

2015

Comprehensive Annual Financial Report
Year Ended June 30 2015



STANLY COUNTY
NORTH CAROLINA

Water. Air. Land. Success.

STANLY COUNTY
NORTH CAROLINA

COMPREHENSIVE ANNUAL
FINANCIAL REPORT

For Fiscal Year Ended
June 30, 2015



Prepared and Issued by:
Stanly County Finance Department

Toby R. Hinson
Finance Director



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STANLY COUNTY, NORTH CAROLINA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Fiscal Year Ended June 30, 2015
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INTRODUCTORY SECTION



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November 12, 2015

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, 2015 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.

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Finance

1000 N. First Street, Suite 10B, Albemarle, NC 28001

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 aircraft tire, conveyor belt, automotive parts and several energy production and distribution related 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 board is made up of seven commissioners 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, and Cardinal Innovations Healthcare Solutions.

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 thirty 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

Growth in the manufacturing, housing, retail and health care sectors fueled Stanly County's economy over the course of the last year. Existing companies continue to expand and activity remains strong. The County's unemployment rate as of June 30, 2015 was 5.7%, slightly less than this time last year. This rate was somewhat stronger than both the regional average of 6.3% and the State of North Carolina's rate of 6.1% for the same period. Expansion activity remained strong and the number and value of construction permits pulled over the last year grew significantly. Permits for new homes through the first quarter of the fiscal year were up close to 60% over the same period last year and reflect strong growth, particularly in the western part of the County. The number of commercial permits for the same reporting period increased over 45%. The commercial permits reflect the addition of a new major retail center in Albemarle and increased investments in the health care sector. The numbers also underline the expectation of continued growth in business and real personal property assessments.

Workforce development enhancements for existing employers that will come online next year include the second phase of the Stanly Community College's Advanced Manufacturing and Industrial Technology (AMIT) Center. It will house complementary programs like electronics/PLC, industrial automation/maintenance and flexible lab space for customized industry training to enhance the college's industrial systems technology program. Grants and loans are in place to execute the expansion of sewer service in the Airport Corridor in 2016 and the effort to link the County's emergency management system towers together via fiber optic cables and extend the network to interconnect with the North Carolina's MCNC fiber backbone should be ready for final consideration in 2016 as well.

Stanly County's assessed valuation (tax base) is projected to increase by \$66 million (1.5%) in FY 15-16, and the ad valorem tax revenue is based on a collection rate of 96.5%. One penny on the tax rate will generate approximately \$426,671 in FY 15-16.

LONG TERM FINANCIAL PLANNING

Available fund balance in the General Fund continues to be above the 8% minimum recommended for local governments in North Carolina. Available fund balance in the General Fund increased to 27.80% compared to 25.38% in 2014 . This is primarily due to an increase in cash of over \$1,350,000 which is attributed to an increase in sales tax of \$780,000 or 11.25% and an increase in restricted intergovernmental revenue of \$358,000 or 3.82%.

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. During Fiscal Year 14-15, the County financed the purchase of a new dump truck for the Utilities Department. The County just recently closed on a deal to finance the construction of a new cosmetology facility at Stanly Community College. This construction is scheduled to be complete by late summer of 2016.

MAJOR INITIATIVES

During Fiscal Year 2015, the Carriker Road Water Extension project was completed. The County also completed the Airport AWOS and ILS Upgrade Project. There were a total of eleven vehicles purchased of which six belong to public safety departments. SCUSA Transportation purchased one light transit vehicle which 90% was paid with grant funds. The other vehicles were purchased by Facilities Management, Planning, Environmental Health, and Utilities. Elections replaced 36 voting machines. Emergency Management acquired a large 205 kw generator which was totally funded by a grant from the U.S. Department of Homeland Security. There were various improvements and repairs made at different County facilities.

UTILITIES

Stanly County Utilities is responsible for the distribution of one million gallons of drinking water each day to over 5,000 homes, schools, churches and businesses in Stanly County. Stanly County Utilities operates as three systems – Stanly County, Greater Badin Water & Sewer District and Piney Point Water District. Stanly County Utilities also provides wastewater collection and treatment to nearly 700 customers in Stanly County.

The following utility project was completed during Fiscal Year 2014-2015: Carriker Road Water Extension. The Badin Water Rehab Project Part A began in the spring of 2015. Both rehab projects part A and B should be completed by 2017. 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. There are currently no on-going projects with the Stanly Water and Sewer Authority.

AIRPORT

The Stanly County Airport is located northeast of Albemarle near the community of 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 International Airport. The North Carolina Division of Emergency Management has 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 is beginning to increase once again after a decline in use due to world-wide economic conditions. 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 state-of-the-art air traffic control tower was completed in May 2001. A 1,000 foot primary runway extension is currently being designed with assistance from the North Carolina Air National Guard and the Federal Aviation Administration. All the runway and taxiway surfaces recently received a new overlay with grooved surfaces on the primary runway. The new extension will allow large aircraft such as the 737-800 to depart and land fully loaded. The new terminal building was occupied in December 2010 and is the envy of the region. Commercial office

space is now available for lease in this new facility. The old terminal, which had been leased by the North Carolina Air National Guard, is now the home of Pressley Aviation, a new primary flight school that has brought additional jobs to the airport complex. In April 2013, Stanly County Airport began providing Military Contract Fuel sales to the many military units that pass through and also train here. Fuel sales are steadily increasing as more military units are discovering that this airport provides these contract sales.

The airport will begin to consider the construction of new, additional community type hangars to accommodate demand as hangar space is currently unavailable. They will also consider leasing to third parties for hangar construction. Full time crash, fire and rescue are provided by the North Carolina Air National Guard and 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 19 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 14-15, SCUSA Transportation provided 18,115 service hours, traveled 311,038 miles, while providing 48,075 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. 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. 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, 2014. 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 twenty-four (24) consecutive years. We believe the current report satisfies the Certificate of Achievement Program requirements, and 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,

A handwritten signature in blue ink, appearing to read "Andrew M. Lucas".

Andrew M. Lucas
County Manager

A handwritten signature in blue ink, appearing to read "Toby R. Hinson".

Toby R. Hinson
Finance Director

STANLY COUNTY, NORTH CAROLINA
LIST OF ELECTED AND APPOINTED OFFICIALS
June 30, 2015

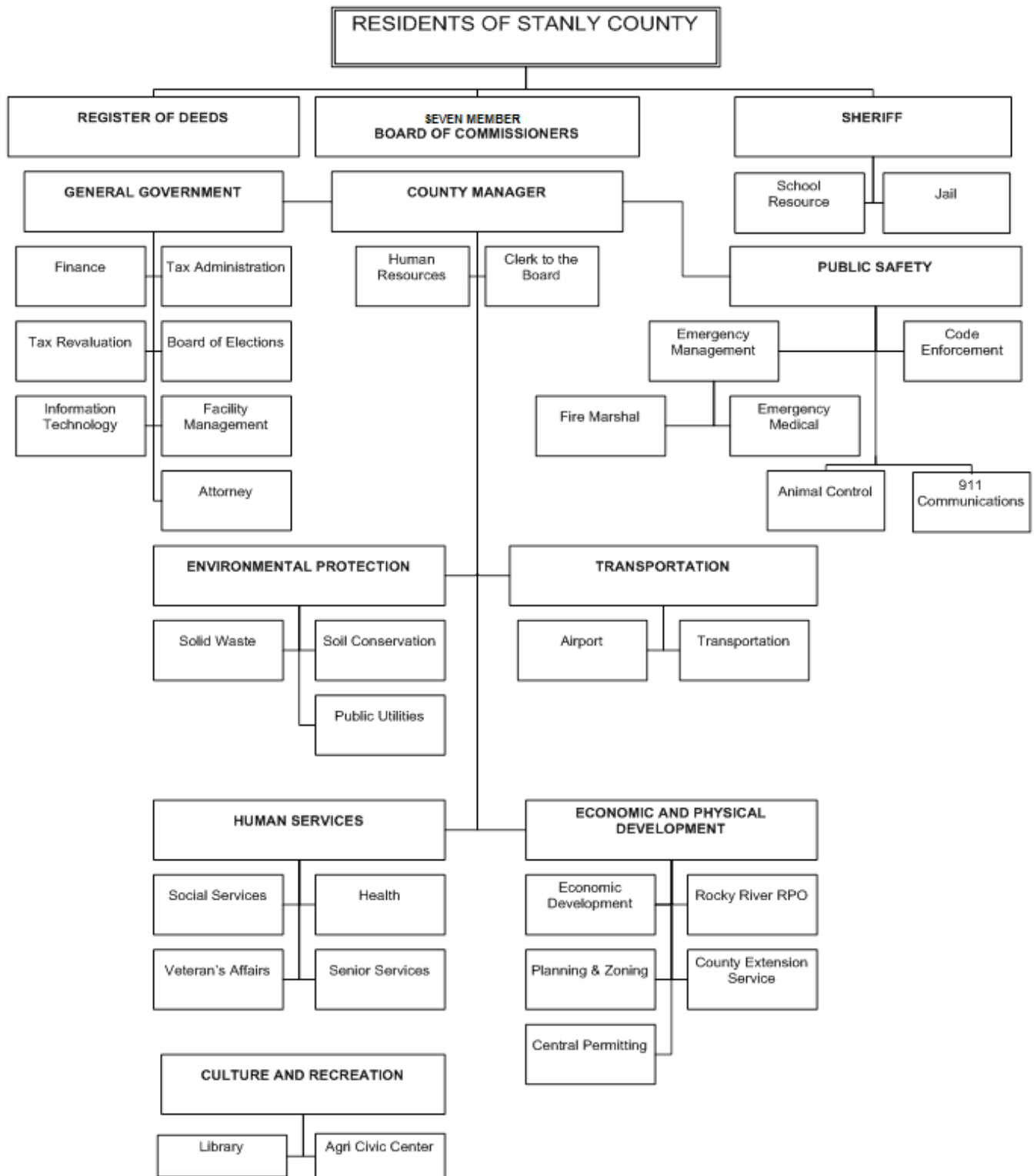
Elected Officials

Board of Commissioners – Chairman	Jann Lowder
Board of Commissioners – Vice-Chairman	Tony Dennis
Board of Commissioners	Peter Ascitto
Board of Commissioners	Joseph Burleson
Board of Commissioners	Scott Efird
Board of Commissioners	Bill Lawhon
Board of Commissioners	Gene McIntyre
Sheriff	George T. 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	Jennifer R. Furr
County Extension Service	Lori S. Ivey
Economic Development Director	Paul W. Stratos
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
Human Resources Director	Emily Frye
Information Technology Director	Chad A. Coble
Library Director	Melanie J. Holles
Planning Director	Michael M. Sandy
Public Utilities Director	Donna L. Davis
Senior Services Director	Rebecca G. Weemhoff
Social Services Director	Tammy Schrenker
Soil and Water Conservation Cost Share Technician	Grayson Sarif
Tax Administrator	Clinton Swaringen
Transportation Director	Gwen L. Hinson
Veterans Service Officer	Roderick F. Barbee

STANLY COUNTY ORGANIZATIONAL CHART





Government Finance Officers Association

**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, 2014

Executive Director/CEO

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

To the Board of Commissioners
Stanly County
Albemarle, North Carolina

Report On the Financial Statements

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 ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions 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 financial statements are free from material misstatement. The financial statements of the Stanly Water & Sewer Authority were not audited in accordance with *Government Auditing Standards*.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

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 Stanly County, North Carolina as of June 30, 2015, 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 accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Law Enforcement Officers' Special Separation Allowance and the Other Post-Employment Benefits' Schedules of Funding Progress and Employer Contributions, the Local Government Employees' Retirement System Schedules of the County's Proportionate Share of Net Pension Asset and County Contributions, and the Register of Deeds' Supplemental Pension Fund Schedule of the County's Proportionate Share of the Net Pension Asset and Schedule of County Contributions be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Stanly County's basic financial statements. The introductory information, combining and individual fund financial statements, budgetary schedules, supplemental ad valorem tax schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements, budgetary schedules, and supplemental ad valorem tax schedules are the responsibility of management and were derived from, and relate directly to, the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to

the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements, budgetary schedules, and supplemental ad valorem tax schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory information and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 12, 2015 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, grant agreements, and other matters. 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Stanly County's internal control over financial reporting and compliance.

Martin Starnes & Associates, CPAs, P.A.

Martin Starnes & Associates, CPAs, P.A.
Hickory, NC
November 12, 2015



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STANLY COUNTY, NORTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2015

Management's Discussion and Analysis

As management of Stanly County, we offer readers of Stanly County's financial statements this narrative overview and analysis of the financial activities of Stanly County for the fiscal year ended June 30, 2015. We encourage readers to read the information presented here in conjunction with additional information that we have furnished in the County's financial statements, which follow this narrative.

Financial Highlights

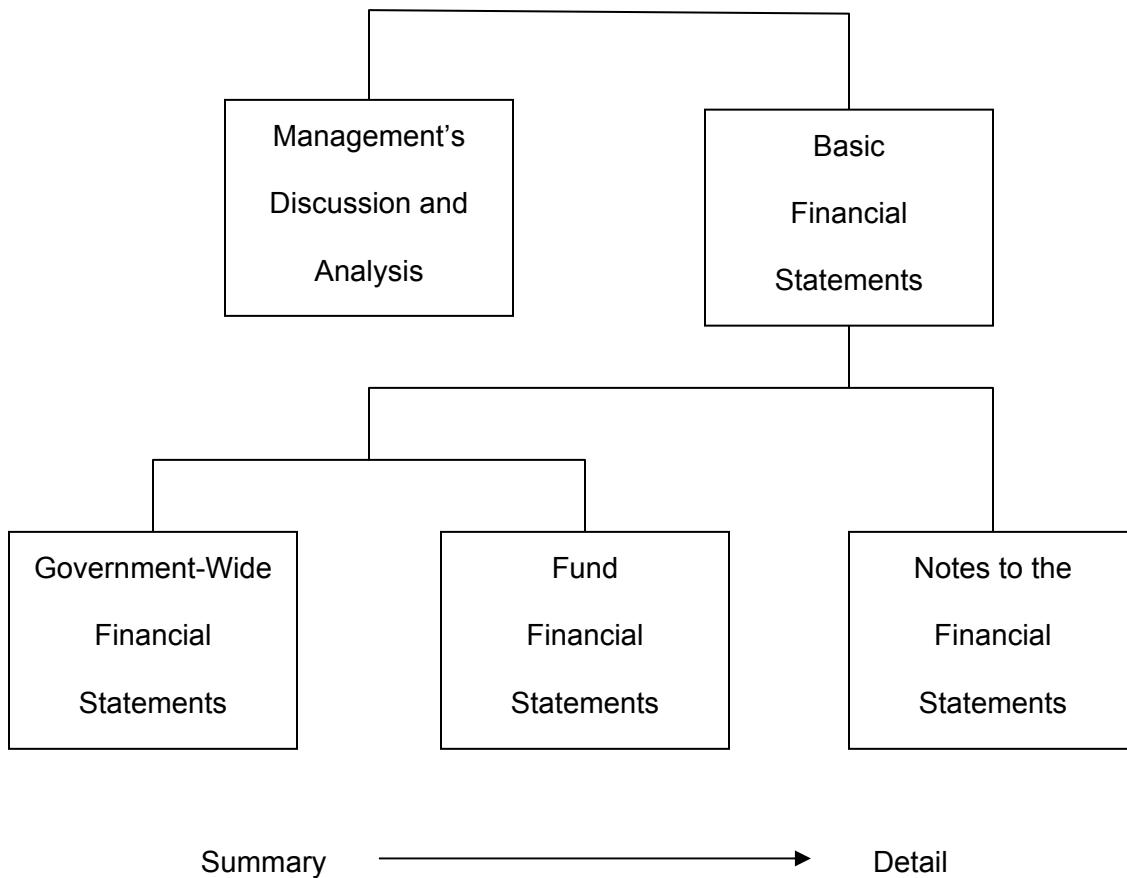
- The assets and deferred outflows of resources of Stanly County exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$53,519,725 (*net position*).
- The government's total net position increased by \$653,878, primarily due to an increase in governmental activities' net position.
- As of the close of the current fiscal year, Stanly County's governmental funds reported combined ending fund balances of \$21,479,705, after a net decrease in fund balance of \$1,026,072. Approximately 27.89% of this total amount, or \$5,990,524, is restricted or non-spendable.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$11,529,498, or 18.29%, of total General Fund expenditures and transfers to other funds for the fiscal year.
- Stanly County's total debt increased by \$245,362 (0.67%) during the current fiscal year. Proceeds in the current year increased total debt for the County. The County refinanced the lease purchase from the prior year for the new emergency radio system and obtained additional proceeds for further construction. Greater Badin Water and Sewer District also issued a bond anticipation note for construction projects. Regular and scheduled debt payments account for a decrease in debt.
- Stanly County maintained its Standard & Poor's AA- rating for the second consecutive year and maintained its Moody's Aa3 rating for the sixth consecutive year.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to Stanly County's basic financial statements. The County's basic financial statements consist of three components: 1) government-wide financial statements; 2) fund financial statements; and 3) notes to the financial statements (see Figure 1). The basic financial statements present two different views of the County through the use of government-wide statements and fund financial statements. In addition to the basic financial statements, this report contains other supplemental information that will enhance the reader's understanding of the financial condition of Stanly County.

STANLY COUNTY, NORTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2015

Required Components of Annual Financial Report
Figure 1



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 about the County's financial status.

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

STANLY COUNTY, NORTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2015

The next section of the basic financial statements is the **notes**. The notes to the financial statements explain in detail some of the data contained in those statements. After the notes, **supplemental information** is provided to show details about the County's nonmajor governmental funds and internal service funds, all of which are added together in one column on the basic financial statements. Budgetary information required by the General Statutes also can be found in this part of the statements.

Following the notes is the required supplemental information. This section contains funding information about the County's pension plans.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide the reader with a broad overview of the County's finances, similar in format to a financial statement of a private-sector business. The government-wide statements provide short and long-term information about the County's financial status as a whole.

The two government-wide statements report the County's net position and how it has changed. Net position is the difference between the total of the County's assets and deferred outflows of resources and the total liabilities and deferred inflows of resources. Measuring net position is one way 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 units. The governmental activities include most of the County's basic services, such as public safety, general administration, human services, transportation, and environmental protection. Property taxes and federal and State grant funds finance most of these activities. The business-type activities are those that the County charges customers to provide. These include water and sewer and airport services offered by Stanly County. The final category is the component unit. Stanly Water & Sewer Authority exists to provide water and sewer services to residences of the County. The Authority is legally separate from the County; however, the County is financially accountable for the Board by appointing its Directors.

The government-wide financial statements are on Exhibits A and B of this report.

Fund Financial Statements

The fund financial statements provide a more detailed look at the County's most 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. Stanly County, like all other governmental entities in North Carolina, uses fund accounting to ensure and reflect compliance (or non-compliance) with finance-related legal requirements, such as the General Statutes or the County's budget ordinance. All of the funds of Stanly County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

STANLY COUNTY, NORTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2015

Governmental Funds. Governmental funds are used to account for those functions reported as governmental activities in the government-wide financial statements. Most of the County's 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*. This method also has a current financial resources focus. As a result, the governmental fund financial statements give the reader a detailed short-term view that helps him or her determine whether there are more or fewer financial resources available to finance the County's programs. The relationship between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is described in a reconciliation that is a part of the fund financial statements.

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 the citizens of the County, the management of the County, and the decisions of the Board about which services to provide and how to pay for them. It also authorizes the County to obtain funds from identified sources to finance these 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.

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

The Group Health Fund is an Internal Service Fund used to account for the medical self-insurance plan and workers' compensation benefits the County provides.

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.

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements start on page 27 of this report.

Other Information. In addition to the basic financial statements and accompanying notes, this report includes certain required supplementary information concerning Stanly County's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found beginning on page 75 of this report.

STANLY COUNTY, NORTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2015

STANLY COUNTY'S NET POSITION
Figure 2

	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
Assets:						
Current and other assets	\$ 32,931,856	\$ 32,090,926	\$ 4,534,817	\$ 2,148,915	\$ 37,466,673	\$ 34,239,841
Capital assets	24,952,158	24,429,678	39,260,041	40,386,962	64,212,199	64,816,640
Total assets	<u>57,884,014</u>	<u>56,520,604</u>	<u>43,794,858</u>	<u>42,535,877</u>	<u>101,678,872</u>	<u>99,056,481</u>
Deferred Outflows of Resources	<u>1,175,009</u>	<u>-</u>	<u>59,724</u>	<u>-</u>	<u>1,234,733</u>	<u>-</u>
Liabilities:						
Long-term liabilities outstanding	35,448,378	36,973,952	5,040,352	2,952,900	40,488,730	39,926,852
Other liabilities	<u>3,697,289</u>	<u>3,663,637</u>	<u>1,159,640</u>	<u>349,468</u>	<u>4,856,929</u>	<u>4,013,105</u>
Total liabilities	<u>39,145,667</u>	<u>40,637,589</u>	<u>6,199,992</u>	<u>3,302,368</u>	<u>45,345,659</u>	<u>43,939,957</u>
Deferred Inflows of Resources	<u>3,858,354</u>	<u>180,716</u>	<u>189,867</u>	<u>-</u>	<u>4,048,221</u>	<u>180,716</u>
Net Position:						
Net investment in capital assets	13,286,678	12,721,219	35,823,165	37,621,349	49,109,843	50,342,568
Restricted	5,379,242	8,238,897	-	-	5,379,242	8,238,897
Unrestricted	<u>(2,610,918)</u>	<u>(5,257,817)</u>	<u>1,641,558</u>	<u>1,612,160</u>	<u>(969,360)</u>	<u>(3,645,657)</u>
Total net position	<u>\$ 16,055,002</u>	<u>\$ 15,702,299</u>	<u>\$ 37,464,723</u>	<u>\$ 39,233,509</u>	<u>\$ 53,519,725</u>	<u>\$ 54,935,808</u>

Government-Wide Financial Analysis

As noted earlier, net position may serve, over time, as one useful indicator of a government's financial condition. The assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by \$53,519,725 as of June 30, 2015. The County's net position increased by \$653,878 for the fiscal year ended June 30, 2015. The largest portion, \$49,109,843, reflects the County's net investment in capital assets (e.g. land, buildings, vehicles, equipment, etc.). Stanly County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although Stanly County's investment in its capital assets is reported net of the outstanding related debt, 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 position, \$5,379,242 (10.05%), represents resources that are subject to external restrictions on how they may be used. The remaining deficit balance of \$969,360 is unrestricted.

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 \$19,771,498.

STANLY COUNTY, NORTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2015

Stanly County's Changes in Net Position
Figure 3

	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
Revenues:						
Program revenues:						
Charges for services	\$ 8,732,020	\$ 8,813,581	\$ 4,562,510	\$ 3,932,984	\$ 13,294,530	\$ 12,746,565
Operating grants and contributions	10,049,693	9,737,956	-	-	10,049,693	9,737,956
Capital grants and contributions	1,216,000	4,017,043	68,567	392,171	1,284,567	4,409,214
General revenues:						
Property taxes	32,146,975	32,363,012	-	-	32,146,975	32,363,012
Other taxes	8,322,582	7,481,461	-	-	8,322,582	7,481,461
Interest earned on investments	64,018	139,996	3,707	3,349	67,725	143,345
Miscellaneous income	-	19,025	39,003	-	39,003	19,025
Total revenues	<u>60,531,288</u>	<u>62,572,074</u>	<u>4,673,787</u>	<u>4,328,504</u>	<u>65,205,075</u>	<u>66,900,578</u>
Expenses:						
General government	4,791,099	4,793,725	-	-	4,791,099	4,793,725
Public safety	16,006,619	14,969,660	-	-	16,006,619	14,969,660
Transportation	956,499	961,283	-	-	956,499	961,283
Environmental protection	1,220,956	1,202,676	-	-	1,220,956	1,202,676
Economic development	2,058,625	1,590,399	-	-	2,058,625	1,590,399
Human services	14,772,323	15,020,712	-	-	14,772,323	15,020,712
Cultural and recreation	1,457,322	1,505,119	-	-	1,457,322	1,505,119
Education	15,665,022	12,830,472	-	-	15,665,022	12,830,472
Interest on long-term debt	913,803	1,007,050	-	-	913,803	1,007,050
Water and sewer	-	-	4,800,936	4,254,118	4,800,936	4,254,118
Airport	-	-	1,907,993	2,269,170	1,907,993	2,269,170
Total expenses	<u>57,842,268</u>	<u>53,881,096</u>	<u>6,708,929</u>	<u>6,523,288</u>	<u>64,551,197</u>	<u>60,404,384</u>
Increase (decrease) in net position						
before transfers	2,689,020	8,690,978	(2,035,142)	(2,194,784)	653,878	6,496,194
Transfers in (out)	<u>(372,691)</u>	<u>(2,276,464)</u>	<u>372,691</u>	<u>2,276,464</u>	<u>-</u>	<u>-</u>
Change in net position	<u>2,316,329</u>	<u>6,414,514</u>	<u>(1,662,451)</u>	<u>81,680</u>	<u>653,878</u>	<u>6,496,194</u>
Net position, July 1	15,702,299	9,287,785	39,233,509	39,151,829	54,935,808	48,439,614
Restatement	<u>(1,963,626)</u>	<u>-</u>	<u>(106,335)</u>	<u>-</u>	<u>(2,069,961)</u>	<u>-</u>
Net position, July 1, as restated	<u>13,738,673</u>	<u>9,287,785</u>	<u>39,127,174</u>	<u>39,151,829</u>	<u>52,865,847</u>	<u>48,439,614</u>
Net position, June 30	<u>\$ 16,055,002</u>	<u>\$ 15,702,299</u>	<u>\$ 37,464,723</u>	<u>\$ 39,233,509</u>	<u>\$ 53,519,725</u>	<u>\$ 54,935,808</u>

STANLY COUNTY, NORTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2015

Governmental Activities. Governmental activities increased the County's net position by \$2,316,329, thereby accounting for 100.00% of the total growth in the net position of Stanly County. Key elements of this increase are as follows:

- Increase in other taxes by 11.25% mainly due to a \$780,000 increase in sales tax revenue
- Increase in education expenses of \$2.8 million or 22.1%
- Large decrease in capital grants and contributions due to a \$3,000,000 state grant received in FY 13-14 to renovate facilities for the Tarheel Challenge Academy

Business-Type Activities. Business-type activities decreased Stanly County's net position by \$(1,662,451) accounting for 0.00% of the total growth in the government's net position. Key elements of this decrease are as follows:

- Increase of over \$540,000 or 12.86% in expenses due mainly to increased water purchases and water and sewer repairs
- Large decrease of over \$300,000 in capital grants and contributions
- Increase in charges for services 16.01% due to increase in utility rates

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 Stanly County's governmental funds is to provide information on near-term inflows, outflows, and balances of usable resources. Such information is useful in assessing Stanly County's financing requirements. Specifically, fund balance available for appropriation can be a useful measure of a government's net resources available for spending at the end of the fiscal year.

The General Fund is the chief operating fund of Stanly County. At the end of the current fiscal year, Stanly County's fund balance available in the General Fund was \$15,607,310, while total fund balance reached \$20,294,192. The Governing Body of Stanly County has determined that the County should maintain an available fund balance of 20% of General Fund expenditures in case of unforeseen needs or opportunities, in addition to meeting the cash flow needs of the County. The County currently has an available fund balance of 27.80% (an increase of 2.42% from prior year) of General Fund expenditures, while total fund balance represents 36.14% of that same amount.

At June 30, 2015, the governmental funds of Stanly County reported a combined fund balance of \$21,479,705, a 4.56% decrease over last year. The primary reason for this decrease is the decrease in fund balances in the Nonmajor Governmental Funds, more specifically the Tarheel Challenge Academy Project.

STANLY COUNTY, NORTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2015

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. Total amendments to the General Fund increased expenditures by \$8,403,981 and revenues by \$1,026,520, with the remaining \$7,377,461 funded by other financing sources and uses.

The budget was amended during the year primarily to recognize excess revenues in various categories and to recognize grant revenue that was not included in the adopted budget. The budget amendments in other financing sources and uses were primarily due to transfers to other funds and installment debt issued.

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 position of the utility funds at the end of the fiscal year amounted to \$1,619,322 and that for the airport equaled \$22,236. The total decrease in net position for all enterprise funds was \$1,662,451. Other factors concerning the finances of these funds have already been addressed in the discussion of Stanly County's 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, 2015, totaled \$64,212,199 (net of accumulated depreciation). These assets include land, plant in service, buildings and improvements, equipment and vehicles, and construction in progress.

