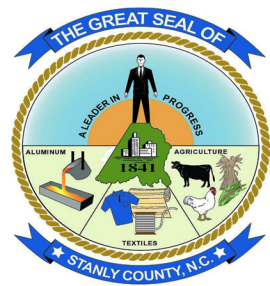


Stanly County, NC



Comprehensive Annual Financial Report Year Ended June 30, 2012



**STANLY COUNTY
NORTH CAROLINA**

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

***For Fiscal Year Ended
June 30, 2012***



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

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



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STANLY COUNTY, NORTH CAROLINA
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For the Fiscal Year Ended June 30, 2012
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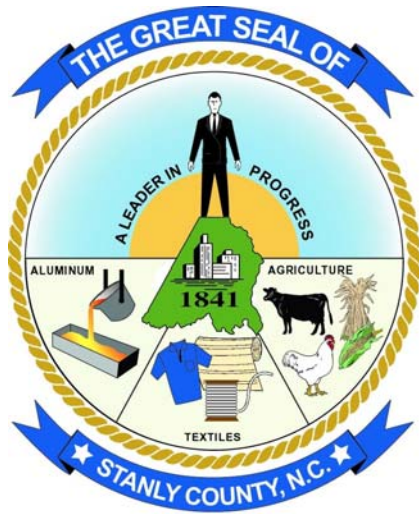
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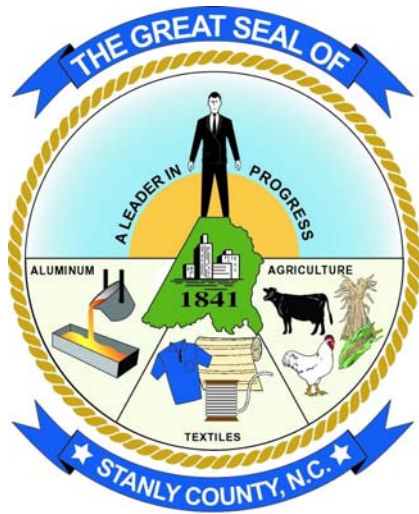
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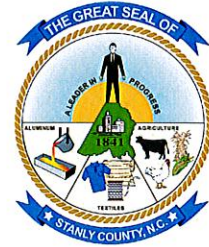
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INTRODUCTORY SECTION



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



October 25, 2012

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, 2012 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 aircraft tire, conveyor belt, automotive parts and several energy production and distribution related manufacturing.

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

DESCRIPTION OF GOVERNMENT

Stanly County is governed by a commission/manager form of government. The 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, and Piedmont Mental Health Authority.

EDUCATIONAL INSTITUTIONS

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

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

For financial reporting purposes, in conformance with the Governmental Accounting Standards Board (GASB), the County includes in the report all funds that are considered to be within its oversight responsibility. Because the school administrative unit and the community college listed above do not meet the criteria for inclusion in the general purpose

financial statements of Stanly County, their financial statements are not included in this report. Audited financial statements for the school administrative unit and the community college are available from their respective business offices.

ECONOMIC CONDITION AND OUTLOOK

Over the past year the County's economy has strengthened modestly but steadily. Though the unemployment rate came in at 10.2% as of June 30, 2012, slightly above the regional average of 10.1% and the State of North Carolina rate of 9.9% for the same period, the trends in the employment market are expected to show accelerated improvement in the remaining months of 2012 into 2013. After many years of stagnation, the housing market is also showing signs of improvement, which should also help accelerate economic activity and hiring in the County. For most companies nationally and locally, growth remains uneven and slower than in past recoveries.

While the Economic Development Commission has experienced steady prospect activity throughout the year, it is also engaged in substantial efforts to boost product development. The addition of a designed building on a fully graded site in the Prime Power Park across from the Stanly County Airport, an assessment of development plans for an additional rail site in the southern end of the County and planning for a speculative industrial building in the western end of the County will help drive future prospect activity. Full assessments by consultants of the County's fiber optic infrastructure and its infrastructure/utility coordination efforts are currently underway. The results of these assessments will give the County a framework for more efficient and effective utility services and lay the groundwork for targeted growth, which will in turn lead to additional growth opportunities.

Stanly County's assessed valuation is projected to remain steady in FY 2012-2013 and generate the same amount of revenue as FY 11-12 at the current tax rate. One penny on the tax rate will generate approximately \$406,137 in FY 2012-2013.

LONG TERM FINANCIAL PLANNING

Available fund balance in the General Fund continues to be above the 8% minimum recommended for local governments in North Carolina. Available fund balance in the General Fund increased to 18.60% compared to 15.67% in 2011. This is primarily due to an increase in cash of approximately \$1,400,000, a decrease in expenses of nearly \$700,000 and an increase of close to \$675,000 in sales and services revenue.

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 Corridor Study. This is set to begin in FY 2012-2013.

The County underwent one refunding and one rate adjustment in FY 2011-2012. In August 2011, the refunding of the Jail Renovation & Construction series 2006 installment purchase was completed and will generate a net present value savings of \$174,077. In January 2012, the County completed a rate adjustment of the School Construction series 2008 installment purchase which will generate a savings of approximately \$750,000 throughout the life of the loan.

MAJOR INITIATIVES

During Fiscal Year 2012, there were two utility projects completed. There were a total of eleven vehicles purchased during the fiscal year. Seven were purchased by public safety departments, two purchased by SCUSA Transportation, which 90% of these were paid by grant funds, one purchased by Senior Services and one by the Utilities Department. The Health Department upgraded to a new electronic health record system which was funded by Beacon Grant funds. EMS upgraded some stretchers and replaced two defibrillator heart monitors. There were various improvements and repairs made at the Agri-Civic Center, HPC facilities, Senior Center and at the Stanly County Commons.

UTILITIES

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

The following utility projects were completed and closed during Fiscal Year 2011-2012: Highway 24/27 Upgrade and Tyson Village Rolling Hills Water Projects. There are currently four utility projects open with some anticipating completion in Fiscal Year 2012-2013. The County Commissioners created the Stanly Water and Sewer Authority in 2006 as a tool for securing grant funding, and as a means of completing water line installation. There are three water projects currently in progress with the Cottonville Area Water Project scheduled to be complete early in FY 2012-2013.

AIRPORT

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

The airport has been identified as an important economic development asset to the County. Executive jet usage at the airport is beginning to increase once again after a decline in use due to world-wide economic conditions. To accommodate this growth and to further enhance countywide economic development activity, the airport has identified a number of improvements to enhance services to both civilian and military aircraft. A state-of-the-art air traffic control tower was completed in May 2001. A 1,000 foot primary runway extension is currently being designed with assistance from the North Carolina Air National Guard and the Federal Aviation Administration and all the runway and taxiway surfaces recently received a new overlay with grooved surfaces on the primary runway. The new extension will allow large aircraft such as the 737-800 to depart and land fully loaded. The new terminal building was occupied in December 2010 and is the envy of the region.

Commercial office space is now available for lease in this new facility. The old terminal, which had been leased by the North Carolina Air National Guard, is now the home of Pressley Aviation, a new primary flight school that brings six new jobs to the airport complex. The North Carolina Air National Guard has also installed a radar facility that has encountered some issues during a testing phase but is now on schedule to be operational by June 2013. Once these issues are resolved, the radar will be available for both military and civilian use. Also beginning in April 2013, Stanly County Airport will begin providing Military Contract Fuel sales to the many military units that pass through and also train here.

Within the last 2 years, 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 16 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 11-12, SCUSA Transportation provided 17,966 service hours, traveled 313,790 miles, while providing 62,587 trips.

FINANCIAL INFORMATION

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

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

Budgeting Controls

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

OTHER INFORMATION

Independent Audit

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

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

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Stanly County for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2011. 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-one (21) consecutive years. We believe the current report satisfies the Certificate of Achievement Program requirements, and it is being submitted to the GFOA.

Acknowledgments

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

Respectfully submitted,



Andrew M. Lucas
County Manager



Toby R. Hinson
Finance Director

STANLY COUNTY, NORTH CAROLINA
LIST OF ELECTED AND APPOINTED OFFICIALS
June 30, 2012

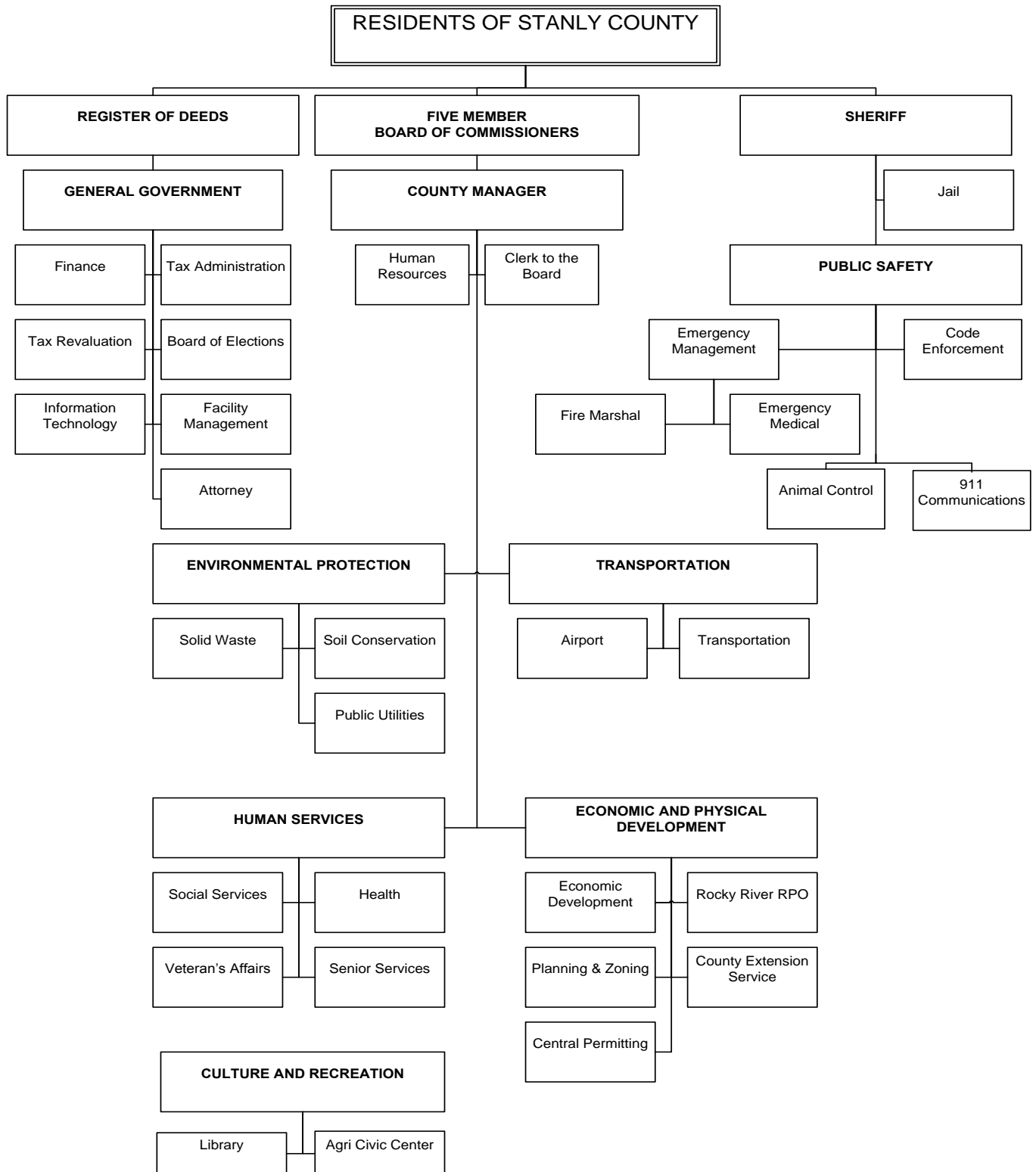
Elected Officials

Board of Commissioners – Chairman..... Lindsey R. Dunevant
Board of Commissioners – Vice-Chairman..... Gene McIntyre
Board of Commissioners Tony M. Dennis
Board of Commissioners Janet K. Lowder
Board of Commissioners Joshua J. Morton
Sheriff Ricky J. Burris
Register of Deeds Suzanne W. Lowder

Appointed Officials

County Manager Andrew M. Lucas
Clerk to the Board Tyler L. Brummitt
Agri – Civic Center Director Candice B. Moffitt
Airport Director David M. Griffin
Central Permitting Carol C. Almond
Code Enforcement David M. Harrington
Communications Director – E 911 Karen L. McDaniel
County Attorney Jennifer R. Furr
County Extension Service Lori S. Ivey
Economic Development Director Paul W. Stratos
Election Supervisor Kimberly R. Wilson
Emergency Management Director Brian T. Simpson
Facility Management and Solid Waste Director Jerry R. Morton
Finance Director..... Toby R. Hinson
Health Director Dennis R. Joyner
Human Resources Director Emily F. Tucker
Information Technology Director Chad A. Coble
Library Director Melanie J. Holles
Planning Director..... Michael M. Sandy
Public Utilities Director Donna L. Davis
Senior Services Director..... Rebecca G. Weemhoff
Social Services Director Sharon S. Scott
Soil and Water Conservation Cost Share Technician Gerald M. McSwain
Tax Administrator Melia Miller
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, 2011

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.



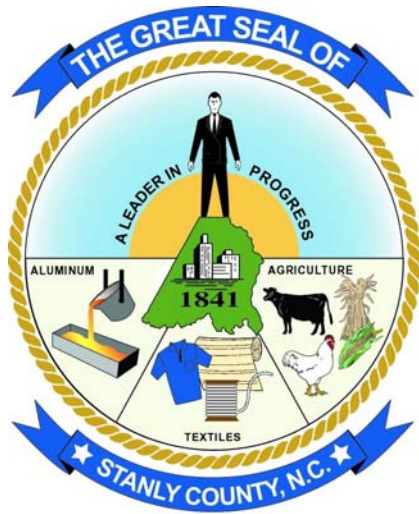
Linda C. Sandson

President

Jeffrey R. Enow

Executive Director

FINANCIAL SECTION



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

"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, 2012, 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 Stanly County as of June 30, 2012, and the respective changes in financial position and cash flows, where applicable thereof, and the respective budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 25, 2012 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 statements, or 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 Starnes & Associates, CPAs, P.A.

Martin Starnes & Associates, CPAs, P.A.
Hickory, North Carolina
October 25, 2012

STANLY COUNTY, NORTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2012

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, 2012. 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

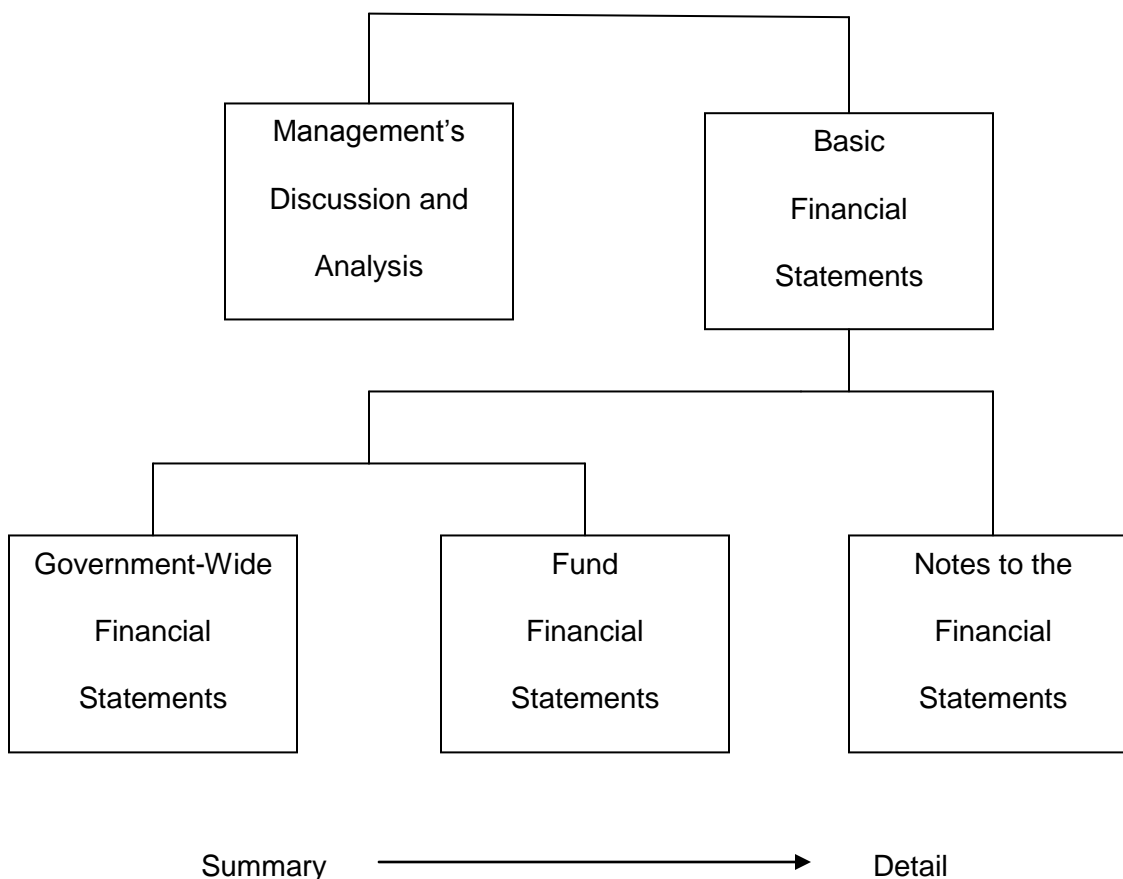
- The assets of Stanly County exceeded its liabilities at the close of the fiscal year by \$45,287,491 (*net assets*). Net assets would be much greater except Stanly County reports \$26,837,027 debt liability for the school system, and the school reports the assets.
- The government's total net assets increased by \$6,796,777, 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 \$18,216,091, after a net increase in fund balance of \$1,786,038. Approximately 46.44% of this total amount, or \$8,459,234, is restricted or non-spendable.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$7,005,289, or 13.2%, of total General Fund expenditures and transfers to other funds for the fiscal year.
- Stanly County's total debt decreased by \$2,890,378 (8.19%) during the current fiscal year. Regular and scheduled debt payments account for the decrease. The County refunded the Jail Renovation & Construction series 2006 installment purchase loan on August 15, 2011 for \$3,709,191. This gave the County a net present value savings of \$174,077.
- Stanly County maintained its Standard & Poor's A+ bond rating for the fourth consecutive year and maintained its Moody's Aa3 bond rating for the third 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.

**STANLY COUNTY, NORTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2012**

Required Components of Annual Financial Report



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 nonmajor governmental funds and internal service funds, all of which are added together in one column on the basic financial statements.

STANLY COUNTY, NORTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2012

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 gauge the County's financial condition.

The government-wide statements are divided into three categories: 1) governmental activities; 2) business-type activities; and 3) component units. The governmental activities include most of the County's basic services such as public safety, general administration, human services, transportation, and environmental protection. Property taxes and State and federal grant funds finance most of these activities. The business-type activities are those that the County charges customers to provide. These include water and sewer and airport services offered by Stanly County. The final category is the component unit. Stanly 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 more detailed look at the County's most significant activities. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Stanly County, like all other governmental entities in North Carolina, uses fund accounting to ensure and reflect compliance (or non-compliance) with finance-related legal requirements, such as the General Statutes or the County's budget ordinance. All of the funds of Stanly County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

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, NORTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2012

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 60 of this report.

STANLY COUNTY, NORTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2012

STANLY COUNTY'S NET ASSETS

	Governmental Activities		Business-Type Activities		Total	
	2012	2011	2012	2011	2012	2011
Current and other assets	\$ 26,807,866	\$ 24,349,587	\$ 1,804,448	\$ 1,068,323	\$ 28,612,314	\$ 25,417,910
Capital assets	18,450,241	19,311,104	38,787,218	35,619,709	57,237,459	54,930,813
Total assets	45,258,107	43,660,691	40,591,666	36,688,032	85,849,773	80,348,723
Long-term liabilities outstanding	34,672,662	37,151,794	403,970	411,295	35,076,632	37,563,089
Other liabilities	4,330,346	3,947,806	1,155,304	347,114	5,485,650	4,294,920
Total liabilities	39,003,008	41,099,600	1,559,274	758,409	40,562,282	41,858,009
Net assets:						
Invested in capital assets, net of related debt	14,038,812	13,495,499	38,523,839	35,328,679	52,562,651	48,824,178
Restricted	8,406,322	7,984,392	-	-	8,406,322	7,984,392
Unrestricted	(16,190,035)	(18,918,800)	508,553	600,944	(15,681,482)	(18,317,856)
Total net assets	\$ 6,255,099	\$ 2,561,091	\$ 39,032,392	\$ 35,929,623	\$ 45,287,491	\$ 38,490,714

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 \$45,287,491 as of June 30, 2012. The County's net assets increased by \$6,796,777 for the fiscal year ended June 30, 2012. The largest portion, \$52,562,651, reflects the County's investment in capital assets (e.g. land, buildings, vehicles, equipment, etc.), 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 \$8,406,322 (18.56%) represents resources that are subject to external restrictions on how they may be used. The remaining deficit balance of \$15,681,482 is unrestricted.

Stanly County issues and pays the debt service on bonds sold and notes issued for school improvements. The Board of Education reports the assets on their books, and the County only the debt. The debt owed for school improvements is \$26,837,027.

