



Stanly County

North Carolina

Comprehensive Annual Financial Report

Year Ended June, 2013



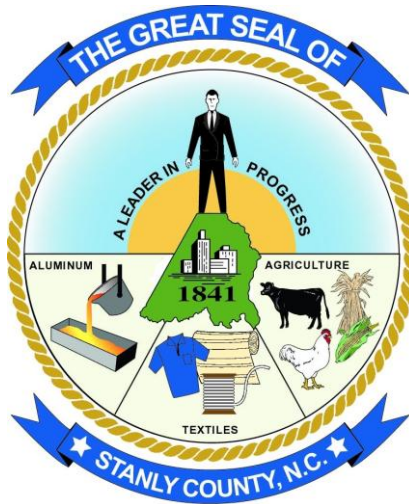
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A Place to Love



**STANLY COUNTY
NORTH CAROLINA**

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

***For Fiscal Year Ended
June 30, 2013***



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

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



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STANLY COUNTY, NORTH CAROLINA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Fiscal Year Ended June 30, 2013
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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 30, 2013

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, 2013 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

Stanly County's economy has strengthened modestly but steadily over the past year. The unemployment rate continued its steady decline, coming in at 8.9% as of June 30, 2013, slightly below the regional average of 9.3%. As expected, the improvement in the housing market helped accelerate economic activity and hiring in the County. Housing starts and development are up locally, and several employers in the wood products manufacturing industry that supply products to the housing sector added jobs and ramped up production to serve the needs of their customers in this sector. Barring any significant unexpected political developments, this year's overall slow 1.4% growth rate is expected to continue for the rest of this year and rise slightly to a 2.1% level next year. A decline in the inventory of existing industrial buildings in the region has led to an increase in the level of site searches, a development that has favorable implications for Stanly County. Planning for a speculative industrial building in the western end of the County that can help drive future prospect activity continues as assessments by consultants of the County's fiber optic infrastructure and its infrastructure/utility coordination efforts are being completed.

The County has made several strategic investments to enhance workforce development and infrastructure improvement. The County Commissioners pledged \$500,000 to support the Stanly Community College's fundraising initiative for a new Advanced Manufacturing and Industrial Technology (AMIT) center. The County also completed the planning process and is committed to constructing the first phase of the plan to increase the capacity of the existing sewer service in the airport corridor. In addition, an effort to consolidate and streamline water and sewer service in the western part of the County is under discussion. All of these efforts will lead to a greater capacity to serve the needs of new and expanding industry.

Stanly County's assessed valuation (tax base) is projected to marginally increase in FY 13-14, and the ad valorem tax revenue is based on a collection rate of 96%. One penny on the tax rate will generate approximately \$414,019 in FY 2013-2014.

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 26.85% compared to 18.60% in 2012. This is primarily due to an increase in cash of close to \$4.8 million which is attributed to a payment from the Stanly Water & Sewer Authority of \$2,569,000 for interim financing.

Generally, low-cost capital projects have been paid on a pay-as-you-go basis from fund balance. The County has started seeking financing for certain capital projects instead of using fund balance. The County closed on a lease purchase agreement with Motorola in September 2013 to start implementing a new emergency radio system for the County.

MAJOR INITIATIVES

During Fiscal Year 2013, the airport terminal construction project was completed. Also, there were two utility projects completed during this year. There were a total of eighteen vehicles purchased of which fourteen were purchased by public safety departments with two of them being ambulances. SCUSA Transportation purchased one light transit van which 90% was paid with grant funds. The other vehicles were purchased by DSS and Utilities. The Dental Clinic completed the expansion of two additional examination rooms. EMS replaced two defibrillator heart monitors and Senior Services made some improvements to their video and audio systems. There were various improvements and repairs made at different County facilities.

UTILITIES

Stanly County Utilities is responsible for the distribution of one million gallons of drinking water each day to over 5,000 homes, schools, churches and businesses in Stanly County. Stanly County Utilities operates as three systems – Stanly County, Greater Badin Water & Sewer District and Piney Point Water District. Stanly County Utilities also provides wastewater collection and treatment to over 600 customers in Stanly County.

The following utility projects were completed and closed during Fiscal Year 2012-2013: Water Storage Tank Improvement Project and Utility Airport Corridor Study. There is currently one utility project open. The County Commissioners created the Stanly Water and Sewer Authority in 2006 as a tool for securing grant funding, and as a means of completing water line installation. The Mission Road Area Water Extension Project is currently ongoing with completion scheduled early in FY 14-15.

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. In April 2013, Stanly County Airport began providing Military Contract Fuel sales to the many military units that pass through and also train here. Fuel sales are steadily increasing as more military units are discovering that this airport provides these contract sales.

The airport 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 12-13, SCUSA Transportation provided 16,927 service hours, traveled 286,007 miles, while providing 55,350 trips.

FINANCIAL INFORMATION

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

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

Budgeting Controls

In government, much more than in business, the budget is an integral part of the accounting system. Legal limits on spending are created by an annual budget ordinance or by special project ordinances. The legal level of control over expenditures is at a functional level for the General Fund and at the fund level for Special Revenue Funds, Capital Project Funds, and Enterprise Funds. However, for internal accounting purposes, budgetary control is maintained on a specific line-item basis with an encumbrance system. As

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

OTHER INFORMATION

Independent Audit

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

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

Awards

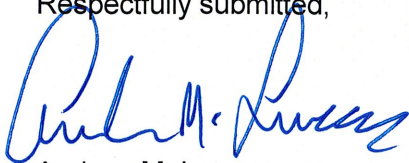
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Stanly County for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2012. The Certificate of Achievement is 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-two (22) consecutive years. We believe the current report satisfies the Certificate of Achievement Program requirements, and is being submitted to the GFOA.

Acknowledgments

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

Respectfully submitted,



Andrew M. Lucas
County Manager



Toby R. Hinson
Finance Director

STANLY COUNTY, NORTH CAROLINA
LIST OF ELECTED AND APPOINTED OFFICIALS
June 30, 2013

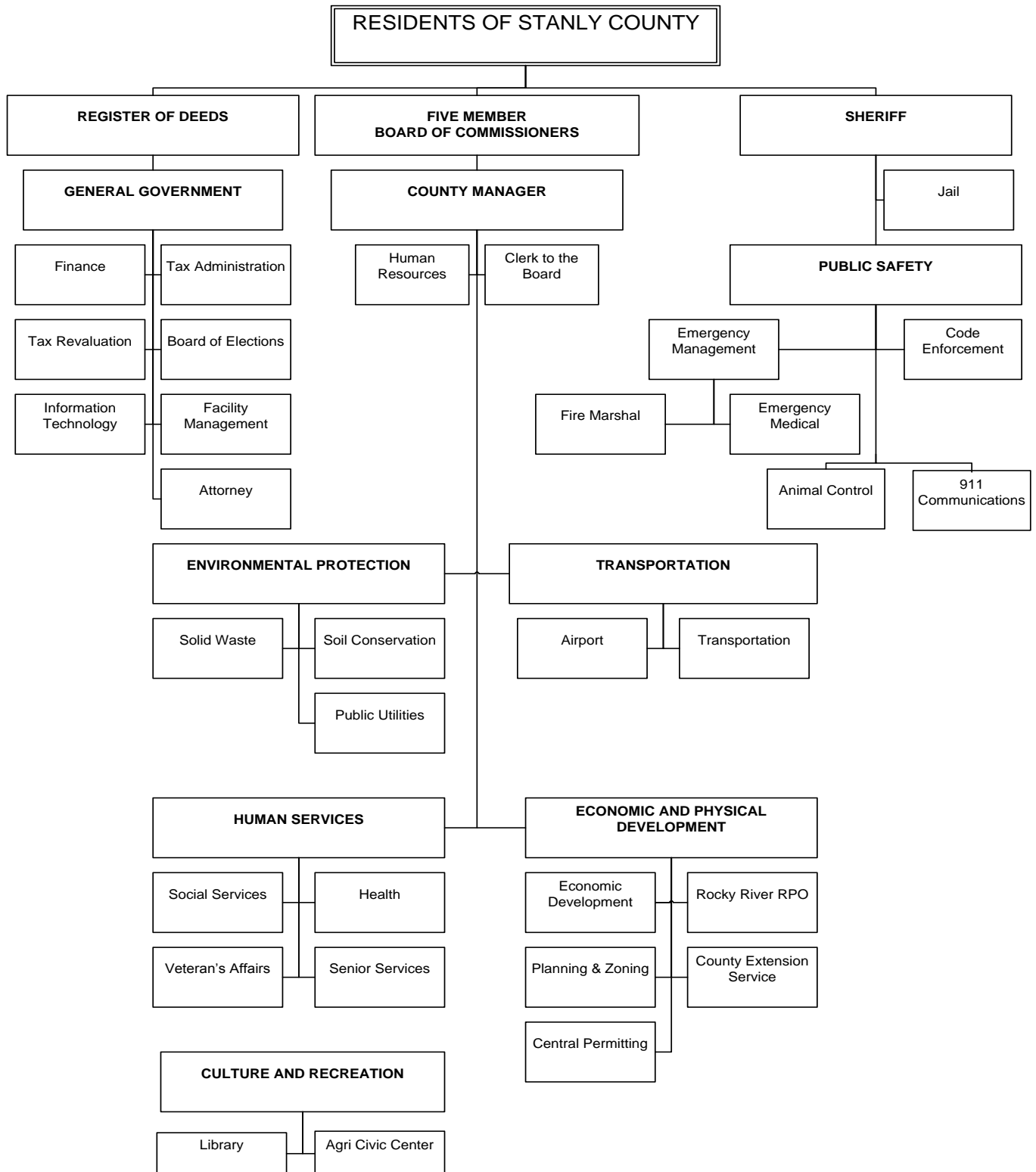
Elected Officials

Board of Commissioners – Chairman	Gene McIntyre
Board of Commissioners – Vice-Chairman	Joshua J. Morton
Board of Commissioners	Peter Ascitutto
Board of Commissioners	Tony M. Dennis
Board of Commissioners	Lindsey R. Dunevant
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





Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**Stanly County
North Carolina**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2012

A handwritten signature in black ink, reading "Jeffrey R. Egan". The signature is written in a cursive, flowing style.

Executive Director/CEO

FINANCIAL SECTION



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

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

Independent Auditor's Report

Board of County Commissioners
Stanly County
Albemarle, North Carolina

Report On the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Stanly County, North Carolina, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Stanly County, North Carolina as of June 30, 2013, and the respective changes in financial position, and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Law Enforcement Officers' Special Separation Allowance and the Other Post-Employment Benefits' Special Separation Allowance 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 the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

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

The combining and individual fund statements, budgetary schedules, and supplemental ad valorem tax schedules are the responsibility of management and were derived from, and relates directly to, the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund statements, budgetary schedules, and supplemental ad valorem tax schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 30, 2013 on our consideration of Stanly County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Stanly County's internal control over financial reporting and compliance.

Martin Starnes & Associates, CPAs, P.A.

Martin Starnes & Associates, CPAs, P.A.
Hickory, North Carolina
October 30, 2013



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STANLY COUNTY, NORTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2013

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, 2013. 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

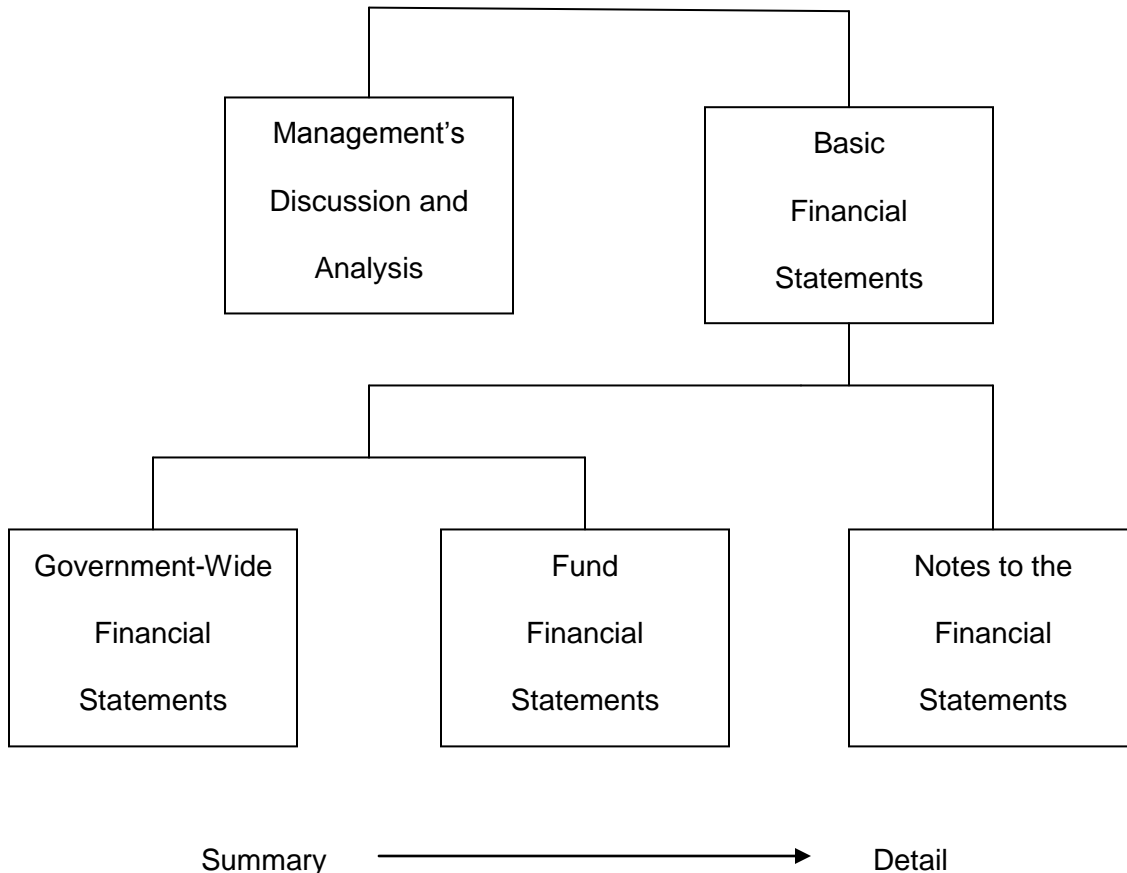
- The assets of Stanly County exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$48,439,614 (*net position*). Net position would be much greater except Stanly County reports \$24,448,819 debt liability for the school system, and the school reports the assets.
- The government's total net position increased by \$3,152,123, primarily due to an increase in governmental activities.
- As of the close of the current fiscal year, Stanly County's governmental funds reported combined ending fund balances of \$19,046,125, after a net increase in fund balance of \$830,034. Approximately 24.73% of this total amount, or \$4,709,309, is restricted or non-spendable.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$11,378,402, or 20.9%, of total General Fund expenditures and transfers to other funds for the fiscal year.
- Stanly County's total debt decreased by \$2,591,255 (8.00%) during the current fiscal year. Regular and scheduled debt payments account for the decrease.
- Stanly County maintained its Standard & Poor's A+ bond rating for the fifth consecutive year and maintained its Moody's Aa3 bond rating for the fourth 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, 2013

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, 2013

Budgetary information required by the General Statutes also can be found in this part of the statements.

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

Government-Wide Financial Statements

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

The two government-wide statements report the County's net position and how they have changed. Net position is the difference between the total of the County's assets and the total liabilities and deferred inflows of resources. Measuring net position is one way to gauge the County's financial condition.

The government-wide statements are divided into three categories: 1) governmental activities; 2) business-type activities; and 3) component units. The governmental activities include most of the County's basic services such as public safety, general administration, human services, transportation, and environmental protection. Property taxes and Federal and State grant funds finance most of these activities. The business-type activities are those that the County charges customers to provide. These include water and sewer and airport services offered by Stanly County. The final category is the component unit. Stanly County Water and 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 governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is described in a reconciliation that is a part of the fund financial statements.

STANLY COUNTY, NORTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2013

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

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

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

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.

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 26 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 63 of this report.

STANLY COUNTY, NORTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2013

STANLY COUNTY'S NET POSITION

	Governmental Activities		Business-Type Activities		Total	
	2013	2012	2013	2012	2013	2012
Assets:						
Current and other assets	\$ 27,963,760	\$ 26,807,866	\$ 1,923,074	\$ 1,804,448	\$ 29,886,834	\$ 28,612,314
Capital assets	17,981,360	18,450,241	38,178,559	38,787,218	56,159,919	57,237,459
 Total assets	 45,945,120	 45,258,107	 40,101,633	 40,591,666	 86,046,753	 85,849,773
Liabilities:						
Long-term liabilities outstanding	32,463,788	34,672,662	406,151	403,970	32,869,939	35,076,632
Other liabilities	3,948,398	4,067,778	543,653	1,155,304	4,492,051	5,223,082
 Total liabilities	 36,412,186	 38,740,440	 949,804	 1,559,274	 37,361,990	 40,299,714
 Deferred Inflows of Resources	 245,149	 262,568	 -	 -	 245,149	 262,568
Net Position:						
Net investment in capital assets	12,862,706	14,038,812	37,935,794	38,523,839	50,798,500	52,562,651
Restricted	4,642,935	8,406,322	-	-	4,642,935	8,406,322
Unrestricted	(8,217,856)	(16,190,035)	1,216,035	508,553	(7,001,821)	(15,681,482)
 Total net position	 \$ 9,287,785	 \$ 6,255,099	 \$ 39,151,829	 \$ 39,032,392	 \$ 48,439,614	 \$ 45,287,491

Government-Wide Financial Analysis

As noted earlier, net position may serve, over time, as one useful indicator of a government's financial condition. The assets of Stanly County exceeded its liabilities and deferred inflows of resources by \$48,439,614 as of June 30, 2013. The County's net position increased by \$3,152,123 for the fiscal year ended June 30, 2013. The largest portion, \$50,798,500, reflects the County's net investment in capital assets (e.g. land, buildings, vehicles, equipment, etc.). Stanly County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although Stanly County's investment in its capital assets is reported net of the outstanding related debt, the resources needed to repay that debt must be provided by other sources, since capital assets cannot be used to liquidate these liabilities. An additional portion of Stanly County's net position \$4,642,935 (9.58%) represents resources that are subject to external restrictions on how they may be used. The remaining deficit balance of \$7,001,821 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 \$24,448,819.

STANLY COUNTY, NORTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2013

Stanly County's Changes in Net Position

	Governmental Activities		Business-Type Activities		Total	
	2013	2012	2013	2012	2013	2012
Revenues:						
Program revenues:						
Charges for services	\$ 8,387,462	\$ 8,698,878	\$ 3,488,095	\$ 3,525,031	\$ 11,875,557	\$ 12,223,909
Operating grants and contributions	9,701,383	10,767,746	-	-	9,701,383	10,767,746
Capital grants and contributions	1,091,138	970,547	1,734,467	5,130,143	2,825,605	6,100,690
General revenues:						
Property taxes	31,174,287	30,499,757	-	-	31,174,287	30,499,757
Other taxes	7,584,616	7,200,715	-	-	7,584,616	7,200,715
Interest earned on investments	171,540	261,112	3,890	15,759	175,430	276,871
Miscellaneous income	-	-	21,856	-	21,856	-
Total revenues	58,110,426	58,398,755	5,248,308	8,670,933	63,358,734	67,069,688
Expenses:						
General government	5,204,527	5,048,549	-	-	5,204,527	5,048,549
Public safety	14,434,194	14,482,815	-	-	14,434,194	14,482,815
Transportation	950,965	988,483	-	-	950,965	988,483
Environmental protection	1,197,567	1,162,909	-	-	1,197,567	1,162,909
Economic development	2,004,658	2,364,231	-	-	2,004,658	2,364,231
Human services	14,970,988	14,968,599	-	-	14,970,988	14,968,599
Cultural and recreation	1,572,868	1,643,930	-	-	1,572,868	1,643,930
Education	12,532,158	12,643,400	-	-	12,532,158	12,643,400
Interest on long-term debt	925,756	1,264,990	-	-	925,756	1,264,990
Water and sewer	-	-	4,714,762	4,071,866	4,714,762	4,071,866
Airport	-	-	1,698,168	1,633,139	1,698,168	1,633,139
Total expenses	53,793,681	54,567,906	6,412,930	5,705,005	60,206,611	60,272,911
Increase (decrease) in net position						
before transfers	4,316,745	3,830,849	(1,164,622)	2,965,928	3,152,123	6,796,777
Transfers in (out)	(1,284,059)	(136,841)	1,284,059	136,841	-	-
Change in net position	3,032,686	3,694,008	119,437	3,102,769	3,152,123	6,796,777
Net position, July 1	6,255,099	2,561,091	39,032,392	35,929,623	45,287,491	38,490,714
Net position, June 30	\$ 9,287,785	\$ 6,255,099	\$ 39,151,829	\$ 39,032,392	\$ 48,439,614	\$ 45,287,491

STANLY COUNTY, NORTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2013

Governmental Activities. Governmental activities increased the County's net position by \$3,032,686, thereby accounting for 96.21% of the total growth in the net position of Stanly County. Key elements of this increase are as follows:

- Increase in ad valorem property taxes of 2.92%
- Increase in public safety sales and services of 5.18%
- Increase in sales tax revenue by 5.15%

Business-Type Activities. Business-type activities increased Stanly County's net position by \$119,437, accounting for 3.79% of the total growth in the government's net position. Key elements of this increase are as follows:

- Transfers in to project fund increased substantially by over \$1,100,000
- Total expenses showed an increase of 12.41%.

