Stanly County, North Carolina Comprehensive Annual Financial Report Year Ended June 30, 2011



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STANLY COUNTY NORTH CAROLINA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For Fiscal Year Ended June 30, 2011



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, 2011 TABLE OF CONTENTS

	<u>Exhibit</u>	Page No
INTRODUCTORY SECTION		
Letter of Transmittal List of Elected and Appointed Officials Organizational Chart GFOA Certificate of Achievement for Excellence in Financial Reporting		viii ix
FINANCIAL SECTION		
Independent Auditor's Report		
Basic Financial Statements:		
Government-Wide Financial Statements:		
Statement of Net Assets	A	13
Statement of Activities	B	14
Fund Financial Statements:		
Balance Sheet – Governmental Funds	C	16
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	D	17
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	E	18
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund	F	19
Statement of Net Assets – Proprietary Funds	G	20
Statement of Revenues, Expenses, and Changes in Fund Net Assets - Proprietary Funds	H	21
Statement of Cash Flows – Proprietary Funds	1	22
Statement of Net Assets – Fiduciary Funds	J	24
Notes to the Financial Statements		25

	Statement of	
Required Supplementary Information:	Schedule	Page No.
Law Enforcement Officers' Special Separation Allowance:		
Schedule of Funding ProgressSchedule of Employer Contributions Notes to the Required Schedules		62
Other Post-Employment Benefits: Schedule of Funding Progress Schedule of Employer Contributions Notes to the Required Schedules		64
Combining and Individual Fund Statements and Schedules:		
Governmental Funds		
Schedule of Revenues, Expenditures, and Changes in Fund Balance – General Fund – Budget and Actual	1	65
Combining Balance Sheet – Nonmajor Governmental Funds	2	73
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances –Nonmajor Governmental Funds		74
Schedules of Revenues, Expenditu <mark>res, and</mark> Changes in Fund Balance – Budget and Actual:		
Emergency Telephone System Fund	4	76
Fire Districts Fund	5	77
CDBG 2007 Revitalization Fund	6	78
Community Development Block Grant Fund— Single Family Rehabilitation \$3,000	7	79
Community Development Block Grant Fund – 2009 Scattered Site Fund	8	80
CDBG 2009 Urgent Repair Fund	9	81

	Statement o	
Governmental Funds (continued)	<u>Schedule</u>	Page No.
Jail Construction Fund	10	82
Adequate Facilities Reserve Fund	11	83
Enterprise Funds		
Schedules of Revenues and Expenditures – Budget and Actual (No.	on-GAAP):	
Greater Badin Water and Sewer District Fund	12	84
Piney Point Water District Fund	13	86
Stanly County Utility Fund	14	87
Airport Fund	15	89
Project Funds		
Schedules of Revenues and Expenditures – Budget and Actual (Nor From Inception and For the Year Ended June 30, 2011:	n-GAAP) –	
Highway 24/27 Upgrade Project Fund	16	90
Millingport Sewer Project Fund	17	91
Endy Sewer Extension Project Fund	18	92
Hwy 52 Extension Project Fund	19	93
ARRA Waterstorage Tank Project Fund	20	94
Tyson Village Rolling Hills MHPS Water Project Fund	21	95
Albemarle to Hwy 200 Water Project Fund	22	96
Airport Terminal Project Fund	23	97
Runway Extension Project Fund	24	98

	Statement of	
Internal Service Fund	<u>Schedule</u>	Page No.
Schedule of Revenues and Expenditures – Financial Plan and Actual (Non-GAAP) - Internal Service Fund - Group Health Workers' Compensation Fund	25	99
Agency Funds		
Combining Statement of Changes in Assets and Liabilities - Agency Funds	26	100
Other Schedules		
Schedule of Ad Valorem Taxes Receivable – General Fund	27	102
Analysis of Current Tax Levy – County-Wide Levy	28	103
STATISTICAL SECTION		
STATISTICAL SECTION	<u>Table</u>	Page No.
Net Assets by Component	1	105
Changes in Net Assets	2	107
Fund Balances of Governmental Funds	3	111
Changes in Fund Balances of Governmental Funds	4	113
Governmental Activities Tax Revenues by Source	5	115
General Governmental Tax Revenues by Source	6	116
Assessed Value and Estimated Actual Value of Taxable Property	7	117
Property Tax Rates - Direct and Overlapping Governments	8	118
Principal Property Taxpayers	9	119
Property Tax Levies and Collections	10	120
Ratio of Outstanding Debt by Type	11	121
Ratios of General Bonded Debt Outstanding	12	122
Direct and Overlapping Governmental Activities Debt	13	123

STATISTICAL SECTION

	<u>Table</u>	Page No.
Legal Debt Margin Information	14	124
Demographic and Economic Statistics	15	126
Principal Employers	16	127
Full-time Equivalent County Government Employees by Function	17	128
Operating Indicators by Function	18	129
Capital Asset Statistics by Function	19	130



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INTRODUCTORY SECTION



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STANLY COUNTY FINANCE OFFICE

1000 North First Street, Suite 10B ALBEMARLE, NORTH CAROLINA 28001



November 17, 2011

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, 2011 is hereby submitted. The County is responsible for the accuracy, completeness, and fairness of the presentation, including all disclosures. The data presented is materially accurate and the financial statements fairly present the County's financial position as measured by activity in the various funds. All disclosures have been included as necessary to enable the reader to understand the County's financial activities.

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

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

DESCRIPTION OF COUNTY

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

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

DESCRIPTION OF GOVERNMENT

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

EDUCATIONAL INSTITUTIONS

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

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

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

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

ECONOMIC CONDITION AND OUTLOOK

The County's economy has largely mirrored the regional and State economy over the course of the last year. As the local economy softened again after the slight improvements seen earlier in the year, the unemployment rate settled in at 10.6% at June 30, 2011, which is above the state average of 9.7%. While growth remains elusive for many, most employers are stable and continue to position themselves to thrive in a slower growth environment. The expansion project at Michelin Aircraft Tire that began last year has exceeded its employment targets and the operation continues to experience growth. Renewed activity at the Badin Business Park led to the location of Electronics Recyclers International, Inc.'s primary Southeast US recycling facility in Badin where the company expects to reach an employment level of 200 employees once the facility is fully operational. Efforts are underway to expand and leverage the County's economic development assets to take advantage of strong growth in the region's energy sector and also engage business leaders to help promote Stanly County's location advantages.

Stanly County's assessed valuation is projected to decrease by \$2.74 million in FY 2011-2012 and generate approximately \$48,000 less revenue at the current tax rate. The decrease in valuation is .06%.

LONG TERM FINANCIAL PLANNING

Fund balance classifications in the General Fund have changed effective FY 2010-2011. Before, the portion of fund balance available for spending at year end was labeled as "Unreserved." Starting with this fiscal year, these resources are labeled as "Available Fund Balance." Unreserved fund balance in the General Fund has decreased over the last two fiscal years. Available fund balance as a percentage of expenditures is 15.67% as of June 30, 2011, compared to unreserved at 11.92% at June 30, 2010. This is primarily due to an increase in cash of approximately \$1,600,000 and a decrease in expenses of \$2,000,000.

Generally, low-cost capital projects have been paid on a pay-as-you-go basis from fund balance. The County has started seeking financing for certain capital projects instead of using fund balance. The next capital project planned is the Airport Runway Pavement Rehabilitation Project. This is set to begin in the fall of 2011.

The County has closed on the refinancing of the jail construction loan. This occurred in August 2011. This refinancing will generate a net present value savings of approximately \$174,000 or 4.7%.

MAJOR INITIATIVES

During Fiscal Year 2011, the new terminal building at the Stanly County Airport became ready to be occupied. The old terminal building is now being leased by the North Carolina Air National Guard's Regional Training Site. There were two utility projects completed during the fiscal year. Senior Services completed the repaving of their parking lot.

EMS replaced two ambulances which are being financed with a three year bank loan. Transportation replaced seven vehicles with five being purchased with ARRA funds. Transportation also purchased a new security camera system for the parking lot which was 90% funded by grants.

The County was awarded a grant from the North Carolina 911 Board to implement the Intrado Public Safety E-911 IP Network which included advanced 911 routing and ALI management services. PSAP center studies are currently in progress and complete implementation should take place by January 2012.

UTILITIES

Stanly County Utilities is responsible for the distribution of one million gallons of drinking water each day to more than 4,000 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 over 700 customers in Stanly County.

The following utility projects were completed and closed during Fiscal Year 2010-2011: Millingport Sewer and Highway 52 Water Extension Projects. There are currently four utility projects open with some anticipating completion in Fiscal Year 2011-2012. The County Commissioners created the Stanly Water and Sewer Authority in 2006 as a tool for securing grant funding, and as a means of completing water line installation. The Highway 24/27/73 East Water Project was completed and closed in FY 2010-2011 and three others are currently in progress.

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 and all the runway and taxiway surfaces will begin being overlaid in the fall of 2011. 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 will soon be available for lease in this new facility. The old terminal building has been leased by the North Carolina Air National Guard. The North Carolina Air National Guard has also installed a radar facility that has

encountered some issues during a testing phase. Once these issues are resolved, the radar will be available for both military and civilian use.

Within the last year, the North Carolina Department of Transportation has completed the Ridge Street Extension which has dramatically improved access to the airport from the Northeast Connector which should prove to be invaluable to economic development as the economy begins to improve.

The airport has hangar space available and plenty of room to construct additional hangar space or lease 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 20 vehicles. Lift vehicles are available to serve disabled passengers. Service schedules are Monday through Friday from 5:30 am to 5:30 pm with trips to medical facilities, community college campuses, shopping facilities, work sites, etc. Out of County medical trips are on a pre-scheduled basis. Mileage reimbursement is offered to qualified individuals on a limited basis. During Fiscal Year 10-11, SCUSA Transportation provided 18,768 service hours, traveled 332,373 miles, while providing 63,558 trips.

FINANCIAL INFORMATION

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

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

Budgeting Controls

In government, much more than in business, the budget is an integral part of the accounting system. Legal limits on spending are created by an annual budget ordinance or by special project ordinances. In Stanly County, appropriations in the General Fund are budgeted on a function level. In other funds the budget may be adopted at the function or fund level. However, for internal accounting purposes, budgetary control is maintained on a specific line-item basis with an encumbrance system. As purchase orders are issued,

corresponding appropriations are reserved for later payment. If an over-encumbrance of the budget level would result, purchase orders are not to be issued until additional appropriations are approved. Encumbrances remaining at June 30 are cancelled, and all appropriations except capital projects lapse. Encumbrances outstanding at June 30 have either been included in next year's budget or will be approved by future budget amendments.

OTHER INFORMATION

Independent Audit

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

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

<u>Awards</u>

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, 2010. 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 (20) consecutive years. We believe the current report satisfies the Certificate of Achievement Program requirements, and it is being submitted to the GFOA.

Acknowledgments

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

Respectfully submitted,

Andrew M. Lucas County Manager oby R. Kinson.

Toby R. Hinson Finance Director

STANLY COUNTY, NORTH CAROLINA LIST OF ELECTED AND APPOINTED OFFICIALS October 31, 2011

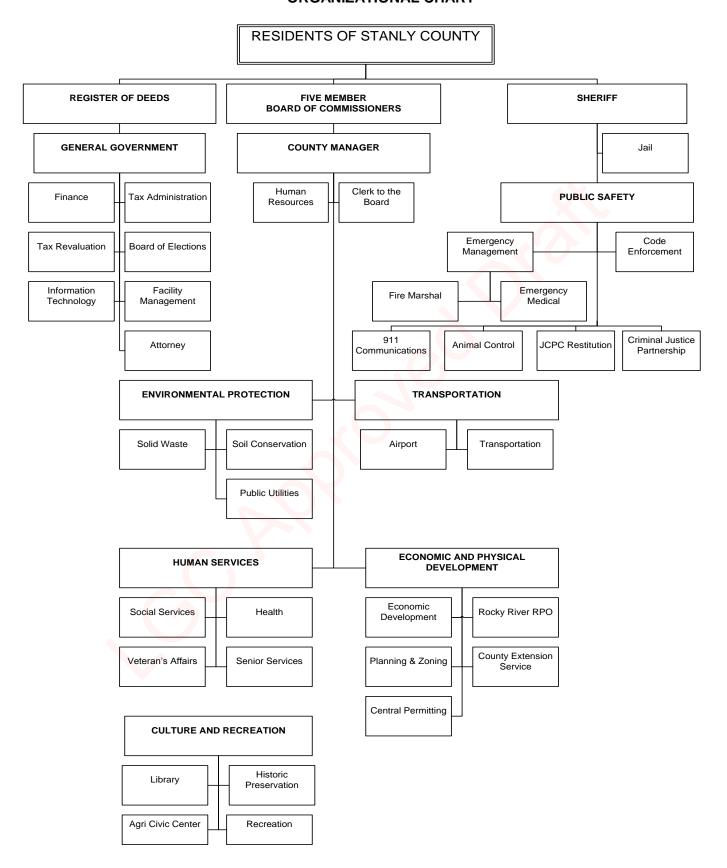
Elected Officials

Board of Commissioners – Chairman	Joshua J. Morton
Board of Commissioners – Vice-Chairman	
Board of Commissioners	Lindsey R. Dunevant
Board of Commissioners	
Board of Commissioners	Tony M. Dennis
Sheriff	
Register of Deeds	

Appointed Officials

County Manager	
Clerk to the Board	
Agri – Civic Center Director	Candice B. Moffitt
Airport Director	
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
Criminal Justice Partnership	Allen E. Lawrence
Economic Development Director	Paul W. Stratos
Election Supervisor	Kimberly R. Wilson
Emergency Management Director	
Facility Management and Solid Waste Director	Jerry R. Morton
Finance Director	Toby R. Hinson
Health Director	Dennis R. Joyner
Historic Preservation Director	
Human Resources Director	Emily F. Valentine
Information Technology Director	Chad A. Coble
JCPC Restitution	Shelly D. Ross
Library Director	Melanie J. Holles
Planning Director	Michael M. Sandy
Public Utilities Director	
Senior Services Director	Rebecca G. Weemhoff
Social Services Director	
Soil and Water Conservation Cost Share Technician	
Tax Administrator	Richard R. Johnson
Transportation Director	Gwen L. Hinson
Veterans Service Officer	Roderick F. Barbee

STANLY COUNTY ORGANIZATIONAL CHART



Certificate of Achievement for Excellence in Financial Reporting

Presented to

Stanly County North Carolina

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2010

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

OF THE CHICAGO

CANADA
CORPORATION
SIGNAL
CHICAGO

Executive Director

FINANCIAL SECTION



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

INDEPENDENT AUDITORS' REPORT

Board of County Commissioners Stanly County, North Carolina

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Stanly County, North Carolina, as of and for the year then ended June 30, 2011, which collectively comprise Stanly County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation. We believe that our audit provides a reasonable basis for our 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 the County as of June 30, 2011, and the respective changes in financial position and cash flows, where applicable thereof, and the respective budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 17, 2011 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis and the Law Enforcement Officers' Special Separation Allowance and the Other Post-Employment Benefits Schedules of Funding Progress and Employer Contributions be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by 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 assurance.

Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements of Stanly County, North Carolina. The introductory information, combining and individual fund financial statements, budget and actual schedules, supplemental ad valorem tax schedules, and statistical tables 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, budget and actual 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain other procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement, so re to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole. The introductory section and statistical section have not been subject to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Martin Starrer & associates, CPas, P.a.

Martin Starnes & Associates, CPAs, P.A. November 17, 2011

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, 2011. 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.

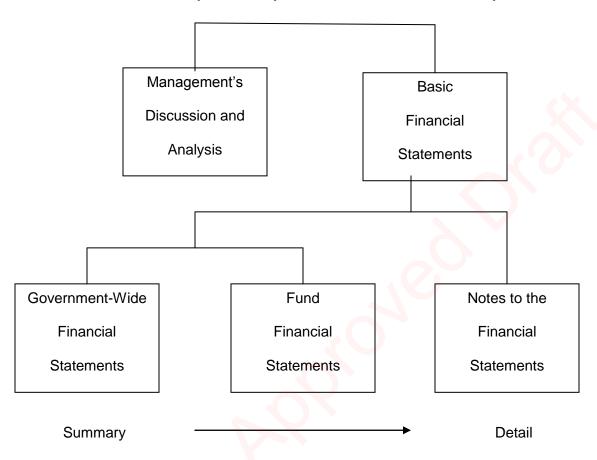
Financial Highlights

- The assets of Stanly County exceeded its liabilities at the close of the fiscal year by \$38,490,714 (net assets). Net assets would be much greater except Stanly County reports \$29,185,236 debt liability for the school system, and the school reports the assets.
- The government's total net assets increased by \$3,170,270, primarily due to increases in both governmental and business-type activities.
- As of the close of the current fiscal year, Stanly County's governmental funds reported combined ending fund balances of \$16,430,053, after a net increase in fund balance of \$1,048,653.
 Approximately 48.91% of this total amount, or \$8,035,463, is restricted or non-spendable.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$6,424,783, or 11.8% of total General Fund expenditures and transfers to other funds for the fiscal year.
- Stanly County's total debt decreased by \$993,098 (2.74%) during the current fiscal year. Regular and scheduled debt payments account for the decrease.
- Stanly County maintained its Standard & Poor's A+ bond rating for the third consecutive year and maintained its Moody's Aa3 bond rating for the second 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 diagram on next page). 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.

Required Components of Annual Financial Reports



Basic Financial Statements

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

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 non-major 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 assets and how they have changed. Net assets are the difference between the County's total assets and total liabilities. Measuring net assets is one way to gage 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 basic services such as public safety, general administration, human services, transportation, and environmental protection. Property taxes, State and federal grants, and fees finance most of these activities. 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 County Water & Sewer Authority exists to provide water and sewer services to residences of the County. The County appoints the Board of Directors for the Authority.

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

Fund Financial Statements

The fund financial statements provide a 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.

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 if there are more or less financial resources available to finance the County's programs. The relationship between government activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds is described in a reconciliation that is a part of the fund financial statements.

Stanly County 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 Assets and the Statement of Activities.

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

Fiduciary Funds – Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Stanly County maintains six agency funds and has no permanent fiduciary 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 25 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 61 of this report.

STANLY COUNTY'S NET ASSETS

	Governmental		Business	s-Type				
	Acti	vities	Activit	ities	Total			
	2011	2010	2011	2010	2011 2010			
		_						
Current and other assets	\$ 24,349,587	\$ 23,210,520	\$ 1,068,323	\$ 466,030	\$ 25,417,910 \$ 23,676,5	550		
Capital assets	19,311,104	19,974,091	35,619,709	34,931,793	54,930,813 54,905,8	884		
Total assets	43,660,691	43,184,611	36,688,032	35,397,823	80,348,723 78,582,4	134		
Long-term liabilities outstanding	37,151,794	37,809,012	411,295	373,661	37,563,089 38,182,6	673		
Other liabilities	3,947,806	4,362,814	347,114	716,503	4,294,920 5,079,3	317		
Total liablilities	41,099,600	42,171,826	758,409	1,090,164	41,858,009 43,261,9	990		
Net assets:								
Invested in capital assets,								
net of related debt	13,495,499	14,377,226	35,328,679	34,634,482	48,824,178 49,011,7	708		
Restricted	7,984,392	81,434	-	-	7,984,392 81,4	134		
Unrestricted	(18,918,800)	(<mark>13,445,8</mark> 75)	600,944	(326,823)	(18,317,856) (13,772,6	<u> (88</u>		
Total net assets	\$ 2,561,091	\$ 1,012,785	\$ 35,929,623	\$ 34,307,659	\$ 38,490,714 \$ 35,320,4	144		

Government-Wide Financial Analysis

As noted earlier, net assets may serve over time as one useful indicator of a government's financial condition. The assets of Stanly County exceeded liabilities by \$38,490,714 as of June 30, 2011. The County's net assets increased by \$3,170,270 for the fiscal year ended June 30, 2011. The largest portion \$48,824,178 reflects the County's investment in capital assets (e.g. land, buildings, machinery, and equipment), less any related debt still outstanding that was issued to acquire those items. 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 assets \$7,984,392 (20.74%) represents resources that are subject to external restrictions on how they may be used.

Stanly County issues and pays the debt service on bonds sold and notes issued for school improvements. The Board of Education reports the assets on their books, and the County only the debt. The debt owed for school improvements is \$29,185,236.

Stanly County's Changes in Net Assets

	Governmental Activities			Business-Type Activities				Total		
	2011	2010		2011		2010		2011		20010
Revenues:										
Program revenues:										
Charges for services	\$ 7,986,828	\$ 7,881,465	\$	3,399,574	\$	3,381,708	\$	11,386,402	\$	11,263,173
Operating grants and contributions	10,632,041	11,297,862		91,262		-		10,723,303		11,297,862
Capital grants and contributions	1,148,686	1,123,874		2,735,134		377,689		3,883,820		1,501,563
General revenues:										-
Property taxes	30,442,706	30,245,704		-		_		30,442,706		30,245,704
Other taxes	6,920,782	7,322,742		-		_		6,920,782		7,322,742
Interest earned on investments	256,933	373,880		16,543		23,857		273,476		397,737
Miscellaneous Income	-	-		2,928		-		2,928		-
Total revenues	57,387,976	58,245,527		6,245,441		3,783,254		63,633,417		62,028,781
Expenses:										
General government	5,601,234	6,799,601		-		_		5,601,234		6,799,601
Public safety	14,130,565	13,957,473				-		14,130,565		13,957,473
Transportation	987,615	948,122		_		-		987,615		948,122
Environmental protection	1,159,814	1,155,970		-		-		1,159,814		1,155,970
Economic development	2,610,268	2,817,237		_		-		2,610,268		2,817,237
Human services	14,614,279	14,851,419		_		-		14,614,279		14,851,419
Cultural and recreation	1,572,655	1,954,960		_		-		1,572,655		1,954,960
Education	13,334,719	19,284,505		_		_		13,334,719		19,284,505
Interest on long-term debt	1,169,653	1,659,370		-		-		1,169,653		1,659,370
Water and sewer	-	_		3,768,034		3,714,625		3,768,034		3,714,625
Airport	<u> </u>	-		1,514,311		1,518,407		1,514,311		1,518,407
·										
Total expenses	55,180,802	63,428,656		5,282,345	_	5,233,032		60,463,147	_	68,661,689
Increase (decrease) in net assets										
before transfers and special items	2,207,174	(5,183,129)		963,096		(1,449,778)		3,170,270		(6,632,907)
Transfers in (out)	(658,868)	(210,471)		658,868		210,471				<u>-</u>
Increase (decrease) in net assets	1,548,306	(5,393,600)		1,621,964		(1,239,307)		3,170,270		(6,632,907)
· · ·		, , , , ,				, , , , ,				
Net assets, July 1	1,012,785	6,406,385		34,307,659		35,546,966	_	35,320,444	_	41,953,351
Net assets, June 30	\$ 2,561,091	\$ 1,012,785	\$	35,929,623	\$	34,307,659	\$	38,490,714	\$	35,320,444

Governmental Activities. Governmental activities increased the County's net assets by \$1,548,306, thereby accounting for 48.84% of the total growth in the net assets of Stanly County. Key elements of this increase are as follows:

- Education expenses decreased significantly (29.87%) due to completion of school capital projects
- Decrease of 17.63% in General Government legal services
- Maintenance of the County's tax collection rate showing only a very slight decrease

Business-Type Activities. Business-type activities increased Stanly County's net assets by \$1,621,964 accounting for 51.16% of the total growth in the government's net assets. Key financial elements of this increase are as follows:

- Capital grants and contributions increased significantly in both Utility and Airport Projects
- Total expenses remained constant with only a .95% increase

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 \$8,531,232, while total fund balance reached \$15,959,930. 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 15.67% of total general fund expenditures and transfers to other funds, while total fund balance represents 29.31% of that same amount. The County plans to take corrective action to increase the percentage of available fund balance to 20% of general fund expenditures.

