# Comprehensive Annual Financial Report

## Fiscal Year Ending June 30, 2019

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

**STANLY COUNTY, NORTH CAROLINA**
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**
**For the Fiscal Year Ended June 30, 2019**
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# INTRODUCTORY SECTION

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October 21, 2019

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, 2019 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 60,875 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 4,545 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

Steady economic growth has continued in Stanly County during the past twelve months. Data reveals a consistent improvement in the County's economy over the past four years. There are multiple indicators trending in a positive direction. These include continued growth in sales tax revenue, increased new residential construction permits, increased home purchase prices and continued low unemployment. Sales tax is a key indicator given it is tied directly to consumer spending. Sales tax revenue increased to $11.2 million compared to $9.9 million in FY 17-18.

The County continues to maintain a low inventory of available commercial and industrial buildings. As such, the County purchased 76 acres in western Stanly County for the development of Riverstone Industrial Park. Construction of this park is underway. This park is located less than twelve miles from I-485. The County has also made multiple investments in water and sewer projects to ensure sufficient infrastructure assets are in place to foster commercial development and increased tax base.

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, 2019 is 4.1%, which is a slight increase from this same time last year.

Stanly County's assessed valuation (tax base) is projected to increase by $133 million (2.8%) in FY 2019-2020, and the real and business personal property ad valorem tax revenue is based on a collection rate of 97.28%. The motor vehicle property tax revenue is based on a collection rate of 99.5%. One penny on the tax rate will generate approximately $484,158 in FY 2019-2020.

## 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 $5,497,895 for FY 19 while total fund balance increased by $5,651,227. This is primarily due to an increase in ad valorem tax of just over $784,000 or 2.4% and a large increase of nearly $1.37 million or 14% in sales tax revenues while experiencing only a 3.5% 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 18-19, the County financed the purchase of seven new Sheriff's vehicles.

## MAJOR INITIATIVES

During Fiscal Year 2019, the Tarheel Challenge Academy project was closed out with final construction being completed and the last furniture items purchased. Construction on the Riverstone Industrial Park Project began in the spring of 2019. The County secured a grant of $950,000 from the Department of Commerce with $200,000 being contributed from the General Fund. SCUSA Transportation purchased three light transit vehicles and one mini-van with 90% of the cost being covered by grant funds from the Department of Transportation. There were various improvements and repairs made at different County facilities including replacing the HVAC control system at the Courthouse, replaced south section of the roof at the Commons, and started the design phase for the new Eastside EMS Base.

## 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 B was completed in the spring of 2019. The new Utilities Communication System was completed in FY 18-19 and the Airport Road Corridor Wastewater Project is nearing completion. 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 145$^{th}$ 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 there is 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 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.

The Airport Pipe Rehabilitation Project was completed in the spring of 2019. Work on the runway and taxiway lighting has just begun and should continue well in to Fiscal Year 19-20. Also, work on the Airport Area Broadband Connection Project is underway with funding being provided by North Carolina Emergency Management.

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 18 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 18-19, SCUSA Transportation provided 18,168 service hours, traveled 312,613 miles, while providing 49,644 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, 2018. 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-eight (28) 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, 2019**

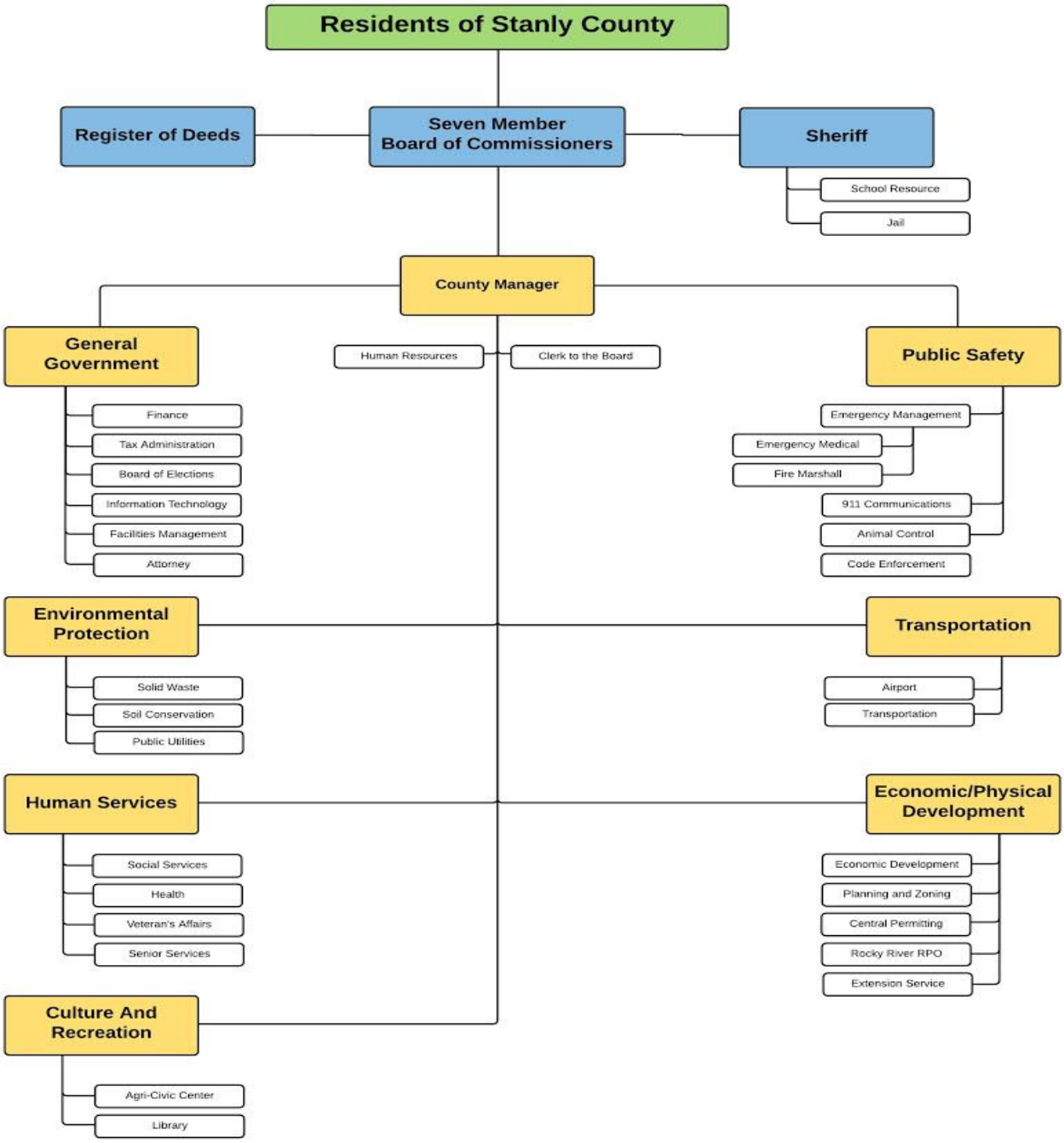
Elected Officials

| | |
|---|---|
| Board of Commissioners – Chairman | Matthew Swain |
| Board of Commissioners – Vice-Chairman | Ashely Morgan |
| Board of Commissioners | Zach Almond |
| Board of Commissioners | Mike Barbee |
| Board of Commissioners | Lane Furr |
| Board of Commissioners | Tommy Jordan |
| Board of Commissioners | Bill Lawhon |
| Sheriff | Jeffrey A. Crisco |
| 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 | Curtis C. Melton |
| County Attorney | Jennifer R. Furr |
| County Extension Service | Lori S. Ivey |
| Economic Development Director | Candice B. Moffitt |
| Election Supervisor | Kimberly R. Blackwelder |
| Emergency Management Director | Brian T. Simpson |
| Facility Management and Solid Waste Director | Todd R. Lowder |
| Finance Director | Toby R. Hinson |
| Health Director | G. David Jenkins |
| Human Resources Director | Emily J. Frye |
| Information Technology Director | Chad A. Coble |
| Library Director | Melanie J. Holles |
| Planning Director | Robert L. Remsburg III |
| Public Utilities Director | Duane S. Wingo |
| 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 | Randy H. Shank |
| 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, 2018**

Christopher P. Morrill

Executive Director/CEO

# FINANCIAL SECTION

STANLY COUNTY
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CERTIFIED PUBLIC ACCOUNTANTS
CONSULTANTS AND TAX ADVISORS

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Alan W. Thompson, CPA
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Gregory S. Adams, CPA

**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, 2019, 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 based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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, 2019, 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 69 and 70, 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 71 and 72, 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 73 and 74, the Other Postemployment Benefits schedules of Changes in Net OPEB Liability and Related Ratios, page 75, 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 1, 2019 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 1, 2019

STANLY COUNTY
NORTH CAROLINA
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# STANLY COUNTY, NORTH CAROLINA
# MANAGEMENT'S DISCUSSION AND ANALYSIS
# JUNE 30, 2019

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, 2019. 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 $68,878,534 (net position).

- The government's total net position increased by 8,824,727, primarily due to an increase in government-wide activities' net position.

- As of the close of the current fiscal year, Stanly County's governmental funds reported combined ending fund balances of $31,785,277, after a net increase in fund balance of $6,042,909. Approximately 25.85% of this total amount or, $8,216,481, is restricted or non-spendable.

- At the end of the current fiscal year, unassigned fund balance for the General Fund was $15,792,326 or 24.75% of total general fund expenditures and transfers to other funds for the fiscal year.

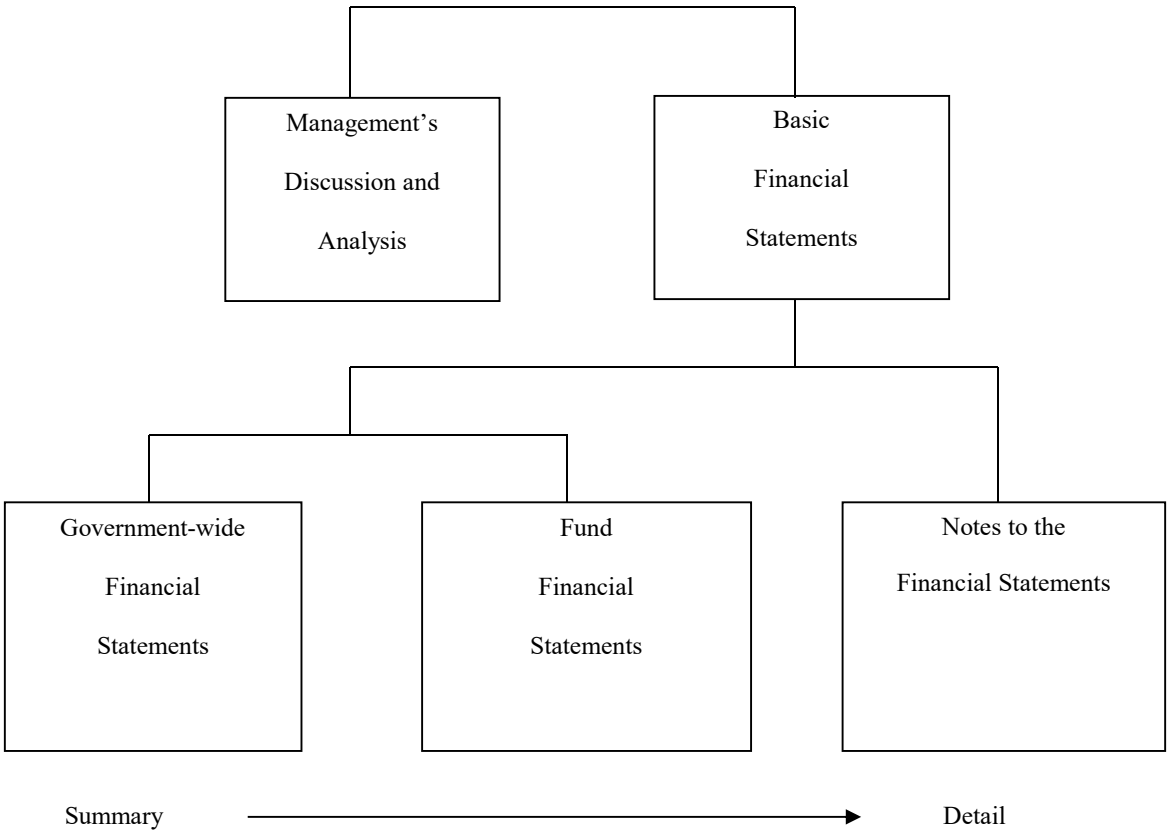
- Stanly County's total debt decreased by $3,468,192 (11.65%) during the current fiscal year. The County financed the purchase of seven new patrol vehicles for the Sheriff's Office, and received additional loan proceeds associated with a Utility Project. Regular and scheduled debt payments account for the majority of the decrease in debt.

- Stanly County maintained its Standard & Poor's AA- rating for the sixth consecutive year and maintained its Moody's Aa3 rating for the tenth 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 69 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 $68,878,534 as of June 30, 2019. The County's net position increased by $8,824,727 for the fiscal year ended June 30, 2019. The largest portions, $53,610,918 (77.83%) 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 $8,202,968 (11.91%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of $7,064,648 (10.26%) is unrestricted.

**Stanly County's Net Position**
**Figure 2**

| | Governmental Activities | | Business-type Activities | | Total | |
|---|---|---|---|---|---|---|
| | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 |
| **Assets** | | | | | | |
| Current and other assets | $ 38,585,259 | $ 33,487,076 | $ 2,114,120 | $ 1,848,812 | $ 40,699,379 | $ 35,335,888 |
| Capital assets | 28,320,678 | 28,693,057 | 41,078,863 | 40,352,222 | 69,399,541 | 69,045,279 |
| Total assets | 66,905,937 | 62,180,133 | 43,192,983 | 42,201,034 | 110,098,920 | 104,381,167 |
| **Deferred outflows of resources** | 5,681,122 | 3,767,576 | 259,884 | 170,017 | 5,941,006 | 3,937,593 |
| **Liabilities** | | | | | | |
| Long-term liabilities outstanding | 32,344,937 | 33,641,498 | 5,037,856 | 4,881,242 | 37,382,793 | 38,522,740 |
| Other liabilities | 8,086,267 | 7,954,614 | 735,314 | 923,415 | 8,821,581 | 8,878,029 |
| Total liabilities | 40,431,204 | 41,596,112 | 5,773,170 | 5,804,657 | 46,204,374 | 47,400,769 |
| **Deferred Inflows of Resources** | 934,059 | 843,632 | 22,959 | 20,552 | 957,018 | 864,184 |
| **Net Position** | | | | | | |
| Net investment in capital assets | 17,289,940 | 16,326,573 | 36,320,978 | 35,715,242 | 53,610,918 | 52,041,815 |
| Restricted | 8,149,718 | 6,971,463 | 53,250 | 40,525 | 8,202,968 | 7,011,988 |
| Unrestricted | 5,782,138 | 209,929 | 1,282,510 | 790,075 | 7,064,648 | 1,000,004 |
| Total net position | $ 31,221,796 | $ 23,507,965 | $ 37,656,738 | $ 36,545,842 | $ 68,878,534 | $ 60,053,807 |

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 $10,628,655.