Major capital asset transactions during the year included:

- Completion of Carriker Road Water Extension Project
- Purchased new voting machines for Elections
- Purchased new vehicles for various departments

STANLY COUNTY, NORTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2015

STANLY COUNTY'S CAPITAL ASSETS
(net of depreciation)
Figure 4

	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
Land	\$ 1,949,950	\$ 1,949,950	\$ 5,147,879	\$ 5,032,879	\$ 7,097,829	\$ 6,982,829
Plant in service	-	-	17,397,548	18,174,053	17,397,548	18,174,053
Buildings and improvements	13,208,915	13,681,073	15,067,366	16,283,839	28,276,281	29,964,912
Equipment and vehicles	1,896,133	1,880,542	174,465	64,672	2,070,598	1,945,214
Construction in progress	7,897,160	6,918,113	1,472,783	831,519	9,369,943	7,749,632
Total	\$ 24,952,158	\$ 24,429,678	\$ 39,260,041	\$ 40,386,962	\$ 64,212,199	\$ 64,816,640

Additional information on the County's capital assets can be found in the Notes to the Basic Financial Statements, beginning on page 43.

Long-Term Debt. As of June 30, 2015, Stanly County had total bonded debt outstanding of \$10,255,000, all of which is debt backed by the full faith and credit of the County.

Stanly County's Outstanding Debt
Figure 5

	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
General obligation bonds	\$ 10,255,000	\$ 11,810,000	\$ -	\$ -	\$ 10,255,000	\$ 11,810,000
Unamortized premium						
on bonds	621,760	711,660	-	-	621,760	711,660
Capital leases	10,402,629	9,644,846	-	-	10,402,629	9,644,846
Bond anticipation note	-	-	2,132,000	-	2,132,000	-
Notes payable	10,703,842	11,642,562	2,704,812	2,765,613	13,408,654	14,408,175
Total	\$ 31,983,231	\$ 33,809,068	\$ 4,836,812	\$ 2,765,613	\$ 36,820,043	\$ 36,574,681

Stanly County's total debt increased by \$245,362 (0.67%) during the past fiscal year, primarily due to debt proceeds received and regularly scheduled debt payments.

As mentioned in the financial highlights section of this document, Stanly County maintained its Standard & Poor's AA- rating for the second consecutive year and maintained its Moody's Aa3 bond rating for the sixth consecutive year. These bond ratings are an indication of sound financial condition.

STANLY COUNTY, NORTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2015

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 \$320,665,302. The County has no bonds authorized but unissued at June 30, 2015.

Additional information regarding Stanly County's long-term debt can be found in Note II, beginning on page 63 of this audited financial report.

Economic Factors and Next Year's Budgets and Rates

The following key economic indicators reflect the growth and prosperity of Stanly County:

- The County is experiencing an unemployment rate of 5.7%, which is below the State average.
- Existing companies have steadily added new workers.
- Growth in business personal property assessments and improvements in the real estate market underline positive developments.

Budget Highlights for the Fiscal Year Ending June 30, 2016

Governmental Activities. Property tax and sales tax revenues are the leading factors in an expected increase in revenue projections by 3.1%. The County will use these increases in revenues to finance programs currently in place.

Budgeted expenditures in the General Fund are expected to increase by approximately \$2,300,000, or 4.17%. The primary factors for this are an increase for emergency radio system and radios debt service, increase for emergency radio system and radio maintenance, increase in annualized merit, increase in current expenses, and an increase for a one-time STEM facilities and materials grant for County Schools.

Business-Type Activities. The water and sewer enterprise funds are intended to be self-supporting through user fees and assessments. Over the past several years, the County has intentionally kept its rate increases lower than those entities the County relies on for water and sewer services. This was done to assist homeowners and businesses during a difficult economic recession. As such, retained earnings in each of the enterprise utility funds has decreased. Given the Board's desire to continue to upgrade and grow its utility systems, a decision was made to adopt a rate increase of 5% in FY 15-16.

The Airport Operating Fund budget represents a \$43,943 increase (5.2%) over the FY 14-15 adopted budget appropriation. The budget includes a \$268,517 appropriation from the General Fund. This appropriation includes the required match for the annual Vision 100 grant funding. Further, the appropriation includes additional funding for the re-classification of the Air Operation Technician positions.

Requests for Information

This report is designed to provide an overview of the County's finances for those with an interest in this area. 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. You can also visit our website at www.stanlycountync.gov.

BASIC FINANCIAL STATEMENTS



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STANLY COUNTY, NORTH CAROLINA

STATEMENT OF NET POSITION
JUNE 30, 2015

	Primary Government			Component Unit
	Governmental	Business-Type		Stanly Water &
	Activities	Activities	Total	Sewer Authority
Assets:				
Current assets:				
Cash and cash equivalents	\$ 21,823,609	\$ 2,192,051	\$ 24,015,660	\$ 10,095
Receivables, net	7,731,477	631,828	8,363,305	89,697
Internal balances	2,656	(2,656)	-	-
Inventories	-	120,272	120,272	-
Prepaid items	66,969	-	66,969	-
Restricted cash and cash equivalents	1,260,981	1,515,419	2,776,400	151,752
Total current assets	<u>30,885,692</u>	<u>4,456,914</u>	<u>35,342,606</u>	<u>251,544</u>
Non-current assets:				
Long-term notes receivable	396,000	-	396,000	-
Net pension asset, restricted	1,650,164	77,903	1,728,067	-
Capital asset:				
Land	1,949,950	5,147,879	7,097,829	-
Construction in progress	7,897,160	1,472,783	9,369,943	-
Capital assets net of depreciation	<u>15,105,048</u>	<u>32,639,379</u>	<u>47,744,427</u>	<u>12,033,996</u>
Capital assets, net	<u>24,952,158</u>	<u>39,260,041</u>	<u>64,212,199</u>	<u>12,033,996</u>
Total non-current assets	<u>26,998,322</u>	<u>39,337,944</u>	<u>66,336,266</u>	<u>12,033,996</u>
Total assets	<u>57,884,014</u>	<u>43,794,858</u>	<u>101,678,872</u>	<u>12,285,540</u>
Deferred Outflows of Resources:				
Pension deferrals	12,813	595	13,408	-
Contributions to pension plan	<u>1,162,196</u>	<u>59,129</u>	<u>1,221,325</u>	<u>-</u>
Total deferred outflows of resources	<u>1,175,009</u>	<u>59,724</u>	<u>1,234,733</u>	<u>-</u>
Liabilities:				
Current liabilities:				
Accounts payable	1,761,722	973,788	2,735,510	32,841
Interest payable	407,814	3,437	411,251	19,831
Payroll payable	1,310,002	66,932	1,376,934	-
Due to other governments	25,919	-	25,919	396,000
Due within a year	4,263,554	266,506	4,530,060	70,000
Payable from restricted assets	<u>191,832</u>	<u>115,483</u>	<u>307,315</u>	<u>39,480</u>
Total current liabilities	<u>7,960,843</u>	<u>1,426,146</u>	<u>9,386,989</u>	<u>558,152</u>
Non-current liabilities:				
Due in more than a year	<u>31,184,824</u>	<u>4,773,846</u>	<u>35,958,670</u>	<u>7,384,000</u>
Total liabilities	<u>39,145,667</u>	<u>6,199,992</u>	<u>45,345,659</u>	<u>7,942,152</u>
Deferred Inflows of Resources:				
Prepaid taxes	137,775	-	137,775	-
Pension deferrals	<u>3,720,579</u>	<u>189,867</u>	<u>3,910,446</u>	<u>-</u>
Total deferred inflows of resources	<u>3,858,354</u>	<u>189,867</u>	<u>4,048,221</u>	<u>-</u>
Net Position:				
Net investment in capital assets	13,286,678	35,823,165	49,109,843	4,579,996
Restricted for Stabilization by State statute	4,650,034	-	4,650,034	-
Restricted for Register of Deeds	74,099	-	74,099	-
Restricted for Public Safety	20,561	-	20,561	-
Restricted for Rural Development USDA Loan	37,898	-	37,898	112,272
Restricted for Economic and Physical Development	71,814	-	71,814	-
Restricted for Education	524,836	-	524,836	-
Unrestricted (deficit)	<u>(2,610,918)</u>	<u>1,641,558</u>	<u>(969,360)</u>	<u>(348,880)</u>
Total net position	<u>\$ 16,055,002</u>	<u>\$ 37,464,723</u>	<u>\$ 53,519,725</u>	<u>\$ 4,343,388</u>

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, 2015

		Program Revenues		
		Charges for	Operating	Capital
	Expenses	Services	Grants and Contributions	Grants and Contributions
Functions/Programs				
Primary Government:				
Governmental Activities:				
General government	\$ 4,791,099	\$ 1,700,655	\$ 683,873	\$ -
Public safety	16,006,619	3,099,903	748,632	650,000
Transportation	956,499	410,615	447,211	-
Environmental protection	1,220,956	930,730	26,018	-
Economic and physical development	2,058,625	35,192	390,600	-
Human services	14,772,323	2,530,711	7,741,040	-
Education	15,665,022	-	-	566,000
Culture and recreation	1,457,322	24,214	12,319	-
Interest on long-term debt	913,803	-	-	-
Total governmental activities	<u>57,842,268</u>	<u>8,732,020</u>	<u>10,049,693</u>	<u>1,216,000</u>
Business-Type Activities:				
Greater Badin Water and Sewer District	608,252	449,852	-	-
Piney Point Water District	132,339	150,573	-	-
West Stanly Waste Water Treatment Plant Fund	593,531	542,722	-	-
Stanly County Utility Fund	3,466,814	2,994,080	-	-
Airport Fund	1,907,993	425,283	-	68,567
Total business-type activities	<u>6,708,929</u>	<u>4,562,510</u>	<u>-</u>	<u>68,567</u>
Total primary government	<u>\$ 64,551,197</u>	<u>\$ 13,294,530</u>	<u>\$ 10,049,693</u>	<u>\$ 1,284,567</u>
Component Unit:				
Water and Sewer Authority	<u>\$ 762,920</u>	<u>\$ 373,046</u>	<u>\$ -</u>	<u>\$ -</u>

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, 2015

	Net (Expense) Revenue and Changes in Net Position		
	Primary Government		Component Unit
	Governmental Activities	Business-Type Activities	Stanly Water & Sewer Authority
Functions/Programs			
Primary Government:			
Governmental Activities:			
General government	\$ (2,406,571)	\$ -	\$ (2,406,571)
Public safety	(11,508,084)	-	(11,508,084)
Transportation	(98,673)	-	(98,673)
Environmental protection	(264,208)	-	(264,208)
Economic and physical development	(1,632,833)	-	(1,632,833)
Human services	(4,500,572)	-	(4,500,572)
Education	(15,099,022)	-	(15,099,022)
Culture and recreation	(1,420,789)	-	(1,420,789)
Interest on long-term debt	(913,803)	-	(913,803)
Total governmental activities	(37,844,555)	-	(37,844,555)
Business-Type Activities:			
Greater Badin Water and Sewer District	-	(158,400)	(158,400)
Piney Point Water District	-	18,234	18,234
West Stanly Waste Water Treatment Plant Fund	-	(50,809)	(50,809)
Stanly County Utility Fund	-	(472,734)	(472,734)
Airport Fund	-	(1,414,143)	(1,414,143)
Total business-type activities	-	(2,077,852)	(2,077,852)
Total primary government	(37,844,555)	(2,077,852)	(39,922,407)
Component Unit:			
Water and Sewer Authority	-	-	(389,874)
General Revenues:			
Ad valorem taxes	32,146,975	-	32,146,975
Local option sales tax	7,716,809	-	7,716,809
Other taxes	605,773	-	605,773
Interest earned on investments	64,018	3,707	67,725
Miscellaneous income	-	39,003	39,003
Total general revenues excluding transfers	40,533,575	42,710	40,576,285
Transfers in (out)	(372,691)	372,691	-
Total general revenues and transfers	40,160,884	415,401	40,576,285
Change in net position	2,316,329	(1,662,451)	653,878
Net Position:			
Beginning of year - July 1	15,702,299	39,233,509	54,935,808
Restatement	(1,963,626)	(106,335)	(2,069,961)
Beginning of year - July 1, as restated	13,738,673	39,127,174	52,865,847
End of year - June 30	\$ 16,055,002	\$ 37,464,723	\$ 53,519,725

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

STANLY COUNTY, NORTH CAROLINA

BALANCE SHEET GOVERNMENTAL FUNDS JUNE 30, 2015

	Major		
	General	Nonmajor	Total
	Fund	Governmental	Governmental
		Funds	Funds
Assets:			
Cash and cash equivalents	\$ 18,006,577	\$ 186,892	\$ 18,193,469
Receivables, net	6,909,820	127,883	7,037,703
Due from other funds	6,937	-	6,937
Notes receivable, current	396,000	-	396,000
Prepaid items	66,969	-	66,969
Restricted cash and cash equivalents	1,200	1,259,781	1,260,981
Total assets	<u>\$ 25,387,503</u>	<u>\$ 1,574,556</u>	<u>\$ 26,962,059</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances:			
Liabilities:			
Accounts payable and accrued liabilities	\$ 2,235,573	\$ 96,368	\$ 2,331,941
Due to other governments	25,919	-	25,919
Due to other funds	-	4,281	4,281
Liabilities to be paid from restricted assets:			
Accounts payable	-	190,632	190,632
Deposits	1,200	-	1,200
Total liabilities	<u>2,262,692</u>	<u>291,281</u>	<u>2,553,973</u>
Deferred Inflows of Resources:			
Unavailable revenue - property taxes	2,692,844	97,762	2,790,606
Prepaid taxes	137,775	-	137,775
Total deferred inflows of resources	<u>2,830,619</u>	<u>97,762</u>	<u>2,928,381</u>
Fund Balances:			
Non-spendable, not in spendable form:			
Prepaid items	66,969	-	66,969
Restricted:			
Stabilization by State statute	4,619,913	30,121	4,650,034
Register of Deeds	74,099	-	74,099
Public safety	37,898	564,874	602,772
Economic and physical development	-	71,814	71,814
Education	-	524,836	524,836
Committed:			
Cultural and recreational	250,000	-	250,000
Education	250,000	-	250,000
Assigned	3,465,815	-	3,465,815
Unassigned	11,529,498	(6,132)	11,523,366
Total fund balances	<u>20,294,192</u>	<u>1,185,513</u>	<u>21,479,705</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 25,387,503</u>	<u>\$ 1,574,556</u>	

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

STANLY COUNTY, NORTH CAROLINA

BALANCE SHEET GOVERNMENTAL FUNDS JUNE 30, 2015

	Total Governmental Funds
Amounts reported for governmental activities in the Statement of Net Position (Exhibit A) are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	24,952,158
Net pension asset	1,650,164
Contributions to the pension plan in the current fiscal year are deferred outflows of resources on the Statement of Net Position.	1,162,196
Other long-term assets are not available to pay for current-period expenditures and, therefore, are unavailable in the funds.	690,372
Deferred inflows of resources for taxes receivable	2,790,606
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	(35,856,192)
Pension related deferrals	(3,707,766)
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 Position.	<u>2,893,759</u>
Net position of governmental activities	<u>\$ 16,055,002</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, 2015**

	<u>Major</u>		
	<u>General</u>	<u>Nonmajor</u>	<u>Total</u>
	<u>Fund</u>	<u>Governmental</u>	<u>Governmental</u>
		<u>Funds</u>	<u>Funds</u>
Revenues:			
Ad valorem taxes	\$ 30,221,115	\$ 2,334,224	\$ 32,555,339
Local option sales taxes	7,716,809	-	7,716,809
Other taxes and licenses	605,773	-	605,773
Restricted intergovernmental	9,741,217	812,943	10,554,160
Sales and services	7,343,362	287,863	7,631,225
Permits and fees	745,432	-	745,432
Investment earnings	81,971	717	82,688
Miscellaneous	795,900	-	795,900
Total revenues	<u>57,251,579</u>	<u>3,435,747</u>	<u>60,687,326</u>
Expenditures:			
Current:			
General government	4,774,561	39,919	4,814,480
Public safety	12,692,110	4,375,184	17,067,294
Transportation	997,561	-	997,561
Environmental protection	1,242,336	-	1,242,336
Economic and physical development	1,975,108	137,488	2,112,596
Human services	15,241,117	-	15,241,117
Education	13,185,370	2,536,331	15,721,701
Culture and recreation	1,456,744	-	1,456,744
Debt service:			
Principal	9,773,698	-	9,773,698
Interest and other charges	950,941	-	950,941
Total expenditures	<u>62,289,546</u>	<u>7,088,922</u>	<u>69,378,468</u>
Revenues over (under) expenditures	<u>(5,037,967)</u>	<u>(3,653,175)</u>	<u>(8,691,142)</u>
Other Financing Sources (Uses):			
Installment debt issued	6,897,941	1,139,820	8,037,761
Transfers from other funds	-	383,540	383,540
Transfers (to) other funds	(756,231)	-	(756,231)
Total other financing sources (uses)	<u>6,141,710</u>	<u>1,523,360</u>	<u>7,665,070</u>
Net change in fund balances	1,103,743	(2,129,815)	(1,026,072)
Fund Balances:			
Beginning of year - July 1	<u>19,190,449</u>	<u>3,315,328</u>	<u>22,505,777</u>
End of year - June 30	<u>\$ 20,294,192</u>	<u>\$ 1,185,513</u>	<u>\$ 21,479,705</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, 2015

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	\$ (1,026,072)
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Governmental funds report capital outlays as expenditures. In the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

Capital outlays	\$ 1,712,914	
Depreciation	<u>(1,189,726)</u>	523,188

Costs of capital assets disposed of during the year, not recognized on modified accrual basis.	(708)
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Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities.	1,162,196
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The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items.	1,825,837
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Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the governmental funds.	(435,258)
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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.

Compensated absences	\$ 11,192	
Accrued interest payable	37,138	
Pension expense (LGERS)	(93,976)	
Net pension obligation (LEO)	(31,892)	
Other postemployment benefits	<u>(279,563)</u>	(357,101)

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>624,247</u>
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Total changes in net position of governmental activities	<u>\$ 2,316,329</u>
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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, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Over/Under</u>
Revenues:				
Ad valorem taxes	\$ 29,336,360	\$ 29,456,060	\$ 30,221,115	\$ 765,055
Sales taxes	7,030,000	7,030,000	7,716,809	686,809
Other taxes	513,500	513,500	605,773	92,273
Restricted intergovernmental	9,355,058	9,950,181	9,741,217	(208,964)
Licenses and permits	721,450	721,450	745,432	23,982
Sales and services	7,255,072	7,469,953	7,343,362	(126,591)
Investment earnings	90,000	90,000	81,971	(8,029)
Miscellaneous	580,760	677,576	795,900	118,324
Total revenues	<u>54,882,200</u>	<u>55,908,720</u>	<u>57,251,579</u>	<u>1,342,859</u>
Expenditures:				
Current:				
General government	4,978,915	4,980,194	4,774,561	205,633
Public safety	12,353,396	12,904,183	12,692,110	212,073
Transportation	1,041,314	1,042,420	997,561	44,859
Environmental protection	1,170,726	1,213,726	1,242,336	(28,610)
Economic and physical development	1,535,686	2,073,729	1,975,108	98,621
Human services	16,019,762	16,393,853	15,241,117	1,152,736
Education	13,194,075	13,194,075	13,185,370	8,705
Culture and recreation	1,520,823	1,560,389	1,456,744	103,645
Debt service:				
Principal	2,876,327	9,773,699	9,773,698	1
Bond interest and costs	950,378	950,947	950,941	6
Contingency	160,000	118,168	-	118,168
Total expenditures	<u>55,801,402</u>	<u>64,205,383</u>	<u>62,289,546</u>	<u>1,915,837</u>
Revenues over (under) expenditures	<u>(919,202)</u>	<u>(8,296,663)</u>	<u>(5,037,967)</u>	<u>3,258,696</u>
Other Financing Sources (Uses):				
Transfers (out)	(330,294)	(777,691)	(756,231)	21,460
Installment debt issued	-	6,897,941	6,897,941	-
Appropriated fund balance	1,249,496	2,176,413	-	(2,176,413)
Total other financing sources (uses)	<u>919,202</u>	<u>8,296,663</u>	<u>6,141,710</u>	<u>(2,154,953)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	1,103,743	<u>\$ 1,103,743</u>
Fund Balance:				
Beginning of year - July 1			19,190,449	
End of year - June 30			<u>\$ 20,294,192</u>	

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

STANLY COUNTY, NORTH CAROLINA

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2015

	Major Enterprise Funds					Governmental Activities	
	Greater Badin Water & Sewer District Fund	Piney Point Water District Fund	West Stanly Waste Water Treatment Plant Fund	Stanly County Utility Fund	Airport Fund	Total	Internal Service Group Health Fund
Assets:							
Current assets:							
Cash and cash equivalents	\$ 998,563	\$ 232,346	\$ -	\$ 939,639	\$ 21,503	\$ 2,192,051	\$ 3,630,140
Accounts receivable, net	109,667	29,661	-	421,728	69,255	630,311	-
Interest receivable	267	221	-	972	57	1,517	3,402
Inventories	-	-	-	75,367	44,905	120,272	-
Restricted cash and cash equivalents	1,415,306	3,290	-	96,823	-	1,515,419	-
Total current assets	2,523,803	265,518	-	1,534,529	135,720	4,459,570	3,633,542
Non-current assets:							
Net pension asset, restricted	-	-	5,771	53,538	18,594	77,903	-
Capital assets:							
Land	-	-	-	223,784	4,924,095	5,147,879	-
Construction in progress	732,536	-	-	165,478	574,769	1,472,783	-
Capital assets, net of depreciation	1,059,289	42,568	3,650,379	12,812,686	15,074,457	32,639,379	-
Total capital assets, net	1,791,825	42,568	3,650,379	13,201,948	20,573,321	39,260,041	-
Total non-current assets	1,791,825	42,568	3,656,150	13,255,486	20,591,915	39,337,944	-
Total assets	4,315,628	308,086	3,656,150	14,790,015	20,727,635	43,797,514	3,633,542
Deferred Outflows of Resources:							
Pension deferrals	-	-	44	409	142	595	-
Contributions to pension plan	-	-	4,380	40,636	14,113	59,129	-
Total deferred outflows of resources	-	-	4,424	41,045	14,255	59,724	-
Liabilities:							
Current liabilities:							
Accounts payable	752,288	5,647	13,481	160,420	41,952	973,788	1,567
Interest payable	493	-	2,944	-	-	3,437	-
Payroll payable	-	-	4,940	45,981	16,011	66,932	-
Due to other funds	-	-	2,656	-	-	2,656	-
Compensated absences payable	-	-	-	33,000	11,000	44,000	-
Current portion of long-term debt	22,731	-	169,250	30,525	-	222,506	-
Health and workers' compensation payable	-	-	-	-	-	-	738,216
Liabilities to be paid from restricted assets:							
Customer deposits	15,370	3,290	-	96,823	-	115,483	-
Total current liabilities	790,882	8,937	193,271	366,749	68,963	1,428,802	739,783
Non-current liabilities:							
Compensated absences payable	-	-	3,828	27,598	3,360	34,786	-
Non-current portion of long-term debt	2,222,924	-	2,215,087	272,357	28,692	4,739,060	-
Total non-current liabilities	2,222,924	-	2,218,915	299,955	32,052	4,773,846	-
Total liabilities	3,013,806	8,937	2,412,186	666,704	101,015	6,202,648	739,783
Deferred Inflows of Resources:							
Pension deferrals	-	-	14,064	130,485	45,318	189,867	-
Net Position:							
Net investment in capital assets	946,106	42,568	1,269,129	12,992,041	20,573,321	35,823,165	-
Unrestricted	355,716	256,581	(34,805)	1,041,830	22,236	1,641,558	2,893,759
Total net position	\$ 1,301,822	\$ 299,149	\$ 1,234,324	\$ 14,033,871	\$ 20,595,557	\$ 37,464,723	\$ 2,893,759

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 POSITION - PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2015

	Major Enterprise Funds					Total	Governmental
	Greater Badin Water & Sewer District Fund	Piney Point Water District Fund	West Stanly Waste Water Treatment Plant Fund	Stanly County Utility Fund	Airport Fund		Activities Internal Service Group Health Fund
Operating Revenues:							
Sales and charges	\$ 448,086	\$ 150,464	\$ 542,722	\$ 2,745,461	\$ 425,283	\$ 4,312,016	\$ 5,547,287
Other	1,766	109	-	10,099	-	11,974	-
Total operating revenues	449,852	150,573	542,722	2,755,560	425,283	4,323,990	5,547,287
Operating Expenses:							
Administration	51,317	75,000	-	372,510	-	498,827	-
Distribution and maintenance	203,228	1,935	374,214	1,453,060	-	2,032,437	-
Water purchases	177,734	53,945	-	980,373	-	1,212,052	-
Airport operations	-	-	-	-	681,765	681,765	-
Group health operations	-	-	-	-	-	-	4,440,371
Workers' compensation	-	-	-	-	-	-	490,893
Depreciation	172,526	1,459	182,307	657,350	1,226,228	2,239,870	-
Total operating expenses	604,805	132,339	556,521	3,463,293	1,907,993	6,664,951	4,931,264
Operating income (loss)	(154,953)	18,234	(13,799)	(707,733)	(1,482,710)	(2,340,961)	616,023
Non-Operating Revenues (Expenses):							
Interest income	753	552	-	2,326	76	3,707	8,224
Administrative charges	-	-	-	238,520	-	238,520	-
Miscellaneous	-	-	-	39,003	-	39,003	-
Interest on long-term debt	(3,447)	-	(37,010)	(3,521)	-	(43,978)	-
Total non-operating revenues (expenses)	(2,694)	552	(37,010)	276,328	76	237,252	8,224
Income (loss) before contributions and transfers	(157,647)	18,786	(50,809)	(431,405)	(1,482,634)	(2,103,709)	624,247
Contributions and Transfers:							
Transfers in	-	-	85,000	40,336	247,355	372,691	-
Capital contributions	-	-	-	-	68,567	68,567	-
Total contributions and transfers	-	-	85,000	40,336	315,922	441,258	-
Change in net position	(157,647)	18,786	34,191	(391,069)	(1,166,712)	(1,662,451)	624,247
Net Position:							
Beginning of year - July 1	1,459,469	280,363	1,208,009	14,498,018	21,787,650	39,233,509	2,269,512
Restatement	-	-	(7,876)	(73,078)	(25,381)	(106,335)	-
Beginning of year - July 1, as restated	1,459,469	280,363	1,200,133	14,424,940	21,762,269	39,127,174	2,269,512
End of year - June 30	\$ 1,301,822	\$ 299,149	\$ 1,234,324	\$ 14,033,871	\$ 20,595,557	\$ 37,464,723	\$ 2,893,759

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, 2015

	Major Enterprise Funds						Governmental Activities
	Greater Badin Water & Sewer District Fund	Piney Point Water District Fund	West Stanly Waste Water Treatment Plant Fund	Stanly County Utility Fund	Airport Fund	Total	Internal Service Group Health Fund
Cash Flows from Operating Activities:							
Cash received from customers	\$ 477,318	\$ 145,976	\$ 587,758	\$ 3,096,384	\$ 385,835	\$ 4,693,271	\$ 5,547,287
Cash paid for goods and services	307,112	(131,399)	(357,049)	(1,940,190)	(361,660)	(2,483,186)	(5,191,560)
Cash paid to employees for services	-	-	(97,618)	(883,197)	(272,079)	(1,252,894)	-
Customer deposits	1,350	110	-	6,543	-	8,003	-
Net cash provided (used) by operating activities	785,780	14,687	133,091	279,540	(247,904)	965,194	355,727
Cash Flows from Non-Capital Financing Activities:							
Transfers from General Fund	-	-	85,000	40,336	247,355	372,691	-
Cash Flows from Capital and Related Financing Activities:							
Acquisition and construction of capital assets	(741,272)	-	(11,791)	(313,155)	(46,731)	(1,112,949)	-
Long-term debt issued	2,132,000	-	-	136,100	-	2,268,100	-
Principal paid on bond maturities and lease purchases	(22,731)	-	(169,250)	(4,920)	-	(196,901)	-
Interest paid on bond maturities and lease purchases	(3,545)	-	(37,050)	(3,521)	-	(44,116)	-
Capital contribution	-	-	-	-	68,567	68,567	-
Net cash provided (used) by capital and related financing activities	1,364,452	-	(218,091)	(185,496)	21,836	982,701	-
Cash Flows from Investing Activities:							
Interest on investments	779	577	-	2,338	42	3,736	8,459
Net increase (decrease) in cash and cash equivalents	2,151,011	15,264	-	136,718	21,329	2,324,322	364,186
Cash and Cash Equivalents:							
Beginning of year - July 1	262,858	220,372	-	899,744	174	1,383,148	3,265,954
End of year - June 30	\$ 2,413,869	\$ 235,636	\$ -	\$ 1,036,462	\$ 21,503	\$ 3,707,470	\$ 3,630,140

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, 2015

	Major Enterprise Funds					Total	Governmental
	Greater Badin Water & Sewer District Fund	Piney Point Water District Fund	West Stanly Waste Water Treatment Plant Fund	Stanly County Utility Fund	Airport Fund		Internal Service Group Health Fund
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:							
Operating income (loss)	\$ (154,953)	\$ 18,234	\$ (13,799)	\$ (707,733)	\$ (1,482,710)	\$ (2,340,961)	\$ 616,023
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:							
Depreciation	172,526	1,459	182,307	657,350	1,226,228	2,239,870	-
Pension expense	-	-	373	3,460	1,201	5,034	-
Other non-operating revenue	-	-	-	277,523	-	277,523	-
Changes in assets and liabilities:							
(Increase) decrease in accounts receivable	27,466	(4,597)	-	63,301	(39,448)	46,722	-
(Increase) decrease in inventory	-	-	-	(5,329)	17,281	11,952	-
(Increase) decrease in deferred outflows of resources for pensions	-	-	(4,380)	(40,636)	(14,113)	(59,129)	-
Increase (decrease) in accounts payable and liabilities	739,391	(519)	(36,171)	17,862	39,364	759,927	(260,296)
Increase (decrease) in customer deposits	1,350	110	-	6,543	-	8,003	-
Increase (decrease) in other post-employment benefits	-	-	1,469	13,669	4,760	19,898	-
Increase (decrease) in compensated absences	-	-	3,292	(6,470)	(467)	(3,645)	-
Total adjustments	940,733	(3,547)	146,890	987,273	1,234,806	3,306,155	(260,296)
Net cash provided (used) by operating activities	\$ 785,780	\$ 14,687	\$ 133,091	\$ 279,540	\$ (247,904)	\$ 965,194	\$ 355,727

Supplemental Schedule of Non-Cash Financing Activities:

Stanly County Utility Fund disposed of capital assets with historical cost and accumulated depreciation of \$55,013 during the year ended June 30, 2015.