At June 30, 2011, the governmental funds of Stanly County reported a combined fund balance of \$16,430,053, a 6.82% increase over last year. The primary reason for this increase is the increase in fund balance in the capital project funds, more specifically the Jail Construction Fund.

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

Total amendments to the General Fund increased expenditures by \$3,487,731 and revenues by only \$1,689,341, with the remaining \$1,798,390 funded by fund balance.

Proprietary Funds. Stanly County's proprietary funds provide the same type of information found in the government-wide statements but in more detail. Unrestricted net assets of the Utility Funds at the end of the fiscal year amounted to \$1,553,875 and that for the airport \$(952,931). The total increase in net assets for all enterprise funds was \$1,621,964. 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, 2011, totaled \$54,930,813 (net of accumulated depreciation). These assets include buildings, land, machinery and equipment, and vehicles.

Major capital asset transactions during the year included:

- Completion of the jail addition
- Purchased new vehicles for various departments
- Completion of sewer and water extension projects

STANLY COUNTY'S CAPITAL ASSETS (net of depreciation)

		nmental Business-Type ivities Activities					• •	To	tal	
	2011		2010		2011		2010	2011		2010
Land	\$ 1,94 <mark>9</mark> ,950	\$	1,949,950	\$	5,147,879	\$	5,147,879	\$ 7,097,829	\$	7,097,829
Buildings and improvements	16,020,723		8,221,394		25,088,798		24,683,123	41,109,521		32,904,517
Equipment and vehicles	1,340,431		1,346,009		87,809		93,698	1,428,240		1,439,707
Constuction in progress	 		8,456,738		5,295,223		5,007,093	 5,295,223		13,463,831
Total	\$ 19,311,104	\$	19,974,091	\$	35,619,709	\$	34,931,793	\$ 54,930,813	\$	54,905,884

Additional information on the County's capital assets can be found in the financial notes of the Basic Financial Statements on page 40.

Long-Term Debt. As of June 30, 2011, Stanly County had total bonded debt outstanding of \$16,575,000 all of which is debt backed by the full faith and credit of the County.

Stanly County's Outstanding Debt

		nmental vities		ss-Type vities	Total			
	2011	2010	2011 2010		2011	2010		
General obligation bonds	\$ 16,575,000	\$ 18,075,000	\$ -	\$ 70,000	\$ 16,575,000	\$ 18,145,000		
Bond issuance cost/premiums	978,656	1,067,654	-	-	978,656	1,067,654		
Capital leases	3,850,000	4,216,666	-	-	3,850,000	4,216,666		
Notes payable	13,597,185	12,628,337	291, <mark>03</mark> 0	227,311	13,888,215	12,855,648		
Total	\$ 35,000,841	\$ 35,987,657	\$291,030	\$ 297,311	\$ 35,291,871	\$ 36,284,968		

Stanly County's total debt decreased by \$993,098 (2.74%) during the past fiscal year, primarily due to regularly scheduled debt payments.

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

The State of North Carolina limits the amount of general obligation debt that a unit of government can issue to 8% of the total assessed value of taxable property located within that government's boundaries. The legal debt margin for Stanly County is \$303,784,100. The County has no bonds authorized but unissued at June 30, 2011.

Additional information regarding Stanly County's long-term debt can be found in note II beginning on page 56 of this audited financial report.

Economic Factors and Next Year's Budgets and Rates

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

- The County is experiencing an unemployment rate at 10.6%, which is above the State average
- Retail vacancy rates are high compared to prior years
- Continued reductions in workforce through targeted layoffs and furloughs

Budget Highlights for the Fiscal Year Ending June 30, 2012

Governmental Activities: Property tax values are expected to decrease by .06%, primarily because of accelerated depreciation on manufacturing equipment. Solid waste and other various fees have increased slightly.

Budgeted expenditures in the General Fund are decreasing slightly by \$351,580. This is largely due to the decrease in sales tax revenues.

Business-Type Activities: The water and sewer rates in the County will remain the same. The operating fund expenses will increase by 13.8%. The primary drivers for this increase are the purchase of water from other jurisdictions and the appropriation of contingency funds for other contracts and grants.

The Airport Operating Fund expenditures are expected to increase by 1.77%. The primary reasons for the increase are the cost of electricity, propane, and repairs and maintenance contingency given the opening of a new facility.

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.

BASIC FINANCIAL STATEMENTS



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STATEMENT OF NET ASSETS JUNE 30, 2011

	Primary G	Sovernment		Component Unit
	Governmental Activities	Business-Type Activities	Total	Stanly Water and Sewer Authority
Assets:				
Cash and cash equivalents	\$ 13,770,927	\$ 1,100,145	\$ 14,871,072	\$ 795,962
Receivables, net	6,358,143	957,498	7,315,641	1,098,391
Internal balances	1,204,446	(1,204,446)	-	-
Notes receivable	2,965,000	-	2,965,000	-
Inventories	-	112,176	112,176	-
Prepaid items	51,071	-	51,071	-
Restricted cash and cash equivalents	-	102,950	1 <mark>0</mark> 2,950	23,190
Capital assets:				
Land	1,949,950	5,147,879	7,097,829	-
Construction in progress	-	5,295,223	5, <mark>2</mark> 95,223	2,761,510
Capital assets net of depreciation	17,361,154	25,176,607	42,537,761	4,248,270
Capital assets, net	19,311,104	35,619, <mark>7</mark> 09	54,930,813	7,009,780
Total assets	43,660,691	36,688,032	80,348,723	8,927,323
Liabilities:				
Accounts payable	2,255,370	200,637	2,456,007	167,862
Interest payable	554,128		555,015	14,919
Payroll payable	933,918		976,558	
Deposits payable	-	102,950	102,950	23,190
Due to other governments	6,757		6,757	-
Unearned revenue	197,633		197,633	_
Non-current liabilities:			,	
Due within a year	3,522,610	52,651	3,575,261	_
Due in more than a year	33,629,184	358,644	33,987,828	5,280,000
Total liabilities	41,099,600	758,409	41,858,009	5,485,971
Total liabilities	11,000,000	700,100	11,000,000	0,100,011
Net Assets:				
Invested in capital assets,				
net of related debt	13,495,499	35,328,679	48,824,178	1,729,780
Restricted for:	13,495,499	33,320,079	40,024,170	1,729,700
Stabilization by State statute	7,444,766		7,444,766	
Register of Deeds	94,944		94,944	_
Restricted, other	444,682		444,682	-
Unrestricted (deficit)	(18,918,800)		(18,317,856)	- 1,711,572
Oniestricted (delicit)	(10,310,000)	, 000,344	(10,317,030)	1,711,572
Total net assets	\$ 2,561,091	\$ 35,929,623	\$ 38,490,714	\$ 3,441,352

STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2011

			Program Revenues							
Function of Draggerons	_	Expenses	Charges for Services		Operating Grants and Contributions		Charges for Grants and		_	Capital Grants and Entributions
Functions/Programs Primary Government:										
Governmental Activities:										
General government	\$	5,601,234	\$	1,445,785	\$	975,832	\$	-		
Public safety		14,130,565		2,841,139		410,045		-		
Transportation		987,615		578,427		509,787		-		
Environmental protection		1,159,814		883,729		-		-		
Economic and physical development		2,610,268		18,478		<mark>1,014</mark> ,918		-		
Human services		14,614,279		2,194,950		7,721,311		-		
Education		13,334,719		-		-		1,148,686		
Culture and recreation		1,572,655		24,320		148		-		
Interest on long-term debt		1,169,653		_				<u>-</u>		
Total governmental activities		55,180,802	_	7,986,828		10,632,041		1,148,686		
Business-Type Activities:										
Greater Badin Water and Sewer District		742,341		424,543		-		35,950		
Piney Point Water District		146,794		141,498		-		-		
Stanly County Utility Fund		2,878,899		2,530,407		91,262		1,454,227		
Airport Fund	_	1,514,311		303,126		<u> </u>		1,244,957		
Total business-type activities		5,282,345		3,399,574		91,262		2,735,134		
Total primary government	\$	60,463,147	\$	11,386,402	\$	10,723,303	\$	3,883,820		
Component Unit:										
Water and Sewer Authority	_	194,509		251,399				1,507,558		
Total component unit	\$	194,509	\$	251,399	\$		\$	1,507,558		

General Revenues:

Ad valorem taxes Local option sales tax Other taxes Interest earned on investments Miscellaneous income

Total general revenues

Transfers in (out)

Total general revenues and transfers

Change in net assets

Net Assets:

Beginning of year - July 1

End of year - June 30

			y Governme		Changes in N	ponent Unit
G	Governmental Activities		iness-Type ctivities		Total	y Water and er Authority
\$	(3,179,617)	\$	-	\$	(3,179,617)	\$ -
	(10,879,381)		-		(10,879,381)	-
	100,599		-		100,599	-
	(276,085)		-		(276,085)	-
	(1,576,872)		-		(1,576,872)	-
	(4,698,018)		-		(4,698,018)	-
	(12,186,033)		-		(12,186,033)	-
	(1,548,187)		-		(1,548,187)	-
	(1,169,653)		-		(1,169,653)	 -
	(35,413,247)		<u>-</u>		(35,413,247)	
	-		(281,848)		(281,848)	-
	-		(5,296)		(5,296)	-
	-		1,196,997		1,196,997	_
			33,772	_	33,772	 `
			943,625		943,625	 _
	(35,413,247)		943,625		(34,469,622)	_
						4 504 440
_	<u>-</u>			_	-	 1,564,448
_	-		-			1,564,448
	30,442,706		_		30,442,706	-
	6,418,461		_		6,418,461	-
	502,321		-		502,321	-
	256,933		16,543		273,476	2,628
		_	2,928			 1,330
	37,620,421		19,471		37,636,964	3,958
	(658,868)		658,868			<u>-</u>
	36,961,553		678,339		37,636,964	 3,958
	1,548,306		1,621,964		3,170,270	1,568,406
	1,012,785		34,307,659		35,320,444	 1,872,946
\$	2,561,091	\$	35,929,623	\$	38,490,714	\$ 3,441,352

BALANCE SHEET - GOVERNMENTAL FUNDS JUNE 30, 2011

		General	Gov	onmajor vernmental Funds	Go	Total overnmental Funds
Assets:						
Cash and cash equivalents	\$	10,645,333	\$	478,393	\$	11,123,726
Receivables, net		5,682,477		155,731		5,838,208
Due from other funds		1,233,564		-		1,233,564
Notes receivable		2,965,000		-		2,965,000
Prepaid items	_	51,071			_	51,071
Total assets	\$	20,577,445	\$	634,124	\$	21,211,569
Liabilities and Fund Balances: Liabilities:						
Accounts payable and accrued liabilities	\$	1,909,711	\$	46,291	\$	1,956,002
Due to other governments	Ф	6,757	Ф	40,291	Ф	6,757
Due to other funds		0,737		29,118		29,118
Deferred revenue		2,503,414		88,592		2,592,006
Unearned revenue		197,633		00,392		197,633
				164 001	_	
Total liabilities	-	4,617,515		164,001	_	4,781,516
Fund Balances:						
Non-spendable, not in spendable form:						
Prepaid items		51,071		_		51,071
Restricted:		- ,-				- ,-
Stabilization by State statute		7,377,627		67,139		7,444,766
Restricted for Register of Deeds		94,944		-		94,944
Restricted, all others		7,580		437,102		444,682
Assigned		2,003,925		-		2,003,925
Unassigned	_	6,424,783		(34,118)		6,390,665
Total fund balances		15,959,930		470,123		16,430,053
	_					
Total liabilities and fund balances	\$	20,577,445	\$	634,124		
Amounts reported for governmental activities in the Statement of Net Asseare different because:	ets (I	Exhibit A)				
Capital assets used in governmental activities are not financial resources and ar reported in the funds.	e no	t				19,311,104
The focus of governmental funds is on short-term financing; long-term assets are in the funds.	e det	erred				3,106,068
Long-term liabilities are not due and payable in the current period and, therefore reported in the funds.	, are	not				(37,705,922)
Internal service funds are used by management to charge the costs of certain ac individual funds. These assets and liabilities are included in governmental activit						
Statement of Net Assets.					_	1,419,788
Net assets of governmental activities					\$	2,561,091

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS FOR THE YEAR ENDED JUNE 30, 2011

	General	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:			
Ad valorem taxes	\$ 28,362,131	\$ 1,894,132	\$ 30,256,263
Local option sales taxes	6,418,461	-	6,418,461
Other taxes and licenses	502,321		502,321
Restricted intergovernmental	10,206,057	1,014,918	11,220,975
Sales and services	6,494,098	336,979	6,831,077
Permits and fees	653,402		653,402
Investment earnings	179,452	5,282	184,734
Miscellaneous	852,352	-	852,352
Total revenues	<u>53,668,274</u>	3,251,311	56,919,585
Expenditures:			
Current:			
General government	5,059,953	27,621	5,087,574
Public safety	11,619,652	2,110,245	13,729,897
Transportation	1,210,688	-	1,210,688
Environmental protection	1,142,292	-	1,142,292
Economic and physical development	1,423,182	1,156,896	2,580,078
Human services	14,568,881	-	14,568,881
Education	13,334,719	-	13,334,719
Culture and recreation	1,383,668	-	1,383,668
Debt service:	0.040.000		0.040.000
Principal	2,640,968	-	2,640,968
Interest and other charges	1,276,448		1,276,448
Total expenditures	53,660,451	3,294,762	56,955,213
Revenues over (under) expenditures	7,823	(43,451)	(35,628)
Other Financing Sources (Uses):			
Installment debt issued	243,149	1,500,000	1,743,149
Transfers from other funds	108,831	67,140	175,971
Transfers to other funds	(801,008)		(834,839)
	(449,028)		1,084,281
Total other financing sources (uses)	(449,028)	1,333,309	1,004,201
Net change in fund balances	(441,205)	1,489,858	1,048,653
Fund Balances:			
Beginning of year - July 1	16,401,135	(1,019,735)	15,381,400
End of year - June 30	\$ 15,959,930	\$ 470,123	\$ 16,430,053

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, 2011

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

\$ 1,048,653

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 \$ 793,600 Depreciation (1,456,587)

(662,987)

The issuance of long-term debt (e.g., bonds, leases) is a resource and the repayment of bond principal is an expenditure in governmental funds, but those transactions increase or reduce long-term liabilities in the Statement of Net Assets. Also, governmental funds report the effect of issuance costs premiums, discounts, and similar items when debt is first issued, whereas, these amounts are deferred and amortized in the Statement of Activities. This amount is the net effect of those differences.

986,819

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

228,643

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.

(311,806)

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.

258,984

Change in net assets of governmental activities

\$ 1,548,306

GENERAL FUND STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2011

	Original Budget	Final Budget	Actual	Variance with Final Budget Over/Under
Revenues:	A 00 004 000	.	Φ 00 000 404	Φ 000.404
Ad valorem taxes	\$ 28,064,000	\$ 28,139,000	\$ 28,362,131	\$ 223,131
Sales taxes Other taxes	6,785,000 454,500	6,785,000 454,500	6,418,461 50 <mark>2,321</mark>	(366,539) 47,821
Restricted intergovernmental	9,858,937	10,322,556	10,206,057	(116,499)
Licenses and permits	650,327	658,212	653,402	(4,810)
Sales and services	6,130,467	6,529,604	6,494,098	(35,506)
Investment earnings	325,000	325,000	179,452	(145,548)
Miscellaneous	536,219	1,002,965	852,352	(150,613)
Total revenues	52,804,450	54,216,837	53,668,274	(548,563)
Expenditures:				
Current:	4.540.400	5.040.400	5 050 050	550.475
General government	4,510,128	5,610,128	5,059,953	550,175
Public safety	11,272,676	11,686,690	11,619,652	67,038
Transportation Environmental protection	1,044,629 1,079,996	1,291,465 1,187,879	1,210,688 1,142,292	80,777 45,587
Economic and physical development	1,559,502	1,592,108	1,423,182	168,926
Human services	14,956,248	15,815,967	14,568,881	1,247,086
Education	14,576,098	13,340,140	13,334,719	5,421
Culture and recreation	1,575,824	1,578,824	1,383,668	195,156
Debt service:	.,0.0,02.	.,0.0,02.	.,000,000	.00,.00
Principal	1,956,759	2,640,969	2,640,968	1
Bond interest and costs	811,972	1,363,720	1,276,448	87,272
Contingency	50,000	50,000	-	50,000
Total expenditures	53,393,832	56,157,890	53,660,451	2,497,439
Revenues over (under) expenditures	(589,382)	(1,941,053)	7,823	1,948,876
Other Financing Sources (Uses):				
Transfers out	(227,336)	(951,009)	(801,008)	150,001
Transfers in	75,000	108,831	108,831	-
Installment debt issued		243,123	243,149	26
Appropriated fund balance	741,718	2,540,108		(2,540,108)
Total other financing sources (uses)	589,382	1,941,053	(449,028)	(2,390,081)
Net change in fund balance	\$ -	\$ -	(441,205)	\$ (441,205)
Fund Balance:				
Beginning of year - July 1			16,401,135	
End of year - June 30			\$ 15,959,930	

STATEMENT OF NET ASSETS PROPRIETARY FUNDS JUNE 30, 2011

		Governmental Activities				
	Greater Badin Water & Sewer District Fund	Piney Point Water District Fund	Stanly County Utility Fund	Airport Fund	Total	Internal Service Group Health Fund
Assets:						
Current assets:						
Cash and cash equivalents	\$ 137,332	\$ 207,469	\$ 755,344	\$ -	\$ 1,100,145	\$ 2,647,203
Accounts receivable, net	133,915	22,283	460,542	337,573	954,313	-
Interest receivable	336	468	1,686	695	3,185	5,871
Inventories			54,212	57,964	112,176	
Total current assets	271,583	230,220	1,271,784	396,232	2,169,819	2,653,074
Non-current assets:						
Restricted cash and cash equivalents	13,950	3,150	85,850		102,950	-
Capital assets:			000 75 :	400400=	F 4 47 077	
Land	-	-	223,784	4,924,095	5,147,879	-
Construction in progress	0.400.004	404.004	1,638,801	3,656,422	5,295,223	-
Capital assets, net of depreciation	2,132,981	131,661	13,271,566	9,640,399	25,176,607	<u>-</u>
Total capital assets, net	2,132,981	131,661	15,134,151	18,220,916	35,619,709	
Total non-current assets	2,146,931	134,811	15,220,001	18,220,916	35,722,659	
Total assets	2,418,514	365,031	16,491,785	18,617,148	37,892,478	2,653,074
Liabilities:						
Current liabilities:						
Accounts payable	4,946	19	87,636	108,036	200,637	1,349
Interest payable	887	-	-	-	887	-
Payroll payable	-	-	32,506	10,134	42,640	-
Due to other funds	-	-	-	1,204,446	1,204,446	-
Compensated absences payable	22.724	-	20,000	5,000	25,000	-
Current portion of long-term debt	22,731	-	4,920	-	27,651	4 004 007
Health and workers' compensation payable			- 445,000	4.007.040	4.504.004	1,231,937
Total current liabilities	28,564	19	145,062	1,327,616	1,501,261	1,233,286
Non-current liabilities:						
Customer deposits	13,950	3,150	85,850	-	102,950	-
Compensated absences payable	-	-	38,563	10,587	49,150	-
Non-current portion of long-term debt	181,848		116,686	10,960	309,494	
Total non-current liabilities	195,798	3,150	241,099	21,547	461,594	
Total liabilities	224,362	3,169	386,161	1,349,163	1,962,855	1,233,286
Net Assets:						
Invested in capital assets, net of						
related debt	1,928,403	·	15,047,700	18,220,916	35,328,679	-
Unrestricted	265,749	230,202	1,057,924	(952,931)	600,944	1,419,788
Total net assets	\$ 2,194,152	\$ 361,862	\$ 16,105,624	\$17,267,985	\$35,929,623	\$ 1,419,788

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS - PROPRIETARY FUNDS FOR THE YEAR ENDED JUNE 30, 2011

		Governmental Activities				
	Greater Badin Water & Sewer District Fund	Piney Point Water District Fund	Stanly County Utility Fund	Airport Fund	Total	Internal Service Group Health Fund
Operating Revenues:						
Sales and charges	\$ 420,541	\$ 141,241	\$ 2,252,910	\$ 303,126	\$ 3,117,818	\$ 4,617,150
Other	4,002	257	29,532		33,791	
Total operating revenues	424,543	141,498	2,282,442	303,126	3,151,609	4,617,150
Operating Expenses:						
Administration	66,112	75,990	348,635	-	490,737	-
Distribution and maintenance	226,124	597	1,165,143	-	1,391,864	-
Water purchases	75,491	35,445	567,328	-	678,264	-
Airport operations	-	-	-	558,195	558,195	-
Group health operations	-	-	-	-	-	4,126,202
Workers' compensation	-	-	-	-	-	261,962
Depreciation	366,487	34,762	789,128	956,116	2,146,493	
Total operating expenses	734,214	146,794	2,870,234	1,514,311	5,265,553	4,388,164
Operating income (loss)	(309,671)	(5,296)	(587,792)	(1,211,185)	(2,113,944)	228,986
Non-Operating Revenues (Expenses):						
Interest income	1,841	2,351	9.090	3,261	16,543	29,998
Rural Center Grant	35,950	_,	91,262	-,	127,212	,
Administrative charges	-	_	247,965	-	247,965	-
Miscellaneous	-		2,928	-	2,928	-
Interest on long-term debt	(8,127)	-	(8,665)	-	(16,792)	-
Loss on sale of capital assets	-	_				
Total non-operating revenues (expenses)	29,664	2,351	342,580	3,261	377,856	29,998
Income before						
contributions and transfers	(280,007)	(2,945)	(245,212)	(1,207,924)	(1,736,088)	258,984
Contributions and Transfers:						
Transfers in	_	_	571,532	227,336	798,868	_
Transfers out	(40,000)	(15,000)	(85,000)	•	(140,000)	_
Capital contributions	(40,000)	(10,000)	1,454,227	1,244,957	2,699,184	_
Total contributions and transfers	(40,000)	(15,000)	1,940,759	1,472,293	3,358,052	
Change in net assets (deficit)	(320,007)	(17,945)	1,695,547	264,369	1,621,964	258,984
Net Assets:						
Beginning of year - July 1	2,514,159	379,807	14,410,077	17,003,616	34,307,659	1,160,804
End of year - June 30	\$ 2,194,152	\$ 361,862	\$ 16,105,624	\$ 17,267,985	\$ 35,929,623	\$ 1,419,788

