

Year Ended June 30th
2016

Comprehensive Annual Financial Report

STANLY COUNTY
NORTH CAROLINA

COMPREHENSIVE ANNUAL
FINANCIAL REPORT

For Fiscal Year Ended
June 30, 2016



Prepared and Issued by:
Stanly County Finance Department

Toby R. Hinson
Finance Director



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**STANLY COUNTY, NORTH CAROLINA
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 For the Fiscal Year Ended June 30, 2016
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INTRODUCTORY SECTION



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November 17, 2016

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, 2016 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 Uniform Guidance, Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Information related to this single audit, including the "Schedule of Expenditures of Federal and State Awards", findings, recommendations, and the independent auditor's reports on the internal control structure and compliance with applicable laws and regulations are presented in the compliance section of the report.

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Finance

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DESCRIPTION OF COUNTY

Stanly County is located in the south central portion of North Carolina. Its western boundary is ten (10) miles from the largest County in the State, Mecklenburg, and twenty (20) miles from the largest City in the State, Charlotte. Albemarle is the County seat. It is forty-two (42) miles northeast of Charlotte; sixty (60) miles south of Greensboro; and one hundred (100) miles southwest of the North Carolina capital City of Raleigh. It is a County of lakes, rolling farmland, and small towns. Industry includes aircraft tire, conveyor belt, automotive parts, and several energy production and distribution related manufacturing.

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

DESCRIPTION OF GOVERNMENT

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

EDUCATIONAL INSTITUTIONS

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

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

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

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

ECONOMIC CONDITION AND OUTLOOK

The steady economic growth that Stanly County experienced in 2015 accelerated in 2016. The County's unemployment rate fell to 4.3% as of June 30, 2016, compared to 5.7% at this time last year. The regional rate in June was 5%, and the State of North Carolina rate was 5.1%, indicating that the tightening of Stanly County's labor market largely mirrored the trends throughout the region, State of North Carolina, and nation over this same period.

Both the number and value of commercial building permits issued in the first period of this fiscal year increased substantially over the same period last year. The number of permits issued increased by 84%, and the value of those permits more than doubled. On the other hand, residential permit activity for the same period remained fairly consistent with last year's numbers. The number of permits issued remained fairly constant, while the value of the permits issued declined about 16%. Overall, these numbers point to future increases in business and real personal property assessments.

The growth of commercial and industrial activity has resulted in a notable decline in the County's inventory of available buildings. This development has fueled the interest in finding additional sites and development partners to help improve availability and inventory. Other infrastructure and development initiatives remain on track, including the second phase of Stanly Community College's Advance Manufacturing and Industrial Technology Center (AMIT). This building has been built and will house the expansion of some existing programs, as well as new programs like the Production Technician curriculum.

Stanly County's assessed valuation (tax base) is projected to increase by \$68.5 million (1.6%) in FY 16-17, and the ad valorem tax revenue is based on a collection rate of 96.54%. One penny on the tax rate will generate approximately \$434,739 in FY 16-17.

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 31.32%, compared to 27.80% in 2015. This is primarily due to an increase in cash of over \$2.5 million, which is attributed to an increase in sales tax of \$550,000, or 7.15%, an increase in restricted intergovernmental revenue of \$300,000, or 3.08%, and an increase sales and services of \$390,000, or 5.32%.

Generally, low-cost capital projects have been paid on a pay-as-you-go basis from fund balance. The County has started seeking financing for certain capital projects instead of using fund balance. During Fiscal Year 15-16, the County financed the purchase of five new EMS ambulances with equipment and eight new Sheriff vehicles.

MAJOR INITIATIVES

During Fiscal Year 2016, the Cottonville Road Waterline relocation was complete with funding being provided by the North Carolina Department of Transportation. By the end of Fiscal Year 2016, the installation and implementation of the new emergency radio system was near completion along with the construction of the new Stanly Community College cosmetology facility. There were a total of twenty vehicles purchased, of which sixteen belong to public safety departments. SCUSA Transportation purchased one light transit vehicle, which 90% was paid with grant funds. EMS received five new ambulances, along with equipment that goes in them. There were various improvements and repairs made at different County facilities, including replacing fourth floor courthouse windows and resurfacing parking lots at the Agri-Civic Center and the Stanly County Commons.

UTILITIES

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

The Badin Water Rehab Project Part A is nearing completion by the Fall of 2016, and Part B Water Rehab should be completed by the end of Fiscal 2017. The Cottonville Road Waterline relocation has been completed. The County Commissioners created the Stanly Water and Sewer Authority in 2006 as a tool for securing grant funding and as a means of completing water line installation. There are currently no on-going projects with the Stanly Water and Sewer Authority.

AIRPORT

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

The Airport has been identified as an important economic development asset to the County. Executive jet usage at the airport is beginning to increase once again after a decline in use due to world-wide economic conditions. To accommodate this growth and to further enhance County-wide 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. The C-130 aircraft that is the primary airlift platform for virtually all Air National Guard and Air Force Reserve units is being phased out in favor of the C-17, KC-135, and the KC-46. Fiscal Year 2017 will be the last that the C-130 will be utilized by the North Carolina Air National Guard and will be the year that begins a two-year transition to the C-17. The transition will likely lead to major

infrastructure changes to the Airport to accommodate the much larger and heavier aircraft. Preliminary work is underway to determine the infrastructure needs and costs. The long anticipated radar facility was finally commissioned and brought online in March 2016. Stanly County Airport now controls aircraft movement within a roughly five mile radius and up to four thousand feet in the air about four days a week. As traffic increases and more people are qualified on the radar, operational hours will likely increase. Commercial office space is available for lease in the terminal building. The old terminal, which had been leased by the North Carolina Air National Guard, is now the home of Pressley Aviation, a new primary flight school that has brought additional jobs to the Airport complex. In April 2013, Stanly County Airport began providing Military Contract Fuel sales to the many military units that pass through and also train there. Fuel sales are steadily increasing as more military units are discovering that this Airport provides these contract sales.

The Airport will begin to consider the construction of new, additional community type hangars to accommodate demand as hangar space is currently unavailable. They will also consider leasing to third parties for hangar construction. Full time crash, fire, and rescue are provided by the North Carolina Air National Guard and backed up by local volunteers.

TRANSPORTATION

Transportation within the County is very important to the Board of Commissioners. In 1986, the Board established a transportation system called SCUSA Transportation to serve the entire County. SCUSA Transportation currently operates 19 vehicles. Lift vehicles are available to serve disabled passengers. Service schedules are Monday through Friday from 5:30 am to 5:30 pm with trips to medical facilities, community college campuses, shopping facilities, work sites, etc. Out-of-County medical trips are on a pre-scheduled basis. Mileage reimbursement is offered to qualified individuals on a limited basis. During Fiscal Year 15-16, SCUSA Transportation provided 18,235 service hours, traveled 317,622 miles, while providing 47,501 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 auditor's 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 auditor's 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, 2015. 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-five (25) consecutive years. We believe the current report satisfies the Certificate of Achievement Program requirements and is being submitted to the GFOA.

Acknowledgments

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

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Andrew M. Lucas". The signature is fluid and cursive, with a large initial "A" and a long, sweeping underline.

Andrew M. Lucas
County Manager

A handwritten signature in blue ink, appearing to read "Toby R. Hinson". The signature is cursive and somewhat stylized, with a prominent "T" and "H".

Toby R. Hinson
Finance Director

STANLY COUNTY, NORTH CAROLINA
LIST OF ELECTED AND APPOINTED OFFICIALS
June 30, 2016

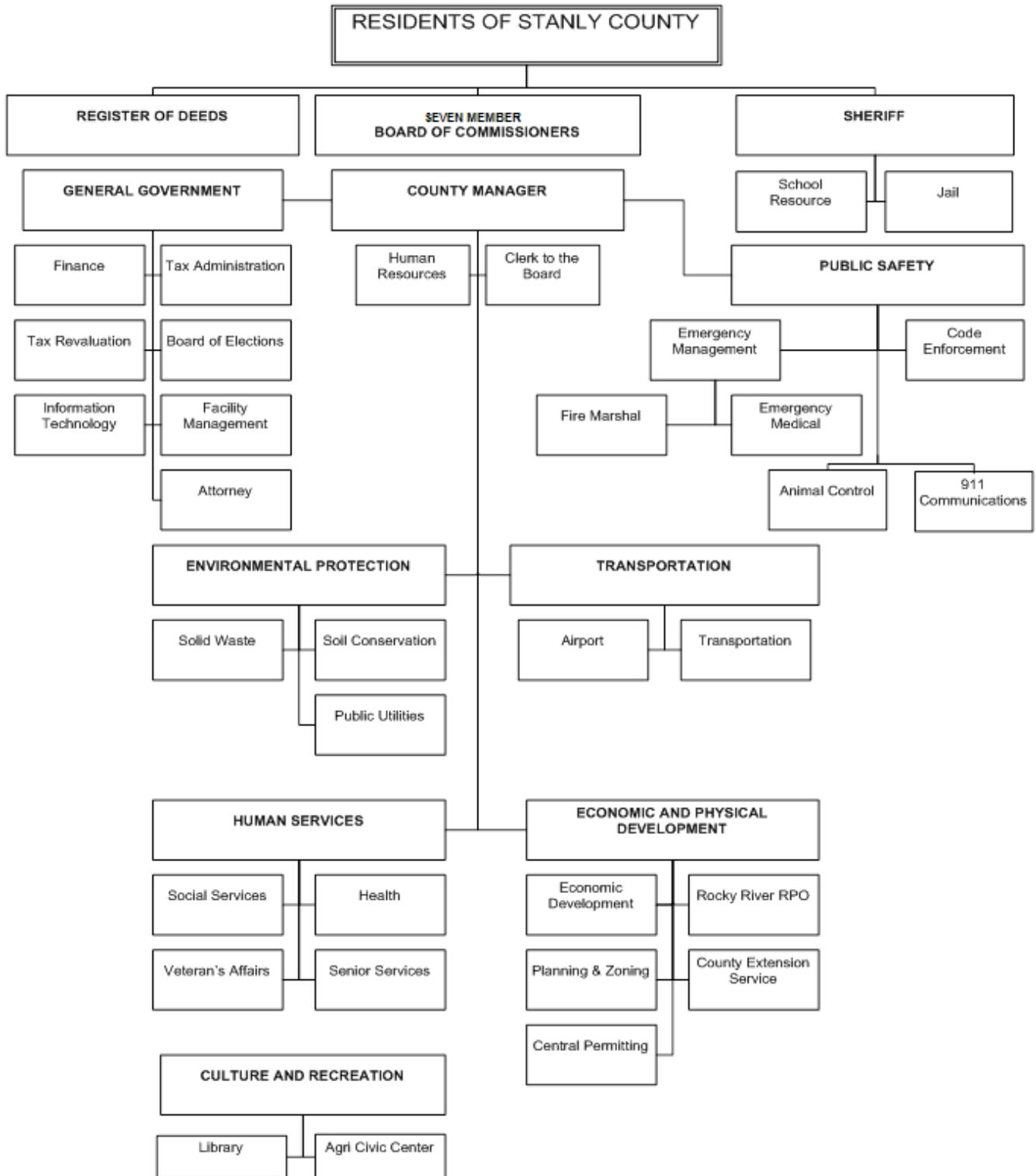
Elected Officials

Board of Commissioners – Chairman	Scott Efirid
Board of Commissioners – Vice-Chairman	Bill Lawhon
Board of Commissioners	Peter Ascitutto
Board of Commissioners	Joseph Burleson
Board of Commissioners	Tony Dennis
Board of Commissioners	Jann Lowder
Board of Commissioners	Gene McIntyre
Sheriff	George T. Burris
Register of Deeds	Suzanne W. Lowder

Appointed Officials

County Manager	Andrew M. Lucas
Clerk to the Board	Tyler L. Brummitt
Agri – Civic Center Director	Doshia Swaringen
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. Blackwelder
Emergency Management Director	Brian T. Simpson
Facility Management and Solid Waste Director	Jerry R. Morton
Finance Director	Toby R. Hinson
Health Director	Dennis R. Joyner
Human Resources Director	Emily Frye
Information Technology Director	Chad A. Coble
Library Director	Melanie J. Holles
Planning Director	Michael M. Sandy
Public Utilities Director	Donna L. Davis
Senior Services Director	Rebecca G. Weemhoff
Social Services Director	Tammy Schrenker
Soil and Water Conservation Cost Share Technician	Clint Brooks
Tax Administrator	Clinton Swaringen
Transportation Director	Candice B. Moffitt
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, 2015

Executive Director/CEO

FINANCIAL SECTION



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

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

Independent Auditor's Report

To the Board of Commissioners
Stanly County
Albemarle, North Carolina

Report On the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Stanly County, North Carolina, as of and for the year ended June 30, 2016, 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, 2016, 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 Schedule of Funding Progress, the Other Post-Employment Benefits' Schedules of Funding Progress and Employer Contributions, the Local Government Employees' Retirement System Schedules of the County's Proportionate Share of Net Pension Liability (Asset) and County Contributions, and the Register of Deeds' Supplemental Pension Fund Schedule of the County's Proportionate Share of the Net Pension Liability (Asset) and Schedule of County Contributions be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Stanly County's basic financial statements. The introductory information, combining and individual fund financial statements, budgetary schedules, supplemental ad valorem tax schedules, and statistical section, as well as the accompanying Schedule of Expenditures of Federal and State Awards, as required by *Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, Audit Requirements for Federal Awards*, and the State Single Audit Implementation Act, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements, or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements, budgetary schedules, supplemental ad valorem tax schedules, and the Schedule of Expenditures of Federal and State Awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 17, 2016 on our consideration of Stanly County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Stanly County's internal control over financial reporting and compliance.

Martin Starnes & Associates, CPAs, P.A.

Martin Starnes & Associates, CPAs, P.A.
Hickory, NC
November 17, 2016



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STANLY COUNTY, NORTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2016

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, 2016. We encourage readers to read the information presented here in conjunction with additional information that we have furnished in the County's financial statements, which follow this narrative.

Financial Highlights

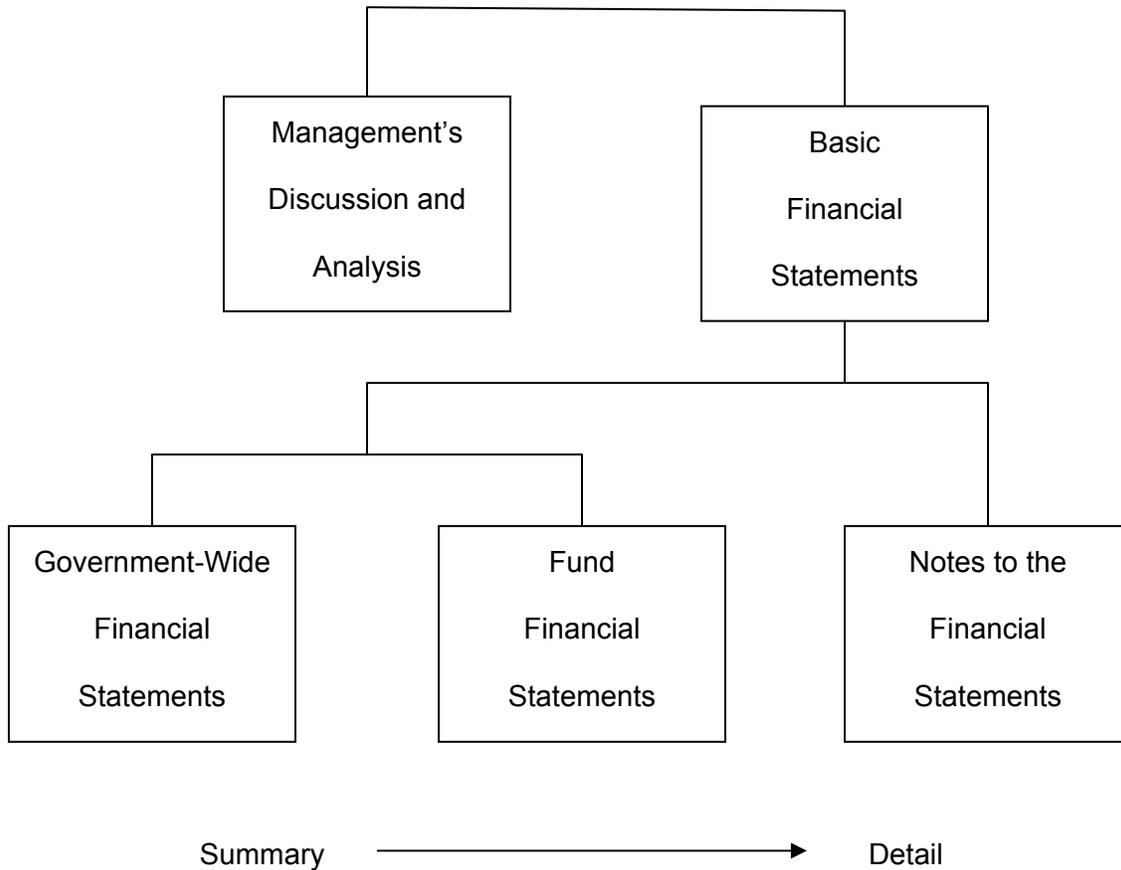
- The assets and deferred outflows of resources of Stanly County exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$57,487,359 (*net position*).
- The government's total net position increased by \$3,967,634, primarily due to an increase in governmental activities' net position.
- As of the close of the current fiscal year, Stanly County's governmental funds reported combined ending fund balances of \$23,516,733, after a net increase in fund balance of \$2,037,028. Approximately 23.10% of this total amount, or \$5,432,018, is restricted or non-spendable.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$13,557,126, or 23.34%, of total General Fund expenditures and transfers to other funds for the fiscal year.
- Stanly County's total debt decreased by \$353,077 (0.96%) during the current fiscal year. Proceeds in the current year decreased total debt for the County. The County financed the purchase of five new ambulances and equipment for its Emergency Management Services Department and financed the purchase of eight new patrol vehicles for the Sheriff's Office. Regular and scheduled debt payments accounted for a decrease in debt.
- Stanly County maintained its Standard & Poor's AA- rating for the third consecutive year and maintained its Moody's Aa3 rating for the seventh consecutive year.

Overview of the Financial Statements

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

**STANLY COUNTY, NORTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2016**

**Required Components of Annual Financial Report
Figure 1**



Basic Financial Statements

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

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

STANLY COUNTY, NORTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2016

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

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

Government-Wide Financial Statements

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

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

The government-wide statements are divided into three categories: 1) governmental activities; 2) business-type activities; and 3) component units. The governmental activities include most of the County's basic services, such as public safety, general administration, human services, transportation, and environmental protection. Property taxes and federal and State grant funds finance most of these activities. The business-type activities are those that the County charges customers to provide. These include water and sewer and airport services offered by Stanly County. The final category is the component unit. Stanly Water & Sewer Authority exists to provide water and sewer services to residences of the County. The Authority is legally separate from the County; however, the County is able to exercise control over the Board by appointing its Directors.

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

Fund Financial Statements

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

STANLY COUNTY, NORTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
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Governmental Funds. Governmental funds are used to account for those functions reported as governmental activities in the government-wide financial statements. Most of the County's basic services are accounted for in governmental funds. These funds focus on how assets can readily be converted into cash flow in and out, and what monies are left at year-end that will be available for spending in the next year. Governmental funds are reported using an accounting method called *modified accrual accounting*. This method also has a current financial resources focus. As a result, the governmental fund financial statements give the reader a detailed short-term view that helps him or her determine whether there are more or fewer financial resources available to finance the County's programs. The relationship between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is described in a reconciliation that is a part of the fund financial statements.

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

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

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

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Stanly County maintains five agency funds.

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements start on page 28 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 77 of this report.

**STANLY COUNTY, NORTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2016**

**STANLY COUNTY'S NET POSITION
Figure 2**

	Governmental Activities		Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2015
Assets:						
Current and other assets	\$ 33,036,015	\$ 32,931,856	\$ 2,653,196	\$ 4,534,817	\$ 35,689,211	\$ 37,466,673
Capital assets	27,503,876	24,952,158	39,781,855	39,260,041	67,285,731	64,212,199
Total assets	<u>60,539,891</u>	<u>57,884,014</u>	<u>42,435,051</u>	<u>43,794,858</u>	<u>102,974,942</u>	<u>101,678,872</u>
Deferred Outflows of Resources	<u>1,252,934</u>	<u>1,175,009</u>	<u>63,184</u>	<u>59,724</u>	<u>1,316,118</u>	<u>1,234,733</u>
Liabilities:						
Long-term liabilities outstanding	36,851,840	35,448,378	4,846,620	5,040,352	41,698,460	40,488,730
Other liabilities	3,814,769	3,697,289	449,941	1,159,640	4,264,710	4,856,929
Total liabilities	<u>40,666,609</u>	<u>39,145,667</u>	<u>5,296,561</u>	<u>6,199,992</u>	<u>45,963,170</u>	<u>45,345,659</u>
Deferred Inflows of Resources	<u>798,640</u>	<u>3,858,354</u>	<u>41,891</u>	<u>189,867</u>	<u>840,531</u>	<u>4,048,221</u>
Net Position:						
Net investment in capital assets	15,117,068	13,286,678	35,167,549	35,823,165	50,284,617	49,109,843
Restricted	5,148,480	5,379,242	14,850	-	5,163,330	5,379,242
Unrestricted	62,028	(2,610,918)	1,977,384	1,641,558	2,039,412	(969,360)
Total net position	<u>\$ 20,327,576</u>	<u>\$ 16,055,002</u>	<u>\$ 37,159,783</u>	<u>\$ 37,464,723</u>	<u>\$ 57,487,359</u>	<u>\$ 53,519,725</u>

Government-Wide Financial Analysis

As noted earlier, net position may serve, over time, as one useful indicator of a government's financial condition. The assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by \$57,487,359 as of June 30, 2016. The County's net position increased by \$3,967,634 for the fiscal year ended June 30, 2016. The largest portion, \$50,284,617, reflects the County's net investment in capital assets (e.g. land, buildings, vehicles, equipment, etc.). Stanly County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although Stanly County's investment in its capital assets is reported net of the outstanding related debt, the resources needed to repay that debt must be provided by other sources, since capital assets cannot be used to liquidate these liabilities. An additional portion of Stanly County's net position, \$5,163,330 (8.98%), represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$2,039,412 is unrestricted.

Stanly County issues and pays the debt service on bonds sold and notes issued for school improvements. The Board of Education reports the assets on their books and the County only the debt. The debt owed for school improvements is \$19,700,186.

**STANLY COUNTY, NORTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2016**

**Stanly County's Changes in Net Position
Figure 3**

	Governmental Activities		Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2015
Revenues:						
Program revenues:						
Charges for services	\$ 9,379,993	\$ 8,732,020	\$ 5,036,216	\$ 4,562,510	\$ 14,416,209	\$ 13,294,530
Operating grants and contributions	10,804,541	10,049,693	-	-	10,804,541	10,049,693
Capital grants and contributions	570,000	1,216,000	1,173,017	68,567	1,743,017	1,284,567
General revenues:						
Property taxes	32,603,038	32,146,975	-	-	32,603,038	32,146,975
Other taxes	8,911,256	8,322,582	-	-	8,911,256	8,322,582
Interest earned on investments	85,044	64,018	6,472	3,707	91,516	67,725
Miscellaneous income	-	-	36,306	39,003	36,306	39,003
Total revenues	<u>62,353,872</u>	<u>60,531,288</u>	<u>6,252,011</u>	<u>4,673,787</u>	<u>68,605,883</u>	<u>65,205,075</u>
Expenses:						
General government	5,595,567	4,791,099	-	-	5,595,567	4,791,099
Public safety	15,690,978	16,006,619	-	-	15,690,978	16,006,619
Transportation	996,173	956,499	-	-	996,173	956,499
Environmental protection	1,250,048	1,220,956	-	-	1,250,048	1,220,956
Economic development	1,850,849	2,058,625	-	-	1,850,849	2,058,625
Human services	15,650,283	14,772,323	-	-	15,650,283	14,772,323
Cultural and recreation	1,509,584	1,457,322	-	-	1,509,584	1,457,322
Education	14,035,997	15,665,022	-	-	14,035,997	15,665,022
Interest on long-term debt	1,144,394	913,803	-	-	1,144,394	913,803
Water and sewer	-	-	4,995,224	4,800,936	4,995,224	4,800,936
Airport	-	-	1,919,152	1,907,993	1,919,152	1,907,993
Total expenses	<u>57,723,873</u>	<u>57,842,268</u>	<u>6,914,376</u>	<u>6,708,929</u>	<u>64,638,249</u>	<u>64,551,197</u>
Increase (decrease) in net position						
before transfers	4,629,999	2,689,020	(662,365)	(2,035,142)	3,967,634	653,878
Transfers in (out)	<u>(357,425)</u>	<u>(372,691)</u>	<u>357,425</u>	<u>372,691</u>	<u>-</u>	<u>-</u>
Change in net position	<u>4,272,574</u>	<u>2,316,329</u>	<u>(304,940)</u>	<u>(1,662,451)</u>	<u>3,967,634</u>	<u>653,878</u>
Net position, July 1	16,055,002	15,702,299	37,464,723	39,233,509	53,519,725	54,935,808
Restatement	-	(1,963,626)	-	(106,335)	-	(2,069,961)
Net position, July 1, as restated	<u>16,055,002</u>	<u>13,738,673</u>	<u>37,464,723</u>	<u>39,127,174</u>	<u>53,519,725</u>	<u>52,865,847</u>
Net position, June 30	<u>\$ 20,327,576</u>	<u>\$ 16,055,002</u>	<u>\$ 37,159,783</u>	<u>\$ 37,464,723</u>	<u>\$ 57,487,359</u>	<u>\$ 53,519,725</u>

**STANLY COUNTY, NORTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2016**

Governmental Activities. Governmental activities increased the County's net position by \$4,272,574, thereby accounting for 100.00% of the total growth in the net position of Stanly County. Key elements of this increase are as follows:

- Increase in other taxes by 7.08% mainly due to a \$550,000 increase in sales tax revenue.
- Increase in operating grants and contributions by 7.52% mainly due to a \$480,000 increase in Social Services grants.
- Large decrease in education expense of 10.40% due to a decrease in the expenses of the Tarheel Academy with the project nearing the end.

Business-Type Activities. Business-type activities decreased Stanly County's net position by \$(304,940) accounting for 0.00% of the total growth in the government's net position. Key elements of this decrease are as follows:

- Slight increase of \$205,000, or 3.07%, in expenses due mainly to increased water purchases
- Large increase in capital grants and contributions due to the grant funding in Badin Water Rehab Part B Project.
- Increase in charges for services of 10.39% due to increase in utility rates.

Financial Analysis of the County's Funds

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

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

The General Fund is the chief operating fund of Stanly County. At the end of the current fiscal year, Stanly County's fund balance available in the General Fund was \$17,838,977, while total fund balance reached \$22,617,068. 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 31.32% (an increase of 3.52% from prior year) of General Fund expenditures, while total fund balance represents 39.71% of that same amount.

At June 30, 2016, the governmental funds of Stanly County reported a combined fund balance of \$23,516,733, a 9.48% increase over last year. The primary reason for this increase is the increase in fund balance in the General Fund.

STANLY COUNTY, NORTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2016

General Fund Budgetary Highlights. During the fiscal year, the County revised the budget on several occasions. Generally, budget amendments fall into one of three categories: 1) amendments made to adjust the estimates that are used to prepare the original budget ordinance once exact information is available; 2) amendments made to recognize new funding amounts from external sources, such as federal and State grants; and 3) increases in appropriations that become necessary to maintain services. Total amendments to the General Fund increased expenditures by \$1,727,056 and revenues by \$429,500, with the remaining \$1,297,556 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 original 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 \$1,936,611 and that for the Airport equaled \$40,773. The total decrease in net position for all enterprise funds was \$304,940. 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, 2016, totaled \$67,285,731 (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 Runway Design Project
- Motorola Astro P25 Integration for E-911
- Purchased new vehicles for various departments.

**STANLY COUNTY, NORTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2016**

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

	Governmental		Business-Type		Total	
	Activities		Activities			
	2016	2015	2016	2015	2016	2015
Land	\$ 1,949,950	\$ 1,949,950	\$ 5,147,879	\$ 5,147,879	\$ 7,097,829	\$ 7,097,829
Plant in service	-	-	16,479,992	17,397,548	16,479,992	17,397,548
Buildings and improvements	12,732,310	13,208,915	14,421,819	15,067,366	27,154,129	28,276,281
Equipment and vehicles	2,510,819	1,896,133	169,524	174,465	2,680,343	2,070,598
Construction in progress	10,310,797	7,897,160	3,562,641	1,472,783	13,873,438	9,369,943
Total	<u>\$ 27,503,876</u>	<u>\$ 24,952,158</u>	<u>\$ 39,781,855</u>	<u>\$ 39,260,041</u>	<u>\$ 67,285,731</u>	<u>\$ 64,212,199</u>

Additional information on the County's capital assets can be found in the Notes to the Basic Financial Statements, beginning on page 44.

Long-Term Debt. As of June 30, 2016, Stanly County had total bonded debt outstanding of \$8,725,000, all of which is debt backed by the full faith and credit of the County.

**Stanly County's Outstanding Debt
Figure 5**

	Governmental		Business-Type		Total	
	Activities		Activities			
	2016	2015	2016	2015	2016	2015
General obligation bonds	\$ 8,725,000	\$ 10,255,000	\$ -	\$ -	\$ 8,725,000	\$ 10,255,000
Unamortized premium on bonds	532,760	621,760	-	-	532,760	621,760
Capital leases	9,445,822	10,402,629	-	-	9,445,822	10,402,629
Bond anticipation note	-	-	2,132,000	2,132,000	2,132,000	2,132,000
Revenue bonds	-	-	962,000	975,000	962,000	975,000
Notes payable	13,149,078	10,703,842	1,520,306	1,729,812	14,669,384	12,433,654
Total	<u>\$ 31,852,660</u>	<u>\$ 31,983,231</u>	<u>\$ 4,614,306</u>	<u>\$ 4,836,812</u>	<u>\$ 36,466,966</u>	<u>\$ 36,820,043</u>

Stanly County's total debt decreased by \$353,077 (0.96%) during the past fiscal year, primarily due to debt proceeds received and regularly scheduled debt payments.

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

**STANLY COUNTY, NORTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2016**

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 \$326,641,018. The County has no bonds authorized, but unissued at June 30, 2016.

Additional information regarding Stanly County's long-term debt can be found in Note II, beginning on page 64 of this audited financial report.

Economic Factors and Next Year's Budgets and Rates

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

- The County's unemployment rate continues to decrease.
- The number of commercial building permits issued has shown a large increase, and the value of those permits have more than doubled.
- The growth of commercial and industrial activity has resulted in a notable decline in the County's inventory of available buildings.

Budget Highlights for the Fiscal Year Ending June 30, 2017

Governmental Activities. Property tax and sales tax revenues are the leading factors in an expected increase in revenue projections by 3.50%. The County will use these increases in revenues to finance programs currently in place.

Budgeted expenditures in the General Fund are expected to increase by approximately \$2,300,000, or 3.87%. The primary factors for this are an increase for Article 44 sales tax related expense for schools, increase in one-time technology equipment replacement for schools, increase for 2.5% employee cost of living allowance, increase for annualized merit, and an increase for five additional EMS paramedics.

Business-Type Activities. The water and sewer enterprise funds are intended to be self-supporting through user fees and assessments. Over the past several years, the County has intentionally kept its rate increases lower than those entities the County relies on for water and sewer services. This was done to assist homeowners and businesses during a difficult economic recession. As such, retained earnings in each of the enterprise utility funds has decreased. Given the Board's desire to continue to upgrade and grow its utility systems, a decision was made to adopt a rate increase of 5% in FY 16-17.

