Comprehensive Annual Financial Report
Year Ended June 30, 2017

STANLY COUNTY
NORTH CAROLINA

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2017

STANLY COUNTY
NORTH CAROLINA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For Fiscal Year Ended
June 30, 2017

Prepared and Issued by:
Stanly County Finance Department

Toby R. Hinson
Finance Director

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STANLY COUNTY, NORTH CAROLINA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Fiscal Year Ended June 30, 2017
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INTRODUCTORY SECTION

STANLY COUNTY
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November 17, 2017

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, 2017 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.

DESCRIPTION OF COUNTY

Stanly County is located in south central North Carolina, bounded on the east by the Pee Dee River. The County seat of Albemarle is approximately 40 miles northeast of the Charlotte metro area. The County has a population of 61,234 and a moderate population density of over 150 people per square mile. The largest industry sectors that drive the local economy are aircraft tire, conveyor belt, automotive parts, and several energy production and distribution related manufacturing.

P| 704.986.3611
F| 704.986.0081

www.stanlycountync.gov
Finance
1000 N. First Street, Suite 10B, Albemarle, NC 28001

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

Steady economic growth continued in Stanly County during the past twelve (12) months. The growth has been fueled by a declining unemployment rate as well as increased residential construction and business investment. The County's unemployment rate declined to 3.8% as of June 2017, compared to 4.8% for the same time period in 2016.

The regional unemployment rate in June 2017 was 4.0% and the State of North Carolina experienced a rate of 4.2%. As such, Stanly County is trending slightly more positively than both the Charlotte metro region and state as it relates to unemployment.

The number and value of commercial building permits increased in Fiscal Year 2017. The value of the various commercial building permits increased by $4.7 million (6.8%) from June 2016 to June 2017. New residential construction grew at a more accelerated pace in Fiscal Year 2017. Residential housing permits increased by 60 permits (34%) in the past 12 months and the total value of residential housing increased by $8.5 million (29%) during the same time period.

The County continues to maintain a low inventory of available commercial and industrial buildings. As such, the County purchased 76 acres in western Stanly County for the development of an industrial park. The future industrial park site is located less than 12 miles from I-485. The County has also made multiple investments in water and sewer projects over the past 12 months to ensure sufficient infrastructure assets are in place to foster commercial development and increased tax base.

Stanly County's assessed valuation (tax base) is projected to increase by $232 million (5.2%) in FY 17-18, and the ad valorem tax revenue is based on a collection rate of 96.8%. One (1) penny on the current $0.67 tax rate will generate approximately $458,486 in FY 17-18.

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 by $386,673 for FY 17 while total fund balance increased by $980,423. This is primarily due to an increase of ad valorem tax of just over $650,000 or 2.1% and a large increase of nearly $1,000,000 or 12% in sales tax revenues while experiencing a 6% increase in expenditures.

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 16-17, the County financed the purchase of eight new Sheriff vehicles.

MAJOR INITIATIVES

During Fiscal Year 2017, the installation and implementation of the new emergency radio system was completed along with the construction of the Stanly Community College cosmetology facility. By the end of Fiscal Year 2017, the Museum Renovation Project was nearing completion. There were a total of eighteen vehicles purchased of which fourteen belong to public safety departments. The Dental Clinic purchased a cargo van to transport equipment to Stanly County Public Schools to implement a dental sealant program focusing on second and third grade children. This van was purchased with funds from a Duke Endowment Grant and Dental Fund Balance. There were various improvements and repairs made at different County facilities including renovations and expansion of the Agri-Civic Center lobby and replacing carpet throughout the Library facility.

UTILITIES

Stanly County Utilities is responsible for the distribution of one million gallons of drinking water each day to nearly 6,000 homes, schools, churches and businesses in Stanly County. Stanly County Utilities operates as three systems – Stanly County, Greater Badin Water & Sewer District and Piney Point Water District. Stanly County Utilities also provides wastewater collection and treatment to over 700 customers in Stanly County.

The Badin Water Rehab Project Part A was completed in the Summer of 2017 and Part B Water Rehab should be completed during Fiscal Year 2018. The Alonzo Road Meter Project was completed during Fiscal Year 2017. The County Commissioners created the Stanly Water and Sewer Authority in 2006 as a tool for securing grant funding, and as a means of completing water line installation. There are currently no on-going projects with the Stanly Water and Sewer Authority.

AIRPORT

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

The airport has been identified as an important economic development asset to the County. Executive jet usage at the airport is beginning to increase once again after a decline in use due to world-wide economic conditions. To accommodate this growth and to further enhance countywide economic development activity, the airport has identified a number of improvements to enhance services to both civilian and military aircraft. A state-of-the-art air traffic control tower was completed in May 2001. 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. This 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 16-17, SCUSA Transportation provided 18,678 service hours, traveled 307,469 miles, while providing 46,799 trips.

FINANCIAL INFORMATION

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

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

Budgeting Controls

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

OTHER INFORMATION

Independent Audit

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

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

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Stanly County for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2016. 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-six (26) consecutive years. We believe the current report satisfies the Certificate of Achievement Program requirements, and is being submitted to the GFOA.

Acknowledgments

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

Respectfully submitted,

Andrew M. Lucas
County Manager

Toby R. Hinson
Finance Director

STANLY COUNTY, NORTH CAROLINA
LIST OF ELECTED AND APPOINTED OFFICIALS
June 30, 2017

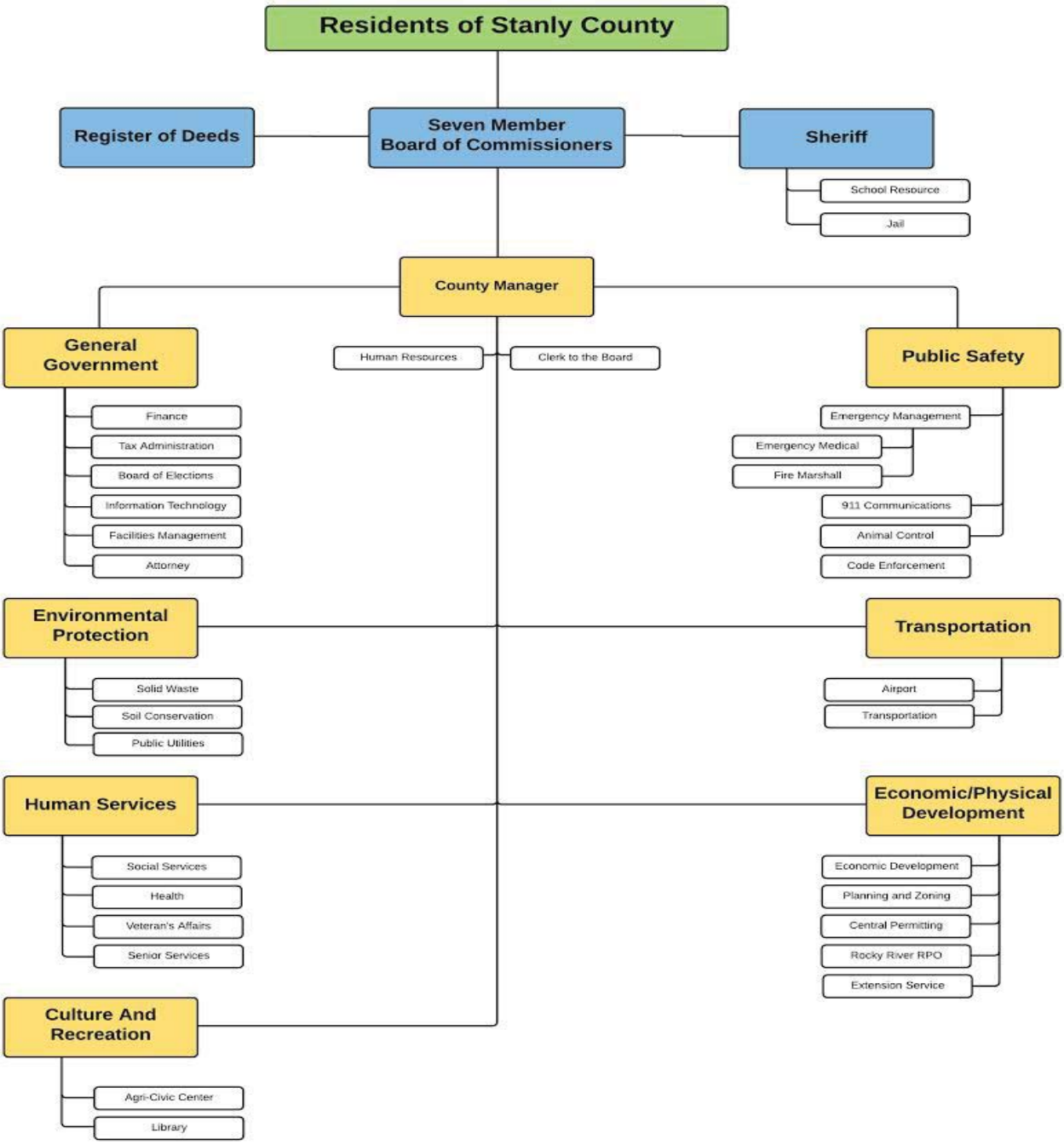
Elected Officials

Board of Commissioners – Chairman	Bill Lawhon
Board of Commissioners – Vice-Chairman	Joseph Burleson
Board of Commissioners	Scott Efird
Board of Commissioners	Jann Lowder
Board of Commissioners	Gene McIntyre
Board of Commissioners	Ashely Morgan
Board of Commissioners	Matthew Swain
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 F. Swaringen
Airport Director	David M. Griffin
Central Permitting	Carol C. Almond
Code Enforcement	Vacant
Communications Director – E 911	Karen L. McDaniel
County Attorney	Jennifer R. Furr
County Extension Service	Lori S. Ivey
Economic Development Director	C. Michael Smith
Election Supervisor	Kimberly R. Blackwelder
Emergency Management Director	Brian T. Simpson
Facility Management and Solid Waste Director	Todd R. Lowder
Finance Director	Toby R. Hinson
Health Director	Dennis R. Joyner
Human Resources Director	Emily J. 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 G. Schrenker
Soil and Water Conservation Cost Share Technician	Vacant
Tax Administrator	Clinton G. 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, 2016

Executive Director/CEO

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FINANCIAL SECTION

STANLY COUNTY
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Thompson, Price, Scott, Adams & Co, P.A.
P.O Box 398
1626 S. Madison Street
Whiteville, NC 28472
Telephone (910) 642-2109
Fax (910) 642-5958

Alan W. Thompson, CPA
R. Bryon Scott, CPA
Gregory S. Adams, CPA

CERTIFIED PUBLIC ACCOUNTANTS
CONSULTANTS AND TAX ADVISORS

INDEPENDENT AUDITORS' REPORT

To the Board of County Commissioners
Stanly County
Albemarle, North Carolina

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Stanly County, North Carolina, as of and for the year ended June 30, 2017, and the related notes to the financial statements which collectively comprise Stanly County 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.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements bases 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 auditors' 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, 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, 2017, 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 Other Postemployment Benefits Schedules of Funding Progress and Employer Contributions on page 62, the Local Government Employees' Retirement System Schedules of the County's Proportionate Share of Net Pension Liability and County Contributions, pages 63 and 64, and the Register of Deeds' Supplemental Pension Fund schedules of the County's Proportionate Share of the Net Pension Asset and County Contributions on pages 65 and 66, and the Law Enforcement Officers' Special Separation Allowance schedules of the Changes in Total Pension Liability and Total Pension Liability as a Percentage of Covered Payroll, pages 67 and 68, 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 and other auditors 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 the basic financial statements of Stanly County, North Carolina. The combining and individual fund statements, budgetary schedules, other schedules 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, and Audit Requirements for Federal Awards are presented for purpose of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements, budgetary schedules, other schedules and the Schedule of Expenditures of Federal and State Awards are the responsibility of management and were derived from and related 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 by us. In our opinion, based on our audit, the procedures performed as described above, and the report of the other auditors, the combining and individual fund financial statements, budgetary schedules, other 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 17, 2017 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, and grant agreements and other matters. The purpose the 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.

Thompson, Price, Scott, Adams & Co., P.A.

Thompson, Price, Scott, Adams & Co., P.A.
Whiteville, NC
November 17, 2017

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STANLY COUNTY, NORTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2017

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, 2017. 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 primary governmental activities exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by $61,512,740 (net position).

- The government's total net position increased by $4,600,088, primarily due to an increase in governmental activities' net position. However, there was also a restatement of fund balance associated with the implementation of GASB 73, which resulted in a decrease in fund balance of $574,707, for a net change in net position for the year of $4,025,381.

- As of the close of the current fiscal year, Stanly County's governmental funds reported combined ending fund balances of $23,677,836, after a net increase in fund balance of $161,103. Approximately 23.73% of this total amount or, $5,618,253, is restricted or non-spendable.

- At the end of the current fiscal year, unassigned fund balance for the General Fund was $13,638,910 or 22.30% of total general fund expenditures and transfers to other funds for the fiscal year.

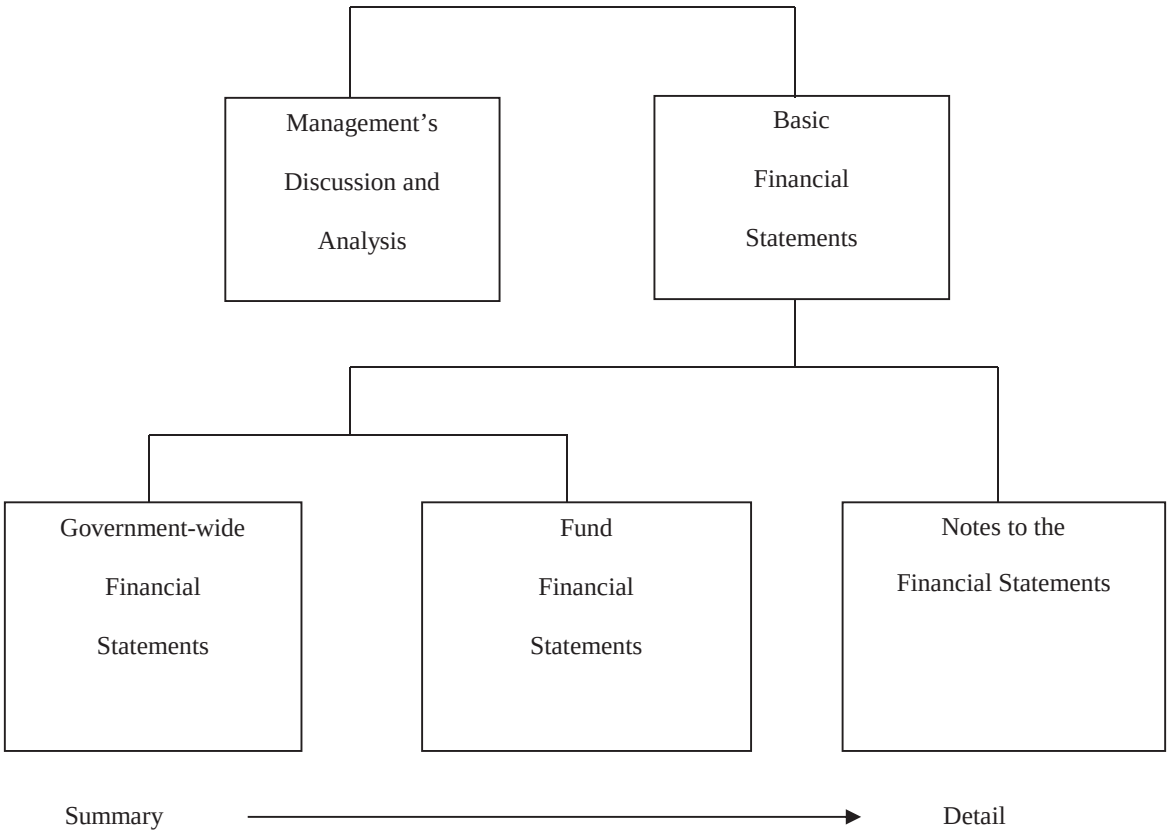
- Stanly County's total debt decreased by $3,680,957 (10.09%) during the current fiscal year. Pay-off of the bond anticipation note makes up the largest part of this decrease. The County financed the purchase of eight new patrol vehicles for the Sheriff's Office. Regular and scheduled debt payments account for a partial decrease in debt.

- Stanly County maintained its Standard & Poor's AA- rating for the fourth consecutive year and maintained its Moody's Aa3 rating for the eighth consecutive year.

Overview of the Financial Statements

This discussion and analysis are 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.

Required Components of Annual Financial Report
Figure 1



Basic Financial Statements

The first two statements (Exhibits 1 and 2) 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 3 through 9) 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 enterprise fund statements; and 4) the fiduciary fund statements.

The next section of the basic financial statements is the **notes**. The notes to the financial statements explain in detail some of the data contained in those statements. After the notes, **supplemental information** is provided to show details about the County's nonmajor governmental funds and internal service funds, all of which are added together in one column on the basic financial statements. Budgetary information required by the General Statutes can also 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 the majority of these activities. The business-type activities are those that the County charges customers to provide. These include water and sewer and airport services offered by Stanly County. The final category is the component unit. Stanly County Water and Sewer Authority exists to provide water and sewer services to residences of the County. The 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 1 and 2 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 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, enterprise funds, and fiduciary funds.

Governmental Funds – Governmental funds are used to account for those functions reported as governmental activities in the government-wide financial statements. Most of the County's basic services are accounted for in governmental funds. These funds focus on how assets can readily be converted into cash flow in and out, and what monies are left at year-end that will be available for spending in the next year. Governmental funds are reported using an accounting method called modified accrual accounting, which provides a current financial resources focus. As a result, the governmental fund financial statements give the reader a detailed short-term view that helps determine if there are more or less financial resources available to finance the County's programs. The relationship between government activities (reported in the Statement of Net 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 fund 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 26 of this report.

Other Information. In addition to the basic financial statements and accompanying notes, this report includes certain required supplementary information concerning Stanly County's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found beginning on page 62 of this report.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as one useful indicator of a government's financial condition. The County's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by $61,512,740 as of June 30, 2017. The County's net position increased by $4,025,381 for the fiscal year ended June 30, 2017. The largest portions, $51,895,920 (84.37%) 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 the capital assets cannot be used to liquidate these liabilities. An additional portion of Stanly County's net position $5,482,160 (8.91%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of $4,134,660 (6.72%) is unrestricted.

Stanly County's Net Position
Figure 2

	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Assets						
Current and other assets	$ 31,925,424	$ 33,036,015	$ 2,587,125	$ 2,653,196	$ 34,512,549	$ 35,689,211
Capital assets	29,530,713	27,503,876	40,107,471	39,781,855	69,638,184	67,285,731
Total assets	61,456,137	60,539,891	42,694,596	42,435,051	104,150,733	102,974,942
Deferred outflows of resources	5,099,001	1,252,934	236,222	63,184	5,335,223	1,316,118
Liabilities						
Long-term liabilities outstanding	34,003,324	36,851,840	4,512,567	4,846,620	38,515,891	41,698,460
Other liabilities	8,079,769	3,814,769	932,365	449,941	9,012,134	4,264,710
Total liabilities	42,083,093	40,666,609	5,444,932	5,296,561	47,528,025	45,963,170
Deferred Inflows of Resources	435,598	798,640	9,593	41,891	445,191	840,531
Net Position						
Net investment in capital assets	16,284,376	15,117,068	35,611,544	35,167,549	51,895,920	50,284,617
Restricted	5,454,360	5,148,480	27,800	14,850	5,482,160	5,163,330
Unrestricted	2,297,711	62,028	1,836,949	1,977,384	4,134,660	2,039,412
Total net position	$ 24,036,447	$ 20,327,576	$ 37,476,293	$ 37,159,783	$ 61,512,740	$ 57,487,359

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 $15,160,077.

Stanly County's Changes in Net Position

Figure 3

	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Revenues:						
Program revenues:						
Charges for services	$ 8,213,566	$ 9,379,993	$ 4,917,024	$ 5,036,216	$ 13,130,590	$ 14,416,209
Operating grants and contributions	12,161,990	10,804,541	-	-	12,161,990	10,804,541
Capital grants and contributions	1,264,953	570,000	1,961,823	1,173,017	3,226,776	1,743,017
General revenues:						
Property taxes	33,544,111	32,603,038	-	-	33,544,111	32,603,038
Other taxes	9,951,932	8,911,256	-	-	9,951,932	8,911,256
Interest earned	145,583	85,044	11,223	6,472	156,806	91,516
Miscellaneous income	83,104	-	318,102	36,306	401,206	36,306
Total revenues	65,365,239	62,353,872	7,208,172	6,252,011	72,573,411	68,605,883
Expenses:						
General government	5,853,567	5,595,567	-	-	5,853,567	5,595,567
Public safety	17,375,025	15,690,978	-	-	17,375,025	15,690,978
Transportation	1,039,842	996,173	-	-	1,039,842	996,173
Environmental protection	1,329,773	1,250,048	-	-	1,329,773	1,250,048
Economic and physical development	1,143,443	1,850,849	-	-	1,143,443	1,850,849
Human services	16,375,560	15,650,283	-	-	16,375,560	15,650,283
Cultural and recreation	1,793,243	1,509,584	-	-	1,793,243	1,509,584
Education	14,788,737	14,035,997	-	-	14,788,737	14,035,997
Interest on long-term debt	1,042,725	1,144,394	-	-	1,042,725	1,144,394
Water and sewer	-	-	5,215,442	4,995,224	5,215,442	4,995,224
Airport	-	-	2,015,966	1,919,152	2,015,966	1,919,152
Total expenses	60,741,915	57,723,873	7,231,408	6,914,376	67,973,323	64,638,249
Increase in net position before transfers and special items	4,623,324	4,629,999	(23,236)	(662,365)	4,600,088	3,967,634
Transfers and special items	(339,746)	(357,425)	339,746	357,425	-	-
Increase in net position after transfers and special items	4,283,578	4,272,574	316,510	(304,940)	4,600,088	3,967,634
Net position, beginning	20,327,576	16,055,002	37,159,783	37,464,723	57,487,359	53,519,725
Net position, beginning, restated	19,752,869	16,055,002	37,159,783	37,464,723	56,912,652	53,519,725
Net position, ending	$ 24,036,447	$ 20,327,576	$ 37,476,293	$ 37,159,783	$ 61,512,740	$ 57,487,359

Governmental activities. Governmental activities increased the County's net position by $4,283,578, thereby accounting for 93.12% of the total growth in the net position of Stanly County. Key elements of this increase are as follows:

- Increase in other taxes by 11.68% mainly due to a $1,000,000 increase in sales tax revenue.
- Increase in operating grants and contributions by 12.57% mainly due to a $2,000,000 increase in Human Services grants.
- Large increase of close to $700,000 in Culture and Recreation Capital Grants and Contributions.

Business-type activities. Business-type activities increased Stanly County's net position by $316,510, accounting for 6.88% of the total growth in the government's net position. Key elements of this increase are as follows:

- Slight increase of 317,000, or 4.59%, 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 and Airport Taxilane Rehab Projects.
- Charges for services were slightly less due to a decrease in fuel sales.

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 $18,225,650, while total fund balance reached $23,597,491. 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 29.80% (a decrease of 1% from prior year) of General Fund expenditures, while total fund balance represents 38.59% of that same amount.

At June 30, 2017, the governmental funds of Stanly County reported a combined fund balance of $23,677,836, a 0.69% percent increase over last year. The primary reason for this increase is the increase in fund balance in the General Fund.

General Fund Budgetary Highlights: During the fiscal year, the County revised the budget on several occasions. Generally, budget amendments fall into one of three categories: 1) amendments made to adjust the estimates that are used to prepare the original budget ordinance once exact information is available; 2) amendments made to recognize new funding amounts from external sources, such as Federal and State grants; and 3) increases in appropriations that become necessary to maintain services. Total amendments to the General Fund increased expenditures by $2,716,548 and revenues by $887,791 with the remaining $1,828,757 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 $1,899,841 and that for the Airport equaled a deficit of $62,892. The total increase in net position for all enterprise funds was $316,510. Other factors concerning the finances of these funds have already been addressed in the discussion of Stanly County's Business-Type activities.

Capital Asset and Debt Administration

Capital Assets. Stanly County's capital assets for its governmental and business-type activities as of June 30, 2017, totals $69,521,852 (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:

- Purchase of land for an industrial park development
- Completion of the new emergency radio system
- Purchased new vehicles for various departments

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

	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Land	$ 1,935,246	$ 1,949,950	$ 5,147,879	$ 5,147,879	$ 7,083,125	$ 7,097,829
Plant in service	-	-	15,693,678	16,479,992	15,693,678	16,479,992
Buildings and improvements	14,759,279	12,732,310	13,169,783	14,421,819	27,929,062	27,154,129
Equipment and vehicles	12,494,489	2,510,819	167,594	169,524	12,662,083	2,680,343
Construction in progress	225,367	10,310,797	5,928,537	3,562,641	6,153,904	13,873,438
Total	$ 29,414,381	$ 27,503,876	$40,107,471	$ 39,781,855	$ 69,521,852	$ 67,285,731

Additional information on the County's capital assets can be found in notes to the Financial Statements, beginning on page 38.

Long-term Debt. As of June 30, 2017, Stanly County had total bonded debt outstanding of $7,190,000, all of which is backed by the full faith and credit of the County.

STANLY COUNTY'S OUTSTANDING DEBT
Figure 5

	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
General obligation bonds	$ 7,190,000	$ 8,725,000	$ -	$ -	$ 7,190,000	$ 8,725,000
Unamortized premium on bonds	443,760	532,760	-	-	443,760	532,760
Capital leases	8,479,715	9,445,822	-	-	8,479,715	9,445,822
Bond anticipation note	-	-	-	2,132,000	-	2,132,000
Revenue bonds	-	-	3,047,000	962,000	3,047,000	962,000
Notes payable	12,176,607	13,149,078	1,448,927	1,520,306	13,625,534	14,669,384
Total	$ 28,290,082	$ 31,852,660	$ 4,495,927	$ 4,614,306	$ 32,786,009	$ 36,466,966

Stanly County's total debt decreased by $3,680,957 (10.09%) during the past fiscal year, primarily due to the repayment of debt obligations.

As mentioned in the financial highlights section of this document, Stanly County maintained its Standard & Poor's AA- rating for the fourth consecutive year and maintained its Moody's Aa3 bond rating for the eighth consecutive year. These bond ratings are an indication of sound financial condition. This achievement is a primary factor in keeping interest costs low on the County's outstanding debt.

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 $337,729,269. The County has no bonds authorized, but unissued at June 30, 2017.

Additional information regarding Stanly County's long-term debt can be found in the notes to the financial statements, beginning on page 52.

Economic Factors and Next Year's Budgets and Rates

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

- The County is enjoying a low unemployment rate of 3.8%, lower than the state average of 4.2%.
- The value of commercial building permits increased by $4.7 million or 6.8%.
- The County continues to maintain a low inventory of available commercial and industrial buildings.