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

**Figure 3**

| | Governmental Activities | | Business-type Activities | | Total | |
|---|---|---|---|---|---|---|
| | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 |
| Revenues: | | | | | | |
| Program revenues: | | | | | | |
| Charges for services | $ 9,317,966 | $ 9,780,947 | $ 5,211,547 | $ 5,069,346 | $ 14,529,513 | $ 14,850,293 |
| Operating grants and contributions | 10,698,203 | 8,842,208 | - | - | 10,698,203 | 8,842,208 |
| Capital grants and contributions | 595,000 | 749,000 | 2,209,149 | 617,125 | 2,804,149 | 1,366,125 |
| General revenues: | | | | | | |
| Property taxes | 36,111,659 | 35,469,139 | - | - | 36,111,659 | 35,469,139 |
| Other taxes | 12,262,878 | 10,766,690 | - | - | 12,262,878 | 10,766,690 |
| Interest earned | 639,706 | 347,934 | 47,537 | 24,703 | 687,243 | 372,637 |
| Miscellaneous income | 427,731 | 272,262 | 179,881 | 135,497 | 607,612 | 407,759 |
| Total revenues | 70,053,143 | 66,228,180 | 7,648,114 | 5,846,671 | 77,701,257 | 72,074,851 |
| Expenses: | | | | | | |
| General government | 7,074,055 | 6,356,160 | - | - | 7,074,055 | 6,356,160 |
| Public safety | 20,492,863 | 19,109,285 | - | - | 20,492,863 | 19,109,285 |
| Transportation | 1,048,422 | 1,031,868 | - | - | 1,048,422 | 1,031,868 |
| Environmental protection | 1,306,446 | 1,275,593 | - | - | 1,306,446 | 1,275,593 |
| Economic and physical development | 2,101,397 | 1,861,880 | - | - | 2,101,397 | 1,861,880 |
| Human services | 15,426,679 | 15,375,617 | - | - | 15,426,679 | 15,375,617 |
| Cultural and recreation | 1,797,902 | 1,686,781 | - | - | 1,797,902 | 1,686,781 |
| Education | 15,207,360 | 14,931,227 | - | - | 15,207,360 | 14,931,227 |
| Interest on long-term debt | 738,269 | 781,389 | - | - | 738,269 | 781,389 |
| Water and sewer | - | - | 5,425,789 | 5,092,068 | 5,425,789 | 5,092,068 |
| Airport | - | - | 1,858,033 | 1,955,611 | 1,858,033 | 1,955,611 |
| Total expenses | 65,193,393 | 62,409,800 | 7,283,822 | 7,047,679 | 72,477,215 | 69,457,479 |
| Increase in net position before transfers and special items | 4,859,750 | 3,818,380 | 364,292 | (1,201,008) | 5,224,042 | 2,617,372 |
| Transfers and special items | 2,854,081 | (410,502) | 746,604 | 410,502 | 3,600,685 | - |
| Increase in net position after transfers and special items | 7,713,831 | 3,407,878 | 1,110,896 | (790,506) | 8,824,727 | 2,617,372 |
| Net position, beginning | 23,507,965 | 24,036,447 | 36,545,842 | 37,476,293 | 60,053,807 | 61,512,740 |
| Net position, beginning, restated | 23,507,965 | 20,100,087 | 36,545,842 | 37,336,348 | 60,053,807 | 57,436,435 |
| Net position, ending | $ 31,221,796 | $ 23,507,965 | $ 37,656,738 | $ 36,545,842 | $ 68,878,534 | $ 60,053,807 |

**Governmental activities.** Governmental activities increased the County's net position by $7,713,831, thereby accounting for 87.41% of the total increase in the net position of Stanly County. Key elements of this increase are as follows:

- Special Items - Proceeds from settelements totaling $3,600,685 (See Note VII)
- Increase in property tax revenue by 1.81%.
- Increase in other taxes by 13.90%, mainly as a result of increases in local option sales tax.

**Business-type activities.** Business-type activities increased Stanly County's net position by $1,110,896, accounting for 12.59% of the total increase in the government's net position. Key elements of this increase are as follows:

- Slight decrease of $97,578 or 4.99% in expenses for the Airport.
- Large increase in capital grants and contributions of 257.97% due to utility projects receiving reimbursements and donations.
- Charges for services were up slightly due to an increase in sewer 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 $24,220,876, while total fund balance reached $31,145,359. 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 37.86% (an increase of 7.12% over the prior year) of General Fund expenditures, while total fund balance represents 48.68% of that same amount.

At June 30, 2019, the governmental funds of Stanly County reported a combined fund balance of $31,785,277, a 23.47% 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 $2,754,939 and revenues by $1,741,736 with the remaining $1,013,203 funded by other financing sources and uses.

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

**Proprietary Funds.** Stanly County's proprietary funds provide the same type of information found in the government-wide statements, but in more detail. Unrestricted net position of the utility funds at the end of the fiscal year amounted to $1,195,161 and that for the Airport equaled $87,349. The total increase in net position for all enterprise funds was $1,110,896. 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, 2019, totals $69,296,011 (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:

- Construction in progress for various Utility and Airport Projects
- Installation of equipment at E911
- Purchased new vehicles for the Sheriff's Office and Transportation

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

| | Governmental Activities | | Business-type Activities | | Total | |
|---|---|---|---|---|---|---|
| | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 |
| Land | $ 1,950,967 | $ 1,935,246 | $ 5,147,879 | $ 5,147,879 | $ 7,098,846 | $ 7,083,125 |
| Plant in service | - | - | 16,793,732 | 17,276,032 | 16,793,732 | 17,276,032 |
| Buildings and improvements | 13,566,649 | 14,162,964 | 13,166,999 | 12,170,950 | 26,733,648 | 26,333,914 |
| Equipment and vehicles | 11,780,300 | 12,225,208 | 205,559 | 211,565 | 11,985,859 | 12,436,773 |
| Construction in progress | 919,232 | 261,249 | 5,764,694 | 5,545,796 | 6,683,926 | 5,807,045 |
| Total | $ 28,217,148 | $ 28,584,667 | $41,078,863 | $ 40,352,222 | $ 69,296,011 | $ 68,936,889 |

Additional information on the County's capital assets can be found in notes to the Financial Statements, beginning on page 40.

**Long-term Debt.** As of June 30, 2019, Stanly County had total bonded debt outstanding of $4,205,000, 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 | |
|---|---|---|---|---|---|---|
| | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 |
| General obligation bonds | $ 4,205,000 | $ 5,690,000 | $ - | $ - | $ 4,205,000 | $ 5,690,000 |
| Unamortized premium on bonds | 265,760 | 354,760 | - | - | 265,760 | 354,760 |
| Capital leases | 6,516,213 | 7,503,088 | - | - | 6,516,213 | 7,503,088 |
| Installment Purchases | - | - | 93,363 | 137,212 | 93,363 | 137,212 |
| Revolving Loan Funds | - | - | 940,272 | 566,268 | 940,272 | 566,268 |
| Revenue bonds | - | - | 2,943,000 | 2,996,000 | 2,943,000 | 2,996,000 |
| Notes payable | 10,568,890 | 11,597,112 | 781,250 | 937,500 | 11,350,140 | 12,534,612 |
| Total | $ 21,555,863 | $ 25,144,960 | $ 4,757,885 | $ 4,636,980 | $ 26,313,748 | $ 29,781,940 |

Stanly County's total debt decreased by $3,468,192 (11.65%) 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 sixth consecutive year and maintained its Moody's Aa3 bond rating for the tenth 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 $372,936,699. The County has no bonds authorized, but unissued at June 30, 2019.

Additional information regarding Stanly County's long-term debt can be found in the notes to the financial statements, beginning on page 59.

**Economic Factors and Next Year's Budgets and Rates**

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

- The County continues to enjoy a low unemployment rate of 4.1%.
- Sales tax revenue increased by nearly $1,300,000 (13.3%) 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, 2020

**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 6.6% to $68,679,578. The primary factors for this are an increase for Stanly County Schools capital outlay, increase for 2.5% employee cost of living allowance, increase for Stanly Community College current expense, and an increase for employee health insurance premiums of 9%.

**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 5% 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 $977,829 in FY 2019-2020. This represents a $69,891 decrease (6.7%) over the FY 2018-2019 adopted budget appropriation. The budget includes a $357,335 appropriation from the General Fund. This is an increase of $68,035 (16%) from the FY 2018-2019 Adopted Budget. The $357,335 County appropriation includes the required match for the annual Vision 100 grant funding. The appropriation also includes funding ($7,000) for the purchase of a new airfield data collection system to assist the airport with better capturing utilization data for the airfield. This data can also be used to market and attract additional investments at the facility.

### Requests for Information

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

# BASIC FINANCIAL STATEMENTS

STANLY COUNTY
NORTH CAROLINA
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**STANLY COUNTY, NORTH CAROLINA**
**STATEMENT OF NET POSITION**
**JUNE 30, 2019**

| | Primary Government | | | Component Unit |
|---|---|---|---|---|
| | Governmental Activities | Business-type Activities | Total | Stanly Water & Sewer Authority |
| **Assets** | | | | |
| Current assets | | | | |
| Cash and cash investments | $ 29,135,397 | $ 1,231,182 | $ 30,366,579 | $ - |
| Receivables (net) | 8,284,814 | 1,096,382 | 9,381,196 | 101,700 |
| Internal Balances | 459,394 | (459,394) | - | - |
| Due from component unit | 638,891 | - | 638,891 | - |
| Prepaid items | 66,763 | - | 66,763 | - |
| Inventories | - | 96,262 | 96,262 | - |
| Restricted cash and cash equivalents | - | 149,688 | 149,688 | 331,892 |
| Total current assets | 38,585,259 | 2,114,120 | 40,699,379 | 433,592 |
| Non-current assets: | | | | |
| Net Pension Asset | 103,530 | - | 103,530 | - |
| Capital assets: | | | | |
| Land, improvements, and construction in progress | 2,870,199 | 10,912,573 | 13,782,772 | - |
| Other capital assets, net of depreciation | 25,346,949 | 30,166,290 | 55,513,239 | 10,749,162 |
| Total non-current assets | 28,320,678 | 41,078,863 | 69,399,541 | 10,749,162 |
| Total assets | 66,905,937 | 43,192,983 | 110,098,920 | 11,182,754 |
| **Deferred Outflows of Resources** | 5,681,122 | 259,884 | 5,941,006 | - |
| **Liabilities** | | | | |
| Current Liabilities | | | | |
| Accounts payable | 2,080,992 | 165,508 | 2,246,500 | 1,806 |
| Interest payable | 368,484 | 10,821 | 379,305 | 28,352 |
| Payroll payable | 918,762 | 44,313 | 963,075 | - |
| Due to primary government | - | - | - | 638,891 |
| Due to other governments | 13,433 | - | 13,433 | - |
| Due within a year | 4,704,596 | 364,984 | 5,069,580 | 121,000 |
| Payable from restricted assets | - | 149,688 | 149,688 | 45,650 |
| Total current liabilities | 8,086,267 | 735,314 | 8,821,581 | 835,699 |
| Non-current liabilities: | | | | |
| Net pension liability - LGERS | 6,198,650 | 291,602 | 6,490,252 | - |
| Total pension liability - LEOSSA | 980,566 | - | 980,566 | - |
| Due in more than a year | 25,165,721 | 4,746,254 | 29,911,975 | 6,924,000 |
| Total long-term liabilities | 32,344,937 | 5,037,856 | 37,382,793 | 6,924,000 |
| Total liabilities | 40,431,204 | 5,773,170 | 46,204,374 | 7,759,699 |
| **Deferred Inflows of Resources** | 934,059 | 22,959 | 957,018 | - |
| **Net Position** | | | | |
| Net Investment in Capital Assets | 17,289,940 | 36,320,978 | 53,610,918 | 3,704,162 |
| Restricted for: | | | | |
| Stabilization by state statute | 7,373,740 | - | 7,373,740 | - |
| Public Safety | 120,245 | - | 120,245 | - |
| General Government | 80,411 | - | 80,411 | - |
| Debt Service | 68,216 | 53,250 | 121,466 | 286,242 |
| Cultural and Recreational | 507,106 | - | 507,106 | - |
| Unrestricted (deficit) | 5,782,138 | 1,282,510 | 7,064,648 | (567,349) |
| Total net position | $ 31,221,796 | $ 37,656,738 | $ 68,878,534 | $ 3,423,055 |

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, 2019**

| | | Program Revenues | | | Net (Expense) Revenue and Changes in Net Position | | | |
|---|---|---|---|---|---|---|---|---|
| | | | | | Primary Government | | | Component Unit |
| **Functions/Programs** | **Expenses** | **Charges for Services** | **Operating Grants and Contributions** | **Capital Grants and Contributions** | **Governmental Activities** | **Business-type Activities** | **Total** | **Sewer Authority** |
| **Primary government:** | | | | | | | | |
| Governmental Activities: | | | | | | | | |
| General government | $ 7,074,055 | $ 713,025 | $ - | $ - | $ (6,361,030) | $ - | $ (6,361,030) | $ - |
| Public safety | 20,492,863 | 5,135,319 | 925,271 | - | (14,432,273) | - | (14,432,273) | - |
| Transportation | 1,048,422 | 437,488 | 552,647 | - | (58,287) | - | (58,287) | - |
| Environmental protection | 1,306,446 | 1,041,001 | - | - | (265,445) | - | (265,445) | - |
| Economic and physical development | 2,101,397 | 60,383 | 851,320 | - | (1,189,694) | - | (1,189,694) | - |
| Human services | 15,426,679 | 1,822,941 | 7,885,245 | - | (5,718,493) | - | (5,718,493) | - |
| Cultural and recreation | 1,797,902 | 107,809 | 483,720 | - | (1,206,373) | - | (1,206,373) | - |
| Education | 15,207,360 | - | - | 595,000 | (14,612,360) | - | (14,612,360) | - |
| Interest on long-term debt | 738,269 | - | - | - | (738,269) | - | (738,269) | - |
| Total governmental activities | 65,193,393 | 9,317,966 | 10,698,203 | 595,000 | (44,582,224) | - | (44,582,224) | - |
| Business-type activities: | | | | | | | | |
| Greater Badin Water and Sewer | 466,731 | 487,241 | - | - | - | 20,510 | 20,510 | - |
| Piney Point Water District | 176,870 | 173,264 | - | - | - | (3,606) | (3,606) | - |
| West Stanly Waste Water Treatment | 618,652 | 645,989 | - | - | - | 27,337 | 27,337 | - |
| Stanly County Utility Fund | 4,163,536 | 3,422,027 | - | 335,988 | - | (405,521) | (405,521) | - |
| Airport Fund | 1,858,033 | 483,026 | - | 1,873,161 | - | 498,154 | 498,154 | - |
| Total business-type activities | 7,283,822 | 5,211,547 | - | 2,209,149 | - | 136,874 | 136,874 | - |
| Total primary government | $ 72,477,215 | $ 14,529,513 | $ 10,698,203 | $ 2,804,149 | (44,582,224) | 136,874 | (44,445,350) | - |
| **Component Unit:** | | | | | | | | |
| Water & Sewer Authority | $ 629,649 | $ 546,045 | $ - | $ - | | | | $ (83,604) |
| Total component units | $ 629,649 | $ 546,045 | $ - | $ - | | | | $ (83,604) |
| General revenues: | | | | | | | | |
| Taxes: | | | | | | | | |
| Property taxes, levied for general purpose | | | | | 36,111,659 | - | 36,111,659 | - |
| Local option sales tax | | | | | 11,290,942 | - | 11,290,942 | - |
| Other taxes and licenses | | | | | 971,936 | - | 971,936 | - |
| Investment earnings, unrestricted | | | | | 639,706 | 47,537 | 687,243 | 5,872 |
| Miscellaneous, unrestricted | | | | | 427,731 | 179,881 | 607,612 | 1,519 |
| Special Item - see Note VII | | | | | 3,600,685 | - | 3,600,685 | - |
| Transfers | | | | | (746,604) | 746,604 | - | - |
| Total general revenues, special items, and transfers | | | | | 52,296,055 | 974,022 | 53,270,077 | 7,391 |
| Change in net position | | | | | 7,713,831 | 1,110,896 | 8,824,727 | (76,213) |
| Net position-beginning | | | | | 23,507,965 | 36,545,842 | 60,053,807 | 3,499,268 |
| Net position-ending | | | | | $ 31,221,796 | $ 37,656,738 | $ 68,878,534 | $ 3,423,055 |