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 \$14,598,704, while total fund balance reached \$18,771,702. 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 26.85% (an increase of 8.25% from prior year) of General Fund expenditures and transfers to other funds, while total fund balance represents 34.52% of that same amount.

At June 30, 2013, the governmental funds of Stanly County reported a combined fund balance of \$19,046,125, a 4.56% 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, 2013

Total amendments to the General Fund increased expenditures by \$2,146,550 and revenues by \$1,230,225, with the remaining \$916,325 funded by other financing sources and uses.

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

Proprietary Funds. Stanly County's proprietary funds provide the same type of information found in the government-wide statements but in more detail. Unrestricted net position of the Utility Funds at the end of the fiscal year amounted to \$1,381,485 and that for the airport equaled \$(165,450). The total increase in net position for all enterprise funds was \$119,437. 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, 2013 totaled \$56,159,919 (net of accumulated depreciation). These assets include land, plant in service, buildings and improvements, equipment and vehicles, and construction in progress.

Major capital asset transactions during the year included:

- Completion of airport terminal construction project
- Purchased new vehicles for various departments
- Purchased new medical equipment for dental clinic expansion

STANLY COUNTY'S CAPITAL ASSETS **(net of depreciation)**

	Governmental Activities		Business-Type Activities		Total	
	2013	2012	2013	2012	2013	2012
Land	\$ 1,949,950	\$ 1,949,950	\$ 5,032,879	\$ 5,032,879	\$ 6,982,829	\$ 6,982,829
Plant in service	-	-	14,606,571	15,843,972	14,606,571	15,843,972
Buildings and improvements	14,157,678	14,781,351	11,029,522	8,765,775	25,187,200	23,547,126
Equipment and vehicles	1,873,732	1,718,940	81,691	105,311	1,955,423	1,824,251
Construction in progress	-	-	7,427,896	9,039,281	7,427,896	9,039,281
Total	<u>\$ 17,981,360</u>	<u>\$ 18,450,241</u>	<u>\$ 38,178,559</u>	<u>\$ 38,787,218</u>	<u>\$ 56,159,919</u>	<u>\$ 57,237,459</u>

Additional information on the County's capital assets can be found in the financial notes of the Basic Financial Statements beginning on page 41.

STANLY COUNTY, NORTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2013

Long-Term Debt. As of June 30, 2013, Stanly County had total bonded debt outstanding of \$13,385,000 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	
	2013	2012	2013	2012	2013	2012
General obligation bonds	\$ 13,385,000	\$ 15,000,000	\$ -	\$ -	\$ 13,385,000	\$ 15,000,000
Unamortized premium						
on bonds	800,660	889,658	-	-	800,660	889,658
Capital leases	3,133,060	3,523,215	-	-	3,133,060	3,523,215
Notes payable	12,248,753	12,725,241	242,765	263,379	12,491,518	12,988,620
Total	<u>\$ 29,567,473</u>	<u>\$ 32,138,114</u>	<u>\$ 242,765</u>	<u>\$ 263,379</u>	<u>\$ 29,810,238</u>	<u>\$ 32,401,493</u>

Stanly County's total debt decreased by \$2,591,255 (8.00%) 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 fifth consecutive year and its Moody's Aa3 bond rating for the fourth 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 \$315,513,789. The County has no bonds authorized, but unissued at June 30, 2013.

Additional information regarding Stanly County's long-term debt can be found in Note II beginning on page 54 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 of 8.9%, which is slightly 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, 2013

Budget Highlights for the Fiscal Year Ending June 30, 2014

Governmental Activities. Property tax and sales tax revenues are the leading factors in an expected increase in revenue projections by 3.3%. The County will use these increases in revenues to finance programs currently in place.

Budgeted expenditures in the General Fund are expected to increase by approximately \$2.24 million or 4.2%. The primary factors for this are 2.5% cost-of-living allowance and increase for annualized merit for employees, increase for group health insurance premiums, and increase for County schools current expense.

Business-Type Activities. The water and sewer enterprise funds are intended to be self-supporting through user fees and assessments. Water and sewer rates for each of the County's respective utility funds will increase by 5.0%. This increase is tied directly to water and sewer rate increases from the City of Albemarle and Town of Norwood.

The Airport Operating Fund budget represents an increase of \$20,967, or 7.8%. This budget includes a required match for the annual Vision 100 Grant funding and includes a one-time capital outlay increase of \$25,000 for a new Flex Wing mower.

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 POSITION

JUNE 30, 2013

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Stanly Water and Sewer Authority
Assets:				
Current assets:				
Cash and cash equivalents	\$ 19,700,537	\$ 1,016,020	\$ 20,716,557	\$ 242,385
Receivables, net	7,665,368	809,524	8,474,892	1,160,555
Internal balances	134,681	(134,681)	-	-
Inventories	-	126,191	126,191	-
Prepaid items	66,374	-	66,374	-
Restricted cash and cash equivalents	800	106,020	106,820	228,308
Total current assets	27,567,760	1,923,074	29,490,834	1,631,248
Non-current assets:				
Long-term notes receivable	396,000	-	396,000	-
Capital assets				
Land	1,949,950	5,032,879	6,982,829	-
Construction in progress	-	7,427,896	7,427,896	3,178,662
Capital assets net of depreciation	16,031,410	25,717,784	41,749,194	8,218,881
Capital assets, net	17,981,360	38,178,559	56,159,919	11,397,543
Total assets	45,945,120	40,101,633	86,046,753	13,028,791
Liabilities:				
Current liabilities:				
Accounts payable	2,436,632	388,941	2,825,573	301,980
Interest payable	477,879	690	478,569	26,127
Payroll payable	1,028,931	48,002	1,076,933	-
Due to other governments	4,156	-	4,156	396,000
Due within a year	3,584,174	52,652	3,636,826	28,000
Payable from restricted assets	800	106,020	106,820	35,140
Total current liabilities	7,532,572	596,305	8,128,877	787,247
Non-current liabilities:				
Due in more than a year	28,879,614	353,499	29,233,113	7,522,000
Total liabilities	36,412,186	949,804	37,361,990	8,309,247
Deferred Inflows of Resources:				
Prepaid taxes	245,149	-	245,149	-
Net Position:				
Net investment in capital assets	12,862,706	37,935,794	50,798,500	3,847,543
Restricted for:				
Stabilization by State statute	4,319,821	-	4,319,821	-
Register of Deeds	77,274	-	77,274	-
Restricted for Public Safety	205,908	-	205,908	-
Restricted for Rural				
Development USDA Loan	22,739	-	22,739	193,168
Restricted for Economic and Physical Development	17,193	-	17,193	-
Unrestricted (deficit)	(8,217,856)	1,216,035	(7,001,821)	678,833
Total net position	\$ 9,287,785	\$ 39,151,829	\$ 48,439,614	\$ 4,719,544

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, 2013

		Program Revenues		
		Charges for	Operating	Capital
	Expenses	Services	Grants and	Grants and
			Contributions	Contributions
Functions/Programs				
Primary Government:				
Governmental Activities:				
General government	\$ 5,204,527	\$ 1,483,698	\$ 1,115,484	\$ -
Public safety	14,434,194	3,200,111	523,893	-
Transportation	950,965	423,318	355,824	-
Environmental protection	1,197,567	891,052	5,089	-
Economic and physical development	2,004,658	25,101	-	463,138
Human services	14,970,988	2,335,558	7,700,993	-
Education	12,532,158	-	-	628,000
Culture and recreation	1,572,868	28,624	100	-
Interest on long-term debt	925,756	-	-	-
Total governmental activities	53,793,681	8,387,462	9,701,383	1,091,138
Business-Type Activities:				
Greater Badin Water and Sewer District	735,093	440,889	-	-
Piney Point Water District	172,518	139,809	-	-
Stanly County Utility Fund	3,807,151	2,496,248	-	47,038
Airport Fund	1,698,168	411,149	-	1,687,429
Total business-type activities	6,412,930	3,488,095	-	1,734,467
Total primary government	\$ 60,206,611	\$ 11,875,557	\$ 9,701,383	\$ 2,825,605
Component Unit:				
Water and Sewer Authority	\$ 491,584	\$ 446,528	\$ -	\$ 1,230,000

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 position

Net Position:

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 Position			
Primary Government			Component Unit
Governmental Activities	Business-Type Activities	Total	Stanly Water and Sewer Authority
\$ (2,605,345)	\$ -	\$ (2,605,345)	\$ -
(10,710,190)	-	(10,710,190)	-
(171,823)	-	(171,823)	-
(301,426)	-	(301,426)	-
(1,516,419)	-	(1,516,419)	-
(4,934,437)	-	(4,934,437)	-
(11,904,158)	-	(11,904,158)	-
(1,544,144)	-	(1,544,144)	-
(925,756)	-	(925,756)	-
(34,613,698)	-	(34,613,698)	-
-	(294,204)	(294,204)	-
-	(32,709)	(32,709)	-
-	(1,263,865)	(1,263,865)	-
-	400,410	400,410	-
-	(1,190,368)	(1,190,368)	-
(34,613,698)	(1,190,368)	(35,804,066)	-
-	-	-	1,184,944
31,174,287	-	31,174,287	-
7,040,648	-	7,040,648	-
543,968	-	543,968	-
171,540	3,890	175,430	1,291
-	21,856	21,856	672
38,930,443	25,746	38,956,189	1,963
(1,284,059)	1,284,059	-	-
37,646,384	1,309,805	38,956,189	1,963
3,032,686	119,437	3,152,123	1,186,907
6,255,099	39,032,392	45,287,491	3,532,637
<u>\$ 9,287,785</u>	<u>\$ 39,151,829</u>	<u>\$ 48,439,614</u>	<u>\$ 4,719,544</u>

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

STANLY COUNTY, NORTH CAROLINA

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2013

	Major Fund General	Nonmajor Governmental Funds	Total Governmental Funds
Assets:			
Cash and cash equivalents	\$ 16,845,010	\$ 249,075	\$ 17,094,085
Receivables, net	6,656,561	336,149	6,992,710
Due from other funds	240,240	-	240,240
Notes receivable	396,000	-	396,000
Prepaid items	66,374	-	66,374
Restricted cash and cash equivalents	800	-	800
Total assets	<u>\$ 24,204,985</u>	<u>\$ 585,224</u>	<u>\$ 24,790,209</u>
Liabilities and Fund Balances:			
Liabilities:			
Accounts payable and accrued liabilities	\$ 1,997,004	\$ 82,290	\$ 2,079,294
Due to other governments	4,156	-	4,156
Due to other funds	-	105,559	105,559
Liabilities to be paid from restricted assets:			
Deposits	800	-	800
Total liabilities	<u>2,001,960</u>	<u>187,849</u>	<u>2,189,809</u>
Deferred Inflows of Resources:			
Unavailable revenue - property taxes	3,186,174	122,952	3,309,126
Prepaid taxes	245,149	-	245,149
Total deferred inflows of resources	<u>3,431,323</u>	<u>122,952</u>	<u>3,554,275</u>
Fund Balances:			
Non-spendable, not in spendable form:			
Prepaid items	66,374	-	66,374
Restricted:			
Stabilization by State statute	4,106,624	213,197	4,319,821
Restricted for Register of Deeds	77,274	-	77,274
Restricted, all other	22,739	223,101	245,840
Assigned	3,120,289	-	3,120,289
Unassigned	11,378,402	(161,875)	11,216,527
Total fund balances	<u>18,771,702</u>	<u>274,423</u>	<u>19,046,125</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 24,204,985</u>	<u>\$ 585,224</u>	
Amounts reported for governmental activities in the Statement of Net Position (ExhibitA) are different because:			
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.			17,981,360
Other long-term assets are not available to pay for current-period expenditures and, therefore, are unavailable in the funds.			669,075
Deferred inflows of resources for taxes receivable			3,309,126
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.			(32,941,667)
Internal service funds are used by management to charge the costs of certain activities to individual funds. These assets and liabilities are included in governmental activities in the Statement of Net Position.			1,223,766
Net position of governmental activities			<u>\$ 9,287,785</u>

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

STANLY COUNTY, NORTH CAROLINA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2013

	Major Fund General	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:			
Ad valorem taxes	\$ 28,941,888	\$ 2,005,839	\$ 30,947,727
Local option sales taxes	7,040,648	-	7,040,648
Other taxes and licenses	543,968	-	543,968
Restricted intergovernmental	9,411,397	463,138	9,874,535
Sales and services	7,110,418	280,224	7,390,642
Permits and fees	725,695	-	725,695
Investment earnings	97,709	1,037	98,746
Miscellaneous	937,510	-	937,510
Total revenues	54,809,233	2,750,238	57,559,471
Expenditures:			
Current:			
General government	4,666,971	28,000	4,694,971
Public safety	11,935,840	2,328,114	14,263,954
Transportation	877,299	-	877,299
Environmental protection	1,187,170	-	1,187,170
Economic and physical development	1,522,494	445,910	1,968,404
Human services	14,952,429	-	14,952,429
Education	12,532,158	-	12,532,158
Culture and recreation	1,379,731	-	1,379,731
Debt service:			
Principal	2,884,682	-	2,884,682
Interest and other charges	1,107,619	-	1,107,619
Total expenditures	53,046,393	2,802,024	55,848,417
Revenues over (under) expenditures	1,762,840	(51,786)	1,711,054
Other Financing Sources (Uses):			
Installment debt issued	403,039	-	403,039
Transfers from other funds	50,000	-	50,000
Transfers to other funds	(1,334,059)	-	(1,334,059)
Total other financing sources (uses)	(881,020)	-	(881,020)
Net change in fund balances	881,820	(51,786)	830,034
Fund Balances:			
Beginning of year - July 1	17,889,882	326,209	18,216,091
End of year - June 30	\$ 18,771,702	\$ 274,423	\$ 19,046,125

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, 2013

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	\$	830,034
Governmental funds report capital outlays as expenditures. In the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.		
Capital outlays	\$	824,299
Depreciation		<u>(1,288,941)</u>
		(464,642)
Costs of capital assets disposed of during the year, not recognized on modified accrual basis		(4,239)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items.		
		2,570,641
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the governmental funds.		
		289,188
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.		
		(268,902)
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>80,606</u>
Total changes in net position of governmental activities	\$	<u>3,032,686</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, 2013

	Original Budget	Final Budget	Actual	Variance with Final Budget Over/Under
Revenues:				
Ad valorem taxes	\$ 28,288,502	\$ 28,288,502	\$ 28,941,888	\$ 653,386
Sales taxes	6,625,000	6,625,000	7,040,648	415,648
Other taxes	490,200	526,800	543,968	17,168
Restricted intergovernmental	8,771,867	9,630,217	9,411,397	(218,820)
Licenses and permits	675,759	679,759	725,695	45,936
Sales and services	6,681,387	6,785,982	7,110,418	324,436
Investment earnings	125,000	125,000	97,709	(27,291)
Miscellaneous	714,170	940,850	937,510	(3,340)
Total revenues	<u>52,371,885</u>	<u>53,602,110</u>	<u>54,809,233</u>	<u>1,207,123</u>
Expenditures:				
Current:				
General government	4,468,292	4,996,030	4,666,971	329,059
Public safety	11,620,460	12,076,417	11,935,840	140,577
Transportation	1,024,213	1,024,213	877,299	146,914
Environmental protection	1,151,301	1,181,814	1,187,170	(5,356)
Economic and physical development	1,446,603	1,640,908	1,522,494	118,414
Human services	15,060,216	15,981,388	14,952,429	1,028,959
Education	12,533,322	12,533,322	12,532,158	1,164
Culture and recreation	1,469,494	1,486,794	1,379,731	107,063
Debt service:				
Principal	2,884,684	2,884,684	2,884,682	2
Bond interest and costs	1,107,866	1,107,866	1,107,619	247
Contingency	110,000	109,565	-	109,565
Total expenditures	<u>52,876,451</u>	<u>55,023,001</u>	<u>53,046,393</u>	<u>1,976,608</u>
Revenues over (under) expenditures	<u>(504,566)</u>	<u>(1,420,891)</u>	<u>1,762,840</u>	<u>3,183,731</u>
Other Financing Sources (Uses):				
Transfers (out)	(268,500)	(1,361,959)	(1,334,059)	27,900
Transfers in	100,000	100,000	50,000	(50,000)
Installment debt issued	-	403,000	403,039	39
Appropriated fund balance	673,066	2,279,850	-	(2,279,850)
Total other financing sources (uses)	<u>504,566</u>	<u>1,420,891</u>	<u>(881,020)</u>	<u>(2,301,911)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	881,820	<u>\$ 881,820</u>
Fund Balance:				
Beginning of year - July 1			<u>17,889,882</u>	
End of year - June 30			<u>\$ 18,771,702</u>	

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

STANLY COUNTY, NORTH CAROLINA

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2013

	Major 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	\$ 237,511	\$ 204,548	\$ 573,961	\$ -	\$ 1,016,020	\$ 2,606,454
Accounts receivable, net	108,070	24,701	449,903	225,239	807,913	-
Interest receivable	339	280	952	40	1,611	3,581
Inventories	-	-	64,739	61,452	126,191	-
Total current assets	<u>345,920</u>	<u>229,529</u>	<u>1,089,555</u>	<u>286,731</u>	<u>1,951,735</u>	<u>2,610,035</u>
Non-current assets:						
Restricted cash and cash equivalents	<u>13,980</u>	<u>3,150</u>	<u>88,890</u>	<u>-</u>	<u>106,020</u>	<u>-</u>
Capital assets:						
Land	-	-	223,784	4,809,095	5,032,879	-
Construction in progress	-	-	159,675	7,268,221	7,427,896	-
Capital assets, net of depreciation	<u>1,412,104</u>	<u>62,137</u>	<u>13,197,058</u>	<u>11,046,485</u>	<u>25,717,784</u>	<u>-</u>
Total capital assets, net	<u>1,412,104</u>	<u>62,137</u>	<u>13,580,517</u>	<u>23,123,801</u>	<u>38,178,559</u>	<u>-</u>
Total non-current assets	<u>1,426,084</u>	<u>65,287</u>	<u>13,669,407</u>	<u>23,123,801</u>	<u>38,284,579</u>	<u>-</u>
Total assets	<u>1,772,004</u>	<u>294,816</u>	<u>14,758,962</u>	<u>23,410,532</u>	<u>40,236,314</u>	<u>2,610,035</u>
Liabilities:						
Current liabilities:						
Accounts payable	4,620	5,024	111,244	268,053	388,941	291
Interest payable	690	-	-	-	690	-
Payroll payable	-	-	36,266	11,736	48,002	-
Due to other funds	-	-	-	134,681	134,681	-
Compensated absences payable	-	-	20,000	5,000	25,000	-
Current portion of long-term debt	22,732	-	4,920	-	27,652	-
Health and workers' compensation payable	-	-	-	-	-	1,385,978
Liabilities to be paid from restricted assets:						
Customer deposits	<u>13,980</u>	<u>3,150</u>	<u>88,890</u>	<u>-</u>	<u>106,020</u>	<u>-</u>
Total current liabilities	<u>42,022</u>	<u>8,174</u>	<u>261,320</u>	<u>419,470</u>	<u>730,986</u>	<u>1,386,269</u>
Non-current liabilities:						
Compensated absences payable	-	-	39,620	13,123	52,743	-
Non-current portion of long-term debt	<u>136,385</u>	<u>-</u>	<u>144,783</u>	<u>19,588</u>	<u>300,756</u>	<u>-</u>
Total non-current liabilities	<u>136,385</u>	<u>-</u>	<u>184,403</u>	<u>32,711</u>	<u>353,499</u>	<u>-</u>
Total liabilities	<u>178,407</u>	<u>8,174</u>	<u>445,723</u>	<u>452,181</u>	<u>1,084,485</u>	<u>1,386,269</u>
Net Position:						
Net investment in capital assets	1,252,987	62,137	13,496,869	23,123,801	37,935,794	-
Unrestricted	<u>340,610</u>	<u>224,505</u>	<u>816,370</u>	<u>(165,450)</u>	<u>1,216,035</u>	<u>1,223,766</u>
Total net position	<u>\$ 1,593,597</u>	<u>\$ 286,642</u>	<u>\$ 14,313,239</u>	<u>\$ 22,958,351</u>	<u>\$ 39,151,829</u>	<u>\$ 1,223,766</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 POSITION - PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2013