STANLY COUNTY, NORTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2012

Stanly County's Changes in Net Assets

	Governmental Activities		Business-Type Activities		Total	
	2012	2011	2012	2011	2012	2011
Revenues:						
Program revenues:						
Charges for services	\$ 8,698,878	\$ 7,986,828	\$ 3,525,031	\$ 3,399,574	\$ 12,223,909	\$ 11,386,402
Operating grants and contributions	10,767,746	10,632,041	-	91,262	10,767,746	10,723,303
Capital grants and contributions	970,547	1,148,686	5,130,143	2,735,134	6,100,690	3,883,820
General revenues:						
Property taxes	30,499,757	30,442,706	-	-	30,499,757	30,442,706
Other taxes	7,200,715	6,920,782	-	-	7,200,715	6,920,782
Interest earned on investments	261,112	256,933	15,759	16,543	276,871	273,476
Miscellaneous income	-	-	-	2,928	-	2,928
Total revenues	<u>58,398,755</u>	<u>57,387,976</u>	<u>8,670,933</u>	<u>6,245,441</u>	<u>67,069,688</u>	<u>63,633,417</u>
Expenses:						
General government	5,048,549	5,601,234	-	-	5,048,549	5,601,234
Public safety	14,482,815	14,130,565	-	-	14,482,815	14,130,565
Transportation	988,483	987,615	-	-	988,483	987,615
Environmental protection	1,162,909	1,159,814	-	-	1,162,909	1,159,814
Economic development	2,364,231	2,610,268	-	-	2,364,231	2,610,268
Human services	14,968,599	14,614,279	-	-	14,968,599	14,614,279
Cultural and recreation	1,643,930	1,572,655	-	-	1,643,930	1,572,655
Education	12,643,400	13,334,719	-	-	12,643,400	13,334,719
Interest on long-term debt	1,264,990	1,169,653	-	-	1,264,990	1,169,653
Water and sewer	-	-	4,071,866	3,768,034	4,071,866	3,768,034
Airport	-	-	1,633,139	1,514,311	1,633,139	1,514,311
Total expenses	<u>54,567,906</u>	<u>55,180,802</u>	<u>5,705,005</u>	<u>5,282,345</u>	<u>60,272,911</u>	<u>60,463,147</u>
Increase (decrease) in net assets before transfers and special items	3,830,849	2,207,174	2,965,928	963,096	6,796,777	3,170,270
Transfers in (out)	<u>(136,841)</u>	<u>(658,868)</u>	<u>136,841</u>	<u>658,868</u>	<u>-</u>	<u>-</u>
Increase (decrease) in net assets	3,694,008	1,548,306	3,102,769	1,621,964	6,796,777	3,170,270
Net assets, July 1	<u>2,561,091</u>	<u>1,012,785</u>	<u>35,929,623</u>	<u>34,307,659</u>	<u>38,490,714</u>	<u>35,320,444</u>
Net assets, June 30	<u>\$ 6,255,099</u>	<u>\$ 2,561,091</u>	<u>\$ 39,032,392</u>	<u>\$ 35,929,623</u>	<u>\$ 45,287,491</u>	<u>\$ 38,490,714</u>

STANLY COUNTY, NORTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2012

Governmental Activities. Governmental activities increased the County's net assets by \$3,694,008, thereby accounting for 54.35% of the total growth in the net assets of Stanly County. Key elements of this increase are as follows:

- Charges for services increased by 8.92%
- Decrease of 38.39% in General Government legal services
- Increase in sales tax revenue by 4.32%

Business-Type Activities. Business-type activities increased Stanly County's net assets by \$3,102,769, accounting for 45.65% of the total growth in the government's net assets. Key elements of this increase are as follows:

- Capital grants and contributions increased significantly by 87.57%, primarily in Airport projects.
- Total expenses showed an increase of 8.00%.

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 \$9,900,694, while total fund balance reached \$17,889,882. 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 18.60% (an increase of 2.93% from prior year) of General Fund expenditures and transfers to other funds, while total fund balance represents 33.62% 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, 2012, the governmental funds of Stanly County reported a combined fund balance of \$18,216,091, a 10.87% increase over last year. The primary reason for this increase is the increase in fund balance in the General Fund.

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

STANLY COUNTY, NORTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2012

Total amendments to the General Fund increased expenditures by \$2,159,971 and revenues by \$2,125,868, with the remaining \$34,103 funded by other financing sources and uses.

The budget was amended during the year primarily to recognize excess revenues in various categories and to recognize grant revenue that was not included in the adopted budget. The budget amendment in other financing sources and uses was due to the refunding of the Jail Renovation & Construction series 2006 installment purchase loan.

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 \$1,531,169 and that for the airport equaled \$(1,022,616). The total increase in net assets for all enterprise funds was \$3,102,769. 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, 2012, totaled \$57,237,459 (net of accumulated depreciation). These assets include land, plant in service, buildings and improvements, equipment and vehicles, and construction in progress.

Major capital asset transactions during the year included:

- Airport projects currently under construction
- Purchased new vehicles for various departments
- Completion of water extension projects

STANLY COUNTY'S CAPITAL ASSETS
(net of depreciation)

	Governmental Activities		Business-Type Activities		Total	
	2012	2011	2012	2011	2012	2011
Land	\$ 1,949,950	\$ 1,949,950	\$ 5,147,879	\$ 5,147,879	\$ 7,097,829	\$ 7,097,829
Plant in service	-	-	15,827,564	15,448,399	15,827,564	15,448,399
Buildings and improvements	15,362,073	16,020,723	8,686,706	9,640,399	24,048,779	25,661,122
Equipment and vehicles	1,138,218	1,340,431	85,788	87,809	1,224,006	1,428,240
Construction in progress	-	-	9,039,281	5,295,223	9,039,281	5,295,223
Total	<u>\$ 18,450,241</u>	<u>\$ 19,311,104</u>	<u>\$ 38,787,218</u>	<u>\$ 35,619,709</u>	<u>\$ 57,237,459</u>	<u>\$ 54,930,813</u>

Additional information on the County's capital assets can be found in the financial notes of the Basic Financial Statements beginning on page 39.

**STANLY COUNTY, NORTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2012**

Long-Term Debt. As of June 30, 2012, Stanly County had total bonded debt outstanding of \$15,000,000 all of which is debt backed by the full faith and credit of the County.

Stanly County's Outstanding Debt

	Governmental Activities		Business-Type Activities		Total	
	2012	2011	2012	2011	2012	2011
General obligation bonds	\$ 15,000,000	\$ 16,575,000	\$ -	\$ -	\$ 15,000,000	\$ 16,575,000
Bond issuance						
cost/premiums	889,658	978,656	-	-	889,658	978,656
Capital leases	3,523,215	3,850,000	-	-	3,523,215	3,850,000
Notes payable	12,725,241	13,597,185	263,379	291,030	12,988,620	13,888,215
Total	<u>\$ 32,138,114</u>	<u>\$ 35,000,841</u>	<u>\$ 263,379</u>	<u>\$ 291,030</u>	<u>\$ 32,401,493</u>	<u>\$ 35,291,871</u>

Stanly County's total debt decreased by \$2,890,378 (8.19%) 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 fourth consecutive year and its Moody's Aa3 bond rating for the third 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 \$308,174,833. The County has no bonds authorized but unissued at June 30, 2012.

Additional information regarding Stanly County's long-term debt can be found in note II beginning on page 51 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 10.2%, which is above the State average.
- Retail vacancy rates are high compared to prior years.
- Manufacturing jobs have shown little or no increase over the prior year.

STANLY COUNTY, NORTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2012

Budget Highlights for the Fiscal Year Ending June 30, 2013

Governmental Activities: Property tax values are projected to remain steady and generate the same amount of revenue as FY 2011-2012 at the current tax rate. There are several fee increases and some decreases included in the Adopted Budget.

Budgeted expenditures in the General Fund are decreasing slightly by \$109,473. This is largely due to the decrease in lottery proceeds which are used for debt service.

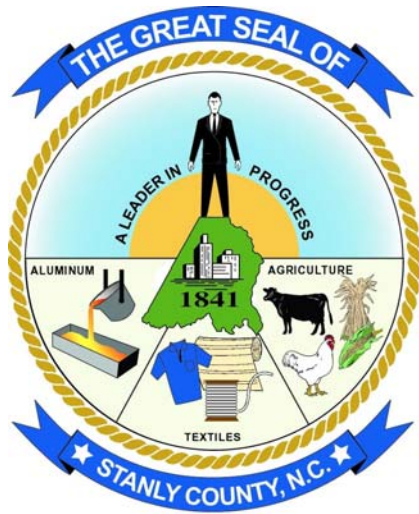
Business-Type Activities: The water and sewer rates in the County will show a slight increase of 2%. The operating fund expenses will increase by only 1%. The primary drivers for this increase are the purchase of water from other jurisdictions and the appropriation of contingency funds for other contracts and grants.

The Airport Operating Fund budget represents an increase of 33%. The primary reasons for the budget increase are the increased price of fuel, reduced rent income and the inclusion of the Vision 100 grant funds.

Requests for Information

This report is designed to provide an overview of the County's finances for those with an interest in this area. Questions concerning any of the information found in this report or requests for additional information should be directed to the Director of Finance, Stanly County, 1000 North First Street, Suite 10B, Albemarle, North Carolina, 28001. You can also visit our website at www.co.stanly.nc.us/.

BASIC FINANCIAL STATEMENTS



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STANLY COUNTY, NORTH CAROLINA

STATEMENT OF NET ASSETS
JUNE 30, 2012

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Stanly Water and Sewer Authority
Assets:				
Cash and cash equivalents	\$ 15,093,348	\$ 1,203,539	\$ 16,296,887	\$ 142,710
Receivables, net	7,271,103	1,806,737	9,077,840	387,147
Internal balances	1,425,503	(1,425,503)	-	-
Notes receivable	2,965,000	-	2,965,000	-
Inventories	-	115,495	115,495	-
Prepaid items	52,912	-	52,912	-
Restricted cash and cash equivalents	-	104,180	104,180	30,450
Capital assets:				
Land	1,949,950	5,147,879	7,097,829	-
Construction in progress	-	9,039,281	9,039,281	4,284,949
Capital assets net of depreciation	16,500,291	24,600,058	41,100,349	4,140,719
Capital assets, net	18,450,241	38,787,218	57,237,459	8,425,668
Total assets	45,258,107	40,591,666	85,849,773	8,985,975
Liabilities:				
Accounts payable	2,492,250	1,002,977	3,495,227	127,969
Interest payable	570,744	788	571,532	14,919
Payroll payable	1,001,402	47,359	1,048,761	-
Deposits payable	-	104,180	104,180	30,450
Due to other governments	3,382	-	3,382	-
Unearned revenue	262,568	-	262,568	-
Non-current liabilities:				
Due within a year	3,593,680	52,652	3,646,332	2,596,000
Due in more than a year	31,078,982	351,318	31,430,300	2,684,000
Total liabilities	39,003,008	1,559,274	40,562,282	5,453,338
Net Assets:				
Invested in capital assets, net of related debt	14,038,812	38,523,839	52,562,651	3,145,668
Restricted for:				
Stabilization by State statute	8,013,345	-	8,013,345	-
Register of Deeds	76,529	-	76,529	-
Restricted for Public Safety	301,289	-	301,289	-
Restricted for Rural Development USDA Loan	15,159	-	15,159	119,600
Unrestricted (deficit)	(16,190,035)	508,553	(15,681,482)	267,369
Total net assets	\$ 6,255,099	\$ 39,032,392	\$ 45,287,491	\$ 3,532,637

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

STANLY COUNTY, NORTH CAROLINA

STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2012

		Program Revenues		
		Charges for	Operating	Capital
	Expenses	Services	Grants and	Grants and
			Contributions	Contributions
Functions/Programs				
Primary Government:				
Governmental Activities:				
General government	\$ 5,048,549	\$ 1,499,922	\$ 1,983,704	\$ -
Public safety	14,482,815	3,331,264	366,450	-
Transportation	988,483	425,439	442,266	-
Environmental protection	1,162,909	883,005	-	-
Economic and physical development	2,364,231	24,042	167,699	-
Human services	14,968,599	2,514,395	7,807,542	-
Education	12,643,400	-	-	970,547
Culture and recreation	1,643,930	20,811	85	-
Interest on long-term debt	1,264,990	-	-	-
Total governmental activities	54,567,906	8,698,878	10,767,746	970,547
Business-Type Activities:				
Greater Badin Water and Sewer District	720,735	473,448	-	-
Piney Point Water District	162,778	142,585	-	-
Stanly County Utility Fund	3,188,353	2,546,043	-	144,090
Airport Fund	1,633,139	362,955	-	4,986,053
Total business-type activities	5,705,005	3,525,031	-	5,130,143
Total primary government	\$ 60,272,911	\$ 12,223,909	\$ 10,767,746	\$ 6,100,690
Component Unit:				
Water and Sewer Authority	\$ 273,898	\$ 364,467	\$ -	\$ -

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

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

Exhibit B

Net (Expense) Revenue and Changes in Net Assets			
Primary Government			Component Unit
Governmental Activities	Business-Type Activities	Total	Stanly Water and Sewer Authority
\$ (1,564,923)	\$ -	\$ (1,564,923)	\$ -
(10,785,101)	-	(10,785,101)	-
(120,778)	-	(120,778)	-
(279,904)	-	(279,904)	-
(2,172,490)	-	(2,172,490)	-
(4,646,662)	-	(4,646,662)	-
(11,672,853)	-	(11,672,853)	-
(1,623,034)	-	(1,623,034)	-
(1,264,990)	-	(1,264,990)	-
(34,130,735)	-	(34,130,735)	-
-	(247,287)	(247,287)	-
-	(20,193)	(20,193)	-
-	(498,220)	(498,220)	-
-	3,715,869	3,715,869	-
-	2,950,169	2,950,169	-
(34,130,735)	2,950,169	(31,180,566)	-
-	-	-	90,569
30,499,757	-	30,499,757	-
6,696,017	-	6,696,017	-
504,698	-	504,698	-
261,112	15,759	276,871	187
-	-	-	529
37,961,584	15,759	37,977,343	716
(136,841)	136,841	-	-
37,824,743	152,600	37,977,343	716
3,694,008	3,102,769	6,796,777	91,285
2,561,091	35,929,623	38,490,714	3,441,352
<u>\$ 6,255,099</u>	<u>\$ 39,032,392</u>	<u>\$ 45,287,491</u>	<u>\$ 3,532,637</u>

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

STANLY COUNTY, NORTH CAROLINA

BALANCE SHEET - GOVERNMENTAL FUNDS
GOVERNMENTAL FUNDS
JUNE 30, 2012

	General	Nonmajor Governmental Funds	Total Governmental Funds
Assets:			
Cash and cash equivalents	\$ 12,049,916	\$ 337,268	\$ 12,387,184
Receivables, net	6,466,155	193,628	6,659,783
Due from other funds	1,471,128	-	1,471,128
Notes receivable	2,965,000	-	2,965,000
Prepaid items	52,912	-	52,912
Total assets	<u>\$ 23,005,111</u>	<u>\$ 530,896</u>	<u>\$ 23,536,007</u>
Liabilities and Fund Balances:			
Liabilities:			
Accounts payable and accrued liabilities	\$ 1,883,272	\$ 42,503	\$ 1,925,775
Due to other governments	3,382	-	3,382
Due to other funds	-	45,625	45,625
Deferred revenue	2,966,007	116,559	3,082,566
Unearned revenue	262,568	-	262,568
Total liabilities	<u>5,115,229</u>	<u>204,687</u>	<u>5,319,916</u>
Fund Balances:			
Non-spendable, not in spendable form:			
Prepaid items	52,912	-	52,912
Restricted:			
Stabilization by State statute	7,936,276	77,069	8,013,345
Restricted for Register of Deeds	76,529	-	76,529
Restricted, Public Safety	15,159	301,289	316,448
Assigned	2,803,717	-	2,803,717
Unassigned	7,005,289	(52,149)	6,953,140
Total fund balances	<u>17,889,882</u>	<u>326,209</u>	<u>18,216,091</u>
Total liabilities and fund balances	<u>\$ 23,005,111</u>	<u>\$ 530,896</u>	

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

Capital assets used in governmental activities are not financial resources and are not reported in the funds.	18,450,241
The focus of governmental funds is on short-term financing; long-term assets are deferred in the funds.	3,689,013
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	(35,243,406)
Internal service funds are used by management to charge the costs of certain activities to individual funds. These assets and liabilities are included in governmental activities in the Statement of Net Assets.	<u>1,143,160</u>
Net assets of governmental activities	<u>\$ 6,255,099</u>

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

STANLY COUNTY, NORTH CAROLINA

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2012**

	<u>General</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:			
Ad valorem taxes	\$ 28,122,214	\$ 1,886,983	\$ 30,009,197
Local option sales taxes	6,696,017	-	6,696,017
Other taxes and licenses	504,698	-	504,698
Restricted intergovernmental	10,992,992	157,814	11,150,806
Sales and services	7,166,239	301,082	7,467,321
Permits and fees	689,032	-	689,032
Investment earnings	139,065	3,395	142,460
Miscellaneous	874,456	-	874,456
Total revenues	<u>55,184,713</u>	<u>2,349,274</u>	<u>57,533,987</u>
Expenditures:			
Current:			
General government	4,363,797	27,372	4,391,169
Public safety	11,445,631	2,299,834	13,745,465
Transportation	940,192	-	940,192
Environmental protection	1,149,148	-	1,149,148
Economic and physical development	2,154,133	162,923	2,317,056
Human services	14,886,814	-	14,886,814
Education	12,643,400	-	12,643,400
Culture and recreation	1,426,763	-	1,426,763
Debt service:			
Principal	2,632,920	-	2,632,920
Interest and other charges	1,337,372	-	1,337,372
Total expenditures	<u>52,980,170</u>	<u>2,490,129</u>	<u>55,470,299</u>
Revenues over (under) expenditures	<u>2,204,543</u>	<u>(140,855)</u>	<u>2,063,688</u>
Other Financing Sources (Uses):			
Installment debt issued	3,709,191	-	3,709,191
Payment to escrow agent - retired debt	(3,850,000)	-	(3,850,000)
Transfers from other funds	103,059	-	103,059
Transfers to other funds	(236,841)	(3,059)	(239,900)
Total other financing sources (uses)	<u>(274,591)</u>	<u>(3,059)</u>	<u>(277,650)</u>
Net change in fund balances	1,929,952	(143,914)	1,786,038
Fund Balances:			
Beginning of year - July 1	<u>15,959,930</u>	<u>470,123</u>	<u>16,430,053</u>
End of year - June 30	<u>\$ 17,889,882</u>	<u>\$ 326,209</u>	<u>\$ 18,216,091</u>

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

STANLY COUNTY, NORTH CAROLINA

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2012

**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		\$ 1,786,038
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	\$ 573,564	
Depreciation	<u>(1,368,646)</u>	(795,082)
Costs of capital assets disposed of during the year, not recognized on modified accrual basis		(65,781)
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.		
		2,862,727
Some revenues reported in the Statement of Activities are not yet available and, therefore, are not reported as revenues in the governmental funds.		
		582,945
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.		
		(400,211)
Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue of most of these activities is reported with governmental activities.		
		<u>(276,628)</u>
Change in net assets of governmental activities		<u>\$ 3,694,008</u>

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

STANLY COUNTY, NORTH CAROLINA

GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2012

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Over/Under</u>
Revenues:				
Ad valorem taxes	\$ 28,217,160	\$ 28,217,160	\$ 28,122,214	\$ (94,946)
Sales taxes	6,475,000	6,475,000	6,696,017	221,017
Other taxes	474,100	489,938	504,698	14,760
Restricted intergovernmental	9,475,410	11,269,398	10,992,992	(276,406)
Licenses and permits	671,600	671,600	689,032	17,432
Sales and services	6,388,518	6,530,018	7,166,239	636,221
Investment earnings	225,000	225,000	139,065	(85,935)
Miscellaneous	805,800	980,342	874,456	(105,886)
Total revenues	<u>52,732,588</u>	<u>54,858,456</u>	<u>55,184,713</u>	<u>326,257</u>
Expenditures:				
Current:				
General government	4,413,972	4,576,523	4,363,797	212,726
Public safety	11,548,320	11,693,327	11,445,631	247,696
Transportation	994,275	1,015,350	940,192	75,158
Environmental protection	1,105,800	1,140,800	1,149,148	(8,348)
Economic and physical development	1,434,113	2,390,487	2,154,133	236,354
Human services	15,176,710	15,968,295	14,886,814	1,081,481
Education	12,627,562	12,643,400	12,643,400	-
Culture and recreation	1,495,592	1,528,133	1,426,763	101,370
Debt service:				
Principal	2,813,612	2,813,612	2,632,920	180,692
Bond interest and costs	1,343,629	1,343,629	1,337,372	6,257
Contingency	75,000	75,000	-	75,000
Total expenditures	<u>53,028,585</u>	<u>55,188,556</u>	<u>52,980,170</u>	<u>2,208,386</u>
Revenues over (under) expenditures	<u>(295,997)</u>	<u>(330,100)</u>	<u>2,204,543</u>	<u>2,534,643</u>
Other Financing Sources (Uses):				
Transfers out	(244,003)	(244,003)	(236,841)	7,162
Transfers in	100,000	103,059	103,059	-
Installment debt issued	-	3,980,952	3,709,191	(271,761)
Payment to escrow agent - retired debt	-	(3,949,908)	(3,850,000)	99,908
Appropriated fund balance	440,000	440,000	-	(440,000)
Total other financing sources (uses)	<u>295,997</u>	<u>330,100</u>	<u>(274,591)</u>	<u>(604,691)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>1,929,952</u>	<u>\$ 1,929,952</u>
Fund Balance:				
Beginning of year - July 1			<u>15,959,930</u>	
End of year - June 30			<u>\$ 17,889,882</u>	