STATEMENT OF CASH FLOWS PROPRIETARY FUNDS FOR THE YEAR ENDED JUNE 30, 2011

		Governmental Activities				
	Greater Badin Water & Sewer District Fund	Piney Point Water District Fund	Stanly County Utility Fund	Airport Fund	Total	Internal Service Group Health Fund
Cash Flows from Operating Activities: Cash received from customers Cash paid for goods and services Cash paid to employees for services Customer deposits	\$ 395,564 (366,336) - 700	\$ 142,310 (115,641) - 30	\$ 2,684,313 (2,561,661) (766,600) 2,310	\$ (18,543) (91,491) (237,905)	\$ 3,203,644 (3,135,129) (1,004,505) 3,040	\$ 4,617,150 (4,596,941) -
Net cash provided (used) by operating activities	29,928	26,699	(641,638)	(347,939)	(932,950)	20,209
Cash Flows from Non-Capital Financing Activities: Transfers from General Fund			571,532	227,336	798,868	-
Transfers to General Fund Other non-operating revenues Interfund transfers	35,950 (40,000)	(15,000) - -	(85,000)	- -	(100,000) 35,950 (40,000)	- -
Net cash provided (used) by non-capital financing activities	(4,050)	(15,000)	486,532	227,336	694,818	
Cash Flows From Capital and Related Financing Activities: Acquisition and construction of capital assets	-		(1,360,415)	(1,473,993)	(2,834,408)	-
Long-term debt issued Principal paid on bond maturities and lease purchases Interest paid on bond maturities	(52,731)		91,372 (44,920)	-	91,372 (97,651)	-
and lease purchases Capital contribution Net cash provided (used) by capital	(8,728)	-	(2,760) 1,545,489	- 1,244,957	(11,488) 2,790,446	
and related financing activities	(61,459)		228,766	(229,036)	(61,729)	
Cash Flows from Investing Activities: Interest on investments	1,841	2,351	9,093	3,261	16,546	34,061
Net increase (decrease) in cash and cash equivalents	(33,740)	14,050	82,753	(346,378)	(283,315)	54,270
Cash and Cash Equivalents: Beginning of year - July 1	185,022	196,569	758,441	346,378	1,486,410	2,592,933
End of year - June 30	\$ 151,282	\$ 210,619	\$ 841,194	\$ -	\$ 1,203,095	\$ 2,647,203

STATEMENT OF CASH FLOWS PROPRIETARY FUNDS FOR THE YEAR ENDED JUNE 30, 2011

		Governmental Activities						
	Wat	ater Badin er & Sewer strict Fund	Piney Point Water District Fund	Star Cou Utility	nty	Airport Fund	Total	Internal Service Group Health Fund
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:								
Operating income (loss) Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:	\$	(309,671)	\$ (5,296)	\$ (58	7,792)	\$ (1,211,185)	\$ (2,113,944)	\$ 228,986
Depreciation Other non-operating revenue Changes in assets and liabilities:		366,487 -	34,762		9,128 0,895	956,116	2, <mark>146,493</mark> 250,895	-
(Increase) decrease in accounts receivable (Increase) decrease in inventory Increase (decrease) in accounts		(28,979)	812		(0,977 (7,584)	(321, <mark>6</mark> 71) (14,960)	(198,861) (22,544)	-
payable and liabilities Increase (decrease) in customer deposits Increase (decrease) in compensated absences		1,391 700	(3,609)	, ,	4,410) 2,310 5,162)	239,723 - 4,038	(996,905) 3,040 (1,124)	(208,777)
Total adjustments		339,599	31,995	(5	3,846)	863,246	1,180,994	(208,777)
Net cash provided (used) by operating activities	\$	29,928	\$ 26,699	\$ (64	1,638)	\$ (347,939)	\$ (932,950)	\$ 20,209

STATEMENT OF NET ASSETS FIDUCIARY FUND JUNE 30, 2011

	Age Fu	ncy nd
Assets:		
Cash and cash equivalents	\$	117,941
Inmate cash	<u> </u>	3,754
Total assets	\$	121,695
Liabilities:		
Liabilities:		
Accounts payable	\$	107,990
Client payable		13,705
Total liabilities	\$	121,695

I. Summary of Significant Accounting Policies

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

A. Reporting Entity

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

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

Discretely Presented Component Units

Stanly County Industrial Facility and Pollution Control Financing Authority exists to issue and service revenue bond debt of private businesses for economic development purposes. The County Commissioners appoint a seven-member Board to govern the Authority. The County Commissioners can remove any Authority member with or without cause. The Authority has no financial transactions or account balances; therefore, it is not presented in the County's financial statements at June 30, 2011. The Authority does not issue separate financial statements.

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

B. Basis of Presentation, Basis of Accounting

Basis of Presentation, Measurement Focus - Basis of Accounting

The government-wide statements (Exhibit A – Statement of Net Assets and Exhibit B – the Statement of Activities) report information on all activities of the primary government (the County) and its component units. These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. Interfund services provided and used are not eliminated in the process of consolidation.

These statements distinguish between the *governmental* and *business-type activities* of the County. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed, in whole or in part, by fees charged to external parties.

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

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

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

The County reports the following major governmental fund:

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.

The County reports the following major enterprise funds:

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

The County reports the following fund types:

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

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

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

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

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of enterprise funds are charges to customers for sales and services. The County also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on

capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Governmental Fund Financial Statements. Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available.

Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

The County considers all revenues available if they are collected within 60 days after year-end, except for property taxes. Ad valorem property taxes are not accrued as a revenue, because the amount is not susceptible to accrual. At June 30, taxes receivable are materially past due and are not considered to be an available resource to finance the operations of the current year. Also, as of January 1, 1993, State law altered the procedures for the assessment and collection of property taxes on registered motor vehicles in North Carolina. Effective with this change of the law, the County is responsible for billing and collecting the property taxes on all registered motor vehicles on behalf of all municipalities and special tax districts in the County. For registered motor vehicles, property taxes are due the first day of the fourth month after the vehicles are registered. The billed taxes are applicable to the fiscal year in which they become due. Therefore, taxes for vehicles registered from March 2010 through February 2011 apply to the fiscal year ended June 30, 2011. Uncollected taxes that were billed during this period are shown as a receivable on these financial statements and are offset by deferred revenues.

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

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

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

C. Budgetary Data

The County's budgets are adopted as required by the North Carolina General Statutes. An annual budget is adopted for the General Fund, Emergency Telephone System Fund, Fire Districts Fund, Adequate Facilities Reserve Fund, and the Enterprise Funds. All annual appropriations lapse at the end of the fiscal year. Project ordinances are adopted for the Community Development Block Grants Special Revenue Funds, Jail Construction Fund, and the Enterprise Capital Projects Funds, which 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 Project Funds, and Enterprise Funds. The balances in the capital reserve funds will be appointed when transferred to a capital project fund or to the school system in accordance with the project ordinance adopted for the reserve funds. The County Manager is authorized by the budget ordinance to expend monies from departmental budgets and to approve all budget transfers within a department budget. Intra-department transfers to or from personal services and/or capital outlay in excess of \$5,000 must have Board approval. During the year, a number of amendments to the original budget were necessary. The budget ordinance must be adopted by July 1 of the fiscal year or the Board of Commissioners must adopt an interim budget that covers that time until the annual ordinance can be adopted.

D. Assets, Liabilities, and Fund Equity

1. Deposits and Investments. All deposits of the County are made in Board-designated official depositories and are secured as required by G.S. 159-31. The County may designate, as an official depository, any bank or savings and loan association whose principal office is located in North Carolina. Also, the County may establish time deposit accounts such as NOW and 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 with maturity of more than one year at acquisition and non-money market investments are carried at fair value as determined by quoted market price. The securities of the NCCMT-Cash Portfolio, an SEC-registered (2a-7) money market mutual fund, are valued at fair value, which is the NCCMT's share price.

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

Restricted Assets

Customer deposits held by the County before any services are supplied are restricted to the service for which the deposit was collected.

- **3.** Ad Valorem Taxes Receivable. In accordance with State laws [G. S. 105-347 and G. S. 159-13 (a)], the County levies ad valorem taxes on property other than certain motor vehicles on July 1, the beginning of the fiscal year. The taxes are due on September 1; however, penalties and interest do not accrue until the following January 6, when property taxes attach as enforceable liens. These taxes are based on the assessed values as of January 1, 2010. As allowed by State law, the County has established a schedule of discounts that apply to taxes that are paid prior to the due date. In the General Fund, ad valorem tax revenues are reported net of such discounts.
- **4. Allowances for Doubtful Accounts.** Receivables that historically experience uncollectible accounts are shown net of allowances for doubtful accounts. These amounts are estimated by analyzing the percentage of receivables written off in prior years.
- **5. Inventories and Prepaid Items.** The inventories of the enterprise funds consist of materials and supplies held for consumption, and are valued using the first-in, first-out method or cost. The cost is recorded as an expense when the inventory is consumed.

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

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

Capital assets of the County are depreciated on a straight-line basis using the following estimated useful 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

- **7. Long-Term Obligations.** In the government-wide financial statements and in the proprietary fund types in the fund financial statements, long-term debt, and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type Statement of Net Assets. In the fund financial statements for governmental fund types, the face amount of debt issued is reported as an other financing source.
- **8.** Compensated Absences. The vacation policy of the County provides for the accumulation of up to thirty (30) days earned vacation leave, with such leave being fully vested when earned. For the County's government-wide and proprietary funds, an expense and a liability for compensated absences and the salary-related payments are recorded as the leave is earned.

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

- **9. Deferred / Unearned Revenue.** Property taxes collected in advance of the fiscal year to which they apply are recorded as unearned revenue in the government-wide financial statements and deferred revenue in the fund financial statements. Certain receivables are also recorded as deferred revenue in the fund financial statements, because they are not considered to be available at year-end.
- **10. Self-Insured.** The County is self-insured for workers' compensation and for employees' medical with third-party insurance coverage at specified levels. The self-insurance plan is administered by a third-party administrator. Amounts remitted by the County to the administrator include estimates of the eventual loss on claims arising prior to year-end, including claims incurred and not yet reported. The liability for estimated claims is accrued in the Group Health Fund.

11. Net Assets and Fund Balances

Net Assets

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

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

Restricted Fund Balance.

This classification includes amounts that are restricted to specific purposes externally imposed by creditors or imposed by law.

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

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 and imaging technology in the Register of Deeds' office.

Restricted for Public Safety (USDA Reserve) – portion of fund balance restricted for the purpose of maintaining a reserve account for debt payment of the Jail Construction USDA loan based on loan agreement.

Restricted for Public Safety (Emergency Telephone System Fund) – portion of fund balance that is restricted by North Carolina 911 Board for the use of installation of emergency 911 phone systems.

Restricted, all other fund balances at June 30, 2011 are as follows:

		Other Nonmajor			
Purpose	General Fund	Governmental Funds			
Restricted, all other:	 _				
Public Safety	\$ 7,580	\$	437,102		

Committed Fund Balances

This classification includes amounts 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). Any changes or removal of specific purpose requires majority action by the Board of Commissioners.

Assigned Fund Balance

This classification includes portion of fund balance that Stanly County intends to use for specific purposes.

Assigned for subsequent year's expenditures – portion of the fund balance that has been designated for the adopted 2011-2012 budget ordinance that is not already classified in restricted or committed - \$350,000. The Board of Commissioners approves the appropriation; however the budget ordinance authorizes the manager to modify the appreciations by resources or appropriation within funds up to \$5,000.

Assigned for Public Safety – portion of fund balance assigned for jail inmates – \$55,038.

Assigned for Economic and Physical Development – portion of fund balance assigned for RPO services - \$6,743.

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 - \$517,984. Medicaid settlements portion is assigned for future health related activities - \$115,320. Dental clinic portion is assigned for future dental clinic services - \$775,378.

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 - \$151,740. 4-H portion is assigned for future 4-H services - \$31,722.

Assigned fund balances at June 30, 2011 are as follows:

	General	Other Nonmajor Governmental
Purpose	 Fund	Funds
Assigned:		
Subsequent year's expenditures	\$ 350,000	\$ -
Public Safety	55,038	-
Economic and Physical Development	6,743	-
Human Services	1,408,682	-
Cultural and Recreational	 183,462	
Total	\$ 2,003,925	\$ -

Unassigned Fund Balances

This classification includes portion of fund balance that has not been assigned to another fund or is restricted, committed, or assigned to specific purposes within the General Fund.

The 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 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.

The County has also adopted a minimum fund balance policy for the General Fund which 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. 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.

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 Assets.

The governmental fund balance sheet includes a reconciliation between fund balance - total governmental funds and net assets – governmental activities as reported in the government-wide Statement of Net Assets. 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 Depreciable property Accumulated depreciation	\$ 1,949,950 35,793,453 (18,432,299)	\$ 19,311,104
The focus of governmental funds is on short-term		
financing; long-term assets are deferred in the funds.		
Interest receivable	514,062	
Deferred taxes	2,592,006	3,106,068
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds. The County incurs debt for school construction, but does not receive title for the building or property. This financial transaction results in a deficit for the County's net assets. Interest payable Due in one year Due in more than one year	(554,128) (3,522,610) (33,629,184)	(37,705,922)
Internal service funds are used by management to charge the costs of certain activities to individual funds. These assetsand liabilities are included in governmental activities		
in the Statement of Net Assets.		1,419,788
Total of Programs		Ф (40,000,000)
Total adjustment		\$ (13,868,962)

2. Explanation of certain differences between the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balance and the government-wide Statement of Activities.

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

Governmental funds report capital outlays as expenditures. In the Statement of Activities, the cost of those assets is depreciated over their estimated useful lives. Capital outlays 793,600 Depreciation (1,456,587)(662,987)The issuance of long-term debt (e.g., bonds, leases) is a resource, and the repayment of bond principal is an expenditure in governmental funds; but those transactions increase or reduce long-term liabilities in the Statement of Net Assets. Debt issued (1,743,149)Debt retired 2,729,968 986,819 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 42,200 Accrual of taxes 186,443 228,643 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 (11,960)Compensated absences (31,885)Other post-employment benefits (285,756)(311,806)Interest expense 17,795 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. 258,984 258,984 Total adjustment 499,653

II. Detail Notes on All Funds

A. Assets

1. Deposits

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

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

At June 30, 2011, the County's demand deposits had a carrying amount of \$14,599,747 and a bank balance of \$14,716,944. Of the bank balance, \$507,508 was covered by federal depository insurance. The remaining \$14,209,436 was collateralized under the Pooling Method. The petty cash funds totaled \$5,417.

2. Investments

As of June 30, 2011, the County had \$486,800 invested with the North Carolina Capital Managements Trust's Cash Portfolio.

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

Credit Risk. The County's investments in the North Carolina Capital Management Trust Cash Portfolio carried a credit rating of AAAm by Standard & Poor's as of June 30, 2011. All other investments, certificates of deposits, and sweep accounts are covered by financial institutions who participate in the Pooling Method. The County has no formal policy on credit risk.

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

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

Year Levied	Tax	Interest	Total
2008	\$ 2,398,891	\$ 605, <mark>714</mark>	\$ 3,004,605
2009	2,452,820	398,582	2,851,403
2010	2,495,104	1,080,894	3,575,998
2011	2,511,464		2,511,464
Total	\$ 9,858,279	\$ 2,085,190	\$ 11,943,469

4. Receivables

Receivables at the government-wide level at June 30, 2011 were as follows:

	Taxes Receivable	Trade Accounts Receivable	Due from Other Governments	Interest	Other	Total
Governmental Activities: General Other Governmental	\$ 2,965,995 99,742	\$ 1,060,666 	\$ 2,370,759 67,139	\$ 519,934 	\$ 33,092	\$ 6,950,446 166,881
Total receivables	3,065,737	1,060,666	2,437,898	519,934	33,092	7,117,327
Allowance for doubtful accounts	(473,732)	(285,452)				(759,184)
Total governmental activities	\$ 2,592,005	\$ 775,214	\$ 2,437,898	\$ 519,934	\$ 33,092	\$ 6,358,143
Business-Type Activities: Greater Badin Water						
and Sewer District Piney Point Wtater District	\$ - -	\$ 142,589 23,824	\$ 35,950	\$ 336 468	-	\$ 178,875 24,292
Stanly County Utility Fund Airport	<u>-</u>	440, <mark>2</mark> 49 12,224	100,105 325,000	1,686 695	471	542,040 338,390
Total receivables		618,886	461,055	3,185	471	1,083,597
Allowance for doubtful accounts		(126,099)				(126,099)
Total business-type activities	\$	\$ 492,787	\$ 461,055	\$ 3,185	<u>\$ 471</u>	\$ 957,498

Due from other governments for the year ended June 30, 2011 consisted of the following:

Governmental Activities:	
Local option sales tax	\$ 1,068,498
Sales tax receivable	283,016
Grants receivable	72,904
Tire and white goods	40,086
Telecommunication tax	47,914
DSS & DHHS	714,880
Other	 210,600
	\$ 2,437,898
Business-Type Activities:	
Grants receivable	\$ 461,055

5. Capital Assets

Primary Government

Capital asset activity for the year ended June 30, 2011 was as follows:

	J	uly 1, 2010	_	Additions	R	etirements	Ju	ne 30, 2011
Governmental Activities:								
Non-depreciable capital assets:								
Land	\$	1,949,950	\$	-	\$	-	\$	1,949,950
Construction in progress		8,456,738		1,241		8,457,979		-
Total non-depreciable capital assets		10,406,688	_	1,241		8,457,979		1,949,950
Depreciable capital assets:								
Buildings		17,288,923		8,457,979		-		25,746,902
Equipment and vehicles		9,655,105	_	792,359	_	400,913		10,046,551
Total depreciable capital assets	_	26,944,028	_	9,250,338	_	400,913		35,793,453
Less accumulated depreciation:								
Buildings		9,067,529		658,650				9,726,179
Equipment and vehicles		8,309,096		797,937		400,913		8,706,120
Total accumulated depreciation		17,376,625	\$	1,456,587	\$	400,913		18,432,299
Total depreciable capital assets, net		9,567,403						17,361,154
Governmental activity capital assets, net	\$	19,974,091					\$	19,311,104

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

Governmental Functions:	
General government	\$ 300,073
Public safety	754,952
Transportation	100,776
Environmental protection	18,720
Economic and physical development	26,590
Human services	57,120
Cultural and recreational	 198,356
Total depreciation expense governmental functions	\$ 1,456,587

Business-Type Activities

Capital asset activity for business-type activities for year ended June 30, 2011 was as follows:

	Jı	uly 1, 2010		Additions	R	Retirements	June	e 30, 2011
Business-Type Activities:								
Greater Badin Water and Sewer:								
Depreciable capital assets:								
Plant in service	\$	7,309,606	\$	-	\$	-	\$	7,309,606
Equipment and vehicles		207,502	_		_	-		207,502
Total depreciable capital assets		7,517,108		-				7,517,108
Less accumulated depreciation:								
Plant in service		4,835,925		349,522		_		5,185,447
Equipment and vehicles		181,715		16,965		_		198,680
Total accumulated depreciation		5,017,640	\$	366,487	\$			5,384,127
Total depreciable capital assets, net		2,499,468	_		_			2,132,981
Total depreciable capital assets, het		,,					-	, - ,
Total Greater Badin capital assets, net		2,499,468						2,132,981
Piney Point Water:								
Depreciable capital assets:								
Plant in service		727,984		_		-		727,984
Total depreciable capital assets		727,984						727,984
Less accumulated depreciation:		,						,
Plant in service		561,562		34,761		_		596,323
		561,562	\$	34,761	\$			596,323
Total accumulated depreciation		001,002	<u>~</u>	01,701	<u>*</u>			000,020
Total Piney Point capital assets, net		166,422						131,661
Stanty Hillity Operations								
Stanly Utility Operating:								
Non-depreciable capital assets:		000 704						000 704
Land Construction in progress		223,784 2,824,664		- 1,326,454		- 2,512,317		223,784 1,638,801
	-	3,048,448		1,326,454		2,512,317		1,862,585
Total non-depreciable assets		3,040,440		1,020,404		2,012,017		1,002,000
Depreciable capital assets:				0 = 10 0 1 =				
Plant in service		21,069,287		2,512,317		20,652		23,581,604
Equipment and vehicles	-	528,934		33,960				542,242
Total non-depreciable capital assets:		21,598,221	_	2,546,277	_	20,652		24,123,846
Less accumulated depreciation:								
Plant in service		9,625,535		763,490		-		10,389,025
Equipment and vehicles		458,269	_	25,638	_	20,652		463,255
Total accumulated depreciation		10,083,804	\$	789,128	\$	20,652		10,852,280
Total non-depreciable capital assets, net		11,514,417					-	13,271,566
Total Stanly Utility capital assets, net		14,562,865						15,134,151

	July 1, 201	0	Additions	Retirements	June 30, 2011
Airport Operating:					
Non-depreciable capital assets:					
Land	4,924,	095	-	-	4,924,095
Construction in progress	2,182,	429	1,473,993		3,656,422
Total non-depreciable capital assets	7,106,	<u>524</u>	1,473,993		8,580,517
Depreciable capital assets:					
Buildings	1,852,	923	-	-	1,852,923
Improvements	20,182,	968	-	<u>_</u>	20,182,968
Equipment and vehicles	279,	433	<u> </u>	_	279,433
Total depreciable capital assets:	22,315,	324			22,315,324
Less accumulated depreciation:					
Buildings	456,	615	11,722	-	468,337
Improvements	10,982,	762	944 <mark>,3</mark> 93	-	11,927,155
Equipment and vehicles	279,	433	_	<u>-</u>	279,433
Total accumulated depreciation	11,718,	810 <u>\$</u>	956,115	\$ -	12,674,925
Total depreciable capital assets, net	10,596,	<u>514</u>			9,640,399
Total Airport capital assets, net	17,703,	038			18,220,916
Total business-type activity capital assets, net	\$ 34,931,	793			\$ 35,619,709

Construction Commitments

Project	Project to Date	Remaining Commitment			
Highway 24/27 Upgrade Endy Sewer	\$ 451,669 62,931	\$	153,331 2,533,769		
ARRA Water Storage Tank	181,307		129,436		
Tyson Village Water	783,847		58,660		
Highway 200 Water	159,047		1,497,453		
Terminal Improvement	2,988,242		312,157		
Runway Extension Design	 668,180		202,820		
Total	\$ 5,295,223	\$	4,887,626		

B. Liabilities

1. Payables

Payables at the government-wide level at June 30, 2011 were as follows:

		Vendors		laries and Benefits	-	Accrued Interest		Total
Governmental Activities:								
General	\$	2,209,079	\$	933,918	\$	554,128	\$	3,697,125
Other		46,291				-		46,291
Total-governmental activities	\$	2,255,370	\$	933,918	\$	554,128	\$	3,743,416
rotal governmental activities	Ψ	2,200,010	Ψ	333,310	Ψ	334,120	Ψ	3,743,410
Business-Type Activities:								
Greater Badin Water and								
Sewer Districts	\$	4,946	\$	-	\$	887	\$	5,833
Piney Point Water District		19		-		-		19
Stanly County Utility		87,636		32,506		-		120,142
Airport		108,036	_	10,134				118,170
Total business-type activities:	\$	200,637	\$	42,640	\$	887	\$	244,164

2. Pension Plan Obligations

a. North Carolina Local Governmental Employees' Retirement System

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

Funding Policy. Plan members are required to contribute six percent of their annual covered salary. The County is required to contribute at an actuarially determined rate. For the County, the current rate for employees not engaged in law enforcement is 6.48%, and for law enforcement officers 6.36% of annual covered payroll. The contribution requirements for members and for the County are established and may be amended by the North Carolina

General Assembly. The County's contributions to LGERS for the years ended June 30, 2009, 2010, and 2011 were \$736,280, \$715,552, and \$897,355, respectively. The County's contributions to LEO for the years ended June 30, 2009, 2010, and 2011 were \$92,966, \$93,633, and \$119,175, respectively. The contributions made by the County equaled the required contributions for each year.

b. Law Enforcement Officers' Special Separation Allowance

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

The Separation Allowance covers all full-time County law enforcement officers. At December 31, 2010, the Separation Allowance's membership consisted of:

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

Summary of Significant Accounting Policies

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

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

Contributions

The County is required by Article 12D of G.S. Chapter 143 to provide separation allowance retirement benefits and has chosen to fund the benefit payments on a pay-as-you-go basis through annual appropriations made in the General Fund operating budget. There were no contributions made by employees. The County's obligation to contribute to the plan is established and may be amended by the North Carolina General Assembly. The annual separation allowance costs are pro-rated and paid monthly. The County does not provide a funding schedule for the Net Pension Obligation. The County's annual separation allowance contribution for fiscal year ended June 30, 2011 was \$57,658, or .34% of annual covered payroll.