Budget Highlights for Fiscal Year Ending June 30, 2018

Governmental Activities. Property taxes (benefiting from economic growth) and revenues from licenses and permits are expected to lead the increase in revenue projections by 5.18%. The County will use these increases in revenues to finance programs currently in place.

Budgeted expenditures in the General Fund are expected to rise approximately 4% to $63,243,166. The primary factors for this are an increase for Stanly County Schools capital outlay, increase for eleven (11) additional EMS paramedics for full 24/72 schedule implementation, increase for 3.0% employee cost of living allowance, increase for annualized merit, and an increase for teacher supplements.

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 4% in FY 17-18.

The Airport Operating Fund budget represents a $27,737 increase (3.2%) over the FY 16-17 adopted budget appropriation. The budget includes a $326,896 appropriation from the General Fund. This appropriation includes the required match for the annual Vision 100 grant funding. The approved appropriation also includes funding ($13,000) for the replacement of a zero-turn mower and $15,000 in additional repairs and maintenance funding to install ridge vents in the hangar facilities to mitigate moisture and humidity issues.

Requests for Information

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

BASIC FINANCIAL STATEMENTS

STANLY COUNTY
NORTH CAROLINA
Water. Air. Land. Success.

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STANLY COUNTY, NORTH CAROLINA
STATEMENT OF NET POSITION
JUNE 30, 2017

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Stanly Water & Sewer Authority
Assets				
Current assets				
Cash and cash investments	$ 23,642,801	$ 2,015,120	$ 25,657,921	$ -
Receivables (net)	7,117,408	708,631	7,826,039	87,044
Internal Balances	358,538	(358,538)	-	-
Due from component unit	696,734	-	696,734	-
Prepaid items	72,377	-	72,377	-
Inventories	-	91,134	91,134	-
Restricted cash and cash equivalents	37,566	130,778	168,344	244,970
Total current assets	31,925,424	2,587,125	34,512,549	332,014
Non-current assets:				
Net Pension Asset	116,332	-	116,332	-
Capital assets:				
Land, improvements, and construction in progress	2,160,613	11,076,416	13,237,029	-
Other capital assets, net of depreciation	27,253,768	29,031,055	56,284,823	11,391,578
Total non-current assets	29,530,713	40,107,471	69,638,184	11,391,578
Total assets	61,456,137	42,694,596	104,150,733	11,723,592
Deferred Outflows of Resources	5,099,001	236,222	5,335,223	-
Liabilities				
Current Liabilities				
Accounts payable	2,112,904	303,805	2,416,709	23,984
Interest payable	545,105	13,152	558,257	19,371
Payroll payable	801,830	48,727	850,557	
Due to primary government	-	-	-	696,734
Due to other governments	24,648	-	24,648	-
Due within a year	4,594,882	435,903	5,030,785	113,000
Payable from restricted assets	400	130,778	131,178	41,380
Total current liabilities	8,079,769	932,365	9,012,134	894,469
Non-current liabilities:				
Net pension liability - LGERS	5,587,978	262,875	5,850,853	-
Total pension liability - LEOSSA	992,821	-	992,821	-
Due in more than a year	27,422,525	4,249,692	31,672,217	7,162,000
Total long-term liabilities	34,003,324	4,512,567	38,515,891	7,162,000
Total liabilities	42,083,093	5,444,932	47,528,025	8,056,469
Deferred Inflows of Resources	435,598	9,593	445,191	-
Net Position				
Net Investment in Capital Assets	16,284,376	35,611,544	51,895,920	4,116,578
Restricted for:				
Stabilization by state statute	5,328,359	-	5,328,359	-
Public Safety	35,778	-	35,778	-
Debt Service	53,057	27,800	80,857	203,590
Education	37,166	-	37,166	-
Unrestricted (deficit)	2,297,711	1,836,949	4,134,660	(653,045)
Total net position	$ 24,036,447	$ 37,476,293	$ 61,512,740	$ 3,667,123

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, 2017

		Program Revenues			Net (Expense) Revenue and Changes in Net Position			
					Primary Government			Component Unit
Functions/Programs	**Expenses**	**Charges for Services**	**Operating Grants and Contributions**	**Capital Grants and Contributions**	**Governmental Activities**	**Business-type Activities**	**Total**	**Sewer Authority**
Primary government:								
Governmental Activities:								
General government	$ 5,853,567	$ 841,182	$ 170,752	$ -	$ (4,841,633)	$ -	$ (4,841,633)	$ -
Public safety	17,375,025	4,322,509	711,998	-	(12,340,518)	-	(12,340,518)	-
Transportation	1,039,842	431,514	384,437	-	(223,891)	-	(223,891)	-
Environmental protection	1,329,773	882,991	163,478	-	(283,304)	-	(283,304)	-
Economic and physical development	1,143,443	24,450	182,203	-	(936,790)	-	(936,790)	-
Human services	16,375,560	1,596,772	10,425,075	-	(4,353,713)	-	(4,353,713)	-
Cultural and recreation	1,793,243	114,148	124,047	685,953	(869,095)	-	(869,095)	-
Education	14,788,737	-	-	579,000	(14,209,737)	-	(14,209,737)	-
Interest on long-term debt	1,042,725	-	-	-	(1,042,725)	-	(1,042,725)	-
Total governmental activities	60,741,915	8,213,566	12,161,990	1,264,953	(39,101,406)	-	(39,101,406)	(39,101,406)
Business-type activities:								
Greater Badin Water and Sewer	645,455	467,519	-	1,678,428	-	1,500,492	1,500,492	-
Piney Point Water District	142,973	177,427	-	-	-	34,454	34,454	-
West Stanly Waste Water Treatment	566,567	516,978	-	-	-	(49,589)	(49,589)	-
Stanly County Utility Fund	3,860,447	3,349,112	-	77,793	-	(433,542)	(433,542)	-
Airport Fund	2,015,966	405,988	-	205,602	-	(1,404,376)	(1,404,376)	-
Total business-type activities	7,231,408	4,917,024	-	1,961,823	-	(352,561)	(352,561)	-
Total primary government	$ 67,973,323	$ 13,130,590	$ 12,161,990	$ 3,226,776	(39,101,406)	(352,561)	(39,453,967)	(39,101,406)
Component Unit:								
Water & Sewer Authority	$ 825,731	$ 494,286	$ -	$ -				$ (331,445)
Total component units	$ 825,731	$ 494,286	$ -	$ -				$ (331,445)
General revenues:								
Taxes:								
Property taxes, levied for general purpose					33,544,111	-	33,544,111	-
Local option sales tax					9,265,317	-	9,265,317	-
Other taxes and licenses					686,615	-	686,615	-
Investment earnings, unrestricted					145,583	11,223	156,806	822
Sale of assets					(110,433)	-	(110,433)	-
Miscellaneous, unrestricted					193,537	318,102	511,639	2,172
Transfers					(339,746)	339,746	-	-
Total general revenues, special items, and transfers					43,384,984	669,071	44,054,055	2,994
Change in net position					4,283,578	316,510	4,600,088	(328,451)
Net position-beginning					20,327,576	37,159,783	57,487,359	3,995,574
Restatement					(574,707)	-	(574,707)	-
Net position-beginning, restated					19,752,869	37,159,783	56,912,652	3,995,574
Net position-ending					$ 24,036,447	$ 37,476,293	$ 61,512,740	$ 3,667,123

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

STANLY COUNTY, NORTH CAROLINA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2017

	Major General Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets:			
Cash and cash equivalents	$ 20,561,656	$ 61,925	$ 20,623,581
Receivables, net	6,385,916	107,931	6,493,847
Due from other funds	358,538	-	358,538
Due from component unit	696,734	-	696,734
Prepaid items	72,377	-	72,377
Restricted cash and cash equivalent	400	37,166	37,566
Total assets	$ 28,075,621	$ 207,022	$ 28,282,643
Liabilities, Deferred Inflows of Resources, and Fund Balances:			
Liabilities:			
Accounts payable and accrued liabilities	$ 2,114,481	$ 47,641	$ 2,162,122
Due to other governments	24,648	-	24,648
Due to other funds	-	-	-
Liabilities to be paid from restricted assets:			
Accounts payable and accrued liabilities	-	-	-
Deposits	400	-	400
Total liabilities	2,139,529	47,641	2,187,170
Deferred inflows of resources:			
Prepaid taxes	196,877	-	196,877
Reserve for taxes receivable	2,141,724	79,036	2,220,760
Total deferred inflows of resources	2,338,601	79,036	2,417,637
Fund balances:			
Non-spendable, not in spendable form			
Prepaid items	72,377	-	72,377
Restricted:			
Stabilization by State statue	5,299,464	28,895	5,328,359
Register of Deeds	91,516	-	91,516
Public Safety	74,551	14,284	88,835
Economic Development	-	-	-
Education	-	37,166	37,166
Committed:			
Cultural and recreation	250,000	-	250,000
Public safety	-	-	-
Assigned:	4,170,673	-	4,170,673
Unassigned:	13,638,910	-	13,711,287
Total fund balances	23,597,491	80,345	23,677,836
Total liabilities, deferred inflows of resources, and fund balances	$ 28,075,621	$ 207,022	$ 28,282,643

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

STANLY COUNTY, NORTH CAROLINA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO
THE STATEMENT OF NET POSITION
GOVERNMENTAL FUNDS
JUNE 30, 2017

Amounts reported for governmental activities in the statement of net position (Exhibit 1) are different because:	
Total Fund Balance - Governmental Funds	$ 23,677,836
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds (total capital assets on government-wide	52,144,790
Less accumulated depreciation	(22,730,409)
Net capital assets	29,414,381
Net Pension Asset (Register of Deeds)	116,332
Deferred outflows of resources:	
Contributions to the pension plan in the current fiscal year	
LGERS	1,356,313
Register of Deeds	4,518
LEOSSA	41,744
Pension related deferrals	
LGERS	3,665,109
Register of Deeds	31,317
LEOSSA	-
Accrued interest receivable less the amount claimed as unearned revenue in the government-wide statements as these funds are unavailable in the fund statements	618,757
Deferred inflows of resources reported in the government-wide statements but not the fund statements	
Deferred inflows of resources for taxes receivable	2,220,760
Pension related deferrals	
LGERS	(203,918)
Register of Deeds	(10,905)
LEOSSA	(23,898)
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:	
Bonds, leases, and installment financing	(28,290,082)
Compensated absences	(1,192,691)
Total pension liability (LEOSSA)	(992,821)
Other postemployment benefits	(2,534,634)
Net pension liability - LGERS	(5,587,978)
Accrued interest payable	(545,105)
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.	2,271,412
Total adjustment	358,611
Net position of governmental activities	$ 24,036,447

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 BALANCE
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2017

	Major General Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:			
Ad valorem taxes	$ 31,209,918	$ 2,605,544	$ 33,815,462
Local option sales taxes	9,265,317	-	9,265,317
Other taxes and licenses	715,513	-	715,513
Unrestricted intergovernmental	10,871,430	-	10,871,430
Restricted intergovernmental	143,729	61,565	205,294
Permits and fees	976,781	-	976,781
Sales and services	7,851,067	346,746	8,197,813
Investment earnings	145,740	(157)	145,583
Miscellaneous	895,033	68,500	963,533
Total revenues	62,074,528	3,082,198	65,156,726
Expenditures:			
Current:			
General government	5,125,712	45,291	5,171,003
Public safety	13,868,794	3,290,344	17,159,138
Transportation	948,713	-	948,713
Enviromental protection	1,318,384	-	1,318,384
Economic and physical development	2,524,148	61,565	2,585,713
Human Services	16,205,383	-	16,205,383
Education	14,542,641	335,096	14,877,737
Cultural and recreational	1,711,854	178,427	1,890,281
Debt service:			
Principal	3,628,641	42,709	3,671,350
Interest and other charges	1,025,947	-	1,025,947
Total expenditures	60,900,217	3,953,432	64,853,649
Revenues over expenditures	1,174,311	(871,234)	303,077
Other Financing Sources (Uses):			
Transfers in	59,560	111,474	171,034
Transfers (out)	(451,220)	(59,560)	(510,780)
Installment purchase obligations issued	197,772	-	197,772
Total other financing sources and uses	(193,888)	51,914	(141,974)
Net change in fund balance	980,423	(819,320)	161,103
Fund Balances:			
Beginning of year - July 1	22,617,068	899,665	23,516,733
End of year - June 30	$ 23,597,491	$ 80,345	$ 23,677,836

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, 2017

Amounts reported for governmental activities in the statement of activities are different because:		
Net changes in fund balances - total governmental funds	$	161,103
Capital outlay expenditures recorded in the fund statements but capitalized as assets in the statement of activities		2,826,860
Donated assets		617,453
Cost of disposed capital asset not recorded in fund statements		(137,590)
Depreciation expense, the allocation of those assets over their useful lives, that is recorded on the statement of activities but not in the fund statements		(1,396,218)
New debt issued during the year is recorded as a source of funds on the fund statements; it has no effect on the statement of activities - it affects only the government-wide statement of net position		(197,772)
Principal payments on debt owed are recorded as a use of funds on the fund statements but again affect only the statement of net position in the government-wide statements		3,671,350
Amortization on deferred premium payments on debt that is recorded in the statement of activities but not in the fund statements.		89,000
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities		1,360,831
Benefit payments and administration costs for LEOSSA are deferred outflows of resources on the Statement of Net Position		41,744
Expenses reported in the statement of activities that do not require the use of current resources to pay are not recorded as expenditures in the fund statements:		
Difference in interest expense between fund statements (modified accrual) and government-wide statements (full accrual)		(16,778)
Compensated absences		(11,159)
Other postemployment benefits		(275,729)
Pension expense		(1,640,158)
Revenues in the statement of activities that do not provide current resources are not reported as revenues in the fund statements.		
Increase in deferred inflows of resources - taxes receivable - at end of year		(222,374)
Increase in accrued interest receivable at end of year		(48,977)
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.		(538,007)
Total changes in net position of governmental activities	$	4,283,578

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 BALANCE - BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2017

	General Fund			
	Original Budget	Final Budget	Actual	Variance With Final Positive (Negative)
Revenues:				
Ad valorem taxes	$ 30,382,968	$ 30,431,968	$ 31,209,918	$ 777,950
Sales taxes	8,425,925	8,425,925	9,265,317	839,392
Other taxes	574,000	574,000	715,513	141,513
Restricted intergovernmental	9,987,296	10,258,553	10,871,430	612,877
Unrestricted intergovernmental	-	-	143,729	143,729
Permits and fees	945,400	965,600	976,781	11,181
Sales and services	7,553,437	7,778,991	7,851,067	72,076
Investment earnings	95,000	103,000	145,740	42,740
Miscellaneous	605,600	919,380	895,033	(24,347)
Total revenues	58,569,626	59,457,417	62,074,528	2,617,111
Expenditures:				
General government	5,085,291	5,612,291	5,125,712	486,579
Public safety	13,454,923	14,055,226	13,868,794	186,432
Transportation	997,766	1,012,766	948,713	64,053
Environmental protection	1,241,962	1,293,469	1,318,384	(24,915)
Economic and physical development	1,536,806	2,708,259	2,524,148	184,111
Human services	16,924,772	17,208,998	16,205,383	1,003,615
Education	14,544,958	14,544,958	14,542,641	2,317
Cultural and recreational	1,767,931	1,834,990	1,711,854	123,136
Debt service:				
Principal	3,628,648	3,628,648	3,628,641	7
Bond interest and costs	1,025,953	1,025,953	1,025,947	6
Contingency	220,000	220,000	-	220,000
Total expenditures	60,429,010	63,145,558	60,900,217	2,245,341
Revenues over (under) expenditures	(1,859,384)	(3,688,141)	1,174,311	4,862,452
Other financing sources (uses):				
Installment Debt Issued	-	197,772	197,772	-
Transfers from other funds	300,000	300,000	59,560	(240,440)
Transfers (to) other funds	(309,347)	(568,260)	(451,220)	117,040
Appropriated fund balance	1,868,731	3,758,629	-	(3,758,629)
Total other financing sources (uses)	1,859,384	3,688,141	(193,888)	(3,882,029)
Net Change in Fund Balance	$ -	$ -	980,423	$ 980,423
Fund balances:				
Beginning of year, July 1			22,617,068	
End of year, June 30			$ 23,597,491	

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, 2017

	Major Enterprise Funds				Nonmajor		Governmental Activities
	Greater Badin Water & Sewer District Fund	West Stanly Wastewater Treatment Plant Fund	Stanly County Utility Fund	Airport Fund	Piney Point Water District Fund	Total	Internal Service Group Health Fund
Assets:							
Current assets:							
Cash and cash equivalents	$ 159,933	$ 52,935	$ 1,489,793	$ -	$ 312,459	$ 2,015,120	$ 3,019,220
Accounts receivable (net)	96,842	-	486,598	27,056	8,312	618,808	-
Due from other governments	-	-	77,793	8,602	-	86,395	-
Interest receivable	260	-	2,710	(45)	503	3,428	4,804
Inventories	-	-	75,693	15,441	-	91,134	-
Restricted cash and cash equivalents	16,480	-	110,888	-	3,410	130,778	-
Total current assets	273,515	52,935	2,243,475	51,054	324,684	2,945,663	3,024,024
Noncurrent assets:							
Capital assets:							
Land	-	-	223,784	4,924,095	-	5,147,879	-
Construction in progress	5,384,345	61,127	255,574	227,491	-	5,928,537	-
Capital assets, net of depreciation	823,655	3,304,093	11,687,288	13,176,370	39,649	29,031,055	-
Total capital assets, net	6,208,000	3,365,220	12,166,646	18,327,956	39,649	40,107,471	-
Total assets	6,481,515	3,418,155	14,410,121	18,379,010	364,333	43,053,134	3,024,024
Deferred Outflows of Resources:							
Pension deferrals	-	8,771	125,573	38,073	-	172,417	-
Contributions to pension plan	-	3,246	46,470	14,089	-	63,805	-
Total deferred outflow of resources	-	12,017	172,043	52,162	-	236,222	-
Liabilities:							
Current liabilities:							
Account payable	78,506	11,275	193,252	15,254	5,518	303,805	158
Interest payable	6,636	2,908	3,608	-	-	13,152	-
Payroll payable	-	2,782	27,693	18,252	-	48,727	-
Due to other funds	270,038	60,494	-	28,006	-	358,538	-
Compensated absence payable	-	1,000	33,195	-	-	34,195	-
Current portion of long-term debt	198,492	171,250	31,966	-	-	401,708	-
Health and workers' compensation payable	-	-	-	-	-	-	752,454
Liabilities to be paid from restricted assets:							
Customer deposits	16,480	-	110,888	-	3,410	130,778	-
Total current liabilities	570,152	249,709	400,602	61,512	8,928	1,290,903	752,612
Noncurrent liabilities:							
Net pension liability	-	13,373	191,455	58,047	-	262,875	-
Compensated absence payable	-	1,129	21,940	9,481	-	32,550	-
Non-current portion of long-term debt	2,107,462	1,881,005	193,725	34,950	-	4,217,142	-
Total noncurrent liabilities	2,107,462	1,895,507	407,120	102,478	-	4,512,567	-
Total liabilities	2,677,614	2,145,216	807,722	163,990	8,928	5,803,470	752,612
Deferred Inflows of Resources:							
Pension Deferrals	-	488	6,987	2,118	-	9,593	
Net Position:							
Net investment in capital assets	3,902,046	1,323,470	12,018,423	18,327,956	39,649	35,611,544	-
Restricted	7,700	20,100	-	-	-	27,800	-
Unrestricted	(105,845)	(59,102)	1,749,032	(62,892)	315,756	1,836,949	2,271,412
Total net position	$ 3,803,901	$ 1,284,468	$ 13,767,455	$ 18,265,064	$ 355,405	$ 37,476,293	$ 2,271,412

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
JUNE 30, 2017

	Major Enterprise Funds				Nonmajor		Governmental Activities
	Greater Badin Water & Sewer District Fund	West Stanly Waste Water Treatment Plant Fund	Stanly County Utility Fund	Airport Fund	Piney Point Water District Fund	Total	Internal Service Group Health Fund
Operating Revenues:							
Sales and Charges	$ 463,479	$ 516,978	$ 3,330,658	$ 405,988	$ 177,080	$ 4,894,183	$ 6,383,244
Other	4,040	-	18,454	-	347	22,841	-
Total Operating Revenues	467,519	516,978	3,349,112	405,988	177,427	4,917,024	6,383,244
Operating Expenses:							
Administration	63,153	81,560	424,057	-	80,000	648,770	-
Distribution and maintenance	229,633	262,835	1,577,175	-	1,820	2,071,463	-
Water purchases	210,547	-	1,186,482	-	59,694	1,456,723	-
Airport operating	-	-	-	756,559	-	756,559	-
Group health operations	-	-	-	-	-	-	6,542,390
Workers' compensation	-	-	-	-	-	-	395,496
Depreciation	111,732	186,013	668,728	1,259,407	1,459	2,227,339	-
Total Operating Expenses	615,065	530,408	3,856,442	2,015,966	142,973	7,160,854	6,937,886
Operating income (loss)	(147,546)	(13,430)	(507,330)	(1,609,978)	34,454	(2,243,830)	(554,642)
Non-operating Revenues (Expenses)							
Interest income	1,253	-	8,382	(73)	1,661	11,223	16,635
Administrative charges	-	-	286,364	-	-	286,364	-
Miscellaneous	-	-	31,738	-	-	31,738	-
Interest on long-term debt	(30,390)	(36,159)	(4,005)	-	-	(70,554)	-
Total Nonoperating Revenues (Expenses)	(29,137)	(36,159)	322,479	(73)	1,661	258,771	16,635
Income (loss) before contributions and transfers	(176,683)	(49,589)	(184,851)	(1,610,051)	36,115	(1,985,059)	(538,007)
Contributions and Transfers							
Transfers in (out)	-	50,000	8,510	281,236	-	339,746	-
Capital contributions	1,678,428	-	77,793	205,602	-	1,961,823	-
Total Contributions and Transfers	1,678,428	50,000	86,303	486,838	-	2,301,569	-
Change in Net Position	1,501,745	411	(98,548)	(1,123,213)	36,115	316,510	(538,007)
Net Position:							
Beginning of Year - July 1	2,302,156	1,284,057	13,866,003	19,388,277	319,290	37,159,783	2,809,419
End of year - June 30	$ 3,803,901	$ 1,284,468	$ 13,767,455	$ 18,265,064	$ 355,405	$ 37,476,293	$ 2,271,412

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, 2017

	Major Enterprise Funds				Nonmajor		Governmental Activities
	Greater Badin Water & Sewer District Fund	West Stanly Wastewater Treatment Plant Fund	Stanly County Utility Fund	Airport Fund	Piney Point Water District Fund	Total	Internal Service Group Health Fund
Cash Flows from Operating Activities:							
Cash received from customers	$ 477,658	$ 516,978	$ 3,677,609	$ 414,473	$ 184,385	$ 5,271,103	$ 6,383,244
Cash paid for goods and services	(506,089)	(294,628)	(2,234,458)	(435,329)	(141,886)	(3,612,390)	(6,872,233)
Cash paid to employees for services	-	(85,651)	(931,338)	(297,544)		(1,314,533)	-
Customer deposits	760	-	7,541	-	(30)	8,271	-
Net cash provided (used) by operating activities	(27,671)	136,699	519,354	(318,400)	42,469	352,451	(488,989)
Cash Flows from Non-Capital Financing Activities:							
Transfers (to) from other funds	-	50,000	8,510	281,236	-	339,746	-
Due to (from) other funds	270,038	60,494	-	28,006	-	358,538	-
Net cash provided (used) by noncapital financial activities	270,038	110,494	8,510	309,242	-	698,284	-
Cash Flows from Capital and Related Financing Activities:							
Acquisition and construction of capital assets	(2,076,171)	(34,868)	(144,421)	(231,257)	-	(2,486,717)	-
Principal paid on bond maturities and lease purchases	(2,187,731)	(170,250)	(31,159)	-	-	(2,389,140)	-
Interest paid on bond maturities and lease purchases	(24,049)	(36,117)	(3,370)	-	-	(63,536)	-
Proceeds from notes payable and bonds	2,270,761	-	-	-	-	2,270,761	-
Capital contributions	1,823,806	-	62,882	197,000	-	2,083,688	-
Net cash provided (used) by capital and related financing activities	(193,384)	(241,235)	(116,068)	(34,257)	-	(584,944)	-
Cash Flows from Investing Activities:							
Interest on investments	1,279	-	7,080	18	1,447	9,824	15,537
Net increase (decrease) in cash and cash equivalents	50,262	5,958	418,876	(43,397)	43,916	475,615	(473,452)
Cash and cash equivalents, July 1	126,151	46,977	1,181,805	43,397	271,953	1,670,283	3,492,672
Cash and cash equivalents, June 30	$ 176,413	$ 52,935	$ 1,600,681	$ -	$ 315,869	$ 2,145,898	$ 3,019,220

(continued)

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, 2017

	Major Enterprise Funds				Nonmajor		Governmental Activities
	Greater Badin Water & Sewer District Fund	West Stanly Waste Water Treatment Plant Fund	Stanly County Utility Fund	Airport Fund	Piney Point Water District Fund	Total	Internal Service Group Health Fund
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:							
Operating income (loss)	$ (147,546)	$ (13,430)	$ (507,330)	$ (1,609,978)	$ 34,454	$ (2,243,830)	$ (554,642)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:							
Depreciation	111,732	186,013	668,728	1,259,407	1,459	2,227,339	-
Loss on disposal of asset	-	-		-	-	-	-
Other non-operating revenue	-	-	318,102	-		318,102	-
Changes in assets and liabilites:							
(Increase) decrease in accounts receivable	10,139	-	10,395	8,485	6,958	35,977	-
(Increase) decrease in inventory	-	-	(1,113)	27,818	-	26,705	-
(Increase) decrease in deferred outflows of resources for pensions	-	(7,304)	(128,648)	(37,086)	-	(173,038)	-
Increase (decrease) in net pension liability	-	8,268	156,552	45,730	-	210,550	-
Increase (decrease) in deferred inflows of resources for pensions	-	(1,218)	(23,004)	(8,076)	-	(32,298)	-
Increase (decrease) in accounts payable and liabilities	(2,756)	(29,609)	30,254	(11,299)	(372)	(13,782)	65,653
Increase (decrease) in payroll payable	-	(3,109)	(19,797)	1,682	-	(21,224)	-
Increase (decrease) in customer deposits	760	-	7,541	-	(30)	8,271	-
Increase (decrease) in other post-employment benefits	-	1,441	4,400	9,456	-	15,297	-
Increase (decrease) in compensated absences	-	(4,353)	3,274	(4,539)	-	(5,618)	-
Total adjustments	119,875	150,129	1,026,684	1,291,578	8,015	2,596,281	65,653
Net cash provided (used) by operating activities	$ (27,671)	$ 136,699	$ 519,354	$ (318,400)	$ 42,469	$ 352,451	$ (488,989)

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, 2017

		Agency Fund
ASSETS		
Cash and investments	$	192,259
Inmate cash		13,704
Total Assets	$	205,963
LIABILITIES AND NET POSITION		
Liabilities:		
Accounts payable	$	170,128
Client payable		35,835
Total liabilities	$	205,963

NOTE 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, 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) exists 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, 2017. The Authority does not issue separate financial statements.

