 577,389	\$ 2,934,121
2008	2,406,920	373,068	2,779,987
2009	2,460,419	159,927	2,620,346
2010	<u>2,505,555</u>	<u>-</u>	<u>2,505,555</u>
Total	<u>\$ 9,729,626</u>	<u>\$ 1,110,384</u>	<u>\$ 10,840,009</u>

STANLY COUNTY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2010

4. Receivables

Receivables at the government-wide level at June 30, 2010, were as follows:

	<u>Taxes Receivable</u>	<u>Trade Accounts Receivable</u>	<u>Due from Other Governments</u>	<u>Interest</u>	<u>Other</u>	<u>Total</u>
Governmental Activities:						
General	\$ 2,769,310	\$ 1,087,381	\$ 2,463,417	\$ 481,797	\$ 24,796	\$ 6,801,905
Other governmental	<u>100,002</u>	<u>28,082</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>128,084</u>
Total receivables	2,869,312	1,115,463	2,463,417	481,797	24,796	6,929,989
Allowance for doubtful accounts	<u>(463,750)</u>	<u>(243,865)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(707,615)</u>
Total governmental activities	<u>\$ 2,405,562</u>	<u>\$ 871,598</u>	<u>\$ 2,463,417</u>	<u>\$ 481,797</u>	<u>\$ 24,796</u>	<u>\$ 6,222,374</u>
Business-Type Activities:						
Greater Badin Water and Sewer District	\$ -	\$ 117,666	\$ -	\$ 709	\$ -	\$ 118,375
Piney Point Water District	-	23,619	-	755	-	24,374
Stanly County Utility Fund	-	642,619	-	1,715	-	644,334
Airport	<u>-</u>	<u>15,388</u>	<u>-</u>	<u>1,328</u>	<u>-</u>	<u>16,716</u>
Total receivables	-	799,292	-	4,507	-	803,799
Allowance for doubtful accounts	<u>-</u>	<u>(45,155)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(45,155)</u>
Total business-type activities	<u>\$ -</u>	<u>\$ 754,137</u>	<u>\$ -</u>	<u>\$ 4,507</u>	<u>\$ -</u>	<u>\$ 758,645</u>

Due from other governments for the year ended June 30, 2010, consists of the following:

Local option sales tax	\$ 1,097,004
Sales tax receivable	342,142
Grants receivable	51,865
Tire and white goods	28,660
Telecommunication tax	35,410
DSS & DHHS	810,100
Other	<u>98,237</u>
	<u>\$ 2,463,417</u>

STANLY COUNTY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2010

5. Capital Assets

Primary Government

Capital asset activity for the year ended June 30, 2010 were as follows:

	<u>7/1/09</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers</u>	<u>06/30/10</u>
Governmental Activities:					
Capital Assets Not Being Depreciated:					
Land	\$ 1,949,950	\$ -	\$ -	\$ -	\$ 1,949,950
Construction in progress	7,973,703	483,035	-	-	8,456,738
Total capital assets not being depreciated	<u>9,923,653</u>	<u>483,035</u>	<u>-</u>	<u>-</u>	<u>10,406,688</u>
Capital Assets Being Depreciated:					
Buildings	17,288,923	-	-	-	17,288,923
Equipment and vehicles	<u>9,655,910</u>	<u>654,214</u>	<u>642,760</u>	<u>12,259</u>	<u>9,655,105</u>
Total capital assets being depreciated	<u>26,944,833</u>	<u>654,214</u>	<u>642,760</u>	<u>12,259</u>	<u>26,944,028</u>
Less Accumulated Depreciation:					
Buildings	8,620,328	447,201	-	-	9,067,529
Equipment and vehicles	<u>8,060,325</u>	<u>885,679</u>	<u>624,649</u>	<u>12,259</u>	<u>8,309,096</u>
Total accumulated depreciation	<u>16,680,653</u>	<u>\$ 1,332,880</u>	<u>\$ 624,649</u>	<u>\$ 12,259</u>	<u>17,376,625</u>
Total capital assets being depreciated, net	<u>10,264,180</u>				<u>9,567,403</u>
Governmental activity capital assets, net	<u>\$ 20,187,833</u>				<u>\$ 19,974,091</u>

Depreciation expense was charged to functions of the primary government as follows:

Governmental Functions:	
General government	\$ 326,639
Public safety	608,737
Transportation	88,448
Environmental protection	19,249
Economic and physical development	28,422
Human services	40,527
Culture and recreation	<u>220,857</u>
Total depreciation expense governmental functions	<u>\$ 1,332,880</u>

STANLY COUNTY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2010

Business-Type Activities

Capital asset activity for business-type activities for year ended June 30, 2010 was as follows:

	<u>7/1/2009</u>	<u>Additions</u>	<u>Transfers</u>	<u>06/30/10</u>
Business-Type Activities:				
Greater Badin Water and Sewer:				
Capital Assets Being Depreciated:				
Plant in service	\$ 7,309,606	\$ -	\$ -	\$ 7,309,606
Equipment and vehicles	207,502	-	-	207,502
Total capital assets being depreciated	<u>7,517,108</u>	<u>-</u>	<u>-</u>	<u>7,517,108</u>
Less Accumulated Depreciation:				
Plant in service	4,486,405	349,520	-	4,835,925
Equipment and vehicles	164,009	17,706	-	181,715
Total accumulated depreciation	<u>4,650,414</u>	<u>\$ 367,226</u>	<u>\$ -</u>	<u>5,017,640</u>
Total Greater Badin capital assets, net	<u>2,866,694</u>			<u>2,499,468</u>
Piney Point Water:				
Capital Assets Being Depreciated:				
Plant in service	727,984	\$ -	\$ -	727,984
Total assets being depreciated	<u>727,984</u>	<u>-</u>	<u>-</u>	<u>727,984</u>
Less Accumulated Depreciation:				
Plant in service	526,800	34,762	-	561,562
Total accumulated depreciation	<u>526,800</u>	<u>\$ 34,762</u>	<u>\$ -</u>	<u>561,562</u>
Total Piney Point capital assets, net	<u>201,184</u>			<u>166,422</u>
Stanly Utility Operating:				
Capital Assets Not Being Depreciated:				
Land	223,784	\$ -	\$ -	223,784
Construction in progress	2,376,352	1,305,991	857,679	2,824,664
Total assets not being depreciated	<u>2,600,136</u>	<u>1,305,991</u>	<u>857,679</u>	<u>3,048,448</u>
Capital Assets Being Depreciated:				
Plant in service	20,033,765	1,035,522	-	21,069,287
Equipment and vehicles	516,675	-	12,259	528,934
Total capital assets being depreciated:	<u>20,550,440</u>	<u>1,035,522</u>	<u>12,259</u>	<u>21,598,221</u>
Less Accumulated Depreciation:				
Plant in service	8,926,480	699,055	-	9,625,535
Equipment and vehicles	420,927	25,083	12,259	458,269
Total accumulated depreciation	<u>9,347,407</u>	<u>\$ 724,138</u>	<u>\$ 12,259</u>	<u>10,083,804</u>
Total capital assets being depreciated, net	<u>11,203,033</u>			<u>11,514,417</u>
Total Stanly County Utility capital assets, net	<u>13,803,169</u>			<u>14,562,865</u>

STANLY COUNTY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2010

	<u>7/1/2009</u>	<u>Additions</u>	<u>Transfers</u>	<u>6/30/2010</u>
Airport Operating:				
Capital Assets Not Being Depreciated:				
Land	4,924,095	-	-	4,924,095
Construction in progress	391,689	1,790,740	-	2,182,429
Total capital assets not being depreciated	<u>5,315,784</u>	<u>1,790,740</u>	<u>-</u>	<u>7,106,524</u>
Capital Assets Being Depreciated:				
Buildings	1,852,923	-	-	1,852,923
Improvements	20,185,722	-	-	20,185,722
Equipment and vehicles	276,679	-	-	276,679
Total capital assets being depreciated:	<u>22,315,324</u>	<u>-</u>	<u>-</u>	<u>22,315,324</u>
Less Accumulated Depreciation:				
Buildings	396,329	60,286	-	456,615
Improvements	10,135,299	847,463	-	10,982,762
Equipment and vehicles	226,006	53,427	-	279,433
Total accumulated depreciation	<u>10,757,634</u>	<u>\$ 961,176</u>	<u>\$ -</u>	<u>11,718,810</u>
Total capital assets being depreciated, net	<u>11,557,690</u>			<u>10,596,514</u>
Total Airport capital assets, net	<u>16,873,474</u>			<u>17,703,038</u>
Total business-type activity capital assets, net	<u>\$ 33,744,521</u>			<u>\$ 34,931,793</u>

Construction Commitments

<u>Project</u>	<u>Project to Date</u>	<u>Remaining Commitment</u>
Jail Construction	\$ 8,456,738	\$ 35,072
Highway 24/27 Upgrade	294,185	310,815
Millingport Sewer	1,448,697	7,621
Endy Sewer	62,931	2,533,769
Highway 52 Water Extn	792,090	297,910
ARRA Water Storage Tank	30,000	280,743
Tyson Village Water	84,766	621,741
Highway 200 Water	111,996	1,498,004
Terminal Improvement	1,911,048	1,239,351
Runway Extn Design	<u>271,380</u>	<u>599,620</u>
Total	<u>\$ 13,463,832</u>	<u>\$ 7,424,646</u>

STANLY COUNTY
NOTES TO THE FINANCIAL STATEMENTS
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B. Liabilities

1. Payables

Payables at the government-wide level at June 30, 2010 were as follows:

	<u>Vendors</u>	<u>Salaries and Benefits</u>	<u>Accrued Interest</u>	<u>Other</u>	<u>Total</u>
Governmental Activities:					
General	\$ 2,594,344	\$ 900,539	\$ 571,923	\$ -	\$ 4,066,806
Other	114,653	-	-	-	114,653
Total-governmental activities	<u>\$ 2,708,997</u>	<u>\$ 900,539</u>	<u>\$ 571,923</u>	<u>\$ -</u>	<u>\$ 4,181,459</u>
Business-Type Activities:					
Greater Badin Water and Sewer Districts	\$ 3,555	\$ 32,171	\$ 1,488	\$ 13,250	\$ 50,464
Piney Point Water District	3,628	-	-	3,120	6,748
Stanly County Utility	373,535	-	222	83,540	457,297
Airport	192,602	9,392	-	-	201,994
Total business-type activities	<u>\$ 573,320</u>	<u>\$ 41,563</u>	<u>\$ 1,710</u>	<u>\$ 99,910</u>	<u>\$ 716,503</u>

2. Pension Plan Obligations

a. North Carolina Local Governmental Employees' Retirement System

Plan Description – Stanly County contributes to the statewide Local Governmental Employees' Retirement System (LGERS), a cost-sharing multiple-employer defined benefit pension plan administered by the State of North Carolina. LGERS provides retirement and disability benefits to plan members and beneficiaries. Article 3 of G.S. Chapter 128 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The Local Governmental Employee's Retirement System is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes financial statements and required supplementary information for LGERS and LEO. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454.

STANLY COUNTY
NOTES TO THE FINANCIAL STATEMENTS
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Funding Policy – Plan members are required to contribute six percent of their annual covered salary. The County is required to contribute at an actuarially determined rate. For the County, the current rate for employees not engaged in law enforcement is 4.93%, and for law enforcement officers 4.86% of annual covered payroll. The contribution requirements for members and for Stanly County are established and may be amended by the North Carolina General Assembly. The County's contributions to LGERS for the years ended June 30, 2008, 2009, and 2010 were \$679,412, \$736,280, and \$715,552 respectively. The contributions made by the County equaled the required contributions for each year.

b. Law Enforcement Officers' Special Separation Allowance

Plan Description – Stanly County administers a public employee retirement system (the "Separation Allowance"), a single-employer defined benefit pension plan that provides retirement benefits to the County's qualified sworn law enforcement officers. The Separation Allowance is equal to .85% of the annual equivalent of the base rate of compensation most recently applicable to the officer for each year of creditable service. The retirement benefits are not subject to any increases in salary or retirement allowances that may be authorized by the General Assembly. Article 12D of G.S. Chapter 143 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The County does not issue a separate report for this pension activity.

The Separation Allowance covers all full-time County law enforcement officers. At December 31, 2009, the Separation Allowance's membership consisted of:

Retirees receiving benefits	5
Active plan members	<u>49</u>
Total	<u>54</u>

Summary of Significant Accounting Policies

Basis of Accounting – The County has chosen to fund the Separation Allowance on a pay-as-you-go basis. Pension expenditures are made from the General Fund, which is maintained on the modified accrual basis of accounting.

Method Used to Value Investments – No funds are set aside to pay benefits and administration costs. These expenditures are paid as they come due.

Contributions

The County is required by Article 12D of G.S. Chapter 143 to provide separation allowance retirement benefits and has chosen to fund the benefit payments on a "pay-as-you-go" basis through annual appropriations made in the General Fund operating budget. There were no contributions made by employees. The County's obligation to contribute to the plan is established and may be amended by the North Carolina General Assembly. The annual separation allowance costs are pro-rated and paid monthly. The County does not provide a funding schedule for the Net Pension Obligation. The County's annual separation allowance contribution for fiscal year ended June 30, 2010 was \$66,953 or .35% of annual covered payroll.

STANLY COUNTY
NOTES TO THE FINANCIAL STATEMENTS
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The annual required contribution for the current year was determined as part of the December 31, 2008 actuarial valuation using the projected unit credit actuarial cost method. The actuarial assumptions included: (a) 7.25% investment rate of return (net of administrative expenses) and (b) projected salary increases ranging from 4.5% to 12.3% per year. The inflation component was 3.75%. The assumptions do not include post-retirement benefit increases. The actuarial value of assets was determined using the market value of investments. The unfunded actuarial accrued liability is being amortized as a level percentage of pay on a closed basis. The remaining amortization period at December 31, 2008 was 22 years.

Annual Pension Cost and Net Pension Obligation – For the fiscal year ending June 30, 2010, the County's annual pension cost and net pension obligation were as follows:

Employer annual required contribution	\$ 55,747
Interest on net pension obligation	18,205
Adjustment to annual required contribution	<u>(15,818)</u>
Annual pension cost	58,134
Employer contributions made for the fiscal year	<u>66,953</u>
Increase (decrease) in net pension obligation	(8,819)
Net pension obligation, beginning of fiscal year	<u>251,102</u>
 Net pension obligation, end of fiscal year	 <u><u>\$ 242,283</u></u>

Three-Year Trend Information

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation End of Year
June 30, 2008	\$ 50,721	112.30%	\$ 267,432
June 30, 2009	50,135	132.57%	251,102
June 30, 2010	58,134	115.17%	242,283

Funded Status and Funding Progress - As of December 31, 2009, the most recent actuarial valuation date, the plan was not funded. The actuarial accrued liability for benefits and the unfunded actuarial accrued liability (UAAL) was \$643,054. The covered payroll (annual payroll of active employees covered by the plan) was \$1,919,595, and the ratio of the UAAL to the covered payroll was 33.50 percent.

The Schedule of Funding Progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits.

**STANLY COUNTY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2010**

c. Supplemental Retirement Income Plan for Law Enforcement Officers

Plan Description – The County contributes to the Supplemental Retirement Income Plan (Plan), a defined contribution pension plan administered by the Department of State Treasurer and a board of trustees. The Plan provides retirement benefits to law enforcement officers employed by the County. Article 5 of G.S. Chapter 135 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The Supplemental Retirement Income Plan for Law Enforcement Officers is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes the pension trust fund financial statements for the Internal Revenue Code Section 401(k) plan that includes the Supplemental Retirement Income Plan for Law Enforcement Officers. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454.

Funding Policy – Article 12E of G.S. Chapter 143 requires the County to contribute each month an amount equal to five percent of each officer's salary, and all amounts contributed are vested immediately. Also, the law enforcement officers may make voluntary contributions to the plan. Contributions for the year ended June 30, 2010 were \$104,313, which consisted of \$94,730 from the County and \$9,583 from the law enforcement officers. The County provides a Section 401K Deferred Compensation Plan for this purpose.

d. Register of Deeds' Supplemental Pension Fund

Plan Description – Stanly County also contributes to the Register of Deeds' Supplemental Pension Fund (Fund), a noncontributory, defined contribution plan administered by the North Carolina Department of State Treasurer. The Fund provides supplemental pension benefits to any county register of deeds that is retired under the Local Governmental Employees' Retirement System (LGERS) or an equivalent locally sponsored plan. Article 3 of G.S. Chapter 161 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The State's CAFR includes financial statements and required supplementary information for LGERS. The Register of Deeds' Supplemental Pension Fund is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes financial statements and required supplementary information for the Register of Deeds' Supplemental Pension Fund. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454.

Funding Policy – On a monthly basis, the County remits to the Department of State Treasurer an amount equal to one and one-half percent (1.5%) of the monthly receipts collected pursuant to Article 1 of G.S. 161. Immediately following January 1 of each year, the Department of State Treasurer divides ninety-three percent (93%) of the amount in the Fund at the end of the preceding calendar year into equal shares to be disbursed as monthly benefits. The State Treasurer, in administering the Fund, may use the remaining seven percent (7%) of the Fund's assets. For the fiscal year ended June 30, 2010, the County's required and actual contributions were \$4,759.

STANLY COUNTY
NOTES TO THE FINANCIAL STATEMENTS
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e. Other Post-Employment Benefits

Healthcare Benefits

Plan Description – According to a County resolution, Stanly County provides healthcare benefits through the Healthcare Benefits Plan as a single-employer defined benefit plan. At retirement, all employees who have at least 30 years of service with Stanly County are provided free medical insurance until they reach age 65 or become eligible for Medicare. Employees with a minimum of 25 years of service in the State retirement system, and which includes the last 10 consecutive years with service to Stanly County, are provided insurance by paying 50% of the cost.

Members of the Retiree Health Benefit Plan consisted of the following at December 31, 2009, the date of the latest actuarial valuation:

	<u>General Employees</u>	<u>Law Enforcement Officers</u>
Retirees and dependents receiving benefits	20	2
Active plan members	406	48
Total	<u>426</u>	<u>50</u>

Funding Policy – The County pays the full cost of coverage for the healthcare benefits paid to qualified retirees under a County resolution that can be amended by the County Commissioners. The County has chosen to fund the healthcare benefits on a pay-as-you-go basis.

The current ARC rate is 2.84% of annual covered payroll. For the current year, the County contributed \$146,700 or .89% of annual covered payroll. The County obtains healthcare coverage through self insurance. The County requires no contributions made by employees, except for dependent coverage in the amount of \$2,221 for spouse coverage, \$1,520 for children coverage, and \$5,820 for family coverage. The County obligation to contribute to the healthcare benefits is established and may be amended by the County Commissioners.

Summary of Significant Accounting Policies – Post-employment expenditures are made from the General Fund, which is maintained on the modified accrual basis of accounting. No funds are set aside to pay benefits and administration costs. These expenditures are paid as they come due.

Annual OPEB Cost and Net OPEB Obligation – The County's annual other post-employment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined, in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

STANLY COUNTY
NOTES TO THE FINANCIAL STATEMENTS
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The following table shows the components of the County's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the County's net OPEB obligation for the healthcare benefits:

Employer annual required contribution	\$ 470,851
Valuation discount rate	4%
Interest on net OPEB obligations	10,262
Adjustment to annual required contribution	<u>(8,853)</u>
Annual OPEB cost	472,260
Employer contributions made for fiscal year ended 6/30/10	<u>(146,700)</u>
Increase (decrease) in net OPEB obligations	325,560
Net OPEB obligation, beginning of fiscal year	<u>256,540</u>
Net OPEB obligation, end of fiscal year	<u><u>\$ 582,100</u></u>

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2010 were as follows:

Three-Year Trend Information			
Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation End of Year
June 30, 2009	\$ 369,000	30.50%	\$ 256,540
June 30, 2010	472,260	31.06%	582,100

Funded Status and Funding Progress – As of December 31, 2009, the most recent actuarial valuation date, the plan was not funded. The actuarial liability for benefits and, thus, the unfunded actuarial accrued liability (UAAL) was \$5,151,348. The covered payroll (annual payroll of active employees covered by the plan) was \$16,545,086, and the ratio of the UAAL to the covered payroll was 31.1 percent.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and healthcare trends. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The Schedule of Funding Progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

STANLY COUNTY
NOTES TO THE FINANCIAL STATEMENTS
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Actuarial Methods and Assumptions – Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members at that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value assets, consistent with the long-term perspective of the calculations.