The Airport Operating Fund budget represents a \$30,278 decrease (3.4%) over the FY 15-16 adopted budget appropriation. The budget includes a \$259,347 appropriation from the General Fund. This appropriation includes the required match for the annual Vision 100 grant funding. Further, the appropriation includes additional funding (\$15,000) for the replacement of a zero-turn mower and the purchase of a new snow removal blade (\$2,500).

**STANLY COUNTY, NORTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2016**

Requests for Information

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



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BASIC FINANCIAL STATEMENTS



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STANLY COUNTY, NORTH CAROLINA

STATEMENT OF NET POSITION
JUNE 30, 2016

	Primary Government		Total	Component Unit
	Governmental Activities	Business-Type Activities		Stanly Water & Sewer Authority
Assets:				
Current assets:				
Cash and cash equivalents	\$ 24,496,470	\$ 1,547,776	\$ 26,044,246	\$ -
Receivables, net	7,337,293	865,074	8,202,367	91,068
Due from component unit	528,965	-	528,965	-
Inventories	-	117,839	117,839	-
Prepaid items	73,666	-	73,666	-
Restricted cash and cash equivalents	464,097	122,507	586,604	202,584
Total current assets	<u>32,900,491</u>	<u>2,653,196</u>	<u>35,553,687</u>	<u>293,652</u>
Non-current assets:				
Net pension asset, restricted	135,524	-	135,524	-
Capital asset:				
Land	1,949,950	5,147,879	7,097,829	-
Construction in progress	10,310,797	3,562,641	13,873,438	-
Depreciable capital assets net of depreciation	15,243,129	31,071,335	46,314,464	11,712,786
Total non-current assets	<u>27,639,400</u>	<u>39,781,855</u>	<u>67,421,255</u>	<u>11,712,786</u>
Total assets	<u>60,539,891</u>	<u>42,435,051</u>	<u>102,974,942</u>	<u>12,006,438</u>
Deferred Outflows of Resources:				
Pension deferrals	127,269	5,754	133,023	-
Contributions to pension plan	1,125,665	57,430	1,183,095	-
Total deferred outflows of resources	<u>1,252,934</u>	<u>63,184</u>	<u>1,316,118</u>	<u>-</u>
Liabilities:				
Current liabilities:				
Accounts payable	1,737,361	251,349	1,988,710	37,920
Interest payable	528,327	6,134	534,461	19,659
Payroll payable	1,468,149	69,951	1,538,100	-
Due to primary government	-	-	-	528,965
Due to other governments	27,163	-	27,163	-
Due within a year	4,880,350	2,423,001	7,303,351	113,000
Payable from restricted assets	53,769	122,507	176,276	40,320
Total current liabilities	<u>8,695,119</u>	<u>2,872,942</u>	<u>11,568,061</u>	<u>739,864</u>
Non-current liabilities:				
Net pension liability	1,206,901	52,325	1,259,226	-
Due in more than a year	30,764,589	2,371,294	33,135,883	7,271,000
Total liabilities	<u>40,666,609</u>	<u>5,296,561</u>	<u>45,963,170</u>	<u>8,010,864</u>
Deferred Inflows of Resources:				
Prepaid taxes	177,027	-	177,027	-
Pension deferrals	621,613	41,891	663,504	-
Total deferred inflows of resources	<u>798,640</u>	<u>41,891</u>	<u>840,531</u>	<u>-</u>
Net Position:				
Net investment in capital assets	15,117,068	35,167,549	50,284,617	4,328,786
Restricted for Stabilization by State statute	4,773,006	-	4,773,006	-
Restricted for Register of Deeds	84,851	-	84,851	-
Restricted for Public Safety	23,032	-	23,032	-
Restricted for Rural Development USDA Loan	45,477	14,850	60,327	162,264
Restricted for Economic and Physical Development	21,658	-	21,658	-
Restricted for Education	200,456	-	200,456	-
Unrestricted (deficit)	62,028	1,977,384	2,039,412	(495,476)
Total net position	<u>\$ 20,327,576</u>	<u>\$ 37,159,783</u>	<u>\$ 57,487,359</u>	<u>\$ 3,995,574</u>

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

STANLY COUNTY, NORTH CAROLINA

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2016

Functions/Programs	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
Governmental Activities:				
General government	\$ 5,595,567	\$ 2,011,722	\$ 929,148	\$ -
Public safety	15,690,978	3,393,629	866,424	-
Transportation	996,173	453,131	417,637	-
Environmental protection	1,250,048	952,865	3,185	-
Economic and physical development	1,850,849	38,805	248,141	-
Human services	15,650,283	2,504,439	8,337,016	-
Education	14,035,997	-	-	570,000
Cultural and recreation	1,509,584	25,402	2,990	-
Interest on long-term debt	1,144,394	-	-	-
Total governmental activities	<u>57,723,873</u>	<u>9,379,993</u>	<u>10,804,541</u>	<u>570,000</u>
Business-Type Activities:				
Greater Badin Water and Sewer District	584,400	480,133	-	1,102,943
Piney Point Water District	137,529	156,813	-	-
West Stanly Waste Water Treatment Plant Fund	635,707	579,440	-	-
Stanly County Utility Fund	3,637,588	3,387,641	-	62,882
Airport Fund	1,919,152	432,189	-	7,192
Total business-type activities	<u>6,914,376</u>	<u>5,036,216</u>	<u>-</u>	<u>1,173,017</u>
Total primary government	<u>\$ 64,638,249</u>	<u>\$ 14,416,209</u>	<u>\$ 10,804,541</u>	<u>\$ 1,743,017</u>
Component Unit:				
Water and Sewer Authority	<u>\$ 830,761</u>	<u>\$ 479,285</u>	<u>\$ -</u>	<u>\$ -</u>

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

STANLY COUNTY, NORTH CAROLINA

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2016

	Net (Expense) Revenue and Changes in Net Position			
	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Stanly Water & Sewer Authority
Functions/Programs				
Primary Government:				
Governmental Activities:				
General government	\$ (2,654,697)	\$ -	\$ (2,654,697)	\$ -
Public safety	(11,430,925)	-	(11,430,925)	-
Transportation	(125,405)	-	(125,405)	-
Environmental protection	(293,998)	-	(293,998)	-
Economic and physical development	(1,563,903)	-	(1,563,903)	-
Human services	(4,808,828)	-	(4,808,828)	-
Education	(13,465,997)	-	(13,465,997)	-
Cultural and recreation	(1,481,192)	-	(1,481,192)	-
Interest on long-term debt	(1,144,394)	-	(1,144,394)	-
Total governmental activities	<u>(36,969,339)</u>	<u>-</u>	<u>(36,969,339)</u>	<u>-</u>
Business-Type Activities:				
Greater Badin Water and Sewer District	-	998,676	998,676	-
Piney Point Water District	-	19,284	19,284	-
West Stanly Waste Water Treatment Plant Fund	-	(56,267)	(56,267)	-
Stanly County Utility Fund	-	(187,065)	(187,065)	-
Airport Fund	-	(1,479,771)	(1,479,771)	-
Total business-type activities	<u>-</u>	<u>(705,143)</u>	<u>(705,143)</u>	<u>-</u>
Total primary government	<u>(36,969,339)</u>	<u>(705,143)</u>	<u>(37,674,482)</u>	<u>-</u>
Component Unit:				
Water and Sewer Authority	-	-	-	(351,476)
General Revenues:				
Ad valorem taxes	32,603,038	-	32,603,038	-
Local option sales tax	8,267,902	-	8,267,902	-
Other taxes	643,354	-	643,354	-
Interest earned on investments	85,044	6,472	91,516	350
Miscellaneous income	-	36,306	36,306	3,312
Total general revenues excluding transfers	<u>41,599,338</u>	<u>42,778</u>	<u>41,642,116</u>	<u>3,662</u>
Transfers in (out)	<u>(357,425)</u>	<u>357,425</u>	<u>-</u>	<u>-</u>
Total general revenues and transfers	<u>41,241,913</u>	<u>400,203</u>	<u>41,642,116</u>	<u>3,662</u>
Change in net position	4,272,574	(304,940)	3,967,634	(347,814)
Net Position:				
Beginning of year - July 1	<u>16,055,002</u>	<u>37,464,723</u>	<u>53,519,725</u>	<u>4,343,388</u>
End of year - June 30	<u>\$ 20,327,576</u>	<u>\$ 37,159,783</u>	<u>\$ 57,487,359</u>	<u>\$ 3,995,574</u>

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

STANLY COUNTY, NORTH CAROLINA

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2016

	<u>Major</u> <u>General</u> <u>Fund</u>	<u>Nonmajor</u> <u>Governmental</u> <u>Funds</u>	<u>Total</u> <u>Governmental</u> <u>Funds</u>
Assets:			
Cash and cash equivalents	\$ 20,520,926	\$ 482,872	\$ 21,003,798
Receivables, net	6,513,733	152,120	6,665,853
Due from other funds	21,324	-	21,324
Due from component unit	528,965	-	528,965
Prepaid items	73,666	-	73,666
Restricted cash and cash equivalents	<u>1,400</u>	<u>462,697</u>	<u>464,097</u>
Total assets	<u>\$ 27,660,014</u>	<u>\$ 1,097,689</u>	<u>\$ 28,757,703</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances:			
Liabilities:			
Accounts payable and accrued liabilities	\$ 2,477,759	\$ 40,792	\$ 2,518,551
Due to other governments	27,163	-	27,163
Due to other funds	-	21,324	21,324
Liabilities to be paid from restricted assets:			
Accounts payable	-	52,369	52,369
Deposits	<u>1,400</u>	<u>-</u>	<u>1,400</u>
Total liabilities	<u>2,506,322</u>	<u>114,485</u>	<u>2,620,807</u>
Deferred Inflows of Resources:			
Unavailable revenue - property taxes	2,359,597	83,539	2,443,136
Prepaid taxes	<u>177,027</u>	<u>-</u>	<u>177,027</u>
Total deferred inflows of resources	<u>2,536,624</u>	<u>83,539</u>	<u>2,620,163</u>
Fund Balances:			
Non-spendable, not in spendable form:			
Prepaid items	73,666	-	73,666
Restricted:			
Stabilization by State statute	4,704,425	68,581	4,773,006
Register of Deeds	84,851	-	84,851
Public safety	45,477	23,032	68,509
Economic and physical development	-	21,658	21,658
Education	-	410,328	410,328
Committed:			
Cultural and recreation	250,000	-	250,000
Public safety	-	397,390	397,390
Assigned	3,901,523	-	3,901,523
Unassigned	<u>13,557,126</u>	<u>(21,324)</u>	<u>13,933,192</u>
Total fund balances	<u>22,617,068</u>	<u>899,665</u>	<u>23,516,733</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 27,660,014</u>	<u>\$ 1,097,689</u>	

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

STANLY COUNTY, NORTH CAROLINA

**BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2016**

	Total Governmental Funds
	<hr/>
Amounts reported for governmental activities in the Statement of Net Position (Exhibit A) are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	27,503,876
Net pension asset	135,524
Contributions to the pension plan in the current fiscal year are deferred outflows of resources on the Statement of Net Position.	1,125,665
Other long-term assets are not available to pay for current-period expenditures and, therefore, are unavailable in the funds.	667,734
Deferred inflows of resources for taxes receivable	2,443,136
Net pension liability	(1,206,901)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	(36,173,266)
Pension related deferrals	(494,344)
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.	<hr/> 2,809,419
Net position of governmental activities	<u>\$ 20,327,576</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, 2016

	<u>Major</u> <u>General</u> <u>Fund</u>	<u>Nonmajor</u> <u>Governmental</u> <u>Funds</u>	<u>Total</u> <u>Governmental</u> <u>Funds</u>
Revenues:			
Ad valorem taxes	\$ 30,557,675	\$ 2,392,833	\$ 32,950,508
Local option sales taxes	8,267,902	-	8,267,902
Other taxes and licenses	643,354	-	643,354
Unrestricted intergovernmental	6,464	-	6,464
Restricted intergovernmental	10,041,059	248,141	10,289,200
Sales and services	7,733,471	567,083	8,300,554
Permits and fees	1,004,071	-	1,004,071
Investment earnings	95,894	98	95,992
Miscellaneous	871,974	-	871,974
Total revenues	<u>59,221,864</u>	<u>3,208,155</u>	<u>62,430,019</u>
Expenditures:			
Current:			
General government	4,994,301	40,212	5,034,513
Public safety	13,441,008	3,295,256	16,736,264
Transportation	938,311	-	938,311
Environmental protection	1,292,405	-	1,292,405
Economic and physical development	1,552,694	298,352	1,851,046
Human services	15,606,096	-	15,606,096
Education	13,711,617	2,289,829	16,001,446
Cultural and recreation	1,463,093	46,940	1,510,033
Debt service:			
Principal	3,409,657	-	3,409,657
Interest and other charges	1,023,881	-	1,023,881
Total expenditures	<u>57,433,063</u>	<u>5,970,589</u>	<u>63,403,652</u>
Revenues over (under) expenditures	<u>1,788,801</u>	<u>(2,762,434)</u>	<u>(973,633)</u>
Other Financing Sources (Uses):			
Installment debt issued	1,136,086	2,232,000	3,368,086
Transfers from other funds	56,679	301,265	357,944
Transfers (to) other funds	(658,690)	(56,679)	(715,369)
Total other financing sources (uses)	<u>534,075</u>	<u>2,476,586</u>	<u>3,010,661</u>
Net change in fund balances	2,322,876	(285,848)	2,037,028
Fund Balances:			
Beginning of year - July 1	<u>20,294,192</u>	<u>1,185,513</u>	<u>21,479,705</u>
End of year - June 30	<u>\$ 22,617,068</u>	<u>\$ 899,665</u>	<u>\$ 23,516,733</u>

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

STANLY COUNTY, NORTH CAROLINA

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2016

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		\$ 2,037,028
<p>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.</p>		
Capital outlays	\$ 3,947,820	
Depreciation	<u>(1,268,263)</u>	2,679,557
Costs of capital assets disposed of during the year, not recognized on modified accrual basis.		(127,839)
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities.		1,125,665
<p>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.</p>		
		130,571
<p>Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the governmental funds.</p>		
		(370,108)
<p>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.</p>		
Compensated absences	\$ (31,417)	
Accrued interest payable	(120,513)	
Pension expense (LGERS)	(670,315)	
Net pension obligation (LEO)	(34,474)	
Other post-employment benefits	<u>(261,241)</u>	(1,117,960)
<p>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.</p>		
		<u>(84,340)</u>
Total changes in net position of governmental activities		<u>\$ 4,272,574</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, 2016**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Over/Under</u>
Revenues:				
Ad valorem taxes	\$ 29,876,619	\$ 29,897,619	\$ 30,557,675	\$ 660,056
Sales taxes	7,600,000	7,600,000	8,267,902	667,902
Other taxes	539,400	587,700	643,354	55,654
Unrestricted intergovernmental	-	-	6,464	6,464
Restricted intergovernmental	9,585,908	9,686,394	10,041,059	354,665
Licenses and permits	724,850	749,284	1,004,071	254,787
Sales and services	7,623,127	7,726,377	7,733,471	7,094
Investment earnings	90,000	90,000	95,894	5,894
Miscellaneous	539,609	671,639	871,974	200,335
Total revenues	<u>56,579,513</u>	<u>57,009,013</u>	<u>59,221,864</u>	<u>2,212,851</u>
Expenditures:				
Current:				
General government	5,020,400	5,076,107	4,994,301	81,806
Public safety	12,781,589	14,068,822	13,441,008	627,814
Transportation	1,031,870	1,031,870	938,311	93,559
Environmental protection	1,215,618	1,298,964	1,292,405	6,559
Economic and physical development	1,720,550	1,774,080	1,552,694	221,386
Human services	16,358,271	16,610,835	15,606,096	1,004,739
Education	13,717,546	13,717,546	13,711,617	5,929
Cultural and recreation	1,549,076	1,571,343	1,463,093	108,250
Debt service:				
Principal	3,409,658	3,409,658	3,409,657	1
Bond interest and costs	1,024,044	1,024,044	1,023,881	163
Contingency	292,171	264,580	-	264,580
Total expenditures	<u>58,120,793</u>	<u>59,847,849</u>	<u>57,433,063</u>	<u>2,414,786</u>
Revenues over (under) expenditures	<u>(1,541,280)</u>	<u>(2,838,836)</u>	<u>1,788,801</u>	<u>4,627,637</u>
Other Financing Sources (Uses):				
Transfers (out)	(353,517)	(676,486)	(658,690)	17,796
Transfers in	300,000	300,000	56,679	(243,321)
Installment debt issued	-	1,136,086	1,136,086	-
Appropriated fund balance	1,594,797	2,079,236	-	(2,079,236)
Total other financing sources (uses)	<u>1,541,280</u>	<u>2,838,836</u>	<u>534,075</u>	<u>(2,304,761)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>2,322,876</u>	<u>\$ 2,322,876</u>
Fund Balance:				
Beginning of year - July 1			<u>20,294,192</u>	
End of year - June 30			<u>\$ 22,617,068</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, 2016

	Major Enterprise Funds					Total	Governmental
	Greater Badin Water & Sewer District Fund	Piney Point Water District Fund	West Stanly Waste Water Treatment Plant Fund	Stanly County Utility Fund	Airport Fund		Internal Service Group Health Fund
Assets:							
Current assets:							
Cash and cash equivalents	\$ 110,431	\$ 268,513	\$ 46,977	\$ 1,078,458	\$ 43,397	\$ 1,547,776	\$ 3,492,672
Accounts receivable, net	106,981	15,270	-	496,993	35,541	654,785	-
Due from other governments	145,378	-	-	62,882	-	208,260	-
Interest receivable	286	289	-	1,408	46	2,029	3,706
Inventories	-	-	-	74,580	43,259	117,839	-
Restricted cash and cash equivalents	15,720	3,440	-	103,347	-	122,507	-
Total current assets	<u>378,796</u>	<u>287,512</u>	<u>46,977</u>	<u>1,817,668</u>	<u>122,243</u>	<u>2,653,196</u>	<u>3,496,378</u>
Non-current assets:							
Capital assets:							
Land	-	-	-	223,784	4,924,095	5,147,879	-
Construction in progress	3,253,767	-	26,259	282,615	-	3,562,641	-
Capital assets, net of depreciation	935,387	41,108	3,490,106	12,181,325	14,423,409	31,071,335	-
Total capital assets, net	<u>4,189,154</u>	<u>41,108</u>	<u>3,516,365</u>	<u>12,687,724</u>	<u>19,347,504</u>	<u>39,781,855</u>	<u>-</u>
Total assets	<u>4,567,950</u>	<u>328,620</u>	<u>3,563,342</u>	<u>14,505,392</u>	<u>19,469,747</u>	<u>42,435,051</u>	<u>3,496,378</u>
Deferred Outflows of Resources:							
Pension deferrals	-	-	475	3,913	1,366	5,754	-
Contributions to pension plan	-	-	4,238	39,482	13,710	57,430	-
Total deferred outflows of resources	<u>-</u>	<u>-</u>	<u>4,713</u>	<u>43,395</u>	<u>15,076</u>	<u>63,184</u>	<u>-</u>
Liabilities:							
Current liabilities:							
Accounts payable	26,855	5,890	40,884	159,769	17,951	251,349	1,060
Interest payable	295	-	2,866	2,973	-	6,134	-
Payroll payable	-	-	5,891	47,490	16,570	69,951	-
Compensated absences payable	-	-	1,000	51,861	14,000	66,861	-
Current portion of long-term debt	2,154,731	-	170,250	31,159	-	2,356,140	-
Health and workers' compensation payable	-	-	-	-	-	-	685,899
Liabilities to be paid from restricted assets:							
Customer deposits	15,720	3,440	-	103,347	-	122,507	-
Total current liabilities	<u>2,197,601</u>	<u>9,330</u>	<u>220,891</u>	<u>396,599</u>	<u>48,521</u>	<u>2,872,942</u>	<u>686,959</u>
Non-current liabilities:							
Net pension liability	-	-	5,105	34,903	12,317	52,325	-
Compensated absences payable	-	-	5,482	-	20	5,502	-
Non-current portion of long-term debt	68,193	-	2,050,814	221,291	25,494	2,365,792	-
Total non-current liabilities	<u>68,193</u>	<u>-</u>	<u>2,061,401</u>	<u>256,194</u>	<u>37,831</u>	<u>2,423,619</u>	<u>-</u>
Total liabilities	<u>2,265,794</u>	<u>9,330</u>	<u>2,282,292</u>	<u>652,793</u>	<u>86,352</u>	<u>5,296,561</u>	<u>686,959</u>
Deferred Inflows of Resources:							
Pension deferrals	-	-	1,706	29,991	10,194	41,891	-
Net Position:							
Net investment in capital assets	1,966,230	41,108	1,304,365	12,508,342	19,347,504	35,167,549	-
Restricted	-	-	14,850	-	-	14,850	-
Unrestricted	<u>335,926</u>	<u>278,182</u>	<u>(35,158)</u>	<u>1,357,661</u>	<u>40,773</u>	<u>1,977,384</u>	<u>2,809,419</u>
Total net position	<u>\$ 2,302,156</u>	<u>\$ 319,290</u>	<u>\$ 1,284,057</u>	<u>\$ 13,866,003</u>	<u>\$ 19,388,277</u>	<u>\$ 37,159,783</u>	<u>\$ 2,809,419</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, 2016

	Major Enterprise Funds					Total	Governmental
	Greater Badin Water & Sewer District Fund	Piney Point Water District Fund	West Stanly Waste Water Treatment Plant Fund	Stanly County Utility Fund	Airport Fund		Internal Service Group Health Fund
Operating Revenues:							
Sales and charges	\$ 478,828	\$ 156,651	\$ 569,275	\$ 3,109,719	\$ 432,189	\$ 4,746,662	\$ 5,708,501
Other	1,305	162	10,165	15,378	-	27,010	-
Total operating revenues	<u>480,133</u>	<u>156,813</u>	<u>579,440</u>	<u>3,125,097</u>	<u>432,189</u>	<u>4,773,672</u>	<u>5,708,501</u>
Operating Expenses:							
Administration	61,805	80,000	20,000	387,821	-	549,626	-
Distribution and maintenance	195,351	1,561	395,836	1,466,031	-	2,058,779	-
Water purchases	200,584	54,508	-	1,118,009	-	1,373,101	-
Airport operations	-	-	-	-	693,335	693,335	-
Group health operations	-	-	-	-	-	-	5,404,974
Workers' compensation	-	-	-	-	-	-	399,557
Depreciation	123,902	1,460	183,386	662,271	1,225,817	2,196,836	-
Total operating expenses	<u>581,642</u>	<u>137,529</u>	<u>599,222</u>	<u>3,634,132</u>	<u>1,919,152</u>	<u>6,871,677</u>	<u>5,804,531</u>
Operating income (loss)	<u>(101,509)</u>	<u>19,284</u>	<u>(19,782)</u>	<u>(509,035)</u>	<u>(1,486,963)</u>	<u>(2,098,005)</u>	<u>(96,030)</u>
Non-Operating Revenues							
(Expenses):							
Interest income	1,658	857	-	3,891	66	6,472	11,690
Vision 100 Grant	-	-	-	-	7,192	7,192	-
Administrative charges	-	-	-	262,544	-	262,544	-
Miscellaneous	-	-	-	36,306	-	36,306	-
Interest on long-term debt	(2,758)	-	(36,485)	(3,456)	-	(42,699)	-
Total non-operating revenues (expenses)	<u>(1,100)</u>	<u>857</u>	<u>(36,485)</u>	<u>299,285</u>	<u>7,258</u>	<u>269,815</u>	<u>11,690</u>
Income (loss) before contributions and transfers	<u>(102,609)</u>	<u>20,141</u>	<u>(56,267)</u>	<u>(209,750)</u>	<u>(1,479,705)</u>	<u>(1,828,190)</u>	<u>(84,340)</u>
Contributions and Transfers:							
Transfers in (out)	-	-	106,000	(21,000)	272,425	357,425	-
Capital contributions	1,102,943	-	-	62,882	-	1,165,825	-
Total contributions and transfers	<u>1,102,943</u>	<u>-</u>	<u>106,000</u>	<u>41,882</u>	<u>272,425</u>	<u>1,523,250</u>	<u>-</u>
Change in net position	1,000,334	20,141	49,733	(167,868)	(1,207,280)	(304,940)	(84,340)
Net Position:							
Beginning of year - July 1	<u>1,301,822</u>	<u>299,149</u>	<u>1,234,324</u>	<u>14,033,871</u>	<u>20,595,557</u>	<u>37,464,723</u>	<u>2,893,759</u>
End of year - June 30	<u>\$ 2,302,156</u>	<u>\$ 319,290</u>	<u>\$ 1,284,057</u>	<u>\$ 13,866,003</u>	<u>\$ 19,388,277</u>	<u>\$ 37,159,783</u>	<u>\$ 2,809,419</u>

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

STANLY COUNTY, NORTH CAROLINA

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2016

	Major Enterprise Funds					Total	Governmental
	Greater Badin Water & Sewer District Fund	Piney Point Water District Fund	West Stanly Waste Water Treatment Plant Fund	Stanly County Utility Fund	Airport Fund		Internal Service Group Health Fund
Cash Flows from Operating Activities:							
Cash received from customers	\$ 482,819	\$ 171,204	\$ 579,440	\$ 3,348,682	\$ 465,903	\$ 5,048,048	\$ 5,708,501
Cash paid for goods and services	(1,183,173)	(135,826)	(277,176)	(2,119,170)	(439,317)	(4,154,662)	(5,857,355)
Cash paid to employees for services	-	-	(102,944)	(889,375)	(284,386)	(1,276,705)	-
Customer deposits	350	150	-	6,524	-	7,024	-
Net cash provided (used) by operating activities	<u>(700,004)</u>	<u>35,528</u>	<u>199,320</u>	<u>346,661</u>	<u>(257,800)</u>	<u>(376,295)</u>	<u>(148,854)</u>
Cash Flows from Non-Capital Financing Activities:							
Transfers (to) from other funds	-	-	106,000	(21,000)	272,425	357,425	-
Cash Flows from Capital and Related Financing Activities:							
Acquisition and construction of capital assets	(2,521,231)	-	(52,530)	(149,792)	-	(2,723,553)	-
Principal paid on bond maturities and lease purchases	(22,731)	-	(169,250)	(30,525)	-	(222,506)	-
Interest paid on bond maturities and lease purchases	(2,956)	-	(36,563)	(3,456)	-	(42,975)	-
Capital contribution	957,565	-	-	-	7,192	964,757	-
Net cash provided (used) by capital and related financing activities	<u>(1,589,353)</u>	<u>-</u>	<u>(258,343)</u>	<u>(183,773)</u>	<u>7,192</u>	<u>(2,024,277)</u>	<u>-</u>
Cash Flows from Investing Activities:							
Interest on investments	1,639	789	-	3,455	77	5,960	11,386
Net increase (decrease) in cash and cash equivalents	(2,287,718)	36,317	46,977	145,343	21,894	(2,037,187)	(137,468)
Cash and Cash Equivalents:							
Beginning of year - July 1	2,413,869	235,636	-	1,036,462	21,503	3,707,470	3,630,140
End of year - June 30	<u>\$ 126,151</u>	<u>\$ 271,953</u>	<u>\$ 46,977</u>	<u>\$ 1,181,805</u>	<u>\$ 43,397</u>	<u>\$ 1,670,283</u>	<u>\$ 3,492,672</u>

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

STANLY COUNTY, NORTH CAROLINA

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2016

	Major Enterprise Funds					Total	Governmental
	Greater Badin Water & Sewer District Fund	Piney Point Water District Fund	West Stanly Waste Water Treatment Plant Fund	Stanly County Utility Fund	Airport Fund		Internal Service Group Health Fund
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:							
Operating income (loss)	\$ (101,509)	\$ 19,284	\$ (19,782)	\$ (509,035)	\$ (1,486,963)	\$ (2,098,005)	\$ (96,030)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:							
Depreciation	123,902	1,460	183,386	662,271	1,225,817	2,196,836	-
Loss on disposal of asset	-	-	3,158	1,745	-	4,903	-
Other non-operating revenue	-	-	-	298,850	-	298,850	-
Changes in assets and liabilities:							
(Increase) decrease in accounts receivable	2,686	14,391	-	(75,265)	33,714	(24,474)	-
(Increase) decrease in inventory	-	-	-	787	1,646	2,433	-
(Increase) decrease in net pension asset	-	-	5,771	53,538	18,594	77,903	-
(Increase) decrease in deferred outflows of resources for pensions	-	-	(289)	(2,350)	(821)	(3,460)	-
Increase (decrease) in net pension liability	-	-	5,105	34,903	12,317	52,325	-
Increase (decrease) in deferred inflows of resources for pensions	-	-	(12,358)	(100,494)	(35,124)	(147,976)	-
Increase (decrease) in accounts payable and liabilities	(725,433)	243	25,698	3,831	(23,442)	(719,103)	(52,824)
Increase (decrease) in customer deposits	350	150	-	6,524	-	7,024	-
Increase (decrease) in other post-employment benefits	-	-	5,977	(19,907)	(3,198)	(17,128)	-
Increase (decrease) in compensated absences	-	-	2,654	(8,737)	(340)	(6,423)	-
Total adjustments	(598,495)	16,244	219,102	855,696	1,229,163	1,721,710	(52,824)
Net cash provided (used) by operating activities	\$ (700,004)	\$ 35,528	\$ 199,320	\$ 346,661	\$ (257,800)	\$ (376,295)	\$ (148,854)

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, 2016**

	<u>Agency Fund</u>
Assets:	
Cash and cash equivalents	\$ 156,438
Inmate cash	<u>6,017</u>
Total assets	<u>\$ 162,455</u>
Liabilities:	
Liabilities:	
Accounts payable	\$ 145,044
Client payable	<u>17,411</u>
Total liabilities	<u>\$ 162,455</u>

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



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STANLY COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2016

I. Summary of Significant Accounting Policies

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

A. Reporting Entity

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

Blended Component Units

Piney Point Water District and Greater Badin Water and Sewer District (Districts) exist to provide and maintain water and sewer services for residents within the Districts. Under State law (G. S. 162A-89), the County's Board of Commissioners serves as the governing board for the Districts. The County has operational responsibility for the Districts. Therefore, the Districts are reported as enterprise funds in the County's financial statements. The Districts do not issue separate financial statements. The blended presentation method presents component units as a department or unit of the County and offers no separate presentation, as with the discrete method.

Discretely Presented Component Units

Stanly County Industrial Facility and Pollution Control Financing Authority exists to issue and service revenue bond debt of private businesses for economic development purposes. The County Commissioners appoint a seven-member Board to govern the Authority. The County Commissioners can remove any Authority member with or without cause. The Authority has no financial transactions or account balances; therefore, it is not presented in the County's financial statements at June 30, 2016. The Authority does not issue separate financial statements.

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

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

STANLY COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2016

B. Basis of Presentation, Basis of Accounting

Basis of Presentation, Measurement Focus – Basis of Accounting

Government-Wide Statements. The Statement of Net Position and the Statement of Activities display information about the primary government net position (the County) and its component units. These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the *governmental* and *business-type activities* of the County. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed, in whole or in part, by fees charged to external parties.

