STANLY COUNTY
NORTH CAROLINA

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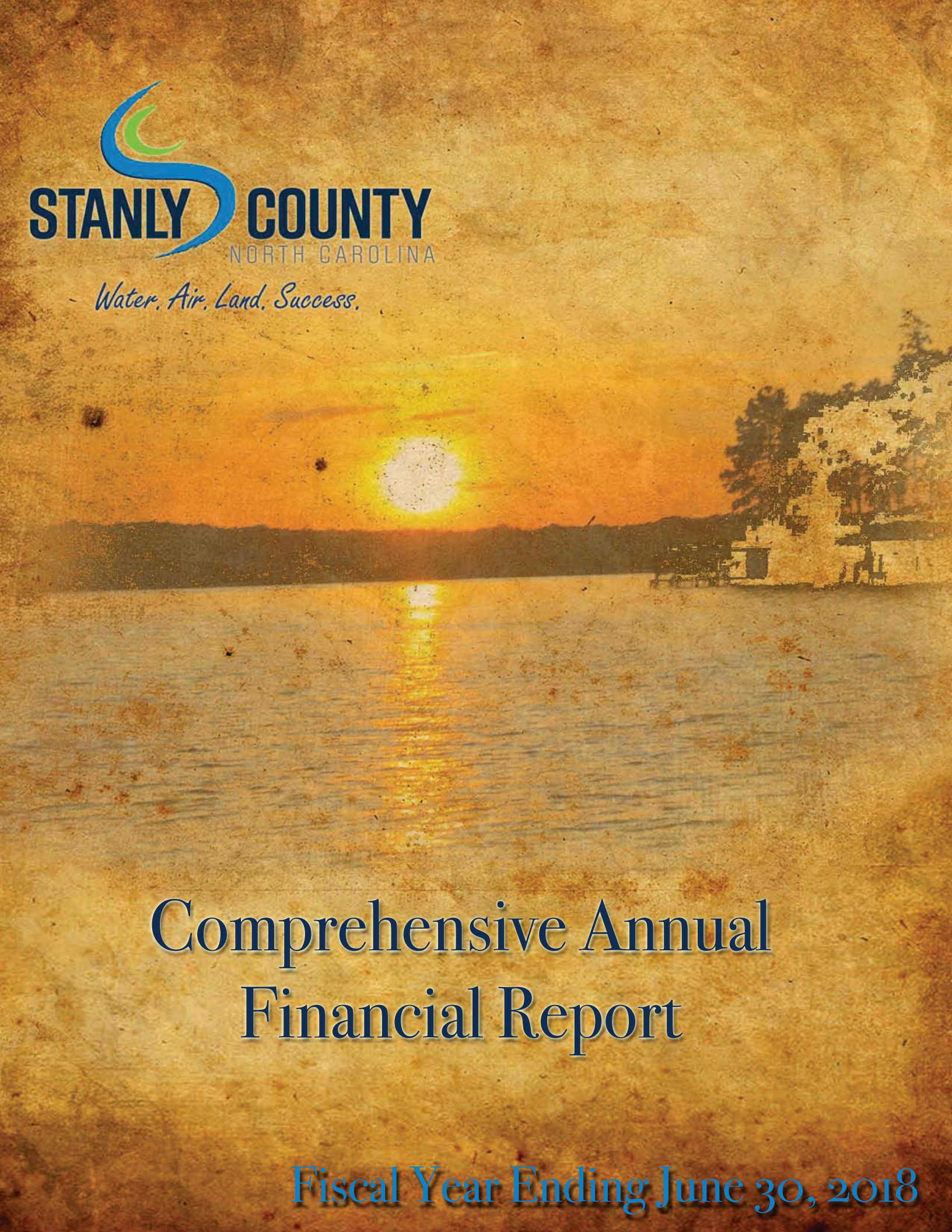

Comprehensive Annual Financial Report

Fiscal Year Ending June 30, 2018

STANLY COUNTY, NORTH CAROLINA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Fiscal Year Ended June 30, 2018
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INTRODUCTORY SECTION

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

November 7, 2018

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, 2018 is hereby submitted. The County is responsible for the accuracy, completeness, and fairness of the presentation, including all disclosures. The data presented is materially accurate and the financial statements fairly present the County's financial position as measured by activity in the various funds. All disclosures have been included as necessary to enable the reader to understand the County's financial activities.

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

The County must submit a compliance/single audit to conform to provisions of the Single Audit Implementation Act and the U.S. Office of Management and Budget Uniform Guidance, Title 2 U.S. *Code of Federal Regulations* Part 200*, Uniform Administrative Requirements*, *Cost Principles*, *and Audit Requirements for Federal Awards*. Information related to this single audit, including the "Schedule of Expenditures of Federal and State Awards", findings, recommendations, and the independent auditor's reports on the internal control structure and compliance with applicable laws and regulations are presented in the compliance section of the report.

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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 60,610 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.

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. Pfeiffer's Charlotte campus offers dynamic, career-enhancing degree completion and graduate programs.

Stanly Community College is one of fifty-eight community colleges in the North Carolina Community College System. SCC is located in Albemarle, NC with a satellite campus in Locust, NC. This institution is accredited by the Southern Association of Colleges and Schools.

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

report. Audited financial statements for the school administrative unit and the community college are available from their respective business offices.

ECONOMIC CONDITION AND OUTLOOK

Stanly County's economy is as robust as it has been in years. Economic indicators paint a strong fiscal climate for the present, which has led to a spike in optimism for the future. Data reveals a consistent improvement in the County's economy over the past three years. There are multiple indicators trending in a positive direction. These include the growth in sales tax revenue, increased home purchase prices, increased new residential construction permits and low unemployment. Sales tax is a key indicator given it is tied directly to consumer spending. Sales tax revenue increased to $9.8 million in FY 17-18 compared to $9.2 million in FY 16-17.

Stanly County's economy has seen improvement over the past couple years. Our proximity to Charlotte is a key factor. However, our lower real estate prices, lower taxes and overall quality of life make Stanly County an attractive investment option for young families and retirees. Home sales throughout Stanly County are outpacing the inventory, prompting a sellers' market. New listings have shown a 12.5% increase over last year, pending sales are up by 34.5% and closed sales have shown an even higher increase at 41.5%.

For the past year, North Carolina's unemployment rate has consistently been at or below 4.5%. The County's unemployment rate as of June 30, 2018 is 3.3%, which is a slight decrease from this same time last year.

Stanly County's assessed valuation (tax base) is projected to increase by $112.5 million (2.4%) in FY 18-19, and the ad valorem tax revenue is based on a collection rate of 97.24%. One (1) penny on the current $0.67 tax rate will generate approximately $470,867 in FY 18-19.

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 $497,331 for FY 18 while total fund balance increased by $1,896,641. This is primarily due to a large increase in ad valorem tax of just over $1.4 million or 4.5% and an increase of nearly $650,000 or 7.1% in sales tax revenues while experiencing only a 2% 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 17-18, the County financed the purchase of eight new Sheriff's vehicles and IT network switches.

MAJOR INITIATIVES

During Fiscal Year 2018, the Museum Renovation Project was completed. The first part of the Badin Waterline Rehabilitation Project was completed during the fall of 2017. There were a total of twelve vehicles purchased of which eleven belong to public safety departments. There were four vehicles acquired through a new leasing program the County has just implemented. The Sheriff's office purchased in-car camera systems for twenty-six vehicles which 50% was paid by a Governor's Crime Commission Grant. There were various improvements and repairs made at different County facilities including renovations to the Agri-Civic Center lobby and improvements at the Commons and Courthouse.

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 by Fall of 2018. The Utilities Communications System Update should be completed in Fiscal Year 2018-2019. 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.

Two very important airport projects are on-going. Work on the layout plan update is continuing on in to Fiscal Year 2018-2019. Also, construction on the pipe rehabilitation project is scheduled to be completed by the end of first quarter 2019.

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 17-18, SCUSA Transportation provided 17,997 service hours, traveled 302,293 miles, while providing 47,542 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, 2017. 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-seven (27) 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, 2018

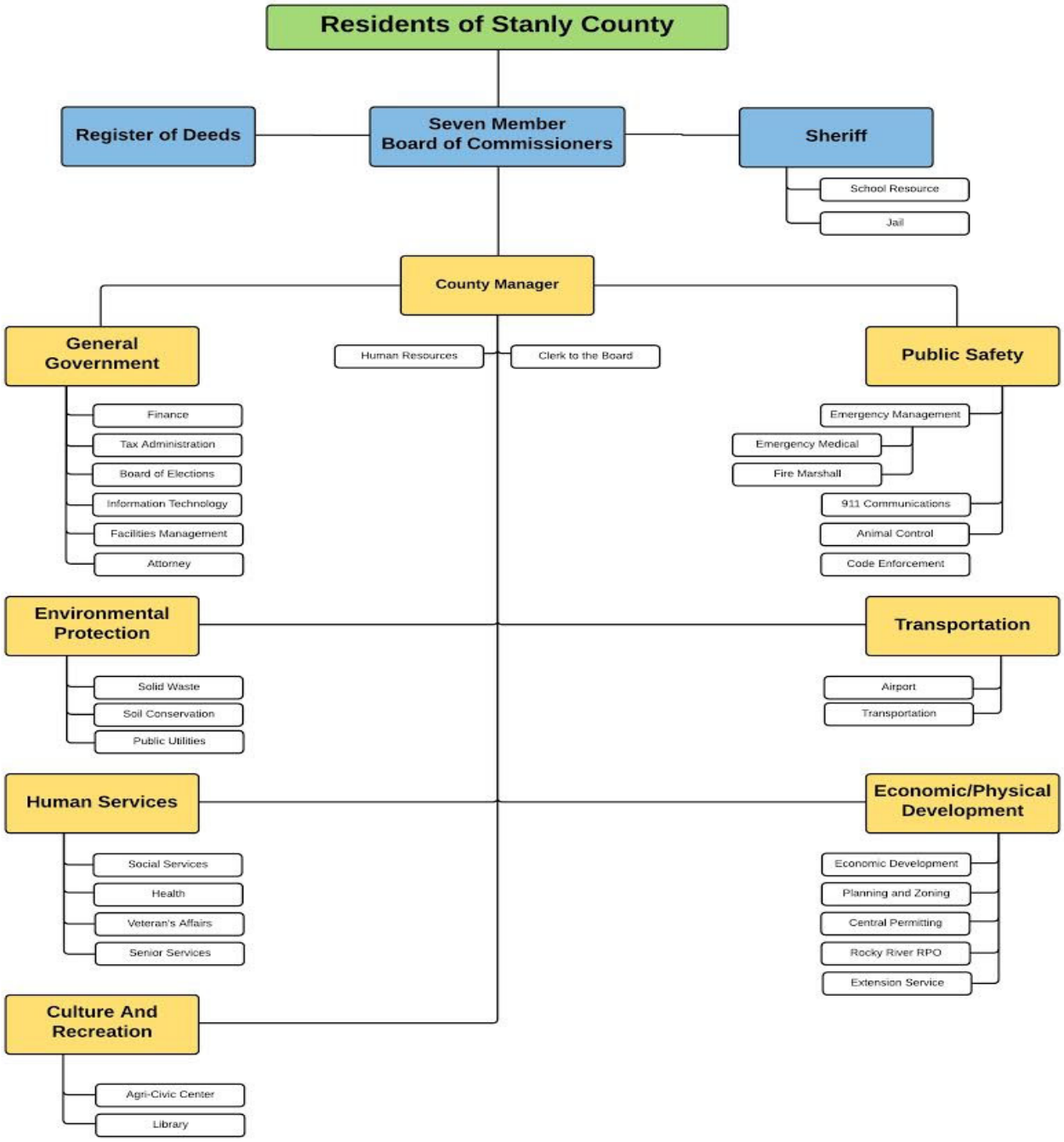
Elected Officials

Board of Commissioners – Chairman	Joseph Burleson
Board of Commissioners – Vice-Chairman	Gene McIntyre
Board of Commissioners	Scott Efird
Board of Commissioners	Bill Lawhon
Board of Commissioners	Jann Lowder
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	Kenneth E. Swaringen
Central Permitting	Carol C. Almond
Code Enforcement	Christopher R.Moon
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 and Human Service Director	G. David Jenkins
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	Dolly A. Huffman Clayton
Soil and Water Conservation Cost Share Technician	Amanda L. Kirby
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, 2017

Christopher P. Morrill

Executive Director/CEO

FINANCIAL SECTION

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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, 2018, 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, 2018, 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 Local Government Employees' Retirement System Schedules of the County's Proportionate Share of Net Pension Liability and County Contributions, pages 64 and 65, 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 66 and 67, 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 68 and 69, the Other Postemployment Benefits schedules of Changes in Net OPEB Liability and Related Ratios, page 70, 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 7, 2018 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 7, 2018

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STANLY COUNTY, NORTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2018

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, 2018. 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 $60,053,807 (net position).

- The government's total net position increased by $2,617,372, primarily due to a decrease in business-type activities' net position. Additionally, there was a restatement of net position that resulted in a $4,076,305 decrease in net position.

- As of the close of the current fiscal year, Stanly County's governmental funds reported combined ending fund balances of $25,742,368, after a net increase in fund balance of $2,064,532. Approximately 27.32% of this total amount or, $7,034,059, is restricted or non-spendable.

- At the end of the current fiscal year, unassigned fund balance for the General Fund was $13,237,980 or 21.73% of total general fund expenditures and transfers to other funds for the fiscal year.

- Stanly County's total debt decreased by $3,004,069 (9.17%) during the current fiscal year. The County financed the purchase of eight new patrol vehicles for the Sheriff's Office and IT networking equipment. Regular and scheduled debt payments account for the majority of the decrease in debt.

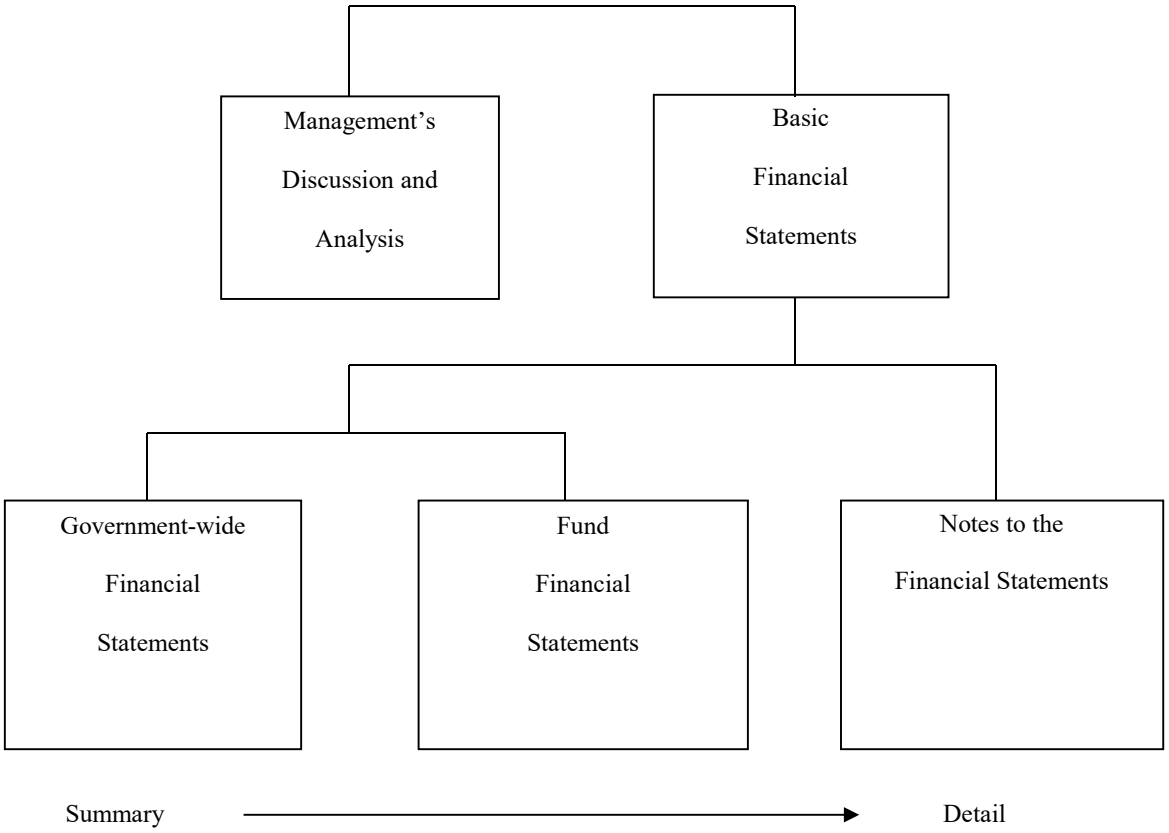
- Stanly County maintained its Standard & Poor's AA- rating for the fifth consecutive year and maintained its Moody's Aa3 rating for the ninth consecutive year.

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 and benefit 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 64 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 $60,053,807 as of June 30, 2018. The County's net position increased by $2,617,372 for the fiscal year ended June 30, 2018. Additionally, there was a restatement that decreased beginning net position by $4,076,305. The largest portions, $52,041,815 (86.66%) 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 $7,011,988 (11.68%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of $1,0000,004 (1.67%) is unrestricted.

Stanly County's Net Position
Figure 2

	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Assets						
Current and other assets	$ 33,487,076	$ 31,925,424	$ 1,848,812	$ 2,587,125	$ 35,335,888	$ 34,512,549
Capital assets	28,693,057	29,530,713	40,352,222	40,107,471	69,045,279	69,638,184
Total assets	62,180,133	61,456,137	42,201,034	42,694,596	104,381,167	104,150,733
Deferred outflows of resources	3,767,576	5,099,001	170,017	236,222	3,937,593	5,335,223
Liabilities						
Long-term liabilities outstanding	33,641,498	34,003,324	4,881,242	4,512,567	38,522,740	38,515,891
Other liabilities	7,954,614	8,079,769	923,415	932,365	8,878,029	9,012,134
Total liabilities	41,596,112	42,083,093	5,804,657	5,444,932	47,400,769	47,528,025
Deferred Inflows of Resources	843,632	435,598	20,552	9,593	864,184	445,191
Net Position						
Net investment in capital assets	16,326,573	16,284,376	35,715,242	35,611,544	52,041,815	51,895,920
Restricted	6,971,463	5,454,360	40,525	27,800	7,011,988	5,482,160
Unrestricted	209,929	2,297,711	790,075	1,836,949	1,000,004	4,134,660
Total net position	$ 23,507,965	$ 24,036,447	$ 36,545,842	$ 37,476,293	$ 60,053,807	$ 61,512,740

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 $12,886,866.

Stanly County's Changes in Net Position

Figure 3

	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Revenues:						
Program revenues:						
Charges for services	$ 9,780,947	$ 8,213,566	$ 5,069,346	$ 4,917,024	$ 14,850,293	$ 13,130,590
Operating grants and contributions	8,842,208	12,161,990	-	-	8,842,208	12,161,990
Capital grants and contributions	749,000	1,264,953	617,125	1,961,823	1,366,125	3,226,776
General revenues:						
Property taxes	35,469,139	33,544,111	-	-	35,469,139	33,544,111
Other taxes	10,766,690	9,951,932	-	-	10,766,690	9,951,932
Interest earned	347,934	145,583	24,703	11,223	372,637	156,806
Miscellaneous income	272,262	83,104	135,497	318,102	407,759	401,206
Total revenues	66,228,180	65,365,239	5,846,671	7,208,172	72,074,851	72,573,411
Expenses:						
General government	6,356,160	5,853,567	-	-	6,356,160	5,853,567
Public safety	19,109,285	17,375,025	-	-	19,109,285	17,375,025
Transportation	1,031,868	1,039,842	-	-	1,031,868	1,039,842
Environmental protection	1,275,593	1,329,773	-	-	1,275,593	1,329,773
Economic and physical development	1,861,880	1,143,443	-	-	1,861,880	1,143,443
Human services	15,375,617	16,375,560	-	-	15,375,617	16,375,560
Cultural and recreation	1,686,781	1,793,243	-	-	1,686,781	1,793,243
Education	14,931,227	14,788,737	-	-	14,931,227	14,788,737
Interest on long-term debt	781,389	1,042,725	-	-	781,389	1,042,725
Water and sewer	-	-	5,092,068	5,215,442	5,092,068	5,215,442
Airport	-	-	1,955,611	2,015,966	1,955,611	2,015,966
Total expenses	62,409,800	60,741,915	7,047,679	7,231,408	69,457,479	67,973,323
Increase in net position before transfers and special items	3,818,380	4,623,324	(1,201,008)	(23,236)	2,617,372	4,600,088
Transfers and special items	(410,502)	(339,746)	410,502	339,746	-	-
Increase in net position after transfers and special items	3,407,878	4,283,578	(790,506)	316,510	2,617,372	4,600,088
Net position, beginning	24,036,447	20,327,576	37,476,293	37,159,783	61,512,740	57,487,359
Net position, beginning, restated	20,100,087	19,752,869	37,336,348	37,159,783	57,436,435	56,912,652
Net position, ending	$ 23,507,965	$ 24,036,447	$ 36,545,842	$ 37,476,293	$ 60,053,807	$ 61,512,740

Governmental activities. Governmental activities increased the County's net position by $3,407,878, thereby accounting for 130.20% of the total increase in the net position of Stanly County. Key elements of this increase are as follows:

- Decrease in operating grants and contributions by 27.30% mainly due to a large decrease in Human Services with certain DSS programs paying vendors directly by the State.
- Increase in property tax revenue by 5.74%.
- Slight increase in total expenses of $1.6 million or 2.68% mainly due to public safety.

Business-type activities. Business-type activities decreased Stanly County's net position by $790,506, accounting for 30.20% of the total decrease in the government's net position. Key elements of this decrease are as follows:

- Slight decrease of $184,000 or 2.54% in expenses due mainly to decreased water purchases.
- Large decrease in capital grants and contributions of 68.55% due to utility projects awaiting final reimbursement.
- Charges for services were up slightly due to an increase in sewer sales and airport 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 $18,722,981, while total fund balance reached $25,494,132. 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 30.74% (an increase of 0.94% from prior year) of General Fund expenditures, while total fund balance represents 41.86% of that same amount.