	Major 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	\$ 438,873	\$ 139,601	\$ 2,220,561	\$ 411,149	\$ 3,210,184	\$ 5,294,469
Other	2,016	208	15,345	-	17,569	-
Total operating revenues	440,889	139,809	2,235,906	411,149	3,227,753	5,294,469
Operating Expenses:						
Administration	60,672	75,000	382,027	-	517,699	-
Distribution and maintenance	208,985	1,473	1,625,488	-	1,835,946	-
Water purchases	102,655	61,283	685,179	-	849,117	-
Airport operations	-	-	-	731,317	731,317	-
Group health operations	-	-	-	-	-	4,816,284
Workers' compensation	-	-	-	-	-	407,745
Depreciation	358,151	34,762	870,219	966,851	2,229,983	-
Total operating expenses	730,463	172,518	3,562,913	1,698,168	6,164,062	5,224,029
Operating income (loss)	(289,574)	(32,709)	(1,327,007)	(1,287,019)	(2,936,309)	70,440
Non-Operating Revenues (Expenses):						
Interest income	899	707	1,955	329	3,890	10,166
Loss on disposal of capital assets	-	-	(244,238)	-	(244,238)	-
Administrative charges	-	-	260,342	-	260,342	-
Miscellaneous	-	-	21,856	-	21,856	-
Interest on long-term debt	(4,630)	-	-	-	(4,630)	-
Total non-operating revenues (expenses)	(3,731)	707	39,915	329	37,220	10,166
Income (loss) before contributions and transfers	(293,305)	(32,002)	(1,287,092)	(1,286,690)	(2,899,089)	80,606
Contributions and Transfers:						
Transfers in	-	-	-	1,334,059	1,334,059	-
Transfers out	(22,500)	(5,000)	(22,500)	-	(50,000)	-
Capital contributions	-	-	47,038	1,687,429	1,734,467	-
Total contributions and transfers	(22,500)	(5,000)	24,538	3,021,488	3,018,526	-
Change in net position	(315,805)	(37,002)	(1,262,554)	1,734,798	119,437	80,606
Net Position:						
Beginning of year - July 1	1,909,402	323,644	15,575,793	21,223,553	39,032,392	1,143,160
End of year - June 30	\$ 1,593,597	\$ 286,642	\$ 14,313,239	\$ 22,958,351	\$ 39,151,829	\$ 1,223,766

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, 2013

	Major 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	\$ 418,456	\$ 139,420	\$ 2,487,100	\$ 1,462,187	\$ 4,507,163	\$ 5,294,469
Cash paid for goods and services	(371,552)	(137,113)	(1,839,958)	(2,382,480)	(4,731,103)	(5,405,637)
Cash paid to employees for services	-	-	(838,050)	(257,041)	(1,095,091)	-
Customer deposits	90	90	1,660	-	1,840	-
Net cash provided (used) by operating activities	46,994	2,397	(189,248)	(1,177,334)	(1,317,191)	(111,168)
Cash Flows from Non-Capital Financing Activities:						
Transfers from General Fund	-	-	-	1,334,059	1,334,059	-
Transfers to General Fund	(22,500)	(5,000)	(22,500)	-	(50,000)	-
Net cash provided (used) by non-capital financing activities	(22,500)	(5,000)	(22,500)	1,334,059	1,284,059	-
Cash Flows From Capital and Related Financing Activities:						
Acquisition and construction of capital assets	(3,760)	-	(17,319)	(1,844,483)	(1,865,562)	-
Long-term debt issued	-	-	7,038	-	7,038	-
Principal paid on bond maturities and lease purchases	(22,731)	-	(4,921)	-	(27,652)	-
Interest paid on bond maturities and lease purchases	(4,728)	-	-	-	(4,728)	-
Capital contribution	-	-	47,038	1,687,429	1,734,467	-
Net cash provided (used) by capital and related financing activities	(31,219)	-	31,836	(157,054)	(156,437)	-
Cash Flows from Investing Activities:						
Interest on investments	899	707	1,955	329	3,890	11,456
Net increase (decrease) in cash and cash equivalents	(5,826)	(1,896)	(177,957)	-	(185,679)	(99,712)
Cash and Cash Equivalents:						
Beginning of year - July 1	257,317	209,594	840,808	-	1,307,719	2,706,166
End of year - June 30	\$ 251,491	\$ 207,698	\$ 662,851	\$ -	\$ 1,122,040	\$ 2,606,454

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, 2013

	Major 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)	\$ (289,574)	\$ (32,709)	\$ (1,327,007)	\$ (1,287,019)	\$ (2,936,309)	\$ 70,440
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:						
Depreciation	358,151	34,762	870,219	966,851	2,229,983	-
Other non-operating revenue	-	-	282,198	-	282,198	-
Changes in assets and liabilities:						
(Increase) decrease in accounts receivable	(22,433)	(389)	(31,004)	1,051,038	997,212	-
(Increase) decrease in inventory	-	-	(8,675)	(2,021)	(10,696)	-
Increase (decrease) in accounts payable and liabilities	760	643	24,478	(1,908,654)	(1,882,773)	(181,608)
Increase (decrease) in customer deposits	90	90	1,660	-	1,840	-
Increase (decrease) in compensated absences	-	-	(1,117)	2,471	1,354	-
Total adjustments	336,568	35,106	1,137,759	109,685	1,619,118	(181,608)
Net cash provided (used) by operating activities	\$ 46,994	\$ 2,397	\$ (189,248)	\$ (1,177,334)	\$ (1,317,191)	\$ (111,168)

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

STANLY COUNTY, NORTH CAROLINA

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUND
JUNE 30, 2013

	<u>Agency Fund</u>
Assets:	
Cash and cash equivalents	\$ 88,158
Inmate cash	<u>1,441</u>
Total assets	<u>\$ 89,599</u>
Liabilities:	
Liabilities:	
Accounts payable	\$ 71,236
Client payable	<u>18,363</u>
Total liabilities	<u>\$ 89,599</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, 2013

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, 2013. 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 Position and Exhibit B – 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, 2013

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

STANLY COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2013

the County; and the Delinquent Vehicle Tax Fund which accounts for the three percent interest collected on the first month of delinquent motor vehicle taxes that the County is required to remit to the North Carolina Department of Motor Vehicles.

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

Nonmajor Funds. The County maintains seven legally budgeted funds. The Emergency Telephone System Fund, Fire District Fund, Duke Home Energy Loan Pool Program Fund, CDBG 2010 Infrastructure Hook-Up Project Fund, 2011 Single Family Rehabilitation Program Project Fund, Urgent Repair Program Fund, and CDBG 2011 Infrastructure Hook-Up 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 fund, proprietary fund, and fiduciary fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the County gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. 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.

STANLY COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2013

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

The County considers all revenues available if they are collected within 60 days after year-end, except for property taxes. Ad valorem property taxes are not accrued as a revenue because the amount is not susceptible to accrual. At June 30, taxes receivable are materially past due and are not considered to be an available resource to finance the operations of the current year. Also, as of January 1, 1993, State law altered the procedures for the assessment and collection of property taxes on registered motor vehicles in North Carolina. Effective with this change of the law, the County is responsible for billing and collecting the property taxes on all registered motor vehicles on behalf of all municipalities and special tax districts in the County. For registered motor vehicles, property taxes are due the first day of the fourth month after the vehicles are registered. The billed taxes are applicable to the fiscal year in which they become due. Therefore, taxes for vehicles registered from March 2012 through February 2013 apply to the fiscal year ended June 30, 2013. Uncollected taxes that were billed during this period are shown as a receivable on these financial statements and are offset by deferred inflows of resources.

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 position available to finance the program. It is the County's policy to first apply cost-reimbursement grant resources to such programs, followed by categorical block grants, and then by general revenues.

C. Budgetary Data

The County's budgets are adopted as required by the North Carolina General Statutes. An annual budget is adopted for the General Fund, Emergency Telephone System Fund, Fire Districts Fund, 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.

STANLY COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2013

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

D. Assets, Liabilities, Deferred Inflows and Outflows of Resources, and Fund Equity

1. Deposits and Investments. All deposits of the County are made in Board-designated official depositories and are secured as required by G.S. 159-31. The County may designate, as an official depository, any bank or savings association whose principal office is located in North Carolina. Also, the County may establish time deposit accounts such as NOW and SuperNOW accounts, money market accounts, and certificates of deposit.

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

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

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

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

4. Ad Valorem Taxes Receivable. In accordance with State law [G. S. 105-347 and G. S. 159-13(a)], the County levies ad valorem taxes on property other than motor vehicles on July 1, the beginning of the fiscal year. The taxes are due on September 1 (lien date); however, penalties and interest do not accrue until the following January 6. These taxes are based on the assessed values as of January 1, 2012. As allowed by State law, the County has established a schedule of discounts that apply to taxes that are paid prior to the due date. In the General Fund, ad valorem tax revenues are reported net of such discounts.

STANLY COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2013

5. 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.

6. 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.

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.

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

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

STANLY COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2013

8. Deferred Outflows/Inflows of Resources. In addition to assets, the Statement of Financial Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *Deferred Outflows of Resources*, represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. The County does not have any items that meet this criterion. In addition to liabilities, the Statement of Financial Position can also report a separate section for deferred inflows of resources. This separate financial statement element, *Deferred Inflows of Resources*, represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. The County has only two items that meet the criterion for this category – prepaid taxes and property taxes receivable.

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

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

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

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

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

12. Net Position/Fund Balances

Net Position

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

STANLY COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2013

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)].

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, all other fund balances at June 30, 2013 are as follows:

<u>Purpose</u>	<u>General Fund</u>	<u>Nonmajor Governmental Funds</u>
Restricted, all other:		
Public Safety - USDA Reserve	\$ 22,739	\$ -
Public Safety - Emergency Telephone	-	205,908
Economic and Physical Development	-	17,193
Total	<u>\$ 22,739</u>	<u>\$ 223,101</u>

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

STANLY COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2013

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

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, 2013 are as follows:

Purpose	General Fund
Assigned:	
Subsequent year's expenditures	\$ 917,267
General Government	336,959
Public Safety	85,280
Economic and Physical Development	7,332
Human Services	1,592,761
Cultural and Recreational	180,690
Total	<u>\$ 3,120,289</u>

Assigned for subsequent year's expenditures – portion of fund balance that has been appropriated for the adopted 2013-2014 budget ordinance that has not already been classified in restricted or committed. The Board of Commissioners approves the appropriation; however, the budget ordinance authorizes the County Manager to modify the appropriations by resource or appropriation within funds up to \$5,000.

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

Assigned for Public Safety – portion of fund balance assigned for jail inmates.

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

Assigned for Human Services – portion of fund balance assigned for home health, Medicaid settlements, and dental clinic. Home health portion is assigned for future home health services - \$493,600. Medicaid settlements portion is assigned for future health related activities - \$219,431. Dental clinic portion is assigned for future dental clinic services - \$879,730.

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 - \$151,925. 4-H portion is assigned for future 4-H services - \$28,765.

STANLY COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2013

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 and transfers to other funds. If available fund balance falls below the 20% at the end of a fiscal year, there shall be measures put in place to increase General Fund balance back to the minimum level in subsequent fiscal years.

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, 2013

F. Reconciliation of Government-wide and Fund Financial Statements

1. Explanation of certain differences between the governmental fund balance sheet and the government-wide Statement of Net Position.

The governmental fund balance sheet includes a reconciliation between total fund balance for the governmental funds and net position for governmental activities as reported in the government-wide Statement of Net Position. The net adjustment consists of several elements as follows:

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

Land	\$ 1,949,950	
Depreciable property	36,333,841	
Accumulated depreciation	<u>(20,302,431)</u>	\$ 17,981,360

Accrued interest receivable, less the amount claimed as unearned revenue in the government-wide statements as these funds, are unavailable in the fund statements.

<u>669,075</u>	669,075
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Liabilities for deferred inflows of resources reported in the fund statements, but not the government-wide.

<u>3,309,126</u>	3,309,126
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Liabilities that, because they are not due and payable in the current period, do not require current resources to pay and are, therefore, not reported in the fund statements.

Interest payable	(477,879)	
Due in one year	(3,584,174)	
Due in more than one year	<u>(28,879,614)</u>	(32,941,667)

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

<u>1,223,766</u>	<u>1,223,766</u>
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Total adjustment \$ (9,758,340)

STANLY COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2013

- 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 Balance includes a reconciliation between net changes in fund balances for the governmental funds and changes in net position of governmental activities as reported in the government-wide Statement of Activities. The elements of the total adjustments are as follows:

Governmental funds report capital outlays as expenditures.

In the Statement of Activities, the cost of those assets is depreciated over their estimated useful lives.

Capital outlays	\$ 824,299	
Depreciation	<u>(1,288,941)</u>	\$ (464,642)

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

<u>(4,239)</u>	(4,239)
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The issuance of long-term debt (e.g., bonds, leases) is a resource, and the repayment of bond principal is an expenditure in governmental funds; but those transactions increase or reduce long-term liabilities in the Statement of Net Position.

Debt issued	(403,039)	
Debt retired	<u>2,973,680</u>	2,570,641

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	62,628	
Accrual of taxes	<u>226,560</u>	289,188

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	(6,830)	
Compensated absences	(27,291)	
Other post-employment benefits	(327,646)	
Interest expense	<u>92,865</u>	(268,902)

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>80,606</u>	<u>80,606</u>
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Total adjustment		<u>\$ 2,202,652</u>
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STANLY COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2013

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, 2013, the County's demand deposits had a carrying amount of \$20,610,001 and a bank balance of \$21,256,504. Of the bank balance, \$500,000 was covered by federal depository insurance. The remaining \$20,756,504 was collateralized under the Pooling Method. The petty cash funds totaled \$5,589.

STANLY COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2013

2. Investments

As of June 30, 2013, the County had \$297,386 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, 2013. 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>
2010	\$ 2,246,299	\$ 533,498	\$ 2,779,797
2011	2,264,591	334,029	2,598,620
2012	2,284,814	131,379	2,416,193
2013	2,367,740	-	2,367,740
Total	<u>\$ 9,163,444</u>	<u>\$ 998,906</u>	<u>\$ 10,162,350</u>

STANLY COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2013

4. Receivables

Receivables at the government-wide level at June 30, 2013 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	\$ 3,698,231	\$ 1,111,841	\$ 2,542,719	\$ 672,658	\$ 39,688	\$ 8,065,137
Other governmental	137,028	-	213,197	-	-	350,225
Total receivables	3,835,259	1,111,841	2,755,916	672,658	39,688	8,415,362
Allowance for doubtful accounts	(526,133)	(223,861)	-	-	-	(749,994)
Total governmental activities	<u>\$ 3,309,126</u>	<u>\$ 887,980</u>	<u>\$ 2,755,916</u>	<u>\$ 672,658</u>	<u>\$ 39,688</u>	<u>\$ 7,665,368</u>
Business-Type Activities:						
Greater Badin Water and Sewer District	\$ -	\$ 158,012	\$ -	\$ 339	\$ -	\$ 158,351
Piney Point Water District	-	25,895	-	280	-	26,175
Stanly County Utility Fund	-	472,808	52,000	952	-	525,760
Airport	-	29,070	194,546	40	1,914	225,570
Total receivables	-	685,785	246,546	1,611	1,914	935,856
Allowance for doubtful accounts	-	(126,332)	-	-	-	(126,332)
Total business-type activities	<u>\$ -</u>	<u>\$ 559,453</u>	<u>\$ 246,546</u>	<u>\$ 1,611</u>	<u>\$ 1,914</u>	<u>\$ 809,524</u>

Due from other governments for the year ended June 30, 2013 consists of the following:

Governmental Activities:

Local option sales tax	\$ 1,213,091
Sales tax receivable	201,740
Grants receivable	180,375
Tire and white goods	28,394
Telecommunication tax	40,720
DSS and DHHS	959,912
Other	131,684
Total	<u>\$ 2,755,916</u>

Business-Type Activities:

Stanly Water and Sewer Authority	\$ 52,000
Grants receivable	194,546
Total	<u>\$ 246,546</u>

STANLY COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2013

5. Capital Assets

Primary Government

Capital asset activity for the year ended June 30, 2013 was as follows:

	<u>July 1, 2012</u>	<u>Additions</u>	<u>Retirements</u>	<u>June 30, 2013</u>
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 1,949,950	\$ -	\$ -	\$ 1,949,950
Capital assets being depreciated:				
Buildings	26,129,652	-	-	26,129,652
Equipment and vehicles	9,791,863	824,299	411,973	10,204,189
Total capital assets being depreciated	35,921,515	824,299	411,973	36,333,841
Less accumulated depreciation for:				
Buildings	11,348,301	623,673	-	11,971,974
Equipment and vehicles	8,072,923	665,268	407,734	8,330,457
Total accumulated depreciation	19,421,224	\$ 1,288,941	\$ 407,734	20,302,431
Total capital assets being depreciated, net	16,500,291			16,031,410
Governmental activity capital assets, net	\$ 18,450,241			\$ 17,981,360

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

Governmental Functions:	
General government	\$ 236,948
Public safety	639,563
Transportation	116,705
Environmental protection	13,211
Economic and physical development	24,500
Human services	79,960
Culture and recreation	178,054
Total depreciation expense governmental functions	\$ 1,288,941

STANLY COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2013

Business-Type Activities

Capital assets activity for business-type activities for the year ended June 30, 2013 was as follows:

	<u>July 1, 2012</u>	<u>Additions</u>	<u>Retirements</u>	<u>June 30, 2013</u>
Business-Type Activities:				
Greater Badin Water and Sewer:				
Capital assets being depreciated:				
Plant in service	\$ 7,347,075	\$ -	\$ -	\$ 7,347,075
Equipment and vehicles	<u>170,032</u>	<u>3,760</u>	<u>-</u>	<u>173,792</u>
Total capital assets being depreciated	<u>7,517,107</u>	<u>3,760</u>	<u>-</u>	<u>7,520,867</u>
Less accumulated depreciation for:				
Plant in service	5,607,910	349,520	-	5,957,430
Equipment and vehicles	<u>142,702</u>	<u>8,631</u>	<u>-</u>	<u>151,333</u>
Total accumulated depreciation	<u>5,750,612</u>	<u>\$ 358,151</u>	<u>\$ -</u>	<u>6,108,763</u>
Total Greater Badin capital assets, net	<u>1,766,495</u>			<u>1,412,104</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>631,085</u>	<u>\$ 34,762</u>	<u>\$ -</u>	<u>665,847</u>
Total Piney Point capital assets, net	<u>96,899</u>			<u>62,137</u>
Stanly Utility Operating:				
Capital assets not being depreciated:				
Land	223,784	-	-	223,784
Construction in progress	<u>403,913</u>	<u>-</u>	<u>244,238</u>	<u>159,675</u>
Total assets not being depreciated	<u>627,697</u>	<u>-</u>	<u>244,238</u>	<u>383,459</u>
Capital assets being depreciated:				
Plant in service	25,328,358	-	-	25,328,358
Equipment and vehicles	<u>408,962</u>	<u>17,319</u>	<u>12,578</u>	<u>413,703</u>
Total capital assets being depreciated	<u>25,737,320</u>	<u>17,319</u>	<u>12,578</u>	<u>25,742,061</u>
Less accumulated depreciation for:				
Plant in service	11,320,450	853,119	-	12,173,569
Equipment and vehicles	<u>366,912</u>	<u>17,100</u>	<u>12,578</u>	<u>371,434</u>
Total accumulated depreciation	<u>11,687,362</u>	<u>\$ 870,219</u>	<u>\$ 12,578</u>	<u>12,545,003</u>
Total capital assets being depreciated, net	<u>14,049,958</u>			<u>13,197,058</u>
Total Stanly County Utility capital assets, net	<u>14,677,655</u>			<u>13,580,517</u>

STANLY COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2013

	<u>July 1, 2012</u>	<u>Additions</u>	<u>Retirements</u>	<u>June 30, 2013</u>
Airport Operating:				
Capital assets not being depreciated:				
Land	4,809,095	-	-	4,809,095
Construction in progress	<u>8,635,368</u>	<u>1,844,483</u>	<u>3,211,630</u>	<u>7,268,221</u>
Total capital assets not being depreciated	<u>13,444,463</u>	<u>1,844,483</u>	<u>3,211,630</u>	<u>12,077,316</u>
Capital assets being depreciated:				
Buildings	1,852,922	3,211,630	-	5,064,552
Improvements	20,155,596	-	-	20,155,596
Equipment and vehicles	<u>421,806</u>	<u>-</u>	<u>-</u>	<u>421,806</u>
Total capital assets being depreciated	<u>22,430,324</u>	<u>3,211,630</u>	<u>-</u>	<u>25,641,954</u>
Less accumulated depreciation for:				
Buildings	580,208	100,431	-	680,639
Improvements	12,662,535	847,452	-	13,509,987
Equipment and vehicles	<u>385,875</u>	<u>18,968</u>	<u>-</u>	<u>404,843</u>
Total accumulated depreciation	<u>13,628,618</u>	<u>\$ 966,851</u>	<u>\$ -</u>	<u>14,595,469</u>
Total capital assets being depreciated, net	<u>8,801,706</u>			<u>11,046,485</u>
Total Airport capital assets, net	<u>22,246,169</u>			<u>23,123,801</u>
Total business-type activity capital assets, net	<u>\$ 38,787,218</u>			<u>\$ 38,178,559</u>

Construction Commitments

The County has active construction projects at June 30, 2013. Commitments with contractors are as follows:

<u>Project</u>	<u>Project to Date</u>	<u>Remaining Commitment</u>
Highway 200 Water	\$ 159,674	\$ 1,496,826
Runway Extn Design	1,243,723	83,500
Runway Pavement	5,908,833	675,648
AWOS and ILS Upgrade	<u>115,663</u>	<u>9,337</u>
Total	<u>\$ 7,427,893</u>	<u>\$ 2,265,311</u>

STANLY COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2013

B. Liabilities

1. Payables

Payables at the government-wide level at June 30, 2013 were as follows:

	<u>Vendors</u>	<u>Salaries and Benefits</u>	<u>Accrued Interest</u>	<u>Total</u>
Governmental Activities:				
General	\$ 2,354,342	\$ 1,028,931	\$ 477,879	\$ 3,861,152
Other	<u>82,290</u>	<u>-</u>	<u>-</u>	<u>82,290</u>
Total governmental activities	<u>\$ 2,436,632</u>	<u>\$ 1,028,931</u>	<u>\$ 477,879</u>	<u>\$ 3,943,442</u>
Business-Type Activities:				
Greater Badin Water and Sewer Districts	\$ 4,620	\$ -	\$ 690	\$ 5,310
Piney Point Water District	5,024	-	-	5,024
Stanly County Utility	111,244	36,266	-	147,510
Airport	<u>268,053</u>	<u>11,736</u>	<u>-</u>	<u>279,789</u>
Total business-type activities	<u>\$ 388,941</u>	<u>\$ 48,002</u>	<u>\$ 690</u>	<u>\$ 437,633</u>

2. Pension Plan and Other Post-Employment Obligations

a. Local Governmental Employees' Retirement System

Plan Description. Stanly County contributes to the State-wide Local Governmental Employees' Retirement System (LGERS), a cost-sharing multiple-employer defined benefit pension plan administered by the State of North Carolina. LGERS provides retirement and disability benefits to plan members and beneficiaries. Article 3 of G.S. Chapter 128 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The Local Governmental Employees' Retirement System is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes financial statements and required supplementary information for LGERS 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 6.74%, and for law enforcement officers 6.77% 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

STANLY COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2013

to LGERS for the years ended June 30, 2011, 2012, and 2013 were \$897,355, \$967,286, and \$948,046, respectively. The County's contributions to LEO for the years ended June 30, 2011, 2012, and 2013 were \$119,175, \$130,756, and \$125,637, respectively. The contributions made by the County equaled the required contributions for each year.

b. Law Enforcement Officers' Special Separation Allowance

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

The Separation Allowance covers all full-time County law enforcement officers. At December 31, 2012, the Separation Allowance's membership consisted of:

Retirees receiving benefits	4
Active plan members	<u>48</u>
Total	<u><u>52</u></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's annual Separation Allowance contribution for fiscal year ended June 30, 2013 was \$54,392, or 2.90% of annual covered payroll.

STANLY COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2013

The annual required contribution for the current fiscal year was determined as part of the December 31, 2011 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 market value. 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, 2011 was 19 years.

Annual Pension Cost and Net Pension Obligation. For the fiscal year ending June 30, 2013, the County's annual pension cost and net pension obligation were as follows:

Employer annual required contribution	\$ 64,436
Interest on net pension obligation	13,137
Adjustment to annual required contribution	<u>(16,351)</u>
Annual pension cost	61,222
Employer contributions made for fiscal year	<u>54,392</u>
Increase (decrease) in net pension obligation	6,830
Net pension obligation:	
Beginning of year - July 1	<u>262,744</u>
End of year - June 30	<u>\$ 269,574</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>
2011	\$ 69,618	82.82%	\$ 254,243
2012	64,526	86.83%	262,744
2013	61,222	88.84%	269,574

Funded Status and Funding Progress. As of December 31, 2012, 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 \$557,135. The covered payroll (annual payroll of active employees covered by the plan) was \$1,872,824, and the ratio of the UAAL to the covered payroll was 29.75 percent.

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

STANLY COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2013

c. Supplemental Retirement Income Plan for Law Enforcement Officers

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

Funding Policy. Article 12E of G.S. Chapter 143 requires the County to contribute each month an amount equal to five percent of each officer's salary, and all amounts contributed are vested immediately. Also, the law enforcement officers may make voluntary contributions to the Plan. Contributions for the year ended June 30, 2013 were \$104,296, which consisted of \$90,341 from the County and \$13,955 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 Register of Deeds' Supplemental Pension Fund is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes financial statements and required supplementary information for the Register of Deeds' Supplemental Pension Fund. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454.

Funding Policy. On a monthly basis, the County remits to the Department of State Treasurer an amount equal to one and one-half percent (1.5%) of the monthly receipts collected pursuant to Article 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, 2013, the County's required and actual contributions were \$4,983.

STANLY COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2013

e. Other Post-Employment Benefits

Retiree Health Benefit Plan

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.

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 \$145,717 or .92% 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.

STANLY COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2013

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	50,552
Amortization factor	28.9774
Adjustment to annual required contribution	<u>(43,614)</u>
Annual OPEB cost	495,447
Employer contributions made for fiscal year ending June 30, 2013	<u>145,717</u>
Increase (decrease) in net OPEB obligation:	349,730
Net OPEB obligation, beginning of fiscal year - July 1	<u>1,263,795</u>
Net OPEB obligation, end of fiscal year - June 30	<u>\$ 1,613,525</u>

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2013 were as follows:

Three-Year Trend Information			
Fiscal Year Ended	Annual OPEB Cost (AOC)	Percentage of AOC Contributed	Net OPEB Obligation End of Year
2011	\$ 474,047	29.99%	\$ 913,971
2012	493,526	29.12%	1,263,795
2013	495,447	29.41%	1,613,525

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.

STANLY COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2013

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 29 years.

f. Other Employment Benefits

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

STANLY COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2013

3. Deferred Inflows of Resources / Unearned Revenues

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

	<u>Unavailable Revenues</u>	<u>Unearned Revenues</u>
Deferred inflows		
Prepaid taxes not yet earned	\$ -	\$ 245,149
Taxes receivable, net (General)	3,186,174	-
Taxes receivable, net (Special)	122,952	-
Total	<u>\$ 3,309,126</u>	<u>\$ 245,149</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 \$415,724 reported in the fund at June 30, 2013 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, 2013

The \$415,724 claims liability represents total estimated claims incurred, but not reported, as provided by the plan administrator's actuary.

	<u>June 30, 2013</u>	<u>June 30, 2012</u>
Unpaid claims and claim adjustment expenses at beginning of fiscal year	\$ 433,182	\$ 448,803
Incurred claims and claim adjustment expenses:		
Provision for insured events of current year	3,905,323	3,694,325
Claims and adjustment expenses attributable to insured events of current and prior year	<u>3,922,781</u>	<u>3,709,946</u>
Total claims liability	<u>\$ 415,724</u>	<u>\$ 433,182</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 \$970,254 reported in the fund at June 30, 2013 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, 2013

The \$970,254 claims liability represents total estimated claims incurred, but not reported, as provided by the plan administrator's actuary.

	<u>June 30, 2013</u>	<u>June 30, 2012</u>
Unpaid claims and claim adjustment expenses at beginning of fiscal year	\$ 1,131,247	\$ 783,134
Incurred claims and claim adjustment expenses:		
Provision for insured events of current year	306,888	809,227
Claims and adjustment expenses attributable to insured events of current and prior year	<u>467,881</u>	<u>461,114</u>
Total claims liability	<u>\$ 970,254</u>	<u>\$ 1,131,247</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, 2013, 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, 2013

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, 2013 are comprised of the following:

General Government:

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

\$ 3,133,060

At June 30, 2013, 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>\$ 634,348</u>	<u>\$ 7,823,631</u>

Future minimum lease payments as of June 30, 2013 were as follows:

<u>General Long-Term Debt</u>	<u>Capitalized Leases</u>	
	<u>Principal</u>	<u>Interest</u>
2014	\$ 386,155	\$ 88,666
2015	382,037	77,421
2016	377,798	66,296
2017	373,435	55,296
2018	368,943	44,425
2019 - 2022	<u>1,244,692</u>	<u>71,812</u>
Total	<u>\$ 3,133,060</u>	<u>\$ 403,916</u>

STANLY COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2013

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% \$ 5,470,588

Aquadale and Locust School Project (2):

The construction of additions to Aquadale and Locust Schools, January 25, 2012, payable in annual principal payments of \$319,505 and semi-annual interest payments at an interest rate of 3.67% 4,792,571

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% 84,018

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% 1,467,778

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% 30,759

Ambulance Loan:

The purchase of a remount ambulance and a supervisor vehicle for Emergency Services, September 30, 2012, payable in annual principal payment ranging from \$41,091 to \$43,586, and annual interest payments at an interest rate of 2.95% 126,996

Ambulance Loan:

The purchase of a new ambulances for Emergency Services, April 9, 2013, payable in annual principal payment ranging from \$47,902 to \$50,806, and annual interest payments at an interest rate of 2.95% 148,043

Information Technology Loan:

The purchase upgrade software for Finance, Human Resources, and Utilities, October 22, 2012, payable in annual principal payment ranging from \$24,722 to \$27,078, and annual interest payments at an interest rate of 3.22% 128,000

Total General Fund 12,248,753

STANLY COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2013

Enterprise Fund:

Stanly County Utility Fund:

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

83,648

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%

159,117

Total Enterprise Fund

242,765

Total Notes Payable

\$ 12,491,518

Future minimum payments as of June 30, 2013 were as follows:

General Long-Term Debt	Notes Payable	
	Principal	Interest
2014	\$ 914,021	\$ 451,255
2015	833,987	419,112
2016	822,473	389,150
2017	729,645	359,649
2018	731,274	332,909
2019 - 2023	3,533,632	1,270,817
2024 - 2028	3,558,023	618,664
2029 - 2033	166,644	212,331
2034 - 2038	202,748	176,227
2039 - 2043	246,675	132,300
2044 - 2048	300,117	78,858
2049 - 2050	209,514	16,943
Total General	<u>12,248,753</u>	<u>4,458,215</u>
Proprietary Funds		
2014	27,652	4,137
2015	27,652	3,546
2016	27,652	2,955
2017	27,652	2,364
2018	27,652	1,773
2019 - 2023	70,063	1,773
2024 - 2028	24,602	-
2029 - 2030	9,840	-
Total Proprietary	<u>242,765</u>	<u>16,548</u>
Total	<u>\$ 12,491,518</u>	<u>\$ 4,474,763</u>

STANLY COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2013

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 collateralizes all bonds. Principal and interest requirements are appropriated when due.

The following is a schedule of general obligation debt at June 30, 2013:

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%.

\$ 13,385,000

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

Annual debt service requirements to maturity at June 30, 2013 are as follows:

General Long-Term Debt	General Obligation Bonds	
	Principal	Interest
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	1,500,000	302,250
2019 - 2022	<u>5,690,000</u>	<u>599,550</u>
Total	<u>\$ 13,385,000</u>	<u>\$ 2,625,050</u>

Debt Related to Capital Activities. Of the total Governmental Activities debt listed, only \$5,118,654 relates to assets the County holds title.

STANLY COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2013

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, 2013:

	<u>Balances July 1, 2012</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balances June 30, 2013</u>	<u>Current Portion of Balance</u>
Governmental Activities:					
General obligation debt	\$ 15,000,000	\$ -	\$ 1,615,000	\$ 13,385,000	\$ 1,575,000
Unamortized premium on bonds	889,658	-	88,998	800,660	88,998
Capitalized leases	3,523,215	-	390,155	3,133,060	386,155
Notes payable	12,725,241	403,039	879,527	12,248,753	914,021
Compensated absences	1,071,568	759,464	732,173	1,098,859	620,000
Other post-employment benefit	1,200,236	473,363	145,717	1,527,882	-
Net pension obligation	262,744	61,222	54,392	269,574	-
Total governmental activities	<u>\$ 34,672,662</u>	<u>\$ 1,697,088</u>	<u>\$ 3,905,962</u>	<u>\$ 32,463,788</u>	<u>\$ 3,584,174</u>
Business-Type Activities:					
Stanly County Utility Fund:					
Notes payable	\$ 81,531	\$ 7,038	\$ 4,921	\$ 83,648	\$ 4,920
Compensated absences	60,216	37,365	37,961	59,620	20,000
Other post-employment benefit	49,371	16,684	-	66,055	-
Total Utility Fund	<u>191,118</u>	<u>61,087</u>	<u>42,882</u>	<u>209,323</u>	<u>24,920</u>
Greater Badin W&S District Fund:					
Notes payable	<u>181,848</u>	<u>-</u>	<u>22,731</u>	<u>159,117</u>	<u>22,732</u>
Airport Fund:					
Compensated absences	16,816	6,667	5,360	18,123	5,000
Other post-employment benefit	14,188	5,400	-	19,588	-
Total Airport Fund	<u>31,004</u>	<u>12,067</u>	<u>5,360</u>	<u>37,711</u>	<u>5,000</u>
Total business-type activities	<u>\$ 403,970</u>	<u>\$ 73,154</u>	<u>\$ 70,973</u>	<u>\$ 406,151</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 absences is \$645,000.

At June 30, 2013, Stanly County had a legal debt margin of \$315,513,789.

STANLY COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2013

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, 2013, three industrial revenue bonds were outstanding, with an aggregate principal amount payable of \$12,264,465.

f. Net Investment in Capital Assets

Net investment in capital assets at June 30, 2013 was calculated as follows:

	<u>General Fund</u>	<u>Enterprise Fund</u>
Capital assets	\$ 17,981,360	\$ 38,178,559
Total debt, gross	(29,567,473)	(242,765)
Add: Debt not related to County assets		
School debt for which County does not hold title	24,448,819	-
Total related debt	<u>(5,118,654)</u>	<u>(242,765)</u>
Net investment in capital assets	<u>\$ 12,862,706</u>	<u>\$ 37,935,794</u>

C. Interfund Balances and Activity

Interfund receivable balances consist of cash deficits as of June 30, 2013. Those funds have projects in progress for which they first expend the money and are later reimbursed. The funds and the amounts are as follows:

	<u>Interfund Receivables</u>	<u>Interfund Payable</u>
General Fund	\$ 240,240	\$ -
2011 Community Development Block Grant		
Infrastructure Hook-Up Project	-	8,745
2011 Single Family Rehabilitation Program	-	96,814
Stanly County Airport Fund	-	134,681
Total	<u>\$ 240,240</u>	<u>\$ 240,240</u>

STANLY COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2013

Transfers to and from other funds at June 30, 2013 consists of the following:

	Transfers		Purpose
	From	To	
General Fund:			
General Fund	\$1,334,059	\$ -	
Airport Fund	-	268,500	Operating and capital outlay support
Airport Terminal Fund	-	1,065,559	Operating support
Enterprise Funds Fund:			
Stanly County Utility Fund	22,500	-	Operating support
Piney Point Water District Fund	5,000	-	Operating support
Greater Badin Water District Fund	22,500	-	Operating support
General Fund	-	50,000	
Total	<u>\$1,384,059</u>	<u>\$1,384,059</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	\$ 18,771,702
Less:	
Prepaid items	66,374
Stabilization by State statute	<u>4,106,624</u>
Total available fund balance	<u>\$ 14,598,704</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 \$203,227 to the Authority during fiscal year ended June 30, 2013. 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, 2013. Complete financial statements for the Authority can be obtained from the Authority's administrative office at 245 LePhillip Court, NE, Concord, North Carolina 28025.

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

STANLY COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2013

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, 2013. Completed financial statements for the Community College may be obtained from administrative offices at 141 College Drive, Albemarle, North Carolina 28001.

III. 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, 2013.

IV. 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.

V. 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	\$ 47,968,391	\$ 26,633,477
Temporary Assistance for Needy Families	307,633	-
Special Supplemental Food Program for Women, Infants, and Children	1,257,316	-
Special Assistance to Adults	-	527,925
Title IV-E Foster Care Subsidiary	177,894	48,084
Title IV-E Adoption Subsidiary	220,224	58,731
Refugee Assistance	724	-
Independent Living Grant	3,736	-
Totals	<u>\$ 49,935,918</u>	<u>\$ 27,268,217</u>

STANLY COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2013

VI. Change in Accounting Principles

The County implemented Governmental Accounting Standards Board (GASB) Statement 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, and Statement 65, *Items Previously Reported as Assets and Liabilities*, in the fiscal year ending June 30, 2013. In accordance with GASB Statement 63, the Statement of Net Assets has been replaced with the Statement of Net Position. Items on the Statement of Net Position are now classified into Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position.