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

**STANLY COUNTY, NORTH CAROLINA**
**BALANCE SHEET**
**GOVERNMENTAL FUNDS**
**JUNE 30, 2019**

| | Major General Fund | Nonmajor Governmental Funds | Total Governmental Funds |
|---|---|---|---|
| **Assets:** | | | |
| Cash and cash equivalents | $ 26,592,521 | $ 649,136 | $ 27,241,657 |
| Receivables, net | 7,139,261 | 592,792 | 7,732,053 |
| Due from other funds | 928,616 | - | 928,616 |
| Due from component unit | 638,891 | - | 638,891 |
| Prepaid items | 66,763 | - | 66,763 |
| Restricted cash and cash equivalent | - | - | - |
| Total assets | $ 35,366,052 | $ 1,241,928 | $ 36,607,980 |
| **Liabilities, Deferred Inflows of Resources, and Fund Balances:** | | | |
| **Liabilities:** | | | |
| Accounts payable and accrued liabilities | $ 2,163,996 | $ 56,016 | $ 2,220,012 |
| Due to other governments | 13,433 | - | 13,433 |
| Due to other funds | - | 469,222 | 469,222 |
| Liabilities to be paid from restricted assets: | | | |
| Accounts payable and accrued liabilities | - | - | - |
| Deposits | - | - | - |
| Total liabilities | 2,177,429 | 525,238 | 2,702,667 |
| **Deferred inflows of resources:** | | | |
| Prepaid taxes | 194,216 | - | 194,216 |
| Reserve for taxes receivable | 1,849,048 | 76,772 | 1,925,820 |
| Total deferred inflows of resources | 2,043,264 | 76,772 | 2,120,036 |
| **Fund balances:** | | | |
| Non-spendable, not in spendable form | | | |
| Prepaid items | 66,763 | - | 66,763 |
| Restricted: | | | |
| Stabilization by State statue | 6,857,720 | 516,020 | 7,373,740 |
| Register of Deeds | 80,411 | - | 80,411 |
| Public Safety | 89,710 | 98,751 | 188,461 |
| Cultural and Recreational | - | 507,106 | 507,106 |
| Committed: | | | |
| Cultural and recreation | 250,000 | - | 250,000 |
| Project Funds | 2,324,055 | - | 2,324,055 |
| Assigned: | 5,684,374 | - | 5,684,374 |
| Unassigned: | 15,792,326 | (481,959) | 15,377,130 |
| Total fund balances | 31,145,359 | 639,918 | 31,785,277 |
| Total liabilities, deferred inflows of resources, and fund balances | $ 35,366,052 | $ 1,241,928 | $ 36,607,980 |

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, 2019**

| | |
|---|---|
| Amounts reported for governmental activities in the statement of net position (Exhibit 1) are different because: | |
| Total Fund Balance - Governmental Funds | $ 31,785,277 |
| 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 | 53,856,636 |
| Less accumulated depreciation | (25,639,488) |
| Net capital assets | 28,217,148 |
| Net Pension Asset (Register of Deeds) | 103,530 |
| Deferred outflows of resources: | |
| Contributions to the pension plan in the current fiscal year | |
| LGERS | 1,555,480 |
| Register of Deeds | 5,264 |
| LEOSSA | 23,405 |
| OPEB | 201,655 |
| Pension related deferrals | |
| LGERS | 3,641,581 |
| Register of Deeds | 23,719 |
| LEOSSA | 52,585 |
| OPEB related deferrals | 177,433 |
| Accrued interest receivable less the amount claimed as unearned revenue in the government-wide statements as these funds are unavailable in the fund statements | 552,761 |
| Deferred inflows of resources reported in the government-wide statements but not the fund statements | |
| Deferred inflows of resources for taxes receivable | 1,925,820 |
| Pension related deferrals | |
| LGERS | (35,998) |
| Register of Deeds | (6,714) |
| LEOSSA | (173,617) |
| OPEB related deferrals | (523,514) |
| 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 | (21,555,863) |
| Compensated absences | (1,357,936) |
| Total pension liability (LEOSSA) | (980,566) |
| Net OPEB liability | (6,956,518) |
| Net pension liability | (6,198,650) |
| Accrued interest payable | (368,484) |
| 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. | 1,113,998 |
| Total adjustment | (563,481) |
| Net position of governmental activities | $ 31,221,796 |

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

**STANLY COUNTY, NORTH CAROLINA**
**STATEMENT OF REVENUES , EXPENDITURES, AND CHANGES IN FUND BALANCE**
**GOVERNMENTAL FUNDS**
**FOR THE YEAR ENDED JUNE 30, 2019**

| | Major General Fund | Nonmajor Governmental Funds | Total Governmental Funds |
|---|---|---|---|
| **Revenues:** | | | |
| Ad valorem taxes | $ 33,411,444 | $ 3,003,977 | $ 36,415,421 |
| Local option sales taxes | 11,290,941 | - | 11,290,941 |
| Other taxes and licenses | 805,424 | - | 805,424 |
| Unrestricted intergovernmental | 140,755 | - | 140,755 |
| Restricted intergovernmental | 8,359,293 | 717,968 | 9,077,261 |
| Permits and fees | 1,278,115 | - | 1,278,115 |
| Sales and services | 8,894,058 | 408,729 | 9,302,787 |
| Investment earnings | 638,567 | 1,140 | 639,707 |
| Miscellaneous | 4,643,026 | 364,152 | 5,007,178 |
| Total revenues | 69,461,623 | 4,495,966 | 73,957,589 |
| **Expenditures:** | | | |
| Current: | | | |
| General government | 5,797,199 | 60,497 | 5,857,696 |
| Public safety | 16,325,792 | 3,262,884 | 19,588,676 |
| Transportation | 1,182,106 | - | 1,182,106 |
| Enviromental protection | 1,329,000 | - | 1,329,000 |
| Economic and physical development | 2,009,982 | 762,339 | 2,772,321 |
| Human Services | 15,190,413 | - | 15,190,413 |
| Education | 15,277,712 | 18,648 | 15,296,360 |
| Cultural and recreational | 1,656,973 | 1,706 | 1,658,679 |
| Debt service: | | | |
| Principal | 3,620,990 | 42,709 | 3,663,699 |
| Interest and other charges | 741,029 | - | 741,029 |
| Contingency | 51,698 | - | 51,698 |
| Total expenditures | 63,182,894 | 4,148,783 | 67,331,677 |
| Revenues over expenditures | 6,278,729 | 347,183 | 6,625,912 |
| **Other Financing Sources (Uses):** | | | |
| Transfers in | - | 44,499 | 44,499 |
| Transfers (out) | (791,103) | - | (791,103) |
| Installment purchase obligations issued | 163,601 | - | 163,601 |
| Total other financing sources and uses | (627,502) | 44,499 | (583,003) |
| Net change in fund balance | 5,651,227 | 391,682 | 6,042,909 |
| **Fund Balances:** | | | |
| Beginning of year - July 1 | 25,494,132 | 248,236 | 25,742,368 |
| End of year - June 30 | $ 31,145,359 | $ 639,918 | $ 31,785,277 |

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, 2019**

| | | |
|---|---|---|
| Amounts reported for governmental activities in the statement of activities are different because: | | |
| Net changes in fund balances - total governmental funds | $ | 6,042,909 |
| Capital outlay expenditures recorded in the fund statements but capitalized as assets in the statement of activities | | 1,465,283 |
| Donated assets | | - |
| Cost of disposed capital asset not recorded in fund statements | | (31,134) |
| 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 | | (1,801,668) |
| 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 | | (163,601) |
| 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 | | 3,663,699 |
| 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 | | 1,560,744 |
| Benefit payments and administration costs for LEOSSA are deferred outflows of resources on the Statement of Net Position | | 23,405 |
| Contributions and pension administration costs for OPEB are deferred outflows of resources on the Statement of Net Position | | 201,655 |
| 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) | | 54,458 |
| Compensated absences | | (67,824) |
| OPEB expense | | (408,795) |
| Pension expense | | (1,888,778) |
| 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 | | (246,310) |
| Increase in accrued interest receivable at end of year | | (57,452) |
| 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. | | (721,760) |
| Total changes in net position of governmental activities | $ | 7,713,831 |

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, 2019**

| | General Fund | | | |
|---|---|---|---|---|
| | Original Budget | Final Budget | Actual | Variance With Final Positive (Negative) |
| **Revenues:** | | | | |
| Ad valorem taxes | $ 32,724,500 | $ 32,853,711 | $ 33,411,444 | $ 557,733 |
| Sales taxes | 9,750,000 | 9,750,000 | 11,290,941 | 1,540,941 |
| Other taxes | 676,000 | 728,200 | 805,424 | 77,224 |
| Restricted intergovernmental | 8,974,850 | 9,375,195 | 8,359,293 | (1,015,902) |
| Unrestricted intergovernmental | - | - | 140,755 | 140,755 |
| Permits and fees | 1,008,666 | 1,028,266 | 1,278,115 | 249,849 |
| Sales and services | 8,093,377 | 8,670,224 | 8,894,058 | 223,834 |
| Investment earnings | 275,000 | 289,000 | 638,567 | 349,567 |
| Miscellaneous | 524,088 | 1,073,621 | 4,643,026 | 3,569,405 |
| Total revenues | 62,026,481 | 63,768,217 | 69,461,623 | 5,693,406 |
| **Expenditures:** | | | | |
| General government | 5,754,573 | 6,023,235 | 5,797,199 | 226,036 |
| Public safety | 15,723,177 | 16,835,012 | 16,325,792 | 509,220 |
| Transportation | 1,282,770 | 1,297,906 | 1,182,106 | 115,800 |
| Environmental protection | 1,355,312 | 1,381,533 | 1,329,000 | 52,533 |
| Economic and physical development | 1,949,346 | 2,260,903 | 2,009,982 | 250,921 |
| Human services | 16,235,490 | 17,172,095 | 15,190,413 | 1,981,682 |
| Education | 15,280,819 | 15,280,819 | 15,277,712 | 3,107 |
| Cultural and recreational | 1,571,832 | 1,714,047 | 1,656,973 | 57,074 |
| Debt service: | | | | |
| Principal | 3,620,998 | 3,620,998 | 3,620,990 | 8 |
| Bond interest and costs | 741,036 | 741,036 | 741,029 | 7 |
| Contingency | 247,258 | 189,966 | 51,698 | 138,268 |
| Total expenditures | 63,762,611 | 66,517,550 | 63,182,894 | 3,334,656 |
| Revenues over (under) expenditures | (1,736,130) | (2,749,333) | 6,278,729 | 9,028,062 |
| **Other financing sources (uses):** | | | | |
| Installment Debt Issued | - | 163,601 | 163,601 | - |
| Transfers from other funds | - | - | - | - |
| Transfers (to) other funds | (660,370) | (3,308,370) | (791,103) | 2,517,267 |
| Appropriated fund balance | 2,396,500 | 5,894,102 | - | (5,894,102) |
| Total other financing sources (uses) | 1,736,130 | 2,749,333 | (627,502) | (3,376,835) |
| Net Change in Fund Balance | $ - | $ - | 5,651,227 | $ 5,651,227 |
| **Fund balances:** | | | | |
| Beginning of year, July 1 | | | 25,494,132 | |
| End of year, June 30 | | | $ 31,145,359 | |

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, 2019**

| | 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 | $ - | $ - | $ 754,181 | $ 145,929 | $ 331,072 | $ 1,231,182 | $ 1,893,740 |
| Accounts receivable (net) | 123,225 | - | 548,230 | 28,753 | 17,250 | 717,458 | - |
| Due from other governments | 378,924 | - | - | - | - | 378,924 | - |
| Interest receivable | - | - | - | - | - | - | - |
| Inventories | - | - | 48,154 | 48,108 | - | 96,262 | - |
| Restricted cash and cash equivalents | 17,800 | - | 128,338 | - | 3,550 | 149,688 | - |
| Total current assets | 519,949 | - | 1,478,903 | 222,790 | 351,872 | 2,573,514 | 1,893,740 |
| Noncurrent assets: | | | | | | | |
| Capital assets: | | | | | | | |
| Land | - | - | 223,784 | 4,924,095 | - | 5,147,879 | - |
| Construction in progress | 3,449,152 | 470,062 | 1,601,489 | 243,991 | - | 5,764,694 | - |
| Capital assets, net of depreciation | 3,020,348 | 2,948,527 | 10,957,335 | 13,203,349 | 36,731 | 30,166,290 | - |
| Total capital assets, net | 6,469,500 | 3,418,589 | 12,782,608 | 18,371,435 | 36,731 | 41,078,863 | - |
| Total assets | 6,989,449 | 3,418,589 | 14,261,511 | 18,594,225 | 388,603 | 43,652,377 | 1,893,740 |
| **Deferred Outflows of Resources:** | | | | | | | |
| Pension deferrals | - | 8,715 | 124,767 | 37,828 | - | 171,310 | - |
| OPEB deferrals | - | 1,095 | 9,567 | 4,738 | | 15,400 | - |
| Contributions to pension plan | - | 3,722 | 53,294 | 16,158 | - | 73,174 | - |
| Total deferred outflow of resources | - | 13,532 | 187,628 | 58,724 | - | 259,884 | - |
| **Liabilities:** | | | | | | | |
| Current liabilities: | | | | | | | |
| Account payable | 42,395 | 42,457 | 64,274 | 8,165 | 8,217 | 165,508 | 2,498 |
| Interest payable | 6,114 | 2,738 | 1,969 | - | - | 10,821 | - |
| Payroll payable | - | 3,181 | 29,553 | 11,579 | - | 44,313 | - |
| Due to other funds | 202,840 | 256,554 | - | - | - | 459,394 | - |
| Compensated absence payable | - | 1,535 | 51,225 | 7,379 | - | 60,139 | - |
| Current portion of long-term debt | 82,307 | 172,785 | 49,753 | - | - | 304,845 | - |
| Health and workers' compensation payable | - | - | - | - | - | - | 777,244 |
| Liabilities to be paid from restricted assets: | | | | | | | |
| Customer deposits | 17,800 | - | 128,338 | - | 3,550 | 149,688 | - |
| Total current liabilities | 351,456 | 479,250 | 325,112 | 27,123 | 11,767 | 1,194,708 | 779,742 |
| Noncurrent liabilities: | | | | | | | |
| Net pension liability | - | 14,834 | 212,377 | 64,391 | - | 291,602 | - |
| Net OPEB liability | - | 20,089 | 175,555 | 86,947 | - | 282,591 | - |
| Compensated absence payable | - | (945) | 2,781 | 8,787 | - | 10,623 | - |
| Non-current portion of long-term debt | 2,827,840 | 1,527,465 | 97,735 | - | - | 4,453,040 | - |
| Total noncurrent liabilities | 2,827,840 | 1,561,443 | 488,448 | 160,125 | - | 5,037,856 | - |
| Total liabilities | 3,179,296 | 2,040,693 | 813,560 | 187,248 | 11,767 | 6,232,564 | 779,742 |
| **Deferred Inflows of Resources:** | | | | | | | |
| Pension Deferrals | - | 86 | 1,233 | 374 | - | 1,693 | - |
| OPEB Deferrals | | 1,512 | 13,211 | 6,543 | - | 21,266 | - |
| Total deferred inflows of resources | - | 1,598 | 14,444 | 6,917 | - | 22,959 | - |
| **Net Position:** | | | | | | | |
| Net investment in capital assets | 3,559,353 | 1,718,339 | 12,635,120 | 18,371,435 | 36,731 | 36,320,978 | - |
| Restricted | | | | | | | |
| USDA Restrictions | 23,100 | 30,150 | - | - | - | 53,250 | - |
| Unrestricted | 227,700 | (358,659) | 986,015 | 87,349 | 340,105 | 1,282,510 | 1,113,998 |
| Total net position | $ 3,810,153 | $ 1,389,830 | $ 13,621,135 | $ 18,458,784 | $ 376,836 | $ 37,656,738 | $ 1,113,998 |