Stanly County Water and Sewer Authority exists to provide water and sewer services for the County. The Board of Directors is appointed by the Stanly County Board of Commissioners and can be removed at any time, with or without cause. 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.

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 displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.

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

The County reports the following major governmental fund:

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

The County reports the following major enterprise funds:

Greater Badin Water & Sewer 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 aircraft.

Additionally, the County reports the following fiduciary fund types:

Agency Funds. Agency funds are custodial in nature and do not involve the 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 accounts for monies deposited with the Department of Social Services for the benefit of certain individuals; 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 accounts 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 accounts for monies collected for tax warrants and judgements; 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 of 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 thirteen legally budgeted funds. The Emergency Telephone System, 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, Livestock Arena Construction Project and Museum Renovation Project are reported as nonmajor capital project funds. In addition, the Piney Point Water District Fund is also shown as a nonmajor fund.

C. Measurement Focus, Basis of Accounting

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

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

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

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result form 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. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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

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

The County considers all revenues available if they are collected within 60 days after year-end, except for property taxes. Ad valorem property taxes are not accrued as a revenue because the amount is not susceptible to accrual. At June 30, taxes receivable 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 in 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. All taxes, including those dedicated for specific purposes are reported as general revenues rather than program revenues. Expenditure driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been satisfied.

Under the terms of grant agreements, the County funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants, and general revenues. Thus when program expenses are incurred, there 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.

D. 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, the Special Revenue Funds (the Fire Districts Fund, and the Emergency Telephone System Fund) and the Enterprise Funds. All annual appropriations lapse at the fiscal year-end. Project ordinances are adopted for all other capital project funds and special revenue funds. The enterprise capital project finds are consolidated with the enterprise operating funds for reporting purposes.

All budgets are prepared using the modified accrual basis of accounting. Expenditures may not legally exceed appropriations at the functional level for the General Fund, at the fund level for the Special Revenue, the Enterprise Funds, and the Capital Project 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.

E. Assets, Liabilities, Deferred Inflows and Outflows, and Fund Equity

1. Deposits and Investments

All deposits of the County and the Authority are made in board-designated official depositories and are secured as required by G.S. 159-31. The County and the Authority may designate, as an official depository, any bank or savings association whose principal office is located in North Carolina. Also, the County and the Authority 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 and the Authority 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 and the Authority's investments are carried at fair value as determined by quoted market prices. The NCCMT Government Portfolio, an SEC-registered 2a-7 external investment pool, is measured at amortized cost, which is the NCCMT's share price. The NCCMT Term Portfolio's securities are valued at fair value. Money market investments that have a remaining maturity at the time of purchase of one year or less are reported at amortized cost.

2. Cash and Cash Equivalents

The County pools money 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. The Authority considers all cash and investments to be 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	$ 400
Total governmental activities		400
Business-Type Activities		
Greater Badin Water & Sewer District Fund	Customer Deposits	16,480
Piney Point Water District Fund	Customer Deposits	3,410
Stanly County Utility Fund	Customer Deposits	110,888
Total business-type activities		130,778
Total restricted cash		$ 131,178

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, 2016. 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 revenue are reported net of such discounts.

5. Allowance for Doubtful Accounts

All receivables that historically experience uncollectible accounts are shown net of an allowance for doubtful accounts. This amount is estimated by analyzing the percentage of receivables that were written off in prior years.

6. Inventory

The inventories of the County's enterprise funds consist of materials and supplies held for consumption and are valued at cost (first in, first out), which approximates market. The inventory of the Authority consists of goods held for sale. The cost of the inventory is recorded as an expense as it is consumed.

Certain payments to vendors reflect costs 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 July 1, 2015 are recorded at their estimated fair value at the date of donation. Donated capital assets received after July 1, 2015 are recorded at acquisition value. The County's minimum capitalization threshold is $2,000. Interest is capitalized on enterprise capital assets acquired with debt. The amount of interest capitalized is offset by interest income derived from investing the proceeds of the debt. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

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

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

	Years
Water distribution systems	20-50
Sewer collection systems	20
Waste Water treatment facility	20
Buildings and terminal	40
Airport improvements	10-30
Equipment	3-10

Property, plant and equipment of the Authority are depreciated over their useful lives on a straight-line basis as follows:

	Useful Life
Distribution system	40 Years

8. Deferred Outflows/Inflows of resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflow 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 meets 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.

9. Long-Term Obligations

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

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

10. Compensated Absences

The vacation policy of the County provide 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. The County's liability for accumulated earned vacation and the salary-related payments as of June 30, 2017 is recorded in the government-wide and proprietary fund financial statements on a LIFO basis. Employees typically take leave as it is earned and there is no current portion. A current portion has been estimated as time to be used in the next fiscal year.

The sick leave policy of the County provide 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 does not have any obligation for accumulated sick leave until it is actually taken, no accruals for sick leave have 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.

The governmental fund types classify fund balances as follows:

Non-Spendable Fund Balance - 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 Balance - 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) - $53,057. The amount of $14,284 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. There was an additional amount restricted of $21,494 by grant requirements.

Restricted for Education - portion of fund balance in the Tarheel Challenge Academy Project Fund restricted by revenue source for the construction of the project - $37,166.

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

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

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

Assigned Fund Balance - 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, 2017 are as follows:

Purpose	General
Assigned:	
Subsequent year's expenditures	$ 1,393,390
General Government	390,227
Public Safety	150,997
Economic and Physical Development	10,964
Human Services	2,087,006
Cultural and Recreation	138,089
Total	$ 4,170,673

Assigned for Subsequent Year's Expenditures - portion of fund balance that has been appropriated for the adopted 2017-2018 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 - $92,567, Sheriff's Department - $13,743, and animal control - $44,686.

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 - $324,712. Medicaid settlements portion is assigned for future health related activities - $93,938. Dental clinic portion is assigned for future dental clinic services - $1,668,355.

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 - $117,740. 4-H portion is assigned for future 4-H services - $20,014. Crop/Hort Fundraising is assigned for fundraising - $336.

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 has a revenue spending policy that provides guidance for programs with multiple revenue sources. The Finance Officer will use resources in the following hierarchy: 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's in the best interest of the County.

Stanly County has also adopted a minimum fund balance policy for the General Fund that instructs management to conduct 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 the subsequent fiscal years.

13. Defined Benefit Pension Plans

The County participates in three cost-sharing, multiple-employer, defined benefit pension plans that are administered by the State; the Local Governmental Employees' Retirement System (LGERS), the Registers of Deeds' Supplemental Pension Fund (RODSPF) and the Law Enforcement Officers' Special Separation Allowance (LEOSSA) (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.

F. 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.

G. Reconciliation of Government-Wide and Fund Financial Statements

1. Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-Wide Statement of Net Position

The governmental fund balance sheet includes a reconciliation between total fund balance for the governmental funds and net position for governmental activities as reported in the government-wide statement of net position.

The net adjustment consists of several elements as follows:

Capital assets used in governmental activities are not financial resources and are therefore not reported in the funds (total capital assets on government-wide statement in governmental activities column)		
Land	$ 1,935,246	
Construction in progress	225,367	
Depreciable property	49,984,177	
Accumulated depreciation	(22,730,409)	$ 29,414,381
Net Pension Asset	116,332	116,332
Contributions to the pension plan in the current fiscal year	1,360,831	1,360,831
Benefit payments and pension administration costs for LEOSSA	41,744	41,744
Accrued interest receivable, less the amount claimed as unearned revenue in the government-wide statements, as these funds are unavailable in the fund statements.	618,757	618,757
Liabilities for deferred inflows of resources reported in the fund statements, but not the government-wide	2,220,760	2,220,760
Pension related deferrals	3,457,705	3,457,705
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:		
Bonds, leases, and installment financing	(28,290,082)	
Compensated Absences	(1,192,691)	
Other postemployment benefits	(2,534,634)	
Net Pension Liability (LGERS)	(5,587,978)	
Total Pension Liability (LEOSSA)	(992,821)	
Interest Payable	(545,105)	(39,143,311)
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.	2,271,412	2,271,412
Total Adjustment		$ 358,611

2. Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balance and the Government-Wide Statement of Activities

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances for the governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities. The total adjustment of $4,122,476 is comprised of the following:

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	$ 2,826,860	
Donated assets	617,453	
Depreciation	(1,396,218)	$ 2,048,095
Costs of capital assets disposed of during the year, not recognized on modified accrual basis.	(137,590)	(137,590)
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	(197,772)	
Debt retired	3,671,350	
Amortized premium	89,000	3,562,578
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	(48,977)	
Accrual of taxes	(222,374)	(271,351)
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities	1,360,831	1,360,831
Benefit payments and administration costs for LEOSSA are deferred outflows of resources on the Statement of Net Position	41,744	41,744
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.		
Compensated absences	(11,159)	
Other postemployment benefits	(275,729)	
County's portion of collective pension expense	(1,640,158)	
Interest expense	(16,778)	(1,943,824)
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.	(538,007)	(538,007)
Total Adjustment		$ 4,122,476

NOTE II: Stewardship, Compliance and Accountability

A. Significant Violations of Finance-Related Legal and Contractual Provisions

Contractual Violations

The County defaulted on its debt covenant in Section 5.01 of the Bond Orders authorizing the issuances of the USDA Revenue Bonds for the Greater Badin Water and Sewer District Fund.

The County agreed that net revenues for the fiscal year be no less than 110% of the debt service requirement for the fiscal year and not less than 100% of the amount necessary to met annual debt service obligation bonds and installment financing obligations, if any. These ratios were not meet with current year net revenues as defined by the bond orders.

Meetings have and will continue to take place in the immediate future with representatives from USDA to further discuss methods and strategies about getting in compliance with the covenant.

NOTE III: Detail Notes on All Funds

A. Assets

1. Deposits

All of the County's and the Authority's deposits are either 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 and the Authority, these deposits are considered to be held by their agents in the entities' names. The amount of the pledged collateral is based on an approved averaging method for non-interest bearing deposits and the actual current balance for interest-bearing deposits. Depositories using the Pooling Method report to the State Treasurer the adequacy of their pooled collateral covering uninsured deposits. The State Treasurer does not confirm this information with the County or the Authority or with the escrow agent. Because of the inability to measure the exact amount of collateral pledged for the County or the Authority under the Pooling Method, the potential exists for the under-collateralization, and this risk may increase in periods of high cash flows. However, the State Treasurer of North Carolina enforces strict standards of financial stability for each depository that collateralizes public deposits under the Pooling Method.

The State Treasurer enforces standards of minimum capitalization for all pooling method financial institutions. The County relies on the State Treasurer to monitor those financial institutions. The County analyzes the financial soundness of any other financial institution used by the County. The County complies with the provisions of G.S. 159-31 when designating official depositories and verifying that deposits are properly secured. The County does not have formal policies 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, 2017 the County's deposits had a carrying amount of $14,670,326 and a bank balance of $15,189,766. Of the bank balance, $500,000 was covered by federal depository insurance; and $14,689,766 in interest bearing deposits was covered by collateral held under the Pooling Method. The petty cash funds totaled $5,219.

At June 30, 2017, the carrying amount of deposits for the Authority's deposits was $244,970 and a bank balance of $48,236. All of the bank balance was covered by federal depository insurance.

2 . Investments

At June 30, 2017, the County's investments consisted of $11,320,847 in the North Carolina Capital Management Trust Government 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 3 years.

Credit Risk. The County's investments in the NC Capital Management Trust Government Portfolio carried a credit rating of AAAm by Standard & Poor's as of June 30, 2017. 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 forest land 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 the accrued interest from the original due date. This tax is immediately due and payable. The following are property taxes that could become due if present use-value eligibility is lost. These amounts have not been recorded in the financial statements.

Year Levied	Tax	Interest	Total
2014	$ 2,313,556	$ 549,471	$ 2,863,027
2015	2,330,234	343,711	2,673,945
2016	2,351,033	135,186	2,486,219
2017	2,569,699	-	2,569,699
Total	$ 9,564,522	$ 1,028,368	$ 10,592,890

4. Receivables

Receivables at the government-wide level at June 30, 2017, were as follows:

	Taxes Receivable	Trade Accounts Receivable	Due From Other Governments	Interest	Total
Governmental Activities:					
General	$ 2,811,096	1,160,930	$ 3,382,542	$ 618,757	$ 7,973,325
Other Governmental	97,722	-	28,895	-	126,617
Total Receivables	2,908,818	1,160,930	3,411,437	618,757	8,099,942
Allowance for Doubtful Accts.	(688,058)	(294,476)	-	-	(982,534)
Total Gov't Activities	$ 2,220,760	$ 1,455,406	$ 3,411,437	$ 618,757	$ 7,117,408
Business-type Activities:					
Greater Badin Water & Sewer	$ -	$ 238,162	$ -	$ 260	$ 238,422
Piney Point Water District	-	12,497	-	503	13,000
Stanly County Utility Fund	-	693,488	77,793	2,710	773,991
Airport	-	27,329	8,602	(45)	35,886
Total Receivables	-	971,476	86,395	3,428	1,061,299
Allowance for Doubtful Accts.	-	(352,668)	-	-	(352,668)
Total Business-type	$ -	$ 618,808	$ 86,395	$ 3,428	$ 708,631

Due from other governments for the year ended June 30, 2017 consists of the following:

Governmental Activities:	
Local option sales tax	$ 1,517,111
NC DMV tax	645,087
Sales tax receivable	379,809
EMS grants receivable	28,895
Tire and white goods	27,694
Telecommunication tax	37,454
DSS and DHHS	697,450
Other	77,937
Total	$ 3,411,437
Business-Type Activities:	
Grants Receivable	$ 86,395

5. Capital Assets

Primary Government

Capital asset activity for the year ended June 30, 2017, was as follows:

Governmental Activities:	Beginning Balances	Increases	Decreases	Ending Balances
Capital assets not being depreciated:				
Land	$ 1,949,950	$ 27,456	$ (42,160)	$ 1,935,246
Construction in Progress	10,310,797	749,170	(10,834,600)	225,367
Total capital assets not being depreciated	12,260,747	776,626	(10,876,760)	2,160,613
Capital assets being depreciated:				
Building	26,134,099	2,783,931	(212,500)	28,705,530
Equipment and vehicles	10,921,108	10,718,356	(360,817)	21,278,647
Total capital assets being depreciated:	37,055,207	13,502,287	(573,317)	49,984,177
Less accumulated depreciation for:				
Building	13,401,789	544,462	-	13,946,251
Equipment and vehicles	8,410,289	851,756	(477,887)	8,784,158
Total accumulated depreciation:	21,812,078	$ 1,396,218	$ (477,887)	22,730,409
Total capital assets being depreciated, net	15,243,129			27,253,768
Governmental activity capital assets, net	$ 27,503,876			$ 29,414,381

Depreciation expenses are charged to functions/ program of the governmental activity capital assets as follows:

General Government	$ 313,861
Public Safety	818,323
Transportation	82,241
Environmental Protection	13,337
Economic and Physical Development	3,744
Human Services	104,198
Cultural and Recreation	60,514
Total Depreciation Expense	$ 1,396,218

Business-type activities:

Greater Badin Water and Sewer:	Beginning Balances	Increases	Decreases	Ending Balances
Capital assets not being depreciated:				
Construction in progress	$ 3,253,767	$ 2,130,578	$ -	$ 5,384,345
Total capital assets not being depreciated:	3,253,767	2,130,578	-	5,384,345
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 :	7,562,168	-	-	7,562,168
Less accumulated depreciation for:				
Plant in service	6,433,276	103,231	-	6,536,507
Equipment and vehicles	193,505	8,501	-	202,006
Total accumulated depreciation:	6,626,781	$ 111,732	$ -	6,738,513
Total capital assets being depreciated, net	935,387			823,655
Total Greater Badin capital assets, net	4,189,154			6,208,000

Piney Point Water:	Beginning Balances	Increases	Decreases	Ending Balances
Capital assets being depreciated:				
Plant in service	727,984	$ -	$ -	727,984
Total capital assets being depreciated:	727,984	-	-	727,984
Less accumulated depreciation for:				
Plant in service	686,876	1,459	-	688,335
Total accumulated depreciation	686,876	1,459	-	688,335
Total capital assets being depreciated, net	41,108	$ (1,459)	$ -	39,649
Total Piney Point capital assets, net	41,108			39,649

West Stanly Waste Water Treatment Plant:	Beginning Balances	Increases	Decreases	Ending Balances
Capital assets not being depreciated:				
Construction in progress	26,259	$ 34,868	$ -	61,127
Total capital assets not being depreciated:	26,259	34,868	-	61,127
Capital assets being depreciated:				
Plant in service	3,835,778	-	-	3,835,778
Equipment and vehicles	34,271	-	-	34,271
Total capital assets being depreciated :	3,870,049	-	-	3,870,049
Less accumulated depreciation for:				
Plant in service	374,250	179,159	-	553,409
Equipment and vehicles	5,693	6,854	-	12,547
Total accumulated depreciation:	379,943	$ 186,013	$ -	565,956
Total capital assets being depreciated, net	3,490,106			3,304,093
Total West Stanly Waste Water Treatment Plant capital assets, net	3,516,365			3,365,220

Stanly Utility Operating:	Beginning Balances	Increases	Decreases	Ending Balances
Capital assets not being depreciated:				
Land	223,784	$ -	$ -	223,784
Construction in progress	282,615	92,426	(119,467)	255,574
Total capital assets not being depreciated:	506,399	92,426	(119,467)	479,358
Capital assets being depreciated:				
Plant in service	26,244,730	119,467	-	26,364,197
Equipment and vehicles	526,645	55,224	-	581,869
Total capital assets being depreciated :	26,771,375	174,691	-	26,946,066
Less accumulated depreciation for:				
Plant in service	14,181,173	621,932	-	14,803,105
Equipment and vehicles	408,877	46,796	-	455,673
Total accumulated depreciation:	14,590,050	$ 668,728	$ -	15,258,778
Total capital assets being depreciated, net	12,181,325			11,687,288
Total Stanly County Utility capital assets, net	12,687,724			12,166,646

Airport Operating:	Beginning Balances	Increases	Decreases	Ending Balances
Capital assets not being depreciated:				
Land	4,924,095	$ -	$ -	4,924,095
Construction in progress	-	227,491	-	227,491
Total capital assets not being depreciated:	4,924,095	227,491	-	5,151,586
Capital assets being depreciated:				
Buildings	5,064,552	-	-	5,064,552
Improvements	27,522,223	-	-	27,522,223
Equipment and vehicles	436,911	12,368	(7,095)	442,184
Total capital assets being depreciated :	33,023,686	12,368	(7,095)	33,028,959
Less accumulated depreciation for:				
Buildings	1,122,889	129,610	-	1,252,499
Improvements	17,042,067	1,122,426	-	18,164,493
Equipment and vehicles	435,321	7,371	(7,095)	435,597
Total accumulated depreciation:	18,600,277	$ 1,259,407	$ (7,095)	19,852,589
Total capital assets being depreciated, net	14,423,409			13,176,370
Total Airport capital assets, net	19,347,504			18,327,956
Total business-type activities capital assets, net	$ 39,781,855			$ 40,107,471

Construction Commitments

The county has active construction projects at June 30, 2017. Commitments with contractors are as follows:

Project	Project to Date	Remaining Commitment
Tarheel Challenge Academy	$ 3,054,834	$ 37,166
Livestock Arena Construction Project	51,674	23,326
Museum Restoration Project	173,693	26,307
Badin Water Rehab Project Part A	2,500,493	357,276
Badin Water Rehab Project Part B	2,883,852	3,295,277
West Stanly WWTP Rehab Project	61,127	2,587,767
Brown Hill Road	18,107	206,893
Utilities Communications Systems	-	300,000
Highway 200 Water	159,674	1,500,000
Cottonville Road NCDOT Waterline	62,882	6,252
Airport Rd Corridor WW Project	77,793	1,043,250
Alonzo Rd Meter Project	56,097	14,880
Airport Pipe Rehab	8,602	82,404
Airport Runway and Taxiway Light	-	85,292
Airport Taxilane Rehab Project	218,889	45,805
Total	$ 9,327,717	$ 9,611,895

B. Liabilities

1. Payables

Payables at the government-wide level at June 30, 2017, were as follows :

	Vendors	Salaries and Benefits	Accrued Interest	IBNR	Total
Governmental Activities:					
General	$ 1,312,809	$ 801,830	$ 545,105	$ -	$ 2,659,744
Other Governmental	47,641	-	-	752,454	800,095
Total Governmental Activities	$ 1,360,450	$ 801,830	$ 545,105	$ 752,454	$ 3,459,839
Business-type Activities:					
Greater Badin Water & Sewer	$ 78,506	$ -	$ 6,636	$ -	$ 85,142
Piney Point Water District	5,518	-	-	-	5,518
West Stanly Waste Water Treatment Plant	11,275	2,782	2,908	-	16,965
Stanly County Utility	193,252	27,693	3,608	-	224,553
Airport	15,254	18,252	-	-	33,506
Total Business-type Activities	$ 303,805	$ 48,727	$ 13,152	$ -	$ 365,684

2. Pension Plan Obligations

a. Local Governmental Employees' Retirement System

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

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

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

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, 2017, was 8.00% of compensation for law enforcement officers, and 7.37% 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 $1,420,118 for the year ended June 30, 2017.

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

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

At June 30, 2017, the County reported a liability of $5,850,853 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2016. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2015. The total pension liability was then rolled forward to the measurement date of June 30, 2016 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, 2016, the County's proportion was 0.2757%, which was a decrease of 0.0053% from its proportion measured as of June 30, 2015.

For the year ended June 30, 2017, the County recognized pension expense of $1,618,058. At June 30, 2017, 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	$ 109,927	$ 205,020
Changes in assumptions	400,731	-
Net difference between projected and actual earnings on pension plan investments	3,234,785	-
Changes in proportion and differences between County Contributions and proportionate share of contributions	92,083	8,491
County contributions subsequent to the measurement date	1,420,118	-
Total	$ 5,257,644	$ 213,511

$1,420,118 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. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30:	
2018	$ 568,838
2019	569,253
2020	1,558,446
2021	927,478
2022	-
Thereafter	-
	$ 3,624,015

Actuarial Assumptions . The total pension liability in the December 31, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 Percent
Salary Increases	3.50 to 7.75 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, 2015 valuation were based on the results of an actuarial experience study for the period January 1, 2010 through December 31, 2014.

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. The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2016 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Fixed Income	29.00%	1.4%
Global Equity	42.00%	5.3%
Real Estate	8.00%	4.3%
Alternatives	8.00%	8.9%
Credit	7.00%	6.0%
Inflation Protection	6.00%	4.0%
Total	100.00%	

The information above is based on 30 year expectations developed with the consulting actuary for the 2016 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 asset to changes in the discount rate. The following presents the County's proportionate share of the net pension asset calculated using the discount rate of 7.25%, 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%) or 1-percentage-point higher (8.25%) than the current rate:

	1% Decrease (6.25%)	Discount Rate (7.25%)	1% Increase (8.25%)
County's proportionate share of the net pension liability (asset)	$ 13,886,804	$ 5,850,853	$ (861,370)

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

1. 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 under the age of 62 who have completed at least 30 years of creditable service or have attained 55 years of age and have completed five or more years of creditable service. 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.

All full-time County law enforcement officers are covered by the Separation Allowance. At December 31, 2016, the Separation Allowance's membership consisted of:

Inactive Members Currently Receiving Benefits	4
Active plan members	52
Total	56

2. 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 criteria which are outlined in GASB Statement 73.

3. Actuarial Assumptions

The entry age actuarial cost method was used in the December 31, 2015 valuation. The total pension liability was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 percent
Salary increases	3.50 to 7.35 percent including inflation and productivity factor
Discount rate	3.71 percent

The discount rate is based on the yield of the S&P Municipal Bond 20 Year High Grade Rate Index as of December 31, 2016.

Mortality rates are based on the RP-2000 Mortality tables with adjustments for mortality improvements based on Scale AA.

4. Contributions

The County is required by article 12D of G.S. Chapter 143 to provide these retirement benefits and has chosen to fund the benefit payments on a pay as you go basis through appropriations made in the General Fund operating budget. There were no contributions by employees. The County's obligation to contribute to this plan is established and may be amended by the North Carolina General Assembly. Administrative costs of the Separation Allowance are financed through investment earnings. The County paid $41,048 as benefits came due for the reporting period.

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

At June 30, 2017, the County reported a total pension liability of $992,821. The total pension liability was measured as of December 31, 2016 based on a December 31, 2015 actuarial valuation. The total pension liability was rolled forward to December 31, 2016 utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2017, the County recognized pension expense of $90,050.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ -
Changes of assumptions	-	23,898
County benefit payments and plan administrative expense made subsequent to the measurement date	41,744	-
Total	$ 41,744	$ 23,898

$41,744 reported as deferred outflows of resources related to pensions resulting from benefit payments made and administrative expenses incurred subsequent to the measurement date will be recognized as a decrease of the total pension liability in the year ended June 30, 2018. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2018	$ 4,314
2019	4,314
2020	4,314
2021	4,314
2022	4,314
Thereafter	2,328

$41,048 paid as benefits came due and $696 of administrative expenses subsequent to the measurement date are reported as deferred outflows of resources.

Sensitivity of the County's total pension liability to changes in the discount rate. The following presents the County's total pension liability calculated using the discount rate of 3.86%, as well as what the County's total pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.86%) or 1-percentage-point higher (4.86%) than the current rate:

	1% Decrease (2.86%)	Discount Rate (3.86%)	1% Increase (4.86%)
Total pension liability	$ 1,093,673	$ 992,821	$ 901,769

Schedule of Changes in Total Pension Liability
Law Enforcement Officers' Special Separation Allowance

	2017
Beginning balance	$ 967,725
Service Cost	60,419
Interest on the total pension liability	33,817
Changes of benefit terms	-
Differences between expected and actual experience in the measurement of the total pension liability	-
Changes in assumptions or other inputs	(28,212)
Benefit payments	(40,928)
Other changes	-
Ending balance of the total pension liability	$ 992,821

The plan currently uses mortality tables that vary by age, 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, 2015 valuation were based on the results of an actuarial experience study for the period January 1, 2010 through December 31, 2014.