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

STANLY COUNTY, NORTH CAROLINA

STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
JUNE 30, 2012

	Enterprise Funds					Governmental Activities
	Greater Badin Water & Sewer District Fund	Piney Point Water District Fund	Stanly County Utility Fund	Airport Fund	Total	Internal Service Group Health Fund
Assets:						
Current assets:						
Cash and cash equivalents	\$ 243,427	\$ 206,534	\$ 753,578	\$ -	\$ 1,203,539	\$ 2,706,166
Accounts receivable, net	85,512	24,214	418,332	1,275,848	1,803,906	-
Interest receivable	464	378	1,520	469	2,831	4,871
Inventories	-	-	56,064	59,431	115,495	-
Total current assets	<u>329,403</u>	<u>231,126</u>	<u>1,229,494</u>	<u>1,335,748</u>	<u>3,125,771</u>	<u>2,711,037</u>
Non-current assets:						
Restricted cash and cash equivalents	13,890	3,060	87,230	-	104,180	-
Capital assets:						
Land	-	-	223,784	4,924,095	5,147,879	-
Construction in progress	-	-	403,913	8,635,368	9,039,281	-
Capital assets, net of depreciation	<u>1,766,495</u>	<u>96,899</u>	<u>14,049,958</u>	<u>8,686,706</u>	<u>24,600,058</u>	-
Total capital assets, net	<u>1,766,495</u>	<u>96,899</u>	<u>14,677,655</u>	<u>22,246,169</u>	<u>38,787,218</u>	-
Total non-current assets	<u>1,780,385</u>	<u>99,959</u>	<u>14,764,885</u>	<u>22,246,169</u>	<u>38,891,398</u>	-
Total assets	<u>2,109,788</u>	<u>331,085</u>	<u>15,994,379</u>	<u>23,581,917</u>	<u>42,017,169</u>	<u>2,711,037</u>
Liabilities:						
Current liabilities:						
Accounts payable	3,860	4,381	103,451	891,285	1,002,977	3,448
Interest payable	788	-	-	-	788	-
Payroll payable	-	-	36,787	10,572	47,359	-
Due to other funds	-	-	-	1,425,503	1,425,503	-
Compensated absences payable	-	-	20,000	5,000	25,000	-
Current portion of long-term debt	22,731	-	4,921	-	27,652	-
Health and workers' compensation payable	-	-	-	-	-	1,564,429
Total current liabilities	<u>27,379</u>	<u>4,381</u>	<u>165,159</u>	<u>2,332,360</u>	<u>2,529,279</u>	<u>1,567,877</u>
Non-current liabilities:						
Customer deposits	13,890	3,060	87,230	-	104,180	-
Compensated absences payable	-	-	40,216	11,816	52,032	-
Non-current portion of long-term debt	<u>159,117</u>	-	<u>125,981</u>	<u>14,188</u>	<u>299,286</u>	-
Total non-current liabilities	<u>173,007</u>	<u>3,060</u>	<u>253,427</u>	<u>26,004</u>	<u>455,498</u>	-
Total liabilities	<u>200,386</u>	<u>7,441</u>	<u>418,586</u>	<u>2,358,364</u>	<u>2,984,777</u>	<u>1,567,877</u>
Net Assets:						
Invested in capital assets, net of related debt	1,584,647	96,899	14,596,124	22,246,169	38,523,839	-
Unrestricted	<u>324,755</u>	<u>226,745</u>	<u>979,669</u>	<u>(1,022,616)</u>	<u>508,553</u>	<u>1,143,160</u>
Total net assets	<u>\$ 1,909,402</u>	<u>\$ 323,644</u>	<u>\$ 15,575,793</u>	<u>\$ 21,223,553</u>	<u>\$ 39,032,392</u>	<u>\$ 1,143,160</u>

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

STANLY COUNTY, NORTH CAROLINA

STATEMENT OF REVENUES, EXPENSES, AND CHANGES
IN FUND NET ASSETS - PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2012

	Enterprise Funds					Governmental Activities
	Greater Badin Water & Sewer District Fund	Piney Point Water District Fund	Stanly County Utility Fund	Airport Fund	Total	Internal Service Group Health Fund
Operating Revenues:						
Sales and charges	\$ 467,003	\$ 142,233	\$ 2,244,378	\$ 362,955	\$ 3,216,569	\$ 5,120,772
Other	6,445	352	36,799	-	43,596	-
Total operating revenues	<u>473,448</u>	<u>142,585</u>	<u>2,281,177</u>	<u>362,955</u>	<u>3,260,165</u>	<u>5,120,772</u>
Operating Expenses:						
Administration	63,477	75,182	400,785	-	539,444	-
Distribution and maintenance	188,620	1,473	1,312,570	-	1,502,663	-
Water purchases	96,931	51,361	626,353	-	774,645	-
Airport operations	-	-	-	679,446	679,446	-
Group health operations	-	-	-	-	-	4,529,580
Workers' compensation	-	-	-	-	-	894,087
Depreciation	366,486	34,762	848,645	953,693	2,203,586	-
Total operating expenses	<u>715,514</u>	<u>162,778</u>	<u>3,188,353</u>	<u>1,633,139</u>	<u>5,699,784</u>	<u>5,423,667</u>
Operating income (loss)	<u>(242,066)</u>	<u>(20,193)</u>	<u>(907,176)</u>	<u>(1,270,184)</u>	<u>(2,439,619)</u>	<u>(302,895)</u>
Non-Operating Revenues (Expenses):						
Interest income	2,537	1,975	8,389	2,858	15,759	26,267
Vision 100 Grant	-	-	-	22,505	22,505	-
Administrative charges	-	-	264,866	-	264,866	-
Interest on long-term debt	(5,221)	-	-	-	(5,221)	-
Total non-operating revenues (expenses)	<u>(2,684)</u>	<u>1,975</u>	<u>273,255</u>	<u>25,363</u>	<u>297,909</u>	<u>26,267</u>
Income (loss) before contributions and transfers	<u>(244,750)</u>	<u>(18,218)</u>	<u>(633,921)</u>	<u>(1,244,821)</u>	<u>(2,141,710)</u>	<u>(276,628)</u>
Contributions and Transfers:						
Transfers in	-	-	-	236,841	236,841	-
Transfers out	(40,000)	(20,000)	(40,000)	-	(100,000)	-
Capital contributions	-	-	144,090	4,963,548	5,107,638	-
Total contributions and transfers	<u>(40,000)</u>	<u>(20,000)</u>	<u>104,090</u>	<u>5,200,389</u>	<u>5,244,479</u>	<u>-</u>
Change in net assets (deficit)	(284,750)	(38,218)	(529,831)	3,955,568	3,102,769	(276,628)
Net Assets:						
Beginning of year - July 1	<u>2,194,152</u>	<u>361,862</u>	<u>16,105,624</u>	<u>17,267,985</u>	<u>35,929,623</u>	<u>1,419,788</u>
End of year - June 30	<u>\$ 1,909,402</u>	<u>\$ 323,644</u>	<u>\$ 15,575,793</u>	<u>\$ 21,223,553</u>	<u>\$ 39,032,392</u>	<u>\$ 1,143,160</u>

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

STANLY COUNTY, NORTH CAROLINA

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2012

	Enterprise Funds					Governmental Activities
	Greater Badin Water & Sewer District Fund	Piney Point Water District Fund	Stanly County Utility Fund	Airport Fund	Total	Internal Service Group Health Fund
Cash Flows from Operating Activities:						
Cash received from customers	\$ 521,723	\$ 140,744	\$ 2,588,419	\$ (575,094)	\$ 2,675,792	\$ 5,120,772
Cash paid for goods and services	(350,114)	(123,654)	(1,440,891)	592,405	(1,322,254)	(5,089,076)
Cash paid to employees for services	-	-	(864,704)	(264,117)	(1,128,821)	-
Customer deposits	(60)	(90)	1,380	-	1,230	-
Net cash provided (used) by operating activities	171,549	17,000	284,204	(246,806)	225,947	31,696
Cash Flows from Non-Capital Financing Activities:						
Transfers from General Fund	-	-	-	236,841	236,841	-
Transfers to General Fund	(40,000)	(20,000)	(40,000)	-	(100,000)	-
Net cash provided (used) by non-capital financing activities	(40,000)	(20,000)	(40,000)	236,841	136,841	-
Cash Flows From Capital and Related Financing Activities:						
Acquisition and construction of capital assets	-	-	(392,149)	(4,978,946)	(5,371,095)	-
Principal paid on bond maturities and lease purchases	(22,731)	-	(4,920)	-	(27,651)	-
Interest paid on bond maturities and lease purchases	(5,320)	-	-	-	(5,320)	-
Capital contribution	-	-	144,090	4,986,053	5,130,143	-
Net cash provided (used) by capital and related financing activities	(28,051)	-	(252,979)	7,107	(273,923)	-
Cash Flows from Investing Activities:						
Interest on investments	2,537	1,975	8,389	2,858	15,759	27,267
Net increase (decrease) in cash and cash equivalents	106,035	(1,025)	(386)	-	104,624	58,963
Cash and Cash Equivalents:						
Beginning of year - July 1	151,282	210,619	841,194	-	1,203,095	2,647,203
End of year - June 30	\$ 257,317	\$ 209,594	\$ 840,808	\$ -	\$ 1,307,719	\$ 2,706,166

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

STANLY COUNTY, NORTH CAROLINA

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2012

	Enterprise Funds					Governmental Activities
	Greater Badin Water & Sewer District Fund	Piney Point Water District Fund	Stanly County Utility Fund	Airport Fund	Total	Internal Service Group Health Fund
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:						
Operating income (loss)	\$ (242,066)	\$ (20,193)	\$ (907,176)	\$ (1,270,184)	\$ (2,439,619)	\$ (302,895)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:						
Depreciation	366,486	34,762	848,645	953,693	2,203,586	-
Other non-operating revenue	-	-	264,866	-	264,866	-
Changes in assets and liabilities:						
(Increase) decrease in accounts receivable	48,275	(1,841)	42,376	(938,049)	(849,239)	-
(Increase) decrease in inventory	-	-	(1,852)	(1,467)	(3,319)	-
Increase (decrease) in accounts payable and liabilities	(1,086)	4,362	30,031	1,007,534	1,040,841	334,591
Increase (decrease) in customer deposits	(60)	(90)	1,380	-	1,230	-
Increase (decrease) in compensated absences	-	-	5,934	1,667	7,601	-
Total adjustments	413,615	37,193	1,191,380	1,023,378	2,665,566	334,591
Net cash provided (used) by operating activities	\$ 171,549	\$ 17,000	\$ 284,204	\$ (246,806)	\$ 225,947	\$ 31,696

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

STANLY COUNTY, NORTH CAROLINA

STATEMENT OF FIDUCIARY NET ASSETS

FIDUCIARY FUND

JUNE 30, 2012

	<u>Agency Fund</u>
Assets:	
Cash and cash equivalents	\$ 122,950
Inmate cash	<u>4,555</u>
Total assets	<u>\$ 127,505</u>
 Liabilities:	
Liabilities:	
Accounts payable	\$ 104,851
Client payable	<u>22,654</u>
Total liabilities	<u>\$ 127,505</u>

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

STANLY COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2012

I. Summary of Significant Accounting Policies

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

A. Reporting Entity

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

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

Discretely Presented Component Units

Stanly County Industrial Facility and Pollution Control Financing Authority exists to issue and service revenue bond debt of private businesses for economic development purposes. The County Commissioners appoint a seven-member Board to govern the Authority. The County Commissioners can remove any Authority member with or without cause. The Authority has no financial transactions or account balances; therefore, it is not presented in the County's financial statements at June 30, 2012. 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. These statements distinguish between the *governmental* and *business-type activities* of the County. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

STANLY COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2012

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, result from non-exchange transactions. Other non-operating items such as investment earnings are 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, take-offs, tie-down slots, hangars, and refueling for both civilian and military aircraft.

The County reports the following fund types:

Agency Funds. Agency funds are custodial in nature and do not involve measurement of results of operations. Agency funds are used to account for assets the County holds on behalf of others. The County maintains the following agency funds: the 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.

STANLY COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2012

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

Nonmajor Funds. The County maintains six legally budgeted funds. The Emergency Telephone System Fund, Fire District Fund, CDBG – 2009 Scattered Site Project Fund, Duke Home Energy Loan Pool Program Fund, 2010 Infrastructure Hook-up Project Fund, and 2011 Single Family Rehabilitation Program Project Fund are reported as nonmajor special revenue funds.

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

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

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

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

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

STANLY COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2012

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 2011 through February 2012 apply to the fiscal year ended June 30, 2012. Uncollected taxes that were billed during this period are shown as a receivable on these financial statements.

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. 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, Duke Home Energy Loan Pool Program 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 and Single Family Rehabilitation Program Project Special Revenue Funds 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

STANLY COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2012

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 association whose principal office is located in North Carolina. Also, the County may establish time deposit accounts such as NOW and Super NOW accounts, money market accounts, and certificates of deposit.

State law [G.S. 159-30(c)] authorizes the County to invest in obligations of the United States or obligations fully guaranteed both as to principal and interest by the United States; obligations of the State of North Carolina; bonds and notes of any North Carolina local government or public authority; obligations of certain non-guaranteed federal agencies; certain high-quality issues of commercial paper and bankers' acceptances; and the North Carolina Capital Management Trust (NCCMT).

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

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

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 law [G. S. 105-347 and G. S. 159-13(a)], the County levies ad valorem taxes on property other than motor vehicles on July 1, the beginning of the fiscal year. The taxes are due on September 1 (lien date); however, penalties and interest do not accrue until the following January 6. These taxes are based on the assessed values as of January 1, 2011. 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 that were 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, which approximates market. The cost is recorded as an expense when the inventory is consumed.

STANLY COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2012

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. Donated capital assets are recorded at their estimated fair value at the date of donation. The County's minimum capitalization threshold is \$2,000. Interest is capitalized on enterprise capital assets acquired with debt. The amount of interest capitalized is offset by interest income derived from investing the proceeds of the debt. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

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

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

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

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

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

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

STANLY COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2012

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 Revenues. Property taxes collected in advance of the fiscal year to which they apply are recorded as unearned revenue in the government-wide financial statements and deferred revenue in the fund financial statements. Certain receivables are also recorded as deferred revenue in the fund financial statements because they are not considered to be available at year-end.

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

11. Net Assets/Fund Balances

Net Assets

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

Fund Balances

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

The governmental fund types classify fund balances as follows:

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

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

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

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

STANLY COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2012

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 for installation of emergency 911 phone systems. Restricted, all other fund balances at June 30, 2012 are as follows:

<u>Purpose</u>	<u>General Fund</u>	<u>Other Nonmajor Governmental Funds</u>
Restricted, all other:		
Public Safety - USDA Reserve	\$ 15,159	\$ -
Public Safety	-	301,289
Total	<u>\$ 15,159</u>	<u>\$ 301,289</u>

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

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

Assigned fund balances at June 30, 2012 are as follows:

<u>Purpose</u>	<u>General Fund</u>
Assigned:	
Subsequent year's expenditures	\$ 534,066
General Government	377,926
Public Safety	63,469
Economic and Physical Development	6,801
Human Services	1,644,586
Cultural and Recreational	176,869
Total	<u>\$ 2,803,717</u>

STANLY COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2012

Assigned for Subsequent Year's Expenditures – portion of the fund balance that has been appropriated for the adopted 2012-2013 budget ordinance that has not already been classified in restricted or committed - \$ 534,066. The Board of Commissioners approves the appropriation; however, the budget ordinance authorizes the Manager to modify the appropriations by resources or appropriation within funds up to \$5,000.

Assigned for General Government – portion of fund balance assigned for tax revaluation \$ 377,926.

Assigned for Public Safety – portion of fund balance assigned for jail inmates \$ 63,469.

Assigned for Economic and Physical Development – portion of fund balance assigned for RPO services - \$6,801.

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 - \$585,217. Medicaid settlements portion is assigned for future health related activities - \$176,944. Dental clinic portion is assigned for future dental clinic services - \$882,425.

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 - \$151,825. 4-H portion is assigned for future 4-H services \$25,044.

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

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

Stanly County 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.

STANLY COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2012

F. Reconciliation of Government-Wide and Fund Financial Statements

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

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

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

Land	\$ 1,949,950	
Depreciable property	35,921,515	
Accumulated depreciation	<u>(19,421,224)</u>	\$ 18,450,241

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

Interest receivable	606,447	
Deferred taxes	<u>3,082,566</u>	3,689,013

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	(570,744)	
Due in one year	(3,593,680)	
Due in more than one year	<u>(31,078,982)</u>	(35,243,406)

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

1,143,160

Total adjustment \$ (11,960,992)

STANLY COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2012

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	\$ 573,564	
Depreciation	<u>(1,368,646)</u>	\$ (795,082)

Costs of capital assets disposed of during the year, not recognized on modified accrual basis.

<u>(65,781)</u>	(65,781)
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The issuance of long-term debt (e.g., bonds, leases) is a resource, and the repayment of bond principal is an expenditure in governmental funds; but those transactions increase or reduce long-term liabilities in the Statement of Net Assets.

Debt issued	(3,709,191)	
Debt retired	<u>6,571,918</u>	2,862,727

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	92,385	
Accrual of taxes	<u>490,560</u>	582,945

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

Allowance for special separation	(8,501)	
Compensated absences	(42,714)	
Other post-employment benefits	(332,380)	
Interest expense	<u>(16,616)</u>	(400,211)

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

<u>(276,628)</u>	<u>(276,628)</u>
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Total adjustment		<u>\$ 1,907,970</u>
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STANLY COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2012

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 that collateralizes public deposits under the Pooling Method.

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

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

At June 30, 2012, the County's demand deposits had a carrying amount of \$16,190,244 and a bank balance of \$16,759,394. Of the bank balance, \$535,720 was covered by federal depository insurance. The remaining \$16,223,674 was collateralized under the Pooling Method. The petty cash funds totaled \$5,517.

STANLY COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2012

2. Investments

As of June 30, 2012, the County had \$332,811 invested with the North Carolina Capital Managements Trust's Cash Portfolio.

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

Credit Risk. The County's investments in the NC Capital Management Trust Cash Portfolio carried a credit rating of AAAM by Standard & Poor's as of June 30, 2012. 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 by the County at the present use-value as opposed to market value. When the property loses its eligibility for use-value taxation, the property tax is recomputed at market value for the current year and the three preceding fiscal years, along with accrued interest from the original due date. This tax is immediately due and payable. The following are property taxes that could become due if the present use-value eligibility is lost. These amounts have not been recorded in the financial statements.

<u>Year Levied</u>	<u>Tax</u>	<u>Interest</u>	<u>Total</u>
2009	\$ 2,235,118	\$ 530,841	\$ 2,765,959
2010	2,271,590	335,060	2,606,650
2011	2,291,002	131,733	2,422,735
2012	2,300,492	-	2,300,492
Total	<u>\$ 9,098,202</u>	<u>\$ 997,634</u>	<u>\$ 10,095,836</u>

STANLY COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2012

4. Receivables

Receivables at the government-wide level at June 30, 2012, were as follows:

	<u>Taxes Receivable</u>	<u>Trade Accounts Receivable</u>	<u>Due from Other Governments</u>	<u>Interest</u>	<u>Other</u>	<u>Total</u>
Governmental Activities:						
General	\$ 3,429,106	\$ 1,166,604	\$ 2,601,439	\$ 611,318	\$ 26,777	\$ 7,835,245
Other governmental	129,601	-	77,069	-	-	206,670
Total receivables	3,558,707	1,166,604	2,678,508	611,318	26,777	8,041,915
Allowance for doubtful accounts	(476,140)	(294,672)	-	-	-	(770,812)
Total governmental activities	<u>\$ 3,082,567</u>	<u>\$ 871,932</u>	<u>\$ 2,678,508</u>	<u>\$ 611,318</u>	<u>\$ 26,777</u>	<u>\$ 7,271,103</u>
Business-Type Activities:						
Greater Badin Water and Sewer District	\$ -	\$ 128,078	\$ -	\$ 464	\$ -	\$ 128,542
Piney Point Water District	-	25,445	-	378	-	25,823
Stanly County Utility Fund	-	480,006	12,000	1,520	-	493,526
Airport	-	17,596	1,258,005	469	423	1,276,493
Total receivables	-	651,125	1,270,005	2,831	423	1,924,384
Allowance for doubtful accounts	-	(117,647)	-	-	-	(117,647)
Total business-type activities	<u>\$ -</u>	<u>\$ 533,478</u>	<u>\$ 1,270,005</u>	<u>\$ 2,831</u>	<u>\$ 423</u>	<u>\$ 1,806,737</u>

Due from other governments for the year ended June 30, 2012, consists of the following:

Governmental Activities:

Local option sales tax	\$ 1,158,562
Sales tax receivable	209,096
Grants receivable	92,254
Tire and white goods	23,810
Telecommunication tax	43,664
DSS & DHHS	1,074,352
Other	76,771
	<u>\$ 2,678,508</u>

Business-Type Activities:

Stanly Water & Sewer Authority	\$ 12,000
Grants receivable	1,258,005
	<u>\$ 1,270,005</u>

STANLY COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2012

5. Capital Assets

Primary Government

Capital asset activity for the year ended June 30, 2012 was as follows:

	<u>July 1, 2011</u>	<u>Additions</u>	<u>Retirements</u>	<u>June 30, 2012</u>
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 1,949,950	\$ -	\$ -	\$ 1,949,950
Capital assets being depreciated:				
Buildings	25,746,902	-	-	25,746,902
Equipment and vehicles	<u>10,046,551</u>	<u>573,564</u>	<u>445,502</u>	<u>10,174,613</u>
Total capital assets being depreciated	<u>35,793,453</u>	<u>573,564</u>	<u>445,502</u>	<u>35,921,515</u>
Less accumulated depreciation for:				
Buildings	9,726,179	658,650	-	10,384,829
Equipment and vehicles	<u>8,706,120</u>	<u>709,996</u>	<u>379,721</u>	<u>9,036,395</u>
Total accumulated depreciation	<u>18,432,299</u>	<u>\$ 1,368,646</u>	<u>\$ 379,721</u>	<u>19,421,224</u>
Total capital assets being depreciated, net	<u>17,361,154</u>			<u>16,500,291</u>
Governmental activity capital assets, net	<u>\$ 19,311,104</u>			<u>\$ 18,450,241</u>

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

Governmental Functions:	
General government	\$ 245,180
Public safety	732,137
Transportation	111,604
Environmental protection	17,526
Economic and physical development	24,746
Human services	46,222
Culture and recreation	<u>191,231</u>
Total depreciation expense governmental functions	<u>\$ 1,368,646</u>

STANLY COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2012

Business-Type Activities

Capital asset activity for business-type activities for the year ended June 30, 2012 was as follows:

	<u>July 1, 2011</u>	<u>Additions</u>	<u>Retirements</u>	<u>June 30, 2012</u>
Business-Type Activities:				
Greater Badin Water and Sewer:				
Capital assets being depreciated:				
Plant in service	\$ 7,309,606	\$ -	\$ -	\$ 7,309,606
Equipment and vehicles	<u>207,502</u>	<u>-</u>	<u>-</u>	<u>207,502</u>
Total capital assets being depreciated	<u>7,517,108</u>	<u>-</u>	<u>-</u>	<u>7,517,108</u>
Less accumulated depreciation for:				
Plant in service	5,185,447	357,664	-	5,543,111
Equipment and vehicles	<u>198,680</u>	<u>8,822</u>	<u>-</u>	<u>207,502</u>
Total accumulated depreciation	<u>5,384,127</u>	<u>\$ 366,486</u>	<u>\$ -</u>	<u>5,750,613</u>
Total capital assets being depreciated, net	<u>2,132,981</u>			<u>1,766,495</u>
Total Greater Badin capital assets, net	<u>2,132,981</u>			<u>1,766,495</u>
Piney Point Water:				
Capital assets being depreciated:				
Plant in service	<u>727,984</u>	<u>-</u>	<u>-</u>	<u>727,984</u>
Less accumulated depreciation for:				
Plant in service	<u>596,323</u>	<u>\$ 34,762</u>	<u>\$ -</u>	<u>631,085</u>
Total Piney Point capital assets, net	<u>131,661</u>			<u>96,899</u>
Stanly Utility Operating:				
Capital assets not being depreciated:				
Land	223,784	-	-	223,784
Construction in progress	<u>1,638,801</u>	<u>369,764</u>	<u>1,604,652</u>	<u>403,913</u>
Total assets not being depreciated	<u>1,862,585</u>	<u>369,764</u>	<u>1,604,652</u>	<u>627,697</u>
Capital assets being depreciated:				
Plant in service	23,581,604	1,604,652	-	25,186,256
Equipment and vehicles	<u>542,242</u>	<u>22,385</u>	<u>13,565</u>	<u>551,062</u>
Total capital assets being depreciated	<u>24,123,846</u>	<u>1,627,037</u>	<u>13,565</u>	<u>25,737,318</u>
Less accumulated depreciation for:				
Plant in service	10,389,025	833,061	-	11,222,086
Equipment and vehicles	<u>463,255</u>	<u>15,584</u>	<u>13,565</u>	<u>465,274</u>
Total accumulated depreciation	<u>10,852,280</u>	<u>\$ 848,645</u>	<u>\$ 13,565</u>	<u>11,687,360</u>
Total capital assets being depreciated, net	<u>13,271,566</u>			<u>14,049,958</u>
Total Stanly County Utility capital assets, net	<u>15,134,151</u>			<u>14,677,655</u>

STANLY COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2012

	<u>July 1, 2011</u>	<u>Additions</u>	<u>Retirements</u>	<u>June 30, 2012</u>
Airport Operating:				
Capital assets not being depreciated:				
Land	4,924,095	-	-	4,924,095
Construction in progress	<u>3,656,422</u>	<u>4,978,946</u>	<u>-</u>	<u>8,635,368</u>
Total capital assets not being depreciated	<u>8,580,517</u>	<u>4,978,946</u>	<u>-</u>	<u>13,559,463</u>
Capital assets being depreciated:				
Buildings	1,852,923	-	-	1,852,923
Improvements	20,182,968	-	-	20,182,968
Equipment and vehicles	<u>279,433</u>	<u>-</u>	<u>-</u>	<u>279,433</u>
Total capital assets being depreciated	<u>22,315,324</u>	<u>-</u>	<u>-</u>	<u>22,315,324</u>
Less accumulated depreciation for:				
Buildings	468,337	11,722	-	480,059
Improvements	11,927,155	941,971	-	12,869,126
Equipment and vehicles	<u>279,433</u>	<u>-</u>	<u>-</u>	<u>279,433</u>
Total accumulated depreciation	<u>12,674,925</u>	<u>\$ 953,693</u>	<u>\$ -</u>	<u>13,628,618</u>
Total capital assets being depreciated, net	<u>9,640,399</u>			<u>8,686,706</u>
Total Airport capital assets, net	<u>18,220,916</u>			<u>22,246,169</u>
Total business-type activity capital assets, net	<u>\$ 35,619,709</u>			<u>\$ 38,787,218</u>

Construction Commitments

The County has active construction projects as of June 30, 2012. Commitments with contractors are as follows:

<u>Project</u>	<u>Project to Date</u>	<u>Remaining Commitment</u>
Endy Sewer	\$ 62,931	\$ 2,533,769
ARRA Water Storage Tank	181,307	129,436
Highway 200 Water	159,674	1,496,826
Airport Corridor	-	80,000
Terminal Improvement	3,111,808	188,591
Runway Extn Design	928,344	82,656
Runway Pavement	4,500,160	2,084,321
AWOS & ILS Upgrade	<u>95,054</u>	<u>29,946</u>
Total	<u>\$ 9,039,278</u>	<u>\$ 6,625,545</u>

STANLY COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2012

B. Liabilities

1. Payables

Payables at the government-wide level at June 30, 2012 were as follows:

	<u>Vendors</u>	<u>Salaries and Benefits</u>	<u>Accrued Interest</u>	<u>Total</u>
Governmental Activities:				
General	\$ 2,449,747	\$ 1,001,402	\$ 570,744	\$ 4,021,893
Other	<u>42,503</u>	<u>-</u>	<u>-</u>	<u>42,503</u>
Total governmental activities	<u>\$ 2,492,250</u>	<u>\$ 1,001,402</u>	<u>\$ 570,744</u>	<u>\$ 4,064,396</u>
Business-Type Activities:				
Greater Badin Water and Sewer Districts	\$ 3,860	\$ -	\$ 788	\$ 4,648
Piney Point Water District	4,381	-	-	4,381
Stanly County Utility	103,451	36,787	-	140,238
Airport	<u>891,285</u>	<u>10,572</u>	<u>-</u>	<u>901,857</u>
Total business-type activities	<u>\$ 1,002,977</u>	<u>\$ 47,359</u>	<u>\$ 788</u>	<u>\$ 1,051,124</u>

2. Pension Plan and Other Post-Employment Obligations

a. North Carolina Local Governmental Employees' Retirement System

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

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 6.98%, and for law enforcement officers 7.04% of annual covered payroll. The contribution requirements for members and for Stanly County are established and may be amended by the North Carolina General Assembly. The County's contributions to LGERS for the years ended June 30, 2010, 2011, and 2012 were \$715,552, \$897,355, and \$967,286, respectively. The County's contributions to LEO for the years ended June 30, 2010, 2011, and 2012 were \$93,633, \$119,175, \$130,756 and respectively. The contributions made by the County equaled the required contributions for each year.

STANLY COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2012

b. Law Enforcement Officers' Special Separation Allowance

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

The Separation Allowance covers all full-time County law enforcement officers. At December 31, 2011, the Separation Allowance's membership consisted of:

Retirees receiving benefits	4
Active plan members	<u>46</u>
Total	<u>50</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, 2012 was \$56,025 or 3.05% of annual covered payroll.

The annual required contribution for the current fiscal year was determined as part of the December 31, 2010 actuarial valuation using the projected unit credit actuarial cost method. The actuarial assumptions included (a) 5.00% investment rate of return (net of administrative expenses) and (b) projected salary increases ranging from 4.25% to 7.85% per year. The inflation component was 3.00 %. 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, 2010 was 20 years.

STANLY COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2012

Annual Pension Cost and Net Pension Obligation. For the fiscal year ending June 30, 2012, the County's annual pension cost and net pension obligation were as follows:

Employer annual required contribution	\$ 66,981
Interest on net pension obligation	12,712
Adjustment to annual required contribution	<u>(15,167)</u>
Annual pension cost	64,526
Employer contributions made for fiscal year	<u>56,025</u>
Increase (decrease) in net pension obligation	8,501
Net pension obligation:	
Beginning of year - July 1	<u>254,243</u>
End of year - June 30	<u><u>\$ 262,744</u></u>

Three-Year Trend Information

<u>Fiscal Year Ended</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation End of Year</u>
2010	\$ 58,134	115.17%	\$ 242,283
2011	69,618	82.82%	254,243
2012	64,526	86.83%	262,744

Funded Status and Funding Progress. As of December 31, 2011, 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 \$539,648. The covered payroll (annual payroll of active employees covered by the plan) was \$1,836,890, and the ratio of the UAAL to the covered payroll was 29.38 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.

STANLY COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2012

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, 2012 were \$101,373, which consisted of \$88,596 from the County and \$12,777 from the law enforcement officers. The County provides a Section 401K Deferred Compensation Plan for this purpose.

d. Register of Deeds' Supplemental Pension Fund

Plan Description. Stanly County also contributes to the Register of Deeds' Supplemental Pension Fund (Fund), a 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 Government Employees' Retirement System (LGERS) or an equivalent locally sponsored plan. Article 3 of G.S. Chapter 161 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. 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 3 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, 2012, the County's required and actual contributions were \$4,688.

e. Other Post-Employment Benefits

Healthcare Benefits

Plan Description. According to a County resolution, Stanly County provides healthcare benefits through the Healthcare Benefits Plan as a single-employer defined benefit plan. At retirement, all employees who have at least 30 years of service with 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.

STANLY COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2012

Members of the Retiree Health Benefit Plan consisted of the following at December 31, 2011, the date of the latest actuarial valuation:

	General Employees	Law Enforcement Officers
Retirees and dependents receiving benefits	16	3
Active plan members	394	46
Total	410	49

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 3.11% of annual covered payroll. For the current year, the County contributed \$143,702 or .91% 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 \$3,160 for spouse coverage, \$2,276 for children coverage, and \$7,793 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	\$ 488,508
Valuation discount rate	4.00%
Interest on net OPEB obligation	36,559
Amortization factor	28.9774
Adjustment to annual required contribution	(31,541)
Annual OPEB cost	493,526
Employer contributions made for fiscal year ending June 30, 2012	143,702
Increase (decrease) in net OPEB obligation:	349,824
Net OPEB obligation, beginning of fiscal year - July 1	913,971
Net OPEB obligation, end of fiscal year - June 30	\$ 1,263,795

STANLY COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2012

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2012 were as follows:

Three-Year Trend Information			
Fiscal Year Ended	Annual OPEB Cost (AOC)	Percentage of AOC Contributed	Net OPEB Obligation End of Year
2010	\$ 472,260	31.06%	\$ 582,100
2011	474,047	29.99%	913,971
2012	493,526	29.12%	1,263,795

Funded Status and Funding Progress. As of December 31, 2011, 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 \$4,029,067. The covered payroll (annual payroll of active employees covered by the plan) was \$15,707,007, and the ratio of the UAAL to the covered payroll was 25.7 percent.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and healthcare cost trends. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The Schedule of Funding Progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the 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, 2011 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 4.00 percent investment rate of return (net of administrative expenses), which is a blended rate of the expected long-term investment returns on plan assets and on the employer's own investments calculated based on the funded level of the plan at the valuation date. The rate included a 3.00 percent inflation assumption. The medical cost trend rate varied between 9.50 to 5.00 percent. 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 pay, open basis. The remaining amortization period at December 31, 2011 was 30 years.

STANLY COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2012

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 / Unearned Revenues

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

	Deferred Revenues	Unearned Revenues
Prepaid taxes not yet earned	\$ -	\$ 262,568
Taxes receivable, net (General)	2,966,007	-
Taxes receivable, net (Special)	116,559	-
Total	<u>\$ 3,082,566</u>	<u>\$ 262,568</u>

4. Risk Management

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

Medical and Dental. The County is exposed to various risks of loss related to medical and illness needs of employees. The County and employees participate in a cost-share plan for group health insurance. The County established the Group Health Fund (Internal Service Fund) to account for its self-insurance plan. The County has contracted with a third-party administrator to account for its group health self-insurance plan that is administrated by Blue Cross/Blue Shield of North Carolina. The County is responsible for claims up to \$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 full-time employees of the County participate in the program and make payments to the Group Health Fund based on estimates of the amounts needed to pay claims. The claims liability of \$433,182 reported in the fund at June 30, 2012 is based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires that a liability for claims be reported if

STANLY COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2012

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 \$433,182 claims liability represents total estimated claims incurred but not reported, as provided by the plan administrator's actuary.

	<u>June 30, 2012</u>	<u>June 30, 2011</u>
Unpaid claims and claim adjustment expenses at beginning of fiscal year	\$ 448,803	\$ 339,922
Incurred claims and claim adjustment expenses:		
Provision for insured events of current year	3,694,325	3,162,270
Claims and adjustment expenses attributable to insured events of current and prior year	<u>3,709,946</u>	<u>3,053,389</u>
Total claims liability	<u>\$ 433,182</u>	<u>\$ 448,803</u>

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 \$500,000 and aggregate excess limit for \$1,000,000. The claims liability of \$1,131,247 reported in the fund at June 30, 2012 is based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. The County expects all claims to be paid within the next twelve months; therefore, the entire amount is presented as current.

STANLY COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2012

The \$1,131,247 claims liability represents total estimated claims incurred, but not reported, as provided by the plan administrator's actuary.

	<u>June 30, 2012</u>	<u>June 30, 2011</u>
Unpaid claims and claim adjustment expenses at beginning of fiscal year	\$ 783,134	\$ 1,100,452
Incurred claims and claim adjustment expenses:		
Provision for insured events of current year	809,227	195,893
Claims and adjustment expenses attributable to insured events of current and prior year	<u>461,114</u>	<u>513,211</u>
Total claims liability	<u>\$ 1,131,247</u>	<u>\$ 783,134</u>

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

The County carries no flood insurance.

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

5. Contingent Liabilities

At June 30, 2012, the County was a defendant to various lawsuits. In the opinion of the County's management and the County's Attorney, the ultimate effect of these legal matters will not have a material adverse effect on the County's financial position.

STANLY COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2012

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, 2012 are comprised of the following:

General Government:

On August 15, 2011, the County refunded the Jail Renovation & Construction Series 2006 installment purchase for \$3,709,191, at an interest rate of 2.92%. This refund was undertaken to reduce the total debt service payments over the next 9 years for a net present value savings of \$174,077. The new loan is as follows:

Lease for the construction of the jail additions entered into on August 15, 2011, payable in semi-annual principal payments ranging from \$166,155 to \$195,078, and semi-annual interest payments at a rate of 2.92% through August 15, 2021.

\$ 3,523,215

At June 30, 2012, the County leased the jail valued at:

<u>Class of Property</u>	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net Book Value</u>
Jail	<u>\$ 8,457,979</u>	<u>\$ 422,899</u>	<u>\$ 8,035,080</u>

Future minimum lease payments as of June 30, 2012 were as follows:

<u>General Long-Term Debt</u>	<u>Capitalized Leases</u>	
	<u>Principal</u>	<u>Interest</u>
2013	\$ 390,155	\$ 100,030
2014	386,155	88,666
2015	382,037	77,421
2016	377,798	66,296
2017	373,435	55,296
2018-2022	<u>1,613,635</u>	<u>116,237</u>
Total	<u>\$ 3,523,215</u>	<u>\$ 503,947</u>

STANLY COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2012

b. Notes Payable

General Fund:

Aquadale and Locust School Project (1):

The construction of additions to Aquadale and Locust Schools,
December 29, 2011, payable in annual principal payments of \$364,706
and semi-annual interest payments at an interest rate of 3.67% \$ 5,835,294

Aquadale and Locust School Project (2):

The construction of additions to Aquadale and Locust Schools,
January 25, 2012, payable in annual principal payments of \$319,505
and semi-annual interest payments at an interest rate of 3.67% 5,112,075

Ambulance Loan:

The purchase of two new Ambulances for Emergency Services,
May 20, 2010, payable in annual principal payments of \$86,964 and
annual interest payments at an interest rate of 4.00% 83,575

Ambulance Loan:

The 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% 165,077

USDA Jail Loan:

The construction of the jail additions entered into on August 10, 2010,
payable in annual principal payments of \$75,795 and annual interest
payments at an interest rate of 4.00% 1,484,205

Information Technology Loan:

The renovations of the information technology network equipment,
January 13, 2010, payable in semi-annual principal payments of
\$8,812 and semi-annual interest payments at an interest rate of 5.00% 45,015
Total General Fund 12,725,241

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. 81,531

Greater Badin Water and Sewer District:

North Carolina Clean Water Revolving Loan executed on
May 1, 1999, payable in annual principal payments of \$22,731
and semi-annual interest payments at an interest rate of 2.60% 181,848
Total Enterprise Fund 263,379

Total Notes Payable \$ 12,988,620

STANLY COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2012

Future minimum payments as of June 30, 2012 were as follows:

General Long-Term Debt	Notes Payable	
	Principal	Interest
2013	\$ 879,527	\$ 474,483
2014	800,306	439,789
2015	717,742	410,175
2016	702,689	383,754
2017	703,428	357,904
2018-2022	3,529,302	1,400,700
2023-2027	3,552,755	749,484
2028-2032	844,446	243,850
2033-2037	194,950	184,025
2038-2042	237,187	141,788
2043-2047	288,574	90,401
2048-2050	274,336	27,917
Total	<u>12,725,241</u>	<u>4,904,270</u>
Proprietary Funds		
2013	27,652	4,728
2014	27,652	4,137
2015	27,652	3,546
2016	27,652	2,955
2017	27,652	2,364
2018-2022	92,795	3,546
2023-2027	24,602	-
2028-2029	7,724	-
Total	<u>263,379</u>	<u>21,276</u>
Total	<u>\$ 12,988,620</u>	<u>\$ 4,925,546</u>

c. General Obligation Indebtedness

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

STANLY COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2012

The following is a schedule of general obligation debt at June 30, 2012:

General Government:

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

\$ 15,000,000

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

Annual debt service requirements to maturity at June 30, 2012 are as follows:

General Long-Term Debt	General Obligation Bonds	
	Principal	Interest
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	1,535,000	361,250
2018-2022	7,190,000	901,800
Total	<u>\$ 15,000,000</u>	<u>\$ 3,158,400</u>

STANLY COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2012

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, 2012:

	Balances July 1, 2011	Additions	Retirements	Balances June 30, 2012	Current Portion of Balance
Governmental Activities:					
General obligation debt	\$ 16,575,000	\$ -	\$ 1,575,000	\$ 15,000,000	\$ 1,615,000
Bond issuance cost/premiums	978,656	-	88,998	889,658	88,998
Capitalized leases	3,850,000	3,709,191	4,035,976	3,523,215	390,155
Notes payable	13,597,185	-	871,944	12,725,241	879,527
Compensated absences	1,028,854	805,672	762,958	1,071,568	620,000
Other post-employment benefit	867,856	476,082	143,702	1,200,236	-
Net pension obligation	254,243	64,526	56,025	262,744	-
Total governmental activities	<u>\$ 37,151,794</u>	<u>\$ 5,055,471</u>	<u>\$ 7,534,603</u>	<u>\$ 34,672,662</u>	<u>\$ 3,593,680</u>
Business-Type Activities:					
Stanly County Utility Fund:					
Notes payable	\$ 86,451	\$ -	\$ 4,920	\$ 81,531	\$ 4,921
Compensated absences	58,563	34,803	33,150	60,216	20,000
Other post-employment benefit	35,155	14,216	-	49,371	-
Total Utility Fund	<u>180,169</u>	<u>49,019</u>	<u>38,070</u>	<u>191,118</u>	<u>24,921</u>
Greater Badin W&S District Fund:					
Notes payable	<u>204,579</u>	<u>-</u>	<u>22,731</u>	<u>181,848</u>	<u>22,731</u>
Airport Fund:					
Compensated absences	15,587	6,988	5,759	16,816	5,000
Other post-employment benefit	10,960	3,228	-	14,188	-
Total Airport Fund	<u>26,547</u>	<u>10,216</u>	<u>5,759</u>	<u>31,004</u>	<u>5,000</u>
Total business-type activities	<u>\$ 411,295</u>	<u>\$ 59,235</u>	<u>\$ 66,560</u>	<u>\$ 403,970</u>	<u>\$ 52,652</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.

STANLY COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2012

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, 2012, three industrial revenue bonds were outstanding, with an aggregate principal amount payable of \$12,264,465.

At June 30, 2012, Stanly County had a legal debt margin of \$308,174,833.

f. Invested in Capital Assets, Net of Related Debt

Invested in capital assets, net of related debt, at June 30, 2012 was calculated as follows:

	General Fund	Enterprise Fund
Capital assets	\$ 18,450,241	\$ 38,787,218
Total debt, gross	(31,248,456)	(263,379)
Add: Debt not related to County assets		
School debt for which County does not hold title	26,837,027	-
Total related debt	(4,411,429)	(263,379)
Invested in capital assets, net of related debt	\$ 14,038,812	\$ 38,523,839

C. Interfund Balances and Activity

Interfund receivable balances consist of cash deficits as of June 30, 2012. Those funds have projects in progress for which they first expend the money and are later reimbursed. The funds and the amounts are as follows:

	Interfund Receivables	Interfund Payable
General Fund	\$ 1,471,128	\$ -
Community Development Block Grant Infrastructure Hook-Up Project	-	45,455
Single Family Rehabilitation Program	-	170
Stanly County Airport Fund	-	1,425,503
Total	\$ 1,471,128	\$ 1,471,128

STANLY COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2012

Transfers to and from other funds at June 30, 2012 consists of the following:

	Transfers		Purpose
	From	To	
General Fund:			
General Fund	\$ 236,841	\$ -	
Airport Fund	-	227,336	Operating and capital outlay support
AWOS & ILS Project	-	9,505	Operating support
Special Revenue Fund:			
E911 Fund	3,059	-	
General Fund	-	3,059	Operating support
Enterprise Funds Fund:			
Stanly County Utility Fund	40,000	-	Operating support
Piney Point Water District Fund	20,000	-	Operating support
Greater Badin Water District Fund	40,000	-	Operating support
General Fund	-	100,000	
Total	<u>\$ 339,900</u>	<u>\$ 339,900</u>	

D. Fund Balance

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

Total fund balance - General Fund	\$ 17,889,882
Less:	
Prepaid items	52,912
Stabilization by State statute	<u>7,936,276</u>
Total available fund balance	<u>\$ 9,900,694</u>

III. Joint Ventures

The County, in conjunction with Union, Cabarrus, and Rowan Counties, participates in the Piedmont Area Mental Health Authority. The Authority is a joint venture established to provide the participating counties with legally mandated mental health services. The County has an ongoing financial responsibility for the Authority, because the Authority's continued existence depends on the participating governments' continued funding. The County contributed \$202,935 to the Authority during fiscal year ended June 30, 2012. 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, 2012. Complete financial statements for the Authority can be obtained from the Authority's administrative office at 245 LePhillip Court, NE, Concord, North Carolina 28025.

STANLY COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2012

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 \$1,242,960 for operating purposes and \$145,000 for capital, during the fiscal year ended June 30, 2012. 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 \$14,237 to the Council during the fiscal year ended June 30, 2012.

V. Summary Disclosure of Significant Contingencies

Federal and State-Assisted Programs

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

VI. Significant Effects of Subsequent Events

On August 30, 2012, Stanly Water & Sewer Authority repaid the County \$2,569,000 per an interlocal agreement where the County provided interim financing for Phase 1 and 2 water line projects.