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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, 2013

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Project Unit Credit (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll for Year Ending On Valuation Date (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
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%
12/31/2012	-	557,135	557,135	0.00%	1,872,824	29.75%

STANLY COUNTY, NORTH CAROLINA

LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF EMPLOYER CONTRIBUTIONS FOR THE YEAR ENDED JUNE 30, 2013

<u>Year Ended June 30</u>	<u>Annual Required Contribution</u>	<u>Percentage Contributed</u>
2013	\$ 64,436	84.41%
2012	66,981	83.64%
2011	70,475	81.81%
2010	55,747	120.10%
2009	47,648	139.49%
2008	47,697	119.42%
2007	41,853	124.12%
2006	42,603	84.87%
2005	41,234	55.99%
2004	42,234	50.57%

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	12/31/2012
Actuarial cost method	Projected unit credit
Amortization method	Level percent of pay closed
Remaining amortization period	18 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, 2013**

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, 2013

<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	29.10%
2013	488,508	29.83%

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	29 years
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 detailed result of the General Fund's budgetary and actual revenues and expenditures.



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STANLY COUNTY, NORTH CAROLINA

GENERAL FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2013

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Ad valorem property taxes:			
Ad valorem taxes		\$ 28,621,432	
Penalties and interest		320,456	
Total	\$ 28,288,502	28,941,888	\$ 653,386
Local option sales taxes:			
Sales tax article 39		2,810,991	
Sales tax article 40		2,351,894	
Sales tax article 42		1,869,212	
Sales tax article 44		8,551	
Total	6,625,000	7,040,648	415,648
Other taxes:			
Real property excise tax		107,618	
Solid waste		21,594	
Cable franchise tax		159,993	
Occupancy tax		235,448	
Other taxes		19,315	
Total	526,800	543,968	17,168
Restricted intergovernmental:			
Public safety		239,642	
Transportation		355,824	
Health		760,406	
Social services grants		6,740,215	
Senior and aging services		48,689	
Other Federal and State grants		1,264,326	
EMS		2,295	
Total	9,630,217	9,411,397	(218,820)
Permits and fees:			
Recording fees		268,424	
Marriage license		7,657	
Building permits		375,982	
Concealed weapons permits		38,590	
Tech fees		9,941	
Zoning and planning permits		25,101	
Total	679,759	725,695	45,936

STANLY COUNTY, NORTH CAROLINA

GENERAL FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2013

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Sales and services:			
Intergovernmental charges		180,466	
Sheriff and jail fees		617,948	
Ambulance fees		2,543,573	
Transportation		416,044	
Solid waste		829,567	
Health fees		2,397,043	
Rental and other charges		125,777	
Total	<u>6,785,982</u>	<u>7,110,418</u>	<u>324,436</u>
Investment earnings:			
Earned interest	<u>125,000</u>	<u>97,709</u>	<u>(27,291)</u>
Miscellaneous:			
Donations		402,599	
Rents		275,510	
Sale of assets		9,474	
Miscellaneous other		249,927	
Total	<u>940,850</u>	<u>937,510</u>	<u>(3,340)</u>
Total revenues	<u>53,602,110</u>	<u>54,809,233</u>	<u>1,207,123</u>
Expenditures:			
General Government:			
Governing body:			
Salaries and employee benefits		86,762	
Operating expenditures		82,856	
Total		<u>169,618</u>	
Administration:			
Salaries and employee benefits		350,327	
Operating expenditures		14,530	
Total		<u>364,857</u>	
Finance department:			
Salaries and employee benefits		286,118	
Operating expenditures		123,659	
Total		<u>409,777</u>	
Tax assessor:			
Salaries and employee benefits		635,130	
Operating expenditures		115,200	
Total		<u>750,330</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, 2013

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Tax revaluation:			
Salaries and employee benefits		308,650	
Operating expenditures		<u>35,388</u>	
Total		<u>344,038</u>	
County attorney:			
Salaries and employee benefits		126,772	
Operating expenditures		<u>183,043</u>	
Total		<u>309,815</u>	
Clerk of Court:			
Operating expenditures		<u>9,829</u>	
Judge's office:			
Operating expenditures		<u>3,549</u>	
Elections:			
Salaries and employee benefits		195,918	
Operating expenditures		<u>159,091</u>	
Total		<u>355,009</u>	
Register of Deeds:			
Salaries and employee benefits		201,767	
Operating expenditures		59,215	
Capital outlay		<u>29,560</u>	
Total		<u>290,542</u>	
Information technology:			
Salaries and employee benefits		284,547	
Operating expenditures		<u>309,575</u>	
Total		<u>594,122</u>	
Facilities management:			
Salaries and employee benefits		360,460	
Operating expenditures		705,025	
Total		<u>1,065,485</u>	
Total general government	<u>4,996,030</u>	<u>4,666,971</u>	<u>329,059</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, 2013

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Public Safety:			
Sheriff:			
Salaries and employee benefits		3,135,186	
Operating expenditures		496,948	
Capital outlay		201,564	
Total		<u>3,833,698</u>	
Jail:			
Salaries and employee benefits		1,870,300	
Operating expenditures		656,086	
Total		<u>2,526,386</u>	
Office of juvenile justice:			
Operating expenditures		3,103	
Program expenditures		172,570	
Juvenile detention		18,910	
Total		<u>194,583</u>	
Emergency management:			
Salaries and employee benefits		2,438,798	
Operating expenditures		991,816	
Capital outlay		357,301	
Total		<u>3,787,915</u>	
Code enforcement:			
Salaries and employee benefits		262,304	
Operating expenditures		28,888	
Total		<u>291,192</u>	
Medical examiner:			
Contractual services		<u>21,400</u>	
Animal control:			
Salaries and employee benefits		243,404	
Operating expenditures		56,711	
Total		<u>300,115</u>	
911 communication service:			
Salaries and employee benefits		919,283	
Operating expenditures		88,342	
Capital outlay		16,090	
Total		<u>1,023,715</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, 2013

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Reimbursements:			
From E-911 Fund		(43,164)	
Total public safety	<u>12,076,417</u>	<u>11,935,840</u>	<u>140,577</u>
Transportation:			
Salaries and employee benefits		656,327	
Operating expenditures		166,272	
Capital outlay		<u>54,700</u>	
Total transportation	<u>1,024,213</u>	<u>877,299</u>	<u>146,914</u>
Environmental Protection:			
Solid waste operations:			
Salaries and employee benefits		336,029	
Operating expenditures		656,670	
Capital outlay		<u>12,277</u>	
Total		<u>1,004,976</u>	
Fire forester:			
Contribution to other agency		<u>79,337</u>	
Soil and water conservation:			
Salaries and employee benefits		97,870	
Operating expenditures		<u>4,987</u>	
Total		<u>102,857</u>	
Total environmental protection	<u>1,181,814</u>	<u>1,187,170</u>	<u>(5,356)</u>
Economic and Physical Development:			
Economic development commission:			
Salaries and employee benefits		166,828	
Operating expenditures		<u>378,662</u>	
Total		<u>545,490</u>	
Occupancy tax-motel/hotel:			
To other municipalities		<u>193,757</u>	
Planning and zoning:			
Salaries and employee benefits		208,764	
Operating expenditures		<u>38,481</u>	
Total		<u>247,245</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, 2013

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Central permitting			
Salaries and employee benefits		161,477	
Operating expenditures		9,910	
Total		<u>171,387</u>	
Cooperative extension:			
Salaries and employee benefits		3,537	
Operating expenditures		232,509	
Total		<u>236,046</u>	
Special appropriation for economic development:			
Contribution for economic development		<u>26,270</u>	
Rocky River RPO:			
Salaries and employee benefits		95,064	
Operating expenditures		7,235	
Total		<u>102,299</u>	
Total economic and physical development	<u>1,640,908</u>	<u>1,522,494</u>	<u>118,414</u>
Human Services:			
Health:			
Salaries and employee benefits		1,708,487	
Operating expenditures		657,392	
Capital outlay		8,000	
Total		<u>2,373,879</u>	
Home health:			
Salaries and employee benefits		580,804	
Operating expenditures		496,929	
Total		<u>1,077,733</u>	
Dental clinic:			
Salaries and employee benefits		619,931	
Operating expenditures		192,510	
Capital outlay		89,506	
Total		<u>901,947</u>	
Environmental health:			
Salaries and employee benefits		310,307	
Operating expenditures		39,999	
Total		<u>350,306</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, 2013

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Mental health:			
Contributions to other agencies:			
Bottle surcharge		13,067	
Piedmont area mental health		190,160	
Total		<u>203,227</u>	
Social services:			
Salaries and employee benefits		4,313,308	
Operating expenditures		1,774,980	
Daycare and resident services		2,652,864	
Capital outlay		34,496	
Total		<u>8,775,648</u>	
In-home services:			
Salaries and employee benefits		158,285	
Operating expenditures		158,579	
Total		<u>316,864</u>	
Nutrition:			
Salaries and employee benefits		105,828	
Operating expenditures		266,024	
Total		<u>371,852</u>	
I&A/Transportation:			
Salaries and employee benefits		56,413	
Operating expenditures		79,338	
Total		<u>135,751</u>	
Family Caregiver Support:			
Operating expenditures		<u>25,333</u>	
Senior services:			
Salaries and employee benefits		193,807	
Operating expenditures		140,881	
Capital outlay		29,508	
Total		<u>364,196</u>	
Veterans services:			
Salaries and employee benefits		50,962	
Operating expenditures		2,731	
Veteran's Association		2,000	
Total		<u>55,693</u>	
Total human services	<u>15,981,388</u>	<u>14,952,429</u>	<u>1,028,959</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, 2013

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Education:			
Stanly County Public Schools:			
Current expenditures		9,377,362	
Capital outlay		1,725,000	
Total		<u>11,102,362</u>	
Stanly Community College:			
Current expenditures		1,284,796	
Capital outlay		145,000	
Total		<u>1,429,796</u>	
Total education	<u>12,533,322</u>	<u>12,532,158</u>	<u>1,164</u>
Cultural and Recreational:			
Library:			
Salaries and employee benefits		805,266	
Operating expenditures		317,619	
Capital outlay		3,200	
Total		<u>1,126,085</u>	
Agriculture Civic Center:			
Salaries and employee benefits		126,940	
Operating expenditures		126,706	
Total		<u>253,646</u>	
Total cultural and recreational	<u>1,486,794</u>	<u>1,379,731</u>	<u>107,063</u>
Debt Service:			
Principal		2,884,682	
Interest and fees		1,107,619	
Total debt service	<u>3,992,550</u>	<u>3,992,301</u>	<u>249</u>
Contingency	<u>109,565</u>	<u>-</u>	<u>109,565</u>
Total expenditures	<u>55,023,001</u>	<u>53,046,393</u>	<u>1,976,608</u>
Revenues over (under) expenditures	<u>(1,420,891)</u>	<u>1,762,840</u>	<u>3,183,731</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, 2013

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Other Financing Sources (Uses):			
Transfers to:			
Enterprise Fund	(1,361,959)	(1,334,059)	(27,900)
Transfers from:			
Enterprise Fund	100,000	50,000	50,000
Installment debt issued	403,000	403,039	(39)
Appropriated fund balance	<u>2,279,850</u>	<u>-</u>	<u>2,279,850</u>
Total other financing sources (uses)	<u>1,420,891</u>	<u>(881,020)</u>	<u>(2,301,911)</u>
Net change in fund balance	<u>\$ -</u>	881,820	<u>\$ 881,820</u>
Fund Balance:			
Beginning of year - July 1		<u>17,889,882</u>	
End of year - June 30		<u>\$ 18,771,702</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** – accounts for the revenues of the fourteen fire districts in Stanly County.
- **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.
- **Urgent Repair Program Fund** – accounts for the funds designated for housing improvements.
- **CDBG 2011 Infrastructure Hook-Up Project Fund** – accounts for the funds designated for water hook-ups.

STANLY COUNTY, NORTH CAROLINA

COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS JUNE 30, 2013

	<u>Special Revenue</u>		
	<u>Emergency Telephone System Fund</u>	<u>Fire Districts Fund</u>	<u>Duke HELP Program</u>
Assets:			
Cash and cash equivalents	\$ 207,895	\$ 14,412	\$ -
Taxes receivable, net	-	122,952	-
Accounts receivable	51,322	-	-
Total assets	<u>\$ 259,217</u>	<u>\$ 137,364</u>	<u>\$ -</u>
Liabilities, Deferred Inflows of Resources and Fund Balances:			
Liabilities:			
Accounts payable and accrued liabilities	\$ 1,987	\$ 14,412	\$ -
Interfund payables	-	-	-
Total liabilities	<u>1,987</u>	<u>14,412</u>	<u>-</u>
Deferred Inflows of Resources:			
Unavailable revenue - property taxes	-	122,952	-
Fund Equity:			
Restricted			
Stabilization by State statute	51,322	-	-
Restricted, all others	205,908	-	-
Unassigned	-	-	-
Total fund balances	<u>257,230</u>	<u>-</u>	<u>-</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 259,217</u>	<u>\$ 137,364</u>	<u>\$ -</u>

Schedule 2

Funds

CDBG 2010 Infrastructure Hook-up Project	2011 Single Family Rehabilitation Program	Urgent Repair Program	CDBG 2011 Infrastructure Hook-up Project	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ 26,768	\$ -	\$ 249,075
-	-	-	-	122,952
-	153,130	-	8,745	213,197
<u>\$ -</u>	<u>\$ 153,130</u>	<u>\$ 26,768</u>	<u>\$ 8,745</u>	<u>\$ 585,224</u>
\$ -	\$ 56,316	\$ 9,575	\$ -	\$ 82,290
-	96,814	-	8,745	105,559
-	153,130	9,575	8,745	187,849
-	-	-	-	122,952
-	153,130	-	8,745	213,197
-	-	17,193	-	223,101
-	(153,130)	-	(8,745)	(161,875)
-	-	17,193	-	274,423
<u>\$ -</u>	<u>\$ 153,130</u>	<u>\$ 26,768</u>	<u>\$ 8,745</u>	<u>\$ 585,224</u>

STANLY COUNTY, NORTH CAROLINA

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS FOR THE YEAR ENDED JUNE 30, 2013

	Special Revenue		
	Emergency Telephone System Fund	Fire Districts Fund	Duke HELP Program
Revenues:			
Ad valorem taxes	\$ -	\$ 2,005,839	\$ -
Restricted intergovernmental	-	-	30,000
Sales and services	280,224	-	-
Investment earnings	902	-	-
Total revenues	<u>281,126</u>	<u>2,005,839</u>	<u>30,000</u>
Expenditures:			
Current:			
General government	-	28,000	-
Public safety	350,275	1,977,839	-
Economic and physical development	-	-	30,000
Total expenditures	<u>350,275</u>	<u>2,005,839</u>	<u>30,000</u>
Net change in fund balances	(69,149)	-	-
Fund Balances:			
Beginning of year - July 1	<u>326,379</u>	<u>-</u>	<u>-</u>
End of year - June 30	<u>\$ 257,230</u>	<u>\$ -</u>	<u>\$ -</u>

Schedule 3

Funds

CDBG 2010 Infrastructure Hook-up Project	2011 Single Family Rehabilitation Program	Urgent Repair Program	CDBG 2011 Infrastructure Hook-up Project	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ 2,005,839
189,289	172,155	37,500	34,194	463,138
-	-	-	-	280,224
-	-	135	-	1,037
<u>189,289</u>	<u>172,155</u>	<u>37,635</u>	<u>34,194</u>	<u>2,750,238</u>
-	-	-	-	28,000
-	-	-	-	2,328,114
<u>189,289</u>	<u>171,985</u>	<u>20,442</u>	<u>34,194</u>	<u>445,910</u>
<u>189,289</u>	<u>171,985</u>	<u>20,442</u>	<u>34,194</u>	<u>2,802,024</u>
-	170	17,193	-	(51,786)
-	(170)	-	-	326,209
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 17,193</u>	<u>\$ -</u>	<u>\$ 274,423</u>



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BUDGETARY INFORMATION - GOVERNMENTAL FUNDS

Special revenue budget and actual results for Fiscal Year June 30, 2013

Individual Fund Descriptions:

- **Emergency Telephone System Fund** – accounts for the revenues earmarked for the installation of emergency 911 phone system.
- **Fire Districts Fund** – accounts for the revenues of the fourteen fire districts in Stanly County.
- **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.
- **Urgent Repair Program Fund** – accounts for the funds designated for housing improvements.
- **CDBG 2011 Infrastructure Hook-Up Project Fund** – accounts for the funds designated for water hook-ups.



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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, 2013

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Charges - surcharge	\$ 274,682	\$ 280,224	\$ 5,542
Investment earnings	2,000	902	(1,098)
Total revenues	<u>276,682</u>	<u>281,126</u>	<u>4,444</u>
Expenditures:			
Implemental functions	43,164	43,164	-
Telephone	171,578	135,850	35,728
Furniture	9,995	6,920	3,075
Software and software maintenance	48,494	49,452	(958)
Hardware and hardware maintenance	77,453	81,306	(3,853)
Training	7,500	3,924	3,576
Capital outlay	24,000	28,858	(4,858)
S.L. 2010-158 expenditures (50%)	<u>5,231</u>	<u>801</u>	<u>4,430</u>
Total expenditures	<u>387,415</u>	<u>350,275</u>	<u>37,140</u>
Revenues over (under) expenditures	(110,733)	(69,149)	41,584
Other Financing Sources (Uses):			
Appropriated fund balance	<u>110,733</u>	<u>-</u>	<u>(110,733)</u>
Net change in fund balance	<u>\$ -</u>	<u>(69,149)</u>	<u>\$ (69,149)</u>
Fund Balance:			
Beginning of year - July 1		<u>326,379</u>	
End of year - June 30		<u>\$ 257,230</u>	

STANLY COUNTY, NORTH CAROLINA

FIRE DISTRICTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2013

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Ad valorem taxes:			
Current year	\$ 1,948,825	\$ 1,940,362	\$ (8,463)
Prior years	69,700	65,477	(4,223)
Total revenues	<u>2,018,525</u>	<u>2,005,839</u>	<u>(12,686)</u>
Expenditures:			
Administration fees:			
Tax collection fees	28,200	28,000	200
Public safety:			
West Stanly Fire District	556,000	552,003	3,997
Center Fire District	198,800	198,184	616
Endy Fire District	109,000	108,401	599
Ridgecrest Fire District	138,000	137,253	747
Aquadale Fire District	141,000	139,695	1,305
Eastside Fire District	138,900	138,439	461
Oakoro Fire District	75,600	74,976	624
New London Fire District	127,500	126,402	1,098
Southside Fire District	101,600	101,652	(52)
Bethany Fire District	49,000	48,140	860
Richfield Fire District	113,550	113,017	533
Millingport Fire District	98,000	97,519	481
Norwood Special Fire District	15,375	15,180	195
Badin-Yakin Fire District	<u>128,000</u>	<u>126,978</u>	<u>1,022</u>
Total expenditures	<u>2,018,525</u>	<u>2,005,839</u>	<u>12,686</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

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, 2013

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

STANLY COUNTY, NORTH CAROLINA

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, 2013

		Actual			
	Project Authorization	Prior Years	Current Year	Total to Date	Variance Over/Under
Revenues:					
Restricted intergovernmental:					
Community Development Grant	\$ 309,837	\$ 120,548	\$ 189,289	\$ 309,837	\$ -
Expenditures:					
Rehabilitation	278,855	102,459	185,289	287,748	(8,893)
Administration	30,982	18,089	4,000	22,089	8,893
Total expenditures	309,837	120,548	189,289	309,837	-
Net change in fund balance	\$ -	\$ -	-	\$ -	\$ -
Fund Balance:					
Beginning of year - July 1			-		
End of year - June 30			\$ -		

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, 2013

		<u>Actual</u>			
	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>	<u>Variance Over/Under</u>
Revenues:					
Restricted intergovernmental:					
SFR Program Grant	\$ 160,000	\$ -	\$ 172,155	\$ 172,155	\$ 12,155
Expenditures:					
Rehabilitation	160,000	170	171,985	172,155	(12,155)
Net change in fund balance	\$ -	\$ (170)	170	\$ -	\$ -
Fund Balance:					
Beginning of year - July 1			(170)		
End of year - June 30			\$ -		

STANLY COUNTY, NORTH CAROLINA

URGENT REPAIR PROGRAM FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES

IN FUND BALANCE - BUDGET AND ACTUAL

FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2013

	<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:					
Urgent repair	\$ 75,000	\$ -	\$ 37,500	\$ 37,500	\$ (37,500)
Investment earnings	-	-	135	135	135
Total revenues	<u>75,000</u>	<u>-</u>	<u>37,635</u>	<u>37,635</u>	<u>(37,365)</u>
Expenditures:					
Rehabilitation	<u>75,000</u>	<u>-</u>	<u>20,442</u>	<u>20,442</u>	<u>54,558</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>17,193</u>	<u>\$ 17,193</u>	<u>\$ 17,193</u>
Fund Balance:					
Beginning of year - July 1			<u>-</u>		
End of year - June 30			<u>\$ 17,193</u>		

STANLY COUNTY, NORTH CAROLINA

COMMUNITY DEVELOPMENT BLOCK GRANT - 2011 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, 2013

	<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	\$ 75,000	\$ -	\$ 34,194	\$ 34,194	\$ (40,806)
Expenditures:					
Rehabilitation	63,750	-	24,895	24,895	38,855
Administration	11,250	-	9,299	9,299	1,951
Total expenditures	75,000	-	34,194	34,194	40,806
Net change in fund balance	\$ -	\$ -	-	\$ -	\$ -
Fund Balance:					
Beginning of year - July 1			-		
End of year - June 30			\$ -		



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BUDGETARY INFORMATION - ENTERPRISE FUNDS

Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises - where the costs of providing services are financed primarily through user charges. The State of North Carolina requires that the enterprise funds be budgeted on a modified accrual basis. The following statements are not in accordance with GAAP.