The annual required contribution for the current year was determined as part of the December 31, 2009 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 12.3% per year. The inflation component was 3.75%. The assumptions do not include post-retirement benefit increases. The actuarial value of assets was determined using the market value of investments. The unfunded actuarial accrued liability is being amortized as a level percentage of pay on a closed basis. The remaining amortization period at December 31, 2009 was 21 years.

Annual Pension Cost and Net Pension Obligation. For the fiscal year ending June 30, 2011, the County's annual pension cost and net pension obligation were as follows:

Employer annual required contribution Interest on net pension obligation Adjustment to annual required contribution	\$ 70,475 12,114 (12,971)
Annual pension cost Employer contributions made for fiscal year	69,618 57,658
Increase (decrease) in net pension obligation Net pension obligation:	11,960
Beginning of year - July 1	 242,283
End of year - June 30	\$ 254,243

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Inre	20-YE	ar ir	ena in	rormation

Year Ended June 30	P	Annual ension ost (APC)	Percentage of APC Contributed	0	Net Pension bligation ad of Year
2009	\$	50,135	132.57%	\$	251,102
2010		58,134	115.17%		242,283
2011		69,618	82.82%		254,243

Funded Status and Funding Progress - As of December 31, 2010, 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 \$578,200. The covered payroll (annual payroll of active employees covered by the plan) was \$1,926,552, and the ratio of the UAAL to the covered payroll was 30.01 percent.

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

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, 2011 were \$105,924, which consisted of \$96,692 from the County and \$9,232 from the law enforcement officers. The County provides a Section 401(k) Deferred Compensation Plan for this purpose.

d. Register of Deeds' Supplemental Pension Fund

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

Funding Policy. On a monthly basis, the County remits to the Department of State Treasurer an amount equal to one and one-half percent (1.5%) of the monthly receipts collected pursuant to Article 1 of G.S. 161. Immediately following January 1 of each year, the Department of State Treasurer divides ninety-three percent (93%) of the amount in the Fund at the end of the preceding calendar year into equal shares to be disbursed as monthly benefits. The State Treasurer, in administering the Fund, may use the remaining seven percent (7%) of the Fund's assets. For the fiscal year ended June 30, 2011, the County's required and actual contributions were \$4,817.

e. Other Post-Employment Benefits

Healthcare Benefits

Plan Description. According to a County resolution, the County provides healthcare benefits through the Healthcare Benefits Plan as a single-employer defined benefit plan. At retirement, all employees who have at least 30 years of service with the County are provided free medical insurance until they reach age 65 or become eligible for Medicare. Employees with a minimum of 25 years of service in the Local Retirement System, and which includes the last 10 consecutive years with service to Stanly County, are provided insurance by paying 50% of the cost. The Board of Commissioners may amend the benefit provisions. A separate report was not issued for the plan.

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

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

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

The current ARC rate is 2.84% of annual covered payroll. For the current year, the County contributed \$142,176, or .84% of annual covered payroll. The County obtains healthcare coverage through self insurance. The County requires no contributions made by employees, except for dependent coverage in the amount of \$2,776 for spouse coverage, \$1,900 for children coverage, and \$7,275 for family coverage. The County obligation to contribute to the healthcare benefits is established and may be amended by the County Commissioners.

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

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

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

Employer annual required contribution	\$ 470,851
Valuation discount rate	4.00%
Interest on net OPEB obligations	23,284
Adjustment to annual required contribution	 (20,088)
Annual OPEB cost	474,047
Employer contributions made for	
fiscal year ended June 30, 2011	 (142,176)
Increase (decrease) in net OPEB obligations: Net OPEB obligations:	331,871
Beginning of year - July 1	582,100
Deginning of year - July 1	 302,100
End of year - June 30	\$ 913,971

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2011 were as follows:

	Three-Year Trend Information					
,	Year Ended June 30	P	Annual Pension ost (APC)	Percentage of APC Contributed	0	Net Pension bligation d of Year
	2009 2010	\$	369,000 472,260	30.50% 31.06%	\$	256,540 582,100
	2011		474,047	29.99%		913,971

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

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

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

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

f. Other Employment Benefits

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

3. Deferred and Unearned Revenues

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

	Deterred Revenue	 nearned Revenue
Prepaid taxes not yet earned	\$ -	\$ 197,633
Taxes receivable, net (General)	2,503,414	-
Taxes receivable, net (Special)	 88,592	
Total	\$ 2,592,006	\$ 197,633

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 \$70,000 per covered employee/dependent per policy term. Claims greater than \$70,000 per covered employee/dependent per policy term and those in excess of the aggregate stop loss of 120% of expected net claims are insured by the private insurance carrier. All employees of the County participate in the program and make payments to the Group Health Fund based on estimates of the amounts needed to pay claims. The claims liability of \$448,803 reported in the fund at June 30, 2011 is based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. The County expects all claims to be paid within the next twelve months; therefore, the entire amount is presented as current.

The \$448,803 claims liability represents total estimated claims incurred, but not reported, as provided by the plan administrator's actuary.

	June 30 2011		June 30 2010
Unpaid claims and claim adjustment expenses at beginning of fiscal year	\$	339,922	\$ 492,381
Incurred claims and claim adjustment expenses: Provision for insured events of current year		3,162,270	3,437,245
Claims and adjustment expenses attributable to insured events of current and prior year		3,053,389	3,589,704
Total claims liability	<u>\$</u>	448,803	\$ 339,922

Workers' Compensation. The County is self-funded for workers' compensation. Through this self-funded workers' compensation program, the County obtains workers' compensation coverage up to the statutory limits, with no deductible. The fund is reinsured through an insurance company for single occurrence losses of \$300,000 and aggregate excess limit for \$1,000,000. The claims liability of \$783,134 reported in the fund at June 30, 2011 is based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. The County expects all claims to be paid within the next twelve months; therefore, the entire amount is presented as current.

The \$783,134 claims liability represents total estimated claims incurred, but not reported, as provided by the plan administrator's actuary.

	June 201		J	lune 30 2010
Unpaid claims and claim adjustment expenses at beginning of fiscal year	\$ 1,10	00,452	\$	887,912
Incurred claims and claim adjustment expenses: Provision for insured events of current year	1!	95,893		558,086
Claims and adjustment expenses attributable to insured events of current and prior year	5	13,211		345,545
Total claims liability	\$ 78	83,134	\$	1,100,452

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

The County carries no flood insurance.

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

5. Claims, Judgments, and Contingent Liabilities

At June 30, 2011, the County was a defendant to various lawsuits. In the opinion of the County's management and the County's attorney, the ultimate effect of these legal matters will not have a material adverse effect on the County's financial position.

6. Long-Term Obligations

a. Capital Leases

The County has entered into agreements to lease certain land, buildings, and equipment. These agreements are in substance lease-purchases (capital leases) for accounting purposes and, therefore, have been recorded at the present value of the future minimum lease payments as of the date of their inception. Titles pass to the County at the end of the lease terms. Capital lease agreements at June 30, 2011 are comprised of the following:

General Government:

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

\$ 3,850,000

At June 30, 2011, the County leased the jail valued at:

Class of Property	Cost	Accumlated Depreciation	 Net Book Value	
Jail	\$ 8,457,979	\$ 211,449	\$ 8,246,530	

Future minimum lease payments as of June 30, 2011 were as follows:

General Long-Term	Capitalized Leases						
Debt		Principal		Interest			
2012	\$	366,667	\$	157,474			
2013		366,667		142,111			
2014		366,667		126,748			
2015		366,667		111,384			
2016		366,667		96,021			
2017-2021		1,833,333		249,654			
2022-2026		183,332		3,840			
Total	\$	3,850,000	\$	887,232			

b. Notes Payable

General Fund:

Amondala and Lauret Oak and Davingto		
Aquadale and Locust School Project: Construction of additions to Aquadale and Locus Schools,		
July 7, 2008, payable in annual principal payments of \$684,210		
and semi-annual interest payments at an interest rate of 4.48%	\$	11,631,580
Ambulance Loan:		
Purchase of two new Ambulances for Emergency Services,		
May 20, 2010, payable in annual principal payments of \$86,964		
and annual interest payments at an interest rate of 4.00%.		163,875
Ambulance Loan:		
Purchase of two new Ambulances for Emergency Services,		
February 1,2011, payable in annual principal payment of \$87,067		
and annual interest payments at an interest rate of 3.58%.		243,150
USDA Jail Loan:		
Construction of the jail additions entered into on August 10, 2006,		
August 10, 2010, payable in annual principal payments of \$75,795		
and annual interest payments at an interest rate of 4.00%		1,500,000
Information Technology Loan:		
Renovations of the information technology network equipment,		
January 13, 2010, payable in semi-annual principal payments of		
\$8,812 and semi-annual interest payments at an interest rate of 5.00%		58,580
Total General Fund		13,597,185
Total Contrain and		10,001,100
Enterprise Fund:		
Drinking Water State Revolving Fund:		
North Carolina Clean Water Revolving 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.		86,451
		00,101
Greater Badin Water and Sewer District:		
North Carolina Clean Water Revolving Loan executed on		
May 1, 1999, payable in annual principal payments of \$22,731		204 570
and semi-annual interest payments at an interest rate of 2.60%		204,579
Total Enterprise Fund		291,030
Total Notes Payable	\$	13,888,215
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Future minimum payments as of June 30, 2011 were as follows:

General Long-Term	Notes Payable				
Debt		Principal	Interest		
2012	\$	871,943	\$	599,552	
2013		879,527		561,316	
2014		800,306		522,920	
2015		717,741		487,765	
2016		702,688		455,801	
2017-2021		3,525,136		1,807,522	
2022-2026		3,547,686		1,018,656	
2027-2031		1,522,502		316,852	
2032-2036		187,452		191,523	
2037-2041		228,065		150,911	
2042-2046		277,47 <mark>5</mark>		101,500	
2047-2051		336,664		41,384	
Total		13,597,185		6,255,702	
Proprietary Funds					
2012		27,651		5,319	
2012		27,651		4,728	
2013		27,651		4,137	
2015		27,651		3,546	
2016		27,651		2,955	
2017-2021		115,527		5,910	
2022-2026		24,603		0,010	
2027-2029		12,645		_	
2021 2020		12,040			
Total	_	291,030		26,595	
Total	\$	13,888,215	\$	6,282,297	

c. General Obligation Indebtedness

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

The following is a schedule of general obligation debt at June 30, 2011:

General Government:

\$16,325,000 Series 2010 Bond, due on February 1, installments ranging \$696,195 to \$2,008,800 through February 1, 2022; interest payable on August 1 and February 1 at 2.00% to 5.00%	\$	16,175,000
\$10,000,000 Series 2002 Bond, due on June 1, installments of \$400,000 through June 1, 2012; interest payable on December 1 and June 1 at 4.5%	4	400,000
Total General Government for school building purposes that is excluded from County's Net Assets, because title is transferred to Stanly County		
Board of Education	\$	16,575,000

Annual debt service requirements to maturity at June 30, 2011 are as follows:

General Long-Term	General Obligation Bonds				
Debt		Principal Interes			
2012	\$	1,575,000	\$	586,600	
2013		1,615,000		533,350	
2014		1,575,000		501,050	
2015		1,555,000		453,800	
2016		1,530,000		407,150	
2017 <mark>-2</mark> 021		7,460,000		1,212,450	
2022-2026		1,265,000		50,600	
Total	\$	16,575,000	\$	3,745,000	

d. 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, 2011:

		Balances July 1,2010	_A	dditions	Re	tirements	Jı	Balances une 30, 2011	F	Current Portion of Balance
Governmental Activities:										
General obligation debt	\$	18,075,000	\$	-	\$	1,500,000	\$	16,575,000	\$	1,575,000
Bond issuance cost/premiums		1,067,654		-		88,998		978,656		89,000
Capitalized leases		4,216,666		-		366,667		3,850,000		366,667
Notes payable		12,628,337		1,743,149		774,301		13,597,185		871,943
Compensated absences		996,972		767,854		735,972		1,028,854		620,000
Other post-employment benefit		582,100		427,932		142,176		867,856		-
Net pension obligation		242,283		69,618	_	57,658	_	254,243		
Total governmental activities	\$	37,809,012	\$	3,008,553	\$:	3,665,772	\$	37,151,794	\$	3,522,610
Business-Type Activities: Stanly County Utility Fund:										
General obligation debt	\$	40,000	\$	-	\$	40,000	\$	-	\$	-
Notes payable		-		91,372		4,920		86,451		4,920
Compensated absences		64,060		40,600		46,097		58,563		20,000
Other post-employment benefit				35,155				35,155		
Total Utility Fund	_	104,060	_	167,127	_	91,017	_	180,169		24,920
Greater Badin Water and										
Sewer District Fund:										
General obligation debt		30,000		-		30,000		-		-
Notes payable		227,311		<u>-</u>		22,731		204,579		22,731
Total Water and Sewer Fund	_	257,311				52,731	_	204,579		22,731
Airport Fund:										
Compensated absences		12,290		11,264		7,967		15,587		5,000
Other post-employment benefit				10,960				10,960		<u>-</u>
Total Airport Fund		12,290	_	22,224		7,967	_	26,547		5,000
Total business-type activities	\$	373,661	\$	189,351	\$	151,715	\$	411,295	\$	52,651
	<u> </u>		÷		÷		_		<u> </u>	

Compensated absences, other post-employment benefits, and net pension obligations typically have been liquidated in the General Fund and are accounted for on a LIFO (last-in,first-out) basis, assuming that employees are taking leave time as it is earned. The estimated current portion of compensated absence is \$645,000.

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. The County, the Authority, the State, nor any political subdivision thereof, is obligated in any manner for the repayment of bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of June 30, 2011, three industrial revenue bonds were outstanding, with an aggregate principal amount payable of \$17,264,465.

At June 30, 2011, the County had a legal debt margin of \$303,784,100.

f. Invested in Capital Assets, Net of Related Debt

Invested in capital assets, net of related debt, at June 30, 2011 was calculated as follows:

	General Fund		Enterprise Fund
Capital Assets	\$ 19,311,104	\$	35,619,709
Total debt, gross Add: debt not related to County assets	(35,000,841)	(291,030)
School debt for which County does not hold title	29,185,236		
Total related debt	(5,815,605)	(291,030)
Invested in capital assets, net of related debt	\$ 13,495,499	\$	35,328,679

C. Interfund Balances and Activity

Interfund receivable balances consist of cash deficits as of June 30, 2011. 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:

	-	nterfund eceivables	Interfund Payable
General Fund	\$	1,233,564	\$ -
Community Development Block Grant 2009 Scattered Site		-	29,118
Stanly County Airport Fund			1,204,446
Total	\$	1,233,564	\$ 1,233,564

Transfers to and from other funds at June 30, 2011 consists of the following:

		Tr	ansfers
	 From	То	Purpose
General Fund Adequate Facilities Reserve Fund Stanly County Utlilty Fund Airport Fund	\$ 801,008	\$ 2,140 571,532 227,336	Close fund Capital outlay support Operating and capital outlay support
Enterprise Funds: Stanly County Utility Fund	65,000	-	
Special Revenue Fund: CDBG 2007 Revitialization Fund	-	65,000	Operating support
Capital Project Fund: Jail Construction	33,831	-	Close project
Enterprise Funds: Stanly County Utility Fund Piney Point Water District Fund Greater Badin Water District Fund General Fund	 20,000 15,000 40,000	- - - 108,831	Operating support Operating support Operating support
Total	\$ 974,839	\$ 974,839	

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	\$ 15,959,930
Less:	
Prepaid items	51,071
Stabilization by State statue	 7,377,627
Total available fund balance	\$ 8,531,232

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 \$206,256 to the Authority during fiscal year ended June 30, 2011. 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, 2011. Complete financial statements for the Authority can be obtained from the Authority's administrative office at 245 LePhillip Court, NE, Concord, North Carolina 28025.

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

The County has the basic responsibility for providing funding for facilities and also provides some financial support for operations. The County has an ongoing statutory financial responsibility to provide funding for the Community College. The County contributed \$1,274,830 for operating purposes and \$175,000 for capital, during the fiscal year ended June 30, 2011. 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 \$14.790 to the Council during the fiscal year ended June 30, 2011.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2011

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

VI. Significant Effects of Subsequent Events

On August 15, 2011, the County refunded the Jail Series 2006 installment purchase for \$3,709,191, at an interest rate of 2.92%. This resulted in an overall net present value savings of \$174,077. At June 30, 2011, the principal balance of this debt was \$3,850,000.

VII. Benefit Payments Issued by the State

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

State and Federal Awards:

	Federal		State
Medicaid	\$ 50,028,099	\$	20,652,835
Temporary Assistance for Needy Families	280,842		-
Special Supplemental Food Program for			
Women, Infants, and Children	1,188,295		-
Special Assistance to Adults	-		531,236
Low-Income Home Energy Assistance	590,055		-
Title IV-E Foster Care Subsidiary	111,331		25,988
Title IV-E Adoption Subsidiary	241,777		53,893
NC Department of Cultural Resources	-		106,801
CWS Adoption Subsidiary	-		96,382
LINKS	 2,701	_	
Totals	\$ 52,443,100	\$	21,467,135

REQUIRED SUPPLEMENTARY FINANCIAL INFORMATION

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

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



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STANLY COUNTY, NORTH CAROLINA LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF FUNDING PROGRESS FOR THE YEAR ENDED JUNE 30, 2011

Actuarial Valuation Date	Va	tuarial lue of ssets (a)	Actuarial Accrued Liability (AAL) Project Unit Credit (b)		Unfunded AAL (UAAL) (b-a)		Funded Ratio (a/b)		Covered Payroll for Year Ending On Valuation Date (c)		Per of F	AL as a centage Covered Payroll b-a)/c)
12/31/2001	\$	-	\$	281,184	\$ 2	281,184		0.00%	\$	1,056,895	2	6.60%
12/31/2002		-		352,552	(352,552		0.00%		1,303,695	2	7.04%
12/31/2003		-		363,497	(363,497		0.00%		1,2 <mark>2</mark> 2,822	2	9.73%
12/31/2004		-		407,795	4	107,795		0.00%		1,237,242	3	2.96%
12/31/2005		-		375,030	(375,030		0.00%		1,521,812	2	4.64%
12/31/2006		-		431,973	4	131,973		0.00 <mark>%</mark>		1,629,065	2	6.52%
12/31/2007		-		417,619	4	117,619		0.00%		1,637,644	2	5.50%
12/31/2008		-		508,724	į	508,724		0.00%		1,793,364	2	8.37%
12/31/2009		-		643,054	(643,054		0.00%		1,919,595	3	3.50%
12/31/2010		-		578,200	į	578,200		0.00%		1,926,552	3	0.01%

STANLY COUNTY, NORTH CAROLINA LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF EMPLOYER CONTRIBUTIONS FOR THE YEAR ENDED JUNE 30, 2011

Year Ended June 30		al Required ntribution	Percentage Contributed
2011	¢	70 475	04.040/
2011	\$	70,475	81.81%
2010		55,747	120.10%
2009		47,648	139.4 <mark>9%</mark>
2008		47,697	11 <mark>9</mark> .42%
2007		41,853	124.12%
2006		42,603	84.87%
2005		41,234	55.99%
2004		42,234	50.57%
2003		34,993	20.35%
2002		31,170	11.05%

Notes to the Required Schedules:

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

Valuation date	12/31/2009
Actuarial cost method	Projected unit credit
Amortization method	Level percent of pay closed
Remaining amortization period	21 years
Asset valuation method	Market Value
Actuarial assumptions:	
Investment rate or return*	5.00%
Projected salary increases*	4.5 -12.3%
*Includes inflation at	3.75%
Cost of living adjustments	N/A

STANLY COUNTY, NORTH CAROLINA OTHER POST-EMPLOYMENT BENEFITS REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF FUNDING PROGRESS FOR THE YEAR ENDED JUNE 30, 2011

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

STANLY COUNTY, NORTH CAROLINA OTHER POST-EMPLOYMENT BENEFITS REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF EMPLOYER CONTRIBUTIONS FOR THE YEAR ENDED JUNE 30, 2011

Year Ended June 30	nal Required	Percentage Contributed
2009	\$ 369,000	30.48%
2010	470,851	31.16%
2011	470,851	30.20%

Notes to the Required Schedules:

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

Valuation date	12/31/2009					
Actuarial cost method	Projected unit credit					
Amortization method	Level percent of pay closed					
Remaining amortization period	30					
Asset valuation method	Market Value					
Actuarial assumptions:						
Investment rate or return*	4.00%					
Projected salary increases*	10.50-5.00%					
*Includes <mark>inflation</mark> at	3.75%					
Cost of living adjustments	N/A					

GENERAL FUND

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



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	Final Budget	Actual	Variance Over/Under
Revenues:			
Ad valorem property taxes: Ad valorem taxes		\$ 28,066,195	
Penalties and interest		295,936	
Total	\$ 28,139,000	28,362,131	\$ <u>223,131</u>
Local option sales taxes:			
Sales tax article 39		2,667,826	
Sales tax article 40		2,127,637	
Sales tax article 42 Sales tax article 44		1,620,019	
Total	6,785,000	2,979 6,418,461	(366,539)
Total	0,700,000	0,410,401	(300,339)
Other taxes:			
Real property excise tax		85,131	
Solid waste		25,674	
Cable franchise tax		156,765	
Occupancy tax Other taxes		215,999 18,752	
Total	454,500	502,321	47,821
Total	404,000	002,021	47,021
Restricted intergovernmental:			
Public safety		401,972	
Transportation		509,787	
Health		792,172	
Social services grants Senior and aging services		6,835,500 37,849	
Other federal and State grants		1,620,704	
EMS		8,073	
Total	10,322,556	10,206,057	(116,499)
Permits and fees:			
Recording fees		256,304	
Marriage license		8,611	
Building permits		351,349	
Concealed weapons permits		18,660	
Zoning and planning permits		18,478	
Total	658,212	653,402	(4,810)
Sales and services:			
Intergovernmental charges		184,075	
Sheriff and jail fees		556,350	
Ambulance fees		1,929,150	
Transportation		563,191	
Solid waste		819,034	