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

STANLY COUNTY, NORTH CAROLINA

STATEMENT OF FIDUCIARY NET POSITION

FIDUCIARY FUND

JUNE 30, 2015

	<u>Agency Fund</u>
Assets:	
Cash and cash equivalents	\$ 160,572
Inmate cash	<u>5,426</u>
Total assets	<u>\$ 165,998</u>
Liabilities:	
Accounts payable	\$ 148,187
Client payable	<u>17,811</u>
Total liabilities	<u>\$ 165,998</u>

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



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STANLY COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

I. Summary of Significant Accounting Policies

The accounting policies of Stanly County and its component units 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 seven-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.

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. The County has operational responsibility 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. The blended presentation method presents component units as a department or unit of the County and offers no separate presentation, as with the discrete method.

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, 2015. The Authority does not issue separate financial statements.

Stanly Water & 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.

The discrete presentation method presents component units as if they are separate proprietary funds of the County.

STANLY COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

B. Basis of Presentation, Basis of Accounting

Basis of Presentation, Measurement Focus – Basis of Accounting

Government-Wide Statements. The Statement of Net Position and the Statement of Activities display information about the primary government net position (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. 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.

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 of which is 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, result from non-exchange transactions. Other non-operating items, such as investment earnings, are 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.

STANLY COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

The County reports the following major enterprise funds:

Greater Badin Water & Sewer District Fund, Piney Point Water District Fund, West Stanly Waste Water Treatment Plant Fund, and Stanly County Utility Fund. These funds are used to account for the operations of providing water and sewer services to citizens within the County.

Airport Fund. This fund accounts for the operations of providing landings, take-offs, tie-down slots, hangars, and refueling of civilian and military aircrafts.

The County reports the following fund types:

Agency Funds. Agency funds are custodial in nature and do not involve measurement of operating results. Agency funds are used to account for assets the County holds on behalf of others. The County maintains the following agency funds: 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 Fines and Forfeitures Fund, which accounts for various legal fines and forfeitures collected by the Clerk of Court required to be remitted to the Stanly County Board of Education; the Deed of Trust Fund, which is used to account for fees collected by the Register of Deeds for registering or filing a deed of trust or mortgage and is remitted to the State Treasurer on a monthly basis; the Sheriff's Execution Fund, which is used to account for monies collected for tax warrants and judgments; and the Property Tax Clearing Fund, which is used to account for funds that are billed and collected by the County for various municipalities and special districts within the County but that are not revenues to the County.

Internal Service Fund. The Internal Service Group Health and Workers' Compensation Fund is used to account for the financial activities of the County's self-insured benefit plan for employee group healthcare and activities of the County's workers' compensation coverage through a third party.

Nonmajor Funds. The County maintains twelve legally budgeted funds. The Emergency Telephone System Fund, Fire Districts Fund, 2011 Single Family Rehabilitation Program, 2012 Urgent Repair Program, CDBG 2011 Infrastructure Hook-Up Project, CDBG 2012 Scattered Site Housing Project, 2013 Urgent Repair Program, and 2014 Urgent Repair Program are reported as nonmajor special revenue funds. The Tarheel Challenge Academy Project, Emergency Radio System Project, Stanly Community College Cosmetology Project, and Livestock Arena Construction Project are reported as a nonmajor capital project funds.

In accordance with the 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 for the agency funds that have no measurement focus. The government-wide fund, 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.

STANLY COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

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 the County 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 water and sewer 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.

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 revenue because the amount is not susceptible to accrual. At June 30, taxes receivable for property other than motor vehicles are materially past due and are not considered to be an available resource to finance the operations of the current year. As of September 1, 2013, 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 State of North Carolina is responsible for billing and collecting the property taxes on registered motor vehicles on behalf of all municipalities and special tax districts. Property taxes are due when vehicles are registered. The billed taxes are applicable to the fiscal year in which they are received. Uncollected taxes that were billed in periods prior to September 1, 2013 and for limited registration plates are shown as a receivable in these financial statements and are offset by deferred inflows of resources.

Sales taxes and certain intergovernmental revenues, such as the 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. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been satisfied.

STANLY COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

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 is both restricted and unrestricted net position 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.

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, and the Enterprise Funds. All annual appropriations lapse at the end of the fiscal year. Project ordinances are adopted for all other capital projects funds and special revenue funds. The enterprise capital projects funds are consolidated with the enterprise operating funds for reporting purposes.

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 Projects Funds, and Enterprise 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, Deferred Inflows and Outflows of Resources, 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 association whose principal office is located in North Carolina. Also, the County may establish time deposit accounts such as NOW and SuperNOW 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 are carried at fair value as determined by quoted market prices. 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. Money market investments that have a remaining maturity at the time of purchase of one year or less are reported at amortized cost.

STANLY COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

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. Restricted Assets. Customer deposits and security deposits held by the County before any services are supplied are restricted to the service for which the deposit was collected. The unspent grant proceeds is classified as restricted assets because its use is completely restricted to the purpose for which the funds were received. The unspent debt proceeds are classified as restricted assets because their uses are completely restricted to the purpose for which the debts were originally issued.

Stanly County Restricted Cash

Governmental Activities:

General Fund	Security deposits	\$	1,200
Nonmajor governmental funds			
Emergency Radio System Project	Unspent debt proceeds		546,253
Tarheel Challenge Academy Project	Unspent grant proceeds		713,528
Total governmental activities			<u>1,260,981</u>

Business-Type Activities

Greater Badin Water & Sewer District Fund	Customer deposits		15,370
Greater Badin Water & Sewer District Fund	Unspent debt proceeds		1,399,936
Piney Point Water District Fund	Customer deposits		3,290
Stanly County Utility Fund	Customer deposits		96,823
Total business-type activities			<u>1,515,419</u>

Total restricted cash		\$	<u>2,776,400</u>
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4. 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 motor vehicles on July 1, the beginning of the fiscal year. The taxes are due on September 1 (lien date); however, penalties and interest do not accrue until the following January 6. These taxes are based on the assessed values as of January 1, 2014. 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 County's General Fund, ad valorem tax revenues are reported net of such discounts.

5. Allowances for Doubtful Accounts. All receivables that historically experience uncollectible accounts are shown net of an allowance for doubtful accounts. These amounts are estimated by analyzing the percentage of receivables that were written off in prior years.

6. Inventories and Prepaid Items. The inventories of the County's enterprise funds consist of materials and supplies held for consumption and are valued at cost using the first-in, first-out method, which approximates market. The cost of the inventory is recorded as an expense when the inventory is consumed.

STANLY COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

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. Prepaid expenses are recorded as an expense when the prepaid is consumed.

7. Capital Assets. Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets are recorded at their estimated fair value at the date of donation. The County's minimum capitalization threshold is \$2,000. 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. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives is not capitalized.

The County holds title to certain Stanly County Board of Education properties that have not been included in capital assets. The properties have been deeded to the County to permit notes payable and bond financing of acquisition and construction costs, and to permit the County to receive refunds of sales tax paid for construction costs. Agreements between the County and the Board of Education give the Board of Education full use of the facilities and full responsibility for maintenance of the facilities, and provide that the County will convey title to the property back to the Board of Education, after all restrictions of the financing agreements and all sales tax reimbursement requirements have been met. The properties are reflected as capital assets in the financial statements of the Stanly County Board of Education.

Capital assets of the County are depreciated on a straight-line basis using the following depreciable lives:

Asset	Estimated Useful Lives
Water distribution systems	20-50 years
Sewer collection system	20 years
Wastewater treatment facility	20 years
Buildings and terminal	40 years
Airport improvements	10-30 years
Equipment	3-10 years

8. Deferred Outflows/Inflows of Resources. In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *Deferred Outflows of Resources*, represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. The County has two items that meet this criterion – pension related deferrals and contributions made to the pension plan in the current fiscal year. In addition to liabilities, the Statement of Net Position can also report a separate section for deferred inflows of resources. This separate financial statement element, *Deferred Inflows of Resources*, represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. The County has three items that meet the criterion for this category – prepaid taxes, property taxes receivable, and other pension related deferrals.

STANLY COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

9. 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 on the Statement of Net Position.

In the fund financial statements for governmental fund types, the face amount of debt issued is reported as other financing source.

10. 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. An expense and a liability for compensated absences and the salary-related payments are recorded as the leave is earned in the County's government-wide and proprietary fund statements. The County has assumed a first-in, first-out method of using accumulated compensated time. The portion of that time that is estimated to be used in the next fiscal year has been designated as a current liability in the government-wide financial statements.

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. Since the County has no obligation for the accumulated sick leave until it is actually taken, no accrual for sick leave has been made.

11. Self-Insured. The County is self-insured for employees' medical insurance 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 and Workers' Compensation Fund. As of July 1, 2013, the County is no longer self-insured for Workers' Compensation coverage. The County has purchased coverage through a private insurer.

12. Net Position/Fund Balances

Net Position

Net position in government-wide and proprietary fund financial statements is classified as net investment in capital assets, restricted, and unrestricted. Restricted net position represents constraints on resources that are either a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or b) imposed by law through State statute.

Fund Balances

In the governmental fund financial statements, fund balance is composed of five classifications designed to disclose the hierarchy of constraints placed on how fund balance can be spent.

The governmental fund types classify fund balances as follows:

Non-Spendable Fund Balances. This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

STANLY COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

Prepaid Items - portion of fund balance that is not an available resource because it represents the amount of prepaid items, which are not spendable resources.

Restricted Fund Balances. This classification includes revenue sources that are restricted to specific purposes externally imposed or imposed by law.

Restricted for Stabilization by State Statute – portion of fund balance that is restricted by State statute [G.S. 159-8(a)].

Restricted 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 equipment and imaging technology in the Register of Deeds' office.

Restricted for Public Safety – portion of fund balance in the General Fund restricted for the purpose of maintaining a reserve account for debt payment of the Jail Construction USDA Loan based on loan agreement (USDA Reserve) \$37,898. The amount of \$20,561 in the Emergency Telephone System Fund, this is the portion of fund balance that is restricted by the North Carolina 911 Board for the use of installation of emergency 911 phone systems. The amount of \$544,313 in the Emergency Radio System Project Fund is restricted by revenue source (debt) for the construction of the project.

Restricted for Economic and Physical Development – portion of fund balance restricted by revenue source for the purpose of rehabilitation costs of the Urgent Repair Programs and the Single Family Rehabilitation Program.

Restricted for Education – portion of fund balance in the Tarheel Challenge Academy Project Fund restricted by revenue source for the construction of the project.

Restricted net position on Exhibit A varies from restricted fund balance on Exhibit C by the amount of unspent debt proceeds less payable from restricted assets of \$544,313 for the Emergency Radio System Project Fund.

Committed Fund Balances. This classification includes the portion of fund balance that can only be used for specific purposes imposed by majority vote by quorum of Stanly County Board of Commissioners (highest level of decision-making authority). The Board of Commissioners can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, any changes or removal of specific purpose of the ordinance requires the same formal action (the adoption of an ordinance) by the Board of Commissioners.

Committed for Cultural and Recreational – portion of fund balance committed for the AG Center.

Committed for Education – portion of fund balance committed for the Community College.

Assigned Fund Balances. This classification includes the portion of fund balance that the Stanly County Board of Commissioners intends to use for specific purposes they have budgeted.

STANLY COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

Assigned fund balances at June 30, 2015 are as follows:

Purpose	General Fund
Assigned:	
Subsequent year's expenditures	\$ 1,394,797
General government	369,090
Public safety	194,142
Economic and physical development	10,480
Human services	1,323,039
Cultural and recreational	174,267
Total	<u>\$ 3,465,815</u>

Assigned for Subsequent Year's Expenditures – portion of fund balance that has been appropriated for the adopted 2015-2016 budget ordinance that has not already been classified as restricted or committed. The Board of Commissioners approves the appropriation.

Assigned for General Government – portion of fund balance assigned for future tax revaluation.

Assigned for Public Safety – portion of fund balance assigned for the benefit of jail inmates \$90,250, Sheriff's Department \$7,605, and animal control \$96,287.

Assigned for Economic and Physical Development – portion of fund balance assigned for Rocky River RPO services.

Assigned for Human Services – portion of fund balance assigned for home health, Medicaid settlements, and dental clinic. Home health portion is assigned for future home health services - \$478,325. Medicaid settlements portion is assigned for future health related activities - \$109,419. Dental clinic portion is assigned for future dental clinic services - \$735,295.

Assigned for Cultural and Recreational – portion of fund balance assigned for library endowment and 4-H. Library endowment portion is assigned for future library activities - \$152,575. 4-H portion is assigned for future 4-H services - \$21,692.

Unassigned Fund Balances. This classification includes the portion of fund balance that has not been restricted, committed, or assigned to specific purposes or other funds.

Stanly County has a revenue spending policy that provides guidance for programs with multiple revenue sources. The Finance Officer will use resources in the following order: bond/debt proceeds, federal funds, State funds, local non-County funds, and County funds. For purposes of fund balance classification, expenditures are to be spent from restricted fund balance first, followed in order by committed fund balance, assigned fund balance, and lastly, unassigned fund balance. The Finance Officer has the authority to deviate from this policy if it is in the best interest of the County or when required by grant or other contractual agreements.

STANLY COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

Stanly County has also adopted a minimum fund balance policy for the General Fund that instructs management to conduct the business of the County in such a manner that available fund balance is at least equal to, or greater than, 20% of budgeted expenditures and transfers to other funds. If available fund balance falls below the 20% at the end of a fiscal year, there shall be measures put in place to increase General Fund balance back to the minimum level in subsequent fiscal years.

13. Defined Benefit Pension Plans

The County participates in two cost-sharing, multiple-employer, defined benefit pension plans that are administered by the State: the Local Government Employees' Retirement System (LGERS) and the Register of Deeds' Supplemental Pension Fund (RODSPF) (collectively, the "state-administered defined benefit pension plans"). For purposes of measuring the net pension asset, deferred outflows of resources, and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net positions of the state-administered defined benefit pension plans and additions to/deductions from the state-administered defined benefit pension plans' fiduciary net positions have been determined on the same basis as they are reported by the state-administered defined benefit pension plans. For this purpose, plan member contributions are recognized in the period in which the contributions are due. The County's employer contributions are recognized when due and the County has a legal requirement to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the state-administered defined benefit pension plans. Investments are reported at fair value.

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.

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 Position.

STANLY COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

The governmental fund balance sheet includes a reconciliation between total fund balance for the governmental funds and net position for governmental activities as reported in the government-wide Statement of Net Position. The net adjustment 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	7,897,160	
Depreciable property	36,772,831	
Accumulated depreciation	<u>(21,667,783)</u>	\$ 24,952,158
Net pension asset	<u>1,650,164</u>	1,650,164
Contributions to the pension plan in the current fiscal year	<u>1,162,196</u>	1,162,196
Accrued interest receivable, less the amount claimed as unearned revenue in the government-wide statements, as these funds are unavailable in the fund statements.	<u>690,372</u>	690,372
Liabilities for deferred inflows of resources reported in the fund statements, but not the government-wide.	<u>2,790,606</u>	2,790,606
Pension related deferrals	<u>(3,707,766)</u>	(3,707,766)
Liabilities that, because they are not due and payable in the current period, do not require current resources to pay and are, therefore, not reported in the fund statements.		
Interest payable	(407,814)	
Due in one year	(4,263,554)	
Due in more than one year	<u>(31,184,824)</u>	(35,856,192)
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 Position.		
	<u>2,893,759</u>	<u>2,893,759</u>
Total adjustment		<u>\$ (5,424,703)</u>

- 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 for the governmental funds and

STANLY COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

changes in net position 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	\$ 1,712,914	
Depreciation	<u>(1,189,726)</u>	\$ 523,188

Costs of capital assets disposed of during the year, not recognized on modified accrual basis.	<u>(708)</u>	(708)
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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 Position.

Debt issued	(8,037,761)	
Debt retired	9,773,698	
Amortized premium	<u>89,900</u>	1,825,837

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	(26,894)	
Accrual of taxes	<u>(408,364)</u>	(435,258)

Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities	<u>1,162,196</u>	1,162,196
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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	(31,892)	
Compensated absences	11,192	
Other post-employment benefits	(279,563)	
County's portion of collective pension expense	(93,976)	
Interest expense	<u>37,138</u>	(357,101)

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>624,247</u>	<u>624,247</u>
Total adjustment		\$ <u>3,342,401</u>

STANLY COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

II. Detail Notes on All Funds

A. Assets

1. Deposits

All of the County's deposits are either federal depository insured or collateralized by the Pooling Method. Under the Pooling Method, which is a collateral pool, 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 with 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 under-collateralization, 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 that collateralizes public deposits under the Pooling Method.

The State Treasurer enforces standards of minimum capitalization for all pooling method financial institutions. The County relies on the State Treasurer to monitor those financial institutions. The County analyzes the financial soundness of any other financial institution used by the County. The County complies with the provisions of G.S. 159-31 when designating official depositories and verifying that deposits are properly secured. The County does not have a policy regarding custodial credit risk for deposits.

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.

At June 30, 2015, the County's deposits had a carrying amount of \$26,499,058 and a bank balance of \$26,734,932. Of the bank balance, \$500,000 was covered by federal depository insurance. The remaining \$26,234,932 was collateralized under the Pooling Method. The petty cash funds totaled \$5,339.

2. Investments

As of June 30, 2015, the County had \$453,661 invested with the North Carolina Capital Management 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.

STANLY COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

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, 2015. 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 by the County at the present use-value as opposed to 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>
2012	\$ 2,248,544	\$ 534,031	\$ 2,782,575
2013	2,328,648	343,477	2,672,125
2014	2,353,224	135,312	2,488,536
2015	<u>2,372,809</u>	<u>-</u>	<u>2,372,809</u>
Total	<u>\$ 9,303,225</u>	<u>\$ 1,012,820</u>	<u>\$ 10,316,045</u>

STANLY COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

4. Receivables

Receivables at the government-wide level at June 30, 2015, 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	\$ 3,281,685	\$ 1,157,358	\$ 3,257,556	\$ 693,774	\$ 61,127	\$ 8,451,500
Other governmental	113,437	-	30,121	-	-	143,558
Total receivables	3,395,122	1,157,358	3,287,677	693,774	61,127	8,595,058
Allowance for doubtful accounts	(604,516)	(259,065)	-	-	-	(863,581)
Total governmental activities	<u>\$ 2,790,606</u>	<u>\$ 898,293</u>	<u>\$ 3,287,677</u>	<u>\$ 693,774</u>	<u>\$ 61,127</u>	<u>\$ 7,731,477</u>
Business-Type Activities:						
Greater Badin Water and Sewer District	\$ -	\$ 212,879	\$ -	\$ 267	\$ -	\$ 213,146
Piney Point Water District	-	31,929	-	221	-	32,150
Stanly County Utility Fund	-	575,054	-	972	-	576,026
Airport	-	32,316	35,173	57	2,089	69,635
Total receivables	-	852,178	35,173	1,517	2,089	890,957
Allowance for doubtful accounts	-	(259,129)	-	-	-	(259,129)
Total business-type activities	<u>\$ -</u>	<u>\$ 593,049</u>	<u>\$ 35,173</u>	<u>\$ 1,517</u>	<u>\$ 2,089</u>	<u>\$ 631,828</u>

Due from other governments for the year ended June 30, 2015 consists of the following:

Governmental Activities:

Local option sales tax	\$ 1,402,910
NC DMV tax	366,911
Sales tax receivable	304,776
EMS grants receivable	260,795
Tire and white goods	24,886
Telecommunication tax	39,000
DSS and DHHS	732,509
Other	155,890
Total	<u>\$ 3,287,677</u>

Business-Type Activities:

Grants receivable	<u>\$ 35,173</u>
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STANLY COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

5. Capital Assets

Primary Government

Capital asset activity for the year ended June 30, 2015 was as follows:

	<u>July 1, 2014</u>	<u>Additions</u>	<u>Retirements</u>	<u>June 30, 2015</u>
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 1,949,950	\$ -	\$ -	\$ 1,949,950
Construction in progress	<u>6,918,113</u>	<u>979,047</u>	<u>-</u>	<u>7,897,160</u>
Total capital assets not being depreciated	<u>8,868,063</u>	<u>979,047</u>	<u>-</u>	<u>9,847,110</u>
Capital assets being depreciated:				
Buildings	26,129,652	4,447	-	26,134,099
Equipment and vehicles	<u>10,582,174</u>	<u>729,420</u>	<u>672,862</u>	<u>10,638,732</u>
Total capital assets being depreciated	<u>36,711,826</u>	<u>733,867</u>	<u>672,862</u>	<u>36,772,831</u>
Less accumulated depreciation for:				
Buildings	12,448,579	476,605	-	12,925,184
Equipment and vehicles	<u>8,701,632</u>	<u>713,121</u>	<u>672,154</u>	<u>8,742,599</u>
Total accumulated depreciation	<u>21,150,211</u>	<u>\$ 1,189,726</u>	<u>\$ 672,154</u>	<u>21,667,783</u>
Total capital assets being depreciated, net	<u>15,561,615</u>			<u>15,105,048</u>
Governmental activity capital assets, net	<u>\$ 24,429,678</u>			<u>\$ 24,952,158</u>

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

Governmental Functions:

General government	\$ 232,733
Public safety	674,342
Transportation	113,019
Environmental protection	13,873
Economic and physical development	1,560
Human services	100,001
Culture and recreation	<u>54,198</u>
Total depreciation expense	<u>\$ 1,189,726</u>

STANLY COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

Business-Type Activities

Capital assets activity for business-type activities for the year ended June 30, 2015 was as follows:

	<u>July 1, 2014</u>	<u>Additions</u>	<u>Retirements</u>	<u>June 30, 2015</u>
Business-Type Activities:				
Greater Badin Water and Sewer:				
Capital assets not being depreciated:				
Construction in progress	\$ -	\$ 732,536	\$ -	\$ 732,536
Capital assets being depreciated:				
Plant in service	7,347,075	-	-	7,347,075
Equipment and vehicles	206,357	8,736	-	215,093
Total capital assets being depreciated	7,553,432	8,736	-	7,562,168
Less accumulated depreciation for:				
Plant in service	6,152,973	164,902	-	6,317,875
Equipment and vehicles	177,380	7,624	-	185,004
Total accumulated depreciation	6,330,353	\$ 172,526	\$ -	6,502,879
Total capital assets being depreciated, net	1,223,079			1,059,289
Total Greater Badin capital assets, net	1,223,079			1,791,825
Piney Point Water:				
Capital assets being depreciated:				
Plant in service	727,984	\$ -	\$ -	727,984
Less accumulated depreciation for:				
Plant in service	683,957	\$ 1,459	\$ -	685,416
Total Piney Point capital assets, net	44,027			42,568
West Stanly Wastewater Treatment Plant:				
Capital assets being depreciated:				
Plant in service	3,835,778	\$ -	\$ -	3,835,778
Equipment and vehicles	-	11,791	-	11,791
Total capital assets being depreciated	3,835,778	11,791	-	3,847,569
Less accumulated depreciation for:				
Plant in service	14,883	180,208	-	195,091
Equipment and vehicles	-	2,099	-	2,099
Total accumulated depreciation	14,883	\$ 182,307	\$ -	197,190
Total capital assets being depreciated, net	3,820,895			3,650,379
Total West Stanly Wastewater Treatment Plant capital assets, net	3,820,895			3,650,379

STANLY COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

	<u>July 1, 2014</u>	<u>Additions</u>	<u>Retirements</u>	<u>June 30, 2015</u>
Stanly Utility Operating:				
Capital assets not being depreciated:				
Land	223,784	\$ -	\$ -	223,784
Construction in progress	180,167	174,960	189,649	165,478
Total assets not being depreciated	<u>403,951</u>	<u>174,960</u>	<u>189,649</u>	<u>389,262</u>
Capital assets being depreciated:				
Plant in service	26,055,081	189,649	-	26,244,730
Equipment and vehicles	413,703	138,195	55,013	496,885
Total capital assets being depreciated	<u>26,468,784</u>	<u>327,844</u>	<u>55,013</u>	<u>26,741,615</u>
Less accumulated depreciation for:				
Plant in service	12,940,052	619,585	-	13,559,637
Equipment and vehicles	386,540	37,765	55,013	369,292
Total accumulated depreciation	<u>13,326,592</u>	<u>\$ 657,350</u>	<u>\$ 55,013</u>	<u>13,928,929</u>
Total capital assets being depreciated, net	<u>13,142,192</u>			<u>12,812,686</u>
Total Stanly County Utility capital assets, net	<u>13,546,143</u>			<u>13,201,948</u>
Airport Operating:				
Capital assets not being depreciated:				
Land	4,809,095	\$ 115,000	\$ -	4,924,095
Construction in progress	651,352	39,081	115,664	574,769
Total capital assets not being depreciated	<u>5,460,447</u>	<u>154,081</u>	<u>115,664</u>	<u>5,498,864</u>
Capital assets being depreciated:				
Buildings	5,064,552	-	-	5,064,552
Improvements	26,946,790	664	-	26,947,454
Equipment and vehicles	429,261	7,650	-	436,911
Total capital assets being depreciated	<u>32,440,603</u>	<u>8,314</u>	<u>-</u>	<u>32,448,917</u>
Less accumulated depreciation for:				
Buildings	857,326	135,047	-	992,373
Improvements	14,870,177	1,082,090	-	15,952,267
Equipment and vehicles	420,729	9,091	-	429,820
Total accumulated depreciation	<u>16,148,232</u>	<u>\$ 1,226,228</u>	<u>\$ -</u>	<u>17,374,460</u>
Total capital assets being depreciated, net	<u>16,292,371</u>			<u>15,074,457</u>
Total Airport capital assets, net	<u>21,752,818</u>			<u>20,573,321</u>
Total business-type activities capital assets, net	<u>\$ 40,386,962</u>			<u>\$ 39,260,041</u>

STANLY COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

Construction Commitments

The County has active construction projects at June 30, 2015. Commitments with contractors are as follows:

Project	Project to Date	Remaining Commitment
Tarheel Challenge Academy	\$ 2,567,164	\$ 524,836
Emergency Radio System Project	7,840,481	802,281
SCC Cosmetology Project	56,679	16,321
Livestock Arena Construction Project	-	75,000
Badin Water Rehab Project Part A	732,064	2,125,705
Badin Water Rehab Project Part B	472	5,165,452
Highway 200 Water	159,674	1,500,000
Carriker Road Water Extension	189,649	33,416
Cottonville Road NCDOT Waterline	5,804	63,330
Runway Extension Design	574,768	713,951
AWOS and ILS Upgrade	115,663	9,337
Total	<u>\$ 12,242,418</u>	<u>\$ 11,029,629</u>

B. Liabilities

1. Payables

Payables at the government-wide level at June 30, 2015, were as follows:

	Vendors	Salaries and Benefits	Accrued Interest	IBNR	Total
Governmental Activities:					
General	\$ 927,138	\$ 1,310,002	\$ 407,814	\$ -	\$ 2,644,954
Other	96,368	-	-	738,216	834,584
Total governmental activities	<u>\$ 1,023,506</u>	<u>\$ 1,310,002</u>	<u>\$ 407,814</u>	<u>\$ 738,216</u>	<u>\$ 3,479,538</u>
Business-Type Activities:					
Greater Badin Water and Sewer Districts	\$ 752,288	\$ -	\$ 493	\$ -	\$ 752,781
Piney Point Water District	5,647	-	-	-	5,647
West Stanly Wastewater Treatment Plant	13,481	4,940	2,944	-	21,365
Stanly County Utility	160,420	45,981	-	-	206,401
Airport	41,952	16,011	-	-	57,963
Total business-type activities	<u>\$ 973,788</u>	<u>\$ 66,932</u>	<u>\$ 3,437</u>	<u>\$ -</u>	<u>\$ 1,044,157</u>

STANLY COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

2. Pension Plan and Other Post-Employment Obligations

a. Local Governmental Employees' Retirement System

Plan Description. Stanly County is a participating employer in the State-wide Local Governmental Employees' Retirement System (LGERS), a cost-sharing multiple-employer defined benefit pension plan administered by the State of North Carolina. LGERS membership is comprised of general employees and local law enforcement officers (LEOs) of participating local governmental entities. Article 3 of G.S. Chapter 128 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. Management of the plan is vested in the LGERS Board of Trustees, which consists of 13 members – nine appointed by the Governor, one appointed by the State Senate, one appointed by the State House of Representatives, and the State Treasurer and State Superintendent, who serve as ex-officio members. The Local Governmental Employees' 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. 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, or at www.osc.nc.gov.