In the December 31, 2009 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 4.00 percent investment rate of return (net of administrative expenses), which is the expected long-term investment returns on the employer's own investments calculated based on the funded level of the plan at the valuation date, and an annual medical cost trend increase of 10.50 to 5.00 percent annually. Both rates included a 3.75 percent inflation assumption. The actuarial value of assets, if any, was determined using techniques that spread the effects of short-term volatility in the market value of investments over a 5-year period. The UAAL is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at December 31, 2009 was 30 years.

f. Other Employment Benefits

The County has elected to provide death benefits to employees through the Death Benefit Plan for members of the Local Governmental Employees' Retirement System (Death Benefit Plan), a multiple-employer, State-administered, cost-sharing plan funded on a one-year term cost basis. The beneficiaries of those employees who die in active service after one year of contributing membership in the System, or who die within 180 days after retirement or termination of service and have at least one year of contributing membership in the System at the time of death are eligible for death benefits. Lump sum death benefit payments to beneficiaries are equal to the employee's 12 highest months' salary in a row during the 24 months prior to the employee's death, with the benefit being no less than \$25,000 and no greater than \$50,000. All death benefit payments are made from the Death Benefit Plan. The County has no liability beyond the payment of monthly contributions. The contributions to the Death Benefit Plan cannot be separated between the post employment benefit amount and the other benefit amount. The County considers these contributions to be immaterial.

3. Deferred and Unearned Revenues

The balance in deferred revenues on the fund statements and unearned revenues on the government-wide statements at year-end is composed of the following elements:

	Deferred Revenues	Unearned Revenues
Prepaid taxes not yet earned	\$ -	\$ 173,339
Taxes receivable, net (General)	2,317,704	-
Taxes receivable, net (Special)	87,859	-
Total	<u>\$ 2,405,563</u>	<u>\$ 173,339</u>

STANLY COUNTY
NOTES TO THE FINANCIAL STATEMENTS
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4. Risk Management

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters for which the County carries commercial insurance. The County provides its employee's health and dental benefits. The health and dental benefits are provided in a self-insured insurance plan.

Medical and Dental: The County is exposed to various risks of loss related to medical and illness needs of employees. The County and employees participate in a cost-share plan for group health insurance. The County established the Group Health Fund (Internal Service Fund) to account for its self-insurance plan. The County has contracted with a third-party administrator to account for its group health self-insurance plan that is administrated by Blue Cross Blue Shield of North Carolina. The County is responsible for claims up to \$50,000 per covered employee/dependent per policy term. Claims greater than \$50,000 per covered employee/dependent per policy term, and those in excess of the aggregate stop loss of 120% of expected net claims, are insured by the private insurance carrier. All employees of the County participate in the program and make payments to the Group Health Fund based on estimates of the amounts needed to pay claims. The claims liability of \$339,922 reported in the fund at June 30, 2010 is based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. The County expects all claims to be paid within the next twelve months; therefore, the entire amount is presented as current.

The \$339,922 claims liability represents total estimated claims incurred but not reported, as provided by the plan administrator's actuary.

	<u>June 30 2010</u>	<u>June 30 2009</u>
Unpaid claims and claim adjustment expenses at beginning of fiscal year	\$ 492,381	\$ 460,314
Incurred claims and claim adjustment expenses:		
Provision for insured events of current year	3,437,245	3,090,627
Claims and adjustment expenses attributable to insured events of current and prior year	<u>3,589,704</u>	<u>3,058,560</u>
Total Claims Liability	<u>\$ 339,922</u>	<u>\$ 492,381</u>

STANLY COUNTY
NOTES TO THE FINANCIAL STATEMENTS
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Workers' Compensation: The County is self-funded for workers' compensation. Through this self-funded workers' compensation program, the County obtains workers' compensation coverage up to the statutory limits, with no deductible. The fund is reinsured through an insurance company for single occurrence losses of \$300,000 and aggregate excess limit for \$1,000,000. The claims liability of \$1,100,452 reported in the fund at June 30, 2010 is based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. The County expects all claims to be paid within the next twelve months; therefore, the entire amount is presented as current.

The \$1,100,452 claims liability represents total estimated claims incurred but not reported, as provided by the plan administrator's actuary.

	<u>June 30 2010</u>	<u>June 30 2009</u>
Unpaid claims and claim adjustment expenses at beginning of fiscal year	\$ 887,912	\$ 737,712
Incurred claims and claim adjustment expenses:		
Provision for insured events of current year	558,086	339,088
Claims and adjustment expenses attributable to insured events of current and prior year	<u>345,545</u>	<u>188,888</u>
Total Claims Liability	<u>\$ 1,100,452</u>	<u>\$ 887,912</u>

Commercial Insurance: The County carries commercial coverage for all other risks of loss. There have been no significant reductions in insurance coverage from the previous year and settled claims have not exceeded coverage in any of the past three fiscal years.

The County carries no flood insurance.

In accordance with G.S. 159-29, the County's employees that have access to \$100 or more at any given time of the County's funds are performance bonded through a commercial surety bond. The Finance Officer and Tax Collector are bonded for \$100,000 each.

**STANLY COUNTY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2010**

5. Claims, Judgments and Contingent Liabilities

At June 30, 2010, the County was a defendant to various lawsuits. In the opinion of the County's management and the County's Attorney, the ultimate effect of these legal matters will not have a material adverse effect on the County's financial position.

6. Long-term Obligations

a. Capital Leases

The County has entered into agreements to lease certain land, buildings and equipment. These agreements are in substance lease-purchases (capital leases) for accounting purposes and, therefore, have been recorded at the present value of the future minimum lease payments as of the date of their inception. Titles pass to the County at the end of the lease terms. Capital lease agreements at June 30, 2010 are comprised of the following:

General Government:

General Government:

Lease for the construction of the jail additions entered into on August 10, 2006, payable in semi-annual principal payments of \$183,333 and semi-annual interest payments at a rate of 4.19% through August 10, 2021.

\$ 4,216,666

Total Capital Leases

\$ 4,216,666

At June 30, 2010, the County leased the jail valued at:

<u>Class of Property</u>	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net Book Value</u>
Jail	<u>\$ 8,456,738</u>	<u>\$ -</u>	<u>\$ 8,456,738</u>

**STANLY COUNTY
NOTES TO THE FINANCIAL STATEMENTS
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b. Notes Payable

General Fund:

Aquadale and Locust School Project:

The construction of additions to Aquadale and Locus Schools,
July 7, 2008, payable in annual principal payments of \$684,210
and semi-annual interest payments at an interest rate of 4.48%. \$ 12,315,790

Information Technology Loan:

The renovations of the information technology network equipment.
January 13, 2010, payable in semi-annual principal payments of
\$8,812 and semi-annual interest payments at an interest rate of 5.00%. 71,484

Ambulance Loan:

The purchase of two new Ambulances for Emergency Services.
May 20, 2010, payable in annual principal payments of \$86,964 and
annual interest payments at an interest rate of 4.00%. 241,063

Total General Fund 12,628,337

Enterprise Fund:

Greater Badin Water and Sewer District:

North Carolina Clean Water Revolving Loan executed on
May 1, 1999, payable in annual principal payments of \$22,731
and semi-annual interest payments at an interest rate of 2.60% 227,311

Total Notes Payable \$ 12,855,648

c. General Obligation Indebtedness

The general obligation bonds issued to finance the construction of facilities utilized in the operations of the water and sewer system and which are being retired by its resources are reported as long-term debt in the enterprise funds. The full faith, credit, and taxing power of the County's general government collateralize all bonds. Principal and interest requirements are appropriated when due.

**STANLY COUNTY
NOTES TO THE FINANCIAL STATEMENTS
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The following is a schedule of general obligation debt at June 30, 2010:

General Government:

\$16,000,000 Series 2001 Bond, due on February 1, installments of \$950,000 through February 1, 2011, interest payable on August 1 and February 1 at 4.6%	\$ 950,000
\$10,000,000 Series 2002 Bond, due on June 1, installments of \$400,000 through June 1, 2012, interest payable on December 1 and June 1 at 4.5%	<u>800,000</u>
Total General Government for school building purposes that is excluded from County's Net Assets because title is transferred to Stanly County Board of Education	<u>\$ 1,750,000</u>

Enterprise Funds:

Stanly County Utility Fund:

\$1,465,000 1990 Sanitary Sewer Bonds, beginning June 1, 1991 due in annual installments of \$75,000 through June 1, 2011, interest payable on December 1 and June 1 at 6.75%	\$ 40,000
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Greater Badin Water and Sewer District:

\$750,000 1991 Sanitary Sewer Bonds, due on April 1, installments of \$40,000 through April 1, 2011, interest payable on April 1 and October 1 at 6.6% to 6.7%	<u>30,000</u>
Total Enterprise Fund General Obligation Bonds	<u>70,000</u>
Total General Obligation Bonds	<u>\$ 18,145,000</u>

d. Advance refundings:

The County issued \$16,325,000 Series 2010 General Obligation Refunding Bonds with a closing date of February 17, 2010. The County has \$17,223,200 of these bonds placed in escrow for the purpose of general resources for future debt service payments of \$15,850,000 of general obligation bonds. The par amount of the bonds was \$16,325,000 plus a net premium of \$1,067,654 for total bond proceeds of \$17,392,654. The par amount exceeded the net carrying amount of the old debt by \$475,000. This amount is being netted against the new debt and amortized over the life of the refund debt. The true interest cost of the refunding is approximately 3.001%. The net present value of the savings realized by the county is approximately \$475,648.

STANLY COUNTY
NOTES TO THE FINANCIAL STATEMENTS
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A balance of \$950,000 and \$800,000 remains on the governmental activities column of the statement of net assets for the 2001 and 2002 Series respectively, to be paid over the next two fiscal years.

The Series 2010 General Obligation Bonds partially extinguished the following debt.

\$16,000,000 Series 2001 School Construction General Obligation Bonds
\$10,000,000 Series 2002 School Construction General Obligation bonds

e. Long-term Obligation Activity:

The following is a summary of changes in general long-term debt for the fiscal year ended June 30, 2010:

	Balances 7/1/09	Additions	Retirements	Balances 6/30/10	Current Portion of Balance
Governmental Activities:					
General obligation debt	\$ 18,950,000	\$ 16,325,000	\$ 17,200,000	\$ 18,075,000	\$ 1,500,000
Bond issuance cost/premium	-	1,067,654	-	1,067,654	89,000
Capitalized leases	4,583,333	-	366,667	4,216,666	366,667
Notes payable	13,000,000	312,547	684,210	12,628,337	774,301
Compensated absences	1,012,067	678,306	693,401	996,972	620,000
Other post-employment benefit	256,540	472,260	146,700	582,100	-
Net pension obligation	251,102	58,134	66,953	242,283	-
Total governmental activities	\$ 38,053,042	\$ 18,913,901	\$ 19,157,931	\$ 37,809,012	\$ 3,349,968
Business-Type Activities:					
General obligation debt	\$ 185,000	\$ -	\$ 115,000	\$ 70,000	\$ 70,000
Notes payable	250,042	-	22,731	227,311	22,731
Compensated absences	76,811	37,258	37,718	76,350	25,000
Total business-type activities	\$ 511,853	\$ 37,258	\$ 175,449	\$ 373,661	\$ 117,731

STANLY COUNTY
NOTES TO THE FINANCIAL STATEMENTS
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Compensated absences, other post employment benefits and net pension obligations typically have been liquidated in the General Fund and are accounted for on a LIFO basis, assuming that employees are taking leave time as it is earned. The estimated current portion of compensated absence is \$645,000.

Invested in capital assets net of related debt for June 30, 2010 was calculated as follows:

	<u>General Fund</u>	<u>Enterprise Fund</u>
Capital assets	\$ 19,974,091	\$ 34,931,793
Total debt, gross	(35,987,655)	(297,311)
Add: Debt not related to County Assets		
School debt for which County does not hold title	<u>30,390,790</u>	<u>-</u>
Total related debt	<u>(5,596,865)</u>	<u>(297,311)</u>
Invested in capital assets, net of related debt	<u>\$ 14,377,226</u>	<u>\$ 34,634,482</u>

f. Conduit Debt Obligations – Stanly County Industrial and Pollution Control Authority has issued industrial revenue bonds to provide financial assistance to private businesses for economic development purposes. These bonds are secured by the properties financed as well as letters of credit and are payable solely from payments received from the private businesses involved. Ownership of the acquired facilities is in the name of the private business served by the bond issuance. The County, the Authority, the State, nor any political subdivision, thereof, is obligated in any manner for the repayment of bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of June 30, 2010, three industrial revenue bonds were outstanding, with an aggregate principal amount payable of \$17,264,465.

At June 30, 2010, Stanly County had a legal debt margin of \$301,644,251.

STANLY COUNTY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2010

The following summarizes the annual requirements to amortize all long-term debt outstanding (excluding compensated absences and Law Enforcement Officers' Special Separation Allowance unfunded pension contribution):

	General Obligation Bonds		Capitalized Leases	
	Principal	Interest	Principal	Interest
General Long-Term Debt				
2011	\$ 1,500,000	\$ 625,896	\$ 366,667	\$ 172,838
2012	1,575,000	586,600	366,667	157,474
2013	1,615,000	533,350	366,667	142,111
2014	1,575,000	501,050	366,667	126,748
2015	1,555,000	453,800	366,667	111,384
2016-2020	6,050,000	1,312,900	1,466,664	291,903
2021-2025	4,205,000	357,300	916,667	57,612
	<u>18,075,000</u>	<u>4,370,896</u>	<u>4,216,666</u>	<u>1,060,070</u>
Proprietary Funds				
2011	<u>70,000</u>	<u>4,770</u>	<u>-</u>	<u>-</u>
	<u>70,000</u>	<u>4,770</u>	<u>-</u>	<u>-</u>
	<u>\$ 18,145,000</u>	<u>\$ 4,375,666</u>	<u>\$ 4,216,666</u>	<u>\$ 1,060,070</u>

STANLY COUNTY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2010

	Notes Payable	
	Principal	Interest
General Long-Term Debt		
2011	\$ 774,301	\$ 564,984
2012	778,076	530,557
2013	782,041	495,940
2014	699,204	461,160
2015	699,974	429,737
2016-2019	2,736,840	1,410,022
2020-2022	6,157,900	1,379,361
	<u>12,628,337</u>	<u>5,271,761</u>
Proprietary Funds		
2011	22,731	5,910
2012	22,731	5,319
2013	22,731	4,728
2014	22,731	4,137
2015	22,731	3,546
2016-2020	90,924	8,274
2021	22,732	591
	<u>227,311</u>	<u>32,505</u>
	<u>\$ 12,855,648</u>	<u>\$ 5,304,267</u>

C. Interfund Balances and Activity

Interfund receivable balances consist of cash deficits as of June 30, 2010. Those funds have projects in progress for which they first expend the money and are later reimbursed. The funds and the amounts are as follows:

	Interfund Receivables	Interfund Payable
General Fund	\$ 3,397,053	\$ -
Jail Construction	-	1,464,929
Community Development Block Grant 2009 Scattered Site	-	57,340
Stanly County Utility Fund	-	983,665
Stanly County Airport Fund	-	891,119
	<u>\$ 3,397,053</u>	<u>\$ 3,397,053</u>

**STANLY COUNTY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2010**

Transfers to and from other funds at June 30, 2010 consists of the following:

	Transfers		
	From	To	Purpose
General Fund	\$ 313,770	\$ -	
Enterprise Funds			
Stanly County Utility Fund	-	20,000	Capital Outlay Support
Airport Fund	-	293,770	Operating and Capital Outlay Support
Enterprise Funds			
Stanly County Utility Fund	76,800	-	Operating Support
Piney Point Water District Fund	26,500	-	Operating Support
Capital Project Fund			
School Construction	87,272	-	Close Project
General Fund	-	190,572	
Enterprise Funds			
Piney Point Water District Fund	25,331	-	Capital Outlay Support
Stanly County Utility Fund	-	25,331	
	<u>\$ 529,673</u>	<u>\$ 529,673</u>	

IV. Joint Ventures

The County, in conjunction with Union, Cabarrus, and Rowan Counties, participates in the Piedmont Area Mental Health Authority. The Authority is a joint venture established to provide the participating counties with legally mandated mental health services. The County has an ongoing financial responsibility for the Authority because the Authority's continued existence depends on the participating governments' continued funding. The County contributed \$210,150 to the Authority during fiscal year ended June 30, 2010. None of the participating governments has any equity interest in the Authority, so no equity interest has been reflected in the financial statements at June 30, 2010. Complete financial statements for the Authority can be obtained from the Authority's administrative office at 245 LePhillip Court, NE, Concord, North Carolina 28025.

The County, in conjunction with the State of North Carolina and the Stanly County Board of Education, participates in a joint venture to operate Stanly Community College. Stanly County appoints one member of the 13-member board of trustees. The community college is included as a component unit of the State.

The County has the basic responsibility for providing funding for facilities and also provides some financial support for operations. The County has an ongoing statutory financial responsibility to provide funding for the community college. The County contributed \$1,326,367 for operating purposes and \$175,000 for capital, during the fiscal year ended June 30, 2010. Completed financial statements for the community college may be obtained from administrative offices at 141 College Drive, Albemarle, North Carolina 28001.

STANLY COUNTY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2010

V. Jointly Governed Organization

The County, in conjunction with eight other counties and twenty municipalities, participates in the Centralina Council of Governments (Council). The participating governments established the Council to coordinate various funding received from federal and State agencies. Each participating government appoints one member to the Council's governing board. The County paid membership fees of \$14,790 to the Council during the fiscal year ended June 30, 2010.

VI. Summary Disclosure of Significant Contingencies

Federal and State-Assisted Programs

The County has received proceeds from several federal and State grants. Periodic audits of the grants are required and certain costs may be questioned as not being appropriate expenditures under the grant agreements. Such audits could result in the refund of grant monies to the grantor agencies. Management believes that any required refunds will be immaterial. No provision has been made in the accompanying financial statements for the refund of grant monies.

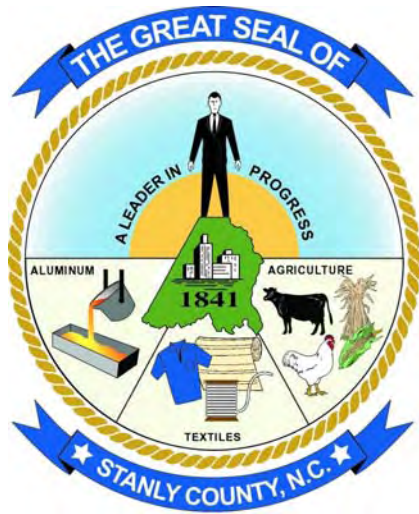
VII. Benefit Payments Issued by the State

The amounts listed below were paid directly to individual recipients by the State from federal and State monies. County personnel are involved with certain functions, primarily eligibility determinations, which cause benefit payments to be issued by the State. These amounts disclose this additional aid to County recipients, which do not appear in the basic financial statements because they are not revenues and expenditures of the County.

	Federal	State
Medicaid	\$ 50,515,881	\$ 17,357,619
Temporary Assistance for Needy Families	313,617	-
Special Supplemental Food Program for Women, Infants and Children	1,215,904	-
Special Assistance to Adults	-	545,196
Low-Income Home Energy Assistance	423,245	-
Title IV-E Foster care Subsidiary	148,627	30,297
Title IV-E Adoption Subsidiary	240,261	48,751
NC Department of Cultural Resources	-	120,011
CWS Adoption Subsidiary	-	130,032
LINKS	<u>12,848</u>	<u>-</u>
Totals	<u>\$ 52,870,383</u>	<u>\$ 18,231,906</u>

VIII. Subsequent Event

A USDA loan for \$1,500,000 was secured in July 2010 for the Jail Construction Project.

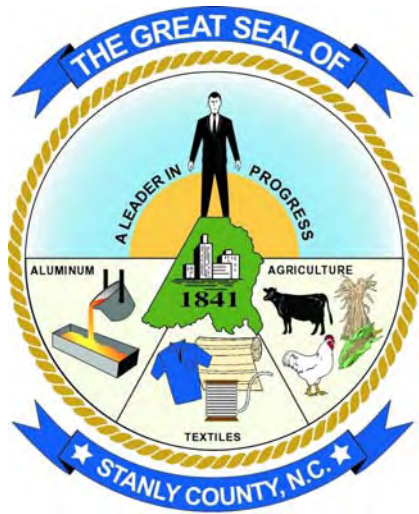


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**REQUIRED SUPPLEMENTARY
FINANCIAL INFORMATION**

This section contains additional information required by generally accepted accounting principles.