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

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

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

The County reports the following major governmental funds:

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

STANLY COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2016

The County reports the following major enterprise funds:

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

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

The County reports the following fund types:

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

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

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

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

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

STANLY COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2016

On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

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

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

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

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

The County considers all revenues available if they are collected within 60 days after year-end, except for property taxes. Ad valorem property taxes are not accrued as revenue because the amount is not susceptible to accrual. At June 30, taxes receivable for property other than motor vehicles are materially past due and are not considered to be an available resource to finance the operations of the current year. As of September 1, 2013, State law altered the procedures for the assessment and collection of property taxes on registered motor vehicles in North Carolina. Effective with this change of the law, the State of North Carolina is responsible for billing and collecting the property taxes on registered motor vehicles on behalf of all municipalities and special tax districts. Property taxes are due when vehicles are registered. The billed taxes are applicable to the fiscal year in which they are received. Uncollected taxes that were billed in periods prior to September 1, 2013, and for limited registration plates, are shown as a receivable in these financial statements and are offset by deferred inflows of resources.

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

STANLY COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2016

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

C. Budgetary Data

The County's budgets are adopted as required by the North Carolina General Statutes. An annual budget is adopted for the General Fund, Emergency Telephone System Fund, Fire Districts Fund, and the Enterprise Funds. All annual appropriations lapse at the end of the fiscal year. Project ordinances are adopted for all other capital projects funds and special revenue funds. The enterprise capital projects funds are consolidated with the enterprise operating funds for reporting purposes.

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

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

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

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

The County's investments are carried at fair value as determined by quoted market prices. The securities of the NCCMT Cash Portfolio, an SEC-registered (2a-7) money market mutual fund, are valued at fair value, which is the NCCMT's share price. Money market investments that have a remaining maturity at the time of purchase of one year or less are reported at amortized cost.

STANLY COUNTY, NORTH CAROLINA

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016**

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

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

Stanly County Restricted Cash

Governmental Activities:			
General Fund	Security deposits	\$	1,400
Nonmajor governmental funds			
SCC Cosmetology Project	Unspent debt proceeds		234,334
Tarheel Challenge Academy Project	Unspent grant proceeds		<u>228,363</u>
Total governmental activities			<u>464,097</u>
Business-Type Activities			
Greater Badin Water & Sewer District Fund	Customer deposits		15,720
Piney Point Water District Fund	Customer deposits		3,440
Stanly County Utility Fund	Customer deposits		<u>103,347</u>
Total business-type activities			<u>122,507</u>
Total restricted cash		\$	<u><u>586,604</u></u>

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, 2015. As allowed by State law, the County has established a schedule of discounts that apply to taxes that are paid prior to the due date. In the County's General Fund, ad valorem tax revenues are reported net of such discounts.

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

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

STANLY COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2016

Certain payments to vendors reflect cost applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. Prepaid expenses are recorded as an expense when the prepaid is consumed.

7. Capital Assets. Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets received prior to June 15, 2015 are recorded at their estimated fair value at the date of donation. Donated capital assets received after June 15, 2015 are recorded at acquisition value. All other purchased or constructed capital assets are recorded at cost or estimated historical cost. The County's minimum capitalization threshold is \$2,000. Interest is capitalized on enterprise capital assets acquired with debt. The amount of interest capitalized is offset by interest income derived from investing the proceeds of the debt. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives is not capitalized.

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

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

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

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

STANLY COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2016

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

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

10. Compensated Absences. The vacation policy of the County provides for the accumulation of up to thirty (30) days earned vacation leave, with such leave being fully vested when earned. An expense and a liability for compensated absences and the salary-related payments are recorded as the leave is earned in the County's government-wide and proprietary fund statements. The County has assumed a first-in, first-out method of using accumulated compensated time. The portion of that time that is estimated to be used in the next fiscal year has been designated as a current liability in the government-wide financial statements.

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

11. Self-Insured. The County is self-insured for employees' medical insurance with third-party insurance coverage at specified levels. The self-insurance plan is administered by a third-party administrator. Amounts remitted by the County to the administrator include estimates of the eventual loss on claims arising prior to year-end, including claims incurred and not yet reported. The liability for estimated claims is accrued in the Group Health and Workers' Compensation Fund. As of July 1, 2013, the County is no longer self-insured for Workers' Compensation coverage. The County has purchased coverage through a private insurer.

12. Net Position/Fund Balances

Net Position

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

Restricted net position shown in proprietary fund financial statements is for USDA Debt Service Reserve requirements. Regular deposits equivalent to 10% of annual debt service are required to be shown as restricted until one annual payment is held in reserve.

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.

STANLY COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2016

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 or imposed by law.

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

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

Restricted for Public Safety – portion of fund balance in the General Fund restricted for the purpose of maintaining a reserve account for debt payment of the Jail Construction USDA Loan based on loan agreement (USDA Reserve) - \$45,477. The amount of \$23,032 in the Emergency Telephone System Fund, this is the portion of fund balance that is restricted by the North Carolina 911 Board for the use of installation of emergency 911 phone systems.

Restricted for Economic and Physical Development – portion of fund balance restricted by revenue source for the purpose of rehabilitation costs of the 2012 Urgent Repair Program - \$8,692, and the 2011 Single Family Rehabilitation Program - \$12,966.

Restricted for Education – portion of fund balance in the Tarheel Challenge Academy Project Fund restricted by revenue source for the construction of the project - \$200,456, and the amount of \$209,872 in the SCC Cosmetology Project restricted by revenue source for the construction of that project.

Restricted net position on Exhibit A varies from restricted fund balance on Exhibit C by the amount of unspent debt proceeds less payable from restricted assets of \$209,872 for the SCC Cosmetology Project.

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

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

STANLY COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2016

Committed for Public Safety – portion of fund balance in the Emergency Radio System Project Fund committed for the construction of the project.

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

Assigned fund balances at June 30, 2016 are as follows:

<u>Purpose</u>	<u>General Fund</u>
Assigned:	
Subsequent year's expenditures	\$ 1,663,431
General government	397,173
Public safety	191,153
Economic and physical development	10,549
Human services	1,499,071
Cultural and recreation	140,146
Total	<u>\$ 3,901,523</u>

Assigned for Subsequent Year's Expenditures – portion of fund balance that has been appropriated for the adopted 2016-2017 budget ordinance that has not already been classified as restricted or committed. The Board of Commissioners approves the appropriation.

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

Assigned for Public Safety – portion of fund balance assigned for the benefit of jail inmates - \$93,116, Sheriff's Department - \$12,061, and animal control - \$85,976.

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

Assigned for Human Services – portion of fund balance assigned for home health, Medicaid settlements, and dental clinic. Home health portion is assigned for future home health services - \$407,816. Medicaid settlements portion is assigned for future health related activities - \$70,122. Dental clinic portion is assigned for future dental clinic services - \$1,021,133.

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 - \$125,239. 4-H portion is assigned for future 4-H services - \$14,907.

Unassigned Fund Balances. This classification includes the portion of fund balance that has not been restricted, committed, or assigned to specific purposes or other funds. Only the General Fund may report a positive unassigned fund balance.

STANLY COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2016

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

13. Defined Benefit Pension Plans

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

E. Accounting Estimates

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

F. Reconciliation of Government-Wide and Fund Financial Statements

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

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.

STANLY COUNTY, NORTH CAROLINA

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016**

The net adjustment consists of several elements as follows:

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

Land	\$ 1,949,950	
Construction in progress	10,310,797	
Depreciable property	37,055,207	
Accumulated depreciation	<u>(21,812,078)</u>	\$ 27,503,876
 Net pension asset	 <u>135,524</u>	 135,524
 Contributions to the pension plan in the current fiscal year	 <u>1,125,665</u>	 1,125,665
 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>667,734</u>	 667,734
 Liabilities for deferred inflows of resources reported in the fund statements, but not the government-wide.	 <u>2,443,136</u>	 2,443,136
 Pension related deferrals	 <u>(494,344)</u>	 (494,344)
 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	(528,327)	
Net pension liability	(1,206,901)	
Due in one year	(4,880,350)	
Due in more than one year	<u>(30,764,589)</u>	(37,380,167)
 Internal service funds are used by management to charge the costs of certain activities to individual funds. These assets and liabilities are included in governmental activities in the Statement of Net Position.	 <u>2,809,419</u>	 <u>2,809,419</u>
 Total adjustment		 <u>\$ (3,189,157)</u>

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

The governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances includes a reconciliation between net changes in fund balances for the governmental funds and changes in net position of governmental activities as reported in the government-wide Statement of Activities.

STANLY COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2016

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	\$ 3,947,820	
Depreciation	<u>(1,268,263)</u>	\$ 2,679,557

Costs of capital assets disposed of during the year, not recognized on modified accrual basis	<u>(127,839)</u>	(127,839)
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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	(3,368,086)	
Debt retired	3,409,657	
Amortized premium	<u>89,000</u>	130,571

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	(22,638)	
Accrual of taxes	<u>(347,470)</u>	(370,108)

Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities	<u>1,125,665</u>	1,125,665
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Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.

Allowance for special separation	(34,474)	
Compensated absences	(31,417)	
Other post-employment benefits	(261,241)	
County's portion of collective pension expense	(670,315)	
Interest expense	<u>(120,513)</u>	(1,117,960)

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>(84,340)</u>	<u>(84,340)</u>
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Total adjustment		<u>\$ 2,235,546</u>
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STANLY COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2016

II. Detail Notes on All Funds

A. Assets

1. Deposits

All of the County's deposits are either federal depository insured or collateralized by the Pooling Method. Under the Pooling Method, which is a collateral pool, all uninsured deposits are collateralized with securities held by the State Treasurer's agent in the name of the State Treasurer. Since the State Treasurer is acting in a fiduciary capacity for the County, these deposits are considered to be held by the County's agent in the County's name. The amount of the pledged collateral is based on an approved averaging method for non-interest-bearing deposits and the actual current balance for interest-bearing deposits. Depositories using the Pooling Method report to the State Treasurer the adequacy of their pooled collateral covering uninsured deposits. The State Treasurer does not confirm this information with the County or with the escrow agent. Because of the inability to measure the exact amount of collateral pledged for the County under the Pooling Method, the potential exists for 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, 2016, the County's deposits had a carrying amount of \$23,012,784 and a bank balance of \$27,525,854. Of the bank balance, \$750,000 was covered by federal depository insurance. The remaining \$26,775,854 was collateralized under the Pooling Method. The petty cash funds totaled \$5,169.

2. Investments

As of June 30, 2016, the County had \$3,775,352 invested with the North Carolina Capital Management Trust's Cash Portfolio.

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

STANLY COUNTY, NORTH CAROLINA

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016**

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, 2016. 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>
2013	\$ 2,310,617	\$ 548,773	\$ 2,859,390
2014	2,332,534	344,050	2,676,584
2015	2,352,092	135,247	2,487,339
2016	2,375,082	-	2,375,082
Total	<u>\$ 9,370,325</u>	<u>\$ 1,028,070</u>	<u>\$ 10,398,395</u>

STANLY COUNTY, NORTH CAROLINA

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016**

4. Receivables

Receivables at the government-wide level at June 30, 2016 were as follows:

	<u>Taxes Receivable</u>	<u>Trade Accounts Receivable</u>	<u>Due from Other Governments</u>	<u>Interest</u>	<u>Total</u>
Governmental Activities:					
General	\$ 3,005,859	\$ 1,241,899	\$ 3,234,607	\$ 671,440	\$ 8,153,805
Other governmental	<u>100,576</u>	<u>-</u>	<u>68,581</u>	<u>-</u>	<u>169,157</u>
Total receivables	3,106,435	1,241,899	3,303,188	671,440	8,322,962
Allowance for doubtful accounts	<u>(663,299)</u>	<u>(322,370)</u>	<u>-</u>	<u>-</u>	<u>(985,669)</u>
Total governmental activities	<u>\$ 2,443,136</u>	<u>\$ 919,529</u>	<u>\$ 3,303,188</u>	<u>\$ 671,440</u>	<u>\$ 7,337,293</u>
Business-Type Activities:					
Greater Badin Water & Sewer District	\$ -	\$ 214,760	\$ 145,378	\$ 286	\$ 360,424
Piney Point Water District	-	17,996	-	289	18,285
Stanly County Utility Fund	-	666,406	62,882	1,408	730,696
Airport	<u>-</u>	<u>35,873</u>	<u>-</u>	<u>46</u>	<u>35,919</u>
Total receivables	-	935,035	208,260	2,029	1,145,324
Allowance for doubtful accounts	<u>-</u>	<u>(280,250)</u>	<u>-</u>	<u>-</u>	<u>(280,250)</u>
Total business-type activities	<u>\$ -</u>	<u>\$ 654,785</u>	<u>\$ 208,260</u>	<u>\$ 2,029</u>	<u>\$ 865,074</u>

Due from other governments for the year ended June 30, 2016 consists of the following:

Governmental Activities:	
Local option sales tax	\$ 1,439,320
NC DMV tax	450,272
Sales tax receivable	376,348
EMS grants receivable	47,257
Tire and white goods	25,891
Telecommunication tax	38,383
DSS and DHHS	831,702
Other	94,015
Total	<u>\$ 3,303,188</u>
Business-Type Activities:	
Grants receivable	<u>\$ 208,260</u>

STANLY COUNTY, NORTH CAROLINA

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016**

5. Capital Assets

Primary Government

Capital asset activity for the year ended June 30, 2016 was as follows:

	<u>July 1, 2015</u>	<u>Additions</u>	<u>Retirements</u>	<u>June 30, 2016</u>
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 1,949,950	\$ -	\$ -	\$ 1,949,950
Construction in progress	<u>7,897,160</u>	<u>2,413,637</u>	<u>-</u>	<u>10,310,797</u>
Total capital assets not being depreciated	<u>9,847,110</u>	<u>2,413,637</u>	<u>-</u>	<u>12,260,747</u>
Capital assets being depreciated:				
Buildings	26,134,099	-	-	26,134,099
Equipment and vehicles	<u>10,638,732</u>	<u>1,534,183</u>	<u>1,251,807</u>	<u>10,921,108</u>
Total capital assets being depreciated	<u>36,772,831</u>	<u>1,534,183</u>	<u>1,251,807</u>	<u>37,055,207</u>
Less accumulated depreciation for:				
Buildings	12,925,184	476,605	-	13,401,789
Equipment and vehicles	<u>8,742,599</u>	<u>791,658</u>	<u>1,123,968</u>	<u>8,410,289</u>
Total accumulated depreciation	<u>21,667,783</u>	<u>\$ 1,268,263</u>	<u>\$ 1,123,968</u>	<u>21,812,078</u>
Total capital assets being depreciated, net	<u>15,105,048</u>			<u>15,243,129</u>
Governmental activity capital assets, net	<u>\$ 24,952,158</u>			<u>\$ 27,503,876</u>

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

Governmental Functions:	
General government	\$ 246,957
Public safety	735,872
Transportation	117,431
Environmental protection	11,601
Economic and physical development	3,744
Human services	99,718
Cultural and recreation	<u>52,940</u>
Total depreciation expense	<u>\$ 1,268,263</u>

STANLY COUNTY, NORTH CAROLINA

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016**

Business-Type Activities

Capital assets activity for business-type activities for the year ended June 30, 2016 was as follows:

	<u>July 1, 2015</u>	<u>Additions</u>	<u>Retirements</u>	<u>June 30, 2016</u>
Business-Type Activities:				
Greater Badin Water and Sewer:				
Capital assets not being depreciated:				
Construction in progress	\$ 732,536	\$ 2,521,231	\$ -	\$ 3,253,767
Capital assets being depreciated:				
Plant in service	7,347,075	-	-	7,347,075
Equipment and vehicles	215,093	-	-	215,093
Total capital assets being depreciated	<u>7,562,168</u>	<u>-</u>	<u>-</u>	<u>7,562,168</u>
Less accumulated depreciation for:				
Plant in service	6,317,875	115,401	-	6,433,276
Equipment and vehicles	185,004	8,501	-	193,505
Total accumulated depreciation	<u>6,502,879</u>	<u>\$ 123,902</u>	<u>\$ -</u>	<u>6,626,781</u>
Total capital assets being depreciated, net	<u>1,059,289</u>			<u>935,387</u>
Total Greater Badin capital assets, net	<u>1,791,825</u>			<u>4,189,154</u>
Piney Point Water:				
Capital assets being depreciated:				
Plant in service	727,984	\$ -	\$ -	727,984
Less accumulated depreciation for:				
Plant in service	685,416	\$ 1,460	\$ -	686,876
Total Piney Point capital assets, net	<u>42,568</u>			<u>41,108</u>
West Stanly Wastewater Treatment Plant:				
Capital assets not being depreciated:				
Construction in progress	-	\$ 26,259	\$ -	26,259
Capital assets being depreciated:				
Plant in service	3,835,778	-	-	3,835,778
Equipment and vehicles	11,791	26,271	3,791	34,271
Total capital assets being depreciated	<u>3,847,569</u>	<u>26,271</u>	<u>3,791</u>	<u>3,870,049</u>
Less accumulated depreciation for:				
Plant in service	195,091	179,159	-	374,250
Equipment and vehicles	2,099	4,227	633	5,693
Total accumulated depreciation	<u>197,190</u>	<u>\$ 183,386</u>	<u>\$ 633</u>	<u>379,943</u>
Total capital assets being depreciated, net	<u>3,650,379</u>			<u>3,490,106</u>
Total West Stanly Wastewater Treatment Plant capital assets, net	<u>3,650,379</u>			<u>3,516,365</u>

STANLY COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2016

	<u>July 1, 2015</u>	<u>Additions</u>	<u>Retirements</u>	<u>June 30, 2016</u>
Stanly Utility Operating:				
Capital assets not being depreciated:				
Land	223,784	\$ -	\$ -	223,784
Construction in progress	165,478	117,137	-	282,615
Total assets not being depreciated	<u>389,262</u>	<u>117,137</u>	<u>-</u>	<u>506,399</u>
Capital assets being depreciated:				
Plant in service	26,244,730	-	-	26,244,730
Equipment and vehicles	496,885	32,655	2,895	526,645
Total capital assets being depreciated	<u>26,741,615</u>	<u>32,655</u>	<u>2,895</u>	<u>26,771,375</u>
Less accumulated depreciation for:				
Plant in service	13,559,637	621,536	-	14,181,173
Equipment and vehicles	369,292	40,735	1,150	408,877
Total accumulated depreciation	<u>13,928,929</u>	<u>\$ 662,271</u>	<u>\$ 1,150</u>	<u>14,590,050</u>
Total capital assets being depreciated, net	<u>12,812,686</u>			<u>12,181,325</u>
Total Stanly County Utility capital assets, net	<u>13,201,948</u>			<u>12,687,724</u>
Airport Operating:				
Capital assets not being depreciated:				
Land	4,924,095	\$ -	\$ -	4,924,095
Construction in progress	574,769	-	574,769	-
Total capital assets not being depreciated	<u>5,498,864</u>	<u>-</u>	<u>574,769</u>	<u>4,924,095</u>
Capital assets being depreciated:				
Buildings	5,064,552	-	-	5,064,552
Improvements	26,947,454	574,769	-	27,522,223
Equipment and vehicles	436,911	-	-	436,911
Total capital assets being depreciated	<u>32,448,917</u>	<u>574,769</u>	<u>-</u>	<u>33,023,686</u>
Less accumulated depreciation for:				
Buildings	992,373	130,516	-	1,122,889
Improvements	15,952,267	1,089,800	-	17,042,067
Equipment and vehicles	429,820	5,501	-	435,321
Total accumulated depreciation	<u>17,374,460</u>	<u>\$ 1,225,817</u>	<u>\$ -</u>	<u>18,600,277</u>
Total capital assets being depreciated, net	<u>15,074,457</u>			<u>14,423,409</u>
Total Airport capital assets, net	<u>20,573,321</u>			<u>19,347,504</u>
Total business-type activities capital assets, net	<u>\$ 39,260,041</u>			<u>\$ 39,781,855</u>

STANLY COUNTY, NORTH CAROLINA

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016**

Construction Commitments

The County has active construction projects at June 30, 2016. Commitments with contractors are as follows:

Project	Project to Date	Remaining Commitment
Tarheel Challenge Academy	\$ 2,891,544	\$ 200,456
Emergency Radio System Project	8,241,729	401,033
SCC Cosmetology Project	2,022,128	209,872
Livestock Arena Construction Project	46,940	28,060
Badin Water Rehab Project Part A	2,150,823	706,946
Badin Water Rehab Project Part B	1,102,944	5,076,185
West Stanly WWTP Rehab Project	26,259	2,622,635
Highway 200 Water	159,674	1,500,000
Cottonville Road NCDOT Waterline	62,882	6,252
Airport Rd Corridor WW Project	3,962	1,117,081
Alonzo Rd Meter Project	56,097	14,880
Airport Taxilane Rehab Project	-	177,947
Total	<u>\$ 16,764,982</u>	<u>\$ 12,061,347</u>

STANLY COUNTY, NORTH CAROLINA

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016**

B. Liabilities

1. Payables

Payables at the government-wide level at June 30, 2016, were as follows:

	<u>Vendors</u>	<u>Salaries and Benefits</u>	<u>Accrued Interest</u>	<u>IBNR</u>	<u>Total</u>
Governmental Activities:					
General	\$ 1,010,670	\$ 1,468,149	\$ 528,327	\$ -	\$ 3,007,146
Other	<u>40,792</u>	<u>-</u>	<u>-</u>	<u>685,899</u>	<u>726,691</u>
Total governmental activities	<u>\$ 1,051,462</u>	<u>\$ 1,468,149</u>	<u>\$ 528,327</u>	<u>\$ 685,899</u>	<u>\$ 3,733,837</u>
Business-Type Activities:					
Greater Badin Water & Sewer Districts	\$ 26,855	\$ -	\$ 295	\$ -	\$ 27,150
Piney Point Water District	5,890	-	-	-	5,890
West Stanly Wastewater Treatment Plant	40,884	5,891	2,866	-	49,641
Stanly County Utility	159,769	47,490	2,973	-	210,232
Airport	<u>17,951</u>	<u>16,570</u>	<u>-</u>	<u>-</u>	<u>34,521</u>
Total business-type activities	<u>\$ 251,349</u>	<u>\$ 69,951</u>	<u>\$ 6,134</u>	<u>\$ -</u>	<u>\$ 327,434</u>

2. Pension Plan and Other Post-Employment Obligations

a. Local Governmental Employees' Retirement System

Plan Description. Stanly County is a participating employer in the State-wide Local Governmental Employees' Retirement System (LGERS), a cost-sharing multiple-employer defined benefit pension plan administered by the State of North Carolina. LGERS membership is comprised of general employees and local law enforcement officers (LEOs) of participating local governmental entities. Article 3 of G.S. Chapter 128 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. Management of the plan is vested in the LGERS Board of Trustees, which consists of 13 members – nine appointed by the Governor, one appointed by the State Senate, one appointed by the State House of Representatives, the State Treasurer, and the State Superintendent, who serve as ex-officio members. The Local Governmental Employees' Retirement System is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes financial statements and required supplementary information for LGERS. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454, or at www.osc.nc.gov.

STANLY COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2016

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

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

Contributions. Contribution provisions are established by General Statute 128-30 and may be amended only by the North Carolina General Assembly. County employees are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by the LGERS Board of Trustees. The County's contractually required contribution rate for the year ended June 30, 2016 was 7.15% of compensation for law enforcement officers and 6.79% for general employees and firefighters, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year. Contributions to the pension plan from the County were \$1,179,295 for the year ended June 30, 2016.

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

STANLY COUNTY, NORTH CAROLINA

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016**

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

At June 30, 2016, the County reported a liability of \$1,259,226 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2015. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2014. The total pension liability was then rolled forward to the measurement date of June 30, 2015 utilizing update procedures incorporating the actuarial assumptions. The County's proportion of the net pension liability was based on a projection of the County's long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating LGERS employers, actuarially determined. At June 30, 2015, the County's proportion was .281%, which was an increase of .009% from its proportion measured as of June 30, 2014.

For the year ended June 30, 2016, the County recognized pension expense of \$713,181. At June 30, 2016, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 295,990
Net difference between projected and actual earnings on pension plan investments	-	358,498
Changes in proportion and differences between employer contributions and proportionate share of contributions	125,639	-
Employer contributions subsequent to the measurement date	<u>1,179,295</u>	<u>-</u>
Total	<u>\$ 1,304,934</u>	<u>\$ 654,488</u>

\$1,179,295 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as a decrease of the net pension liability in the year ended June 30, 2017.

STANLY COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2016

Other amounts reported as deferred inflows and outflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Total
2017	\$ (384,155)
2018	(384,155)
2019	(383,733)
2020	623,194
2021	-
Thereafter	-
Total	<u>\$ (528,849)</u>

Actuarial Assumptions. The total pension liability in the December 31, 2014 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

The actuarial assumptions used in the December 31, 2014 valuation were based on the results of an actuarial experience study for the period January 1, 2005 through December 31, 2009.

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

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

STANLY COUNTY, NORTH CAROLINA

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016**

The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2015 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed income	29.0%	2.2%
Global equity	42.0%	5.8%
Real estate	8.0%	5.2%
Alternatives	8.0%	9.8%
Credit	7.0%	6.8%
Inflation protection	<u>6.0%</u>	3.4%
Total	<u>100.0%</u>	

The information above is based on 30-year expectations developed with the consulting actuary for the 2014 asset, liability and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.00%. All rates of return and inflation are annualized.

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

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

	<u>1% Decrease (6.25%)</u>	<u>Discount Rate (7.25%)</u>	<u>1% Increase (8.25%)</u>
County's proportionate share of the net pension liability (asset)	<u>\$ 8,780,759</u>	<u>\$ 1,259,226</u>	<u>\$ (5,077,499)</u>

STANLY COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2016

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

b. Law Enforcement Officers' Special Separation Allowance

Plan Description. Stanly County administers a public employee retirement system (the "Separation Allowance"), a single-employer defined benefit pension plan that provides retirement benefits to the County's qualified sworn law enforcement officers. The Separation Allowance is equal to 0.85% of the annual equivalent of the base rate of compensation most recently applicable to the officer for each year of creditable service. The retirement benefits are not subject to any increases in salary or retirement allowances that may be authorized by the General Assembly. Article 12D of G.S. Chapter 143 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly.

The County does not issue a separate report for this pension activity.

All full-time County law enforcement officers are covered by the Separation Allowance. At December 31, 2015, the Separation Allowance's membership consisted of:

Retirees receiving benefits	4
Active plan members	<u>52</u>
Total	<u><u>56</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. Benefits are recognized when due and payable in accordance with the terms of the plan.

The Separation Allowance has no assets accumulated in a trust that meets the following criteria which are outlined in GASB Statements 67 and 68:

- Contributions to the pension plan and earnings on those contributions are irrevocable.
- Pension plan assets are dedicated to providing benefits to plan members.
- Pension plan assets are legally protected from the creditors or employers.

Contributions. The County is required by Article 12D of G.S. Chapter 143 to provide these retirement benefits and has chosen to fund the amounts necessary to cover the benefits earned on a pay-as-you-go basis through 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. Administration costs of the Separation Allowance are financed through investment earnings.

STANLY COUNTY, NORTH CAROLINA

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016**

The annual required contribution for the current fiscal year was determined as part of the December 31, 2014 actuarial valuation using the projected unit credit actuarial cost method. The actuarial assumptions included (a) 5.00% investment rate of return (net of administrative expenses) and (b) projected salary increases ranging from 4.25% to 7.85% per year. Both (a) and (b) included an inflation component of 3.0%. The assumptions did not include post-retirement benefit increases. The actuarial value of assets was determined using the market value of investments. The unfunded actuarial accrued liability is being amortized as a level dollar of pay on a closed basis. The remaining amortization period at December 31, 2014 was 16 years.

Annual Pension Cost and Net Pension Obligation. For the fiscal year ending June 30, 2016, the County's annual pension cost and net pension obligation were as follows:

Employer annual required contribution	\$ 88,180
Interest on net pension obligation	15,868
Adjustment to annual required contribution	<u>(27,889)</u>
Annual pension cost	76,159
Benefit payments made	<u>41,685</u>
Increase (decrease) in net pension obligation	34,474
Net pension obligation:	
Beginning of year - July 1	<u>317,368</u>
End of year - June 30	<u><u>\$ 351,842</u></u>

Three-Year Trend Information

<u>Fiscal Year Ended</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation End of Year</u>
2014	\$ 58,899	73.00%	\$ 285,476
2015	70,703	54.89%	317,368
2016	76,159	54.73%	351,842

Funded Status and Funding Progress. As of December 31, 2015, 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 \$967,725. The covered payroll (annual payroll of active employees covered by the plan) was \$2,378,573, and the ratio of the UAAL to the covered payroll was 40.69 percent.

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

STANLY COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2016

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, 2016 were \$118,908, which consisted of \$100,357 from the County and \$18,551 from the law enforcement officers. Members of this plan immediately vest and would only forfeit benefits if convicted of a felony and ordered to forfeit by the court.

d. Registers of Deeds' Supplemental Pension Fund

Plan Description. Stanly County also contributes to the Registers of Deeds' Supplemental Pension Fund (RODSPF), a non-contributory, defined benefit plan administered by the North Carolina Department of State Treasurer. RODSPF provides supplemental pension benefits to any eligible county register of deeds who is retired under the Local Government Employees' Retirement System (LGERS), or an equivalent locally sponsored plan. Article 3 of G.S. Chapter 161 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. Management of the plan is vested in the LGERS Board of Trustees, which consists of 13 members – nine appointed by the Governor, one appointed by the State Senate, one appointed by the State House of Representatives, the State Treasurer, and the State Superintendent, who serve as ex-officio members. The Registers of Deeds' Supplemental Pension Fund is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes financial statements and required supplementary information for the Registers of Deeds' Supplemental Pension Fund. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454, or at www.osc.nc.gov.

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

STANLY COUNTY, NORTH CAROLINA

**NOTES TO THE FINANCIAL STATEMENTS
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Contributions. Benefits and administrative expenses are funded by investment income and 1.5% of the receipts collected by each County Commission under Article 1 of Chapter 161 of the North Carolina General Statutes. The statutory contribution currently has no relationship to the actuary's required contribution. The actuarially determined contribution this year, and for the foreseeable future, is zero. Registers of Deeds do not contribute. Contribution provisions are established by General Statute 161-50 and may be amended only by the North Carolina General Assembly. Contributions to the pension plan from the County were \$3,800 for the year ended June 30, 2016.

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

At June 30, 2016, the County reported an asset of \$135,524 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2015. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2014. The total pension liability was then rolled forward to the measurement date of June 30, 2015, utilizing update procedures incorporating the actuarial assumptions. The County's proportion of the net pension asset was based on the County's share of contributions to the pension plan, relative to contributions to the pension plan of all participating RODSPF employers. At June 30, 2015, the County's proportion was .585%, which was an increase of .033% from its proportion measured as of June 30, 2014.

For the year ended June 30, 2016, the County recognized pension expense of \$(6,641). At June 30, 2016, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 663	\$ 2,243
Net difference between projected and actual earnings on pension plan investments	6,721	-
Changes in proportion and differences between County contributions and proportionate share of contributions	-	6,773
County contributions subsequent to the measurement date	<u>3,800</u>	<u>-</u>
Total	<u>\$ 11,184</u>	<u>\$ 9,016</u>

\$3,800 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as an increase of the net pension asset in the year ended June 30, 2017.

STANLY COUNTY, NORTH CAROLINA

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016**

Other amounts reported as deferred inflows and outflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Total
2017	\$ (2,539)
2018	(1,874)
2019	967
2020	1,814
2021	-
Thereafter	-
Total	\$ (1,632)

Actuarial Assumptions. The total pension liability in the December 31, 2014 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

The actuarial assumptions used in the December 31, 2014 valuation were based on the results of an actuarial experience study for the period January 1, 2005 through December 31, 2009.