At June 30, 2018, the governmental funds of Stanly County reported a combined fund balance of $25,742,368, an 8.72% 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 $2,017,579 and revenues by $711,239 with the remaining $1,306,340 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 $811,394 and that for the Airport equaled a deficit of $21,319. The total decrease in net position for all enterprise funds was $790,506. Then enterprise funds also presented a restatement that decreased beginning net position by $139,945 as a result of the implementation of GASB 75. 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, 2018, totals $68,936,889 (net of accumulated depreciation). These assets include land, plant in service, buildings and improvements, equipment and vehicles, and construction in progress.

Major capital asset transactions during the year included:

- Completion of Badin Water Rehab Part A Project
- Installation of IT network switches
- Purchased new vehicles for the Sheriff's Office

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

	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Land	$ 1,935,246	$ 1,935,246	$ 5,147,879	$ 5,147,879	$ 7,083,125	$ 7,083,125
Plant in service	-	-	17,276,032	15,693,678	17,276,032	15,693,678
Buildings and improvements	14,162,964	14,759,279	12,170,950	13,169,783	26,333,914	27,929,062
Equipment and vehicles	12,225,208	12,494,489	211,565	167,594	12,436,773	12,662,083
Construction in progress	261,249	225,367	5,545,796	5,928,537	5,807,045	6,153,904
Total	$ 28,584,667	$ 29,414,381	$40,352,222	$ 40,107,471	$ 68,936,889	$ 69,521,852

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, 2018, Stanly County had total bonded debt outstanding of $5,690,000, 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	
	2018	2017	2018	2017	2018	2017
General obligation bonds	$ 5,690,000	$ 7,190,000	$ -	$ -	$ 5,690,000	$ 7,190,000
Unamortized premium on bonds	354,760	443,760	-	-	354,760	443,760
Capital leases	7,503,088	8,479,715	-	-	7,503,088	8,479,715
Bond anticipation note	-	-	-	-	-	-
Revenue bonds	-	-	2,996,000	3,047,000	2,996,000	3,047,000
Notes payable	11,597,112	12,176,607	1,640,980	1,448,927	13,238,092	13,625,534
Total	$ 25,144,960	$ 28,290,082	$ 4,636,980	$ 4,495,927	$ 29,781,940	$ 32,786,009

Stanly County's total debt decreased by $3,004,069 (9.16%) 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 fifth consecutive year and maintained its Moody's Aa3 bond rating for the ninth 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 $359,892,248. The County has no bonds authorized, but unissued at June 30, 2018.

Additional information regarding Stanly County's long-term debt can be found in the notes to the financial statements, beginning on page 54.

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 4.5%.
- Sales tax revenue increased by nearly $500,000 (5.9%) over the previous year.
- The County continues to maintain a low inventory of available commercial and industrial buildings.

Budget Highlights for Fiscal Year Ending June 30, 2019

Governmental Activities. Property taxes (benefiting from economic growth) and sales tax revenues are expected to lead the increase in revenue projections. 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 2% to $64,422,981 The primary factors for this are an increase for Stanly County Schools capital outlay, increase for improvements to various facilities, increase of 1.5% employee cost of living allowance, increase of 3% employee grade and step adjustments, and a decrease in one-time capital outlay and technology purchases.

Business-Type Activities. The water and sewer enterprise funds are intended to be self-supporting through user fees and assessments. Overall the funds are demonstrating improved fiscal health. The Board's decision to steadily increase rates over the past couple fiscal years has given each of the funds some additional cash flow. The Board approved a 2% rate increase for Stanly County utility customers. This rate increase for all customers is based on the need to ensure sufficient funds are available for future debt service, on-going maintenance and repairs and the Board's desired capital improvement.

The adopted budget for the Airport Authority is $1,047,720 in FY 2018-2019. This represents a $154,474 increase (17.3%) over the FY 2017-2018 adopted budget appropriation. The budget includes a $425,370 appropriation from the General Fund. This is an increase of $98,474 (30%) from the FY 2017-2018 Adopted Budget. The $425,370 County appropriation includes the required match for the annual Vision 100 grant funding. The aforementioned appropriation also includes funding ($81,234) for the annual renovation and lighting upgrades associated with the older T-hangar complex and $30,873 for the upfit of an existing hangar space to a maintenance facility/storage area.

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

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STANLY COUNTY, NORTH CAROLINA
STATEMENT OF NET POSITION
JUNE 30, 2018

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Stanly Water & Sewer Authority
Assets				
Current assets				
Cash and cash investments	$ 23,875,438	$ 2,160,930	$ 26,036,368	$ -
Receivables (net)	7,522,100	755,285	8,277,385	95,631
Internal Balances	1,308,757	(1,308,757)	-	-
Due from component unit	699,187	-	699,187	-
Prepaid items	62,596	-	62,596	-
Inventories	-	102,001	102,001	-
Restricted cash and cash equivalents	18,998	139,353	158,351	287,146
Total current assets	33,487,076	1,848,812	35,335,888	382,777
Non-current assets:				
Net Pension Asset	108,390	-	108,390	-
Capital assets:				
Land, improvements, and construction in progress	2,196,495	10,693,675	12,890,170	-
Other capital assets, net of depreciation	26,388,172	29,658,547	56,046,719	11,070,370
Total non-current assets	28,693,057	40,352,222	69,045,279	11,070,370
Total assets	62,180,133	42,201,034	104,381,167	11,453,147
Deferred Outflows of Resources	3,767,576	170,017	3,937,593	-
Liabilities				
Current Liabilities				
Accounts payable	1,980,349	424,213	2,404,562	21,801
Interest payable	422,942	10,600	433,542	28,661
Payroll payable	873,558	41,683	915,241	-
Due to primary government	-	-	-	699,187
Due to other governments	19,161	-	19,161	-
Due within a year	4,658,254	307,566	4,965,820	117,000
Payable from restricted assets	350	139,353	139,703	42,230
Total current liabilities	7,954,614	923,415	8,878,029	908,879
Non-current liabilities:				
Net pension liability - LGERS	4,035,095	189,823	4,224,918	-
Total pension liability - LEOSSA	1,033,196	-	1,033,196	-
Due in more than a year	28,573,207	4,691,419	33,264,626	7,045,000
Total long-term liabilities	33,641,498	4,881,242	38,522,740	7,045,000
Total liabilities	41,596,112	5,804,657	47,400,769	7,953,879
Deferred Inflows of Resources	843,632	20,552	864,184	-
Net Position				
Net Investment in Capital Assets	16,326,573	35,715,242	52,041,815	3,908,370
Restricted for:				
Stabilization by state statute	6,742,789	-	6,742,789	-
Public Safety	72,958	-	72,958	-
General Government	76,432	-	76,432	-
Debt Service	60,636	40,525	101,161	244,916
Education	18,648	-	18,648	-
Unrestricted (deficit)	209,929	790,075	1,000,004	(654,018)
Total net position	$ 23,507,965	$ 36,545,842	$ 60,053,807	$ 3,499,268

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, 2018

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Primary Government: Governmental Activities	Primary Government: Business-type Activities	Primary Government: Total	Component Unit: Sewer Authority
Primary government:								
Governmental Activities:								
General government	$ 6,356,160	$ 944,556	$ -	$ -	$ (5,411,604)	$ -	$ (5,411,604)	$ -
Public safety	19,109,285	4,563,999	893,335	-	(13,651,951)	-	(13,651,951)	-
Transportation	1,031,868	458,703	378,092	-	(195,073)	-	(195,073)	-
Environmental protection	1,275,593	907,355	172,417	-	(195,821)	-	(195,821)	-
Economic and physical development	1,861,880	60,585	106,521	-	(1,694,774)	-	(1,694,774)	-
Human services	15,375,617	2,698,509	7,173,127	-	(5,503,981)	-	(5,503,981)	-
Cultural and recreation	1,686,781	147,240	118,716	175,000	(1,245,825)	-	(1,245,825)	-
Education	14,931,227	-	-	574,000	(14,357,227)	-	(14,357,227)	-
Interest on long-term debt	781,389	-	-	-	(781,389)	-	(781,389)	-
Total governmental activities	62,409,800	9,780,947	8,842,208	749,000	(43,037,645)	-	(43,037,645)	(43,037,645)
Business-type activities:								
Greater Badin Water and Sewer	445,177	460,204	-	-	-	15,027	15,027	-
Piney Point Water District	162,990	178,376	-	-	-	15,386	15,386	-
West Stanly Waste Water Treatment	568,036	654,243	-	-	-	86,207	86,207	-
Stanly County Utility Fund	3,915,865	3,275,374	-	405,448	-	(235,043)	(235,043)	-
Airport Fund	1,955,611	501,149	-	211,677	-	(1,242,785)	(1,242,785)	-
Total business-type activities	7,047,679	5,069,346	-	617,125	-	(1,361,208)	(1,361,208)	-
Total primary government	$ 69,457,479	$ 14,850,293	$ 8,842,208	$ 1,366,125	(43,037,645)	(1,361,208)	(44,398,853)	(43,037,645)
Component Unit:								
Water & Sewer Authority	$ 699,203	$ 528,719	$ -	$ -				$ (170,484)
Total component units	$ 699,203	$ 528,719	$ -	$ -				$ (170,484)
General revenues:								
Taxes:								
Property taxes, levied for general purpose					35,469,139	-	35,469,139	-
Local option sales tax					9,919,259	-	9,919,259	-
Other taxes and licenses					847,431	-	847,431	-
Investment earnings, unrestricted					347,934	24,703	372,637	2,430
Miscellaneous, unrestricted					272,262	135,497	407,759	199
Transfers					(410,502)	410,502	-	-
Total general revenues, special items, and transfers					46,445,523	570,702	47,016,225	2,629
Change in net position					3,407,878	(790,506)	2,617,372	(167,855)
Net position-beginning					24,036,447	37,476,293	61,512,740	3,667,123
Restatement					(3,936,360)	(139,945)	(4,076,305)	-
Net position-beginning, restated					20,100,087	37,336,348	57,436,435	3,667,123
Net position-ending					$ 23,507,965	$ 36,545,842	$ 60,053,807	$ 3,499,268

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

STANLY COUNTY, NORTH CAROLINA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2018

	Major General Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets:			
Cash and cash equivalents	$ 21,048,430	$ 262,129	$ 21,310,559
Receivables, net	6,785,454	121,524	6,906,978
Due from other funds	1,308,757	-	1,308,757
Due from component unit	699,187	-	699,187
Prepaid items	62,596	-	62,596
Restricted cash and cash equivalent	350	18,648	18,998
Total assets	$ 29,904,774	$ 402,301	$ 30,307,075
Liabilities, Deferred Inflows of Resources, and Fund Balances:			
Liabilities:			
Accounts payable and accrued liabilities	$ 2,053,102	$ 66,775	$ 2,119,877
Due to other governments	19,161	-	19,161
Due to other funds	-	-	-
Liabilities to be paid from restricted assets:			
Accounts payable and accrued liabilities	-	-	-
Deposits	350	-	350
Total liabilities	2,072,613	66,775	2,139,388
Deferred inflows of resources:			
Prepaid taxes	253,186	-	253,186
Reserve for taxes receivable	2,084,843	87,290	2,172,133
Total deferred inflows of resources	2,338,029	87,290	2,425,319
Fund balances:			
Non-spendable, not in spendable form			
Prepaid items	62,596	-	62,596
Restricted:			
Stabilization by State statue	6,708,555	34,234	6,742,789
Register of Deeds	76,432	-	76,432
Public Safety	82,900	50,694	133,594
Education	-	18,648	18,648
Committed:			
Cultural and recreation	250,000	-	250,000
Assigned:	5,075,669	-	5,075,669
Unassigned:	13,237,980	144,660	13,445,236
Total fund balances	25,494,132	248,236	25,742,368
Total liabilities, deferred inflows of resources, and fund balances	$ 29,904,774	$ 402,301	$ 30,307,075

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, 2018

Amounts reported for governmental activities in the statement of net position (Exhibit 1) are different because:	
Total Fund Balance - Governmental Funds	$ 25,742,368
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds (total capital assets on government-wide statement in	52,950,385
Less accumulated depreciation	(24,365,718)
Net capital assets	28,584,667
Net Pension Asset (Register of Deeds)	108,390
Deferred outflows of resources:	
Contributions to the pension plan in the current fiscal year	
LGERS	1,432,534
Register of Deeds	4,772
LEOSSA	17,161
OPEB	131,286
Pension related deferrals	
LGERS	1,949,027
Register of Deeds	29,363
LEOSSA	65,442
OPEB related deferrals	137,991
Accrued interest receivable less the amount claimed as unearned revenue in the government-wide statements as these funds are unavailable in the fund statements	610,213
Deferred inflows of resources reported in the government-wide statements but not the fund statements	
Deferred inflows of resources for taxes receivable	2,172,133
Pension related deferrals	
LGERS	(120,230)
Register of Deeds	(6,475)
LEOSSA	(97,049)
OPEB related deferrals	(366,692)
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	(25,144,960)
Compensated absences	(1,290,112)
Total pension liability (LEOSSA)	(1,033,196)
Net OPEB liability	(6,796,389)
Net pension liability	(4,035,095)
Accrued interest payable	(422,942)
Internal service funds are used by management to charge the costs of certain activities to individual funds. These assets and liabilities are included in governmental activities in the Statement of Net Position.	1,835,758
Total adjustment	(2,234,403)
Net position of governmental activities	$ 23,507,965

STANLY COUNTY, NORTH CAROLINA
STATEMENT OF REVENUES , EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2018

	Major General Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:			
Ad valorem taxes	$ 32,626,967	$ 2,902,960	$ 35,529,927
Local option sales taxes	9,919,259	-	9,919,259
Other taxes and licenses	735,843	-	735,843
Unrestricted intergovernmental	8,978,900	-	8,978,900
Restricted intergovernmental	138,086	175,000	313,086
Permits and fees	1,015,983	-	1,015,983
Sales and services	8,333,014	410,810	8,743,824
Investment earnings	347,829	105	347,934
Miscellaneous	711,192	-	711,192
Total revenues	62,807,073	3,488,875	66,295,948
Expenditures:			
Current:			
General government	5,704,259	55,242	5,759,501
Public safety	15,038,835	3,174,175	18,213,010
Transportation	950,167	-	950,167
Enviromental protection	1,257,504	-	1,257,504
Economic and physical development	1,840,179	-	1,840,179
Human Services	15,161,461	-	15,161,461
Education	15,001,709	18,518	15,020,227
Cultural and recreational	1,623,209	35,882	1,659,091
Debt service:			
Principal	3,549,656	42,709	3,592,365
Interest and other charges	903,552	-	903,552
Total expenditures	61,030,531	3,326,526	64,357,057
Revenues over expenditures	1,776,542	162,349	1,938,891
Other Financing Sources (Uses):			
Transfers in	-	5,542	5,542
Transfers (out)	(416,044)	-	(416,044)
Installment purchase obligations issued	536,143	-	536,143
Total other financing sources and uses	120,099	5,542	125,641
Net change in fund balance	1,896,641	167,891	2,064,532
Fund Balances:			
Beginning of year - July 1	23,597,491	80,345	23,677,836
End of year - June 30	$ 25,494,132	$ 248,236	$ 25,742,368

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, 2018

Amounts reported for governmental activities in the statement of activities are different because:		
Net changes in fund balances - total governmental funds	$	2,064,532
Capital outlay expenditures recorded in the fund statements but capitalized as assets in the statement of activities		1,000,954
Donated assets		-
Cost of disposed capital asset not recorded in fund statements		(47,467)
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		(1,783,201)
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		(536,143)
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		3,592,365
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		1,437,306
Benefit payments and administration costs for LEOSSA are deferred outflows of resources on the Statement of Net Position		17,161
Contributions and pension administration costs for OPEB are deferred outflows of resources on the Statement of Net Position		131,286
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)		122,163
Compensated absences		(97,421)
OPEB expense		(554,095)
Pension expense		(1,532,120)
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		(52,244)
Increase in accrued interest receivable at end of year		(8,544)
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.		(435,654)
Total changes in net position of governmental activities	$	3,407,878

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, 2018

	General Fund			
	Original Budget	Final Budget	Actual	Variance With Final Positive (Negative)
Revenues:				
Ad valorem taxes	$ 31,958,948	$ 32,033,948	$ 32,626,967	$ 593,019
Sales taxes	9,260,000	9,260,000	9,919,259	659,259
Other taxes	646,500	681,500	735,843	54,343
Restricted intergovernmental	10,256,148	10,552,551	8,978,900	(1,573,651)
Unrestricted intergovernmental	-	-	138,086	138,086
Permits and fees	989,531	989,531	1,015,983	26,452
Sales and services	7,761,825	7,901,325	8,333,014	431,689
Investment earnings	127,500	133,500	347,829	214,329
Miscellaneous	597,093	756,429	711,192	(45,237)
Total revenues	61,597,545	62,308,784	62,807,073	498,289
Expenditures:				
General government	5,251,496	5,987,991	5,704,259	283,732
Public safety	14,813,505	15,369,749	15,038,835	330,914
Transportation	1,012,465	1,025,965	950,167	75,798
Environmental protection	1,284,857	1,336,357	1,257,504	78,853
Economic and physical development	1,860,767	1,963,506	1,840,179	123,327
Human services	17,579,433	17,817,954	15,161,461	2,656,493
Education	14,704,678	15,004,678	15,001,709	2,969
Cultural and recreational	1,624,780	1,654,780	1,623,209	31,571
Debt service:				
Principal	3,549,661	3,549,661	3,549,656	5
Bond interest and costs	915,952	904,532	903,552	980
Contingency	288,676	288,676	-	288,676
Total expenditures	62,886,270	64,903,849	61,030,531	3,873,318
Revenues over (under) expenditures	(1,288,725)	(2,595,065)	1,776,542	4,371,607
Other financing sources (uses):				
Installment Debt Issued	-	538,468	536,143	(2,325)
Transfers from other funds	-	-	-	-
Transfers (to) other funds	(356,896)	(712,614)	(416,044)	296,570
Appropriated fund balance	1,645,621	2,769,211	-	(2,769,211)
Total other financing sources (uses)	1,288,725	2,595,065	120,099	(2,474,966)
Net Change in Fund Balance	$ -	$ -	1,896,641	$ 1,896,641
Fund balances:				
Beginning of year, July 1			23,597,491	
End of year, June 30			$ 25,494,132	

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, 2018

	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	$ 166,941	$ 177,164	$ 1,468,360	$ 22,893	$ 325,572	$ 2,160,930	$ 2,564,879
Accounts receivable (net)	106,409	-	513,200	39,053	22,460	681,122	-
Due from other governments	-	-	-	69,457	-	69,457	-
Interest receivable	353	-	3,683	39	631	4,706	4,909
Inventories	-	-	60,529	41,472	-	102,001	-
Restricted cash and cash equivalents	17,215	-	118,678	-	3,460	139,353	-
Total current assets	290,918	177,164	2,164,450	172,914	352,123	3,157,569	2,569,788
Noncurrent assets:							
Capital assets:							
Land	-	-	223,784	4,924,095	-	5,147,879	-
Construction in progress	3,264,680	286,037	1,750,324	244,755	-	5,545,796	-
Capital assets, net of depreciation	3,181,912	3,118,080	11,140,088	12,180,277	38,190	29,658,547	-
Total capital assets, net	6,446,592	3,404,117	13,114,196	17,349,127	38,190	40,352,222	-
Total assets	6,737,510	3,581,281	15,278,646	17,522,041	390,313	43,509,791	2,569,788
Deferred Outflows of Resources:							
Pension deferrals	-	4,664	66,777	20,246	-	91,687	-
OPEB deferrals	-	778	6,796	3,366		10,940	-
Contributions to pension plan	-	3,428	49,081	14,881	-	67,390	-
Total deferred outflow of resources	-	8,870	122,654	38,493	-	170,017	-
Liabilities:							
Current liabilities:							
Account payable	3,826	84,419	270,617	52,605	12,746	424,213	1,112
Interest payable	6,229	2,783	1,588	-	-	10,600	-
Payroll payable	-	2,297	29,916	9,470	-	41,683	-
Due to other funds	357,457	233,903	693,797	23,600	-	1,308,757	-
Compensated absence payable	-	4	23,401	779	-	24,184	-
Current portion of long-term debt	63,361	171,254	48,767	-	-	283,382	-
Health and workers' compensation payable	-	-	-	-	-	-	732,918
Liabilities to be paid from restricted assets:							
Customer deposits	17,215	-	118,678	-	3,460	139,353	-
Total current liabilities	448,088	494,660	1,186,764	86,454	16,206	2,232,172	734,030
Noncurrent liabilities:							
Net pension liability	-	9,657	138,250	41,916	-	189,823	-
Net OPEB liability	-	19,627	171,514	84,945	-	276,086	-
Compensated absence payable	-	2,121	46,035	13,579	-	61,735	-
Non-current portion of long-term debt	2,505,862	1,700,246	147,490	-	-	4,353,598	-
Total noncurrent liabilities	2,505,862	1,731,651	503,289	140,440	-	4,881,242	-
Total liabilities	2,953,950	2,226,311	1,690,053	226,894	16,206	7,113,414	734,030
Deferred Inflows of Resources:							
Pension Deferrals	-	288	4,119	1,249	-	5,656	-
OPEB Deferrals		1,059	9,254	4,583	-	14,896	-
Total deferred inflows of resources	-	1,347	13,373	5,832	-	20,552	-
Net Position:							
Net investment in capital assets	3,877,369	1,532,617	12,917,939	17,349,127	38,190	35,715,242	-
Restricted	15,400	25,125	-	-	-	40,525	-
Unrestricted	(109,209)	(195,249)	779,935	(21,319)	335,917	790,075	1,835,758
Total net position	$ 3,783,560	$ 1,362,493	$ 13,697,874	$ 17,327,808	$ 374,107	$ 36,545,842	$ 1,835,758