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

**STANLY COUNTY, NORTH CAROLINA**
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION**
**PROPRIETARY FUNDS**
**FOR THE YEAR ENDED JUNE 30, 2019**

| | 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 | $ 480,558 | $ 645,989 | $ 3,327,839 | $ 483,026 | $ 172,344 | $ 5,109,756 | $ 6,943,781 |
| Other | 6,683 | - | 94,188 | - | 920 | 101,791 | - |
| Total Operating Revenues | 487,241 | 645,989 | 3,422,027 | 483,026 | 173,264 | 5,211,547 | 6,943,781 |
| **Operating Expenses:** | | | | | | | |
| Administration | 20,000 | 60,000 | 444,139 | - | 96,000 | 620,139 | - |
| Distribution and maintenance | 139,257 | 335,171 | 1,995,787 | - | 1,852 | 2,472,067 | - |
| Water purchases | 98,438 | - | 1,094,728 | - | 77,559 | 1,270,725 | - |
| Airport operating | - | - | - | 868,777 | - | 868,777 | - |
| Group health operations | - | - | - | - | - | - | 7,228,131 |
| Workers' compensation | - | - | - | - | - | - | 468,223 |
| Depreciation | 170,488 | 188,546 | 625,853 | 989,256 | 1,459 | 1,975,602 | - |
| Total Operating Expenses | 428,183 | 583,717 | 4,160,507 | 1,858,033 | 176,870 | 7,207,310 | 7,696,354 |
| Operating income (loss) | 59,058 | 62,272 | (738,480) | (1,375,007) | (3,606) | (1,995,763) | (752,573) |
| **Non-operating Revenues (Expenses)** | | | | | | | |
| Interest income | 6,083 | - | 28,349 | 6,770 | 6,335 | 47,537 | 30,813 |
| Administrative charges | - | - | 176,000 | - | - | 176,000 | - |
| Miscellaneous | - | - | 3,881 | - | - | 3,881 | - |
| Interest on long-term debt | (38,548) | (34,935) | (3,029) | - | - | (76,512) | - |
| Total Nonoperating Revenues (Expenses) | (32,465) | (34,935) | 205,201 | 6,770 | 6,335 | 150,906 | 30,813 |
| Income (loss) before contributions and transfers | 26,593 | 27,337 | (533,279) | (1,368,237) | 2,729 | (1,844,857) | (721,760) |
| **Contributions and Transfers** | | | | | | | |
| Transfers in (out) | - | - | 120,552 | 626,052 | - | 746,604 | - |
| Capital contributions | - | - | 335,988 | 1,873,161 | - | 2,209,149 | - |
| Total Contributions and Transfers | - | - | 456,540 | 2,499,213 | - | 2,955,753 | - |
| Change in Net Position | 26,593 | 27,337 | (76,739) | 1,130,976 | 2,729 | 1,110,896 | (721,760) |
| **Net Position:** | | | | | | | |
| Beginning of Year - July 1 | 3,783,560 | 1,362,493 | 13,697,874 | 17,327,808 | 374,107 | 36,545,842 | 1,835,758 |
| End of year - June 30 | $ 3,810,153 | $ 1,389,830 | $ 13,621,135 | $ 18,458,784 | $ 376,836 | $ 37,656,738 | $ 1,113,998 |

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, 2019**

| | 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 | $ 470,425 | $ 645,989 | $ 3,566,878 | $ 493,326 | $ 178,474 | $ 5,355,092 | $ 6,943,781 |
| Cash paid for goods and services | (219,126) | (363,831) | (2,567,305) | (556,442) | (179,940) | (3,886,644) | (7,650,642) |
| Cash paid to employees for services | - | (72,724) | (1,045,956) | (306,279) | - | (1,424,959) | - |
| Customer deposits | 585 | - | 9,660 | - | 90 | 10,335 | - |
| Net cash provided (used) by operating activities | 251,884 | 209,434 | (36,723) | (369,395) | (1,376) | 53,824 | (706,861) |
| **Cash Flows from Non-Capital Financing Activities:** | | | | | | | |
| Transfers (to) from other funds | - | - | 120,552 | 626,052 | - | 746,604 | - |
| Due to (from) other funds | (154,617) | 22,651 | (693,797) | (23,600) | - | (849,363) | - |
| Net cash provided (used) by noncapital financial activities | (154,617) | 22,651 | (573,245) | 602,452 | - | (102,759) | - |
| **Cash Flows from Capital and Related Financing Activities:** | | | | | | | |
| Acquisition and construction of capital assets | (193,396) | (203,019) | (411,154) | (2,059,448) | - | (2,867,017) | - |
| Principal paid on bond maturities and lease purchases | (38,000) | (171,250) | (48,769) | - | - | (258,019) | - |
| Interest paid on bond maturities and lease purchases | (38,663) | (34,980) | (2,648) | - | - | (76,291) | - |
| Proceeds from notes payable and bonds | 378,924 | - | - | - | - | 378,924 | - |
| Capital contributions | (378,924) | - | 335,988 | 1,942,618 | - | 1,899,682 | - |
| Net cash provided (used) by capital and related financing activities | (270,059) | (409,249) | (126,583) | (116,830) | - | (922,721) | - |
| **Cash Flows from Investing Activities:** | | | | | | | |
| Interest on investments | 6,436 | - | 32,032 | 6,809 | 6,966 | 52,243 | 35,722 |
| Net increase (decrease) in cash and cash equivalents | (166,356) | (177,164) | (704,519) | 123,036 | 5,590 | (919,413) | (671,139) |
| Cash and cash equivalents, July 1 | 184,156 | 177,164 | 1,587,038 | 22,893 | 329,032 | 2,300,283 | 2,564,879 |
| Cash and cash equivalents, June 30 | $ 17,800 | $ - | $ 882,519 | $ 145,929 | $ 334,622 | $ 1,380,870 | $ 1,893,740 |

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, 2019**

| | 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) | $ 59,058 | $ 62,272 | $ (738,480) | $ (1,375,007) | $ (3,606) | $ (1,995,763) | $ (752,573) |
| Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities: | | | | | | | |
| Depreciation | 170,488 | 188,546 | 625,853 | 989,256 | 1,459 | 1,975,602 | - |
| Loss on disposal of asset | - | - | - | - | - | - | - |
| Other non-operating revenue | - | - | 179,881 | - | | 179,881 | - |
| Changes in assets and liabilites: | | | | | | | |
| (Increase) decrease in accounts receivable | (16,816) | - | (35,030) | 10,300 | 5,210 | (36,336) | - |
| (Increase) decrease in inventory | - | - | 12,375 | (6,636) | - | 5,739 | - |
| (Increase) decrease in deferred outflows of resources for pensions | - | (4,345) | (62,203) | (18,859) | - | (85,407) | - |
| (Increase) decrease in deferred outflows of resources for OPEB | - | (317) | (2,771) | (1,372) | - | (4,460) | - |
| Increase (decrease) in net pension liability | - | 5,177 | 74,127 | 22,475 | - | 101,779 | - |
| Increase (decrease) in deferred inflows of resources for pensions | - | (202) | (2,886) | (875) | - | (3,963) | - |
| Increase (decrease) in deferred inflows of resources for OPEB | - | 453 | 3,957 | 1,960 | - | 6,370 | - |
| Increase (decrease) in accounts payable and liabilities | 38,569 | (41,961) | (89,454) | 3,444 | (4,529) | (93,931) | 45,712 |
| Increase (decrease) in payroll payable | - | 884 | (363) | 2,109 | - | 2,630 | - |
| Increase (decrease) in customer deposits | 585 | - | 9,660 | - | 90 | 10,335 | - |
| Increase (decrease) in net OPEB liability | - | 462 | 4,041 | 2,002 | - | 6,505 | - |
| Increase (decrease) in compensated absences | - | (1,535) | (15,430) | 1,808 | - | (15,157) | - |
| Total adjustments | 192,826 | 147,162 | 701,757 | 1,005,612 | 2,230 | 2,049,587 | 45,712 |
| Net cash provided (used) by operating activities | $ 251,884 | $ 209,434 | $ (36,723) | $ (369,395) | $ (1,376) | $ 53,824 | $ (706,861) |

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, 2019**

| | | Agency Fund |
|---|---|---|
| **ASSETS** | | |
| Cash and investments | $ | 193,086 |
| Inmate cash | | 40,242 |
| Total Assets | $ | 233,328 |
| | | |
| **LIABILITIES AND NET POSITION** | | |
| Liabilities: | | |
| Accounts payable | $ | 182,403 |
| Client payable | | 50,925 |
| Total liabilities | $ | 233,328 |

## 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, 2019. 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. Interfund services provided are not eliminated in the process of consolidation. 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 nine 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, Museum Renovation Project, Riverstone Industrial Park Project, and Eastside Tower 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**

| | | | |
|---|---|---|---|
| Business-Type Activities | | | |
| Greater Badin Water & Sewer District Fund | Customer Deposits | $ | 17,800 |
| Piney Point Water District Fund | Customer Deposits | | 3,550 |
| Stanly County Utility Fund | Customer Deposits | | 128,338 |
| Total business-type activities | | | 149,688 |
| Total restricted cash | | $ | 149,688 |

**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, 2018. 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, 2019 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* - North Carolina G.S. 159-8 prohibits units of government from budgeting or spending a portion of their fund balance. This is one of several statutes enacted by the North Carolina State Legislature in the 1930's that were designed to improve and maintain the fiscal health of local government units. Restricted by State Statute (RSS), is calculated at the end of each fiscal year for all annually budgeted funds. The calculation in G.S. 159-8(a) provides a formula for determining what portion of fund balance is available for appropriation. The amount of fund balance not available for appropriation is what is known as "restricted by State statute." Appropriated fund balance in any fund shall not exceed the sum of cash and investments minus the sum of liabilities, encumbrances, and deferred revenues arising from cash receipts, as those figures stand at the close of the fiscal year next preceding the budget. Per GASB guidance, RSS is considered a resource upon which a restriction is "imposed by law through constitutional provisions or enabling legislation." RSS is reduced by inventories and prepaids as they are classified as nonspendable. Outstanding Encumbrances are included within RSS. RSS is included as a component of Restricted Net position and Restricted fund balance on the face of the balance sheet.

*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) - $68,216. The amount of $98,751 in the Emergency Telephone System Fund, this is the portion of fund balance that is restricted by the North Carolina 911 Board for the use of installation of emergency 911 phone systems. There was an additional amount restricted of $21,494 by grant requirements.

*Reserve for Cultural and Recreational* - portion of fund balance restricted by revenue source for the purpose of construction - Livestock Arena Construction Project - $507,106.

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

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

*Committed for Project Funds* - portion of fund balance committed for future construction projects.

**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, 2019 are as follows:

| Purpose | General Fund |
|---|---|
| **Assigned:** | |
| Subsequent year's expenditures | $ 2,711,072 |
| General Government | 435,586 |
| Public Safety | 156,702 |
| Economic and Physical Development | 19,147 |
| Human Services | 2,222,551 |
| Cultural and Recreation | 139,315 |
| Total | $ 5,684,374 |

Assigned for Subsequent Year's Expenditures - portion of fund balance that has been appropriated for the adopted 2019-2020 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 - $136,332, Sheriff CADET program - $2,385, Sheriff - $580, and animal control - $17,406.

*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 - $244,209. Medicaid settlements portion is assigned for future health related activities - $19,927. Dental clinic portion is assigned for future dental clinic services - $1,958,415.

*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 - $118,122. 4-H portion is assigned for future 4-H services - $20,738. Master Gardner is assigned for a specific purpose - $133, as is Learning to Grow - $322.

**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 | $ 1,950,967 | |
| Construction in progress | 919,232 | |
| Depreciable property | 50,986,437 | |
| Accumulated depreciation | (25,639,488) | $ 28,217,148 |
| Net Pension Asset | 103,530 | 103,530 |
| Contributions to the pension plan in the current fiscal year | 1,560,744 | 1,560,744 |
| Benefit payments and pension administration costs for LEOSSA | 23,405 | 23,405 |
| Contributions to OPEB plan in the current fiscal year | 201,655 | 201,655 |
| Accrued interest receivable, less the amount claimed as unearned revenue in the government-wide statements, as these funds are unavailable in the fund statements. | 552,761 | 552,761 |
| Liabilities for deferred inflows of resources reported in the fund statements, but not the government-wide | 1,925,820 | 1,925,820 |
| Pension related deferrals | 3,501,556 | 3,501,556 |
| OPEB related deferrals | (346,081) | (346,081) |
| 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 | (21,555,863) | |
| Compensated Absences | (1,357,936) | |
| Net OPEB Liability | (6,956,518) | |
| Net Pension Liability (LGERS) | (6,198,650) | |
| Total Pension Liability (LEOSSA) | (980,566) | |
| Interest Payable | (368,484) | (37,418,017) |
| 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. | 1,113,998 | 1,113,998 |
| Total Adjustment | | $ (563,481) |

**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 $1,670,922 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 | $ 1,465,283 | |
| Depreciation | (1,801,668) | $ (336,385) |
| Costs of capital assets disposed of during the year, not recognized on modified accrual basis. | (31,134) | (31,134) |
| 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 | (163,601) | |
| Debt retired | 3,663,699 | |
| Amortized premium | 89,000 | 3,589,098 |
| 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 | (57,452) | |
| Accrual of taxes | (246,310) | (303,762) |
| Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities | 1,560,744 | 1,560,744 |
| Benefit payments and administration costs for LEOSSA are deferred outflows of resources on the Statement of Net Position | 23,405 | 23,405 |
| Contributions to the OPEB plan are deferred outflows of resources on the Statement of Net Position | 201,655 | 201,655 |
| 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 | (67,824) | |
| OPEB expense | (408,795) | |
| County's portion of collective pension expense | (1,888,778) | |
| Interest expense | 54,458 | (2,310,939) |
| 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. | (721,760) | (721,760) |
| Total Adjustment | | $ 1,670,922 |

## 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, 2019 the County's deposits had a carrying amount of $12,292,189 and a bank balance of $12,822,112. Of the bank balance, $500,000 was covered by federal depository insurance; and $12,322,112 in interest bearing deposits was covered by collateral held under the Pooling Method. The petty cash funds totaled $5,218.

At June 30, 2019, the carrying amount of deposits for the Authority's deposits was $331,892 and a bank balance of $151,433. All of the bank balance, all was covered by federal depository insurance.

2 . Investments

At June 30, 2019, the County had the following investments and maturities.

| Investment Type | Valuation Measurement Method | Fair Value | Less Than 6 Months | 6 - 12 Months | 1 - 3 Years |
|---|---|---|---|---|---|
| NC Capital Management Trust - Government Portfolio | Fair Value - Level 1 | $ 4,734,372 | $ 4,734,372 | $ - | $ - |
| NC Capital Management Trust - Term Portfolio | Fair Value - Level 1 | 10,695,411 | 10,695,411 | - | - |
| Direct Government Securities | Fair Value - Level 1 | 2,299,386 | 251,563 | 250,219 | 1,797,604 |
| Government Agencies | Fair Value - Level 1 | 750,377 | 251,073 | - | 499,304 |
| NC Capital Management Trust - Government Portfolio | Fair Value - Level 1 | 33,785 | 33,785 | - | - |

Investments (continued)

*As of June 30, 2019, the NCCMT Term Portfolio has a duration of .11 years. Because the NCCMT Government and Term Portfolio have a weighted average maturity of less than 90 days, they are presented as in investment with a maturity of less than 6 months.

All investments are measured using the market approach: using prices and other relevant information generated by market transactions involving identical or comparable assets or a group of assets.

Level of fair value hierarchy: Level 1: Debt securities valued using directly observable, quoted prices (unadjusted) in active markets for identical assets. Level Two: Debt securities are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

*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 limits investments to the provisions of G.S. 159-30 and restricts the purchase of securities to the highest possible ratings whenever particular types of securities are rated. State law limits investments in commercial paper to the top rating issued by nationally recognized statistical rating organizations (NRSROs). The County's investments in the NC Capital Management Trust Portfolio carried a credit rating of AAA by Standard & Poor's as of June 30, 2019. The County's investment in the NC Capital Trust Term Portfolio is unrated. The Term Portfolio is authorized to invest in obligations of the US Government and agencies, and in high grade money market instruments as permitted under North Carolina General Statue 159-30 as amended. The County's investments in US Agencies are rated AAA by Standard & Poor's and Aaa by Moody's Investors Service.