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 the 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, 2017 were $140,210, which consisted of $107,890 from the County and $32,320 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. The County also contributes to the Registers of Deeds' Supplemental Pension Fund (RODSPF), a noncontributory, cost-sharing multiple-employer defined benefit plan administered by the North Carolina Department of State Treasurer. RODSPF provides supplemental pension benefits to any eligible county register of deeds who is retired under the Local Government Employees' Retirement System (LGERS) or an equivalent locally sponsored plan. Article 3 of G.S. Chapter 161 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. Management of the plan is vested in the LGERS Board of Trustees, which consists of 13 members – nine appointed by the Governor, one appointed by the state Senate, one appointed by the state House of Representatives, and the State Treasurer and State Superintendent, who serve as ex-officio members. The Register of Deeds' Supplemental Pension Fund is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes financial statements and required supplementary information for RODSPF. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, 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.

Contributions. Benefits and administrative expenses are funded by investment income and 1.5% of the receipts collected by each County Commission under Article 1 of Chapter 161 of the North Carolina General Statutes. The statutory contribution currently has no relationship to the actuary's required contribution. The actuarially determined contribution this year and for the foreseeable future is zero. Registers of Deeds do not contribute. Contribution provisions are established by General Statute 161-50 and may be amended only by the North Carolina General Assembly. Contributions to the pension plan from the County were $4,518 for the year ended June 30, 2017.

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

At June 30, 2017, the County reported an asset of $116,332 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2016. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2015. The total pension liability was then rolled forward to the measurement date of June 30, 2016 utilizing update procedures incorporating the actuarial assumptions. The County's proportion of the net pension asset was based on a projection of the County's long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating RODSPF employers, actuarially determined. At June 30, 2016, the County's proportion was 0.622%, which was an increase of 0.0372% from its proportion measured as of June 30, 2015.

For the year ended June 30, 2017, the County recognized pension revenue of $948. At June 30, 2017, 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	$ 124	$ 1,506
Changes of assumptions	30,993	-
Net difference between projected and actual earnings on pension plan investments	200	-
Changes in proportion and differences between County Contributions and proportionate share of contributions	-	9,399
County contributions subsequent to the measurement date	4,518	-
Total	$ 35,835	$ 10,905

$4,518 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, 2018. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30:	Total
2018	$ 7,192
2019	10,078
2020	4,446
2021	(1,304)
2022	-
Thereafter	-
Total	$ 20,412

Actuarial Assumptions. The total pension liability in the December 31, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 Percent
Salary Increases	3.5 to 7.75 percent, including inflation and productivity factor
Investment Rate of Return	3.75 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, 2015 valuation were based on the results of an actuarial experience study for the period January 1, 2010 through December 31, 2014.

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, 2016 is 1.4%.

The information above is based on 30 year expectations developed with the consulting actuary for the 2016 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 3.05%. 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%, 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 (4.75%) or 1-percentage-point higher (6.75%) than the current rate:

	1% Decrease (4.75%)	Discount Rate (5.75%)	1% Increase (6.75%)
County's proportionate share of the net pension liability (asset)	$ (93,801)	$ (116,332)	$ (135,260)

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 Postemployment Benefits -Retiree Health Benefit Plan

Plan Description. According to a County resolution, the County provides healthcare benefits through the Retiree Healthcare Benefits Plan as single-employer defined benefit plan to cover retirees of the County who participate in the North Carolina Local Government Employees' Retirement System (System) and have at least 25 years of credible 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.

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 County	50%
24 years or less with the County	not eligible

Membership of the Retiree Health Benefit Plan consisted of the following at December 31, 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 Board of Commissioners. The County has chosen to fund the healthcare benefits on a pay as you go basis.

The current ARC rate is 2.74% of annual covered payroll. For the current year, the County contributed $149,651 or 0.94% of annual covered payroll. The County obtains healthcare coverage through self-insurance. The County's contributions totaled $149,651 in fiscal year 2017. There were no contributions made by employees, except for dependent coverage in the amount of $723,602. The County's obligation to contribute to healthcare benefits is established and may be amended by the Board of Commissioners.

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

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

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

Employer annual required contribution	$ 436,447
Valuation discount rate	4.00%
Interest on net OPEB obligation	94,661
Amortization factor	26.1695
Adjustment to annual required contribution	(90,431)
Annual OPEB cost	440,677
Employer contributions made for fiscal year ending June 30, 2017	(149,651)
Increase (decrease) in net OPEB obligation	291,026
Net OPEB obligation, beginning of fiscal year - July 1	2,366,531
Net OPEB obligation, end of fiscal year - June 30	$ 2,657,557

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2017 were as follows:

Three-Year Trend Information

For Year Ended June 30	Annual OPEB Cost (AOC)	Percentage of AOC	Net OPEB Obligation End
2015	$ 409,652	26.90%	$ 2,122,418
2016	422,379	42.21%	2,366,531
2017	440,677	33.96%	2,807,208

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, thus, the unfunded actuarial 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 UAAL to the covered payroll was 29.57%.

Actuarial valuations of an ongoing plan involve estimates of the value of the reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about the 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 the 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 multiyear trend information about whether the actuarial value of the plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefit.

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 to 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, 2016, actuarial valuation, the projected unit credit 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 3.0 percent inflation assumption. The medical cost trend rate varied between 7.75% and 5.00%. The UAAL is being amortized as a level percentage of projected unit credit on a level percent of pay, open basis. The remaining amortization period at December 31, 2016, 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 service 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 participants. The County has no liability beyond the payment of monthly contributions. The contributions to the Death Benefit Plan cannot be separated between the postemployment 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 established for employees not engaged in law enforcement and for law enforcement officers. The County considers these contributions to be immaterial.

3 Deferred Outflows and Inflows of Resources

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience		
LGERS	$ 109,927	$ 205,020
Register of Deeds	124	1,506
Changes in assumptions		
LGERS	400,731	-
Register of Deeds	30,993	-
LEOSSA	-	23,898
Net difference between projected and actual earnings on pension plan investments		
LGERS	3,234,785	-
Register of Deeds	200	-

Deferred Outflows and Inflows of Resources (continued)

Changes in proportion and differences between employer contributions and proportionate share of contributions		
LGERS	92,083	8,491
Register of Deeds	-	9,399
County contributions and proportionate share of contributions (LGERS, ROD)		
LGERS	1,420,118	-
Register of Deeds	4,518	-
Benefit payments/administrative costs paid subsequent to the measurement date (LEOSSA)	41,744	
Prepaid taxes not yet earned (General Fund)	-	196,877
Taxes receivable, net (General)	-	2,141,724
Taxes receivable, net (Special Revenue)	-	79,036
Total	$ 5,335,223	$ 2,665,951

4 Risk Management

The County is exposed to various risks of losses 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 participated 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 Insurance Fund based on estimates of the amounts needed to pay claims. The claims liability of $486,681 reported in the fund at June 30, 2017 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 indicated that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. The County expects all claims to be paid within the next twelve months; therefore, the entire amount is presented as current.

The $486,681 claims liability represented total estimated claims incurred, but not reported, as provided by the plan administrator's actuary.

	June 30, 2017	June 30, 2016
Unpaid claims and claim adjustment expenses at the beginning of the fiscal year	$ 399,540	$ 428,469
Incurred claims and claims adjustment expenses:		
Provision for insured events of current year	5,412,443	4,159,828
Claims and adjustment expenses attributable to insured events of current and prior year	5,325,302	4,188,757
Total claims liability	$ 486,681	$ 399,540

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 a single occurrence losses of $500,000 and aggregate excess limit for $1,000,000. The claims liability of $265,773 reported in the fund at June 30, 2017 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 indicated that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. The County expects all claims to be paid within the next twelve months; therefore, the entire amount is presented as current.

The $265,773 claims liability represents total estimated claims incurred, but not reported, as provided by the plan administrator's actuary.

	June 30, 2017	June 30, 2016
Unpaid claims and claim adjustment expenses at the beginning of the fiscal year	$ 286,359	$ 309,747
Incurred claims and claims adjustment expenses:		
Provision for insured events of current year	395,496	399,557
Claims and adjustment expenses attributable to insured events of current and prior year	416,082	422,945
Total claims liability	$ 265,773	$ 286,359

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 of the County's funds at any given time 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, 2017, the County was a defendant to various lawsuits. In the opinion of the County's management and the County attorney, the ultimate effect of these legal matters could have a material adverse effect on the County's financial position.

6 Long-Term Obligations

a. Capital Leases

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

Capital lease agreements at June 30, 2017 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.	$ 1,613,635

Capital leases (continued)

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 of 2.48% through October 10, 2029.	5,628,325
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.	1,237,755
Total	$ 8,479,715

For Stanly County, the future minimum lease payments as of June 30, 2017 are as follows:

General Long-Term Debt	Capitalized Leases Principal	Capitalized Leases Interest
2018	$ 976,627	$ 214,935
2019	986,876	189,323
2020	997,353	163,483
2021	1,007,721	137,751
2022	835,543	111,231
2023-2027	2,211,004	353,870
2028-2031	1,464,591	74,330
Total	$ 8,479,715	$ 1,244,923

At June 30, 2017, the County leased the following assets valued at:

Class of Property	Cost	Accumulated Depreciation	Net Book Value
Jail	$ 8,457,979	$ 1,480,146	$ 6,977,833
Radio Towers	6,897,941	-	6,897,941
Total	$ 15,355,920	$ 1,480,146	$ 13,875,774

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%	$ 4,011,765
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%	3,514,552
USDA Jail Loan: The construction of 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%	1,395,232

Notes Payable (continued)

Information Technology Loan: The purchase upgraded 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%	27,078
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%	643,995
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%	111,971
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%	144,229
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%	1,902,688
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%	227,325
2017 Sheriff Vehicle Loan: The purchase of Sheriff department vehicles, October 27, 2016, payable in annual principal payments ranging from $48,624 to $50,267, and annual interest payments at an interest rate of 1.10%	197,772
Total General Fund	12,176,607

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.	$ 63,966
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%	84,257
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%.	68,193
North Carolina Clean Water Revolving Loan executed on June 17, 2016 in the amount of $6,057,970, immediately reduced by a principal forgiveness amount of $2,400,000. The loan is a drawdown loan, and the initial receipts were all allocated towards the principal forgiveness amount. As of June 30, 2017, $138,761 was received of the total loan balance available. The principal sum shall be repaid in not more than 20 annual installments due on May 1.	138,761

Notes Payable (continued)

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 $165,250, no interest.	1,093,750
Total Enterprise Fund	1,448,927
Total Notes Payable	$ 13,625,534

Future minimum payments as of June 30, 2017 were as follows:

	Notes Payable	
Governmental Activities	**Principal**	**Interest**
2018	$ 1,115,738	$ 398,761
2019	1,096,387	365,039
2020	1,104,278	332,038
2021	1,061,797	298,983
2022	821,613	266,752
2023-2027	4,134,396	902,738
2028-2032	1,376,452	334,588
2033-2037	665,951	211,220
2038-2042	237,187	141,788
2043-2047	288,574	90,401
2048-2052	274,234	27,917
Total General	12,176,607	3,370,225
Proprietary Funds	**Principal**	**Interest**
2018	349,708	4,336
2019	211,770	2,922
2020	213,244	1,483
2021	161,170	-
2022	161,170	-
2023-2027	337,102	-
2028-2032	14,763	-
Total Proprietary	1,448,927	8,741
Total	$ 13,625,534	$ 3,378,966

c. General Obligation Indebtedness

The general obligation bond 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, 2017:

General Fund:

$16,325,000 Refunding Series 2010 Bond, due 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% and 5.00%	$ 7,190,000

General Obligation Indebtedness (continued)

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, 2017 are as follows:

General Long-Term Debt	General Obligation Bonds	
	Principal	Interest
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	$ 7,190,000	$ 901,800

d. Revenue Bonds

West Stanly Waste Water Treatment Plant Fund

Debt assumed by the 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. $ 948,000

Greater Badin Water and Sewer District Fund

USDA Loan executed on November 15, 2016, payable in annual principal payments ranging from $33,000 to $77,000 and annual interest payments at an interest rate of 1.88%. 2,099,000

Total Revenue Bonds $ 3,047,000

Revenue bond debt service requirement to maturity are as follows:

Proprietary Funds	Revenue Bonds	
	Principal	Interest
2018	$ 51,000	$ 74,906
2019	53,000	73,688
2020	53,000	72,413
2021	55,000	71,138
2022	56,000	69,806
2023-2027	302,000	327,957
2027-2032	341,000	288,881
2033-2037	390,000	243,844
2038-2012	440,000	191,812
2043-2047	498,000	132,263
2048-2052	515,000	63,692
2053-2057	293,000	13,913
Total	$ 3,047,000	$ 1,624,313

West Stanly Waste Water Treatment Plant Fund

The debt service coverage ratio calculation for the year ended June 30, 2017, is as follows:

Total Revenues	$ 516,978
Operating Expenses*	380,554
Operating Income	$ 235,685
Net revenues must be no less than 110% of the amount necessary to meet annual debt service obligations due for current year with respect to general obligation bonds and installment financing obligations	
Current Year Debt Service	$ 50,117
Debt service on debt due in current fiscal year percent of coverage	470%

* Per revenue bond covenants, this does not include the depreciation expense of $186,013.

Greater Badin Water and Sewer District Fund

The debt service coverage ratio calculation for the year ended June 30, 2017, is as follows:

Total Revenues	$ 467,519
Operating Expenses*	503,333
Operating Income	$ (35,814)
Net revenues must be no less than 110% 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	$ 54,685
Debt service on debt due in current fiscal year percent of coverage	-65%

* Per revenue bond covenants, this does not include the depreciation expense of $111,732.

Debt Related to Capital Activities. Of the total governmental activities debt listed, only $13,130,106 relates to assets to which the County holds title. Unspent restricted cash related to this debt amounts to $0.

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, 2017:

Governmental Activities:	Balance July 1,2016	Additions	Retirements	Balance June 30, 2017	Current Portion
General obligation debt	$ 8,725,000	$ -	$ 1,535,000	$ 7,190,000	$ 1,500,000
Unamortized premiums on bonds	532,760	-	89,000	443,760	89,000
Capital Leases	9,445,822	-	966,107	8,479,715	976,627
Notes payable	13,149,078	197,772	1,170,243	12,176,607	1,115,738
Compensated Absences	1,181,532	924,676	913,517	1,192,691	913,517
Net pension liability (LGERS)	1,206,901	4,381,077	-	5,587,978	-
Total pension liability (LEOSSA)	967,725	25,096	-	992,821	-
Other postemployment benefit	2,258,905	415,432	139,703	2,534,634	-
Total governmental activities	$ 37,467,723	$ 5,944,053	$ 4,813,570	$ 38,598,206	$ 4,594,882

Long-Term Obligation Activity (continued)

	Balance July 1,2016	Additions	Retirements	Balance June 30, 2017	Current Portion
Business-type Activities:					
Stanly County Utility Fund:					
Notes payable	$ 179,382	$ -	$ 31,159	$ 148,223	$ 31,966
Compensated absences	51,861	36,469	33,195	55,135	33,195
Net Pension Liability(LGERS)	34,903	156,552	-	191,455	-
Other postemployment benefit	73,068	14,348	9,948	77,468	-
Total Stanly County Utility Fund	$ 339,214	$ 207,369	$ 74,302	$ 472,281	$ 65,161
Greater Badin Water and Sewer District Fund:					
Bond anticipation note	$ 2,132,000	$ -	$ 2,132,000	$ -	$ -
Revenue Bond	-	2,132,000	33,000	2,099,000	37,000
Notes payable	90,924	138,761	22,731	206,954	161,492
Total Greater Badin W&S Fund	$ 2,222,924	$ 2,270,761	$ 2,187,731	$ 2,305,954	$ 198,492
West Stanly Waste Water Treatment Plant Fund:					
Notes payable	$ 1,250,000	$ -	$ 156,250	$ 1,093,750	$ 156,250
Revenue bonds	962,000	-	14,000	948,000	14,000
Compensated absences	6,482	-	4,353	2,129	1,000
Net Pension Liability(LGERS)	5,105	8,268	-	13,373	-
Other postemployment benefit	9,064	1,441	-	10,505	-
Total West Stanly WWTP Fund	$ 2,232,651	$ 9,709	$ 174,603	$ 2,067,757	$ 171,250
Airport Fund:					
Compensated absences	$ 14,020	$ 12,355	$ 16,894	$ 9,481	$ -
Net Pension Liability(LGERS)	12,317	45,730	-	58,047	-
Other postemployment benefit	25,494	9,456	-	34,950	-
Total Stanly County Utility Fund	$ 51,831	$ 67,541	$ 16,894	$ 102,478	$ -
Total Business-type activities	$ 4,846,620	$ 2,555,380	$ 2,453,530	$ 4,948,470	$ 434,903

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

On June 30, 2017, Stanly County had a legal debt margin of $337,729,269.

g. Conduit Debt Obligation

Stanly County Industrial and Pollution Control Authority has issued industrial revenue bonds to provide financial assistance to private business 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, 2017, two industrial revenue bonds were outstanding, with an aggregate principal amount payable of $4,264,465.

h. Net Investments in Capital Assets

Net investment in capital assets at June 30, 2017 was calculated as follows:

	General Fund	Enterprise Fund
Capital assets	$ 29,414,381	$ 40,107,471
Total debt, gross	(28,290,082)	(4,495,927)
Add: Debt not related to County assets		
School debt for which County does not hold title:		
Notes payable	7,526,317	-
General obligation bonds (refunded school bonds)	7,190,000	-
Unamortized premium on refunded bonds	443,760	-
Total school debt for which County does not hold title	15,160,077	-
Less: unspent debt proceeds	-	-
Total debt	(13,130,005)	(4,495,927)
Net investment in capital assets	$ 16,284,376	$ 35,611,544

C. Interfund Balances and Activity

Interfund receivable balances consist of cash deficits as of June 30, 2017. Those funds have projects in progress for which they first expend the money and are later reimbursed. The funds and the amounts are as follows:

	Interfund Receivables	Interfund Payable	Purpose
General Fund	$ 358,538	$ -	Cash Deficit
Greater Badin Water and Sewer	-	270,038	
West Stanly Waste Water Treatment	-	60,494	
Airport Fund	-	28,006	
Total	$ 358,538	$ 358,538	

Transfers to and from other funds at June 30, 2017 consist of the following:

	Transfers From	Transfers To	Purpose
General Fund	$ 451,220	$ -	Capital outlay support
Nonmajor governmental:			
Emergency Radio System Project	-	1,547	Capital outlay support
Livestock Arena Construction Project	-	4,734	Capital outlay support
Museum Renovation Project	-	105,193	Capital outlay support
Major enterprise funds and capital projects:			
Airport Fund	-	259,347	Capital outlay support
Airport Taxilane Rehabilitation Project	-	21,889	Capital outlay support
West Stanly Waste Water Treatment Plant Fund	-	50,000	Capital outlay support
Brown Hill Road Waterline Project	-	8,510	Capital outlay support
Nonmajor governmental:			
2011 Single Family Rehabilitation Grant	19,025	-	Close out project
2012 Urgent Repair Program	2,469	-	Close out project
SCC Cosmetology Project	38,066	-	Close out project
General Fund	-	59,560	Close out project
Enterprise Funds:			
Stanly County Utility Fund	10,085	-	Capital outlay support
Brown Hill Road Waterline Project	-	9,597	Capital outlay support
Alonzo Road Water Meter Project	-	488	Capital outlay support
Total	$ 520,865	$ 520,865	

D. Fund Balance

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

Total fund balance - General Fund	$ 23,597,491
Less:	
Prepaid items	72,377
Stabilization by State statute	5,299,464
Total available fund balance	$ 18,225,650

The County had no outstanding encumbrances at June 30, 2017.

NOTE IV: Joint Ventures

Stanly County, in conjunction with Cabarrus, Rowan, and Union 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 $206,983 to the Authority during the fiscal year ended June 30, 2017. 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, 2017. 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 $1,221,998 for operating purposes and $160,000 for capital during the fiscal year ended June 30, 2107. Complete financial statements for the Community College may be obtained from administrative offices at 141 College Drive, Albemarle, North Carolina 28001.

NOTE V: Joint 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 $14,653 to the Council during the fiscal year ended June 30, 2017.

NOTE 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 that cause benefit payments to be issued by the State. These amounts disclose this additional aid to County recipients, which do not appear in the general purpose financial statements because they are not revenues and expenditures of the County.

	Federal	State
State and Federal Awards		
Medical Assistance Program	$ 54,198,683	$ 28,527,635
Special Supplement Food Program for Women, Infants and Children (WIC)	1,170,289	-
Title IV-E Foster Care	89,509	21,820
Title IV-E Adoption Assistance	89,670	23,070
TANF/WorkFirst	167,825	-
Energy Assistance	216,300	-
Chafee Foster Care Independence Program	6,481	2,452
Children's Insurance Program - N.C. Health Choice	1,438,163	3,705
CWS Adopt Subsidy & Vendor	-	197,071

Benefit Payments Issued by the State (continued)

State/County Special Assistance for Adults	-	403,804
SFHF Maximization	-	18,875
State Foster Home	-	13,156
Totals	$ 57,376,920	$ 29,211,588

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

NOTE VIII: Significant Effects of Subsequent Events

In preparing these financial statements, the County has evaluated events and transactions for potential recognition or disclosure through November 17, 2017, the date the financial statements were available to be issued.

NOTE IX: Change in Accounting Principles/ Restatement

In accordance with Governmental Accounting Standards Board (GASB) No. Statement 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68,* in the fiscal year ending June 30, 2017. The implementation of the statement required the County to record beginning total pension liability and the effects on the net position of the benefit payments and administrative expenses paid by the County to the Law Enforcement Officers' Special Separation Allowance during the measurement period. As a result, net position for the governmental activities decreased by $574,707. The County also implemented GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans* for the Healthcare Benefits Plan. The implementation of this statement had no effect on net position.

REQUIRED SUPPLEMENTARY FINANCIAL INFORMATION

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

- Schedule of Funding Progress for the Other Post-Employment Benefits
- Schedule of Employer Contributions for the Other Post-Employment Benefits
- Schedule of Proportionate Share of Net Pension Liability (Asset) for Local Government Employees' Retirement System
- Schedule of Contributions to Local Government Employees' Retirement System
- Schedule of Proportionate Share of Net Pension Asset for Register of Deeds Supplemental Pension Fund
- Schedule of Contributions to Register of Deeds' Supplemental Pension Fund
- Schedule of Changes in Total Pension Liability (LEO)
- Schedule of Total Pension Liability as a Percentage of Covered-Employee Payroll

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Stanly County, North Carolina
Other Post-Employment Benefits
Required Supplementary Information
Schedule of Funding Progress
June 30, 2017

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Proj Unit Credit (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a / b)	Covered Payroll for Year Ending On Val Date (c)	UAAL as a Percentage of Covered Payroll ((b-a) / c)
12/31/2011	$ -	$ 4,029,067	$ 4,029,067	0.00%	$ 15,707,007	25.65%
12/31/2013	-	4,471,018	4,471,018	0.00%	14,738,523	30.34%
12/31/2015	-	4,711,664	4,711,664	0.00%	15,933,029	29.57%

Schedule of Employer Contributions

Year Ended June 30	Annual Required Contribution	Percentage Contributed
2015	$ 406,393	27.11%
2016	418,585	42.59%
2017	436,447	34.29%

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	3.00%
cost of living adjustments	N/A

Stanly County, North Carolina
Schedule of Proportionate Share of Net Pension Liability (Asset)
Local Government Employees' Retirement System
Last Four Fiscal Years*

Local Government Employees' Retirement System

	2017	2016	2015	2014
County's proportion of the net pension liability (asset) (%)	0.276%	0.281%	0.272%	0.279%
County's proportion of the net pension liability (asset) ($)	$5,850,853	$ 1,259,226	$ (1,602,930)	$ 3,358,200
County's covered-employee payroll	19,078,455	17,210,820	16,632,050	15,288,312
County's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	30.67%	7.32%	-9.64%	21.97%
Plan fiduciary net position as a percentage of the total pension liability**	91.47%	98.09%	102.64%	94.35%

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

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

Note: This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Stanly County, North Carolina
Schedule of County Contributions
Local Government Employees' Retirement System
Last Four Fiscal Years

Local Government Employees' Retirement System

	2017	2016	2015	2014
Contractually required contribution	$ 1,420,118	$ 1,179,295	$ 1,216,645	$ 1,170,226
Contributions in relation to the contractually required contribution	1,420,118	1,179,295	1,216,645	1,170,226
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
County's covered-employee payroll	$ 19,078,455	$ 17,357,375	$ 17,210,820	$ 16,632,050
Contributions as a percentage of covered-employee payroll	7.44%	6.79%	7.07%	7.04%

Note: This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Stanly County, North Carolina
Schedule of the County's Proportionate Share of the Net Pension Liability (Asset)
Register of Deeds' Supplemental Pension Fund
Last Four Fiscal Years*

	2017	2016	2015	2014
County's proportionate share of the net pension liability (%)	0.622%	0.585%	0.552%	0.531%
County's proportionate share of the net pension liability ($)	$ (116,332)	$ (135,524)	$ (125,137)	$ (113,505)
County's covered-employee payroll	61,307	49,805	47,717	45,605
County's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	-189.75%	-272.11%	-262.25%	-248.89%
Plan fiduciary net position as a percentage of the total pension liability **	160.17%	197.29%	193.88%	190.50%

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

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

Note: This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Stanly County, North Carolina
Schedule of County Contributions
Register of Deeds' Supplemental Pension Fund
Last Four Fiscal Years

	2017	2016	2015	2014
County's required contribution	$ 4,518	$ 3,800	$ 4,680	$ 4,508
Contributions in relation to contractually required contribution	4,518	3,800	4,680	4,508
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
County's covered-employee payroll	$ 61,307	$ 55,967	$ 49,805	$ 47,717
Contributions as a percentage of covered-employee payroll	7.37%	6.79%	9.40%	9.45%

Note: This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Stanly County, North Carolina
Schedule of Changes in Total Pension Liability
Law Enforcement Officers' Special Separation Allowance
For the Year Ended June 30, 2017

	2017
Beginning balance	$ 967,725
Service cost	60,419
Interest on the total pension liability	33,817
Change in benefit terms	-
Difference between expected and actuarial experience in the measurement of the total pension liability	-
Changes of assumptions and other inputs	(28,212)
Benefit payments	(40,928)
Other changes	-
Ending balance of total pension liability	$ 992,821

The amounts presented for each fiscal year were determined as of the prior December 31.

Note: This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Stanly County, North Carolina
Schedule of Total Pension Liability as a Percentage of Covered Payroll
Law Enforcement Officers' Special Separation Allowance
For the Year Ended June 30, 2017

	2017
Total pension liability	$ 992,821
Covered payroll	2,378,573
Total pension liability as a percentage of covered payroll	41.74%

Notes to the schedules:

Stanly County has no assets accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 73 to pay related benefits.

Note: This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

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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.