Benefits Provided. LGERS provides retirement and survivor benefits. Retirement benefits are determined as 1.85% of the member's average final compensation times the member's years of creditable service. A member's average final compensation is calculated as the average of a member's four highest consecutive years of compensation. Plan members are eligible to retire with full retirement benefits at age 65 with five years of creditable service, at age 60 with 25 years of creditable service, or at any age with 30 years of creditable service. Plan members are eligible to retire with partial retirement benefits at age 50 with 20 years of creditable service or at age 60 with five years of creditable service (age 55 for firefighters). Survivor benefits are available to eligible beneficiaries of members who die while in active service or within 180 days of their last day of service and who have either completed 20 years of creditable service regardless of age (15 years of creditable service for firefighters and rescue squad members who are killed in the line of duty) or have completed five years of service and have reached age 60. Eligible beneficiaries may elect to receive a monthly Survivor's Alternate Benefit for life or a return of the member's contributions. The plan does not provide for automatic postretirement benefit increases. Increases are contingent upon actuarial gains of the plan.

LGERS plan members who are LEOs are eligible to retire with full retirement benefits at age 55 with five years of creditable service as an officer, or at any age with 30 years of creditable service. LEO plan members are eligible to retire with partial retirement benefits at age 50 with 15 years of creditable service as an officer. Survivor benefits are available to eligible beneficiaries of LEO members who die while in active service or within 180 days of their last day of service and who also have either completed 20 years of creditable service regardless of age, or have completed 15 years of service as a LEO and have reached age 50, or have completed five years of creditable service as a LEO and have reached age 55, or have completed 15 years of creditable service as a LEO if killed in the line of duty. Eligible beneficiaries may elect to receive a monthly Survivor's Alternate Benefit for life or a return of the member's contributions.

STANLY COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

Contributions. Contribution provisions are established by General Statute 128-30 and may be amended only by the North Carolina General Assembly. County employees are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by the LGERS Board of Trustees. The County's contractually required contribution rate for the year ended June 30, 2015, was 7.15% of compensation for law enforcement officers and 6.79% for general employees and firefighters, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year. Contributions to the pension plan from the County were \$1,216,645 for the year ended June 30, 2015.

Refunds of Contributions – County employees who have terminated service as a contributing member of LGERS, may file an application for a refund of their contributions. By State law, refunds to members with at least five years of service include 4% interest. State law requires a 60-day waiting period after service termination before the refund may be paid. The acceptance of a refund payment cancels the individual's right to employer contributions or any other benefit provided by LGERS.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2015, the County reported an asset of \$1,602,930 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2014. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2013. The total pension liability was then rolled forward to the measurement date of June 30, 2014 utilizing update procedures incorporating the actuarial assumptions. The County's proportion of the net pension asset was based on a projection of the County's long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating LGERS employers, actuarially determined. At June 30, 2014, the County's proportion was .272%, which was a decrease of .007% from its proportion measured as of June 30, 2013.

For the year ended June 30, 2015, the County recognized pension expense of \$103,570. At June 30, 2015, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 175,148
Net difference between projected and actual earnings on pension plan investments	-	3,731,586
Changes in proportion and differences between employer contributions and proportionate share of contributions	12,260	-
Employer contributions subsequent to the measurement date	1,216,645	-
Total	<u>\$ 1,228,905</u>	<u>\$ 3,906,734</u>

STANLY COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

\$1,216,645 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as an increase of the net pension asset in the year ended June 30, 2016. Other amounts reported as deferred inflows and outflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Total
2016	\$ (973,720)
2017	(973,720)
2018	(973,720)
2019	(973,314)
2020	-
Thereafter	-
Total	<u>\$ (3,894,474)</u>

Actuarial Assumptions. The total pension liability in the December 31, 2013 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 percent
Salary increases	4.25 to 8.55 percent, including inflation and productivity factor
Investment rate of return	7.25 percent, net of pension plan investment expense, including inflation

The plan currently uses mortality tables that vary by age, gender, employee group (i.e. general, law enforcement officer) and health status (i.e. disabled and healthy). The current mortality rates are based on published tables and based on studies that cover significant portions of the U.S. population. The healthy mortality rates also contain a provision to reflect future mortality improvements.

The actuarial assumptions used in the December 31, 2013 valuation were based on the results of an actuarial experience study for the period January 1, 2005 through December 31, 2009.

Future ad hoc COLA amounts are not considered to be substantively automatic and are therefore not included in the measurement.

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. Global public equity return projections are established through analysis of the equity risk premium and the fixed income return projections. Other asset categories and strategies' return projections reflect the foregoing and historical data

STANLY COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

analysis. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2014 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Fixed Income	36.0%	2.5%
Global Equity	40.5%	6.1%
Real Estate	8.0%	5.7%
Alternatives	6.5%	10.5%
Credit	4.5%	6.8%
Inflation Protection	4.5%	3.7%
Total	<u>100%</u>	

The information above is based on 30-year expectations developed with the consulting actuary for the 2013 asset liability and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.19%. All rates of return and inflation are annualized.

A new asset allocation policy was finalized during the fiscal year ended June 30, 2014 to be effective July 1, 2014. The new asset allocation policy utilizes different asset classes, changes in the structure of certain asset classes, and adopts new benchmarks. Using the asset class categories in the preceding table, the new long-term expected arithmetic real rates of return are: Fixed Income 2.2%, Global Equity 5.8%, Real Estate 5.2%, Alternatives 9.8%, Credit 6.8% and Inflation Protection 3.4%.

Discount Rate. The discount rate used to measure the total pension liability was 7.25%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

STANLY COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

Sensitivity of the County's Proportionate Share of the Net Pension Asset to Changes in the Discount Rate. The following presents the County's proportionate share of the net pension asset calculated using the discount rate of 7.25 percent, as well as what the County's proportionate share of the net pension asset or net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25 percent) or 1-percentage-point higher (8.25 percent) than the current rate:

	1% Decrease 6.25%	Discount Rate (7.25%)	1% Increase (8.25%)
County's proportionate share of the net pension liability (asset)	\$ 5,441,039	\$ (1,602,930)	\$ (7,533,724)

Pension Plan Fiduciary Net Position. Detailed information about the pension plan's fiduciary net position is available in the separately issued Comprehensive Annual Financial Report (CAFR) for the State of North Carolina.

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 0.85% 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.

All full-time County law enforcement officers are covered by the Separation Allowance. At December 31, 2014, the Separation Allowance's membership consisted of:

Retirees receiving benefits	3
Active plan members	50
Total	53

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. Employer contributions to the plan are recognized when due. Benefits are recognized when due and payable in accordance with the terms of the plan.

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

STANLY COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

Contributions. The County is required by Article 12D of G.S. Chapter 143 to provide these 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’s annual Separation Allowance contribution for fiscal year ended June 30, 2015 was \$38,811, or 1.90% of annual covered payroll.

The annual required contribution for the current fiscal year was determined as part of the December 31, 2013 actuarial valuation using the projected unit credit actuarial cost method. The actuarial assumptions included (a) 5.00% investment rate of return (net of administrative expenses) and (b) projected salary increases ranging from 4.25% to 7.85% per year. Both (a) and (b) included an inflation component of 3.00%. The assumptions did 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 dollar of pay on a closed basis. The remaining amortization period at December 31, 2013 was 17 years.

Annual Pension Cost and Net Pension Obligation. For the fiscal year ending June 30, 2015, the County’s annual pension cost and net pension obligation were as follows:

Employer annual required contribution	\$ 80,545
Interest on net pension obligation	14,274
Adjustment to annual required contribution	<u>(24,116)</u>
Annual pension cost	70,703
Employer contributions made for fiscal year	<u>38,811</u>
Increase (decrease) in net pension obligation	31,892
Net pension obligation:	
Beginning of year - July 1	<u>285,476</u>
End of year - June 30	<u><u>\$ 317,368</u></u>

Three-Year Trend Information

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation End of Year
2013	\$ 61,222	88.84%	\$ 269,574
2014	58,899	73.00%	285,476
2015	70,703	54.89%	317,368

STANLY COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

Funded Status and Funding Progress. As of December 31, 2014, 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 \$583,054. The covered payroll (annual payroll of active employees covered by the plan) was \$2,046,317, and the ratio of the UAAL to the covered payroll was 28.49 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 is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

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, 2015 were \$121,382, which consisted of \$100,772 from the County and \$20,610 from the law enforcement officers.

d. Registers of Deeds' Supplemental Pension Fund

Plan Description. Stanly County also contributes to the Registers of Deeds' Supplemental Pension Fund (RODSPF), a non-contributory, defined benefit plan administered by the North Carolina Department of State Treasurer. RODSPF provides supplemental pension benefits to any eligible county register of deeds who is retired under the Local Government 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. Management of the plan is vested in the LGERS Board of Trustees, which consists of 13 members – nine appointed by the Governor, one appointed by the state Senate, one appointed by the state House of Representatives, and the State Treasurer and State Superintendent, who serve as ex-officio members. The Registers 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 Registers 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, or at www.osc.nc.gov.

STANLY COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

Benefits Provided. An individual's benefits for the year are calculated as a share of accumulated contributions available for benefits for that year, subject to certain statutory limits. An individual's eligibility is based on at least 10 years of service as a register of deeds with the individual's share increasing with years of service. Because of the statutory limits noted above, not all contributions available for benefits are distributed.

Contributions. Benefits and administrative expenses are funded by investment income and 1.5% of the receipts collected by each County Commission under Article 1 of Chapter 161 of the North Carolina General Statutes. The statutory contribution currently has no relationship to the actuary's required contribution. The actuarially determined contribution this year and for the foreseeable future is zero. Registers of Deeds do not contribute. Contribution provisions are established by General Statute 161-50 and may be amended only by the North Carolina General Assembly. Contributions to the pension plan from the County were \$4,680 for the year ended June 30, 2015.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2015, the County reported an asset of \$125,137 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2014. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2013. The total pension liability was then rolled forward to the measurement date of June 30, 2014 utilizing update procedures incorporating the actuarial assumptions. The County's proportion of the net pension asset was based on the County's share of contributions to the pension plan, relative to contributions to the pension plan of all participating RODSPF employers. At June 30, 2014, the County's proportion was .552%, which was an increase of .021% from its proportion measured as of June 30, 2013.

For the year ended June 30, 2015, the County recognized pension expense of \$(4,561). At June 30, 2015, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,148	\$ -
Net difference between projected and actual earnings on pension plan investments	-	674
Changes in proportion and differences between County contributions and proportionate share of contributions	-	3,038
County contributions subsequent to the measurement date	4,680	-
Total	<u>\$ 5,828</u>	<u>\$ 3,712</u>

STANLY COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

\$4,680 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as an increase of the net pension asset in the year ended June 30, 2016. Other amounts reported as deferred inflows and outflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Total
2016	\$ (1,027)
2017	(1,027)
2018	(340)
2019	(170)
2020	-
Thereafter	-
Total	<u>\$ (2,564)</u>

Actuarial Assumptions. The total pension liability in the December 31, 2013 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 percent
Salary increases	4.25 to 7.75 percent, including inflation and productivity factor
Investment rate of return	5.75 percent, net of pension plan investment expense, including inflation

The plan currently uses mortality tables that vary by age, gender, employee group (i.e. general, law enforcement officer) and health status (i.e. disabled and healthy). The current mortality rates are based on published tables and based on studies that cover significant portions of the U.S. population. The healthy mortality rates also contain a provision to reflect future mortality improvements.

The actuarial assumptions used in the December 31, 2013 valuation were based on the results of an actuarial experience study for the period January 1, 2005 through December 31, 2009.

Future ad hoc COLA amounts are not considered to be substantively automatic and are therefore not included in the measurement.

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The adopted asset allocation policy for the RODSPF is 100% in the fixed income asset class. The best estimate of arithmetic real rate of return for the fixed income asset class as of June 30, 2014 is 2.5%.

STANLY COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

The information above is based on 30 year expectations developed with the consulting actuary for the 2013 asset liability and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.19%. All rates of return and inflation are annualized.

Discount Rate. The discount rate used to measure the total pension liability was 5.75%. The projection of cash flows used to determine the discount rate assumed that contributions from employers will be made at statutorily required rates. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the County's Proportionate Share of the Net Pension Asset to Changes in the Discount Rate. The following presents the County's proportionate share of the net pension asset calculated using the discount rate of 5.75 percent, as well as what the County's proportionate share of the net pension asset would be if it were calculated using a discount rate that is 1-percentage-point lower (4.75 percent) or 1-percentage-point higher (6.75 percent) than the current rate:

	1% Decrease (4.75%)	Discount Rate (5.75%)	1% Increase (6.75%)
County's proportionate share of the net pension liability (asset)	\$ (112,364)	\$ (125,137)	\$ (136,109)

Pension Plan Fiduciary Net Position. Detailed information about the pension plan's fiduciary net position is available in the separately issued Comprehensive Annual Financial Report (CAFR) for the State of North Carolina.

e. Other Post-Employment Benefits – Retiree Health Benefit Plan

Plan Description. According to a County resolution, Stanly County provides healthcare benefits through the Retiree Healthcare Benefit Plan as a single-employer defined benefit plan to cover retirees of the County who participate in the North Carolina Local Governmental Employees' Retirement System (System) and have at least 25 years of creditable service. The County has elected to pay the future overall cost of coverage for these benefits as indicated below. Qualified employees who retired prior to July 1, 2005 who are currently on the County's health insurance pay \$220 a month for their health coverage. The Retiree Healthcare Benefit Plan is available to qualified retirees until they become eligible for Medicare. The County pays a percentage of the cost of coverage for employees' benefits through self insurance. The County requires no other contributions made by employees, except for dependent coverage in the amounts of \$3,160 for spouse, \$2,276 for children, and \$7,793 for family coverage. Dependent coverage is available until the employee reaches eligibility for Medicare, at which time dependents will be removed from the County's plan and have the option to be covered under COBRA per federal regulations. The Board of Commissioners may amend the benefit provisions. A separate report was not issued for the plan.

STANLY COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

County contributions based on years of creditable service	
Years of creditable service	County pays
30 years with the County	100%
Less than 30 years with the System, but 25 - 29 years with the County, of which the last 10 years of continuous service is with the County	50%
24 years or less with the County	not eligible

Membership of the Retiree Health Benefit Plan consisted of the following at December 31, 2013, the date of the latest actuarial valuation:

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 2.76% of annual covered payroll. For the current year, the County contributed \$110,191, or 0.75% of the annual covered payroll. The County obtains healthcare coverage through self-insurance. The County's contributions totaled \$110,191 in fiscal year 2015. There were no contributions made by employees, except for dependent coverage in the amount of \$626,170. The County's 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 No. 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, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

The following table shows the components of the County's annual OPEB cost for the current year, the amount actually contributed to the plan, and changes in the County's net OPEB obligation for the post-employment healthcare benefits:

Employer annual required contribution	\$ 406,393
Valuation discount rate	4.00%
Interest on net OPEB obligation	72,918
Amortization factor	26.1695
Adjustment to annual required contribution	<u>(69,659)</u>
Annual OPEB cost	409,652
Employer contributions made for fiscal year ending June 30, 2015	<u>110,191</u>
Increase (decrease) in net OPEB obligation:	299,461
Net OPEB obligation, beginning of fiscal year - July 1	<u>1,822,957</u>
Net OPEB obligation, end of fiscal year - June 30	<u><u>\$ 2,122,418</u></u>

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2015 were as follows:

Three-Year Trend Information			
Fiscal Year Ended	Annual OPEB Cost (AOC)	Percentage of AOC Contributed	Net OPEB Obligation End of Year
2013	\$ 495,447	29.41%	\$ 1,613,525
2014	387,010	45.90%	1,822,957
2015	409,652	26.90%	2,122,418

Funded Status and Funding Progress. As of December 31, 2013, the most recent actuarial valuation date, the plan was not funded. The actuarially accrued liability for benefits and, thus, the unfunded actuarial accrued liability (UAAL), was \$4,471,018. The covered payroll (annual payroll of active employees covered by the plan) was \$14,738,523, and the ratio of the UAAL to the covered payroll was 30.3 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 cost 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 actuarially accrued liabilities for benefits.

STANLY COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

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, 2013 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 a blended rate of the expected long-term investment returns on plan assets and on the employer's own investments calculated based on the funded level of the plan at the valuation date. The rate included a 3.00 percent inflation assumption. The medical cost trend rate varied between 7.75 and 5.00 percent. The UAAL is being amortized as a level percentage of pay, open basis. The remaining amortization period at December 31, 2013 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, but the benefit will be a minimum of \$25,000 and will not exceed \$50,000. Because all death benefit payments are made from the Death Benefit Plan and not by the County, the County does not determine the number of eligible participants. 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. Contributions are determined as a percentage of monthly payroll based upon rates established annually by the State. Separate rates are set for employees not engaged in law enforcement and for law enforcement officers. The County considers these contributions to be immaterial.

Due to a surplus in the death benefit, a decision was made by the State to temporarily stop employer contributions to the LGERS Death Benefit Plan beginning July 1, 2012. A temporary relief period based on the number of years the employer had contributed as of December 31, 2010 was established. The period of reprieve is determined separately for law enforcement officers. Stanly County will have a three-year reprieve because it has been contributing for more than 20 years. Contributions will resume in the fiscal year beginning July 1, 2015.

STANLY COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

3. Deferred Outflows and Inflows of Resources

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pensions - difference between expected and actual experience		
LGERS	\$ -	\$ 175,148
Register of Deeds	1,148	-
Pensions - difference between projected and actual investment earnings	-	3,732,260
Pensions - change in proportion and difference between employer contributions and proportionate share of contributions	12,260	3,038
Contributions to pension plan in 2014-2015 fiscal year	1,221,325	-
Prepaid taxes not yet earned (General)	-	137,775
Taxes receivable, net (General)	-	2,692,844
Taxes receivable, net (Special Revenue)	-	97,762
Total	<u>\$ 1,234,733</u>	<u>\$ 6,838,827</u>

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 \$80,000 per covered employee/dependent per policy term. Claims greater than \$80,000 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 full-time 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 \$428,469 reported in the fund at June 30, 2015 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.

STANLY COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

The \$428,469 claims liability represents total estimated claims incurred, but not reported, as provided by the plan administrator's actuary.

	June 30, 2015	June 30, 2014
Unpaid claims and claim adjustment expenses at beginning of fiscal year	\$ 451,024	\$ 415,724
Incurred claims and claim adjustment expenses:		
Provision for insured events of current year	3,410,229	3,001,961
Claims and adjustment expenses attributable to insured events of current and prior year	<u>3,432,784</u>	<u>2,966,661</u>
Total claims liability	<u>\$ 428,469</u>	<u>\$ 451,024</u>

Workers' Compensation. The County was self-funded for workers' compensation coverage prior to July 1, 2013. 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 \$500,000 and aggregate excess limit for \$1,000,000. The claims liability of \$309,747 reported in the fund at June 30, 2015 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.

STANLY COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

The \$309,747 claims liability represents total estimated claims incurred, but not reported, as provided by the plan administrator's actuary.

	<u>June 30, 2015</u>	<u>June 30, 2014</u>
Unpaid claims and claim adjustment expenses at beginning of fiscal year	\$ 548,428	\$ 970,254
Incurred claims and claim adjustment expenses:		
Provision for insured events of current year	347,731	348,738
Claims and adjustment expenses attributable to insured events of current and prior year	<u>586,412</u>	<u>770,564</u>
Total claims liability	<u>\$ 309,747</u>	<u>\$ 548,428</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 who 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 each bonded for \$150,000 and \$100,000, respectively.

5. Contingent Liabilities

At June 30, 2015, 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.

STANLY COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

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, 2015 are comprised of the following:

General Government:

Lease for the construction of the jail additions entered into on August 15, 2011, payable in semi-annual principal payments ranging from \$166,155 to \$195,078, and semi-annual interest payments at a rate of 2.92% through August 15, 2021	\$ 2,364,868
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Refinanced lease for the purchase and construction of radio towers refunded on October 10, 2014, payable in annual principal payments ranging from \$353,465 to \$500,390, and annual interest payments at a rate of 2.48% through October 10, 2029	6,343,731
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Refinanced and additional lease proceeds for the purchase and construction of radio towers entered into on October 10, 2014, payable in annual principal payments ranging from \$225,544 to \$259,149, and annual interest payments at a rate of 2.31% through October 10, 2021	<u>1,694,030</u>
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	<u>\$ 10,402,629</u>
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STANLY COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

Future minimum lease payments as of June 30, 2015 were as follows:

General Long-Term Debt	Capitalized Leases	
	Principal	Interest
2016	\$ 956,807	\$ 265,481
2017	966,107	240,818
2018	976,627	214,935
2019	986,876	189,323
2020	997,353	163,483
2021 - 2025	3,136,721	494,449
2026 - 2030	2,382,138	182,733
Total	<u>\$ 10,402,629</u>	<u>\$ 1,751,222</u>

At June 30, 2015, the County leased the following assets valued at:

Class of Property	Cost	Accumulated Depreciation	Net Book Value
Jail	\$ 8,457,979	\$ 1,057,247	\$ 7,400,732
Radio Towers	7,840,481	-	7,840,481
Total	<u>\$ 16,298,460</u>	<u>\$ 1,057,247</u>	<u>\$ 15,241,213</u>

STANLY COUNTY, NORTH CAROLINA

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015**

b. Notes Payable

General Fund:

Aquadale and Locust School Project (1):

The construction of additions to Aquadale and Locust Schools,
December 29, 2011, payable in annual principal payments of \$364,706
and semi-annual interest payments at an interest rate of 3.67%

\$ 4,741,177

Aquadale and Locust School Project (2):

The construction of additions to Aquadale and Locust Schools,
January 25, 2012, payable in annual principal payments of \$319,505
and semi-annual interest payments at an interest rate of 3.67%

4,153,561

USDA Jail Loan:

The construction of the jail additions entered into on August 10, 2010,
payable in annual principal payments of \$75,795 and annual interest
payments at an interest rate of 4.00%

1,432,927

2013 Ambulance Loan (1):

The purchase of a remount ambulance and a supervisor vehicle for Emergency
Services, September 30, 2012, payable in annual principal payments ranging
from \$41,091 to \$43,586, and annual interest payments at an interest rate of 2.95%

43,586

2013 Ambulance Loan (2):

The purchase of a new ambulances for Emergency Services, April 9, 2013, payable
in annual principal payments ranging from \$47,902 to \$50,806, and annual interest
payments at an interest rate of 2.95%

50,703

2014 Ambulances Loan:

The purchase of new ambulances for Emergency Services, January 13, 2014, payable
in annual principal payments ranging from \$100,377 to \$105,301, and annual interest
payments at an interest rate of 2.41%

203,200

Information Technology Loan:

The purchase upgrade software for Finance, Human Resources, and Utilities,
October 22, 2012, payable in annual principal payments ranging from \$24,722
to \$27,078, and annual interest payments at an interest rate of 3.22%

78,688

Total General Fund

10,703,842

STANLY COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

Enterprise Fund:

Stanly County Utility Fund:

Drinking Water State Revolving Fund Loan executed on May 1, 2011, payable in annual principal payments of \$4,920 and interest, has been forgiven for the term of the loan

73,807

Proceeds for purchase of a utilities dump truck executed on August 13, 2014, payable in annual principal payments ranging from \$25,605 to \$29,343 and annual interest payments at an interest rate of 3.00%

136,100

Greater Badin Water and Sewer District Fund:

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%

113,655

West Stanly Waste Water Treatment Plant Fund:

Debt assumed to USDA for assets acquired from the Town of Oakboro, executed on May 16, 2014, payable in annual principal payments ranging from \$12,000 to \$47,000, and annual interest payments at an interest rate of 3.75%

975,000

Debt to the Town of Oakboro for assets acquired, executed on May 16, 2014, payable in annual principal payments of \$156,250, no interest

1,406,250

Total Enterprise Fund

2,704,812

Total Notes Payable

\$ 13,408,654

STANLY COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

Future minimum payments as of June 30, 2015 were as follows:

Governmental Activities	Notes Payable	
	Principal	Interest
2016	\$ 922,747	\$ 394,115
2017	832,467	362,168
2018	731,274	332,909
2019	704,996	306,115
2020	705,827	280,173
2021 - 2025	3,542,818	1,010,525
2026 - 2030	2,168,780	337,695
2031 - 2035	173,310	205,665
2036 - 2040	210,858	168,117
2041 - 2045	256,542	122,433
2046 - 2050	312,123	66,853
2051	142,100	8,563
Total General	<u>10,703,842</u>	<u>3,595,331</u>
Proprietary Funds	Principal	Interest
2016	\$ 222,506	\$ 43,521
2017	224,140	41,809
2018	224,947	39,886
2019	226,770	37,947
2020	228,245	35,946
2021 - 2025	734,602	163,350
2026 - 2030	127,602	146,100
2031 - 2035	125,000	125,250
2036 - 2040	150,000	99,938
2041 - 2045	179,000	69,825
2046 - 2050	215,000	33,600
2051	47,000	1,763
Total Proprietary	<u>2,704,812</u>	<u>838,935</u>
Total	<u>\$ 13,408,654</u>	<u>\$ 4,434,266</u>

STANLY COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

c. General Obligation Indebtedness

The general obligation bonds serviced by the County's General Fund are collateralized by the full faith, credit, and taxing power of the County. Principal and interest payments are appropriated when due.

The following is a schedule of general obligation debt at June 30, 2015:

General Fund:

\$16,325,000 Refunding Series 2010 Bond, due on February 1, installments ranging from \$696,195 to \$2,008,800 through February 1, 2022; interest payable on August 1 and February 1 at 2.00% to 5.00%

\$ 10,255,000

The total general obligation debt above is for school building purposes and is excluded from the County's net position because title will be transferred to the Stanly County Board of Education.