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 |
|---|---|---|---|
| 2016 | $ 2,309,756 | $ 548,569 | $ 2,858,325 |
| 2017 | 2,517,763 | 371,371 | 2,889,134 |
| 2018 | 2,528,833 | 145,409 | 2,674,242 |
| 2019 | 2,546,935 | - | 2,546,935 |
| Total | $ 9,903,287 | $ 1,065,349 | $ 10,968,636 |

4. Receivables

Receivables at the government-wide level at June 30, 2019, were as follows:

| | Taxes Receivable | Trade Accounts Receivable | Due From Other Governments | Interest | Total |
|---|---|---|---|---|---|
| Governmental Activities: | | | | | |
| General | $ 2,600,355 | 1,750,451 | 3,990,871 | $ 552,761 | $ 8,894,438 |
| Other Governmental | 100,899 | - | 516,020 | - | 616,919 |
| Total Receivables | 2,701,254 | 1,750,451 | 4,506,891 | 552,761 | 9,511,357 |
| Allowance for Doubtful Accts. | (775,434) | (451,109) | - | - | (1,226,543) |
| Total Gov't Activities | $ 1,925,820 | $ 1,299,342 | $ 4,506,891 | $ 552,761 | $ 8,284,814 |
| | | | | | |
| Business-type Activities: | | | | | |
| Greater Badin Water & Sewer | $ - | $ 357,477 | 378,924 | $ - | $ 736,401 |
| Piney Point Water District | - | 22,306 | - | - | 22,306 |
| Stanly County Utility Fund | - | 823,862 | - | - | 823,862 |
| Airport | - | 29,012 | - | - | 29,012 |
| Total Receivables | - | 1,232,657 | 378,924 | - | 1,611,581 |
| Allowance for Doubtful Accts. | - | (515,199) | - | - | (515,199) |
| Total Business-type | $ - | $ 717,458 | $ 378,924 | $ - | $ 1,096,382 |

Due from other governments for the year ended June 30, 2019 consists of the following:

| | |
|---|---|
| Governmental Activities: | |
| Local option sales tax | $ 2,148,482 |
| NC DMV tax | 502,971 |
| Sales tax receivable | 365,963 |
| Medicaid Hold Harmless | 154,835 |
| EMS grants receivable | 34,061 |
| Tire and white goods | 29,358 |
| Telecommunication tax | 31,806 |
| DSS and DHHS | 662,582 |
| Project Grant Funds | 481,959 |
| Other | 94,874 |
| Total | $ 4,506,891 |
| | |
| Business-Type Activities: | |
| Grants Receivable | $ 378,924 |

5. Capital Assets

**Primary Government**

Capital asset activity for the year ended June 30, 2019, was as follows:

| Governmental Activities: | Beginning Balances | Increases | Decreases | Ending Balances |
|---|---|---|---|---|
| Capital assets not being depreciated: | | | | |
| Land | $ 1,935,246 | $ 15,721 | $ - | $ 1,950,967 |
| Construction in Progress | 261,249 | 657,983 | - | 919,232 |
| Total capital assets not being depreciated | 2,196,495 | 673,704 | - | 2,870,199 |
| Capital assets being depreciated: | | | | |
| Building | 28,705,530 | - | - | 28,705,530 |
| Equipment and vehicles | 22,048,360 | 791,579 | (559,032) | 22,280,907 |
| Total capital assets being depreciated: | 50,753,890 | 791,579 | (559,032) | 50,986,437 |
| Less accumulated depreciation for: | | | | |
| Building | 14,542,566 | 596,315 | - | 15,138,881 |
| Equipment and vehicles | 9,823,152 | 1,205,353 | (527,898) | 10,500,607 |
| Total accumulated depreciation: | 24,365,718 | $ 1,801,668 | $ (527,898) | 25,639,488 |
| Total capital assets being depreciated, net | 26,388,172 | | | 25,346,949 |
| Governmental activity capital assets, net | $ 28,584,667 | | | $ 28,217,148 |

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

| | |
|---|---|
| General Government | $ 424,379 |
| Public Safety | 1,177,402 |
| Transportation | 62,526 |
| Environmental Protection | 12,870 |
| Economic and Physical Development | 3,744 |
| Human Services | 56,558 |
| Cultural and Recreation | 64,189 |
| Total Depreciation Expense | $ 1,801,668 |

Business-type activities:

| **Greater Badin Water and Sewer:** | Beginning Balances | Increases | Decreases | Ending Balances |
|---|---|---|---|---|
| Capital assets not being depreciated: | | | | |
| Construction in progress | $ 3,264,680 | $ 184,472 | $ - | $ 3,449,152 |
| Total capital assets not being depreciated: | 3,264,680 | 184,472 | - | 3,449,152 |
| Capital assets being depreciated: | | | | |
| Plant in service | 9,847,568 | - | - | 9,847,568 |
| Equipment and vehicles | 215,093 | 8,924 | - | 224,017 |
| Total capital assets being depreciated : | 10,062,661 | 8,924 | - | 10,071,585 |
| Less accumulated depreciation for: | | | | |
| Plant in service | 6,670,994 | 165,743 | - | 6,836,737 |
| Equipment and vehicles | 209,755 | 4,745 | - | 214,500 |
| Total accumulated depreciation: | 6,880,749 | $ 170,488 | $ - | 7,051,237 |
| Total capital assets being depreciated, net | 3,181,912 | | | 3,020,348 |
| Total Greater Badin capital assets, net | $ 6,446,592 | | | $ 6,469,500 |

| **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 | 689,794 | 1,459 | - | 691,253 |
| Total accumulated depreciation | 689,794 | 1,459 | - | 691,253 |
| Total capital assets being depreciated, net | 38,190 | $ (1,459) | $ - | 36,731 |
| Total Piney Point capital assets, net | $ 38,190 | | | $ 36,731 |

| **West Stanly Waste Water Treatment Plant:** | Beginning Balances | Increases | Decreases | Ending Balances |
|---|---|---|---|---|
| Capital assets not being depreciated: | | | | |
| Construction in progress | $ 286,037 | $ 184,025 | $ - | $ 470,062 |
| Total capital assets not being depreciated: | 286,037 | 184,025 | - | 470,062 |
| Capital assets being depreciated: | | | | |
| Plant in service | 3,835,778 | - | - | 3,835,778 |
| Equipment and vehicles | 34,271 | 18,994 | - | 53,265 |
| Total capital assets being depreciated : | 3,870,049 | 18,994 | - | 3,889,043 |
| Less accumulated depreciation for: | | | | |
| Plant in service | 732,568 | 179,160 | - | 911,728 |
| Equipment and vehicles | 19,401 | 9,387 | - | 28,788 |
| Total accumulated depreciation: | 751,969 | $ 188,547 | $ - | 940,516 |
| Total capital assets being depreciated, net | 3,118,080 | | | 2,948,527 |
| Total West Stanly Waste Water Treatment Plant capital assets, net | $ 3,404,117 | | | $ 3,418,589 |

| **Stanly Utility Operating:** | Beginning Balances | Increases | Decreases | Ending Balances |
|---|---|---|---|---|
| Capital assets not being depreciated: | | | | |
| Land | $ 223,784 | $ - | $ - | $ 223,784 |
| Construction in progress | 1,750,324 | 271,605 | (420,440) | 1,601,489 |
| Total capital assets not being depreciated: | 1,974,108 | 271,605 | (420,440) | 1,825,273 |
| Capital assets being depreciated: | | | | |
| Plant in service | 26,364,197 | 420,440 | - | 26,784,637 |
| Equipment and vehicles | 689,999 | 21,151 | (4,789) | 706,361 |
| Total capital assets being depreciated : | 27,054,196 | 441,591 | (4,789) | 27,490,998 |
| Less accumulated depreciation for: | | | | |
| Plant in service | 15,406,139 | 556,378 | - | 15,962,517 |
| Equipment and vehicles | 507,969 | 67,966 | (4,789) | 571,146 |
| Total accumulated depreciation: | 15,914,108 | $ 624,344 | $ (4,789) | 16,533,663 |
| Total capital assets being depreciated, net | 11,140,088 | | | 10,957,335 |
| Total Stanly County Utility capital assets, net | $ 13,114,196 | | | $ 12,782,608 |

| **Airport Operating:** | Beginning Balances | Increases | Decreases | Ending Balances |
|---|---|---|---|---|
| Capital assets not being depreciated: | | | | |
| Land | $ 4,924,095 | $ - | $ - | $ 4,924,095 |
| Construction in progress | 244,755 | 1,974,993 | (1,975,757) | 243,991 |
| Total capital assets not being depreciated: | 5,168,850 | 1,974,993 | (1,975,757) | 5,168,086 |
| Capital assets being depreciated: | | | | |
| Buildings | 5,064,552 | - | - | 5,064,552 |
| Improvements | 27,741,112 | 1,975,757 | - | 29,716,869 |
| Equipment and vehicles | 436,158 | 36,571 | - | 472,729 |
| Total capital assets being depreciated : | 33,241,822 | 2,012,328 | - | 35,254,150 |
| Less accumulated depreciation for: | | | | |
| Buildings | 1,382,109 | 129,610 | - | 1,511,719 |
| Improvements | 19,252,605 | 850,098 | - | 20,102,703 |
| Equipment and vehicles | 426,831 | 9,548 | - | 436,379 |
| Total accumulated depreciation: | 21,061,545 | $ 989,256 | $ - | 22,050,801 |
| Total capital assets being depreciated, net | 12,180,277 | | | 13,203,349 |
| Total Airport capital assets, net | $ 17,349,127 | | | $ 18,371,435 |
| Total business-type activities capital assets, net | $ 40,352,222 | | | $ 41,078,863 |

## Construction Commitments

The county has active construction projects at June 30, 2019. Commitments with contractors are as follows:

| **Project** | **Project to Date** | **Remaining Commitment** |
|---|---|---|
| Livestock Arena Construction Project | $ 83,720 | $ 530,432 |
| Riverstone Industrial Park Project | 656,149 | 493,851 |
| Eastside Tower Project Fund | 128 | 1,201,675 |
| Badin Water Rehab Project Part B | 3,449,151 | 2,729,978 |
| West Stanly WWTP Rehab Project | 470,062 | 2,588,238 |
| Airport Road Corridor Wastewater Project | 1,149,885 | 110,758 |
| NCDOT Hwy 24/27/73 East Water | 161,812 | 84,188 |
| Brown Hill Road | 240,117 | 984,883 |
| Palestine Water Pump Station | 49,675 | 1,535,677 |
| Airport Layout Plan | 228,765 | 199,010 |
| Area Broadband Connect Project | 1,150 | 98,850 |
| Airport Runway / Taxiway Lighting Construction Project | 14,076 | 1,300,684 |
| Total | $ 6,504,690 | $ 11,858,224 |

## B. Liabilities

### 1. Payables

Payables at the government-wide level at June 30, 2019, were as follows :

| | Vendors | Salaries and Benefits | Accrued Interest | IBNR | Total |
|---|---|---|---|---|---|
| Governmental Activities: | | | | | |
| General | $ 1,245,234 | $ 918,762 | $ 368,484 | $ - | $ 2,532,480 |
| Other Governmental | 56,016 | - | - | 779,742 | 835,758 |
| Total Governmental Activities | $ 1,301,250 | $ 918,762 | $ 368,484 | $ 779,742 | $ 3,368,238 |
| Business-type Activities: | | | | | |
| Greater Badin Water & Sewer | $ 42,395 | $ - | $ 6,114 | $ - | $ 48,509 |
| Piney Point Water District | 8,217 | - | - | - | 8,217 |
| West Stanly Waste Water Treatment Plant | 42,457 | 3,181 | 2,738 | - | 48,376 |
| Stanly County Utility | 64,274 | 29,553 | 1,969 | - | 95,796 |
| Airport | 8,165 | 11,579 | - | - | 19,744 |
| Total Business-type Activities | $ 165,508 | $ 44,313 | $ 10,821 | $ - | $ 220,642 |

### 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.

**Local Governmental Employees' Retirement System (continued)**

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, 2019, was 8.50% of compensation for law enforcement officers, and 7.84% 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 $1,628,654 for the year ended June 30, 2019.

*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, 2019, the County reported a liability of $6,490,253 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2017. The total pension liability was then rolled forward to the measurement date of June 30, 2018 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, 2018, the County's proportion was 0.2736%, which was a decrease of 0.003% from its proportion measured as of June 30, 2017.

For the year ended June 30, 2019, the County recognized pension expense of $1,904,888. At June 30, 2019, 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 | $ 1,001,292 | $ 33,598 |
| Changes in assumptions | 1,722,263 | - |
| Net difference between projected and actual earnings on pension plan investments | 890,919 | - |
| Changes in proportion and differences between County Contributions and proportionate share of contributions | 198,418 | 4,093 |
| County contributions subsequent to the measurement date | 1,628,654 | - |
| Total | $ 5,441,546 | $ 37,691 |

**Local Governmental Employees' Retirement System (continued)**

$1,628,654 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, 2020. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| **Year Ended June 30:** | |
|---|---|
| 2020 | $ 1,802,725 |
| 2021 | 1,176,398 |
| 2022 | 256,002 |
| 2023 | 540,076 |
| 2024 | - |
| Thereafter | - |
| | $ 3,775,201 |

*Actuarial Assumptions.* The total pension liability in the December 31, 2017 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 percent |
| Investment Rate of Return | 7.00 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, 2017 valuation were based on the results of an actuarial experience study as of 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, 2019 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% | |

**Local Governmental Employees' Retirement System (continued)**

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 7.00%. 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 7.00%, 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 (6.00%) or 1-percentage-point higher (8.00%) than the current rate:

| | 1% Decrease (6.00%) | Discount Rate (7.00%) | 1% Increase (8.00%) |
|---|---|---|---|
| County's proportionate share of the net pension liability (asset) | $ 15,590,151 | $ 6,490,253 | $ (1,113,763) |

*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, 2018, the Separation Allowance's membership consisted of:

| | |
|---|---|
| Inactive Members Currently Receiving Benefits | 3 |
| Active plan members | 49 |
| Total | 52 |

**Law Enforcement Officers' Special Separation Allowance (continued)**

**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, 2017 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 | 3.64 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, 2018.

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 $32,360 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, 2019, the County reported a total pension liability of $980,566. The total pension liability was measured as of December 31, 2018 based on a December 31, 2017 actuarial valuation. The total pension liability was rolled forward to December 31, 2018 utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2019, the County recognized pension expense of $53,956.

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|---|---|
| Differences between expected and actual experience | $ - | $ 119,818 |
| Changes of assumptions | 52,585 | 53,799 |
| County benefit payments and plan administrative expense made subsequent to the measurement date | 23,405 | - |
| Total | $ 75,990 | $ 173,617 |

**Law Enforcement Officers' Special Separation Allowance (continued)**

$23,405 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, 2020. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| **Year ended June 30:** | |
|---|---|
| 2020 | $ (25,336) |
| 2021 | (25,336) |
| 2022 | (25,336) |
| 2023 | (23,350) |
| 2024 | (18,873) |
| Thereafter | (2,801) |

$23,405 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 3.64%, 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 (2.64%) or 1-percentage-point higher (4.64%) than the current rate:

| | 1% Decrease (2.64%) | Discount Rate (3.64%) | 1% Increase (4.64%) |
|---|---|---|---|
| Total pension liability | $ 1,078,947 | $ 980,566 | $ 891,615 |

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

| | **2019** |
|---|---|
| Beginning balance | $ 1,033,196 |
| Service Cost | 62,353 |
| Interest on the total pension liability | 32,138 |
| Changes of benefit terms | - |
| Differences between expected and actual experience in the measurement of the total pension liability | (68,751) |
| Changes in assumptions or other inputs | (46,010) |
| Benefit payments | (32,360) |
| Other changes | - |
| Ending balance of the total pension liability | $ 980,566 |

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, 2017 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, 2019 were $147,310, which consisted of $113,642 from the County and $33,668 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 $5,264 for the year ended June 30, 2019.

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

At June 30, 2019, the County reported an asset of $103,530 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2018. The total pension asset used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2017. The total pension liability was then rolled forward to the measurement date of June 30, 2018 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, 2018, the County's proportion was 0.6251%, which was a decrease of 0.0099% from its proportion measured as of June 30, 2017.