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

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The adopted asset allocation policy for the RODSPF is 100% in the fixed income asset class. The best estimate of arithmetic real rate of return for the fixed income asset class as of June 30, 2014 is 2.2%.

STANLY COUNTY, NORTH CAROLINA

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016**

The information above is based on 30-year expectations developed with the consulting actuary for the 2014 asset, liability and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.19%. All rates of return and inflation are annualized.

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

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

	<u>1% Decrease (4.75%)</u>	<u>Discount Rate (5.75%)</u>	<u>1% Increase (6.75%)</u>
County's proportionate share of the net pension liability (asset)	\$ (122,272)	\$ (135,524)	\$ (146,928)

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

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

Plan Description. According to a County resolution, Stanly County provides healthcare benefits through the Retiree Healthcare Benefit Plan as a single-employer defined benefit plan to cover retirees of the County who participate in the North Carolina Local Governmental Employees' Retirement System (System) and have at least 25 years of creditable service. The County has elected to pay the future overall cost of coverage for these benefits as indicated below. Qualified employees who retired prior to July 1, 2005, who are currently on the County's health insurance, pay \$220 a month for their health coverage. The Retiree Healthcare Benefit Plan is available to qualified retirees until they become eligible for Medicare. The County pays a percentage of the cost of coverage for employees' benefits through self-insurance. The County requires no other contributions made by employees, except for dependent coverage in the amounts of \$3,614 for spouse, \$2,640 for children, and \$8,723 for family coverage. Dependent coverage is available until the employee reaches eligibility for Medicare, at which time dependents will be removed from the County's plan and have the option to be covered under COBRA per federal regulations.

STANLY COUNTY, NORTH CAROLINA

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016**

The Board of Commissioners may amend the benefit provisions. A separate report was not issued for the plan.

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

Membership of the Retiree Health Benefit Plan consisted of the following at December 31, 2015, the date of the latest actuarial valuation:

	General Employees	Law Enforcement Officers
Retirees and dependents receiving benefits	14	2
Active plan members	320	46
Total	334	48

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

The current ARC rate is 2.63% of annual covered payroll. For the current year, the County contributed \$178,266, or 1.12%, of the annual covered payroll. The County obtains healthcare coverage through self-insurance. The County's contributions totaled \$178,266 in fiscal year 2016. There were no contributions made by employees, except for dependent coverage in the amount of \$665,462. The County's obligation to contribute to the healthcare benefits is established and may be amended by the County Commissioners.

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

STANLY COUNTY, NORTH CAROLINA

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016**

Annual OPEB Cost and Net OPEB Obligation. The County's annual other post-employment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

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

Employer annual required contribution	\$ 418,585
Valuation discount rate	4.00%
Interest on net OPEB obligation	84,897
Amortization factor	26.1695
Adjustment to annual required contribution	<u>(81,103)</u>
Annual OPEB cost	422,379
Employer contributions made for fiscal year ending June 30, 2016	<u>178,266</u>
Increase (decrease) in net OPEB obligation:	244,113
Net OPEB obligation, beginning of fiscal year - July 1	<u>2,122,418</u>
Net OPEB obligation, end of fiscal year - June 30	<u><u>\$ 2,366,531</u></u>

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2016 were as follows:

Three-Year Trend Information			
Fiscal Year Ended	Annual OPEB Cost (AOC)	Percentage of AOC Contributed	Net OPEB Obligation End of Year
2014	\$ 387,010	45.90%	\$ 1,822,957
2015	409,652	26.90%	2,122,418
2016	422,379	42.21%	2,366,531

Funded Status and Funding Progress. As of December 31, 2015, the most recent actuarial valuation date, the plan was not funded. The actuarially accrued liability for benefits and, thus, the unfunded actuarial accrued liability (UAAL), was \$4,711,664. The covered payroll (annual payroll of active employees covered by the plan) was \$15,933,029, and the ratio of the UAAL to the covered payroll was 29.57 percent.

STANLY COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2016

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

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, 2015 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 4.00 percent investment rate of return (net of administrative expenses), which is a blended rate of the expected long-term investment returns on plan assets and on the employer's own investments calculated based on the funded level of the plan at the valuation date. The rate included a 3.00 percent inflation assumption. The medical cost trend rate varied between 7.75 and 5.00 percent. The UAAL is being amortized as a level percentage of pay, open basis. The remaining amortization period at December 31, 2015 was 30 years.

f. Other Employment Benefits

The County has elected to provide death benefits to employees through the Death Benefit Plan for members of the Local Governmental Employees' Retirement System (Death Benefit Plan), a multiple-employer, State-administered, cost-sharing plan funded on a one-year term cost basis. The beneficiaries of those employees who die in active service after one year of contributing membership in the System, or who die within 180 days after retirement or termination of service and have at least one year of contributing membership in the System at the time of death, are eligible for death benefits. Lump-sum death benefit payments to beneficiaries are equal to the employee's 12 highest months' salary in a row during the 24 months prior to the employee's death, but the benefit will be a minimum of \$25,000 and will not exceed \$50,000. Because all death benefit payments are made from the Death Benefit Plan and not by the County, the County does not determine the number of eligible participants. The County has no liability beyond the payment of monthly contributions. The contributions to the Death Benefit Plan cannot be separated between the post-employment benefit amount and the other benefit amount. Contributions are determined as a percentage of monthly payroll based upon rates established annually by the State. Separate rates are set for employees not engaged in law enforcement and for law enforcement officers. The County considers these contributions to be immaterial.

STANLY COUNTY, NORTH CAROLINA

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016**

3. Deferred Outflows and Inflows of Resources

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience:		
LGERS	\$ -	\$ 295,990
Register of Deeds	663	2,243
Net difference between projected and actual earnings on pension plan investments	6,721	358,498
Change in proportion and differences between County contributions and proportionate share of contributions	125,639	6,773
County contributions and proportionate share of contributions	1,183,095	-
Prepaid taxes not yet earned (General)	-	177,027
Taxes receivable, net (General)	-	2,359,597
Taxes receivable, net (Special Revenue)	-	83,539
Total	<u>\$ 1,316,118</u>	<u>\$ 3,283,667</u>

4. Risk Management

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

Medical and Dental. The County is exposed to various risks of loss related to medical and illness needs of employees. The County and employees participate in a cost-share plan for group health insurance. The County established the Group Health Fund (Internal Service Fund) to account for its self-insurance plan. The County has contracted with a third-party administrator to account for its group health self-insurance plan that is administrated by Blue Cross/Blue Shield of North Carolina. The County is responsible for claims up to \$80,000 per covered employee/dependent per policy term. Claims greater than \$80,000 per covered employee/dependent per policy term, and those in excess of the aggregate stop/loss of 120% of expected net claims, are insured by the private insurance carrier. All full-time employees of the County participate in the program and make payments to the Group Health Fund based on estimates of the amounts needed to pay claims. The claims liability of \$399,540 reported in the fund at June 30, 2016 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, 2016**

The \$399,540 claims liability represents total estimated claims incurred, but not reported, as provided by the plan administrator's actuary.

	June 30, 2016	June 30, 2015
Unpaid claims and claim adjustment expenses at beginning of fiscal year	\$ 428,469	\$ 451,024
Incurred claims and claim adjustment expenses:		
Provision for insured events of current year	4,159,828	3,410,229
Claims and adjustment expenses attributable to insured events of current and prior year	<u>4,188,757</u>	<u>3,432,784</u>
Total claims liability	<u>\$ 399,540</u>	<u>\$ 428,469</u>

Workers' Compensation. The County was self-funded for workers' compensation coverage prior to July 1, 2013. Through this self-funded workers' compensation program, the County obtains workers' compensation coverage up to the statutory limits, with no deductible. The fund is reinsured through an insurance company for single occurrence losses of \$500,000 and aggregate excess limit for \$1,000,000. The claims liability of \$286,359 reported in the fund at June 30, 2016 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, 2016

The \$286,359 claims liability represents total estimated claims incurred, but not reported, as provided by the plan administrator's actuary.

	<u>June 30,</u> <u>2016</u>	<u>June 30,</u> <u>2015</u>
Unpaid claims and claim adjustment expenses at beginning of fiscal year	\$ 309,747	\$ 548,428
Incurred claims and claim adjustment expenses:		
Provision for insured events of current year	399,557	347,731
Claims and adjustment expenses attributable to insured events of current and prior year	<u>422,945</u>	<u>586,412</u>
Total claims liability	<u>\$ 286,359</u>	<u>\$ 309,747</u>

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

The County carries no flood insurance.

In accordance with G.S. 159-29, the County's employees who have access to \$100 or more at any given time of the County's funds are performance bonded through a commercial surety bond. The Finance Officer and the Tax Collector are each bonded for \$150,000 and \$100,000, respectively.

5. Contingent Liabilities

At June 30, 2016, the County was a defendant to various lawsuits. In the opinion of the County's management and the County's Attorney, the ultimate effect of these legal matters will not have a material adverse effect on the County's financial position.

6. Long-Term Obligations

a. Capital Leases

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

STANLY COUNTY, NORTH CAROLINA

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016**

Capital lease agreements at June 30, 2016 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	\$ 1,987,070
Refinanced lease for the purchase and construction of radio towers refunded on October 10, 2014, payable in annual principal payments ranging from \$353,465 to \$500,390, and annual interest payments at a rate of 2.48% through October 10, 2029	5,990,266
Refinanced and additional lease proceeds for the purchase and construction of radio towers entered into on October 10, 2014, payable in annual principal payments ranging from \$225,544 to \$259,149, and annual interest payments at a rate of 2.31% through October 10, 2021	<u>1,468,486</u>
Total	<u><u>\$ 9,445,822</u></u>

Future minimum lease payments as of June 30, 2016 were as follows:

General Long-Term Debt	Capitalized Leases	
	Principal	Interest
2017	\$ 966,107	\$ 240,818
2018	976,627	214,935
2019	986,876	189,323
2020	997,353	163,483
2021	1,007,721	137,751
2022-2026	2,582,077	416,596
2027-2030	<u>1,929,061</u>	<u>122,836</u>
Total	<u><u>\$ 9,445,822</u></u>	<u><u>\$ 1,485,742</u></u>

STANLY COUNTY, NORTH CAROLINA

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016**

At June 30, 2016, the County leased the following assets valued at:

<u>Class of Property</u>	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net Book Value</u>
Jail	\$ 8,457,979	\$ 1,268,697	\$ 7,189,282
Radio Towers	6,897,941	-	6,897,941
Total	<u>\$ 15,355,920</u>	<u>\$ 1,268,697</u>	<u>\$ 14,087,223</u>

b. Notes Payable

General Fund:

Aquadale and Locust School Project (1):

The construction of additions to Aquadale and Locust Schools, December 29, 2011, payable in annual principal payments of \$364,706 and semi-annual interest payments at an interest rate of 3.67% \$ 4,376,370

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% 3,834,056

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% 1,414,449

2014 Ambulances Loan:

The purchase of new ambulances for Emergency Services, January 13, 2014, payable in annual principal payments ranging from \$100,377 to \$105,301, and annual interest payments at an interest rate of 2.41% 102,822

Information Technology Loan:

The purchase upgrade software for Finance, Human Resources, and Utilities, October 22, 2012, payable in annual principal payments ranging from \$24,722 to \$27,078, and annual interest payments at an interest rate of 3.22% 53,295

2016 EMS Vehicle Loan:

The purchase of a new Emergency Services vehicle, February 26, 2016, payable in annual principal payments ranging from \$157,253 to \$164,784, and annual interest payments at an interest rate of 1.55% 805,955

STANLY COUNTY, NORTH CAROLINA

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016**

2016 EMS Equipment Loan:

The purchase of Emergency Services equipment, February 26, 2016, payable in annual principal payments ranging from \$27,341 to \$28,651, and annual interest payments at an interest rate of 1.55%

140,131

2016 Sheriff Vehicle Loan:

The purchase of a Sheriff's Department vehicle, August 11, 2015, payable in annual principal payments ranging from \$45,771 to \$49,232, and annual interest payments at an interest rate of 2.39%

190,000

2016 SCC Installment Loan:

The construction of additions and improvements to the cosmetology facility, August 14, 2015, payable in annual principal payments ranging from \$79,211 to \$121,771, and annual interest payments at an interest rate of 2.25%

1,982,000

2016 SCC Equipment Loan:

The purchase of equipment for the cosmetology facility, August 14, 2015, payable in annual principal payments ranging from \$22,675 to \$27,450, and annual interest payments at an interest rate of 2.11%

250,000

Total General Fund 13,149,078

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

68,887

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

110,495

Greater Badin Water and Sewer District Fund:

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

90,924

STANLY COUNTY, NORTH CAROLINA

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016**

West Stanly Waste Water Treatment Plant Fund:

Debt to the Town of Oakboro for assets acquired, executed on May 16, 2014, payable in annual principal payments of \$156,250, no interest 1,250,000

Total Enterprise Fund 1,520,306

Total Notes Payable \$ 14,669,384

Future minimum payments as of June 30, 2016 were as follows:

Governmental Activities	Notes Payable	
	Principal	Interest
2017	\$ 1,170,243	\$ 423,879
2018	1,067,114	396,555
2019	1,047,221	363,376
2020	1,054,563	330,923
2021	1,011,530	298,421
2022-2026	4,143,953	1,046,771
2027-2031	2,042,634	402,838
2032-2036	769,718	232,001
2037-2041	228,064	150,911
2042-2046	277,475	101,500
2047-2051	336,563	41,384
Total General	<u>13,149,078</u>	<u>3,788,559</u>
Proprietary Funds	Principal	Interest
2017	\$ 210,140	\$ 5,734
2018	210,947	4,336
2019	211,770	2,922
2020	213,244	1,484
2021	161,170	-
2022-2026	493,352	-
2027-2031	19,683	-
Total Proprietary	<u>1,520,306</u>	<u>14,476</u>
Total	<u><u>\$ 14,669,384</u></u>	<u><u>\$ 3,803,035</u></u>

STANLY COUNTY, NORTH CAROLINA

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016**

c. General Obligation Indebtedness

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

The following is a schedule of general obligation debt at June 30, 2016:

General Fund:

\$16,325,000 Refunding Series 2010 Bond, due on February 1, installments ranging from \$696,195 to \$2,008,800 through February 1, 2022; interest payable on August 1 and February 1 at 2.00% to 5.00% \$ 8,725,000

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

Annual debt service requirements to maturity at June 30, 2016 are as follows:

General Long-Term Debt	General Obligation Bonds	
	Principal	Interest
2017	\$ 1,535,000	\$ 361,250
2018	1,500,000	302,250
2019	1,485,000	242,250
2020	1,475,000	182,850
2021	1,465,000	123,850
2022	1,265,000	50,600
Total	<u>\$ 8,725,000</u>	<u>\$ 1,263,050</u>

d. Bond Anticipation Note

Greater Badin Water and Sewer District Fund

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

STANLY COUNTY, NORTH CAROLINA

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016**

e. Revenue Bonds

West Stanly Waste Water Treatment Plant Fund

Debt assumed by County to USDA for assets acquired from the Town of Oakboro, on May 16, 2014 to acquire the West Stanly Waste Water Treatment Plant operations, payable in annual principal payments ranging from \$12,000 to \$47,000, and annual interest payments at an interest rate of 3.75%. The revenue bonds mature on June 1, 2051.

\$ 962,000

Revenue bond debt service requirements to maturity are as follows:

<u>Proprietary Funds</u>	<u>Revenue Bonds</u>	
	<u>Principal</u>	<u>Interest</u>
2017	\$ 14,000	\$ 36,075
2018	14,000	35,550
2019	15,000	35,025
2020	15,000	34,463
2021	16,000	33,900
2022-2026	88,000	160,163
2027-2031	107,000	142,238
2032-2036	130,000	120,563
2037-2041	155,000	94,313
2042-2046	186,000	63,113
2047-2051	222,000	25,538
Total Proprietary	<u>\$ 962,000</u>	<u>\$ 780,941</u>

STANLY COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2016

The debt service coverage ratio calculation for the year ended June 30, 2016 is as follows:

Total revenues	\$ 579,440
Operating expenses*	<u>435,248</u>
Net revenues	<u>\$ 144,192</u>

Net revenues must be no less than 110% of the debt service requirement for the current year

Current year debt service	<u>\$ 49,563</u>
Current year debt service percent coverage	<u>291%</u>

Net revenues must be no less than 100% of the amount necessary to meet annual debt service obligations due for current year with respect to general obligation bonds and installment financing obligations

Debt service	<u>\$ 156,250</u>
Debt service on debt due in current fiscal year percent of coverage	<u>108%</u>

*Per revenue bond covenants, this does not include depreciation expense of \$183,386.

Debt Related to Capital Activities. Of the total governmental activities debt listed, only \$12,152,474 relates to assets to which the County holds title. Unspent restricted cash related to this debt amounts to \$234,334.

f. 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, 2016:

	<u>Balances</u> <u>July 1, 2015</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balances</u> <u>June 30, 2016</u>	<u>Current</u> <u>Portion of</u> <u>Balance</u>
Governmental Activities:					
General obligation debt	\$ 10,255,000	\$ -	\$ 1,530,000	\$ 8,725,000	\$ 1,535,000
Unamortized premium on bonds	621,760	-	89,000	532,760	89,000
Capitalized leases	10,402,629	-	956,807	9,445,822	966,107
Notes payable	10,703,842	3,368,086	922,850	13,149,078	1,170,243
Compensated absences	1,150,115	1,150,330	1,118,913	1,181,532	1,120,000
Net pension liability (LGERS)	-	1,206,901	-	1,206,901	-
Other post-employment benefit	1,997,664	403,170	141,929	2,258,905	-
Net pension obligation (LEO)	317,368	76,159	41,685	351,842	-
Total governmental activities	<u>\$ 35,448,378</u>	<u>\$ 6,204,646</u>	<u>\$ 4,801,184</u>	<u>\$ 36,851,840</u>	<u>\$ 4,880,350</u>

STANLY COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2016

	<u>Balances</u> <u>July 1, 2015</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balances</u> <u>June 30, 2016</u>	<u>Current</u> <u>Portion of</u> <u>Balance</u>
Business-Type Activities:					
Stanly County Utility Fund:					
Notes payable	\$ 209,907	\$ -	\$ 30,525	\$ 179,382	\$ 31,159
Compensated absences	60,598	49,720	58,457	51,861	51,861
Net pension liability (LGERS)	-	34,903	-	34,903	-
Other post-employment benefit	92,975	8,682	28,589	73,068	-
Total Stanly County Utility Fund	<u>363,480</u>	<u>93,305</u>	<u>117,571</u>	<u>339,214</u>	<u>83,020</u>
Greater Badin Water and Sewer District Fund:					
Bond anticipation note	2,132,000	-	-	2,132,000	2,132,000
Notes payable	113,655	-	22,731	90,924	22,731
Total Greater Badin W&S Fund	<u>2,245,655</u>	<u>-</u>	<u>22,731</u>	<u>2,222,924</u>	<u>2,154,731</u>
West Stanly Waste Water Treatment Plant Fund:					
Notes payable	1,406,250	-	156,250	1,250,000	156,250
Revenue bonds	975,000	-	13,000	962,000	14,000
Compensated absences	3,828	2,960	306	6,482	1,000
Net pension liability (LGERS)	-	5,105	-	5,105	-
Other post-employment benefit	3,087	5,977	-	9,064	-
Total West Stanly Waste Water Treatment Plant Fund	<u>2,388,165</u>	<u>14,042</u>	<u>169,556</u>	<u>2,232,651</u>	<u>171,250</u>
Airport Fund:					
Compensated absences	14,360	14,020	14,360	14,020	14,000
Net pension liability (LGERS)	-	12,317	-	12,317	-
Other post-employment benefit	28,692	4,550	7,748	25,494	-
Total Airport Fund	<u>43,052</u>	<u>30,887</u>	<u>22,108</u>	<u>51,831</u>	<u>14,000</u>
Total business-type activities	<u>\$ 5,040,352</u>	<u>\$ 138,234</u>	<u>\$ 331,966</u>	<u>\$ 4,846,620</u>	<u>\$ 2,423,001</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 FIFO (first-in, first-out) basis.

At June 30, 2016, Stanly County had a legal debt margin of \$326,641,018.

STANLY COUNTY, NORTH CAROLINA

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016**

g. Conduit Debt Obligations

Stanly County Industrial and Pollution Control Authority has issued industrial revenue bonds to provide financial assistance to private businesses for economic development purposes. These bonds are secured by the properties financed, as well as letters of credit, and are payable solely from payments received from the private businesses involved. Ownership of the acquired facilities is in the name of the private business served by the bond issuance. Neither the County, the Authority, nor the State, nor any political subdivision thereof, is obligated in any manner for the repayment of bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of June 30, 2016, two industrial revenue bonds were outstanding, with an aggregate principal amount payable of \$4,264,465.

h. Net Investment in Capital Assets

Net investment in capital assets at June 30, 2016 was calculated as follows:

	<u>General Fund</u>	<u>Enterprise Fund</u>
Capital assets	\$ 27,503,876	\$ 39,781,855
Total debt, gross	(31,852,660)	(4,614,306)
Add: Debt not related to County assets		
School debt for which County does not hold title:		
Notes payable	10,442,426	-
General obligation bonds (refunded school bonds)	8,725,000	-
Unamortized premium on refunded bonds	532,760	-
Total school debt for which County does not hold title	19,700,186	-
Less: unspent debt proceeds	(234,334)	-
Total debt	<u>(12,386,808)</u>	<u>(4,614,306)</u>
Net investment in capital assets	<u>\$ 15,117,068</u>	<u>\$ 35,167,549</u>

C. Interfund Balances and Activity

Interfund receivable balances consist of cash deficits as of June 30, 2016. 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>	<u>Purpose</u>
General Fund	\$ 21,324	\$ -	Cash deficit
2014 Single Family Rehabilitation Loan Pool	-	21,324	
Total	<u>\$ 21,324</u>	<u>\$ 21,324</u>	

STANLY COUNTY, NORTH CAROLINA

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016**

Transfers to and from other funds at June 30, 2016 consist of the following:

	<u>Transfers</u>		<u>Purpose</u>
	<u>From</u>	<u>To</u>	
General Fund	\$ 658,690	\$ -	
Nonmajor governmental:			
Emergency Radio System Project Fund	-	254,325	Capital outlay support
Livestock Arena Construction Project	-	46,940	Capital outlay support
Major enterprise funds and capital projects:			
Airport Fund	-	268,517	Operating support
Airport Runway Design Project Fund	-	3,908	Close out project
West Stanly Waste Water Treatment Plant Fund	-	85,000	Capital outlay support
Nonmajor governmental:			
Stanly Community College Cosmetology Project	56,679	-	
General Fund	-	56,679	Capital outlay support
Enterprise Funds:			
Stanly County Utility Fund	21,000	-	
West Stanly Waste Water Treatment Plant Fund	-	21,000	Capital outlay support
Total	<u>\$ 736,369</u>	<u>\$ 736,369</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	\$ 22,617,068
Less:	
Prepaid items	73,666
Stabilization by State statute	<u>4,704,425</u>
Total available fund balance	<u>\$ 17,838,977</u>

STANLY COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2016

III. Joint Ventures

The County, in conjunction with Union, Cabarrus, and Rowan counties, participates in the Piedmont Area Mental Health Authority. The Authority is a joint venture established to provide the participating counties with legally mandated mental health services. The County has an ongoing financial responsibility for the Authority because the Authority's continued existence depends on the participating governments' continued funding. The County contributed \$206,196 to the Authority during the fiscal year ended June 30, 2016. 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, 2016. Complete financial statements for the Authority can be obtained from the Authority's administrative office at 245 LePhillip Court Northeast, Concord, North Carolina 28025.

The County, in conjunction with the State of North Carolina and the Stanly County Board of Education, participates in a joint venture to operate Stanly Community College. Stanly County appoints one member of the 13-member Board of Trustees. The Community College is included as a component unit of the State. The County has the basic responsibility for providing funding for facilities and also provides some financial support for operations. The County has an ongoing statutory financial responsibility to provide funding for the Community College. The County contributed \$1,376,374 for operating purposes and \$160,000 for capital during the fiscal year ended June 30, 2016. Completed financial statements for the Community College may be obtained from administrative offices at 141 College Drive, Albemarle, North Carolina 28001.

IV. Jointly Governed Organization

The County, in conjunction with eight other counties and twenty municipalities, participates in the Centralina Council of Governments (Council). The participating governments established the Council to coordinate various funding received from federal and State agencies. Each participating government appoints one member to the Council's governing board. The County paid membership fees of \$14,547 to the Council during the fiscal year ended June 30, 2016.

V. Summary Disclosure of Significant Contingencies

Federal and State-Assisted Programs

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

STANLY COUNTY, NORTH CAROLINA

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016**

VI. Benefit Payments Issued by the State

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

State and Federal Awards:	Federal	State
Medical Assistance Program	\$ 52,019,337	\$ 27,945,488
Special Supplemental Food Program for Women, Infants, and Children	1,268,414	-
Title IV-E Foster Care	88,757	18,941
Title IV-E Adoption Assistance	81,970	21,014
TANF/WorkFirst	499,261	-
Chafee Foster Care Independence Program	1,022	-
Children's Insurance Program - N.C. Health Choice	1,315,721	65,371
CWS Adopt Subsidy & Vendor	-	220,159
State/County Special Assistance for Adults	-	399,006
SFHF Maximization	-	24,765
State Foster Home	-	17,785
	<hr/>	<hr/>
Totals	<u>\$ 55,274,482</u>	<u>\$ 28,712,529</u>



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REQUIRED SUPPLEMENTARY FINANCIAL INFORMATION

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

- Schedule of Funding Progress for the Law Enforcement Officers' Special Separation Allowance
- Notes to Required Schedules for the Law Enforcement Officers' Special Separation Allowance
- Schedule of Funding Progress for the Other Post-Employment Benefits
- Schedule of Employer Contributions for the Other Post-Employment Benefits
- Notes to Required Schedules for the Other Post-Employment Benefits
- Proportionate Share of Net Pension Liability (Asset) for Local Government Employees' Retirement System
- Schedule of Employer Contributions for Local Government Employees' Retirement System
- Proportionate Share of Net Pension Liability (Asset) for Register of Deeds' Supplemental Pension Fund
- Schedule of Employer Contributions for Register of Deeds' Supplemental Pension Fund



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STANLY COUNTY, NORTH CAROLINA

**LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS
FOR THE YEAR ENDED JUNE 30, 2016**

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)
12/31/2010	\$ -	\$ 578,200	\$ 578,200	0.00%	\$ 1,926,552	30.01%
12/31/2011	-	539,648	539,648	0.00%	1,836,890	29.38%
12/31/2012	-	557,135	557,135	0.00%	1,872,824	29.75%
12/31/2013	-	575,926	575,926	0.00%	1,900,237	30.31%
12/31/2014	-	583,054	583,054	0.00%	2,046,317	28.49%
12/31/2015	-	967,725	967,725	0.00%	2,378,573	40.69%

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	12/31/2015
Actuarial cost method	Entry Age Normal
Amortization method	Level dollar closed
Remaining amortization period	15 years
Asset valuation method	Market value
Actuarial assumptions:	
Investment rate or return*	3.57%
Projected salary increases*	3.50 - 7.35%

*Includes inflation at cost of living adjustments	3.00% N/A
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STANLY COUNTY, NORTH CAROLINA

**OTHER POST-EMPLOYMENT BENEFITS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS
FOR THE YEAR ENDED JUNE 30, 2016**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Project Unit Credit (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/2011	\$ -	\$ 4,029,067	\$ 4,029,067	0.00%	\$ 15,707,007	25.7%
12/31/2013	-	4,471,018	4,471,018	0.00%	14,738,523	30.3%
12/31/2015	-	4,711,664	4,711,664	0.00%	15,933,029	29.6%

STANLY COUNTY, NORTH CAROLINA

**OTHER POST-EMPLOYMENT BENEFITS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER CONTRIBUTIONS
FOR THE YEAR ENDED JUNE 30, 2016**

Year Ended June 30	Annual Required Contribution	Percentage Contributed
2014	\$ 384,126	46.23%
2015	406,393	27.11%
2016	418,585	42.59%

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	12/31/2015
Actuarial cost method	Projected unit credit
Amortization method	Level percentage of pay, open
Remaining amortization period	30 years
Amortization factor	26.1695
Asset valuation method	Market value of assets
Actuarial assumptions:	
Investment rate of return*	4.00%
Medical trend assumptions	
Pre-Medicare trend rate	7.75 - 5.00%
Year of ultimate trend rate	2022
*Includes inflation at cost of living adjustments	3.00% N/A

STANLY COUNTY, NORTH CAROLINA
LOCAL GOVERNMENT EMPLOYEES' RETIREMENT SYSTEM
REQUIRED SUPPLEMENTARY INFORMATION
PROPORTIONATE SHARE OF NET PENSION LIABILITY (ASSET)
LAST THREE FISCAL YEARS

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Proportion of the net pension liability (asset) (%)	0.281%	0.272%	0.279%
Proportion of the net pension liability (asset) (\$)	\$ 1,259,226	\$ (1,602,930)	\$ 3,358,200
Covered-employee payroll	\$ 17,210,820	\$ 16,632,050	\$ 15,288,312
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	7.32%	-9.64%	21.97%
Plan fiduciary net position as a percentage of the total pension liability**	98.09%	102.64%	94.35%

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

STANLY COUNTY, NORTH CAROLINA

**LOCAL GOVERNMENT EMPLOYEES' RETIREMENT SYSTEM
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER CONTRIBUTIONS
LAST THREE FISCAL YEARS**

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 1,179,295	\$ 1,216,645	\$ 1,170,226
Contributions in relation to the contractually required contribution	<u>1,179,295</u>	<u>1,216,645</u>	<u>1,170,226</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	\$ 17,357,375	\$ 17,210,820	\$ 16,632,050
Contributions as a percentage of covered			

STANLY COUNTY, NORTH CAROLINA
REGISTER OF DEEDS' SUPPLEMENTAL PENSION FUND
REQUIRED SUPPLEMENTARY INFORMATION
PROPORTIONATE SHARE OF NET PENSION LIABILITY (ASSET)
LAST THREE FISCAL YEARS

	2016	2015	2014
Proportion of the net pension liability (asset) (%)	0.585%	0.552%	0.531%
Proportion of the net pension liability (asset) (\$)	\$ (135,524)	\$ (125,137)	\$ (113,505)
Covered-employee payroll	\$ 49,805	\$ 47,717	\$ 45,605
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	-272.11%	-262.25%	-248.89%
Plan fiduciary net position as a percentage of the total pension liability**	197.29%	193.88%	190.50%

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

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

STANLY COUNTY, NORTH CAROLINA

**REGISTER OF DEEDS' SUPPLEMENTAL PENSION FUND
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER CONTRIBUTIONS
LAST THREE FISCAL YEARS**

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 3,800	\$ 4,680	\$ 4,508
Contributions in relation to the contractually required contribution	<u>3,800</u>	<u>4,680</u>	<u>4,508</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	\$ 55,967	\$ 49,805	\$ 47,717
Contributions as a percentage of covered			



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GENERAL FUND

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



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STANLY COUNTY, NORTH CAROLINA

**GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2016**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Ad valorem property taxes:			
Ad valorem taxes		\$ 30,186,666	
Penalties and interest		371,009	
Total	\$ 29,897,619	30,557,675	\$ 660,056
Local option sales taxes:			
Sales tax article 39		3,264,496	
Sales tax article 40		2,777,959	
Sales tax article 42		2,191,176	
Sales tax article 44		550	
Medicaid Hold Harmless payment		33,721	
Total	7,600,000	8,267,902	667,902
Other taxes:			
Real property excise tax		167,941	
Solid waste		25,361	
Cable franchise tax		149,042	
Occupancy tax		278,951	
Other taxes		22,059	
Total	587,700	643,354	55,654
Intergovernmental revenues:			
Unrestricted intergovernmental:			
ABC profits	-	6,464	6,464
Restricted intergovernmental:			
Public safety		296,674	
Transportation		402,137	
Health		819,211	
Social services grants		6,914,575	
Senior and aging services		553,758	
Other federal and State grants		1,052,712	
EMS		1,992	
Total	9,686,394	10,041,059	354,665

STANLY COUNTY, NORTH CAROLINA

**GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2016**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Permits and fees:			
Recording fees		268,473	
Marriage license		8,546	
Building permits		626,298	
Concealed weapons permits		50,470	
Tech fees		16,454	
Zoning and planning permits		<u>33,830</u>	
Total	<u>749,284</u>	<u>1,004,071</u>	<u>254,787</u>
 Sales and services:			
Intergovernmental charges		167,161	
Sheriff and jail fees		775,628	
Ambulance fees		2,564,756	
Transportation		453,131	
Solid waste		872,758	
Health fees		2,584,021	
Rental and other charges		<u>316,016</u>	
Total	<u>7,726,377</u>	<u>7,733,471</u>	<u>7,094</u>
 Investment earnings:			
Earned interest	<u>90,000</u>	<u>95,894</u>	<u>5,894</u>
 Miscellaneous:			
Donations		111,502	
Rents		293,692	
Sale of assets		54,702	
Miscellaneous other		<u>412,078</u>	
Total	<u>671,639</u>	<u>871,974</u>	<u>200,335</u>
 Total revenues	<u>57,009,013</u>	<u>59,221,864</u>	<u>2,212,851</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, 2016**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Expenditures:			
General Government:			
Governing body:			
Salaries and employee benefits		132,881	
Operating expenditures		<u>96,988</u>	
Total		<u>229,869</u>	
Administration:			
Salaries and employee benefits		386,491	
Operating expenditures		<u>15,981</u>	
Total		<u>402,472</u>	
Finance department:			
Salaries and employee benefits		312,791	
Operating expenditures		<u>139,418</u>	
Total		<u>452,209</u>	
Tax assessor:			
Salaries and employee benefits		586,325	
Operating expenditures		<u>201,920</u>	
Total		<u>788,245</u>	
Tax revaluation:			
Salaries and employee benefits		323,983	
Operating expenditures		18,218	
Capital outlay		<u>18,484</u>	
Total		<u>360,685</u>	
County attorney:			
Salaries and employee benefits		149,776	
Operating expenditures		<u>13,740</u>	
Total		<u>163,516</u>	
Clerk of Court:			
Operating expenditures		<u>14,651</u>	
Judge's office:			
Operating expenditures		<u>958</u>	

STANLY COUNTY, NORTH CAROLINA

**GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2016**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Elections:			
Salaries and employee benefits		213,993	
Operating expenditures		172,349	
Capital outlay		<u>93,555</u>	
Total		<u>479,897</u>	
Register of Deeds:			
Salaries and employee benefits		217,482	
Operating expenditures		65,105	
Capital outlay		<u>19,624</u>	
Total		<u>302,211</u>	
Information technology:			
Salaries and employee benefits		324,338	
Operating expenditures		370,552	
Capital outlay		<u>3,330</u>	
Total		<u>698,220</u>	
Facilities management:			
Salaries and employee benefits		383,752	
Operating expenditures		<u>717,616</u>	
Total		<u>1,101,368</u>	
Total general government	<u>5,076,107</u>	<u>4,994,301</u>	<u>81,806</u>
Public Safety:			
Sheriff:			
Salaries and employee benefits		3,487,097	
Operating expenditures		465,919	
Capital outlay		<u>208,906</u>	
Total		<u>4,161,922</u>	
Jail:			
Salaries and employee benefits		1,696,683	
Operating expenditures		676,295	
Capital outlay		<u>11,452</u>	
Total		<u>2,384,430</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, 2016**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Office of juvenile justice:			
Operating expenditures		12,668	
Program expenditures		173,070	
Juvenile detention		<u>20,984</u>	
Total		<u>206,722</u>	
Emergency management:			
Salaries and employee benefits		2,668,705	
Operating expenditures		976,061	
Capital outlay		<u>985,022</u>	
Total		<u>4,629,788</u>	
Code enforcement:			
Salaries and employee benefits		314,643	
Operating expenditures		<u>25,143</u>	
Total		<u>339,786</u>	
Medical examiner:			
Contractual services		<u>36,500</u>	
Animal control:			
Salaries and employee benefits		246,680	
Operating expenditures		67,107	
Capital outlay		<u>23,876</u>	
Total		<u>337,663</u>	
911 communication service:			
Salaries and employee benefits		1,011,880	
Operating expenditures		353,859	
Capital outlay		<u>26,012</u>	
Total		<u>1,391,751</u>	
Reimbursements:			
From E-911 Fund		<u>(47,554)</u>	
Total public safety	<u>14,068,822</u>	<u>13,441,008</u>	<u>627,814</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, 2016**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Transportation:			
Salaries and employee benefits		752,562	
Operating expenditures		129,014	
Capital outlay		<u>56,735</u>	
Total transportation	<u>1,031,870</u>	<u>938,311</u>	<u>93,559</u>
Environmental Protection:			
Solid waste operations:			
Salaries and employee benefits		349,292	
Operating expenditures		750,547	
Capital outlay		<u>21,795</u>	
Total		<u>1,121,634</u>	
Fire forester:			
Contribution to other agency		<u>84,223</u>	
Soil and water conservation:			
Salaries and employee benefits		75,891	
Operating expenditures		<u>10,657</u>	
Total		<u>86,548</u>	
Total environmental protection	<u>1,298,964</u>	<u>1,292,405</u>	<u>6,559</u>
Economic and Physical Development:			
Economic development commission:			
Salaries and employee benefits		179,251	
Operating expenditures		<u>144,276</u>	
Total		<u>323,527</u>	
Occupancy tax-motel/hotel:			
To other municipalities		<u>226,607</u>	
Planning and zoning:			
Salaries and employee benefits		212,765	
Operating expenditures		<u>24,196</u>	
Total		<u>236,961</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, 2016**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Central permitting			
Salaries and employee benefits		163,218	
Operating expenditures		<u>22,247</u>	
Total		<u>185,465</u>	
Cooperative extension:			
Salaries and employee benefits		148	
Operating expenditures		<u>196,057</u>	
Total		<u>196,205</u>	
Special appropriation for economic development:			
Contribution for economic development		<u>275,000</u>	
Rocky River RPO:			
Salaries and employee benefits		98,888	
Operating expenditures		<u>10,041</u>	
Total		<u>108,929</u>	
Total economic and physical development	<u>1,774,080</u>	<u>1,552,694</u>	<u>221,386</u>
Human Services:			
Health:			
Salaries and employee benefits		1,952,603	
Operating expenditures		502,238	
Capital outlay		<u>12,290</u>	
Total		<u>2,467,131</u>	
Home health:			
Salaries and employee benefits		629,223	
Operating expenditures		<u>692,913</u>	
Total		<u>1,322,136</u>	
Dental clinic:			
Salaries and employee benefits		716,317	
Operating expenditures		145,003	
Capital outlay		<u>6,945</u>	
Total		<u>868,265</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, 2016**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Environmental health:			
Salaries and employee benefits		351,569	
Operating expenditures		43,829	
Capital outlay		<u>30,466</u>	
Total		<u>425,864</u>	
Mental health:			
Contributions to other agencies:			
Bottle surcharge		16,036	
Piedmont area mental health		<u>190,160</u>	
Total		<u>206,196</u>	
Social services:			
Salaries and employee benefits		4,934,805	
Operating expenditures		1,731,347	
Daycare and resident services		<u>2,082,967</u>	
Total		<u>8,749,119</u>	
In-home services:			
Salaries and employee benefits		174,989	
Operating expenditures		<u>236,412</u>	
Total		<u>411,401</u>	
Nutrition:			
Salaries and employee benefits		113,656	
Operating expenditures		<u>291,035</u>	
Total		<u>404,691</u>	
I&A/Transportation:			
Salaries and employee benefits		62,900	
Operating expenditures		<u>133,257</u>	
Total		<u>196,157</u>	
Family Caregiver Support Program:			
Operating expenditures		<u>23,871</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, 2016**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Senior services:			
Salaries and employee benefits		206,752	
Operating expenditures		<u>261,040</u>	
Total		<u>467,792</u>	
Veterans services:			
Salaries and employee benefits		58,965	
Operating expenditures		2,508	
Veterans Association		<u>2,000</u>	
Total		<u>63,473</u>	
Total human services	<u>16,610,835</u>	<u>15,606,096</u>	<u>1,004,739</u>
Education:			
Stanly County Public Schools:			
Current expenditures		10,113,243	
Capital outlay		<u>2,062,000</u>	
Total		<u>12,175,243</u>	
Stanly Community College:			
Current expenditures		1,376,374	
Capital outlay		<u>160,000</u>	
Total		<u>1,536,374</u>	
Total education	<u>13,717,546</u>	<u>13,711,617</u>	<u>5,929</u>
Cultural and Recreation:			
Library:			
Salaries and employee benefits		847,384	
Operating expenditures		307,818	
Capital outlay		<u>3,979</u>	
Total		<u>1,159,181</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, 2016**

	Final Budget	Actual	Variance Over/Under
Agriculture Civic Center:			
Salaries and employee benefits		145,565	
Operating expenditures		158,347	
Total		303,912	
 Total cultural and recreation	1,571,343	1,463,093	108,250
 Debt Service:			
Principal		3,409,657	
Interest and fees		1,023,881	
Total debt service	4,433,702	4,433,538	164
 Contingency	264,580	-	264,580
 Total expenditures	59,847,849	57,433,063	2,414,786
 Revenues over (under) expenditures	(2,838,836)	1,788,801	4,627,637
 Other Financing Sources (Uses):			
Transfers (to):			
Enterprise Funds	(375,221)	(357,425)	(17,796)
Capital Project Funds	(301,265)	(301,265)	-
Transfers from:			
Internal Service Fund	300,000	-	300,000
Capital Project Fund	-	56,679	(56,679)
Installment debt issued	1,136,086	1,136,086	-
Appropriated fund balance	2,079,236	-	2,079,236
Total other financing sources (uses)	2,838,836	534,075	(2,304,761)
 Net change in fund balance	\$ -	2,322,876	\$ 2,322,876
 Fund Balance:			
Beginning of year - July 1		20,294,192	
End of year - June 30		\$ 22,617,068	

NONMAJOR GOVERNMENTAL FUNDS

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

Individual Fund Descriptions:

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

STANLY COUNTY, NORTH CAROLINA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2016

	Special Revenue Funds					
	Emergency Telephone System Fund	Fire Districts Fund	2014 Single Family Rehabilitation Loan Pool	2011 Single Family Rehabilitation Program	2012 Urgent Repair Program	CDBG 2012 Scattered Site Housing Project
Assets:						
Cash and cash equivalents	\$ 29,828	\$ 33,862	\$ -	\$ 12,966	\$ 8,692	\$ 134
Taxes receivable, net	-	83,539	-	-	-	-
Accounts receivable	47,257	-	21,324	-	-	-
Restricted cash and cash equivalents	-	-	-	-	-	-
Total assets	<u>\$ 77,085</u>	<u>\$ 117,401</u>	<u>\$ 21,324</u>	<u>\$ 12,966</u>	<u>\$ 8,692</u>	<u>\$ 134</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances:						
Liabilities:						
Accounts payable and accrued liabilities	\$ 6,796	\$ 33,862	\$ -	\$ -	\$ -	\$ 134
Interfund payables	-	-	21,324	-	-	-
Liabilities to be paid from restricted assets:						
Accounts payable	-	-	-	-	-	-
Total liabilities	<u>6,796</u>	<u>33,862</u>	<u>21,324</u>	<u>-</u>	<u>-</u>	<u>134</u>
Deferred Inflows of Resources:						
Unavailable revenue - property taxes	-	83,539	-	-	-	-
Fund Balances:						
Restricted						
Stabilization by State statute	47,257	-	21,324	-	-	-
Restricted for public safety	23,032	-	-	-	-	-
Restricted for economic and physical development	-	-	-	12,966	8,692	-
Restricted for education	-	-	-	-	-	-
Committed for public safety	-	-	-	-	-	-
Unassigned	-	-	(21,324)	-	-	-
Total fund balances	<u>70,289</u>	<u>-</u>	<u>-</u>	<u>12,966</u>	<u>8,692</u>	<u>-</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 77,085</u>	<u>\$ 117,401</u>	<u>\$ 21,324</u>	<u>\$ 12,966</u>	<u>\$ 8,692</u>	<u>\$ 134</u>

STANLY COUNTY, NORTH CAROLINA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2016

	Special	Capital Project Funds				Total Nonmajor Governmental Funds
	Revenue Funds	Tarheel Challenge Academy Project	Emergency Radio System Project	SCC Cosmetology Project	Livestock Arena Construction Project	
	2014 Urgent Repair Program					
Assets:						
Cash and cash equivalents	\$ -	\$ -	\$ 397,390	\$ -	\$ -	\$ 482,872
Taxes receivable, net	-	-	-	-	-	83,539
Accounts receivable	-	-	-	-	-	68,581
Restricted cash and cash equivalents	-	228,363	-	234,334	-	462,697
Total assets	\$ -	\$ 228,363	\$ 397,390	\$ 234,334	\$ -	\$ 1,097,689
Liabilities, Deferred Inflows of Resources, and Fund Balances:						
Liabilities:						
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 40,792
Interfund payables	-	-	-	-	-	21,324
Liabilities to be paid from restricted assets:						
Accounts payable	-	27,907	-	24,462	-	52,369
Total liabilities	-	27,907	-	24,462	-	114,485
Deferred Inflows of Resources:						
Unavailable revenue - property taxes	-	-	-	-	-	83,539
Fund Balances:						
Restricted						
Stabilization by State statute	-	-	-	-	-	68,581
Restricted for public safety	-	-	-	-	-	23,032
Restricted for economic and physical development	-	-	-	-	-	21,658
Restricted for education	-	200,456	-	209,872	-	410,328
Committed	-	-	397,390	-	-	397,390
Unassigned	-	-	-	-	-	(21,324)
Total fund balances	-	200,456	397,390	209,872	-	899,665
Total liabilities, deferred inflows of resources, and fund balances	\$ -	\$ 228,363	\$ 397,390	\$ 234,334	\$ -	\$ 1,097,689

STANLY COUNTY, NORTH CAROLINA

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2016

	Special Revenue Funds					
	Emergency Telephone System Fund	Fire Districts Fund	2014 Single Family Rehabilitation Loan Pool	2011 Single Family Rehabilitation Program	2012 Urgent Repair Program	CDBG 2012 Scattered Site Housing Project
Revenues:						
Ad valorem taxes	\$ -	\$ 2,392,833	\$ -	\$ -	\$ -	\$ -
Restricted intergovernmental	-	-	115,688	-	-	128,617
Sales and services	567,083	-	-	-	-	-
Investment earnings	43	-	-	-	26	-
Total revenues	<u>567,126</u>	<u>2,392,833</u>	<u>115,688</u>	<u>-</u>	<u>26</u>	<u>128,617</u>
Expenditures:						
Current:						
General government	-	40,212	-	-	-	-
Public safety	541,387	2,352,621	-	-	-	-
Economic and physical development	-	-	115,688	92	-	128,617
Culture and recreation	-	-	-	-	-	-
Education	-	-	-	-	-	-
Total expenditures	<u>541,387</u>	<u>2,392,833</u>	<u>115,688</u>	<u>92</u>	<u>-</u>	<u>128,617</u>
Revenues over (under) expenditures	<u>25,739</u>	<u>-</u>	<u>-</u>	<u>(92)</u>	<u>26</u>	<u>-</u>
Other Financing Sources (Uses):						
Transfers out	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Installment debt issued	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	25,739	-	-	(92)	26	-
Fund Balances:						
Beginning of year - July 1	<u>44,550</u>	<u>-</u>	<u>-</u>	<u>13,058</u>	<u>8,666</u>	<u>-</u>
End of year - June 30	<u>\$ 70,289</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,966</u>	<u>\$ 8,692</u>	<u>\$ -</u>

STANLY COUNTY, NORTH CAROLINA

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2016

	Special	Capital Project Funds				Total Nonmajor Governmental Funds
	Revenue Funds	Tarheel Challenge Academy Project	Emergency Radio System Project	SCC Cosmetology Project	Livestock Arena Construction Project	
	2014 Urgent Repair Program					
Revenues:						
Ad valorem taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,392,833
Restricted intergovernmental	3,836	-	-	-	-	248,141
Sales and services	-	-	-	-	-	567,083
Investment earnings	29	-	-	-	-	98
Total revenues	<u>3,865</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,208,155</u>
Expenditures:						
Current:						
General government	-	-	-	-	-	40,212
Public safety	-	-	401,248	-	-	3,295,256
Economic and physical development	53,955	-	-	-	-	298,352
Culture and recreation	-	-	-	-	46,940	46,940
Education	-	324,380	-	1,965,449	-	2,289,829
Total expenditures	<u>53,955</u>	<u>324,380</u>	<u>401,248</u>	<u>1,965,449</u>	<u>46,940</u>	<u>5,970,589</u>
Revenues over (under) expenditures	<u>(50,090)</u>	<u>(324,380)</u>	<u>(401,248)</u>	<u>(1,965,449)</u>	<u>(46,940)</u>	<u>(2,762,434)</u>
Other Financing Sources (Uses):						
Transfers out	-	-	-	(56,679)	-	(56,679)
Transfers in	-	-	254,325	-	46,940	301,265
Installment debt issued	-	-	-	2,232,000	-	2,232,000
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>254,325</u>	<u>2,175,321</u>	<u>46,940</u>	<u>2,476,586</u>
Net change in fund balances	(50,090)	(324,380)	(146,923)	209,872	-	(285,848)
Fund Balances:						
Beginning of year - July 1	<u>50,090</u>	<u>524,836</u>	<u>544,313</u>	<u>-</u>	<u>-</u>	<u>1,185,513</u>
End of year - June 30	<u>\$ -</u>	<u>\$ 200,456</u>	<u>\$ 397,390</u>	<u>\$ 209,872</u>	<u>\$ -</u>	<u>\$ 899,665</u>



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BUDGETARY INFORMATION – GOVERNMENTAL FUNDS

Special revenue funds and capital project funds' budget and actual results for Fiscal Year June 30, 2016:

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.
- **2014 Single Family Rehabilitation Loan Pool** – accounts for the funds designated for housing improvements.
- **2011 Single Family Rehabilitation Program** – accounts for the funds designated for housing improvements.
- **2012 Urgent Repair Program** – accounts for the funds designated for urgent housing repairs.
- **CDBG 2012 Scattered Site Housing Project** – accounts for the funds designated for housing improvements.
- **2014 Urgent Repair Program** – accounts for the funds designated for housing improvements.
- **Tarheel Challenge Academy Project** – accounts for the funds and activities of the construction of the academy.
- **Emergency Radio System Project** – accounts for the funds and activities of the acquisition and construction of the County's new emergency radio system.
- **SCC Cosmetology Project** – accounts for the funds designated for the construction of a new cosmetology facilities Stanly Community College.
- **Livestock Arena Construction Project** – accounts for the funds designated for the construction of a new livestock arena at the Agriculture Civic Center.



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STANLY COUNTY, NORTH CAROLINA

**EMERGENCY TELEPHONE SYSTEM FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2016**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Charges - surcharge	\$ 567,083	\$ 567,083	\$ -
Investment earnings	-	43	43
Total revenues	<u>567,083</u>	<u>567,126</u>	<u>43</u>
Expenditures:			
Implemental functions	47,797	47,554	243
Telephone	188,531	180,592	7,939
Software and software maintenance	51,042	49,721	1,321
Hardware and hardware maintenance	110,597	74,276	36,321
Training	7,500	3,123	4,377
Capital outlay	189,616	186,121	3,495
S.L. 2010-158 expenditures (50%)	<u>2,000</u>	<u>-</u>	<u>2,000</u>
Total expenditures	<u>597,083</u>	<u>541,387</u>	<u>55,696</u>
Revenues over (under) expenditures	(30,000)	25,739	55,739
Other Financing Sources (Uses):			
Appropriated fund balance	<u>30,000</u>	<u>-</u>	<u>(30,000)</u>
Net change in fund balance	<u>\$ -</u>	25,739	<u>\$ 25,739</u>
Fund Balance:			
Beginning of year - July 1		<u>44,550</u>	
End of year - June 30		<u>\$ 70,289</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, 2016

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Ad valorem taxes:			
Current year	\$ 2,320,698	\$ 2,336,489	\$ 15,791
Prior years	67,500	56,344	(11,156)
Total revenues	<u>2,388,198</u>	<u>2,392,833</u>	<u>4,635</u>
Expenditures:			
Administration fees:			
Tax collection fees	30,000	30,708	(708)
NCDMV tax processing fees	9,000	9,504	(504)
Public safety:			
West Stanly Fire District	617,030	611,783	5,247
Center Fire District	314,000	319,956	(5,956)
Endy Fire District	116,000	115,112	888
Ridgecrest Fire District	145,650	146,510	(860)
Aquadale Fire District	146,000	146,802	(802)
Eastside Fire District	186,000	185,412	588
Oakboro Fire District	80,500	80,446	54
New London Fire District	198,500	199,154	(654)
Southside Fire District	102,500	102,660	(160)
Bethany Fire District	77,338	77,270	68
Richfield Fire District	118,950	120,185	(1,235)
Millingport Fire District	102,250	102,402	(152)
Norwood Special Fire District	15,000	15,969	(969)
Badin-Yakin Fire District	129,480	128,960	520
Total expenditures	<u>2,388,198</u>	<u>2,392,833</u>	<u>(4,635)</u>
Net change in fund balance	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund Balance:			
Beginning of year - July 1		-	
End of year - June 30		<u>\$ -</u>	

STANLY COUNTY, NORTH CAROLINA

2014 SINGLE FAMILY REHABILITATION LOAN POOL
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL
 FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2016

	Project Authorization	Actual		Total to Date	Variance Over/Under
		Prior Years	Current Year		
Revenues:					
Restricted intergovernmental:					
SFR Program Grant	\$ 170,000	\$ -	\$ 115,688	\$ 115,688	\$ (54,312)
Expenditures:					
Rehabilitation	170,000	-	115,688	115,688	54,312
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>	<u>\$ -</u>
Fund Balance:					
Beginning of year - July 1			-		
End of year - June 30			<u>\$ -</u>		

STANLY COUNTY, NORTH CAROLINA

2011 SINGLE FAMILY REHABILITATION PROGRAM
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL
 FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2016

	Project Authorization	Actual			Variance Over/Under
		Prior Years	Current Year	Total to Date	
Revenues:					
Restricted intergovernmental:					
SFR Program Grant	\$ 221,761	\$ 221,761	\$ -	\$ 221,761	\$ -
SFR Program income	19,025	19,025	-	19,025	-
Total revenues	<u>240,786</u>	<u>240,786</u>	<u>-</u>	<u>240,786</u>	<u>-</u>
Expenditures:					
Rehabilitation	201,273	187,615	92	187,707	13,566
Administration	39,513	40,113	-	40,113	(600)
Total expenditures	<u>240,786</u>	<u>227,728</u>	<u>92</u>	<u>227,820</u>	<u>12,966</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 13,058</u>	(92)	<u>\$ 12,966</u>	<u>\$ 12,966</u>
Fund Balance:					
Beginning of year - July 1			<u>13,058</u>		
End of year - June 30			<u>\$ 12,966</u>		

STANLY COUNTY, NORTH CAROLINA

2012 URGENT REPAIR PROGRAM
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL
 FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2016

	Project Authorization	Prior Years	Actual		Total to Date	Variance Over/Under
			Current Year			
Revenues:						
Restricted intergovernmental:						
2012 Urgent Repair Program Grant	\$ 75,000	\$ 75,000	\$ -		\$ 75,000	\$ -
Investment earnings	<u>220</u>	<u>217</u>	<u>26</u>		<u>243</u>	<u>23</u>
Total revenues	<u>75,220</u>	<u>75,217</u>	<u>26</u>		<u>75,243</u>	<u>23</u>
Expenditures:						
Rehabilitation	<u>75,220</u>	<u>66,551</u>	<u>-</u>		<u>66,551</u>	<u>8,669</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 8,666</u>	26		<u>\$ 8,692</u>	<u>\$ 8,692</u>
Fund Balance:						
Beginning of year - July 1			<u>8,666</u>			
End of year - June 30			<u>\$ 8,692</u>			

STANLY COUNTY, NORTH CAROLINA

COMMUNITY DEVELOPMENT BLOCK GRANT
 2012 SCATTERED SITE HOUSING PROJECT
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL
 FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2016

	<u>Project Authorization</u>	<u>Actual</u>			<u>Variance Over/Under</u>
		<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>	
Revenues:					
Restricted intergovernmental:					
CDBG Scattered Site Housing	\$ 225,000	\$ 74,574	\$ 128,617	\$ 203,191	\$ (21,809)
Expenditures:					
Rehabilitation	202,500	45,820	128,359	174,179	28,321
Administration	22,500	28,754	258	29,012	(6,512)
Total expenditures	225,000	74,574	128,617	203,191	21,809
Net change in fund balance	\$ -	\$ -	-	\$ -	\$ -
Fund Balance:					
Beginning of year - July 1			-		
End of year - June 30			\$ -		

STANLY COUNTY, NORTH CAROLINA

2014 URGENT REPAIR PROGRAM
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL
 FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2016

	<u>Project Authorization</u>	<u>Actual</u>			<u>Variance Over/Under</u>
		<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>	
Revenues:					
Restricted intergovernmental:					
2014 Urgent Repair Program Grant	\$ 100,000	\$ 50,000	\$ 3,836	\$ 53,836	\$ (46,164)
Investment earnings	-	90	29	119	119
Total revenues	<u>100,000</u>	<u>50,090</u>	<u>3,865</u>	<u>53,955</u>	<u>(46,045)</u>
Expenditures:					
Rehabilitation	<u>100,000</u>	-	<u>53,955</u>	<u>53,955</u>	<u>46,045</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 50,090</u>	<u>(50,090)</u>	<u>\$ -</u>	<u>\$ -</u>
Fund Balance:					
Beginning of year - July 1			<u>50,090</u>		
End of year - June 30			<u>\$ -</u>		

STANLY COUNTY, NORTH CAROLINA

**TARHEEL CHALLENGE ACADEMY PROJECT
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL
 FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2016**

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance Over/Under
Revenues:					
Restricted intergovernmental:					
NC Office of Management and Budget	\$ 3,092,000	\$ 3,092,000	\$ -	\$ 3,092,000	\$ -
Expenditures:					
Professional services	309,200	264,370	4,962	269,332	39,868
Construction	2,782,800	2,302,794	319,418	2,622,212	160,588
Total expenditures	<u>3,092,000</u>	<u>2,567,164</u>	<u>324,380</u>	<u>2,891,544</u>	<u>200,456</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 524,836</u>	(324,380)	<u>\$ 200,456</u>	<u>\$ 200,456</u>
Fund Balance:					
Beginning of year - July 1			<u>524,836</u>		
End of year - June 30			<u>\$ 200,456</u>		

STANLY COUNTY, NORTH CAROLINA

**EMERGENCY RADIO SYSTEM PROJECT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2016**

	<u>Project Authorization</u>	<u>Actual</u>		<u>Total to Date</u>	<u>Variance Over/Under</u>
		<u>Prior Years</u>	<u>Current Year</u>		
Expenditures:					
Professional services	\$ 77,000	\$ 76,572	\$ 1,548	\$ 78,120	\$ (1,120)
Construction	8,160,762	7,386,288	399,700	7,785,988	374,774
Land purchases	75,000	50,760	-	50,760	24,240
Interest expense	330,000	326,861	-	326,861	3,139
Total expenditures	<u>8,642,762</u>	<u>7,840,481</u>	<u>401,248</u>	<u>8,241,729</u>	<u>401,033</u>
Revenues over (under) expenditures	<u>(8,642,762)</u>	<u>(7,840,481)</u>	<u>(401,248)</u>	<u>(8,241,729)</u>	<u>401,033</u>
Other financing sources (uses):					
Transfer from General Fund	605,000	347,033	254,325	601,358	(3,642)
Debt issued	<u>8,037,762</u>	<u>8,037,761</u>	<u>-</u>	<u>8,037,761</u>	<u>(1)</u>
Total other financing sources (uses)	<u>8,642,762</u>	<u>8,384,794</u>	<u>254,325</u>	<u>8,639,119</u>	<u>(3,643)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 544,313</u>	<u>(146,923)</u>	<u>\$ 397,390</u>	<u>\$ 397,390</u>
Fund Balance:					
Beginning of year - July 1			<u>544,313</u>		
End of year - June 30			<u>\$ 397,390</u>		

STANLY COUNTY, NORTH CAROLINA

STANLY COMMUNITY COLLEGE COSMETOLOGY PROJECT
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL
 FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2016

	Project Authorization	Actual		Total to Date	Variance Over/Under
		Prior Years	Current Year		
Expenditures:					
Professional services	\$ 73,000	\$ 21,679	\$ 50,106	\$ 71,785	\$ 1,215
Construction	2,159,000	35,000	1,915,343	1,950,343	208,657
Total expenditures	<u>2,232,000</u>	<u>56,679</u>	<u>1,965,449</u>	<u>2,022,128</u>	<u>209,872</u>
Revenues over (under) expenditures	<u>(2,232,000)</u>	<u>(56,679)</u>	<u>(1,965,449)</u>	<u>(2,022,128)</u>	<u>209,872</u>
Other Financing Sources (Uses):					
Debt issued	2,232,000	-	2,232,000	2,232,000	-
Transfer from General Fund	56,679	56,679	-	56,679	-
Transfer to General Fund	<u>(56,679)</u>	<u>-</u>	<u>(56,679)</u>	<u>(56,679)</u>	<u>-</u>
Total other financing sources (uses)	<u>2,232,000</u>	<u>56,679</u>	<u>2,175,321</u>	<u>2,232,000</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	209,872	<u>\$ 209,872</u>	<u>\$ 209,872</u>
Fund Balance:					
Beginning of year - July 1			-		
End of year - June 30			<u>\$ 209,872</u>		

STANLY COUNTY, NORTH CAROLINA

LIVESTOCK ARENA CONSTRUCTION PROJECT
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL
 FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2016

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Actual Current Year</u>	<u>Total to Date</u>	<u>Variance Over/Under</u>
Expenditures:					
Professional services	\$ 75,000	\$ -	\$ 46,940	\$ 46,940	\$ 28,060
Other Financing Sources:					
Transfer from General Fund	75,000	-	46,940	46,940	28,060
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>	<u>\$ -</u>
Fund Balance:					
Beginning of year - July 1			-		
End of year - June 30			<u>\$ -</u>		



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



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STANLY COUNTY, NORTH CAROLINA