	Final Budget	Actual	Variance Over/Under
Health fees Rental and other charges		2,259,645 182,653	
Total	6,529,604	6,494,098	(35,506)
Investment earnings: Earned interest	325,000	179,452	(145,548)
20.100 11.0.001			
Miscellaneous:		000 400	
Donations Rents		332,426 270,712	
Sale of assets		11,667	
Miscellaneous other		237,547	
Total	1,002,965	852,352	(150,613)
lotai	1,002,000	002,002	(100,010)
Total revenues	54,216,837	53,668,274	(548,563)
Expenditures:			
General Government:			
Governing body:			
Salaries and employee benefits		86,713	
Operating expenditures		84,869	
Total		171,582	
Administration:			
Salaries and employee benefits		308,250	
Operating expenditures		14,575	
Total		322,825	
Finance department			
Finance department:		275 000	
Salaries and employee benefits Operating expenditures		275,909 118,048	
Total		393,957	
Total		330,331	
Tax assessor:			
Salaries and emplo <mark>yee</mark> benefits		732,817	
Operating expenditures		101,073	
Total		833,890	
Tax revaluation:			
Salaries and employee benefits		277,630	
Operating expenditures		15,207	
Total		292,837	
County attaces			
County attorney: Salaries and employee benefits		115,048	
Operating expenditures		1,073,369	
Total		1,188,417	
i Otal		1,100,417	

	Final Budget	Actual	Variance Over/Under
Clerk of Court: Operating expenditures		8,930	
Judge's office: Operating expenditures		2,639	
Elections: Salaries and employee benefits Operating expenditures Total		172,077 85,523 257,600	
Register of Deeds: Salaries and employee benefits Operating expenditures Capital outlay Total		194,865 55,858 16,881 267,604	
Information technology: Salaries and employee benefits Operating expenditures Total		276,324 169,712 446,036	
Facilities management: Salaries and employee benefits Operating expenditures Total		358,713 514,923 873,636	
Total general government	5,610,128	5,059,953	550,175
Public Safety: Sheriff: Salaries and employee benefits Operating expenditures Capital outlay Total		3,131,444 460,039 136,494 3,727,977	
Jail: Salaries and employee benefits Operating expenditures Total		1,837,108 714,047 2,551,155	
Office of juvenile justice: Operating expenditures Program expenditures Juvenile detention Total		18,953 90,384 9,167 118,504	

	Final Budget	Actual	Variance Over/Under
Criminal justice partnership: Salaries and employee benefits Operating expenditures		59,879 24,829	
Total		84,708	
JCPC Restitution:			
Salaries and employee benefits		53,034	
Operating expenditures		9,362	
Total		62,396	
Emergency management:			
Salaries and employee benefits		2,355,181	
Operating expenditures		883,496	
Capital outlay Total		249,330 3,488,007	
Total		0,100,001	
Code enforcement:			
Salaries and employee benefits Operating expenditures		260,211 30,586	
Total		290,797	
Medical examiner: Contractual services		38,500	
Contractual services		30,300	
Animal control:			
Salaries and employee benefits		267,367	
Operating expenditures Total		53,736 321,103	
Total			
911 communication service:			
Salaries and employee benefits		912,805 69,716	
Operating expenditures Total		982,521	
		<u> </u>	
Reimbursements:		(40.040)	
From E-911 fund		(46,016)	
Total public safety	11,686,690	11,619,652	67,038
Transportation:			
Salaries and employee benefits		680,103	
Operating expenditures		240,183	
Capital outlay	4 204 405	290,402	00.777
Total transportation	1,291,465	1,210,688	80,777

	Final Budget	Actual	Variance Over/Under
Environmental Protection:			
Solid waste operations:		220 247	
Salaries and employee benefits Operating expenditures		330,347 623,271	
Capital outlay		5,860	
Total		959,478	
Fire forester:		80,955	
Contribution to other agency		00,933	
Soil and water conservation:			
Salaries and employee benefits		96,995	
Operating expenditures		4,864	
Total		101,859	
Total environmental protection	<u>1,187,879</u>	1,142,292	45,587
Economic and Physical Development:			
Economic development commission:			
Salaries and employee benefits		60,710	
Operating expenditures Total		367,447 428,157	
Total		420,107	
Occupancy tax-motel/hotel:			
To other municipalities		179,160	
Diagning and spring.			
Planning and zoning: Salaries and employee benefits		212,776	
Operating expenditures		29,744	
Total		242,520	
Central permitting Salaries and employee benefits		155,758	
Operating expenditures		5,027	
Total		160,785	
Cooperative extension:		0.004	
Salaries and employee benefits Operating expenditures		2,621 220,536	
Total		223,157	
		· · · · · · · · · · · · · · · · · · ·	
Special appropriation for economic development:			
Contribution for economic development		87,140	

Rocky River RPO: Salaries and employee benefits 94,001 8,262 701 102,263 102,263 102,263 102,263 102,263 102,263 102,263 102,263 102,263 103,262 <t< th=""><th></th><th>Final Budget</th><th>Actual</th><th>Variance Over/Under</th></t<>		Final Budget	Actual	Variance Over/Under
Total 102,263 Human Services: 1,592,108 1,423,182 168,926 Human Services: 1 1,695,873 1,695,873 1,695,873 1,695,873 1,695,873 1,695,873 1,697,873 1,697,873 1,670			94,001	
Total economic and physical development 1,592,108 1,423,182 168,926 Human Services: Health: Services: Health: Services: 1,695,873 Coperating expenditures 575,436 6 6 6 6,570 7 8 7 8 7 8 7 8 9 8 9 8 9 8 9 8 9 8 9 9 8 9 9 8 9 9 8 9 9 8 9 9 8 9 9 8 9 9	Operating expenditures		8,262	
Human Services: Health: Salaries and employee benefits 1,695,873 Operating expenditures 575,436 Capital outlay 45,670 Total 2,316,979 Home health: 504,657 Salaries and employee benefits 504,657 Operating expenditures 515,781 Total 1,020,438 Health - smart start: Salaries and employee benefits Operating expenditures 5,402 Total 111,523 Operating expenditures 521,634 Operating expenditures 89,976 Capital clinic: 89,976 Salaries and employee benefits 521,634 Operating expenditures 89,976 Capital outlay 4,160 Total 615,770 Environmental health: 299,188 Operating expenditures 32,349 Total 331,537 Mental health: 299,188 Contributions to other agencies: 12,216 Bottle surcharge 1,2216 Pleidmont ar	Total		102,263	
Health: Salaries and employee benefits	Total economic and physical development	1,592,108	1,423,182	168,926
Salaries and employee benefits 1,695,873 Operating expenditures 575,436 Capital outlay 45,670 Total 2,316,979 Home health: 504,657 Salaries and employee benefits 504,657 Operating expenditures 515,781 Total 1,020,438 Health - smart start: 3 Salaries and employee benefits 111,523 Operating expenditures 5,402 Total 116,925 Dental clinic: 521,634 Salaries and employee benefits 521,634 Operating expenditures 89,976 Capital outlay 4,160 Total 615,770 Environmental health: 299,188 Operating expenditures 32,349 Total 331,537 Mental health: 299,188 Contributions to other agencies: 80,976 Bottle surcharge 12,216 Piedmont area mental health 194,040 Total 206,256 Social services: 2,1				
Operating expenditures 575, 436 Capital outlay 45,670 Total 2,316,979 Home health: 504,657 Operating expenditures 504,657 Operating expenditures 515,781 Total 1,020,438 Health - smart start: 111,523 Salaries and employee benefits 5,402 Total 116,925 Dental clinic: 521,634 Salaries and employee benefits 59,976 Capital outlay 4,160 Capital outlay 4,160 Total 615,770 Environmental health: 299,188 Operating expenditures 32,349 Total 331,537 Mental health: Contributions to other agencies: Bottle surcharge 12,216 Piedmont area mental health 194,040 Total 206,256 Social services: Salaries and employee benefits Social services: 2,754,606			1 605 972	
Capital outlay 45,670 Total 2,316,979 Home health: 504,657 Operating expenditures 515,781 Total 1,020,438 Health - smart start: 111,523 Salaries and employee benefits 5,402 Total 116,925 Dental clinic: 521,634 Operating expenditures 89,976 Capital outlay 4,160 Total 615,770 Environmental health: 299,188 Operating expenditures 299,188 Operating expenditures 32,349 Total 331,537 Mental health: 200,256 Contributions to other agencies: 12,216 Bottle surcharge 12,216 Piedmont area mental health 194,040 Total 206,256 Social services: Salaries and employee benefits 4,106,267 Operating expenditures 1,734,938 Day care and resident services 2,754,606				
Total 2,316,979 Home health: 504,657 Operating expenditures 515,781 Total 1,020,438 Health - smart start: 311,523 Operating expenditures 5,402 Total 1116,925 Dental clinic: 3116,925 Dental clinic: 89,976 Salaries and employee benefits 521,634 Operating expenditures 89,976 Capital outlay 4,160 Total 615,770 Environmental health: 299,188 Operating expenditures 32,349 Total 331,537 Mental health: Contributions to other agencies: Bottle surcharge 12,216 Piedmont area mental health 194,040 Total 206,256 Social services: Salaries and employee benefits Social services: 296,256 Social services: 21,734,938 Day care and resident services 2,754,606				
Home health: Salaries and employee benefits 504,657 Operating expenditures 515,781 Total 1,020,438 Health - smart start: Salaries and employee benefits 111,523 Operating expenditures 5,402 Total 116,925 Dental clinic: Salaries and employee benefits 521,634 Operating expenditures 89,976 Capital outlay 4,160 Total 615,770 Environmental health: Salaries and employee benefits 299,188 Operating expenditures 32,349 Total 331,537 Mental health: Contributions to other agencies: Bottle surcharge 12,216 Piedmont area mental health 194,040 Total 206,256 Social services: Salaries and employee benefits 4,106,267 Operating expenditures 4,106,267 Operating expenditures 1,734,938 Day care and resident services 2,754,606				
Salaries and employee benefits 504,657 Operating expenditures 515,781 Total 1,020,438 Health - smart start: 111,523 Salaries and employee benefits 111,523 Operating expenditures 5,402 Total 116,925 Dental clinic: 521,634 Operating expenditures 89,976 Capital outlay 4,160 Total 615,770 Environmental health: 299,188 Operating expenditures 32,349 Total 331,537 Mental health: Contributions to other agencies: Bottle surcharge 12,216 Piedmont area mental health 194,040 Total 206,256 Social services: Salaries and employee benefits Social services: Salaries and employee benefits Salaries and employee benefits 1,734,938 Operating expenditures 1,734,938 Day care and resident services 2,754,606	lotal		2,310,979	
Operating expenditures 515,781 Total 1,020,438 Health - smart start:				
Health - smart start: Salaries and employee benefits 111,523 Operating expenditures 5,402 Total 116,925 Dental clinic: Salaries and employee benefits 521,634 Operating expenditures 89,976 Capital outlay 4,160 Total 615,770 Environmental health: Salaries and employee benefits 299,188 Operating expenditures 32,349 Total 331,537 Mental health: Contributions to other agencies: Bottle surcharge 12,216 Piedmont area mental health 194,040 Total 206,256 Social services: Salaries and employee benefits 4,106,267 Operating expenditures 1,734,938 Day care and resident services 2,754,606	Salaries and employee benefits		504,657	
Health - smart start: Salaries and employee benefits 111,523 Operating expenditures 5,402 Total 116,925 Dental clinic: Salaries and employee benefits 521,634 Operating expenditures 89,976 Capital outlay 4,160 Total 615,770 Environmental health: 299,188 Operating expenditures 32,349 Total 331,537 Mental health: Contributions to other agencies: Bottle surcharge 12,216 Piedmont area mental health 194,040 Total 206,256 Social services: Salaries and employee benefits 4,106,267 Operating expenditures 1,734,938 Day care and resident services 2,754,606	Operating expenditures		515,781	
Salaries and employee benefits 111,523 Operating expenditures 5,402 Total 116,925 Dental clinic: Salaries and employee benefits Salaries and employee benefits 521,634 Operating expenditures 89,976 Capital outlay 4,160 Total 615,770 Environmental health: 299,188 Operating expenditures 32,349 Total 331,537 Mental health: Contributions to other agencies: Bottle surcharge 12,216 Piedmont area mental health 194,040 Total 206,256 Social services: Salaries and employee benefits 4,106,267 Operating expenditures 1,734,938 Day care and resident services 2,754,606	Total		1,020,438	
Salaries and employee benefits 111,523 Operating expenditures 5,402 Total 116,925 Dental clinic: Salaries and employee benefits Salaries and employee benefits 521,634 Operating expenditures 89,976 Capital outlay 4,160 Total 615,770 Environmental health: 299,188 Operating expenditures 32,349 Total 331,537 Mental health: Contributions to other agencies: Bottle surcharge 12,216 Piedmont area mental health 194,040 Total 206,256 Social services: Salaries and employee benefits 4,106,267 Operating expenditures 1,734,938 Day care and resident services 2,754,606	Health - smart start			
Operating expenditures 5,402 Total 116,925 Dental clinic: \$\$21,634 Salaries and employee benefits \$9,976 Capital outlay 4,160 Total 615,770 Environmental health: \$299,188 Salaries and employee benefits \$29,188 Operating expenditures \$32,349 Total \$31,537 Mental health: \$\$\$Contributions to other agencies: Bottle surcharge \$\$\$\$12,216 Piedmont area mental health \$\$\$\$194,040 Total \$\$\$\$\$206,256 Social services: \$\$\$\$\$\$\$\$\$3laries and employee benefits \$\$\$\$4,106,267 Operating expenditures \$\$\$\$\$1,734,938 Day care and resident services \$\$\$\$2,754,606			111 523	
Total 116,925 Dental clinic: 521,634 Salaries and employee benefits 521,634 Operating expenditures 89,976 Capital outlay 4,160 Total 615,770 Environmental health: 299,188 Operating expenditures 32,349 Total 331,537 Mental health: Contributions to other agencies: Bottle surcharge 12,216 Piedmont area mental health 194,040 Total 206,256 Social services: Salaries and employee benefits 4,106,267 Operating expenditures 1,734,938 Day care and resident services 2,754,606				
Salaries and employee benefits 521,634 Operating expenditures 89,976 Capital outlay 4,160 Total 615,770 Environmental health: 299,188 Operating expenditures 32,349 Total 331,537 Mental health: Contributions to other agencies: Bottle surcharge 12,216 Piedmont area mental health 194,040 Total 206,256 Social services: Salaries and employee benefits 4,106,267 Operating expenditures 1,734,938 Day care and resident services 2,754,606				
Salaries and employee benefits 521,634 Operating expenditures 89,976 Capital outlay 4,160 Total 615,770 Environmental health: 299,188 Operating expenditures 32,349 Total 331,537 Mental health: Contributions to other agencies: Bottle surcharge 12,216 Piedmont area mental health 194,040 Total 206,256 Social services: Salaries and employee benefits 4,106,267 Operating expenditures 1,734,938 Day care and resident services 2,754,606				
Operating expenditures 89,976 Capital outlay 4,160 Total 615,770 Environmental health: 299,188 Salaries and employee benefits 299,188 Operating expenditures 32,349 Total 331,537 Mental health: Contributions to other agencies: Bottle surcharge 12,216 Piedmont area mental health 194,040 Total 206,256 Social services: Salaries and employee benefits 4,106,267 Operating expenditures 1,734,938 Day care and resident services 2,754,606			521 634	
Capital outlay 4,160 Total 615,770 Environmental health: 299,188 Salaries and employee benefits 32,349 Total 331,537 Mental health: Contributions to other agencies: Bottle surcharge 12,216 Piedmont area mental health 194,040 Total 206,256 Social services: Salaries and employee benefits 4,106,267 Operating expenditures 1,734,938 Day care and resident services 2,754,606				
Total 615,770 Environmental health: 299,188 Salaries and employee benefits 32,349 Operating expenditures 331,537 Mental health: Contributions to other agencies: Bottle surcharge 12,216 Piedmont area mental health 194,040 Total 206,256 Social services: Salaries and employee benefits 4,106,267 Operating expenditures 1,734,938 Day care and resident services 2,754,606				
Environmental health: Salaries and employee benefits Operating expenditures Total Mental health: Contributions to other agencies: Bottle surcharge Piedmont area mental health Total Social services: Salaries and employee benefits Operating expenditures Jay 12,216 Piedmont area mental health Dotal Social services: Salaries and employee benefits Operating expenditures Day care and resident services 299,188 299,188 299,188 299,188 299,188 299,188 206,249 331,537				
Salaries and employee benefits 299,188 Operating expenditures 32,349 Total 331,537 Mental health: Contributions to other agencies: Bottle surcharge 12,216 Piedmont area mental health 194,040 Total 206,256 Social services: Salaries and employee benefits 4,106,267 Operating expenditures 1,734,938 Day care and resident services 2,754,606	Total		010,770	
Operating expenditures 32,349 Total 331,537 Mental health: Contributions to other agencies: Bottle surcharge 12,216 Piedmont area mental health 194,040 Total 206,256 Social services: Salaries and employee benefits 4,106,267 Operating expenditures 1,734,938 Day care and resident services 2,754,606			000 400	
Total 331,537 Mental health: Contributions to other agencies: Bottle surcharge 12,216 Piedmont area mental health 194,040 Total 206,256 Social services: Salaries and employee benefits 4,106,267 Operating expenditures 1,734,938 Day care and resident services 2,754,606			•	
Mental health: Contributions to other agencies: Bottle surcharge 12,216 Piedmont area mental health 194,040 Total 206,256 Social services: Salaries and employee benefits 4,106,267 Operating expenditures 1,734,938 Day care and resident services 2,754,606				
Contributions to other agencies: 12,216 Bottle surcharge 12,216 Piedmont area mental health 194,040 Total 206,256 Social services: Salaries and employee benefits Salaries and employee benefits 4,106,267 Operating expenditures 1,734,938 Day care and resident services 2,754,606	Total		331,537	
Bottle surcharge 12,216 Piedmont area mental health 194,040 Total 206,256 Social services: \$\$205,256 Salaries and employee benefits 4,106,267 Operating expenditures 1,734,938 Day care and resident services 2,754,606	Mental health:			
Piedmont area mental health Total 194,040 206,256 Social services: Salaries and employee benefits 4,106,267 Operating expenditures 1,734,938 Day care and resident services 2,754,606	Contributions to other agencies:			
Total 206,256 Social services: Salaries and employee benefits 4,106,267 Operating expenditures 1,734,938 Day care and resident services 2,754,606	Bottle surcharge		12,216	
Social services: Salaries and employee benefits Operating expenditures Day care and resident services 4,106,267 1,734,938 2,754,606	Piedmont area mental health		194,040	
Salaries and employee benefits 4,106,267 Operating expenditures 1,734,938 Day care and resident services 2,754,606	Total		206,256	
Salaries and employee benefits 4,106,267 Operating expenditures 1,734,938 Day care and resident services 2,754,606	Social services:			
Operating expenditures 1,734,938 Day care and resident services 2,754,606			4,106.267	
Day care and resident services 2,754,606				
·				
			8,595,811	

	Final Budget	Actual	Variance Over/Under
In-home services: Salaries and employee benefits Operating expenditures		207,129 157,614	
Total		364,743	
Nutrition:		405.000	
Salaries and employee benefits Operating expenditures		105,682 296,601	
Total		402,283	
I&A/Transportation:			
Salaries and employee benefits		54,928 49,732	
Operating expenditures Total		104,660	
Family Caregiver Support:			
Operating expenditures		26,674	
Senior services:		207.200	
Salaries and employee benefits Operating expenditures		207,260 212,415	
Total		419,675	
Veterans services:			
Salaries and employee benefits Operating expenditures		41,827 3,303	
Veteran's Association		2,000	
Total		47,130	
Total human services	15,815,967	14,568,881	1,247,086
Education:			
Stanly County Public Schools:		40.070.000	
Current expenditures Capital outlay		10,076,268 1,800,000	
Total		11,876,268	
Stanly Community College:			
Current expenditures		1,283,451	
Capital outlay		175,000 1,458,451	
Total		1,430,431	
Total education	13,340,140	13,334,719	5,421

	Final Budget	Actual	Variance Over/Under
Culture and Recreation: Library:			
Salaries and employee benefits		699,006	
Operating expenditures		278,171	
Capital outlay		6,995	
Total		984,172	
Recreation:		1 025	
Operating expenditures		1,925	
Historic Preservation Commission:			
Salaries and employee benefits		86,052	
Operating expenditures		26,193	
Total		112,245	
Agriculture Civic Center:			
Salaries and employee benefits		149,070	
Operating expenditures Capital outlay		132,256 4,000	
Total		285,326	
Total		200,320	
Total culture and recreation	1,578,824	1,383,668	195,156
Debt Service:			
Principal		2,640,968	
Interest		1,276,448	
Total debt service	4,004,689	3,917,416	87,273
Contingency	50,000	<u>-</u>	50,000
Total expenditures	56,157,890	53,660,451	2,497,439
Revenues over (under) expenditures	(1,941,053)	7,823	1,948,876
Other Financing Sources (Uses):			
Transfers to:			
Enterprise Fund	(948,869)	(798,868)	(150,001)
Capital project fund	(2,140)	(2,140)	-
Transfers from:			
Enterprise Fund	75,000	75,000	-
Capital Project Fund	33,831	33,831	- (00)
Installment debt issued	243,123	243,149	(26)
Total other financing sources (uses)	1,941,053	(449,028)	(2,390,081)
Net change in fund balance	\$ -	(441,205)	\$ (441,205)
Fund Balance:			
Beginning of year - July 1		16,401,135	
End of year - June 30		\$ 15,959,930	

NONMAJOR GOVERNMENTAL FUNDS

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

Individual Fund Descriptions:

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



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COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS JUNE 30, 2011

	Special Revenue Funds									
	Emergency Telephone System Fund		Telephone Fire System Districts		CDBG 2007 Revitalization Fund		CDBG 2009 Scattered Site Project		Total Nonmajor Governmental Funds	
Assets:										
Cash and cash equivalents	\$	437,108	\$	21,285	\$	20,000	\$	-	\$	478,393
Taxes receivable, net		-		88,592		-		20.057		88,592
Accounts receivable		28,082	-				_	39,057		67,139
Total assets	\$	465,190	\$	109,877	\$	20,000	\$	39,057	\$	634,124
Liabilities and Fund Balances: Liabilities:										
Accounts payable and accrued liabilities	\$	6	\$	21,285	\$	20,000	\$	5,000	\$	46,291
Interfund payables		-		-		-		29,118		29,118
Deferred revenues		-		88,592		<u> </u>		<u>-</u>		88,592
Total liabilities		6		109,877		20,000		34,118		164,001
Fund Equity: Restricted										
Stabilization by State statute		28,082		-		-		39,057		67,139
Restricted, all others		437,102		-		-		-		437,102
Unassigned				-				(34,118)		(34,118)
Total fund balances		465,184						4,939		470,123
Total liabilities and fund balances	\$	465,190	\$	109,877	\$	20,000	\$	39,057	\$	634,124

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS FOR THE YEAR ENDED JUNE 30, 2011

				Special Re	venu	e Funds					
	Te	nergency elephone stem Fund	lephone Districts		CDBG 2007 Revitalization Fund		2007 Revitalization		2007 Reha Revitalization \$3		ngle Family habilitation \$3,000 Fund
Revenues:											
Ad valorem taxes	\$	-	\$	1,894,132	\$	-	\$	-			
Restricted intergovernmental		-		-		590,228		16,441			
Sales and services		336,979		-		-		-			
Investment earnings		5,202		-		_		_			
Total revenues		342,181		1,894,132		590,228		16,441			
Expenditures: Current:											
General government		-		27,621		-		-			
Public safety		242,494		1,866,511		-		-			
Economic and physical development		-	_	-		710,648		(3,043)			
Total expenditures		242,494	_	1,894,132		710,648		(3,043)			
Revenues over (under) expenditures		99,687		<u> </u>		(120,420)		19,484			
Other Financing Sources (Uses):											
Transfers out		-		-		-		-			
Transfers in		-		-		65,000		-			
Debt issued		-		-				<u> </u>			
Total other financing sources (uses)		<u>-</u>	_	<u> </u>		65,000					
Net change in fund balances		99,687		-		(55,420)		19,484			
Fund Balances:											
Beginning of year - July 1		365,497				55,420		(19,484)			
End of year - June 30	\$	465,184	\$		\$		\$				

Special Re	venue Funds	Ca Projec		
CDBG 2009 Scattered Site Project	2009 Urgent Repair	Jail Construction Fund	Adequate Facilities Reserve Fund	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ 1,894,132
370,749	37,500	-	-	1,014,918
-	-	-	-	336,979
	2 27.500		78	5,282
370,749	37,502		78	3,251,311
-	-	-	-	27,621
-	<u>-</u>	1,240	-	2,110,245
365,810	53,732		29,749	1,156,896
365,810	53,732	1,240	29,749	3,294,762
4,939	(16,230)	(1,240)	(29,671)	(43,451)
-	-	(33,831)	-	(33,831)
-	-	-	2,140	67,140
		1,500,000	-	1,500,000
		1,466,169	2,140	1,533,309
4,939	(16,230)	1,464,929	(27,531)	1,489,858
	16,230	(1,464,929)	27,531	(1,019,735)
\$ 4,939	\$ -	<u>\$</u>	\$ -	\$ 470,123



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BUDGETARY INFORMATION - GOVERNMENTAL FUNDS

Special revenue budget and actual results for fiscal June 30, 2011.