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



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**STANLY COUNTY, NORTH CAROLINA
LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS
FOR THE YEAR ENDED JUNE 30, 2010**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Proj. Unit Credit (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll for Year Ending on Val. Date (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/1998	\$ -	\$ 176,765	\$ 176,675	0.00%	\$ 843,004	20.97%
12/31/1999	-	146,701	147,701	0.00%	861,704	17.02%
12/31/2000	-	248,087	248,087	0.00%	953,180	26.03%
12/31/2001	-	281,184	281,184	0.00%	1,056,895	26.60%
12/31/2002	-	352,552	352,552	0.00%	1,303,695	27.04%
12/31/2003	-	363,497	363,497	0.00%	1,222,822	29.73%
12/31/2004	-	407,795	407,795	0.00%	1,237,242	32.96%
12/31/2005	-	375,030	375,030	0.00%	1,521,812	24.64%
12/31/2006	-	431,973	431,973	0.00%	1,629,065	26.52%
12/31/2007	-	417,619	417,619	0.00%	1,637,644	25.50%
12/31/2008	-	508,724	508,724	0.00%	1,793,364	28.37%
12/31/2009	-	643,054	643,054	0.00%	1,919,595	33.50%

**STANLY COUNTY, NORTH CAROLINA
LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER CONTRIBUTIONS
FOR THE YEAR ENDED JUNE 30, 2010**

Year Ended June 30	Annual Required Contribution (ARC)	Percentage of ARC Contributed
2010	\$ 55,747	120.10%
2009	47,648	139.49%
2008	47,697	119.42%
2007	41,853	124.12%
2006	42,603	84.87%
2005	41,234	55.99%
2004	42,234	50.57%
2003	34,993	20.35%
2002	31,170	11.05%
2001	23,878	18.41%
2000	27,654	15.90%

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	12/31/2008
Actuarial cost method	Projected unit credit
Amortization method	Level percent of pay closed
Remaining amortization period	22 years
Asset valuation method	Market value
Actuarial assumptions:	
Investment rate or return*	7.25%
Projected salary increases*	4.5-12.3%

*Includes inflation at	3.75%
Cost of living adjustments	N/A

**STANLY COUNTY, NORTH CAROLINA
OTHER POST-EMPLOYMENT BENEFITS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS
FOR THE YEAR ENDED JUNE 30, 2010**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Proj. Unit Credit (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
7/1/2006	\$ -	\$ 3,851,000	\$ 3,851,000	0.00%	\$ 12,343,462	31.2%
12/31/2009	-	5,151,348	5,151,348	0.00%	16,545,086	31.1%

**STANLY COUNTY, NORTH CAROLINA
OTHER POST-EMPLOYMENT BENEFITS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER CONTRIBUTIONS
FOR THE YEAR ENDED JUNE 30, 2010**

Year Ended June 30	Annual Required Contribution (ARC)	Percentage of ARC Contributed
2009	\$ 369,000	30.48%
2010	470,851	31.16%

Notes to the Required Schedules:

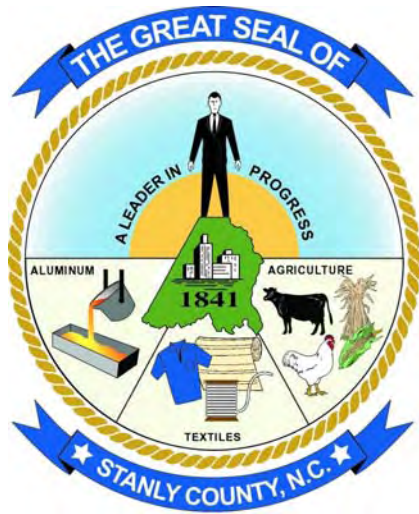
The information presented in the required supplementary schedules was determined as part of the actuarial valuations at the dates indicated. Additional information as of the latest actuarial valuation follows:

Valuation date	12/31/2009
Actuarial cost method	Projected unit credit
Amortization method	Level percent of pay, open
Remaining amortization period	30
Asset valuation method	Market value
Actuarial assumptions:	
Investment rate or return*	4.00%
Projected salary increases*	10.50-5.00%

*Includes inflation at	3.75%
Cost of living adjustments	N/A

GENERAL FUND

The General Fund accounts for resources traditionally associated with government that are not required legally or by sound management to be accounted for in other funds. The following schedule provides for a detail result of the General Fund's budgetary and actual revenues and expenditures.



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STANLY COUNTY, NORTH CAROLINA

GENERAL FUND **SCHEDULE OF REVENUES, EXPENDITURES, AND** **CHANGES IN FUND BALANCE - BUDGET AND ACTUAL** **FOR THE YEAR ENDED JUNE 30, 2010**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Ad valorem property taxes:			
Ad valorem taxes		\$ 27,902,013	
Penalties and interest		269,497	
Total	\$ 28,139,300	28,171,510	\$ 32,210
 Local option sales taxes:			
Sales tax article 39		2,853,421	
Sales tax article 40		2,117,052	
Sales tax article 42		1,665,739	
Sales tax article 44		205,467	
Total	7,359,086	6,841,679	(517,407)
 Other taxes:			
Real property excise tax		111,336	
Solid waste		25,901	
Cable franchise tax		145,856	
Occupancy tax		180,566	
Other taxes		17,404	
Total	559,000	481,063	(77,937)
 Intergovernmental revenues:			
Unrestricted intergovernmental:			
ABC profits	-	425	425
 Restricted intergovernmental:			
Public safety		425,404	
Transportation		400,253	
Health		856,024	
Social services grants		7,134,451	
Senior and aging services		21,278	
Other federal and State grants		2,317,692	
EMS		9,866	
Total	12,934,871	11,164,968	(1,769,903)
 Permits and fees:			
Recording fees		264,094	
Marriage license		7,802	
Building permits		387,417	
Concealed weapons permits		15,205	
Zoning and planning permits		13,770	
Total	872,853	688,288	(184,565)

STANLY COUNTY, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2010

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Sales and services:			
Intergovernmental charges		183,347	
Sheriff and jail fees		561,879	
Ambulance fees		2,089,132	
Transportation		349,534	
Solid waste		795,371	
Health fees		2,214,628	
Rental and other charges		188,130	
Total	<u>6,030,777</u>	<u>6,382,021</u>	<u>351,244</u>
Investment earnings:			
Earned interest	<u>500,000</u>	<u>277,583</u>	<u>(222,417)</u>
Miscellaneous:			
Donations		174,562	
Rents		267,369	
Sale of assets		13,649	
Miscellaneous other		179,530	
Total	<u>581,555</u>	<u>635,110</u>	<u>53,555</u>
Total revenues	<u>55,710,832</u>	<u>54,642,647</u>	<u>(2,334,795)</u>
Expenditures:			
General Government:			
Governing body:			
Salaries and employee benefits		85,288	
Operating expenditures		<u>152,228</u>	
Total		<u>237,516</u>	
Administration:			
Salaries and employee benefits		368,403	
Operating expenditures		<u>28,501</u>	
Total		<u>396,904</u>	
Finance department:			
Salaries and employee benefits		291,870	
Operating expenditures		<u>188,589</u>	
Total		<u>480,459</u>	
Tax assessor:			
Salaries and employee benefits		759,088	
Operating expenditures		<u>104,410</u>	
Total		<u>863,498</u>	

STANLY COUNTY, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2010

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Tax revaluation:			
Salaries and employee benefits		238,196	
Operating expenditures		14,823	
Total		<u>253,019</u>	
County attorney:			
Salaries and employee benefits		120,062	
Operating expenditures		<u>1,730,562</u>	
Total		<u>1,850,624</u>	
Clerk of Court:			
Operating expenditures		15,457	
Capital outlay		<u>4,487</u>	
Total		<u>19,944</u>	
Judge's office:			
Operating expenditures		<u>6,887</u>	
Elections:			
Salaries and employee benefits		183,858	
Operating expenditures		<u>150,655</u>	
Total		<u>334,513</u>	
Register of Deeds:			
Salaries and employee benefits		210,251	
Operating expenditures		61,691	
Capital outlay		<u>29,485</u>	
Total		<u>301,427</u>	
Information technology:			
Salaries and employee benefits		260,993	
Operating expenditures		136,060	
Capital outlay		<u>81,043</u>	
Total		<u>478,096</u>	
Facilities management:			
Salaries and employee benefits		343,520	
Operating expenditures		<u>703,764</u>	
Total		<u>1,047,284</u>	
Total general government	<u>6,684,825</u>	<u>6,270,171</u>	<u>414,654</u>

STANLY COUNTY, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2010

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Public Safety:			
Sheriff:			
Salaries and employee benefits		3,110,698	
Operating expenditures		480,071	
Capital outlay		109,468	
Total		<u>3,700,237</u>	
Jail:			
Salaries and employee benefits		1,809,224	
Operating expenditures		623,206	
Capital outlay		21,894	
Total		<u>2,454,324</u>	
Office of juvenile justice:			
Operating expenditures		5,782	
Program expenditures		107,732	
Juvenile detention		16,280	
Total		<u>129,794</u>	
Criminal justice partnership:			
Salaries and employee benefits		55,217	
Operating expenditures		27,585	
Total		<u>82,802</u>	
JCPC Restitution:			
Salaries and employee benefits		51,440	
Operating expenditures		10,134	
Total		<u>61,574</u>	
Emergency management:			
Salaries and employee benefits		2,276,515	
Operating expenditures		821,131	
Capital outlay		333,260	
Total		<u>3,430,906</u>	
Code enforcement:			
Salaries and employee benefits		291,749	
Operating expenditures		34,861	
Total		<u>326,610</u>	

STANLY COUNTY, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2010

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Medical examiner:			
Contractual services		<u>37,900</u>	
Animal control:			
Salaries and employee benefits		288,498	
Operating expenditures		<u>63,199</u>	
Total		<u>351,697</u>	
911 communication service:			
Salaries and employee benefits		898,654	
Operating expenditures		<u>84,092</u>	
Total		<u>982,746</u>	
Reimbursements:			
From E-911 fund		<u>(49,968)</u>	
Total public safety	<u>11,937,636</u>	<u>11,508,622</u>	<u>429,014</u>
Transportation:			
Salaries and employee benefits		654,287	
Operating expenditures		<u>183,202</u>	
Total transportation	<u>1,112,669</u>	<u>837,489</u>	<u>275,180</u>
Environmental Protection:			
Solid waste operations:			
Salaries and employee benefits		326,350	
Operating expenditures		592,917	
Capital outlay		<u>9,336</u>	
Total		<u>928,603</u>	
Fire forester:			
Contribution to other agency		<u>76,770</u>	
Soil and water conservation:			
Salaries and employee benefits		102,356	
Operating expenditures		<u>23,350</u>	
Total		<u>125,706</u>	
Total environmental protection	<u>1,130,936</u>	<u>1,131,079</u>	<u>(143)</u>

STANLY COUNTY, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2010

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Economic and Physical Development:			
Economic development commission:			
Salaries and employee benefits		157,047	
Operating expenditures		687,927	
Total		844,974	
Occupancy tax-motel/hotel:			
To other municipalities		147,481	
Planning and zoning:			
Salaries and employee benefits		198,499	
Operating expenditures		34,637	
Total		233,136	
Central permitting			
Salaries and employee benefits		168,655	
Operating expenditures		6,763	
Total		175,418	
Cooperative extension:			
Salaries and employee benefits		5,003	
Operating expenditures		220,891	
Total		225,894	
Special appropriation for economic development:			
Contribution for economic development		89,000	
Rocky River RPO:			
Salaries and employee benefits		96,422	
Operating expenditures		8,543	
Total		104,965	
Total economic and physical development	2,144,451	1,820,868	323,583
Human Services:			
Health:			
Salaries and employee benefits		1,695,776	
Operating expenditures		431,189	
Capital outlay		64,627	
Total		2,191,592	

STANLY COUNTY, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2010

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Home health:			
Salaries and employee benefits		480,994	
Operating expenditures		<u>476,683</u>	
Total		<u>957,677</u>	
Health - smart start:			
Salaries and employee benefits		97,628	
Operating expenditures		<u>2,994</u>	
Total		<u>100,622</u>	
Dental clinic:			
Salaries and employee benefits		578,410	
Operating expenditures		<u>111,557</u>	
Total		<u>689,967</u>	
Environmental health:			
Salaries and employee benefits		297,183	
Operating expenditures		<u>37,656</u>	
Total		<u>334,839</u>	
Mental health:			
Contributions to other agencies:			
Bottle surcharge		12,150	
Piedmont area mental health		<u>198,000</u>	
Total		<u>210,150</u>	
Social services:			
Salaries and employee benefits		4,067,431	
Operating expenditures		1,670,434	
Day care and resident services		3,112,268	
Capital outlay		<u>2,105</u>	
Total		<u>8,852,238</u>	
In-home services:			
Salaries and employee benefits		235,824	
Operating expenditures		<u>137,403</u>	
Total		<u>373,227</u>	
Nutrition:			
Salaries and employee benefits		107,701	
Operating expenditures		<u>304,908</u>	
Total		<u>412,609</u>	

STANLY COUNTY, NORTH CAROLINA

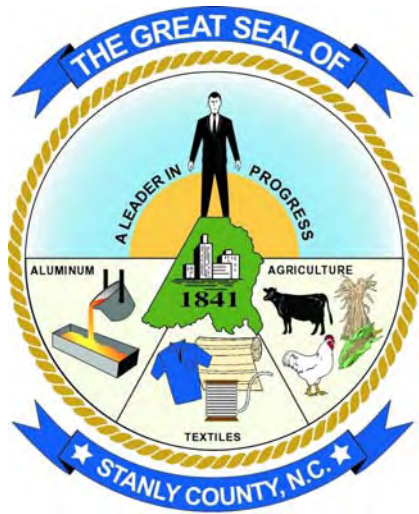
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2010

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
I&A/Transportation:			
Salaries and employee benefits		53,804	
Operating expenditures		52,006	
Total		<u>105,810</u>	
Family Caregiver Support:			
Operating expenditures		<u>23,320</u>	
Senior services:			
Salaries and employee benefits		206,949	
Operating expenditures		128,715	
Total		<u>335,664</u>	
Veterans services:			
Salaries and employee benefits		75,125	
Operating expenditures		3,665	
Veteran's Association		2,000	
Total		<u>80,790</u>	
Total human services	<u>16,003,833</u>	<u>14,668,505</u>	<u>1,335,328</u>
Education:			
Stanly County Public Schools:			
Current expenditures		10,281,906	
Capital outlay		2,389,664	
Total		<u>12,671,570</u>	
Stanly Community College:			
Current expenditures		1,326,357	
Capital outlay		175,000	
Total		<u>1,501,357</u>	
Total education	<u>15,439,538</u>	<u>14,172,927</u>	<u>1,266,611</u>
Culture and Recreation:			
Library:			
Salaries and employee benefits		842,573	
Operating expenditures		304,829	
Capital outlay		14,128	
Total		<u>1,161,530</u>	

STANLY COUNTY, NORTH CAROLINA

GENERAL FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2010

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Recreation:			
Operating expenditures		146,723	
Historic Preservation Commission:			
Salaries and employee benefits		92,414	
Operating expenditures		30,268	
Total		<u>122,682</u>	
Agri Civic Center:			
Salaries and employee benefits		157,546	
Operating expenditures		123,807	
Capital outlay		4,476	
Total		<u>285,829</u>	
Total culture and recreation	<u>1,922,399</u>	<u>1,716,764</u>	<u>205,635</u>
Debt Service:			
Principal		2,400,877	
Interest		1,597,973	
Bond issuance costs		99,288	
Total debt service	<u>4,215,050</u>	<u>4,098,138</u>	<u>116,912</u>
Total expenditures	<u>60,591,337</u>	<u>56,224,563</u>	<u>4,366,774</u>
Revenues over (under) expenditures	<u>(3,613,895)</u>	<u>(1,581,916)</u>	<u>2,031,979</u>
Other Financing Sources (Uses):			
Transfers to:			
Enterprise Fund		(313,771)	
Transfers from:			
Enterprise Fund		103,300	
Capital Project Fund		87,272	
Installment debt issued		312,547	
Refunding bonds issued		16,325,000	
Payment to bondholders - retired debt		(17,223,200)	
Bond premium		1,067,654	
Total other financing sources (uses)	<u>3,613,895</u>	<u>358,802</u>	<u>(3,255,093)</u>
Net change in fund balance	<u>\$ -</u>	<u>(1,223,114)</u>	<u>\$ (1,223,114)</u>
Fund Balance:			
Beginning of year - July 1		<u>17,624,249</u>	
End of year - June 30		<u>\$ 16,401,135</u>	



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MAJOR GOVERNMENTAL FUNDS

The financial information for Major Funds is found on Exhibit C and D.

Individual Fund Descriptions:

- **Jail Construction Fund** – accounts for the funds designated for jail construction.



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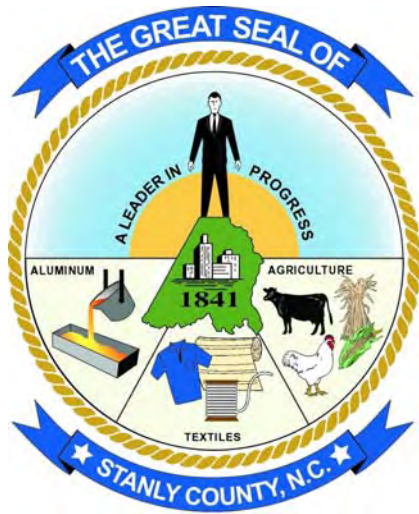
STANLY COUNTY, NORTH CAROLINA

MAJOR CAPITAL PROJECT FUND

JAIL CONSTRUCTION FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2010

	Actual				
	Project Authorization	Prior Years	Current Year	Total to Date	Variance Over/Under
Revenues:					
Investment earnings	\$ 270,424	\$ 270,424	\$ -	\$ 270,424	\$ -
Total revenues	<u>270,424</u>	<u>270,424</u>	<u>-</u>	<u>270,424</u>	<u>-</u>
Expenditures:					
Professional services	734,424	731,560	31,047	762,607	(28,183)
Construction	7,514,986	6,996,410	423,923	7,420,333	94,653
Operating expenditures	<u>242,400</u>	<u>245,733</u>	<u>28,066</u>	<u>273,799</u>	<u>(31,399)</u>
Total expenditures	<u>8,491,810</u>	<u>7,973,703</u>	<u>483,036</u>	<u>8,456,739</u>	<u>35,071</u>
Revenues over (under) expenditures	<u>(8,221,386)</u>	<u>(7,703,279)</u>	<u>(483,036)</u>	<u>(8,186,315)</u>	<u>35,071</u>
Other Financing Sources (Uses):					
Debt issued	7,000,000	5,500,000	-	5,500,000	(1,500,000)
Transfer from General Fund	<u>1,221,386</u>	<u>1,221,386</u>	<u>-</u>	<u>1,221,386</u>	<u>-</u>
Total other financing sources (uses)	<u>8,221,386</u>	<u>6,721,386</u>	<u>-</u>	<u>6,721,386</u>	<u>(1,500,000)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ (981,893)</u>	<u>(483,036)</u>	<u>\$ (1,464,929)</u>	<u>\$ (1,464,929)</u>
Fund Balance:					
Beginning of year - July 1			<u>(981,893)</u>		
End of year - June 30			<u>\$ (1,464,929)</u>		



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NONMAJOR GOVERNMENTAL FUNDS

Nonmajor Funds account for the proceeds of special revenue sources that are legally restricted to the expenditure for specific purposes. The financial information for Major Funds is found on Exhibit C and D.