Stanly County, North Carolina
General Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2017

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Ad valorem Taxes			
Current year		$ 30,816,855	
Penalties and interest		393,063	
Total	$ 30,431,968	31,209,918	$ 777,950
Local Option Sales Taxes			
Sales tax article 39		3,324,374	
Sales tax article 40		2,874,145	
Sales tax article 42		2,263,859	
Sales tax article 44		594,365	
Medicaid Hold Harmless payment		208,574	
Total	8,425,925	9,265,317	839,392
Other Taxes and Licenses			
Other taxes		26,234	
Real property excise tax		222,723	
Solid waste		26,498	
Occupancy tax		288,928	
Cable franchise tax		148,730	
Beer & wine tax		2,400	
Total	574,000	715,513	141,513
Unrestricted Intergovernmental Revenues			
ABC profits		143,729	
Total	-	143,729	143,729
Restricted Intergovernmental Revenues			
EMS		4,086	
Other federal and State grants		1,207,533	
Senior and aging grants		619,713	
Public safety		352,861	
Transportation		382,364	
Health		711,053	
Social services grants		7,593,820	
Total	10,258,553	10,871,430	612,877
Permits and Fees			
Zoning and planning permits		27,765	
Tech fees		15,226	
Concealed weapons permit		52,945	
Recording fess		285,487	
Marriage license		8,250	
Building permits		587,108	
Total	965,600	976,781	11,181

(continued)

Stanly County, North Carolina
General Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2017

	Final Budget	Actual	Variance Positive (Negative)
Sales and Services			
Intergovernmental charges		171,230	
Sherriff and jail fees		850,012	
Ambulance fees		2,620,532	
Transportation		433,982	
Solid waste		882,991	
Health fees		2,601,574	
Rental and other charges		290,746	
Total	7,778,991	7,851,067	72,076
Interest on investments	103,000	145,740	42,740
Miscellaneous			
Donations		204,143	
Rents		308,856	
Sale of assets		27,157	
Miscellaneous other		354,877	
Total	919,380	895,033	(24,347)
Total Revenues	59,457,417	62,074,528	2,617,111
Expenditures			
General Government:			
Governing Body			
Salaries and employee benefits		132,733	
Operating expenditures		99,407	
Total		232,140	
Administration			
Salaries and employee benefits		390,236	
Operating expenditures		14,534	
Total		404,770	
Finance Department			
Salaries and employee benefits		323,787	
Operating expenditures		125,417	
Total		449,204	
Tax Assessor			
Salaries and employee benefits		597,585	
Operating expenditures		213,566	
Total		811,151	

(continued)

Stanly County, North Carolina
General Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2017

	Final Budget	Actual	Variance Positive (Negative)
Tax Revaluation			
Salaries and employee benefits		350,206	
Operating expenditures		30,101	
Capital Outlay		-	
Total		380,307	
County Attorney			
Salaries		145,985	
Operating expenditures		56,595	
Total		202,580	
Clerk of Court			
Operating expenditures		13,326	
Total		13,326	
Judge's Office			
Operating expenditures		3,771	
Total		3,771	
Elections			
Salaries and employee benefits		224,977	
Operating expenditures		140,910	
Capital Outlay		-	
Total		365,887	
Register of Deeds			
Salaries and employee benefits		244,830	
Operating expenditures		63,315	
Capital Outlay		25,445	
Total		333,590	
Information Technology			
Salaries and employee benefits		345,335	
Operating expenditures		375,216	
Capital outlay		-	
Total		720,551	
Facilities Management			
Salaries and employee benefits		375,151	
Operating expenditures		833,284	
Total		1,208,435	
Total General Government	5,612,291	5,125,712	486,579

(continued)

Stanly County, North Carolina
General Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2017

	Final Budget	Actual	Variance Positive (Negative)
Public safety:			
Sheriff			
Salaries		3,588,497	
Operating expenditures		538,825	
Capital Outlay		242,858	
Total		4,370,180	
Jail			
Salaries and employee benefits		1,877,234	
Operating expenditures		740,166	
Capital outlay		20,875	
Total		2,638,275	
Office of Juvenile Justice			
Operating expenditures		4,472	
Program expenditures		173,070	
Juvenile detention		19,154	
Total		196,696	
Emergency Management			
Salaries and employee benefit		3,124,209	
Operating expenditures		1,017,261	
Capital Outlay		127,751	
Total		4,269,221	
Code Enforcement			
Salaries and employee benefits		373,016	
Operating expenditures		30,518	
Capital Outlay		25,474	
Total		429,008	
Medical Examiner			
Contractual services		41,200	
Animal Control			
Salaries and employee benefits		261,669	
Operating expenditures		103,816	
Capital outlay		-	
Total		365,485	

(continued)

Stanly County, North Carolina
General Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2017

	Final Budget	Actual	Variance Positive (Negative)
911 Communication Service			
Salaries and employee benefits		1,131,245	
Operating expenditures		427,484	
Capital outlay		-	
Total		1,558,729	
Reimbursement			
From E-911 fund		-	
Total Public Safety	14,055,226	13,868,794	186,432
Transportation			
Salaries and employee benefits		783,602	
Operating expenditures		165,111	
Capital outlay		-	
Total Transportation	1,012,766	948,713	64,053
Environmental Protection			
Solid Waste Operations			
Salaries and employee benefits		369,358	
Operating expenditures		765,165	
Capital outlay		12,790	
Total		1,147,313	
Fire Forester			
Contributions to other agencies		73,367	
Soil and Water Conservation			
Salaries and employee benefits		91,142	
Operating expenditures		6,562	
Total		97,704	
Total Environmental Protection	1,293,469	1,318,384	(24,915)
Economic and Physical Development:			
Economic Development Commission			
Salaries and employee benefits		126,511	
Operating expenditures		365,083	
Capital Outlay		994,043	
Total		1,485,637	

(continued)

Stanly County, North Carolina
General Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2017

	Final Budget	Actual	Variance Positive (Negative)
Occupancy Tax -Motel/Hotel			
To other municipalities		232,859	
Planning and Zoning			
Salaries and employee benefits		205,874	
Operating expenditures		38,842	
Total		244,716	
Central Permitting			
Salaries and employee benefits		205,779	
Operating expenditures		22,048	
Total		227,827	
Cooperative Extension			
Salaries and employee benefits		-	
Operating expenditures		196,978	
Total		196,978	
Special Appropriations for Economic Development			
Contribution for economic development		25,000	
Rocky River RPO			
Salaries and employee benefits		101,922	
Operating expenditures		9,209	
Total		111,131	
Total Economic and Physical Develop	2,708,259	2,524,148	184,111
Human services:			
Health			
Salaries and employee benefits		1,953,493	
Other operating expenditures		520,316	
Capital outlay		18,513	
Total		2,492,322	
Home Health			
Salaries and employee benefits		635,999	
Operating expenditures		747,971	
Total		1,383,970	

(continued)

Stanly County, North Carolina
General Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2017

	Final Budget	Actual	Variance Positive (Negative)
Dental Clinic			
Salaries and employee benefits		836,031	
Other operating expenditures		169,306	
Capital outlay		56,399	
Total		1,061,736	
Environmental Health			
Salaries		355,749	
Other operating expenditures		43,703	
Total		399,452	
Mental Health			
Contributions to other agencies:			
Bottle surcharge		16,823	
Piedmont area mental health		190,160	
Total		206,983	
Social Services			
Salaries and employee benefits		5,301,564	
Operating expenditures		1,633,783	
Daycare and resident services		2,132,391	
Total		9,067,738	
In-Home Services			
Salaries and employee benefits		138,754	
Operating expenditures		239,771	
Total		378,525	
Nutrition			
Salaries and employee benefits		118,751	
Operating expenditures		278,173	
Total		396,924	
I&A/Transportation			
Salaries and employee benefits		66,368	
Operating expenditures		127,740	
Total		194,108	
Family Caregiver Support Program			
Operating expenditures		22,058	
Total		22,058	

(continued)

Stanly County, North Carolina
General Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2017

	Final Budget	Actual	Variance Positive (Negative)
Senior Services			
Salaries and employee benefits		225,566	
Other operating expenditures		308,104	
Total		533,670	
Veterans Services			
Salaries and employee benefits		62,815	
Operating expenditures		3,082	
Veterans Association		2,000	
Total		67,897	
Total Human Services	17,208,998	16,205,383	1,003,615
Education:			
Stanly County Public Schools			
Current expenditures		10,148,243	
Capital Outlay		3,011,000	
Total		13,159,243	
Stanly Community College			
Current Expenditures		1,223,398	
Capital Outlay		160,000	
Total		1,383,398	
Total Education	14,544,958	14,542,641	2,317
Cultural and Recreation:			
Library			
Salaries and employee benefits		903,935	
Operating expenditures		360,388	
Capital outlay		5,469	
Total		1,269,792	
Special Appropriation - Senior Center		25,000	
Agriculture Civic Center			
Salaries and employee benefits		127,834	
Operating expenditures		289,228	
Total		417,062	
Total Cultural and Recreation	1,834,990	1,711,854	123,136

(continued)

Stanly County, North Carolina
General Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2017

	Final Budget	Actual	Variance Positive (Negative)
Debt service:			
Principal		3,628,641	
Interest payments		1,025,947	
Total debt service	4,654,601	4,654,588	13
Contingency	220,000	-	-
Total expenditures	63,145,558	60,900,217	1,961,288
Revenue over (under) expenditures	(3,688,141)	1,174,311	4,862,452
Other financing sources (uses):			
Transfers (to):			
Enterprise Funds	(431,977)	(339,745)	(92,232)
Capital Project Funds	(136,283)	(111,475)	(24,808)
Transfers from:			
Internal Service Fund	300,000	-	(300,000)
Capital Project Funds	-	59,560	59,560
Installment Debt Issued	197,772	197,772	(197,772)
Appropriated Fund Balance	3,758,629	-	(3,758,629)
Total other financing sources (uses)	3,688,141	(193,888)	(4,313,881)
Excess of revenues and other sources over (under) expenditures and other uses	$ -	980,423	$ 548,571
Fund balance- July 1		22,617,068	
Fund balance- June 30		$ 23,597,491	

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 3 and 4 in aggregate.

Individual Fund Descriptions:

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

STANLY COUNTY
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Stanly County, North Carolina
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2017

	Special Revenue Fund						Capital Projects 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	Tarheel Challenge Academy Project	Emergency Radio System Project	SCC Cosmetology Project	Livestock Arena Construction Project	Museum Renovation Project	Total
Assets:												
Current Assets:												
Cash and cash equivalents	$ 23,517	$ 38,313	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 95	$ 61,925
Taxes receivable	-	79,036	-	-	-	-	-	-	-	-	-	79,036
Accounts receivable	28,895	-	-	-	-	-	-	-	-	-	-	28,895
Restricted cash and cash equivalents	-	-	-	-	-	-	37,166	-	-	-	-	37,166
Total assets	52,412	117,349	-	-	-	-	37,166	-	-	-	95	207,022
Liabilities, Deferred Inflows of Resources, and Fund Balances:												
Liabilities:												
Accounts payable and accrued liabilities	9,233	38,313	-	-	-	-	-	-	-	-	95	47,641
Liablities to be paid from restricted assets:												
Accounts payable	-	-	-	-	-	-	-	-	-	-	-	-
Total liabilities	9,233	38,313	-	-	-	-	-	-	-	-	95	47,641
Deferred Inflows of Resources:												
Unavailable revenue - property taxes	-	79,036	-	-	-	-	-	-	-	-	-	79,036
Fund Balances:												
Restricted:												
Stabilization by State Statute	28,895	-	-	-	-	-	-	-	-	-	-	28,895
Public Safety	14,284	-	-	-	-	-	-	-	-	-	-	14,284
Economic Development	-	-	-	-	-	-	-	-	-	-	-	-
Education	-	-	-	-	-	-	37,166	-	-	-	-	37,166
Committed	-	-	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-		-	-	-	-	-	-	-	-	-
Total fund balances	43,179	-	-	-	-	-	37,166	-	-	-	-	80,345
Total liabilities, deferred inflows of resources, and fund balances	$ 52,412	$ 117,349	$ -	$ -	$ -	$ -	$ 37,166	$ -	$ -	$ -	$ 95	$ 207,022

Stanly County, North Carolina
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2017

	Special Revenue Fund						Capital Projects 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	Tarheel Challenge Academy Project	Emergency Radio System Project	SCC Cosmetology Project	Livestock Arena Construction Project	Museum Renovation Project	Total
Revenues:												
Ad valorem taxes	$ -	$ 2,605,544	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 2,605,544
Restricted intergovernmental	-	-	51,891	-	-	9,674	-	-	-	-	-	61,565
Donations	-	-	-	-	-	-	-	-	-	-	68,500	68,500
Sales and services	346,746	-	-	-	-	-	-	-	-	-	-	346,746
Investment earnings	7	-	-	-	(164)	-	-	-	-	-	-	(157)
Total revenues	346,753	2,605,544	51,891	-	(164)	9,674	-	-	-	-	68,500	3,082,198
Expenditures:												
General Government	-	45,291	-									45,291
Public Safety	331,154	2,560,253	-	-	-	-	-	398,937	-	-	-	3,290,344
Economic Development	-	-	51,891	(6,059)	6,059	9,674	-	-	-	-	-	61,565
Education	-	-	-	-	-	-	163,290	-	171,806	-	-	335,096
Cultural and Recreation	-	-	-	-	-	-	-	-	-	4,734	173,693	178,427
Debt service payment	42,709	-	-	-	-	-	-	-	-	-	-	42,709
Total expenditures	373,863	2,605,544	51,891	(6,059)	6,059	9,674	163,290	398,937	171,806	4,734	173,693	3,953,432
Revenues over (under) expenditures	(27,110)	-	-	6,059	(6,223)	-	(163,290)	(398,937)	(171,806)	(4,734)	(105,193)	(871,234)
Other Financing Sources (Uses):												
Transfers- in												
General Fund	-	-	-	-	-	-	-	1,547	-	4,734	105,193	111,474
Transfers-out												
General Fund	-	-	-	(19,025)	(2,469)	-	-	-	(38,066)	-	-	(59,560)
Total other financing sources (uses)	-	-	-	(19,025)	(2,469)	-	-	1,547	(38,066)	4,734	105,193	51,914
Net change in fund balances	(27,110)	-	-	(12,966)	(8,692)	-	(163,290)	(397,390)	(209,872)	-	-	(819,320)
Fund Balances:												
Fund Balance- July 1	70,289	-	-	12,966	8,692	-	200,456	397,390	209,872	-	-	899,665
Fund Balance- June 30	$ 43,179	$ -	$ -	$ -	$ -	$ -	$ 37,166	$ -	$ -	$ -	$ -	$ 80,345

Stanly County, North Carolina
Emergency Telephone System Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2017

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Charges - surcharges	$ 418,673	$ 346,746	$ (71,927)
Investment earnings	-	7	7
Total Revenues	418,673	346,753	(71,920)
Expenditures:			
Implemental Functions	17,139	-	17,139
Telephone	180,528	174,029	6,499
Software and software maintenance	70,954	69,085	1,869
Hardware and hardware maintenance	78,197	72,451	5,746
Training	5,000	2,918	2,082
Capital Outlay	24,146	12,671	11,475
S.L. 2010-158 expenditures (50%)	-	-	-
Debt service payment	42,709	42,709	-
Total Expenditures	418,673	373,863	44,810
Revenues over (under) expenditures	-	(27,110)	(27,110)
Other Financing Sources (Uses):			
Appropriated fund balance	-	-	-
Total Other Financing Sources (Uses)	-	-	-
Net change in fund balance	$ -	(27,110)	$ (27,110)
Fund Balance:			
Beginning of Year - July 1		70,289	
End of Year - June 30		$ 43,179	

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, 2017

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Ad valorem taxes:			
Current year	$ 2,576,486	$ 2,558,564	$ (17,922)
Prior years	60,000	46,980	(13,020)
Total Revenues	2,636,486	2,605,544	(30,942)
Expenditures:			
Administration Fees:			
Tax collections fees	42,000	33,891	8,109
NCDMV tax proccessing fees	12,000	11,400	600
Total Adminstration Fees	54,000	45,291	8,709
Public Safety			
West Stanly Fire District	747,000	740,819	6,181
Center Fire District	325,500	324,721	779
Endy Fire Distirct	118,800	117,209	1,591
Ridgecrest Fire District	149,450	149,083	367
Awuadale Fire District	153,000	151,150	1,850
Eastside Fire District	191,500	189,586	1,914
Oakboro Fire District	122,600	121,398	1,202
New London Fire District	205,000	203,463	1,537
Southside Fire District	106,000	104,000	2,000
Bethany Fire District	81,500	80,505	995
Richfield Fire District	127,100	125,456	1,644
Millingport Fire District	103,750	102,909	841
Norwood Special Fire District	19,200	18,168	1,032
Badin-Yakin Fire District	132,086	131,786	300
Total Public Safety	2,582,486	2,560,253	22,233
Total Expenditures	2,636,486	2,605,544	30,942
Net change in fund balance	$ -	-	$ -
Fund Balance:			
Beginning of Year - July 1		-	
End of Year - June 30		$ -	

Stanly County, North Carolina
2014 Single Family Rehabilitation Loan Pool
Schedule of Revenue, Expenditures And
Changes in Fund Balances - Budget and Actual
From Inception and for the Year Ended June 30, 2017

		Actual			
	Project Authorization	Prior Years	Current Year	Total to Date	Variance Positive (Negative)
Revenues:					
Restricted intergovernmental					
SFR Program Grant	$ 170,000	$ 115,688	$ 51,891	$ 167,579	$ (2,421)
Total Revenue	170,000	115,688	51,891	167,579	(2,421)
Expenditures:					
Economic and physical development					
Rehabilitation	170,000	115,688	51,891	167,579	2,421
Total Expenditures	170,000	115,688	51,891	167,579	2,421
Net change in fund balance	$ -	$ -	-	$ -	$ -
Fund Balance:					
Beginning of Year - July 1			-		
End of Year - June 30			$ -		

Stanly County, North Carolina
2011 Single Family Rehabilitation Program
Schedule of Revenue, Expenditures And
Changes in Fund Balances - Budget and Actual
From Inception and for the Year Ended June 30, 2017

		Actual			
	Project Authorization	Prior Years	Current Year	Total to Date	Variance Positive (Negative)
Revenues:					
Restricted intergovernmental					
SFR Program Grant	$ 221,761	$ 221,761	$ -	$ 221,761	$ -
SFR Program Income	19,025	19,025	-	19,025	-
Total Revenue	240,786	240,786	-	240,786	-
Expenditures:					
Economic and physical development					
Rehabilitation	201,273	187,707	(6,059)	181,648	19,625
Administration	39,513	40,113	-	40,113	(600)
Total Expenditures	240,786	227,820	(6,059)	221,761	(19,025)
Revenues over (under) expenditures	-	12,966	6,059	19,025	(19,025)
Other Financing Sources (Uses):					
Transfer to General Fund	-	-	(19,025)	(19,025)	19,025
Total Other Financing Sources (Uses):	-	-	(19,025)	(19,025)	19,025
Net change in fund balance	$ -	$ 12,966	(12,966)	$ -	$ -
Fund Balance:					
Beginning of Year - July 1			12,966		
End of Year - June 30			$ -		

Stanly County, North Carolina
2012 Urgent Repair Program
Schedule of Revenue, Expenditures And
Changes in Fund Balances - Budget and Actual
From Inception and for the Year Ended June 30, 2017

		Actual			
	Project Authorization	Prior Years	Current Year	Total to Date	Variance Positive (Negative)
Revenues:					
Restricted intergovernmental					
2012 Urgent Repair Program Grant	$ 75,000	$ 75,000	$ -	$ 75,000	$ -
Investment Earnings	220	243	(164)	79	(141)
Total Revenue	75,220	75,243	(164)	75,079	(141)
Expenditures:					
Economic and physical development					
Rehabilitation	75,220	66,551	6,059	72,610	2,610
Total Expenditures	75,220	66,551	6,059	72,610	2,610
Revenues over (under) expenditures	-	8,692	(6,223)	2,469	2,469
Other Financing Sources (Uses):					
Transfer to General Fund	-	-	(2,469)	(2,469)	(2,469)
Total Other Financing Sources (Uses):	-	-	(2,469)	(2,469)	(2,469)
Net change in fund balance	$ -	$ 8,692	$ (8,692)	$ -	$ -
Fund Balance:					
Beginning of Year - July 1			8,692		
End of Year - June 30			$ -		

Stanly County, North Carolina
Community Development Block Grant 2012 Scattered Site Housing Project
Schedule of Revenue, Expenditures And
Changes in Fund Balances - Budget and Actual
From Inception and for the Year Ended June 30, 2017

		Actual			
	Project Authorization	Prior Years	Current Year	Total to Date	Variance Positive (Negative)
Revenues:					
Restricted intergovernmental					
CDBG Scattered Site Housing	$ 225,000	$ 203,191	$ 9,674	$ 212,865	$ (12,135)
Total Revenue	225,000	203,191	9,674	212,865	(12,135)
Expenditures:					
Economic and physical development					
Rehabilitation	202,500	174,179	2,526	176,705	25,795
Administration	22,500	29,012	7,148	36,160	(13,660)
Total Expenditures	225,000	203,191	9,674	212,865	12,135
Net change in fund balance	$ -	$ -	-	$ -	$ -
Fund Balance:					
Beginning of Year - July 1			-		
End of Year - June 30			$ -		

Stanly County, North Carolina
Tarheel Challenge Academy Project
Schedule of Revenue, Expenditures And
Changes in Fund Balances - Budget and Actual
From Inception and for the Year Ended June 30, 2017

		Actual			
	Project Authorization	Prior Years	Current Year	Total to Date	Variance Positive (Negative)
Revenues:					
Restricted intergovernmental					
NC Office of Management and Budget	$ 3,092,000	$ 3,092,000	$ -	$ 3,092,000	$ -
Total Revenue	3,092,000	3,092,000	-	3,092,000	-
Expenditures:					
Education					
Professional services	309,200	269,332	-	269,332	39,868
Construction	2,782,800	2,622,212	163,290	2,785,502	(2,702)
Total Expenditures	3,092,000	2,891,544	163,290	3,054,834	37,166
Net change in fund balance	$ -	$ 200,456	(163,290)	$ 37,166	$ (37,166)
Fund Balance:					
Beginning of Year - July 1			200,456		
End of Year - June 30			$ 37,166		

Stanly County, North Carolina
Emergency Radio System Project
Schedule of Revenue, Expenditures And
Changes in Fund Balances - Budget and Actual
From Inception and for the Year Ended June 30, 2017

		Actual				
	Project Authorization	Prior Years	Current Year	Completed Project	Total to Date	Variance Positive (Negative)
Expenditures:						
Public Safety						
Professional services	$ 77,000	$ 78,120	$ -	$ (78,120)	$ -	$ 77,000
Construction	8,160,762	7,785,988	398,937	(8,184,925)	-	8,160,762
Land purchases	75,000	50,760	-	(50,760)	-	75,000
Interest expense	330,000	326,861	-	(326,861)	-	330,000
Total Expenditures	8,642,762	8,241,729	398,937	(8,640,666)	-	8,642,762
Revenues over (under) expenditures	(8,642,762)	(8,241,729)	(398,937)	8,640,666	-	8,642,762
Other Financing Sources (Uses):						
Transfers from General Fund	605,000	601,358	1,547	(602,905)	-	605,000
Debt issued	8,037,762	8,037,761	-	(8,037,761)	-	8,037,762
Total other financing sources (uses)	8,642,762	8,639,119	1,547	(8,640,666)	-	8,642,762
Net change in fund balance	$ -	$ 397,390	(397,390)	$ -	$ -	$ -
Fund Balance:						
Beginning of Year - July 1			397,390			
End of Year - June 30			$ -			

Stanly County, North Carolina
Stanly Community College Cosmetology Project
Schedule of Revenue, Expenditures And
Changes in Fund Balances - Budget and Actual
From Inception and for the Year Ended June 30, 2017

		Actual				
	Project Authorization	Prior Years	Current Year	Completed Project	Total to Date	Variance Positive (Negative)
Expenditures:						
Education						
Professional services	$ 71,785	$ 71,785	$ -	$ (71,785)	$ -	$ 71,785
Construction	2,122,148	1,950,343	171,806	(2,122,149)	-	2,122,148
Total Expenditures	2,193,933	2,022,128	171,806	(2,193,934)	-	2,193,933
Revenues over (under) expenditures	(2,193,933)	(2,022,128)	(171,806)	2,193,934	-	2,193,933
Other Financing Sources (Uses):						
Debt issued	2,232,000	2,232,000	-	(2,232,000)	-	(2,232,000)
Transfer from General Fund	56,679	56,679	-	(56,679)	-	(56,679)
Transfer to General Fund	(94,746)	(56,679)	(38,066)	94,745	-	94,746
Total other financing sources (uses)	2,193,933	2,232,000	(38,066)	(2,193,934)	-	(2,193,933)
Net change in fund balance	$ -	$ 209,872	(209,872)	$ -	$ -	$ -
Fund Balance:						
Beginning of Year - July 1			209,872			
End of Year - June 30			$ -			

Stanly County, North Carolina
Livestock Arena Construction Project
Schedule of Revenue, Expenditures And
Changes in Fund Balances - Budget and Actual
From Inception and for the Year Ended June 30, 2017

		Actual			
	Project Authorization	Prior Years	Current Year	Total to Date	Variance Positive (Negative)
Expenditures:					
Culture and Recreation					
Professional services	$ 75,000	$ 46,940	$ 4,734	$ 51,674	$ 23,326
Total Expenditures	75,000	46,940	4,734	51,674	23,326
Revenues over (under) expenditures	(75,000)	(46,940)	(4,734)	(51,674)	23,326
Other Financing Sources (Uses):					
Transfer from General Fund	75,000	46,940	4,734	51,674	(23,326)
Total other financing sources (uses)	75,000	46,940	4,734	51,674	(23,326)
Net change in fund balance	$ -	$ -	-	$ -	$ -
Fund Balance:					
Beginning of Year - July 1			-		
End of Year - June 30			$ -		

Stanly County, North Carolina
Museum Renovation Project Fund
Schedule of Revenue, Expenditures And
Changes in Fund Balances - Budget and Actual
From Inception and for the Year Ended June 30, 2017

		Actual			
	Project Authorization	Prior Years	Current Year	Total to Date	Variance Positive (Negative)
Revenues:					
Donations	$ 70,000	$ -	$ 68,500	$ 68,500	$ (1,500)
Total Revenue	70,000	-	68,500	68,500	(1,500)
Expenditures:					
Culture and Recreation					
Capital Outlay	200,000	-	173,693	173,693	26,307
Total Expenditures	200,000	-	173,693	173,693	26,307
Revenues over (under) expenditures	(130,000)	-	(105,193)	(105,193)	24,807
Other Financing Sources (Uses):					
Transfer from General Fund	130,000	-	105,193	105,193	(24,807)
Total other financing sources (uses)	130,000	-	105,193	105,193	(24,807)
Net change in fund balance	$ -	$ -	-	$ -	$ -
Fund Balance:					
Beginning of Year - July 1			-		
End of Year - June 30			$ -		