Annual debt service requirements to maturity at June 30, 2015 are as follows:

General Long-Term Debt	General Obligation Bonds	
	Principal	Interest
2016	\$ 1,530,000	\$ 407,150
2017	1,535,000	361,250
2018	1,500,000	302,250
2019	1,485,000	242,250
2020	1,475,000	182,850
2021 - 2022	2,730,000	174,450
Total	<u>\$ 10,255,000</u>	<u>\$ 1,670,200</u>

d. Bond Anticipation Note

Greater Badin Water and Sewer District Fund

\$2,132,000 Water and Sewer revenue bond anticipation note issued for water and sewer system improvements, bearing interest at 0.78%. Accrued interest and all outstanding principal due on November 17, 2016.

\$ 2,132,000

Debt Related to Capital Activities. Of the total governmental activities debt listed, only \$12,211,733 relates to assets to which the County holds title. Unspent restricted cash related to this debt amounts to \$546,253.

STANLY COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

e. Long-Term Obligation Activity

The following is a summary of changes in the County's long-term obligations for the fiscal year ended June 30, 2015:

	<u>Balances</u> <u>July 1, 2014</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balances</u> <u>June 30, 2015</u>	<u>Current</u> <u>Portion of</u> <u>Balance</u>
Governmental Activities:					
General obligation debt	\$ 11,810,000	\$ -	\$ 1,555,000	\$ 10,255,000	\$ 1,530,000
Unamortized premium on bonds	711,660	-	89,900	621,760	89,000
Capitalized leases	9,644,846	8,037,761	7,279,978	10,402,629	956,807
Notes payable	11,642,562	-	938,720	10,703,842	922,747
Compensated absences	1,161,307	756,418	767,610	1,150,115	765,000
Net pension liability (LGERS)	1,525,027	-	1,525,027	-	-
Other post-employment benefit	1,718,101	389,754	110,191	1,997,664	-
Net pension obligation (LEO)	285,476	70,703	38,811	317,368	-
Total governmental activities	<u>\$ 38,498,979</u>	<u>\$ 9,254,636</u>	<u>\$ 12,305,237</u>	<u>\$ 35,448,378</u>	<u>\$ 4,263,554</u>

	<u>Balances</u> <u>July 1, 2014</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balances</u> <u>June 30, 2015</u>	<u>Current</u> <u>Portion of</u> <u>Balance</u>
Business-Type Activities:					
Stanly County Utility Fund:					
Notes payable	\$ 78,727	\$ 136,100	\$ 4,920	\$ 209,907	\$ 30,525
Compensated absences	67,068	27,328	33,798	60,598	33,000
Net pension liability (LGERS)	53,538	-	53,538	-	-
Other post-employment benefit	79,306	13,669	-	92,975	-
Total Utility Fund	<u>278,639</u>	<u>177,097</u>	<u>92,256</u>	<u>363,480</u>	<u>63,525</u>

Greater Badin Water and Sewer

District Fund:					
Bond anticipation note	-	2,132,000	-	2,132,000	-
Notes payable	136,386	-	22,731	113,655	22,731
Total W&S Fund	<u>136,386</u>	<u>2,132,000</u>	<u>22,731</u>	<u>2,245,655</u>	<u>22,731</u>

STANLY COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

	<u>Balances July 1, 2014</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balances June 30, 2015</u>	<u>Current Portion of Balance</u>
Business-Type Activities (continued):					
West Stanly Waste Water					
Treatment Plant Fund:					
Notes payable	2,550,500	-	169,250	2,381,250	169,250
Compensated absences	536	3,292	-	3,828	-
Net pension liability (LGERS)	5,771	-	5,771	-	-
Other post-employment benefit	1,618	1,469	-	3,087	-
Total Waste Water Treatment Plant Fund	<u>2,558,425</u>	<u>4,761</u>	<u>175,021</u>	<u>2,388,165</u>	<u>169,250</u>
Airport Fund:					
Compensated absences	14,827	11,185	11,652	14,360	11,000
Net pension liability (LGERS)	18,594	-	18,594	-	-
Other post-employment benefit	23,932	4,760	-	28,692	-
Total Airport Fund	<u>57,353</u>	<u>15,945</u>	<u>30,246</u>	<u>43,052</u>	<u>11,000</u>
Total business-type activities	<u>\$ 3,030,803</u>	<u>\$ 2,329,803</u>	<u>\$ 320,254</u>	<u>\$ 5,040,352</u>	<u>\$ 266,506</u>

The LGERS plan had a net pension asset as of June 30, 2015; however, the plan had a net pension liability at the beginning of the fiscal year.

Compensated absences, other post-employment benefits, and net pension obligations typically have been liquidated in the General Fund and are accounted for on a FIFO (first-in, first-out) basis.

At June 30, 2015, Stanly County had a legal debt margin of \$320,665,302.

e. 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. Neither the County, the Authority, nor 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, 2015, two industrial revenue bonds were outstanding, with an aggregate principal amount payable of \$4,264,465.

STANLY COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

f. Net Investment in Capital Assets

Net investment in capital assets at June 30, 2015 was calculated as follows:

	<u>General Fund</u>	<u>Enterprise Fund</u>
Capital assets	\$ 24,952,158	\$ 39,260,041
Total debt, gross	(31,983,231)	(4,836,812)
Add: Debt not related to County assets		
School debt for which County does not hold title:		
Notes payable	8,894,738	-
General obligation bonds (refunded school bonds)	10,255,000	-
Unamortized premium on refunded bonds	621,760	-
Total school debt for which County does not hold title	19,771,498	-
Less: unspent debt proceeds	546,253	1,399,936
Total debt	<u>(11,665,480)</u>	<u>(3,436,876)</u>
Net investment in capital assets	<u>\$ 13,286,678</u>	<u>\$ 35,823,165</u>

C. Interfund Balances and Activity

Interfund receivable balances consist of cash deficits as of June 30, 2015. 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:

	<u>Interfund Receivables</u>	<u>Interfund Payable</u>
General Fund	\$ 6,937	\$ -
2012 Scattered Site Housing Project	-	4,281
West Stanly Waste Water Treatment Plant Fund	-	2,656
Total	<u>\$ 6,937</u>	<u>\$ 6,937</u>

STANLY COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

Transfers to and from other funds at June 30, 2015 consist of the following:

	Transfers		Purpose
	From	To	
General Fund	\$ 756,231	\$ -	
Emergency Radio System Project Fund	-	326,861	Capital outlay support
SCC Cosmetology Project Fund	-	56,679	Capital outlay support
Airport Fund	-	245,294	Operating support
West Stanly Waste Water Treatment Plant Fund	-	85,000	Capital outlay support
Carriker Road Water Extension Project Fund	-	40,336	Capital outlay support
Airport AWOS and ILS Upgrade Project Fund	-	2,061	Capital outlay support
Total	<u>\$ 756,231</u>	<u>\$ 756,231</u>	

D. Fund Balance

The following schedule provides management and citizens with information on the portion of General Fund balance that is available for appropriation:

Total fund balance - General Fund	\$ 20,294,192
Less:	
Prepaid items	66,969
Stabilization by State statute	<u>4,619,913</u>
Total available fund balance	<u>\$ 15,607,310</u>

III. 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 \$205,653 to the Authority during the fiscal year ended June 30, 2015. 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, 2015. Complete financial statements for the Authority can be obtained from the Authority's administrative office at 245 LePhillip Court Northeast, 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

STANLY COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

responsibility to provide funding for the Community College. The County contributed \$1,332,324 for operating purposes and \$160,000 for capital during the fiscal year ended June 30, 2015. Completed financial statements for the Community College may be obtained from administrative offices at 141 College Drive, Albemarle, North Carolina 28001.

IV. 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 \$14,540 to the Council during the fiscal year ended June 30, 2015.

V. Summary Disclosure of Significant Contingencies

Federal and State-Assisted Programs

The County has received proceeds from several federal and State grants. Periodic audits of these 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, if applicable, will be immaterial. No provision has been made in the accompanying financial statements for the refund of grant monies.

VI. 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; the payments do not appear in the basic financial statements because they are not revenues and expenditures of the County.

State and Federal Awards:	Federal	State
Medical Assistance Program	\$ 54,487,009	\$ 29,386,609
TANF/WorkFirst	236,470	-
Special Supplemental Food Program for Women, Infants, and Children	1,340,265	-
State/County Special Assistance for Adults	-	446,853
Title IV-E Foster Care Subsidiary	128,782	33,554
Title IV-E Adoption Subsidiary	211,039	54,797
CWS Adopt Subsidy & Vendor	-	94,174
SFHF Maximization	-	19,769
State Children's Insurance Program - N.C. Health Choice	1,065,671	335,898
State Foster Home	-	14,836
Chafee Foster Care Independence Program	1,654	-
Totals	<u>\$ 57,470,890</u>	<u>\$ 30,386,490</u>

STANLY COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

VII. Change in Accounting Principles/Restatement

The County implemented Governmental Accounting Standards Board (GASB) Statement 68, *Accounting and Financial Reporting for Pensions (an amendment of GASB Statement No. 27)*, in the fiscal year ending June 30, 2015. The implementation of the statement required the County to record beginning net position liability and the effects on net position of contributions made by the County during the measurement period (fiscal year ending June 30, 2014). As a result, net position for the governmental and business-type activities decreased by \$1,963,626 and \$106,335, respectively.

VIII. Subsequent Events

The County issued two pieces of debt on August 14, 2015. A construction loan for \$1,982,000 was financed for twenty years at a rate of 2.25% for the construction of a cosmetology facility at Stanly Community College. An equipment loan for \$250,000 was financed for ten years at a rate of 2.11% for the purchase of equipment associated with the new cosmetology facility.

**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
- Proportionate Share of Net Pension Liability (Asset) for Local Government Employees' Retirement System
- Stanly County's Contributions for Local Government Employees' Retirement System
- Proportionate Share of Net Pension Liability (Asset) for Register of Deeds' Supplemental Pension Fund
- Stanly County's Contributions for Register of Deeds' Supplemental Pension Fund



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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, 2015

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL)		Funded Ratio (a/b)	Covered Payroll for Year Ending on Valuation Date (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
		Project Unit Credit (b)	Unfunded AAL (UAAL) (b-a)			
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%
12/31/2010	-	578,200	578,200	0.00%	1,926,552	30.01%
12/31/2011	-	539,648	539,648	0.00%	1,836,890	29.38%
12/31/2012	-	557,135	557,135	0.00%	1,872,824	29.75%
12/31/2013	-	575,926	575,926	0.00%	1,900,237	30.31%
12/31/2014	-	583,054	583,054	0.00%	2,046,317	28.49%

STANLY COUNTY, NORTH CAROLINA

LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF EMPLOYER CONTRIBUTIONS FOR THE YEAR ENDED JUNE 30, 2015

Year Ended June 30	Annual Required Contribution	Percentage Contributed
2015	\$ 80,545	48.19%
2014	67,383	63.81%
2013	64,436	84.41%
2012	66,981	83.64%
2011	70,475	81.81%
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%

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	12/31/2014
Actuarial cost method	Projected unit credit
Amortization method	Level dollar closed
Remaining amortization period	16 years
Asset valuation method	Market value
Actuarial assumptions:	
Investment rate or return*	5.00%
Projected salary increases*	4.25 - 7.85%
*Includes inflation at cost of living adjustments	3.00% N/A

STANLY COUNTY, NORTH CAROLINA

**OTHER POST-EMPLOYMENT BENEFITS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS
FOR THE YEAR ENDED JUNE 30, 2015**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Project 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%
12/31/2011	-	4,029,067	4,029,067	0.00%	15,707,007	25.7%
12/31/2013	-	4,471,018	4,471,018	0.00%	14,738,523	30.3%

STANLY COUNTY, NORTH CAROLINA

OTHER POST-EMPLOYMENT BENEFITS REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF EMPLOYER CONTRIBUTIONS FOR THE YEAR ENDED JUNE 30, 2015

Year Ended June 30	Annual Required Contribution	Percentage Contributed
2009	\$ 369,000	30.48%
2010	470,851	31.16%
2011	470,851	30.20%
2012	488,508	29.10%
2013	488,508	29.83%
2014	384,126	46.23%
2015	406,393	27.11%

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	12/31/2013
Actuarial cost method	Projected unit credit
Amortization method	Level percentage of pay, open
Remaining amortization period	30 years
Amortization factor	26.1695
Asset valuation method	Market value of assets
Actuarial assumptions:	
Investment rate of return*	4.00%
Medical trend assumptions	
Pre-Medicare trend rate	7.75 - 5.00%
Year of ultimate trend rate	2019
*Includes inflation at cost of living adjustments	3.00% N/A

STANLY COUNTY, NORTH CAROLINA
LOCAL GOVERNMENT EMPLOYEES' RETIREMENT SYSTEM
REQUIRED SUPPLEMENTARY INFORMATION
PROPORTIONATE SHARE OF NET PENSION LIABILITY (ASSET)
FOR THE YEAR ENDED JUNE 30, 2015

	<u>2015</u>	<u>2014</u>
Proportion of the net pension liability (asset) (%)	0.272%	0.279%
Proportion of the net pension liability (asset) (\$)	\$ (1,602,930)	\$ 3,358,200
Covered-employee payroll	\$ 16,632,050	\$ 15,288,312
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	-9.64%	21.97%
Plan fiduciary net position as a percentage of the total pension liability**	102.64%	94.35%

* The amounts presented for each fiscal year were determined as of the prior fiscal year ending June 30.

** This will be the same percentage for all participant employers in the LGERS plan.

STANLY COUNTY, NORTH CAROLINA

**LOCAL GOVERNMENT EMPLOYEES' RETIREMENT SYSTEM
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER CONTRIBUTIONS
FOR THE YEAR ENDED JUNE 30, 2015**

	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 1,216,645	\$ 1,170,226
Contributions in relation to the contractually required contribution	<u>1,216,645</u>	<u>1,170,226</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	\$ 17,210,820	\$ 16,632,050
Contributions as a percentage of covered-employee payroll	7.07%	7.04%

STANLY COUNTY, NORTH CAROLINA
REGISTER OF DEEDS' SUPPLEMENTAL PENSION FUND
REQUIRED SUPPLEMENTARY INFORMATION
PROPORTIONATE SHARE OF NET PENSION LIABILITY (ASSET)
FOR THE YEAR ENDED JUNE 30, 2015

	<u>2015</u>	<u>2014</u>
Proportion of the net pension liability (asset) (%)	0.552%	0.531%
Proportion of the net pension liability (asset) (\$)	\$ (125,137)	\$ (113,505)
Covered-employee payroll	\$ 47,717	\$ 45,605
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	-262.25%	-248.89%
Plan fiduciary net position as a percentage of the total pension liability**	193.88%	190.50%

* The amounts presented for each fiscal year were determined as of the prior fiscal year ending June 30.

** This will be the same percentage for all participant employers in the ROD plan.

STANLY COUNTY, NORTH CAROLINA

**REGISTER OF DEEDS' SUPPLEMENTAL PENSION FUND
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER CONTRIBUTIONS
FOR THE YEAR ENDED JUNE 30, 2015**

	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 4,680	\$ 4,508
Contributions in relation to the contractually required contribution	<u>4,680</u>	<u>4,508</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	\$ 49,805	\$ 47,717
Contributions as a percentage of covered-employee payroll	9.40%	9.45%

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 a detailed 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, 2015

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Ad valorem property taxes:			
Ad valorem taxes		\$ 29,827,993	
Penalties and interest		<u>393,122</u>	
Total	<u>\$ 29,456,060</u>	<u>30,221,115</u>	<u>\$ 765,055</u>
Local option sales taxes:			
Sales tax article 39		3,045,930	
Sales tax article 40		2,623,867	
Sales tax article 42		2,046,772	
Sales tax article 44		<u>240</u>	
Total	<u>7,030,000</u>	<u>7,716,809</u>	<u>686,809</u>
Other taxes:			
Real property excise tax		141,546	
Solid waste		24,939	
Cable franchise tax		155,454	
Occupancy tax		263,470	
Other taxes		<u>20,364</u>	
Total	<u>513,500</u>	<u>605,773</u>	<u>92,273</u>
Restricted intergovernmental:			
Public safety		389,969	
Transportation		447,211	
Health		763,524	
Social services grants		6,430,944	
Senior and aging services		491,902	
Other federal and State grants		<u>1,217,667</u>	
Total	<u>9,950,181</u>	<u>9,741,217</u>	<u>(208,964)</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, 2015

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Permits and fees:			
Recording fees		249,322	
Marriage license		8,893	
Building permits		416,427	
Concealed weapons permits		27,430	
Tech fees		11,368	
Zoning and planning permits		<u>31,992</u>	
Total	<u>721,450</u>	<u>745,432</u>	<u>23,982</u>
Sales and services:			
Intergovernmental charges		168,047	
Sheriff and jail fees		685,396	
Ambulance fees		2,386,402	
Transportation		410,615	
Solid waste		856,565	
Health fees		2,583,626	
Rental and other charges		<u>252,711</u>	
Total	<u>7,469,953</u>	<u>7,343,362</u>	<u>(126,591)</u>
Investment earnings:			
Earned interest	<u>90,000</u>	<u>81,971</u>	<u>(8,029)</u>
Miscellaneous:			
Donations		144,529	
Rents		292,676	
Sale of assets		22,808	
Miscellaneous other		<u>335,887</u>	
Total	<u>677,576</u>	<u>795,900</u>	<u>118,324</u>
Total revenues	<u>55,908,720</u>	<u>57,251,579</u>	<u>1,342,859</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, 2015

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Expenditures:			
General Government:			
Governing body:			
Salaries and employee benefits		106,603	
Operating expenditures		<u>90,276</u>	
Total		<u>196,879</u>	
Administration:			
Salaries and employee benefits		386,715	
Operating expenditures		<u>16,294</u>	
Total		<u>403,009</u>	
Finance department:			
Salaries and employee benefits		311,256	
Operating expenditures		<u>126,738</u>	
Total		<u>437,994</u>	
Tax assessor:			
Salaries and employee benefits		599,493	
Operating expenditures		<u>202,113</u>	
Total		<u>801,606</u>	
Tax revaluation:			
Salaries and employee benefits		316,692	
Operating expenditures		<u>26,654</u>	
Total		<u>343,346</u>	
County attorney:			
Salaries and employee benefits		147,435	
Operating expenditures		<u>4,386</u>	
Total		<u>151,821</u>	
Clerk of Court:			
Operating expenditures		<u>10,199</u>	
Judge's office:			
Operating expenditures		<u>5,554</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, 2015

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Elections:			
Salaries and employee benefits		183,211	
Operating expenditures		178,329	
Capital outlay		<u>93,555</u>	
Total		<u>455,095</u>	
Register of Deeds:			
Salaries and employee benefits		212,761	
Operating expenditures		71,076	
Capital outlay		<u>21,090</u>	
Total		<u>304,927</u>	
Information technology:			
Salaries and employee benefits		309,896	
Operating expenditures		<u>311,602</u>	
Total		<u>621,498</u>	
Facilities management:			
Salaries and employee benefits		368,195	
Operating expenditures		651,606	
Capital outlay		<u>22,832</u>	
Total		<u>1,042,633</u>	
Total general government	<u>4,980,194</u>	<u>4,774,561</u>	<u>205,633</u>
Public Safety:			
Sheriff:			
Salaries and employee benefits		3,538,671	
Operating expenditures		538,835	
Capital outlay		<u>142,260</u>	
Total		<u>4,219,766</u>	
Jail:			
Salaries and employee benefits		1,932,972	
Operating expenditures		<u>732,464</u>	
Total		<u>2,665,436</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, 2015

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Office of juvenile justice:			
Operating expenditures		8,156	
Program expenditures		173,070	
Juvenile detention		46,848	
Total		<u>228,074</u>	
Emergency management:			
Salaries and employee benefits		2,694,038	
Operating expenditures		973,505	
Capital outlay		134,019	
Total		<u>3,801,562</u>	
Code enforcement:			
Salaries and employee benefits		289,802	
Operating expenditures		25,366	
Total		<u>315,168</u>	
Medical examiner:			
Contractual services		<u>18,750</u>	
Animal control:			
Salaries and employee benefits		271,019	
Operating expenditures		104,229	
Capital outlay		14,506	
Total		<u>389,754</u>	
911 communication service:			
Salaries and employee benefits		1,013,982	
Operating expenditures		86,226	
Total		<u>1,100,208</u>	
Reimbursements:			
From E-911 Fund		<u>(46,608)</u>	
Total public safety	<u>12,904,183</u>	<u>12,692,110</u>	<u>212,073</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, 2015

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Transportation:			
Salaries and employee benefits		730,883	
Operating expenditures		150,300	
Capital outlay		116,378	
Total transportation	<u>1,042,420</u>	<u>997,561</u>	<u>44,859</u>
Environmental Protection:			
Solid waste operations:			
Salaries and employee benefits		350,073	
Operating expenditures		697,820	
Capital outlay		12,522	
Total		<u>1,060,415</u>	
Fire forester:			
Contribution to other agency		<u>85,925</u>	
Soil and water conservation:			
Salaries and employee benefits		89,431	
Operating expenditures		6,565	
Total		<u>95,996</u>	
Total environmental protection	<u>1,213,726</u>	<u>1,242,336</u>	<u>(28,610)</u>
Economic and Physical Development:			
Economic development commission:			
Salaries and employee benefits		178,394	
Operating expenditures		504,366	
Total		<u>682,760</u>	
Occupancy tax-motel/hotel:			
To other municipalities		<u>215,398</u>	
Planning and zoning:			
Salaries and employee benefits		225,999	
Operating expenditures		43,659	
Total		<u>269,658</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, 2015

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Central permitting			
Salaries and employee benefits		161,753	
Operating expenditures		<u>19,749</u>	
Total		<u>181,502</u>	
Cooperative extension:			
Salaries and employee benefits		1,513	
Operating expenditures		<u>238,498</u>	
Total		<u>240,011</u>	
Special appropriation for economic development:			
Contribution for economic development		<u>275,000</u>	
Rocky River RPO:			
Salaries and employee benefits		98,890	
Operating expenditures		<u>11,889</u>	
Total		<u>110,779</u>	
Total economic and physical development	<u>2,073,729</u>	<u>1,975,108</u>	<u>98,621</u>
Human Services:			
Health:			
Salaries and employee benefits		1,900,491	
Operating expenditures		555,811	
Capital outlay		<u>19,493</u>	
Total		<u>2,475,795</u>	
Home health:			
Salaries and employee benefits		601,617	
Operating expenditures		<u>592,399</u>	
Total		<u>1,194,016</u>	
Dental clinic:			
Salaries and employee benefits		725,691	
Operating expenditures		143,862	
Capital outlay		<u>2,554</u>	
Total		<u>872,107</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, 2015

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Environmental health:			
Salaries and employee benefits		345,527	
Operating expenditures		39,817	
Capital outlay		28,813	
Total		<u>414,157</u>	
Mental health:			
Contributions to other agencies:			
Bottle surcharge		15,493	
Piedmont area mental health		190,160	
Total		<u>205,653</u>	
Social services:			
Salaries and employee benefits		4,718,698	
Operating expenditures		1,773,402	
Daycare and resident services		2,149,159	
Total		<u>8,641,259</u>	
In-home services:			
Salaries and employee benefits		175,775	
Operating expenditures		209,006	
Total		<u>384,781</u>	
Nutrition:			
Salaries and employee benefits		103,238	
Operating expenditures		275,899	
Total		<u>379,137</u>	
I&A/Transportation:			
Salaries and employee benefits		61,706	
Operating expenditures		76,524	
Total		<u>138,230</u>	
Family Caregiver Support Program:			
Operating expenditures		<u>22,889</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, 2015

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Senior services:			
Salaries and employee benefits		207,762	
Operating expenditures		<u>244,224</u>	
Total		<u>451,986</u>	
Veterans services:			
Salaries and employee benefits		56,538	
Operating expenditures		2,569	
Veterans Association		<u>2,000</u>	
Total		<u>61,107</u>	
Total human services	<u>16,393,853</u>	<u>15,241,117</u>	<u>1,152,736</u>
Education:			
Stanly County Public Schools:			
Current expenditures		9,863,046	
Capital outlay		<u>1,830,000</u>	
Total		<u>11,693,046</u>	
Stanly Community College:			
Current expenditures		1,332,324	
Capital outlay		<u>160,000</u>	
Total		<u>1,492,324</u>	
Total education	<u>13,194,075</u>	<u>13,185,370</u>	<u>8,705</u>
Cultural and Recreational:			
Library:			
Salaries and employee benefits		819,797	
Operating expenditures		338,951	
Capital outlay		<u>4,273</u>	
Total		<u>1,163,021</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, 2015

	Final Budget	Actual	Variance Over/Under
Agriculture Civic Center:			
Salaries and employee benefits		143,549	
Operating expenditures		150,174	
Total		293,723	
 Total cultural and recreational	1,560,389	1,456,744	103,645
 Debt Service:			
Principal		9,773,698	
Interest and fees		950,941	
Total debt service	10,724,646	10,724,639	7
 Contingency	118,168	-	118,168
 Total expenditures	64,205,383	62,289,546	1,915,837
 Revenues over (under) expenditures	(8,296,663)	(5,037,967)	3,258,696
 Other Financing Sources (Uses):			
Transfers (to):			
Enterprise Funds	(372,691)	(372,691)	-
Capital Project Funds	(405,000)	(383,540)	(21,460)
Installment debt issued	6,897,941	6,897,941	-
Appropriated fund balance	2,176,413	-	2,176,413
 Total other financing sources (uses)	8,296,663	6,141,710	(2,154,953)
 Net change in fund balance	\$ -	1,103,743	\$ 1,103,743
 Fund Balance:			
Beginning of year - July 1		19,190,449	
 End of year - June 30		\$ 20,294,192	

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 Nonmajor Funds is found on Exhibits C and D in aggregate.

Individual Fund Descriptions:

- **Emergency Telephone System Fund** – accounts for the revenues earmarked for the installation of emergency 911 phone system.
- **Fire Districts Fund** – accounts for the revenues of the fourteen fire districts in Stanly County.
- **2011 Single Family Rehabilitation Program Project** – accounts for the funds designated for housing improvements.
- **2012 Urgent Repair Program** – accounts for the funds designated for urgent housing repairs.
- **CDBG 2011 Infrastructure Hook-Up Project** – accounts for the funds designated for water hook-ups.
- **CDBG 2012 Scattered Site Housing Project** – accounts for the funds designated for housing improvements.
- **2013 Urgent Repair Program** – accounts for the funds designated for housing improvements.
- **2014 Urgent Repair Program** – accounts for the funds designated for housing improvements.
- **Tarheel Challenge Academy Project** – accounts for the funds and activities of the construction of the academy.
- **Emergency Radio System Project** – accounts for the funds and activities of the acquisition and construction of the County's new emergency radio system.
- **SCC Cosmetology Project** – accounts for the funds designated for the construction of a new cosmetology facilities Stanly Community College.
- **Livestock Arena Construction Project** – accounts for the funds designated for the construction of a new livestock arena at the Agriculture Civic Center.