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, 2018

	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	$ 452,617	$ 652,586	$ 3,222,745	$ 501,149	$ 177,703	$ 5,006,800	$ 7,606,581
Other	7,587	1,657	52,629	-	673	62,546	-
Total Operating Revenues	460,204	654,243	3,275,374	501,149	178,376	5,069,346	7,606,581
Operating Expenses:							
Administration	-	89,729	440,815	-	100,000	630,544	-
Distribution and maintenance	134,166	256,994	1,729,487	-	1,017	2,121,664	-
Water purchases	128,053	-	1,089,692	-	60,514	1,278,259	-
Airport operating	-	-	-	728,249	-	728,249	-
Group health operations	-	-	-	-	-	-	7,636,631
Workers' compensation	-	-	-	-	-	-	433,248
Depreciation	142,236	186,013	655,329	1,227,362	1,459	2,212,399	-
Total Operating Expenses	404,455	532,736	3,915,323	1,955,611	162,990	6,971,115	8,069,879
Operating income (loss)	55,749	121,507	(639,949)	(1,454,462)	15,386	(1,901,769)	(463,298)
Non-operating Revenues (Expenses)							
Interest income	2,679	-	18,623	85	3,316	24,703	27,644
Administrative charges	-	-	124,229	-	-	124,229	-
Miscellaneous	-	-	11,268	-	-	11,268	-
Interest on long-term debt	(40,722)	(35,300)	(542)	-	-	(76,564)	-
Total Nonoperating Revenues (Expenses)	(38,043)	(35,300)	153,578	85	3,316	83,636	27,644
Income (loss) before contributions and transfers	17,706	86,207	(486,371)	(1,454,377)	18,702	(1,818,133)	(435,654)
Contributions and Transfers							
Transfers in (out)	(38,047)	-	97,177	351,372	-	410,502	-
Capital contributions	-	-	405,448	211,677	-	617,125	-
Total Contributions and Transfers	(38,047)	-	502,625	563,049	-	1,027,627	-
Change in Net Position	(20,341)	86,207	16,254	(891,328)	18,702	(790,506)	(435,654)
Net Position:							
Beginning of Year - July 1	3,803,901	1,284,468	13,767,455	18,265,064	355,405	37,476,293	2,271,412
Restatement	-	(8,182)	(85,835)	(45,928)	-	(139,945)	-
Beginning of Year - July 1 (Restated)	3,803,901	1,276,286	13,681,620	18,219,136	355,405	37,336,348	2,271,412
End of year - June 30	$ 3,783,560	$ 1,362,493	$ 13,697,874	$ 17,327,808	$ 374,107	$ 36,545,842	$ 1,835,758

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, 2018

	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	$ 450,637	$ 654,243	$ 3,384,269	$ 489,153	$ 164,228	$ 5,142,530	$ 7,606,581
Cash paid for goods and services	(258,393)	(198,701)	(2,275,491)	(467,012)	(154,303)	(3,353,900)	(8,088,461)
Cash paid to employees for services	-	(74,137)	(987,429)	(296,387)	-	(1,357,953)	-
Customer deposits	735	-	7,790	-	50	8,575	-
Net cash provided (used) by operating activities	192,979	381,405	129,139	(274,246)	9,975	439,252	(481,880)
Cash Flows from Non-Capital Financing Activities:							
Transfers (to) from other funds	(38,047)	-	97,177	351,372	-	410,502	-
Due to (from) other funds	87,419	173,409	693,797	(4,406)	-	950,219	-
Net cash provided (used) by noncapital financial activities	49,372	173,409	790,974	346,966	-	1,360,721	-
Cash Flows from Capital and Related Financing Activities:							
Acquisition and construction of capital assets	(459,334)	(224,910)	(1,480,119)	(200,650)	-	(2,365,013)	-
Principal paid on bond maturities and lease purchases	(105,193)	(170,250)	(31,966)	-	-	(307,409)	-
Interest paid on bond maturities and lease purchases	(41,129)	(35,425)	(2,562)	-	-	(79,116)	-
Proceeds from notes payable and bonds	368,462	-	80,000	-	-	448,462	-
Capital contributions	-	-	483,241	150,822	-	634,063	-
Net cash provided (used) by capital and related financing activities	(237,194)	(430,585)	(951,406)	(49,828)	-	(1,669,013)	-
Cash Flows from Investing Activities:							
Interest on investments	2,586	-	17,650	1	3,188	23,425	27,539
Net increase (decrease) in cash and cash equivalents	7,743	124,229	(13,643)	22,893	13,163	154,385	(454,341)
Cash and cash equivalents, July 1	176,413	52,935	1,600,681	-	315,869	2,145,898	3,019,220
Cash and cash equivalents, June 30	$ 184,156	$ 177,164	$ 1,587,038	$ 22,893	$ 329,032	$ 2,300,283	$ 2,564,879

(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, 2018

	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)	$ 55,749	$ 121,507	$ (639,949)	$ (1,454,462)	$ 15,386	$ (1,901,769)	$ (463,298)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:							
Depreciation	142,236	186,013	655,329	1,227,362	1,459	2,212,399	-
Loss on disposal of asset	-	-	-	-	-	-	-
Other non-operating revenue	-	-	135,497	-		135,497	-
Changes in assets and liabilites:							
(Increase) decrease in accounts receivable	(9,567)	-	(26,602)	(11,996)	(14,148)	(62,313)	-
(Increase) decrease in inventory	-	-	15,164	(26,031)	-	(10,867)	-
(Increase) decrease in deferred outflows of resources for pensions	-	3,925	56,185	17,035	-	77,145	-
(Increase) decrease in deferred outflows of resources for OPEB	-	(778)	(6,796)	(3,366)	-	(10,940)	-
Increase (decrease) in net pension liability	-	(3,716)	(53,205)	(16,131)	-	(73,052)	-
Increase (decrease) in deferred inflows of resources for pensions	-	(200)	(2,868)	(869)	-	(3,937)	-
Increase (decrease) in deferred inflows of resources for OPEB	-	1,059	9,254	4,583	-	14,896	-
Increase (decrease) in accounts payable and liabilities	3,826	73,144	(45,396)	(10,533)	7,228	28,269	(18,582)
Increase (decrease) in payroll payable	-	(485)	2,223	(8,782)	-	(7,044)	-
Increase (decrease) in customer deposits	735	-	7,790	-	50	8,575	-
Increase (decrease) in net OPEB liability	-	940	8,212	4,067	-	13,219	-
Increase (decrease) in compensated absences	-	(4)	14,301	4,877	-	19,174	-
Total adjustments	137,230	259,898	769,088	1,180,216	(5,411)	2,341,021	(18,582)
Net cash provided (used) by operating activities	$ 192,979	$ 381,405	$ 129,139	$ (274,246)	$ 9,975	$ 439,252	$ (481,880)

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, 2018

		Agency Fund
ASSETS		
Cash and investments	$	192,946
Inmate cash		15,309
Total Assets	$	208,255
LIABILITIES AND NET POSITION		
Liabilities:		
Accounts payable	$	166,089
Client payable		42,166
Total liabilities	$	208,255

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, 2018. 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 seven legally budgeted nonmajor funds. The Emergency Telephone System, Fire Districts Fund, and 2017 Single Family Rehabilitation Program are reported as nonmajor special revenue funds. The Tarheel Challenge Academy 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	$ 350
Tarheel Challenge Academy Project	Unspent grant proceeds	18,648
Total governmental activities		18,998
Business-Type Activities		
Greater Badin Water & Sewer District Fund	Customer Deposits	17,215
Piney Point Water District Fund	Customer Deposits	3,460
Stanly County Utility Fund	Customer Deposits	118,678
Total business-type activities		139,353
Total restricted cash		$ 158,351

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, 2017. 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 several items that meets this criterion - pension related deferrals, and contributions made to the OPEB or 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 several items that meet the criterion for this category - prepaid taxes, property taxes receivable and other OPEB or 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, 2018 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) - $60,636. The amount of $50,694 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 $22,264 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 - $18,648.

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.

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, 2018 are as follows:

Purpose	General Fund
Assigned:	
Subsequent year's expenditures	$ 2,212,987
General Government	421,359
Public Safety	138,711
Economic and Physical Development	10,502
Human Services	2,151,654
Cultural and Recreation	140,456
Total	$ 5,075,669

Assigned for Subsequent Year's Expenditures - portion of fund balance that has been appropriated for the adopted 2018-2019 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 - $98,255, Sheriff CADET program - $769, and animal control - $39,686.

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 - $295,106. Medicaid settlements portion is assigned for future health related activities - $80,045. Dental clinic portion is assigned for future dental clinic services - $1,779,504.

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 - $118,010. 4-H portion is assigned for future 4-H services - $20,172. Crop/Hort Fundraising is assigned for fundraising - $962. Master Gardner is assigned for a specific purpose - $1,311.

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 and OPEB 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"), and one other postemployment benefit plan (OPEB), the Healthcare Benefits Plan (HCB). 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. For purposes of measuring the net OPEB liability, deferred outflows and inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the HCB and additions to/deductions from the HCB's fiduciary net position have been determined on the same basis as they are reported by the HCB. For this purpose, the HCB recognizes benefit payments when due and payable in accordance with the benefit terms. 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	261,249	
Depreciable property	50,753,890	
Accumulated depreciation	(24,365,718)	$ 28,584,667
Net Pension Asset	108,390	108,390
Contributions to the pension plan in the current fiscal year	1,437,306	1,437,306
Benefit payments and pension administration costs for LEOSSA	17,161	17,161
Contributions to OPEB plan in the current fiscal year	131,286	131,286
Accrued interest receivable, less the amount claimed as unearned revenue in the government-wide statements, as these funds are unavailable in the fund statements.	610,213	610,213
Liabilities for deferred inflows of resources reported in the fund statements, but not the government-wide	2,172,133	2,172,133
Pension related deferrals	1,820,078	1,820,078
OPEB related deferrals	(228,701)	(228,701)
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	(25,144,960)	
Compensated Absences	(1,290,112)	
Net OPEB Liability	(6,796,389)	
Net Pension Liability (LGERS)	(4,035,095)	
Total Pension Liability (LEOSSA)	(1,033,196)	
Interest Payable	(422,942)	(38,722,694)
Internal service funds are used by management to charge the costs of certain activities to individual funds. These assets and liabilities are included in governmental activities in the Statement of Net Position.	1,835,758	1,835,758
Total Adjustment		$ (2,234,403)

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 $1,343,346 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	$ 1,000,954	
Depreciation	(1,783,201)	$ (782,247)
Costs of capital assets disposed of during the year, not recognized on modified accrual basis.	(47,467)	(47,467)
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	(536,143)	
Debt retired	3,592,365	
Amortized premium	89,000	3,145,222
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	(8,544)	
Accrual of taxes	(52,244)	(60,788)
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities	1,437,306	1,437,306
Benefit payments and administration costs for LEOSSA are deferred outflows of resources on the Statement of Net Position	17,161	17,161
Contributions to the OPEB plan are deferred outflows of resources on the Statement of Net Position	131,286	131,286
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	(97,421)	
OPEB expense	(554,095)	
County's portion of collective pension expense	(1,532,120)	
Interest expense	122,163	(2,061,473)
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.	(435,654)	(435,654)
Total Adjustment		$ 1,343,346

NOTE II: Stewardship, Compliance and Accountability

None reported.

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, 2018 the County's deposits had a carrying amount of $9,409,293 and a bank balance of $9,977,689. Of the bank balance, $500,000 was covered by federal depository insurance; and $9,477,689 in interest bearing deposits was covered by collateral held under the Pooling Method. The petty cash funds totaled $5,248.

At June 30, 2018, the carrying amount of deposits for the Authority's deposits was $287,146 and a bank balance of $69,323. All of the bank balance was covered by federal depository insurance.

2 . Investments

At June 30, 2018, the County's investments consisted of $16,993,681 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, 2018. 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
2015	$ 2,314,463	$ 549,686	$ 2,864,149
2016	2,333,842	344,243	2,678,085
2017	2,551,730	146,726	2,698,456
2018	2,562,055	-	2,562,055
Total	$ 9,762,090	$ 1,040,655	$ 10,802,745

4. Receivables

Receivables at the government-wide level at June 30, 2018, were as follows:

	Taxes Receivable	Trade Accounts Receivable	Due From Other Governments	Interest	Total
Governmental Activities:					
General	$ 2,740,362	$ 1,336,279	$ 3,676,055	$ 615,122	$ 8,367,818
Other Governmental	108,011	-	34,234	-	142,245
Total Receivables	2,848,373	1,336,279	3,710,289	615,122	8,510,063
Allowance for Doubtful Accts.	(676,239)	(311,723)	-	-	(987,962)
Total Gov't Activities	$ 2,172,134	$ 1,024,556	$ 3,710,289	$ 615,122	$ 7,522,101
Business-type Activities:					
Greater Badin Water & Sewer	$ -	$ 275,866	$ -	$ 354	$ 276,220
Piney Point Water District	-	26,569	-	631	27,200
Stanly County Utility Fund	-	737,317	-	3,683	741,000
Airport	-	39,423	69,457	39	108,919
Total Receivables	-	1,079,175	69,457	4,707	1,153,339
Allowance for Doubtful Accts.	-	(398,054)	-	-	(398,054)
Total Business-type	$ -	$ 681,121	$ 69,457	$ 4,707	$ 755,285

Due from other governments for the year ended June 30, 2018 consists of the following:

Governmental Activities:	
Local option sales tax	$ 1,707,104
NC DMV tax	475,849
Sales tax receivable	342,561
Medicaid Hold Harmless	111,336
EMS grants receivable	34,234
Tire and white goods	28,149
Telecommunication tax	35,464
DSS and DHHS	799,086
Other	176,506
Total	$ 3,710,289
Business-Type Activities:	
Grants Receivable	$ 69,457

5. Capital Assets

Primary Government

Capital asset activity for the year ended June 30, 2018, was as follows:

Governmental Activities:	Beginning Balances	Increases	Decreases	Ending Balances
Capital assets not being depreciated:				
Land	$ 1,935,246	$ -	$ -	$ 1,935,246
Construction in Progress	225,367	35,882	-	261,249
Total capital assets not being depreciated	2,160,613	35,882	-	2,196,495
Capital assets being depreciated:				
Building	28,705,530	-	-	28,705,530
Equipment and vehicles	21,278,647	965,072	(195,359)	22,048,360
Total capital assets being depreciated:	49,984,177	965,072	(195,359)	50,753,890
Less accumulated depreciation for:				
Building	13,946,251	596,315		14,542,566
Equipment and vehicles	8,784,158	1,186,886	(147,892)	9,823,152
Total accumulated depreciation:	22,730,409	$ 1,783,201	$ (147,892)	24,365,718
Total capital assets being depreciated, net	27,253,768			26,388,172
Governmental activity capital assets, net	$ 29,414,381			$ 28,584,667

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

General Government	$ 404,813
Public Safety	1,155,359
Transportation	68,373
Environmental Protection	15,316
Economic and Physical Development	3,744
Human Services	73,218
Cultural and Recreation	62,378
Total Depreciation Expense	$ 1,783,201

Business-type activities:

Greater Badin Water and Sewer:	Beginning Balances	Increases	Decreases	Ending Balances
Capital assets not being depreciated:				
Construction in progress	$ 5,384,345	$ 380,828	$ (2,500,493)	$ 3,264,680
Total capital assets not being depreciated:	5,384,345	380,828	(2,500,493)	3,264,680
Capital assets being depreciated:				
Plant in service	7,347,075	2,500,493	-	9,847,568
Equipment and vehicles	215,093	-	-	215,093
Total capital assets being depreciated :	7,562,168	2,500,493	-	10,062,661
Less accumulated depreciation for:				
Plant in service	6,536,507	134,487	-	6,670,994
Equipment and vehicles	202,006	7,749	-	209,755
Total accumulated depreciation:	6,738,513	$ 142,236	$ -	6,880,749
Total capital assets being depreciated, net	823,655			3,181,912
Total Greater Badin capital assets, net	$ 6,208,000			$ 6,446,592

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	688,335	1,459	-	689,794
Total accumulated depreciation	688,335	1,459	-	689,794
Total capital assets being depreciated, net	39,649	$ (1,459)	$ -	38,190
Total Piney Point capital assets, net	$ 39,649			$ 38,190

West Stanly Waste Water Treatment Plant:	Beginning Balances	Increases	Decreases	Ending Balances
Capital assets not being depreciated:				
Construction in progress	$ 61,127	$ 224,910	$ -	$ 286,037
Total capital assets not being depreciated:	61,127	224,910	-	286,037
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	553,409	179,159	-	732,568
Equipment and vehicles	12,547	6,854	-	19,401
Total accumulated depreciation:	565,956	$ 186,013	$ -	751,969
Total capital assets being depreciated, net	3,304,093			3,118,080
Total West Stanly Waste Water Treatment Plant capital assets, net	$ 3,365,220			$ 3,404,117

Stanly Utility Operating:	Beginning Balances	Increases	Decreases	Ending Balances
Capital assets not being depreciated:				
Land	$ 223,784	$ -	$ -	$ 223,784
Construction in progress	255,574	1,494,750	-	1,750,324
Total capital assets not being depreciated:	479,358	1,494,750	-	1,974,108
Capital assets being depreciated:				
Plant in service	26,364,197	-	-	26,364,197
Equipment and vehicles	581,869	108,130	-	689,999
Total capital assets being depreciated :	26,946,066	108,130	-	27,054,196
Less accumulated depreciation for:				
Plant in service	14,803,105	603,034	-	15,406,139
Equipment and vehicles	455,673	52,296	-	507,969
Total accumulated depreciation:	15,258,778	$ 655,330	$ -	15,914,108
Total capital assets being depreciated, net	11,687,288			11,140,088
Total Stanly County Utility capital assets, net	$ 12,166,646			$ 13,114,196

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	236,153	(218,889)	244,755
Total capital assets not being depreciated:	5,151,586	236,153	(218,889)	5,168,850
Capital assets being depreciated:				
Buildings	5,064,552			5,064,552
Improvements	27,522,223	218,889	-	27,741,112
Equipment and vehicles	442,184	12,381	(18,407)	436,158
Total capital assets being depreciated :	33,028,959	231,270	(18,407)	33,241,822
Less accumulated depreciation for:				
Buildings	1,252,499	129,610	-	1,382,109
Improvements	18,164,493	1,088,112	-	19,252,605
Equipment and vehicles	435,597	9,641	(18,407)	426,831
Total accumulated depreciation:	19,852,589	$ 1,227,363	$ (18,407)	21,061,545
Total capital assets being depreciated, net	13,176,370			12,180,277
Total Airport capital assets, net	$ 18,327,956			$ 17,349,127
Total business-type activities capital assets, net	$ 40,107,471			$ 40,352,222

Construction Commitments

The county has active construction projects at June 30, 2018. Commitments with contractors are as follows:

Project	Project to Date	Remaining Commitment
Tarheel Challenge Academy	$ 3,073,352	$ 18,648
Livestock Arena Construction Project	82,014	167,985
Museum Restoration Project	179,235	20,765
Badin Water Rehab Project Part B	3,264,680	2,914,449
West Stanly WWTP Rehab Project	286,037	2,772,263
NCDOT Hwy 24/27/73 East Water	38,240	207,760
Brown Hill Road	98,053	126,947
Utilities Communications Systems	291,863	54,034
Utilities Hookup Grant	61,085	22,915
Palestine Water Pump Station	11,929	1,573,423
Airport Layout Plan	71,829	336,692
Airport Pipe Rehab	100,925	2,053,387
Airport Runway and Taxiway Light	72,001	13,291
Total	$ 7,631,243	$ 10,282,559

B. Liabilities

1. Payables

Payables at the government-wide level at June 30, 2018, were as follows :

	Vendors	Salaries and Benefits	Accrued Interest	IBNR	Total
Governmental Activities:					
General	$ 1,179,544	$ 873,558	$ 422,942	$ -	$ 2,476,044
Other Governmental	66,775	-	-	734,030	800,805
Total Governmental Activities	$ 1,246,319	$ 873,558	$ 422,942	$ 734,030	$ 3,276,849
Business-type Activities:					
Greater Badin Water & Sewer	$ 3,826	$ -	$ 6,229	$ -	$ 10,055
Piney Point Water District	12,746	-	-	-	12,746
West Stanly Waste Water Treatment Plant	84,419	2,297	2,783	-	89,499
Stanly County Utility	270,617	29,916	1,588	-	302,121
Airport	52,605	9,470	-	-	62,075
Total Business-type Activities	$ 424,213	$ 41,683	$ 10,600	$ -	$ 476,496

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, 2018, was 8.25% of compensation for law enforcement officers, and 7.59% 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 $1,499,925 for the year ended June 30, 2018.

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, 2018, the County reported a liability of $4,224,918 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2017. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2016. The total pension liability was then rolled forward to the measurement date of June 30, 2017 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, 2017, the County's proportion was 0.2766%, which was a decrease of 0.0009% from its proportion measured as of June 30, 2016.

For the year ended June 30, 2018, the County recognized pension expense of $1,503,367. At June 30, 2018, 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	$ 243,394	$ 119,594
Changes in assumptions	603,377	-
Net difference between projected and actual earnings on pension plan investments	1,025,815	-
Changes in proportion and differences between County Contributions and proportionate share of contributions	168,129	6,292
County contributions subsequent to the measurement date	1,499,925	-
Total	$ 3,540,640	$ 125,886

$1,499,925 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, 2019. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30:	
2019	$ 283,494
2020	1,275,821
2021	642,962
2022	(287,448)
2023	-
Thereafter	-
	$ 1,914,829

Actuarial Assumptions. The total pension liability in the December 31, 2016 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	7.20 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, 2016 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, 2017 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 3.05%. All rates of return and inflation are annualized.