STANLY COUNTY
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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
Greater Badin Water and Sewer District Fund
Schedule of Revenues and Expenditures- Budget and Actual (Non-GAAP)
For Year Ended June 30, 2017

	Budget	Actual	Variance Positive (Negative)
Revenues			
Operating Revenues:			
Water Sales		$ 249,847	
Sewer Charges		186,245	
Industrial Sewer Charges		26,053	
Taps and Connection Fees		1,334	
Other Operating Revenues		4,040	
Total Operating Revenues		467,519	
Non-Operating Revenues:			
Interest on Investments		1,253	
Total Non-Operating Revenues		1,253	
Total Revenues	$ 494,346	468,772	$ (25,574)
Expenditures:			
Administration			
Contracted Services		63,153	
Total Administration		63,153	
Debt Service			
Principal Paid		2,187,731	
Interest Expense		24,050	
Total Debt Service		2,211,781	
Distribution and Maintenance			
Contracted Services		146,020	
Operating Expenditures		56,795	
Repairs and Maintenance		26,818	
Water Purchases		210,547	
Total Distribution and Maintenance		440,180	
Total Expenditures	2,709,532	2,715,114	(5,582)
Revenues over (under) expenditures	(2,215,186)	(2,246,342)	(31,156)
Other Financing Sources (Uses):			
USDA Loan	2,132,000	2,132,000	2,132,000
Appropriated fund balance	101,455	-	(101,455)
Transfers in (out)	(18,269)	-	18,269
Total other financing sources (uses)	2,215,186	2,132,000	(83,186)
Revenues and other financing sources (uses) over (under) expenditures and other financing uses	$(2,132,000)	(114,342)	$ (114,342)

(continued)

Stanly County, North Carolina
Greater Badin Water and Sewer District Fund
Schedule of Revenues and Expenditures- Budget and Actual (Non-GAAP)
For Year Ended June 30, 2017

	Budget	Actual	Variance Positive (Negative)
Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual:			
Reconciling items:			
Debt Principal		2,187,731	
Proceeds from USDA Loan		(2,132,000)	
Depreciation		(111,732)	
(Increase) decrease in accrued interest payable		(6,340)	
Capital Contribution		1,678,428	
Total reconciling items		1,616,087	
Change in net position		$ 1,501,745	

Stanly County, North Carolina
Piney Point Water District Fund
Schedule of Revenues and Expenditures- Budget and Actual (Non-GAAP)
For Year Ended June 30, 2017

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Operating Revenues			
Water Sales		$ 173,520	
Taps and Connection Fees		3,560	
Other Operating Revenue		347	
Total Operating Revenue		177,427	
Non-Operating Revenues			
Interest on Investments		1,661	
Total Non-Operating Revenue		1,661	
Total Revenue	$ 142,000	179,088	$ 37,088
Expenditures:			
Administration			
Contracted Services		80,000	
Total Administration		80,000	
Distribution and Maintenance			
Operating Expenditures		1,820	
Water Purchases		59,694	
Total Distribution and Maintenance		61,514	
Total Expenditures	142,000	141,514	486
Revenues and other financing sources (uses) over (under) expenditures and other financing uses	$ -	37,574	$ 37,574
Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual:			
Reconciling items:			
Depreciation		(1,459)	
Total reconciling items		(1,459)	
Change in net position		$ 36,115	

Stanly County, North Carolina
West Stanly Waste Water Treatment Plant Fund
Schedule of Revenues and Expenditures- Budget and Actual (Non-GAAP)
For Year Ended June 30, 2017

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Operating Revenues			
Sewer Sales	$ 597,038	$ 516,978	$ (80,060)
Other Operating Revenues	8,400	-	(8,400)
Total Operating Revenues	605,438	516,978	(80,060)
Total Revenues	605,438	516,978	(88,460)
Expenditures:			
Administration			
Contracted Services	160,349	81,560	(78,789)
Total Administration	160,349	81,560	(78,789)
Debt Service			
Principal	169,250	170,250	1,000
Interest	37,000	36,117	(883)
Total Debt Service	206,250	206,367	117
Distribution and Maintenance			
Operating Expenditures	128,085	131,377	3,292
Repairs and Maintenance	53,000	52,082	(918)
Salaries and Benefits	111,754	82,542	(29,212)
Capital Outlay	17,000	-	(17,000)
Contracted Services	-	-	-
Total Distribution and Maintenance	309,839	266,001	(43,838)
Total Expenditures	676,438	553,928	(122,510)
Revenues over (under) expenditures	(71,000)	(36,950)	34,050
Other Financing Sources (Uses):			
Transfers in from General Fund	50,000	50,000	-
Transfers in from Utility Fund	21,000	-	(21,000)
Total other financing sources (uses)	71,000	50,000	(21,000)
Revenues and other financing sources (uses) over (under) expenditures and other financing uses	$ -	13,050	$ 13,050

(continued)

Stanly County, North Carolina
West Stanly Waste Water Treatment Plant Fund
Schedule of Revenues and Expenditures- Budget and Actual (Non-GAAP)
For Year Ended June 30, 2017

Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual:	
Reconciling items:	
Debt Principal	170,250
Capital Outlay	-
Depreciation	(186,013)
Increase (Decrease) in Net Pension Asset	-
Increase (Decrease) in Deferred Outflows of Resources - Pensions	7,304
(Increase) Decrease in Deferred Inflows of Resources - Pensions	1,218
(Increase) Decrease in Net Pension Liability	(8,268)
(Increase) Decrease in Accrued Interest Payable	(42)
(Increase) Decrease in Other Post-Employment Benefits	(1,441)
(Increase) Decrease in Compensated Absences	4,353
Total reconciling items	(12,639)
Change in net position	$ 411

Stanly County, North Carolina
Stanly County Utility Fund
Schedule of Revenues and Expenditures- Budget and Actual (Non-GAAP)
For Year Ended June 30, 2017

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Operating Revenues			
Water Sales		$ 2,666,514	
Sewer Charges		579,186	
Taps and Connection Fees		84,958	
Other Operating Revenues		18,454	
Total Operating Revenues		3,349,112	
Non-Operating Revenues			
Interest on Investments		8,382	
Administrative Charges		286,364	
Miscellaneous		31,738	
Total Non-Operating Revenues		326,484	
Total Revenues	$ 3,283,105	3,675,596	$ 392,491
Expenditures:			
Administration			
Salaries and Employee Benefits		347,050	
Operating Expenditures		77,007	
Total Administration		424,057	
Debt Service			
State Loan Principal Paid		31,159	
Interest Expense		3,370	
Total Debt Service		34,529	
Distribution and Maintenance			
Salaries and Employee Benefits		564,491	
Operating Expenditures		719,703	
Repairs and Maintenance		243,325	
Water Purchases		1,186,482	
Capital Outlay		92,307	
Total Distribution and Maintenance		2,806,308	
Total Expenditures	3,551,694	3,264,894	286,800
Revenues over (under) expenditures	(268,589)	410,702	679,291

(continued)

Stanly County, North Carolina
Stanly County Utility Fund
Schedule of Revenues and Expenditures- Budget and Actual (Non-GAAP)
For Year Ended June 30, 2017

Other Financing Sources (Uses):			
Transfers (Out)	-	-	-
Intrafund Transfer to Alonzo Road Water Meter Project	(300,488)	(488)	300,000
Intrafund Transfers to Brown Hill Road Project Fund	(120,000)	(9,597)	110,403
Appropriated Fund Balance	689,077	-	(689,077)
Total other financing sources (uses)	268,589	(10,085)	(278,674)
Revenues and other financing sources (uses) over (under) expenditures and other financing uses	$ -	400,617	$ 400,617

Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual:	
Reconciling items:	
Debt Principal	31,159
Capital Outlay	55,224
Depreciation	(668,728)
Capital Contribution	77,793
Increase (Decrease) in Net Pension Asset	-
Increase (Decrease) in Deferred Outflows of Resources - Pension	128,649
(Increase) Decrease in Deferred Inflows of Resources - Pensions	23,004
(Increase) Decrease in Net Pension Liability	(156,552)
(Increase) Decrease in Accrued Interest Payable	(635)
(Increase) decreased in Other Post-Employment Benefits	(4,400)
(Increase) Decrease in Accrued Vacation Payable	(3,274)
Intrafund Transfers to Alonzo Road Water Meter Project	488
Intrafund Transfers to Brown Hill Road Project	9,597
Transfer from General Fund for Brown Hill Road Project	8,510
Total reconciling items	(499,165)
Change in net position	$ (98,548)

Stanly County, North Carolina
Airport Fund
Schedule of Revenues and Expenditures- Budget and Actual (Non-GAAP)
For Year Ended June 30, 2017

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Operating Revenues			
Fuel and Oil Sales	$ 379,212	$ 295,431	$ 83,781
Tie-Down Fees	1,700	1,750	50
Hangar Rental	57,000	55,983	(1,017)
Franchise	4,500	4,500	-
Miscellaneous	38,136	48,324	10,188
Total Operating Revenues	480,548	405,988	(74,560)
Non-Operating Revenues			
Interest on Investments	100	(73)	(173)
Capital Contributions	150,000	-	(150,000)
Total Non-Operating Revenues	150,100	(73)	(150,173)
Total Revenues	630,648	405,915	(224,733)
Expenditures:			
Administration and Operations			
Salaries and Employee Benefits	291,413	299,226	7,813
Operating Expenditures	148,929	124,537	(24,392)
Repairs and Maintenance	60,986	68,567	7,581
Purchases for Resale	222,000	258,744	36,744
Capital Outlay	166,667	12,368	(154,299)
Total Administration and Operations	889,995	763,442	(126,553)
Total Expenditures	889,995	763,442	(126,553)
Revenues over (under) expenditures	(259,347)	(357,527)	(98,180)
Other Financing Sources (Uses):			
Transfer in from General Fund	259,347	259,347	-
Total other financing sources (uses)	259,347	259,347	-
Revenues and other financing sources (uses) over (under) expenditures and other financing uses	$ -	(98,180)	$ (98,180)

(continued)

Stanly County, North Carolina
Airport Fund
Schedule of Revenues and Expenditures- Budget and Actual (Non-GAAP)
For Year Ended June 30, 2017

Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual:	
Reconciling items:	
Depreciation	(1,259,407)
Capital Outlay	12,368
Increase (decrease) in net pension asset	
Increase (decrease) in deferred outflows of outflows of resources - pensions	37,086
(Increase) decrease in deferred inflows of resources - pensions	8,076
(Increase) decrease in net pension liability	(45,730)
(Increase) decrease in other post-employment benefits	(9,456)
(Increase) decrease in compensated absences	4,539
Capital Contributions (from project funds)	205,602
Interfund transfer to project from General Fund	21,889
Total reconciling items	(1,025,033)
Change in net position	$(1,123,213)

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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 A Project Fund -** accounts for the revenues and expenses for the first phase of rehabilitation of Badin Water.
- **Badin Water Rehab Project 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:

- **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.
- **Brown Hill Road Waterline Project -** accounts for the revenues and expenses for the waterlines to serve the residents on Brown Hill Road.
- **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 Fund:

- **Airport Taxilane Rehabilitation Project Fund -** accounts for the revenues and expenses for rehabilitation of the taxilane.
- **Airport Pipe Rehabiliation Fund -** accounts for the revenues and expenses for rehabilitation of the pipe at the airport.

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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, 2017

	Project Authorization	Prior Years	Current Year	Total to Date	Variance Over (Under)
Revenues:					
Restricted Intergovernmental:					
USDA Grant	$ 700,600	$ -	$ 381,371	$ 381,371	$ (319,229)
Expenditures:					
Construction	2,526,759	1,867,999	303,492	2,171,491	355,268
Professional services	329,010	282,824	46,178	329,002	8
Land	2,000	-	-	-	2,000
Total Expenditures	2,857,769	2,150,823	349,670	2,500,493	357,276
Revenues over (under) expenditures	(2,157,169)	(2,150,823)	31,701	(2,119,122)	38,047
Other Financing Sources (Uses):					
Transfer from Greater Badin Fund	25,169	-	-	-	(25,169)
Bond anticipation note issued	2,132,000	2,132,000	-	2,132,000	-
Total other financing sources (uses)	2,157,169	2,132,000	-	2,132,000	(25,169)
Revenues and other financing sources (uses) over (under) expenditures and other financing uses	$ -	$ (18,823)	$ 31,701	$ 12,878	$ 12,878

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, 2017

	Project Authorization	Prior Years	Current Year	Total to Date	Variance Over (Under)
Revenues:					
Restricted Intergovernmental:					
DWSRF Principal Forgiveness Grant	$ 2,400,000	$1,102,943	$1,297,057	$ 2,400,000	$ -
Expenditures:					
Construction	5,289,194	823,412	1,461,922	2,285,334	3,003,860
Professional services	887,935	279,506	318,986	598,492	289,443
Land	2,000	26	-	26	1,974
Total Expenditures	6,179,129	1,102,944	1,780,908	2,883,852	3,295,277
Revenues over (under) expenditures	(3,779,129)	(1)	(483,851)	(483,852)	3,295,277
Other Financing Sources (Uses):					
Transfer from Greater Badin Fund	121,159	-	-	-	(121,159)
DWSRF Revolving Loan	3,657,970	-	138,761	138,761	(3,519,209)
Total other financing sources (uses)	3,779,129	-	138,761	138,761	(3,640,368)
Revenues and other financing sources (uses) over (under) expenditures and other financing uses	$ -	$ (1)	$ (345,090)	$ (345,091)	$ (345,091)

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, 2017

	Project Authorization	Prior Years	Current Year	Total to Date	Variance Over (Under)
Expenditures:					
Construction	$ 2,310,000	$ -	$ -	$ -	$ 2,310,000
Professional services	328,894	26,259	34,868	61,127	267,767
Land	10,000	-	-	-	10,000
Total Expenditures	2,648,894	26,259	34,868	61,127	2,587,767
Revenues over (under) expenditures	(2,648,894)	(26,259)	(34,868)	(61,127)	2,587,767
Other Financing Sources (Uses):					
NC DENR Clean Water SRF Loan	2,648,894	-	-	-	(2,648,894)
Total other financing sources (uses)	2,648,894	-	-	-	(2,648,894)
Revenues and other financing sources (uses) over (under) expenditures and other financing uses	$ -	$ (26,259)	$ (34,868)	$ (61,127)	$ (61,127)

Stanly County, North Carolina
Airport Road Corridor Wastewater Project
Schedule of Revenues and Expenditures- Budget and Actual (Non-GAAP)
From Inception and For the Year Ended June 30, 2017

	Project Authorization	Prior Years	Current Year	Total to Date	Variance Over (Under)
Revenues:					
Restricted Intergovernmental:					
NC Dept of Commerce Utility Account	$ 500,000	$ -	$ 77,793	$ 77,793	$ (422,207)
Expenditures:					
Construction	931,885	-	-	-	931,885
Professional services	179,158	3,962	63,910	67,872	111,286
Land	10,000	-	9,921	9,921	79
Total Expenditures	1,121,043	3,962	73,831	77,793	1,043,250
Revenues over (under) expenditures	(621,043)	(3,962)	3,962	-	621,043
Other Financing Sources (Uses):					
NC DENR Clean Water SRF Loan	621,043	-	-	-	(621,043)
Total other financing sources (uses)	621,043	-	-	-	(621,043)
Revenues and other financing sources (uses) over (under) expenditures and other financing uses	$ -	$ (3,962)	$ 3,962	$ -	$ -

Stanly County, North Carolina
Alonzo Road Meter Project Fund
Schedule of Revenues and Expenditures- Budget and Actual (Non-GAAP)
From Inception and For the Year Ended June 30, 2017

	Project Authorization	Prior Years	Current Year	Completed Project	Total to Date	Variance Over (Under)
Expenditures:						
Construction	$ 48,715	$ 47,433	$ -	$ (47,433)	$ -	$ 48,715
Professional services	21,262	8,537	488	(9,025)	-	21,262
Land	1,000	127	-	(127)	-	1,000
Total Expenditures	70,977	56,097	488	(56,585)	-	70,977
Revenues over (under) expenditures	(70,977)	(56,097)	(488)	56,585	-	70,977
Other Financing Sources (Uses):						
Transfer from Utility Operating Fund	70,977	56,097	488	(56,585)	-	(70,977)
Total other financing sources (uses)	70,977	56,097	488	(56,585)	-	(70,977)
Revenues and other financing sources (uses) over (under) expenditures and other financing uses	$ -	$ -	$ -	$ -	$ -	$ -

Stanly County, North Carolina
Brown Hill Road Waterline Project Fund
Schedule of Revenues and Expenditures- Budget and Actual (Non-GAAP)
From Inception and For the Year Ended June 30, 2017

	Project Authorization	Prior Years	Current Year	Total to Date	Variance Over (Under)
Expenditures:					
Professional services	$ 225,000	$ -	$ 18,107	$ 18,107	$ 206,893
Total Expenditures	225,000	-	18,107	18,107	206,893
Revenues over (under) expenditures	(225,000)	-	(18,107)	(18,107)	206,893
Other Financing Sources (Uses):					
Transfer from General Fund	105,000	-	8,510	8,510	(96,490)
Transfer from Utility Operating Fund	120,000	-	9,597	9,597	(110,403)
Total other financing sources (uses)	225,000	-	18,107	18,107	(206,893)
Revenues and other financing sources (uses) over (under) expenditures and other financing uses	$ -	$ -	$ -	$ -	$ -

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, 2017

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

Stanly County, North Carolina
Cottonville Rd Waterline Relocation Project Fund
Schedule of Revenues and Expenditures- Budget and Actual (Non-GAAP)
From Inception and For the Year Ended June 30, 2017

	Project Authorization	Prior Years	Current Year	Completed Project	Total to Date	Variance Over (Under)
Revenues:						
Restricted Intergovernmental:						
NC DOT Reimbursement	$ 69,134	$ 62,882	$ -	$ (62,882)	$ -	$ (69,134)
Expenditures:						
Construction	53,690	49,515	-	(49,515)	-	53,690
Professional services	14,444	13,367	-	(13,367)	-	14,444
Land	1,000	-	-	-	-	1,000
Total Expenditures	69,134	62,882	-	(62,882)	-	69,134
Revenues over (under) expenditures	$ -	$ -	$ -	$ -	$ -	$ -

Stanly County, North Carolina
Airport Taxilane Rehabilitation Project Fund
Schedule of Revenues and Expenditures- Budget and Actual (Non-GAAP)
From Inception and For the Year Ended June 30, 2017

	Project Authorization	Prior Years	Current Year	Total to Date	Variance Over (Under)
Revenues:					
Restricted Intergovernmental:					
Vision 100	$ 238,223	$ -	$ 197,000	$ 197,000	$ (41,223)
Expenditures:					
Construction	233,985	-	189,084	189,084	44,901
Professional services	30,709	-	29,805	29,805	904
Total Expenditures	264,694	-	218,889	218,889	45,805
Revenues over (under) expenditures	(26,471)	-	(21,889)	(21,889)	4,582
Other Financing Sources (Uses):					
Transfer from General Fund	26,471	-	21,889	21,889	(4,582)
Total other financing sources (uses)	26,471	-	21,889	21,889	(4,582)
Revenues and other financing sources (uses) over (under) expenditures and other financing uses	$ -	$ -	$ -	$ -	$ -

Stanly County, North Carolina
Airport Pipe Rehabilitation Project Fund
Schedule of Revenues and Expenditures- Budget and Actual (Non-GAAP)
From Inception and For the Year Ended June 30, 2017

	Project Authorization	Prior Years	Current Year	Total to Date	Variance Over (Under)
Revenues:					
Restricted Intergovernmental:					
Vision 100 Entitlement	$ 81,905	$ -	$ 8,602	$ 8,602	$ (73,303)
Expenditures:					
Professional services	91,006	-	8,602	8,602	82,404
Total Expenditures	91,006	-	8,602	8,602	82,404
Revenues over (under) expenditures	(9,101)	-	-	-	9,101
Other Financing Sources (Uses):					
Transfer from General Fund	9,101	-	-	-	(9,101)
Total other financing sources (uses)	9,101	-	-	-	(9,101)
Revenues and other financing sources (uses) over (under) expenditures and other financing uses	$ -	$ -	$ -	$ -	$ -

INTERNAL SERVICE FUND

This fund 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 Year Ended June 30, 2017

	Financial Plan	Actual	Variance Positive (Negative)
Operating Revenues:			
Charges for sales and services	$ 6,332,243	$ 6,383,244	$ 51,001
Operating Expenses:			
Group health operations	6,405,800	6,542,390	136,590
Workers' compensation claims	466,943	395,496	(71,447)
Total operating expenditures	6,872,743	6,937,886	65,143
Operating income (loss)	(540,500)	(554,642)	(14,142)
Non-Operating Revenues (Expenses):			
Investment earnings	10,000	16,635	6,635
Total non-operating revenues (expenses)	10,000	16,635	6,635
Other Financing Sources (Uses)			
Fund Balance Appropriated	530,500	-	(530,500)
Total other financing sources (uses)	530,500	-	(530,500)
Change in net position	$ -	(538,007)	$ (538,007)
Net Position:			
Beginning of year - July 1		2,809,419	
End of year - June 30		$ 2,271,412	

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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, 2017

	Balance July 1, 2016	Additions	Deductions	Balance June 30, 2017
Protective Payee Fund:				
Assets				
Cash and cash equivalents	$ 11,394	$ 31,385	$ 20,648	$ 22,131
Liabilities				
Client Payable	$ 11,394	$ 31,385	$ 20,648	$ 22,131
Fines and Forfeitures Fund:				
Assets				
Cash and cash equivalents	$ -	$ 257,390	$ 257,390	$ -
Liabilities				
Accounts Payable	$ -	$ 257,390	$ 257,390	$ -
Deed of Trust Fund:				
Assets				
Cash and cash equivalents	$ 4,290	$ 44,057	$ 44,559	$ 3,788
Liabilities				
Accounts Payable	$ 4,290	$ 44,057	$ 44,559	$ 3,788
Sheriff's Execution Fund				
Assets				
Cash and cash equivalents	$ 2,057	$ 37,821	$ 38,618	$ 1,260
Inmate Cash	6,017	207,917	200,230	13,704
Total Assets	$ 8,074	$ 245,738	$ 238,848	$ 14,964
Liabilities				
Executions Payable	$ 2,057	$ 37,821	$ 38,618	$ 1,260
Inmate Payable	6,017	207,917	200,230	13,704
Total Liabilities	$ 8,074	$ 245,738	$ 238,848	$ 14,964
Property Tax Clearing Fund				
Assets				
Cash and Cash Equivalents	$ 138,697	$10,474,857	$10,448,474	$ 165,080
Liabilities				
Accounts Payable	$ 138,697	$10,474,857	$10,448,474	$ 165,080

(continued)

Stanly County, North Carolina
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Year Ended June 30, 2017

Total- All Agency Funds

Assets				
Cash and cash equivalents	$ 156,438	$10,845,510	$10,809,689	$ 192,259
Inmate Cash	6,017	207,917	200,230	13,704
Total Assets	$ 162,455	$11,053,427	$11,009,919	$ 205,963
Liabilities				
Accounts payable	$ 145,044	$10,814,125	$10,789,041	$ 170,128
Client and Inmate Payable	17,411	239,302	220,878	35,835
Total Liabilities	$ 162,455	$11,053,427	$11,009,919	$ 205,963

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, 2017

Fiscal Year	Uncollected Balance June 30, 2016	Additions	Collections And Credits	Uncollected Balance June 30, 2017
2016-2017	$ -	$ 30,810,287	$ 30,058,849	$ 751,438
2015-2016	841,824	8,970	424,595	426,199
2014-2015	429,097	9,681	164,111	274,667
2013-2014	314,107	3,794	80,688	237,213
2012-2013	281,283	1,838	61,143	221,978
2011-2012	222,592	941	46,736	176,797
2010-2011	193,321	-	39,097	154,224
2009-2010	229,276	342	25,500	204,118
2008-2009	150,062	-	23,768	126,294
2007-2008	96,078	653	19,346	77,385
2006-2007	84,296	-	13,918	70,378
2005-2006	68,532	-	68,532	-
Districts over 3 years old	95,391	13,387	18,373	90,405
Totals	$ 3,005,859	$ 30,849,893	$ 31,044,656	$ 2,811,096

Less Allowance for Doubtful Accounts	(669,372)
Taxes Receivable (Net)	$ 2,141,724

Reconcilement with revenues:

Ad valorem taxes - General Fund	$ 31,209,918
Reconciling items:	
Animal tax	(40,019)
Collection fees	(59,533)
Interest collected	(333,530)
Discounts allowed	159,785
Late listings	(26,462)
Statute of Limitations	152,036
Miscellaneous	(17,539)
Total Collections and Credits	$ $ 31,044,656

Stanly County, North Carolina
Analysis of Current Tax Levy
County-Wide Levy
June 30, 2017

	County Wide			Total Levy	
	Property Valuation	Rate	Total Levy	Property Excluding Registered Motor Vehicles	Registered Motor Vehicles
Original Levy					
Property taxed at current year's rate	$ 4,599,573,805	0.67	$ 30,818,601	$ 27,229,579	$ 3,589,022
Penalties			35,068	35,068	
Total Original Levy	4,599,573,805		30,853,669	27,264,647	3,589,022
Discoveries:					
Current year rate	14,046,725	0.67	94,113	94,113	-
Penalties	-		347	347	-
Penalties - prior year rate	-		539	539	-
Prior year taxes	-		126,782	126,782	-
Total Discoveries	14,046,725		221,781	221,781	-
Releases:					
Current year rate	(38,378,637)	0.67	(257,137)	(257,137)	-
Penalties			(8,026)	(8,026)	-
Total Releases	(38,378,637)		(265,163)	(265,163)	-
Net assessed valuation	$ 4,575,241,893				
Net Levy			30,810,287	27,221,265	3,589,022
Uncollected taxes June 30, 2017			751,438	751,438	-
Current years taxes collected			$ 30,058,849	$ 26,469,827	$ 3,589,022
Current levy collection percentage			97.56%	97.24%	100.00%

(continued)

Stanly County, North Carolina
Analysis of Current Tax Levy
County-Wide Levy
June 30, 2017

Secondary Market Disclosures:

Assessed valuation:	
Assessment ratio	100%
Real property	$ 3,921,831,576
Personal property	511,125,561
Public service	142,284,756
Total assessed value	$ 4,575,241,893
Tax rate per $100	0.67
Levy (includes discoveries, releases, and abatements)	$ 30,810,287

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, 2017:

Fire protection districts	$ 2,310,960

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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 been 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