STANLY COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2012

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:

	<u>Federal</u>	<u>State</u>
Medicaid	\$ 45,805,527	\$ 26,893,031
Temporary Assistance for Needy Families	285,573	-
Special Supplemental Food Program for Women, Infants, and Children	1,278,877	-
Special Assistance to Adults	-	558,620
Title IV-E Foster Care Subsidiary	235,216	62,237
Title IV-E Adoption Subsidiary	220,894	59,154
NC Department of Cultural Resources	-	105,547
LINKS	<u>8,504</u>	<u>-</u>
Totals	<u>\$ 47,834,591</u>	<u>\$ 27,678,589</u>



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***REQUIRED SUPPLEMENTARY
FINANCIAL INFORMATION***

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

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



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STANLY COUNTY, NORTH CAROLINA

**LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS
FOR THE YEAR ENDED JUNE 30, 2012**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Liability (AAL) Project Unit Credit (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll for Year Ending On Valuation Date (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/2002	\$ -	\$ 352,552	\$ 352,552	0.00%	\$ 1,303,695	27.04%
12/31/2003	-	363,497	363,497	0.00%	1,222,822	29.73%
12/31/2004	-	407,795	407,795	0.00%	1,237,242	32.96%
12/31/2005	-	375,030	375,030	0.00%	1,521,812	24.64%
12/31/2006	-	431,973	431,973	0.00%	1,629,065	26.52%
12/31/2007	-	417,619	417,619	0.00%	1,637,644	25.50%
12/31/2008	-	508,724	508,724	0.00%	1,793,364	28.37%
12/31/2009	-	643,054	643,054	0.00%	1,919,595	33.50%
12/31/2010	-	578,200	578,200	0.00%	1,926,552	30.01%
12/31/2011	-	539,648	539,648	0.00%	1,836,890	29.38%

STANLY COUNTY, NORTH CAROLINA

**LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER CONTRIBUTIONS
FOR THE YEAR ENDED JUNE 30, 2012**

<u>Year Ended June 30</u>	<u>Annual Required Contribution</u>	<u>Percentage Contributed</u>
2012	\$ 66,981	83.64%
2011	70,475	81.81%
2010	55,747	120.10%
2009	47,648	139.49%
2008	47,697	119.42%
2007	41,853	124.12%
2006	42,603	84.87%
2005	41,234	55.99%
2004	42,234	50.57%
2003	34,993	20.35%

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	12/31/2011
Actuarial cost method	Projected unit credit
Amortization method	Level percent of pay closed
Remaining amortization period	19 years
Asset valuation method	Market value
Actuarial assumptions:	
Investment rate or return*	5.00%
Projected salary increases*	4.25 - 7.85%
 *Includes inflation at	 3.00%
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, 2012**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Accrued Liability (AAL) Project Unit Credit (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
7/1/2006	\$ -	\$ 3,851,000	\$ 3,851,000	0.00%	\$ 12,343,462	31.2%
12/31/2009	-	5,151,348	5,151,348	0.00%	16,545,086	31.1%
12/31/2011	-	4,029,067	4,029,067	0.00%	15,707,007	25.7%

STANLY COUNTY, NORTH CAROLINA

OTHER POST-EMPLOYMENT BENEFITS REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF EMPLOYER CONTRIBUTIONS FOR THE YEAR ENDED JUNE 30, 2012

<u>Year Ended June 30</u>	<u>Annual Required Contribution</u>	<u>Percentage Contributed</u>
2009	\$ 369,000	30.48%
2010	470,851	31.16%
2011	470,851	30.20%
2012	488,508	29.42%

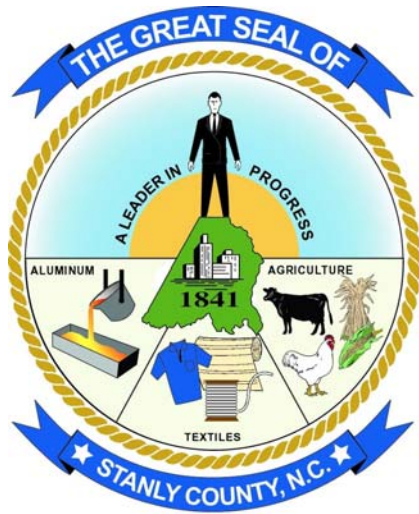
Notes to the Required Schedules:

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	12/31/2011
Actuarial cost method	Projected unit credit
Amortization method	Level percent of pay, open
Remaining amortization period	30
Asset valuation method	Market value of assets
Actuarial assumptions:	
Investment rate or return*	4.00%
Projected salary increases*	9.50 - 5.00%
Year of Ultimate trend rate	2018
*Includes inflation at	3.00%
Cost of living adjustments	N/A

GENERAL FUND

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



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STANLY COUNTY, NORTH CAROLINA

**GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2012**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Ad valorem property taxes:			
Ad valorem taxes		\$ 27,801,443	
Penalties and interest		320,771	
Total	<u>\$ 28,217,160</u>	<u>28,122,214</u>	<u>\$ (94,946)</u>
Local option sales taxes:			
Sales tax article 39		2,630,640	
Sales tax article 40		2,296,514	
Sales tax article 42		1,768,892	
Sales tax article 44		(29)	
Total	<u>6,475,000</u>	<u>6,696,017</u>	<u>221,017</u>
Other taxes:			
Real property excise tax		87,523	
Solid waste		25,930	
Cable franchise tax		164,644	
Occupancy tax		207,471	
Other taxes		19,130	
Total	<u>489,938</u>	<u>504,698</u>	<u>14,760</u>
Restricted intergovernmental:			
Public safety		350,934	
Transportation		442,266	
Health		774,342	
Social services grants		6,963,988	
Senior and aging services		13,312	
Other federal and State grants		2,433,164	
EMS		14,986	
Total	<u>11,269,398</u>	<u>10,992,992</u>	<u>(276,406)</u>
Permits and fees:			
Recording fees		251,914	
Marriage license		8,069	
Building permits		371,051	
Concealed weapons permits		24,145	
Tech fees		9,811	
Zoning and planning permits		24,042	
Total	<u>671,600</u>	<u>689,032</u>	<u>17,432</u>

STANLY COUNTY, NORTH CAROLINA

**GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2012**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Sales and services:			
Intergovernmental charges		183,606	
Sheriff and jail fees		493,122	
Ambulance fees		2,512,915	
Transportation		410,277	
Solid waste		821,178	
Health fees		2,576,222	
Rental and other charges		168,919	
Total	<u>6,530,018</u>	<u>7,166,239</u>	<u>636,221</u>
Investment earnings:			
Earned interest	<u>225,000</u>	<u>139,065</u>	<u>(85,935)</u>
Miscellaneous:			
Donations		336,145	
Rents		258,826	
Sale of assets		14,809	
Miscellaneous other		264,676	
Total	<u>980,342</u>	<u>874,456</u>	<u>(105,886)</u>
Total revenues	<u>54,858,456</u>	<u>55,184,713</u>	<u>326,257</u>
Expenditures:			
General Government:			
Governing body:			
Salaries and employee benefits		85,904	
Operating expenditures		82,860	
Total		<u>168,764</u>	
Administration:			
Salaries and employee benefits		349,247	
Operating expenditures		14,912	
Total		<u>364,159</u>	
Finance department:			
Salaries and employee benefits		283,144	
Operating expenditures		160,562	
Total		<u>443,706</u>	

STANLY COUNTY, NORTH CAROLINA

GENERAL FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2012

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Tax assessor:			
Salaries and employee benefits		668,931	
Operating expenditures		<u>89,058</u>	
Total		<u>757,989</u>	
Tax revaluation:			
Salaries and employee benefits		295,871	
Operating expenditures		<u>15,905</u>	
Total		<u>311,776</u>	
County attorney:			
Salaries and employee benefits		129,888	
Operating expenditures		<u>161,532</u>	
Total		<u>291,420</u>	
Clerk of Court:			
Operating expenditures		<u>9,752</u>	
Judge's office:			
Operating expenditures		<u>1,950</u>	
Elections:			
Salaries and employee benefits		174,921	
Operating expenditures		<u>125,945</u>	
Total		<u>300,866</u>	
Register of Deeds:			
Salaries and employee benefits		193,273	
Operating expenditures		53,752	
Capital outlay		<u>51,149</u>	
Total		<u>298,174</u>	
Information technology:			
Salaries and employee benefits		281,413	
Operating expenditures		<u>196,614</u>	
Total		<u>478,027</u>	
Facilities management:			
Salaries and employee benefits		357,578	
Operating expenditures		552,223	
Capital outlay		<u>27,413</u>	
Total		<u>937,214</u>	
Total general government	<u>4,576,523</u>	<u>4,363,797</u>	<u>212,726</u>

STANLY COUNTY, NORTH CAROLINA

GENERAL FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2012

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Public Safety:			
Sheriff:			
Salaries and employee benefits		3,106,291	
Operating expenditures		491,138	
Capital outlay		85,920	
Total		<u>3,683,349</u>	
Jail:			
Salaries and employee benefits		1,810,192	
Operating expenditures		603,623	
Total		<u>2,413,815</u>	
Office of juvenile justice:			
Operating expenditures		34,285	
Program expenditures		183,445	
Juvenile detention		37,698	
Total		<u>255,428</u>	
Criminal justice partnership:			
Operating expenditures		<u>68,541</u>	
Emergency management:			
Salaries and employee benefits		2,402,083	
Operating expenditures		1,008,567	
Capital outlay		63,192	
Total		<u>3,473,842</u>	
Code enforcement:			
Salaries and employee benefits		273,180	
Operating expenditures		27,033	
Total		<u>300,213</u>	
Medical examiner:			
Contractual services		<u>29,600</u>	
Animal control:			
Salaries and employee benefits		230,669	
Operating expenditures		53,142	
Capital outlay		16,483	
Total		<u>300,294</u>	

STANLY COUNTY, NORTH CAROLINA

**GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2012**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
911 communication service:			
Salaries and employee benefits		900,991	
Operating expenditures		<u>64,895</u>	
Total		<u>965,886</u>	
Reimbursements:			
From E-911 fund		<u>(45,337)</u>	
Total public safety	<u>11,693,327</u>	<u>11,445,631</u>	<u>247,696</u>
Transportation:			
Salaries and employee benefits		656,690	
Operating expenditures		197,953	
Capital outlay		<u>85,549</u>	
Total transportation	<u>1,015,350</u>	<u>940,192</u>	<u>75,158</u>
Environmental Protection:			
Solid waste operations:			
Salaries and employee benefits		334,649	
Operating expenditures		616,802	
Capital outlay		<u>16,990</u>	
Total		<u>968,441</u>	
Fire forester:			
Contribution to other agency		<u>77,669</u>	
Soil and water conservation:			
Salaries and employee benefits		97,801	
Operating expenditures		<u>5,237</u>	
Total		<u>103,038</u>	
Total environmental protection	<u>1,140,800</u>	<u>1,149,148</u>	<u>(8,348)</u>
Economic and Physical Development:			
Economic development commission:			
Salaries and employee benefits		142,133	
Operating expenditures		<u>1,097,182</u>	
Total		<u>1,239,315</u>	

STANLY COUNTY, NORTH CAROLINA

GENERAL FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2012

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Occupancy tax-motel/hotel: To other municipalities		<u>171,121</u>	
Planning and zoning: Salaries and employee benefits Operating expenditures Total		<u>208,116</u> <u>34,360</u> <u>242,476</u>	
Central permitting Salaries and employee benefits Operating expenditures Total		<u>164,666</u> <u>5,645</u> <u>170,311</u>	
Cooperative extension: Salaries and employee benefits Operating expenditures Total		<u>4,877</u> <u>196,868</u> <u>201,745</u>	
Special appropriation for economic development: Contribution for economic development		<u>25,000</u>	
Rocky River RPO: Salaries and employee benefits Operating expenditures Total		<u>95,685</u> <u>8,480</u> <u>104,165</u>	
Total economic and physical development	<u>2,390,487</u>	<u>2,154,133</u>	<u>236,354</u>
Human Services:			
Health: Salaries and employee benefits Operating expenditures Capital outlay Total		<u>1,675,519</u> <u>554,178</u> <u>166,452</u> <u>2,396,149</u>	
Home health: Salaries and employee benefits Operating expenditures Total		<u>512,302</u> <u>559,553</u> <u>1,071,855</u>	

STANLY COUNTY, NORTH CAROLINA

**GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2012**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Health - smart start:			
Salaries and employee benefits		52,577	
Operating expenditures		2,696	
Total		<u>55,273</u>	
Dental clinic:			
Salaries and employee benefits		585,838	
Operating expenditures		135,462	
Capital outlay		4,400	
Total		<u>725,700</u>	
Environmental health:			
Salaries and employee benefits		316,021	
Operating expenditures		28,443	
Total		<u>344,464</u>	
Mental health:			
Contributions to other agencies:			
Bottle surcharge		12,775	
Piedmont area mental health		190,160	
Total		<u>202,935</u>	
Social services:			
Salaries and employee benefits		4,081,469	
Operating expenditures		1,905,124	
Day care and resident services		2,865,037	
Total		<u>8,851,630</u>	
In-home services:			
Salaries and employee benefits		182,325	
Operating expenditures		165,972	
Capital outlay		12,662	
Total		<u>360,959</u>	
Nutrition:			
Salaries and employee benefits		104,176	
Operating expenditures		283,640	
Total		<u>387,816</u>	

STANLY COUNTY, NORTH CAROLINA

GENERAL FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2012

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
I&A/Transportation:			
Salaries and employee benefits		55,699	
Operating expenditures		61,774	
Total		<u>117,473</u>	
Family Caregiver Support:			
Operating expenditures		<u>24,903</u>	
Senior services:			
Salaries and employee benefits		188,753	
Operating expenditures		106,339	
Total		<u>295,092</u>	
Veterans services:			
Salaries and employee benefits		47,804	
Operating expenditures		2,761	
Veteran's Association		2,000	
Total		<u>52,565</u>	
Total human services	<u>15,968,295</u>	<u>14,886,814</u>	<u>1,081,481</u>
Education:			
Stanly County Public Schools:			
Current expenditures		9,537,362	
Capital outlay		1,685,000	
Total		<u>11,222,362</u>	
Stanly Community College:			
Current expenditures		1,276,038	
Capital outlay		145,000	
Total		<u>1,421,038</u>	
Total education	<u>12,643,400</u>	<u>12,643,400</u>	<u>-</u>
Cultural and Recreational:			
Library:			
Salaries and employee benefits		828,943	
Operating expenditures		324,653	
Capital outlay		8,362	
Total		<u>1,161,958</u>	

STANLY COUNTY, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2012

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Agriculture Civic Center:			
Salaries and employee benefits		132,781	
Operating expenditures		<u>132,024</u>	
Total		<u>264,805</u>	
Total cultural and recreational	<u>1,528,133</u>	<u>1,426,763</u>	<u>101,370</u>
Debt Service:			
Principal		2,632,920	
Interest and fees		<u>1,337,372</u>	
Total debt service	<u>4,157,241</u>	<u>3,970,292</u>	<u>186,949</u>
Contingency	<u>75,000</u>	<u>-</u>	<u>75,000</u>
Total expenditures	<u>55,188,556</u>	<u>52,980,170</u>	<u>2,208,386</u>
Revenues over (under) expenditures	<u>(330,100)</u>	<u>2,204,543</u>	<u>2,534,643</u>
Other Financing Sources (Uses):			
Transfers to:			
Enterprise Fund	(244,003)	(236,841)	(7,162)
Transfers from:			
Enterprise Fund	100,000	100,000	-
Emergency Telephone System Fund	3,059	3,059	-
Installment debt issued	3,980,952	3,709,191	271,761
Payment to escrow agent - retired debt	(3,949,908)	(3,850,000)	(99,908)
Appropriated fund balance	<u>440,000</u>	<u>-</u>	<u>440,000</u>
Total other financing sources (uses)	<u>330,100</u>	<u>(274,591)</u>	<u>(604,691)</u>
Net change in fund balance	<u>\$ -</u>	<u>1,929,952</u>	<u>\$ 1,929,952</u>
Fund Balance:			
Beginning of year - July 1		<u>15,959,930</u>	
End of year - June 30		<u>\$ 17,889,882</u>	



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NONMAJOR GOVERNMENTAL FUNDS

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

Individual Fund Descriptions:

- **Emergency Telephone System Fund** – accounts for the revenues earmarked for the installation of emergency 911-phone system.
- **Fire Districts Fund** – account for the revenues of the fourteen fire districts in Stanly County.
- **Community Development Block Grant (CDBG) - 2009 Scattered Site Project** – accounts for the funds designated for housing improvement.
- **Duke HOME Energy Loan Pool Program Fund** – accounts for the funds designated for the purpose of making homes of Duke Power customers more energy efficient.
- **Community Development Block Grant (CDBG) - 2010 Infrastructure Hook-Up Project Fund** – accounts for the funds designated for water hook ups.
- **2011 Single Family Rehabilitation Program Project Fund** – accounts for the funds designated for housing improvements.

STANLY COUNTY, NORTH CAROLINA

COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS JUNE 30, 2012

	Special Revenue Funds			
	Emergency Telephone System Fund	Fire Districts Fund	CDBG 2009 Scattered Site Project	Duke HELP Program
Assets:				
Cash and cash equivalents	\$ 315,812	\$ 21,456	\$ -	\$ -
Taxes receivable, net	-	116,559	-	-
Accounts receivable	25,090	-	-	-
Total assets	<u>\$ 340,902</u>	<u>\$ 138,015</u>	<u>\$ -</u>	<u>\$ -</u>
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable and accrued liabilities	\$ 14,523	\$ 21,456	\$ -	\$ -
Interfund payables	-	-	-	-
Deferred revenues	-	116,559	-	-
Total liabilities	<u>14,523</u>	<u>138,015</u>	<u>-</u>	<u>-</u>
Fund Equity:				
Restricted				
Stabilization by State statute	25,090	-	-	-
Restricted, all others	301,289	-	-	-
Unassigned	-	-	-	-
Total fund balances	<u>326,379</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 340,902</u>	<u>\$ 138,015</u>	<u>\$ -</u>	<u>\$ -</u>

Schedule 2

Special Revenue Funds		
CDBG 2010 Infrastructure Hook-up Project	2011 Single Family Rehabilitation Program	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ 337,268
-	-	116,559
<u>51,979</u>	<u>-</u>	<u>77,069</u>
<u>\$ 51,979</u>	<u>\$ -</u>	<u>\$ 530,896</u>
\$ 6,524	\$ -	\$ 42,503
45,455	170	45,625
<u>-</u>	<u>-</u>	<u>116,559</u>
<u>51,979</u>	<u>170</u>	<u>204,687</u>
51,979	-	77,069
-	-	301,289
<u>(51,979)</u>	<u>(170)</u>	<u>(52,149)</u>
<u>-</u>	<u>(170)</u>	<u>326,209</u>
<u>\$ 51,979</u>	<u>\$ -</u>	<u>\$ 530,896</u>

STANLY COUNTY, NORTH CAROLINA

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS FOR THE YEAR ENDED JUNE 30, 2012

	Special Revenue Funds			
	Emergency Telephone System Fund	Fire Districts Fund	CDBG 2009 Scattered Site Project	Duke HELP Program
Revenues:				
Ad valorem taxes	\$ -	\$ 1,886,983	\$ -	\$ -
Restricted intergovernmental	-	-	9,766	27,500
Sales and services	301,082	-	-	-
Investment earnings	3,395	-	-	-
Total revenues	<u>304,477</u>	<u>1,886,983</u>	<u>9,766</u>	<u>27,500</u>
Expenditures:				
Current:				
General government	-	27,372	-	-
Public safety	440,223	1,859,611	-	-
Economic and physical development	-	-	14,705	27,500
Total expenditures	<u>440,223</u>	<u>1,886,983</u>	<u>14,705</u>	<u>27,500</u>
Revenues over (under) expenditures	(135,746)	-	(4,939)	-
Other Financing Sources (Uses):				
Transfers out	<u>(3,059)</u>	-	-	-
Net change in fund balances	(138,805)	-	(4,939)	-
Fund Balances:				
Beginning of year - July 1	<u>465,184</u>	-	<u>4,939</u>	-
End of year - June 30	<u>\$ 326,379</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Schedule 3

Special Revenue Funds		
CDBG 2010 Infrastructure Hook-up Project	2011 Single Family Rehabilitation Program	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ 1,886,983
120,548	-	157,814
-	-	301,082
-	-	3,395
<u>120,548</u>	<u>-</u>	<u>2,349,274</u>
-	-	27,372
-	-	2,299,834
<u>120,548</u>	<u>170</u>	<u>162,923</u>
<u>120,548</u>	<u>170</u>	<u>2,490,129</u>
-	(170)	(140,855)
<u>-</u>	<u>-</u>	<u>(3,059)</u>
-	(170)	(143,914)
<u>-</u>	<u>-</u>	<u>470,123</u>
<u>\$ -</u>	<u>\$ (170)</u>	<u>\$ 326,209</u>



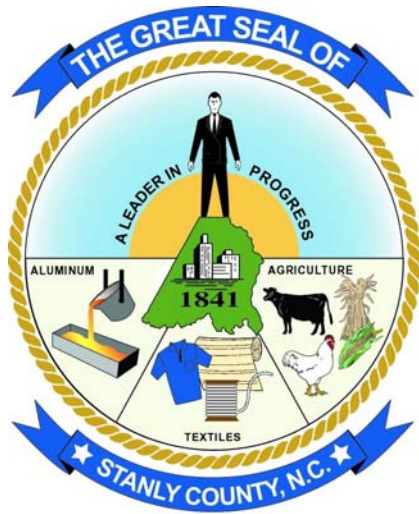
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BUDGETARY INFORMATION - GOVERNMENTAL FUNDS

Special revenue budget and actual results for Fiscal Year June 30, 2012.

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 (CDBG) - 2009 Scattered Site Project** – accounts for the funds designated for housing improvement.
- **Duke HOME Energy Loan Pool Program Fund** – accounts for the funds designated for the purpose of making homes of Duke Power customers more energy efficient.
- **Community Development Block Grant (CDBG) - 2010 Infrastructure Hook-Up Project Fund** – accounts for the funds designated for water hook ups.
- **2011 Single Family Rehabilitation Program Fund** – accounts for the funds designated for housing improvements.