Individual Fund Descriptions:

- **Greater Badin Water and Sewer District Fund** – accounts for revenues and expenses of the special utility district established to provide water and sewer services to the Badin community.
- **Piney Point Water District Fund** – accounts for revenues and expenses of the special utility district established to provide water services to the Piney Point community.
- **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, 2013

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Operating revenues:			
Charges for services:			
Water sales		\$ 243,195	
Sewer charges		164,262	
Industrial sewer charges		30,086	
Taps and connection fees		1,330	
Other operating revenues		<u>2,016</u>	
Total operating revenues		<u>440,889</u>	
Non-operating revenues:			
Interest on investments		<u>899</u>	
Total revenues	\$ 456,509	<u>441,788</u>	\$ (14,721)
Expenditures:			
Administration:			
Contracted services		60,564	
Operating expenditures		<u>108</u>	
Total administration		<u>60,672</u>	
Debt service:			
State loan principal paid		22,731	
Interest expense		<u>4,630</u>	
Total debt service		<u>27,361</u>	
Distribution and maintenance:			
Contracted services		114,172	
Operating expenditures		62,577	
Repairs and maintenance		32,236	
Water purchases		102,655	
Capital outlay		<u>3,760</u>	
Total distribution and maintenance		<u>315,400</u>	
Total expenditures	<u>411,509</u>	<u>403,433</u>	<u>8,076</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, 2013

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues over (under) expenditures	<u>45,000</u>	<u>38,355</u>	<u>(6,645)</u>
Other Financing Sources (Uses):			
Transfers (out)	<u>(45,000)</u>	<u>(22,500)</u>	<u>22,500</u>
Revenues and other financing sources (uses) over (under) expenditures and other financing uses	<u>\$ -</u>	<u>15,855</u>	<u>\$ 15,855</u>
Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual:			
Reconciling items:			
Capital outlay		3,760	
Debt principal		22,731	
Depreciation		<u>(358,151)</u>	
Total reconciling items		<u>(331,660)</u>	
Change in net position		<u>\$ (315,805)</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, 2013

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Operating revenues:			
Charges for services:			
Water sales		\$ 137,041	
Taps and connection fees		2,560	
Other operating revenues		208	
Total operating revenues		<u>139,809</u>	
Non-operating revenues:			
Interest on investments		<u>707</u>	
Total revenues	<u>\$ 140,100</u>	<u>140,516</u>	<u>\$ 416</u>
Expenditures:			
Administration:			
Contracted services		<u>75,000</u>	
Distribution and maintenance:			
Operating expenditures		1,473	
Water purchases		<u>61,283</u>	
Total distribution and maintenance		<u>62,756</u>	
Total expenditures	<u>130,100</u>	<u>137,756</u>	<u>(7,656)</u>
Revenues over (under) expenditures	<u>10,000</u>	<u>2,760</u>	<u>(7,240)</u>
Other Financing Sources (Uses):			
Transfers (out)	<u>(10,000)</u>	<u>(5,000)</u>	<u>5,000</u>
Revenues and other financing sources (uses) over (under) expenditures and other financing uses	<u>\$ -</u>	<u>(2,240)</u>	<u>\$ (2,240)</u>
Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual:			
Reconciling items:			
Depreciation		<u>(34,762)</u>	
Change in net position		<u>\$ (37,002)</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, 2013

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Operating revenues:			
Charges for services:			
Water sales		\$ 1,725,918	
Sewer charges		453,779	
Taps and connection fees		40,864	
Other operating revenues		<u>15,345</u>	
Total operating revenues		<u>2,235,906</u>	
Non-operating revenues:			
Interest on investments		1,955	
Administrative charges		260,342	
Miscellaneous		<u>21,856</u>	
Total non-operating revenues		<u>284,153</u>	
Total revenues	\$ 2,434,790	<u>2,520,059</u>	\$ 85,269
Expenditures:			
Administration:			
Salaries and employee benefits		334,009	
Operating expenditures		<u>48,018</u>	
Total administration		<u>382,027</u>	
Debt service:			
State loan principal paid		<u>4,921</u>	
Distribution and maintenance:			
Salaries and employee benefits		519,608	
Operating expenditures		815,063	
Repairs and maintenance		196,742	
Water purchases		685,179	
Capital outlay		<u>17,319</u>	
Total distribution and maintenance		<u>2,233,911</u>	
Total expenditures	<u>2,617,876</u>	<u>2,620,859</u>	<u>(2,983)</u>
Revenues over (under) expenditures	<u>(183,086)</u>	<u>(100,800)</u>	<u>82,286</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, 2013

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Other Financing Sources (Uses):			
Transfers in	27,900	-	(27,900)
Transfers (out)	(45,000)	(22,500)	22,500
Intrafund transfers	(38,564)	(38,564)	-
Appropriated fund balance	<u>238,750</u>	<u>-</u>	<u>(238,750)</u>
 Total other financing sources (uses)	 <u>183,086</u>	 <u>(61,064)</u>	 <u>(244,150)</u>
 Revenues and other financing sources (uses) over (under) expenditures and other financing uses	 <u>\$ -</u>	 <u>(161,864)</u>	 <u>\$ (161,864)</u>
 Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual:			
Reconciling items:			
Debt principal		4,921	
Capital outlay		17,319	
Depreciation		(870,219)	
Capital contribution		47,038	
Capital project expenses not capitalized		(94,075)	
Loss on disposal of capital asset		(244,238)	
Intrafund transfer to Utility Airport Corridor Project fund		40,000	
Intrafund transfer from ARRA Waterstorage Tank Project fund		<u>(1,436)</u>	
Total reconciling items		<u>(1,100,690)</u>	
 Change in net position		 <u>\$ (1,262,554)</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, 2013**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Operating revenues:			
Sales and services:			
Fuel and oil sales		\$ 350,222	
Tie down fees		1,615	
Hanger rental		28,615	
Franchise		4,500	
Miscellaneous		26,197	
Total operating revenues	\$ 445,267	411,149	\$ (34,118)
Non-operating revenues:			
Interest on investments		329	
Total non-operating revenues	102,207	329	(101,878)
Total revenues	547,474	411,478	(135,996)
Expenditures:			
Administration and operations:			
Salaries and employee benefits		264,912	
Operating expenditures		118,569	
Repairs and maintenance		52,017	
Purchases for resale		295,819	
Total administration and operations	815,974	731,317	84,657
Revenues over (under) expenditures	(268,500)	(319,839)	(51,339)
Other Financing Sources (Uses):			
Intrafund transfers	(180,000)	(180,000)	-
Transfer in from the General Fund	268,500	268,500	-
Appropriated fund balance	180,000	-	(180,000)
Total other financing sources (uses)	268,500	88,500	(180,000)
Revenues and other financing sources (uses) over (under) expenditures and other financing uses	\$ -	(231,339)	\$ (231,339)

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, 2013

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual:			
Reconciling items:			
Depreciation		(966,851)	
Capital contributions		1,687,429	
Interfund transfer to project from General Fund		1,065,559	
Intrafund transfers to Terminal Fund		<u>180,000</u>	
Total reconciling items		<u>1,966,137</u>	
Change in net position		<u>\$ 1,734,798</u>	



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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:

- **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.
- **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 Design 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

ENDY SEWER EXTENSION PROJECT FUND
 SCHEDULE OF REVENUES AND EXPENDITURES -
 BUDGET AND ACTUAL (NON-GAAP)
 FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2013

		Actual			
	Project Authorization	Prior Years	Current Year	Total to Date	Variance Over/Under
Expenditures:					
Professional services	\$ 250,000	\$ 60,981	\$ -	\$ 60,981	\$ 189,019
Land	25,000	1,950	-	1,950	23,050
Construction	2,321,700	-	-	-	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 (uses)n 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, 2013

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Over/Under
Revenues:					
Restricted intergovernmental:					
DWSRF Principal Forgiveness Grant	\$ 155,371	\$ 91,371	\$ 7,038	\$ 98,409	\$ (56,962)
Expenditures:					
Construction	269,510	153,807	-	153,807	115,703
Professional services	39,797	27,500	14,075	41,575	(1,778)
Total expenditures	309,307	181,307	14,075	195,382	113,925
Revenues over (under) expenditures	(153,936)	(89,936)	(7,037)	(96,973)	56,963
Other Financing Sources (Uses):					
Transfer to Utilities Fund	(1,436)	-	(1,436)	(1,436)	-
DWSRF Revolving Loan	155,372	91,371	7,038	98,409	(56,963)
Total other financing sources	153,936	91,371	5,602	96,973	(56,963)
Revenues and other financing sources (uses) over (under) expenditures and other financing uses	\$ -	\$ 1,435	\$ (1,435)	\$ -	\$ -

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, 2013

		Actual			
	Project Authorization	Prior Years	Current Year	Total to Date	Variance Over/Under
Expenditures:					
Construction	\$ 1,470,000	\$ -	\$ -	\$ -	\$ 1,470,000
Professional services	156,500	159,674	-	159,674	(3,174)
Land	30,000	-	-	-	30,000
Total expenditures	1,656,500	159,674	-	159,674	1,496,826
Other Financing Sources (Uses):					
Transfer from Utilities Fund	110,000	110,000	-	110,000	-
Transfer from Millingport Sewer Project Fund	46,500	46,500	-	46,500	-
Debt issued	1,500,000	-	-	-	(1,500,000)
Total other financing sources (uses)	1,656,500	156,500	-	156,500	(1,500,000)
Revenues and other financing sources (uses) over (under) expenditures and other financing uses	\$ -	\$ (3,174)	\$ -	\$ (3,174)	\$ (3,174)

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, 2013

	<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:					
NC Rural Center Grant	\$ 40,000	\$ -	\$ 40,000	\$ 40,000	\$ -
Expenditures:					
Professional services	80,000	-	80,000	80,000	-
Revenues over (under) expenditures	(40,000)	-	(40,000)	(40,000)	-
Other Financing Sources (Uses):					
Transfer from Utilities Fund	40,000	-	40,000	40,000	-
Revenues and other financing sources (uses) 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, 2013

	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	743,427	-	743,427	(51,573)
Miscellaneous	-	17,500	-	17,500	17,500
Total revenues	<u>1,959,395</u>	<u>1,730,323</u>	<u>-</u>	<u>1,730,323</u>	<u>(229,072)</u>
Expenditures:					
Professional services	457,236	647,758	27,938	675,696	(218,460)
Construction	<u>2,983,722</u>	<u>2,464,050</u>	<u>71,884</u>	<u>2,535,934</u>	<u>447,788</u>
Total expenditures	<u>3,440,958</u>	<u>3,111,808</u>	<u>99,822</u>	<u>3,211,630</u>	<u>229,328</u>
Revenues over (under) expenditures	<u>(1,481,563)</u>	<u>(1,381,485)</u>	<u>(99,822)</u>	<u>(1,481,307)</u>	<u>256</u>
Other Financing Sources (Uses):					
Transfer from General Fund	1,065,559	-	1,065,559	1,065,559	-
Transfer from Airport Fund	180,000	-	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>1,481,563</u>	<u>235,748</u>	<u>1,245,559</u>	<u>1,481,307</u>	<u>(256)</u>
Revenues and other financing sources (uses) over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ (1,145,737)</u>	<u>\$ 1,145,737</u>	<u>\$ -</u>	<u>\$ -</u>

STANLY COUNTY, NORTH CAROLINA

AIRPORT RUNWAY DESIGN PROJECT FUND
 SCHEDULE OF REVENUES AND EXPENDITURES -
 BUDGET AND ACTUAL (NON-GAAP)
 FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2013

	Project Authorization	Actual		Total to Date	Variance Over/Under
		Prior Years	Current Year		
Revenues:					
Restricted intergovernmental:					
FAA Grant	\$ 325,000	\$ 276,248	\$ 58,956	\$ 335,204	\$ 10,204
NC DOT Grant	250,000	-	-	-	(250,000)
Air Guard	406,753	247,674	177,533	425,207	18,454
Vision 100	49,470	-	49,469	49,469	(1)
Total revenues	<u>1,031,223</u>	<u>523,922</u>	<u>285,958</u>	<u>809,880</u>	<u>(221,343)</u>
Expenditures:					
Professional services	1,084,629	728,517	315,379	1,043,896	40,733
Construction	<u>242,594</u>	<u>199,827</u>	<u>-</u>	<u>199,827</u>	<u>42,767</u>
Total expenditures	<u>1,327,223</u>	<u>928,344</u>	<u>315,379</u>	<u>1,243,723</u>	<u>83,500</u>
Revenues over (under) expenditures	(296,000)	(404,422)	(29,421)	(433,843)	(137,843)
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 (uses) over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ (169,011)</u>	<u>\$ (29,421)</u>	<u>\$ (198,432)</u>	<u>\$ (198,432)</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, 2013

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Over/Under
Revenues:					
Restricted intergovernmental:					
Air National Guard	\$ 4,106,703	\$ 2,378,702	\$ 1,422,968	\$ 3,801,670	\$ (305,033)
Division of Aviation	<u>2,230,000</u>	<u>2,121,458</u>	<u>-</u>	<u>2,121,458</u>	<u>(108,542)</u>
Total revenues	<u>6,336,703</u>	<u>4,500,160</u>	<u>1,422,968</u>	<u>5,923,128</u>	<u>(413,575)</u>
Expenditures:					
Construction	<u>6,584,481</u>	<u>4,500,160</u>	<u>1,408,673</u>	<u>5,908,833</u>	<u>675,648</u>
Revenues over (under) expenditures	(247,778)	-	14,295	14,295	262,073
Other Financing Sources (Uses):					
Transfer from General Fund	<u>247,778</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(247,778)</u>
Revenues and other financing sources (uses) over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,295</u>	<u>\$ 14,295</u>	<u>\$ 14,295</u>

STANLY COUNTY, NORTH CAROLINA

AIRPORT AWOS AND ILS UPGRADE PROJECT FUND
 SCHEDULE OF REVENUES AND EXPENDITURES -
 BUDGET AND ACTUAL (NON-GAAP)
 FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2013

	Project Authorization	Actual		Total to Date	Variance Over/Under
		Prior Years	Current Year		
Revenues:					
Restricted intergovernmental:					
Vision Entitlement Grant	\$ 112,500	\$ 85,549	\$ (21,497)	\$ 64,052	\$ (48,448)
Expenditures:					
Professional services	54,810	23,885	20,609	44,494	10,316
Construction	70,190	71,169	-	71,169	(979)
Total expenditures	125,000	95,054	20,609	115,663	9,337
Revenues over (under) expenditures	(12,500)	(9,505)	(42,106)	(51,611)	(39,111)
Other Financing Sources (Uses):					
Transfer from General Fund	12,500	9,505	-	9,505	(2,995)
Revenues and other financing sources (uses) over (under) expenditures and other financing uses	\$ -	\$ -	\$ (42,106)	\$ (42,106)	\$ (42,106)

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, 2013

	<u>Financial Plan</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Operating Revenues:			
Charges for sales and services	\$ 5,193,352	\$ 5,294,469	\$ 101,117
Operating Expenses:			
Group health operations	4,757,448	4,816,284	(58,836)
Worker's compensation claims	449,536	407,745	41,791
Total operating expenditures	<u>5,206,984</u>	<u>5,224,029</u>	<u>(17,045)</u>
Operating income (loss)	<u>(13,632)</u>	<u>70,440</u>	<u>84,072</u>
Non-Operating Revenues:			
Investment earnings	<u>13,632</u>	<u>10,166</u>	<u>(3,466)</u>
Change in net position	<u>\$ -</u>	<u>80,606</u>	<u>\$ 80,606</u>
Net Position:			
Beginning of year - July 1		<u>1,143,160</u>	
End of year - June 30		<u>\$ 1,223,766</u>	



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AGENCY FUNDS

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

Individual Fund Descriptions:

- **Protective Payee Fund** – accounts for monies deposited with the County for the benefit of certain individuals.
- **Fines and Forfeitures Fund** – accounts for fines designated for school operations.
- **Deed of Trust Fund** – accounts for \$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** – accounts 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, 2013

	<u>Balance July 1, 2012</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2013</u>
Protective Payee Fund:				
Assets:				
Cash and cash equivalents	\$ 18,099	\$ 66,681	\$ 67,858	\$ 16,922
Liabilities:				
Client payable	\$ 18,099	\$ 66,681	\$ 67,858	\$ 16,922
Fines and Forfeitures:				
Assets:				
Cash and cash equivalents	\$ -	\$ 175,119	\$ 175,119	\$ -
Liabilities:				
Accounts payable	\$ -	\$ 175,119	\$ 175,119	\$ -
Deed of Trust:				
Assets:				
Cash and cash equivalents	\$ -	\$ 41,459	\$ 41,459	\$ -
Liabilities:				
Accounts payable	\$ -	\$ 41,459	\$ 41,459	\$ -
Sheriff's Execution:				
Assets:				
Cash and cash equivalents	\$ 256	\$ 95,396	\$ 95,126	\$ 526
Inmate cash	4,555	75,808	78,922	1,441
Total assets	\$ 4,811	\$ 171,204	\$ 174,048	\$ 1,967
Liabilities:				
Executions payable	\$ 256	\$ 95,396	\$ 95,126	\$ 526
Inmate payable	4,555	75,808	78,922	1,441
Total liabilities	\$ 4,811	\$ 171,204	\$ 174,048	\$ 1,967
Property Tax Clearing Fund:				
Assets:				
Cash and cash equivalents	\$ 102,179	\$ 9,204,263	\$ 9,237,563	\$ 68,879
Liabilities:				
Accounts payable	\$ 102,179	\$ 9,204,263	\$ 9,237,563	\$ 68,879

STANLY COUNTY, NORTH CAROLINA

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2013**

	<u>Balance July 1, 2012</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2013</u>
Delinquent Vehicle Tax Fund:				
Assets:				
Cash and cash equivalents	\$ 2,416	\$ 30,344	\$ 30,929	\$ 1,831
Liabilities:				
Due Department of State Treasurer	\$ 2,416	\$ 30,344	\$ 30,929	\$ 1,831
Totals:				
Assets:				
Cash and cash equivalents	\$ 122,950	\$ 9,613,262	\$ 9,648,054	\$ 88,158
Inmate cash	4,555	75,808	78,922	1,441
Total assets	<u>\$ 127,505</u>	<u>\$ 9,689,070</u>	<u>\$ 9,726,976</u>	<u>\$ 89,599</u>
Liabilities:				
Accounts payable and future payments	\$ 104,851	\$ 9,546,581	\$ 9,580,196	\$ 71,236
Client and inmate payable	22,654	142,489	146,780	18,363
Total liabilities	<u>\$ 127,505</u>	<u>\$ 9,689,070</u>	<u>\$ 9,726,976</u>	<u>\$ 89,599</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, 2013