**Registers of Deeds' Supplemental Pension Fund (continued)**

For the year ended June 30, 2019, the County recognized pension expense of $15,519. At June 30, 2019, 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 | $ 913 | $ 4,726 |
| Changes of assumptions | 4,869 | - |
| Net difference between projected and actual earnings on pension plan investments | 16,502 | - |
| Changes in proportion and differences between County Contributions and proportionate share of contributions | 1,435 | 1,988 |
| County contributions subsequent to the measurement date | 5,264 | - |
| Total | $ 28,983 | $ 6,714 |

$5,264 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, 2020. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| Year Ended June 30: | Total |
|---|---|
| 2020 | $ 7,617 |
| 2021 | 1,962 |
| 2022 | 4,863 |
| 2023 | 2,563 |
| 2024 | - |
| Thereafter | - |

*Actuarial Assumptions*. The total pension liability in the December 31, 2017 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, 2017 valuation were based on the results of an actuarial experience study as of 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, 2019 is 1.4%.

**Registers of Deeds' Supplemental Pension Fund (continued)**

The information above is based on 30 year expectations developed with the consulting actuary for the 2019 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) | $ (81,628) | $ (103,530) | $ (122,001) |

*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 Deferred 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, 2017, 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, 2018, with an actuarial valuation date of December 31, 2017. 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) | $ 6,490,253 | $ (103,530) | $ - | $ (103,530) |
| Proportionate of the Net Pension Liability (Asset) | 0.2736% | 0.6251% | n/a | |
| Total Pension Liability | $ - | $ - | $ 980,566 | $ 980,566 |
| Pension Expense | $ 1,904,888 | $ 15,519 | $ 53,956 | $ 69,475 |

At June 30, 2019, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | LGERS | ROD | LEOSSA | Total |
|---|---|---|---|---|
| **Deferred Outflows of Resources** | | | | |
| Differences between expected and actual experience | $ 1,001,292 | $ 913 | $ - | $ 1,002,205 |
| Changes of assumptions | 1,722,263 | 4,869 | 52,585 | 1,779,717 |
| Net difference between projected and actual earnings on pension plan investment | 890,919 | 16,502 | - | 907,421 |
| Changes in proportion and differences between County contributions and proportionate share of contributions | 198,418 | 1,435 | - | 199,853 |
| County contributions (LGERS, ROD)/benefit payments and administration costs (LEOSSA) subsequent to the measurement date | 1,628,654 | 5,264 | 23,405 | 1,657,323 |
| **Deferred Inflows of Resources** | | | | |
| Differences between expected and actual experience | $ 33,598 | $ 4,726 | $ 119,818 | $ 158,142 |
| Changes of assumptions | - | - | 53,799 | 53,799 |
| Changes in proportion and differences between County contributions and proportionate share of contributions | 4,093 | 1,988 | - | 6,081 |

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% |

**Other Postemployment Benefits (continued)**

Any employee that retired prior to July 1, 2005 and is currently on the county's health insurance plan will remit payment, before the first of the month, of $220 for their health coverage. 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 upon 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, 2018, the date of the latest actuarial valuation:

| | 2018 |
|---|---|
| Retirees and dependents receiving benefits | 15 |
| Active plan members | 431 |
| Total | 446 |

**Total OPEB Liability**

The County's total OPEB liability of $7,239,109 was measured as of June 30, 2018 and was determined by an actuarial valuation as of that date.

*Actuarial assumptions and other inputs* . The total OPEB liability in the June 30, 2018 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement unless otherwise specified:

| | |
|---|---|
| Inflation | 2.50 percent |
| Real wage growth | 1.00 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 7.35 percent |
| Municipal Bond Index Rate | |
| Prior Measurement Date | 3.56 percent |
| Measurement Date | 3.89 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, 2017 | $ 7,072,475 |
| Changes for the year: | |
| Service Cost at the end of the year* | 370,806 |
| Interest on TOL and Cash Flows | 247,169 |
| Change in benefit terms | - |
| Difference between expected and actual experience | 76,465 |
| Changes of assumptions or other inputs | (266,490) |
| Benefit payments | (261,316) |
| Other | - |
| Net Changes | $ 166,634 |
| Total OPEB Liability as of June 30, 2018 | $ 7,239,109 |

*The service cost includes interest for the year.

**Other Postemployment Benefits (continued)**

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, 2018 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, 2018 valuation were based on a review of recent plan experience done concurrently with the June 30, 2018 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, 2019 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 (2.89 percent) and 1-percentage-point higher (4.89 percent) than the current discount rate:

| | 1% Decrease (2.89 percent) | Discount Rate (3.89 Percent) | 1% Increase (4.89 percent) |
|---|---|---|---|
| Net OPEB liability (asset) | $ 8,080,557 | $ 7,239,109 | $ 6,494,741 |

*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, 2019, 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 or 1-percentage-point higher than the current healthcare cost trend rate:

| | 1% Decrease | Current | 1% Increase |
|---|---|---|---|
| Net OPEB liability (asset) | $ 6,266,890 | $ 7,239,109 | $ 8,412,249 |

*OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB.* At June 30, 2019, the County recognized OPEB expense of $425,401. At June 30, 2019, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

At June 30, 2019, the components of the net OPEB liability of the County, measured as of June 30, 2018, were as follows:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|---|---|
| Differences between expected and actual experience | $ 184,641 | $ - |
| Changes of assumptions | - | 544,780 |
| Benefit payments and administrative costs made subsequent to the measurement date | 209,847 | - |
| Total | $ 394,488 | $ 544,780 |

Other Postemployment Benefits (continued)

$209,847 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, 2020. Other amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

| **Year ended June 30** | |
|---|---|
| 2020 | $ (67,877) |
| 2021 | (67,877) |
| 2022 | (67,877) |
| 2023 | (67,877) |
| 2024 | (63,846) |
| Thereafter | (24,785) |

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 | $ 1,001,292 | $ 33,598 |
| Register of Deeds | 913 | 4,726 |
| LEOSSA | - | 119,818 |
| OPEB | 184,641 | - |
| Changes in assumptions | | |
| LGERS | 1,722,263 | - |
| Register of Deeds | 4,869 | - |
| LEOSSA | 52,585 | 53,799 |
| OPEB | - | 544,780 |

Deferred Outflows and Inflows of Resources (continued)

| | | |
|---|---|---|
| Net difference between projected and actual earnings on pension plan investments | | |
| LGERS | 890,919 | - |
| Register of Deeds | 16,502 | - |
| Changes in proportion and differences between employer contributions and proportionate share of contributions | | |
| LGERS | 198,418 | 4,093 |
| Register of Deeds | 1,435 | 1,988 |
| County contributions and proportionate share of contributions (LGERS, ROD) | | |
| LGERS | 1,628,654 | - |
| Register of Deeds | 5,264 | - |
| Benefit payments/administrative costs paid subsequent to the measurement date (LEOSSA) | 23,405 | |
| Benefit payments for the OPEB plan paid subsequent to measurement date | 209,847 | |
| Prepaid taxes not yet earned (General Fund) | - | 194,216 |
| Taxes receivable, net (General) | - | 1,849,048 |
| Taxes receivable, net (Special Revenue) | - | 76,772 |
| Total | $ 5,941,007 | $ 2,882,838 |

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 $573,689 reported in the fund at June 30, 2019 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.

Risk Management (continued)

The $573,689 claims liability represented total estimated claims incurred, but not reported, as provided by the plan administrator's actuary.

| | 6/30/19 | 6/30/18 |
|---|---|---|
| Unpaid claims and claim adjustment expenses at the beginning of the fiscal year | $ 506,825 | $ 486,681 |
| Incurred claims and claims adjustment expenses: | | |
| Provision for insured events of current year | 5,616,751 | 6,161,161 |
| Claims and adjustment expenses attributable to insured events of current and prior year | 5,549,887 | 6,141,017 |
| Total claims liability | $ 573,689 | $ 506,825 |

*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 $203,555 reported in the fund at June 30, 2019 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 $203,555 claims liability represents total estimated claims incurred, but not reported, as provided by the plan administrator's actuary.

| | 6/30/19 | 6/30/18 |
|---|---|---|
| Unpaid claims and claim adjustment expenses at the beginning of the fiscal year | $ 226,093 | $ 265,773 |
| Incurred claims and claims adjustment expenses: | | |
| Provision for insured events of current year | 490,761 | 471,229 |
| Claims and adjustment expenses attributable to insured events of current and prior year | 513,299 | 510,909 |
| Total claims liability | $ 203,555 | $ 226,093 |

*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, 2019, 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, 2019 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. | $ 880,373 |
| 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. | 4,876,078 |
| 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. | 759,762 |
| Total | $ 6,516,213 |

For Stanly County, the future minimum lease payments as of June 30, 2019 are as follows:

| | Capitalized Leases | |
|---|---|---|
| Year Ending June 30 | Principal | Interest |
| 2020 | $ 997,353 | $ 163,483 |
| 2021 | 1,007,721 | 137,751 |
| 2022 | 835,543 | 111,231 |
| 2023 | 420,554 | 92,421 |
| 2024 | 431,129 | 81,846 |
| 2025-2029 | 2,323,523 | 241,351 |
| 2030-2034 | 500,390 | 12,582 |
| Total | $ 6,516,213 | $ 840,665 |

At June 30, 2019, the County leased the following assets valued at:

| Class of Property | Cost | Accumulated Depreciation | Net Book Value |
|---|---|---|---|
| Jail | $ 8,457,979 | $ 1,903,045 | $ 6,554,934 |
| Radio Towers | 6,897,941 | 551,835 | 6,346,106 |
| Total | $ 15,355,920 | $ 2,454,880 | $ 12,901,040 |

**b. Installment Purchase Agreements**

General Fund:

| | |
|---|---|
| On November 9, 2017, the County refinanced the construction of additions to Aquadale and Locust Schools by entering into a $7,526,316 direct placement installment purchase contract. The property is provided as collateral. The loan is payable in annual principal payments of $684,211 plus interest at an interest rate of 2.69%. | $ 6,157,895 |
| On August 10, 2010, the County entered into a $1,500,000 direct placement installment purchase contract with the USDA to finance the construction of jail additions. The property is pledged as collateral for the debt while the debt is outstanding. The financing contract requires annual principal payments of $75,795, and annual interest payments at an interest rate of 4.00%. The County and the Lender agree that in the event of a default, the parties will cooperate with each other with respect to the foreclosure of their deeds of trust and the repossession, collection, and sale of the property. If the parties agree that foreclosure is an appropriate remedy, the Lender will initiate a foreclosure action by substituting and appointing a trustee under its deed of trust and filing a foreclosure proceeding under the deed of trust. After deducting the expense and fees relating to the sale, the sales proceeds will be shared by the County and the Lender in the same percentage as the debt owed under the loan documents to each such party bears to the total debt owed under the loan documents. | 1,354,461 |
| On August 10, 2017, the County entered into a $317,675 direct placement installment purchase contract to finance the purchase of IT equipment. The equipment is pledged as collateral for the debt while the debt is outstanding. The financing contract requires annual principal payments ranging from $42,411 to $48,468, plus annual interest payments at an interest rate of 2.22%. In the event of default, the lnder may declare the entire unpaid principal balance under this Note and all accured unpaid interest immediately due. | 275,264 |
| On February 26, 2016, the County entered into a $805,955 direct placement installment purchase contract to finance the purchase of a new Emergency Services vehicle. The vehicle is pledged as collateral for the debt while the debt is outstanding. The financing contract requires annual principal payments ranging from $157,253 to $164,784, and annual interest payments at an interest rate of 1.55%. In the event of default, all commitments and obligations of the Lender will terminate, and at the Lender's option, all indebtedness immediately will become due and payable. | 327,018 |
| On February 26, 2016, the County entered into a $140,131 direct placement installment purchase contract to finance the purchase of Emergency Services equipment. The equipment is pledged as collateral for the debt while the debt is outstanding. The financing contract requires annual principal payments ranging from $27,341 to $28,651, and annual interest payments at an interest rate of 1.55%. In the event of default, all commitments and obligations of the Lender will terminate, and at the Lender's option, all indebtedness immediately will become due and payable. | 56,858 |
| On August 11, 2015, the County entered into a $190,000 direct placement installment purchase contract to finance the purchase of Sheriff's Department vehicles. The vehicle is pledged as collateral for the debt while the debt is outstanding. The financing contract requires annual principal payments ranging from $45,771 to $49,232, and annual interest payments at an interest rate of 2.39%. In the event of default, all commitments and obligations of the Lender will terminate, and at the Lender's option, all indebtedness immediately will become due and payable. | 49,232 |

**Installment Purchase Agreements (continued)**

| | |
|---|---|
| On August 14, 2015, the County entered into a $1,982,000 direct placement installment purchase contract to finance the construction of the cosmetology facility. The property is pledged as collateral for the debt while the debt is outstanding. The financing contract requires annual principal payments ranging from $79,211 to $121,771, and annual interest payments at an interest rate of 2.25%. In the event of default, the Bank may exercise any one or more of the following remedies: (a) declare the unpaid portion of the then outstanding principal component of the Installment Payments immediately due and payable without notice or demand to the County; (b) proceed by appropriate court action to enforce performance by the County of the applicable covenants of the contract or to recover for the breach thereof; (c) exercise all the rights and remedies of a secured party or creditor under the Uniform Commercial Code of the State and the general laws of the State with respect to the enforcement of the security interest granted or reserved under this Contract; or (d) enforce its security interest or direct the Deed of Trust Trustee to institute foreclosure proceedings under the Deed of Trust and sell the Project. | 1,738,656 |
| On August 14, 2015, the County entered into a $250,000 direct placement installment purchase contract to purchase equipment for the cosmetology facility. The equipment is pledged as collateral for the debt while the debt is outstanding. The financing contract requires annual principal payments ranging from $22,675 to $27,450, and annual interest payments at an interest rate of 2.11%. In the event of default, the Bank may exercise any one or more of the following remedies: (a) declare the unpaid portion of the then outstanding principal component of the Installment Payments immediately due and payable without notice or demand to the County; (b) proceed by appropriate court action to enforce performance by the County of the applicable covenants of the contract or to recover for the breach thereof; (c) exercise all the rights and remedies of a secured party or creditor under the Uniform Commercial Code of the State and the general laws of the State with respect to the enforcement of the security interest granted or reserved under this Contract, or (d) enforce its security interest or direct the Deed of Trust Trustee to institute foreclosure proceedings under the Deed of Trust and sell the Project. | 180,480 |
| On October 27, 2016, the County entered into a $197,772 direct placement installment purchase contract to purchase Sheriff department vehicles. The vehicles are pledged as collateral for the debt while the debt is outstanding. The financing contract requires annual principal payments ranging from $48,624 to $50,267, and annual interest payments at an interest rate of 1.10%. In the event of default, the lnder may declare the entire unpaid principal balance under this Note and all accured unpaid interest immediately due. | 99,982 |
| On September 21, 2017, the County entered into a $218,468 direct placement installment purchase contract to purchase Sheriff department vehicles. The vehicles are pledged as collateral for the debt while the debt is outstanding. The financing contract requires annual principal payments ranging from $53,025 to $56,233 plus interest payments at an interest rate of 1.95%. In the event of default, the lnder may declare the entire unpaid principal balance under this Note and all accured unpaid interest immediately due. | 165,443 |
| On December 11, 2018, the County entered into a $163,601 direct placement installment purchase contract to purchase Sheriff department vehicles. The vehicles are pledged as collateral for the debt while the debt is outstanding. The financing contract requires annual principal payments ranging from $39,291 to $42,543 plus interest payments at an interest rate of 2.65%. In the event of default, the lnder may declare the entire unpaid principal balance under this Note and all accured unpaid interest immediately due. | 163,601 |
| Total General Fund | $ 10,568,890 |

**Installment Purchase Agreements (continued)**

Enterprise Fund:

**Stanly County Utility Fund:**

On August 13, 2014, the County entered into a $136,100 direct placement installment purchase contract to purchase a utilities dump truck. The truck is pledged as collateral for the debt while the debt is outstanding. The financing contract requires annual principal payments ranging from $25,605 to $29,343 and annual interest payments at an interest rate of 3.00%. In the event of default, the Lender shall have all the rights of a secured party under the North Carolina Uniform Commercial Code including (a) making all or part of the amount owing by the terms of the loan immediately due; (b) use any and all remedies available under state or federal law or in any loan document; (c) make a claim for any and all insurance benefits or refunds that may be available; (d) amounts advanced on the County's behalf will be immediately due and may be added to the balance owed; or (e) the lender may use the right of set-off. $ 29,342