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STANLY COUNTY, NORTH CAROLINA

EMERGENCY TELEPHONE SYSTEM FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2012

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Charges - surcharge	\$ 301,082	\$ 301,082	\$ -
Investment earnings	2,000	3,395	1,395
Total revenues	<u>303,082</u>	<u>304,477</u>	<u>1,395</u>
Expenditures:			
Implemental functions	45,338	45,338	-
Telephone	124,500	127,379	(2,879)
Software and software maintenance	46,600	46,568	32
Hardware and hardware maintenance	85,494	85,816	(322)
Training	4,441	4,170	271
Capital outlay	75,689	74,995	694
S.L. 2010-158 expenditures (50%)	<u>56,933</u>	<u>55,957</u>	<u>976</u>
Total expenditures	<u>438,995</u>	<u>440,223</u>	<u>(1,228)</u>
Revenues over (under) expenditures	<u>(135,913)</u>	<u>(135,746)</u>	<u>167</u>
Other Financing Sources (Uses):			
Transfer to General Fund	(3,059)	(3,059)	-
Appropriated fund balance	<u>138,972</u>	<u>-</u>	<u>(138,972)</u>
Total other financing sources (uses)	<u>135,913</u>	<u>(3,059)</u>	<u>(138,972)</u>
Net change in fund balance	<u>\$ -</u>	<u>(138,805)</u>	<u>\$ (138,805)</u>
Fund Balance:			
Beginning of year - July 1		<u>465,184</u>	
End of year - June 30		<u>\$ 326,379</u>	

STANLY COUNTY, NORTH CAROLINA

FIRE DISTRICT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2012

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Ad valorem taxes:			
Current year	\$ 1,896,850	\$ 1,844,883	\$ (51,967)
Prior years	<u>50,000</u>	<u>42,100</u>	<u>(7,900)</u>
Total revenues	<u>1,946,850</u>	<u>1,886,983</u>	<u>(59,867)</u>
Expenditures:			
Administration fees:			
Tax collection fees	27,500	27,372	128
Public safety:			
West Stanly Fire District	547,600	534,089	13,511
Center Fire District	199,960	193,776	6,184
Endy Fire District	108,570	107,043	1,527
Ridgecrest Fire District	135,380	131,527	3,853
Aquadale Fire District	72,425	69,631	2,794
Eastside Fire District	139,840	135,073	4,767
Oakoro Fire District	74,680	72,480	2,200
New London Fire District	130,500	125,469	5,031
Southside Fire District	102,550	96,745	5,805
Bethany Fire District	49,600	47,003	2,597
Richfield Fire District	116,870	108,047	8,823
Millingport Fire District	96,600	94,790	1,810
Norwood Special Fire District	9,375	13,216	(3,841)
Badin-Yakin Fire District	<u>135,400</u>	<u>130,722</u>	<u>4,678</u>
Total expenditures	<u>1,946,850</u>	<u>1,886,983</u>	<u>59,867</u>
Net change in fund balance	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund Balance:			
Beginning of year - July 1		<u>-</u>	
End of year - June 30		<u>\$ -</u>	

STANLY COUNTY, NORTH CAROLINA

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, 2012

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Over/Under
Revenues:					
Restricted intergovernmental:					
Community Development	\$ 469,004	\$ 459,238	\$ 9,766	\$ 469,004	\$ -
Expenditures:					
Administration	40,000	61,757	1,118	62,875	(22,875)
Rehabilitation	410,885	392,282	13,587	405,869	5,016
Relocation	18,119	260	-	260	17,859
Total expenditures	469,004	454,299	14,705	469,004	-
Net change in fund balance	\$ -	\$ 4,939	(4,939)	\$ -	\$ -
Fund Balance:					
Beginning of year - July 1			4,939		
End of year - June 30			\$ -		

STANLY COUNTY, NORTH CAROLINA

DUKE HOME ENERGY LOAN POOL PROGRAM FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2012

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Restricted intergovernmental:			
NC Housing Finance Agency Grant	\$ 50,000	\$ 27,500	\$ (22,500)
Expenditures:			
Other contracts	50,000	27,500	22,500
Net change in fund balance	\$ -	-	\$ -
Fund Balance:			
Beginning of year - July 1		-	
End of year - June 30		<u>\$ -</u>	

STANLY COUNTY, NORTH CAROLINA

COMMUNITY DEVELOPMENT BLOCK GRANT - 2010 INFRASTRUCTURE HOOK-UP PROJECT FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL
 FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2012

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Actual Current Year</u>	<u>Total to Date</u>	<u>Variance Over/Under</u>
Revenues:					
Restricted intergovernmental:					
Community Development Grant	\$ 309,837	\$ -	\$ 120,548	\$ 120,548	\$ (189,289)
Expenditures:					
Rehabilitation	278,855	-	102,459	102,459	176,396
Administration	<u>30,982</u>	<u>-</u>	<u>18,089</u>	<u>18,089</u>	<u>12,893</u>
Total expenditures	<u>309,837</u>	<u>-</u>	<u>120,548</u>	<u>120,548</u>	<u>189,289</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>
Fund Balance:					
Beginning of year - July 1			<u>-</u>		
End of year - June 30			<u>\$ -</u>		

STANLY COUNTY, NORTH CAROLINA

2011 SINGLE FAMILY REHABILITATION PROGRAM PROJECT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2012

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Actual Current Year</u>	<u>Total to Date</u>	<u>Variance Over/Under</u>
Revenues:					
Restricted intergovernmental:					
SFR Program Grant	\$ 160,000	\$ -	\$ -	\$ -	\$ (160,000)
Expenditures:					
Rehabilitation	160,000	-	170	170	159,830
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	(170)	<u>\$ (170)</u>	<u>\$ (170)</u>
Fund Balance:					
Beginning of year - July 1			-		
End of year - June 30			<u>\$ (170)</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 Fund** – accounts for the revenues and expenses of the County's public airport facility.



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STANLY COUNTY, NORTH CAROLINA

MAJOR ENTERPRISE FUND GREATER BADIN WATER AND SEWER DISTRICT FUND SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP) FOR THE YEAR ENDED JUNE 30, 2012

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Operating revenues:			
Charges for services:			
Water sales		\$ 238,002	
Sewer charges		168,689	
Industrial sewer charges		59,282	
Taps and connection fees		1,030	
Other operating revenues		<u>6,445</u>	
Total operating revenues		<u>473,448</u>	
Non-operating revenues:			
Interest on investments		<u>2,537</u>	
Total revenues	\$ <u>454,205</u>	<u>475,985</u>	\$ <u>21,780</u>
Expenditures:			
Administration:			
Contracted services		63,159	
Operating expenditures		<u>318</u>	
Total administration		<u>63,477</u>	
Debt service:			
State loan principal paid		22,731	
Interest expense		<u>5,221</u>	
Total debt service		<u>27,952</u>	
Distribution and maintenance:			
Contracted services		114,707	
Operating expenditures		53,032	
Repairs and maintenance		20,881	
Water purchases		<u>96,931</u>	
Total distribution and maintenance		<u>285,551</u>	
Total expenditures	<u>414,205</u>	<u>376,980</u>	<u>37,225</u>

STANLY COUNTY, NORTH CAROLINA

MAJOR ENTERPRISE FUND GREATER BADIN WATER AND SEWER DISTRICT FUND SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP) FOR THE YEAR ENDED JUNE 30, 2012

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues over (under) expenditures	<u>40,000</u>	<u>99,005</u>	<u>59,005</u>
Other Financing Sources (Uses):			
Transfers out	<u>(40,000)</u>	<u>(40,000)</u>	<u>-</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>59,005</u>	<u>\$ 59,005</u>
Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual:			
Reconciling items:			
Debt principal		22,731	
Depreciation		<u>(366,486)</u>	
Total reconciling items		<u>(343,755)</u>	
Change in net assets		<u>\$ (284,750)</u>	

STANLY COUNTY, NORTH CAROLINA

MAJOR ENTERPRISE FUND
 PINEY POINT WATER DISTRICT FUND
 SCHEDULE OF REVENUES AND EXPENDITURES -
 BUDGET AND ACTUAL (NON-GAAP)
 FOR THE YEAR ENDED JUNE 30, 2012

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Operating revenues:			
Charges for services:			
Water sales		\$ 139,583	
Taps and connection fees		2,650	
Other operating revenues		<u>352</u>	
Total operating revenues		<u>142,585</u>	
Non-operating revenues:			
Interest on investments		<u>1,975</u>	
Total revenues	<u>\$ 138,975</u>	<u>144,560</u>	<u>\$ 5,585</u>
Expenditures:			
Administration:			
Contracted services		75,000	
Operating expenditures		<u>182</u>	
Total administration		<u>75,182</u>	
Distribution and maintenance:			
Operating expenditures		1,383	
Repairs and maintenance		90	
Water purchases		<u>51,361</u>	
Total distribution and maintenance		<u>52,834</u>	
Total expenditures	<u>118,975</u>	<u>128,016</u>	<u>(9,041)</u>
Revenues over (under) expenditures	<u>20,000</u>	<u>16,544</u>	<u>(3,456)</u>
Other Financing Sources (Uses):			
Transfers out	<u>(20,000)</u>	<u>(20,000)</u>	<u>-</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>(3,456)</u>	<u>\$ (3,456)</u>
Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual:			
Reconciling items:			
Depreciation		<u>(34,762)</u>	
Change in net assets		<u>\$ (38,218)</u>	

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STANLY COUNTY, NORTH CAROLINA

MAJOR ENTERPRISE FUND STANLY COUNTY UTILITY FUND SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP) FOR THE YEAR ENDED JUNE 30, 2012

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Operating revenues:			
Charges for services:			
Water sales		\$ 1,721,056	
Sewer charges		465,109	
Taps and connection fees		58,213	
Other operating revenues		<u>36,799</u>	
Total operating revenues		<u>2,281,177</u>	
Non-operating revenues:			
Interest on investments		8,389	
Administrative charges		<u>264,866</u>	
Total non-operating revenues		<u>273,255</u>	
Total revenues	<u>\$ 2,483,378</u>	<u>2,554,432</u>	<u>\$ 71,054</u>
Expenditures:			
Administration:			
Salaries and employee benefits		347,328	
Operating expenditures		<u>53,457</u>	
Total administration		<u>400,785</u>	
Debt service:			
State loan principal paid		<u>4,920</u>	
Distribution and maintenance:			
Salaries and employee benefits		537,526	
Operating expenditures		573,886	
Repairs and maintenance		201,158	
Water purchases		626,353	
Capital outlay		<u>22,385</u>	
Total distribution and maintenance		<u>1,961,308</u>	
Total expenditures	<u>2,361,087</u>	<u>2,367,013</u>	<u>(5,926)</u>

STANLY COUNTY, NORTH CAROLINA

MAJOR ENTERPRISE FUND STANLY COUNTY UTILITY FUND SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP) FOR THE YEAR ENDED JUNE 30, 2012

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues over (under) expenditures	<u>122,291</u>	<u>187,419</u>	<u>65,128</u>
Other Financing Sources (Uses):			
Transfers out	(40,000)	(40,000)	-
Intrafund transfers	<u>(82,291)</u>	<u>(71,716)</u>	<u>10,575</u>
Total other financing sources (uses)	<u>(122,291)</u>	<u>(111,716)</u>	<u>10,575</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>75,703</u>	<u>\$ 75,703</u>

Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual:

Reconciling items:	
Debt principal	4,920
Capital outlay	22,385
Depreciation	(848,645)
Capital contribution	144,090
Intrafund transfer to Highway 24/27 Upgrade Project	4,153
Intrafund transfer to Tyson Village Rolling Hills MHPS Water Project	<u>67,563</u>
Total reconciling items	<u>(605,534)</u>
Change in net assets	<u>\$ (529,831)</u>

STANLY COUNTY, NORTH CAROLINA

MAJOR ENTERPRISE FUND

AIRPORT FUND

SCHEDULE OF REVENUES AND EXPENDITURES -

BUDGET AND ACTUAL (NON-GAAP)

FOR THE YEAR ENDED JUNE 30, 2012

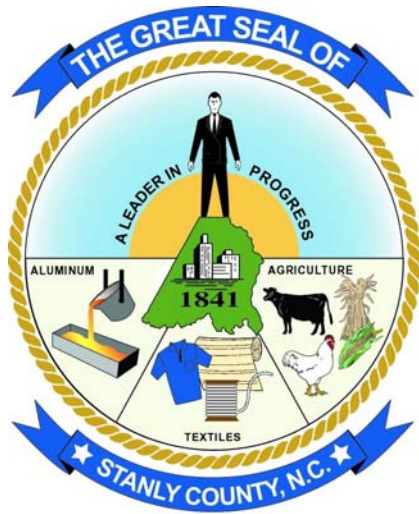
	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Operating revenues:			
Sales and services:			
Fuel and oil sales		\$ 283,424	
Tie down fees		850	
Hanger rental		29,920	
Franchise		4,500	
Miscellaneous		44,261	
Total operating revenues	\$ 424,326	362,955	\$ (61,371)
Non-operating revenues:			
Interest on investments		2,858	
Capital contributions		22,505	
Total non-operating revenues	24,205	25,363	1,158
Total revenues	448,531	388,318	(60,213)
Expenditures:			
Administration and operations:			
Salaries and employee benefits		269,012	
Operating expenditures		144,557	
Repairs and maintenance		45,515	
Purchases for resale		220,362	
Total administration and operations	675,867	679,446	(3,579)
Revenues over (under) expenditures	(227,336)	(291,128)	(63,792)
Other Financing Sources (Uses):			
Transfer in	227,336	227,336	-
Revenues and other financing sources over (under) expenditures and other financing uses	\$ -	(63,792)	\$ (63,792)
Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual:			
Reconciling items:			
Depreciation		(953,693)	
Capital contributions		4,963,548	
Transfer to projects from General Fund		9,505	
Total reconciling items		4,019,360	
Change in net assets		\$ 3,955,568	

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.
- **Endy Sewer Extension Project Fund** – accounts for the revenues and expenses for the extension of a sewer line for Endy community
- **ARRA Waterstorage 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 (CDBG) - Tyson Village Rolling Hills MHPS Water Project Fund** – accounts for the revenues and expenses for the extension of water lines along Tyson Village Rolling Hills.
- **Albemarle to Hwy 200 Water Project Fund** – accounts for the revenues and expenses for the extension of a water line along Highway 200.
- **Utility Airport Corridor Project Fund** – accounts for the revenues and expenses for the wastewater evaluation study along the airport corridor.
- **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.
- **Airport Runway Pavement Rehabilitation Project Fund** – accounts for the revenues and expenses to rehabilitate the airport runway/taxiway.
- **Airport AWOS and ILS Upgrade Project Fund** – accounts for the revenues and expenses for the AWOS and ILS upgrade.



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STANLY COUNTY, NORTH CAROLINA

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, 2012

	Project Authorization	Actual			Variance Over/Under
		Prior Years	Current Year	Total to Date	
Expenditures:					
Construction	\$ 605,000	\$ 435,697	\$ 157,484	\$ 593,181	\$ 11,819
Professional services	4,153	15,972	-	15,972	(11,819)
Total expenditures	609,153	451,669	157,484	609,153	-
Other Financing Sources (Uses):					
Transfer from General Fund	605,000	605,000	-	605,000	-
Transfer from Utilities Fund	4,153	-	4,153	4,153	-
Total other financing sources	609,153	605,000	4,153	609,153	-
Revenues and other financing sources over (under) expenditures and other financing uses	\$ -	\$ 153,331	\$ (153,331)	\$ -	\$ -

STANLY COUNTY, NORTH CAROLINA

ENDY SEWER EXTENSION PROJECT FUND
 SCHEDULE OF REVENUES AND EXPENDITURES -
 BUDGET AND ACTUAL (NON-GAAP)
 FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2012

	Project Authorization	Prior Years	Actual 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	-	-	-	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	66,231	-	66,231	(2,533,769)
Total other financing sources (uses)	2,596,700	62,931	-	62,931	(2,533,769)
Revenues and other financing sources over (under) expenditures and other financing uses	\$ -	\$ -	\$ -	\$ -	\$ -

STANLY COUNTY, NORTH CAROLINA

ARRA WATERSTORAGE TANK PROJECT FUND
 SCHEDULE OF REVENUES AND EXPENDITURES -
 BUDGET AND ACTUAL (NON-GAAP)
 FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2012

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Actual Current Year</u>	<u>Total to Date</u>	<u>Variance Over/Under</u>
Revenues:					
Restricted intergovernmental:					
DWSRF Principal Forgiveness Grant	\$ 155,371	\$ 91,371	\$ -	\$ 91,371	\$ (64,000)
Expenditures:					
Construction	270,946	153,807	-	153,807	117,139
Professional services	39,797	27,500	-	27,500	12,297
Total expenditures	310,743	181,307	-	181,307	129,436
Revenues over (under) expenditures	(155,372)	(89,936)	-	(89,936)	65,436
Other Financing Sources (Uses):					
DWSRF Revolving Loan	155,372	91,371	-	91,371	(64,001)
Revenues and other financing sources over (under) expenditures and other financing uses	\$ -	\$ 1,435	\$ -	\$ 1,435	\$ 1,435

STANLY COUNTY, NORTH CAROLINA

CDBG - TYSON VILLAGE ROLLING HILLS MHPS WATER PROJECT FUND

SCHEDULE OF REVENUES AND EXPENDITURES -

BUDGET AND ACTUAL (NON-GAAP)

FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2012

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Actual Current Year</u>	<u>Total to Date</u>	<u>Variance Over/Under</u>
Revenues:					
Restricted intergovernmental:					
CDBG - Recovery funds	\$ 927,936	\$ 783,846	\$ 144,090	\$ 927,936	\$ -
Expenditures:					
Construction	817,667	646,242	161,153	807,395	10,272
Professional services	187,900	137,570	50,330	187,900	-
Land	507	34	170	204	303
Total expenditures	<u>1,006,074</u>	<u>783,846</u>	<u>211,653</u>	<u>995,499</u>	<u>10,575</u>
Revenues over (under) expenditures	<u>(78,138)</u>	<u>-</u>	<u>(67,563)</u>	<u>(67,563)</u>	<u>10,575</u>
Other Financing Sources (Uses):					
Transfer from Utilities Fund	<u>78,138</u>	<u>-</u>	<u>67,563</u>	<u>67,563</u>	<u>(10,575)</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

STANLY COUNTY, NORTH CAROLINA

ALBEMARLE TO HWY 200 WATER PROJECT FUND
 SCHEDULE OF REVENUES AND EXPENDITURES -
 BUDGET AND ACTUAL (NON-GAAP)
 FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2012

	Project Authorization	Prior Years	Actual		Variance Over/Under
			Current Year	Total to Date	
Expenditures:					
Construction	\$ 1,470,000	\$ -	\$ -	\$ -	\$ 1,470,000
Professional services	156,500	159,047	627	159,674	(3,174)
Land	30,000	-	-	-	30,000
Total expenditures	<u>1,656,500</u>	<u>159,047</u>	<u>627</u>	<u>159,674</u>	<u>1,496,826</u>
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	<u>1,500,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,500,000)</u>
Total other financing sources (uses)	<u>1,656,500</u>	<u>156,500</u>	<u>-</u>	<u>156,500</u>	<u>(1,500,000)</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ (2,547)</u>	<u>\$ (627)</u>	<u>\$ (3,174)</u>	<u>\$ (3,174)</u>

STANLY COUNTY, NORTH CAROLINA

UTILITY AIRPORT CORRIDOR PROJECT FUND
 SCHEDULE OF REVENUES AND EXPENDITURES -
 BUDGET AND ACTUAL (NON-GAAP)
 FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2012

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Over/Under
Revenues:					
Restricted Intergovernmental:					
NC Rural Center grant	\$ 40,000	\$ -	\$ -	\$ -	\$ (40,000)
Expenditures:					
Professional services	80,000	-	-	-	80,000
Revenues over (under) expenditures	(40,000)	-	-	-	40,000
Other Financing Sources (Uses):					
Transfer from Utilities Fund	40,000	-	-	-	(40,000)
Revenues and other financing sources over (under) expenditures and other financing uses	\$ -	\$ -	\$ -	\$ -	\$ -

STANLY COUNTY, NORTH CAROLINA

AIRPORT TERMINAL PROJECT FUND
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP)
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2012

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Over/Under
Revenues:					
Restricted intergovernmental:					
Vision Entitlement Grant	\$ 839,395	\$ 644,396	\$ -	\$ 644,396	\$ (194,999)
Division of Aviation	325,000	325,000	-	325,000	-
NC DOT Grant	795,000	529,098	214,329	743,427	(51,573)
Miscellaneous	-	17,500	-	17,500	17,500
Total revenues	<u>1,959,395</u>	<u>1,515,994</u>	<u>214,329</u>	<u>1,730,323</u>	<u>(229,072)</u>
Expenditures:					
Professional services	316,677	640,874	6,884	647,758	(331,081)
Construction	<u>2,983,722</u>	<u>2,347,368</u>	<u>116,682</u>	<u>2,464,050</u>	<u>519,672</u>
Total expenditures	<u>3,300,399</u>	<u>2,988,242</u>	<u>123,566</u>	<u>3,111,808</u>	<u>188,591</u>
Revenues over (under) expenditures	<u>(1,341,004)</u>	<u>(1,472,248)</u>	<u>90,763</u>	<u>(1,381,485)</u>	<u>(40,481)</u>
Other Financing Sources (Uses):					
Transfer from General Fund	925,000	-	-	-	(925,000)
Transfer from Airport Fund	180,000	-	-	-	(180,000)
Transfer from Airport Hangar Project	158,000	157,745	-	157,745	(255)
Transfer from Airport Land Acquisition Project	8,677	8,677	-	8,677	-
Transfer from Airport Fencing Project	<u>69,327</u>	<u>69,326</u>	<u>-</u>	<u>69,326</u>	<u>(1)</u>
Total other financing sources (uses)	<u>1,341,004</u>	<u>235,748</u>	<u>-</u>	<u>235,748</u>	<u>(1,105,256)</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ (1,236,500)</u>	<u>\$ 90,763</u>	<u>\$ (1,145,737)</u>	<u>\$ (1,145,737)</u>

STANLY COUNTY, NORTH CAROLINA

AIRPORT RUNWAY EXTENSION PROJECT FUND
 SCHEDULE OF REVENUES AND EXPENDITURES -
 BUDGET AND ACTUAL (NON-GAAP)
 FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2012