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

Table 1

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

	Fiscal Year									
	2008	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**
Governmental activities										
Net Investment in capital assets	$ 13,933,344	$ 18,364,949	$ 14,377,226	$ 13,495,499	$ 14,038,812	$ 12,862,706	$ 12,721,219	$ 13,286,678	$ 15,117,068	$ 16,284,376
Restricted	65,839	71,511	81,434	7,984,392	8,406,322	4,642,935	8,238,897	5,379,242	5,148,480	5,545,876
Unrestricted	1,284,464	(12,030,075)	(13,445,875)	(18,918,800)	(16,190,035)	(8,217,856)	(5,257,817)	(2,610,918)	62,028	2,206,195
Total Governmental activities net position	$ 15,283,647	$ 6,406,385	$ 1,012,785	$ 2,561,091	$ 6,255,099	$ 9,287,785	$ 15,702,299	$ 16,055,002	$ 20,327,576	$ 24,036,447
Business-type activities										
Net Investment in capital assets	$ 33,344,464	$ 33,309,479	$ 34,634,482	$ 35,328,679	$ 38,523,839	$ 37,935,794	$ 37,621,348	$ 35,823,165	$ 35,167,549	$ 35,611,544
Restricted	$ -	$ -	$ -	$ -	-	-	-	-	14,850	27,800
Unrestricted	2,532,023	2,237,487	(326,823)	600,944	508,553	1,216,035	1,612,161	1,641,558	1,977,384	1,836,949
Total business-type activities net position	$ 35,876,487	$ 35,546,966	$ 34,307,659	$ 35,929,623	$ 39,032,392	$ 39,151,829	$ 39,233,509	$ 37,464,723	$ 37,159,783	$ 37,476,293
Primary government										
Net Investment in capital assets	$ 47,277,808	$ 51,674,428	$ 49,011,708	$ 48,824,178	$ 52,562,651	$ 50,798,500	$ 50,342,567	$ 49,109,843	$ 50,284,617	$ 51,895,920
Restricted	65,839	71,511	81,434	7,984,392	8,406,322	4,642,935	8,238,897	5,379,242	5,163,330	5,573,676
Unrestricted	3,816,487	(9,792,588)	(13,772,698)	(18,317,856)	(15,681,482)	(7,001,821)	(3,645,656)	(969,360)	2,267,775	4,043,144
Total primary government net position	$ 51,160,134	$ 41,953,351	$ 35,320,444	$ 38,490,714	$ 45,287,491	$ 48,439,614	$ 54,935,808	$ 53,519,725	$ 57,487,359	$ 61,512,740

Table 2

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

	Fiscal Year									
Expenses	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**
Governmental activities:										
General government	$ 5,563,922	$ 6,207,070	$ 6,799,601	$ 5,601,234	$ 5,048,549	$ 5,204,527	$ 4,793,725	$ 4,791,099	$ 5,595,567	$ 5,853,567
Public safety	12,089,074	13,941,395	13,957,473	14,130,565	14,482,815	14,434,194	14,969,660	16,006,619	15,690,978	17,375,025
Transportation	850,441	923,081	948,122	987,615	988,483	950,965	961,283	956,499	996,173	1,039,842
Environmental protection	1,031,633	1,108,942	1,155,970	1,159,814	1,162,909	1,197,567	1,202,676	1,220,956	1,250,048	1,329,773
Economic and physical development	2,344,873	1,494,393	2,741,056	2,610,268	2,364,231	2,004,658	1,590,399	2,058,625	1,850,849	1,143,443
Human services	16,086,711	16,136,859	14,851,419	14,614,279	14,968,599	14,970,988	15,020,712	14,772,323	15,650,283	16,375,560
Education	14,267,912	24,661,209	19,284,505	13,334,719	12,643,400	12,532,158	12,830,472	15,665,022	14,035,997	14,788,737
Culture and recreation	1,800,314	2,035,578	1,954,960	1,572,655	1,643,930	1,572,868	1,505,119	1,457,322	1,509,584	1,793,243
Interest on long-term debt	1,193,541	1,393,628	1,659,370	1,169,653	1,264,990	925,756	1,007,050	913,803	1,144,394	1,042,725
Total governmental activities expenses	55,228,419	67,902,155	63,352,475	55,180,802	54,567,906	53,793,681	53,881,096	57,842,268	57,723,873	60,741,915
Business-type activities:										
Water and sewer	3,377,002	3,809,744	3,703,713	3,768,034	4,071,866	4,714,762	4,254,118	4,800,936	4,995,224	5,215,442
Airport	1,588,558	1,548,508	1,518,407	1,514,311	1,633,139	1,698,168	2,269,170	1,907,993	1,919,152	2,015,966
Total business-type activities	4,965,560	5,358,252	5,222,120	5,282,345	5,705,005	6,412,930	6,523,288	6,708,929	6,914,376	7,231,408
Total primary governmental expenses	$ 60,193,979	$ 73,260,407	$ 68,574,595	$ 60,463,147	$ 60,272,911	$ 60,206,611	$ 60,404,384	$ 64,551,197	$ 64,638,249	$ 67,973,323
Program Revenues										
Governmental activities:										
Charges for services:										
General government	$ 1,668,625	$ 1,844,478	$ 1,468,042	$ 1,445,785	$ 1,499,922	$ 1,483,698	$ 1,538,895	$ 1,700,655	$ 2,011,722	$ 841,182
Public safety	2,579,945	2,669,845	3,003,195	2,841,139	3,331,264	3,200,111	3,194,958	3,099,903	3,393,629	4,322,509
Transportation	375,280	370,233	364,756	578,427	425,439	423,318	387,695	410,615	453,131	431,514
Environmental protection	848,824	835,242	862,811	883,729	883,005	891,052	931,946	930,730	952,865	882,991
Economic and physical development	23,135	601,271	13,770	18,478	24,042	25,101	25,342	35,192	38,805	24,450
Human services	1,894,767	2,301,087	2,147,188	2,194,950	2,514,395	2,335,558	2,709,716	2,530,711	2,504,439	1,596,772
Culture and recreation	79,893	185,582	21,703	24,320	20,811	28,624	25,029	24,214	25,402	114,148
Operating grants and contributions	9,111,529	9,307,612	11,222,862	10,632,041	10,767,746	9,701,383	9,737,956	10,049,693	10,804,541	12,161,990
Capital grants and contributions	986,481	1,706,125	1,123,874	1,148,686	970,547	1,091,138	4,017,043	1,216,000	570,000	1,264,953
Total governmental activities program revenues	17,568,479	19,821,475	20,228,201	19,767,555	20,437,171	19,179,983	22,568,580	19,997,713	20,754,534	21,640,509
Business-type activities:										
Charges for services:										
Water and sewer	3,004,732	3,001,449	3,069,742	3,096,448	3,162,076	3,076,946	3,477,682	4,137,227	4,604,027	4,511,036
Airport	457,087	295,877	311,966	303,126	362,955	411,149	455,302	425,283	432,189	405,988
Operating grants and contributions	17,949	-	-	91,262	-	-	-	-	-	-
Capital grants and contributions	216,801	1,092,003	366,777	2,735,134	5,130,143	1,734,467	392,171	68,567	1,173,017	1,961,823
Total business-type activities program revenues	3,696,569	4,389,329	3,748,485	6,225,970	8,655,174	5,222,562	4,325,155	4,631,077	6,209,233	6,878,847
Total primary governmental program revenues	$ 21,265,048	$ 24,210,804	$ 23,976,686	$ 25,993,525	$ 29,092,345	$ 24,402,545	$ 26,893,735	$ 24,628,790	$ 26,963,767	$ 28,519,356
Net (expense)/revenue										
Governmental activities	$ (37,659,940)	$ (48,080,680)	$ (43,124,274)	$ (35,413,247)	$ (34,130,735)	$ (34,613,698)	$ (31,312,516)	$ (37,844,555)	$ (36,969,339)	$ (39,101,406)
Business-type activities	(1,268,991)	(968,923)	(1,473,635)	943,625	2,950,169	(1,190,368)	(2,198,133)	(2,077,852)	(705,143)	(352,561)
Total primary governmental net expense	$ (38,928,931)	$ (49,049,603)	$ (44,597,909)	$ (34,469,622)	$ (31,180,566)	$ (35,804,066)	$ (33,510,649)	$ (39,922,407)	$ (37,674,482)	$ (39,453,967)

(continued)

Table 2
(continued)

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									
Governmental activities:	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**
Taxes										
Ad valorem taxes	$ 29,160,452	$ 29,839,262	$ 30,245,704	$ 30,442,706	$ 30,499,757	$ 31,174,287	$ 32,363,012	$ 32,146,975	$ 32,603,038	$ 33,544,111
Local option sales tax	10,695,767	8,842,576	6,841,679	6,418,461	6,696,017	7,040,648	6,936,696	7,716,809	8,267,902	9,265,317
Other taxes	574,991	519,464	481,063	502,321	504,698	543,968	544,765	605,773	643,354	686,615
Interest earned on investments	1,235,530	612,476	372,699	256,933	261,112	171,540	139,996	64,018	85,044	145,583
Miscellaneous	-	-	-	-	-	-	19,025	-	-	83,104
Transfers in (out)	(598,536)	(610,360)	(210,471)	(658,868)	(136,841)	(1,284,059)	(2,276,464)	(372,691)	(357,425)	(339,746)
Total governmental activities	41,068,204	39,203,418	37,730,674	36,961,553	37,824,743	37,646,384	37,727,030	40,160,884	41,241,913	43,384,984
Business-type activities:										
Ad valorem taxes	-	-	-							
Interest earned on investments	30,698	29,042	23,857	16,543	15,759	3,890	3,349	3,707	6,472	11,223
Miscellaneous	-	-	-	2,928	-	21,856	-	39,003	36,306	318,102
Transfers in (out)	598,536	610,360	210,471	658,868	136,841	1,284,059	2,276,464	372,691	357,425	339,746
Total business-type activities	629,234	639,402	234,328	678,339	152,600	1,309,805	2,279,813	415,401	400,203	669,071
Total primary government	$ 41,697,438	$ 39,842,820	$ 37,965,002	$ 37,639,892	$ 37,977,343	$ 38,956,189	$ 40,006,843	$ 40,576,285	$ 41,642,116	$ 44,054,055
Change in net position										
Governmental activities	$ (7,012,476)	$ (3,920,856)	$ (5,393,600)	$ 1,548,306	$ 3,694,008	$ 3,032,686	$ (117,525)	$ 2,316,329	$ 4,272,574	$ 4,283,578
Business-type activities	(339,689)	(834,233)	(1,239,307)	1,621,964	3,102,769	119,437	201,961	(1,662,451)	(304,940)	316,510
Total primary government	$ (7,352,165)	$ (4,755,089)	$ (6,632,907)	$ 3,170,270	$ 6,796,777	$ 3,152,123	$ 84,436	$ 653,878	$ 3,967,634	$ 4,600,088

Table 3

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

	Fiscal Year									
	2008	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**
General Fund										
Reserved	$ 3,590,746	$ 8,233,781	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Unreserved	15,452,332	9,390,468	-	-	-	-	-	-	-	-
Nonspendable			36,360	51,071	52,912	66,374	71,395	66,969	73,666	72,377
Restricted			9,661,929	7,480,151	8,027,964	4,206,637	4,887,893	4,731,910	4,834,753	5,465,531
Committed			-	-	-	-	750,000	500,000	250,000	250,000
Assigned			2,062,820	2,003,925	2,803,717	3,120,289	3,368,058	3,465,815	3,901,523	4,170,673
Unassigned			4,640,026	6,424,783	7,005,289	11,378,402	10,113,103	11,529,498	13,557,126	13,638,910
Total General Fund	$ 19,043,078	$ 17,624,249	$ 16,401,135	$ 15,959,930	$ 17,889,882	$ 18,771,702	$ 19,190,449	$ 20,294,192	$ 22,617,068	$ 23,597,491
All other governmental funds										
Reserved	$ 30,977	$ 28,082	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Unreserved, reported in:										
Special revenue funds	514,312	347,371	-	-	-	-	-	-	-	-
Capital projects funds	-	-	-	-	-	-	-	-	-	-
Committed			-	-	-	-	-	-	397,390	80,345
Restricted			445,193	504,241	378,358	436,298	3,351,004	1,191,645	523,599	-
Unassigned			-	(34,118)	(52,149)	(161,875)	(35,676)	(6,132)	(21,324)	-
Total all other governmental funds	$ 545,289	$ 375,453	$ 445,193	$ 470,123	$ 326,209	$ 274,423	$ 3,315,328	$ 1,185,513	$ 899,665	$ 80,345

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 4

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

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Revenues										
Ad valorem taxes	$ 29,225,384	$ 29,600,368	$ 30,025,945	$ 30,256,263	$ 30,009,197	$ 30,947,727	$ 32,473,168	$ 32,555,339	$ 32,950,508	$ 33,815,462
Local option sales taxes	10,695,767	8,842,576	6,841,679	6,418,461	6,696,017	7,040,648	6,936,696	7,716,809	8,267,902	9,265,317
Other taxes and licenses	574,991	519,464	481,063	502,321	504,698	543,968	544,765	605,773	643,354	715,513
Unrestricted intergovernmental	8,173	2,664	425	-	-	-	-	-	6,464	10,871,430
Restricted intergovernmental	9,664,623	10,688,266	11,995,950	11,220,975	11,150,806	9,874,535	12,814,737	10,554,160	10,289,200	205,294
Permits and fees	945,668	925,727	6,719,000	6,831,077	7,467,321	7,390,642	7,861,820	7,631,225	8,300,554	976,781
Sales and services	6,087,739	6,715,699	694,288	653,402	689,032	725,695	645,337	745,432	1,004,071	8,197,813
Investment earnings	1,146,477	510,910	284,270	184,734	142,460	98,746	83,822	82,688	95,992	145,583
Miscellaneous	714,807	1,290,237	635,110	852,352	874,456	937,510	1,024,222	795,900	871,974	963,533
Total revenues	59,063,629	59,095,911	57,677,730	56,919,585	57,533,987	57,559,471	62,384,567	60,687,326	62,430,019	65,156,726
Expenditures										
General government	5,183,353	5,655,825	6,183,333	5,070,693	4,312,607	4,665,411	4,511,868	4,604,532	5,012,708	5,145,558
Public safety	14,967,299	14,559,774	13,594,893	13,344,073	13,504,875	13,688,999	14,490,807	15,823,755	14,954,848	16,742,180
Transportation	797,230	847,546	837,489	920,286	854,643	825,722	860,179	881,184	881,576	948,713
Environmental protection	1,026,214	1,090,593	1,121,743	1,136,432	1,295,081	1,174,893	1,195,669	1,229,814	1,240,144	1,305,594
Economic and physical development	2,348,929	1,464,024	2,689,449	2,580,078	2,154,133	1,968,404	1,601,078	2,093,874	1,851,046	1,591,670
Human services	16,202,140	16,130,914	14,601,773	14,519,051	14,703,300	14,790,919	15,104,956	15,190,257	15,586,861	16,130,471
Education	11,156,431	20,905,982	15,346,641	11,359,719	10,813,400	10,662,158	12,830,472	15,665,028	14,035,997	14,877,737
Culture and recreation	1,604,432	1,887,929	1,698,160	1,372,673	1,418,401	1,376,531	1,420,457	1,452,471	1,459,114	1,884,812
Capital Outlay	4,275,976	4,553,357	3,238,973	2,734,792	2,443,567	2,703,079	7,673,583	1,712,914	3,947,820	1,529,617
Debt service					-				-	
Principal	1,728,156	1,993,041	2,400,877	2,640,968	2,632,920	2,884,682	2,875,846	9,773,698	3,409,657	3,671,350
Interest and other charges	1,211,702	1,142,202	1,697,261	1,276,448	1,337,372	1,107,619	1,039,977	950,941	1,023,881	1,025,947
Total expenditures	60,501,862	70,231,187	63,410,592	56,955,213	55,470,299	55,848,417	63,604,892	69,378,468	63,403,652	64,853,649
Excess of revenues over (under) expenditures	(1,438,233)	(11,135,276)	(5,732,862)	(35,628)	2,063,688	1,711,054	(1,220,325)	(8,691,142)	(973,633)	303,077
Other financing sources (uses)										
Debt Proceeds	-	13,000,000	312,547	1,743,149	3,709,191	403,039	7,206,441	8,037,761	3,368,086	197,772
Refunding bond issued	-	-	16,325,000	-	-	-	-	-	-	
Payment to escrow agent-retired debt	-	-	-	-	(3,850,000)	-	-	-	-	
Payment to bondholders	-	-	(17,223,200)	-	-	-	-	-	-	
Bond Premium	-	-	1,067,654	-	-	-	-	-	-	
Transfers from other funds	595,036	1,000,000	190,572	175,971	103,059	50,000	59,406	383,540	357,944	171,034
Transfers to other funds	(1,193,572)	(1,610,360)	(401,043)	(834,839)	(239,900)	(1,334,059)	(2,585,870)	(756,231)	(715,369)	(510,780)
Total other financing sources (uses)	(598,536)	12,389,640	271,530	1,084,281	(277,650)	(881,020)	4,679,977	7,665,070	3,010,661	(141,974)
Net change in fund balances	$ (2,036,769)	$ 1,254,364	$ (5,461,332)	$ 1,048,653	$ 1,786,038	$ 830,034	$ 3,459,652	$ (1,026,072)	$ 2,037,028	$ 161,103
Debt services as a percentage of noncapital expenditures	5.3%	4.6%	6.6%	7.0%	7.2%	7.3%	7.0%	15.8%	7.5%	7.4%

Table 5

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

Fiscal Year	Property Tax	Sales Tax	Franchise Tax	Occupancy Tax	Property Excise Tax	Intangible Tax	Solid Waste Tax	Other Tax	Total
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
2017	33,544,111	9,265,317	148,730	288,928	222,723	-	26,498	28,634	43,524,941

Table 6

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

Fiscal Year	Property Tax	Sales Tax	Franchise Tax	Occupancy Tax	Property Excise Tax	Intangible Tax	Solid Waste Tax	Other Tax	Total
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
2017	33,815,462	9,265,317	148,730	288,928	222,723	-	26,498	28,634	43,796,292

Table 7

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

Fiscal Year	Real Property: Residential Property	Real Property: Commercial Property	Personal Property: Motor Vehicles	Personal Property: Other	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
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%
2017	3,419,092,905	694,306,584	517,055,017	351,063,739	406,276,622	4,575,241,893	0.6700	4,575,241,893	100%

Source: Stanly County Tax Assessor

Table 8

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

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
County Direct Rate										
Stanly (General)	0.6700	0.6700	0.6700	0.6700	0.6700	0.6700	0.6700	0.6700	0.6700	0.6700
Total direct rate	0.6700	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	0.5900	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	0.3800	0.3800	0.3800	0.3800	0.3800	0.3900	0.3900	0.3900	0.4100	0.4100
Town of Norwood	0.4000	0.4000	0.4000	0.4000	0.4000	0.4000	0.4000	0.4000	0.3900	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	0.3200	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	0.1700	0.1700	0.1700	0.2000	0.2200
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	0.0842	0.0842	0.0842	0.1000	0.1000
Center Rural	0.0500	0.0700	0.0700	0.0700	0.0700	0.0700	0.1000	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	0.0900	0.0900	0.0900	0.0900	0.0900	0.0900	0.0900	0.1100
Aquadale	0.0500	0.0500	0.0500	0.0500	0.0500	.0.1000	0.1000	0.1000	0.1000	0.1000
Eastside	0.0800	0.0800	0.0800	0.0800	0.0800	0.0800	0.1000	0.1000	0.1000	0.1000
Oakboro Rural	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400	0.0600	0.0600
New London	0.0500	0.0500	0.0500	0.0500	0.0500	0.0515	0.0750	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	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Bethany	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0775	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	0.1000
Badin-Yadkin	0.0500	0.0800	0.0800	0.0800	0.0800	0.0803	0.0803	0.0803	0.0803	0.0803
Norwood Special	N/A	0.0500	0.0700	0.0700	0.0700	0.0700	0.0700	0.1000	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	0.7800
*** City Tax Rate	1.2300	1.2300	1.2300	1.2300	1.2300	1.2300	1.2600	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

Table 9

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

	2017			2008		
Taxpayer	**Taxable Assessed Value**	**Rank**	**Percentage of Total Taxable Assessed Value**	**Taxable Assessed Value**	**Rank**	**Percentage of Total Taxable Assessed Value**
Michelin Aircraft Tire Co.	$ 49,896,882	1	1.09%	$ 37,528,311	2	0.92%
Duke Energy	45,711,291	2	1.00%	29,852,462	4	0.73%
APGI	41,908,986	3	0.92%	47,715,629	1	1.17%
Fiber Composites	31,105,664	4	0.68%	24,014,148	6	0.59%
Piedmont Natural Gas	29,132,534	5	0.64%			
Union Electric	28,176,181	6	0.62%	26,294,476	5	0.64%
Walmart Real Estate Business	23,488,787	7	0.51%	14,713,896	10	0.36%
Preformed Line Products	16,611,893	8	0.36%	14,811,569	8	0.36%
Chicago Tube and Iron	11,426,824	9	0.25%			
Time Warner Cable Stheast LLC	11,285,595	10	0.25%			
ALCOA				30,443,079	3	0.74%
Wiscassett Mills				14,744,677	9	0.36%
Concord Telephone Compnay				15,345,975	7	0.37%
Totals	$ 288,744,637		6.32%	$ 217,935,911		5.32%

Source: Stanly County Tax Assessor

Table 10

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

Fiscal Year Ended	Total Levy for	Collected within the Fiscal Year of the Levy		Collections in	Total Collections to Date	
June 30	Fiscal Year	Amount	Percentage of Levy	Subsequent Years	Amount	Percentage of Levy
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%
2017	30,810,287	30,058,849	97.56%	858,647	30,917,496	100.00%

Source: Stanly County Tax Assessor

Table 11

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

	Governmental Activities				Business-type Activities							
Fiscal Year	General Obligation Bonds	Unamortized Premium on Bonds	Capital Leases	Installment Note	General Obligation Bonds	Capital Leases	Revenue Bonds	Bond Anticipation Note	Installment Note	Total Primary Government	Percentage of Personal Income	Per Capita
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
2017	7,190,000	443,760	8,479,715	12,176,607	-	-	3,047,000	-	1,448,927	32,786,009	2.03%	535.42

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

Table 12

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

Fiscal Year	General Obligation Bonds	Percentage of Estimated Actual Taxable Value of Property	Per Capita
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	13,385,000	0.31%	214.48
2014	12,521,660	0.28%	199.28
2015	10,876,760	0.25%	178.14
2016	9,257,760	0.21%	151.63
2017	7,633,760	0.17%	124.67

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

Table 13

Stanly County, North Carolina
Direct and Overlapping Governmental Activities Debt
June 30, 2017

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Direct:			
Stanly County	$ 28,290,082	100%	$ 28,290,082
Overlapping:			
Town of Richfield	288,120	100%	288,120
Total direct and overlapping debt			$ 28,578,202

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.