Individual Fund Descriptions:

- **Emergency Telephone System Fund** – accounts for the revenues earmarked for the installation of emergency 911-phone system.
- **Fire District Fund** – account for the revenues of the fourteen fire districts in Stanly County.
- **Adequate Facilities Reserve Fund** – Created to accumulate funds generated by a facilities fee. These funds will be used to help pay for future school construction.
- **Community Development Block Grant 2007 Revitalization Fund**– accounts for the funds designated for improvements to include streets, drainage, water and sewer.
- **Community Development Block Grant 2008 Hook up Project** – accounts for the funds designated for water hook ups.
- **Community Development Block Grant Infrastructure Project** – accounts for the funds designated for water hook ups.
- **Single Family Rehabilitation Project** – accounts for the funds designated for housing improvement.
- **Community Development Block Grant 2002 Hook up Project** – accounts for the funds designated for water hook ups
- **Community Development Block Grant 2009 Scattered Site Project** – accounts for the funds designated for housing improvement.
- **Community Development Block Grant 2009 Urgent Repair Program Fund** – accounts for the funds designated for urgent housing repairs.
- **School Construction Fund** – accounts for the funds designated for Aquadale and Locust Elementary School construction

STANLY COUNTY, NORTH CAROLINA

COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS JUNE 30, 2010

	Special Revenue Funds				
	Emergency Telephone System Fund	Fire Districts Fund	Adequate Facilities Reserve Fund	CDBG 2007 Revitalization Fund	CDBG 2008 Hookup Fund
Assets:					
Cash and cash equivalents	\$ 337,564	\$ 19,665	\$ 27,531	\$ 71,529	\$ -
Taxes receivable, net	-	87,859	-	-	-
Accounts receivable	28,082	-	-	-	-
Total assets	<u>\$ 365,646</u>	<u>\$ 107,524</u>	<u>\$ 27,531</u>	<u>\$ 71,529</u>	<u>\$ -</u>
Liabilities and Fund Balances:					
Liabilities:					
Accounts payable and accrued liabilities	\$ 150	\$ 19,665	\$ -	\$ 16,109	\$ -
Interfund payables	-	-	-	-	-
Deferred revenues	-	87,859	-	-	-
Total liabilities	<u>150</u>	<u>107,524</u>	<u>-</u>	<u>16,109</u>	<u>-</u>
Fund Equity:					
Reserved by State statute	28,082	-	-	-	-
Unreserved	337,414	-	27,531	55,420	-
Total fund balances	<u>365,496</u>	<u>-</u>	<u>27,531</u>	<u>55,420</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 365,646</u>	<u>\$ 107,524</u>	<u>\$ 27,531</u>	<u>\$ 71,529</u>	<u>\$ -</u>

Schedule 3

Special Revenue Funds					Capital Project Funds	Total Nonmajor Governmental Funds
CDBG Infrastructure Fund	Single Family Rehabilitation \$3,000 Fund	CDBG Hookup 2002 Fund	CDBG 2009 Scattered Site Project	2009 Urgent Repair Fund	School Construction Fund	
\$ 4,504	\$ 16,892	\$ -	\$ -	\$ 22,930	\$ -	\$ 500,615
-	-	-	-	-	-	87,859
-	-	-	88,489	-	-	116,571
<u>\$ 4,504</u>	<u>\$ 16,892</u>	<u>\$ -</u>	<u>\$ 88,489</u>	<u>\$ 22,930</u>	<u>\$ -</u>	<u>\$ 705,045</u>
\$ 4,504	\$ 36,376	\$ -	\$ 31,149	\$ 6,700	-	\$ 114,653
-	-	-	57,340	-	-	57,340
-	-	-	-	-	-	87,859
<u>4,504</u>	<u>36,376</u>	<u>-</u>	<u>88,489</u>	<u>6,700</u>	<u>-</u>	<u>259,852</u>
-	-	-	-	-	-	28,082
-	(19,484)	-	-	16,230	-	417,111
-	(19,484)	-	-	16,230	-	445,193
<u>\$ 4,504</u>	<u>\$ 16,892</u>	<u>\$ -</u>	<u>\$ 88,489</u>	<u>\$ 22,930</u>	<u>\$ -</u>	<u>\$ 705,045</u>

STANLY COUNTY, NORTH CAROLINA

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS FOR THE YEAR ENDED JUNE 30, 2010

	Special Revenue Funds				
	Emergency Telephone System Fund	Fire Districts Fund	Adequate Facilities Reserve Fund	CDBG 2007 Revitalization Fund	CDBG 2008 Hookup Fund
Revenues:					
Ad valorem taxes	\$ -	\$ 1,854,435	\$ -	\$ -	\$ -
Restricted intergovernmental	-	-	-	237,133	38,581
Sales and services	336,979	-	-	-	-
Permits and fees	-	-	6,000	-	-
Investment earnings	5,995	-	525	-	-
Total revenues	<u>342,974</u>	<u>1,854,435</u>	<u>6,525</u>	<u>237,133</u>	<u>38,581</u>
Expenditures:					
Current:					
General government	-	28,177	-	-	-
Public safety	241,599	1,826,258	-	-	-
Economic and physical development	-	-	-	272,039	38,581
Education	-	-	-	-	-
Total expenditures	<u>241,599</u>	<u>1,854,435</u>	<u>-</u>	<u>272,039</u>	<u>38,581</u>
Revenues over (under) expenditures	<u>101,375</u>	<u>-</u>	<u>6,525</u>	<u>(34,906)</u>	<u>-</u>
Other Financing Sources (Uses):					
Transfers out	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	101,375	-	6,525	(34,906)	-
Fund Balances:					
Beginning of year - July 1	<u>264,121</u>	<u>-</u>	<u>21,006</u>	<u>90,326</u>	<u>-</u>
End of year - June 30	<u>\$ 365,496</u>	<u>\$ -</u>	<u>\$ 27,531</u>	<u>\$ 55,420</u>	<u>\$ -</u>

Schedule 4

Special Revenue Funds					Capital Project Fund	Total Nonmajor Governmental Funds
CDBG Infrastructure Fund	Single Family Rehabilitation \$3,000 Fund	CDBG Hookup 2002 Fund	CDBG 2009 Scattered Site Project	2009 Urgent Repair	School Construction Fund	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,854,435
53,947	447,075	3,257	88,489	37,500	-	905,982
-	-	-	-	-	-	336,979
-	-	-	-	-	-	6,000
-	-	-	-	620	728	7,868
53,947	447,075	3,257	88,489	38,120	728	3,111,264
-	-	-	-	-	-	28,177
-	-	-	-	-	-	2,067,857
53,947	466,559	3,257	88,489	21,890	-	944,762
-	-	-	-	-	3,738,378	3,738,378
53,947	466,559	3,257	88,489	21,890	3,738,378	6,779,174
-	(19,484)	-	-	16,230	(3,737,650)	(3,667,910)
-	-	-	-	-	(87,272)	(87,272)
-	-	-	-	-	(87,272)	(87,272)
-	(19,484)	-	-	16,230	(3,824,922)	(3,755,182)
-	-	-	-	-	3,824,922	4,200,375
\$ -	\$ (19,484)	\$ -	\$ -	\$ 16,230	\$ -	\$ 445,193



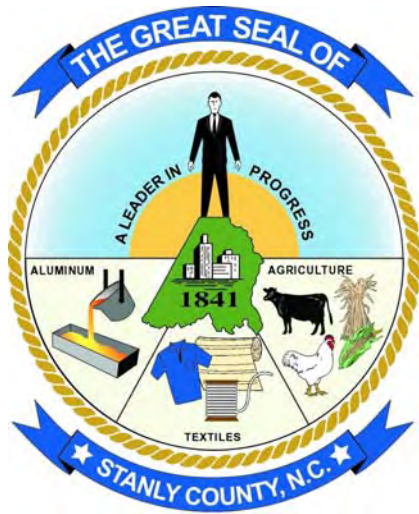
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BUDGETARY INFORMATION - GOVERNMENTAL FUNDS

Special revenue budget and actual results for fiscal June 30, 2010.

Individual Fund Descriptions:

- **Emergency Telephone System Fund** – accounts for the revenues earmarked for the installation of emergency 911-phone system.
- **Fire District Fund** – account for the revenues of the fourteen fire districts in Stanly County.
- **Adequate Facilities Reserve Fund** – Created to accumulate funds generated by a facilities fee. These funds will be used to help pay for future school construction.
- **Community Development Block Grant 2007 Revitalization Fund**– accounts for the funds designated for improvements to include streets, drainage, water and sewer.
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- **Community Development Block Grant 2009 Urgent Repair Program Fund** – accounts for the funds designated for urgent housing repairs.
- **School Construction Fund** – accounts for the funds designated for Aquadale and Locust Elementary School construction



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STANLY COUNTY, NORTH CAROLINA

EMERGENCY TELEPHONE SYSTEM FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2010

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Charges - surcharge	\$ 415,399	\$ 336,979	\$ (78,420)
Investment earnings	5,000	5,995	995
Total revenues	<u>420,399</u>	<u>342,974</u>	<u>(77,425)</u>
Expenditures:			
Operating expenditures	<u>257,237</u>	<u>241,599</u>	<u>15,638</u>
Total expenditures	<u>257,237</u>	<u>241,599</u>	<u>15,638</u>
Revenues over (under) expenditures	<u>163,162</u>	<u>101,375</u>	<u>(61,787)</u>
Other Financing Sources (Uses):			
Appropriated fund balance	<u>(163,162)</u>	<u>-</u>	<u>163,162</u>
Total other financing sources (uses)	<u>(163,162)</u>	<u>-</u>	<u>163,162</u>
Net change in fund balance	<u>\$ -</u>	<u>101,375</u>	<u>\$ 101,375</u>
Fund Balance:			
Beginning of year - July 1		<u>264,121</u>	
End of year - June 30		<u>\$ 365,496</u>	

STANLY COUNTY, NORTH CAROLINA

FIRE DISTRICT FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2010

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Ad valorem taxes:			
Current year	\$ 1,873,650	\$ 1,803,968	\$ (69,682)
Prior years	50,000	50,467	467
Total revenues	<u>1,923,650</u>	<u>1,854,435</u>	<u>(69,215)</u>
Expenditures:			
Administration fees:			
Tax collection fees	27,500	28,177	(677)
Public safety:			
Locust Fire District	530,000	524,531	5,469
Center Fire District	200,800	188,885	11,915
Endy Fire District	109,800	105,021	4,779
Ridgecrest Fire District	119,600	114,295	5,305
Aquadale Fire District	73,500	68,784	4,716
Eastside Fire District	140,000	135,133	4,867
Oakoro Fire District	75,000	70,753	4,247
New London Fire District	135,500	130,343	5,157
Southside Fire District	104,000	97,913	6,087
Bethany Fire District	50,000	48,034	1,966
Richfield Fire District	118,550	111,847	6,703
Millingport Fire District	97,200	92,827	4,373
Norwood Special Fire District	-	4,951	(4,951)
Badin-Yakin Fire District	142,200	132,941	9,259
Total expenditures	<u>1,923,650</u>	<u>1,854,435</u>	<u>69,215</u>
Net change in fund balance	<u>\$ -</u>	-	<u>\$ -</u>
Fund Balance:			
Beginning of year - July 1		-	
End of year - June 30		<u>\$ -</u>	

STANLY COUNTY, NORTH CAROLINA

ADEQUATE FACILITIES RESERVE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2010

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Facility fees	\$ 15,000	\$ 6,000	\$ (9,000)
Investment earnings	250	525	275
Total revenues	<u>15,250</u>	<u>6,525</u>	<u>(8,725)</u>
Other Financing Sources (Uses):			
Appropriated fund balance	<u>(15,250)</u>	<u>-</u>	<u>15,250</u>
Net change in fund balance	<u>\$ -</u>	<u>6,525</u>	<u>\$ 6,525</u>
Fund Balance:			
Beginning of year - July 1		<u>21,006</u>	
End of year - June 30		<u>\$ 27,531</u>	

STANLY COUNTY, NORTH CAROLINA

COMMUNITY DEVELOPMENT BLOCK GRANT FUND - 2007 REVITALIZATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2010

		Actual			
	Project Authorization	Prior Years	Current Year	Total to Date	Variance Over/Under
Revenues:					
Restricted intergovernmental:					
Community Development	\$ 850,000	\$ 22,639	\$ 237,133	\$ 259,772	\$ (590,228)
Total revenues	<u>850,000</u>	<u>22,639</u>	<u>237,133</u>	<u>259,772</u>	<u>(590,228)</u>
Expenditures:					
Professional services	115,625	40,313	175,767	216,080	(100,455)
Construction	387,406	-	1,300	1,300	386,106
Rehabilitation	<u>457,469</u>	<u>2,500</u>	<u>94,972</u>	<u>97,472</u>	<u>359,997</u>
Total expenditures	<u>960,500</u>	<u>42,813</u>	<u>272,039</u>	<u>314,852</u>	<u>645,648</u>
Revenues over (under) expenditures	(110,500)	(20,174)	(34,906)	(55,080)	55,420
Other Financing Sources (Uses):					
Transfer from General Fund	<u>110,500</u>	<u>110,500</u>	<u>-</u>	<u>110,500</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 90,326</u>	<u>(34,906)</u>	<u>\$ 55,420</u>	<u>\$ 55,420</u>
Fund Balance:					
Beginning of year - July 1			<u>90,326</u>		
End of year - June 30			<u>\$ 55,420</u>		

STANLY COUNTY, NORTH CAROLINA

COMMUNITY DEVELOPMENT BLOCK GRANT FUND -

2008 INFRASTRUCTURE HOOK UP PROJECT

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES

IN FUND BALANCE - BUDGET AND ACTUAL

FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2010

		Actual			
	Project Authorization	Prior Years	Current Year	Total to Date	Variance Over/Under
Revenues:					
Restricted intergovernmental:					
Community Development	\$ 75,000	\$ 36,419	\$ 38,581	\$ 75,000	\$ -
Total revenues	75,000	36,419	38,581	75,000	-
Expenditures:					
Administration	11,250	4,899	6,368	11,267	
Construction	-	-	5,165	5,165	(5,165)
Rehabilitation	63,750	5,165	53,403	58,568	5,182
Professional services	-	26,355	(26,355)	-	-
Total expenditures	75,000	36,419	38,581	75,000	17
Net change in fund balance	\$ -	\$ -	-	\$ -	\$ -
Fund Balance:					
Beginning of year - July 1			-		
End of year - June 30			\$ -		

STANLY COUNTY, NORTH CAROLINA

COMMUNITY DEVELOPMENT BLOCK GRANT FUND - INFRASTRUCTURE
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL
 FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2010

		Actual			
	Project Authorization	Prior Years	Current Year	Total to Date	Variance Over/Under
Revenues:					
Restricted intergovernmental:					
Community Development	\$ 54,007	\$ 60	\$ 53,947	\$ 54,007	\$ -
Total revenues	<u>54,007</u>	<u>60</u>	<u>53,947</u>	<u>54,007</u>	<u>-</u>
Expenditures:					
Administration	7,807	60	7,265	7,325	482
Rehabilitation	<u>46,200</u>	<u>-</u>	<u>46,682</u>	<u>46,682</u>	<u>(482)</u>
Total expenditures	<u>54,007</u>	<u>60</u>	<u>53,947</u>	<u>54,007</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>
Fund Balance:					
Beginning of year - July 1			<u>-</u>		
End of year - June 30			<u>\$ -</u>		

STANLY COUNTY, NORTH CAROLINA

COMMUNITY DEVELOPMENT BLOCK GRANT FUND -
SINGLE FAMILY REHABILITATION \$3,000SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2010

		Actual			
	Project Authorization	Prior Years	Current Year	Total to Date	Variance Over/Under
Revenues:					
Restricted intergovernmental:					
Community Development	\$ 463,800	\$ 284	\$ 447,075	\$ 447,359	\$ (16,441)
Total revenues	<u>463,800</u>	<u>284</u>	<u>447,075</u>	<u>447,359</u>	<u>(16,441)</u>
Expenditures:					
Administration	32,000	284	64,539	64,823	(32,823)
Rehabilitation hardcost	53,798	-	-	-	53,798
Rehabilitation	<u>378,002</u>	<u>-</u>	<u>402,020</u>	<u>402,020</u>	<u>(24,018)</u>
Total expenditures	<u>463,800</u>	<u>284</u>	<u>466,559</u>	<u>466,843</u>	<u>(3,043)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	(19,484)	<u>\$ (19,484)</u>	<u>\$ (19,484)</u>
Fund Balance:					
Beginning of year - July 1			-		
End of year - June 30			<u>\$ (19,484)</u>		

STANLY COUNTY, NORTH CAROLINA

COMMUNITY DEVELOPMENT BLOCK GRANT FUND - HOOKUP 2002
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL
 FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2010

		Actual			
	Project Authorization	Prior Years	Current Year	Total to Date	Variance Over/Under
Revenues:					
Restricted intergovernmental:					
Community Development	\$ 3,318	\$ 60	\$ 3,257	\$ 3,317	\$ (1)
Total revenues	<u>3,318</u>	<u>60</u>	<u>3,257</u>	<u>3,317</u>	<u>(1)</u>
Expenditures:					
Rehabilitation	<u>3,318</u>	<u>60</u>	<u>3,257</u>	<u>3,317</u>	<u>1</u>
Total expenditures	<u>3,318</u>	<u>60</u>	<u>3,257</u>	<u>3,317</u>	<u>1</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>	<u>\$ -</u>
Fund Balance:					
Beginning of year - July 1			-		
End of year - June 30			<u>\$ -</u>		

STANLY COUNTY, NORTH CAROLINA

COMMUNITY DEVELOPMENT BLOCK GRANT FUND - 2009 SCATTERED SITE PROJECT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2010

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Over/Under
Revenues:					
Restricted intergovernmental:					
Community Development	\$ 400,000	\$ -	\$ 88,489	\$ 88,489	\$ (311,511)
Total revenues	<u>400,000</u>	<u>-</u>	<u>88,489</u>	<u>88,489</u>	<u>(311,511)</u>
Expenditures:					
Administration	40,000	-	8,794	8,794	31,206
Rehabilitation	355,000	-	79,695	79,695	275,305
Relocation	<u>5,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,000</u>
Total expenditures	<u>400,000</u>	<u>-</u>	<u>88,489</u>	<u>88,489</u>	<u>311,511</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>
Fund Balance:					
Beginning of year - July 1			<u>-</u>		
End of year - June 30			<u>\$ -</u>		

STANLY COUNTY, NORTH CAROLINA

2009 URGENT REPAIR FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES

IN FUND BALANCE - BUDGET AND ACTUAL

FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2010

		Actual			
	Project Authorization	Prior Years	Current Year	Total to Date	Variance Over/Under
Revenues:					
Restricted intergovernmental:					
Urgent Repair	\$ 75,000	\$ -	\$ 37,500	\$ 37,500	\$ (37,500)
Investment earnings	-	-	620	620	620
Total revenues	<u>75,000</u>	<u>-</u>	<u>38,120</u>	<u>38,120</u>	<u>(36,880)</u>
Expenditures:					
Administration	<u>75,000</u>	<u>-</u>	<u>21,890</u>	<u>21,890</u>	<u>53,110</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	16,230	<u>\$ 16,230</u>	<u>\$ 16,230</u>
Fund Balance:					
Beginning of year - July 1			-		
End of year - June 30			<u>\$ 16,230</u>		

STANLY COUNTY, NORTH CAROLINA

CAPITAL PROJECT FUND

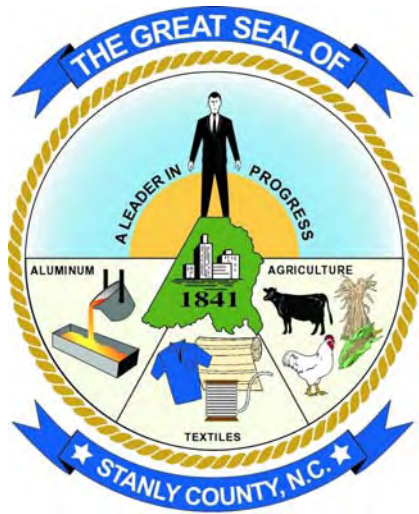
SCHOOL CONSTRUCTION FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES

IN FUND BALANCE - BUDGET AND ACTUAL

FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2010

	Actual				
	Project Authorization	Prior Years	Current Year	Total to Date	Variance Over/Under
Revenues:					
Restricted intergovernmental:					
Investment earnings	\$ 65,201	\$ 64,473	\$ 728	\$ 65,201	\$ -
Total revenues	65,201	64,473	728	65,201	-
Expenditures:					
Professional services	986,289	1,151,111	33,012	1,184,123	(197,834)
Construction	12,991,640	9,088,440	3,705,366	12,793,806	197,834
Total expenditures	13,977,929	10,239,551	3,738,378	13,977,929	-
Revenues over (under) expenditures	(13,912,728)	(10,175,078)	(3,737,650)	(13,912,728)	-
Other Financing Sources (Uses):					
Debt issued	13,000,000	13,000,000	-	13,000,000	-
Transfer to General Fund	(87,272)	-	(87,272)	(87,272)	-
Transfer from General Fund	1,000,000	1,000,000	-	1,000,000	-
Total other financing sources (uses)	13,912,728	14,000,000	(87,272)	13,912,728	-
Net change in fund balance	\$ -	\$ 3,824,922	(3,824,922)	\$ -	\$ -
Fund Balance:					
Beginning of year - July 1			3,824,922		
End of year - June 30			\$ -		



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BUDGETARY INFORMATION - 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 costs of providing services are financed primarily through user charges. The State of North Carolina requires that the enterprise funds be budgeted on a modified accrual basis. The following statements are not in accordance with GAAP

Individual Fund Descriptions:

- **Greater Badin Water and Sewer District Fund** – accounts for revenues and expenses of the special utility district established to provide water and sewer services to the Badin community.
- **Piney Point Water District Fund** – accounts for revenues and expenses of the special utility district established to provide water services to the Piney Point community.
- **Utility Operating Fund** – accounts for revenues and expenses of the County's water and sewer services.
- **Airport Operating Fund** – accounts for the revenues and expenses of the County's public airport facility.