Individual Fund Descriptions:

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



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EMERGENCY TELEPHONE SYSTEM FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2011

	ı	Budget	Actual	ariance er/Under
Revenues:				
Charges - surcharge	\$	341,011	\$ 336,979	\$ (4,032)
Investment earnings		<u>-</u>	 5,202	 5,202
Total revenues		341,011	 342,181	1,170
Expenditures:				
Operating expenditures		262,257	242,494	19,763
Total expenditures		262,257	242,494	19,763
Revenues over (under) expenditures		78,754	99,687	 20,933
Other Financing Sources (Uses):				
Appropriated fund balance		(78,754)	 -	 78,754
Net change in fund balance	\$		99,687	\$ 99,687
Fund Balance:				
Beginning of year - July 1			 365,497	
End of year - June 30			\$ 465,184	

FIRE DISTRICT FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2011

	Budget		Actual		ariance er/Under
Revenues:					 _
Ad valorem taxes:					
Current year	\$	1,903,365	\$	1,847,691	\$ (55,674)
Prior years		50,000		46,441	(3,559)
Total revenues		1,953,365		1,894,132	 (59,233)
Expenditures:					
Administration fees:					
Tax collection fees		27,500		27,621	(121)
Public safety:					
Locust Fire District		544,400		534,538	9,862
Center Fire District		200,100		194,708	5,392
Endy Fire District		109,560		105,229	4,331
Ridgecrest Fire District		136,325		129,921	6,404
Aquadale Fire District		73,325		70,394	2,931
Eastside Fire District		140,240		134,770	5,470
Oakoro Fire District		75,040		71,718	3,322
New London Fire District		131,800		127,183	4,617
Southside Fire District		103,800		100,374	3,426
Bethany Fire District		50,075		48,100	1,975
Richfield Fire District		116,975		111,445	5,530
Millingport Fire District		97,575		93,431	4,144
Norwood Special Fire District		9,050		12,596	(3,546)
Badin-Yakin Fire District		137,600		132,104	 5,496
Total expenditures		1,953,365		1,894,132	 59,233
Net change in fund balance	\$			-	\$ <u>-</u>
Fund Balance:					
Beginning of year - July 1					
End of year - June 30			\$		

COMMUNITY DEVELOPMENT BLOCK GRANT FUND - 2007 REVITALIZATION SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2011

	Project Authorization	•		Total to Date	Variance Over/Under	
Revenues: Restricted intergovernmental:						
Community Development	\$ 850,000	\$ 259,772	\$ 590,228	\$ 850,000	\$ -	
Total revenues	850,000	259,772	590,228	850,000	-	
Expenditures:						
Professional services	180,625	216,080	123,816	339,897	(159,271)	
Construction	387,406	1,300	502,652	503,952	(116,546)	
Rehabilitation	457,469	97,472	84,180	181,652	275,817	
Total expenditures	1,025,500	314,852	710,648	1,025,500		
Revenues over (under) expenditures	(175,500)	(55,080)	(120,420)	(175,500)	-	
Other Financing Sources (Uses):						
Transfer from General Fund	110,500	110,500	-	110,500	-	
Transfer from Utilities Fund	65,000		65,000	65,000		
Total other financing sources (uses)	175,500	110,500	65,000	175,500		
Net change in fund balance	<u>\$ -</u>	\$ 55,420	(55,420)	<u>\$</u>	<u>\$</u>	
Fund Balance:						
Beginning of year - July 1			55,420			
End of year - June 30			\$ -			

COMMUNITY DEVELOPMENT BLOCK GRANT FUND SINGLE FAMILY REHABILITATION \$3,000
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2011

			Actual							
	Proj Authori			Prior Years	_	Current Year		Total to Date		ariance er/Under
Revenues: Restricted intergovernmental: Community Development	\$ 4	63,800	\$	447,359	\$	16,441	\$	463,800	\$	_
Total revenues		63,800	Ψ	447,359	Ψ	16,441	Ψ	463,800	Ψ	<u> </u>
Expenditures:										
Administration Rehabilitation hardcost		32,000 53,798		64,823		(3,043)		61,780 -		(29,780) 53,798
Rehabilitation		378,002		402,020		<u>-</u>		402,020		(24,018)
Total expenditures	4	63,800		466,843		(3,043)	_	463,800		<u> </u>
Revenues over (under) expenditures		<u>-</u>		(19,484)		19,484		<u>-</u>		<u>-</u>
Net change in fund balance	\$		\$	(19,484)		19,484	\$		\$	
Fund Balance: Beginning of year - July 1						(19,484)				
End of year - June 30					\$					

COMMUNITY DEVELOPMENT BLOCK GRANT FUND - 2009 SCATTERED SITE PROJECT SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2011

	Project Authorization	Prior Years	Current Year	Total to Date	Variance Over/Under
Revenues: Restricted intergovernmental: Community Development Total revenues	\$ 469,004 469,004	\$ 88,489 88,489	\$ 370,749 370,749	\$ 459,238 459,238	\$ (9,766) (9,766)
Expenditures: Administration Rehabilitation Relocation Total expenditures	40,000 410,885 18,119 469,004	8,794 79,695 - 88,489	52,963 312,587 260 365,810	61,757 392,282 260 454,299	(21,757) 18,603 17,859 14,705
Revenues over (under) expenditures	-		4,939	4,939	4,939
Net change in fund balance	\$ -	\$	4,939	\$ 4,939	\$ 4,939
Fund Balance: Beginning of year - July 1					
End of year - June 30			\$ 4,939		

2009 URGENT REPAIR FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2011

	Project Authorization	Prior Years	Current Year	Total to Date	Variance Over/Under
Revenues: Restricted intergovernmental:					
Urgent Repair Investment earnings	\$ 75,000 622		\$ 37,500 2	\$ 75,000 622	\$ - -
Total revenues	75,622		37,502	75,622	
Expenditures:					
Rehabilitation	75,622	21,890	53,732	75,622	
Total expenditures	75,622	21,890	53,732	75,622	
Revenues over (under) expenditures		16,230	(16,230)		
Net change in fund balance	\$ -	\$ 16,230	(16,230)	\$ -	<u>\$</u> _
Fund Balance: Beginning of year - July 1			16,230		
End of year - June 30			\$ -		

JAIL CONSTRUCTION FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2011

			Actual				
	Project Authorizatio	Prior Years	Current Year	Total to Date	Variance Over/Under		
Revenues:							
Investment earnings	\$ 270,42	<u>4</u> \$ 270,424	\$ -	\$ 270,424	\$ -		
Total revenues	270,42	4 270,424		270,424	-		
Expenditures:							
Professional services	734,42	4 762,607	1,240	763,847	(29,423)		
Construction	7,481,15	5 7,420,333	-	7,420,333	60,822		
Operating expenditures	242,40	0 273,799		273,799	(31,399)		
Total expenditures	8,457,97	9 8,456,739	1,240	8,457,979			
Revenues over (under) expenditures	(8,187,55	5) (8,186,315)	(1,240)	(8,187,555)			
Other Financing Sources (Uses):							
Debt issued	7,000,00	0 5,500,000	1,500,000	7,000,000	-		
Transfer to General Fund	(33,83	1) -	(33,831)	(33,831)	-		
Transfer from General Fund	1,221,38	6 <u>1,221,386</u>		1,221,386			
Total other financing sources (uses)	8,187,55	5 6,721,386	1,466,169	8,187,555			
Net change in fund balance	\$	- \$ (1,464,929)	1,464,929	\$ -	\$ -		
Fund Balance: Beginning of year - July 1			(1,464,929)				
End of year - June 30			\$ -				

ADEQUATE FACILITIES RESERVE FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2011

	B	Budget Actual			ariance er/Under
Revenues:					
Facility fees	\$,	\$ -	\$	(15,000)
Investment earnings		250	78		(172)
Total revenues		15,250	78	<u> </u>	(15,172)
Expenditures:					
Refunds		29,750	29,749		(1)
Total expenditures		29,750	29,749		(1)
Revenues over (under) expenditures		(14,500)	(29,671)		(15,171)
Other Financing Sources (Uses):					
Transfer from General Fund		-	2,140		2,140
Appropriated fund balance		14,500			(14,500)
Total other financing sources (uses)		14,500	2,140		(12,360)
Net change in fund balance	\$		(27,531)	\$	(27,531)
Fund Balance:					
Beginning of year - July 1			27,531		
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.
- Stanly County Utility Fund accounts for revenues and expenses of the County's water and sewer services.
- Airport Operating Fund accounts for the revenues and expenses of the County's public airport facility.



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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, 2011

	Bud	get	 Actual	riance er/Under_
Revenues:				
Operating revenues:				
Charges for services:				
Water sales			\$ 227,095	
Sewer charges			162,731	
Industrial sewer charges			29,355	
Taps and connection fees			1,360	
Other operating revenues			 4,002	
Total operating revenues			424,543	
Non-operating revenues:				
Rural Center Grant			35,950	
Interest on investments			 1,841	
Total non-operating revenues			 37,791	
Total revenues	\$ 4	76,983	 462,334	\$ (14,649)
Expenditures:				
Administration:				
Contracted services			64,356	
Operating expenditures			 1,756	
Total administration			66,112	
Debt service:				
G.O. bond principal paid			30,000	
State loan principal paid			22,731	
Interest expense			7,319	
Bond service costs			808	
Total debt service			60,858	
Distribution and maintenance:				
Contracted services			108,609	
Operating expenditures			97,171	
Repairs and maintenance			20,344	
Water purchases			 75,491	
Total distribution and maintenance			 301,615	
Total expenditures	4	36,983	 428,585	 8,398

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, 2011

	Budget	Actual	Variance Over/Under
Revenues over (under) expenditures	40,000	33,749	(6,251)
Other Financing Sources (Uses): Transfers out	(40,000)	(40,000)	-
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$</u>	(6,251)	\$ (6,251)
Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual:			
Reconciling items: Debt principal Depreciation Total reconciling items		52,731 (366,487) (313,756)	
Change in net assets	9	(320,007)	

MAJOR ENTERPRISE FUND
PINEY POINT WATER DISTRICT FUND
SCHEDULE OF REVENUES AND EXPENDITURES BUDGET AND ACTUAL (NON-GAAP)
FOR THE YEAR ENDED JUNE 30, 2011

	Budget	Actual	Variance Over/Under
Revenues: Operating revenues: Charges for services:			
Water sales Taps and connection fees		\$ 137,566 3,675	
Other operating revenues Total operating revenues		257 141,498	
Non-operating revenues: Interest on investments		2,351	
Total revenues	\$ 138,850	143,849	\$ 4,999
Expenditures: Administration:			
Contracted services Operating expenditures		75,000 990	
Total administration		75,990	
Distribution and maintenance: Operating expenditures		597	
Water purchases		35,445	
Total distribution and maintenance		36,042	
Total expenditures	123,850	112,032	11,818
Revenues over (under) expenditures	15,000	31,817	16,817
Other Financing Sources (Uses): Transfers out	(15,000)	(15,000)	
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$</u> _	16,817	\$ 16,817
Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual:			
Reconciling items: Depreciation		(34,762)	
Change in net assets		\$ (17,945)	

MAJOR ENTERPRISE FUND STANLY COUNTY UTILITY FUND SCHEDULE OF REVENUES AND EXPENDITURES -BUDGET AND ACTUAL (NON-GAAP) FOR THE YEAR ENDED JUNE 30, 2011

Budge	et	Actual	Variance Over/Under
Revenues:			
Operating revenues:			
Charges for services:			
Water sales	\$	1,668,086	
Sewer charges		460,356	
Taps and connection fees		124,468	
Other operating revenues	_	29,532	
Total operating revenues	_	2,282,442	
Non-operating revenues:			
Interest on investments		9,090	
NC DOT Grant		91,262	
Administrative charges		247,965	
Miscellaneous	_	2,928	
Total non-operating revenues	_	351,245	
Total revenues \$ 2,416	5,983	2,633,687	\$ 216,704
Expenditures:			
Administration:			
Salaries and employee benefits		306,888	
Operating expenditures	_	41,747	
Total administration	_	348,635	
Debt service:			
G.O. bond principal paid		40,000	
Lease payment		4,920	
Interest expense	_	8,665	
Total debt service	_	53,585	
Distribution and maintenance:			
Salaries and employee benefits		489,705	
Operating expenditures		525,960	
Repairs and maintenance		149,478	
Water purchases		567,328	
Capital outlay		33,960	
Total distribution and maintenance	_	1,766,431	
Total expenditures 2,254	1,225	2,168,651	85,574
Revenues over (under) expenditures162	2,758	465,036	302,278

MAJOR ENTERPRISE FUND STANLY COUNTY UTILITY FUND SCHEDULE OF REVENUES AND EXPENDITURES -BUDGET AND ACTUAL (NON-GAAP) FOR THE YEAR ENDED JUNE 30, 2011

	Budget	Actual	Variance Over/Under
Other Financing Sources (Uses):			
Transfers out	(85,000)	(85,000)	-
Intrafund transfers	(77,758)	(77,758)	
Total other financing sources (uses)	(162,758)	(162,758)	
Revenues and other financing sources over			
(under) expenditures and other financing uses	\$	302,278	\$ 302,278
Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual:			
Reconciling items:			
Debt principal		44,920	
Capital outlay		33,960	
Depreciation		(789,128)	
Capital contribution		1,454,227	
Intrafund transfer to Millingport Sewer Project		77,758	
Transfer to projects from General Fund	_	571,532	
Total reconciling items	-	1,393,269	
Change in net assets	9	1,695,547	

MAJOR ENTERPRISE FUND AIRPORT FUND SCHEDULE OF REVENUES AND EXPENDITURES -BUDGET AND ACTUAL (NON-GAAP) FOR THE YEAR ENDED JUNE 30, 2011

	Bı	udget		Actual	Varian Over/Un	
Revenues:						
Operating revenues:						
Sales and services:						
Fuel and oil sales			\$	235,402		
Tie down fees				1,175		
Hanger rental				24,072		
Franchise				4,500		
Miscellaneous				37,977		
Total operating revenues	\$	405,622	_	303,126	\$ (102	2,496)
Non-operating revenues:						
Interest on investments				3,261		
Total non-operating revenues		500		3,261	2	<u>,761</u>
Total revenues		406,122	-	306,387	(99	,735)
Expenditures:						
Administration and operations:						
Salaries and employee benefits				252,901		
Operating expenditures				113,883		
Repairs and maintenance				28,907		
Purchases for resale				162,504		
Total administration and operations		633,458		558,195	75	,263
Revenues over (under) expenditures		(227,336)		(251,808)	(24	·,472)
Other Financing Sources (Uses):						
Transfer in		227,336		227,336		_
Total other financing sources (uses)	-	227,336		227,336		
Revenues and other financing sources over						
(under) expenditures and other financing uses	\$			(24,472)	\$ (24	<u>,472</u>)
Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual:						
Reconciling items:				/=== · · · ·		
Depreciation Operation				(956,116)		
Capital contributions			_	1,244,957		
Total reconciling items				288,841		
Change in net assets			\$	264,369		

BUDGETED PROJECT FUNDS

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

Individual Project Descriptions:

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



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HIGHWAY 24/27 UPGRADE PROJECT FUND SCHEDULE OF REVENUES AND EXPENDITURES -BUDGET AND ACTUAL (NON-GAAP) FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2011

				Actual			
	Project horization	Prior Years		Current Year	 Total to Date		/ariance ver/Under
Expenditures:		 			_		
Construction	\$ 605,000	\$ 278,213	\$	157,484	\$ 435,697	\$	169,303
Professional services	 <u>-</u>	15,972			15,972		(15,972)
Total expenditures	605,000	294,185		157,484	451,669	_	153,331
Other Financing Sources (Uses):							
Transfer from General Fund	 605,000	605,000		-	605,000		
Total other financing sources	 605,000	605,000	7	-	605,000	_	
Revenues and other financing sources over (under) expenditures and other financing uses	\$ -	\$ 310,815	\$	(157,484)	\$ 153,331	\$	153,331

MILLINGPORT SEWER PROJECT FUND
SCHEDULE OF REVENUES AND EXPENDITURES BUDGET AND ACTUAL (NON-GAAP)
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2011

			Actual		
	Project	Prior	Current	Total	Variance
	Authorization	<u>Years</u>	Year	to Date	Over/Under
Revenues:					
Restricted intergovernmental:					
NC DOT reimbursement	\$ 195,519	\$ 234,836	\$ -	\$ 234,836	\$ 39,317
Army Corp	132,433		85,495	85,495	(46,938)
Total revenues	327,952	234,836	85,495	320,331	(7,621)
Expenditures:					
Construction	1,229,467	1,222,607	-	1,222,607	6,860
Professional services	179,351	179,351	-	179,351	-
Capital outlay	47,500	46,739	-	46,739	761
Total expenditures	1,456,318	1,448,697	_	1,448,697	7,621
Revenues over (under) expenditures	(1,128,366)	(1,213,861)	85,495	(1,128,366)	
Other Financing Sources (Uses):					
Transfer from General Fund	1,049,580	1,049,580	-	1,049,580	-
Transfer from Utilities Fund	47,528	47,528	-	47,528	-
Intrafund transfer from Highway 52 Fund	77,7 <u>5</u> 8	_	77,758	77,758	
Intrafund transfer to Highway 200 Fund	(46,500)	-	(46,500)	(46,500)	-
Total other financing sources (uses)	1,128,366	1,097,108	31,258	1,128,366	_
Revenues and other financing sources over					
(under) expenditures and other financing uses	\$ -	\$ (116,753)	\$ 116,753	\$ -	\$ -

ENDY SEWER EXTENSION PROJECT FUND
SCHEDULE OF REVENUES AND EXPENDITURES BUDGET AND ACTUAL (NON-GAAP)
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2011

	Project Authorization		Prior Years		Current Year		Total to Date		Variance Over/Under
Expenditures:									
Professional services	\$	250,000	\$	60,981	\$	-	\$	60,981	\$ 189,019
Land		25,000		1,950		-		1,950	23,050
Construction		2,321,700						<u>-</u>	2,321,700
Total expenditures		2,596,700		62,931			_	62,931	2,533,769
Other Financing Sources (Uses):									
Transfer to General Fund		(3,300)		(3,300)		-		(3,300)	-
Transfer from General Fund		2,600,000		36,811		29,420		66,231	(2,533,769)
Total other financing sources (uses)		2,596,700		33,511		29,420		62,931	(2,533,769)
Revenues and other financing sources over (under) expenditures and other financing uses	\$	-	\$	(29,420)	\$	29,420	\$	-	\$ -

HWY 52 EXTENSION PROJECT FUND SCHEDULE OF REVENUES AND EXPENDITURES -BUDGET AND ACTUAL (NON-GAAP) FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2011

			Actual		
	Project Authorization	Prior Years	Current Year	Total to Date	Variance Over/Under
Revenues:					
Restricted intergovernmental:					
Rural Center Grant	\$ 500,000	\$ -	\$ 500,000	\$ 500,000	\$ -
Total revenues	500,000		500,000	500,000	
Expenditures:					
Construction	900,000	697,024	209,697	906,721	(6,721)
Professional services	180,000	83,875	61,320	145,195	34,805
Land	10,000	11,191	514	11,705	(1,705)
Total expenditures	1,090,000	792,090	271,531	1,063,621	26,379
Revenues over (under) expenditures	(590,000)	(792,090)	228,469	(563,621)	26,379
Other Financing Sources (Uses):					
Transfer from General Fund	590,000	21,509	542,112	563,621	(26,379)
Total other financing sources (uses)	590,000	21,509	542,112	563,621	(26,379)
Revenues and other financing sources over					
(under) expenditures and other financing uses	\$ -	<u>\$ (770,581)</u>	\$ 770,581	\$ -	<u>\$ -</u>

ARRA WATERSTORAGE TANK PROJECT FUND SCHEDULE OF REVENUES AND EXPENDITURES -BUDGET AND ACTUAL (NON-GAAP) FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2011

			Actual							
		roject orization		Prior Years	(Current Year		Total to Date	_	ariance er/Under
Revenues:										
Restricted intergovernmental:										
DWSRF Principal Forgiveness Grant	\$	155,371	\$	-	\$	91,371	\$	91,371	\$	(64,000)
Total revenues		155,371		-		91,371	_	91,371		(64,000)
	·									
Expenditures:										
Construction		270,946		2,500		151,307		153,807		117,139
Professional services		39,797		27,500		<u>-</u>		27,500		12,297
Total expenditures	·	310,743		30,000		151,307		181,307		129,436
Revenues over (under) expenditures		(155,372)		(30,000)		(59,936)		(89,936)		65,436
(4.145)	-									<u> </u>
Other Financing Sources (Uses):										
DWSRF Revolving Loan		155,372		_		91,371		91,371		(64,001)
Total other financing sources		155,372		_		91,371		91,371		(64,001)
rotal outer infarioning occinedo			_		_		_			(0.1,001)
Revenues and other financing sources over										
(under) expenditures and other financing uses	\$		\$	(30,000)	\$	31,435	\$	1,435	\$	1,435
(aa.) and an	· ·		<u> </u>	(= 1, = 1 = 7	<u> </u>	- ,	<u> </u>	, , , ,	<u>, </u>	,