Table 14

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

	Fiscal Year									
	2008	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**
Debt limit	$ 327,410,064	$ 333,792,266	$ 336,564,256	$ 338,784,941	$ 340,312,947	$ 345,081,262	$ 357,033,937	$ 352,648,533	$ 358,493,678	366,019,351
Total net debt applicable to limit	25,526,374	36,533,333	34,920,005	35,000,841	32,138,114	29,567,473	33,809,068	31,983,231	31,983,231	28,290,082
Legal debt margin	$ 301,883,690	$ 297,258,933	$ 301,644,251	$ 303,784,100	$ 308,174,833	$ 315,513,789	$ 323,224,870	$ 320,665,302	$ 326,510,447	$ 337,729,269
Total net debt applicable to the limit as a percentage of debt limit	7.40%	8.53%	7.80%	10.94%	10.38%	10.33%	9.44%	9.07%	8.89%	7.73%

Legal Debt Margin Calculation for Fiscal Year 2017

Assessed value		$ 4,575,241,893
Debt limit - 8% of assessed value		366,019,351
Debt applicable to limit:		
General obligation bonds	$ 7,190,000	
Bond premiums	443,760	
Capital lease obligation	8,479,715	
Installment note	12,176,607	
Business-type installment note	1,448,927	
Business-type revenue bond	3,047,000	
Business-type anticipation note	-	
Total debt	$ 32,786,009	
Less-Statutory deductions	4,495,927	
Total amount of debt applicable to debt limit		28,290,082
Legal debt margin		$ 337,729,269

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)
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%
2017	61,234	1,612,536,156	26,334	42.0	8,582	5.1%

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

Table 16

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

	2017			2008		
Employer	**Employees**	**Rank**	**Percentage of Total County Employment**	**Employees**	**Rank**	**Percentage of Total County Employment**
Stanly County Schools	1,350	1	2.20%	1,443	1	4.87%
Carolina Healtcare Stanly	688	2	1.12%	757	2	2.55%
Stanly County Government	584	3	0.95%	599	3	2.02%
Fiberon	500	4	0.82%			
Michelin Aircraft	430	5	0.70%	360	5	1.21%
International Automotive Componets	370	6	0.60%			
City of Albemarle	312	7	0.51%	295	8	1.00%
Bethany Woods	220	8	0.36%			
Clayton Homes	200	9	0.33%	204	10	0.69%
Preformed Line Products	160	10	0.26%			
Wal-Mart of Albemarle				325	6	1.10%
Collins & Aikman				450	4	1.52%
Albemarle Correctional				317	7	1.07%
Shult Manufacturing				260	9	0.88%
Total	4,814		7.86%	5,010		16.91%

Source: Stanly County Economic Development Office

Table 17

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

	Full-time Equivalent Employees as of June 30									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Function										
General government										
Administration	6	5	5	4	4	4	4	4	4	4
Finance	5	5	6	5	5	5	5	5	5	5
Taxes	20	19	19	19	18	18	16	16	16	16
Attorneys	2	2	2	2	2	2	2	2	2	2
Elections	5	3	3	3	3	3	3	3	3	3
Register of deeds	6	5	4	4	4	4	4	4	4	5
Information technology	4	4	5	5	5	5	5	5	5	5
Facilities management	6	7	7	7	7	7	7	7	7	7
Public safety										
Sheriff	53	58	57	55	54	54	54	57	61	62
Jail	37	39	33	38	38	38	38	38	38	38
Criminal justice partnership	1	1	1	1	NA	NA	NA	NA	NA	NA
Juvenile justice partnership	NA	1	1	1	NA	NA	NA	NA	NA	NA
Emergency management	2	2	2	2	2	2	2	2	2	2
Fire	3	3	3	2	2	2	2	2	2	2
Emergency medical services	39	39	41	36	36	37	43	46	47	56
Inspections	6	5	5	4	4	4	4	4	4	5
Animal control	5	6	6	5	5	5	5	5	5	4
E-911 operations	15	18	17	16	16	17	17	17	17	19
E-911 surcharge	2	NA	NA	NA	NA	NA	NA	NA	NA	NA
Transportation	18	14	11	12	15	15	15	15	15	15
Environmental protection										
Solid waste collection	14	10	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	1	2	2	1	2	2	2	2	2	2
Planning and zoning	4	3	3	3	3	3	3	3	3	3
Central Permitting	3	3	4	3	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	0	NA	NA	NA	NA	NA	NA	NA	NA	NA
Human services										
Health	55	57	58	54	57	58	55	55	55	55
Social services	74	81	76	78	81	81	81	84	84	87
Senior services	15	15	15	13	13	13	13	13	13	13
Veterans services	1	1	1	1	1	1	1	1	1	1
Culture and recreation										
Library	18	20	18	16	17	17	17	17	17	17
Historic preservation	2	2	2	2	NA	NA	NA	NA	NA	NA
Agri civic center	5	4	4	4	4	3	3	3	3	3
Airport	5	5	5	5	5	5	5	5	5	5
Utilities										
Administration	5	4	4	4	4	4	4	4	4	4
Operations	9	12	13	11	12	12	12	12	12	13
West Stanly WWTP	0	0	0	0	0	0	2	2	2	2
Total	449	458	446	429	435	437	440	449	454	471

Source: Stanly County Human Resources

Table 18

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

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Function										
Public Safety										
Arrests	3,471	1,157	3,200	1,689	937	705	813	758	958	998
Civil papers serviced	13,269	5,848	8,447	9,196	8,781	8,339	8,653	6,594	7,382	5,841
Average daily jail population	91	92	94	80	75	66	74	76	104	108
Dispatched EMS calls	6,885	7,164	7,299	7,864	8,668	8,625	7,949	9,091	8,425	9,257
EMS move up calls	5,270	2,836	3,221	2,883	3,342	3,564	2,923	2,891	2,992	3,435
Building permits issued	651	652	517	541	549	545	512	604	667	677
Animals entering shelter	3,313	2,980	2,996	2,883	2,910	2,053	1,777	1,705	1,715	1,364
Animals euthanized	2,404	2,649	2,422	2,471	1,257	1,611	1,330	1,316	1,334	1,125
911 calls logged for service	110,472	111,643	115,840	119,724	121,662	116,356	115,885	121,817	120,907	123,043
Transportation										
Service hours	28,277	19,743	18,991	18,768	17,966	16,927	16,267	18,115	18,235	18,678
Miles driven	427,665	386,343	351,009	332,373	313,790	286,007	285,806	311,038	317,622	307,469
Trips	72,967	67,014	63,848	63,558	62,587	55,350	47,491	48,075	47,501	46,799
Environmental protection										
Discarded materials collected (tons/day)	19	25	19	19	19	24	22	22	25	25
Recyclables collected (tons/day)	2	2	2	2	2	2	2	2	2	2
Human services										
Food and lodging permits	50	131	45	27	92	63	60	68	63	61
Food and lodging inspections made	627	754	937	822	859	730	729	764	762	787
Wells permits issued	145	94	83	68	84	100	51	84	79	76
Culture and recreation										
Library books checked out	220,331	226,603	236,179	226,350	210,951	204,653	186,501	173,519	178,070	172,322
Library cards issued	1,287	2,580	2,421	2,783	2,850	2,620	1,942	2,491	2,086	1,868
Water and sewer										
Number of water customers	3,756	4,152	3,972	4,116	4,994	5,207	5,460	5,525	5,738	5,855
Average monthly water demand (Gallons)	53,000,000	30,030,025	29,300,527	34,065,300	32,253,281	29,400,454	31,760,350	38,656,000	40,677,041	41,246,000
Number of sewer customers	650	622	682	716	720	625	695	698	703	708
Average monthly sewage collected and treated* (Gallons)	-	244,000	383,500	220,800	310,500	358,417	688,400	798,730	10,100,036	10,334,427
Airport										
Operations (Take-offs and/or landings)	13,718	11,490	11,425	10,605	9,969	10,271	13,200	14,867	16,005	15,500

Sources: Various departments

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

Table 19

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

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Function										
Public safety										
Detention center	1	1	1	1	1	1	1	1	1	1
Patrol units	48	52	51	48	48	48	45	46	55	55
EMS ambulances	9	9	9	9	9	9	10	10	10	10
Transportation										
Transit vehicles	18	21	20	20	16	16	19	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	162	188	194	191	191	206	283	283	283	283
Number of wastewater plants	1	1	1	1	1	1	2	2	2	2
Miles of sanitary sewer	33	48	49	49	49	49	56	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

STANLY COUNTY
NORTH CAROLINA
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COMPLIANCE SECTION

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

STANLY COUNTY
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CERTIFIED PUBLIC ACCOUNTANTS
CONSULTANTS AND TAX ADVISORS

Thompson, Price, Scott, Adams & Co, P.A.
P.O Box 398
1626 S. Madison Street
Whiteville, NC 28472
Telephone (910) 642-2109
Fax (910) 642-5958

Alan W. Thompson, CPA
R. Bryon Scott, CPA
Gregory S. Adams, CPA

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 Auditors' Report

To the Board of County 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 aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Stanly County, North Carolina, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprises Stanly County's basic financial statements, and have issued our report thereon dated November 17, 2017.

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 procedure 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 the 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 entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency or 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 the 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. 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. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses that we consider to be significant deficiencies. [2017-01]

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Stanly County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and responses as item 2017-01.

Stanly County's Response to Findings

Stanly County's response to the findings identified in our audit are described in the accompanying schedule of findings and responses. The County's response was not subjected to the auditing procedures applied in the audit of the financial statements and accordingly, we express no opinion on it.

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 results of that testing, and not to provide an opinion on the effectiveness of the entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Thompson, Price, Scott, Adams & Co., P.A.

Thompson, Price, Scott, Adams & Co., P.A.
Whiteville, NC
November 17, 2017

Thompson, Price, Scott, Adams & Co, P.A.
P.O Box 398
1626 S. Madison Street
Whiteville, NC 28472
Telephone (910) 642-2109
Fax (910) 642-5958

Alan W. Thompson, CPA
R. Bryon Scott, CPA
Gregory S. Adams, CPA

CERTIFIED PUBLIC ACCOUNTANTS
CONSULTANTS AND TAX ADVISORS

Report On Compliance With Requirements Applicable To Each Major Federal Program And Internal Control Over Compliance In Accordance With OMB Uniform Guidance and the State Single Audit Implementation Act

Independent Auditors' Report

To the Board of County 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, 2017. Stanly County's major federal programs are identified in the summary of auditors' 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.

Auditors' 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 Comptroller General of the United States; and 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, OMB Uniform Guidance, and the State Single Audit Implementation Act require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurrd with governance. es 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, 2017.

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 direct and material effect on major federal program to determine the 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 OMB 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 the 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, noncompliance 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 a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance 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 combination of deficiencies, in internal control over compliance with type of compliance requirement of a federal program that is less severe than 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 significant deficiencies or material weaknesses. 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 OMB Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Thompson, Price, Scott, Adams & Co., P.A.

Thompson, Price, Scott, Adams & Co., P.A.
Whiteville, North Carolina
November 17, 2017

Thompson, Price, Scott, Adams & Co, P.A.
P.O Box 398
1626 S. Madison Street
Whiteville, NC 28472
Telephone (910) 642-2109
Fax (910) 642-5958

Alan W. Thompson, CPA
R. Bryon Scott, CPA
Gregory S. Adams, CPA

Report On Compliance With Requirements Applicable To Each Major State Program And Internal Control Over Compliance In Accordance With OMB Uniform Guidance and the State Single Audit Implementation Act

Independent Auditors' Report

To the Board of County 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, 2017. Stanly County's major state programs are identified in the summary of auditors' 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 Government Auditing Standards, issued by the Comptroller General of the United States; and applicable sections of Title 2 US *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, Uniform Guidance, and the State Single Audit Implementation Act require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that cowith governance. 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, 2017.

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 Columbus County's internal control over compliance with the types of requirements that could have 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 the 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, noncompliance 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 a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance 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 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 charges 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 significant deficiencies or material weaknesses. 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 Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Thompson, Price, Scott, Adams & Co., P.A.

Thompson, Price, Scott, Adams & Co., P.A.
Whiteville, NC
November 17, 2017

STANLY COUNTY, NORTH CAROLINA
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2017

Section I. Summary of Auditors' 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?	___yes	_X_no
• Significant Deficiency(s) identified	_X_yes	___none reported
Noncompliance material to financial statements noted	___yes	_X_no

Federal Awards

Internal control over major federal programs:		
• Material Weakness(es) identified?	___yes	_X_no
• Significant Deficiency(s) identified	___yes	_X_none reported
Noncompliance material to federal awards	___yes	_X_no

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)?	___yes	_X_no

Identification of major federal programs:

CFDA #	Program Name
93.778	Medical Assistance Program
93.575, 93.596, 93.714, 93.667, 93.558	Subsidized Child Care Cluster

Dollar threshold used to distinguish between Type A and Type B Programs		$ 1,970,272
Auditee qualified as low-risk auditee?	_X_yes	__no

STANLY COUNTY, NORTH CAROLINA
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2017

State Awards

Internal control over major State programs:

• Material Weakness(es) identified?	___yes	_X_no
• Significant Deficiency(s) identified	___yes	_X_none reported

Type of auditors' report issued on compliance for major State programs: Unmodified

Identification of major State programs:

Program Name

Medical Assistance
Subsidized Child Care Cluster
Public School Building Capital

STANLY COUNTY, NORTH CAROLINA
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2017

Section II. Financial Statement Findings

2017-01 Non-Compliance with Bond Covenants

Criteria: Management should have a system in place to ensure compliance with bond covenants.

Condition: The County defaulted on its debt covenant as to rates and charges in Section 5.01 of the bond orders authorizing the issuance of the USDA Revenue Bonds for the Greater Badin Water and Sewer District Fund.

Context: The County agrees that it would fix service charges in such manner that the net revenues for the fiscal year be no less than 110% of the debt service requirement for the fiscal year and not less than 100% of the amount necessary to meet annual debt service obligations due in the fiscal year with respect to the County's general obligation bond and installment financing obligations. The County did not meet the annual requirements.

Cause: Management was not able to attain compliance with the debt covenant.

Recommendation: The County should continue to be in communication with their bond consultants to seek advice of the situation. The County should obtain recommendations regarding revisions of the schedule of services charges and improvements in the operation of or services rendered by the system so that they may meet the required debt coverage amounts in the future.

Views of Responsible Officials and Planned Corrective Actions: The County agrees with this finding and will adhere to the correction action plan following this report.

Section III. Federal Award Findings and Questioned Costs

None Reported.

Section IV. State Award Findings and Questioned Costs

None Reported.

STANLY COUNTY, NORTH CAROLINA
Corrective Action Plan
For the Year Ended June 30, 2017

Section II - Financial Statement Findings

Significant Deficiency

2017-01

Name of contact person: Toby Hinson, Finance Director

Corrective Action: Meetings have and will continue to take place in the immediate future with representatives from USDA to further discuss methods and strategies about achieving compliance with the covenant. The Finance Director will stay in contact with the representatives for advice and additional recommendations.

Proposed Completion Date: Management will contact the representative immediately.

Section III - Federal Award Findings and Question Costs

None Reported.

Section IV - State Award Findings and Question Costs

None Reported.

STANLY COUNTY, NORTH CAROLINA
Summary Schedule of Prior Audit Findings
For the Year Ended June 30, 2017

No prior year findings

STANLY COUNTY, NORTH CAROLINA
Schedule of Expenditures of Federal and State Awards
For The Fiscal Year Ended June 30, 2017

Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	State/ Pass-through Grantor's Number	Fed (Direct & Pass-through Expenditures	State Expenditures	Pass-through to Subrecipients	Local Expenditures
Federal Awards:						
U. S. Department of Agriculture:						
Passed-through N.C. Dept of Health and Human Services:						
Division of Social Services:						
Administration:						
Supplemental Nutrition Assist Program Cluster						
State Administrative Matching						
Supplemental Nutrition Assistance Program	10.561		$ 442,974	$ -	$ -	$ 442,974
Fraud	10.561		6,448	-	-	6,448
Total Supplemental Nutrition Assist Program Cluster			449,422	-	-	449,422
Passed-through N.C. Dept of Health and Human Services:						
Division of Public Health:						
Administration:						
Special Supplemental Nutrition Program for Women Infants and Children	10.557		272,678	-	-	-
Direct Benefit Payments:						
Special Supplemental Nutrition Program for Women, Infants and Children	10.557		1,170,289	-	-	-
Direct Program						
Water and Waste Water Program						
Water and Waste Disposal Systems for Rural Communities	10.760		349,670	-	-	-
Total Water and Waste Water Program Cluster			349,670	-	-	-
Total U.S. Dept. of Agriculture			2,242,059	-	-	449,422
U.S. Department of Homeland Security:						
Passed -through N.C. Department of Public Safety						
Division of Emergency Management:						
Emergency Management Performance Grants	97.042		38,584	-	-	-
Total U.S. Department of Homeland Security			38,584	-	-	-
U.S. Department of Health and Human Services:						
Centers for Disease Control and Prevention:						
Passed-through N.C. Department of Health and Human Services:						
Division of Public Health:						
Hospital Preparedness Program (HPP) Cooperative Agreement Preparedness (PHEP) Aligned Cooperative Agreements	93.074		34,620	-	-	-
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116		50	-	-	-
Injury Prevention and Control Research and State and Community Based Programs	93.136		910	-	-	-
Immunization Grants	93.268		2,800	-	-	-
PPHF Immunization Action Plan	93.539		10,392	-	-	-
Breast and Cervical Cancer Control Program	93.752		7,501	-	-	-
Preventive Health and Health Services Block Grant funded solely with Prevention and Public Health funds (PPHF)	93.758		25,931	-	-	-
HIV Prevention Activities Health Department Base	93.940		3,000	-	-	-
Preventive Health Services Sexually Transmitted Disease Control Grants	93.977		342	-	-	-
Total Centers for Disease Control and Prevention			85,546	-	-	-
Health Resources and Service Administration:						
Passed-through N.C. Department of Health and Human Services						
Division of Public Health:						
Maternal and Child Health Services Block Grant	93.994		77,337	-	-	-
Total Health Resources and Service Administration			77,337	-	-	-
Office of Population Affairs						
Passed through N.C. Department of Health and Human Services						
Office of Population Affairs						
Family Planning Services	93.217		35,460	-	-	-
Total of Population Affairs			35,460	-	-	-
Administration for Children and Families:						
Passed through N.C. Department of Health and Human Services						
Division of Social Services:						
Temporary Assistance for Needy Families	93.558		8,166	-	-	-

STANLY COUNTY, NORTH CAROLINA
Schedule of Expenditures of Federal and State Awards
For The Fiscal Year Ended June 30, 2017

Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	State/ Pass-through Grantor's Number	Fed (Direct & Pass-through Expenditures	State Expenditures	Pass-through to Subrecipients	Local Expenditures
Administration for Community Living:						
Division of Aging and Adult Services:						
Passed-through Centralina Council of Governments						
Aging Cluster:						
Special Programs for the Aging Title IIIB Access	93.044		74,998	13,235	-	-
In Home Support Services DSS	93.044		176,373	31,125	-	-
Title IIIC Nutrition - Congregate	93.045		49,646	8,791	-	-
Title IIIC Nutrition - Home Delivered	93.045		42,814	7,555	-	-
SSBG	93.667		18,838	2,691	-	-
Total Aging Cluster			362,669	63,397	-	-
Passed through N.C. Department of Health and Human Services						
Division of Social Services:						
Temporary Assistance for Needy Families Cluster						
Temporary Assistance for Needy Families (TANF)						
Work First Administration	93.558		46,903	-	-	70,442
Work First Services	93.558		374,013	-	-	353,382
TANF/Work First - Direct Benefit Payments	93.558		167,825	-	-	-
Total TANF Cluster			588,741	-	-	423,824
Passed through N.C. Department of Health and Human Services						
Division of Social Services:						
Foster Care and Adoption Cluster						
Administration:						
Title IV-E Foster Care	93.658		91,056	3	-	91,057
Adoption Assistance - IV-E Adopt/Off Training	93.659		1,281	-	-	1,281
Foster Care	93.658		76,882	-	-	67,006
IV-E CPS	93.658		84,071	33,345	-	50,725
Direct Benefit Payment:						
Foster Care - Title IV-E Direct Benefit Payment	93.658		89,509	21,820	-	22,646
IV-E Adoption Subsidy & Vendor	93.659		89,670	23,070	-	23,070
Total Foster Care and Adoption Cluster			432,469	78,238	-	255,785
Passed through N.C. Department of Health and Human Services						
Division of Social Services:						
Chafee Foster Care Independence Program	93.674		6,481	2,452	-	-
Special Children Adoption Incentive Fund Cluster (Note 3):						
SSBG - Other Service and Training	93.667		175,320	16,988	-	64,103
Adoption Assistance Program - IV-B Cluster (Note 3):						
Stephanie Tubbs Jones Child Welfare Services Program- Permanency Planning - Families for Kids	93.645		16,340	-	-	5,447
Low Income Energy Assistance						
Administration	93.568		36,853	-	-	-
Energy Assistance Payments -Direct Benefit Payments	93.568		216,300	-	-	-
Crisis Intervention Program	93.568		206,651	-	-	-
Child Support Enforcement	93.563		596,473	-	-	307,270
Family Preservation	93.556		9,567	-	-	-
Division of Aging and Adult Services:						
Division of Social Services:						
In-Home Services	93.667		31,565	-	-	4,509

STANLY COUNTY, NORTH CAROLINA
Schedule of Expenditures of Federal and State Awards
For The Fiscal Year Ended June 30, 2017

Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	State/ Pass-through Grantor's Number	Fed (Direct & Pass-through Expenditures	State Expenditures	Pass-through to Subrecipients	Local Expenditures
Passed through N.C. Department of Health and Human Services						
Subsidized Child Care (Note 3)						
Child Care Development Fund Cluster						
Division of Social Services:						
Child Care Development Fund - Administration	93.596		84,539	-	-	-
Division of Child Development:						
Child Care and Development Fund - Discretionary	93.575		379,565	-	-	-
Child Care and Development Fund - Mandatory	93.596		130,488	-	-	-
Child Care and Development Fund - Match	93.596		586,938	271,941	-	-
Total Child Care Development Fund Cluster			1,181,530	271,941	-	-
Temporary Assistance for Needy Families	93.558		107,089	-	-	-
Foster Care Title IV-E	93.658		10,967	5,492	-	-
State Appropriations			-	229,249	-	-
TANF - MOE			-	198,281	-	-
Total Subsidized Child Care Cluster			1,299,586	704,963	-	-
Total Administration for Children and Families			3,624,512	802,641	-	1,060,938
Centers for Medicare and Medicaid Services:						
Passed -through the N.C. Dept. Health and Human Services:						
Division of Medical Assistance						
Direct Benefit Payments						
Medical Assistance Program	93.778		54,198,683	28,527,635	-	-
Division of Social Services						
Administration						
Medical Assistance Program	93.778		1,219,723	2,750	-	464,038
Total Medicaid Cluster			55,418,406	28,530,385	-	464,038
Division of Social Services						
Administration						
Children's Health Insurance Program - N.C. Health Choice	93.767		52,739	71	-	67
Division of Medical Assistance						
Direct Benefit Payments:						
Children's Health Insurance Program - N.C. Health Choice	93.767		1,438,163	3,705	-	-
Total Children's Insurance Program - N.C. Health Choice			1,490,902	3,776	-	67
Total Centers for Medicare and Medicaid Services			56,909,308	28,534,161	-	464,105
Total U.S. Dept. of Health and Human Services			62,124,208	29,478,437	-	2,204,652
U.S. Department of Housing and Urban Development:						
Passed through N.C. Department of Commerce						
2012 Scattered Site Housing Project	14.239		9,674	-	-	-
Total U.S. Dept. of Housing and Urban Development			9,674	-	-	-
U.S. 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		1,297,057	-	-	-
Clean Water State Revolving Fund Cluster						
Capitalization Grants for Drinking Water State Revolving Funds - Loan	66.458		518,720	-	-	-
Total Environmental Protection Agency			1,815,777	-	-	-

STANLY COUNTY, NORTH CAROLINA
Schedule of Expenditures of Federal and State Awards
For The Fiscal Year Ended June 30, 2017

Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	State/ Pass-through Grantor's Number	Fed (Direct & Pass-through Expenditures	State Expenditures	Pass-through to Subrecipients	Local Expenditures
U.S. Dept of Transportation						
Passed thru N.C. Department of Transportation						
Airport Taxilane Pavement	20.106	36237.50.14.1	197,000	-	-	-
Formula Grants for Rural Areas - Admin	20.509	36233.96.17.1	6,480	405		
Formula Grants for Rural Areas - Admin	20.509	36233.96.18.1	181,643	11,946	-	-
Formula Grants for Rural Areas - Capital	20.509	36233.96.18.1	1,152	144		-
Highway Planning and Construction Cluster						
RPO Grants Rocky River	20.205-8	44844.1.16	67,638	-	-	-
RPO Grants Rocky River	20.205-8	44525.1.18	20,878	-		
Total U.S. Dept of Transportation			474,791	12,495	-	-
Total Federal Awards			$ 65,675,717	$ 29,412,694	$ -	$ 1,974,465
State Awards:						
N.C. Housing Finance Agency						
2014 Single Family Housing Rehabilitation			$ -	$ 51,891	$ -	$ -
Total N.C. Housing Finance Agency			-	51,891	-	-
N.C. Dept. of Health and Human Services						
Division of Public Health						
General Aid to Counties			-	92,447	-	-
Child Health			-	1,328	-	-
Women's Health Service Fund			-	7,175	-	-
HMHC Family Planning			-	3,790	-	-
Food & Lodging Fees			-	17,550	-	-
Maternal Health (HMHC)			-	8,352	-	-
School Nurse Funding Initiative			-	50,000	-	-
Communicable Diseases			-	2,732	-	-
HIV STD State			-	100	-	-
HIV STD SSBG Aid			-	400	-	-
Sexually Transmitted Diseases			-	204	-	-
TB Medical Services			-	862	-	-
Tuberculosis			-	2,871	-	-
Breast and Cervical Cancer Control			-	3,570	-	-
Total Public Health			-	191,381	-	-
Division of Social Services:						
SAA/SAD HB 1030			-	22,049	-	22,083
SC/SA Domiciliary Care			-	403,804		403,804
County Fund Programs			-	-	-	655,232
Non Allocating County Cost			-	-	-	185,149
St Child Welfare/CPS/CS			-	143,518	-	-
Foster Care at Risk/Maximization			-	952	-	471
DCD Smart Start			-	18,273	-	-
CWS - Adoption Subsidy & Vendor			-	197,071	-	60,619
AFDC Incentive Program Integrity			-	121	-	-
Work First Non Reimbursable			-	-	-	70,225
State Foster Care			-	13,156	-	15,409
SFHF Maximization			-	18,875	-	18,875
Total Division of Social Services			-	817,819	-	1,431,867
Division of Aging and Adult Services						
Centralina Council of Governments:						
Senior Center General Purpose			-	10,878	-	-
State Appropriation - General Purpose			-	524	-	-
Total N.C. Dept. of Health and Human Services			-	1,020,602	-	1,431,867
N.C. Dept. of Transportation						
ROAP RGP		36228.22.7.1	-	91,491		-
ROAP EDTAP		36220.10.7.1	-	71,220		-
ROAP Employment		36236.11.6.1	-	15,269		-
CTP Conference Registration		36223.45.1.1	-	5	-	-
Total of N.C. Dept. of Transportation			-	177,985	-	-
N.C. Dept of Administration						
Veterans Services			-	2,130	-	-
Total of N.C. Dept of Administration			-	2,130	-	-

STANLY COUNTY, NORTH CAROLINA
Schedule of Expenditures of Federal and State Awards
For The Fiscal Year Ended June 30, 2017

Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	State/ Pass-through Grantor's Number	Fed (Direct & Pass-through Expenditures	State Expenditures	Pass-through to Subrecipients	Local Expenditures
N. C. Department of Environmental Quality						
Division of Soil and Water Conservation						
Soil and Water Conservation			-	26,391	-	-
Division of Waste Management						
White Goods Program			-	24,078	-	-
Scrap Tire Program			-	86,511	-	-
Total of N.C. Dept. of Environmental Quality			-	136,980	-	-
N.C. Dept. of Cultural Resources						
State Aid to Libraries			-	114,412	-	-
Total of N.C. Dept. of Cultural Resources			-	114,412	-	-
N.C. Department of Public Safety						
DWI Safe Roads Act			-	7,503	-	-
Drug Seizures			-	9,750	-	-
Juvenile Crime Prevention Counseling Refunds			-	127	-	-
Juvenile Crime Prevention Counseling Schools			-	19,285	-	-
Juvenile Crime Prevention Counseling Restitution			-	72,500	-	-
Stanly County Lift Academy			-	66,285	-	-
DASH Youth Connections Mentoring			-	15,000	-	-
Tier II Universal Grant			-	552	-	-
Office of Juvenile Justice Administration			-	996	-	-
Internet Crimes Against Children (ICAC)			-	42,125	-	-
Total of N.C. Dept. of Public Safety			-	234,123	-	-
N.C. Office of Management and Budget						
Tarheel Challenge Academy - Stanly County Campus			-	163,290	-	-
N. C. Department of Commerce						
Rural Economic Development Division	2015-041-3201-2587		-	170,752	-	-
Total N.C. Department of Commerce				170,752		
N.C. Department of Public Instruction						
Public School Building Capital Fund-Lottery Proceeds			-	579,000	-	-
Total N.C. Department of Public Instruction			-	579,000	-	-
Bureau of Justice Assistance						
State Criminal Alien Assistance Program (SCAAP)			-	2,358	-	-
N. C. Department of Commerce						
Commerce Utility Account			-	73,831	-	-
Total State Awards			-	2,727,354	-	1,431,867
Total Federal and State Awards			$ 65,675,717	$ 32,140,048	$ -	$ 3,406,332

Notes to the Schedule of Expenditures of Federal and State 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, 2017. The information in this SEFSA is presented in accordance with the requirements of Title 2 US C*ode 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 assets or cash flows of Stanly County.

STANLY COUNTY, NORTH CAROLINA
Schedule of Expenditures of Federal and State Awards
For The Fiscal Year Ended June 30, 2017

Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	State/ Pass-through Grantor's Number	Fed (Direct & Pass-through Expenditures	State Expenditures	Pass-through to Subrecipients	Local Expenditures

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 reimbursement.

Stanly County has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

3 Cluster of Programs

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

4 Loans Outstanding

Stanly County had the following loan balances outstanding at June 30, 2017 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. The balance of loans outstanding at June 30, 2017 consist of:

Program Title	CFDA Number	Pass-through Grantor's Number	Amount Outstanding
Clean Water State Revolving Loan	66.458	CS370560	$ 138,761