On February 23, 2018, the County entered into a $80,000 direct placement installment purchase contract to purchase a utilities 2017 Ford F-550 truck. The truck is pledged as collateral for the debt while the debt is outstanding. The financing contract requires annual principal payments of $16,887, including interest payments at an interest rate of 2.15%. In the event of default, the Lender shall have all the rights of a secured party under the North Carolina Uniform Commercial Code including (a) making all or part of the amount owing by the terms of the loan immediately due; (b) acquire all or any portion of the Collateral and any certificates of title and other documents relating to the Collateral; (c) sell the collateral to collect proceeds to pay off the debt. 64,021

Total Enterprise Fund $ 93,363

**Total Installment Purchase Agreements** $ 10,662,253

Future minimum payments as of June 30, 2019 were as follows:

| | Governmental Activities | | Business-Type Activities | |
|---|---|---|---|---|
| **Year Ending June 30** | **Principal** | **Interest** | **Principal** | **Interest** |
| 2020 | $ 1,241,010 | $ 285,553 | $ 44,834 | $ 2,289 |
| 2021 | 1,201,598 | 256,132 | 15,826 | 1,061 |
| 2022 | 964,616 | 227,405 | 16,174 | 713 |
| 2023 | 914,017 | 202,254 | 16,529 | 360 |
| 2024 | 876,113 | 178,067 | - | - |
| 2025-2029 | 3,479,199 | 549,052 | - | - |
| 2030-2034 | 729,892 | 271,826 | - | - |
| 2035-2039 | 451,684 | 176,388 | - | - |
| 2040-2044 | 256,541 | 122,433 | - | - |
| 2045-2049 | 312,122 | 66,853 | - | - |
| 2050-2054 | 142,098 | 8,563 | - | - |
| Total General | $ 10,568,890 | $ 2,344,526 | $ 93,363 | $ 4,423 |

**c. Revolving Loan Funds**

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. $ 54,125

**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, 2019, $886,147 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. 886,147

**Total Revolving Loan Fund Loans** $ 940,272

**d. Other Notes Payable**

**West Stanly Waste Water Treatment Plant Fund:**

Debt to the Town of Oakboro for assets acquired, executed on May 16, 2014, payable in annual principal payments of $156,250, no interest. $ 781,250

**Total Other Notes Payable** $ 781,250

| | Business Type Activities | | | |
|---|---|---|---|---|
| | Revolving Loan Funds | | Other Notes Payable | |
| **Year Ending June 30** | **Principal** | **Interest** | **Principal** | **Interest** |
| 2020 | $ 49,228 | $ - | $ 156,250 | $ - |
| 2021 | 49,228 | - | 156,250 | - |
| 2022 | 49,228 | - | 156,250 | - |
| 2023 | 49,228 | - | 156,250 | - |
| 2024 | 49,228 | - | 156,250 | - |
| 2025-2029 | 246,139 | - | - | - |
| 2030-2034 | 226,457 | - | - | - |
| 2035-2039 | 221,536 | - | - | - |
| Total Business-Type | $ 940,272 | $ - | $ 781,250 | $ - |

**e. 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. In the event of a default, the County agrees to pay to the Purchaser, on demand, interest on any and all amounts due and owing by the County under this Agreement.

The following is a schedule of general obligation debt at June 30, 2019:

**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% $ 4,205,000

**General Obligation Indebtedness (continued)**

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

Annual debt service requirements to maturity at June 30, 2019 are as follows:

| | Governmental Activities | |
|---|---|---|
| Year Ending June 30 | Principal | Interest |
| 2020 | $ 1,475,000 | $ 182,850 |
| 2021 | 1,465,000 | 123,850 |
| 2022 | 1,265,000 | 50,600 |
| Total | $ 4,205,000 | $ 357,300 |

**f. 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. | $ 919,000 |

**Greater Badin Water and Sewer District Fund**

| | |
|---|---|
| On November 15, 2016 the District issued $2,132,000 of direct placement USDA Revenue Bonds to finance construction projects. The payments are due in annual principal payments ranging from $33,000 to $77,000 and annual interest payments at an interest rate of 1.88%. | 2,024,000 |
| **Total Revenue Bonds** | $ 2,943,000 |

Revenue bond debt service requirement to maturity are as follows:

| | Business-Type Activities | |
|---|---|---|
| Year Ending June 30 | Principal | Interest |
| 2020 | $ 53,000 | $ 72,413 |
| 2021 | 55,000 | 71,138 |
| 2022 | 56,000 | 69,806 |
| 2023 | 57,000 | 68,456 |
| 2024 | 59,000 | 67,069 |
| 2025-2029 | 317,000 | 312,957 |
| 2030-2034 | 360,000 | 271,688 |
| 2035-2039 | 410,000 | 223,875 |
| 2040-2044 | 462,000 | 168,994 |
| 2045-2049 | 524,000 | 105,994 |
| 2050-2054 | 440,000 | 39,075 |
| 2055-2059 | 150,000 | 4,256 |
| Total | $ 2,943,000 | $ 1,475,721 |

**Revenue Bonds (continued)**

**West Stanly Waste Water Treatment Plant Fund**

The debt service coverage ratio calculation for the year ended June 30, 2019, is as follows:

| | |
|---|---|
| Total Revenues | $ 645,989 |
| Operating Expenses* | 430,106 |
| 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 | $ 49,980 |
| Debt service on debt due in current fiscal year percent of coverage | 472% |

* Per revenue bond covenants, this does not include the depreciation expense of $188,546.

**Greater Badin Water and Sewer District Fund**

The debt service coverage ratio calculation for the year ended June 30, 2019, is as follows:

| | |
|---|---|
| Total Revenues | $ 487,241 |
| Operating Expenses* | 257,695 |
| Operating Income | $ 229,546 |

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 | $ 76,663 |
| Debt service on debt due in current fiscal year percent of coverage | 299% |

* Per revenue bond covenants, this does not include the depreciation expense of $170,488.

*Debt Related to Capital Activities.* Of the total governmental activities debt listed, only $10,927,208 relates to assets to which the County holds title. Unspent restricted cash related to this debt amounts to $0.

**g. 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, 2019:

| **Governmental Activities:** | Balance July 1,2018 | Additions | Retirements | Balance June 30, 2019 | Current Portion |
|---|---|---|---|---|---|
| General obligation debt | $ 5,690,000 | $ - | $ 1,485,000 | $ 4,205,000 | $ 1,475,000 |
| Unamortized premiums on bonds | 354,760 | - | 89,000 | 265,760 | 89,000 |
| Capital Leases | 7,503,088 | - | 986,875 | 6,516,213 | 997,353 |
| Direct Placement Installment Purchase | 11,597,112 | 163,601 | 1,191,823 | 10,568,890 | 1,241,010 |
| Compensated Absences | 1,290,112 | 970,057 | 902,233 | 1,357,936 | 902,233 |
| Net pension liability (LGERS) | 4,035,095 | 2,163,555 | - | 6,198,650 | - |
| Total pension liability (LEOSSA) | 1,033,196 | - | 52,630 | 980,566 | - |
| Net OPEB Liability | 6,796,389 | 160,129 | - | 6,956,518 | - |
| Total governmental activities | $ 38,299,752 | $ 3,457,342 | $ 4,707,561 | $ 37,049,533 | $ 4,704,596 |

**Long-Term Obligation Activity (continued)**

| | Balance July 1,2018 | Additions | Retirements | Balance June 30, 2019 | Current Portion |
|---|---|---|---|---|---|
| **Business-type Activities:** | | | | | |
| **Stanly County Utility Fund:** | | | | | |
| Direct Placement Installment Purchase | $ 137,212 | $ - | $ 43,849 | $ 93,363 | $ 44,833 |
| Revolving Loan Funds | 59,045 | - | 4,920 | 54,125 | 4,920 |
| Compensated absences | 69,436 | 35,795 | 51,225 | 54,006 | 51,225 |
| Net Pension Liability(LGERS) | 138,250 | 74,127 | - | 212,377 | - |
| Net OPEB Liability | 171,514 | 4,041 | - | 175,555 | - |
| Total Stanly County Utility Fund | $ 575,457 | $ 113,963 | $ 99,994 | $ 589,426 | $ 100,978 |
| **Greater Badin Water and Sewer District Fund:** | | | | | |
| Revenue Bond | $ 2,062,000 | $ - | $ 38,000 | $ 2,024,000 | $ 38,000 |
| Revolving Loan Funds | 507,223 | 378,924 | - | 886,147 | 44,307 |
| Total Greater Badin W&S Fund | $ 2,569,223 | $ 378,924 | $ 38,000 | $ 2,910,147 | $ 82,307 |
| **West Stanly Waste Water Treatment Plant Fund:** | | | | | |
| Notes payable | $ 937,500 | $ - | $ 156,250 | $ 781,250 | $ 156,250 |
| Revenue bonds | 934,000 | - | 15,000 | 919,000 | 15,000 |
| Compensated absences | 2,125 | - | 1,535 | 590 | 1,535 |
| Net Pension Liability(LGERS) | 9,657 | 5,177 | - | 14,834 | - |
| Net OPEB Liability | 19,627 | 462 | - | 20,089 | - |
| Total West Stanly WWTP Fund | $ 1,902,909 | $ 5,639 | $ 172,785 | $ 1,735,763 | $ 172,785 |
| **Airport Fund:** | | | | | |
| Compensated absences | $ 14,358 | $ 9,187 | $ 7,379 | $ 16,166 | $ 7,379 |
| Net Pension Liability(LGERS) | 41,916 | 22,475 | - | 64,391 | - |
| Net OPEB Liability | 84,945 | 2,002 | - | 86,947 | - |
| Total Airport Fund | $ 141,219 | $ 33,664 | $ 7,379 | $ 167,504 | $ 7,379 |
| Total Business-type activities | $ 5,188,808 | $ 532,190 | $ 318,158 | $ 5,402,840 | $ 363,449 |

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, 2019, Stanly County had a legal debt margin of $372,936,699.

## h. 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, 2019, two industrial revenue bonds were outstanding, with an aggregate principal amount payable of $4,264,465.

**i. Net Investments in Capital Assets**

Net investment in capital assets at June 30, 2019 was calculated as follows:

| | General Fund | Enterprise Fund |
|---|---|---|
| Capital assets | $ 28,217,148 | $ 41,078,863 |
| Total debt, gross | (21,555,863) | (4,757,885) |
| Add: Debt not related to County assets | | |
| School debt for which County does not hold title: | | |
| Notes payable | 6,157,895 | - |
| General obligation bonds (refunded school bonds) | 4,205,000 | - |
| Unamortized premium on refunded bonds | 265,760 | - |
| Total school debt for which County does not hold title | 10,628,655 | - |
| Less: unspent debt proceeds | - | - |
| Total debt | (10,927,208) | (4,757,885) |
| Net investment in capital assets | $ 17,289,940 | $ 36,320,978 |

**C. Interfund Balances and Activity**

Interfund receivable balances consist of cash deficits as of June 30, 2019. 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 | $ 928,616 | $ - | Cash Deficit |
| Greater Badin Water and Sewer | - | 202,840 | Cash Deficit |
| West Stanly Waste Water Treatment | - | 256,554 | Cash Deficit |
| Riverstone Industrial Park Project | - | 469,222 | Cash Deficit |
| Total | $ 928,616 | $ 928,616 | |

Transfers to and from other funds at June 30, 2019 consist of the following:

| | Transfers | | |
|---|---|---|---|
| | From | To | Purpose |
| General Fund | $ 791,103 | $ - | Capital outlay |
| Capital Project Fund | | | |
| Riverstone Industrial Park | - | 44,371 | Capital outlay |
| Eastside Tower Project | - | 128 | Capital outlay |
| Major enterprise funds and capital projects: | | | |
| Airport Fund | - | 425,370 | Capital outlay |
| Airport Layout Project Fund | - | 18,990 | Capital outlay |
| Airport Rehab Project Fund | - | 178,954 | Capital outlay |
| Airport Runway Project | - | 1,330 | Capital outlay |
| Airport Pavement Project | | 1,408 | Capital outlay |
| Stanly County Utility Fund | 89,004 | - | Capital outlay |
| Brown Hill Road Waterline Project | - | 142,064 | Capital outlay |
| Utility Communications Grant Project | - | 44,633 | Capital outlay |
| Utility Hookup Grant Project | - | 22,859 | Capital outlay |
| Total | $ 880,107 | $ 880,107 | |

**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 | $ 31,145,359 |
| Less: | |
| Prepaid items | 66,763 |
| Stabilization by State statute | 6,857,720 |
| Total available fund balance | $ 24,220,876 |

The County had no outstanding encumbrances at June 30, 2019.

## 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 $209,294 to the Authority during the fiscal year ended June 30, 2019. 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, 2019. 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 $1,287,006 for operating purposes and $210,000 for capital during the fiscal year ended June 30, 2019. 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 $14,820 the Council during the fiscal year ended June 30, 2019.

## NOTE VI: 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 VII: Special Item

Two items are reflected as special items on Exhibit 2. Stanly County was involved in a lawsuit with Alcoa. An agreement was reached, and Alcoa paid Stanly County $3,000,000. Additionally, Stanly County was involved in a joint lawsuit with the Town of Norwood and Union County. Per the agreement, Stanly County was to be reimbursed for legal fees and expert consultation. The County received $600,685 in reimbursements during the year.

**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 1, 2019, the date the financial statements were available to be issued.

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# 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 Six Fiscal Years***

| | Local Government Employees' Retirement System | | | | | |
|---|---|---|---|---|---|---|
| | **2019** | **2018** | **2017** | **2016** | **2015** | **2014** |
| County's proportion of the net pension liability (asset) (%) | 0.274% | 0.277% | 0.276% | 0.281% | 0.272% | 0.279% |
| County's proportion of the net pension liability (asset) ($) | $ 6,490,253 | $ 4,224,918 | $ 5,850,853 | $ 1,259,226 | $ (1,602,930) | $ 3,358,200 |
| County's covered-employee payroll | 19,501,302 | 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 | 33.28% | 22.14% | 33.71% | 7.32% | -9.64% | 21.97% |
| Plan fiduciary net position as a percentage of the total pension liability** | 92.00% | 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 Six Fiscal Years**

| | Local Government Employees' Retirement System | | | | | |
|---|---|---|---|---|---|---|
| | **2019** | **2018** | **2017** | **2016** | **2015** | **2014** |
| Contractually required contribution | $ 1,628,654 | $ 1,499,925 | $ 1,420,118 | $ 1,179,295 | $ 1,216,645 | $ 1,170,226 |
| Contributions in relation to the contractually required contribution | 1,628,654 | 1,499,925 | 1,420,118 | 1,179,295 | 1,216,645 | 1,170,226 |
| Contribution deficiency (excess) | $ - | $ - | $ - | $ - | $ - | $ - |
| County's covered-employee payroll | $ 20,577,405 | $ 19,501,302 | $ 19,078,455 | $ 17,357,375 | $ 17,210,820 | $ 16,632,050 |
| Contributions as a percentage of covered-employee payroll | 7.91% | 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 Six Fiscal Years***

| | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 |
|---|---|---|---|---|---|---|
| County's proportionate share of the net pension liability (asset) (%) | 0.625% | 0.635% | 0.622% | 0.585% | 0.552% | 0.531% |
| County's proportionate share of the net pension liability (asset) ($) | $ (103,530) | $ (108,390) | $ (116,332) | $ (135,524) | $(125,137) | $ (113,505) |
| County's covered-employee payroll | 62,869 | 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 | -164.68% | -176.80% | -207.86% | -272.11% | -262.25% | -248.89% |
| Plan fiduciary net position as a percentage of the total pension liability ** | 153.31% | 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 Six Fiscal Years**

| | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 |
|---|---|---|---|---|---|---|
| County's required contribution | $ 5,264 | $ 4,772 | $ 4,518 | $ 3,800 | $ 4,680 | $ 4,508 |
| Contributions in relation to contractually required contribution | 5,264 | 4,772 | 4,518 | 3,800 | 4,680 | 4,508 |
| Contribution deficiency (excess) | $ - | $ - | $ - | $ - | $ - | $ - |
| County's covered-employee payroll | $67,137 | $62,869 | $ 61,307 | $ 55,967 | $ 49,805 | $ 47,717 |
| Contributions as a percentage of covered-employee payroll | 7.84% | 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, 2019**

| | 2019 | 2018 | 2017 |
|---|---|---|---|
| Beginning balance | $ 1,033,196 | $ 992,821 | $ 967,725 |
| Service cost | 62,353 | 54,696 | 60,419 |
| Interest on the total pension liability | 32,138 | 37,598 | 33,817 |
| Change in benefit terms | - | - | - |
| Difference between expected and actuarial experience in the measurement of the total pension liability | (68,751) | (92,684) | - |
| Changes of assumptions and other inputs | (46,010) | 78,299 | (28,212) |
| Benefit payments | (32,360) | (37,534) | (40,928) |
| Other changes | - | - | - |
| Ending balance of total pension liability | $ 980,566 | $ 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, 2019**

| | 2019 | 2018 | 2017 |
|---|---|---|---|
| Total pension liability | $ 980,566 | $ 1,033,196 | $ 992,821 |
| Covered payroll | 2,252,291 | 2,269,098 | 2,378,573 |
| Total pension liability as a percentage of covered payroll | 43.54% | 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, 2019**

| | 2019 | 2018 |
|---|---|---|
| **Total OPEB Liability** | | |
| Service cost | $ 370,806 | $ 403,919 |
| Interest | 247,169 | 207,976 |
| Changes of benefit terms | - | - |
| Differences between expected and actual experience | 76,465 | 167,936 |
| Changes of assumptions | (266,490) | (446,264) |
| Benefit payments | (261,316) | (338,652) |
| Net change in total OPEB liability | 166,634 | (5,085) |
| Total OPEB liability - beginning | 7,072,475 | 7,077,560 |
| Total OPEB liability - ending | $ 7,239,109 | $ 7,072,475 |
| | | |
| Covered payroll | $ 17,586,997 | $ 17,586,997 |
| Total OPEB liability as a percentage of covered payroll | 41.16% | 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% |
| 2019 | 3.89% |