STANLY COUNTY, NORTH CAROLINA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2015

	Special Revenue Funds					
	Emergency Telephone System Fund	Fire Districts Fund	2011 Single Family Rehabilitation Program	2012 Urgent Repair Program	CDBG 2011 Infrastructure Hook-Up Project	CDBG 2012 Scattered Site Housing Project
Assets:						
Cash and cash equivalents	\$ 49,316	\$ 30,762	\$ 13,058	\$ 8,666	\$ -	\$ -
Taxes receivable, net	-	97,762	-	-	-	-
Accounts receivable	23,989	-	-	-	-	6,132
Restricted cash and cash equivalents	-	-	-	-	-	-
Total assets	<u>\$ 73,305</u>	<u>\$ 128,524</u>	<u>\$ 13,058</u>	<u>\$ 8,666</u>	<u>\$ -</u>	<u>\$ 6,132</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances:						
Liabilities:						
Accounts payable and accrued liabilities	\$ 28,755	\$ 30,762	\$ -	\$ -	\$ -	\$ 1,851
Interfund payables	-	-	-	-	-	4,281
Liabilities to be paid from restricted assets:						
Accounts payable	-	-	-	-	-	-
Total liabilities	<u>28,755</u>	<u>30,762</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,132</u>
Deferred Inflows of Resources:						
Unavailable revenue - property taxes	-	97,762	-	-	-	-
Fund Balances:						
Restricted						
Stabilization by State statute	23,989	-	-	-	-	6,132
Restricted for public safety	20,561	-	-	-	-	-
Restricted for economic and physical development	-	-	13,058	8,666	-	-
Restricted for education	-	-	-	-	-	-
Unassigned	-	-	-	-	-	(6,132)
Total fund balances	<u>44,550</u>	<u>-</u>	<u>13,058</u>	<u>8,666</u>	<u>-</u>	<u>-</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 73,305</u>	<u>\$ 128,524</u>	<u>\$ 13,058</u>	<u>\$ 8,666</u>	<u>\$ -</u>	<u>\$ 6,132</u>

STANLY COUNTY, NORTH CAROLINA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2015

	Special Revenue Funds		Capital Project Funds				Total
	2013 Urgent Repair Program	2014 Urgent Repair Program	Tarheel Challenge Academy Project	Emergency Radio System Project	SCC Cosmetology Project	Livestock Arena Construction Project	Nonmajor Governmental Funds
Assets:							
Cash and cash equivalents	\$ -	\$ 50,090	\$ -	\$ -	\$ 35,000	\$ -	\$ 186,892
Taxes receivable, net	-	-	-	-	-	-	97,762
Accounts receivable	-	-	-	-	-	-	30,121
Restricted cash and cash equivalents	-	-	713,528	546,253	-	-	1,259,781
Total assets	\$ -	\$ 50,090	\$ 713,528	\$ 546,253	\$ 35,000	\$ -	\$ 1,574,556
Liabilities, Deferred Inflows of Resources, and Fund Balances:							
Liabilities:							
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ -	\$ 35,000	\$ -	\$ 96,368
Interfund payables	-	-	-	-	-	-	4,281
Liabilities to be paid from restricted assets:							
Accounts payable	-	-	188,692	1,940	-	-	190,632
Total liabilities	-	-	188,692	1,940	35,000	-	291,281
Deferred Inflows of Resources:							
Unavailable revenue - property taxes	-	-	-	-	-	-	97,762
Fund Balances:							
Restricted							
Stabilization by State statute	-	-	-	-	-	-	30,121
Restricted for public safety	-	-	-	544,313	-	-	564,874
Restricted for economic and physical development	-	50,090	-	-	-	-	71,814
Restricted for education	-	-	524,836	-	-	-	524,836
Unassigned	-	-	-	-	-	-	(6,132)
Total fund balances	-	50,090	524,836	544,313	-	-	1,185,513
Total liabilities, deferred inflows of resources, and fund balances	\$ -	\$ 50,090	\$ 713,528	\$ 546,253	\$ 35,000	\$ -	\$ 1,574,556

STANLY COUNTY, NORTH CAROLINA

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2015

	Special Revenue Funds					
	Emergency Telephone System Fund	Fire Districts Fund	2011 Single Family Rehabilitation Program	2012 Urgent Repair Program	CDBG 2011 Infrastructure Hook-Up Project	CDBG 2012 Scattered Site Housing Project
Revenues:						
Ad valorem taxes	\$ -	\$ 2,334,224	\$ -	\$ -	\$ -	\$ -
Restricted intergovernmental	650,000	-	16,855	-	5,324	53,264
Sales and services	287,863	-	-	-	-	-
Investment earnings	575	-	-	22	-	-
Total revenues	<u>938,438</u>	<u>2,334,224</u>	<u>16,855</u>	<u>22</u>	<u>5,324</u>	<u>53,264</u>
Expenditures:						
Current:						
General government	-	39,919	-	-	-	-
Public safety	1,158,511	2,294,305	-	-	-	-
Economic and physical development	-	-	3,797	49	5,324	53,264
Education	-	-	-	-	-	-
Total expenditures	<u>1,158,511</u>	<u>2,334,224</u>	<u>3,797</u>	<u>49</u>	<u>5,324</u>	<u>53,264</u>
Revenues over (under) expenditures	<u>(220,073)</u>	<u>-</u>	<u>13,058</u>	<u>(27)</u>	<u>-</u>	<u>-</u>
Other Financing Sources (Uses):						
Transfers in	-	-	-	-	-	-
Installment debt issued	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>(220,073)</u>	<u>-</u>	<u>13,058</u>	<u>(27)</u>	<u>-</u>	<u>-</u>
Fund Balances:						
Beginning of year - July 1	<u>264,623</u>	<u>-</u>	<u>-</u>	<u>8,693</u>	<u>-</u>	<u>-</u>
End of year - June 30	<u>\$ 44,550</u>	<u>\$ -</u>	<u>\$ 13,058</u>	<u>\$ 8,666</u>	<u>\$ -</u>	<u>\$ -</u>

STANLY COUNTY, NORTH CAROLINA

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2015

	Special Revenue Funds		Capital Project Funds				Total Nonmajor Governmental Funds
	2013 Urgent Repair Program	2014 Urgent Repair Program	Tarheel Challenge Academy Project	Emergency Radio System Project	SCC Cosmetology Project	Livestock Arena Construction Project	
Revenues:							
Ad valorem taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,334,224
Restricted intergovernmental	37,500	50,000	-	-	-	-	812,943
Sales and services	-	-	-	-	-	-	287,863
Investment earnings	30	90	-	-	-	-	717
Total revenues	<u>37,530</u>	<u>50,090</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,435,747</u>
Expenditures:							
Current:							
General government	-	-	-	-	-	-	39,919
Public safety	-	-	-	922,368	-	-	4,375,184
Economic and physical development	75,054	-	-	-	-	-	137,488
Education	-	-	<u>2,479,652</u>	-	<u>56,679</u>	-	<u>2,536,331</u>
Total expenditures	<u>75,054</u>	<u>-</u>	<u>2,479,652</u>	<u>922,368</u>	<u>56,679</u>	<u>-</u>	<u>7,088,922</u>
Revenues over (under) expenditures	<u>(37,524)</u>	<u>50,090</u>	<u>(2,479,652)</u>	<u>(922,368)</u>	<u>(56,679)</u>	<u>-</u>	<u>(3,653,175)</u>
Other Financing Sources (Uses):							
Transfers in	-	-	-	326,861	56,679	-	383,540
Installment debt issued	-	-	-	<u>1,139,820</u>	-	-	<u>1,139,820</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,466,681</u>	<u>56,679</u>	<u>-</u>	<u>1,523,360</u>
Net change in fund balances	(37,524)	50,090	(2,479,652)	544,313	-	-	(2,129,815)
Fund Balances:							
Beginning of year - July 1	<u>37,524</u>	<u>-</u>	<u>3,004,488</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,315,328</u>
End of year - June 30	<u>\$ -</u>	<u>\$ 50,090</u>	<u>\$ 524,836</u>	<u>\$ 544,313</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,185,513</u>



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BUDGETARY INFORMATION – GOVERNMENTAL FUNDS

Special revenue and capital project funds' budget and actual results for Fiscal Year June 30, 2015

Individual Fund Descriptions:

- **Emergency Telephone System Fund** – accounts for the revenues earmarked for the installation of emergency 911 phone system.
- **Fire Districts Fund** – accounts for the revenues of the fourteen fire districts in Stanly County.
- **2011 Single Family Rehabilitation Program** – accounts for the funds designated for housing improvements.
- **2012 Urgent Repair Program** – accounts for the funds designated for urgent housing repairs.
- **CDBG 2011 Infrastructure Hook-Up Project** – accounts for the funds designated for water hook-ups.
- **CDBG 2012 Scattered Site Housing Project** – accounts for the funds designated for housing improvements.
- **2013 Urgent Repair Program** – accounts for the funds designated for housing improvements.
- **2014 Urgent Repair Program** – accounts for the funds designated for housing improvements.
- **Tarheel Challenge Academy Project** – accounts for the funds and activities of the construction of the academy.
- **Emergency Radio System Project** – accounts for the funds and activities of the acquisition and construction of the County's new emergency radio system.
- **SCC Cosmetology Project** – accounts for the funds designated for the construction of a new cosmetology facilities Stanly Community College.
- **Livestock Arena Construction Project** – accounts for the funds designated for the construction of a new livestock arena at the Agriculture Civic Center.



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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, 2015

	Budget	Actual	Variance Over/Under
Revenues:			
Charges - surcharge	\$ 287,863	\$ 287,863	\$ -
E-911 additional grant allocation	650,000	650,000	-
Investment earnings	-	575	575
Total revenues	<u>937,863</u>	<u>938,438</u>	<u>575</u>
Expenditures:			
Implemental functions	46,608	46,608	-
Telephone	320,617	317,289	3,328
Software and software maintenance	49,389	48,389	1,000
Hardware and hardware maintenance	80,910	61,473	19,437
Training	7,500	2,349	5,151
Capital outlay	48,125	30,386	17,739
S.L. 2010-158 expenditures (50%)	2,000	2,017	(17)
E-911 additional allocation expense	<u>650,000</u>	<u>650,000</u>	<u>-</u>
Total expenditures	<u>1,205,149</u>	<u>1,158,511</u>	<u>46,638</u>
Revenues over (under) expenditures	<u>(267,286)</u>	<u>(220,073)</u>	<u>47,213</u>
Other Financing Sources (Uses):			
Appropriated fund balance	<u>267,286</u>	<u>-</u>	<u>(267,286)</u>
Net change in fund balance	<u>\$ -</u>	<u>(220,073)</u>	<u>\$ (220,073)</u>
Fund Balance:			
Beginning of year - July 1		<u>264,623</u>	
End of year - June 30		<u><u>\$ 44,550</u></u>	

STANLY COUNTY, NORTH CAROLINA

FIRE DISTRICTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2015

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Ad valorem taxes:			
Current year	\$ 2,279,104	\$ 2,272,169	\$ (6,935)
Prior years	70,000	62,055	(7,945)
Total revenues	<u>2,349,104</u>	<u>2,334,224</u>	<u>(14,880)</u>
Expenditures:			
Administration fees:			
Tax collection fees	30,500	30,773	(273)
NCDMV tax processing fees	12,000	9,146	2,854
Public safety:			
West Stanly Fire District	605,452	603,698	1,754
Center Fire District	308,000	307,355	645
Endy Fire District	114,600	114,773	(173)
Ridgecrest Fire District	144,400	143,033	1,367
Aquadale Fire District	142,500	143,247	(747)
Eastside Fire District	185,000	182,993	2,007
Oakboro Fire District	78,600	77,585	1,015
New London Fire District	190,000	190,125	(125)
Southside Fire District	103,500	102,968	532
Bethany Fire District	75,175	74,403	772
Richfield Fire District	118,200	116,773	1,427
Millingport Fire District	100,750	100,070	680
Norwood Special Fire District	8,750	6,872	1,878
Badin-Yakin Fire District	<u>131,677</u>	<u>130,410</u>	<u>1,267</u>
Total expenditures	<u>2,349,104</u>	<u>2,334,224</u>	<u>14,880</u>
Net change in fund balance	<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

2011 SINGLE FAMILY REHABILITATION PROGRAM
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL
 FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2015

		Actual			
	Project Authorization	Prior Years	Current Year	Total to Date	Variance Over/Under
Revenues:					
Restricted intergovernmental:					
SFR Program Grant	\$ 221,761	\$ 204,906	\$ 16,855	\$ 221,761	\$ -
SFR Program income	19,025	19,025	-	19,025	-
Total revenues	<u>240,786</u>	<u>223,931</u>	<u>16,855</u>	<u>240,786</u>	<u>-</u>
Expenditures:					
Rehabilitation	201,273	185,018	2,597	187,615	13,658
Administration	<u>39,513</u>	<u>38,913</u>	<u>1,200</u>	<u>40,113</u>	<u>(600)</u>
Total expenditures	<u>240,786</u>	<u>223,931</u>	<u>3,797</u>	<u>227,728</u>	<u>13,058</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	13,058	<u>\$ 13,058</u>	<u>\$ 13,058</u>
Fund Balance:					
Beginning of year - July 1			-		
End of year - June 30			<u>\$ 13,058</u>		

STANLY COUNTY, NORTH CAROLINA

2012 URGENT REPAIR PROGRAM
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL
 FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2015

		<u>Actual</u>			
	<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:					
2012 Urgent Repair Program Grant	\$ 75,000	\$ 75,000	\$ -	\$ 75,000	\$ -
Investment earnings	<u>220</u>	<u>195</u>	<u>22</u>	<u>217</u>	<u>(3)</u>
Total revenues	<u>75,220</u>	<u>75,195</u>	<u>22</u>	<u>75,217</u>	<u>(3)</u>
Expenditures:					
Rehabilitation	<u>75,220</u>	<u>66,502</u>	<u>49</u>	<u>66,551</u>	<u>8,669</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 8,693</u>	<u>(27)</u>	<u>\$ 8,666</u>	<u>\$ 8,666</u>
Fund Balance:					
Beginning of year - July 1			<u>8,693</u>		
End of year - June 30			<u>\$ 8,666</u>		

STANLY COUNTY, NORTH CAROLINA

COMMUNITY DEVELOPMENT BLOCK GRANT
 2011 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, 2015

		Actual			
	Project Authorization	Prior Years	Current Year	Total to Date	Variance Over/Under
Revenues:					
Restricted intergovernmental:					
Community Development Grant	\$ 75,000	\$ 69,676	\$ 5,324	\$ 75,000	\$ -
Expenditures:					
Rehabilitation	63,750	58,037	5,324	63,361	389
Administration	11,250	11,639	-	11,639	(389)
Total expenditures	75,000	69,676	5,324	75,000	-
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
 2012 SCATTERED SITE HOUSING PROJECT
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL
 FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2015

	<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:					
CDBG Scattered Site Housing	\$ 225,000	\$ 21,310	\$ 53,264	\$ 74,574	\$ (150,426)
Expenditures:					
Rehabilitation	202,500	900	44,920	45,820	156,680
Administration	22,500	20,410	8,344	28,754	(6,254)
Total expenditures	225,000	21,310	53,264	74,574	150,426
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

2013 URGENT REPAIR PROGRAM

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL
 FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2015

	<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:					
2013 Urgent Repair Program Grant	\$ 75,000	\$ 37,500	\$ 37,500	\$ 75,000	\$ -
Investment earnings	110	74	30	104	(6)
Total revenues	<u>75,110</u>	<u>37,574</u>	<u>37,530</u>	<u>75,104</u>	<u>(6)</u>
Expenditures:					
Program costs	<u>75,110</u>	<u>50</u>	<u>75,054</u>	<u>75,104</u>	<u>6</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 37,524</u>	(37,524)	<u>\$ -</u>	<u>\$ -</u>
Fund Balance:					
Beginning of year - July 1			<u>37,524</u>		
End of year - June 30			<u>\$ -</u>		

STANLY COUNTY, NORTH CAROLINA

2014 URGENT REPAIR PROGRAM

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES

IN FUND BALANCE - BUDGET AND ACTUAL

FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2015

		Actual			
	Project Authorization	Prior Years	Current Year	Total to Date	Variance Over/Under
Revenues:					
Restricted intergovernmental:					
2014 Urgent Repair Program Grant	\$ 100,000	\$ -	\$ 50,000	\$ 50,000	\$ (50,000)
Investment earnings	-	-	90	90	90
Total revenues	100,000	-	50,090	50,090	(49,910)
Expenditures:					
Rehabilitation	100,000	-	-	-	100,000
Net change in fund balance	\$ -	\$ -	50,090	\$ 50,090	\$ 50,090
Fund Balance:					
Beginning of year - July 1			-		
End of year - June 30			\$ 50,090		

STANLY COUNTY, NORTH CAROLINA

TARHEEL CHALLENGE ACADEMY PROJECT
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL
 FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2015

	Actual				
	Project Authorization	Prior Years	Current Year	Total to Date	Variance Over/Under
Revenues:					
Restricted intergovernmental:					
NC Office of Management and Budget	\$ 3,092,000	\$ 3,092,000	\$ -	\$ 3,092,000	\$ -
Expenditures:					
Professional services	309,200	82,881	181,489	264,370	44,830
Construction	2,782,800	4,631	2,298,163	2,302,794	480,006
Total expenditures	3,092,000	87,512	2,479,652	2,567,164	524,836
Net change in fund balance	\$ -	\$ 3,004,488	(2,479,652)	\$ 524,836	\$ 524,836
Fund Balance:					
Beginning of year - July 1			3,004,488		
End of year - June 30			\$ 524,836		

STANLY COUNTY, NORTH CAROLINA

EMERGENCY RADIO SYSTEM PROJECT
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL
 FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2015

		Actual			
	Project Authorization	Prior Years	Current Year	Total to Date	Variance Over/Under
Expenditures:					
Professional services	\$ 77,000	\$ 20,172	\$ 56,400	\$ 76,572	\$ 428
Construction	8,160,762	6,897,941	488,347	7,386,288	774,474
Land purchases	75,000	-	50,760	50,760	24,240
Interest expense	330,000	-	326,861	326,861	3,139
Total expenditures	<u>8,642,762</u>	<u>6,918,113</u>	<u>922,368</u>	<u>7,840,481</u>	<u>802,281</u>
Other Financing Sources (Uses):					
Transfer from General Fund	605,000	20,172	326,861	347,033	(257,967)
Debt issued	<u>8,037,762</u>	<u>6,897,941</u>	<u>1,139,820</u>	<u>8,037,761</u>	<u>(1)</u>
Total other financing sources (uses)	<u>8,642,762</u>	<u>6,918,113</u>	<u>1,466,681</u>	<u>8,384,794</u>	<u>(257,968)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	544,313	<u>\$ 544,313</u>	<u>\$ 544,313</u>
Fund Balance:					
Beginning of year - July 1			-		
End of year - June 30			<u>\$ 544,313</u>		

STANLY COUNTY, NORTH CAROLINA

STANLY COMMUNITY COLLEGE COSMETOLOGY PROJECT
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL
 FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2015

		Actual			
	Project Authorization	Prior Years	Current Year	Total to Date	Variance Over/Under
Expenditures:					
Professional services	\$ 73,000	\$ -	\$ 21,679	\$ 21,679	\$ 51,321
Construction	-	-	35,000	35,000	(35,000)
Total expenditures	73,000	-	56,679	56,679	16,321
Other financing sources:					
Transfer from General Fund	73,000	-	56,679	56,679	16,321
Net change in fund balance	\$ -	\$ -	-	\$ -	\$ -
Fund Balance:					
Beginning of year - July 1			-		
End of year - June 30			\$ -		

STANLY COUNTY, NORTH CAROLINA

LIVESTOCK ARENA CONSTRUCTION PROJECT
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL
 FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2015

		Actual			
	Project Authorization	Prior Years	Current Year	Total to Date	Variance Over/Under
Expenditures:					
Professional services	\$ 75,000	\$ -	\$ -	\$ -	\$ 75,000
Other financing sources:					
Transfer from General Fund	75,000	-	-	-	75,000
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>		

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.
- **West Stanly Waste Water Treatment Plant Fund** – accounts for revenues and expenses of the special utility district established to provide water services to the West Stanly community.
- **Stanly County Utility Fund** – accounts for revenues and expenses of the County's water and sewer services.
- **Airport 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, 2015

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Operating revenues:			
Charges for services:			
Water sales		\$ 212,362	
Sewer charges		181,185	
Industrial sewer charges		53,418	
Taps and connection fees		1,121	
Other operating revenues		<u>1,766</u>	
Total operating revenues		<u>449,852</u>	
Non-operating revenues:			
Interest on investments		<u>753</u>	
Total revenues	\$ <u>464,900</u>	<u>450,605</u>	\$ <u>(14,295)</u>
Expenditures:			
Administration:			
Contracted services		<u>51,317</u>	
Debt service:			
State loan principal paid		22,731	
Interest expense		<u>3,545</u>	
Total debt service		<u>26,276</u>	
Distribution and maintenance:			
Contracted services		100,878	
Operating expenditures		61,450	
Repairs and maintenance		40,900	
Water purchases		177,734	
Capital outlay		<u>8,736</u>	
Total distribution and maintenance		<u>389,698</u>	
Total expenditures	<u>485,427</u>	<u>467,291</u>	<u>18,136</u>
Revenues over (under) expenditures	<u>(20,527)</u>	<u>(16,686)</u>	<u>3,841</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, 2015

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Other Financing Sources (Uses):			
Appropriated fund balance	45,696	-	(45,696)
Transfers in (out)	(25,169)	-	25,169
Total other financing sources (uses)	<u>20,527</u>	<u>-</u>	<u>(20,527)</u>

Revenues and other financing sources (uses) over (under) expenditures and other financing uses	<u>\$ -</u>	<u>(16,686)</u>	<u>\$ (16,686)</u>
---	-------------	-----------------	--------------------

Reconciliation from Budgetary Basis (Modified Accrual)

to Full Accrual:

Reconciling items:

Capital outlay	8,736
Debt principal	22,731
Depreciation	(172,526)
(Increase) decrease in accrued interest payable	<u>98</u>
Total reconciling items	<u>(140,961)</u>

Change in net position	<u>\$ (157,647)</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, 2015**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Operating revenues:			
Charges for services:			
Water sales		\$ 147,577	
Taps and connection fees		2,887	
Other operating revenues		<u>109</u>	
Total operating revenues		<u>150,573</u>	
Non-operating revenues:			
Interest on investments		<u>552</u>	
Total revenues	<u>\$ 133,700</u>	<u>151,125</u>	<u>\$ 17,425</u>
Expenditures:			
Administration:			
Contracted services		<u>75,000</u>	
Distribution and maintenance:			
Operating expenditures		1,935	
Water purchases		<u>53,945</u>	
Total distribution and maintenance		<u>55,880</u>	
Total expenditures	<u>133,700</u>	<u>130,880</u>	<u>2,820</u>
Revenues and other financing sources (uses) over (under) expenditures and other financing uses	<u>\$ -</u>	20,245	<u>\$ 20,245</u>
Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual:			
Reconciling items:			
Depreciation		<u>(1,459)</u>	
Change in net position		<u>\$ 18,786</u>	

STANLY COUNTY, NORTH CAROLINA

MAJOR ENTERPRISE FUND
 WEST STANLY WASTE WATER TREATMENT PLANT FUND
 SCHEDULE OF REVENUES AND EXPENDITURES -
 BUDGET AND ACTUAL (NON-GAAP)
 FOR THE YEAR ENDED JUNE 30, 2015

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Operating revenues:			
Charges for services:			
Sewer sales		\$ 542,722	
Total revenues	\$ 549,000	542,722	\$ (6,278)
Expenditures:			
Debt Service:			
Principal		169,250	
Interest		37,050	
Total debt service		206,300	
Distribution and maintenance:			
Operating expenditures		124,004	
Repairs and maintenance		68,280	
Salaries and benefits		97,386	
Capital outlay		11,791	
Contracted services		83,790	
Total distribution and maintenance		385,251	
Total expenditures	634,000	591,551	42,449
Revenues over (under) expenditures	(85,000)	(48,829)	36,171
Other Financing Sources (Uses):			
Transfers in from General Fund	85,000	85,000	-
Revenues and other financing sources (uses) over (under) expenditures and other financing uses	\$ -	36,171	\$ 36,171
Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual:			
Reconciling items:			
Debt principal		169,250	
Capital outlay		11,791	
Depreciation		(182,307)	
Contributions to the pension plan in the current fiscal year		4,380	
Pension expense		(373)	
(Increase) decrease in accrued interest payable		40	
(Increase) decrease in other post-employment benefits		(1,469)	
(Increase) decrease in compensated absences		(3,292)	
Total reconciling items		(1,980)	
Change in net position		\$ 34,191	

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, 2015

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Operating revenues:			
Charges for services:			
Water sales		\$ 2,193,380	
Sewer charges		502,081	
Taps and connection fees		50,000	
Other operating revenues		<u>10,099</u>	
Total operating revenues		<u>2,755,560</u>	
Non-operating revenues:			
Interest on investments		2,326	
Administrative charges		238,520	
Miscellaneous		<u>39,003</u>	
Total non-operating revenues		<u>279,849</u>	
Total revenues	\$ <u>2,877,827</u>	<u>3,035,409</u>	\$ <u>157,582</u>
Expenditures:			
Administration:			
Salaries and employee benefits		325,004	
Operating expenditures		<u>59,228</u>	
Total administration		<u>384,232</u>	
Debt service:			
State loan principal paid		<u>4,920</u>	
Distribution and maintenance:			
Salaries and employee benefits		561,817	
Operating expenditures		685,720	
Repairs and maintenance		223,778	
Water purchases		980,373	
Capital outlay		<u>138,195</u>	
Total distribution and maintenance		<u>2,589,883</u>	
Total expenditures	<u>3,037,827</u>	<u>2,979,035</u>	<u>58,792</u>
Revenues over (under) expenditures	<u>(160,000)</u>	<u>56,374</u>	<u>216,374</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, 2015

	Budget	Actual	Variance Over/Under
Other Financing Sources (Uses):			
Intrafund transfers	(131,994)	(131,994)	-
Debt issued	160,000	136,100	(23,900)
Appropriated fund balance	131,994	-	(131,994)
Total other financing sources (uses)	160,000	4,106	(155,894)
Revenues and other financing sources (uses) over (under) expenditures and other financing uses	\$ -	60,480	\$ 60,480
Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual:			
Reconciling items:			
Debt principal		4,920	
Capital outlay		138,195	
Depreciation		(657,350)	
Contributions to the pension plan in the current fiscal year		40,636	
Pension expense		(3,460)	
(Increase) decrease in accrued interest payable		(3,521)	
(Increase) decrease in other post-employment benefits		(13,669)	
(Increase) decrease in compensated absences		6,470	
Intrafund transfer to Albemarle to Hwy 200 Water Project		3,174	
Intrafund transfers to Carriker Road Water Extension Project Fund		128,820	
Transfer to projects from General Fund		40,336	
Proceeds from debt		(136,100)	
Total reconciling items		(451,549)	
Change in net position		\$ (391,069)	

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, 2015

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Operating revenues:			
Sales and services:			
Fuel and oil sales		\$ 353,243	
Tie-down fees		1,731	
Hangar rental		44,793	
Franchise		4,500	
Miscellaneous		21,016	
Total operating revenues	\$ 456,450	425,283	\$ (31,167)
Non-operating revenues:			
Interest on investments		76	
Total non-operating revenues	150,100	76	(150,024)
Total revenues	606,550	425,359	(181,191)
Expenditures:			
Administration and operations:			
Salaries and employee benefits		265,586	
Operating expenditures		114,133	
Repairs and maintenance		38,684	
Purchases for resale		271,981	
Capital outlay		7,650	
Total administration and operations	851,844	698,034	153,810
Revenues over (under) expenditures	(245,294)	(272,675)	(27,381)

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, 2015

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Other Financing Sources (Uses):			
Transfer in from the General Fund	<u>245,294</u>	<u>245,294</u>	<u>-</u>
Revenues and other financing sources (uses) over (under) expenditures and other financing uses	<u>\$ -</u>	<u>(27,381)</u>	<u>\$ (27,381)</u>
Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual:			
Reconciling items:			
Capital outlay		7,650	
Depreciation		(1,226,228)	
Capital contributions		68,567	
Contributions to the pension plan in the current fiscal year		14,113	
Pension expense		(1,201)	
(Increase) decrease in other post-employment benefits		(4,760)	
(Increase) decrease in compensated absences		467	
Transfer to projects from General Fund		<u>2,061</u>	
Total reconciling items		<u>(1,139,331)</u>	
Change in net position		<u>\$ (1,166,712)</u>	

BUDGETED PROJECT FUNDS

Project Funds account 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:

Greater Badin Water and Sewer District Fund:

- **Badin Water Rehab Project Part A Project Fund** – accounts for the revenues and expenses for the first phase of rehabilitation of Badin Water.
- **Badin Water Rehab Project Part B Project Fund** – accounts for the revenues and expenses for the final phase of rehabilitation of Badin Water.

Stanly County Utility Fund:

- **Albemarle to Highway 200 Water Project Fund** – accounts for the revenues and expenses for the extension of a water line along Highway 200.
- **Carriker Road Water Extension Project Fund** – accounts for the revenues and expenses for the extension of a water line along Carriker Road.
- **Cottonville Road NC DOT Waterline Relocation Project Fund** – accounts for the revenues and expenses for waterline relocation on Cottonville Rd.

Airport Fund:

- **Airport Runway Design Project Fund** – accounts for the revenues and expenses for extensions made to the airport runway.
- **Airport AWOS and ILS Upgrade Project Fund** – accounts for the revenues and expenses for the AWOS and ILS upgrade.