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STANLY COUNTY, NORTH CAROLINA

MAJOR ENTERPRISE FUND
GREATER BADIN WATER AND SEWER DISTRICT FUND
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP)
FOR THE YEAR ENDED JUNE 30, 2010

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Operating revenues:			
Charges for services:			
Water sales		\$ 259,257	
Sewer charges		157,968	
Industrial sewer charges		46,724	
Taps and connection fees		1,206	
Other operating revenues		<u>2,970</u>	
Total operating revenues		<u>468,125</u>	
Non-operating revenues:			
Interest on investments		<u>3,917</u>	
Total non-operating revenues		<u>3,917</u>	
Total revenues	\$ 503,800	472,042	\$ (31,758)
Expenditures:			
Administration:			
Contracted services		64,462	
Operating expenditures		<u>1,764</u>	
Total administration		<u>66,226</u>	
Debt service:			
G.O. bond principal paid		40,000	
State loan principal paid		22,731	
Interest expense		10,423	
Bond service costs		<u>808</u>	
Total debt service		<u>73,962</u>	
Distribution and maintenance:			
Contracted services		122,696	
Operating expenditures		91,888	
Water purchases		<u>68,297</u>	
Total distribution and maintenance		<u>282,881</u>	
Total expenditures	<u>508,683</u>	<u>423,069</u>	<u>85,614</u>

STANLY COUNTY, NORTH CAROLINA

MAJOR ENTERPRISE FUND
GREATER BADIN WATER AND SEWER DISTRICT FUND
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP)
FOR THE YEAR ENDED JUNE 30, 2010

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues over (under) expenditures	<u>(4,883)</u>	<u>48,973</u>	<u>53,856</u>
Other Financing Sources (Uses):			
Appropriated fund balance	<u>4,883</u>	<u>-</u>	<u>(4,883)</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>48,973</u>	<u>\$ 48,973</u>
Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual:			
Reconciling items:			
Debt principal		62,731	
Depreciation		<u>(367,226)</u>	
Total reconciling items		<u>(304,495)</u>	
Change in net assets		<u>\$ (255,522)</u>	

STANLY COUNTY, NORTH CAROLINA

MAJOR ENTERPRISE FUND

PINEY POINT WATER DISTRICT FUND

SCHEDULE OF REVENUES AND EXPENDITURES -

BUDGET AND ACTUAL (NON-GAAP)

FOR THE YEAR ENDED JUNE 30, 2010

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Operating revenues:			
Charges for services:			
Water sales		\$ 129,003	
Taps and connection fees		67,740	
Other operating revenues		301	
Total operating revenues		<u>197,044</u>	
Non-operating revenues:			
Interest on investments		<u>4,272</u>	
Total revenues	\$ <u>153,332</u>	<u>201,316</u>	\$ <u>47,984</u>
Expenditures:			
Administration:			
Contracted services		55,000	
Operating expenditures		852	
Total administration		<u>55,852</u>	
Distribution and maintenance:			
Operating expenditures		1,396	
Water purchases		46,828	
Total distribution and maintenance		<u>48,224</u>	
Total expenditures	<u>101,500</u>	<u>104,076</u>	<u>(2,576)</u>
Revenues over (under) expenditures	<u>51,832</u>	<u>97,240</u>	<u>45,408</u>
Other Financing Sources (Uses):			
Transfers out	<u>(51,832)</u>	<u>(51,831)</u>	<u>1</u>
Revenues and other financing sources over (under) expenditures and other financing uses	\$ <u>-</u>	45,409	\$ <u>45,409</u>
Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual:			
Depreciation		<u>(34,762)</u>	
Change in net assets		<u>\$ 10,647</u>	

STANLY COUNTY, NORTH CAROLINA

MAJOR ENTERPRISE FUND
STANLY COUNTY UTILITY FUND
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP)
FOR THE YEAR ENDED JUNE 30, 2010

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Operating revenues:			
Charges for services:			
Water sales		\$ 1,578,259	
Sewer charges		480,650	
Taps and connection fees		70,285	
Other operating revenues		<u>33,222</u>	
Total operating revenues		<u>2,162,416</u>	
Non-operating revenues:			
Interest on investments		9,457	
Administrative charges		<u>242,157</u>	
Total non-operating revenues		<u>251,614</u>	
Total revenues	\$ 2,359,500	2,414,030	\$ 54,530
Expenditures:			
Administration:			
Salaries and employee benefits		284,714	
Operating expenditures		<u>43,680</u>	
Total administration		<u>328,394</u>	
Debt service:			
G.O. bond principal paid		75,000	
Interest expense		<u>7,518</u>	
Total debt service		<u>82,518</u>	
Distribution and maintenance:			
Salaries and employee benefits		482,123	
Operating expenditures		802,846	
Water purchases		492,292	
Capital outlay		<u>177,844</u>	
Total distribution and maintenance		<u>1,955,105</u>	
Total expenditures	<u>2,355,624</u>	<u>2,366,017</u>	<u>(10,393)</u>

STANLY COUNTY, NORTH CAROLINA

MAJOR ENTERPRISE FUND STANLY COUNTY UTILITY FUND SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP) FOR THE YEAR ENDED JUNE 30, 2010

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues over (under) expenditures	3,876	48,013	44,137
Other Financing Sources (Uses):			
Transfers in	19,624	19,623	(1)
Transfers out	(183,500)	(183,500)	-
Appropriated fund balance	160,000	-	(160,000)
Total other financing sources (uses)	(3,876)	(163,877)	(160,001)
Revenues and other financing sources over (under) expenditures and other financing uses	\$ -	(115,864)	\$ (115,864)
Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual:			
Reconciling items:			
Debt principal		75,000	
Capital outlay		177,844	
Depreciation		(724,138)	
Capital contribution		(31,431)	
Tap fee from project		(10,912)	
Interfund transfer from Piney to Highway 731 Project		25,332	
Intrafund transfer from Morrow Mountain Project		(19,623)	
Intrafund transfer to Albemarle to Highway 200 Project		110,000	
Transfer to project from General Fund		20,000	
Interfund transfer from project to General Fund		(3,300)	
Total reconciling items		(381,228)	
Change in net assets		\$ (497,092)	

STANLY COUNTY, NORTH CAROLINA

MAJOR ENTERPRISE FUND

AIRPORT FUND

**SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP)
FOR THE YEAR ENDED JUNE 30, 2010**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Operating revenues:			
Sales and services:			
Fuel and oil sales		\$ 269,061	
Tie down fees		1,246	
Hanger rental		27,350	
Franchise		4,500	
Miscellaneous		9,809	
Total operating revenues	\$ 399,353	311,966	\$ (87,387)
Non-operating revenues:			
Interest on investments		6,211	
Total non-operating revenues	4,283	6,211	1,928
Total revenues	403,636	318,177	(85,459)
Expenditures:			
Administration and operations:			
Salaries and employee benefits		241,346	
Operating expenditures		117,486	
Purchases for resale		198,399	
Total administration and operations	636,134	557,231	78,903
Revenues over (under) expenditures	(232,498)	(239,054)	(6,556)
Other Financing Sources (Uses):			
Transfer in	232,498	232,498	-
Total other financing sources (uses)	232,498	232,498	-
Revenues and other financing sources over (under) expenditures and other financing uses	\$ -	(6,556)	\$ (6,556)
Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual:			
Reconciling items:			
Depreciation		(961,176)	
Capital contributions		409,120	
Interfund transfer to project from General Fund		61,272	
Total reconciling items		(490,784)	
Change in net assets		\$ (497,340)	

BUDGETED PROJECT FUNDS

Project Funds – accounts for capital projects that are planned to extend beyond one fiscal year. Project funds are closed to their parent fund at the end of each fiscal year and are reversed at the beginning of the next fiscal year to their respective project funds until such time the projects are accepted as complete.

Individual Project Descriptions:

- **Highway 24/27 Upgrade Project Fund** – accounts for the revenues and expenses for the upsizing of water lines along Highway 24/27.
- **Millingport Sewer Project Fund** – accounts for the revenues and expenses for the construction of a sewer line in the Millingport community.
- **Highway 731 Water Project Fund** – accounts for the revenues and expenses for the extension of a water line along Highway 731.
- **Morrow Mountain Road Project Fund** – accounts for the revenues and expenses for the extension of a water line along Morrow Mountain Road.
- **Endy Sewer Extension Project Fund** – accounts for the revenues and expenses for the extension of a sewer line for Endy community
- **Highway 52 Extension Project Fund** – accounts for the revenues and expenses for the extension of water lines along Highway 52 and Dennis Road.
- **ARRA Water Storage Tank Project Fund** – accounts for the revenues and expenses for the installation of mixer to improve water quality in five storage tanks.
- **Community Development Block Grant Project Fund** – accounts for the revenues and expenses for the extension of water lines along Tyson Village Rolling Hills.
- **Highway 200 Water Project Fund** – accounts for the revenues and expenses for the extension of a water line along Highway 200.
- **Airport Terminal Project Fund** – accounts for the revenues and expenses for improvements made to the airport terminal.
- **Airport Runway Extension Project Fund** – accounts for the revenues and expenses for extension made to the airport runway.



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STANLY COUNTY, NORTH CAROLINA

HIGHWAY 24/27 UPGRADE PROJECT FUND

SCHEDULE OF REVENUES AND EXPENDITURES -

BUDGET AND ACTUAL (NON-GAAP)

FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2010

		Actual			
	Project Authorization	Prior Years	Current Year	Total to Date	Variance Over/Under
Expenditures:					
Construction	\$ 605,000	\$ 122,490	\$ 155,723	\$ 278,213	\$ 326,787
Professional services	-	15,972	-	15,972	(15,972)
Total expenditures	605,000	138,462	155,723	294,185	310,815
Other Financing Sources (Uses):					
Transfer from General Fund	605,000	605,000	-	605,000	-
Revenues and other financing sources over (under) expenditures and other financing uses	\$ -	\$ 466,538	\$ (155,723)	\$ 310,815	\$ 310,815

STANLY COUNTY, NORTH CAROLINA

MILLINGPORT SEWER PROJECT FUND

SCHEDULE OF REVENUES AND EXPENDITURES -

BUDGET AND ACTUAL (NON-GAAP)

FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2010

		Actual			
	Project Authorization	Prior Years	Current Year	Total to Date	Variance Over/Under
Revenues:					
Restricted intergovernmental:					
NC DOT reimbursement	\$ 195,519	\$ 224,000	\$ 10,836	\$ 234,836	\$ 39,317
Army Corp	163,691	127,589	(127,589)	-	(163,691)
Total revenues	359,210	351,589	(116,753)	234,836	(124,374)
Expenditures:					
Construction	1,229,467	1,222,607	-	1,222,607	6,860
Professional services	179,351	179,351	-	179,351	-
Capital outlay	47,500	46,739	-	46,739	761
Total expenditures	1,456,318	1,448,697	-	1,448,697	7,621
Revenues over (under) expenditures	(1,097,108)	(1,097,108)	(116,753)	(1,213,861)	(116,753)
Other Financing Sources (Uses):					
Transfer from General Fund	1,049,580	1,049,580	-	1,049,580	-
Transfer from Highway 52 Fund	47,528	47,528	-	47,528	-
Total other financing sources (uses)	1,097,108	1,097,108	-	1,097,108	-
Revenues and other financing sources over (under) expenditures and other financing uses	\$ -	\$ -	\$ (116,753)	\$ (116,753)	\$ (116,753)

STANLY COUNTY, NORTH CAROLINA

HIGHWAY 731 WATER PROJECT

SCHEDULE OF REVENUES, AND EXPENDITURES -

BUDGET AND ACTUAL (NON-GAAP)

FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2010

		Actual			
	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>	<u>Variance Over/Under</u>
Revenues:					
Restricted intergovernmental:					
Rural Center Grant	\$ 623,809	\$ 544,972	\$ 78,837	\$ 623,809	\$ -
Total revenues	<u>623,809</u>	<u>544,972</u>	<u>78,837</u>	<u>623,809</u>	<u>-</u>
Expenditures:					
Professional services	133,332	112,177	32,415	144,592	(11,260)
Construction	<u>548,970</u>	<u>463,320</u>	<u>74,390</u>	<u>537,710</u>	<u>11,260</u>
Total expenditures	<u>682,302</u>	<u>575,497</u>	<u>106,805</u>	<u>682,302</u>	<u>-</u>
Revenues over (under) expenditures	<u>(58,493)</u>	<u>(30,525)</u>	<u>(27,968)</u>	<u>(58,493)</u>	<u>-</u>
Other Financing Sources (Uses):					
Transfer from Badin Sewer Project Fund	33,161	33,161	1	33,162	1
Transfer from Utilities Fund	<u>25,332</u>	<u>-</u>	<u>25,331</u>	<u>25,331</u>	<u>(1)</u>
Total other financing sources (uses)	<u>58,493</u>	<u>33,161</u>	<u>25,332</u>	<u>58,493</u>	<u>-</u>
Revenues and other financing sources over					
(under) expenditures and other financing uses	\$ -	\$ 2,636	\$ (2,636)	\$ -	\$ -

STANLY COUNTY, NORTH CAROLINA

MORROW MOUNTAIN ROAD UTILITIES PROJECT
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP)
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2010

		Actual			
	Project Authorization	Prior Years	Current Year	Total to Date	Variance Over/Under
Revenues:					
Restricted intergovernmental:					
Rural Center Grant	\$ 100,000	\$ 100,000	\$ -	\$ 100,000	\$ -
Sales and services:					
Tap fees	15,000	10,912	(10,912)	-	(15,000)
Total revenues	<u>115,000</u>	<u>110,912</u>	<u>(10,912)</u>	<u>100,000</u>	<u>(15,000)</u>
Expenditures:					
Operating expense	13,500	14,867	-	14,867	(1,367)
Capital outlay	<u>176,876</u>	<u>160,510</u>	<u>-</u>	<u>160,510</u>	<u>16,366</u>
Total expenditures	<u>190,376</u>	<u>175,377</u>	<u>-</u>	<u>175,377</u>	<u>14,999</u>
Revenues over (under) expenditures	<u>(75,376)</u>	<u>(64,465)</u>	<u>(10,912)</u>	<u>(75,377)</u>	<u>(1)</u>
Other Financing Sources (Uses):					
Transfer from Utilities Fund	95,000	95,000	-	95,000	-
Transfer to Utilities Fund	<u>(19,624)</u>	<u>-</u>	<u>(19,623)</u>	<u>(19,623)</u>	<u>1</u>
Total other financing sources (uses)	<u>75,376</u>	<u>95,000</u>	<u>(19,623)</u>	<u>75,377</u>	<u>1</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ 30,535</u>	<u>\$ (30,535)</u>	<u>\$ -</u>	<u>\$ -</u>

STANLY COUNTY, NORTH CAROLINA

ENDY SEWER EXTENSION PROJECT FUND

SCHEDULE OF REVENUES AND EXPENDITURES -

BUDGET AND ACTUAL (NON-GAAP)

FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2010

		Actual			
	Project Authorization	Prior Years	Current Year	Total to Date	Variance Over/Under
Expenditures:					
Professional services	\$ 250,000	\$ 16,811	\$ 44,170	\$ 60,981	\$ 189,019
Land	25,000	-	1,950	1,950	23,050
Construction	<u>2,321,700</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,321,700</u>
Total expenditures	<u>2,596,700</u>	<u>16,811</u>	<u>46,120</u>	<u>62,931</u>	<u>2,533,769</u>
Other Financing Sources (Uses):					
Transfer to General Fund	(3,300)	-	(3,300)	(3,300)	-
Transfer from General Fund	<u>2,600,000</u>	<u>16,811</u>	<u>20,000</u>	<u>33,511</u>	<u>(2,566,489)</u>
Total other financing sources (uses)	<u>2,596,700</u>	<u>16,811</u>	<u>16,700</u>	<u>30,211</u>	<u>(2,566,489)</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (29,420)</u>	<u>\$ (32,720)</u>	<u>\$ (32,720)</u>

STANLY COUNTY, NORTH CAROLINA

HWY 52 EXTENSION PROJECT FUND

SCHEDULE OF REVENUES AND EXPENDITURES -

BUDGET AND ACTUAL (NON-GAAP)

FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2010

		Actual			
	Project Authorization	Prior Years	Current Year	Total to Date	Variance Over/Under
Revenues:					
Restricted intergovernmental:					
Rural Center Grant	\$ 500,000	\$ -	\$ -	\$ -	\$ (500,000)
Total revenues	<u>500,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(500,000)</u>
Expenditures:					
Construction	900,000	-	697,024	697,024	202,976
Professional services	180,000	21,509	62,366	83,875	96,125
Land	10,000	-	11,191	11,191	(1,191)
Total expenditures	<u>1,090,000</u>	<u>21,509</u>	<u>770,581</u>	<u>792,090</u>	<u>297,910</u>
Revenues over (under) expenditures	<u>(590,000)</u>	<u>(21,509)</u>	<u>(770,581)</u>	<u>(792,090)</u>	<u>(202,090)</u>
Other Financing Sources (Uses):					
Transfer from General Fund	590,000	21,509	-	21,509	(568,491)
Total other financing sources (uses)	<u>590,000</u>	<u>21,509</u>	<u>-</u>	<u>21,509</u>	<u>(568,491)</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (770,581)</u>	<u>\$ (770,581)</u>	<u>\$ (770,581)</u>

STANLY COUNTY, NORTH CAROLINA

ARRA WATERSTORAGE TANK PROJECT FUND
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP)
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2010

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Actual Current Year</u>	<u>Total to Date</u>	<u>Variance Over/Under</u>
Revenues:					
Restricted intergovernmental:					
DWSRF Principal Forgiveness Grant	\$ 155,371	\$ -	\$ -	\$ -	\$ (155,371)
Expenditures:					
Construction	270,946	-	2,500	2,500	268,446
Professional services	39,797	-	27,500	27,500	12,297
Total expenditures	310,743	-	30,000	30,000	280,743
Revenues over (under) expenditures	(155,372)	-	(30,000)	(30,000)	125,372
Other Financing Sources (Uses):					
DWSRF Revolving Loan	155,372	-	-	-	(155,372)
Revenues and other financing sources over (under) expenditures and other financing uses	\$ -	\$ -	\$ (30,000)	\$ (30,000)	\$ (30,000)

STANLY COUNTY, NORTH CAROLINA

TYSON VILLAGE ROLLING HILLS MHPS WATER PROJECT
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP)
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2010

	<u>Project Authorization</u>	<u>Actual</u>			<u>Variance Over/Under</u>
		<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>	
Revenues:					
Restricted intergovernmental:					
CDBG - Recovery funds	\$ 706,507	\$ -	\$ 6,485	\$ 6,485	\$ (700,022)
Total revenues	<u>706,507</u>	<u>-</u>	<u>6,485</u>	<u>6,485</u>	<u>(700,022)</u>
Expenditures:					
Construction	606,000	-	49,303	49,303	556,697
Professional services	100,000	-	35,463	35,463	64,537
Land	<u>507</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>507</u>
Total expenditures	<u>706,507</u>	<u>-</u>	<u>84,766</u>	<u>84,766</u>	<u>621,741</u>
Revenues over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (78,281)</u>	<u>\$ (78,281)</u>	<u>\$ (78,281)</u>

STANLY COUNTY, NORTH CAROLINA

ALBEMARLE TO HWY 200 WATER PROJECT FUND
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP)
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2010

	<u>Project Authorization</u>	<u>Actual</u>			<u>Variance Over/Under</u>
		<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>	
Expenditures:					
Construction	\$ 1,470,000	\$ -	\$ -	\$ -	\$ 1,470,000
Professional services	110,000	-	111,996	111,996	(1,996)
Land	30,000	-	-	-	30,000
Total expenditures	<u>1,610,000</u>	<u>-</u>	<u>111,996</u>	<u>111,996</u>	<u>1,498,004</u>
Revenues over (under) expenditures	<u>(1,610,000)</u>	<u>-</u>	<u>(111,996)</u>	<u>(111,996)</u>	<u>1,498,004</u>
Other Financing Sources (Uses):					
Transfer from Utilities Fund	110,000	-	110,000	110,000	-
Debt issued	<u>1,500,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,500,000)</u>
Total other financing sources (uses)	<u>1,610,000</u>	<u>-</u>	<u>110,000</u>	<u>110,000</u>	<u>(1,500,000)</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,996)</u>	<u>\$ (1,996)</u>	<u>\$ (1,996)</u>