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Actual Current Year</u>	<u>Total to Date</u>	<u>Variance Over/Under</u>
Revenues:					
Restricted intergovernmental:					
FAA Grant	\$ 325,000	\$ 224,863	\$ 51,385	\$ 276,248	\$ (48,752)
NC DOT Grant	250,000	-	-	-	(250,000)
Air Guard	140,000	135,549	112,125	247,674	107,674
Total revenues	<u>715,000</u>	<u>360,412</u>	<u>163,510</u>	<u>523,922</u>	<u>(191,078)</u>
Expenditures:					
Professional services	768,406	468,353	260,164	728,517	39,889
Construction	242,594	199,827	-	199,827	42,767
Total expenditures	<u>1,011,000</u>	<u>668,180</u>	<u>260,164</u>	<u>928,344</u>	<u>82,656</u>
Revenues over (under) expenditures	(296,000)	(307,768)	(96,654)	(404,422)	(108,422)
Other Financing Sources (Uses):					
Transfer from General Fund	<u>296,000</u>	<u>235,411</u>	<u>-</u>	<u>235,411</u>	<u>(60,589)</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ (72,357)</u>	<u>\$ (96,654)</u>	<u>\$ (169,011)</u>	<u>\$ (169,011)</u>

STANLY COUNTY, NORTH CAROLINA

AIRPORT RUNWAY PAVEMENT REHABILITATION PROJECT FUND
 SCHEDULE OF REVENUES AND EXPENDITURES -
 BUDGET AND ACTUAL (NON-GAAP)
 FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2012

		Actual			
	Project Authorization	Prior Years	Current Year	Total to Date	Variance Over/Under
Revenues:					
Restricted intergovernmental:					
Air National Guard	\$ 4,106,703	\$ -	\$ 2,378,702	\$ 2,378,702	\$ (1,728,001)
Division of Aviation	2,230,000	-	2,121,458	2,121,458	(108,542)
Total revenues	6,336,703	-	4,500,160	4,500,160	(1,836,543)
Expenditures:					
Construction	6,584,481	-	4,500,160	4,500,160	2,084,321
Total expenditures	6,584,481	-	4,500,160	4,500,160	2,084,321
Revenues over (under) expenditures	\$ (247,778)	\$ -	\$ -	\$ -	\$ 247,778

STANLY COUNTY, NORTH CAROLINA

AIRPORT AWOS AND ILS UPGRADE PROJECT FUND
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP)
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2012

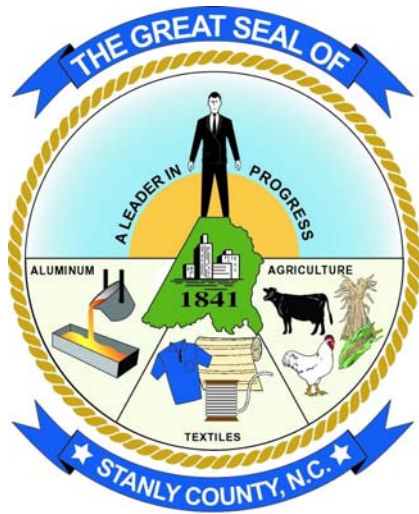
	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Over/Under
Revenues:					
Restricted intergovernmental:					
Vision Entitlement Grant	\$ 112,500	\$ -	\$ 85,549	\$ 85,549	\$ (26,951)
Expenditures:					
Professional services	54,810	-	23,885	23,885	30,925
Construction	70,190	-	71,169	71,169	(979)
Total expenditures	125,000	-	95,054	95,054	29,946
Revenues over (under) expenditures	(12,500)	-	(9,505)	(9,505)	2,995
Other Financing Sources (Uses):					
Transfer from General Fund	12,500	-	9,505	9,505	(2,995)
Revenues and other financing sources over (under) expenditures and other financing uses	\$ -	\$ -	\$ -	\$ -	\$ -

INTERNAL SERVICE FUND

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

Individual Descriptions:

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



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STANLY COUNTY, NORTH CAROLINA

INTERNAL SERVICE FUND
 GROUP HEALTH AND WORKERS' COMPENSATION FUND
 SCHEDULE OF REVENUES AND EXPENDITURES -
 FINANCIAL PLAN AND ACTUAL (NON-GAAP)
 FOR THE YEAR ENDED JUNE 30, 2012

	<u>Financial Plan</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Operating Revenues:			
Charges for sales and services	\$ 5,295,065	\$ 5,120,772	\$ (174,293)
Operating Expenses:			
Group health operations	4,726,704	4,529,580	197,124
Worker's compensation claims	580,361	894,087	(313,726)
Total operating expenditures	<u>5,307,065</u>	<u>5,423,667</u>	<u>(116,602)</u>
Operating income (loss)	<u>(12,000)</u>	<u>(302,895)</u>	<u>(290,895)</u>
Non-Operating Revenues:			
Investment earnings	<u>12,000</u>	<u>26,267</u>	<u>14,267</u>
Change in net assets	<u>\$ -</u>	<u>(276,628)</u>	<u>\$ (276,628)</u>
Net Assets:			
Beginning of year - July 1		<u>1,419,788</u>	
End of year - June 30		<u>\$ 1,143,160</u>	



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AGENCY FUNDS

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

Individual Fund Descriptions:

- **Protective Payee Fund** – account for monies deposited with the County for the benefit of certain individuals.
- **Fines and Forfeitures Fund** – accounts for fines designated for school operations.
- **Deed of Trust Fund** – accounts for \$6.20 of each fee collected by the Register of Deeds for registering or filing a deed of trust or mortgage that the County is required to remit to the State Treasurer on a monthly basis.
- **Sheriff's Execution Fund** – accounts for funds received and disbursed by order of the court system.
- **Property Tax Clearing Fund** – 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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STANLY COUNTY, NORTH CAROLINA

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES AGENCY FUNDS FOR THE YEAR ENDED JUNE 30, 2012

	<u>Balance July 1, 2011</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2012</u>
Protective Payee Fund:				
Assets:				
Cash and cash equivalents	<u>\$ 9,951</u>	<u>\$ 68,032</u>	<u>\$ 59,884</u>	<u>\$ 18,099</u>
Liabilities:				
Client payable	<u>\$ 9,951</u>	<u>\$ 68,032</u>	<u>\$ 59,884</u>	<u>\$ 18,099</u>
Fines and Forfeitures:				
Assets:				
Cash and cash equivalents	<u>\$ -</u>	<u>\$ 290,894</u>	<u>\$ 290,894</u>	<u>\$ -</u>
Liabilities:				
Accounts payable	<u>\$ -</u>	<u>\$ 290,894</u>	<u>\$ 290,894</u>	<u>\$ -</u>
Deed of Trust:				
Assets:				
Cash and cash equivalents	<u>\$ 700</u>	<u>\$ 11,619</u>	<u>\$ 12,319</u>	<u>\$ -</u>
Liabilities:				
Accounts payable	<u>\$ 700</u>	<u>\$ 11,619</u>	<u>\$ 12,319</u>	<u>\$ -</u>
Sheriff's Execution:				
Assets:				
Cash and cash equivalents	<u>\$ 1,096</u>	<u>\$ 45,802</u>	<u>\$ 46,642</u>	<u>\$ 256</u>
Inmate cash	<u>3,754</u>	<u>69,519</u>	<u>68,718</u>	<u>4,555</u>
Total assets	<u>\$ 4,850</u>	<u>\$ 115,321</u>	<u>\$ 115,360</u>	<u>\$ 4,811</u>
Liabilities:				
Executions payable	<u>\$ 1,096</u>	<u>\$ 45,802</u>	<u>\$ 46,642</u>	<u>\$ 256</u>
Inmate payable	<u>3,754</u>	<u>69,519</u>	<u>68,718</u>	<u>4,555</u>
Total liabilities	<u>\$ 4,850</u>	<u>\$ 115,321</u>	<u>\$ 115,360</u>	<u>\$ 4,811</u>

STANLY COUNTY, NORTH CAROLINA

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES AGENCY FUNDS FOR THE YEAR ENDED JUNE 30, 2012

	<u>Balance July 1, 2011</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2012</u>
Property Tax Clearing Fund:				
Assets:				
Cash and cash equivalents	<u>\$ 103,733</u>	<u>\$ 9,258,970</u>	<u>\$ 9,260,524</u>	<u>\$ 102,179</u>
Liabilities:				
Accounts payable	<u>\$ 103,733</u>	<u>\$ 9,258,970</u>	<u>\$ 9,260,524</u>	<u>\$ 102,179</u>
Delinquent Vehicle Tax Fund:				
Assets:				
Cash and cash equivalents	<u>\$ 2,461</u>	<u>\$ 36,951</u>	<u>\$ 36,996</u>	<u>\$ 2,416</u>
Liabilities:				
Due Department of State Treasurer	<u>\$ 2,461</u>	<u>\$ 36,951</u>	<u>\$ 36,996</u>	<u>\$ 2,416</u>
Totals:				
Assets:				
Cash and cash equivalents	<u>\$ 117,941</u>	<u>\$ 9,712,268</u>	<u>\$ 9,707,259</u>	<u>\$ 122,950</u>
Inmate cash	<u>3,754</u>	<u>69,519</u>	<u>68,718</u>	<u>4,555</u>
Total assets	<u>\$ 121,695</u>	<u>\$ 9,781,787</u>	<u>\$ 9,775,977</u>	<u>\$ 127,505</u>
Liabilities:				
Accounts payable and future payments	<u>\$ 107,990</u>	<u>\$ 9,644,236</u>	<u>\$ 9,647,375</u>	<u>\$ 104,851</u>
Client and inmate payable	<u>13,705</u>	<u>137,551</u>	<u>128,602</u>	<u>22,654</u>
Total liabilities	<u>\$ 121,695</u>	<u>\$ 9,781,787</u>	<u>\$ 9,775,977</u>	<u>\$ 127,505</u>

OTHER SCHEDULES

This section contains the following schedules:

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



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STANLY COUNTY, NORTH CAROLINA

GENERAL FUND

SCHEDULE OF AD VALOREM TAXES RECEIVABLE

JUNE 30, 2012

Fiscal Year	Uncollected Balance July 1, 2011	Additions	Collections and Credits	Uncollected Balance June 30, 2012
2011-2012	\$ -	\$ 28,535,034	\$ 27,153,596	\$ 1,381,438
2010-2011	1,198,560	18,091	644,959	571,692
2009-2010	526,649	18,189	126,465	418,373
2008-2009	332,741	13,210	79,891	266,060
2007-2008	183,805	3,922	28,027	159,700
2006-2007	146,933	-	16,910	130,023
2005-2006	105,126	-	10,152	94,974
2004-2005	98,588	-	6,938	91,650
2003-2004	91,185	-	4,292	86,893
2002-2003	86,985	-	4,031	82,954
2001-2002	71,820	-	2,960	68,860
2000-2001	59,710	-	59,710	-
Districts over 3 years old	63,893	1,216	(11,380)	76,489
Total	<u>\$ 2,965,995</u>	<u>\$ 28,589,662</u>	<u>\$ 28,126,551</u>	<u>3,429,106</u>
Less allowance for uncollectible accounts - General Fund				<u>(463,099)</u>
Ad valorem taxes receivable, net				<u>\$ 2,966,007</u>
Reconciliation with Revenues:				
Ad valorem taxes - General Fund				\$ 28,122,214
Reconciling items:				
Animal tax				(32,546)
Refunds				2,092
Collection fees				(45,072)
Interest collected				(275,699)
Discounts allowed				155,145
Late listings				(31,019)
Releases				9,924
Statute of Limitations				58,668
Nuisances and rollbacks				<u>162,844</u>
Total collections and credits				<u>\$ 28,126,551</u>

STANLY COUNTY, NORTH CAROLINA

ANALYSIS OF CURRENT TAX LEVY - COUNTY-WIDE LEVY
FOR THE YEAR ENDED JUNE 30, 2012

	County-Wide			Total Levy	
	Property Valuation	Rate per \$100	Amount of Levy	Property Excluding Registered Motor Vehicles	Registered Motor Vehicles
Original Levy:					
Property taxed at current year's rate	\$ 4,251,853,971	\$ 0.6700	\$ 28,487,481	\$ 25,857,394	\$ 2,630,087
Penalties	-		18,622	18,622	-
Total original levy	<u>4,251,853,971</u>		<u>28,506,103</u>	<u>25,876,016</u>	<u>2,630,087</u>
Discoveries:					
Current year rate	22,654,648	0.6700	151,786	137,763	14,023
Penalties	-		9,378	9,378	-
Penalties prior year rate	-		746	746	-
Prior year taxes	-		6,518	6,518	-
Total discoveries	<u>22,654,648</u>		<u>168,428</u>	<u>154,405</u>	<u>14,023</u>
Releases:					
Current year rate	(20,596,779)	0.6700	(137,998)	(103,922)	(34,076)
Penalties	-		(1,499)	(1,499)	-
Total releases	<u>(20,596,779)</u>		<u>(139,497)</u>	<u>(105,421)</u>	<u>(34,076)</u>
Net assessed valuation	<u>\$ 4,253,911,840</u>				
Net Levy			28,535,034	25,924,999	2,610,034
Uncollected taxes, June 30			<u>1,381,438</u>	<u>1,036,020</u>	<u>345,418</u>
Current Year's Taxes Collected			<u>\$ 27,153,596</u>	<u>\$ 24,888,979</u>	<u>\$ 2,264,616</u>
Current Levy Collection Percentage Rate			<u>95.16%</u>	<u>96.00%</u>	<u>86.77%</u>

STANLY COUNTY, NORTH CAROLINA

ANALYSIS OF CURRENT TAX LEVY - COUNTY-WIDE LEVY FOR THE YEAR ENDED JUNE 30, 2012

Secondary Market Disclosures:

Assessed valuation:

Assessment ratio	100%
------------------	------

Real property	\$ 3,759,303,667
Personal property	394,603,492
Public service	<u>100,004,681</u>

Total assessed value	<u>\$ 4,253,911,840</u>
----------------------	-------------------------

Tax rate per \$100	0.6700
--------------------	--------

Levy (includes discoveries, releases, and abatements)	<u>\$ 28,535,034</u>
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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, 2012:

Fire Protection Districts	<u>\$ 1,928,614</u>
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STATISTICAL SECTION

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

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

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

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

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

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

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

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

Demographic and Economic Statistics	Table 15
Principal Employers	Table 16

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

Full-Time Equivalent County Government Employees	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 Ten 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	<u>(3,610,061)</u>	<u>(3,189,828)</u>	<u>(4,783,194)</u>	<u>(3,676,463)</u>	<u>1,856,585</u>
Total governmental activities net assets	<u>\$ 7,144,078</u>	<u>\$ 7,758,950</u>	<u>\$ 6,467,392</u>	<u>\$ 8,585,852</u>	<u>\$ 11,875,383</u>
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	<u>4,133,013</u>	<u>1,305,445</u>	<u>576,013</u>	<u>2,176,979</u>	<u>2,198,765</u>
Total business-type activities net assets	<u>\$ 27,965,491</u>	<u>\$ 30,471,074</u>	<u>\$ 31,020,740</u>	<u>\$ 33,069,546</u>	<u>\$ 36,516,244</u>
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	<u>522,952</u>	<u>(1,884,383)</u>	<u>(4,207,181)</u>	<u>(1,499,484)</u>	<u>4,055,350</u>
Total primary government net assets	<u>\$ 35,109,569</u>	<u>\$ 38,230,024</u>	<u>\$ 37,488,132</u>	<u>\$ 41,655,398</u>	<u>\$ 48,391,627</u>

Table 1

Fiscal Year				
2008	2009	2010	2011	2012
\$ 13,933,344	\$ 18,364,949	\$ 14,377,226	\$ 13,495,499	\$ 14,038,812
65,839	71,511	81,434	7,984,392	8,406,322
1,284,464	(12,030,075)	(13,445,875)	(18,918,800)	(16,190,035)
<u>\$ 15,283,647</u>	<u>\$ 6,406,385</u>	<u>\$ 1,012,785</u>	<u>\$ 2,561,091</u>	<u>\$ 6,255,099</u>
\$ 33,344,464	\$ 33,309,479	\$ 34,634,482	\$ 35,328,679	\$ 38,523,839
2,532,023	2,237,487	(326,823)	600,944	508,553
<u>\$ 35,876,487</u>	<u>\$ 35,546,966</u>	<u>\$ 34,307,659</u>	<u>\$ 35,929,623</u>	<u>\$ 39,032,392</u>
\$ 47,277,808	\$ 51,674,428	\$ 49,011,708	\$ 48,824,178	\$ 52,562,651
65,839	71,511	81,434	7,984,392	8,406,322
3,816,487	(9,792,588)	(13,772,698)	(18,317,856)	(15,681,482)
<u>\$ 51,160,134</u>	<u>\$ 41,953,351</u>	<u>\$ 35,320,444</u>	<u>\$ 38,490,714</u>	<u>\$ 45,287,491</u>

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

Expenses	Fiscal Year				
	2003	2004	2005	2006	2007
Governmental activities:					
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	15,746,398	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	<u>49,412,661</u>	<u>46,709,276</u>	<u>53,963,311</u>	<u>52,046,186</u>	<u>53,782,370</u>
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	<u>3,917,403</u>	<u>4,230,608</u>	<u>4,572,783</u>	<u>4,298,241</u>	<u>4,527,580</u>
Total primary governmental expenses	<u>\$ 53,330,064</u>	<u>\$ 50,939,884</u>	<u>\$ 58,536,094</u>	<u>\$ 56,344,427</u>	<u>\$ 58,309,950</u>
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	<u>14,207,491</u>	<u>13,512,848</u>	<u>17,377,872</u>	<u>17,886,539</u>	<u>18,027,610</u>
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	<u>4,796,914</u>	<u>5,818,593</u>	<u>4,659,514</u>	<u>4,168,081</u>	<u>6,912,536</u>
Total primary governmental program revenues	<u>\$ 19,004,405</u>	<u>\$ 19,331,441</u>	<u>\$ 22,037,386</u>	<u>\$ 22,054,620</u>	<u>\$ 24,940,146</u>
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	<u>\$ (34,325,659)</u>	<u>\$ (31,608,443)</u>	<u>\$ (36,498,708)</u>	<u>\$ (34,289,807)</u>	<u>\$ (33,369,804)</u>

Table 2
Page 1 of 2

Fiscal Year				
2008	2009	2010	2011	2012
\$ 5,563,922	\$ 6,207,070	\$ 6,799,601	\$ 5,601,234	\$ 5,048,549
12,089,074	13,941,395	13,957,473	14,130,565	14,482,815
850,441	923,081	948,122	987,615	988,483
1,031,633	1,108,942	1,155,970	1,159,814	1,162,909
2,344,873	1,494,393	2,741,056	2,610,268	2,364,231
16,086,711	16,136,859	14,851,419	14,614,279	14,968,599
14,267,912	24,661,209	19,284,505	13,334,719	12,643,400
1,800,314	2,035,578	1,954,960	1,572,655	1,643,930
1,193,541	1,393,628	1,659,370	1,169,653	1,264,990
<u>55,228,419</u>	<u>67,902,155</u>	<u>63,352,475</u>	<u>55,180,802</u>	<u>54,567,906</u>
3,377,002	3,809,744	3,703,713	3,768,034	4,071,866
<u>1,588,558</u>	<u>1,548,508</u>	<u>1,518,407</u>	<u>1,514,311</u>	<u>1,633,139</u>
<u>4,965,560</u>	<u>5,358,252</u>	<u>5,222,120</u>	<u>5,282,345</u>	<u>5,705,005</u>
<u>\$ 60,193,979</u>	<u>\$ 73,260,407</u>	<u>\$ 68,574,595</u>	<u>\$ 60,463,147</u>	<u>\$ 60,272,911</u>
\$ 1,668,625	\$ 1,844,478	\$ 1,468,042	\$ 1,445,785	\$ 1,499,922
2,579,945	2,669,845	3,003,195	2,841,139	3,331,264
375,280	370,233	364,756	578,427	425,439
848,824	835,242	862,811	883,729	883,005
23,135	601,271	13,770	18,478	24,042
1,894,767	2,301,087	2,147,188	2,194,950	2,514,395
79,893	185,582	21,703	24,320	20,811
9,111,529	9,307,612	11,222,862	10,632,041	10,767,746
<u>986,481</u>	<u>1,706,125</u>	<u>1,123,874</u>	<u>1,148,686</u>	<u>970,547</u>
<u>17,568,479</u>	<u>19,821,475</u>	<u>20,228,201</u>	<u>19,767,555</u>	<u>20,437,171</u>
3,004,732	3,001,449	3,069,742	3,096,448	3,162,076
457,087	295,877	311,966	303,126	362,955
17,949	-	-	91,262	-
<u>216,801</u>	<u>1,092,003</u>	<u>366,777</u>	<u>2,735,134</u>	<u>5,130,143</u>
<u>3,696,569</u>	<u>4,389,329</u>	<u>3,748,485</u>	<u>6,225,970</u>	<u>8,655,174</u>
<u>\$ 21,265,048</u>	<u>\$ 24,210,804</u>	<u>\$ 23,976,686</u>	<u>\$ 25,993,525</u>	<u>\$ 29,092,345</u>
\$ (37,659,940)	\$ (48,080,680)	\$ (43,124,274)	\$ (35,413,247)	\$ (34,130,735)
<u>(1,268,991)</u>	<u>(968,923)</u>	<u>(1,473,635)</u>	<u>943,625</u>	<u>2,950,169</u>
<u>\$ (38,928,931)</u>	<u>\$ (49,049,603)</u>	<u>\$ (44,597,909)</u>	<u>\$ (34,469,622)</u>	<u>\$ (31,180,566)</u>

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

General Revenues and Other Changes in
Net Assets

	Fiscal Year				
	2003	2004	2005	2006	2007
Governmental activities:					
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	<u>31,677,404</u>	<u>33,811,300</u>	<u>35,293,881</u>	<u>36,278,107</u>	<u>39,044,291</u>
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	<u>958,772</u>	<u>917,598</u>	<u>462,935</u>	<u>2,178,966</u>	<u>1,061,742</u>
Total primary government	<u>\$ 32,636,176</u>	<u>\$ 34,728,898</u>	<u>\$ 35,756,816</u>	<u>\$ 38,457,073</u>	<u>\$ 40,106,033</u>
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	<u>\$ (1,689,483)</u>	<u>\$ 3,120,455</u>	<u>\$ (741,892)</u>	<u>\$ 4,167,266</u>	<u>\$ 6,736,229</u>