**MAJOR ENTERPRISE FUND
GREATER BADIN WATER AND SEWER DISTRICT FUND
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP)
FOR THE YEAR ENDED JUNE 30, 2016**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Operating revenues:			
Charges for services:			
Water sales		\$ 256,720	
Sewer charges		180,926	
Industrial sewer charges		40,143	
Taps and connection fees		1,039	
Other operating revenues		<u>1,305</u>	
Total operating revenues		<u>480,133</u>	
Non-operating revenues:			
Interest on investments		<u>1,658</u>	
Total revenues	<u>\$ 491,200</u>	<u>481,791</u>	<u>\$ (9,409)</u>
Expenditures:			
Administration:			
Contracted services		<u>61,805</u>	
Debt service:			
State loan principal paid		22,731	
Interest expense		<u>2,956</u>	
Total debt service		<u>25,687</u>	
Distribution and maintenance:			
Contracted services		92,572	
Operating expenditures		62,214	
Repairs and maintenance		40,565	
Water purchases		<u>200,584</u>	
Total distribution and maintenance		<u>395,935</u>	
Total expenditures	<u>513,200</u>	<u>483,427</u>	<u>29,773</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, 2016**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues over (under) expenditures	(22,000)	(1,636)	20,364
Other Financing Sources (Uses):			
Appropriated fund balance	143,159	-	(143,159)
Transfers in (out)	(121,159)	-	121,159
Total other financing sources (uses)	<u>22,000</u>	<u>-</u>	<u>(22,000)</u>
Revenues and other financing sources (uses) over (under) expenditures and other financing uses	<u>\$ -</u>	<u>(1,636)</u>	<u>\$ (1,636)</u>
Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual:			
Reconciling items:			
Debt principal		22,731	
Depreciation		(123,902)	
(Increase) decrease in accrued interest payable		198	
Capital contribution		<u>1,102,943</u>	
Total reconciling items		<u>1,001,970</u>	
Change in net position		<u>\$ 1,000,334</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, 2016

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Operating revenues:			
Charges for services:			
Water sales		\$ 155,801	
Taps and connection fees		850	
Other operating revenues		<u>162</u>	
Total operating revenues		<u>156,813</u>	
Non-operating revenues:			
Interest on investments		<u>857</u>	
Total revenues	<u>\$ 141,950</u>	<u>157,670</u>	<u>\$ 15,720</u>
Expenditures:			
Administration:			
Contracted services		<u>80,000</u>	
Distribution and maintenance:			
Operating expenditures		1,561	
Water purchases		<u>54,508</u>	
Total distribution and maintenance		<u>56,069</u>	
Total expenditures	<u>141,950</u>	<u>136,069</u>	<u>5,881</u>
Revenues and other financing sources (uses) over (under) expenditures and other financing uses	<u>\$ -</u>	21,601	<u>\$ 21,601</u>
Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual:			
Reconciling items:			
Depreciation		<u>(1,460)</u>	
Change in net position		<u>\$ 20,141</u>	

STANLY COUNTY, NORTH CAROLINA

**MAJOR ENTERPRISE FUND
WEST STANLY WASTE WATER TREATMENT PLANT FUND
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP)
FOR THE YEAR ENDED JUNE 30, 2016**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Operating revenues:			
Charges for services:			
Sewer sales		\$ 569,275	
Other operating revenues		<u>10,165</u>	
Total operating revenues		<u>579,440</u>	
Total revenues	<u>\$ 569,400</u>	<u>579,440</u>	<u>\$ 10,040</u>
Expenditures:			
Administration:			
Contracted services		<u>20,000</u>	
Debt Service:			
Principal		169,250	
Interest		<u>36,563</u>	
Total debt service		<u>205,813</u>	
Distribution and maintenance:			
Operating expenditures		134,656	
Repairs and maintenance		86,601	
Salaries and benefits		103,896	
Capital outlay		26,271	
Contracted services		<u>63,824</u>	
Total distribution and maintenance		<u>415,248</u>	
Total expenditures	<u>675,400</u>	<u>641,061</u>	<u>34,339</u>
Revenues over (under) expenditures	<u>(106,000)</u>	<u>(61,621)</u>	<u>44,379</u>
Other Financing Sources (Uses):			
Transfers in from General Fund	85,000	85,000	-
Transfers in from Utility Fund	<u>21,000</u>	<u>21,000</u>	-
Total other financing sources (uses)	<u>106,000</u>	<u>106,000</u>	<u>-</u>

STANLY COUNTY, NORTH CAROLINA

**MAJOR ENTERPRISE FUND
WEST STANLY WASTE WATER TREATMENT PLANT FUND
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP)
FOR THE YEAR ENDED JUNE 30, 2016**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues and other financing sources (uses) over (under) expenditures and other financing uses	<u>\$ -</u>	<u>44,379</u>	<u>\$ 44,379</u>
Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual:			
Reconciling items:			
Debt principal		169,250	
Capital outlay		26,271	
Depreciation		(183,386)	
Increase (decrease) in net pension asset		(5,771)	
Increase (decrease) in deferred outflows of resources - pensions		289	
(Increase) decrease in deferred inflows of resources - pensions		12,359	
(Increase) decrease in net pension liability		(5,105)	
(Increase) decrease in accrued interest payable		78	
(Increase) decrease in other post-employment benefits		(5,977)	
(Increase) decrease in compensated absences		<u>(2,654)</u>	
Total reconciling items		<u>5,354</u>	
Change in net position		<u>\$ 49,733</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, 2016**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Operating revenues:			
Charges for services:			
Water sales		\$ 2,487,578	
Sewer charges		558,609	
Taps and connection fees		63,532	
Other operating revenues		<u>15,378</u>	
Total operating revenues		<u>3,125,097</u>	
Non-operating revenues:			
Interest on investments		3,891	
Administrative charges		262,544	
Miscellaneous		<u>36,306</u>	
Total non-operating revenues		<u>302,741</u>	
Total revenues	<u>\$ 3,101,071</u>	<u>3,427,838</u>	<u>\$ 326,767</u>
Expenditures:			
Administration:			
Salaries and employee benefits		341,774	
Operating expenditures		<u>71,780</u>	
Total administration		<u>413,554</u>	
Debt service:			
State loan principal paid		30,525	
Interest expense		<u>2,908</u>	
Total debt service		<u>33,433</u>	
Distribution and maintenance:			
Salaries and employee benefits		549,110	
Operating expenditures		708,147	
Repairs and maintenance		226,088	
Water purchases		1,118,009	
Capital outlay		<u>32,655</u>	
Total distribution and maintenance		<u>2,634,009</u>	
Total expenditures	<u>3,080,071</u>	<u>3,080,996</u>	<u>(925)</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, 2016

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues over (under) expenditures	21,000	346,842	325,842
Other Financing Sources (Uses):			
Transfers (out)	(21,000)	(21,000)	-
Intrafund transfers	(70,977)	(56,097)	14,880
Appropriated fund balance	<u>70,977</u>	<u>-</u>	<u>(70,977)</u>
Total other financing sources (uses)	<u>(21,000)</u>	<u>(77,097)</u>	<u>(56,097)</u>
Revenues and other financing sources (uses) over (under) expenditures and other financing uses	<u>\$ -</u>	<u>269,745</u>	<u>\$ 269,745</u>

Reconciliation from Budgetary Basis (Modified Accrual)

to Full Accrual:

Reconciling items:

Debt principal	30,525
Capital outlay	32,655
Depreciation	(662,271)
Capital contribution	62,882
Increase (decrease) in net pension asset	(53,538)
Increase (decrease) in deferred outflows of resources - pensions	2,350
(Increase) decrease in deferred inflows of resources - pensions	100,494
(Increase) decrease in net pension liability	(34,903)
(Increase) decrease in accrued interest payable	(548)
(Increase) decrease in other post-employment benefits	19,907
(Increase) decrease in compensated absences	8,737
Intrafund transfers to Alonzo Road Water Meter Project	<u>56,097</u>
Total reconciling items	<u>(437,613)</u>
Change in net position	<u>\$ (167,868)</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, 2016**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Operating revenues:			
Sales and services:			
Fuel and oil sales		\$ 346,718	
Tie-down fees		1,500	
Hangar rental		54,513	
Franchise		4,500	
Miscellaneous		<u>24,958</u>	
Total operating revenues	<u>\$ 477,170</u>	<u>432,189</u>	<u>\$ (44,981)</u>
Non-operating revenues:			
Interest on investments		66	
Capital contributions		<u>7,192</u>	
Total non-operating revenues	<u>150,100</u>	<u>7,258</u>	<u>(142,842)</u>
Total revenues	<u>627,270</u>	<u>439,447</u>	<u>(187,823)</u>
Expenditures:			
Administration and operations:			
Salaries and employee benefits		276,373	
Operating expenditures		130,795	
Repairs and maintenance		40,586	
Purchases for resale		246,162	
Capital outlay		<u>7,991</u>	
Total administration and operations	<u>895,787</u>	<u>701,907</u>	<u>193,880</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, 2016**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues over (under) expenditures	(268,517)	(262,460)	6,057
Other Financing Sources (Uses):			
Transfer in from the General Fund	<u>268,517</u>	<u>268,517</u>	<u>-</u>
Revenues and other financing sources (uses) over (under) expenditures and other financing uses	<u>\$ -</u>	<u>6,057</u>	<u>\$ 6,057</u>

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

Reconciling items:

Depreciation	(1,225,817)
Increase (decrease) in net pension asset	(18,594)
Increase (decrease) in deferred outflows of resources - pensions	821
(Increase) decrease in deferred inflows of resources - pensions	35,124
(Increase) decrease in net pension liability	(12,317)
(Increase) decrease in other post-employment benefits	3,198
(Increase) decrease in compensated absences	340
Interfund transfer to project from General Fund	<u>3,908</u>
Total reconciling items	<u>(1,213,337)</u>

Change in net position	<u>\$ (1,207,280)</u>
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BUDGETED PROJECT FUNDS

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

Individual Project Descriptions:

Greater Badin Water and Sewer District Fund:

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

West Stanly Waste Water Treatment Plant Fund:

- **West Stanly WWTP Rehabilitation Project** – accounts for the revenues and expenses for the construction and rehabilitation of wastewater infrastructure associated with West Stanly WWTP and McCoy Creek Pump Station.

Stanly County Utility Fund:

- **Albemarle to Highway 200 Water Project Fund** – accounts for the revenues and expenses for the extension of a water line along Highway 200.
- **Cottonville Road NC DOT Waterline Relocation Project** – accounts for the revenues and expenses for waterline relocation on Cottonville Rd.
- **Airport Road Corridor Wastewater Collections System Project** – accounts for the revenues and expenses for the construction of enhanced wastewater collection system infrastructure to serve along Airport Road.
- **Alonzo Road Meter Project** – accounts for the revenues and expenses for the construction of water infrastructure to serve the Stanly County Utilities water system

Airport Fund:

- **Airport Runway Design Project Fund** – accounts for the revenues and expenses for extensions made to the airport runway.
- **Airport Taxilane Rehabilitation Project** – accounts for the revenues and expenses for rehabilitation of the taxilane.



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STANLY COUNTY, NORTH CAROLINA

BADIN WATER REHAB PROJECT PART A
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP)
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2016

	Project Authorization	Actual			Variance Over/Under
	Prior Years	Current Year	Total to Date		
Revenues:					
Restricted Intergovernmental:					
USDA Grant	\$ 700,600	\$ -	\$ -	\$ -	\$ (700,600)
Expenditures:					
Construction	2,526,759	603,904	1,264,095	1,867,999	658,760
Professional services	329,010	128,160	154,664	282,824	46,186
Land	<u>2,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,000</u>
Total expenditures	<u>2,857,769</u>	<u>732,064</u>	<u>1,418,759</u>	<u>2,150,823</u>	<u>706,946</u>
Revenues over (under) expenditures	<u>(2,157,169)</u>	<u>(732,064)</u>	<u>(1,418,759)</u>	<u>(2,150,823)</u>	<u>6,346</u>
Other Financing Sources (Uses):					
Transfer from Greater Badin Fund	25,169	-	-	-	(25,169)
Bond anticipation note issued	<u>2,132,000</u>	<u>2,132,000</u>	<u>-</u>	<u>2,132,000</u>	<u>-</u>
Total other financing sources (uses)	<u>2,157,169</u>	<u>2,132,000</u>	<u>-</u>	<u>2,132,000</u>	<u>(25,169)</u>
Revenues and other financing sources (uses) over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ 1,399,936</u>	<u>\$ (1,418,759)</u>	<u>\$ (18,823)</u>	<u>\$ (18,823)</u>

STANLY COUNTY, NORTH CAROLINA

BADIN WATER REHAB PROJECT PART B
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP)
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2016

	<u>Project</u>	<u>Actual</u>		<u>Total</u>	<u>Variance</u>
	<u>Authorization</u>	<u>Prior</u>	<u>Current</u>	<u>to Date</u>	<u>Over/Under</u>
		<u>Years</u>	<u>Year</u>		
Revenues:					
Restricted Intergovernmental:					
DWSRF Principal Forgiveness Grant	\$ 2,400,000	\$ -	\$ 1,102,943	\$ 1,102,943	\$ (1,297,057)
Expenditures:					
Construction	5,289,194	-	823,412	823,412	4,465,782
Professional services	887,935	472	279,034	279,506	608,429
Land	<u>2,000</u>	<u>-</u>	<u>26</u>	<u>26</u>	<u>1,974</u>
Total expenditures	<u>6,179,129</u>	<u>472</u>	<u>1,102,472</u>	<u>1,102,944</u>	<u>5,076,185</u>
Revenues over (under) expenditures	<u>(3,779,129)</u>	<u>(472)</u>	<u>471</u>	<u>(1)</u>	<u>3,779,128</u>
Other Financing Sources (Uses):					
Transfer from Greater Badin Fund	121,159	-	-	-	(121,159)
DWSRF Revolving Loan	<u>3,657,970</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,657,970)</u>
Total other financing sources (uses)	<u>3,779,129</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,779,129)</u>
Revenues and other financing sources (uses) over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ (472)</u>	<u>\$ 471</u>	<u>\$ (1)</u>	<u>\$ (1)</u>

STANLY COUNTY, NORTH CAROLINA

WEST STANLY WWTP REHABILITATION PROJECT
 SCHEDULE OF REVENUES AND EXPENDITURES -
 BUDGET AND ACTUAL (NON-GAAP)
 FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2016

	Project Authorization	Actual		Total to Date	Variance Over/Under
		Prior Years	Current Year		
Expenditures:					
Land	\$ 10,000	\$ -	\$ -	\$ -	\$ 10,000
Construction	2,310,000	-	-	-	2,310,000
Professional services	328,894	-	26,259	26,259	302,635
Total expenditures	<u>2,648,894</u>	<u>-</u>	<u>26,259</u>	<u>26,259</u>	<u>2,622,635</u>
Other Financing Sources (Uses):					
NC DENR Clean Water SRF Loan	<u>2,648,894</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,648,894)</u>
Revenues over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (26,259)</u>	<u>\$ (26,259)</u>	<u>\$ (26,259)</u>

STANLY COUNTY, NORTH CAROLINA

ALBEMARLE TO HIGHWAY 200 WATER PROJECT FUND
 SCHEDULE OF REVENUES AND EXPENDITURES -
 BUDGET AND ACTUAL (NON-GAAP)
 FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2016

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

STANLY COUNTY, NORTH CAROLINA

COTTONVILLE ROAD NC DOT WATERLINE RELOCATION PROJECT
 SCHEDULE OF REVENUES AND EXPENDITURES -
 BUDGET AND ACTUAL (NON-GAAP)
 FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2016

	<u>Project Authorization</u>	<u>Actual</u>			<u>Variance Over/Under</u>
		<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>	
Revenues:					
Restricted Intergovernmental:					
NC DOT reimbursement	\$ 69,134	\$ -	\$ 62,882	\$ 62,882	\$ (6,252)
Expenditures:					
Land	1,000	-	-	-	1,000
Construction	53,690	-	49,515	49,515	4,175
Professional services	14,444	5,804	7,563	13,367	1,077
Total expenditures	<u>69,134</u>	<u>5,804</u>	<u>57,078</u>	<u>62,882</u>	<u>6,252</u>
Revenues over (under) expenditures	<u>\$ -</u>	<u>\$ (5,804)</u>	<u>\$ 5,804</u>	<u>\$ -</u>	<u>\$ -</u>

STANLY COUNTY, NORTH CAROLINA

AIRPORT ROAD CORRIDOR WASTEWATER COLLECTIONS SYSTEM PROJECT
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP)
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2016

	<u>Project Authorization</u>	<u>Actual</u>		<u>Total to Date</u>	<u>Variance Over/Under</u>
		<u>Prior Years</u>	<u>Current Year</u>		
Revenues:					
Restricted Intergovernmental:					
NC Dept of Commerce Utility Account	\$ 500,000	\$ -	\$ -	\$ -	\$ (500,000)
Expenditures:					
Land	10,000	-	-	-	10,000
Construction	931,885	-	-	-	931,885
Professional services	179,158	-	3,962	3,962	175,196
Total expenditures	<u>1,121,043</u>	<u>-</u>	<u>3,962</u>	<u>3,962</u>	<u>1,117,081</u>
Revenues over (under) expenditures	(621,043)	-	(3,962)	(3,962)	617,081
Other Financing Sources (Uses):					
Debt issued	<u>621,043</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(621,043)</u>
Revenues over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (3,962)</u>	<u>\$ (3,962)</u>	<u>\$ (3,962)</u>

STANLY COUNTY, NORTH CAROLINA

ALONZO ROAD METER PROJECT
 SCHEDULE OF REVENUES AND EXPENDITURES -
 BUDGET AND ACTUAL (NON-GAAP)
 FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2016

	Project Authorization	Actual			Variance Over/Under
		Prior Years	Current Year	Total to Date	
Expenditures:					
Land	\$ 1,000	\$ -	\$ 127	\$ 127	\$ 873
Construction	48,715	-	47,433	47,433	1,282
Professional services	21,262	-	8,537	8,537	12,725
Total expenditures	<u>70,977</u>	<u>-</u>	<u>56,097</u>	<u>56,097</u>	<u>14,880</u>
Revenues over (under) expenditures	(70,977)	-	(56,097)	(56,097)	14,880
Other Financing Sources (Uses):					
Transfer from Utilities Fund	<u>70,977</u>	<u>-</u>	<u>56,097</u>	<u>56,097</u>	<u>(14,880)</u>
Revenues over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</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, 2016

	Project Authorization	Actual			Variance Over/Under
		Prior Years	Current Year	Total to Date	
Revenues:					
Restricted intergovernmental:					
FAA Grant	\$ 325,000	\$ 289,310	\$ -	\$ 289,310	\$ (35,690)
NC DOT Grant	250,000	-	-	-	(250,000)
Air Guard	406,753	-	-	-	(406,753)
Vision 100	49,470	84,642	-	84,642	35,172
Total revenues	<u>1,031,223</u>	<u>373,952</u>	<u>-</u>	<u>373,952</u>	<u>(657,271)</u>
Expenditures:					
Professional services	1,046,125	374,941	-	374,941	671,184
Construction	242,594	199,827	-	199,827	42,767
Total expenditures	<u>1,288,719</u>	<u>574,768</u>	<u>-</u>	<u>574,768</u>	<u>713,951</u>
Revenues over (under) expenditures	<u>(257,496)</u>	<u>(200,816)</u>	<u>-</u>	<u>(200,816)</u>	<u>56,680</u>
Other Financing Sources (Uses):					
Transfer from General Fund	296,000	235,411	3,908	239,319	(56,681)
Transfer (to) General Fund	<u>(38,504)</u>	<u>(38,503)</u>	<u>-</u>	<u>(38,503)</u>	<u>1</u>
Total other financing sources (uses)	<u>257,496</u>	<u>196,908</u>	<u>3,908</u>	<u>200,816</u>	<u>(56,680)</u>
Revenues and other financing sources (uses) over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ (3,908)</u>	<u>\$ 3,908</u>	<u>\$ -</u>	<u>\$ -</u>

STANLY COUNTY, NORTH CAROLINA

AIRPORT TAXILANE REHABILITATION PROJECT
 SCHEDULE OF REVENUES AND EXPENDITURES -
 BUDGET AND ACTUAL (NON-GAAP)
 FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2016

	Project Authorization	Actual		Total to Date	Variance Over/Under
	Prior Years	Current Year			
Revenues:					
Restricted intergovernmental:					
Vision 100	\$ 160,152	\$ -	\$ -	\$ -	\$ (160,152)
Expenditures:					
Professional services	29,806	-	-	-	29,806
Construction	148,141	-	-	-	148,141
Total expenditures	<u>177,947</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>177,947</u>
Revenues over (under) expenditures	(17,795)	-	-	-	17,795
Other Financing Sources (Uses):					
Transfer from General Fund	<u>17,795</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(17,795)</u>
Revenues and other financing sources (uses) over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>



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INTERNAL SERVICE FUND

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

Individual Descriptions:

- **Group Health** – accounts for the revenues and expenses of the County's group health plan.
- **Workers' Compensation** – accounts for the revenues and expenses of the County's 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, 2016

	<u>Financial Plan</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Operating Revenues:			
Charges for sales and services	\$ 5,786,562	\$ 5,708,501	\$ (78,061)
Operating Expenses:			
Group health operations	5,341,661	5,404,974	(63,313)
Workers' compensation claims	<u>454,901</u>	<u>399,557</u>	<u>55,344</u>
Total operating expenditures	<u>5,796,562</u>	<u>5,804,531</u>	<u>(7,969)</u>
Operating income (loss)	(10,000)	(96,030)	(86,030)
Non-Operating Revenues:			
Investment earnings	<u>10,000</u>	<u>11,690</u>	<u>1,690</u>
Change in net position	<u>\$ -</u>	<u>(84,340)</u>	<u>\$ (84,340)</u>
Net Position:			
Beginning of year - July 1		<u>2,893,759</u>	
End of year - June 30		<u>\$ 2,809,419</u>	



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AGENCY FUNDS

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

Individual Fund Descriptions:

- **Protective Payee Fund** – accounts for monies deposited with the County for the benefit of certain individuals.
- **Fines and Forfeitures Fund** – accounts for fines designated for school operations.
- **Deed of Trust Fund** – accounts for \$5.00 of each fee collected by the Register of Deeds for registering or filing a deed of trust or mortgage that the County is required to remit to the State Treasurer on a monthly basis.
- **Sheriff's Execution Fund** – accounts for funds received and disbursed by order of the court system.
- **Property Tax Clearing Fund** – accounts for property taxes collected by the County on behalf of the respective cities and towns.



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STANLY COUNTY, NORTH CAROLINA

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2016

	<u>Balance July 1, 2015</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2016</u>
Protective Payee Fund:				
Assets:				
Cash and cash equivalents	\$ 12,385	\$ 15,902	\$ 16,893	\$ 11,394
Liabilities:				
Client payable	\$ 12,385	\$ 15,902	\$ 16,893	\$ 11,394
Fines and Forfeitures Fund:				
Assets:				
Cash and cash equivalents	\$ -	\$ 726,445	\$ 726,445	\$ -
Liabilities:				
Accounts payable	\$ -	\$ 726,445	\$ 726,445	\$ -
Deed of Trust Fund:				
Assets:				
Cash and cash equivalents	\$ 3,528	\$ 4,290	\$ 3,528	\$ 4,290
Liabilities:				
Accounts payable	\$ 3,528	\$ 4,290	\$ 3,528	\$ 4,290
Sheriff's Execution Fund:				
Assets:				
Cash and cash equivalents	\$ 6,342	\$ 31,991	\$ 36,276	\$ 2,057
Inmate cash	5,426	163,090	162,499	6,017
Total assets	<u>\$ 11,768</u>	<u>\$ 195,081</u>	<u>\$ 198,775</u>	<u>\$ 8,074</u>
Liabilities:				
Executions payable	\$ 6,342	\$ 31,991	\$ 36,276	\$ 2,057
Inmate payable	5,426	163,090	162,499	6,017
Total liabilities	<u>\$ 11,768</u>	<u>\$ 195,081</u>	<u>\$ 198,775</u>	<u>\$ 8,074</u>

STANLY COUNTY, NORTH CAROLINA

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2016

	<u>Balance</u> <u>July 1, 2015</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2016</u>
Property Tax Clearing Fund:				
Assets:				
Cash and cash equivalents	\$ 138,317	\$ 10,448,854	\$ 10,448,474	\$ 138,697
Liabilities:				
Accounts payable	\$ 138,317	\$ 10,448,854	\$ 10,448,474	\$ 138,697
Totals:				
Assets:				
Cash and cash equivalents	\$ 160,572	\$ 11,227,482	\$ 11,231,616	\$ 156,438
Inmate cash	5,426	163,090	162,499	6,017
Total assets	<u>\$ 165,998</u>	<u>\$ 11,390,572</u>	<u>\$ 11,394,115</u>	<u>\$ 162,455</u>
Liabilities:				
Accounts payable and future payments	\$ 148,187	\$ 11,211,580	\$ 11,214,723	\$ 145,044
Client and inmate payable	17,811	178,992	179,392	17,411
Total liabilities	<u>\$ 165,998</u>	<u>\$ 11,390,572</u>	<u>\$ 11,394,115</u>	<u>\$ 162,455</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, 2016

Fiscal Year	Uncollected Balance July 1, 2015	Additions	Collections and Credits	Uncollected Balance June 30, 2016
2015-2016	\$ -	\$ 30,157,831	\$ 29,316,007	\$ 841,824
2014-2015	946,777	6,146	523,826	429,097
2013-2014	525,963	4,628	216,484	314,107
2012-2013	392,410	1,429	112,556	281,283
2011-2012	292,572	60	70,040	222,592
2010-2011	236,073	-	42,752	193,321
2009-2010	259,837	-	30,561	229,276
2008-2009	168,821	-	18,759	150,062
2007-2008	109,999	-	13,921	96,078
2006-2007	95,463	-	11,167	84,296
2005-2006	76,133	-	7,601	68,532
2004-2005	80,256	-	80,256	-
Districts over 3 years old	97,381	9,155	11,145	95,391
Total	<u>\$ 3,281,685</u>	<u>\$ 30,179,249</u>	<u>\$ 30,455,075</u>	3,005,859
Less allowance for uncollectible accounts - General Fund				<u>(646,262)</u>
Ad valorem taxes receivable, net				<u>\$ 2,359,597</u>
Reconciliation with Revenues:				
Ad valorem taxes - General Fund				\$ 30,557,675
Reconciling items:				
Animal tax				(38,987)
Collection fees				(31,225)
Interest collected				(339,784)
Discounts allowed				158,293
Late listings				(29,213)
Statute of Limitations				80,256
Miscellaneous				<u>98,060</u>
Total collections and credits				<u>\$ 30,455,075</u>

STANLY COUNTY, NORTH CAROLINA

ANALYSIS OF CURRENT TAX LEVY - COUNTY-WIDE LEVY
FOR THE YEAR ENDED JUNE 30, 2016

	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	\$ 4,497,502,025	\$ 0.6700	\$ 30,133,264	\$ 26,799,788	\$ 3,333,476
Penalties	-		36,926	36,926	-
Total original levy	<u>4,497,502,025</u>		<u>30,170,190</u>	<u>26,836,714</u>	<u>3,333,476</u>
Discoveries:					
Current year rate	11,405,300	0.6700	76,416	76,416	-
Penalties	-		462	462	-
Penalties - prior year rate	-		435	435	-
Prior year taxes	-		97,247	97,247	-
Total discoveries	<u>11,405,300</u>		<u>174,560</u>	<u>174,560</u>	<u>-</u>
Releases:					
Current year rate	(27,736,345)	0.6700	(185,834)	(185,834)	-
Penalties	-		(1,085)	(1,085)	-
Total releases	<u>(27,736,345)</u>		<u>(186,919)</u>	<u>(186,919)</u>	<u>-</u>
Net assessed valuation	<u>\$ 4,481,170,980</u>				
Net Levy			30,157,831	26,824,355	3,333,476
Uncollected taxes, June 30			<u>841,824</u>	<u>841,824</u>	<u>-</u>
Current Year's Taxes Collected			<u>\$ 29,316,007</u>	<u>\$ 25,982,531</u>	<u>\$ 3,333,476</u>
Current Levy Collection Percentage Rate			<u>97.21%</u>	<u>96.86%</u>	<u>100.00%</u>

STANLY COUNTY, NORTH CAROLINA

**ANALYSIS OF CURRENT TAX LEVY - COUNTY-WIDE LEVY
FOR THE YEAR ENDED JUNE 30, 2016**

Secondary Market Disclosures:

Assessed valuation:

Assessment ratio 100%

Real property \$ 3,863,302,444

Personal property 481,203,421

Public service 136,665,115

Total assessed value \$ 4,481,170,980

Tax rate per \$100 \$ 0.6700

Levy (includes discoveries, releases, and abatements) \$ 30,157,831

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, 2016:

Fire protection districts \$ 2,127,484



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STATISTICAL SECTION

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

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

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

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

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

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

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

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

Demographic and Economic Statistics	Table 15
Principal Employers	Table 16

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

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

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

	Fiscal Year				
	2007	2008	2009	2010	2011
Governmental activities:					
Net Investment in capital assets	\$ 9,896,831	\$ 13,933,344	\$ 18,364,949	\$ 14,377,226	\$ 13,495,499
Restricted	121,967	65,839	71,511	81,434	7,984,392
Unrestricted	<u>1,856,585</u>	<u>1,284,464</u>	<u>(12,030,075)</u>	<u>(13,445,875)</u>	<u>(18,918,800)</u>
Total governmental activities net position	<u>\$ 11,875,383</u>	<u>\$ 15,283,647</u>	<u>\$ 6,406,385</u>	<u>\$ 1,012,785</u>	<u>\$ 2,561,091</u>
Business-type activities:					
Net Investment in capital assets	\$ 34,317,479	\$ 33,344,464	\$ 33,309,479	\$ 34,634,482	\$ 35,328,679
Restricted	-	-	-	-	-
Unrestricted	<u>2,198,765</u>	<u>2,532,023</u>	<u>2,237,487</u>	<u>(326,823)</u>	<u>600,944</u>
Total business-type activities net position	<u>\$ 36,516,244</u>	<u>\$ 35,876,487</u>	<u>\$ 35,546,966</u>	<u>\$ 34,307,659</u>	<u>\$ 35,929,623</u>
Primary government:					
Net Investment in capital assets	\$ 44,214,310	\$ 47,277,808	\$ 51,674,428	\$ 49,011,708	\$ 48,824,178
Restricted	121,967	65,839	71,511	81,434	7,984,392
Unrestricted	<u>4,055,350</u>	<u>3,816,487</u>	<u>(9,792,588)</u>	<u>(13,772,698)</u>	<u>(18,317,856)</u>
Total primary government net position	<u>\$ 48,391,627</u>	<u>\$ 51,160,134</u>	<u>\$ 41,953,351</u>	<u>\$ 35,320,444</u>	<u>\$ 38,490,714</u>

Table 1

Fiscal Year				
2012	2013	2014	2015	2016
\$ 14,038,812	\$ 12,862,706	\$ 12,721,219	\$ 13,286,678	\$ 15,117,068
8,406,322	4,642,935	8,238,897	5,379,242	5,148,480
<u>(16,190,035)</u>	<u>(8,217,856)</u>	<u>(5,257,817)</u>	<u>(2,610,918)</u>	<u>62,028</u>
<u>\$ 6,255,099</u>	<u>\$ 9,287,785</u>	<u>\$ 15,702,299</u>	<u>\$ 16,055,002</u>	<u>\$ 20,327,576</u>
\$ 38,523,839	\$ 37,935,794	\$ 37,621,348	\$ 35,823,165	\$ 35,167,549
-	-	-	-	14,850
<u>508,553</u>	<u>1,216,035</u>	<u>1,612,161</u>	<u>1,641,558</u>	<u>1,977,384</u>
<u>\$ 39,032,392</u>	<u>\$ 39,151,829</u>	<u>\$ 39,233,509</u>	<u>\$ 37,464,723</u>	<u>\$ 37,159,783</u>
\$ 52,562,651	\$ 50,798,500	\$ 50,342,567	\$ 49,109,843	\$ 50,284,617
8,406,322	4,642,935	8,238,897	5,379,242	5,163,330
<u>(15,681,482)</u>	<u>(7,001,821)</u>	<u>(3,645,656)</u>	<u>(969,360)</u>	<u>2,039,412</u>
<u>\$ 45,287,491</u>	<u>\$ 48,439,614</u>	<u>\$ 54,935,808</u>	<u>\$ 53,519,725</u>	<u>\$ 57,487,359</u>