Discount rate. The discount rate used to measure the total pension liability was 7.20%. 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 7.20%, 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 (6.20%) or 1-percentage-point higher (8.20%) than the current rate:

	1% Decrease (6.20%)	Discount Rate (7.20%)	1% Increase (8.20%)
County's proportionate share of the net pension liability (asset)	$ 12,683,299	$ 4,224,918	$ (2,835,160)

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	3
Active plan members	50
Total	53

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, 2016 valuation. The total pension liability was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50 percent
Salary increases	3.50 to 7.35 percent including inflation and productivity factor
Discount rate	3.16 percent

The discount rate is based on the yield of the S&P Municipal Bond 20 Year High Grade Rate Index as of June 30, 2017.

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 $37,534 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, 2018, the County reported a total pension liability of $1,033,196. The total pension liability was measured as of December 31, 2017 based on a December 31, 2016 actuarial valuation. The total pension liability was rolled forward to December 31, 2017 utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2018, the County recognized pension expense of $86,314.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 77,465
Changes of assumptions	65,442	19,584
County benefit payments and plan administrative expense made subsequent to the measurement date	17,161	-
Total	$ 82,603	$ 97,049

$17,161 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, 2019. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2019	$ (6,676)
2020	(6,676)
2021	(6,676)
2022	(6,676)
2023	(4,690)
Thereafter	(213)

$17,161 paid as benefits came due and $0 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 3.16%, 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 (2.16%) or 1-percentage-point higher (4.16%) than the current rate:

	1% Decrease (2.16%)	Discount Rate (3.16%)	1% Increase (4.16%)
Total pension liability	$ 1,138,287	$ 1,033,196	$ 938,053

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

	2018
Beginning balance	$ 992,821
Service Cost	54,696
Interest on the total pension liability	37,598
Changes of benefit terms	-
Differences between expected and actual experience in the measurement of the total pension liability	(92,684)
Changes in assumptions or other inputs	78,299
Benefit payments	(37,534)
Other changes	-
Ending balance of the total pension liability	$ 1,033,196

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, 2016 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, 2018 were $166,312, which consisted of $109,522 from the County and $56,791 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 $4,772 for the year ended June 30, 2018.

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

At June 30, 2018, the County reported an asset of $108,390 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2017. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2016. The total pension liability was then rolled forward to the measurement date of June 30, 2017 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, 2017, the County's proportion was 0.635%, which was an increase of 0.0128% from its proportion measured as of June 30, 2016.

For the year ended June 30, 2018, the County recognized pension expense of $9,984. At June 30, 2018, 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	$ 1,861	$ 349
Changes of assumptions	18,288	-
Net difference between projected and actual earnings on pension plan investments	9,214	-
Changes in proportion and differences between County Contributions and proportionate share of contributions	-	6,126
County contributions subsequent to the measurement date	4,772	-
Total	$ 34,135	$ 6,475

$4,772 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, 2019. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30:	Total
2019	$ 12,653
2020	6,832
2021	1,054
2022	2,349
2023	-
Thereafter	-

Actuarial Assumptions . The total pension liability in the December 31, 2016 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, 2016 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, 2017 is 1.4%.

The information above is based on 30 year expectations developed with the consulting actuary for the 2017 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 3.75%. 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 3.75%, 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 (2.75%) or 1-percentage-point higher (4.75%) than the current rate:

	1% Decrease (2.75%)	Discount Rate (3.75%)	1% Increase (4.75%)
County's proportionate share of the net pension liability (asset)	$ (85,193)	$ (108,390)	$ (127,897)

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

The net pension liability for LGERS and ROD was measured as of December 31, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The total pension liability for LEOSSA was measured as of June 30, 2017, with an actuarial valuation date of December 31, 2016. The County's proportion of the net pension liability was based on the County's share of contributions to the pension plan relative to the contribution of all participating entities. Following is information related to the proportionate share and pension expense:

	LGERS	ROD	LEOSSA	Total
Proportionate Share of Net Pension Liability (Asset)	$ 4,224,918	$ (108,390)	$ -	$ (108,390)
Proportionate of the Net Pension Liability (Asset)	0.2766%	0.6350%	n/a	
Total Pension Liability	$ -	$ -	$ 1,033,196	$ 1,033,196
Pension Expense	$ 1,503,367	$ 9,984	$ 86,314	$ 96,298

At June 30, 2018, the County reported deferred outflows of resources and deferred inflows of resources realted to pensions from the following sources:

	LGERS	ROD	LEOSSA	Total
Deferred Outflows of Resources				
Differences between expected and actual experience	$ 243,394	$ 1,861	$ -	$ 245,255
Changes of assumptions	603,377	18,288	65,442	687,107
Net difference between projected and actual earnings on pension plan investment	1,025,815	9,214	-	1,035,029
Changes in proportion and differences between County contributions and proportionate share of contributions	168,129	-	-	168,129
County contributions (LGERS, ROD)/benefit payments and administration costs (LEOSSA) subsequent to the measurement date	1,499,925	4,772	17,161	1,521,858
Deferred Inflows of Resources				
Differences between expected and actual experience	$ 119,594	$ 349	$ 77,465	$ 197,408
Changes of assumptions	-	-	19,584	19,584
Changes in proportion and differences between County contributions and proportionate share of contributions	6,292	6,126	-	12,418

f. Other Postemployment Benefits

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. The Board of Commissioners may amend the benefit provisions. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75.

Benefits Provided . The County will contribute to the cost of retire group health insurance premiums based on the years of service with the County and within the NCLGERS using the following schedule:

County Contributions Based on Years of Creditable Service

Years of County Service at Retirement	Years of Service with NCLGERS at Retirement	County Pays
Less than 10	Less than 25	Not Eligible
10 - 29	25 or more	50%
30 or more	25 or more	100%

Any employee that retired prior to July 1, 2005 and is currenlty on the county's health insurance plan will remit payment, before the first of the month, of $220 for their health coverate. Health care and prescription drug coverage are provided in the county's self-insured group health care plan to retirees until age 65 or they become eligible for Medicare. The retiree may continue dependent coverage (and pay the full premium for this coverage) if enrolled in dependent coverage at the time of retirement. Dependent coverage terminates upoin the retiree or dependent becoming eligible for Medicare or upon the retiree's death.

Membership of the HCB Plan consisted of the following at June 30, 2017, the date of the latest actuarial valuation:

	2017
Retirees and dependents receiving benefits	15
Active plan members	431
Total	446

Total OPEB Liability

The County's total OPEB liability of $7,072,475 was measured as of June 30, 2017 and was determined by ac actuarial valuation as of that date.

Actuarial assumptions and other inputs . The total OPEB liability in the June 30, 2017 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement unless otherwise

Inflation	3.00 percent
Real wage growth	0.50 percent
Wage inflation	3.50 percent
Salary increases, including wage inflation	
General Employees	3.50 to 7.55 percent
Firefighters	3.50 to 7.55 percent
Law Enforcement Officers	3.50 to 7.55 percent
Municipal Bond Index Rate	7.20 percent, net of OPEB plan investment expense, including inflation
Prior Measurement Date	3.01 percent
Measurement Date	3.56 percent
Healthcare cost trend rates	
Pre-Medicare	7.50% for 2017 decreasing to an ultimate rate of 5.00% by 2023

Changes in the Total OPEB Liability

Total OPEB Liability as of June 30, 2016	$ 7,077,560
Changes for the year:	
Service Cost at the end of the year*	403,919
Interest on TOL and Cash Flows	207,976
Change in benefit terms	-
Difference between expected and actual experience	167,936
Changes of assumptions or other inputs	(446,264)
Benefit payments	(338,652)
Other	-
Net Changes	$ (5,085)
Total OPEB Liability as of June 30, 2017	$ 7,072,475

*The service cost includes interest for the year.

The discount rate used to measure the TOL was based on the June average of the Bond Buyer General Obligation 20-year Municipal Bond Index published weekly by The Bond Buyer.

Mortality rates were based on the RP-2014 mortality tables, with adjustments for LGERS experience and generational mortality improvements using Scale MP-2015.

The demographic actuarial assumptions for retirement, disability incidence, withdrawal, and salary increases used in the June 30, 2017 valuation were based on the results of an actuarial experience study for the period January 1, 2010 - December 31, 2014, adopted by the LGERS.

The remaining actuarial assumptions (e.g. initial per capita costs, health care cost trends, rate of plan participation, rates of plan election, etc.) used in the June 30, 2017 valuation were based on a review of recent plan experience done concurrently with the June 30, 2017 valuation.

Sensitivity of the net OPEB liability to changes in the discount rate.

The following presents the net OPEB liability of the County as of June 30, 2017 as well as what the County's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.56 percent) and 1-percentage-point higher (4.56 percent) than the current discount rate:

	1% Decrease (2.56 percent)	Discount Rate (3.56 Percent)	1% Increase (4.56 percent)
Net OPEB liability (asset)	$ 7,906,461	$ 7,072,475	$ 6,334,332

Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates.

The following presents the net OPEB liability of the County at June 30, 2018, as well as what the County's net OPEB liability would be if it were to calculate healthcare cost trend rates that are 1-percentage-point lower (5.5 percent decreasing to 3 percent) or 1-percentage-point higher (7.5 percent decreasing to 5 percent) than the current healthcare cost trend rate:

	1% Decrease	Current	1% Increase
Net OPEB liability (asset)	$ 6,160,024	$ 7,072,475	$ 8,169,250

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB. At June 30, 2018, the County recognized OPEB expense of $576,604. At June 30, 2018, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

At June 30, 2018, the components of the net OPEB liability of the County, measured as of June 30, 2017, were as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 143,597	$ -
Changes of assumptions	-	381,588
Benefit payments and administrative costs made subsequent to the measurement date	136,619	-
Total	$ 280,216	$ 381,588

$136,619 reported as deferred outflows of resources related to OPEB resulting from County contributions subsequent to the measurement date will be recognized as a decrease in the net OPEB liability in the year ended June 30, 2019. Other amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30	
2019	$ (40,337)
2020	(40,337)
2021	(40,337)
2022	(40,337)
2023	(40,337)
Thereafter	(36,306)

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	$ 243,394	$ 119,594
Register of Deeds	1,861	349
LEOSSA	-	77,465
OPEB	143,597	-
Changes in assumptions		
LGERS	603,377	-
Register of Deeds	18,288	-
LEOSSA	65,442	19,584
OPEB	-	381,588
Net difference between projected and actual earnings on pension plan investments		
LGERS	1,025,815	-
Register of Deeds	9,214	-
Changes in proportion and differences between employer contributions and proportionate share of contributions		
LGERS	168,129	6,292
Register of Deeds	-	6,126
County contributions and proportionate share of contributions (LGERS, ROD)		
LGERS	1,499,925	-
Register of Deeds	4,772	-
Benefit payments/administrative costs paid subsequent to the measurement date (LEOSSA)	17,161	
Benefit payments for the OPEB plan paid subsequent to measurement date	136,619	
Prepaid taxes not yet earned (General Fund)	-	253,186
Taxes receivable, net (General)	-	2,084,843
Taxes receivable, net (Special Revenue)	-	87,290
Total	$ 3,937,594	$ 3,036,317

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 $506,825 reported in the fund at June 30, 2018 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 $506,825 claims liability represented total estimated claims incurred, but not reported, as provided by the plan administrator's actuary.

	6/30/18	6/30/17
Unpaid claims and claim adjustment expenses at the beginning of the fiscal year	$ 486,681	$ 399,540
Incurred claims and claims adjustment expenses:		
Provision for insured events of current year	6,161,161	5,412,443
Claims and adjustment expenses attributable to insured events of current and prior year	6,141,017	5,325,302
Total claims liability	$ 506,825	$ 486,681

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 $226,093 reported in the fund at June 30, 2018 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 $226,093 claims liability represents total estimated claims incurred, but not reported, as provided by the plan administrator's actuary.

	6/30/18	6/30/17
Unpaid claims and claim adjustment expenses at the beginning of the fiscal year	$ 265,773	$ 286,359
Incurred claims and claims adjustment expenses:		
Provision for insured events of current year	471,229	395,496
Claims and adjustment expenses attributable to insured events of current and prior year	510,909	416,082
Total claims liability	$ 226,093	$ 265,773

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, 2018, 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, 2018 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.	$ 1,244,692

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.	5,256,872
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.	1,001,524
Total	$ 7,503,088

For Stanly County, the future minimum lease payments as of June 30, 2018 are as follows:

General Long-Term Debt	Capitalized Leases Principal	Capitalized Leases Interest
2019	$ 986,876	$ 189,323
2019	997,353	163,483
2020	1,007,721	137,751
2021	835,543	111,231
2022	420,554	92,421
2023-2027	2,266,599	298,276
2028-2031	988,442	37,504
Total	$ 7,503,088	$ 1,029,989

At June 30, 2018, the County leased the following assets valued at:

Class of Property	Cost	Accumulated Depreciation	Net Book Value
Jail	$ 8,457,979	$ 1,691,596	$ 6,766,383
Radio Towers	6,897,941	275,918	6,622,023
Total	$ 15,355,920	$ 1,967,514	$ 13,388,406

b. Notes Payable

General Fund:

Aquadale and Locust School Project: Refinanced the construction of additions to Aquadale and Locust Schools on November 9, 2017. The loan is payable in annual principal payments of $684,211plus interest at an interest rate of 2.69%	$ 6,842,106
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%	1,375,246

Notes Payable (continued)

Information Technology Loan: The purchase of IT equipment entered into on August 10, 2017, payable in annual principal ranging from $42,411 to $48,468, plus annual interest payments at an interest rate of 2.22%	317,675
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%	486,742
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%	84,629
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%	97,299
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%	1,821,648
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%	204,151
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%	149,148
2018 Sheriff Vehicle Loan: The purchase of Sheriff department vehicles, September 21, 2017, payable in annual principal payments ranging from $53,025 to $56,233 plus interest payments at an interest rate of 1.95%	218,468
Total General Fund	$ 11,597,112

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.	$ 59,045
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%	57,211
Purchase of a utilities 2017 Ford F-550 truck executed on February 23, 2018, payable in annual principal payments of $16,887, including interest payments at an interest rate of 2.15%	80,000

Notes Payable (continued)

Greater Badin Water and Sewer District Fund:

North Carolina Clean Water Revolving Loan executed on June 17, 2017 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, 2018, $507,223 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. 507,223

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. 937,500

Total Enterprise Fund 1,640,979

Total Notes Payable $ 13,238,091

Future minimum payments as of June 30, 2018 were as follows:

	Notes Payable	
Governmental Activities	**Principal**	**Interest**
2019	$ 1,191,822	$ 309,456
2020	1,201,717	281,157
2021	1,161,261	252,783
2022	923,186	225,149
2023	871,474	201,111
2024-2028	4,220,615	661,472
2029-2033	710,758	290,961
2034-2038	559,974	192,647
2039-2043	246,675	132,300
2044-2048	300,117	78,858
2049-2053	209,513	16,944
Total General	$ 11,597,112	$ 2,642,838

Proprietary Funds	**Principal**	**Interest**
2019	$ 230,378	$ 2,648
2020	231,365	2,289
2021	202,357	1,061
2022	202,705	713
2023	203,061	360
2024-2028	307,658	-
2029-2033	136,647	-
2034-2038	126,808	
Total Proprietary	1,640,979	7,071
Total	$ 13,238,091	$ 2,649,909

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, 2018:

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%	$ 5,690,000

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

Annual debt service requirements to maturity at June 30, 2018 are as follows:

General Long-Term Debt	General Obligation Bonds	
	Principal	Interest
2019	$ 1,485,000	$ 242,250
2020	1,475,000	182,850
2021	1,465,000	123,850
2022	1,265,000	50,600
2023	-	
Total	$ 5,690,000	$ 599,550

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.	$ 934,000

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%.	2,062,000

Total Revenue Bonds	$ 2,996,000

Revenue bond debt service requirement to maturity are as follows:

Proprietary Funds	Revenue Bonds	
	Principal	Interest
2019	$ 53,000	$ 73,688
2020	53,000	72,413
2021	55,000	71,138
2022	56,000	69,806
2023	57,000	69,056
2024-2028	310,000	324,019
2029-2033	350,000	284,569
2034-2038	400,000	239,063
2039-2043	451,000	186,563
2044-2048	510,000	126,544
2049-5023	479,000	57,432
2054-2058	222,000	8,419
Total	$ 2,996,000	$ 1,582,710

West Stanly Waste Water Treatment Plant Fund

The debt service coverage ratio calculation for the year ended June 30, 2018, is as follows:

Total Revenues	$ 654,243
Operating Expenses*	382,023
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	$ 49,425
Debt service on debt due in current fiscal year percent of coverage	477%

* 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, 2018, is as follows:

Total Revenues	$ 460,204
Operating Expenses*	262,219
Operating Income	$ 197,985
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	$ 76,356
Debt service on debt due in current fiscal year percent of coverage	259%

* Per revenue bond covenants, this does not include the depreciation expense of $142,236.

Debt Related to Capital Activities. Of the total governmental activities debt listed, only $12,258,094 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, 2018:

Governmental Activities:	Balance July 1,2017	Additions	Retirements	Balance June 30, 2018	Current Portion
General obligation debt	$ 7,190,000	$ -	$ 1,500,000	$ 5,690,000	$ 1,485,000
Unamortized premiums on bonds	443,760	-	89,000	354,760	89,000
Capital Leases	8,479,715	-	976,627	7,503,088	986,876
Notes payable	12,176,707	536,143	1,115,738	11,597,112	1,191,822
Compensated Absences	1,192,691	1,002,977	905,556	1,290,112	905,556
Net pension liability (LGERS)	5,587,978	-	1,552,883	4,035,095	-
Total pension liability (LEOSSA)	992,821	40,375	-	1,033,196	-
Net OPEB Liability	6,470,994	325,395	-	6,796,389	-
Total governmental activities	$ 42,534,666	$ 1,904,890	$ 6,139,804	$ 38,299,752	$ 4,658,254

Long-Term Obligation Activity (continued)

	Balance July 1,2017	Additions	Retirements	Balance June 30, 2018	Current Portion
Business-type Activities:					
Stanly County Utility Fund:					
Notes payable	$ 148,223	$ 80,000	$ 31,966	$ 196,257	$ 48,767
Compensated absences	55,135	37,702	23,401	69,436	23,401
Net Pension Liability(LGERS)	191,455	-	53,205	138,250	-
Net OPEB Liability	163,302	8,212	-	171,514	-
Total Stanly County Utility Fund	$ 558,115	$ 125,914	$ 108,572	$ 575,457	$ 72,168
Greater Badin Water and Sewer District Fund:					
Bond anticipation note	$ -	$ -	$ -	$ -	$ -
Revenue Bond	2,099,000	-	37,000	2,062,000	38,000
Notes payable	206,954	368,462	68,193	507,223	25,361
Total Greater Badin W&S Fund	$ 2,305,954	$ 368,462	$ 105,193	$ 2,569,223	$ 63,361
West Stanly Waste Water Treatment Plant Fund:					
Notes payable	$ 1,093,750	$ -	$ 156,250	$ 937,500	$ 156,250
Revenue bonds	948,000	-	14,000	934,000	15,000
Compensated absences	2,129	-	4	2,125	4
Net Pension Liability(LGERS)	13,373	-	3,716	9,657	-
Net OPEB Liability	18,687	940	-	19,627	-
Total West Stanly WWTP Fund	$ 2,075,939	$ 940	$ 173,970	$ 1,902,909	$ 171,254
Airport Fund:					
Compensated absences	$ 9,481	$ 5,656	$ 779	$ 14,358	$ 779
Net Pension Liability(LGERS)	58,047	-	16,131	41,916	-
Net OPEB Liability	80,878	4,067	-	84,945	-
Total Stanly County Utility Fund	$ 148,406	$ 9,723	$ 16,910	$ 141,219	$ 779
Total Business-type activities	$ 5,088,414	$ 505,039	$ 404,645	$ 5,188,808	$ 307,562

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, 2018, Stanly County had a legal debt margin of $359,892,248.

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, 2018, 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, 2018 was calculated as follows:

	General Fund	Enterprise Fund
Capital assets	$ 28,584,667	$ 40,352,222
Total debt, gross	(25,144,960)	(4,636,980)
Add: Debt not related to County assets		
School debt for which County does not hold title:		
Notes payable	6,842,106	-
General obligation bonds (refunded school bonds)	5,690,000	-
Unamortized premium on refunded bonds	354,760	-
Total school debt for which County does not hold title	12,886,866	-
Less: unspent debt proceeds	-	-
Total debt	(12,258,094)	(4,636,980)
Net investment in capital assets	$ 16,326,573	$ 35,715,242

C. Interfund Balances and Activity

Interfund receivable balances consist of cash deficits as of June 30, 2018. 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	$ 1,308,757	$ -	Cash Deficit
Greater Badin Water and Sewer	-	357,457	Cash Deficit
West Stanly Waste Water Treatment	-	233,903	Cash Deficit
Stanly Utility Fund	-	693,797	Cash Deficit
Airport Fund	-	23,600	Cash Deficit
Total	$ 1,308,757	$ 1,308,757	

Transfers to and from other funds at June 30, 2018 consist of the following:

	Transfers From	Transfers To	Purpose
General Fund	$ 416,044	$ -	Capital outlay support
Nonmajor governmental:			
Museum Renovation Project	-	5,542	Capital outlay support
Major enterprise funds and capital projects:			
Airport Fund	-	326,896	Capital outlay support
Airport Pipe Rehab Project Fund	-	10,093	Capital outlay support
Airport Fuel Farm Rd	-	7,183	Capital outlay support
Airport Runway and Taxiway Lighting	-	7,200	Capital outlay support
Greater Badin Water and Sewer District Fund	25,169	-	Capital outlay support
Badin Water Rehab Project Part A	38,047	25,169	Capital outlay support, close out fund
Stanly County Utility Fund	373,764	-	Capital outlay support
Brown Hill Road Waterline Project	-	79,946	Capital outlay support
Utility Communications Grant Project	-	291,863	Capital outlay support
Utility Hookup Grant Project	-	61,085	Capital outlay support
Palestine Water Pump Station Replacement	-	38,047	
Total	$ 853,024	$ 853,024	

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	$ 25,494,132
Less:	
Prepaid items	62,596
Stabilization by State statute	6,708,555
Total available fund balance	$ 18,722,981

The County had no outstanding encumbrances at June 30, 2018.