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STANLY COUNTY, NORTH CAROLINA

BADIN WATER REHAB PROJECT PART A
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP)
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2015

		Actual			
	Project Authorization	Prior Years	Current Year	Total to Date	Variance Over/Under
Revenues:					
Restricted Intergovernmental:					
USDA Grant	\$ 700,600	\$ -	\$ -	\$ -	\$ (700,600)
Expenditures:					
Construction	2,526,759	-	603,904	603,904	1,922,855
Professional services	329,010	-	128,160	128,160	200,850
Land	2,000	-	-	-	2,000
Total expenditures	2,857,769	-	732,064	732,064	2,125,705
Revenues over (under) expenditures	(2,157,169)	-	(732,064)	(732,064)	1,425,105
Other Financing Sources (Uses):					
Transfer from Greater Badin Fund	25,169	-	-	-	(25,169)
Bond anticipation note issued	2,132,000	-	2,132,000	2,132,000	-
Total other financing sources (uses)	2,157,169	-	2,132,000	2,132,000	(25,169)
Revenues and other financing sources (uses) over (under) expenditures and other financing uses	\$ -	\$ -	\$ 1,399,936	\$ 1,399,936	\$ 1,399,936

STANLY COUNTY, NORTH CAROLINA

BADIN WATER REHAB PROJECT PART B
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP)
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2015

	<u>Project</u>	<u>Actual</u>			<u>Variance</u>
	<u>Authorization</u>	<u>Prior</u>	<u>Current</u>	<u>Total</u>	<u>Over/Under</u>
		<u>Years</u>	<u>Year</u>	<u>to Date</u>	
Revenues:					
Restricted Intergovernmental:					
DWSRF Principal Forgiveness Grant	\$ 2,400,000	\$ -	\$ -	\$ -	\$ (2,400,000)
Expenditures:					
Construction	4,397,148	-	-	-	4,397,148
Professional services	766,776	-	472	472	766,304
Land	2,000	-	-	-	2,000
Total expenditures	5,165,924	-	472	472	5,165,452
Revenues over (under) expenditures	(2,765,924)	-	(472)	(472)	2,765,452
Other Financing Sources (Uses):					
DWSRF Revolving Loan	2,765,924	-	-	-	(2,765,924)
Revenues and other financing sources (uses) over (under) expenditures and other financing uses	\$ -	\$ -	\$ (472)	\$ (472)	\$ (472)

STANLY COUNTY, NORTH CAROLINA

ALBEMARLE TO HIGHWAY 200 WATER PROJECT FUND
 SCHEDULE OF REVENUES AND EXPENDITURES -
 BUDGET AND ACTUAL (NON-GAAP)
 FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2015

		Actual			
	Project Authorization	Prior Years	Current Year	Total to Date	Variance Over/Under
Expenditures:					
Construction	\$ 1,470,000	\$ -	\$ -	\$ -	\$ 1,470,000
Professional services	162,848	159,674	-	159,674	3,174
Land	26,826	-	-	-	26,826
Total expenditures	<u>1,659,674</u>	<u>159,674</u>	<u>-</u>	<u>159,674</u>	<u>1,500,000</u>
Other Financing Sources (Uses):					
Transfer from Utilities Fund	113,174	110,000	3,174	113,174	-
Transfer from Millingport Sewer Project Fund	46,500	46,500	-	46,500	-
Debt issued	<u>1,500,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,500,000)</u>
Total other financing sources (uses)	<u>1,659,674</u>	<u>156,500</u>	<u>3,174</u>	<u>159,674</u>	<u>(1,500,000)</u>
Revenues and other financing sources (uses) over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ (3,174)</u>	<u>\$ 3,174</u>	<u>\$ -</u>	<u>\$ -</u>

STANLY COUNTY, NORTH CAROLINA

CARRIKER ROAD WATER EXTENSION PROJECT FUND
 SCHEDULE OF REVENUES AND EXPENDITURES -
 BUDGET AND ACTUAL (NON-GAAP)
 FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2015

		Actual			
	Project Authorization	Prior Years	Current Year	Total to Date	Variance Over/Under
Expenditures:					
Land	\$ 1,000	\$ -	\$ 130	\$ 130	\$ 870
Construction	175,312	-	152,352	152,352	22,960
Professional services	46,753	20,493	16,674	37,167	9,586
Total expenditures	<u>223,065</u>	<u>20,493</u>	<u>169,156</u>	<u>189,649</u>	<u>33,416</u>
Other Financing Sources (Uses):					
Transfer from General Fund	47,454	-	40,336	40,336	(7,118)
Transfer from Utilities Fund	175,611	20,493	128,820	149,313	(26,298)
Total other financing sources (uses)	<u>223,065</u>	<u>20,493</u>	<u>169,156</u>	<u>189,649</u>	<u>(33,416)</u>
Revenues and other financing sources (uses) over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

STANLY COUNTY, NORTH CAROLINA

COTTONVILLE ROAD NC DOT WATERLINE RELOCATION PROJECT
 SCHEDULE OF REVENUES AND EXPENDITURES -
 BUDGET AND ACTUAL (NON-GAAP)
 FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2015

		Actual			
	Project Authorization	Prior Years	Current Year	Total to Date	Variance Over/Under
Revenues:					
Restricted Intergovernmental:					
NC DOT Reimbursement	\$ 69,134	\$ -	\$ -	\$ -	\$ (69,134)
Expenditures:					
Land	1,000	-	-	-	1,000
Construction	53,690	-	-	-	53,690
Professional services	14,444	-	5,804	5,804	8,640
Total expenditures	69,134	-	5,804	5,804	63,330
Revenues over (under) expenditures	\$ -	\$ -	\$ (5,804)	\$ (5,804)	\$ (5,804)

STANLY COUNTY, NORTH CAROLINA

AIRPORT RUNWAY DESIGN PROJECT FUND
 SCHEDULE OF REVENUES AND EXPENDITURES -
 BUDGET AND ACTUAL (NON-GAAP)
 FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2015

		Actual			
	Project Authorization	Prior Years	Current Year	Total to Date	Variance Over/Under
Revenues:					
Restricted intergovernmental:					
FAA Grant	\$ 325,000	\$ 289,310	\$ -	\$ 289,310	\$ (35,690)
NC DOT Grant	250,000	-	-	-	(250,000)
Air Guard	406,753	-	-	-	(406,753)
Vision 100	49,470	49,469	35,173	84,642	35,172
Total revenues	<u>1,031,223</u>	<u>338,779</u>	<u>35,173</u>	<u>373,952</u>	<u>(657,271)</u>
Expenditures:					
Professional services	1,046,125	335,860	39,081	374,941	671,184
Construction	242,594	199,827	-	199,827	42,767
Total expenditures	<u>1,288,719</u>	<u>535,687</u>	<u>39,081</u>	<u>574,768</u>	<u>713,951</u>
Revenues over (under) expenditures	<u>(257,496)</u>	<u>(196,908)</u>	<u>(3,908)</u>	<u>(200,816)</u>	<u>56,680</u>
Other Financing Sources (Uses):					
Transfer from General Fund	296,000	235,411	-	235,411	(60,589)
Transfer (to) General Fund	<u>(38,504)</u>	<u>(38,503)</u>	<u>-</u>	<u>(38,503)</u>	<u>1</u>
Total other financing sources (uses)	<u>257,496</u>	<u>196,908</u>	<u>-</u>	<u>196,908</u>	<u>(60,588)</u>
Revenues and other financing sources (uses) over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (3,908)</u>	<u>\$ (3,908)</u>	<u>\$ (3,908)</u>

STANLY COUNTY, NORTH CAROLINA

AIRPORT AWOS AND ILS UPGRADE PROJECT FUND
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP)
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2015

		Actual			
	<u>Project</u>	<u>Prior</u>	<u>Current</u>	<u>Total</u>	<u>Variance</u>
	<u>Authorization</u>	<u>Years</u>	<u>Year</u>	<u>to Date</u>	<u>Over/Under</u>
Revenues:					
Restricted intergovernmental:					
Vision Entitlement Grant	\$ 112,500	\$ 70,703	\$ 33,394	\$ 104,097	\$ (8,403)
Expenditures:					
Professional services	54,810	44,494	-	44,494	10,316
Construction	70,190	71,169	-	71,169	(979)
Total expenditures	125,000	115,663	-	115,663	9,337
Revenues over (under) expenditures	(12,500)	(44,960)	33,394	(11,566)	934
Other Financing Sources (Uses):					
Transfer from General Fund	12,500	9,505	2,061	11,566	(934)
Revenues and other financing sources (uses) over (under) expenditures and other financing uses	\$ -	\$ (35,455)	\$ 35,455	\$ -	\$ -



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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 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, 2015

	<u>Financial Plan</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Operating Revenues:			
Charges for sales and services	\$ 5,755,505	\$ 5,547,287	\$ (208,218)
Operating Expenses:			
Group health operations	5,265,763	4,440,371	825,392
Workers' compensation claims	499,742	490,893	8,849
Total operating expenditures	<u>5,765,505</u>	<u>4,931,264</u>	<u>834,241</u>
Operating income (loss)	(10,000)	616,023	626,023
Non-Operating Revenues:			
Investment earnings	<u>10,000</u>	<u>8,224</u>	<u>(1,776)</u>
Change in net position	<u>\$ -</u>	624,247	<u>\$ 624,247</u>
Net Position:			
Beginning of year - July 1		<u>2,269,512</u>	
End of year - June 30		<u>\$ 2,893,759</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** – accounts for monies deposited with the County for the benefit of certain individuals.
- **Fines and Forfeitures Fund** – accounts for fines designated for school operations.
- **Deed of Trust Fund** – accounts for \$5.00 of each fee collected by the Register of Deeds for registering or filing a deed of trust or mortgage that the County is required to remit to the State Treasurer on a monthly basis.
- **Sheriff's Execution Fund** – accounts for funds received and disbursed by order of the court system.
- **Property Tax Clearing Fund** – accounts for property taxes collected by the County on behalf of the respective cities and towns.



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STANLY COUNTY, NORTH CAROLINA

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES AGENCY FUNDS FOR THE YEAR ENDED JUNE 30, 2015

	<u>Balance July 1, 2014</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2015</u>
Protective Payee Fund:				
Assets:				
Cash and cash equivalents	\$ <u>8,078</u>	\$ <u>28,628</u>	\$ <u>24,321</u>	\$ <u>12,385</u>
Liabilities:				
Client payable	\$ <u>8,078</u>	\$ <u>28,628</u>	\$ <u>24,321</u>	\$ <u>12,385</u>
Fines and Forfeitures Fund:				
Assets:				
Cash and cash equivalents	\$ <u>-</u>	\$ <u>568,176</u>	\$ <u>568,176</u>	\$ <u>-</u>
Liabilities:				
Accounts payable	\$ <u>-</u>	\$ <u>568,176</u>	\$ <u>568,176</u>	\$ <u>-</u>
Deed of Trust Fund:				
Assets:				
Cash and cash equivalents	\$ <u>3,193</u>	\$ <u>3,528</u>	\$ <u>3,193</u>	\$ <u>3,528</u>
Liabilities:				
Accounts payable	\$ <u>3,193</u>	\$ <u>3,528</u>	\$ <u>3,193</u>	\$ <u>3,528</u>
Sheriff's Execution Fund:				
Assets:				
Cash and cash equivalents	\$ <u>270</u>	\$ <u>15,530</u>	\$ <u>9,458</u>	\$ <u>6,342</u>
Inmate cash	<u>1,830</u>	<u>38,811</u>	<u>35,215</u>	<u>5,426</u>
Total assets	\$ <u>2,100</u>	\$ <u>54,341</u>	\$ <u>44,673</u>	\$ <u>11,768</u>
Liabilities:				
Executions payable	\$ <u>270</u>	\$ <u>15,530</u>	\$ <u>9,458</u>	\$ <u>6,342</u>
Inmate payable	<u>1,830</u>	<u>38,811</u>	<u>35,215</u>	<u>5,426</u>
Total liabilities	\$ <u>2,100</u>	\$ <u>54,341</u>	\$ <u>44,673</u>	\$ <u>11,768</u>

STANLY COUNTY, NORTH CAROLINA

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES AGENCY FUNDS FOR THE YEAR ENDED JUNE 30, 2015

	<u>Balance</u> <u>July 1, 2014</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2015</u>
Property Tax Clearing Fund:				
Assets:				
Cash and cash equivalents	\$ 147,109	\$ 10,040,336	\$ 10,049,128	\$ 138,317
Liabilities:				
Accounts payable	\$ 147,109	\$ 10,040,336	\$ 10,049,128	\$ 138,317
Totals:				
Assets:				
Cash and cash equivalents	\$ 158,650	\$ 10,656,198	\$ 10,654,276	\$ 160,572
Inmate cash	1,830	38,811	35,215	5,426
Total assets	\$ 160,480	\$ 10,695,009	\$ 10,689,491	\$ 165,998
Liabilities:				
Accounts payable and future payments	\$ 150,572	\$ 10,627,570	\$ 10,629,955	\$ 148,187
Client and inmate payable	9,908	67,439	59,536	17,811
Total liabilities	\$ 160,480	\$ 10,695,009	\$ 10,689,491	\$ 165,998

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, 2015

Fiscal Year	Uncollected Balance July 1, 2014	Additions	Collections and Credits	Uncollected Balance June 30, 2015
2014-2015	\$ -	\$ 29,746,072	\$ 28,799,295	\$ 946,777
2013-2014	1,216,171	97,761	787,969	525,963
2012-2013	634,211	1,993	243,794	392,410
2011-2012	401,750	705	109,883	292,572
2010-2011	310,279	654	74,860	236,073
2009-2010	306,670	-	46,833	259,837
2008-2009	198,280	-	29,459	168,821
2007-2008	127,283	-	17,284	109,999
2006-2007	107,798	-	12,335	95,463
2005-2006	82,634	-	6,501	76,133
2004-2005	85,010	-	4,754	80,256
2003-2004	81,521	-	81,521	-
Districts over 3 years old	<u>96,795</u>	<u>10,000</u>	<u>9,414</u>	<u>97,381</u>
Total	<u>\$ 3,648,402</u>	<u>\$ 29,857,185</u>	<u>\$ 30,223,902</u>	3,281,685
Less allowance for uncollectible accounts - General Fund				<u>(588,841)</u>
Ad valorem taxes receivable, net				<u>\$ 2,692,844</u>
Reconciliation with Revenues:				
Ad valorem taxes - General Fund				\$ 30,221,115
Reconciling items:				
Animal tax				(37,562)
Collection fees				(23,656)
Interest collected				(369,466)
Discounts allowed				155,650
Late listings				(51,728)
Statute of Limitations				81,521
Miscellaneous				<u>248,028</u>
Total collections and credits				<u>\$ 30,223,902</u>

STANLY COUNTY, NORTH CAROLINA

ANALYSIS OF CURRENT TAX LEVY - COUNTY-WIDE LEVY FOR THE YEAR ENDED JUNE 30, 2015

	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	\$ 4,418,444,141	\$ 0.6700	\$ 29,627,263	\$ 26,517,965	\$ 3,109,298
Penalties	-		47,457	47,457	-
Total original levy	<u>4,418,444,141</u>		<u>29,674,720</u>	<u>26,565,422</u>	<u>3,109,298</u>
Discoveries:					
Current year rate	18,268,250	0.6700	122,397	121,925	472
Penalties	-		9,957	9,957	-
Penalties prior year rate	-		162	162	-
Prior year taxes	-		131,579	131,092	487
Total discoveries	<u>18,268,250</u>		<u>264,095</u>	<u>263,136</u>	<u>959</u>
Releases:					
Current year rate	(28,605,731)	0.6700	(191,658)	(191,109)	(549)
Penalties	-		(1,085)	(1,085)	-
Total releases	<u>(28,605,731)</u>		<u>(192,743)</u>	<u>(192,194)</u>	<u>(549)</u>
Net assessed valuation	<u>\$ 4,408,106,660</u>				
Net Levy			29,746,072	26,636,364	3,109,708
Uncollected taxes, June 30			<u>946,777</u>	<u>920,746</u>	<u>26,031</u>
Current Year's Taxes Collected			<u>\$ 28,799,295</u>	<u>\$ 25,715,618</u>	<u>\$ 3,083,677</u>
Current Levy Collection Percentage Rate			<u>96.82%</u>	<u>96.54%</u>	<u>99.16%</u>

STANLY COUNTY, NORTH CAROLINA

ANALYSIS OF CURRENT TAX LEVY - COUNTY-WIDE LEVY FOR THE YEAR ENDED JUNE 30, 2015

Secondary Market Disclosures:

Assessed valuation:

Assessment ratio 100%

Real property \$ 3,838,855,824

Personal property 450,202,853

Public service 119,047,983

Total assessed value \$ 4,408,106,660

Tax rate per \$100 0.6700

Levy (includes discoveries, releases, and abatements) \$ 29,746,072

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, 2015:

Fire protection districts \$ 2,103,398



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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 Position by Component	Table 1
Changes in Net Position	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 Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year				
	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Governmental activities					
Net Investment in capital assets	\$ 12,190,805	\$ 9,896,831	\$ 13,933,344	\$ 18,364,949	\$ 14,377,226
Restricted	71,510	121,967	65,839	71,511	81,434
Unrestricted	<u>(3,676,463)</u>	<u>1,856,585</u>	<u>1,284,464</u>	<u>(12,030,075)</u>	<u>(13,445,875)</u>
Total Governmental activities net position	<u>\$ 8,585,852</u>	<u>\$ 11,875,383</u>	<u>\$ 15,283,647</u>	<u>\$ 6,406,385</u>	<u>\$ 1,012,785</u>
Business-type activities					
Net Investment in capital assets	\$ 30,892,567	\$ 34,317,479	\$ 33,344,464	\$ 33,309,479	\$ 34,634,482
Unrestricted	<u>2,176,979</u>	<u>2,198,765</u>	<u>2,532,023</u>	<u>2,237,487</u>	<u>(326,823)</u>
Total business-type activities net position	<u>\$ 33,069,546</u>	<u>\$ 36,516,244</u>	<u>\$ 35,876,487</u>	<u>\$ 35,546,966</u>	<u>\$ 34,307,659</u>
Primary government					
Net Investment in capital assets	\$ 43,083,372	\$ 44,214,310	\$ 47,277,808	\$ 51,674,428	\$ 49,011,708
Restricted	71,510	121,967	65,839	71,511	81,434
Unrestricted	<u>(1,499,484)</u>	<u>4,055,350</u>	<u>3,816,487</u>	<u>(9,792,588)</u>	<u>(13,772,698)</u>
Total primary government net position	<u>\$ 41,655,398</u>	<u>\$ 48,391,627</u>	<u>\$ 51,160,134</u>	<u>\$ 41,953,351</u>	<u>\$ 35,320,444</u>

Table 1

Fiscal Year				
<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
\$ 13,495,499	\$ 14,038,812	\$ 12,862,706	\$ 12,721,219	\$ 13,286,678
7,984,392	8,406,322	4,642,935	8,238,897	5,379,242
<u>(18,918,800)</u>	<u>(16,190,035)</u>	<u>(8,217,856)</u>	<u>(5,257,817)</u>	<u>(2,610,918)</u>
<u>\$ 2,561,091</u>	<u>\$ 6,255,099</u>	<u>\$ 9,287,785</u>	<u>\$ 15,702,299</u>	<u>\$ 16,055,002</u>
\$ 35,328,679	\$ 38,523,839	\$ 37,935,794	\$ 37,621,348	\$ 35,823,165
600,944	508,553	1,216,035	1,612,161	1,641,558
<u>\$ 35,929,623</u>	<u>\$ 39,032,392</u>	<u>\$ 39,151,829</u>	<u>\$ 39,233,509</u>	<u>\$ 37,464,723</u>
\$ 48,824,178	\$ 52,562,651	\$ 50,798,500	\$ 50,342,567	\$ 49,109,843
7,984,392	8,406,322	4,642,935	8,238,897	5,379,242
<u>(18,317,856)</u>	<u>(15,681,482)</u>	<u>(7,001,821)</u>	<u>(3,645,656)</u>	<u>(969,360)</u>
<u>\$ 38,490,714</u>	<u>\$ 45,287,491</u>	<u>\$ 48,439,614</u>	<u>\$ 54,935,808</u>	<u>\$ 53,519,725</u>

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

Expenses	Fiscal Year				
	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Governmental activities:					
General government	\$ 4,507,077	\$ 4,763,517	\$ 5,563,922	\$ 6,207,070	\$ 6,799,601
Public safety	10,901,818	11,144,226	12,089,074	13,941,395	13,957,473
Transportation	799,798	814,513	850,441	923,081	948,122
Environmental protection	927,806	1,000,097	1,031,633	1,108,942	1,155,970
Economic and physical development	2,001,170	1,888,101	2,344,873	1,494,393	2,741,056
Human services	15,746,398	16,379,896	16,086,711	16,136,859	14,851,419
Education	14,524,281	14,888,711	14,267,912	24,661,209	19,284,505
Culture and recreation	1,552,261	1,668,597	1,800,314	2,035,578	1,954,960
Interest on long-term debt	1,085,577	1,234,712	1,193,541	1,393,628	1,659,370
Total governmental activities expenses	<u>52,046,186</u>	<u>53,782,370</u>	<u>55,228,419</u>	<u>67,902,155</u>	<u>63,352,475</u>
Business-type activities:					
Water and sewer	2,852,463	2,857,210	3,377,002	3,809,744	3,703,713
Airport	1,445,778	1,670,370	1,588,558	1,548,508	1,518,407
Total business-type activities	<u>4,298,241</u>	<u>4,527,580</u>	<u>4,965,560</u>	<u>5,358,252</u>	<u>5,222,120</u>
Total primary governmental expenses	<u>\$ 56,344,427</u>	<u>\$ 58,309,950</u>	<u>\$ 60,193,979</u>	<u>\$ 73,260,407</u>	<u>\$ 68,574,595</u>
Program Revenues					
Governmental activities:					
Charges for services:					
General government	\$ 1,668,751	\$ 1,579,480	\$ 1,668,625	\$ 1,844,478	\$ 1,468,042
Public safety	2,022,339	2,396,682	2,579,945	2,669,845	3,003,195
Transportation	303,563	312,282	375,280	370,233	364,756
Environmental protection	740,437	857,834	848,824	835,242	862,811
Economic and physical development	13,081	12,480	23,135	601,271	13,770
Human services	1,910,676	2,157,094	1,894,767	2,301,087	2,147,188
Culture and recreation	27,714	36,857	79,893	185,582	21,703
Operating grants and contributions	11,035,610	8,832,742	9,111,529	9,307,612	11,222,862
Capital grants and contributions	164,368	1,842,159	986,481	1,706,125	1,123,874
Total governmental activities program revenues	<u>17,886,539</u>	<u>18,027,610</u>	<u>17,568,479</u>	<u>19,821,475</u>	<u>20,228,201</u>
Business-type activities:					
Charges for services:					
Water and sewer	2,762,650	2,725,228	3,004,732	3,001,449	3,069,742
Airport	397,830	429,644	457,087	295,877	311,966
Operating grants and contributions	-	-	17,949	-	-
Capital grants and contributions	1,007,601	3,757,664	216,801	1,092,003	366,777
Total business-type activities program revenues	<u>4,168,081</u>	<u>6,912,536</u>	<u>3,696,569</u>	<u>4,389,329</u>	<u>3,748,485</u>
Total primary governmental program revenues	<u>\$ 22,054,620</u>	<u>\$ 24,940,146</u>	<u>\$ 21,265,048</u>	<u>\$ 24,210,804</u>	<u>\$ 23,976,686</u>
Net (expense)/revenue					
Governmental activities	\$ (34,159,647)	\$ (35,754,760)	\$ (37,659,940)	\$ (48,080,680)	\$ (43,124,274)
Business-type activities	<u>(130,160)</u>	<u>2,384,956</u>	<u>(1,268,991)</u>	<u>(968,923)</u>	<u>(1,473,635)</u>
Total primary governmental net expense	<u>\$ (34,289,807)</u>	<u>\$ (33,369,804)</u>	<u>\$ (38,928,931)</u>	<u>\$ (49,049,603)</u>	<u>\$ (44,597,909)</u>

Table 2
Page 1 of 2

Fiscal Year				
<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
\$ 5,601,234	\$ 5,048,549	\$ 5,204,527	\$ 4,793,725	\$ 4,791,099
14,130,565	14,482,815	14,434,194	14,969,660	16,006,619
987,615	988,483	950,965	961,283	956,499
1,159,814	1,162,909	1,197,567	1,202,676	1,220,956
2,610,268	2,364,231	2,004,658	1,590,399	2,058,625
14,614,279	14,968,599	14,970,988	15,020,712	14,772,323
13,334,719	12,643,400	12,532,158	12,830,472	15,665,022
1,572,655	1,643,930	1,572,868	1,505,119	1,457,322
1,169,653	1,264,990	925,756	1,007,050	913,803
<u>55,180,802</u>	<u>54,567,906</u>	<u>53,793,681</u>	<u>53,881,096</u>	<u>57,842,268</u>
3,768,034	4,071,866	4,714,762	4,254,118	4,800,936
1,514,311	1,633,139	1,698,168	2,269,170	1,907,993
<u>5,282,345</u>	<u>5,705,005</u>	<u>6,412,930</u>	<u>6,523,288</u>	<u>6,708,929</u>
<u>\$ 60,463,147</u>	<u>\$ 60,272,911</u>	<u>\$ 60,206,611</u>	<u>\$ 60,404,384</u>	<u>\$ 64,551,197</u>
\$ 1,445,785	\$ 1,499,922	\$ 1,483,698	\$ 1,538,895	\$1,700,655.00
2,841,139	3,331,264	3,200,111	3,194,958	3,099,903
578,427	425,439	423,318	387,695	410,615
883,729	883,005	891,052	931,946	930,730
18,478	24,042	25,101	25,342	35,192
2,194,950	2,514,395	2,335,558	2,709,716	2,530,711
24,320	20,811	28,624	25,029	24,214
10,632,041	10,767,746	9,701,383	9,737,956	10,049,693
1,148,686	970,547	1,091,138	4,017,043	1216000
<u>19,767,555</u>	<u>20,437,171</u>	<u>19,179,983</u>	<u>22,568,580</u>	<u>19,997,713</u>
3,096,448	3,162,076	3,076,946	3,477,682	4,137,227
303,126	362,955	411,149	455,302	425,283
91,262	-	-	-	-
<u>2,735,134</u>	<u>5,130,143</u>	<u>1,734,467</u>	<u>392,171</u>	<u>68567</u>
<u>6,225,970</u>	<u>8,655,174</u>	<u>5,222,562</u>	<u>4,325,155</u>	<u>4,631,077</u>
<u>\$ 25,993,525</u>	<u>\$ 29,092,345</u>	<u>\$ 24,402,545</u>	<u>\$ 26,893,735</u>	<u>\$ 24,628,790</u>
\$ (35,413,247)	\$ (34,130,735)	\$ (34,613,698)	\$ (31,312,516)	\$ (37,844,555)
<u>943,625</u>	<u>2,950,169</u>	<u>(1,190,368)</u>	<u>(2,198,133)</u>	<u>(2,077,852)</u>
<u>\$ (34,469,622)</u>	<u>\$ (31,180,566)</u>	<u>\$ (35,804,066)</u>	<u>\$ (33,510,649)</u>	<u>\$ (39,922,407)</u>

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

**General Revenues and Other Changes in
net position**

	Fiscal Year				
	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Governmental activities:					
Taxes					
Ad valorem taxes	\$ 27,029,395	\$ 27,468,013	\$ 29,160,452	\$ 29,839,262	\$ 30,245,704
Local option sales tax	9,922,637	10,605,369	10,695,767	8,842,576	6,841,679
Other taxes	557,210	579,632	574,991	519,464	481,063
Interest earned on investments	921,555	1,393,065	1,235,530	612,476	372,699
Miscellaneous	-	-	-	-	-
Transfers in (out)	(2,152,690)	(1,001,788)	(598,536)	(610,360)	(210,471)
Total governmental activities	<u>36,278,107</u>	<u>39,044,291</u>	<u>41,068,204</u>	<u>39,203,418</u>	<u>37,730,674</u>
Business-type activities:					
Ad valorem taxes	-	-	-	-	-
Interest earned on investments	26,276	59,954	30,698	29,042	23,857
Miscellaneous	-	-	-	-	-
Transfers in (out)	2,152,690	1,001,788	598,536	610,360	210,471
Total business-type activities	<u>2,178,966</u>	<u>1,061,742</u>	<u>629,234</u>	<u>639,402</u>	<u>234,328</u>
Total primary government	<u>\$ 38,457,073</u>	<u>\$ 40,106,033</u>	<u>\$ 41,697,438</u>	<u>\$ 39,842,820</u>	<u>\$ 37,965,002</u>
Change in net position					
Governmental activities	\$ 2,118,460	\$ 3,289,531	\$ 3,408,264	\$ (8,877,262)	\$ (5,393,600)
Business-type activities	<u>2,048,806</u>	<u>3,446,698</u>	<u>(639,757)</u>	<u>(329,521)</u>	<u>(1,239,307)</u>
Total primary government	<u>\$ 4,167,266</u>	<u>\$ 6,736,229</u>	<u>\$ 2,768,507</u>	<u>\$ (9,206,783)</u>	<u>\$ (6,632,907)</u>

Table 2
Page 2 of 2

Fiscal Year				
<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
\$ 30,442,706	\$ 30,499,757	\$ 31,174,287	\$ 32,363,012	\$ 32,146,975
6,418,461	6,696,017	7,040,648	6,936,696	7,716,809
502,321	504,698	543,968	544,765	605,773
256,933	261,112	171,540	139,996	64,018
-	-	-	19,025	-
(658,868)	(136,841)	(1,284,059)	(2,276,464)	(372,691)
<u>36,961,553</u>	<u>37,824,743</u>	<u>37,646,384</u>	<u>37,727,030</u>	<u>40,160,884</u>
16,543	15,759	3,890	3,349	3,707
2,928	-	21,856	-	39,003
658,868	136,841	1,284,059	2,276,464	372,691
<u>678,339</u>	<u>152,600</u>	<u>1,309,805</u>	<u>2,279,813</u>	<u>415,401</u>
<u>\$ 37,639,892</u>	<u>\$ 37,977,343</u>	<u>\$ 38,956,189</u>	<u>\$ 40,006,843</u>	<u>\$ 40,576,285</u>
\$ 1,548,306	\$ 3,694,008	\$ 3,032,686	\$ 6,414,514	\$ 2,316,329
1,621,964	3,102,769	119,437	81,680	(1,662,451)
<u>\$ 3,170,270</u>	<u>\$ 6,796,777</u>	<u>\$ 3,152,123</u>	<u>\$ 6,496,194</u>	<u>\$ 653,878</u>

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

	Fiscal Year				
	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
General Fund					
Reserved	\$ 4,206,084	\$ 5,249,619	\$ 3,590,746	\$ 8,233,781	\$ -
Unreserved	11,756,250	12,250,938	15,452,332	9,390,468	-
Nonspendable					36,360
Restricted					9,661,929
Committed					-
Assigned					2,062,820
Unassigned					<u>4,640,026</u>
Total General Fund	<u>\$ 15,962,334</u>	<u>\$ 17,500,557</u>	<u>\$ 19,043,078</u>	<u>\$ 17,624,249</u>	<u>\$ 16,401,135</u>
All other governmental funds					
Reserved	\$ 59,382	\$ 105,640	\$ 30,977	\$ 28,082	\$ -
Unreserved, reported in:					
Special revenue funds	482,567	464,056	514,312	347,371	-
Capital projects funds	<u>665,307</u>	<u>3,554,882</u>	<u>-</u>	<u>-</u>	-
Restricted					445,193
Unassigned					<u>-</u>
Total all other governmental funds	<u>\$ 1,207,256</u>	<u>\$ 4,124,578</u>	<u>\$ 545,289</u>	<u>\$ 375,453</u>	<u>\$ 445,193</u>

GASB statement 54 established new fund balance classifications in fiscal year 2010. As of fiscal year 2010, fund balance classifications were nonspendable, restricted, committed, assigned, and unassigned.