<u>Fiscal Year</u>	<u>Uncollected Balance July 1, 2012</u>	<u>Additions</u>	<u>Collections and Credits</u>	<u>Uncollected Balance June 30, 2013</u>
2012-2013	\$ -	\$ 29,056,680	\$ 27,644,474	\$ 1,412,206
2011-2012	1,381,438	12,979	776,979	617,438
2010-2011	571,692	3,670	172,290	403,072
2009-2010	418,373	3,575	79,421	342,527
2008-2009	266,060	2,979	37,964	231,075
2007-2008	159,700	1,271	17,578	143,393
2006-2007	130,023	-	8,604	121,419
2005-2006	94,974	-	7,014	87,960
2004-2005	91,650	-	3,248	88,402
2003-2004	86,893	-	2,988	83,905
2002-2003	82,954	-	3,108	79,846
2001-2002	68,860	-	68,860	-
Districts over 3 years old	<u>76,489</u>	<u>4,896</u>	<u>(5,603)</u>	<u>86,988</u>
Total	<u>\$ 3,429,106</u>	<u>\$ 29,086,050</u>	<u>\$ 28,816,925</u>	3,698,231
Less allowance for uncollectible accounts - General Fund				<u>(512,057)</u>
Ad valorem taxes receivable, net				<u>\$ 3,186,174</u>
Reconciliation with Revenues:				
Ad valorem taxes - General Fund				\$ 28,941,888
Reconciling items:				
Animal tax				(33,163)
Collection fees				(50,217)
Interest collected				(270,239)
Discounts allowed				148,751
Late listings				(19,579)
Statute of Limitations				68,860
Miscellaneous				<u>30,624</u>
Total collections and credits				<u>\$ 28,816,925</u>

STANLY COUNTY, NORTH CAROLINA

ANALYSIS OF CURRENT TAX LEVY - COUNTY-WIDE LEVY
FOR THE YEAR ENDED JUNE 30, 2013

	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	\$ 4,320,619,566	\$ 0.6700	\$ 28,948,193	\$ 26,160,171	\$ 2,788,022
Penalties	-		19,769	19,769	-
Total original levy	<u>4,320,619,566</u>		<u>28,967,962</u>	<u>26,179,940</u>	<u>2,788,022</u>
Discoveries:					
Current year rate	17,715,913	0.6700	118,698	107,902	10,796
Penalties	-		6,308	6,308	-
Penalties prior year rate	-		260	260	-
Prior year taxes	-		130,712	96,376	34,336
Total discoveries	<u>17,715,913</u>		<u>255,978</u>	<u>210,846</u>	<u>45,132</u>
Releases:					
Current year rate	(24,819,706)	0.6700	(166,292)	(94,591)	(71,701)
Penalties	-		(968)	(968)	-
Total releases	<u>(24,819,706)</u>		<u>(167,260)</u>	<u>(95,559)</u>	<u>(71,701)</u>
Net assessed valuation	<u>\$ 4,313,515,773</u>				
Net Levy			29,056,680	26,295,227	2,761,453
Uncollected taxes, June 30			<u>1,412,206</u>	<u>1,039,563</u>	<u>372,643</u>
Current Year's Taxes Collected			<u>\$ 27,644,474</u>	<u>\$ 25,255,664</u>	<u>\$ 2,388,810</u>
Current Levy Collection Percentage Rate			<u>95.14%</u>	<u>96.05%</u>	<u>86.51%</u>

STANLY COUNTY, NORTH CAROLINA

ANALYSIS OF CURRENT TAX LEVY - COUNTY-WIDE LEVY FOR THE YEAR ENDED JUNE 30, 2013

Secondary Market Disclosures:

Assessed valuation:

Assessment ratio	<u>100%</u>
------------------	-------------

Real property	\$ 3,786,812,146
---------------	------------------

Personal property	409,012,605
-------------------	-------------

Public service	<u>117,691,022</u>
----------------	--------------------

Total assessed value	<u>\$ 4,313,515,773</u>
----------------------	-------------------------

Tax rate per \$100	<u>0.6700</u>
--------------------	---------------

Levy (includes discoveries, releases, and abatements)	<u>\$ 29,056,680</u>
---	----------------------

In addition to the County-wide rate, the following table lists the levies by the County on behalf of fire protection districts for the fiscal year ended June 30, 2013:

Fire Protection Districts	<u>\$ 2,031,104</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 Position by Component	Table 1
Changes in Net Position	Table 2
Fund Balances of Governmental Funds	Table 3
Changes in Fund Balances of Governmental Funds	Table 4

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

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

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

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

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

Demographic and Economic Statistics	Table 15
Principal Employers	Table 16

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

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

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

	Fiscal				
	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Governmental activities					
Net investment in capital assets	\$ 10,887,087	\$ 11,200,155	\$ 12,190,805	\$ 9,896,831	\$ 13,933,344
Restricted	61,691	50,431	71,510	121,967	65,839
Unrestricted	<u>(3,189,828)</u>	<u>(4,783,194)</u>	<u>(3,676,463)</u>	<u>1,856,585</u>	<u>1,284,464</u>
Total Governmental activities net position	<u>\$ 7,758,950</u>	<u>\$ 6,467,392</u>	<u>\$ 8,585,852</u>	<u>\$ 11,875,383</u>	<u>\$ 15,283,647</u>
Business-type activities					
Net investment in capital assets	\$ 29,165,629	\$ 30,444,727	\$ 30,892,567	\$ 34,317,479	\$ 33,344,464
Unrestricted	<u>1,305,445</u>	<u>576,013</u>	<u>2,176,979</u>	<u>2,198,765</u>	<u>2,532,023</u>
Total business-type activities net position	<u>\$ 30,471,074</u>	<u>\$ 31,020,740</u>	<u>\$ 33,069,546</u>	<u>\$ 36,516,244</u>	<u>\$ 35,876,487</u>
Primary government					
Net investment in capital assets	\$ 40,052,716	\$ 41,644,882	\$ 43,083,372	\$ 44,214,310	\$ 47,277,808
Restricted	61,691	50,431	71,510	121,967	65,839
Unrestricted	<u>(1,884,383)</u>	<u>(4,207,181)</u>	<u>(1,499,484)</u>	<u>4,055,350</u>	<u>3,816,487</u>
Total primary government net position	<u>\$ 38,230,024</u>	<u>\$ 37,488,132</u>	<u>\$ 41,655,398</u>	<u>\$ 48,391,627</u>	<u>\$ 51,160,134</u>

Table 1

Year				
<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
\$ 18,364,949	\$ 14,377,226	\$ 13,495,499	\$ 14,038,812	\$ 12,862,706
71,511	81,434	7,984,392	8,406,322	4,642,935
<u>(12,030,075)</u>	<u>(13,445,875)</u>	<u>(18,918,800)</u>	<u>(16,190,035)</u>	<u>(8,217,856)</u>
<u>\$ 6,406,385</u>	<u>\$ 1,012,785</u>	<u>\$ 2,561,091</u>	<u>\$ 6,255,099</u>	<u>\$ 9,287,785</u>
\$ 33,309,479	\$ 34,634,482	\$ 35,328,679	\$ 38,523,839	\$ 37,935,794
<u>2,237,487</u>	<u>(326,823)</u>	<u>600,944</u>	<u>508,553</u>	<u>1,216,035</u>
<u>\$ 35,546,966</u>	<u>\$ 34,307,659</u>	<u>\$ 35,929,623</u>	<u>\$ 39,032,392</u>	<u>\$ 39,151,829</u>
\$ 51,674,428	\$ 49,011,708	\$ 48,824,178	\$ 52,562,651	\$ 50,798,500
71,511	81,434	7,984,392	8,406,322	4,642,935
<u>(9,792,588)</u>	<u>(13,772,698)</u>	<u>(18,317,856)</u>	<u>(15,681,482)</u>	<u>(7,001,821)</u>
<u>\$ 41,953,351</u>	<u>\$ 35,320,444</u>	<u>\$ 38,490,714</u>	<u>\$ 45,287,491</u>	<u>\$ 48,439,614</u>

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

	Fiscal				
Expenses	2004	2005	2006	2007	2008
Governmental activities:					
General government	\$ 3,943,999	\$ 7,211,199	\$ 4,507,077	\$ 4,763,517	\$ 5,563,922
Public safety	9,208,320	10,271,412	10,901,818	11,144,226	12,089,074
Transportation	627,172	722,422	799,798	814,513	850,441
Environmental protection	867,293	899,015	927,806	1,000,097	1,031,633
Economic and physical development	1,282,716	1,529,470	2,001,170	1,888,101	2,344,873
Human services	13,402,271	14,330,481	15,746,398	16,379,896	16,086,711
Education	14,665,895	16,478,097	14,524,281	14,888,711	14,267,912
Culture and recreation	1,509,613	1,384,589	1,552,261	1,668,597	1,800,314
Interest on long-term debt	1,201,997	1,136,626	1,085,577	1,234,712	1,193,541
Total governmental activities expenses	<u>46,709,276</u>	<u>53,963,311</u>	<u>52,046,186</u>	<u>53,782,370</u>	<u>55,228,419</u>
Business-type activities:					
Water and sewer	2,852,826	3,127,806	2,852,463	2,857,210	3,377,002
Airport	<u>1,377,782</u>	<u>1,444,977</u>	<u>1,445,778</u>	<u>1,670,370</u>	<u>1,588,558</u>
Total business-type activities	<u>4,230,608</u>	<u>4,572,783</u>	<u>4,298,241</u>	<u>4,527,580</u>	<u>4,965,560</u>
Total primary governmental expenses	<u>\$ 50,939,884</u>	<u>\$ 58,536,094</u>	<u>\$ 56,344,427</u>	<u>\$ 58,309,950</u>	<u>\$ 60,193,979</u>
Program Revenues					
Governmental activities:					
Charges for services:					
General government	\$ 596,905	\$ 4,261,895	\$ 1,668,751	\$ 1,579,480	\$ 1,668,625
Public safety	2,120,800	1,824,146	2,022,339	2,396,682	2,579,945
Transportation	266,612	304,235	303,563	312,282	375,280
Environmental protection	706,657	769,537	740,437	857,834	848,824
Economic and physical development	28,230	6,625	13,081	12,480	23,135
Human services	1,647,522	1,698,934	1,910,676	2,157,094	1,894,767
Culture and recreation	96,867	24,497	27,714	36,857	79,893
Operating grants and contributions	7,996,207	8,458,500	11,035,610	8,832,742	9,111,529
Capital grants and contributions	<u>53,048</u>	<u>29,503</u>	<u>164,368</u>	<u>1,842,159</u>	<u>986,481</u>
Total governmental activities program revenues	<u>13,512,848</u>	<u>17,377,872</u>	<u>17,886,539</u>	<u>18,027,610</u>	<u>17,568,479</u>
Business-type activities:					
Charges for services:					
Water and sewer	2,415,287	2,535,305	2,762,650	2,725,228	3,004,732
Airport	261,181	334,406	397,830	429,644	457,087
Operating grants and contributions	-	-	-	-	17,949
Capital grants and contributions	<u>3,142,125</u>	<u>1,789,803</u>	<u>1,007,601</u>	<u>3,757,664</u>	<u>216,801</u>
Total business-type activities program revenues	<u>5,818,593</u>	<u>4,659,514</u>	<u>4,168,081</u>	<u>6,912,536</u>	<u>3,696,569</u>
Total primary governmental program revenues	<u>\$ 19,331,441</u>	<u>\$ 22,037,386</u>	<u>\$ 22,054,620</u>	<u>\$ 24,940,146</u>	<u>\$ 21,265,048</u>
Net (expense)/revenue					
Governmental activities	\$ (33,196,428)	\$ (36,585,439)	\$ (34,159,647)	\$ (35,754,760)	\$ (37,659,940)
Business-type activities	<u>1,587,985</u>	<u>86,731</u>	<u>(130,160)</u>	<u>2,384,956</u>	<u>(1,268,991)</u>
Total primary governmental net expense	<u>\$ (31,608,443)</u>	<u>\$ (36,498,708)</u>	<u>\$ (34,289,807)</u>	<u>\$ (33,369,804)</u>	<u>\$ (38,928,931)</u>

Table 2
Page 1 of 2

Year				
<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
\$ 6,207,070	\$ 6,799,601	\$ 5,601,234	\$ 5,048,549	\$ 5,204,527
13,941,395	13,957,473	14,130,565	14,482,815	14,434,194
923,081	948,122	987,615	988,483	950,965
1,108,942	1,155,970	1,159,814	1,162,909	1,197,567
1,494,393	2,741,056	2,610,268	2,364,231	2,004,658
16,136,859	14,851,419	14,614,279	14,968,599	14,970,988
24,661,209	19,284,505	13,334,719	12,643,400	12,532,158
2,035,578	1,954,960	1,572,655	1,643,930	1,572,868
1,393,628	1,659,370	1,169,653	1,264,990	925,756
<u>67,902,155</u>	<u>63,352,475</u>	<u>55,180,802</u>	<u>54,567,906</u>	<u>53,793,681</u>
3,809,744	3,703,713	3,768,034	4,071,866	4,714,762
<u>1,548,508</u>	<u>1,518,407</u>	<u>1,514,311</u>	<u>1,633,139</u>	<u>1,698,168</u>
<u>5,358,252</u>	<u>5,222,120</u>	<u>5,282,345</u>	<u>5,705,005</u>	<u>6,412,930</u>
<u>\$ 73,260,407</u>	<u>\$ 68,574,595</u>	<u>\$ 60,463,147</u>	<u>\$ 60,272,911</u>	<u>\$ 60,206,611</u>
\$ 1,844,478	\$ 1,468,042	\$ 1,445,785	\$ 1,499,922	\$ 1,483,698
2,669,845	3,003,195	2,841,139	3,331,264	3,200,111
370,233	364,756	578,427	425,439	423,318
835,242	862,811	883,729	883,005	891,052
601,271	13,770	18,478	24,042	25,101
2,301,087	2,147,188	2,194,950	2,514,395	2,335,558
185,582	21,703	24,320	20,811	28,624
9,307,612	11,222,862	10,632,041	10,767,746	9,701,383
1,706,125	1,123,874	1,148,686	970,547	1,091,138
<u>19,821,475</u>	<u>20,228,201</u>	<u>19,767,555</u>	<u>20,437,171</u>	<u>19,179,983</u>
3,001,449	3,069,742	3,096,448	3,162,076	3,076,946
295,877	311,966	303,126	362,955	411,149
-	-	91,262	-	-
<u>1,092,003</u>	<u>366,777</u>	<u>2,735,134</u>	<u>5,130,143</u>	<u>1,734,467</u>
<u>4,389,329</u>	<u>3,748,485</u>	<u>6,225,970</u>	<u>8,655,174</u>	<u>5,222,562</u>
<u>\$ 24,210,804</u>	<u>\$ 23,976,686</u>	<u>\$ 25,993,525</u>	<u>\$ 29,092,345</u>	<u>\$ 24,402,545</u>
\$(48,080,680)	\$(43,124,274)	\$(35,413,247)	\$(34,130,735)	\$(34,613,698)
<u>(968,923)</u>	<u>(1,473,635)</u>	<u>943,625</u>	<u>2,950,169</u>	<u>(1,190,368)</u>
<u>\$(49,049,603)</u>	<u>\$(44,597,909)</u>	<u>\$(34,469,622)</u>	<u>\$(31,180,566)</u>	<u>\$(35,804,066)</u>

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

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

	Fiscal				
	2004	2005	2006	2007	2008
Governmental activities:					
Taxes					
Ad valorem taxes	\$ 25,024,239	\$ 25,255,507	\$ 27,029,395	\$ 27,468,013	\$ 29,160,452
Local option sales tax	8,684,938	9,407,446	9,922,637	10,605,369	10,695,767
Other taxes	491,953	523,941	557,210	579,632	574,991
Unrestricted grants and contributions	5,936	-	-	-	-
Interest earned on investments	246,635	294,656	921,555	1,393,065	1,235,530
Miscellaneous	262,448	249,947	-	-	-
Transfers in (out)	(904,849)	(437,616)	(2,152,690)	(1,001,788)	(598,536)
Total governmental activities	<u>33,811,300</u>	<u>35,293,881</u>	<u>36,278,107</u>	<u>39,044,291</u>	<u>41,068,204</u>
Business-type activities:					
Interest earned on investments	12,749	25,319	26,276	59,954	30,698
Miscellaneous	-	-	-	-	-
Transfers in (out)	904,849	437,616	2,152,690	1,001,788	598,536
Total business-type activities	<u>917,598</u>	<u>462,935</u>	<u>2,178,966</u>	<u>1,061,742</u>	<u>629,234</u>
Total primary government	<u>\$ 34,728,898</u>	<u>\$ 35,756,816</u>	<u>\$ 38,457,073</u>	<u>\$ 40,106,033</u>	<u>\$ 41,697,438</u>
Change in Net Position					
Governmental activities	\$ 614,872	\$ (1,291,558)	\$ 2,118,460	\$ 3,289,531	\$ 3,408,264
Business-type activities	2,505,583	549,666	2,048,806	3,446,698	(639,757)
Total primary government	<u>\$ 3,120,455</u>	<u>\$ (741,892)</u>	<u>\$ 4,167,266</u>	<u>\$ 6,736,229</u>	<u>\$ 2,768,507</u>

Table 2
Page 2 of 2

Year				
<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
\$ 29,839,262	\$ 30,245,704	\$ 30,442,706	\$ 30,499,757	\$ 31,174,287
8,842,576	6,841,679	6,418,461	6,696,017	7,040,648
519,464	481,063	502,321	504,698	543,968
-	-	-	-	-
612,476	372,699	256,933	261,112	171,540
-	-	-	-	-
(610,360)	(210,471)	(658,868)	(136,841)	(1,284,059)
<u>39,203,418</u>	<u>37,730,674</u>	<u>36,961,553</u>	<u>37,824,743</u>	<u>37,646,384</u>
29,042	23,857	16,543	15,759	3,890
-	-	2,928	-	21,856
<u>610,360</u>	<u>210,471</u>	<u>658,868</u>	<u>136,841</u>	<u>1,284,059</u>
<u>639,402</u>	<u>234,328</u>	<u>678,339</u>	<u>152,600</u>	<u>1,309,805</u>
<u>\$ 39,842,820</u>	<u>\$ 37,965,002</u>	<u>\$ 37,639,892</u>	<u>\$ 37,977,343</u>	<u>\$ 38,956,189</u>
\$ (8,877,262)	\$ (5,393,600)	\$ 1,548,306	\$ 3,694,008	\$ 3,032,686
(329,521)	(1,239,307)	1,621,964	3,102,769	119,437
<u>\$ (9,206,783)</u>	<u>\$ (6,632,907)</u>	<u>\$ 3,170,270</u>	<u>\$ 6,796,777</u>	<u>\$ 3,152,123</u>

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

	Fiscal				
	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
General Fund					
Reserved	\$ 4,549,925	\$ 5,575,709	\$ 4,206,084	\$ 5,249,619	\$ 3,590,746
Unreserved	10,601,862	10,931,952	11,756,250	12,250,938	15,452,332
Non-spendable	-	-	-	-	-
Restricted	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Total General Fund	<u>\$ 15,151,787</u>	<u>\$ 16,507,661</u>	<u>\$ 15,962,334</u>	<u>\$ 17,500,557</u>	<u>\$ 19,043,078</u>
All other governmental funds					
Reserved	\$ 27,119	\$ 24,928	\$ 59,382	\$ 105,640	\$ 30,977
Unreserved, reported in:					
Special revenue funds	3,967,446	590,577	482,567	464,056	514,312
Capital projects funds	<u>400,658</u>	<u>208,637</u>	<u>665,307</u>	<u>3,554,882</u>	<u>-</u>
Restricted	-	-	-	-	-
Unassigned	-	-	-	-	-
Total all other governmental funds	<u>\$ 4,395,223</u>	<u>\$ 824,142</u>	<u>\$ 1,207,256</u>	<u>\$ 4,124,578</u>	<u>\$ 545,289</u>