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 $207,868 to the Authority during the fiscal year ended June 30, 2018. 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, 2018. 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 $1,267,056 for operating purposes and $160,000 for capital during the fiscal year ended June 30, 2018. 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 $14,571 the Council during the fiscal year ended June 30, 2018.

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 that do not appear in the basic financial statements because they are not revenues and expenditures of the County.

	Federal	State
State and Federal Awards		
Medical Assistance Program	$ 58,440,820	$ 29,623,989
State Children's Insuarnce Program	1,724,006	638
Special Supplement Food Program for Women, Infants and Children (WIC)	1,212,327	-
Food and Nutrition Services	10,902,076	-
Title IV-E Adopt & Vendor & Gua	113,027	28,545
Family Perservation	14,420	-
TANF Payments & Penalties	160,508	-
Children's Insurance Program - N.C. Health Choice	1,724,006	638

Benefit Payments Issued by the State (continued)

CWS Adopt Subsidy & Vendor	-	178,142
State/County Special Assistance for Adults	-	376,910
SFHF Maximization	-	27,438
Totals	$ 74,291,190	$ 30,236,300

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 7, 2018, the date the financial statements were available to be issued.

NOTE IX: Change in Accounting Principles/ Restatement

The County implemented Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Financial Reporting for Postemployment Benefits Other than Pension,* in the fiscal year ending June 30, 2018. The implementation of the statement required the County to record beginning net OPEB liability and the effects on net position of contributions paid by the County during the measurement period, as well as the removal of the net OPEB obligation. As a result, net position for the governmental and business-type activities decreased by $3,936,360 and $139,945, respectively.

REQUIRED SUPPLEMENTARY FINANCIAL INFORMATION

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

- Schedule of the County's Proportionate Share of Net Pension Liability (Asset) - Local Government Employees' Retirement System
- Schedule of County Contributions - Local Government Employees' Retirement System
- Schedule of Proportionate Share of Net Pension Asset - Register of Deeds Supplemental Pension Fund
- Schedule of Contributions - 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
- Schedule of Changes in the Net OPEB Liability and Related Ratios - Healthcare Benefits Plan

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

Local Government Employees' Retirement System

	2018	2017	2016	2015	2014
County's proportion of the net pension liability (asset) (%)	0.277%	0.276%	0.281%	0.272%	0.279%
County's proportion of the net pension liability (asset) ($)	$ 4,224,918	$ 5,850,853	$ 1,259,226	$ (1,602,930)	$ 3,358,200
County's covered-employee payroll	19,078,455	17,357,375	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	22.14%	33.71%	7.32%	-9.64%	21.97%
Plan fiduciary net position as a percentage of the total pension	94.18%	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 Five Fiscal Years

Local Government Employees' Retirement System

	2018	2017	2016	2015	2014
Contractually required contribution	$ 1,499,925	$ 1,420,118	$ 1,179,295	$ 1,216,645	$ 1,170,226
Contributions in relation to the contractually required contribution	1,499,925	1,420,118	1,179,295	1,216,645	1,170,226
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
County's covered-employee payroll	$ 19,501,302	$ 19,078,455	$ 17,357,375	$ 17,210,820	$ 16,632,050
Contributions as a percentage of covered-employee payroll	7.69%	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 Five Fiscal Years*

	2018	2017	2016	2015	2014
County's proportionate share of the net pension liability (asset) (%)	0.635%	0.622%	0.585%	0.552%	0.531%
County's proportionate share of the net pension liability (asset) ($)	$ (108,390)	$ (116,332)	$ (135,524)	$ (125,137)	$ (113,505)
County's covered-employee payroll	61,307	55,967	49,805	47,717	45,605
County's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	-176.80%	-207.86%	-272.11%	-262.25%	-248.89%
Plan fiduciary net position as a percentage of the total pension liability **	153.77%	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 Five Fiscal Years

	2018	2017	2016	2015	2014
County's required contribution	$ 4,772	$ 4,518	$ 3,800	$ 4,680	$ 4,508
Contributions in relation to contractually required contribution	4,772	4,518	3,800	4,680	4,508
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
County's covered-employee payroll	$ 62,869	$ 61,307	$ 55,967	$ 49,805	$ 47,717
Contributions as a percentage of covered-employee payroll	7.59%	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, 2018

	2018	2017
Beginning balance	$ 992,821	$ 967,725
Service cost	54,696	60,419
Interest on the total pension liability	37,598	33,817
Change in benefit terms	-	-
Difference between expected and actuarial experience in the measurement of the total pension liability	(92,684)	-
Changes of assumptions and other inputs	78,299	(28,212)
Benefit payments	(37,534)	(40,928)
Other changes	-	-
Ending balance of total pension liability	$ 1,033,196	$ 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, 2018

	2018	2017
Total pension liability	$ 1,033,196	$ 992,821
Covered payroll	2,269,098	2,378,573
Total pension liability as a percentage of covered payroll	45.53%	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.

Stanly County, North Carolina
Schedule of Changes in the Total OPEB Liability and Related Ratios
Healthcare Benefits Plan
For the Year Ended June 30, 2018

	2018
Total OPEB Liability	
Service cost	$ 403,919
Interest	207,976
Changes of benefit terms	-
Differences between expected and actual experience	167,936
Changes of assumptions	(446,264)
Benefit payments	(338,652)
Net change in total OPEB liability	(5,085)
Total OPEB liability - beginning	7,077,560
Total OPEB liability - ending	$ 7,072,475
Covered payroll	$ 17,586,997
Total OPEB liability as a percentage of covered payroll	40.21%

Notes to Schedule

Changes of assumptions: Changes of assumptions and other inputs reflect the effects of changes in the discount rate of each period. The following are the discount rates used in each period:

Fiscal Year	Rate
2018	3.56%

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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, 2018

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Ad valorem Taxes			
Current year		$ 32,245,001	
Penalties and interest		381,966	
Total	$ 32,033,948	32,626,967	$ 593,019
Local Option Sales Taxes			
Sales tax article 39		3,621,161	
Sales tax article 40		3,006,281	
Sales tax article 42		2,431,519	
Sales tax article 44		748,962	
Medicaid Hold Harmless payment		111,336	
Total	9,260,000	9,919,259	659,259
Other Taxes and Licenses			
Other taxes		27,003	
Real property excise tax		225,897	
Solid waste		26,498	
Occupancy tax		310,361	
Cable franchise tax		143,884	
Beer & wine tax		2,200	
Total	681,500	735,843	54,343
Unrestricted Intergovernmental Revenues			
ABC profits		138,086	
Total	-	138,086	138,086
Restricted Intergovernmental Revenues			
EMS		5,900	
Other federal and State grants		1,062,167	
Senior and aging grants		639,447	
Public safety		377,322	
Transportation		378,092	
Health		759,090	
Social services grants		5,756,882	
Total	10,552,551	8,978,900	(1,573,651)
Permits and Fees			
Zoning and planning permits		29,818	
Tech fees		16,705	
Concealed weapons permit		63,385	
Recording fess		274,181	
Marriage license		8,399	
Building permits		623,495	
Total	989,531	1,015,983	26,452

(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, 2018

	Final Budget	Actual	Variance Positive (Negative)
Sales and Services			
Intergovernmental charges		188,125	
Sherriff and jail fees		946,308	
Ambulance fees		2,889,560	
Transportation		458,703	
Solid waste		907,355	
Health fees		2,698,509	
Rental and other charges		244,454	
Total	7,901,325	8,333,014	431,689
Interest on investments	133,500	347,829	214,329
Miscellaneous			
Donations		139,509	
Rents		292,441	
Sale of assets		6,980	
Miscellaneous other		272,262	
Total	756,429	711,192	(45,237)
Total Revenues	62,308,784	62,807,073	498,289
Expenditures			
General Government:			
Governing Body			
Salaries and employee benefits		130,806	
Operating expenditures		98,004	
Total		228,810	
Administration			
Salaries and employee benefits		416,964	
Operating expenditures		16,170	
Total		433,134	
Finance Department			
Salaries and employee benefits		342,113	
Operating expenditures		161,621	
Total		503,734	
Tax Assessor			
Salaries and employee benefits		576,680	
Operating expenditures		211,542	
Total		788,222	

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, 2018

	Final Budget	Actual	Variance Positive (Negative)
Tax Revaluation			
Salaries and employee benefits		361,017	
Operating expenditures		21,412	
Capital Outlay		-	
Total		382,429	
County Attorney			
Salaries		155,315	
Operating expenditures		366,481	
Total		521,796	
Clerk of Court			
Operating expenditures		11,577	
Total		11,577	
Judge's Office			
Operating expenditures		1,552	
Total		1,552	
Elections			
Salaries and employee benefits		230,407	
Operating expenditures		125,631	
Capital Outlay		-	
Total		356,038	
Register of Deeds			
Salaries and employee benefits		259,753	
Operating expenditures		63,836	
Capital Outlay		45,805	
Total		369,394	
Information Technology			
Salaries and employee benefits		428,078	
Operating expenditures		410,245	
Capital outlay		320,111	
Total		1,158,434	
Facilities Management			
Salaries and employee benefits		344,362	
Operating expenditures		604,777	
Total		949,139	
Total General Government	5,987,991	5,704,259	283,732

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, 2018

	Final Budget	Actual	Variance Positive (Negative)
Public safety:			
Sheriff			
Salaries		3,767,448	
Operating expenditures		536,155	
Capital Outlay		402,878	
Total		4,706,481	
Jail			
Salaries and employee benefits		1,955,176	
Operating expenditures		782,828	
Capital outlay		120,384	
Total		2,858,388	
Office of Juvenile Justice			
Operating expenditures		2,976	
Program expenditures		173,070	
Juvenile detention		18,910	
Total		194,956	
Emergency Management			
Salaries and employee benefit		3,596,450	
Operating expenditures		1,071,142	
Capital Outlay		10,413	
Total		4,678,005	
Code Enforcement			
Salaries and employee benefits		360,759	
Operating expenditures		36,644	
Capital Outlay		-	
Total		397,403	
Medical Examiner			
Contractual services		73,300	
Animal Control			
Salaries and employee benefits		281,232	
Operating expenditures		71,835	
Capital outlay		-	
Total		353,067	

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, 2018

	Final Budget	Actual	Variance Positive (Negative)
911 Communication Service			
Salaries and employee benefits		1,263,003	
Operating expenditures		514,232	
Capital outlay		-	
Total		1,777,235	
Reimbursement			
From E-911 fund		-	
Total Public Safety	15,369,749	15,038,835	330,914
Transportation			
Salaries and employee benefits		785,804	
Operating expenditures		164,363	
Capital outlay		-	
Total Transportation	1,025,965	950,167	75,798
Environmental Protection			
Solid Waste Operations			
Salaries and employee benefits		373,819	
Operating expenditures		708,629	
Capital outlay		-	
Total		1,082,448	
Fire Forester			
Contributions to other agencies		78,777	
Soil and Water Conservation			
Salaries and employee benefits		90,480	
Operating expenditures		5,799	
Total		96,279	
Total Environmental Protection	1,336,357	1,257,504	78,853
Economic and Physical Development:			
Economic Development Commission			
Salaries and employee benefits		183,086	
Operating expenditures		421,779	
Capital Outlay		-	
Total		604,865	

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, 2018

	Final Budget	Actual	Variance Positive (Negative)
Occupancy Tax -Motel/Hotel			
To other municipalities		251,865	
Planning and Zoning			
Salaries and employee benefits		216,732	
Operating expenditures		18,396	
Total		235,128	
Central Permitting			
Salaries and employee benefits		238,863	
Operating expenditures		23,435	
Total		262,298	
Cooperative Extension			
Salaries and employee benefits		-	
Operating expenditures		219,647	
Total		219,647	
Special Appropriations for Economic Development			
Contribution for economic development		135,000	
Rocky River RPO			
Salaries and employee benefits		107,988	
Operating expenditures		23,388	
Total		131,376	
Total Economic and Physical Develop	1,963,506	1,840,179	123,327
Human services:			
Board Member expenses		3,764	
Health			
Salaries and employee benefits		2,025,328	
Other operating expenditures		548,083	
Capital outlay		19,615	
Total		2,593,026	
Home Health			
Salaries and employee benefits		632,527	
Operating expenditures		846,411	
Total		1,478,938	

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, 2018

	Final Budget	Actual	Variance Positive (Negative)
Dental Clinic			
Salaries and employee benefits		897,155	
Other operating expenditures		214,711	
Capital outlay		25,353	
Total		1,137,219	
Environmental Health			
Salaries		336,452	
Other operating expenditures		66,069	
Total		402,521	
Mental Health			
Contributions to other agencies:			
Bottle surcharge		17,708	
Piedmont area mental health		190,160	
Total		207,868	
Social Services			
Salaries and employee benefits		5,347,872	
Operating expenditures		1,583,184	
Daycare and resident services		886,126	
Total		7,817,182	
In-Home Services			
Salaries and employee benefits		116,727	
Operating expenditures		258,245	
Total		374,972	
Nutrition			
Salaries and employee benefits		114,644	
Operating expenditures		228,461	
Total		343,105	
I&A/Transportation			
Salaries and employee benefits		67,194	
Operating expenditures		145,501	
Total		212,695	
Family Caregiver Support Program			
Operating expenditures		20,325	
Total		20,325	

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, 2018

	Final Budget	Actual	Variance Positive (Negative)
Senior Services			
Salaries and employee benefits		244,062	
Other operating expenditures		251,854	
Total		495,916	
Veterans Services			
Salaries and employee benefits		66,860	
Operating expenditures		4,775	
Veterans Association		2,295	
Total		73,930	
Total Human Services	17,817,954	15,161,461	2,656,493
Education:			
Stanly County Public Schools			
Current expenditures		10,282,253	
Capital Outlay		3,291,000	
Total		13,573,253	
Stanly Community College			
Current Expenditures		1,268,456	
Capital Outlay		160,000	
Total		1,428,456	
Total Education	15,004,678	15,001,709	2,969
Cultural and Recreation:			
Library			
Salaries and employee benefits		935,214	
Operating expenditures		316,973	
Capital outlay		19,566	
Total		1,271,753	
Special Appropriation - Senior Center		-	
Agriculture Civic Center			
Salaries and employee benefits		146,968	
Operating expenditures		204,488	
Total		351,456	
Total Cultural and Recreation	1,654,780	1,623,209	31,571

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, 2018

	Final Budget	Actual	Variance Positive (Negative)
Debt service:			
Principal		3,549,656	
Interest payments		903,552	
Total debt service	4,454,193	4,453,208	985
Contingency	288,676	-	-
Total expenditures	64,903,849	61,030,531	3,508,844
Revenue over (under) expenditures	(2,595,065)	1,776,542	4,371,607
Other financing sources (uses):			
Transfers (to):			
Enterprise Funds	(638,246)	(381,500)	256,746
Capital Project Funds	(74,368)	(34,544)	39,824
Transfers from:			
Internal Service Fund	-	-	-
Capital Project Funds	-	-	-
Installment Debt Issued	538,468	536,143	(2,325)
Appropriated Fund Balance	2,769,211	-	(2,769,211)
Total other financing sources (uses)	2,595,065	120,099	(2,474,966)
Excess of revenues and other sources over (under) expenditures and other uses	$ -	1,896,641	$ 1,896,641
Fund balance- July 1		23,597,491	
Fund balance- June 30		$ 25,494,132	

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.
- **2017 Single Family Rehabilitation Loan Pool:** 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.
- **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.

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Stanly County, North Carolina
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2018

	Special Revenue Fund			Capital Projects Funds			
	Emergency Telephone System Fund	Fire Districts Fund	2017 Single Family Rehabilitation Loan Pool	Tarheel Challenge Academy Project	Livestock Arena Construction Project	Museum Renovation Project	Total
Assets:							
Current Assets:							
Cash and cash equivalents	$ 61,216	$ 37,503	$ -	$ -	$ 163,410	$ -	$ 262,129
Taxes receivable	-	87,290	-	-	-	-	87,290
Accounts receivable	34,234	-	-	-	-	-	34,234
Restricted cash and cash equivalents	-	-	-	18,648	-	-	18,648
Total assets	95,450	124,793	-	18,648	163,410	-	402,301
Liabilities, Deferred Inflows of Resources, and Fund Balances:							
Liabilities:							
Accounts payable and accrued liabilities	10,522	37,503	-	-	18,750	-	66,775
Liablities to be paid from restricted assets:							
Accounts payable	-	-	-	-	-	-	-
Total liabilities	10,522	37,503	-	-	18,750	-	66,775
Deferred Inflows of Resources:							
Unavailable revenue - property taxes	-	87,290	-	-	-	-	87,290
Fund Balances:							
Restricted:							
Stabilization by State Statute	34,234	-	-	-	-	-	34,234
Public Safety	50,694	-	-	-	-	-	50,694
Economic Development	-	-	-	-	-	-	-
Education	-	-	-	18,648	-	-	18,648
Committed	-	-	-	-	-	-	-
Unassigned	-	-		-	144,660	-	144,660
Total fund balances	84,928	-	-	18,648	144,660	-	248,236
Total liabilities, deferred inflows of resources, and fund balances	$ 95,450	$ 124,793	$ -	$ 18,648	$ 163,410	$ -	$ 402,301

Stanly County, North Carolina
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2018

	Special Revenue Fund			Capital Projects Funds			
	Emergency Telephone System Fund	Fire Districts Fund	2017 Single Family Rehabilitation Loan Pool	Tarheel Challenge Academy Project	Livestock Arena Construction Project	Museum Renovation Project	Total
Revenues:							
Ad valorem taxes	$ -	$ 2,902,960	$ -	$ -	$ -	$ -	$ 2,902,960
Restricted intergovernmental	-	-	-	-	175,000	-	175,000
Donations	-	-	-	-	-	-	-
Sales and services	410,810	-	-	-	-	-	410,810
Investment earnings	105	-	-	-	-	-	105
Total revenues	410,915	2,902,960	-	-	175,000	-	3,488,875
Expenditures:							
General Government	-	55,242	-				55,242
Public Safety	326,457	2,847,718	-	-	-	-	3,174,175
Economic Development	-	-	-	-	-	-	-
Education	-	-	-	18,518	-	-	18,518
Cultural and Recreation	-	-	-	-	30,340	5,542	35,882
Debt service payment	42,709	-	-	-	-	-	42,709
Total expenditures	369,166	2,902,960	-	18,518	30,340	5,542	3,326,526
Revenues over (under) expenditures	41,749	-	-	(18,518)	144,660	(5,542)	162,349
Other Financing Sources (Uses):							
Transfers- in							
General Fund	-	-	-	-	-	5,542	5,542
Transfers-out							
General Fund	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	5,542	5,542
Net change in fund balances	41,749	-	-	(18,518)	144,660	-	167,891
Fund Balances:							
Fund Balance- July 1	43,179	-	-	37,166	-	-	80,345
Fund Balance- June 30	$ 84,928	$ -	$ -	$ 18,648	$ 144,660	$ -	$ 248,236

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, 2018

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Charges - surcharges	$ 410,809	$ 410,810	$ 1
Investment earnings	-	105	105
Total Revenues	410,809	410,915	106
Expenditures:			
Implemental Functions	12,990	12,990	-
Telephone	200,895	170,718	30,177
Software and software maintenance	66,794	66,357	437
Hardware and hardware maintenance	43,337	38,934	4,403
Training	3,400	2,856	544
Departmental Supplies	10,000	9,518	482
Capital Outlay	30,684	25,084	5,600
Debt service payment	42,709	42,709	-
Total Expenditures	410,809	369,166	41,643
Revenues over (under) expenditures	-	41,749	41,749
Other Financing Sources (Uses):			
Appropriated fund balance	-	-	-
Total Other Financing Sources (Uses)	-	-	-
Net change in fund balance	$ -	41,749	$ 41,749
Fund Balance:			
Beginning of Year - July 1		43,179	
End of Year - June 30		$ 84,928	

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, 2018

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Ad valorem taxes:			
Current year	$ 2,853,000	$ 2,862,344	$ 9,344
Prior years	55,000	40,616	(14,384)
Total Revenues	2,908,000	2,902,960	(5,040)
Expenditures:			
Administration Fees:			
Tax collections fees	43,000	43,262	(262)
NCDMV tax proccessing fees	12,000	11,980	20
Total Adminstration Fees	55,000	55,242	(242)
Public Safety			
West Stanly Fire District	804,000	802,193	1,807
Center Fire District	341,000	341,755	(755)
Endy Fire Distirct	124,000	123,764	236
Ridgecrest Fire District	192,000	191,394	606
Awuadale Fire District	154,000	153,374	626
Eastside Fire District	199,000	199,144	(144)
Oakboro Fire District	129,000	131,029	(2,029)
New London Fire District	210,000	208,764	1,236
Southside Fire District	113,000	114,079	(1,079)
Bethany Fire District	83,000	81,949	1,051
Richfield Fire District	131,000	131,396	(396)
Millingport Fire District	215,000	210,787	4,213
Norwood Special Fire District	21,000	21,111	(111)
Badin-Yakin Fire District	137,000	136,979	21
Total Public Safety	2,853,000	2,847,718	5,282
Total Expenditures	2,908,000	2,902,960	5,040
Net change in fund balance	$ -	-	$ -
Fund Balance:			
Beginning of Year - July 1		-	
End of Year - June 30		$ -	

Stanly County, North Carolina
2017 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, 2018