TYSON VILLAGE ROLLING HILLS MHPS WATER PROJECT SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2011

					Actual				
	Project Authorization		Prior Years		Current Year		Total to Date	-	/ariance /er/Under
Revenues: Restricted intergovernmental:									
CDBG - Recovery funds	\$ 842,507	\$	6,485	\$	777,361	\$	783,846	\$	(58,661)
Total revenues	 842,507		6,485		777,361		783,846	_	(58,661)
Expenditures:									
Construction	742,000		49,303		596,938		646,242		95,758
Professional services	100,000		35,463		10 <mark>2</mark> ,107		137,570		(37,570)
Land	 507			_	34	<u></u>	34		473
Total expenditures	 842,507		84,766		699,079	_	783,846		58,661
Revenues over (under) expenditures	\$ 	\$	(78,281)	\$	78,282	\$	_	\$	_

ALBEMARLE TO HWY 200 WATER PROJECT FUND SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP) FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2011

					Actual		
	Αι	Project thorization	Prior Years	(Current Year	Total to Date	Variance Over/Under
Expenditures:		_	 				· · · · · · · · · · · · · · · · · · ·
Construction	\$	1,470,000	\$ -	\$	-	\$ -	\$ 1,470,000
Professional services		156,500	111,996		47,051	159,047	(2,547)
Land		30,000	 		-	<u> </u>	30,000
Total expenditures		1,656,500	111,996		47,051	159,047	1,497,453
·							
Revenues over (under) expenditures		(1,656,500)	(111,996)		(47,051)	(159,047)	1,497,453
, , ,							
Other Financing Sources (Uses):							
Transfer from Utilities Fund		110,000	110,000		-	110,000	-
Transfer from Millingport Sewer Project Fund		46,500	-		46,500	46,500	-
Debt issued		1,500,000	-		-	_	(1,500,000)
Total other financing sources (uses)		1,656,500	110,000		46,500	156,500	(1,500,000)
3 (,							
Revenues and other financing sources over							
(under) expenditures and other financing uses	\$	_	\$ (1,996)	\$	(551)	\$ (2,547)	\$ (2,547)

AIRPORT TERMINAL PROJECT FUND
SCHEDULE OF REVENUES AND EXPENDITURES BUDGET AND ACTUAL (NON-GAAP)
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2011

			Actual		
	Project Authorization	Prior Years	Current Year	Total to Date	Variance Over/Under
Revenues:					
Restricted intergovernmental:					
Vision Entitlement Grant	\$ 839,395	\$ 617,427	\$ 26,969	\$ 6 <mark>44,396</mark>	\$ (194,999)
Division of Aviation	325,000	-	325,000	325,000	-
NC DOT Grant	795,000	-	529,098	529,098	(265,902)
Miscellaneous			17,500	17,500	17,500
Total revenues	1,959,395	617,427	898,567	1, <mark>515</mark> ,994	(443,401)
Expenditures:					
Professional services	316,677	491,778	149,096	640,874	(324,197)
Construction	2,983,722	1,419,270	928,098	2,347,368	636,354
Total expenditures	3,300,399	1,911,048	1,077,194	2,988,242	312,157
Revenues over (under) expenditures	(1,341,004)	(1,293,621)	(178,627)	(1,472,248)	(131,244)
Other Financing Sources (Uses):					
Transfer from General Fund	925,000	-	-	-	(925,000)
Transfer from Airport Fund	180,0 <mark>0</mark> 0	-	-	-	(180,000)
Transfer from Airport Hangar Project	15 <mark>8</mark> ,000	157,745	-	157,745	(255)
Transfer from Airport Land Acquisition Project	8,677	8,677	-	8,677	-
Transfer from Airport Fencing Project	69,327	69,326		69,326	(1)
Total other financing sources (uses)	1,341,004	235,748		235,748	(1,105,256)
Revenues and other financing sources over					
(under) expenditures and other financing uses	\$ -	\$(1,057,873)	\$ (178,627)	\$(1,236,500)	<u>\$ (1,236,500)</u>

RUNWAY EXTENSION PROJECT FUND
SCHEDULE OF REVENUES AND EXPENDITURES BUDGET AND ACTUAL (NON-GAAP)
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2011

		Actual						
	Project horization	Prior Years	_	Current Year		Total to Date		/ariance /er/Under
Revenues:								
Restricted intergovernmental:								
FAA Grant	\$ 325,000	\$ 14,022	\$	210,841	\$	224,863	\$	(100, 137)
NC DOT Grant	250,000	-		-		-		(250,000)
Air Guard	 	 		135,549		135,549		135,549
Total revenues	 575,000	 14,022		346,390	<u> </u>	360,412		(214,588)
Expenditures:								
Professional services	628,406	271,380		196,973		468,353		160,053
Construction	 242,594			199,827	_	199,827		42,767
Total expenditures	 871,000	 271,380		396,800		668,180		202,820
Revenues over (under) expenditures	 (296,000)	 (257,358)		(50,410)		(307,768)		(11,768)
Other Financing Sources (Uses):								
Transfer from General Fund	 296,000	235,411				235,411		(60,589)
Revenues and other financing sources over								
(under) expenditures and other financing uses	\$ -	\$ (21,947)	\$	(50,410)	\$	(72,357)	\$	(72,357)



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INTERNAL SERVICE FUND

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

Individual Descriptions:

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



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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, 2011

	Financial Plan Actual					ariance er/Under
Operating Revenues:	_		_			
Charges for sales and services	\$	4,918,140	\$	4,617,150	\$	(300,990)
Operating Expenses:						
Group health operations		4,527,152		4,126,202		400,950
Worker's compensation claims		416,988		261,962		155,026
Total operating expenditures		4,944,140		4,388,164		555,976
Operating income (local)		(26,000)		222.006		254.000
Operating income (loss)		(26,000)	_	228,986	-	254,986
Non-Operating Revenues:						
Investment earnings		26,000		29,998		3,998
Total non-operating revenues		26,000		29,998		3,998
Change in net assets	\$	-		258,984	\$	258,984
Net Assets:				1 160 904		
Beginning of year - July 1				1,160,804		
End of year - June 30			\$	1,419,788		



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AGENCY FUNDS

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

Individual Fund Descriptions:

- **Protective Payee Fund** account for monies deposited with the County for the benefit of certain individuals.
- Fines and Forfeitures Fund accounts for fines designated for school operations.
- Deed of Trust Fund accounts for \$5 of each fee collected by the Register
 of Deeds for registering or filing a deed of trust or mortgage.
- Sheriff Execution Fund accounts for funds received and disbursed by order of the court system.
- **Property Tax Clearing Funds** account for property taxes collected by the County on behalf of the respective cities and towns.
- **Delinquent Vehicle Tax Fund** accounts for delinquent vehicle taxes collected by the County and disbursed to the Department of State Treasurer.



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COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES AGENCY FUNDS FOR THE YEAR ENDED JUNE 30, 2011

		alance / 1, 2010	_/	Additions	De	eductions		Balance le 30, 2011
Protective Payee Fund: Assets:								
Cash and cash equivalents	\$	18,855	\$	172,372	\$	181,276	\$	9,951
Liabilities:	\$	18,855	\$	172 272	\$	181,276	\$	9,951
Client payable	<u>φ</u>	10,000	<u>Φ</u>	172,372	Ψ	101,270	Ψ	9,931
Fines and Forfeitures: Assets:								
Cash and cash equivalents	\$		\$	373,226	\$	373,226	\$	
Liabilities:								
Accounts payable	\$		\$	373,226	\$	373,226	\$	
Deed of Trust:								
Assets: Cash and cash equivalents	\$	<u> </u>	\$	10,090	\$	9,390	\$	700
Liabilities:								
Accounts payable	\$		\$	10,090	\$	9,390	\$	700
Sheriff's Execution: Assets:								
Cash and cash equivalents Inmate cash	\$	3,741 2,686	\$	45,163 82,681	\$	47,808 81,613	\$	1,096 3,754
Total assets	\$	6,427	\$	127,844	\$	129,421	\$	4,850
Liabilities:			_		_			
Executions payable Inmate payable	\$	3,741 2,686	\$	45,163 82,681	\$	47,808 81,613	\$	1,096 3,754
Total liabilities	\$	6,427	\$	127,844	\$	129,421	\$	4,850
Property Tax Clearing Fund: Assets:								
Cash and cash equivalents	\$	115,679	\$	9,291,981	\$	9,303,927	\$	103,733
Liabilities:								
Accounts payable	\$	115,679	\$	9,291,981	\$	9,303,927	\$	103,733

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES AGENCY FUNDS FOR THE YEAR ENDED JUNE 30, 2011

		Balance July 1, 2010 Additions		Deductions		Balance June 30, 2011		
Delinquent Vehicle Tax Fund: Assets:	\$	2,571	\$	30,802	\$	30,912	\$	2,461
Cash and cash equivalents Liabilities:	Ψ	2,071	Ψ_	30,002	Ψ	30,312	Ψ	2,401
Due Department of State Treasurer	<u>\$</u>	2,571	<u>\$</u>	30,802	<u>\$</u>	30,912	<u>\$</u>	2,461
Totals: Assets:								
Cash and cash equivalents Inmate cash	\$ 	140,848 2,686	\$	9,923,634 82,681	\$	9,946,539 81,613	\$ 	117,941 3,754
Total assets	\$	143,534	\$ 1	1 <mark>0,</mark> 006,315	<u>\$ 1</u>	0,028,152	<u>\$</u>	121,695
Liabilities: Accounts payable and future payments Client and inmate payable	\$	121,993 21,541	\$	9,751,262 255,053	\$	9,765,263 262,889	\$	107,990 13,705
Total liabilities	\$	143,534	\$ ^	10,006,315	<u>\$ 1</u>	0,028,152	\$	121,695

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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GENERAL FUND SCHEDULE OF AD VALOREM TAXES RECEIVABLE JUNE 30, 2011

Fiscal Year		ncollected Balance Ily 1, 2010		Additions	 Collections and Credits		ncollected Balance e 30, 2011
2010-2011	\$	-	\$	28,414,033	\$ 27,215,473	\$	1,198,560
2009-2010		1,164,508		8,591	646,450		526,649
2008-2009		491,844		8,987	168,090		332,741
2007-2008		241,086		3,288	60,569		183,805
2006-2007		187,470		-	40,537		146,933
2005-2006		127,309		-	22,183		105,126
2004-2005		116,266		-	17,678		98,588
2003-2004		101,570		-	10,385		91,185
2002-2003		93,894		_	6,909		86,985
2001-2002		77,628		_	5,808		71,820
2000-2001		62,166		_	2,456		59,710
1999-2000		45,983		_	45,983		-
Districts over 3 years old		59,585		17,644	13,336		63,893
Total	\$	2,769,309	\$	28,452,543	\$ 28,255,857		2,965,995
Less allowance for uncollectible ac	counts	- General Fun	d				(462,582)
Ad valorem taxes receivable, net						\$	2,503,413
Reconciliation with Revenues:							
Ad valorem taxes - General Fund						\$	20 262 424
						Ф	28,362,131
Reconciling items: Animal tax							(22.262)
Refunds							(33,263)
Collection fees							4,810 (30,714)
Interest collected							, ,
							(265,222)
Discounts allowed							150,927
Late listings							(19,031)
Releases Statute of Limitations							63,002
Miscellaneous							47,485 (24,268)
Total collections and credits						\$	28,255,857

ANALYSIS OF CURRENT TAX LEVY - COUNTY-WIDE LEVY FOR THE YEAR ENDED JUNE 30, 2011

				Total I	_evy
	County-Wide Property Rate Amount Valuation per \$100 of Levy			Property Excluding Registered Motor Vehicles	Registered Motor Vehicles
Original Levy: Property taxed at current year's rate Penalties Total original levy	\$ 4,215,522,916 - - 4,215,522,916	\$ 0.6700	\$ 28,244,064 11,584 28,255,648	\$ 25,681,123 11,584 25,692,707	\$ 2,562,941
Discoveries: Current year rate Penalties Penalties prior year rate Prior year taxes	28,333,760 - - -	0.6700	189,836 15,677 1,454 12,473	178,514 15,677 1,454 12,473	11,322 - - -
Total discoveries Releases:	28,333,760		219,440	208,118	11,322
Current year rate Penalties Total releases	(9,044,909)	0.6700	(60,409) (646) (61,055)	(27,639) (646) (28,285)	(32,770)
Net assessed valuation	\$ 4,234,811,767				
Net Levy			28,414,033	25,872,540	2,541,493
Uncollected taxes, June 30			1,198,560	900,623	297,937
Current Year's Taxes Collected			\$ 27,215,473	\$ 24,971,917	\$ 2,243,556
Current Levy Collection Percentage Ra	ate		<u>95.78%</u>	<u>96.52%</u>	<u>88.28%</u>

ANALYSIS OF CURRENT TAX LEVY - COUNTY-WIDE LEVY FOR THE YEAR ENDED JUNE 30, 2011

Secondary Market Disclosures:

Assessed valuation:

Assessment ratio	100%
Real property	\$ 3,736,953,549
Personal property	401,812,569
Public service	96,045,649
Total assessed value	<u>\$ 4,234,<mark>811,767</mark></u>

Tax rate per \$100 0.6700

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, 2011:

Fire Protection Districts \$ 1,910,176



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STATISTICAL SECTION

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

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

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

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

Governmental Activities Tax Revenue by Source	Table 5		
General Governmental Tax Revenues by Source			
Assessed Value and Estimated Actual Value of Taxable	Table 7		
Property			
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	Table 17
BY Function	
Operating Indicators by Function	Table 18
Capital Asset Statistics by Function	Table 19

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

			Fiscal Year		
	2003	2004	2005	2006	2007
Governmental activities					
Invested in capital assets, net of related debt	\$ 10,698,835	\$10,887,087	\$11,200,155	\$12,190,805	\$ 9,896,831
Restricted	55,304	61,691	50,431	71,510	121,967
Unrestricted	(3,610,061)	(3,189,828)	(4,783,194)	(3,676,463)	1,856,585
Total Governmental activities net assets	\$ 7,144,078	\$ 7,758,950	\$ 6,467,392	\$ 8,585,852	\$11,875,383
Business-type activities					
Invested in capital assets, net of related debt	\$23,832,478	\$ 29,165,629	\$ 30,444,727	\$ 30,892,567	\$ 34,317,479
Unrestricted	4,133,013	1,305,445	576,013	2,1 <mark>76,9</mark> 79	2,198,765
Total business-type activities net assets	\$27,965,491	\$30,471,074	\$31,020,740	\$33,069,546	\$36,516,244
Primary government					
Invested in capital assets, net of related debt	\$ 34,531,313	\$40,052,716	\$41,644,882	\$43,083,372	\$44,214,310
Restricted	55,304	61,691	50,431	71,510	121,967
Unrestricted	522,952	(1,884,383)	(4,207,181)	(1,499,484)	4,055,350
Total primary government net assets	\$35,109,569	\$38,230,024	\$37,488,1 <mark>3</mark> 2	\$41,655,398	\$48,391,627

Fiscal Year						
2008	<u>2009</u>	<u>2010</u>	<u>2011</u>			
\$ 13,933,344 65,839 1,284,464	\$ 18,364,949 71,511 (12,030,075)	\$ 14,377,226 81,434 (13,445,875)	\$ 13,495,499 7,984,392 (18,918,800)			
\$15,283,647	\$ 6,406,385	\$ 1,012,785	\$ 2,561,091			
\$ 33,344,464 2,532,023 \$ 35,876,487	\$ 33,309,479	\$ 34,634,482 (326,823) \$ 34,307,659	\$ 35,328,679 600,944 \$ 35,929,623			
\$ 47,277,808 65,839 3,816,487 \$ 51,160,134	\$51,674,428 71,511 (9,792,588) \$41,953,351	\$ 49,011,708 81,434 (13,772,698) \$ 35,320,444	\$ 48,824,178 7,984,392 (18,317,856) \$ 38,490,714			

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

			Fiscal Year		
Expenses	2003	2004	2005	2006	2007
Governmental activities:	· <u></u>	<u> </u>	<u> </u>		
General government	\$ 3,681,482	\$ 3,943,999	\$ 7,211,199	\$ 4,507,077	\$ 4,763,517
Public safety	8,501,449	9,208,320	10,271,412	10,901,818	11,144,226
Transportation	615,484	627,172	722,422	799,798	814,513
Environmental protection	793,220	867,293	899,015	927,806	1,000,097
Economic and physical development	1,352,313	1,282,716	1,529,470	2,001,170	1,888,101
Human services	13,141,648	13,402,271	14,330,481	1 <mark>5,746,</mark> 398	16,379,896
Education	18,425,835	14,665,895	16,478,097	14,524,281	14,888,711
Culture and recreation	1,545,035	1,509,613	1,384,589	1,552,261	1,668,597
Interest on long-term debt	1,356,195	1,201,997	1,136,626	1,085,577	1,234,712
Total governmental activities expenses	49,412,661	46,709,276	53,963,311	52,046,186	53,782,370
Business-type activities:					
Water and sewer	2,728,878	2,852,826	3,127,806	2,852,463	2,857,210
Airport	1,188,525	1,377,782	1,444,977	1,445,778	1,670,370
Total business-type activities	3,917,403	4,230,608	4,572,783	4,298,241	4,527,580
Total primary governmental expenses	\$ 53,330,064	\$ 50,939,884	\$ 58,536,094	\$ 56,344,427	\$ 58,309,950
Program Revenues					
Governmental activities:					
Charges for services:					
General government	\$ 565,380	\$ 596,905	\$ 4,261,895	\$ 1,668,751	\$ 1,579,480
Public safety	2,278,536	2,120,800	1,824,146	2,022,339	2,396,682
Transportation	243,890	266,612	304,235	303,563	312,282
Environmental protection	714,625	706,657	769,537	740,437	857,834
Economic and physical development	32,612	28,230	6,625	13,081	12,480
Human services	941,148	1,647,522	1,698,934	1,910,676	2,157,094
Culture and recreation	121,043	96,867	24,497	27,714	36,857
Operating grants and contributions	8,250,279	7,996,207	8,458,500	11,035,610	8,832,742
Capital grants and contributions	1,059,978	53,048	29,503	164,368	1,842,159
Total governmental activities program revenues	14,207,491	13,512,848	17,377,872	17,886,539	18,027,610
Business-type activities:					
Charges for services:					
Water and sewer	2,252,317	2,415,287	2,535,305	2,762,650	2,725,228
Airport	251,514	261,181	334,406	397,830	429,644
Operating grants and contributions					
Capital grants and contributions	2,293,083	3,142,125	1,789,803	1,007,601	3,757,664
Total business-type activities program revenues	4,796,914	5,818,593	4,659,514	4,168,081	6,912,536
Total primary governmental program revenues	\$ 19,004,405	\$ 19,331,441	\$ 22,037,386	\$ 22,054,620	\$ 24,940,146
Net (expense)/revenue					
Governmental activities	\$ (35,205.170)	\$ (33,196,428)	\$ (36.585.439)	\$ (34,159.647)	\$ (35,754,760)
Business-type activities	879,511	1,587,985	86,731	(130,160)	2,384,956
Total primary governmental net expense		\$ (31,608,443)			

Table 2 Page 1 of 2

Fiscal Year											
2008		2009		<u>2010</u>		<u>2011</u>					
\$ 5,563,9	22 \$	6,207,070	\$	6,799,601	\$	5,601,234					
12,089,0		3,941,395	Ψ	13,957,473	Ψ	14,130,565					
850,4		923,081		948,122		987,615					
1,031,6		1,108,942		1,155,970		1,159,814					
2,344,8	73	1,494,393		2,741,056		2,610,268					
16,086,7	11 1	6,136,859		14,851,419		14,614,279					
14,267,9	12 2	4,661,209		19,284,505		13,334,719					
1,800,3	14	2,035,578		1,954,960		1,572,655					
1,193,5	<u>41</u>	1,393,628	_	1,659,370	_	1,169,653					
55,228,4	<u>19</u> <u>6</u>	7,902,155	_	63,352,475	_	55,180,802					
3,377,0	02	3,809,744		3,703,713		3,768,034					
1,588,5	58	1,548,508		1,518,407		1,514,311					
4,965,5	60	5,358,252		5,222,120		5,282,345					
\$ 60,193,9	79 \$ 7	3,260,407	\$	68,574,595	\$	60,463,147					
\$ 1,668,6	25 \$	1,844,478	\$	1,468,042	\$	1,445,785					
2,579,9		2,669,845		3,003,195		2,841,139					
375,2		370,233		364,756		578,427					
848,8		835,242		862,811		883,729					
23,1		601,271		13,770		18,478					
1,894,7		2,301,087		2,147,188		2,194,950					
79,8 9,111,5		185,582 9,307,612		21,703 11,222,862		24,320 10,632,041					
986,4		1,706,125		1,123,874		1,148,686					
17,568,4		9,821,475	_	20,228,201	_	19,767,555					
		0,021,170	_	20,220,201		10,707,000					
3,004,7	32	3,001,449		3,069,742		3,096,448					
457,0		295,877		311,966		303,126					
17,9				-		91,262					
216,8		1,092,003		366,777		2,735,134					
3,696,5	<u> </u>	4,389,329		3,748,485		6,225,970					
\$ 21,265,0		4,210,804	\$	23,976,686	\$	25,993,525					
\$ (37,659,9	40) \$ (4	8,080,680)	\$	(43,124,274)	\$	(35,413,247)					
(1,268,9	91)	(968,923)	_	(1,473,635)	_	943,625					
\$ (38,928,9	<u>31)</u>	9,049,603)	\$	(44,597,909)	\$	(34,469,622)					

General Revenues and Other Changes in

Net Assets			Fiscal Year		
Governmental activities:	2003	2004	2005	2006	2007
Taxes					
Ad valorem taxes	\$ 24,929,899	\$ 25,024,239	\$ 25,255,507	\$ 27,029,395	\$ 27,468,013
Local option sales tax	7,097,667	8,684,938	9,407,446	9,922,637	10,605,369
Other taxes	416,498	491,953	523,941	557,210	579,632
Unrestricted grants and contributions	12,226	5,936	-	-	-
Interest earned on investments	255,131	246,635	294,656	921,555	1,393,065
Miscellaneous	19,213	262,448	249,947	-	-
Gain (loss) on sale of capital assets	(79,506)	-	-	-	-
Transfers in (out)	(973,724)	(904,849)	(437,616)	(2,152,690)	(1,001,788)
Total governmental activities	31,677,404	33,811,300	35,293,881	36,278,107	39,044,291
Business-type activities:					
Ad valorem taxes	85	-	-	-	-
Interest earned on investments	26,163	12,749	25,319	26,276	59,954
Miscellaneous	114,010	-	_	-	-
Gain (loss) on sale of capital assets	(155,210)	-	-	-	-
Transfers in (out)	973,724	904,849	437,616	2,152,690	1,001,788
Total business-type activities	958,772	917,598	462,935	2,178,966	1,061,742
Total primary government	\$ 32,636,176	\$ 34,728,898	\$ 3 <mark>5,756,816</mark>	\$ 38,457,073	\$ 40,106,033
Change in Net Assets					
Governmental activities	\$ (3,527,766)	\$ 614,872	\$ (1,291,558)	\$ 2,118,460	\$ 3,289,531
Business-type activities	1,838,283	2,505,583	549,666	2,048,806	3,446,698
Total primary government	\$ (1,689,483)	\$ 3, <mark>120,455</mark>	<u>\$ (741,892)</u>	\$ 4,167,266	\$ 6,736,229