STANLY COUNTY, NORTH CAROLINA

AIRPORT TERMINAL PROJECT FUND

SCHEDULE OF REVENUES AND EXPENDITURES -

BUDGET AND ACTUAL (NON-GAAP)

FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2010

		Actual			
	Project Authorization	Prior Years	Current Year	Total to Date	Variance Over/Under
Revenues:					
Restricted intergovernmental:					
Vision Entitlement Grant	\$ 839,395	\$ 222,329	\$ 395,098	\$ 617,427	\$ (221,968)
Division of Aviation	325,000	-	-	-	(325,000)
NC DOT Grant	795,000	-	-	-	(795,000)
Total revenues	<u>1,959,395</u>	<u>222,329</u>	<u>395,098</u>	<u>617,427</u>	<u>(1,341,968)</u>
Expenditures:					
Professional services	316,677	206,534	285,244	491,778	(175,101)
Construction	<u>2,833,722</u>	<u>11,016</u>	<u>1,408,254</u>	<u>1,419,270</u>	<u>1,414,452</u>
Total expenditures	<u>3,150,399</u>	<u>217,550</u>	<u>1,693,498</u>	<u>1,911,048</u>	<u>1,239,351</u>
Revenues over (under) expenditures	<u>(1,191,004)</u>	<u>4,779</u>	<u>(1,298,400)</u>	<u>(1,293,621)</u>	<u>(102,617)</u>
Other Financing Sources (Uses):					
Transfer from General Fund	775,000	-	-	-	(775,000)
Transfer from Airport Fund	180,000	-	-	-	(180,000)
Transfer from Airport Hangar Project	158,000	157,745	-	157,745	(255)
Transfer from Airport Land Acquisition Project	8,677	8,677	-	8,677	-
Transfer from Airport Fencing Project	<u>69,327</u>	<u>69,326</u>	<u>-</u>	<u>69,326</u>	<u>(1)</u>
Total other financing sources (uses)	<u>1,191,004</u>	<u>235,748</u>	<u>-</u>	<u>235,748</u>	<u>(955,256)</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ 240,527</u>	<u>\$ (1,298,400)</u>	<u>\$ (1,057,873)</u>	<u>\$ (1,057,873)</u>

STANLY COUNTY, NORTH CAROLINA

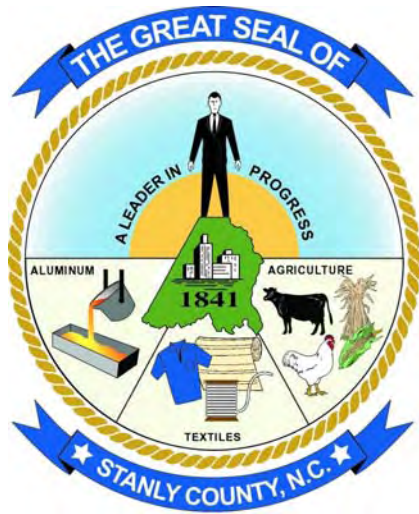
RUNWAY EXTENSION PROJECT FUND

SCHEDULE OF REVENUES AND EXPENDITURES -

BUDGET AND ACTUAL (NON-GAAP)

FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2010

		Actual			
	Project Authorization	Prior Years	Current Year	Total to Date	Variance Over/Under
Revenues:					
Restricted intergovernmental:					
FAA Grant	\$ 325,000	\$ -	\$ 14,022	\$ 14,022	\$ (310,978)
NC DOT Grant	250,000	-	-	-	(250,000)
Total revenues	<u>575,000</u>	<u>-</u>	<u>14,022</u>	<u>14,022</u>	<u>(560,978)</u>
Expenditures:					
Professional services	628,406	174,139	97,241	271,380	357,026
Construction	<u>242,594</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>242,594</u>
Total expenditures	<u>871,000</u>	<u>174,139</u>	<u>97,241</u>	<u>271,380</u>	<u>599,620</u>
Revenues over (under) expenditures	<u>(296,000)</u>	<u>(174,139)</u>	<u>(83,219)</u>	<u>(257,358)</u>	<u>38,642</u>
Other Financing Sources (Uses):					
Transfer from General Fund	<u>296,000</u>	<u>174,139</u>	<u>61,272</u>	<u>235,411</u>	<u>(60,589)</u>
Total other financing sources (uses)	<u>296,000</u>	<u>174,139</u>	<u>61,272</u>	<u>235,411</u>	<u>(60,589)</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (21,947)</u>	<u>\$ (21,947)</u>	<u>\$ (21,947)</u>



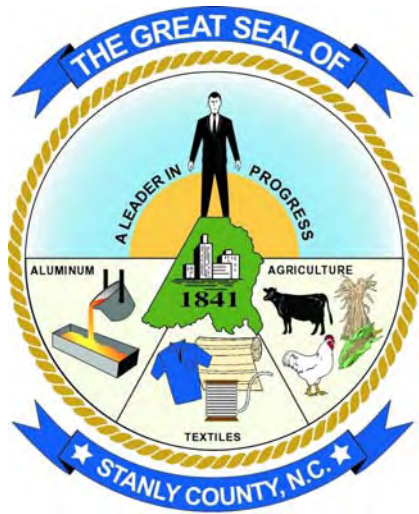
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INTERNAL SERVICE FUND

This fund type is used to account for the financing of goods and services to other County funds and departments on a cost-reimbursement basis. The County maintains one internal service fund, Group Health and Workers' Compensation Fund.

Individual Descriptions:

- **Group Health** – accounts for the revenues and expenses of the County's group health plan.
- **Workers' Compensation** – accounts for the revenues and expenses of the County's self-insured workers' compensation program that includes administration, stop loss insurance, and benefits paid.



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STANLY COUNTY, NORTH CAROLINA

INTERNAL SERVICE FUND

GROUP HEALTH AND WORKERS' COMPENSATION FUND

SCHEDULE OF REVENUES AND EXPENDITURES -

FINANCIAL PLAN AND ACTUAL (NON-GAAP)

FOR THE YEAR ENDED JUNE 30, 2010

	Financial Plan	Actual	Variance Over/Under
Operating Revenues:			
Charges for sales and services	\$ 4,712,488	\$ 4,657,695	\$ (54,793)
Total operating revenues	<u>4,712,488</u>	<u>4,657,695</u>	<u>(54,793)</u>
Operating Expenses:			
Group health operations	4,345,927	4,347,487	(1,560)
Worker's compensation claims	<u>416,561</u>	<u>618,843</u>	<u>(202,282)</u>
Total operating expenditures	<u>4,762,488</u>	<u>4,966,330</u>	<u>(203,842)</u>
Operating income (loss)	(50,000)	(308,635)	(258,635)
Non-Operating Revenues:			
Investment earnings	<u>50,000</u>	<u>51,345</u>	<u>1,345</u>
Change in net assets	<u>\$ -</u>	<u>(257,290)</u>	<u>\$ (257,290)</u>
Net Assets:			
Beginning of year - July 1		<u>1,418,094</u>	
End of year - June 30		<u>\$ 1,160,804</u>	



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AGENCY FUNDS

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

Individual Fund Descriptions:

- **Protective Payee Fund** – account for monies deposited with the County for the benefit of certain individuals.
- **Fines and Forfeitures Fund** – accounts for fines designated for school operations.
- **Sheriff Court Execution Fund** – accounts for funds received and disbursed by order of the court system.
- **Property Tax Clearing Funds** – account for property taxes collected by the County on behalf of the respective cities and towns.
- **Delinquent Vehicle Tax Fund** – accounts for delinquent vehicle taxes collected by the County and disbursed to the Department of State Treasurer.

STANLY COUNTY, NORTH CAROLINA

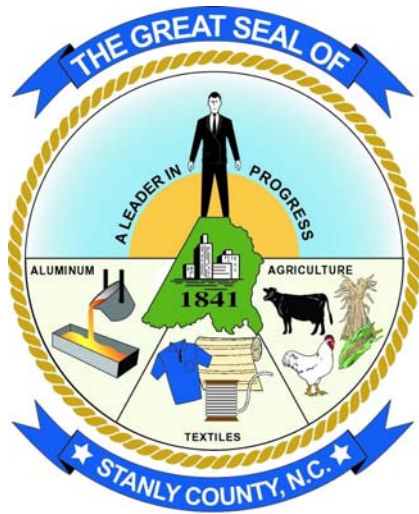
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES AGENCY FUNDS FOR THE YEAR ENDED JUNE 30, 2010

	<u>Balance</u> <u>July 1, 2009</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2010</u>
Protective Payee Fund:				
Assets:				
Cash and cash equivalents	\$ 17,924	\$ 193,047	\$ 192,116	\$ 18,855
Liabilities:				
Client payable	\$ 17,924	\$ 193,047	\$ 192,116	\$ 18,855
Fines and Forfeitures:				
Assets:				
Cash and cash equivalents	\$ -	\$ 446,107	\$ 446,107	\$ -
Liabilities:				
Accounts payable	\$ -	\$ 446,107	\$ 446,107	\$ -
Sheriff's Execution:				
Assets:				
Cash and cash equivalents	\$ -	\$ 74,297	\$ 70,556	\$ 3,741
Inmate cash	308	25,755	23,377	2,686
Total assets	\$ 308	\$ 100,052	\$ 93,933	\$ 6,427
Liabilities:				
Executions payable	\$ -	\$ 74,297	\$ 70,556	\$ 3,741
Inmate payable	308	25,755	23,377	2,686
Total liabilities	\$ 308	\$ 100,052	\$ 93,933	\$ 6,427
Property Tax Clearing Fund:				
Assets:				
Cash and cash equivalents	\$ 93,316	\$ 9,203,980	\$ 9,181,617	\$ 115,679
Liabilities:				
Accounts payable	\$ 93,316	\$ 9,203,980	\$ 9,181,617	\$ 115,679
Delinquent Vehicle Tax Fund:				
Assets:				
Cash and cash equivalents	\$ 2,435	\$ 43,946	\$ 43,810	\$ 2,571
Liabilities:				
Due Department of State Treasurer	\$ 2,435	\$ 43,946	\$ 43,810	\$ 2,571

STANLY COUNTY, NORTH CAROLINA

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2010

	<u>Balance July 1, 2009</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2010</u>
Totals:				
Assets:				
Cash and cash equivalents	\$ 113,674	\$ 9,961,377	\$ 9,934,206	\$ 140,848
Inmate cash	<u>308</u>	<u>25,755</u>	<u>23,377</u>	<u>2,686</u>
Total assets	<u>\$ 113,982</u>	<u>\$ 9,987,132</u>	<u>\$ 9,957,583</u>	<u>\$ 143,534</u>
Liabilities:				
Accounts payable and future payments	\$ 95,750	\$ 9,322,223	\$ 9,295,983	\$ 121,993
Client and inmate payable	<u>18,232</u>	<u>218,802</u>	<u>215,493</u>	<u>21,541</u>
Total liabilities	<u>\$ 113,982</u>	<u>\$ 9,541,025</u>	<u>\$ 9,511,476</u>	<u>\$ 143,534</u>

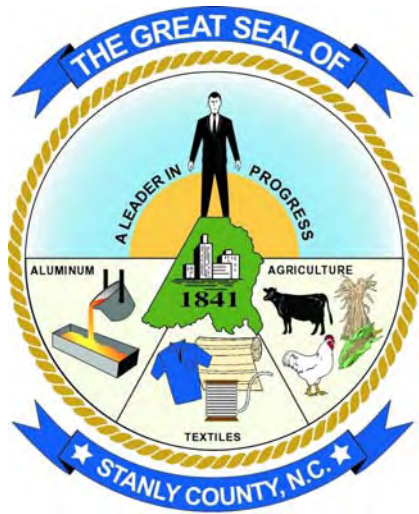


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OTHER SCHEDULES

This section contains the following schedules:

- **General Fund Schedule of Ad Valorem Taxes Receivable**
- **Analysis of Current Tax Levy**



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STANLY COUNTY, NORTH CAROLINA

GENERAL FUND

SCHEDULE OF AD VALOREM TAXES RECEIVABLE

JUNE 30, 2010

Fiscal Year	Uncollected Balance July 1, 2009	Additions	Collections and Credits	Uncollected Balance June 30, 2010
2009-2010	\$ -	\$ 28,322,388	\$ 27,157,880	1,164,508
2008-2009	1,126,844	14,189	649,189	491,844
2007-2008	333,370	13,412	105,696	241,086
2006-2007	226,965	10,282	49,777	187,470
2005-2006	162,254	-	34,945	127,309
2004-2005	134,183	-	17,917	116,266
2003-2004	112,030	-	10,460	101,570
2002-2003	102,272	-	8,378	93,894
2001-2002	84,214	-	6,586	77,628
2000-2001	65,921	-	3,755	62,166
1999-2000	47,681	-	1,698	45,983
1998-1999	42,816	-	42,816	-
Districts over 3 years old	55,226	15,644	11,285	59,585
	<u>\$ 2,493,776</u>	<u>\$ 28,375,915</u>	<u>\$ 28,100,382</u>	2,769,309
Less allowance for uncollectible accounts - General Fund				<u>(451,606)</u>
Ad valorem taxes receivable, net				<u>\$ 2,317,703</u>
Reconciliation with Revenues:				
Ad valorem taxes - General Fund				\$ 28,171,510
Reconciling items:				
Animal tax				(34,320)
Refunds				2,627
Collection fees				(40,902)
Interest collected				(228,595)
Discounts allowed				145,863
Late listings				(41,693)
Releases				81,717
Statute of limitations				<u>44,175</u>
Total collections and credits				<u>\$ 28,100,382</u>

STANLY COUNTY, NORTH CAROLINA

ANALYSIS OF CURRENT TAX LEVY - COUNTY-WIDE LEVY
FOR THE YEAR ENDED JUNE 30, 2010

	County-Wide			Total Levy	
	Property Valuation	Rate per \$100	Amount of Levy	Property Excluding Registered Motor Vehicles	Registered Motor Vehicles
Original Levy:					
Property taxed at current year's rate	\$ 4,182,206,298	0.6700	\$ 28,020,847	\$ 25,365,315	\$ 2,655,532
Penalties	-		11,065	11,065	-
Total original levy	<u>4,182,206,298</u>		<u>28,031,912</u>	<u>25,376,380</u>	<u>2,655,532</u>
Discoveries:					
Current year rate	38,617,897	0.6700	258,781	247,815	10,966
Penalties	-		12,758	12,758	-
Public service penalties	-		2,224	2,224	-
Penalties prior year rate	-		26,530	26,530	-
Prior year taxes	-		91,564	91,564	-
Total discoveries	<u>38,617,897</u>		<u>391,857</u>	<u>380,891</u>	<u>10,966</u>
Releases:					
Current year rate	(13,770,996)	0.6700	(92,267)	(51,364)	(40,903)
Penalties	-		(1,916)	(1,916)	-
Penalties prior year rate	-		(2,007)	(2,007)	-
Prior year taxes	-		(5,191)	(5,191)	-
Total releases	<u>(13,770,996)</u>		<u>(101,381)</u>	<u>(60,478)</u>	<u>(40,903)</u>
Net assessed valuation	<u>\$ 4,207,053,199</u>				
Net Levy			28,322,388	25,696,793	2,625,595
Uncollected taxes, June 30			<u>1,164,508</u>	<u>888,638</u>	<u>275,870</u>
Current Year's Taxes Collected			<u>\$ 27,157,880</u>	<u>\$ 24,808,155</u>	<u>\$ 2,349,725</u>
Current Levy Collection Percentage Rate			<u>95.89%</u>	<u>96.54%</u>	<u>89.49%</u>

STANLY COUNTY, NORTH CAROLINA

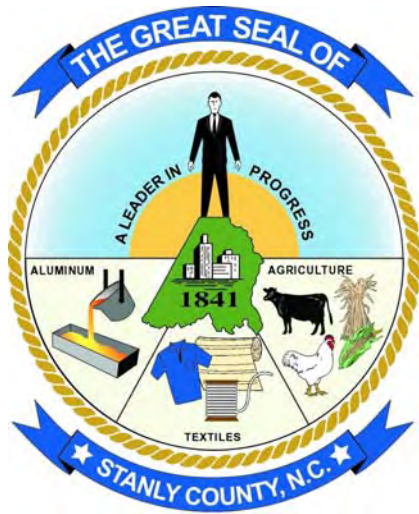
ANALYSIS OF CURRENT TAX LEVY - COUNTY-WIDE LEVY FOR THE YEAR ENDED JUNE 30, 2010

Secondary Market Disclosures:

Assessed valuation:	
Assessment ratio	100%
Real property	\$3,690,491,425
Personal property	421,189,397
Public service	<u>95,372,377</u>
Total assessed value	<u>\$4,207,053,199</u>
Tax rate per \$100	0.6700
Levy (includes discoveries, releases, and abatements)	<u>\$ 28,322,388</u>

In addition to the County-wide rate, the following table lists the levies by the County on behalf of fire protection districts for the fiscal year ended June 30, 2010:

Fire Protection Districts	<u>\$ 1,876,889</u>
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STATISTICAL SECTION

The information presented in this section is provided for additional analysis purposes only and has not been subjected to audit verification as presented.

Financial Trends – These tables contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.

Net Assets by Component	Table 1
Changes in Net Assets	Table 2
Fund Balances of Governmental Funds	Table 3
Changes in Fund Balances of Governmental Funds	Table 4

Revenue Capacity – These tables contain information to help the reader assess the government's most significant local revenue source, the property tax.

Governmental Activities Tax Revenue by Source	Table 5
General Governmental Tax Revenues by Source	Table 6
Assessed Value and Estimated Actual Value of Taxable Property	Table 7
Property Tax Rates – Direct and Overlapping Governments	Table 8
Principal Property Taxpayers	Table 9
Property Tax Levies and Collections	Table 10

Debt Capacity – These tables present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.

Ratio of Outstanding Debt by Type	Table 11
Ratios of General Bonded Debt Outstanding	Table 12
Direct and Overlapping Governmental Activities Debt	Table 13
Legal Debt Margin Information	Table 14

Demographic and Economic Information – These tables offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.

Demographic and Economic Statistics	Table 15
Principal Employers	Table 16

Operating Information – These tables contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.

Full-Time Equivalent County Government Employees by Function	Table 17
Operating Indicators by Function	Table 18
Capital Asset Statistics by Function	Table 19

Stanly County, North Carolina
Net Assets by Component
Last Eight Fiscal Years
(accrual basis of accounting)

	Fiscal Year			
	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Governmental activities				
Invested in capital assets, net of related debt	\$ 10,698,835	\$ 10,887,087	\$ 11,200,155	\$ 12,190,805
Restricted	55,304	61,691	50,431	71,510
Unrestricted	<u>(3,610,061)</u>	<u>(3,189,828)</u>	<u>(4,783,194)</u>	<u>(3,676,463)</u>
Total Governmental activities net assets	<u>\$ 7,144,078</u>	<u>\$ 7,758,950</u>	<u>\$ 6,467,392</u>	<u>\$ 8,585,852</u>
Business-type activities				
Invested in capital assets, net of related debt	\$ 23,832,478	\$ 29,165,629	\$ 30,444,727	\$ 30,892,567
Unrestricted	<u>4,133,013</u>	<u>1,305,445</u>	<u>576,013</u>	<u>2,176,979</u>
Total business-type activities net assets	<u>\$ 27,965,491</u>	<u>\$ 30,471,074</u>	<u>\$ 31,020,740</u>	<u>\$ 33,069,546</u>
Primary government				
Invested in capital assets, net of related debt	\$ 34,531,313	\$ 40,052,716	\$ 41,644,882	\$ 43,083,372
Restricted	55,304	61,691	50,431	71,510
Unrestricted	<u>522,952</u>	<u>(1,884,383)</u>	<u>(4,207,181)</u>	<u>(1,499,484)</u>
Total primary government net assets	<u>\$ 35,109,569</u>	<u>\$ 38,230,024</u>	<u>\$ 37,488,132</u>	<u>\$ 41,655,398</u>

Note: Stanly County began to report accrual information when it implemented GASB Statement 34 in fiscal year 2003.