	Project Authorization	Actual Prior Years	Actual Current Year	Actual Total to Date	Variance Positive (Negative)
Revenues:					
Restricted intergovernmental					
SFR Program Grant	$ 175,000	$ -	$ -	$ -	$ (175,000)
Total Revenue	175,000	-	-	-	(175,000)
Expenditures:					
Economic and physical development					
Rehabilitation	175,000	-	-	-	175,000
Total Expenditures	175,000	-	-	-	175,000
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, 2018

		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	2,785,502	18,518	2,804,020	(21,220)
Total Expenditures	3,092,000	3,054,834	18,518	3,073,352	18,648
Net change in fund balance	$ -	$ 37,166	(18,518)	$ 18,648	$ (18,648)
Fund Balance:					
Beginning of Year - July 1			37,166		
End of Year - June 30			$ 18,648		

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, 2018

	Project Authorization	Actual: Prior Years	Actual: Current Year	Actual: Total to Date	Variance Positive (Negative)
Revenues:					
NC Department of Commerce	$ 175,000	$ -	$ 175,000	$ 175,000	$ -
Total Revenue	175,000	-	175,000	175,000	-
Expenditures:					
Culture and Recreation					
Professional services	75,000	51,674	30,190	81,864	(6,864)
Buildings, Structure, & Improvements	175,000		150	150	174,850
Total Expenditures	250,000	51,674	30,340	82,014	167,986
Revenues over (under) expenditures	(75,000)	(51,674)	144,660	92,986	167,986
Other Financing Sources (Uses):					
Transfer from General Fund	75,000	51,674	-	51,674	(23,326)
Total other financing sources (uses)	75,000	51,674	-	51,674	(23,326)
Net change in fund balance	$ -	$ -	144,660	$ 144,660	$ 144,660
Fund Balance:					
Beginning of Year - July 1			-		
End of Year - June 30			$ 144,660		

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, 2018

	Project Authorization	Actual: Prior Years	Actual: Current Year	Actual: 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	5,542	179,235	20,765
Total Expenditures	200,000	173,693	5,542	179,235	20,765
Revenues over (under) expenditures	(130,000)	(105,193)	(5,542)	(110,735)	19,265
Other Financing Sources (Uses):					
Transfer from General Fund	130,000	105,193	5,542	110,735	(19,265)
Total other financing sources (uses)	130,000	105,193	5,542	110,735	(19,265)
Net change in fund balance	$ -	$ -	-	$ -	$ -
Fund Balance:					
Beginning of Year - July 1			-		
End of Year - June 30			$ -		

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 waste 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, 2018

	Budget	Actual	Variance Positive (Negative)
Revenues			
Operating Revenues:			
Water Sales		$ 250,570	
Sewer Charges		190,950	
Industrial Sewer Charges		9,251	
Taps and Connection Fees		1,846	
Other Operating Revenues		7,587	
Total Operating Revenues		460,204	
Non-Operating Revenues:			
Interest on Investments		2,679	
Total Non-Operating Revenues		2,679	
Total Revenues	$ 479,500	462,883	$ (16,617)
Expenditures:			
Administration			
Contracted Services		-	
Total Administration		-	
Debt Service			
Principal Paid		105,193	
Interest Expense		41,129	
Total Debt Service		146,322	
Distribution and Maintenance			
Contracted Services		-	
Operating Expenditures		58,138	
Repairs and Maintenance		76,028	
Water Purchases		128,053	
Total Distribution and Maintenance		262,219	
Total Expenditures	484,331	408,541	75,790
Revenues over (under) expenditures	(4,831)	54,342	59,173
Other Financing Sources (Uses):			
USDA Loan	-	-	-
Appropriated fund balance	30,000	-	(30,000)
Transfers in (out)	(25,169)	(25,169)	-
Total other financing sources (uses)	4,831	(25,169)	(30,000)
Revenues and other financing sources (uses) over (under) expenditures and other financing uses	$ -	29,173	$ 29,173

(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, 2018

	Budget	Actual	Variance Positive (Negative)
Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual:			
Reconciling items:			
Debt Principal		105,193	
Depreciation		(142,236)	
(Increase) decrease in accrued interest payable		407	
Transfer to Project Fund (D-6)		25,169	
Transfer from Project Fund (D-6)		(38,047)	
Total reconciling items		(49,514)	
Change in net position		$ (20,341)	

Stanly County, North Carolina
Piney Point Water District Fund
Schedule of Revenues and Expenditures- Budget and Actual (Non-GAAP)
For Year Ended June 30, 2018

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Operating Revenues			
Water Sales		$ 173,060	
Taps and Connection Fees		4,643	
Other Operating Revenue		673	
Total Operating Revenue		178,376	
Non-Operating Revenues			
Interest on Investments		3,316	
Total Non-Operating Revenue		3,316	
Total Revenue	$ 167,000	181,692	$ 14,692
Expenditures:			
Administration			
Contracted Services		100,000	
Total Administration		100,000	
Distribution and Maintenance			
Operating Expenditures		1,017	
Water Purchases		60,514	
Total Distribution and Maintenance		61,531	
Total Expenditures	167,000	161,531	5,469
Revenues and other financing sources (uses) over (under) expenditures and other financing uses	$ -	20,161	$ 20,161
Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual:			
Reconciling items:			
Depreciation		(1,459)	
Total reconciling items		(1,459)	
Change in net position		$ 18,702	

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, 2018

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Operating Revenues			
Sewer Sales	$ 597,929	$ 652,586	$ 54,657
Other Operating Revenues	-	1,657	1,657
Total Operating Revenues	597,929	654,243	54,657
Total Revenues	597,929	654,243	56,314
Expenditures:			
Administration			
Contracted Services	85,000	29,764	55,236
Total Administration	85,000	29,764	55,236
Debt Service			
Principal	169,250	170,250	(1,000)
Interest	37,000	35,425	1,575
Total Debt Service	206,250	205,675	575
Distribution and Maintenance			
Operating Expenditures	126,585	129,862	(3,277)
Repairs and Maintenance	50,697	52,254	(1,557)
Salaries and Benefits	106,168	73,652	32,516
Capital Outlay	-	-	-
Contracted Services	44,229	59,965	(15,736)
Total Distribution and Maintenance	327,679	315,733	11,946
Total Expenditures	618,929	551,172	67,757
Revenues over (under) expenditures	(21,000)	103,071	124,071
Other Financing Sources (Uses):			
Transfers in from General Fund	-	-	-
Transfers in from Utility Fund	21,000	-	(21,000)
Total other financing sources (uses)	21,000	-	(21,000)
Revenues and other financing sources (uses) over (under) expenditures and other financing uses	$ -	103,071	$ 103,071

(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, 2018

Reconciliation from Budgetary Basis (Modified Accrual)	
to Full Accrual:	
Reconciling items:	
Debt Principal	170,250
Capital Outlay	-
Depreciation	(186,013)
Increase (Decrease) in Deferred Outflows of Resources - Pensions	(3,925)
Increase (Decrease) in Deferred Outflows of Resources - OPEB	778
(Increase) Decrease in Deferred Inflows of Resources - Pensions	200
(Increase) Decrease in Deferred Inflows of Resources - OPEB	(1,059)
(Increase) Decrease in Net Pension Liability	3,716
(Increase) Decrease in Accrued Interest Payable	125
(Increase) Decrease in OPEB Liability	(940)
(Increase) Decrease in Compensated Absences	4
Total reconciling items	(16,864)
Change in net position	$ 86,207

Stanly County, North Carolina
Stanly County Utility Fund
Schedule of Revenues and Expenditures- Budget and Actual (Non-GAAP)
For Year Ended June 30, 2018

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Operating Revenues			
Water Sales		$ 2,542,276	
Sewer Charges		616,744	
Taps and Connection Fees		63,725	
Other Operating Revenues		52,629	
Total Operating Revenues		3,275,374	
Non-Operating Revenues			
Interest on Investments		18,623	
Administrative Charges		124,229	
Miscellaneous		11,268	
Total Non-Operating Revenues		154,120	
Total Revenues	$ 3,489,729	3,429,494	$ (60,235)
Expenditures:			
Administration			
Salaries and Employee Benefits		366,281	
Operating Expenditures		74,534	
Total Administration		440,815	
Debt Service			
State Loan Principal Paid		31,966	
Interest Expense		2,562	
Total Debt Service		34,528	
Distribution and Maintenance			
Salaries and Employee Benefits		623,371	
Operating Expenditures		675,478	
Repairs and Maintenance		222,071	
Water Purchases		1,089,692	
Capital Outlay		131,940	
Total Distribution and Maintenance		2,742,552	
Total Expenditures	3,594,729	3,217,895	376,834
Revenues over (under) expenditures	(105,000)	211,599	316,599

(continued)

Stanly County, North Carolina
Stanly County Utility Fund
Schedule of Revenues and Expenditures- Budget and Actual (Non-GAAP)
For Year Ended June 30, 2018

Other Financing Sources (Uses):			
Intrafund Transfer to Utility Grant Project	(399,897)	(331,129)	68,768
Intrafund Transfers to Brown Hill Road Project Fund	(110,404)	(42,635)	67,769
Loan Proceeds	80,000	80,000	-
Intrafund Transfers from General Fund	30,000	-	(30,000)
Appropriated Fund Balance	505,301	-	(505,301)
Total other financing sources (uses)	105,000	(293,764)	(398,764)
Revenues and other financing sources (uses) over (under) expenditures and other financing uses	$ -	(82,165)	$ (82,165)
Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual:			
Reconciling items:			
Debt Principal		31,966	
Loan Proceeds		(80,000)	
Capital Outlay		108,130	
Depreciation		(655,329)	
Capital Contribution		405,448	
Increase (Decrease) in Deferred Outflows of Resources - Pension		(56,185)	
Increase (Decrease) in Deferred Outflows of Resources - OPEB		6,796	
(Increase) Decrease in Deferred Inflows of Resources - Pensions		2,868	
(Increase) Decrease in Deferred Inflows of Resources - OPEB		(9,254)	
(Increase) Decrease in Net Pension Liability		53,205	
(Increase) Decrease in Accrued Interest Payable		2,020	
(Increase) decreased in Net OPEB Liability		(8,212)	
(Increase) Decrease in Accrued Vacation Payable		(14,301)	
Intrafund Transfers to Project Funds		470,941	
Professional Services - expensed from Hwy 200 Project		(159,674)	
Total reconciling items		98,419	
Change in net position		$ 16,254	

Stanly County, North Carolina
Airport Fund
Schedule of Revenues and Expenditures- Budget and Actual (Non-GAAP)
For Year Ended June 30, 2018

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Operating Revenues			
Fuel and Oil Sales	$ 372,300	$ 400,485	$ 28,185
Tie-Down Fees	1,800	2,200	400
Hangar Rental	57,000	58,175	1,175
Franchise	4,500	4,500	-
Miscellaneous	20,650	35,789	15,139
Total Operating Revenues	456,250	501,149	44,899
Non-Operating Revenues			
Interest on Investments	100	85	(15)
Capital Contributions	150,000	-	(150,000)
Total Non-Operating Revenues	150,100	85	(150,015)
Total Revenues	606,350	501,234	(105,116)
Expenditures:			
Administration and Operations			
Salaries and Employee Benefits	302,430	287,605	14,825
Operating Expenditures	143,849	125,777	18,072
Repairs and Maintenance	41,300	42,695	(1,395)
Purchases for Resale	279,000	261,976	17,024
Capital Outlay	166,667	12,381	154,286
Total Administration and Operations	933,246	730,434	202,812
Total Expenditures	933,246	730,434	202,812
Revenues over (under) expenditures	(326,896)	(229,200)	97,696
Other Financing Sources (Uses):			
Transfer in from General Fund	326,896	326,896	-
Total other financing sources (uses)	326,896	326,896	-
Revenues and other financing sources (uses) over (under) expenditures and other financing uses	$ -	97,696	$ 97,696

(continued)

Stanly County, North Carolina
Airport Fund
Schedule of Revenues and Expenditures- Budget and Actual (Non-GAAP)
For Year Ended June 30, 2018

Reconciliation from Budgetary Basis (Modified Accrual)	
to Full Accrual:	
Reconciling items:	
Depreciation	(1,227,362)
Capital Outlay	12,381
Increase (decrease) in deferred outflows of outflows of resources - pensions	(17,035)
Increase (decrease) in deferred outflows of outflows of resources - OPEB	3,366
(Increase) decrease in deferred inflows of resources - pensions	869
(Increase) decrease in deferred inflows of resources - OPEB	(4,583)
(Increase) decrease in net pension liability	16,131
(Increase) decrease in other post-employment benefits	(4,067)
(Increase) decrease in compensated absences	(4,877)
Capital Contributions (from project funds)	211,677
Interfund transfer to projects from General Fund	24,476
Total reconciling items	(989,024)
Change in net position	$ (891,328)

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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.

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.
- **NC DOT Hwy 24/27/73 East Waterline Relocation Project-** accounts for the revenues and expenses for the waterlines to serve the residents on NC 24-27 from NC 740 in Albemarle to East of the Pee Dee River.
- **Brown Hill Road Waterline Project -** accounts for the revenues and expenses for the waterlines to serve the residents on Brown Hill Road.
- **Utilites Communication Grant Project -** accounts for the revenues and expenses for construction and implementation of the Utilities Communications System Project.
- **Utilites Hookup Grant Project -** accounts for the revenues and expenses for construction of private home plumbing infrastructure to serve new customers of Stanly County Utilities.
- **Palestine Water Pump Station Replacement Project -** accounts for the revenues and expenses for the construction of a replacement water pump station and distribution system infrastructure to serve Badin-Palestine Water System.
- **Albemarle to Highway 200 Water Project Fund -** accounts for the revenues and expenses for the extension of a water line along Highway 200.

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.
- **Airport Layout Plan Fund -** accounts for the revenues and expenses for updating the layout plan per FAA requirements.
- **Airport Runway & Taxiway Light 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, 2018

	Project Authorization	Prior Years	Current Year	Closed Out Project	Total to Date	Variance Over (Under)
Revenues:						
Restricted Intergovernmental:						
USDA Grant	$ 700,600	$ 381,371	$ -	$ (381,371)	$ -	$ (700,600)
Expenditures:						
Construction	2,488,711	2,171,491	-	(2,171,491)	-	2,488,711
Professional services	329,010	329,002	-	(329,002)	-	329,010
Land	2,000	-	-	-	-	2,000
Total Expenditures	2,819,721	2,500,493	-	(2,500,493)	-	2,819,721
Revenues over (under) expenditures	(2,119,121)	(2,119,122)	-	2,119,122	-	2,119,121
Other Financing Sources (Uses):						
Transfer from Greater Badin Fund	25,169	-	25,169	(25,169)	-	(25,169)
Transfer to Water Storage Tank Project	(38,048)		(38,047)	38,047	-	-
Bond anticipation note issued	2,132,000	2,132,000	-	(2,132,000)	-	(2,132,000)
Total other financing sources (uses)	2,119,121	2,132,000	(12,878)	(2,119,122)	-	(2,157,169)
Revenues and other financing sources (uses) over (under) expenditures and other financing uses	$ -	$ 12,878	$ (12,878)	$ -	$ -	$ (38,048)

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, 2018

	Project Authorization	Prior Years	Current Year	Total to Date	Variance Over (Under)
Revenues:					
Restricted Intergovernmental:					
DWSRF Principal Forgiveness Grant	$ 2,400,000	$2,400,000	$ -	$ 2,400,000	$ -
Expenditures:					
Construction	5,289,194	2,285,334	321,121	2,606,455	2,682,739
Professional services	887,935	598,492	59,707	658,199	229,736
Land	2,000	26	-	26	1,974
Total Expenditures	6,179,129	2,883,852	380,828	3,264,680	2,914,449
Revenues over (under) expenditures	(3,779,129)	(483,852)	(380,828)	(864,680)	2,914,449
Other Financing Sources (Uses):					
Transfer from Greater Badin Fund	121,159	-	-	-	(121,159)
DWSRF Revolving Loan	3,657,970	138,761	368,462	507,223	(3,150,747)
Total other financing sources (uses)	3,779,129	138,761	368,462	507,223	(3,271,906)
Revenues and other financing sources (uses) over (under) expenditures and other financing uses	$ -	$ (345,091)	$ (12,366)	$ (357,457)	$ (357,457)

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, 2018

	Project Authorization	Prior Years	Current Year	Total to Date	Variance Over (Under)
Expenditures:					
Construction	$ 2,456,100	$ -	$ -	$ -	$ 2,456,100
Professional services	540,000	61,127	163,744	224,871	315,129
Closing Cost	61,200	-	61,166	61,166	34
Land	1,000	-	-	-	1,000
Total Expenditures	3,058,300	61,127	224,910	286,037	2,772,263
Revenues over (under) expenditures	(3,058,300)	(61,127)	(224,910)	(286,037)	2,772,263
Other Financing Sources (Uses):					
NC DENR Clean Water SRF Loan	3,058,300	-	-	-	(3,058,300)
Total other financing sources (uses)	3,058,300	-	-	-	(3,058,300)
Revenues and other financing sources (uses) over (under) expenditures and other financing uses	$ -	$ (61,127)	$ (224,910)	$ (286,037)	$ (286,037)

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, 2018

	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	$ 405,448	$ 483,241	$ (16,759)
Expenditures:					
Construction	1,055,467	-	1,041,876	1,041,876	13,591
Professional services	179,158	67,872	128,828	196,700	(17,542)
Land	10,000	9,921	657	10,578	(578)
Total Expenditures	1,244,625	77,793	1,171,361	1,249,154	(4,529)
Revenues over (under) expenditures	(744,625)	-	(765,913)	(765,913)	(21,288)
Other Financing Sources (Uses):					
NC DENR Clean Water SRF Loan	744,625	-	-	-	(744,625)
Total other financing sources (uses)	744,625	-	-	-	(744,625)
Revenues and other financing sources (uses) over (under) expenditures and other financing uses	$ -	$ -	$ (765,913)	$ (765,913)	$ (765,913)

Stanly County, North Carolina
NC DOT Hwy 24/27/73 East Waterline Relocation Project
Schedule of Revenues and Expenditures- Budget and Actual (Non-GAAP)
From Inception and For the Year Ended June 30, 2018

	Project Authorization	Prior Years	Current Year	Total to Date	Variance Over (Under)
Revenues:					
Restricted Intergovernmental:					
NCDOT Reimbursement	$ 246,000	$ -	$ -	$ -	$ (246,000)
Expenditures:					
Professional services	246,000	-	38,240	38,240	207,760
Total Expenditures	246,000	-	38,240	38,240	207,760
Revenues over (under) expenditures	-	-	(38,240)	(38,240)	(38,240)
Other Financing Sources (Uses):					
Transfer from Utility Operating Fund	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-
Revenues and other financing sources (uses) over (under) expenditures and other financing uses	$ -	$ -	$ (38,240)	$ (38,240)	$ (38,240)

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, 2018

	Project Authorization	Prior Years	Current Year	Total to Date	Variance Over (Under)
Expenditures:					
Professional services	$ 225,000	$ 18,107	$ 79,946	$ 98,053	$ 126,947
Total Expenditures	225,000	18,107	79,946	98,053	126,947
Revenues over (under) expenditures	(225,000)	(18,107)	(79,946)	(98,053)	126,947
Other Financing Sources (Uses):					
Transfer from General Fund	105,000	8,510	37,311	45,821	(59,179)
Transfer from Utility Operating Fund	120,000	9,597	42,635	52,232	(67,768)
Total other financing sources (uses)	225,000	18,107	79,946	98,053	(126,947)
Revenues and other financing sources (uses) over (under) expenditures and other financing uses	$ -	$ -	$ -	$ -	$ -

Stanly County, North Carolina
Utilities Communication Grant Project Fund
Schedule of Revenues and Expenditures- Budget and Actual (Non-GAAP)
From Inception and For the Year Ended June 30, 2018

	Project Authorization	Prior Years	Current Year	Total to Date	Variance Over (Under)
Expenditures:					
Building , Structure, Improvements	$ 345,897	$ -	$ 291,863	$ 291,863	$ 54,034
Total Expenditures	345,897	-	291,863	291,863	54,034
Revenues over (under) expenditures	(345,897)	-	(291,863)	(291,863)	54,034
Other Financing Sources (Uses):					
Transfer from Utility Operating Fund	345,897	-	291,863	291,863	(54,034)
Total other financing sources (uses)	345,897	-	291,863	291,863	(54,034)
Revenues and other financing sources (uses) over (under) expenditures and other financing uses	$ -	$ -	$ -	$ -	$ -

Stanly County, North Carolina
Utilities Hookup Grant Project Fund
Schedule of Revenues and Expenditures- Budget and Actual (Non-GAAP)
From Inception and For the Year Ended June 30, 2018

	Project Authorization	Prior Years	Current Year	Total to Date	Variance Over (Under)
Expenditures:					
Professional services	$ 84,000	$ -	$ 61,085	$ 61,085	$ 22,915
Total Expenditures	84,000	-	61,085	61,085	22,915
Revenues over (under) expenditures	(84,000)	-	(61,085)	(61,085)	22,915
Other Financing Sources (Uses):					
Transfer from General Fund	30,000	-	21,820	21,820	(8,180)
Transfer from Utility Operating Fund	54,000	-	39,265	39,265	(14,735)
Total other financing sources (uses)	84,000	-	61,085	61,085	(22,915)
Revenues and other financing sources (uses) over (under) expenditures and other financing uses	$ -	$ -	$ -	$ -	$ -

Stanly County, North Carolina
Palestine Water Pump Station Replacement Project
Schedule of Revenues and Expenditures- Budget and Actual (Non-GAAP)
From Inception and For the Year Ended June 30, 2018