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

Expenses	Fiscal Year				
	2007	2008	2009	2010	2011
Governmental activities:					
General government	\$ 4,763,517	\$ 5,563,922	\$ 6,207,070	\$ 6,799,601	\$ 5,601,234
Public safety	11,144,226	12,089,074	13,941,395	13,957,473	14,130,565
Transportation	814,513	850,441	923,081	948,122	987,615
Environmental protection		1,031,633	1,108,942	1,155,970	1,159,814
Economic and physical development	1,888,101	2,344,873	1,494,393	2,741,056	2,610,268
Human services	16,379,896	16,086,711	16,136,859	14,851,419	14,614,279
Education	14,888,711	14,267,912	24,661,209	19,284,505	13,334,719
Cultural and recreation	1,668,597	1,800,314	2,035,578	1,954,960	1,572,655
Interest on long-term debt	1,234,712	1,193,541	1,393,628	1,659,370	1,169,653
Total governmental activities expenses	<u>53,782,370</u>	<u>55,228,419</u>	<u>67,902,155</u>	<u>63,352,475</u>	<u>55,180,802</u>
Business-type activities:					
Water and Sewer	2,857,210	3,377,002	3,809,744	3,703,713	3,768,034
Airport	1,670,370	1,588,558	1,548,508	1,518,407	1,514,311
Total business-type activities	<u>4,527,580</u>	<u>4,965,560</u>	<u>5,358,252</u>	<u>5,222,120</u>	<u>5,282,345</u>
Total primary governmental expenses	<u>\$ 58,309,950</u>	<u>\$ 60,193,979</u>	<u>\$ 73,260,407</u>	<u>\$ 68,574,595</u>	<u>\$ 60,463,147</u>
Program Revenues					
Governmental activities:					
Charges for services:					
General government	\$ 1,579,480	\$ 1,668,625	\$ 1,844,478	\$ 1,468,042	\$ 1,445,785
Public safety	2,396,682	2,579,945	2,669,845	3,003,195	2,841,139
Transportation	312,282	375,280	370,233	364,756	578,427
Environmental protection	857,834	848,824	835,242	862,811	883,729
Economic and physical development	12,480	23,135	601,271	13,770	18,478
Human services	2,157,094	1,894,767	2,301,087	2,147,188	2,194,950
Cultural and recreation	36,857	79,893	185,582	21,703	24,320
Operating grants and contributions	8,832,742	9,111,529	9,307,612	11,222,862	10,632,041
Capital grants and contributions	1,842,159	986,481	1,706,125	1,123,874	1,148,686
Total governmental activities program revenues	<u>18,027,610</u>	<u>17,568,479</u>	<u>19,821,475</u>	<u>20,228,201</u>	<u>19,767,555</u>
Business-type activities:					
Charges for services:					
Water and sewer	2,725,228	3,004,732	3,001,449	3,069,742	3,096,448
Airport	429,644	457,087	295,877	311,966	303,126
Operating grants and contributions	-	17,949	-	-	91,262
Capital grants and contributions	3,757,664	216,801	1,092,003	366,777	2,735,134
Total business-type activities program revenues	<u>6,912,536</u>	<u>3,696,569</u>	<u>4,389,329</u>	<u>3,748,485</u>	<u>6,225,970</u>
Total primary governmental program revenues	<u>\$ 24,940,146</u>	<u>\$ 21,265,048</u>	<u>\$ 24,210,804</u>	<u>\$ 23,976,686</u>	<u>\$ 25,993,525</u>
Net (expense)/revenue					
Governmental activities	\$ (35,754,760)	\$ (37,659,940)	\$ (48,080,680)	\$ (43,124,274)	\$ (35,413,247)
Business-type activities	<u>2,384,956</u>	<u>(1,268,991)</u>	<u>(968,923)</u>	<u>(1,473,635)</u>	<u>943,625</u>
Total primary governmental net expense	<u>\$ (33,369,804)</u>	<u>\$ (38,928,931)</u>	<u>\$ (49,049,603)</u>	<u>\$ (44,597,909)</u>	<u>\$ (34,469,622)</u>

Table 2
Page 1 of 2

Fiscal Year				
2012	2013	2014	2015	2016
\$ 5,048,549	\$ 5,204,527	\$ 4,793,725	\$ 4,791,099	\$ 5,595,567
14,482,815	14,434,194	14,969,660	16,006,619	15,690,978
988,483	950,965	961,283	956,499	996,173
1,162,909	1,197,567	1,202,676	1,220,956	1,250,048
2,364,231	2,004,658	1,590,399	2,058,625	1,850,849
14,968,599	14,970,988	15,020,712	14,772,323	15,650,283
12,643,400	12,532,158	12,830,472	15,665,022	14,035,997
1,643,930	1,572,868	1,505,119	1,457,322	1,509,584
1,264,990	925,756	1,007,050	913,803	1,144,394
<u>54,567,906</u>	<u>53,793,681</u>	<u>53,881,096</u>	<u>57,842,268</u>	<u>57,723,873</u>
4,071,866	4,714,762	4,254,118	4,800,936	4,995,224
1,633,139	1,698,168	2,269,170	1,907,993	1,919,152
<u>5,705,005</u>	<u>6,412,930</u>	<u>6,523,288</u>	<u>6,708,929</u>	<u>6,914,376</u>
<u>\$ 60,272,911</u>	<u>\$ 60,206,611</u>	<u>\$ 60,404,384</u>	<u>\$ 64,551,197</u>	<u>\$ 64,638,249</u>
\$ 1,499,922	\$ 1,483,698	\$ 1,538,895	\$ 1,700,655	\$ 2,011,722
3,331,264	3,200,111	3,194,958	3,099,903	3,393,629
425,439	423,318	387,695	410,615	453,131
883,005	891,052	931,946	930,730	952,865
24,042	25,101	25,342	35,192	38,805
2,514,395	2,335,558	2,709,716	2,530,711	2,504,439
20,811	28,624	25,029	24,214	25,402
10,767,746	9,701,383	9,737,956	10,049,693	10,804,541
970,547	1,091,138	4,017,043	1,216,000	570,000
<u>20,437,171</u>	<u>19,179,983</u>	<u>22,568,580</u>	<u>19,997,713</u>	<u>20,754,534</u>
3,162,076	3,076,946	3,477,682	4,137,227	4,604,027
362,955	411,149	455,302	425,283	432,189
-	-	-	-	-
<u>5,130,143</u>	<u>1,734,467</u>	<u>392,171</u>	<u>68,567</u>	<u>1,173,017</u>
<u>8,655,174</u>	<u>5,222,562</u>	<u>4,325,155</u>	<u>4,631,077</u>	<u>6,209,233</u>
<u>\$ 29,092,345</u>	<u>\$ 24,402,545</u>	<u>\$ 26,893,735</u>	<u>\$ 24,628,790</u>	<u>\$ 26,963,767</u>
\$ (34,130,735)	\$ (34,613,698)	\$ (31,312,516)	\$ (37,844,555)	\$ (36,969,339)
<u>2,950,169</u>	<u>(1,190,368)</u>	<u>(2,198,133)</u>	<u>(2,077,852)</u>	<u>(705,143)</u>
<u>\$ (31,180,566)</u>	<u>\$ (35,804,066)</u>	<u>\$ (33,510,649)</u>	<u>\$ (39,922,407)</u>	<u>\$ (37,674,482)</u>

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

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

	Fiscal Year				
	2007	2008	2009	2010	2011
Governmental activities:					
Taxes					
Ad valorem taxes	\$ 27,468,013	\$ 29,160,452	\$ 29,839,262	\$ 30,245,704	\$ 30,442,706
Local option sales tax	10,605,369	10,695,767	8,842,576	6,841,679	6,418,461
Other taxes	579,632	574,991	519,464	481,063	502,321
Interest earned on investments	1,393,065	1,235,530	612,476	372,699	256,933
Miscellaneous	-	-	-	-	-
Transfers in (out)	<u>(1,001,788)</u>	<u>(598,536)</u>	<u>(610,360)</u>	<u>(210,471)</u>	<u>(658,868)</u>
Total governmental activities	<u>39,044,291</u>	<u>41,068,204</u>	<u>39,203,418</u>	<u>37,730,674</u>	<u>36,961,553</u>
Business-type activities:					
Interest earned on investments	59,954	30,698	29,042	23,857	16,543
Miscellaneous	-	-	-	-	2,928
Transfers in (out)	<u>1,001,788</u>	<u>598,536</u>	<u>610,360</u>	<u>210,471</u>	<u>658,868</u>
Total business-type activities	<u>1,061,742</u>	<u>629,234</u>	<u>639,402</u>	<u>234,328</u>	<u>678,339</u>
Total primary government	<u>\$ 40,106,033</u>	<u>\$ 41,697,438</u>	<u>\$ 39,842,820</u>	<u>\$ 37,965,002</u>	<u>\$ 37,639,892</u>
Change in net position					
Governmental activities	\$ 1,384,351	\$ (7,012,476)	\$ (3,920,856)	\$ (5,393,600)	\$ 1,548,306
Business-type activities	<u>(207,249)</u>	<u>(339,689)</u>	<u>(834,233)</u>	<u>(1,239,307)</u>	<u>1,621,964</u>
Total primary government	<u>\$ 1,177,102</u>	<u>\$ (7,352,165)</u>	<u>\$ (4,755,089)</u>	<u>\$ (6,632,907)</u>	<u>\$ 3,170,270</u>

Table 2
Page 2 of 2

		Fiscal Year							
		2012	2013	2014	2015	2016			
\$	30,499,757	\$	31,174,287	\$	32,363,012	\$	32,146,975	\$	32,603,038
	6,696,017		7,040,648		6,936,696		7,716,809		8,267,902
	504,698		543,968		544,765		605,773		643,354
	261,112		171,540		139,996		64,018		85,044
	-		-		19,025		-		-
	(136,841)		(1,284,059)		(2,276,464)		(372,691)		(357,425)
	<u>37,824,743</u>		<u>37,646,384</u>		<u>37,727,030</u>		<u>40,160,884</u>		<u>41,241,913</u>
	15,759		3,890		3,349		3,707		6,472
	-		21,856		-		39,003		36,306
	136,841		1,284,059		2,276,464		372,691		357,425
	<u>152,600</u>		<u>1,309,805</u>		<u>2,279,813</u>		<u>415,401</u>		<u>400,203</u>
\$	<u>37,977,343</u>	\$	<u>38,956,189</u>	\$	<u>40,006,843</u>	\$	<u>40,576,285</u>	\$	<u>41,642,116</u>
\$	3,694,008	\$	3,032,686	\$	(117,525)	\$	2,316,329	\$	4,272,574
	3,102,769		119,437		201,961		(1,662,451)		(304,940)
\$	<u>6,796,777</u>	\$	<u>3,152,123</u>	\$	<u>84,436</u>	\$	<u>653,878</u>	\$	<u>3,967,634</u>

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

	Fiscal Year				
	2007	2008	2009	2010	2011
General Fund					
Reserved	\$ 5,249,619	\$ 3,590,746	\$ 8,233,781	\$ -	\$ -
Unreserved	12,250,938	15,452,332	9,390,468	-	-
Non-spendable	-	-	-	36,360	51,071
Restricted	-	-	-	9,661,929	7,480,151
Committed	-	-	-	-	-
Assigned	-	-	-	2,062,820	2,003,925
Unassigned	-	-	-	4,640,026	6,424,783
Total General Fund	<u>\$ 17,500,557</u>	<u>\$ 19,043,078</u>	<u>\$ 17,624,249</u>	<u>\$ 16,401,135</u>	<u>\$ 15,959,930</u>
All other governmental funds					
Reserved	\$ 105,640	\$ 30,977	\$ 28,082	\$ -	\$ -
Unreserved, reported in:					
Special revenue funds	464,056	514,312	347,371	-	-
Capital projects funds	<u>3,554,882</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Committed	-	-	-	-	-
Restricted	-	-	-	445,193	504,241
Unassigned	-	-	-	-	(34,118)
Total all other governmental funds	<u>\$ 4,124,578</u>	<u>\$ 545,289</u>	<u>\$ 375,453</u>	<u>\$ 445,193</u>	<u>\$ 470,123</u>

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

Table 3

Fiscal Year				
2012	2013	2014	2015	2016
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
52,912	66,374	71,395	66,969	73,666
8,027,964	4,206,637	4,887,893	4,731,910	4,834,753
-	-	750,000	500,000	250,000
2,803,717	3,120,289	3,368,058	3,465,815	3,901,523
<u>7,005,289</u>	<u>11,378,402</u>	<u>10,113,103</u>	<u>11,529,498</u>	<u>13,557,126</u>
<u>\$ 17,889,882</u>	<u>\$ 18,771,702</u>	<u>\$ 19,190,449</u>	<u>\$ 20,294,192</u>	<u>\$ 22,617,068</u>
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
-	-	-	-	397,390
378,358	436,298	3,351,004	1,191,645	523,599
<u>(52,149)</u>	<u>(161,875)</u>	<u>(35,676)</u>	<u>(6,132)</u>	<u>(21,324)</u>
<u>\$ 326,209</u>	<u>\$ 274,423</u>	<u>\$ 3,315,328</u>	<u>\$ 1,185,513</u>	<u>\$ 899,665</u>

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

	Fiscal Year				
	2007	2008	2009	2010	2011
Revenues					
Ad valorem taxes	\$ 27,519,067	\$ 29,225,384	\$ 29,600,368	\$ 30,025,945	\$ 30,256,263
Local option sales taxes	10,605,369	10,695,767	8,842,576	6,841,679	6,418,461
Other taxes and licenses	579,632	574,991	519,464	481,063	502,321
Unrestricted intergovernmental	5,657	8,173	2,664	425	-
Restricted intergovernmental	10,258,260	9,664,623	10,688,266	11,995,950	11,220,975
Permits and fees	927,965	945,668	925,727	6,719,000	6,831,077
Sales and services	5,984,898	6,087,739	6,715,699	694,288	653,402
Investment earnings	1,286,592	1,146,477	510,910	284,270	184,734
Miscellaneous	706,272	714,807	1,290,237	635,110	852,352
Total revenues	<u>57,873,712</u>	<u>59,063,629</u>	<u>59,095,911</u>	<u>57,677,730</u>	<u>56,919,585</u>
Expenditures					
General government	4,219,004	5,183,353	5,655,825	6,183,333	5,070,693
Public safety	13,933,485	14,967,299	14,559,774	13,594,893	13,344,073
Transportation	732,129	797,230	847,546	837,489	920,286
Environmental protection	975,779	1,026,214	1,090,593	1,121,743	1,136,432
Economic and physical development	1,912,875	2,348,929	1,464,024	2,689,449	2,580,078
Human services	16,415,126	16,202,140	16,130,914	14,601,773	14,519,051
Education	14,888,711	11,156,431	20,905,982	15,346,641	11,359,719
Cultural and recreation	1,468,388	1,604,432	1,887,929	1,698,160	1,372,673
Capital Outlay	678,811	4,275,976	4,553,357	3,238,973	2,734,792
Debt service:					
Principal	1,530,401	1,728,156	1,993,041	2,400,877	2,640,968
Interest and other charges	1,161,670	1,211,702	1,142,202	1,697,261	1,276,448
Total expenditures	<u>57,916,379</u>	<u>60,501,862</u>	<u>70,231,187</u>	<u>63,410,592</u>	<u>56,955,213</u>
Excess of revenues over (under) expenditures	(42,667)	(1,438,233)	(11,135,276)	(5,732,862)	(35,628)
Other financing sources (uses)					
Debt Proceeds	5,500,000	-	13,000,000	312,547	1,743,149
Refunding bond issued	-	-	-	16,325,000	-
Payment to escrow agent-retired debt	-	-	-	-	-
Payment to bondholders	-	-	-	(17,223,200)	-
Bond Premium	-	-	-	1,067,654	-
Transfers from other funds	245,167	595,036	1,000,000	190,572	175,971
Transfers to other funds	(1,246,955)	(1,193,572)	(1,610,360)	(401,043)	(834,839)
Total other financing sources (uses)	<u>4,498,212</u>	<u>(598,536)</u>	<u>12,389,640</u>	<u>271,530</u>	<u>1,084,281</u>
Net change in fund balances	<u>\$ 4,455,545</u>	<u>\$ (2,036,769)</u>	<u>\$ 1,254,364</u>	<u>\$ (5,461,332)</u>	<u>\$ 1,048,653</u>
Debt services as a percentage of noncapital expenditures	4.7%	5.3%	4.6%	6.6%	7.0%

Table 4

Fiscal Year				
2012	2013	2014	2015	2016
\$ 30,009,197	\$ 30,947,727	\$ 32,473,168	\$ 32,555,339	\$ 32,950,508
6,696,017	7,040,648	6,936,696	7,716,809	8,267,902
504,698	543,968	544,765	605,773	643,354
-	-	-	-	6,464
11,150,806	9,874,535	12,814,737	10,554,160	10,289,200
7,467,321	7,390,642	7,861,820	7,631,225	8,300,554
689,032	725,695	645,337	745,432	1,004,071
142,460	98,746	83,822	82,688	95,992
874,456	937,510	1,024,222	795,900	871,974
<u>57,533,987</u>	<u>57,559,471</u>	<u>62,384,567</u>	<u>60,687,326</u>	<u>62,430,019</u>
4,312,607	4,665,411	4,511,868	4,604,532	5,012,708
13,504,875	13,688,999	14,490,807	15,823,755	14,954,848
854,643	825,722	860,179	881,184	881,576
1,295,081	1,174,893	1,195,669	1,229,814	1,240,144
2,154,133	1,968,404	1,601,078	2,093,874	1,851,046
14,703,300	14,790,919	15,104,956	15,190,257	15,586,861
10,813,400	10,662,158	12,830,472	15,665,028	14,035,997
1,418,401	1,376,531	1,420,457	1,452,471	1,459,114
2,443,567	2,703,079	7,673,583	1,712,914	3,947,820
-	-	-	-	-
2,632,920	2,884,682	2,875,846	9,773,698	3,409,657
1,337,372	1,107,619	1,039,977	950,941	1,023,881
<u>55,470,299</u>	<u>55,848,417</u>	<u>63,604,892</u>	<u>69,378,468</u>	<u>63,403,652</u>
2,063,688	1,711,054	(1,220,325)	(8,691,142)	(973,633)
3,709,191	403,039	7,206,441	8,037,761	3,368,086
-	-	-	-	-
(3,850,000)	-	-	-	-
-	-	-	-	-
-	-	-	-	-
103,059	50,000	59,406	383,540	357,944
(239,900)	(1,334,059)	(2,585,870)	(756,231)	(715,369)
<u>(277,650)</u>	<u>(881,020)</u>	<u>4,679,977</u>	<u>7,665,070</u>	<u>3,010,661</u>
<u>\$ 1,786,038</u>	<u>\$ 830,034</u>	<u>\$ 3,459,652</u>	<u>\$ (1,026,072)</u>	<u>\$ 2,037,028</u>
7.2%	7.3%	7.0%	15.8%	7.5%

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

Table 5

<u>Fiscal Year</u>	<u>Property Tax</u>	<u>Sales Tax</u>	<u>Franchise Tax</u>	<u>Occupancy Tax</u>	<u>Property Excise Tax</u>	<u>Intangible Tax</u>	<u>Solid Waste Tax</u>	<u>Other Tax</u>	<u>Total</u>
2007	\$ 27,468,013	\$ 10,605,369	\$ 153,011	\$ 192,680	\$ 216,215	\$ -	\$ -	\$ 17,726	\$ 38,653,014
2008	29,160,452	10,695,767	139,719	215,575	202,558	-	-	17,139	40,431,210
2009	29,839,262	8,842,576	163,923	197,667	123,989	-	16,865	17,020	39,201,302
2010	30,245,704	6,841,679	145,856	180,566	111,336	-	25,901	17,404	37,568,446
2011	30,442,706	6,418,461	156,765	215,999	85,131	-	25,674	18,752	37,363,488
2012	30,499,757	6,696,017	164,644	207,471	87,523	-	25,930	19,130	37,700,472
2013	31,174,287	7,040,648	159,993	234,448	107,618	-	21,594	19,315	38,757,903
2014	32,363,012	7,716,809	157,706	230,930	111,097	-	23,382	21,650	40,624,586
2015	32,146,975	7,716,809	155,454	263,470	141,546	-	24,939	20,364	40,469,557
2016	32,603,038	8,267,902	149,042	278,951	167,941	-	25,361	22,059	41,514,294

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

Table 6

Fiscal Year	Property Tax	Sales Tax	Franchise Tax	Occupancy Tax	Property Excise Tax	Intangible Tax	Solid Waste Tax	Other Tax	Total
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	7,040,648	159,993	234,448	107,618	-	21,594	19,315	37,592,813
2013	30,947,727	7,716,809	157,706	235,448	111,097	-	23,382	21,650	39,213,819
2014	32,473,168	7,716,809	155,454	263,470	141,546	-	24,939	20,364	40,795,750
2015	32,555,339	7,716,809	155,454	263,470	141,546	-	24,939	20,364	40,877,921
2016	32,950,508	8,267,902	149,042	278,951	167,941	-	25,361	22,059	41,861,764

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

Table 7

Fiscal Year	Real Property		Personal Property		Less: Tax Exempt Real Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
	Residential Property	Commercial Property	Motor Vehicles	Other					
2007	\$ 2,304,600,237	\$ 355,608,820	\$ 420,101,573	\$ 1,760,360,739	\$ 847,501,363	\$ 3,993,170,006	0.6450	\$ 3,993,170,006	100%
2008	2,758,609,886	957,073,583	406,812,810	342,065,414	371,935,888	4,092,625,805	0.6700	4,092,625,805	100%
2009	2,803,975,706	976,467,389	431,300,423	339,233,489	378,573,688	4,172,403,319	0.6700	4,172,403,319	100%
2010	2,933,112,623	606,978,343	410,349,318	339,844,218	83,231,303	4,207,053,199	0.6700	4,207,053,199	100%
2011	2,961,763,672	604,404,169	375,174,209	346,434,253	52,964,536	4,234,811,767	0.6700	4,234,811,767	100%
2012	2,989,362,988	612,152,578	389,552,648	318,244,954	55,401,328	4,253,911,840	0.6700	4,253,911,840	100%
2013	3,021,902,549	1,101,009,623	407,026,074	326,955,037	543,377,510	4,313,515,773	0.6700	4,313,515,773	100%
2014	3,346,741,922	797,344,983	819,379,104	321,402,524	543,774,772	4,462,924,217	0.6700	4,462,924,217	100%
2015	3,372,794,145	665,520,283	444,155,733	335,090,927	409,454,428	4,408,106,660	0.6700	4,408,106,660	100%
2016	3,379,961,023	680,180,319	466,690,677	338,020,267	383,681,306	4,481,170,980	0.6700	4,481,170,980	100%

Source: Stanly County Tax Assessor

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

Table 8

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
County Direct Rate										
Stanly (General)	\$0.6450	\$0.6700	\$0.6700	\$0.6700	\$0.6700	\$0.6700	\$0.6700	\$0.6700	\$0.6700	\$0.6700
Total direct rate	0.6450	0.6700	0.6700	0.6700	0.6700	0.6700	0.6700	0.6700	0.6700	0.6700
City/Town Overlapping Rates										
City of Albemarle	0.5600	0.5600	0.5600	0.5600	0.5600	0.5600	0.5600	0.5900	0.5900	0.5900
Town of Oakboro	0.4100	0.4100	0.4100	0.4100	0.4100	0.4100	0.4100	0.4100	0.4100	0.4100
Town of Badin	0.3600	0.3800	0.3800	0.3800	0.3800	0.3800	0.3900	0.3900	0.3900	0.4100
Town of Norwood	0.4000	0.4000	0.4000	0.4000	0.4000	0.4000	0.4000	0.4000	0.4000	0.3900
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	0.3200	0.3200
Town of New London	0.1600	0.1600	0.1600	0.1600	0.1600	0.1600	0.1600	0.1600	0.1600	0.1600
Town of Richfield	0.1500	0.1500	0.1500	0.1500	0.1500	0.1500	0.1700	0.1700	0.1700	0.2000
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	0.0842	0.0842	0.0842	0.1000
Center Rural	0.0500	0.0500	0.0700	0.0700	0.0700	0.0700	0.0700	0.1000	0.1000	0.1000
Endy	0.0600	0.0600	0.0600	0.0600	0.0600	0.0600	0.0600	0.0600	0.0600	0.0600
Ridgecrest	0.0800	0.0800	0.0800	0.0900	0.0900	0.0900	0.0900	0.0900	0.0900	0.0900
Aquadale	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.1000	0.1000	0.1000	0.1000
Eastside	0.0800	0.0800	0.0800	0.0800	0.0800	0.0800	0.0800	0.1000	0.1000	0.1000
Oakboro Rural	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400	0.0600
New London	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0515	0.0750	0.0750	0.0750
Southside	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000
Rocky River	0.0800	0.0800	N/A							
Bethany	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0775	0.0775	0.0775
Richfield	0.0700	0.0700	0.0700	0.0700	0.0700	0.0700	0.0700	0.0700	0.0700	0.0700
Millingport	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500
Badin-Yadkin	0.0500	0.0500	0.0800	0.0800	0.0800	0.0800	0.0803	0.0803	0.0803	0.0803
Norwood Special	N/A	N/A	0.0500	0.0700	0.0700	0.0700	0.0700	0.0700	0.1000	0.1000
Maximum Combined										
**County Tax Rate	0.7700	0.7700	0.7700	0.7700	0.7700	0.7700	0.7700	0.7700	0.7700	0.7700
***City Tax Rate	1.2050	1.2300	1.2300	1.2300	1.2300	1.2300	1.2300	1.2600	1.2600	1.2600

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

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

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

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

Source: Stanly County Tax Assessor

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

Table 9

Taxpayer	2016			2007		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Duke Energy	\$ 44,732,704	1	1.00%	\$ 27,087,724	4	0.69%
APGI	42,069,213	2	0.94%	50,493,167	1	1.28%
Michelin Aircraft Tire Co.	41,896,682	3	0.94%	31,547,907	3	0.80%
Union Electric	32,071,804	4	0.72%	21,089,387	5	0.54%
Fiber Composites	31,816,029	5	0.71%	15,264,931	8	0.39%
Walmart Real Estate Business	23,488,787	6	0.53%	-		0.00%
Piedmont Natural Gas	20,725,827	7	0.46%	12,698,501	10	0.32%
Preformed Line Products	16,880,480	9	0.38%	15,120,430	9	0.38%
Chicago Tube and Iron	11,979,806	8	0.27%	-		0.00%
Windstream	9,721,053	10	0.22%	-		0.00%
ALCOA				33,380,890	2	0.40%
SPX Corporation				16,542,148	6	0.85%
Concord Telephone Compnay				15,566,162	7	0.42%
Totals	\$ 275,382,385		6.17%	\$ 238,791,247		6.07%

Source: Stanly County Tax Assessor

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

Table 10

Fiscal Year Ended June 30	Total Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2007	\$ 25,771,587	\$ 24,856,027	96.45%	\$ 973,208	\$ 25,829,235	100.00%
2008	27,427,554	26,505,922	96.64%	974,054	27,479,976	100.00%
2009	28,197,742	27,070,898	96.00%	786,972	27,857,870	98.79%
2010	28,322,388	27,157,880	95.89%	846,456	28,004,336	98.88%
2011	28,414,033	27,215,473	95.78%	954,163	28,169,636	99.14%
2012	28,535,034	27,153,596	95.16%	741,518	27,895,114	97.76%
2013	29,056,680	27,644,474	95.14%	1,072,968	28,717,442	98.83%
2014	30,126,927	28,910,756	95.96%	1,145,792	30,056,548	99.77%
2015	29,746,072	28,799,295	96.82%	1,112,513	29,911,808	100.00%
2016	30,157,831	29,316,007	97.21%	979,411	30,295,418	100.00%

Source: Stanly County Tax Assessor

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

Table 11

Fiscal Year	Governmental Activities				Business-Type Activities					Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Unamortized Premium on Bonds	Capital Leases	Installment Note	General Obligation Bonds	Capital Leases	Revenue Bonds	Bond Anticipation Note	Installment Note			
2007	\$ 21,000,000	\$ -	\$ 6,254,530	\$ -	\$ 415,000	\$ 231,396	\$ -	\$ -	\$ 295,504	\$ 28,196,430	1.82%	\$ 476.89
2008	20,100,000	-	5,426,375	-	300,000	117,534	-	-	272,773	26,216,682	1.56%	433.55
2009	18,950,000	-	4,583,333	13,000,000	185,000	-	-	-	250,042	36,968,375	2.11%	394.15
2010	18,075,000	1,067,654	4,216,668	12,628,337	70,000	-	-	-	227,310	36,284,969	2.02%	601.20
2011	16,575,000	978,656	3,850,000	13,597,185	-	-	-	-	291,030	35,291,871	1.97%	590.55
2012	15,000,000	889,658	3,523,215	12,725,241	-	-	-	-	263,379	32,401,493	1.73%	522.85
2013	13,385,000	800,660	3,133,060	12,248,753	-	-	-	-	242,765	29,810,238	1.47%	477.67
2014	11,810,000	711,660	9,644,846	11,642,562	-	-	-	-	2,765,613	36,574,681	1.77%	582.07
2015	10,255,000	621,760	10,402,629	10,703,842	-	-	-	2,132,000	2,704,812	36,820,043	1.78%	585.97
2016	8,725,000	532,760	9,445,822	13,149,078	-	-	962,000	2,132,000	1,520,306	36,466,966	1.93%	597.27

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

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

Table 12

Fiscal Year	General Obligation Bonds	Percentage of Estimated Actual Taxable Value of Property	Per Capita
2007	\$ 21,415,000	0.54%	\$ 362.19
2008	20,400,000	0.50%	337.36
2009	19,135,000	0.46%	314.67
2010	18,145,000	0.43%	300.64
2011	16,575,000	0.39%	277.35
2012	15,000,000	0.35%	242.05
2013	14,185,660	0.33%	227.31
2014	12,521,660	0.28%	199.28
2015	10,876,760	0.25%	173.10
2016	9,257,760	0.21%	151.63

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

Stanly County, North Carolina
 Direct and Overlapping Governmental Activities Debt
 June 30, 2016

Table 13

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Direct:			
Stanly County	\$ 31,852,660	100%	\$ 31,852,660
Overlapping:			
Town of Richfield	319,509	100%	<u>319,509</u>
Total direct and overlapping debt			<u><u>\$ 32,172,169</u></u>

Source: State of North Carolina Treasurer LGC 129

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



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

Table 14

	Fiscal Year				
	2007	2008	2009	2010	2011
Debt limit	\$ 319,453,600	\$ 327,410,064	\$ 333,792,266	\$ 336,564,256	\$ 338,784,941
Total net debt applicable to limit	<u>27,254,530</u>	<u>25,526,374</u>	<u>36,533,333</u>	<u>34,920,005</u>	<u>35,000,841</u>
Legal debt margin	<u>\$ 292,199,070</u>	<u>\$ 301,883,690</u>	<u>\$ 297,258,933</u>	<u>\$ 301,644,251</u>	<u>\$ 303,784,100</u>
Total net debt applicable to the limit as a percentage of debt limit	<u>8.00%</u>	<u>7.40%</u>	<u>8.53%</u>	<u>7.80%</u>	<u>10.94%</u>

Legal Debt Margin Calculation for Fiscal Year 2016

Assessed value

Debt limit - 8% of assessed value

Debt applicable to limit:

General obligation bonds

Bond premiums

Capital lease obligation

Installment note

Business-type installment note

Business-type revenue bond

Business-type anticipation note

Total debt

Less-Statutory deductions

Total amount of debt applicable to debt limit

Legal debt margin

Table 14

Fiscal Year				
2012	2013	2014	2015	2016
\$ 340,312,947	\$ 345,081,262	\$ 357,033,937	\$ 352,648,533	\$ 358,493,678
<u>32,138,114</u>	<u>29,567,473</u>	<u>33,809,068</u>	<u>31,983,231</u>	<u>31,852,660</u>
<u>\$ 308,174,833</u>	<u>\$ 315,513,789</u>	<u>\$ 323,224,869</u>	<u>\$ 320,665,302</u>	<u>\$ 326,641,018</u>
<u>10.38%</u>	<u>10.33%</u>	<u>9.44%</u>	<u>9.07%</u>	<u>8.89%</u>

<u>\$ 4,481,170,980</u>
<u>\$ 358,493,678</u>
8,725,000
532,760
9,445,822
13,149,078
1,520,306
962,000
<u>2,132,000</u>
36,466,966
<u>4,614,306</u>
<u>31,852,660</u>
<u>\$ 326,641,018</u>

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

Table 15

Fiscal Year	Population (1)	Personal Income	Per Capita Personal Income (2)	Median Age (3)	School Enrollment (4)	Unemployment Rate (5)
2007	59,126	\$1,552,116,626	\$ 26,251	38.2	9,687	4.9%
2008	60,470	1,682,517,280	27,824	39.0	9,650	5.8%
2009	60,810	1,751,510,430	28,803	39.0	9,276	12.4%
2010	60,354	1,800,721,944	29,836	40.0	9,386	11.9%
2011	59,761	1,790,738,365	29,965	40.0	9,053	10.6%
2012	60,585	1,766,961,525	29,165	41.0	9,070	10.2%
2013	61,971	1,873,197,417	30,227	41.0	8,953	8.9%
2014	62,408	2,026,262,944	32,468	41.0	8,763	5.8%
2015	62,836	2,070,320,528	32,948	42.0	8,666	5.7%
2016	61,056	1,888,706,304	30,934	42.0	8,670	4.3%

Sources:

- (1) Access NC North Carolina Economic Data and Site Information
- (2) Access NC North Carolina Economic Data and Site Information
- (3) Access NC North Carolina Economic Data and Site Information
- (4) Division of School Business Services School Allotments Sections
- (5) Access NC North Carolina Economic Data and Site Information

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

Table 16

Employer	2016			2007		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Stanly County Schools	1,325	1	4.60%	1,440	1	5.13%
Stanly Regional Medical Center	1,102	2	3.82%	755	2	
Wal-Mart of Albemarle	587	3	2.04%	325	6	1.16%
Michelin Aircraft	462	4	1.60%	360	5	1.28%
Stanly County Government	451	5	1.56%	563	3	2.01%
Stanly Community College	417	6	1.45%	0		0.00%
State of NC Dept of Corrections	372	7	1.29%	0		0.00%
IAC Old Fort LLC	336	8	1.17%	0		0.00%
Fiberon	272	9	0.94%	0		0.00%
Food Lion	265	10	0.92%	0		0.00%
Collins & Aikman	0		0.00%	450	4	1.60%
Albemarle Correctional	0		0.00%	317	7	1.13%
City of Albemarle	0		0.00%	295	8	1.05%
Shult Manufacturing	0		0.00%	260	9	0.93%
Clayton Homes	0		0.00%	204	10	0.73%
Total	<u>5,589</u>		<u>19.39%</u>	<u>4,969</u>		<u>15.02%</u>

Source: Stanly County Economic Development Office

Note: Data not available before Fiscal Year 2006.