Table 3

Year				
<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
\$ 8,233,781	\$ -	\$ -	\$ -	\$ -
9,390,468	-	-	-	-
-	36,360	51,071	52,912	66,374
-	9,661,929	7,480,151	8,027,964	4,206,637
-	2,062,820	2,003,925	2,803,717	3,120,289
-	4,640,026	6,424,783	7,005,289	11,378,402
<u>\$ 17,624,249</u>	<u>\$ 16,401,135</u>	<u>\$ 15,959,930</u>	<u>\$ 17,889,882</u>	<u>\$ 18,771,702</u>
\$ 28,082	\$ -	\$ -	\$ -	\$ -
347,371	-	-	-	-
-	-	-	-	-
-	445,193	504,241	378,358	436,298.00
-	-	(34,118)	(52,149)	(161,875.00)
<u>\$ 375,453</u>	<u>\$ 445,193</u>	<u>\$ 470,123</u>	<u>\$ 326,209</u>	<u>\$ 274,423</u>

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

	Fiscal				
	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Revenues					
Ad valorem taxes	\$ 24,978,882	\$ 25,328,973	\$ 26,829,328	\$ 27,519,067	\$ 29,225,384
Local option sales taxes	8,684,938	9,407,446	9,922,637	10,605,369	10,695,767
Other taxes and licenses	570,076	523,941	557,210	579,632	574,991
Unrestricted intergovernmental	5,936	5,763	6,080	5,657	8,173
Restricted intergovernmental	7,627,446	8,250,771	10,365,169	10,258,260	9,664,623
Permits and fees	915,083	750,320	813,844	927,965	945,668
Sales and services	4,626,431	4,897,601	5,734,916	5,984,898	6,087,739
Investment earnings	229,301	286,217	827,006	1,286,592	1,146,477
Miscellaneous	528,194	748,556	834,809	706,272	714,807
Total revenues	<u>48,166,287</u>	<u>50,199,588</u>	<u>55,890,999</u>	<u>57,873,712</u>	<u>59,063,629</u>
Expenditures					
General government	3,332,574	3,664,082	3,933,312	4,219,004	5,183,353
Public safety	8,681,718	9,779,612	10,245,837	13,933,485	14,967,299
Transportation	543,815	627,756	712,320	732,129	797,230
Environmental protection	873,394	895,520	923,604	975,779	1,026,214
Economic and physical development	1,292,366	1,525,184	2,005,105	1,912,875	2,348,929
Human services	13,370,134	14,307,611	15,729,303	16,415,126	16,202,140
Education	14,665,894	16,290,282	14,318,186	14,888,711	11,156,431
Culture and recreation	1,301,922	1,393,480	1,449,484	1,468,388	1,604,432
Capital Outlay	1,357,952	1,021,639	2,150,608	678,811	4,275,976
Debt service					
Principal	1,253,005	1,319,567	1,333,098	1,530,401	1,728,156
Interest and other charges	1,315,197	1,152,446	1,099,665	1,161,670	1,211,702
Total expenditures	<u>47,987,971</u>	<u>51,977,179</u>	<u>53,900,522</u>	<u>57,916,379</u>	<u>60,501,862</u>
Excess of revenues over (under) expenditures	178,316	(1,777,591)	1,990,477	(42,667)	(1,438,233)
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	420,000	90,561	580,000	245,167	595,036
Transfers (to) other funds	(1,324,849)	(528,177)	(2,732,690)	(1,246,955)	(1,193,572)
Total other financing sources (uses)	<u>(904,849)</u>	<u>(437,616)</u>	<u>(2,152,690)</u>	<u>4,498,212</u>	<u>(598,536)</u>
Net change in fund balances	<u>\$ (726,533)</u>	<u>\$ (2,215,207)</u>	<u>\$ (162,213)</u>	<u>\$ 4,455,545</u>	<u>\$ (2,036,769)</u>
Debt services as a percentage of non-capital expenditures	<u>5.5%</u>	<u>4.9%</u>	<u>4.7%</u>	<u>4.7%</u>	<u>5.3%</u>

Table 4

Year				
<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
\$ 29,600,368	\$ 30,025,945	\$ 30,256,263	\$ 30,009,197	\$ 30,947,727
8,842,576	6,841,679	6,418,461	6,696,017	7,040,648
519,464	481,063	502,321	504,698	543,968
2,664	425	-	-	-
10,688,266	11,995,950	11,220,975	11,150,806	9,874,535
925,727	6,719,000	6,831,077	7,467,321	7,390,642
6,715,699	694,288	653,402	689,032	725,695
510,910	284,270	184,734	142,460	98,746
1,290,237	635,110	852,352	874,456	937,510
<u>59,095,911</u>	<u>57,677,730</u>	<u>56,919,585</u>	<u>57,533,987</u>	<u>57,559,471</u>
5,655,825	6,183,333	5,070,693	4,312,607	4,665,411
14,559,774	13,594,893	13,344,073	13,504,875	13,688,999
847,546	837,489	920,286	854,643	825,722
1,090,593	1,121,743	1,136,432	1,295,081	1,174,893
1,464,024	2,689,449	2,580,078	2,154,133	1,968,404
16,130,914	14,601,773	14,519,051	14,703,300	14,790,919
20,905,982	15,346,641	11,359,719	10,813,400	10,662,158
1,887,929	1,698,160	1,372,673	1,418,401	1,376,531
4,553,357	3,238,973	2,734,792	2,443,567	2,703,079
			-	
1,993,041	2,400,877	2,640,968	2,632,920	2,884,682
1,142,202	1,697,261	1,276,448	1,337,372	1,107,619
<u>70,231,187</u>	<u>63,410,592</u>	<u>56,955,213</u>	<u>55,470,299</u>	<u>55,848,417</u>
(11,135,276)	(5,732,862)	(35,628)	2,063,688	1,711,054
13,000,000	312,547	1,743,149	3,709,191	403,039
-	16,325,000	-	-	-
-	-	-	(3,850,000)	-
-	(17,223,200)	-	-	-
-	1,067,654	-	-	-
1,000,000	190,572	175,971	103,059	50,000
<u>(1,610,360)</u>	<u>(401,043)</u>	<u>(834,839)</u>	<u>(239,900)</u>	<u>(1,334,059)</u>
<u>12,389,640</u>	<u>271,530</u>	<u>1,084,281</u>	<u>(277,650)</u>	<u>(881,020)</u>
<u>\$ 1,254,364</u>	<u>\$ (5,461,332)</u>	<u>\$ 1,048,653</u>	<u>\$ 1,786,038</u>	<u>\$ 830,034</u>
<u>4.6%</u>	<u>6.6%</u>	<u>7.0%</u>	<u>7.2%</u>	<u>7.3%</u>

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
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
2013	31,174,287	7,040,648	159,993	235,448	107,618	-	21,594	19,315	38,758,903

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
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
2013	30,947,727	7,040,648	159,993	235,448	107,618	-	21,594	19,315	38,532,343

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:	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	Tax Exempt Real Property				
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%
2013	3,021,902,549	1,101,009,623	407,026,074	326,955,037	543,377,510	4,313,515,773	0.6700	4,313,515,773	100%

Source: Stanly County Tax Assessor

Table 8

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

	Fiscal Year									
	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
County Direct Rate										
Stanly (General)	\$0.6675	\$0.6675	\$0.6450	\$0.6450	\$0.6700	\$0.6700	\$0.6700	\$0.6700	\$0.6700	\$0.6700
Total direct rate	0.6675	0.6675	0.6450	0.6450	0.6700	0.6700	0.6700	0.6700	0.6700	0.6700
City/Town Overlapping Rates										
City of Albemarle	0.5600	0.5600	0.5600	0.5600	0.5600	0.5600	0.5600	0.5600	0.5600	0.5600
Town of Oakboro	0.4400	0.4400	0.4400	0.4100	0.4100	0.4100	0.4100	0.4100	0.4100	0.4100
Town of Badin	0.3200	0.3200	0.3400	0.3600	0.3800	0.3800	0.3800	0.3800	0.3800	0.3900
Town of Norwood	0.4000	0.4000	0.4000	0.4000	0.4000	0.4000	0.4000	0.4000	0.4000	0.4000
Town of Locust	0.3600	0.3600	0.3600	0.3600	0.3600	0.3600	0.3600	0.3600	0.3600	0.3600
Stanfield Annex	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Town of Stanfield	0.3800	0.3800	0.3800	0.3800	0.3800	0.3800	0.3800	0.3800	0.3800	0.3800
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	0.1700
Town of Redcross	0.1600	0.1600	0.1600	0.1600	0.1600	0.1600	0.1600	0.1600	0.1600	0.1600
Redcross Annex	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Town of Misenheimer	0.2200	0.2200	0.2200	0.2200	0.2200	0.2200	0.2200	0.2200	0.2200	0.2200
Municipal Service	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000
Fire Districts Overlapping Rates										
*West Stanly	0.0800	0.0800	0.0800	0.0800	0.0800	0.0800	0.0800	0.0800	0.0800	0.0842
Center Rural	0.0500	0.0500	0.0500	0.0500	0.0500	0.0700	0.0700	0.0700	0.0700	0.0700
Endy	0.0400	0.0600	0.0600	0.0600	0.0600	0.0600	0.0600	0.0600	0.0600	0.0600
Ridgecrest	0.0800	0.0800	0.0800	0.0800	0.0800	0.0800	0.0900	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	0.1000
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	0.0515
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	N/A	N/A	N/A	N/A	N/A
Bethany	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	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	0.0800	0.0800	0.0800	0.0800	0.0803
Norwood Special	N/A	N/A	N/A	N/A	N/A	0.0500	0.0700	0.0700	0.0700	0.0700
Maximum Combined										
**County Tax Rate	0.7675	0.7675	0.7450	0.7700	0.7700	0.7700	0.7700	0.7700	0.7700	0.7700
*** City Tax Rate	1.2275	1.2275	1.2050	1.2050	1.2300	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	2013			2004		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
APGI	\$ 45,959,536	1	1.08%	\$ 12,005,853	5	0.34%
Duke Energy	37,633,894	2	0.88%			
Michelin Aircraft Tire Co.	35,358,180	3	0.83%	24,709,232	2	0.70%
Union Electric	30,406,089	4	0.71%			
Fiber Composites	29,940,882	5	0.70%	16,592,724	3	0.47%
Piedmont Natural Gas Co Inc	20,026,364	6	0.47%	4,788,238	8	0.14%
Stanly Regional Medical Center	16,743,775	7	0.39%			
Preformed Line Products	16,431,115	8	0.39%			
Walmart	13,084,332	9	0.31%			
Alcoa	12,154,239	10	0.29%	41,351,242	1	1.17%
Southern Pipe	-			4,007,332	10	0.11%
Fabric De GP (C & A Co.)	-			4,800,510	7	0.14%
Textron Inc.	-			4,602,060	9	0.13%
Aeroquip	-					
SPX Corp	-			12,244,283	4	0.35%
H W Culp Lumber Co.	-			6,202,699	6	0.18%
Totals	<u>\$ 257,738,406</u>		<u>6.06%</u>	<u>\$ 131,304,173</u>		<u>3.72%</u>

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
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%
2013	29,056,680	27,644,474	95.14%	1,072,968	28,717,442	98.83%

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	Unamortized Premium on Bonds	Capital Leases	Installment Note	General Obligation Bonds	Capital Leases	Revolving Loan			
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
2013	13,385,000	800,660	3,133,060	12,248,753	-	-	242,765	29,810,238	1.59%	481.04

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
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
2013	14,185,660	0.33%	228.91

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, 2013

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Stanly County	\$ 29,567,473	100%	\$ 29,567,473
Town of Richfield	365,000	100%	<u>365,000</u>
Total direct and overlapping debt			<u>\$ 29,932,473</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				
	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Debt limit	\$ 282,534,541	\$ 284,957,574	\$ 314,713,191	\$ 319,453,600	\$ 327,410,064
Total net debt applicable to limit	<u>23,700,000</u>	<u>22,800,000</u>	<u>23,284,931</u>	<u>27,254,530</u>	<u>25,526,374</u>
Legal debt margin	<u>\$ 258,834,541</u>	<u>\$ 262,157,574</u>	<u>\$ 291,428,260</u>	<u>\$ 292,199,070</u>	<u>\$ 301,883,690</u>
Total net debt applicable to the limit as a percentage of debt limit	<u>8.39%</u>	<u>8.00%</u>	<u>7.40%</u>	<u>8.53%</u>	<u>7.80%</u>

Legal Debt Margin Calculation for Fiscal Year 2013

Assessed value	<u>\$4,313,515,773</u>
Debt limit - 8% of assessed value	\$ 345,081,262
Debt applicable to limit:	
General obligation bonds	\$ 13,385,000
Bond premiums	800,660
Installment note	12,248,753
Revolving loan	242,765
Capital lease obligation	<u>3,133,060</u>
Total debt	29,810,238
Less-Statutory deductions	<u>242,765</u>
Total amount of debt applicable to debt limit	<u>29,567,473</u>
Legal debt margin	<u>\$ 315,513,789</u>

Table 14

Year				
<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
\$333,792,266	\$336,564,256	\$338,784,941	\$ 340,312,947	345,081,262
<u>36,533,333</u>	<u>34,920,005</u>	<u>35,000,841</u>	<u>32,138,114</u>	<u>29,567,473</u>
<u>\$297,258,933</u>	<u>\$301,644,251</u>	<u>\$303,784,100</u>	<u>\$ 308,174,833</u>	<u>\$ 315,513,789</u>
<u>10.94%</u>	<u>10.38%</u>	<u>10.33%</u>	<u>9.44%</u>	<u>8.57%</u>

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

Fiscal Year	Population (1)	Personal Income	Per Capita Personal Income (2)	Median Age (3)	School Enrollment (4)	Unemployment Rate (5)
2004	59,060	\$1,355,604,180	\$ 22,953	36.9	9,903	7.20%
2005	59,078	1,379,707,612	23,354	36.9	9,868	5.90%
2006	58,912	1,452,298,624	24,652	38.0	9,588	5.50%
2007	59,126	1,552,116,626	26,251	38.2	9,687	4.90%
2008	60,470	1,682,517,280	27,824	39.0	9,650	5.80%
2009	60,810	1,751,510,430	28,803	39.0	9,276	12.40%
2010	60,354	1,800,721,944	29,836	40.0	9,386	11.90%
2011	59,761	1,790,738,365	29,965	40.0	9,053	10.60%
2012	60,585	1,766,961,525	29,165	41.0	9,070	10.20%
2013	61,971	1,873,197,417	30,227	41.0	8,953	8.90%

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	2013		
	Employees	Rank	Percentage of Total County Employment
Stanly County Schools	1,100	1	6.07%
Stanly Regional Medical Center	980	2	5.41%
Wal-Mart of Albemarle	532	3	2.94%
Michelin Aircraft	486	4	2.68%
Stanly County Government	437	5	2.41%
IAC Old Fort LLC	357	6	1.97%
Monarch	307	7	1.69%
State of NC Department of Corrections	298	8	1.64%
Food Lion	287	9	1.58%
Stanly Community College	<u>231</u>	10	<u>1.27%</u>
Total	<u>5,015</u>		<u>27.68%</u>

Source: Stanly County Economic Development Office

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									
	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
General government										
Administration	5	6	6	6	6	5	5	4	4	4
Finance	7	7	7	6	5	5	6	5	5	5
Taxes	23	22	22	26	20	19	19	19	18	18
Attorneys	0	0	0	0	2	2	2	2	2	2
Elections	3	3	2	3	5	3	3	3	3	3
Register of deeds	6	6	6	6	6	5	4	4	4	4
Information technology	3	3	3	3	4	4	5	5	5	5
Facilities management	6	6	6	6	6	7	7	7	7	7
Public safety										
Sheriff	51	51	53	52	53	58	57	55	54	54
Jail	18	23	20	24	37	39	33	38	38	38
Criminal justice partnership	1	1	1	1	1	1	1	1	NA	NA
Juvenile justice partnership	NA	NA	NA	NA	NA	1	1	1	NA	NA
Emergency management	2	2	2	2	2	2	2	2	2	2
Fire	1	1	1	2	3	3	3	2	2	2
Emergency medical services	33	39	37	42	39	39	41	36	36	37
Inspections	7	7	7	6	6	5	5	4	4	4
Animal control	5	5	5	5	5	6	6	5	5	5
E-911 operations	16	15	16	14	15	18	17	16	16	17
E-911 surcharge	1	1	2	2	2	NA	NA	NA	NA	NA
Transportation	17	18	19	19	18	14	11	12	15	15
Environmental protection										
Solid waste collection	13	13	13	14	14	10	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	1	2	2	1	2	2
Planning and zoning	5	6	4	5	4	3	3	3	3	3
Central Permitting	0	0	0	0	3	3	4	3	3	3
Rocky River RPO	0	0	0	1	1	1	1	1	1	1
Cooperative extension	7	6	6	0	0	0	0	0	0	0
Title V	6	5	6	5	0	NA	NA	NA	NA	NA
Human services										
Health	56	56	54	60	55	57	58	54	57	58
Social services	73	75	76	79	74	81	76	78	81	81
Senior services	18	17	18	17	15	15	15	13	13	13
Veterans services	1	1	1	1	1	1	1	1	1	1
Culture and recreation										
Library	19	20	20	19	18	20	18	16	17	17
Historic preservation	2	2	1	2	2	2	2	2	NA	NA
Agri civic center	4	3	5	5	5	4	4	4	4	3
Airport	5	5	5	5	5	5	5	5	5	5
Utilities										
Administration	4	4	4	5	5	4	4	4	4	4
Operations	<u>8</u>	<u>8</u>	<u>8</u>	<u>8</u>	<u>9</u>	<u>12</u>	<u>13</u>	<u>11</u>	<u>12</u>	<u>12</u>
Total	<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>	<u>437</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	2013
Public Safety								
Arrests	1,819	1,712	3,471	1,157	3,200	1,689	937	705
Civil papers serviced	1,060	1,166	13,269	5,848	8,447	9,196	8,781	8,339
Average daily jail population	83	92	91	92	94	80	75	66
Dispatched EMS calls	6,297	6,370	6,885	7,164	7,299	7,864	8,668	8,625
EMS move up calls	2,748	2,695	5,270	2,836	3,221	2,883	3,342	3,564
Building permits issued	642	710	651	652	517	541	549	545
Animals entering shelter	4,358	4,211	3,313	2,980	2,996	2,883	2,910	2,053
Animals euthanized	3,201	2,866	2,404	2,649	2,422	2,471	1,257	1611
911 calls logged for service	102,834	107,118	110,472	111,643	115,840	119,724	121,662	116,356
Transportation								
Service hours	26,180	20,713	28,277	19,743	18,991	18,768	17,966	16,927
Miles driven	413,044	392,079	427,665	386,343	351,009	332,373	313,790	286,007
Trips	82,878	77,888	72,967	67,014	63,848	63,558	62,587	55,350
Environmental protection								
Discarded materials collected (tons/day)	19	20	19	25	19	19	19	24
Recyclables collected (tons/day)	2	2	2	2	2	2	2	2
Human services								
Food and lodging permits	127	114	50	131	45	27	92	63
Food and lodging inspections made	917	836	627	754	937	822	859	730
Wells permits	155	168	145	94	83	68	84	100
Culture and recreation								
Library books checked out	197,718	209,100	220,331	226,603	236,179	226,350	210,951	204,653
Library cards issued	2,763	4,043	1,287	2,580	2,421	2,783	2,850	2,620
Water and sewer								
Number of water customers	3,859	3,979	3,756	4,152	3,972	4,116	4,994	5,207
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	29,400,454
Number of sewer customers	648	624	650	622	682	716	720	625
Average monthly sewage collected* (Gallons)	-	-	-	244,000	383,500	220,800	310,500	358,417
Airport								
Operations (Take-offs and/or landings)	11,451	13,844	13,718	11,490	11,425	10,605	9,969	10,271

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

Sources: Various departments

Note: This data not available before Fiscal Year 2006.