	Project Authorization	Prior Years	Current Year	Total to Date	Variance Over (Under)
Revenues:					
Restricted Intergovernmental:					
Golden Leaf Grant	$ 500,000	$ -	$ -	$ -	$ (500,000)
USDA Grant	319,000	-	-	-	(319,000)
Total Revenues	819,000	-	-	-	(819,000)
Expenditures:					
Buildings, Structures, & Improve	1,416,191	-	-	-	1,416,191
Professional services	159,161	-	11,929	11,929	147,232
Land	10,000	-	-	-	10,000
Total Expenditures	1,585,352	-	11,929	11,929	1,573,423
Revenues over (under) expenditures	(766,352)	-	(11,929)	(11,929)	754,423
Other Financing Sources (Uses):					
Loan Proceeds	728,304	-	-	-	(728,304)
From Badin Water Project	38,048	-	38,047	38,047	(1)
Total other financing sources (uses)	766,352	-	38,047	38,047	(728,305)
Revenues and other financing sources (uses) over (under) expenditures and other financing uses	$ -	$ -	$ 26,118	$ 26,118	$ 26,118

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, 2018

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

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, 2018

	Project Authorization	Prior Years	Current Year	Closed Out Project	Total to Date	Variance Over (Under)
Revenues:						
Restricted Intergovernmental:						
Vision 100	$ 238,223	$ 197,000	$ -	$ (197,000)	$ -	$ (238,223)
Expenditures:						
Construction	233,985	189,084	-	(189,084)	-	233,985
Professional services	30,709	29,805	-	(29,805)	-	30,709
Total Expenditures	264,694	218,889	-	(218,889)	-	264,694
Revenues over (under) expenditures	(26,471)	(21,889)	-	21,889	-	26,471
Other Financing Sources (Uses):						
Transfer from General Fund	26,471	21,889	-	(21,889)	-	(26,471)
Total other financing sources (uses)	26,471	21,889	-	(21,889)	-	(26,471)
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, 2018

	Project Authorization	Prior Years	Current Year	Total to Date	Variance Over (Under)
Revenues:					
Restricted Intergovernmental:					
Vision 100 Entitlement	$ 1,938,880	$ 8,602	$ 82,230	$ 90,832	$ (1,848,048)
Expenditures:					
Professional services	361,312	8,602	92,323	100,925	260,387
Buildings, Structures, and Improvements	1,793,000				1,793,000
Total Expenditures	2,154,312	8,602	92,323	100,925	2,053,387
Revenues over (under) expenditures	(215,432)	-	(10,093)	(10,093)	205,339
Other Financing Sources (Uses):					
Transfer from General Fund	215,432	-	10,093	10,093	(205,339)
Total other financing sources (uses)	215,432	-	10,093	10,093	(205,339)
Revenues and other financing sources (uses) over (under) expenditures and other financing uses	$ -	$ -	$ -	$ -	$ -

Stanly County, North Carolina
Airport Layout Plan Fund
Schedule of Revenues and Expenditures- Budget and Actual (Non-GAAP)
From Inception and For the Year Ended June 30, 2018

	Project Authorization	Prior Years	Current Year	Total to Date	Variance Over (Under)
Revenues:					
Restricted Intergovernmental:					
Vision 100 Entitlement	$ 367,668	$ -	$ 64,646	$ 64,646	$ (303,022)
Expenditures:					
Professional services	408,521	-	71,829	71,829	336,692
Total Expenditures	408,521	-	71,829	71,829	336,692
Revenues over (under) expenditures	(40,853)	-	(7,183)	(7,183)	33,670
Other Financing Sources (Uses):					
Transfer from General Fund	40,853	-	7,183	7,183	(33,670)
Total other financing sources (uses)	40,853	-	7,183	7,183	(33,670)
Revenues and other financing sources (uses) over (under) expenditures and other financing uses	$ -	$ -	$ -	$ -	$ -

Stanly County, North Carolina
Airport Runway & Taxiway Lighting Fund
Schedule of Revenues and Expenditures- Budget and Actual (Non-GAAP)
From Inception and For the Year Ended June 30, 2018

	Project Authorization	Prior Years	Current Year	Total to Date	Variance Over (Under)
Revenues:					
Restricted Intergovernmental:					
Vision 100 Entitlement	$ 76,763	$ -	$ 64,801	$ 64,801	$ (11,962)
Expenditures:					
Professional services	85,292	-	72,001	72,001	13,291
Total Expenditures	85,292	-	72,001	72,001	13,291
Revenues over (under) expenditures	(8,529)	-	(7,200)	(7,200)	1,329
Other Financing Sources (Uses):					
Transfer from General Fund	8,529	-	7,200	7,200	(1,329)
Total other financing sources (uses)	8,529	-	7,200	7,200	(1,329)
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, 2018

	Financial Plan	Actual	Variance Positive (Negative)
Operating Revenues:			
Charges for sales and services	$ 7,781,985	$ 7,606,581	$ (175,404)
Operating Expenses:			
Group health operations	7,334,371	7,636,631	302,260
Workers' compensation claims	477,114	433,248	(43,866)
Total operating expenditures	7,811,485	8,069,879	258,394
Operating income (loss)	(29,500)	(463,298)	(433,798)
Non-Operating Revenues (Expenses):			
Investment earnings	29,500	27,644	(1,856)
Total non-operating revenues (expenses)	29,500	27,644	(1,856)
Other Financing Sources (Uses)			
Fund Balance Appropriated	-	-	-
Total other financing sources (uses)	-	-	-
Change in net position	$ -	(435,654)	$ (435,654)
Net Position:			
Beginning of year - July 1		2,271,412	
End of year - June 30		$ 1,835,758	

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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, 2018

	Balance July 1, 2017	Additions	Deductions	Balance June 30, 2018
Protective Payee Fund:				
Assets				
Cash and cash equivalents	$ 22,131	$ 103,260	$ 98,534	$ 26,857
Liabilities				
Client Payable	$ 22,131	$ 103,260	$ 98,534	$ 26,857
Fines and Forfeitures Fund:				
Assets				
Cash and cash equivalents	$ -	$ 244,347	$ 244,347	$ -
Liabilities				
Accounts Payable	$ -	$ 244,347	$ 244,347	$ -
Deed of Trust Fund:				
Assets				
Cash and cash equivalents	$ 3,788	$ 44,188	$ 44,473	$ 3,503
Liabilities				
Accounts Payable	$ 3,788	$ 44,188	$ 44,473	$ 3,503
Sheriff's Execution Fund				
Assets				
Cash and cash equivalents	$ 1,260	$ 7,497	$ 7,845	$ 912
Inmate Cash	13,704	111,468	109,863	15,309
Total Assets	$ 14,964	$ 118,965	$ 117,708	$ 16,221
Liabilities				
Executions Payable	$ 1,260	$ 7,497	$ 7,845	$ 912
Inmate Payable	13,704	111,468	109,863	15,309
Total Liabilities	$ 14,964	$ 118,965	$ 117,708	$ 16,221
Property Tax Clearing Fund				
Assets				
Cash and Cash Equivalents	$165,080	$10,625,561	$10,628,967	$161,674
Liabilities				
Accounts Payable	$165,080	$10,625,561	$10,628,967	$161,674

(continued)

Stanly County, North Carolina
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Year Ended June 30, 2018

Total- All Agency Funds

Assets				
Cash and cash equivalents	$192,259	$11,024,853	$11,024,166	$192,946
Inmate Cash	13,704	111,468	109,863	15,309
Total Assets	$205,963	$11,136,321	$11,134,029	$208,255
Liabilities				
Accounts payable	$170,128	$10,921,593	$10,925,632	$166,089
Client and Inmate Payable	35,835	214,728	208,397	42,166
Total Liabilities	$205,963	$11,136,321	$11,134,029	$208,255

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, 2018

Fiscal Year	Uncollected Balance June 30, 2017	Additions	Collections And Credits	Uncollected Balance June 30, 2018
2017-2018	$ -	$ 32,376,886	$ 31,596,979	$ 779,907
2016-2017	751,438	70	345,678	405,830
2015-2016	426,199	29	146,648	279,580
2014-2015	274,667	182	74,925	199,924
2013-2014	237,213	31	55,899	181,345
2012-2013	221,978	-	51,334	170,644
2011-2012	176,797	-	38,227	138,570
2010-2011	154,224	-	22,612	131,612
2009-2010	204,118	22	19,117	185,023
2008-2009	126,294	31	15,225	111,100
2007-2008	77,385	-	8,668	68,717
2006-2007	70,378	-	70,378	-
Districts over 3 years old	90,405	53	2,348	88,110
Totals	$ 2,811,096	$ 32,377,304	$ 32,448,038	$ 2,740,362

Less Allowance for Doubtful Accounts	(655,518)
Taxes Receivable (Net)	$ 2,084,844

Reconcilement with revenues:

Ad valorem taxes - General Fund	$ 32,626,967
Reconciling items:	
Animal tax	(40,179)
Collection fees	(57,296)
Interest collected	(324,671)
Discounts allowed	169,767
Late listings	(26,504)
Statute of Limitations	97,695
Miscellaneous	12,010
Total Collections and Credits	$ 32,457,789

Stanly County, North Carolina
Analysis of Current Tax Levy
County-Wide Levy
June 30, 2018

	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	$ 4,823,721,804	0.67	$ 32,333,864	$ 28,604,625	$ 3,729,239
Penalties			35,068	35,068	
Total Original Levy	4,823,721,804		32,368,932	28,639,693	3,729,239
Discoveries:					
Current year rate	19,959,679	0.67	94,113	133,730	(39,617)
Penalties	-		347	117	230
Penalties - prior year rate	-		539	1,151	(612)
Prior year taxes	-		126,782	126,153	629
Total Discoveries	19,959,679		221,781	261,151	(39,370)
Releases:					
Current year rate	(30,716,375)	0.67	(205,800)	(205,800)	-
Penalties			(8,027)	(3,462)	(4,565)
Total Releases	(30,716,375)		(213,827)	(209,262)	(4,565)
Net assessed valuation	$ 4,812,965,108				
Net Levy			32,376,886	28,691,582	3,685,304
Uncollected taxes June 30, 2018			779,907	779,907	-
Current years taxes collected			$ 31,596,979	$ 27,911,675	$ 3,685,304
Current levy collection percentage			97.59%	97.28%	100.00%

(continued)

Stanly County, North Carolina
Analysis of Current Tax Levy
County-Wide Levy
June 30, 2018

Secondary Market Disclosures:

Assessed valuation:	
Assessment ratio	100%
Real property	$ 4,112,656,639
Personal property	543,619,893
Public service	156,688,576
Total assessed value	$ 4,812,965,108
Tax rate per $100	0.67
Levy (includes discoveries, releases, and abatements)	$ 32,376,886

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	$ 2,589,540

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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

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

Table 1

	Fiscal Year					Fiscal Year				
	2009	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**
Governmental activities										
Net Investment in capital assets	$ 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	$ 18,352,372
Restricted	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	6,971,463
Unrestricted	(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	(1,815,870)
Total Governmental activities net position	$ 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	$ 23,507,965
Business-type activities										
Net Investment in capital assets	$ 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	$ 35,715,242
Restricted	-	-	-	-	-	-	-	14,850	27,800	40,525
Unrestricted	2,237,487	(326,823)	600,944	508,553	1,216,035	1,612,161	1,641,558	1,977,384	1,836,949	790,075
Total business-type activities net position	$ 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	$ 36,545,842
Primary government										
Net Investment in capital assets	$ 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	$ 54,067,614
Restricted	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	7,011,988
Unrestricted	(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	(1,025,795)
Total primary government net position	$ 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	$ 60,053,807

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

	Fiscal Year					Fiscal Year				
Expenses	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**
Governmental activities:										
General government	$ 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	$ 6,356,160
Public safety	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	19,109,285
Transportation	923,081	948,122	987,615	988,483	950,965	961,283	956,499	996,173	1,039,842	1,031,868
Environmental protection	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	1,275,593
Economic and physical development	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	1,861,880
Human services	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	15,375,617
Education	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	1,686,781
Culture and recreation	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	14,931,227
Interest on long-term debt	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	781,389
Total govemmental activities expenses	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	62,409,800
Business-type activities:										
Water and sewer	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	5,092,068
Airport	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	1,955,611
Total business-type activities	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	7,047,679
Total primary governmental expenses	$ 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	$ 69,457,479
Program Revenues										
Governmental activities:										
Charges for services:										
General government	$ 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	$ 944,556
Public safety	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	4,563,999
Transportation	370,233	364,756	578,427	425,439	423,318	387,695	410,615	453,131	431,514	458,703
Environmental protection	835,242	862,811	883,729	883,005	891,052	931,946	930,730	952,865	882,991	907,355
Economic and physical development	601,271	13,770	18,478	24,042	25,101	25,342	35,192	38,805	24,450	60,585
Human services	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	2,698,509
Culture and recreation	185,582	21,703	24,320	20,811	28,624	25,029	24,214	25,402	114,148	147,240
Operating grants and contributions	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	8,842,208
Capital grants and contributions	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	749,000
Total govemmental activities program revenues	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	19,372,155
Business-type activities:										
Charges for services:										
Water and sewer	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	4,568,197
Airport	295,877	311,966	303,126	362,955	411,149	455,302	425,283	432,189	405,988	501,149
Operating grants and contributions	-	-	91,262	-	-	-	-	-	-	-
Capital grants and contributions	1,092,003	366,777	2,735,134	5,130,143	1,734,467	392,171	68,567	1,173,017	1,961,823	617,125
Total business-type activities program revenues	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	5,686,471
Total primary governmental program revenues	$ 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	$ 25,058,626
Net (expense)/revenue										
Governmental activities	$ (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)	$ (43,037,645)
Business-type activities	(968,923)	(1,473,635)	943,625	2,950,169	(1,190,368)	(2,198,133)	(2,077,852)	(705,143)	(352,561)	(1,361,208)
Total primary governmental net expense	$ (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)	$ (44,398,853)

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					Fiscal Year				
Governmental activities:	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Taxes										
Ad valorem taxes	$ 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	$ 35,469,139
Local option sales tax	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	9,919,259
Other taxes	519,464	481,063	502,321	504,698	543,968	544,765	605,773	643,354	686,615	847,431
Interest earned on investments	612,476	372,699	256,933	261,112	171,540	139,996	64,018	85,044	145,583	347,934
Miscellaneous	-	-	-	-	-	19,025	-	-	83,104	272,262
Transfers in (out)	(610,360)	(210,471)	(658,868)	(136,841)	(1,284,059)	(2,276,464)	(372,691)	(357,425)	(339,746)	(410,502)
Total governmental activities	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	46,445,523
Business-type activities:										
Ad valorem taxes	-	-								
Interest earned on investments	29,042	23,857	16,543	15,759	3,890	3,349	3,707	6,472	11,223	24,703
Miscellaneous	-	-	2,928	-	21,856	-	39,003	36,306	318,102	135,497
Transfers in (out)	610,360	210,471	658,868	136,841	1,284,059	2,276,464	372,691	357,425	339,746	410,502
Total business-type activities	639,402	234,328	678,339	152,600	1,309,805	2,279,813	415,401	400,203	669,071	570,702
Total primary government	$ 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	$ 47,016,225
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	$ 3,407,878
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)	(790,506)
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	$ 2,617,372

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

Table 3

	Fiscal Year					Fiscal Year				
	2009	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**
General Fund										
Reserved	$ 8,233,781	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Unreserved	9,390,468	-	-	-	-	-	-	-	-	-
Nonspendable	-	36,360	51,071	52,912	66,374	71,395	66,969	73,666	72,377	62,596
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	6,867,887
Committed	-	-	-	-	-	750,000	500,000	250,000	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	5,075,669
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	13,237,980
Total General Fund	$ 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	$ 25,494,132
All other governmental funds										
Reserved	$ 28,082	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Unreserved, reported in:										
Special revenue funds	347,371	-	-	-	-	-	-	-	-	-
Capital projects funds	-	-	-	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-	397,390	80,345	103,576
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)	-	144,660
Total all other governmental funds	$ 375,453	$ 445,193	$ 470,123	$ 326,209	$ 274,423	$ 3,315,328	$ 1,185,513	$ 899,665	$ 80,345	$ 248,236

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.

Stanly County, North Carolina **Table 4**
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year					Fiscal Year				
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Revenues										
Ad valorem taxes	$ 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	$ 35,529,927
Local option sales taxes	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	9,919,259
Other taxes and licenses	519,464	481,063	502,321	504,698	543,968	544,765	605,773	643,354	715,513	735,843
Unrestricted intergovernmental	2,664	425	-	-	-	-	-	6,464	10,871,430	8,978,900
Restricted intergovernmental	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	313,086
Permits and fees	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	1,015,983
Sales and services	6,715,699	694,288	653,402	689,032	725,695	645,337	745,432	1,004,071	8,197,813	8,743,824
Investment earnings	510,910	284,270	184,734	142,460	98,746	83,822	82,688	95,992	145,583	347,934
Miscellaneous	1,290,237	635,110	852,352	874,456	937,510	1,024,222	795,900	871,974	963,533	711,192
Total revenues	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	66,295,948
Expenditures										
General government	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	5,393,585
Public safety	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	17,679,335
Transportation	847,546	837,489	920,286	854,643	825,722	860,179	881,184	881,576	948,713	950,167
Environmental protection	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	1,257,504
Economic and physical development	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	1,840,179
Human services	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	15,116,493
Education	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	15,020,227
Culture and recreation	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	1,639,525
Capital Outlay	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	964,125
Debt service				-				-		
Principal	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	3,592,365
Interest and other charges	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	903,552
Total expenditures	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	64,357,057
Excess of revenues over (under) expenditures	(11,135,276)	(5,732,862)	(35,628)	2,063,688	1,711,054	(1,220,325)	(8,691,142)	(973,633)	303,077	1,938,891
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	536,143
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	1,000,000	190,572	175,971	103,059	50,000	59,406	383,540	357,944	171,034	5,542
Transfers to other funds	(1,610,360)	(401,043)	(834,839)	(239,900)	(1,334,059)	(2,585,870)	(756,231)	(715,369)	(510,780)	(416,044)
Total other financing sources (uses)	12,389,640	271,530	1,084,281	(277,650)	(881,020)	4,679,977	7,665,070	3,010,661	(141,974)	125,641
Net change in fund balances	$ 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	$ 2,064,532
Debt services as a percentage of noncapital expenditures	4.6%	6.6%	7.0%	7.2%	7.3%	7.0%	15.8%	7.5%	7.4%	7.1%

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

Table 5

Fiscal Year	Property Tax	Sales Tax	Franchise Tax	Occupancy Tax	Property Excise Tax	Intangible Tax	Solid Waste Tax	Other Tax	Total
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
2018	35,469,139	9,919,259	143,884	310,361	225,897	-	26,498	29,203	46,124,241

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

Table 6

Fiscal Year	Property Tax	Sales Tax	Franchise Tax	Occupancy Tax	Property Excise Tax	Intangible Tax	Solid Waste Tax	Other Tax	Total
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
2018	35,529,927	9,919,259	143,884	310,361	225,897	-	26,498	29,203	46,185,029

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

Table 7

Fiscal Year	Real Property		Personal Property		Less:	Total Taxable	Total Direct	Estimated Actual	Assessed Value as a
	Residential Property	Commercial Property	Motor Vehicles	Other	Tax Exempt Real Property	Assessed Value	Tax Rate	Taxable Value	Percentage of Actual Value
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%
2018	3,614,571,935	711,956,003	545,677,620	376,725,472	435,965,922	4,812,965,108	0.6700	4,812,965,108	100%

Source: Stanly County Tax Assessor

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

Table 8

	Fiscal Year									
	2009	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**
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	0.5900	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	0.3900	0.3900	0.3900	0.4100	0.4100	0.4100
Town of Norwood	0.4000	0.4000	0.4000	0.4000	0.4000	0.4000	0.4000	0.3900	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	0.3200	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	0.1700	0.1700	0.1700	0.2000	0.2200	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	0.0842	0.0842	0.0842	0.1000	0.1000	0.1000
Center Rural	0.0700	0.0700	0.0700	0.0700	0.0700	0.1000	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	0.0900	0.0900	0.0900	0.0900	0.0900	0.0900	0.0900	0.1100	0.1100
Aquadale	0.0500	0.0500	0.0500	0.0500	.0.1000	0.1000	0.1000	0.1000	0.1000	0.1000
Eastside	0.0800	0.0800	0.0800	0.0800	0.0800	0.1000	0.1000	0.1000	0.1000	0.1000
Oakboro Rural	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400	0.0600	0.0600	0.0600
New London	0.0500	0.0500	0.0500	0.0500	0.0515	0.0750	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	N/A	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	0.0775	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	0.1000	0.1000
Badin-Yadkin	0.0800	0.0800	0.0800	0.0800	0.0803	0.0803	0.0803	0.0803	0.0803	0.0803
Norwood Special	0.0500	0.0700	0.0700	0.0700	0.0700	0.0700	0.1000	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	0.7800	0.7800
*** City Tax Rate	1.2300	1.2300	1.2300	1.2300	1.2300	1.2600	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

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

Table 9

	2018			2009		
Taxpayer	**Taxable Assessed Value**	**Rank**	**Percentage of Total Taxable Assessed Value**	**Taxable Assessed Value**	**Rank**	**Percentage of Total Taxable Assessed Value**
Duke Energy	$ 47,748,263	2	0.99%	$ 27,831,510	4	0.67%
APGI	41,995,198	3	0.87%	51,838,683	1	1.24%
Michelin Aircraft Tire Co.	51,062,149	1	1.06%	34,901,571	2	0.84%
Union Electric	33,969,212	6	0.71%	25,740,536	5	0.62%
Fiber Composites	38,204,898	4	0.80%	31,676,685	3	0.76%
Walmart Real Estate Business	22,445,731	7	0.47%	15,745,917	10	0.38%
Piedmont Natural Gas	36,735,398	5	0.77%			
Preformed Line Products	17,138,385	8	0.36%	15,953,006	9	0.38%
APOCO 10 (Olive Place)	12,770,729	9	0.27%			
Time Warner Cable Stheast LLC	11,327,476	10	0.24%			
IAC				17,065,242	8	0.41%
ALCOA				21,117,737	6	0.51%
Stanly Memoiral Hospital				17,471,240	7	0.42%
Totals	$ 313,397,439		6.53%	$ 255,464,222		6.22%

Source: Stanly County Tax Assessor

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

Table 10

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
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%
2018	32,376,886	31,596,979	97.59%	851,059	32,448,038	100.00%

Source: Stanly County Tax Assessor

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

Table 11

	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
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	443,762	8,479,715	12,176,708	-	-	948,000	-	3,409,166	32,647,351	2.02%	533.16
2018	5,690,000	354,760	7,503,088	11,597,112	-	-	2,996,000	-	1,640,980	29,781,940	1.36%	491.37

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

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

Table 12

Fiscal Year	General Obligation Bonds	Percentage of Estimated Actual Taxable Value of Property	Per Capita
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	7,633,762	0.17%	124.67
2018	6,044,760	0.13%	99.73

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

Stanly County, North Carolina
Direct and Overlapping Governmental Activities Debt
June 30, 2018

Table 13

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Direct:			
Stanly County	$ 25,158,043	100%	$ 25,158,043
Overlapping:			
Town of Richfield	255,753	100%	255,753
Total direct and overlapping debt			$ 25,413,796

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.