Table 2
Page 2 of 2

Fiscal Year				
2008	2009	2010	2011	2012
\$ 29,160,452	\$ 29,839,262	\$ 30,245,704	\$ 30,442,706	\$ 30,499,757
10,695,767	8,842,576	6,841,679	6,418,461	6,696,017
574,991	519,464	481,063	502,321	504,698
-	-	-	-	-
1,235,530	612,476	372,699	256,933	261,112
-	-	-	-	-
-	-	-	-	-
(598,536)	(610,360)	(210,471)	(658,868)	(136,841)
<u>41,068,204</u>	<u>39,203,418</u>	<u>37,730,674</u>	<u>36,961,553</u>	<u>37,824,743</u>
-	-	-	-	-
30,698	29,042	23,857	16,543	15,759
-	-	-	2,928	-
-	-	-	-	-
<u>598,536</u>	<u>610,360</u>	<u>210,471</u>	<u>658,868</u>	<u>136,841</u>
<u>629,234</u>	<u>639,402</u>	<u>234,328</u>	<u>678,339</u>	<u>152,600</u>
<u>\$ 41,697,438</u>	<u>\$ 39,842,820</u>	<u>\$ 37,965,002</u>	<u>\$ 37,639,892</u>	<u>\$ 37,977,343</u>
\$ 3,408,264	\$ (8,877,262)	\$ (5,393,600)	\$ 1,548,306	\$ 3,694,008
(639,757)	(329,521)	(1,239,307)	1,621,964	3,102,769
<u>\$ 2,768,507</u>	<u>\$ (9,206,783)</u>	<u>\$ (6,632,907)</u>	<u>\$ 3,170,270</u>	<u>\$ 6,796,777</u>

Stanly County, North Carolina
Fund Balances of Governmental Funds
Last Ten 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	<u>\$ 14,250,307</u>	<u>\$ 15,151,787</u>	<u>\$ 16,507,661</u>	<u>\$ 15,962,334</u>	<u>\$ 17,500,557</u>
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	<u>\$ 6,023,236</u>	<u>\$ 4,395,223</u>	<u>\$ 824,142</u>	<u>\$ 1,207,256</u>	<u>\$ 4,124,578</u>

Table 3

Fiscal Year				
2008	2009	2010	2011	2012
\$ 3,590,746	\$ 8,233,781	\$ -	\$ -	\$ -
15,452,332	9,390,468	-	-	-
-	-	36,360	51,071	52,912
-	-	9,661,929	7,480,151	8,027,964
-	-	-	-	-
-	-	2,062,820	2,003,925	2,803,717
-	-	4,640,026	6,424,783	7,005,289
<u>\$ 19,043,078</u>	<u>\$ 17,624,249</u>	<u>\$ 16,401,135</u>	<u>\$ 15,959,930</u>	<u>\$ 17,889,882</u>
\$ 30,977	\$ 28,082	\$ -	\$ -	\$ -
514,312	347,371	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	445,193	504,241	378,358
-	-	-	-	-
-	-	-	-	-
-	-	-	(34,118)	(52,149)
<u>\$ 545,289</u>	<u>\$ 375,453</u>	<u>\$ 445,193</u>	<u>\$ 470,123</u>	<u>\$ 326,209</u>

Table 4

Stanly County, North Carolina
Changes in Fund Balances of Governmental Funds
Last Ten 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	<u>46,623,205</u>	<u>48,166,287</u>	<u>50,199,588</u>	<u>55,890,999</u>	<u>57,873,712</u>
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					
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	<u>51,094,704</u>	<u>47,987,971</u>	<u>51,977,179</u>	<u>53,900,522</u>	<u>57,916,379</u>
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 escrow agent-retired debt	-	-	-	-	-
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)
Sales of capital assets	26,781	-	-	-	-
Total other financing sources (uses)	<u>(946,943)</u>	<u>(904,849)</u>	<u>(437,616)</u>	<u>(2,152,690)</u>	<u>4,498,212</u>
Net change in fund balances	<u>\$ (5,418,442)</u>	<u>\$ (726,533)</u>	<u>\$ (2,215,207)</u>	<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%

Table 4

Fiscal Year				
2008	2009	2010	2011	2012
\$ 29,225,384	\$ 29,600,368	\$ 30,025,945	\$ 30,256,263	\$ 30,009,197
10,695,767	8,842,576	6,841,679	6,418,461	6,696,017
574,991	519,464	481,063	502,321	504,698
8,173	2,664	425	-	-
9,664,623	10,688,266	11,995,950	11,220,975	11,150,806
945,668	925,727	6,719,000	6,831,077	7,467,321
6,087,739	6,715,699	694,288	653,402	689,032
1,146,477	510,910	284,270	184,734	142,460
714,807	1,290,237	635,110	852,352	874,456
<u>59,063,629</u>	<u>59,095,911</u>	<u>57,677,730</u>	<u>56,919,585</u>	<u>57,533,987</u>
5,183,353	5,655,825	6,183,333	5,070,693	4,312,607
14,967,299	14,559,774	13,594,893	13,344,073	13,504,875
797,230	847,546	837,489	920,286	854,643
1,026,214	1,090,593	1,121,743	1,136,432	1,295,081
2,348,929	1,464,024	2,689,449	2,580,078	2,154,133
16,202,140	16,130,914	14,601,773	14,519,051	14,703,300
11,156,431	20,905,982	15,346,641	11,359,719	10,813,400
1,604,432	1,887,929	1,698,160	1,372,673	1,418,401
4,275,976	4,553,357	3,238,973	2,734,792	2,443,567
				-
1,728,156	1,993,041	2,400,877	2,640,968	2,632,920
<u>1,211,702</u>	<u>1,142,202</u>	<u>1,697,261</u>	<u>1,276,448</u>	<u>1,337,372</u>
<u>60,501,862</u>	<u>70,231,187</u>	<u>63,410,592</u>	<u>56,955,213</u>	<u>55,470,299</u>
(1,438,233)	(11,135,276)	(5,732,862)	(35,628)	2,063,688
-	13,000,000	312,547	1,743,149	3,709,191
-	-	16,325,000	-	-
-	-	-	-	(3,850,000)
-	-	(17,223,200)	-	-
-	-	1,067,654	-	-
595,036	1,000,000	190,572	175,971	103,059
(1,193,572)	(1,610,360)	(401,043)	(834,839)	(239,900)
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>(598,536)</u>	<u>12,389,640</u>	<u>271,530</u>	<u>1,084,281</u>	<u>(277,650)</u>
<u>\$ (2,036,769)</u>	<u>\$ 1,254,364</u>	<u>\$ (5,461,332)</u>	<u>\$ 1,048,653</u>	<u>\$ 1,786,038</u>
5.3%	4.6%	6.6%	7.0%	7.2%

Table 5

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

Fiscal Year	Property Tax	Sales Tax	Franchise Tax	Occupancy Tax	Property Excise Tax	Intangible Tax	Solid Waste Tax	Other Tax	Total
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
2012	30,499,757	6,696,017	164,644	207,471	87,523	-	25,930	19,130	37,700,472

Table 6

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

Fiscal Year	Property Tax	Sales Tax	Franchise Tax	Occupancy Tax	Property Excise Tax	Intangible Tax	Solid Waste Tax	Other Tax	Total
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
2012	30,009,197	6,696,017	164,644	207,471	87,523	-	25,930	19,130	37,209,912

Table 7

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

Fiscal Year	Real Property		Personal Property		Less: Tax Exempt Real Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
	Residential Property	Commercial Property	Motor Vehicles	Other					
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%
2012	2,989,362,988	612,152,578	389,552,648	318,244,954	55,401,328	4,253,911,840	0.6700	4,253,911,840	100%

Source: Stanly County Tax Assessor

Table 8

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

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
County Direct Rate										
Stanly	\$0.6675	\$0.6675	\$0.6675	\$0.6450	\$0.6450	\$0.6700	\$0.6700	\$0.6700	\$0.6700	\$0.6700
City/Town Rates										
City of Albemarle	0.5400	0.5600	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	0.4100	0.4100	0.4100	0.4100	0.4100	0.4100
Town of Badin	0.3000	0.3200	0.3200	0.3400	0.3600	0.3800	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
Town of Locust	0.3600	0.3600	0.3600	0.3600	0.3600	0.3600	0.3600	0.3600	0.3600	0.3600
Stanfield Annex	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Town of Stanfield	0.3800	0.3800	0.3800	0.3800	0.3800	0.3800	0.3800	0.3800	0.3800	0.3800
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	0.1600	0.1600	0.1600	0.1600	0.1600	0.1600	0.1600	0.1600	0.1600	0.1600
Redcross Annex	0.2242	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Town of Misenheimer	0.2200	0.2200	0.2200	0.2200	0.2200	0.2200	0.2200	0.2200	0.2200	0.2200
Municipal Service	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000
Fire Districts										
*West Stanly	0.0800	0.0800	0.0800	0.0800	0.0800	0.0800	0.0800	0.0800	0.0800	0.0800
Center Rural	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0700	0.0700	0.0700	0.0700
Endy	0.0400	0.0400	0.0600	0.0600	0.0600	0.0600	0.0600	0.0600	0.0600	0.0600
Ridgecrest	0.0800	0.0800	0.0800	0.0800	0.0800	0.0800	0.0800	0.0900	0.0900	0.0900
Aquadale	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	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
Rocky River	0.0800	0.0800	0.0800	0.0800	0.0800	0.0800	N/A	N/A	N/A	N/A
Bethany	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500
Richfield	0.0700	0.0700	0.0700	0.0700	0.0700	0.0700	0.0700	0.0700	0.0700	0.0700
Millingport	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500
Badin-Yadkin	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0800	0.0800	0.0800	0.0800
Norwood Special	N/A	N/A	N/A	N/A	N/A	N/A	0.0500	0.0700	0.0700	0.0700
Maximum Combined										
**County Tax Rate	0.7675	0.7675	0.7675	0.7450	0.7700	0.7700	0.7700	0.7700	0.7700	0.7700
*** City Tax Rate	1.2075	1.2275	1.2275	1.2050	1.2050	1.2300	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).

Source: Stanly County Tax Assessor

Table 9

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

Taxpayer	2012			2003		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
APGI	\$ 46,117,643	1	1.08%	\$ 12,783,146	5	0.36%
Duke Energy	31,859,254	2	0.75%	26,576,589	2	0.75%
Fiber Composites	29,626,408	3	0.70%	-		0.00%
Union Electric	26,482,679	4	0.62%	19,153,306	4	0.54%
Michelin Aircraft Tire Co.	25,147,278	5	0.59%	22,446,905	3	0.64%
Alcoa	20,028,147	6	0.47%	61,318,222	1	1.74%
Preformed Line Prod	16,158,344	7	0.38%	-		0.00%
Stanly Regional Medical Center	15,020,520	8	0.35%	-		0.00%
Piedmont Natural Gas Co Inc	14,140,473	9	0.33%	-		0.00%
IAC Group North America Inc.	11,998,905	10	0.28%	-		0.00%
NC Natural Gas	-		0.00%	-	6	0.33%
Fabric De GP (C & A Co.)	-		0.00%	7,738,900	7	0.22%
Textron Inc.	-		0.00%	5,460,487	9	0.15%
Aeroquip	-		0.00%	4,609,085	10	0.13%
H W Culp Lumber Co.	-		0.00%	6,795,746	8	0.19%
Totals	\$ 236,579,651		5.56%	\$ 166,882,386		5.06%

Source: Stanly County Tax Assessor

Table 10

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

Fiscal Year Ended June 30	Total Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2003	\$ 23,570,947	\$ 22,498,389	95.45%	\$ 755,234	\$ 23,253,623	98.65%
2004	23,615,122	22,627,355	95.82%	983,334	23,610,689	99.98%
2005	23,837,624	22,937,907	96.23%	1,008,706	23,946,613	100.00%
2006	25,446,392	24,452,587	96.09%	799,246	25,251,833	99.24%
2007	25,771,587	24,856,027	96.45%	973,208	25,829,235	100.00%
2008	27,427,554	26,505,922	96.64%	974,054	27,479,976	100.00%
2009	28,197,742	27,070,898	96.00%	786,972	27,857,870	98.79%
2010	28,322,388	27,157,880	95.89%	846,456	28,004,336	98.88%
2011	28,414,033	27,215,473	95.78%	954,163	28,169,636	99.14%
2012	28,535,034	27,153,596	95.16%	741,518	27,895,114	97.76%

Source: Stanly County Tax Assessor

Table 11

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

Fiscal Year	Governmental Activities				Business-Type Activities			Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Bond Issuance Cost/Premiums	Capital Leases	Installment Note	General Obligation Bonds	Capital Leases	Revolving Loan			
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
2012	15,000,000	889,658	3,523,215	12,725,241	-	-	263,379	32,401,493	1.83%	534.81

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

Table 12

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

Fiscal Year	General Obligation Bonds	Percentage of Estimated Actual Taxable Value of Property	Per Capita
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
2012	15,000,000	0.35%	247.59

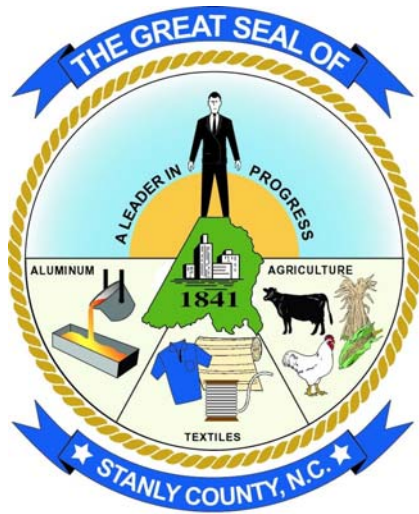
Note: Details regarding the County's outstanding debt can be found in the notes to the financial statements.

Table 13

Stanly County, North Carolina
Direct and Overlapping Governmental Activities Debt
June 30, 2012

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Stanly County	\$ 15,000,000	100%	\$ 15,000,000
Town of Richfield	379,000	100%	<u>379,000</u>
Total direct and overlapping debt			<u>\$ 15,379,000</u>

Source: State of North Carolina Treasurer LGC 129



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

	Fiscal Year				
	2003	2004	2005	2006	2007
Debt limit	\$ 282,142,285	\$ 282,534,541	\$ 284,957,574	\$ 314,713,191	\$ 319,453,600
Total net debt applicable to limit	<u>24,600,000</u>	<u>23,700,000</u>	<u>22,800,000</u>	<u>23,284,931</u>	<u>27,254,530</u>
Legal debt margin	<u>\$ 257,542,285</u>	<u>\$ 258,834,541</u>	<u>\$ 262,157,574</u>	<u>\$ 291,428,260</u>	<u>\$ 292,199,070</u>
Total net debt applicable to the limit as a percentage of debt limit	<u>8.72%</u>	<u>8.39%</u>	<u>8.00%</u>	<u>7.40%</u>	<u>8.53%</u>

Legal Debt Margin Calculation for Fiscal Year 2012

Assessed value	<u>\$4,253,911,840</u>
Debt limit - 8% of assessed value	340,312,947
Debt applicable to limit:	
General obligation bonds	\$ 15,000,000
Bond issuance cost/premiums	889,658
Installment note	12,725,241
Revolving loan	263,379
Capital lease obligation	<u>3,523,215</u>
Total debt	32,401,493
Less-Statutory deductions	<u>263,379</u>
Total amount of debt applicable to debt limit	<u>32,138,114</u>
Legal debt margin	<u>\$ 308,174,833</u>

Table 14

Fiscal Year				
2008	2009	2010	2011	2012
\$ 327,410,064	\$ 333,792,266	\$ 336,564,256	\$ 338,784,941	\$ 340,312,947
<u>25,526,374</u>	<u>36,533,333</u>	<u>34,920,005</u>	<u>35,000,841</u>	<u>32,138,114</u>
<u>\$ 301,883,690</u>	<u>\$ 297,258,933</u>	<u>\$ 301,644,251</u>	<u>\$ 303,784,100</u>	<u>\$ 308,174,833</u>
<u>7.80%</u>	<u>10.94%</u>	<u>10.38%</u>	<u>10.33%</u>	<u>9.44%</u>

Table 15

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

Fiscal Year	Population (1)	Personal Income	Per Capita Personal Income (2)	Median Age (3)	School Enrollment (4)	Unemployment Rate (5)
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%
2012	60,585	1,766,961,525	29,165	41.0	9,070	10.2%

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) Division of School Business Services School Allotments Sections
- (5) N.C. Employment Security Commission Workforce In-Depth

Table 16

Stanly County, North Carolina
Principal Employers
Current Year

Employer	2012		
	Employees	Rank	Percentage of Total County Employment
Stanly County Schools	1,180	1	6.51%
Stanly Regional Medical Center	907	2	5.01%
Wal-Mart of Albemarle	558	3	3.08%
Michelin Aircraft	470	4	2.59%
Stanly County Government	429	5	2.37%
IAC Old Fort LLC	350	6	1.93%
State of NC Dept of Corrections	324	7	1.79%
Monarch	315	8	1.74%
Stanly Community College	271	9	1.50%
City of Albemarle	<u>268</u>	10	<u>1.48%</u>
Total	<u>5,072</u>		<u>27.99%</u>

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

Note: Data not available before Fiscal Year 2006.

Table 17

Stanly County, North Carolina
Full-Time Equivalent County Government Employees By Function
Last Ten Fiscal Years

Function	Full-Time Equivalent Employees as of June 30									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General government										
Administration	4	5	6	6	6	6	5	5	4	4
Finance	7	7	7	7	6	5	5	6	5	5
Taxes	23	23	22	22	26	20	19	19	19	18
Attorneys	-	-	-	-	-	2	2	2	2	2
Elections	3	3	3	2	3	5	3	3	3	3
Register of deeds	6	6	6	6	6	6	5	4	4	4
Information technology	3	3	3	3	3	4	4	5	5	5
Facilities management	6	6	6	6	6	6	7	7	7	7
Public safety										
Sheriff	51	51	51	53	52	53	58	57	55	54
Jail	16	18	23	20	24	37	39	33	38	38
Criminal justice partnership	1	1	1	1	1	1	1	1	1	NA
Juvenile justice partnership	NA	NA	NA	NA	NA	NA	1	1	1	NA
Emergency management	2	2	2	2	2	2	2	2	2	2
Fire	1	1	1	1	2	3	3	3	2	2
Emergency medical services	35	33	39	37	42	39	39	41	36	36
Inspections	7	7	7	7	6	6	5	5	4	4
Animal control	5	5	5	5	5	5	6	6	5	5
E-911 operations	16	16	15	16	14	15	18	17	16	16
E-911 surcharge	2	1	1	2	2	2	NA	NA	NA	NA
Transportation	16	17	18	19	19	18	14	11	12	15
Environmental protection										
Solid waste collection	13	13	13	13	14	14	10	10	10	10
Conservation	2	2	2	2	2	2	2	2	2	2
Economic and physical development										
Economic development	2	2	2	2	2	1	2	2	1	2
Planning and zoning	5	5	6	4	5	4	3	3	3	3
Central Permitting	-	-	-	-	-	3	3	4	3	3
Rocky River RPO	-	-	-	-	1	1	1	1	1	1
Cooperative extension	10	7	6	6	-	-	-	-	-	-
Title V	7	6	5	6	5	-	NA	NA	NA	NA
Human services										
Health	52	56	56	54	60	55	57	58	54	57
Social services	77	73	75	76	79	74	81	76	78	81
Senior services	16	18	17	18	17	15	15	15	13	13
Veterans services	1	1	1	1	1	1	1	1	1	1
Culture and recreation										
Library	19	19	20	20	19	18	20	18	16	17
Historic preservation	2	2	2	1	2	2	2	2	2	NA
Agri civic center	4	4	3	5	5	5	4	4	4	4
Airport	4	5	5	5	5	5	5	5	5	5
Utilities										
Administration	4	4	4	4	5	5	4	4	4	4
Operations	7	8	8	8	8	9	12	13	11	12
Total	<u>429</u>	<u>430</u>	<u>441</u>	<u>440</u>	<u>455</u>	<u>449</u>	<u>458</u>	<u>446</u>	<u>429</u>	<u>435</u>

Source: Stanly County Human Resources

Table 18

Stanly County, North Carolina
Operating Indicators By Function
Last Seven Fiscal Years

Function	Fiscal Year						
	2006	2007	2008	2009	2010	2011	2012
Public Safety							
Arrests	1,819	1,712	3,471	1,157	3,200	1,689	937
Civil papers serviced	1,060	1,166	13,269	5,848	8,447	9,196	8,781
Average daily jail population	83	92	91	92	94	80	75
Dispatched EMS calls	6,297	6,370	6,885	7,164	7,299	7,864	8,668
EMS move up calls	2,748	2,695	5,270	2,836	3,221	2,883	3,342
Building permits issued	642	710	651	652	517	541	549
Animals entering shelter	4,358	4,211	3,313	2,980	2,996	2,883	2,910
Animals euthanized	3,201	2,866	2,404	2,649	2,422	2,471	1,257
911 calls logged for service	102,834	107,118	110,472	111,643	115,840	119,724	121,662
Transportation							
Service hours	26,180	20,713	28,277	19,743	18,991	18,768	17,966
Miles driven	413,044	392,079	427,665	386,343	351,009	332,373	313,790
Trips	82,878	77,888	72,967	67,014	63,848	63,558	62,587
Environmental protection							
Discarded materials collected (tons/day)	19	20	19	25	19	19	19
Recyclables collected (tons/day)	2	2	2	2	2	2	2
Human services							
Food and lodging permits	127	114	50	131	45	27	92
Food and lodging inspections made	917	836	627	754	937	822	859
Wells permits	155	168	145	94	83	68	84
Culture and recreation							
Library books checked out	197,718	209,100	220,331	226,603	236,179	226,350	210,951
Library cards issued	2,763	4,043	1,287	2,580	2,421	2,783	2,850
Water and sewer							
Number of water customers	3,859	3,979	3,756	4,152	3,972	4,116	4,994
Average monthly water demand (Gallons)	24,216,807	26,290,707	53,000,000	30,030,025	29,300,527	34,065,300	32,253,281
Number of sewer customers	648	624	650	622	682	716	720
Average monthly sewage collected* (Gallons)	-	-	-	244,000	383,500	220,800	31,500
Airport							
Operations (Take-offs and/or landings)	11,451	13,844	13,718	11,490	11,425	10,605	9,969

Sources: Various departments

*Accurate information not available for prior years.

Note: Data not available before Fiscal Year 2006.

Table 19

**Stanly County, North Carolina
Capital Asset Statistics By Function
Last Seven Fiscal Years**

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

Sources: Various departments

Note: This data not available before Fiscal Year 2006.