Table 2 Page 2 of 2

	Fiscal Year											
2008	2009	2010	2011									
\$ 29,160,452 10,695,767	\$ 29,839,262 8,842,576	\$ 30,245,704 6,841,679	\$ 30,442,706 6,418,461									
574,991	519,464	481,063	502,321									
1,235,530	612,476	372,699	256,933									
-	-	-	-									
(598,536)	(610,360)	(210,471)	(658,868)									
41,068,204	39,203,418	37,730,674	36,961,553									
30,698	29,042	23,857	16,543									
-		-	2,928									
-	-	-	-									
598,536	610,360	210,471	658,868									
629,234	639,402	234,328	678,339									
\$ 41,697,438	\$ 39,842,820	\$ 37,965,002	\$ 37,639,892									
\$ 3,408,264	\$ (8,877,262)	\$ (5,393,600)	\$ 1,548,306									
(639,757)	(329,521)	(1,239,307)	1,621,964									
\$ 2,768,507	\$ (9,206,783)	\$ (6,632,907)	\$ 3,170,270									

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

			Fiscal Year		
	2003	2004	2005	2006	2007
General Fund					
Reserved	\$ 3,689,921	\$ 4,549,925	\$ 5,575,709	\$ 4,206,084	\$ 5,249,619
Unreserved	10,560,386	10,601,862	10,931,952	11,756,250	12,250,938
Non-spendable					
Restricted					
Committed					
Assigned					
Unassigned					
Total General Fund	\$14,250,307	\$ 15,151,787	<u>\$16,507,661</u>	\$ 15,962,334	\$17,500,557
All other governmental funds					
Reserved	\$ -	\$ 27,119	\$ 24,928	\$ 59,382	\$ 105,640
Unreserved, reported in:					
Special revenue funds	6,023,236	3,967,446	590,577	482,567	464,056
Capital projects funds		400,658	208,637	665,307	3,554,882
Non-spendable					
Restricted					
Committed					
Assigned					
Unassigned					
Total all other governmental funds	\$ 6,023,236	\$ 4,395,223	\$ 824,142	\$ 1,207,256	\$ 4,124,578

	Fiscal Year											
	2008		2009		2010		2011					
	3,590,746	\$	8,233,781									
1	5,452,332		9,390,468		36,360		51,071					
					9,661,929		7,480,151					
					-		-					
					2,062,820		2,003,925					
				_	4,640,026		6,424,783					
<u>\$ 1</u>	9,043,078	<u>\$ 1</u>	7,624,249	<u>\$ 1</u>	6,401,135	<u>\$ 1</u>	5,959,930					
\$	30,977	\$	28,082									
	514,312		347,371									
			<u>-</u>									
					-		-					
					445,193		504,241					
					-		-					
					-		- 					
							(34,118)					
\$	545,289	\$	375,453	\$	445,193	\$	470,123					

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

			Fiscal Year		
	2003	2004	2005	2006	2007
Revenues					
Ad valorem taxes	\$24,644,601	\$24,978,882	\$25,328,973	\$26,829,328	\$27,519,067
Local option sales taxes	7,097,665	8,684,938	9,407,446	9,922,637	10,605,369
Other taxes and licenses	416,501	570,076	523,941	557,210	579,632
Unrestricted intergovernmental	12,226	5,936	5,763	6,080	5,657
Restricted intergovernmental	8,301,818	7,627,446	8,250,771	10,365,169	10,258,260
Permits and fees	468,084	915,083	750,320	813,844	927,965
Sales and services	4,794,619	4,626,431	4,897,601	5,734,916	5,984,898
Investment earnings	391,940	229,301	286,217	827,006	1,286,592
Miscellaneous	495,751	528,194	748,556	834,809	706,272
Total revenues	46,623,205	48,166,287	50,199,588	55,890,999	57,873,712
Expenditures					
General government	3,169,773	3,332,574	3,664,082	3,933,312	4,219,004
Public safety	8,487,712	8,681,718	9,779,612	10,245,837	13,933,485
Transportation	477,461	543,815	627,756	712,320	732,129
Environmental protection	789,005	873,394	895,520	923,604	975,779
Economic and physical development	1,157,470	1,292,366	1,525,184	2,005,105	1,912,875
Human services	13,243,827	13,370,134	14,307,611	15,729,303	16,415,126
Education	18,425,835	14,665,894	16,290,282	14,318,186	14,888,711
Culture and recreation	1,319,469	1,301,922	1,393,480	1,449,484	1,468,388
Capital Outlay	1,447,520	1,357,952	1,021,639	2,150,608	678,811
Debt service	.,,020	.,00.,002	1,021,000	_,.00,000	0.0,0
Principal	1,253,005	1,253,005	1,319,567	1,333,098	1,530,401
Interest and other charges	1,323,627	1,315,197	1,152,446	1,099,665	1,161,670
Total expenditures	51,094,704	47,987,971	51,977,179	53,900,522	57,916,379
Excess of revenues					
over (under) expenditures	(4,471,499)	178,316	(1,777,591)	1,990,477	(42,667)
Other financing sources (uses)					
Debt Proceeds	-	-	-	-	5,500,000
Refunding bond issued	-	-	-	-	-
Payment to bondholders	-	-	-	-	-
Bond Premium	-	-	-	-	-
Transfers from other funds	1,042,813	420,000	90,561	580,000	245,167
Transfers to other funds	(2,016,537)	(1,324,849)	(528,177)	(2,732,690)	(1,246,955)
Sale of capital assets	26,781				
Total other financing					
sources (uses)	(946,943)	(904,849)	(437,616)	(2,152,690)	4,498,212
No. of a control of a little of a control of	Φ (F 440 440)	Φ (700 F00)	Φ (0.045.00 7)	Φ (400.040)	A 455 545
Net change in fund balances	\$ (5,418,442)	\$ (726,533)	\$ (2,215,207)	<u>\$ (162,213)</u>	<u>\$ 4,455,545</u>
Debt services as a percentage of noncapital					
expenditures	5.2%	5.5%	4.9%	4.7%	4.7%

Fiscal Year										
2008	2009	<u>2010</u>	<u>2011</u>							
¢ 20 225 294	¢ 20 600 260	¢ 20 025 045	¢ 20.256.262							
\$29,225,384	\$ 29,600,368	\$30,025,945	\$ 30,256,263							
10,695,767	8,842,576	6,841,679	6,418,461							
574,991	519,464	481,063 425	502,321							
8,173 9,664,623	2,664 10,688,266	11,995,950	11,220,975							
945,668	925,727	6,719,000	6,831,077							
6,087,739	6,715,699	694,288	653,402							
1,146,477	510,910	284,270	184,734							
714,807	1,290,237	635,110	852,352							
59,063,629	59,095,911	57,677,730	56,919,585							
39,003,029	39,093,911	37,077,730	30,919,303							
5,183,353	5,655,825	6,183,333	5,070,693							
14,967,299	14,559,774	13,594,893	13,344,073							
797,230	847,546	837,489	920,286							
1,026,214	1,090,593	1,121,743	1,136,432							
2,348,929	1,464,024	2,689,449	2,580,078							
16,202,140	16,130,914	14,601,773	14,519,051							
11,156,431	20,905,982	15,346,641	11,359,719							
1,604,432	1,887,929	1,698,160	1,372,673							
4,275,976	4,553,357	3,238,973	2,734,792							
1,728,156	1,993,041	2,400,877	2,640,968							
1,211,702	1,142,202	1,697,261	1,276,448							
60,501,862	70,231,187	63,410,592	56,955,213							
(1,438,233)	(11,135,276)	(5,732,862)	(35,628)							
-	13,000,000	312,547	1,743,149							
-	-	16,325,000	-							
-	-	(17,223,200)	-							
-	-	1,067,654	-							
595,036	1,000,000	190,572	175,971							
(1,193,572)	(1,610,360)	(401,043)	(834,839)							
										
(598,536)	12,389,640	271,530	1,084,281							
\$ (2,036,769)	\$ 1,254,364	\$ (5,461,332)	\$ 1,048,653							
_	_	_	_							
5.3%	4.6%	6.6%	7.0%							

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

								P	roperty				Solid				
Fiscal	Property		Sales	F	ranchise	0	ccupancy		Excise	Ir	ntangible		Waste	0	ther		
<u>Year</u>	Tax	_	Tax	_	Tax	_	Tax	_	Tax		Tax	_	Tax		Tax	_	Total
2002	\$ 24,031,580	\$	7,278,661	\$	116,860	\$	91,583	\$	151,271	\$	491,512	\$	-	\$ 2	29,503	\$	32,190,970
2003	24,929,899		7,097,667		124,121		162,097		122,057		-		-		8,224		32,444,065
2004	25,024,239		8,684,938		131,244		179,150		173,016		-		-		8,544		34,201,131
2005	25,255,507		9,407,446		138,938		184,879		185,316		-		-	•	14,808		35,186,894
2006	27,029,395		9,922,637		133,670		199,699		207,718		-		-	•	16,123		37,509,242
2007	27,468,013		10,605,369		153,011		192,680		216,215		-		-	•	17,726		38,653,014
2008	29,160,452		10,695,767		139,719		215,575		202,558		-		-	•	17,139		40,431,210
2009	29,839,262		8,842,576		163,923		197,667		123,989		-		16,865	•	17,020		39,201,302
2010	30,245,704		6,841,679		145,856		180,566		111,336		-		25,901		17,404		37,568,446
2011	30,442,706		6,418,461		156,765		215,999		85,131		-		25,674		18,752		37,363,488

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

					Property		Solid		
Fiscal	Property	Sales	Franchise	Occupancy	Excise	Intangible	Waste	Other	
Year	Tax	Tax	Tax	Tax	Tax	Tax	Tax	<u>Tax</u>	Total
2002	\$24,031,580	\$ 7,278,661	\$ 116,860	\$ 91,583	\$ 151,271	\$ 491,512	\$ -	\$ 29,503	\$ 32,190,970
2003	24,644,601	7,097,667	124,121	162,097	122,057	-	-	8,224	32,158,767
2004	24,978,882	8,684,938	131,244	179,150	173,016	-	-	8,544	34,155,774
2005	25,328,973	9,407,446	138,938	184,879	185,316	-	-	14,808	35,260,360
2006	26,829,328	9,922,637	133,670	199,699	207,718	-	-	16,123	37,309,175
2007	27,519,067	10,605,369	153,011	192,680	216,215	-	-	17,726	38,704,068
2008	29,225,384	10,695,767	139,719	215,575	202,558	-	-	17,139	40,496,142
2009	29,600,368	8,842,576	163,923	197,667	123,989	-	16,865	17,020	38,962,408
2010	30,025,945	6,841,679	145,856	180,566	111,336	-	25,901	17,404	37,348,687
2011	30,256,263	6,418,461	156,765	215,999	85,131	-	25,674	18,752	37,177,045

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

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

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

Fiscal Year 2002 2003 2004 2005 2006 2007 2008 2009 **2010** <u>2011</u> **County Direct Rate** 0.6675 0.6675 0.6700 0.6675 0.6675 0.6450 0.6450 0.6700 0.6700 0.6700 Stanly City/Town Rates City of Albemarle 0.5400 0.5400 0.5600 0.5600 0.5600 0.5600 0.5600 0.5600 0.5600 0.5600 Town of Oakboro 0.4400 0.4400 0.4400 0.4400 0.4400 0.4100 0.4100 0.4100 0.4100 0.4100 0.2530 0.3200 0.3400 0.3600 Town of Badin 0.3000 0.3200 0.3800 0.3800 0.3800 0.3800 Town of Norwood 0.4000 0.4000 0.4000 0.4000 0.4000 0.4000 0.4000 0.4000 0.4000 0.4000 0.3600 0.3600 0.3600 Town of Locust 0.3600 0.3600 0.3600 0.3600 0.3600 0.3600 0.3600 Stanfield Annex 0.3167 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 0.3800 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 0.1500 0.1500 0.1500 Town of Redcross 0.1008 0.1600 0.1600 0.1600 0.1600 0.1600 0.1600 0.1600 0.1600 0.1600 Redcross Annex N/A 0.2242 N/A N/A N/A N/A N/A N/A N/A N/A 0.2200 0.2200 0.2200 0.2200 0.2200 0.2200 0.2200 0.2200 Town of Misenheimer N/A 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** 0.0800 0.0800 0.0800 0.0800 0.0800 0.0800 0.0800 0.0800 0.0800 *West Stanly 0.0800 Center Rural 0.0500 0.0500 0.0500 0.0500 0.0500 0.0500 0.0500 0.0700 0.0700 0.0700 0.0400 0.0400 0.0400 0.0600 0.0600 0.0600 0.0600 0.0600 0.0600 0.0600 Endy Ridgecrest 0.0800 0.0800 0.0800 0.0800 0.0800 0.0800 0.0800 0.0800 0.0900 0.0900 0.0500 0.0500 0.0500 0.0500 0.0500 0.0500 0.0500 0.0500 Aquadale 0.0500 0.0500 Eastside 0.0800 0.0800 0.0800 0.0800 0.0800 0.0800 0.0800 0.0800 0.0800 0.0800 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 0.0500 0.0500 0.0500 Southside 0.1000 0.1000 0.1000 0.1000 0.1000 0.1000 0.1000 0.1000 0.1000 0.1000 0.0800 0.0800 Rocky River 0.0800 0.0800 0.0800 0.0800 0.0800 N/A N/A N/A Bethany 0.0500 0.0500 0.0500 0.0500 0.0500 0.0500 0.0500 0.0500 0.0500 0.0500 0.0700 0.0700 0.0700 0.0700 0.0700 0.0700 0.0700 Richfield 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 0.0500 0.0500 0.0500 0.0500 0.0800 0.0800 0.0800 Norwood Special N/A N/A N/A N/A N/A N/A N/A 0.0500 0.0700 0.0700 **Maximum Combined** 0.7675 0.7700 **County Tax Rate 0.7675 0.7675 0.7675 0.7450 0.7700 0.7700 0.7700 0.7700 *** City Tax Rate 1.2075 1.2075 1.2275 1.2275 1.2050 1.2050 1.2300 1.2300 1.2300 1.2300

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).

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

			<u> 2011</u>			2002	
Taxpayer		Taxable Assessed Value	<u>Rank</u>	Percentage of Total Taxable Assessed <u>Value</u>	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed <u>Value</u>
APGI	\$	48,026,314	1	1.13%	\$ 40,532,002	2	1.17%
Michelin Aircraft Tire Co.		31,207,216	2	0.74%			
Fiber Composites		28,889,995	3	0.68%	30,663,136	4	0.89%
Duke Energy		28,649,290	4	0.68%	26,113,370	5	0.76%
Union Electric		25,572,230	5	0.60%	17,527,423	7	0.51%
Alcoa		21,831,911	6	0.52%	71,498,528	1	2.07%
Preformed Line Prod		16,326,409	7	0.39%	15,322,861	9	0.44%
NC Natural Gas		14,542,779	8	0.34%	11,121,367	10	0.32%
IAC Group North America Inc.		13,892,031	9	0.33%			
Clayton Moblie Homes Maunfacturing		13,052,332	10	0.31%			
Collian and Aikman					36,743,003	3	1.07%
Textron Inc.					25,712, <mark>25</mark> 8	6	0.75%
General Signal Ind., Inc.					16,819,117	8	0.49%
Totals	\$	241,990,507		<u>5.71</u> %	\$ 292,053, <mark>06</mark> 5		<u>8.47</u> %

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

Fiscal Year Ended	Total Levy for	 	Collected within the Fiscal Year of the Levy		Collections in		Total Collections to Date			
<u>June 30</u>	Fiscal Year	Amount	Percentage of Levy	5	Subsequent Years		Amount	Percentage of Lev	/y	
2002	\$ 23,202,760	\$ 22,217,710	95.75%	\$	691,765	\$	22,909,475	98.7	4%	
2003	23,570,947	22,498,389	95.45%		755,234		23,253,623	98.6	5%	
2004	23,615,122	22,627,355	95.82%		983,334		23,610,689	99.98	8%	
2005	23,837,624	22,937,907	96.23%		1,008,706		23,946,613	100.0	0%	
2006	25,446,392	24,452,587	96.09%		799,246		25,251,833	99.2	4%	
2007	25,771,587	24,856,027	96.45%		973,208		25,829,235	100.0	0%	
2008	27,427,554	26,505,922	96.64%		974,054		27,479,976	100.0	0%	
2009	28,197,742	27,070,898	96.00%		786,972		27,857,870	98.7	9%	
2010	28,322,388	27,157,880	95.89%		846,456		28,004,336	98.8	8%	
2011	28,414,033	27,215,473	95.78%		954,163		28,169,6 <mark>3</mark> 6	99.1	4%	

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

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

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

Fiscal Year	General Obligation Bonds	Percentage of Estimated Actual Taxable Value of Property	Per Capita		
2002	\$ 27,677,200	0.80%	\$ 470.76		
2003	25,475,000	0.72%	428.89		
2004	24,460,000	0.67%	414.16		
2005	23,445,000	0.66%	396.85		
2006	22,430,000	0.57%	380.74		
2007	21,415,000	0.54%	362.19		
2008	20,400,000	0.50%	337.36		
2009	19,135,000	0.46%	314.67		
2010	18,145,000	0.43%	300.64		
2011	16,575,000	0.39%	277.35		

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, 2011

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt		
Stanly County	\$ 16,575,000	100%	\$	16,575,000	
Town of Richfield	392,500	100%		392,500	
Total direct and overlapping debt			\$	16,967,500	

Source: State of North Carolina Treasurer LGC 129



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

				F	iscal Year		
	2002	<u>2003</u>		<u>2004</u>		<u>2005</u>	<u>2006</u>
Debt limit	\$244,327,835	\$	282,142,285	\$	282,534,541	\$ 284,957,574	\$314,713,191
Total net debt applicable to limit	28,732,926	_	24,600,000		23,700,000	22,800,000	23,284,931
Legal debt margin	\$215,594,909	\$	257,542,285	\$	258,834,541	\$ 262,157,574	<u>\$291,428,260</u>
Total net debt applicable to the limit as a percentage of debt limit	<u>11.76%</u>		<u>8.72%</u>		<u>8.39%</u>	<u>8.00%</u>	<u>7.40%</u>

Legal Debt Margin Calculation for Fiscal Year 2011

Assessed value		\$ 4	4,234,811,767
Debt limit - 8% of assessed value Debt applicable to limit:			338,784,941
General obligation bonds	\$ 16,575,000		
Bond issuance cost/premiums	\$ 978,656		
Installment note	13,597,185		
Revolving loan	291,030		
Capital lease obligation	3,850,000		
Total debt	\$ 35,291,871	•	
Less-Statutory deductions	291,030		
Total amount of debt applicable to d	•	35,000,841	
Legal debt margin	\$	303,784,100	

Fiscal Year									
2007	2008	2009	<u>2010</u>	<u>2011</u>					
\$319,453,600	\$327,410,064	\$333,792,266	\$336,564,256	\$338,784,941					
27,254,530	25,526,374	12,815,000	34,920,005	35,000,841					
\$292,199,070	\$301,883,690	\$320,977,266	\$301,644,251	\$303,784,100					
<u>8.53%</u>	<u>7.80%</u>	<u>3.84%</u>	<u>10.38%</u>	<u>10.33%</u>					

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

Per Capita								
Fiscal Year	Population (1)	Personal Income	Pe	ersonal ome (2)	Median Age (3)	School Enrollment (4)	Unemployment Rate (5)	
2002	58,792	\$1,357,507,280	\$	23,090	37.2	10,204	8.3%	
2003	58,794	1,311,517,758		22,307	37.2	10,184	9.1%	
2004	59,060	1,355,604,180		22,953	36.9	9,903	7.2%	
2005	59,078	1,379,707,612		23,354	36.9	9,868	5.9%	
2006	58,912	1,452,298,624		24,652	38.0	9,588	5.5%	
2007	59,126	1,552,116,626		26,251	38.2	9,687	4.9%	
2008	60,470	1,682,517,280		27,824	39.0	9,650	5.8%	
2009	60,810	1,751,510,430		28,803	39.0	9,276	12.4%	
2010	60,354	1,800,721,944		29,836	40.0	9,386	11.9%	
2011	59,761	1,790,738,365		29,965	40.0	9,053	10.6%	

Sources:

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

Stanly County, North Carolina Principal Employers Current Year

2010

Employer	Employees	Rank	Percentage of Total County Employment
Stanly County Schools	1.489	1	5.02%
Stanly Regional Medical Center	658	2	2.22%
Michelin Aircraft	480	3	1.62%
Stanly County Government	429	4	1.45%
IAC Old Fort LLC	350	5	1.18%
Stanly Health Services	342	6	1.15%
Wal-Mart of Albemarle	338	7	1.14%
Monarch	309	8	1.04%
City of Albemarle	273	9	0.92%
Pfeiffer University	220	10	0.74%
Total	4,888		16.49%

Source: N.C. Employment Security Commission Workforce In-Depth

Note: Data not available before Fiscal Year 2006.

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

Source: Stanly County Human Resources

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

Fiscal Year 2006 2007 2008 2009 2010 <u>2011</u> **Function** Public Safety 1,819 3,471 3,200 1,689 Arrests 1,712 1,157 Civil papers serviced 1,060 1,166 13,269 5,848 8,447 9,196 Average daily jail population 83 91 92 94 80 92 Dispatched EMS calls 6,297 6,370 6,885 7,164 7,299 7,864 EMS move up calls 2,748 2.695 5,270 2,836 3,221 2,883 Building permits issued 710 652 517 541 642 651 Animals entering shelter 4,358 4,211 3,313 2,980 2,996 2,883 Animals euthanized 3,201 2,866 2,649 2,422 2,471 2,404 911 calls logged for service 102,834 107,118 110,472 111,643 115,840 119,724 Transportation Service hours 26,180 20,713 28,277 19,743 18,991 18,768 Miles driven 413,044 392,079 427,665 386,343 351,009 332,373 82,878 63,558 Trips 77,888 72,967 67,014 63,848 Environmental protection Discarded materials collected (tons/day) 19 20 19 25 19 19 Recyclables collected (tons/day) 2 2 2 2 2 2 Human services Food and lodging permits 27 127 114 50 131 45 Food and lodging inspections made 917 836 627 754 937 822 Wells permits 155 168 145 94 83 68 Culture and recreation 209.100 Library books checked out 197.718 220.331 226.603 236.179 226.350 Library cards issued 2,763 4,043 1,287 2,580 2,421 2,783 Water and sewer Number of water customers 3,859 3,979 3,756 4,152 3,972 4,116 Average monthly water demand 34,065,300 24,216,807 26,290,707 53,000,000 30,030,025 29,300,527 (Gallons) 648 650 Number of sewer customers 624 622 682 716 Average monthly sewage collected* 244,000 383,500 220,800 (Gallons) Airport Operations 11,451 (Take-offs and/or landings) 13.844 13.718 11,490 11.425 10,605

Sources: Various departments

Note: Data not available before Fiscal Year 2006.

^{*}Accurate information not available for prior years.

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

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

Sources: Various departments

Note: This data not available before Fiscal Year 2006.