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

Table 17

Function	Full-time Equivalent Employees as of June 30									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General government										
Administration	6	6	5	5	4	4	4	4	4	4
Finance	6	5	5	6	5	5	5	5	5	5
Taxes	26	20	19	19	19	18	18	16	16	16
Attorneys	0	2	2	2	2	2	2	2	2	2
Elections	3	5	3	3	3	3	3	3	3	3
Register of deeds	6	6	5	4	4	4	4	4	4	4
Information technology	3	4	4	5	5	5	5	5	5	5
Facilities management	6	6	7	7	7	7	7	7	7	7
Public safety										
Sheriff	52	53	58	57	55	54	54	54	57	58
Jail	24	37	39	33	38	38	38	38	38	38
Criminal justice partnership	1	1	1	1	1	NA	NA	NA	NA	NA
Juvenile justice partnership	NA	NA	1	1	1	NA	NA	NA	NA	NA
Emergency management	2	2	2	2	2	2	2	2	2	2
Fire	2	3	3	3	2	2	2	2	2	2
Emergency medical services	42	39	39	41	36	36	37	43	46	47
Inspections	6	6	5	5	4	4	4	4	4	4
Animal control	5	5	6	6	5	5	5	5	5	5
E-911 operations	14	15	18	17	16	16	17	17	17	17
E-911 surcharge	2	2	NA							
Transportation	19	18	14	11	12	15	15	15	15	15
Environmental protection										
Solid waste collection	14	14	10	10	10	10	10	10	10	10
Conservation	2	2	2	2	2	2	2	2	2	2
Economic and physical development										
Economic development	2	1	2	2	1	2	2	2	2	2
Planning and zoning	5	4	3	3	3	3	3	3	3	3
Central Permitting	0	3	3	4	3	3	3	3	3	3
Rocky River RPO	1	1	1	1	1	1	1	1	1	1
Cooperative extension	0	0	0	0	0	0	0	0	0	0
Title V	5	0	NA							
Human services										
Health	60	55	57	58	54	57	58	55	55	55
Social services	79	74	81	76	78	81	81	81	84	84
Senior services	17	15	15	15	13	13	13	13	13	13
Veterans services	1	1	1	1	1	1	1	1	1	1
Cultural and recreation										
Library	19	18	20	18	16	17	17	17	17	17
Historic preservation	2	2	2	2	2	NA	NA	NA	NA	NA
Agri-Civic Center	5	5	4	4	4	4	3	3	3	3
Airport	5	5	5	5	5	5	5	5	5	5
Utilities										
Administration	5	5	4	4	4	4	4	4	4	4
Operations	8	9	12	13	11	12	12	12	12	12
West Stanly WWTP	0	0	0	0	0	0	0	0	0	0
Total	455	449	458	446	429	435	437	440	449	451

Source: Stanly County Human Resources



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

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

Sources: Various departments

*Accurate information not available for prior years.
Prior to 2016, this information consisted of average daily flow of sewage for treatment.
Effective 2016, this information reflects average monthly flow of sewage based on retail billing.

Table 18

Fiscal Year				
2012	2013	2014	2015	2016
937	705	813	758	958
8,781	8,339	8,653	6,594	7,382
75	66	74	76	104
8,668	8,625	7,949	9,091	8,425
3,342	3,564	2,923	2,891	2,992
549	545	512	604	667
2,910	2,053	1,777	1,705	1,715
1,257	1,611	1,330	1,316	1,334
121,662	116,356	115,885	121,817	120,907
17,966	16,927	16,267	18,115	18,235
313,790	286,007	285,806	311,038	317,622
62,587	55,350	47,491	48,075	47,501
19	24	22	22	25
2	2	2	2	2
92	63	60	68	63
859	730	729	764	762
84	100	51	84	79
210,951	204,653	186,501	173,519	178,070
2,850	2,620	1,942	2,491	2,086
4,994	5,207	5,460	5,525	5,738
32,253,281	29,400,454	31,760,350	38,656,000	40,677,041
720	625	695	698	703
310,500	358,417	688,400	798,730	10,100,036
9,969	10,271	13,200	14,867	16,005

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

Table 19

Function	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Public safety										
Detention center	1	1	1	1	1	1	1	1	1	1
Patrol units	46	48	52	51	48	48	48	45	46	55
EMS ambulances	9	9	9	9	9	9	9	10	10	10
Transportation										
Transit vehicles	24	18	21	20	20	16	16	19	19	19
Environmental protection										
Convenience centers	9	9	9	9	9	9	9	9	9	9
Sanitary landfill	0	0	0	0	0	0	0	0	0	0
Culture and recreation										
Museums	3	3	3	3	3	3	3	3	3	3
Civic center	1	1	1	1	1	1	1	1	1	1
Water and sewer										
Miles of water mains	150	162	188	194	191	191	206	283	283	283
Number of wastewater plants	1	1	1	1	1	1	1	2	2	2
Miles of sanitary sewer	26	33	48	49	49	49	49	56	56	56
Airport										
Runways	2	2	2	2	2	2	2	2	2	2
Hangar Spaces	30	30	30	30	30	30	30	30	30	30

Sources: Various departments

COMPLIANCE SECTION

The Compliance Section contains the audited Schedule of Expenditures of Federal and State Awards (grants).



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

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

Report On Internal Control Over Financial Reporting And On Compliance And Other Matters Based On An Audit Of Financial Statements Performed In Accordance With Government Auditing Standards

Independent Auditor's Report

To the Board of Commissioners
Stanly County
Albemarle, North Carolina

We have audited, in accordance with the 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, 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, 2016, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated November 17, 2016.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Stanly County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Stanly County's internal control. Accordingly, we do not express an opinion on the effectiveness of Stanly County's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the County's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Stanly County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, non-compliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of non-compliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the County's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Martin Starnes & Associates, CPAs, P.A.

Martin Starnes & Associates, CPAs, P.A.
Hickory, North Carolina
November 17, 2016

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

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

Report On Compliance For Each Major Federal Program; Report On Internal Control Over Compliance; In Accordance With OMB Uniform Guidance; and The State Single Audit Implementation Act

Independent Auditor's Report

To the Board of Commissioners
Stanly County
Albemarle, North Carolina

Report on Compliance for Each Major Federal Program

We have audited Stanly County, North Carolina's, compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission that could have a direct and material effect on each of Stanly County's major federal programs for the year ended June 30, 2016. Stanly County's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Stanly County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and the State Single Audit Implementation Act. Those standards, the Uniform Guidance, and the State Single Audit Implementation Act require that we plan and perform the audit to obtain reasonable assurance about whether non-compliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Stanly County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Stanly County's compliance.

Opinion on Each Major Federal Program

In our opinion, Stanly County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2016.

Report on Internal Control over Compliance

Management of Stanly County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Stanly County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program in order to determine our auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program, and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Stanly County's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, non-compliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance such that there is reasonable possibility that material non-compliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Martin Starnes & Associates, CPAs, P.A.

Martin Starnes & Associates, CPAs, P.A.
Hickory, North Carolina
November 17, 2016

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

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

Report On Compliance For Each Major State Program; Report On Internal Control Over Compliance; In Accordance With OMB Uniform Guidance; and The State Single Audit Implementation Act

Independent Auditor's Report

To the Board of Commissioners
Stanly County
Albemarle, North Carolina

Report on Compliance for Each Major State Program

We have audited Stanly County, North Carolina's compliance with the types of compliance requirements described in the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission that could have a direct and material effect on each of Stanly County's major State programs for the year ended June 30, 2016. Stanly County's major State programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its State programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Stanly County's major State programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States; applicable sections of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), as described in the *Audit Manual for Governmental Auditors in North Carolina*, and the State Single Audit Implementation Act. Those standards, the Uniform Guidance, and the State Single Audit Implementation Act require that we plan and perform the audit to obtain reasonable assurance about whether non-compliance with the types of compliance requirements referred to above that could have a direct and material effect on a major State program occurred. An audit includes examining, on a test basis, evidence about Stanly County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major State program. However, our audit does not provide a legal determination of Stanly County's compliance

Opinion on Each Major State Program

In our opinion, Stanly County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major State programs for the year ended June 30, 2016.

Report on Internal Control over Compliance

Management of Stanly County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Stanly County's internal control over compliance with the requirements that could have a direct and material effect on a major State program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major State program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Stanly County's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, non-compliance with a type of compliance requirement of a State program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material non-compliance with a type of compliance requirement of a State program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a State program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Martin Starnes & Associates, CPAs, P.A.

Martin Starnes & Associates, CPAs, P.A.
Hickory, North Carolina
November 17, 2016

STANLY COUNTY, NORTH CAROLINA

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2016**

1. Summary of Auditor's Results

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance to GAAP: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? No
- Significant deficiency(ies) identified? None reported

Non-compliance material to financial statements noted? No

Federal Awards

Internal control over major federal programs:

- Material weakness(es) identified? No
- Significant deficiency(ies) identified? None reported

Type of auditor's report issued on compliance for major federal programs Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? No

Identification of major federal programs:

<u>Program Name</u>	<u>CFDA#</u>
Child Care Development Fund Cluster	93.575, 93.596
Medicaid Cluster	93.775, 93.777, 93.778
Water and Waste Program Cluster	10.760, 10.781

Dollar threshold used to distinguish between Type A and Type B programs \$1,942,534

Auditee qualified as low-risk auditee? Yes

STANLY COUNTY, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2016

1. Summary of Auditor's Results (continued):

State Awards

Internal control over major State programs:

- Material weakness(es) identified? No
- Significant deficiency(ies) identified? None reported

Type of auditor's report issued on compliance for major State programs Unmodified

Any audit findings disclosed that are required to be reported in accordance with the State Single Audit Implementation Act? No

Identification of major State programs:

Medical Assistance Program
 Subsidized Child Care Cluster
 Public School Building Capital Fund – Lottery Proceeds

2. Financial Statement Findings

None reported

3. Federal Award Findings and Questioned Costs

None reported

4. State Award Findings and Questioned Costs

None reported

STANLY COUNTY, NORTH CAROLINA
SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2016

No prior year findings.

STANLY COUNTY, NORTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2016

Grantor / Pass-Through Grantor / Program Title	Federal CFDA Number	State/ Pass-Through Grantor's Number	Expenditures		Pass-Through to Subrecipients
			Federal	State	
Federal Awards:					
U.S. Department of Agriculture:					
Direct program:					
Water and Waste Program Cluster (Note 4):					
Water and Waste Disposal Systems for Rural Communities	10.760	N/A	\$ 2,132,000	\$ -	\$ -
Total Water and Waste Program Cluster			2,132,000	-	-
Passed-Through N.C. Department of Health & Human Services					
Division of Social Services:					
Administration:					
Supplemental Nutrition Assist. Program Cluster					
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	201717S251445	395,423	-	-
Total Supplemental Nutrition Assist. Program Cluster			395,423	-	-
Passed-Through N.C. Department of Health & Human Services					
Division of Public Health:					
Administration:					
Special Supplemental Nutrition Program for Women, Infants, & Children	10.557	5NC700705	321,754	-	-
Direct Benefit Payments:					
Special Supplemental Nutrition Program for Women, Infants, & Children	10.557	5NC700705	1,268,414	-	-
Total U.S. Department of Agriculture			4,117,591	-	-
U.S. Department of Transportation:					
Passed-Through N.C. Department of Transportation					
Airport Improvement Program - State Block Grant Program - Vision 100	20.106	36237.50.13.3	7,192	-	-
Formula Grants for Rural Areas - Admin	20.509	36233.96.16.1	20,355	1,272	-
Formula Grants for Rural Areas - Admin	20.509	36233.96.17.1	174,243	10,890	-
Formula Grants for Rural Areas - Capital	20.509	36233.96.16.3	51,184	6,397	-
Formula Grants for Rural Areas - Capital	20.509	36233.96.17.3	44,120	5,514	-
Highway Planning and Construction Cluster:					
Highway Planning and Construction - Rocky River Rural Planning Organization	20.205	WBS 45439.1.16	87,357	-	-
Total Highway Planning and Construction Cluster:			87,357	-	-
Total U.S. Department of Transportation			384,451	24,073	-
Environmental Protection Agency:					
Office of Water					
Passed-Through N.C. Department of Environmental Quality					
Drinking Water State Revolving Fund Cluster:					
Capitalization Grants for Drinking Water State Revolving Funds - Grant	66.468	H-LRX-F-14-1673	1,102,472	-	-
Clean Water State Revolving Fund Cluster:					
Capitalization Grants for Clean Water State Revolving Funds - Loan	66.458	CS 370834-04	26,259	-	-
Total Environmental Protection Agency			1,128,731	-	-
U.S. Department of Homeland Security:					
Passed-Through N.C. Department of Public Safety					
Division of Emergency Management:					
Emergency Management Performance Grants	97.042	EMPG-2010-37167	38,542	-	-
Total U.S. Department of Homeland Security			38,542	-	-
U.S. Department of Health and Human Services:					
Administration for Community Living:					
Division of Aging and Adult Services:					
Passed-Through Centralina Council of Governments					
Aging Cluster:					
Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers	93.044	FRC13	259,848	45,855	-
Special Programs for the Aging - Title III, Part C - Nutrition Services	93.045	FRC14	100,446	17,725	-
Total Aging Cluster			360,294	63,580	-
Nutrition Services Incentives Program	10.570	FRC60	41,056	-	-
Special Programs for the Aging - Title III, Part D - Disease Prevention and Health Promotion Services	93.043	FRC36	1,492	263	-
National Family Caregiver Support, Title III, Part E (Caregiver)	93.052	FRC37	20,805	1,387	-
Total Administration on Aging			423,647	65,230	-

STANLY COUNTY, NORTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2016

Grantor / Pass-Through Grantor / Program Title	Federal CFDA Number	State/ Pass-Through Grantor's Number	Expenditures		Pass-Through to Subrecipients
			Federal	State	
Administration for Children and Families:					
Passed-Through the N.C. Department of Health and Human Services					
Division of Social Services:					
Foster Care and Adoption Cluster (Note 3):					
Administration:					
Title IV-E Foster Care	93.658	1601NCFOST	156,958	32,134	-
Adoption Assistance - IV-E Optional Adoption Training	93.659	1601NCADPT	1,059	-	-
Foster Care	93.658	1501NCFOST, 1601NCADPT	33,803	-	-
Direct Benefit Payments:					
Title IV-E Foster Care	93.658	1601NCFOST	88,757	18,941	-
Adoption Assistance - IV-E Adoption Subsidy & Vendors	93.659	1601NCADPT	81,970	21,014	-
Total Foster Care and Adoption Cluster			362,547	72,089	-
Passed-Through the N.C. Department of Health and Human Services					
Division of Social Services:					
Temporary Assistance for Needy Families Cluster:					
Administration:					
Work First	93.558	G1502NCTANF, G1602NCTANF	173,388	-	-
Direct Benefit Payments:					
TANF / Work First - Direct Benefit Payments	93.558	G1502NCTANF, G1602NCTANF	499,261	-	-
Division of Public Health:					
Temporary Assistance for Needy Families	93.558	G1502NCTANF, G1602NCTANF	8,228	-	-
Total TANF Cluster			680,877	-	-
Passed-Through the N.C. Department of Health and Human Services					
Division of Social Services:					
Administration:					
Chafee Foster Care Independence Program - LINKS	93.674	G1401NC1420 & G1051NCCLIP	7,256	1,814	-
Special Children Adoption Incentive Fund Cluster (Note 3):					
Social Service Block Grant - In-Home & Other Service and Training	93.667	G1501NCSOSR & G1601NCSOSR	208,035	17,571	-
Adoption Assistance Program IV-B Cluster (Note 3):					
Stephanie Tubbs Jones Child Welfare Services Program - Permanency Planning - Families for Kids	93.645	WC302	14,756	-	-
Low-Income Home Energy Assistance					
Administration	93.568	G15B1NCLIEA & G16BINCLIEA	285,369	-	-
Crisis Intervention Program	93.568	G15B1NCLIEA & G16BINCLIEA	202,071	-	-
Child Support Enforcement	93.563	1604NCCCSES	606,944	-	-
Promoting Safe and Stable Families	93.556	WC302	15,022	-	-
Direct Benefit Payments:					
Chafee Foster Care Independence Program - LINKS	93.674	G1401NC1420 & G1051NCCLIP	1,022	-	-
Family Support Payments to States - Assistance Programs	93.560	WC302	(131)	(36)	-
Passed-Through the N.C. Department of Health and Human Services					
Subsidized Child Care (Note 3):					
<u>Child Care Development Fund Cluster:</u>					
Division of Social Services:					
Child Care Mandatory and Matching Funds of the Child Care Development Fund - Administration	93.596	G1701NCCCDF	85,510	-	-
Division of Child Development:					
Child Care and Development Block Grant - Discretionary	93.575	G1501NCCCDF, G1601NCCCDF	518,975	-	-
Child Care Mandatory and Matching Funds of the					
Child Care and Development Fund - Mandatory	93.596	G1701NCCCDF	129,275	-	-
Child Care Mandatory and Matching Funds of the Child Care and Development Fund - Match	93.596	G1701NCCCDF	526,519	233,785	-
Total Child Care Development Fund Cluster			1,260,279	233,785	-
Temporary Assistance for Needy Families	93.558	G1502NCTANF & G0602NCTANF	132,939	-	-
Foster Care Title IV-E	93.658	G1502NCTANF & G0602NCTANF	7,982	4,084	-
State Appropriations			-	158,227	-
TANF - MOE			-	175,767	-
Total Subsidized Child Care Cluster			1,401,200	571,863	-
Total Administration for Children and Families			3,784,968	663,301	-
Centers for Medicare and Medicaid Services:					
Passed-Through the N.C. Department of Health and Human Services					
Division of Medical Assistance:					
Medicaid Cluster:					
Direct Benefit Payments:					
Medical Assistance Program	93.778	DMA2016	52,019,337	27,945,488	-
Division of Social Services:					
Administration:					
Medical Assistance Program	93.778	DMA2016	1,124,623	2,292	-
DMA Equipment County	93.778	DMA2016	10,818	-	-
Total Medicaid Cluster			53,154,778	27,947,780	-

STANLY COUNTY, NORTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2016

Grantor / Pass-Through Grantor / Program Title	Federal CFDA Number	State/ Pass-Through Grantor's Number	Expenditures		Pass-Through to Subrecipients
			Federal	State	
Division of Social Services:					
Administration:					
Children's Health Insurance Program - N.C. Health Choice	93.767	DMA2016	43,019	2,281	-
Division of Medical Assistance:					
Direct Benefit Payments:					
Children's Health Insurance Program - N.C. Health Choice	93.767	DMA2016	1,315,721	65,371	-
Total Children's Insurance Program - N.C. Health Choice			1,358,740	67,652	-
Total Centers for Medicare and Medicaid Services			54,513,518	28,015,432	-
Centers for Disease Control and Prevention:					
Passed-Through the N.C. Department of Health and Human Services					
Division of Public Health:					
Public Health Emergency Preparedness	93.069	5U90TP000538	33,520	-	-
Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements	93.074	5U90TP000538	19,671	-	-
Project Grants and Cooperative Agreement for Tuberculosis Control Program	93.116	1U52PS004698	43	-	-
Immunization Cooperative Agreements	93.268	H231P000729	10,838	-	-
Preventive Health and Health Services Block Grant funded solely with Prevention and Public Health Funds (PPHF)	93.758	2B01OT009034	46,943	-	-
Cooperative Agreements for State-Based Comprehensive Breast and Cervical Cancer Early Detection Programs	93.919	5NU58DP003933	6,375	-	-
HIV Prevention Activities - Health Department Based	93.940	1311981DHFV84	1,943	-	-
Preventive Health Services_Sexually Transmitted Diseases Control Grants	93.977	2H25PS004349	228	-	-
Total Centers for Disease Control and Prevention			119,561	-	-
Health Resources and Services Administration:					
Passed-Through the N.C. Department of Health and Human Services					
Division of Public Health:					
Maternal and Child Health Services Block Grant to the States	93.994	B04MC29320	75,965	56,980	-
Total Health Resources and Services Administration			75,965	56,980	-
Office of Population Affairs					
Passed-Through NC Dept. of Health and Human Services					
Office of Population Affairs					
Family Planning Services	93.217	FPHA046226	35,546	-	-
Total U.S. Department of Health and Human Services			58,953,205	28,800,943	-
U.S. Department of Housing and Urban Development:					
Passed-Through N.C. Department of Commerce					
Division of Community Assistance					
Community Development Block Grant / State's Program and Non-Entitlement Grants in Hawaii	14.228	12-C-2430	128,617	-	-
Total U.S. Department of Housing and Urban Development			128,617	-	-
Total Federal Awards			64,751,137	28,825,016	-
State Awards:					
N.C. Department of Cultural and Natural Resources:					
Division of State Library					
State Aid to Public Libraries					
Total N.C. Department of Cultural Resources			-	115,390	-
N.C. Department of Public Safety:					
DWI Safe Ride					
Drug seizure					
Forfeiture Property					
Juvenile Crime Prevention Counseling Schools					
Juvenile Crime Prevention Counseling Refunds					
Juvenile Crime Prevention Counseling Restitution					
Stanly County Lift Academy					
Office of Juvenile Justice administration					
Total N.C. Department of Public Safety			-	196,534	-
N.C. Department of Environmental Quality:					
Division of Soil and Water Conservation:					
Soil & Water Conservation					
Soil & Water - Technology Grant					
Division of Waste Management:					
Scrap Tire Fund - SWMG					
Convention Center Commingled Recycling Collection Grant Application Project					
		G4010029451SSWC	-	21,250	-
			-	3,185	-
			-	80,974	-
		6328	-	15,500	-

STANLY COUNTY, NORTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2016

Grantor / Pass-Through Grantor / Program Title	Federal CFDA Number	State/ Pass-Through Grantor's Number	Expenditures		Pass-Through to Subrecipients
			Federal	State	
Division of Environmental Assistance and Outreach:					
Solid Waste Trust Fund - Abandoned Manufactured Homes Program			-	14,908	-
Total N.C. Department of Environmental & Natural Resources			-	135,817	-
<u>N.C. Department of Health and Human Services:</u>					
Division of Aging and Adult Services:					
Passed-Through Centralina Council of Governments					
Senior Center-General		FRC04	-	11,400	-
Fan/Heat Program		FRC04	-	275	-
Division of Social Services:					
Administration:					
AFDC Incentive/Program Integrity		WC302	-	456	-
ST Child Welfare/CPS/CS LD		WC302	-	117,990	-
DCD Smart Start		WC302	-	14,556	-
Direct Benefit Payments:					
CWS Adopt Subsidy & Vendor		WC302	-	220,159	-
State/County Special Assistance for Adults		FRC01	-	399,006	-
SFHF Maximization		WC302	-	24,765	-
State Foster Home		WC302	-	17,785	-
Total Division of Social Services			-	806,392	-
Division of Public Health:					
Other Receipts/State Supported Expenditures					
Food & Lodging Fees		11534752SZ84	-	17,893	-
General Aid to Counties		116141100084	-	89,051	-
General Communicable Disease Control		117545100084	-	2,732	-
Breast and Cervical Cancer Program		5NU58DP003933	-	4,080	-
Child Health		B04MC29320	-	1,328	-
HMHC- Family Planning		FPHPA046226	-	3,790	-
Maternal Health (HMHC)		B04MC29320	-	8,352	-
Women's Health Service Fund		13A16016FR84	-	7,175	-
HIV/STD SSBG Aid		5U62PS003658	-	500	-
Sexually Transmitted Diseases		5H25PS004349	-	673	-
School Nurse Funding Initiative		B04MC29320	-	50,000	-
Tuberculosis		1U52PS004698	-	2,871	-
TB Medical Service		1U52PS004698	-	1,034	-
Total Division of Public Health			-	189,479	-
Total N.C. Department of Health and Human Services			-	995,871	-
<u>N.C. Dept. of Public Instruction</u>					
Public School Building Capital Fund:					
Lottery Proceeds			-	570,000	-
Total N.C. Department of Public Instruction			-	570,000	-
<u>N.C. Department of Transportation:</u>					
DOT Cluster:					
Elderly and Disabled Transportation Assistance Program		36220.10.5.1	-	63,377	-
Rural General Public Program		36228.22.5.1	-	81,287	-
Work First Transitional/Employment Transportation Assistance Program		36236.11.3.1	-	15,821	-
Total DOT Cluster			-	160,485	-
NC DOT Reimbursement			-	57,078	-
Total N.C. Department of Transportation			-	217,563	-
<u>N.C. Department of Insurance:</u>					
Division of Seniors' Health Insurance Information Program					
Safe Kids Seat			-	4,591	-
Total N.C. Department of Insurance			-	825	-
Total N.C. Department of Insurance			-	5,416	-

STANLY COUNTY, NORTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2016

Grantor / Pass-Through Grantor / Program Title	Federal CFDA Number	State/ Pass-Through Grantor's Number	Expenditures		Pass-Through to Subrecipients
			Federal	State	
<u>N.C. Housing Finance Agency:</u>					
Single Family Housing Rehabilitation			-	115,780	-
NC Housing Trust Fund/Urgent Repair Program			-	3,836	-
Total N.C. Housing Finance Agency			-	119,616	-
<u>N.C. Department of Commerce:</u>					
Commerce Utility Account			-	3,962	-
Total N.C. Department of Commerce			-	3,962	-
<u>N.C. Department of Administration:</u>					
NC Veterans Affairs			-	2,288	-
Total N.C. Department of Administration			-	2,288	-
<u>N.C. Office of Management and Budget</u>					
Tarheel Challenge Academy - Stanly County Campus			-	324,380	-
Total N.C. Office of Management and Budget			-	324,380	-
Total State Awards			-	2,686,837	-
Total Federal and State Awards			\$ 64,751,137	\$ 31,511,853	\$ -

Notes to the Schedule of Expenditures of Federal and State Financial Awards:**1. Basis of Presentation**

The accompanying Schedule of Expenditures of Federal and State awards (SEFSA) includes the federal and State grant activity of Stanly County under the programs of the federal government and the State of North Carolina for the year ended June 30, 2016. The information in this SEFSA is presented in accordance with the requirements of Title 2 US Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and the State Single Audit Implementation Act. Because the SEFSA presents only a selected portion of the operations of Stanly County, it is not intended to and does not present the financial position, changes in net position, or cash flows of Stanly County.

2. Summary of Significant Accounting Policies

Expenditures reported in the SEFSA are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursements. Pass-through entity identifying numbers are presented where available. Stanly County has elected not to use the 10-percent de minimus cost rate as allowed under the Uniform Guidance.

3. State Clusters:

The following are clustered by the N.C. Department of Health and Human Services and are treated separately for state audit requirement purposes: Subsidized Child Care, Foster Care and Adoption Cluster.

4. Loans Outstanding

Stanly County had the following loan balances outstanding at June 30, 2016 for loans that the grantor/pass-through grantor has still imposed continuing compliance requirements. Loans outstanding at the beginning of the year and loans made during the year are included in the SEFSA. Stanly County had expenditures in the current year for the Clean Water State Revolving Fund 66.458 as presented in the schedule above. Balances and transactions related to this programs are also included in the County's basic financial statements. However, at June 30, 2016, no draw downs have occurred in this program so the loan outstanding balance was zero. The balance of loans outstanding at June 30, 2016 consist of:

Program Title	CFDA Number	Pass-through Grantor's Number	Amount Outstanding
Water and Waste Disposal Systems for Rural Communities	10.760	N/A	\$ 2,132,000