Table 1

Fiscal Year			
<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
\$ 9,896,831	\$ 13,933,344	\$ 18,364,949	\$ 14,377,226
121,967	65,839	71,511	81,434
<u>1,856,585</u>	<u>1,284,464</u>	<u>(12,030,075)</u>	<u>(13,445,875)</u>
<u>\$ 11,875,383</u>	<u>\$ 15,283,647</u>	<u>\$ 6,406,385</u>	<u>\$ 1,012,785</u>
\$ 34,317,479	\$ 33,344,464	\$ 33,309,479	\$ 34,634,482
2,198,765	2,532,023	2,237,487	(326,823)
<u>\$ 36,516,244</u>	<u>\$ 35,876,487</u>	<u>\$ 35,546,966</u>	<u>\$ 34,307,659</u>
\$ 44,214,310	\$ 47,277,808	\$ 51,674,428	\$ 49,011,708
121,967	65,839	71,511	81,434
<u>4,055,350</u>	<u>3,816,487</u>	<u>(9,792,588)</u>	<u>(13,772,698)</u>
<u>\$ 48,391,627</u>	<u>\$ 51,160,134</u>	<u>\$ 41,953,351</u>	<u>\$ 35,320,444</u>

Stanly County, North Carolina
Changes in Net Assets
Last Eight Fiscal Years
(accrual basis of accounting)

Expenses	Fiscal Year			
	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Governmental activities:				
General government	\$ 3,681,482	\$ 3,943,999	\$ 7,211,199	\$ 4,507,077
Public safety	8,501,449	9,208,320	10,271,412	10,901,818
Transportation	615,484	627,172	722,422	799,798
Environmental protection	793,220	867,293	899,015	927,806
Economic and physical development	1,352,313	1,282,716	1,529,470	2,001,170
Human services	13,141,648	13,402,271	14,330,481	15,746,398
Education	18,425,835	14,665,895	16,478,097	14,524,281
Culture and recreation	1,545,035	1,509,613	1,384,589	1,552,261
Interest on long-term debt	1,356,195	1,201,997	1,136,626	1,085,577
Total governmental activities expenses	<u>49,412,661</u>	<u>46,709,276</u>	<u>53,963,311</u>	<u>52,046,186</u>
Business-type activities:				
Water and sewer	2,728,878	2,852,826	3,127,806	2,852,463
Airport	1,188,525	1,377,782	1,444,977	1,445,778
Total business-type activities	<u>3,917,403</u>	<u>4,230,608</u>	<u>4,572,783</u>	<u>4,298,241</u>
Total primary governmental expenses	<u>\$ 53,330,064</u>	<u>\$ 50,939,884</u>	<u>\$ 58,536,094</u>	<u>\$ 56,344,427</u>
Program Revenues				
Governmental activities:				
Charges for services:				
General government	\$ 565,380	\$ 596,905	\$ 4,261,895	\$ 1,668,751
Public safety	2,278,536	2,120,800	1,824,146	2,022,339
Transportation	243,890	266,612	304,235	303,563
Environmental protection	714,625	706,657	769,537	740,437
Economic and physical development	32,612	28,230	6,625	13,081
Human services	941,148	1,647,522	1,698,934	1,910,676
Culture and recreation	121,043	96,867	24,497	27,714
Operating grants and contributions	8,250,279	7,996,207	8,458,500	11,035,610
Capital grants and contributions	1,059,978	53,048	29,503	164,368
Total governmental activities program revenues	<u>14,207,491</u>	<u>13,512,848</u>	<u>17,377,872</u>	<u>17,886,539</u>
Business-type activities:				
Charges for services:				
Water and sewer	2,252,317	2,415,287	2,535,305	2,762,650
Airport	251,514	261,181	334,406	397,830
Operating grants and contributions	-	-	-	-
Capital grants and contributions	2,293,083	3,142,125	1,789,803	1,007,601
Total business-type activities program revenues	<u>4,796,914</u>	<u>5,818,593</u>	<u>4,659,514</u>	<u>4,168,081</u>
Total primary governmental program revenues	<u>\$ 19,004,405</u>	<u>\$ 19,331,441</u>	<u>\$ 22,037,386</u>	<u>\$ 22,054,620</u>
Net (expense)/revenue				
Governmental activities	<u>\$ (35,205,170)</u>	<u>\$ (33,196,428)</u>	<u>\$ (36,585,439)</u>	<u>\$ (34,159,647)</u>
Business-type activities	<u>879,511</u>	<u>1,587,985</u>	<u>86,731</u>	<u>(130,160)</u>
Total primary governmental net expense	<u>\$ (34,325,659)</u>	<u>\$ (31,608,443)</u>	<u>\$ (36,498,708)</u>	<u>\$ (34,289,807)</u>

Table 2
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Fiscal Year			
<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
\$ 4,763,517	\$ 5,563,922	\$ 6,207,070	\$ 6,799,601
11,144,226	12,089,074	13,941,395	13,957,473
814,513	850,441	923,081	948,122
1,000,097	1,031,633	1,108,942	1,155,970
1,888,101	2,344,873	1,494,393	2,741,056
16,379,896	16,086,711	16,136,859	14,851,419
14,888,711	14,267,912	24,661,209	19,284,505
1,668,597	1,800,314	2,035,578	1,954,960
1,234,712	1,193,541	1,393,628	1,659,370
<u>53,782,370</u>	<u>55,228,419</u>	<u>67,902,155</u>	<u>63,352,475</u>
2,857,210	3,377,002	3,809,744	3,703,713
<u>1,670,370</u>	<u>1,588,558</u>	<u>1,548,508</u>	<u>1,518,407</u>
<u>4,527,580</u>	<u>4,965,560</u>	<u>5,358,252</u>	<u>5,222,120</u>
<u>\$ 58,309,950</u>	<u>\$ 60,193,979</u>	<u>\$ 73,260,407</u>	<u>\$ 68,574,595</u>
\$ 1,579,480	\$ 1,668,625	\$ 1,844,478	\$ 1,468,042
2,396,682	2,579,945	2,669,845	3,003,195
312,282	375,280	370,233	364,756
857,834	848,824	835,242	862,811
12,480	23,135	601,271	13,770
2,157,094	1,894,767	2,301,087	2,147,188
36,857	79,893	185,582	21,703
8,832,742	9,111,529	9,307,612	11,222,862
1,842,159	986,481	1,706,125	1,123,874
<u>18,027,610</u>	<u>17,568,479</u>	<u>19,821,475</u>	<u>20,228,201</u>
2,725,228	3,004,732	3,001,449	3,069,742
429,644	457,087	295,877	311,966
-	17,949	-	-
<u>3,757,664</u>	<u>216,801</u>	<u>1,092,003</u>	<u>366,777</u>
<u>6,912,536</u>	<u>3,696,569</u>	<u>4,389,329</u>	<u>3,748,485</u>
<u>\$ 24,940,146</u>	<u>\$ 21,265,048</u>	<u>\$ 24,210,804</u>	<u>\$ 23,976,686</u>
\$ (35,754,760)	\$ (37,659,940)	\$ (48,080,680)	\$ (43,124,274)
2,384,956	(1,268,991)	(968,923)	(1,473,635)
<u>\$ (33,369,804)</u>	<u>\$ (38,928,931)</u>	<u>\$ (49,049,603)</u>	<u>\$ (44,597,909)</u>

**General Revenues and Other Changes in
Net Assets**

	Fiscal Year			
	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Governmental activities:				
Taxes				
Ad valorem taxes	\$ 24,929,899	\$ 25,024,239	\$ 25,255,507	\$ 27,029,395
Local option sales tax	7,097,667	8,684,938	9,407,446	9,922,637
Other taxes	416,498	491,953	523,941	557,210
Unrestricted grants and contributions	12,226	5,936	-	-
Interest earned on investments	255,131	246,635	294,656	921,555
Miscellaneous	19,213	262,448	249,947	-
Gain (loss) on sale of capital assets	(79,506)	-	-	-
Transfers in (out)	<u>(973,724)</u>	<u>(904,849)</u>	<u>(437,616)</u>	<u>(2,152,690)</u>
Total governmental activities	<u>31,677,404</u>	<u>33,811,300</u>	<u>35,293,881</u>	<u>36,278,107</u>
Business-type activities:				
Ad valorem taxes	85	-	-	-
Interest earned on investments	26,163	12,749	25,319	26,276
Miscellaneous	114,010	-	-	-
Gain (loss) on sale of capital assets	(155,210)	-	-	-
Transfers in (out)	<u>973,724</u>	<u>904,849</u>	<u>437,616</u>	<u>2,152,690</u>
Total business-type activities	<u>958,772</u>	<u>917,598</u>	<u>462,935</u>	<u>2,178,966</u>
Total primary government	<u>\$ 32,636,176</u>	<u>\$ 34,728,898</u>	<u>\$ 35,756,816</u>	<u>\$ 38,457,073</u>
Change in Net Assets				
Governmental activities	\$ (3,527,766)	\$ 614,872	\$ (1,291,558)	\$ 2,118,460
Business-type activities	<u>1,838,283</u>	<u>2,505,583</u>	<u>549,666</u>	<u>2,048,806</u>
Total primary government	<u>\$ (1,689,483)</u>	<u>\$ 3,120,455</u>	<u>\$ (741,892)</u>	<u>\$ 4,167,266</u>

Note: Stanly County began to report accrual information when it implemented GASB Statement 34 in fiscal year 2003.

Table 2
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Fiscal Year			
<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
\$ 27,468,013	\$ 29,160,452	\$ 29,839,262	\$ 30,245,704
10,605,369	10,695,767	8,842,576	6,841,679
579,632	574,991	519,464	481,063
-	-	-	-
1,393,065	1,235,530	612,476	372,699
-	-	-	-
-	-	-	-
(1,001,788)	(598,536)	(610,360)	(210,471)
<u>39,044,291</u>	<u>41,068,204</u>	<u>39,203,418</u>	<u>37,730,674</u>
-	-	-	-
59,954	30,698	29,042	23,857
-	-	-	-
-	-	-	-
<u>1,001,788</u>	<u>598,536</u>	<u>610,360</u>	<u>210,471</u>
<u>1,061,742</u>	<u>629,234</u>	<u>639,402</u>	<u>234,328</u>
<u>\$ 40,106,033</u>	<u>\$ 41,697,438</u>	<u>\$ 39,842,820</u>	<u>\$ 37,965,002</u>
\$ 3,289,531	\$ 3,408,264	\$ (8,877,262)	\$ (5,393,600)
<u>3,446,698</u>	<u>(639,757)</u>	<u>(329,521)</u>	<u>(1,239,307)</u>
<u>\$ 6,736,229</u>	<u>\$ 2,768,507</u>	<u>\$ (9,206,783)</u>	<u>\$ (6,632,907)</u>

Stanly County, North Carolina
Fund Balances of Governmental Funds
Last Eight Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year			
	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
General Fund				
Reserved	\$ 3,689,921	\$ 4,549,925	\$ 5,575,709	\$ 4,206,084
Unreserved	<u>10,560,386</u>	<u>10,601,862</u>	<u>10,931,952</u>	<u>11,756,250</u>
Total General Fund	<u>\$ 14,250,307</u>	<u>\$ 15,151,787</u>	<u>\$ 16,507,661</u>	<u>\$ 15,962,334</u>
All other governmental funds				
Reserved	\$ -	\$ 27,119	\$ 24,928	\$ 59,382
Unreserved, reported in:				
Special revenue funds	6,023,236	3,967,446	590,577	482,567
Capital projects funds	<u>-</u>	<u>400,658</u>	<u>208,637</u>	<u>665,307</u>
Total all other governmental funds	<u>\$ 6,023,236</u>	<u>\$ 4,395,223</u>	<u>\$ 824,142</u>	<u>\$ 1,207,256</u>

Note: Stanly County began to report accrual information when it implemented GASB Statement 34 in fiscal year 2003.

Table 3

Fiscal Year			
<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
\$ 5,249,619	\$ 3,590,746	\$ 8,233,781	\$ 9,698,289
12,250,938	15,452,332	9,390,468	6,702,846
<u>\$ 17,500,557</u>	<u>\$ 19,043,078</u>	<u>\$ 17,624,249</u>	<u>\$ 16,401,135</u>
\$ 105,640	\$ 30,977	\$ 28,082	\$ 28,082
464,056	514,312	347,371	417,111
3,554,882	-	-	-
<u>\$ 4,124,578</u>	<u>\$ 545,289</u>	<u>\$ 375,453</u>	<u>\$ 445,193</u>

Stanly County, North Carolina
Changes in Fund Balances of Governmental Funds
Last Eight Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year			
	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Revenues				
Ad valorem taxes	\$ 24,644,601	\$ 24,978,882	\$ 25,328,973	\$ 26,829,328
Local option sales taxes	7,097,665	8,684,938	9,407,446	9,922,637
Other taxes and licenses	416,501	570,076	523,941	557,210
Unrestricted intergovernmental	12,226	5,936	5,763	6,080
Restricted intergovernmental	8,301,818	7,627,446	8,250,771	10,365,169
Permits and fees	468,084	915,083	750,320	813,844
Sales and services	4,794,619	4,626,431	4,897,601	5,734,916
Investment earnings	391,940	229,301	286,217	827,006
Miscellaneous	495,751	528,194	748,556	834,809
Total revenues	<u>46,623,205</u>	<u>48,166,287</u>	<u>50,199,588</u>	<u>55,890,999</u>
Expenditures				
General government	3,169,773	3,332,574	3,664,082	3,933,312
Public safety	8,487,712	8,681,718	9,779,612	10,245,837
Transportation	477,461	543,815	627,756	712,320
Environmental protection	789,005	873,394	895,520	923,604
Economic and physical development	1,157,470	1,292,366	1,525,184	2,005,105
Human services	13,243,827	13,370,134	14,307,611	15,729,303
Education	18,425,835	14,665,894	16,290,282	14,318,186
Culture and recreation	1,319,469	1,301,922	1,393,480	1,449,484
Capital Outlay	1,447,520	1,357,952	1,021,639	2,150,608
Debt service				
Principal	1,253,005	1,253,005	1,319,567	1,333,098
Interest and other charges	1,323,627	1,315,197	1,152,446	1,099,665
Total expenditures	<u>51,094,704</u>	<u>47,987,971</u>	<u>51,977,179</u>	<u>53,900,522</u>
Excess of revenues over (under) expenditures	(4,471,499)	178,316	(1,777,591)	1,990,477
Other financing sources (uses)				
Debt Proceeds	-	-	-	-
Refunding bond issued	-	-	-	-
Payment to bondholders	-	-	-	-
Bond Premium	-	-	-	-
Transfers from other funds	1,042,813	420,000	90,561	580,000
Transfers to other funds	(2,016,537)	(1,324,849)	(528,177)	(2,732,690)
Sale of capital assets	26,781	-	-	-
Total other financing sources (uses)	<u>(946,943)</u>	<u>(904,849)</u>	<u>(437,616)</u>	<u>(2,152,690)</u>
Net change in fund balances	<u>\$ (5,418,442)</u>	<u>\$ (726,533)</u>	<u>\$ (2,215,207)</u>	<u>\$ (162,213)</u>
Debt services as a percentage of noncapital expenditures	5.2%	5.5%	4.9%	4.7%

Note: Stanly County began to report accrual information when it implemented GASB Statement 34 in fiscal year 2003.

Table 4

Fiscal Year			
<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
\$ 27,519,067	\$ 29,225,384	\$ 29,600,368	\$ 30,025,945
10,605,369	10,695,767	8,842,576	6,841,679
579,632	574,991	519,464	481,063
5,657	8,173	2,664	425
10,258,260	9,664,623	10,688,266	11,995,950
927,965	945,668	925,727	6,719,000
5,984,898	6,087,739	6,715,699	694,288
1,286,592	1,146,477	510,910	284,270
706,272	714,807	1,290,237	635,110
<u>57,873,712</u>	<u>59,063,629</u>	<u>59,095,911</u>	<u>57,677,730</u>
4,219,004	5,183,353	5,655,825	6,183,333
13,933,485	14,967,299	14,559,774	13,594,893
732,129	797,230	847,546	837,489
975,779	1,026,214	1,090,593	1,121,743
1,912,875	2,348,929	1,464,024	2,689,449
16,415,126	16,202,140	16,130,914	14,601,773
14,888,711	11,156,431	20,905,982	15,346,641
1,468,388	1,604,432	1,887,929	1,698,160
678,811	4,275,976	4,553,357	3,238,973
1,530,401	1,728,156	1,993,041	2,400,877
<u>1,161,670</u>	<u>1,211,702</u>	<u>1,142,202</u>	<u>1,697,261</u>
<u>57,916,379</u>	<u>60,501,862</u>	<u>70,231,187</u>	<u>63,410,592</u>
(42,667)	(1,438,233)	(11,135,276)	(5,732,862)
5,500,000	-	13,000,000	312,547
-	-	-	16,325,000
-	-	-	(17,223,200)
-	-	-	1,067,654
245,167	595,036	1,000,000	190,572
(1,246,955)	(1,193,572)	(1,610,360)	(401,043)
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>4,498,212</u>	<u>(598,536)</u>	<u>12,389,640</u>	<u>271,530</u>
<u>\$ 4,455,545</u>	<u>\$ (2,036,769)</u>	<u>\$ 1,254,364</u>	<u>\$ (5,461,332)</u>
4.7%	5.3%	4.6%	6.6%

Table 5

Stanly County, North Carolina
Governmental Activities Tax Revenues by Source
Last Ten Fiscal Years
(accrual basis of accounting)

Fiscal Year	Property Tax	Sales Tax	Franchise Tax	Occupancy Tax	Property Excise Tax	Intangible Tax	Solid Waste Tax	Other Tax	Total
2001	\$ 19,258,393	\$ 7,227,876	\$ 104,576	\$ -	\$ 129,747	\$ 486,093	\$ -	\$ 27,393	\$ 27,234,078
2002	24,031,580	7,278,661	116,860	91,583	151,271	491,512	-	29,503	32,190,970
2003	24,929,899	7,097,667	124,121	162,097	122,057	-	-	8,224	32,444,065
2004	25,024,239	8,684,938	131,244	179,150	173,016	-	-	8,544	34,201,131
2005	25,255,507	9,407,446	138,938	184,879	185,316	-	-	14,808	35,186,894
2006	27,029,395	9,922,637	133,670	199,699	207,718	-	-	16,123	37,509,242
2007	27,468,013	10,605,369	153,011	192,680	216,215	-	-	17,726	38,653,014
2008	29,160,452	10,695,767	139,719	215,575	202,558	-	-	17,139	40,431,210
2009	29,839,262	8,842,576	163,923	197,667	123,989	-	16,865	17,020	39,201,302
2010	30,245,704	6,841,679	145,856	180,566	111,336	-	25,901	17,404	37,568,446

Table 6

Stanly County, North Carolina
General Governmental Tax Revenues By Source
Last Ten Fiscal Years
(modified accrual basis of accounting)

Fiscal Year	Property Tax	Sales Tax	Franchise Tax	Occupancy Tax	Property Excise Tax	Intangible Tax	Solid Waste Tax	Other Tax	Total
2001	\$19,258,393	\$ 7,227,876	\$ 104,576	\$ -	\$129,747	\$ 486,093	\$ -	\$ 27,393	\$ 27,234,078
2002	24,031,580	7,278,661	116,860	91,583	151,271	491,512	-	29,503	32,190,970
2003	24,644,601	7,097,667	124,121	162,097	122,057	-	-	8,224	32,158,767
2004	24,978,882	8,684,938	131,244	179,150	173,016	-	-	8,544	34,155,774
2005	25,328,973	9,407,446	138,938	184,879	185,316	-	-	14,808	35,260,360
2006	26,829,328	9,922,637	133,670	199,699	207,718	-	-	16,123	37,309,175
2007	27,519,067	10,605,369	153,011	192,680	216,215	-	-	17,726	38,704,068
2008	29,225,384	10,695,767	139,719	215,575	202,558	-	-	17,139	40,496,142
2009	29,600,368	8,842,576	163,923	197,667	123,989	-	16,865	17,020	38,962,408
2010	30,025,945	6,841,679	145,856	180,566	111,336	-	25,901	17,404	37,348,687

Table 7

Stanly County, North Carolina
Assessed Value and Estimated Actual Value of Taxable Property
Last Nine Fiscal Years

Fiscal Year	Real Property		Personal Property		Less:	Total Taxable	Total Direct	Estimated Actual	Assessed Value as a
	Residential Property	Commercial Property	Motor Vehicles	Other	Tax Exempt Real Property	Assessed Value	Tax Rate	Taxable Value	Percentage of Actual Value
2002	\$ 1,931,813,015	\$ 265,236,527	\$ 404,433,570	\$ 1,340,530,512	\$ 492,330,928	\$ 3,449,682,696	0.6675	\$ 3,449,682,696	100%
2003	1,971,026,440	276,214,095	407,678,432	1,404,289,682	525,249,495	3,533,959,154	0.6675	3,533,959,154	100%
2004	2,009,269,613	283,643,078	401,540,778	1,455,386,443	618,158,151	3,531,681,761	0.6675	3,531,681,761	100%
2005	2,050,000,000	290,000,000	404,465,835	1,467,503,839	650,000,000	3,561,969,674	0.6675	3,561,969,674	100%
2006	2,530,377,851	343,500,422	454,259,606	1,313,792,452	708,015,435	3,933,914,896	0.6450	3,933,914,896	100%
2007	2,304,600,237	355,608,820	420,101,573	1,760,360,739	847,501,363	3,993,170,006	0.6450	3,993,170,006	100%
2008	2,758,609,886	957,073,583	406,812,810	342,065,414	371,935,888	4,092,625,805	0.6700	4,092,625,805	100%
2009	2,803,975,706	976,467,389	431,300,423	339,233,489	378,573,688	4,172,403,319	0.6700	4,172,403,319	100%
2010	2,933,112,623	606,978,343	410,349,318	339,844,218	83,231,303	4,207,053,199	0.6700	4,207,053,199	100%

Source: Stanly County Tax Assessor

Note: Data not available before Fiscal Year 2002.