Table 3

Fiscal Year				
<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
51,071	52,912	66,374	71,395	66,969
7,480,151	8,027,964	4,206,637	4,887,893	4731910
-	-	-	750,000	500,000
2,003,925	2,803,717	3,120,289	3,368,058	3,465,815
<u>6,424,783</u>	<u>7,005,289</u>	<u>11,378,402</u>	<u>10,113,103</u>	<u>11,529,498</u>
<u>\$ 15,959,930</u>	<u>\$ 17,889,882</u>	<u>\$ 18,771,702</u>	<u>\$ 19,190,449</u>	<u>\$ 20,294,192</u>
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
504,241	378,358	436,298	3,351,004	1191645
<u>(34,118)</u>	<u>(52,149)</u>	<u>(161,875)</u>	<u>(35,676)</u>	<u>(6,132)</u>
<u>\$ 470,123</u>	<u>\$ 326,209</u>	<u>\$ 274,423</u>	<u>\$ 3,315,328</u>	<u>\$ 1,185,513</u>

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

	Fiscal Year				
	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Revenues					
Ad valorem taxes	\$ 26,829,328	\$ 27,519,067	\$ 29,225,384	\$ 29,600,368	\$ 30,025,945
Local option sales taxes	9,922,637	10,605,369	10,695,767	8,842,576	6,841,679
Other taxes and licenses	557,210	579,632	574,991	519,464	481,063
Unrestricted intergovernmental	6,080	5,657	8,173	2,664	425
Restricted intergovernmental	10,365,169	10,258,260	9,664,623	10,688,266	11,995,950
Permits and fees	813,844	927,965	945,668	925,727	6,719,000
Sales and services	5,734,916	5,984,898	6,087,739	6,715,699	694,288
Investment earnings	827,006	1,286,592	1,146,477	510,910	284,270
Miscellaneous	834,809	706,272	714,807	1,290,237	635,110
Total revenues	<u>55,890,999</u>	<u>57,873,712</u>	<u>59,063,629</u>	<u>59,095,911</u>	<u>57,677,730</u>
Expenditures					
General government	3,933,312	4,219,004	5,183,353	5,655,825	6,183,333
Public safety	10,245,837	13,933,485	14,967,299	14,559,774	13,594,893
Transportation	712,320	732,129	797,230	847,546	837,489
Environmental protection	923,604	975,779	1,026,214	1,090,593	1,121,743
Economic and physical development	2,005,105	1,912,875	2,348,929	1,464,024	2,689,449
Human services	15,729,303	16,415,126	16,202,140	16,130,914	14,601,773
Education	14,318,186	14,888,711	11,156,431	20,905,982	15,346,641
Culture and recreation	1,449,484	1,468,388	1,604,432	1,887,929	1,698,160
Capital Outlay	2,150,608	678,811	4,275,976	4,553,357	3,238,973
Debt service					
Principal	1,333,098	1,530,401	1,728,156	1,993,041	2,400,877
Interest and other charges	<u>1,099,665</u>	<u>1,161,670</u>	<u>1,211,702</u>	<u>1,142,202</u>	<u>1,697,261</u>
Total expenditures	<u>53,900,522</u>	<u>57,916,379</u>	<u>60,501,862</u>	<u>70,231,187</u>	<u>63,410,592</u>
Excess of revenues over (under) expenditures	1,990,477	(42,667)	(1,438,233)	(11,135,276)	(5,732,862)
Other financing sources (uses)					
Debt Proceeds	-	5,500,000	-	13,000,000	312,547
Refunding bond issued	-	-	-	-	16,325,000
Payment to escrow agent-retired debt	-	-	-	-	-
Payment to bondholders	-	-	-	-	(17,223,200)
Bond Premium	-	-	-	-	1,067,654
Transfers from other funds	580,000	245,167	595,036	1,000,000	190,572
Transfers to other funds	<u>(2,732,690)</u>	<u>(1,246,955)</u>	<u>(1,193,572)</u>	<u>(1,610,360)</u>	<u>(401,043)</u>
Total other financing sources (uses)	<u>(2,152,690)</u>	<u>4,498,212</u>	<u>(598,536)</u>	<u>12,389,640</u>	<u>271,530</u>
Net change in fund balances	<u>\$ (162,213)</u>	<u>\$ 4,455,545</u>	<u>\$ (2,036,769)</u>	<u>\$ 1,254,364</u>	<u>\$ (5,461,332)</u>
Debt services as a percentage of noncapital expenditures	4.7%	4.7%	5.3%	4.6%	6.6%

Table 4

Fiscal Year				
<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
\$ 30,256,263	\$ 30,009,197	\$ 30,947,727	\$ 32,473,168	\$ 32,555,339
6,418,461	6,696,017	7,040,648	6,936,696	7,716,809
502,321	504,698	543,968	544,765	605,773
-	-	-	-	-
11,220,975	11,150,806	9,874,535	12,814,737	10,554,160
6,831,077	7,467,321	7,390,642	7,861,820	7,631,225
653,402	689,032	725,695	645,337	745,432
184,734	142,460	98,746	83,822	82,688
852,352	874,456	937,510	1,024,222	795,900
<u>56,919,585</u>	<u>57,533,987</u>	<u>57,559,471</u>	<u>62,384,567</u>	<u>60,687,326</u>
5,070,693	4,312,607	4,665,411	4,511,868	4677003
13,344,073	13,504,875	13,688,999	14,490,807	15854141
920,286	854,643	825,722	860,179	881,183
1,136,432	1,295,081	1,174,893	1,195,669	1,229,814
2,580,078	2,154,133	1,968,404	1,601,078	2,112,596
14,519,051	14,703,300	14,790,919	15,104,956	15,190,257
11,359,719	10,813,400	10,662,158	12,830,472	13,185,370
1,372,673	1,418,401	1,376,531	1,420,457	1,452,471
2,734,792	2,443,567	2,703,079	7,673,583	4070994
-	-	-	-	-
2,640,968	2,632,920	2,884,682	2,875,846	9,773,698
1,276,448	1,337,372	1,107,619	1,039,977	950,941
<u>56,955,213</u>	<u>55,470,299</u>	<u>55,848,417</u>	<u>63,604,892</u>	<u>69,378,468</u>
(35,628)	2,063,688	1,711,054	(1,220,325)	(8,691,142)
1,743,149	3,709,191	403,039	7,206,441	8,037,761
-	-	-	-	-
-	(3,850,000)	-	-	-
-	-	-	-	-
-	-	-	-	-
175,971	103,059	50,000	59,406	383,540
<u>(834,839)</u>	<u>(239,900)</u>	<u>(1,334,059)</u>	<u>(2,585,870)</u>	<u>(756,231)</u>
1,084,281	(277,650)	(881,020)	4,679,977	7,665,070
<u>\$ 1,048,653</u>	<u>\$ 1,786,038</u>	<u>\$ 830,034</u>	<u>\$ 3,459,652</u>	<u>\$ (1,026,072)</u>
7.0%	7.2%	7.3%	7.0%	16.4%

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

Table 5

Fiscal Year	Property Tax	Sales Tax	Franchise Tax	Occupancy Tax	Property Excise Tax	Intangible Tax	Solid Waste Tax	Other Tax	Total
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
2011	30,442,706	6,418,461	156,765	215,999	85,131	-	25,674	18,752	37,363,488
2012	30,499,757	6,696,017	164,644	207,471	87,523	-	25,930	19,130	37,700,472
2013	31,174,287	7,040,648	159,993	234,448	107,618	-	21,594	19,315	38,757,903
2014	32,363,012	6,936,696	157,706	230,930	111,097	-	23,382	21,650	39,844,473
2015	32,146,975	7,716,809	155,454	263,470	141,546	-	24,939	20,364	40,469,557

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

Table 6

Fiscal Year	Property Tax	Sales Tax	Franchise Tax	Occupancy Tax	Property Excise Tax	Intangible Tax	Solid Waste Tax	Other Tax	Total
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
2011	30,256,263	6,418,461	156,765	215,999	85,131	-	25,674	18,752	37,177,045
2012	30,009,197	6,696,017	164,644	207,471	87,523	-	25,930	19,130	37,209,912
2013	30,947,727	7,040,648	159,993	235,448	107,618	-	21,594	19,315	38,532,343
2014	32,473,168	6,936,696	157,706	230,930	111,097	-	23,382	21,650	39,954,629
2015	32,555,339	7,716,809	155,454	263,470	141,546	-	24,939	20,364	40,877,921

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

Table 7

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
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%
2011	2,961,763,672	604,404,169	375,174,209	346,434,253	52,964,536	4,234,811,767	0.6700	4,234,811,767	100%
2012	2,989,362,988	612,152,578	389,552,648	318,244,954	55,401,328	4,253,911,840	0.6700	4,253,911,840	100%
2013	3,021,902,549	1,101,009,623	407,026,074	326,955,037	543,377,510	4,313,515,773	0.6700	4,313,515,773	100%
2014	3,346,741,922	797,344,983	819,379,104	321,402,524	543,774,772	4,462,924,217	0.6700	4,462,924,217	100%
2015	3,372,794,145	665,520,283	444,155,733	335,090,927	409,454,428	4,408,106,660	0.6700	4,408,106,660	100%

Source: Stanly County Tax Assessor

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

Table 8

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
County Direct Rate										
Stanly (General)	0.6450	0.6450	0.6700	0.6700	0.6700	0.6700	0.6700	0.6700	0.6700	0.6700
Total direct rate	0.6450	0.6450	0.6700	0.6700	0.6700	0.6700	0.6700	0.6700	0.6700	0.6700
City/Town Overlapping Rates										
City of Albemarle	0.5600	0.5600	0.5600	0.5600	0.5600	0.5600	0.5600	0.5600	0.5900	0.5900
Town of Oakboro	0.4400	0.4100	0.4100	0.4100	0.4100	0.4100	0.4100	0.4100	0.4100	0.4100
Town of Badin	0.3400	0.3600	0.3800	0.3800	0.3800	0.3800	0.3800	0.3900	0.3900	0.3900
Town of Norwood	0.4000	0.4000	0.4000	0.4000	0.4000	0.4000	0.4000	0.4000	0.4000	0.4000
Town of Locust	0.3600	0.3600	0.3600	0.3600	0.3600	0.3600	0.3600	0.3600	0.3600	0.3600
Stanfield Annex	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Town of Stanfield	0.3800	0.3800	0.3800	0.3800	0.3800	0.3800	0.3800	0.3800	0.3800	0.3200
Town of New London	0.1600	0.1600	0.1600	0.1600	0.1600	0.1600	0.1600	0.1600	0.1600	0.1600
Town of Richfield	0.1500	0.1500	0.1500	0.1500	0.1500	0.1500	0.1500	0.1700	0.1700	0.1700
Town of Redcross	0.1600	0.1600	0.1600	0.1600	0.1600	0.1600	0.1600	0.1600	0.1600	0.1600
Redcross Annex	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Town of Misenheimer	0.2200	0.2200	0.2200	0.2200	0.2200	0.2200	0.2200	0.2200	0.2200	0.2200
Municipal Service	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000
Fire Districts Overlapping Rates										
*West Stanly	0.0800	0.0800	0.0800	0.0800	0.0800	0.0800	0.0800	0.0842	0.0842	0.0842
Center Rural	0.0500	0.0500	0.0500	0.0700	0.0700	0.0700	0.0700	0.0700	0.1000	0.1000
Endy	0.0600	0.0600	0.0600	0.0600	0.0600	0.0600	0.0600	0.0600	0.0600	0.0600
Ridgecrest	0.0800	0.0800	0.0800	0.0800	0.0900	0.0900	0.0900	0.0900	0.0900	0.0900
Aquadale	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.1000	0.1000	0.1000
Eastside	0.0800	0.0800	0.0800	0.0800	0.0800	0.0800	0.0800	0.0800	0.1000	0.1000
Oakboro Rural	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400
New London	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0515	0.0750	0.0750
Southside	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000
Rocky River	0.0800	0.0800	0.0800	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Bethany	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0775	0.0775
Richfield	0.0700	0.0700	0.0700	0.0700	0.0700	0.0700	0.0700	0.0700	0.0700	0.0700
Millingport	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500
Badin-Yadkin	0.0500	0.0500	0.0500	0.0800	0.0800	0.0800	0.0800	0.0803	0.0803	0.0803
Norwood Special	N/A	N/A	N/A	0.0500	0.0700	0.0700	0.0700	0.0700	0.0700	0.1000
Maximum Combined										
**County Tax Rate	0.7450	0.7700	0.7700	0.7700	0.7700	0.7700	0.7700	0.7700	0.7700	0.7700
*** City Tax Rate	1.2050	1.2050	1.2300	1.2300	1.2300	1.2300	1.2300	1.2300	1.2600	1.2600

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

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

Table 9

<u>Taxpayer</u>	<u>2015</u>			<u>2006</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	\$ 42,515,534	1	0.97%	\$ 50,493,167	1	1.28%
Duke Energy	42,064,738	2	0.96%	27,087,724	4	0.69%
Michelin Aircraft Tire Co.	37,503,597	3	0.85%	31,547,907	3	0.80%
Union Electric	31,882,446	4	0.73%	21,089,387	5	0.54%
Fiber Composites	29,560,956	5	0.67%	15,264,931	8	0.39%
Walmart Real Estate Business	23,953,079	6	0.55%			
Preformed Line Products	17,225,663	7	0.39%	15,120,430	9	0.38%
Stanly Regional Hospital	11,952,072	9	0.27%			
Piedmont Natural Gas	16,888,867	8	0.38%	12,698,501	10	0.32%
Aloca	10,208,324	10	0.23%	33,380,890	2	0.85%
Concord Telephone				15,566,162	7	0.40%
SPX Corporation				16,542,148	6	0.42%
Totals	\$ 263,755,276		6.00%	\$ 238,791,247		6.07%

Source: Stanly County Tax Assessor

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

Table 10

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
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%
2011	28,414,033	27,215,473	95.78%	954,163	28,169,636	99.14%
2012	28,535,034	27,153,596	95.16%	741,518	27,895,114	97.76%
2013	29,056,680	27,644,474	95.14%	1,072,968	28,717,442	98.83%
2014	30,126,927	28,910,756	95.96%	1,145,792	30,056,548	99.77%
2015	29,746,072	28,799,295	96.82%	1,112,513	29,911,808	100.00%

Source: Stanly County Tax Assessor

Table 11

Fiscal Year	Governmental Activities				Business-type Activities				Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Unamortized Premium on Bonds	Capital Leases	Installment Note	General Obligation Bonds	Capital Leases	Bond Anticipation Note	Installment Note			
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	1,067,654	4,216,668	12,628,337	70,000	-		227,310	36,284,969	2.02%	601.20
2011	16,575,000	978,656	3,850,000	13,597,185	-	-		291,030	35,291,871	1.97%	590.55
2012	15,000,000	889,658	3,523,215	12,725,241	-	-		263,379	32,401,493	1.73%	522.85
2013	13,385,000	800,660	3,133,060	12,248,753	-	-		242,765	29,810,238	1.47%	477.67
2014	11,810,000	711,660	9,644,846	11,642,562	-	-		2,765,613	36,574,681	1.77%	582.07
2015	10,255,000	621,760	10,402,629	10,703,842	-	-	2,132,000	2,704,812	36,820,043	1.78%	585.97

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

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

Table 12

Fiscal Year	General Obligation Bonds	Percentage of Estimated Actual Taxable Value of Property	Per Capita
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
2010	18,145,000	0.43%	300.64
2011	16,575,000	0.39%	277.35
2012	15,000,000	0.35%	242.05
2013	14,185,660	0.33%	227.31
2014	12,521,660	0.28%	199.28
2015	10,876,760	0.25%	173.10

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

Stanly County, North Carolina
Direct and Overlapping Governmental Activities Debt
June 30, 2015

Table 13

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Direct:			
Stanly County	\$ 31,983,231	100%	\$ 31,983,231
Overlapping:			
Town of Richfield	350,000	100%	350,000
Total direct and overlapping debt			<u>\$ 32,333,231</u>

Source: State of North Carolina Treasurer LGC 129

Note: Overlapping governments are those that coincide, at least in part, with geographic boundaries of the County. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the property taxpayers of Stanly County. This process recognizes that, when considering the County's ability to issue and repay long-term debt, the entire debt burden borne by the property taxpayers should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.



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

Table 14

	Fiscal Year				
	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Debt limit	\$ 314,713,191	\$ 319,453,600	\$ 327,410,064	\$ 333,792,266	\$ 336,564,256
Total net debt applicable to limit	<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>
Legal debt margin	<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>
Total net debt applicable to the limit as a percentage of debt limit	<u>8.00%</u>	<u>7.40%</u>	<u>8.53%</u>	<u>7.80%</u>	<u>10.94%</u>

Legal Debt Margin Calculation for Fiscal Year 2015

Assessed value		<u>\$ 4,408,106,660</u>
Debt limit - 8% of assessed value		352,648,533
Debt applicable to limit:		
General obligation bonds	\$ 10,255,000	
Bond premiums	621,760	
Installment note	10,703,842	
Capital lease obligation	10,402,629	
Business-type installment note	2,704,812	
Business-type anticipation note	<u>2,132,000</u>	
Total debt	\$ 36,820,043	
Less-Statutory deductions	<u>4,836,812</u>	
Total amount of debt applicable to debt limit		<u>31,983,231</u>
Legal debt margin		<u>\$ 320,665,302</u>

Table 14

Fiscal Year				
<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
\$ 338,784,941	\$ 340,312,947	\$ 345,081,262	\$ 357,033,937	352,648,533
<u>35,000,841</u>	<u>32,138,114</u>	<u>29,567,473</u>	<u>33,809,068</u>	<u>31,983,231</u>
<u>\$ 303,784,100</u>	<u>\$ 308,174,833</u>	<u>\$ 315,513,789</u>	<u>\$ 323,224,869</u>	<u>\$ 320,665,302</u>
<u>10.38%</u>	<u>10.33%</u>	<u>9.44%</u>	<u>9.47%</u>	<u>9.07%</u>

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

Table 15

Fiscal Year	Population (1)	Personal Income	Per Capita Personal Income (2)	Median Age (3)	School Enrollment (4)	Unemployment Rate (5)
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%
2011	59,761	1,790,738,365	29,965	40.0	9,053	10.6%
2012	60,585	1,766,961,525	29,165	41.0	9,070	10.2%
2013	61,971	1,873,197,417	30,227	41.0	8,953	8.9%
2014	62,408	2,026,262,944	32,468	41.0	8,763	5.8%
2015	62,836	2,070,320,528	32,948	42.0	8,666	5.7%

Sources:

- (1) N.C. Employment Security Commission Workforce In-Depth
- (2) N.C. Employment Security Commission Workforce In-Depth
- (3) Access NC North Carolina Economic Data and Site Information
- (4) Division of School Business Services School Allotments Sections
- (5) N.C. Employment Security Commission Workforce In-Depth

Stanly County, North Carolina
Principal Employers
Current Year and Nine Years Ago

Table 16

Employer	2015			2006		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Stanly County Schools	1,407	1	4.88%	1,420	1	5.06%
Stanly Regional Medical Center	1,079	2	3.74%			
Wal-Mart of Albemarle	613	3	2.13%	325	7	1.16%
Michelin Aircraft	472	4	1.64%	377	5	1.34%
Stanly County Government	449	5	1.56%	569	4	2.03%
Stanly Community College	425	6	1.47%			
Fiberon	370	7	1.28%			
IAC Old Fort LLC	324	8	1.12%			
State of NC Dept of Corrections	313	9	1.09%			
Food Lion	287	10	1.00%			
Stanly Health Services				1,050	2	3.74%
Collins & Aikman				600	3	2.14%
Albemarle Correctional				327	6	1.17%
Shult Manufacturing				282	8	1.01%
City of Albemarle				275	9	0.98%
ARC Services				<u>225</u>	10	0.80%
Total	<u>5,739</u>		<u>19.91%</u>	<u>5,450</u>		<u>19.43%</u>

Source: Stanly County Economic Development Office

Note: Data not available before Fiscal Year 2006.

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

Table 17

Function	Full-time Equivalent Employees as of June 30									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General government										
Administration	6	6	6	5	5	4	4	4	4	4
Finance	7	6	5	5	6	5	5	5	5	5
Taxes	22	26	20	19	19	19	18	18	16	16
Attorneys	0	0	2	2	2	2	2	2	2	2
Elections	2	3	5	3	3	3	3	3	3	3
Register of deeds	6	6	6	5	4	4	4	4	4	4
Information technology	3	3	4	4	5	5	5	5	5	5
Facilities management	6	6	6	7	7	7	7	7	7	7
Public safety										
Sheriff	53	52	53	58	57	55	54	54	54	57
Jail	20	24	37	39	33	38	38	38	38	38
Criminal justice partnership	1	1	1	1	1	1	NA	NA	NA	NA
Juvenile justice partnership	NA	NA	NA	1	1	1	NA	NA	NA	NA
Emergency management	2	2	2	2	2	2	2	2	2	2
Fire	1	2	3	3	3	2	2	2	2	2
Emergency medical services	37	42	39	39	41	36	36	37	43	46
Inspections	7	6	6	5	5	4	4	4	4	4
Animal control	5	5	5	6	6	5	5	5	5	5
E-911 operations	16	14	15	18	17	16	16	17	17	17
E-911 surcharge	2	2	2	NA	NA	NA	NA	NA	NA	NA
Transportation	19	19	18	14	11	12	15	15	15	15
Environmental protection										
Solid waste collection	13	14	14	10	10	10	10	10	10	10
Conservation	2	2	2	2	2	2	2	2	2	2
Economic and physical development										
Economic development	2	2	1	2	2	1	2	2	2	2
Planning and zoning	4	5	4	3	3	3	3	3	3	3
Central Permitting	0	0	3	3	4	3	3	3	3	3
Rocky River RPO	0	1	1	1	1	1	1	1	1	1
Cooperative extension	6	0	0	0	0	0	0	0	0	0
Title V	6	5	0	NA	NA	NA	NA	NA	NA	NA
Human services										
Health	54	60	55	57	58	54	57	58	55	55
Social services	76	79	74	81	76	78	81	81	81	84
Senior services	18	17	15	15	15	13	13	13	13	13
Veterans services	1	1	1	1	1	1	1	1	1	1
Culture and recreation										
Library	20	19	18	20	18	16	17	17	17	17
Historic preservation	1	2	2	2	2	2	NA	NA	NA	NA
Agri civic center	5	5	5	4	4	4	4	3	3	3
Airport	5	5	5	5	5	5	5	5	5	5
Utilities										
Administration	4	5	5	4	4	4	4	4	4	4
Operations	8	8	9	12	13	11	12	12	12	12
West Stanly WWTP	0	0	0	0	0	0	0	0	2	2
Total	<u>440</u>	<u>455</u>	<u>449</u>	<u>458</u>	<u>446</u>	<u>429</u>	<u>435</u>	<u>437</u>	<u>440</u>	<u>449</u>

Source: Stanly County Human Resources



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Stanly County, North Carolina
Operating Indicators by Function
Last Ten 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 permits issued	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.

Table 18

Fiscal Year				
<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
1,689	937	705	813	758
9,196	8,781	8,339	8,653	6,594
80	75	66	74	76
7,864	8,668	8,625	7,949	9,091
2,883	3,342	3,564	2,923	2,891
541	549	545	512	604
2,883	2,910	2,053	1,777	1,705
2,471	1,257	1,611	1,330	1,316
119,724	121,662	116,356	115,885	121,817
18,768	17,966	16,927	16,267	18,115
332,373	313,790	286,007	285,806	311,038
63,558	62,587	55,350	47,491	48,075
19	19	24	22	22
2	2	2	2	2
27	92	63	60	68
822	859	730	729	764
68	84	100	51	84
226,350	210,951	204,653	186,501	173,519
2,783	2,850	2,620	1,942	2,491
4,116	4,994	5,207	5,460	5,525
34,065,300	32,253,281	29,400,454	31,760,350	38,656,000
716	720	625	695	698
220,800	310,500	358,417	688,400	798,730
10,605	9,969	10,271	13,200	14,867

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

Table 19

Function	Fiscal Year									
	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Public safety										
Detention center	1	1	1	1	1	1	1	1	1	1
Patrol units	51	46	48	52	51	48	48	48	45	46
EMS ambulances	8	9	9	9	9	9	9	9	10	10
Transportation										
Transit vehicles	29	24	18	21	20	20	16	16	19	19
Environmental protection										
Convenience centers	9	9	9	9	9	9	9	9	9	90
Sanitary landfill	0	0	0	0	0	0	0	0	0	0
Culture and recreation										
Museums	3	3	3	3	3	3	3	3	3	3
Civic center	1	1	1	1	1	1	1	1	1	1
Water and sewer										
Miles of water mains	150	150	162	188	194	191	191	206	283	283
Number of wastewater plants	1	1	1	1	1	1	1	1	2	2
Miles of sanitary sewer	26	26	33	48	49	49	49	49	56	56
Airport										
Runways	2	2	2	2	2	2	2	2	2	2
Hangar Spaces	30	30	30	30	30	30	30	30	30	30

Sources: Various departments