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

Table 14

	Fiscal Year					Fiscal Year				
	2009	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**
Debt limit	$ 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	385,037,208
Total net debt applicable to limit	36,533,333	34,920,005	35,000,841	32,138,114	29,567,473	33,809,068	31,983,231	31,983,231	28,290,185	25,144,960
Legal debt margin	$ 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	$ 359,892,248
Total net debt applicable to the limit as a percentage of debt limit	8.53%	7.80%	10.94%	10.38%	10.33%	9.44%	9.07%	8.89%	7.74%	6.53%

Legal Debt Margin Calculation for Fiscal Year 2018

Assessed value		$4,812,965,108
Debt limit - 8% of assessed value		385,037,208
Debt applicable to limit:		
General obligation bonds	$ 5,690,000	
Bond premiums	354,760	
Capital lease obligation	7,503,088	
Installment note	11,597,112	
Business-type installment note	1,640,980	
Business-type revenue bond	2,996,000	
Business-type anticipation note	-	
Total debt	$ 29,781,940	
Less-Statutory deductions	4,636,980	
Total amount of debt applicable to debt limit		25,144,960
Legal debt margin		$ 359,892,248

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)
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%
2018	60,610	2,185,596,600	36,060	42.0	8,832	3.3%

Sources:

(1) Stanly County Economic Development Office

(2) Stanly County Economic Development Office

(3) Stanly County Economic Development Office

(4) Division of School Business Services School Allotments Sections

(5) Stanly County Economic Development Office

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

Table 16

	2018			2009		
Employer	**Employees**	**Rank**	**Percentage of Total County Employment**	**Employees**	**Rank**	**Percentage of Total County Employment**
Stanly County Schools	1,370	1	2.26%	1,350	1	4.56%
Carolina Healtcare Stanly	619	2	1.02%	705		2.38%
Michelin Aircraft	548	3	0.90%	353	7	1.19%
Stanly County Government	472	4	0.78%	444	4	1.50%
Stanly Community College	444	5	0.73%	441	5	1.49%
Fiberon	429	6	0.71%			
Wal-mart Associates, Inc.	414	7	0.68%	527	3	1.78%
Food Lion	411	8	0.68%			
Dept of Public Safety	375	9	0.62%			
Monarch	350	10	0.58%			
NC DOT				410	6	1.38%
IAC Old Fort LLC				336	8	1.13%
City of Albemarle				280	9	0.94%
Food Lion				273	10	0.92%
Total	5,432		8.96%	5,119		17.27%

Source: Stanly County Economic Development Office

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

Table 17

	Full-time Equivalent Employees as of June 30									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Function										
General government										
Administration	5	5	4	4	4	4	4	4	4	4
Finance	5	6	5	5	5	5	5	5	5	5
Taxes	19	19	19	18	18	16	16	15	15	15
Attorneys	2	2	2	2	2	2	2	2	2	2
Elections	3	3	3	3	3	3	3	3	3	3
Register of deeds	5	4	4	4	4	4	4	4	5	5
Information technology	4	5	5	5	5	5	5	5	5	7
Facilities management	7	7	7	7	7	7	7	7	7	7
Public safety										
Sheriff	58	57	55	54	54	54	57	59	60	60
Jail	39	33	38	38	38	38	38	38	38	38
Criminal justice partnership	1	1	1	NA	NA	NA	NA	NA	NA	NA
Juvenile justice partnership	1	1	1	NA	NA	NA	NA	NA	NA	NA
Emergency management	2	2	2	2	2	2	2	2	2	2
Fire	3	3	2	2	2	2	2	2	2	2
Emergency medical services	39	41	36	36	37	43	46	47	56	56
Inspections	5	5	4	4	4	4	4	4	5	5
Animal control	6	6	5	5	5	5	5	5	4	4
E-911 operations	18	17	16	16	17	17	17	17	19	19
Transporation	14	11	12	15	15	15	15	15	15	15
Environmental protection										
Solid waste collection	10	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	2	2	1	2	2	2	2	2	2	2
Planning and zoning	3	3	3	3	3	3	3	3	3	3
Central Permitting	3	4	3	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	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Human services										
Health	57	58	54	57	58	55	55	55	55	55
Social services	81	76	78	81	81	81	84	84	87	89
Senior services	15	15	13	13	13	13	13	13	13	13
Veterans services	1	1	1	1	1	1	1	1	1	1
Culture and recreation										
Library	20	18	16	17	17	17	17	17	17	17
Historic preservation	2	2	2	NA	NA	NA	NA	NA	NA	NA
Agri civic center	4	4	4	4	3	3	3	3	3	3
Airport	5	5	5	5	5	5	5	5	5	5
Utilities										
Administration	4	4	4	4	4	4	4	4	4	4
Operations	12	13	11	12	12	12	12	12	13	13
West Stanly WWTP	0	0	0	0	0	2	2	2	2	2
Total	458	446	429	435	437	440	449	451	468	472

Source: Stanly County Human Resources

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

Table 18

	Fiscal Year					Fiscal Year				
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Function										
Public Safety										
Arrests	1,157	3,200	1,689	937	705	813	758	958	998	896
Civil papers serviced	5,848	8,447	9,196	8,781	8,339	8,653	6,594	7,382	5,841	5,587
Average daily jail population	92	94	80	75	66	74	76	104	108	122
Dispatched EMS calls	7,164	7,299	7,864	8,668	8,625	7,949	9,091	8,425	9,257	10,933
EMS move up calls	2,836	3,221	2,883	3,342	3,564	2,923	2,891	2,992	3,435	4,069
Building permits issued	652	517	541	549	545	512	604	667	677	756
Animals entering shelter	2,980	2,996	2,883	2,910	2,053	1,777	1,705	1,715	1,364	1,300
Animals euthanized	2,649	2,422	2,471	1,257	1,611	1,330	1,316	1,334	1,125	985
911 calls logged for service	111,643	115,840	119,724	121,662	116,356	115,885	121,817	120,907	123,043	135,423
Transportation										
Service hours	19,743	18,991	18,768	17,966	16,927	16,267	18,115	18,235	18,678	17,997
Miles driven	386,343	351,009	332,373	313,790	286,007	285,806	311,038	317,622	307,469	302,293
Trips	67,014	63,848	63,558	62,587	55,350	47,491	48,075	47,501	46,799	47,542
Environmental protection										
Discarded materials collected (tons/day)	25	19	19	19	24	22	22	25	25	22
Recyclables collected (tons/day)	2	2	2	2	2	2	2	2	2	2
Human services										
Food and lodging permits	131	45	27	92	63	60	68	63	61	51
Food and lodging inspections made	754	937	822	859	730	729	764	762	787	751
Wells permits issued	94	83	68	84	100	51	84	79	76	85
Culture and recreation										
Library books checked out	226,603	236,179	226,350	210,951	204,653	186,501	173,519	178,070	172,322	170,157
Library cards issued	2,580	2,421	2,783	2,850	2,620	1,942	2,491	2,086	1,868	2,048
Water and sewer										
Number of water customers	4,152	3,972	4,116	4,994	5,207	5,460	5,525	5,738	5,855	5,945
Average monthly water demand (Gallons)	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	37,395,076
Number of sewer customers	622	682	716	720	625	695	698	703	708	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	19,832,569
Airport										
Operations ** (Take-offs and/or landings)	11,490	11,425	10,605	9,969	10,271	13,200	14,867	16,005	15,500	15,125

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.
** Airport take-off and/or landings, are not complete for 2018 there was a problem with radar during this time period, the problem has been resolved for future years.

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

Table 19

	Fiscal Year									
Function	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**
Public safety										
Detention center	1	1	1	1	1	1	1	1	1	1
Patrol units	52	51	48	48	48	45	46	55	55	57
EMS ambulances	9	9	9	9	9	10	10	10	10	10
Transportation										
Transit vehicles	21	20	20	16	16	19	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	188	194	191	191	206	283	283	283	283	283
Number of wastewater plants	1	1	1	1	1	2	2	2	2	2
Miles of sanitary sewer	15	49	49	49	49	56	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

COMPLIANCE SECTION

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

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CERTIFIED PUBLIC ACCOUNTANTS
CONSULTANTS AND TAX ADVISORS

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, 2018, 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 7, 2018.

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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Stanly County's financial statements are free 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* .

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 7, 2018

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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, 2018. 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, 2018.

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 weknesses 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 7, 2018

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CERTIFIED PUBLIC ACCOUNTANTS
CONSULTANTS AND TAX ADVISORS

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, 2018. 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, 2018.

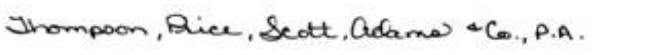
Report on Internal Control Over Compliance

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 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.
Whiteville, NC
November 7, 2018

Stanly County, North Carolina
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2018

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	__yes	_X_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

Dollar threshold used to distinguish between Type A and Type B Programs		$ 750,000
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, 2018

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 Program
Public School Building Capital Fund - Lottery Proceeds
NC Department of Commerce - Industrial Development Fund / Utility Fund
School Nurse Funding Initiative

STANLY COUNTY, NORTH CAROLINA
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2018

Section II. Financial Statement Findings

None Reported.

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, 2018

Section II - Financial Statement Findings

None Reported.

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, 2018

2017-01	Corrected

STANLY COUNTY, NORTH CAROLINA
Schedule of Expenditures of Federal and State Awards
For The Fiscal Year Ended June 30, 2018

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:						
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561		$ 438,526	$ -	$ -	$ 438,526
Passed-through N.C. Dept of Health and Human Services:						
Division of Public Health:						
Administration:						
Special Supplemental Nutrition Program for Women Infant and Children	10.557		285,694	-	-	-
Total U.S. Dept. of Agriculture			724,220	-	-	438,526
U.S. Department of Homeland Security:						
Passed -through N.C. Department of Public Safety						
Division of Emergency Management:						
Emergency Management Performance Grants	97.042		38,642	-	-	-
Homeland Security Grant Progam	97.067		10,413	-	-	-
Total U.S. Department of Homeland Security			49,055	-	-	-
U.S. Department of Health and Human Services:						
Passed-through N.C. Department of Health and Human Services:						
Division of Public Health:						
Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements	93.074		33,520	-	-	-
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116		50	-	-	-
Family Planning Services	93.217		30,120	-	-	-
PPHF Capacity Building Assistance to Strengthen Public Health Immunization Infrastructure and Performance financed in part by Prevention and Public Health Funds	93.539		16,554	-	-	-
Preventive Health and Health Services Block Grant funded solely with Prevention and Public Health Funds (PPHF)	93.758		39,984	-	-	-
Cancer Prevention and Control Programs for State, Territorial and Tribal Organizations	93.898		6,120	-	-	-
Assistance Programs for Chronic Disease Prevention and Control	93.945		19,656	-	-	-
Preventive Health Services_Sexually Transmitted Diseases Control Grants	93.977		643	-	-	-
Maternal and Child Health Services Block Grant	93.994		62,463	46,975	-	-
Passed-through Centralina Council of Governments						
Division of Aging and Adult Services:						
Aging Cluster:						
Title III-D HP/DP (90%)	93.043		1,989	351	-	-
Special Programs for the Aging - Title III B Grants for Supportive Services and Senior Centers	93.044		263,521	46,504	-	0
Special Programs for the Aging - Title III C Nutrition Services	93.045		90,352	15,944	-	-
Title III-E (Caregiver)	93.052		17,386	1,159	-	-
Nutrition Services Incentive Program	93.053		33,168	-	-	-
Total Aging Cluster			406,416	63,958	-	-
Division of Social Services:						
Temporary Assistance for Needy Families Cluster						
TANF - Work First	93.558		421,510	-	-	394,918
Division of Public Health						
TANF - Work First	93.558		5,427	-	-	-
Total TANF Cluster			426,937	-	-	394,918

STANLY COUNTY, NORTH CAROLINA
Schedule of Expenditures of Federal and State Awards
For The Fiscal Year Ended June 30, 2018

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
Foster Care and Adoption Cluster (Note 4)						
Foster Care - Title IV-E	93.658		253,738	54,604	-	155,904
Adoption Assistance	93.659		891	-	-	-
Foster Care	N/A		100,744	-	-	29,451
Total Foster Care and Adoption Cluster			355,373	54,604	-	185,355
Child Support Enforcement	93.563		539,448	(2)	-	277,900
Low Income Energy Assistance						
Administration	93.568		30,682	-	-	-
Energy Assistance Payments -Direct Benefit Payments	93.568		238,000	-	-	-
Crisis Intervention Program	93.568		213,394	-	-	-
Total Low Income Energy Assistance			482,076	-	-	-
Stephanie Tubbs Jones Child Welfare Services Program:						
Permanency Planning - Families for Kids	93.645		16,267	-	-	5,422
Total Stephanie Tubbs Jones Child Welfare Services Program			16,267	-	-	5,422
Chafee Foster Care Independence Program	93.674		9,768	2,098	-	-
SSBG - Other Service and Training	93.667		198,848	-	-	66,282
Division of Aging and Adult Services:						
Division of Social Services:						
SSBG - State In Home Service Fund	93.667		33,571	-	-	4,796
Total Social Service Block Grant			232,419	-	-	71,078
Administration for Children and Families						
Passed-through the N.C. Dept. of Health and Human Services						
Subsidized Child Care (Note 4)						
Child Care Development Fund Cluster						
Division of Social Services:						
Child Care Development Mandatory and Match Fund-Administration	93.596		79,144	-	-	-
Division of Child Development:						
Child Care and Development Fund - Discretionary	93.575		104,719	-	-	-
Child Care and Development Fund - Mandatory	93.596		44,862	-	-	-
Child Care and Development Fund - Match	93.596		233,151	116,326	-	-
Total Child Care Fund Cluster			461,876	116,326	-	-
Temporary Assistance for Needy Families	93.558		24,271	-	-	-
State Appropriations			-	103,236	-	-
TANF - MOE			-	6,749	-	-
Total Subsidized Child Care Cluster			486,147	226,311	-	-
Passed-through the N.C. Dept. of Health and Human Services:						
Division of Medical Assistance:						
Division of Social Services:						
Administration						
Medical Assistance Program	93.778		1,319,042	2,529	-	503,882
Total Medical Assistance Program			1,319,042	2,529	-	503,882
Division of Social Services						
Administration						
State Children's Insurance Program - N.C. Health Choice	93.767		54,674	15	-	-
Total Children's Insurance Program - N.C. Health Choice			54,674	15	-	-
Total U.S. Dept. of Health and Human Services			4,537,677	396,488	-	1,438,555
Environmental Protection Agency						
Passed Through N.C. Department of Environmental Quality						
Division of Water Resources						
Capitalization Grants for Clean Water State Revolving Funds	66.458		224,910	-	-	-
Total Environmental Protection Agency			224,910	-	-	-

STANLY COUNTY, NORTH CAROLINA
Schedule of Expenditures of Federal and State Awards
For The Fiscal Year Ended June 30, 2018

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						
Stanly County Airport (Vision 100 Entitlement)	20.106	36237.50.15.1	82,230	-	-	-
Stanly County Airport (Vision 100 Entitlement)	20.106	36237.50.16.2	64,646	-	-	-
Stanly County Airport (Vision 100 Entitlement)	20.106	36237.50.16.1	64,801	-	-	-
Formula Grants for Rural Areas - Admin	20.509	36233.96.18.1	9,499	-	-	-
Formula Grants for Rural Areas - Admin	20.509	36233.96.19.1	176,807	11,050	-	-
Stanly County SR. SVCS. CAP	20.513	51001.87.2.3	8,656	1,082	-	-
Stanly County SR. SVCS. CAP	20.513	51001.87.3.3	48,000	6,000	-	-
Highway Planning and Construction Cluster						
RPO Grants Rocky River	20.205-8	44844.1.16	20,783	-	-	-
RPO Grants Rocky River	20.205-8	47551.1.16	70,181	-	-	-
Total U.S. Dept of Transportation			545,603	18,132	-	-
Total Federal Awards			$ 6,081,465	$ 414,620	$ -	$ 1,877,081
State Awards:						
N.C. Dept. of Health and Human Services						
Division of Public Health						
Other Reciepts / State Supported Expenditures						
Food & Lodging Fees			$ -	$ 19,994	$ -	$ -
General Aid to Counties			-	87,327	-	-
General Communicable Disease Control			-	2,732	-	-
Child Health			-	12,454	-	-
HIV STD State			-	500	-	-
STD Drugs			-	43	-	-
Breast and Cervical Cancer Program			-	3,570	-	-
School Nurse Funding Initiative			-	50,000	-	-
Family Plannning - State			-	3,790	-	-
Maternal Health (HMHC)			-	8,352	-	-
Women's Health Service Fund			-	7,548	-	-
TB Control			-	3,905	-	-
Total Public Health			-	200,215	-	-
Division of Social Services:						
County Fund Programs			-	-	-	714,283
Non Allocating County Cost			-	-	-	177,231
St Child Welfare/CPS/CS			-	130,307	-	-
DCD Smart Start			-	18,273	-	-
Work First Non Reimbursable			-	-	-	51,389
State Foster Care			-	62,300	-	56,383
Total Division of Social Services			-	210,880	-	999,286
Division of Aging and Adult Services						
SR CTR General Purpose			-	10,938	-	-
Fan/Heat Program			-	503	-	-
Total Division of Aging and Adult Services			-	11,441	-	-
Total N.C. Dept. of Health and Human Services			-	422,536	-	999,286
N.C. Dept. of Transportation						
Rural Operating Assistance Program (ROAP) Cluster						
- ROAP Elderly and Disabled Transportation Assistance Program		36220.10.7.1	-	71,220	-	-
- ROAP Rural General Public Program		36228.22.7.1	-	91,491	-	-
- ROAP Work First Transitional - Employment		36236.11.6.1	-	15,269	-	-
Total ROAP Cluster			-	177,980	-	-
N.C. Dept of Administration						
Veterans Services			-	2,175	-	-
Total of N.C. Dept of Administration			-	2,175	-	-
N. C. Department of Environmental Quality						
Division of Waste Management						
Soil and Water Conservation			-	23,909	-	-
White Goods Program			-	39,532	-	-
Scrap Tire Program			-	82,478	-	-
Total of N.C. Dept. of Environmental Quality			-	145,919	-	-
N.C. Dept. of Cultural and Natural Resources						
Division of State Library						
State Aid to Public Libraries			-	118,716	-	-
Total of N.C. Dept. of Cultural Resources			-	118,716	-	-

STANLY COUNTY, NORTH CAROLINA
Schedule of Expenditures of Federal and State Awards
For The Fiscal Year Ended June 30, 2018

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 Public Safety						
DWI Safe Roads Act			-	4,001	-	-
Drug Seizures			-	23,154	-	-
Juvenile Crime Prevention Counseling Refunds			-	1,972	-	-
Juvenile Crime Prevention Counseling Schools			-	20,570	-	-
Juvenile Crime Prevention Counseling Restitution			-	72,500	-	-
Juvenile Crime Prevention Counseling Tribe			-	27,500	-	-
Stanly County Lift Academy			-	27,500	-	-
DASH Youth Connections Mentoring			-	25,000	-	-
Tier II Universal Grant			-	865	-	-
Office of Juvenile Justice Administration			-	1,000	-	-
Pass-through Governor's Crime Commission						
2018 SCSO Camera Project			-	73,865	-	-
Total of N.C. Dept. of Public Safety			-	277,927	-	-
N.C. Office of Management and Budget						
Tarheel Challenge Academy - Stanly County Campus			-	18,648	-	-
Total N.C. Office of Management and Budget			-	18,648	-	-
N. C. Department of Commerce						
Livestock Arena Construction Program			-	30,340	-	-
Industrial Development Fund / Utility Fund			-	483,241	-	-
Total N.C. Department of Commerce			-	513,581	-	-
N.C. Dept. of Insurance						
SHIIP Grant			-	3,564	-	-
Total N.C. Dept. of Insurance			-	3,564	-	-
N.C. Department of Public Instruction						
Public School Building Capital Fund-Lottery Proceeds			-	574,000	-	-
Total N.C. Department of Public Instruction			-	574,000	-	-
Total State Awards			-	2,255,046	-	999,286
Total Federal and State Awards			$ 6,081,465	$ 2,669,666	$ -	$ 2,876,367

Notes to the Schedule of Expenditures of Federal and State Financial Awards

Note 1: Basis of Presentation

The accompanying schedule of expenditures of federal and State awards (SEFSA) includes the federal and State grant activity of the Stanly County under the programs of the federal government and the State of North Carolina for the year ended June 30, 2018. The information in this SEFSA is presented in accordance with the requirements of Title 2 US Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and the State Single Audit Implementation Act. Because the Schedule presents only a selected portion of the operations of Stanly County, it is not intended to and does not present the financial position, changes in net position or cash flows of Stanly County.

Note 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.

Note 3: Indirect Cost Rate

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

Note 4: 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 and Foster Care and Adoption