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Stanly County, North Carolina
Property Tax Rates - Direct and Overlapping Governments
Last Ten Fiscal Years

Fiscal Year Ended June 30	*West Stanly Fire District	Center Rural Fire District	Endy Fire District	Ridgecrest Fire District	Aquadale Fire District	Eastside Fire District	Oakboro Rural Fire District	New London Fire District
2001	0.0800	0.0500	0.0400	0.0800	0.0500	0.0800	0.0400	0.0500
2002	0.0800	0.0500	0.0400	0.0800	0.0500	0.0800	0.0400	0.0500
2003	0.0800	0.0500	0.0400	0.0800	0.0500	0.0800	0.0400	0.0500
2004	0.0800	0.0500	0.0400	0.0800	0.0500	0.0800	0.0400	0.0500
2005	0.0800	0.0500	0.0600	0.0800	0.0500	0.0800	0.0400	0.0500
2006	0.0800	0.0500	0.0600	0.0800	0.0500	0.0800	0.0400	0.0500
2007	0.0800	0.0500	0.0600	0.0800	0.0500	0.0800	0.0400	0.0500
2008	0.0800	0.0500	0.0600	0.0800	0.0500	0.0800	0.0400	0.0500
2009	0.0800	0.0700	0.0600	0.0800	0.0500	0.0800	0.0400	0.0500
2010	0.0800	0.0700	0.0600	0.0900	0.0500	0.0800	0.0400	0.0500

	Stanly County	City of Albemarle	Town of Oakboro	Town of Badin	Town of Norwood	Town of Locust	Stanfield Annex	Town of Stanfield
2001	0.6675	0.5400	0.4400	0.2300	0.4000	0.3600	N/A	0.3800
2002	0.6675	0.5400	0.4400	0.2530	0.4000	0.3600	0.3167	0.3800
2003	0.6675	0.5400	0.4400	0.3000	0.4000	0.3600	N/A	0.3800
2004	0.6675	0.5600	0.4400	0.3200	0.4000	0.3600	N/A	0.3800
2005	0.6675	0.5600	0.4400	0.3200	0.4000	0.3600	N/A	0.3800
2006	0.6450	0.5600	0.4400	0.3400	0.4000	0.3600	N/A	0.3800
2007	0.6450	0.5600	0.4100	0.3600	0.4000	0.3600	N/A	0.3800
2008	0.6700	0.5600	0.4100	0.3800	0.4000	0.3600	N/A	0.3800
2009	0.6700	0.5600	0.4100	0.3800	0.4000	0.3600	N/A	0.3800
2010	0.6700	0.5600	0.4100	0.3800	0.4000	0.3600	N/A	0.3800

All tax rates are expressed in dollars of tax per \$100 of assessed valuation. For the above years, the tax levies were assessed at one hundred percent (100%) of the actual value.

*Locust and Rocky River Fire District merged July 1, 2008 to form West Stanly Fire District.

**Maximum Combined County Tax Rate - Stanly County plus the highest fire district tax rate.

***Maximum Combined City Tax Rate - Stanly County plus the highest city or township tax rate(s).

Source: Stanly County Tax Assessor

Table 8

Southside Fire District	Rocky River District	Bethany Fire District	Richfield Fire District	Millingport Fire District	Badin- Yadkin Fire District	Norwood Special Fire District
0.1000	0.0800	0.0500	0.0700	0.0500	N/A	N/A
0.1000	0.0800	0.0500	0.0700	0.0500	0.0500	N/A
0.1000	0.0800	0.0500	0.0700	0.0500	0.0500	N/A
0.1000	0.0800	0.0500	0.0700	0.0500	0.0500	N/A
0.1000	0.0800	0.0500	0.0700	0.0500	0.0500	N/A
0.1000	0.0800	0.0500	0.0700	0.0500	0.0500	N/A
0.1000	0.0800	0.0500	0.0700	0.0500	0.0500	N/A
0.1000	0.0800	0.0500	0.0700	0.0500	0.0500	N/A
0.1000	N/A	0.0500	0.0700	0.0500	0.0800	0.0500
0.1000	N/A	0.0500	0.0700	0.0500	0.0800	0.0700

Town of New London	Town of Richfield	Town of Red Cross	Red Cross Annex	Town of Misenheimer	Municipal Service	City Schools Higher Standard	**Maximum Combined County Tax Rate	***Maximum Combined City Tax Rate
0.1600	0.1500	N/A	N/A	N/A	0.1000	N/A	0.7675	1.2075
0.1600	0.1500	0.1008	N/A	N/A	0.1000	N/A	0.7675	1.2075
0.1600	0.1500	0.1600	0.2242	0.2200	0.1000	N/A	0.7675	1.2075
0.1600	0.1500	0.1600	N/A	0.2200	0.1000	N/A	0.7675	1.2275
0.1600	0.1500	0.1600	N/A	0.2200	0.1000	N/A	0.7675	1.2050
0.1600	0.1500	0.1600	N/A	0.2200	0.1000	N/A	0.7450	1.2050
0.1600	0.1500	0.1600	N/A	0.2200	0.1000	N/A	0.7700	1.2300
0.1600	0.1500	0.1600	N/A	0.2200	0.1000	N/A	0.7700	1.2300
0.1600	0.1500	0.1600	N/A	0.2200	0.1000	N/A	0.7700	1.2300
0.1600	0.1500	0.1600	N/A	0.2200	0.1000	N/A	0.7700	1.2300

Table 9

**Stanly County, North Carolina
Principal Property Taxpayers
Current Year and Nine Years Ago**

<u>Taxpayer</u>	<u>2010</u>			<u>2001</u>		
	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total Taxable Assessed Value</u>	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total Taxable Assessed Value</u>
APGI	\$ 51,838,683	1	1.27%	\$ 40,652,571	2	1.18%
Michelin Aircraft Tire Co.	34,901,571	2	0.85%	26,668,030	3	0.78%
Fiber Composites	31,651,865	3	0.77%			
Duke Energy	27,831,510	4	0.68%	25,838,973	4	0.75%
Union Electric	25,740,536	5	0.63%	16,195,530	8	0.47%
Alcoa	21,115,337	6	0.52%	68,098,086	1	1.98%
Preformed Line Prod	15,817,315	7	0.39%	15,691,610	9	0.46%
Piedmont Natural Gas	14,021,727	8	0.34%	11,494,627	10	0.33%
Contech	11,847,122	9	0.29%			
Aquadale Properties	11,574,103	10	0.28%			
Concord Telephone Co.				18,488,035	6	0.54%
Collina and Aikman				21,532,283	5	0.63%
General Signal Ind., Inc.				17,731,740	7	0.52%
Totals	<u>\$ 246,339,769</u>		<u>6.02%</u>	<u>\$ 262,391,485</u>		<u>7.64%</u>

Source: Stanly County Tax Assessor

Stanly County, North Carolina
Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year Ended June 30	Total Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2001	\$ 18,880,008	\$ 18,137,223	96.07%	\$ 527,428	\$ 18,664,651	98.86%
2002	23,202,760	22,217,710	95.75%	691,765	22,909,475	98.74%
2003	23,570,947	22,498,389	95.45%	755,234	23,253,623	98.65%
2004	23,615,122	22,627,355	95.82%	983,334	23,610,689	99.98%
2005	23,837,624	22,937,907	96.23%	1,008,706	23,946,613	100.00%
2006	25,446,392	24,452,587	96.09%	799,246	25,251,833	99.24%
2007	25,771,587	24,856,027	96.45%	973,208	25,829,235	100.00%
2008	27,427,554	26,505,922	96.64%	974,054	27,479,976	100.00%
2009	28,197,742	27,070,898	96.00%	786,972	27,857,870	98.79%
2010	28,322,388	27,157,880	95.89%	846,456	28,004,336	98.88%

Source: Stanly County Tax Assessor

Table 11

Stanly County, North Carolina
Ratio of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year	Governmental Activities			Business-type Activities			Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Capital Leases	Installment Note	General Obligation Bonds	Capital Leases	Revolving Loan			
2001	\$ 16,000,000	\$ 3,648,753	\$ -	\$ 2,440,700	\$ 829,982	\$ 431,890	\$ 23,351,325	1.76%	\$ 401.92
2002	25,500,000	3,232,926	-	2,177,200	747,461	409,159	32,066,746	2.36%	545.43
2003	24,600,000	2,793,300	-	875,000	660,365	386,428	29,315,093	2.24%	498.61
2004	23,700,000	2,237,600	-	760,000	552,076	363,697	27,613,373	2.04%	467.55
2005	22,800,000	1,818,029	-	645,000	448,556	340,967	26,052,552	1.89%	440.99
2006	21,900,000	1,384,931	-	530,000	341,700	318,235	24,474,866	1.69%	415.45
2007	21,000,000	6,254,530	-	415,000	231,396	295,504	28,196,430	1.82%	476.89
2008	20,100,000	5,426,375	-	300,000	117,534	272,773	26,216,682	1.56%	433.55
2009	18,950,000	4,583,333	13,000,000	185,000	-	250,042	36,968,375	2.11%	394.15
2010	18,075,000	4,216,668	12,628,337	70,000	-	227,310	35,217,315	1.96%	583.51

Note: Details regarding the county's outstanding debt can be found in the notes to the financial statements.

Table 12

Stanly County, North Carolina
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years

Fiscal Year	General Obligation Bonds	Percentage of Estimated Actual Taxable Value of Property	Per Capita
2001	\$ 18,440,700	0.74%	\$ 317.40
2002	27,677,200	0.80%	470.76
2003	25,475,000	0.72%	428.89
2004	24,460,000	0.67%	414.16
2005	23,445,000	0.66%	396.85
2006	22,430,000	0.57%	380.74
2007	21,415,000	0.54%	362.19
2008	20,400,000	0.50%	337.36
2009	19,135,000	0.46%	314.67
2009	18,145,000	0.43%	300.64

Note: Details regarding the county's outstanding debt can be found in the notes to the financial statements.

Table 13

Stanly County, North Carolina
Direct and Overlapping Governmental Activities Debt
June 30, 2010

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Stanly County	\$ 18,145,000	100%	\$ 18,145,000
Town of Richfield	405,000	100%	<u>405,000</u>
Total direct and overlapping debt			<u>\$ 18,550,000</u>

Source: State of North Carolina Treasurer LGC 129



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**Stanly County, North Carolina
Legal Debt Margin Information
Last Ten Fiscal Years**

	Fiscal Year				
	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
Debt limit	\$198,639,178	\$ 244,327,835	\$ 282,142,285	\$ 282,534,541	\$284,957,574
Total net debt applicable to limit	<u>19,999,754</u>	<u>28,732,926</u>	<u>24,600,000</u>	<u>23,700,000</u>	<u>22,800,000</u>
Legal debt margin	<u>\$178,639,424</u>	<u>\$ 215,594,909</u>	<u>\$ 257,542,285</u>	<u>\$ 258,834,541</u>	<u>\$262,157,574</u>
Total net debt applicable to the limit as a percentage of debt limit	<u>10.07%</u>	<u>11.76%</u>	<u>8.72%</u>	<u>8.39%</u>	<u>8.00%</u>

Legal Debt Margin Calculation for Fiscal Year 2010

Assessed value	<u>\$ 4,207,053,199</u>
Debt limit - 8% of assessed value	336,564,256
Debt applicable to limit:	
General obligation bonds	\$ 18,145,000
Installment note	12,628,337
Revolving loan	227,310
Capital lease obligation	4,216,668
Total debt	<u>\$ 35,217,315</u>
Less-Statutory deductions	<u>297,310</u>
Total amount of debt applicable to debt limit	34,920,005
Legal debt margin	<u><u>\$ 301,644,251</u></u>

Table 14

Fiscal Year				
<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
\$ 314,713,191	\$ 319,453,600	\$ 327,410,064	\$ 333,792,266	\$ 336,564,256
<u>23,284,931</u>	<u>27,254,530</u>	<u>25,526,374</u>	<u>36,533,333</u>	<u>34,920,005</u>
<u>\$ 291,428,260</u>	<u>\$ 292,199,070</u>	<u>\$ 301,883,690</u>	<u>\$ 297,258,933</u>	<u>\$ 301,644,251</u>
<u>7.40%</u>	<u>8.53%</u>	<u>7.80%</u>	<u>10.94%</u>	<u>10.38%</u>

**Stanly County, North Carolina
Demographic and Economic Statistics
Last Ten Fiscal Years**

Fiscal Year	Population (1)	Personal Income	Per Capita Personal Income (2)	Median Age (3)	School Enrollment (4)	Unemployment Rate (5)
2001	58,100	\$1,325,609,600	\$ 22,816	37.0	10,186	7.6%
2002	58,792	1,357,507,280	23,090	37.2	10,204	8.3%
2003	58,794	1,311,517,758	22,307	37.2	10,184	9.1%
2004	59,060	1,355,604,180	22,953	36.9	9,903	7.2%
2005	59,078	1,379,707,612	23,354	36.9	9,868	5.9%
2006	58,912	1,452,298,624	24,652	38.0	9,588	5.5%
2007	59,126	1,552,116,626	26,251	38.2	9,687	4.9%
2008	60,470	1,682,517,280	27,824	39.0	9,650	5.8%
2009	60,810	1,751,510,430	28,803	39.0	9,276	12.4%
2010	60,354	1,800,721,944	29,836	40.0	9,386	11.9%

Sources:

- (1) N.C. Department of Commerce North Carolina Economic Development Intelligence System
- (2) N.C. Employment Security Commission Workforce In-Depth
- (3) N.C. Department of Commerce North Carolina Economic Development Intelligence System
- (4) Stanly County Board of Education
- (5) N.C. Employment Security Commission Workforce In-Depth

Table 16

**Stanly County, North Carolina
Principal Employers
Current Year**

Employer	2010		
	Employees	Rank	Percentage of Total County Employment
Stanly County Schools	1,350	1	4.56%
Stanly Regional Medical Center	618	2	2.09%
Wal-Mart	608	3	2.05%
Stanly County Government	468	4	1.58%
State of North Carolina	403	5	1.36%
Michelin Aircraft	353	6	1.19%
IAC Old Fort LLC	349	7	1.18%
Stanly Community College	336	8	1.13%
City of Albemarle	309	9	1.04%
Food Lion	<u>302</u>	10	1.02%
Total	<u>5,096</u>		<u>17.20%</u>

Source: Stanly County Economic Development Commission

Note: Data not available before Fiscal Year 2006.

Table 17

Stanly County, North Carolina
Full-time Equivalent County Government Employees by Function
Last Ten Fiscal Years

Function	Full-time Equivalent Employees as of June 30									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
General government										
Administration	6	4	4	5	6	6	6	6	5	5
Finance	7	7	7	7	7	7	6	5	5	6
Taxes	25	22	23	23	22	22	26	20	19	19
Attorneys	0	0	0	0	0	0	0	2	2	2
Elections	3	3	3	3	3	2	3	5	3	3
Register of deeds	6	6	6	6	6	6	6	6	5	4
Information technology	3	3	3	3	3	3	3	4	4	5
Facilities management	6	6	6	6	6	6	6	6	7	7
Public safety										
Sheriff	48	48	51	51	51	53	52	53	58	57
Jail	17	17	16	18	23	20	24	37	39	33
Criminal justice partnership	1	1	1	1	1	1	1	1	1	1
Juvenile justice partnership	NA	NA	NA	NA	NA	NA	NA	NA	1	1
Emergency management	2	2	2	2	2	2	2	2	2	2
Fire	2	2	1	1	1	1	2	3	3	3
Emergency medical services	34	35	35	33	39	37	42	39	39	41
Inspections	7	7	7	7	7	7	6	6	5	5
Animal control	4	3	5	5	5	5	5	5	6	6
E-911 operations	15	15	16	16	15	16	14	15	18	17
E-911 surcharge	1	2	2	1	1	2	2	2	NA	NA
Transportation	16	17	16	17	18	19	19	18	14	11
Environmental protection										
Solid waste collection	15	13	13	13	13	13	14	14	10	10
Conservation	2	2	2	2	2	2	2	2	2	2
Economic and physical development										
Economic development	2	2	2	2	2	2	2	1	2	2
Planning and zoning	6	6	5	5	6	4	5	4	3	3
Central Permitting	0	0	0	0	0	0	0	3	3	4
Rocky River RPO	0	0	0	0	0	0	1	1	1	1
Cooperative extension	10	10	10	7	6	6	0	0	0	0
Title V	5	6	7	6	5	6	5	0	NA	NA
Human services										
Health	49	47	52	56	56	54	60	55	57	58
Social services	77	77	77	73	75	76	79	74	81	76
Senior services	18	18	16	18	17	18	17	15	15	15
Veterans services	1	1	1	1	1	1	1	1	1	1
Culture and recreation										
Library	19	20	19	19	20	20	19	18	20	18
Historic preservation	2	2	2	2	2	1	2	2	2	2
Agri civic center	4	4	4	4	3	5	5	5	4	4
Airport	4	4	4	5	5	5	5	5	5	5
Utilities										
Administration	4	4	4	4	4	4	5	5	4	4
Operations	6	7	7	8	8	8	8	9	12	13
Total	427	423	429	430	441	440	455	449	458	446

Source: Stanly County Human Resources

Stanly County, North Carolina
Operating Indicators by Function
Last Five Fiscal Years

Function	Fiscal Year				
	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Public Safety					
Arrests	1,819	1,712	3,471	1,157	3,200
Civil papers serviced	1,060	1,166	13,269	5,848	8,447
Average daily jail population	83	92	91	92	94
Dispatched EMS calls	6,297	6,370	6,885	7,164	7,299
EMS move up calls	2,748	2,695	5,270	2,836	3,221
Building permits issued	642	710	651	652	517
Animals entering shelter	4,358	4,211	3,313	2,980	2,996
Animals euthanized	3,201	2,866	2,404	2,649	2,422
911 calls logged for service	102,834	107,118	110,472	111,643	115,840
Transportation					
Service hours	26,180	20,713	28,277	19,743	18,991
Miles driven	413,044	392,079	427,665	386,343	351,009
Trips	82,878	77,888	72,967	67,014	63,848
Environmental protection					
Discarded materials collected (tons/day)	19	20	19	25	19
Recyclables collected (tons/day)	2	2	2	2	2
Human services					
Food and lodging permits	127	114	50	131	45
Food and lodging inspections made	917	836	627	754	937
Wells inspected	155	168	145	94	83
Culture and recreation					
Library books checked out	197,718	209,100	220,331	226,603	236,179
Library cards issued	2,763	4,043	1,287	2,580	2,421
Water and sewer					
Number of water customers	3,859	3,979	3,756	4,152	3,972
Average monthly water demand (Gallons)	24,216,807	26,290,707	53,000,000	30,030,025	29,300,527
Number of sewer customers	648	624	650	622	682
Average monthly sewage collected* (Gallons)	-	-	-	244,000	383,500
Airport					
Operations					
(Take-offs and/or landings)	11,451	13,844	13,718	11,490	11,425

Sources: Various departments

*Accurate information not available for prior years.

Note: Data not available before Fiscal Year 2006.

**Stanly County, North Carolina
Capital Asset Statistics by Function
Last Four Fiscal Years**

Function	Fiscal Year				
	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Public safety					
Detention center	1	1	1	1	1
Patrol units	51	46	48	52	51
EMS ambulances	8	9	9	9	9
Transportation					
Transit vehicles	29	24	18	21	20
Environmental protection					
Convenience centers	9	9	9	9	9
Sanitary landfill	0	0	0	0	0
Culture and recreation					
Museums	3	3	3	3	3
Civic center	1	1	1	1	1
Water and sewer					
Miles of water mains	150	150	162	188	194
Number of wastewater plants	1	1	1	1	1
Miles of sanitary sewer	26	26	33	48	49
Airport					
Runways	2	2	2	2	2
Hangar Spaces	30	30	30	30	30

Sources: Various departments

Note: This data not available before Fiscal Year 2006.