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

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# GENERAL FUND

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

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**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, 2019**

| | Final Budget | Actual | Variance Positive (Negative) |
|---|---|---|---|
| **Revenues** | | | |
| Ad valorem Taxes | | | |
| Current year | | $ 33,068,292 | |
| Penalties and interest | | 343,152 | |
| Total | $ 32,853,711 | 33,411,444 | $ 557,733 |
| Local Option Sales Taxes | | | |
| Sales tax article 39 | | 3,887,566 | |
| Sales tax article 40 | | 3,227,716 | |
| Sales tax article 42 | | 2,611,636 | |
| Sales tax article 44 | | 779,456 | |
| Sales tax article 46 | | 316,829 | |
| Medicaid Hold Harmless payment | | 467,738 | |
| Total | 9,750,000 | 11,290,941 | 1,540,941 |
| Other Taxes and Licenses | | | |
| Other taxes | | 34,734 | |
| Real property excise tax | | 267,119 | |
| Solid waste | | 30,350 | |
| Occupancy tax | | 332,201 | |
| Cable franchise tax | | 138,590 | |
| Beer & wine tax | | 2,430 | |
| Total | 728,200 | 805,424 | 77,224 |
| Unrestricted Intergovernmental Revenues | | | |
| ABC profits | | 140,755 | |
| Total | - | 140,755 | 140,755 |
| Restricted Intergovernmental Revenues | | | |
| EMS | | 3,284 | |
| Other federal and State grants | | 1,071,369 | |
| Senior and aging grants | | 564,783 | |
| Public safety | | 219,788 | |
| Transportation | | 552,647 | |
| Health | | 782,532 | |
| Social services grants | | 5,164,890 | |
| Total | 9,375,195 | 8,359,293 | (1,015,902) |
| Permits and Fees | | | |
| Zoning and planning permits | | 30,668 | |
| Tech fees | | 23,070 | |
| Concealed weapons permit | | 61,530 | |
| Recording fess | | 279,617 | |
| Marriage license | | 8,025 | |
| Building permits | | 875,205 | |
| Total | 1,028,266 | 1,278,115 | 249,849 |


(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, 2019**

| | Final Budget | Actual | Variance Positive (Negative) |
|---|---|---|---|
| Sales and Services | | | |
| Intergovernmental charges | | 201,246 | |
| Sherriff and jail fees | | 996,835 | |
| Ambulance fees | | 3,200,946 | |
| Transportation | | 447,130 | |
| Solid waste | | 953,730 | |
| Health fees | | 2,926,360 | |
| Rental and other charges | | 167,811 | |
| Total | 8,670,224 | 8,894,058 | 223,834 |
| Interest on investments | 289,000 | 638,567 | 349,567 |
| Miscellaneous | | | |
| Donations | | 213,543 | |
| Rents | | 304,707 | |
| Sale of assets | | 29,059 | |
| Miscellaneous other | | 4,095,717 | |
| Total | 1,073,621 | 4,643,026 | 3,569,405 |
| Total Revenues | 63,768,217 | 69,461,623 | 5,693,406 |
| **Expenditures** | | | |
| General Government: | | | |
| Governing Body | | | |
| Salaries and employee benefits | | 140,967 | |
| Operating expenditures | | 99,398 | |
| Total | | 240,365 | |
| Administration | | | |
| Salaries and employee benefits | | 451,593 | |
| Operating expenditures | | 27,008 | |
| Total | | 478,601 | |
| Finance Department | | | |
| Salaries and employee benefits | | 368,817 | |
| Operating expenditures | | 169,745 | |
| Total | | 538,562 | |
| Tax Assessor | | | |
| Salaries and employee benefits | | 610,275 | |
| Operating expenditures | | 234,412 | |
| Total | | 844,687 | |

**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, 2019**

| | Final Budget | Actual | Variance Positive (Negative) |
|---|---|---|---|
| Tax Revaluation | | | |
| Salaries and employee benefits | | 384,215 | |
| Operating expenditures | | 25,593 | |
| Capital Outlay | | - | |
| Total | | 409,808 | |
| County Attorney | | | |
| Salaries | | 165,625 | |
| Operating expenditures | | 212,837 | |
| Total | | 378,462 | |
| Clerk of Court | | | |
| Operating expenditures | | 10,025 | |
| Total | | 10,025 | |
| Judge's Office | | | |
| Operating expenditures | | 2,825 | |
| Total | | 2,825 | |
| Elections | | | |
| Salaries and employee benefits | | 264,829 | |
| Operating expenditures | | 131,242 | |
| Capital Outlay | | - | |
| Total | | 396,071 | |
| Register of Deeds | | | |
| Salaries and employee benefits | | 284,273 | |
| Operating expenditures | | 55,845 | |
| Capital Outlay | | 27,043 | |
| Total | | 367,161 | |
| Information Technology | | | |
| Salaries and employee benefits | | 494,312 | |
| Operating expenditures | | 401,459 | |
| Capital outlay | | - | |
| Total | | 895,771 | |
| Facilities Management | | | |
| Salaries and employee benefits | | 371,888 | |
| Operating expenditures | | 862,973 | |
| Total | | 1,234,861 | |
| Total General Government | 6,023,235 | 5,797,199 | 226,036 |

**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, 2019**

| | Final Budget | Actual | Variance Positive (Negative) |
|---|---|---|---|
| Public safety: | | | |
| Sheriff | | | |
| Salaries | | 3,896,730 | |
| Operating expenditures | | 604,671 | |
| Capital Outlay | | 252,234 | |
| Total | | 4,753,635 | |
| Jail | | | |
| Salaries and employee benefits | | 1,970,372 | |
| Operating expenditures | | 865,061 | |
| Capital outlay | | 42,727 | |
| Total | | 2,878,160 | |
| Office of Juvenile Justice | | | |
| Operating expenditures | | 1,398 | |
| Program expenditures | | 173,070 | |
| Juvenile detention | | 10,614 | |
| Total | | 185,082 | |
| Emergency Management | | | |
| Salaries and employee benefit | | 4,390,514 | |
| Operating expenditures | | 1,125,622 | |
| Capital Outlay | | 17,143 | |
| Total | | 5,533,279 | |
| Code Enforcement | | | |
| Salaries and employee benefits | | 393,430 | |
| Operating expenditures | | 47,956 | |
| Capital Outlay | | 30,681 | |
| Total | | 472,067 | |
| Medical Examiner | | | |
| Contractual services | | 50,950 | |
| Animal Control | | | |
| Salaries and employee benefits | | 325,864 | |
| Operating expenditures | | 84,403 | |
| Capital outlay | | 12,000 | |
| Total | | 422,267 | |

**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, 2019**

| | Final Budget | Actual | Variance Positive (Negative) |
|---|---|---|---|
| 911 Communication Service | | | |
| Salaries and employee benefits | | 1,307,603 | |
| Operating expenditures | | 722,749 | |
| Capital outlay | | - | |
| Total | | 2,030,352 | |
| Reimbursement | | | |
| From E-911 fund | | - | |
| Total Public Safety | 16,835,012 | 16,325,792 | 509,220 |
| Transportation | | | |
| Salaries and employee benefits | | 806,676 | |
| Operating expenditures | | 180,028 | |
| Capital outlay | | 195,402 | |
| Total Transportation | 1,297,906 | 1,182,106 | 115,800 |
| Environmental Protection | | | |
| Solid Waste Operations | | | |
| Salaries and employee benefits | | 397,071 | |
| Operating expenditures | | 698,765 | |
| Capital outlay | | 35,389 | |
| Total | | 1,131,225 | |
| Fire Forester | | | |
| Contributions to other agencies | | 88,581 | |
| Soil and Water Conservation | | | |
| Salaries and employee benefits | | 98,149 | |
| Operating expenditures | | 11,045 | |
| Total | | 109,194 | |
| Total Environmental Protection | 1,381,533 | 1,329,000 | 52,533 |
| Economic and Physical Development: | | | |
| Economic Development Commission | | | |
| Salaries and employee benefits | | 117,525 | |
| Operating expenditures | | 587,829 | |
| Capital Outlay | | - | |
| Total | | 705,354 | |

**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, 2019**

| | Final Budget | Actual | Variance Positive (Negative) |
|---|---|---|---|
| Occupancy Tax -Motel/Hotel | | | |
| To other municipalities | | 267,777 | |
| Planning and Zoning | | | |
| Salaries and employee benefits | | 215,209 | |
| Operating expenditures | | 32,760 | |
| Total | | 247,969 | |
| Central Permitting | | | |
| Salaries and employee benefits | | 243,928 | |
| Operating expenditures | | 27,352 | |
| Total | | 271,280 | |
| Cooperative Extension | | | |
| Salaries and employee benefits | | - | |
| Operating expenditures | | 269,682 | |
| Total | | 269,682 | |
| Special Appropriations for Economic Development | | | |
| Contribution for economic development | | 160,000 | |
| Rocky River RPO | | | |
| Salaries and employee benefits | | 80,398 | |
| Operating expenditures | | 7,522 | |
| Total | | 87,920 | |
| Total Economic and Physical Develop | 2,260,903 | 2,009,982 | 250,921 |
| Human services: | | | |
| Board Member expenses | | | |
| Salaries and employee benefits | | 4,355 | |
| Other operating expenditures | | 1,069 | |
| Total | | 5,424 | |
| Health | | | |
| Salaries and employee benefits | | 2,085,432 | |
| Other operating expenditures | | 618,247 | |
| Capital outlay | | 6,911 | |
| Total | | 2,710,590 | |
| Home Health | | | |
| Salaries and employee benefits | | 651,056 | |
| Operating expenditures | | 1,023,128 | |
| Total | | 1,674,184 | |

**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, 2019**

| | Final Budget | Actual | Variance Positive (Negative) |
|---|---|---|---|
| Dental Clinic | | | |
| Salaries and employee benefits | | 911,873 | |
| Other operating expenditures | | 247,496 | |
| Capital outlay | | 9,534 | |
| Total | | 1,168,903 | |
| Environmental Health | | | |
| Salaries | | 382,547 | |
| Other operating expenditures | | 57,211 | |
| Total | | 445,471 | |
| Mental Health | | | |
| Contributions to other agencies: | | | |
| Bottle surcharge | | 19,134 | |
| Piedmont area mental health | | 190,160 | |
| Total | | 209,294 | |
| Social Services | | | |
| Salaries and employee benefits | | 5,583,467 | |
| Operating expenditures | | 1,607,753 | |
| Daycare and resident services | | 227,314 | |
| Total | | 7,418,534 | |
| In-Home Services | | | |
| Salaries and employee benefits | | 106,536 | |
| Operating expenditures | | 293,933 | |
| Total | | 400,469 | |
| Nutrition | | | |
| Salaries and employee benefits | | 135,184 | |
| Operating expenditures | | 212,884 | |
| Total | | 348,068 | |
| I&A/Transportation | | | |
| Salaries and employee benefits | | 63,425 | |
| Operating expenditures | | 121,032 | |
| Total | | 184,457 | |
| Family Caregiver Support Program | | | |
| Operating expenditures | | 20,509 | |
| Total | | 20,509 | |

**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, 2019**

| | Final Budget | Actual | Variance Positive (Negative) |
|---|---|---|---|
| Senior Services | | | |
| Salaries and employee benefits | | 259,039 | |
| Other operating expenditures | | 266,034 | |
| Total | | 525,073 | |
| Veterans Services | | | |
| Salaries and employee benefits | | 72,031 | |
| Operating expenditures | | 5,111 | |
| Veterans Association | | 2,295 | |
| Total | | 79,437 | |
| Total Human Services | 17,172,095 | 15,190,413 | 1,981,682 |
| Education: | | | |
| Stanly County Public Schools | | | |
| Current expenditures | | 10,436,486 | |
| Capital Outlay | | 3,344,220 | |
| Total | | 13,780,706 | |
| Stanly Community College | | | |
| Current Expenditures | | 1,287,006 | |
| Capital Outlay | | 210,000 | |
| Total | | 1,497,006 | |
| Total Education | 15,280,819 | 15,277,712 | 3,107 |
| Cultural and Recreation: | | | |
| Library | | | |
| Salaries and employee benefits | | 932,384 | |
| Operating expenditures | | 290,045 | |
| Capital outlay | | - | |
| Total | | 1,222,429 | |
| Special Appropriation - Senior Center | | - | |
| Agriculture Civic Center | | | |
| Salaries and employee benefits | | 166,938 | |
| Operating expenditures | | 267,606 | |
| Total | | 434,544 | |
| Total Cultural and Recreation | 1,714,047 | 1,656,973 | 57,074 |

**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, 2019**

| | Final Budget | Actual | Variance Positive (Negative) |
|---|---|---|---|
| Debt service: | | | |
| Principal | | 3,620,990 | |
| Interest payments | | 741,029 | |
| Total debt service | 4,362,034 | 4,362,019 | 15 |
| Contingency | 189,966 | 51,698 | 138,268 |
| Total expenditures | 66,517,550 | 63,182,894 | 3,334,656 |
| Revenue over (under) expenditures | (2,749,333) | 6,278,729 | 9,028,062 |
| Other financing sources (uses): | | | |
| Transfers (to): | | | |
| Enterprise Funds | (1,906,567) | (746,604) | 1,159,963 |
| Capital Project Funds | (1,401,803) | (44,499) | 1,357,304 |
| Transfers from: | | | |
| Internal Service Fund | - | - | - |
| Capital Project Funds | - | - | - |
| Installment Debt Issued | 163,601 | 163,601 | - |
| Appropriated Fund Balance | 5,894,102 | - | (5,894,102) |
| **Total other financing sources (uses)** | 2,749,333 | (627,502) | (3,376,835) |
| Excess of revenues and other sources over (under) expenditures and other uses | $ - | 5,651,227 | $ 5,651,227 |
| Fund balance- July 1 | | 25,494,132 | |
| Fund balance- June 30 | | $ 31,145,359 | |

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# NONMAJOR GOVERNMENTAL FUNDS

Nonmajor Funds account for the proceeds of special revenue sources that are legally restricted to the expenditure for specific purposes. The financial information for 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.
- **Riverstone Industrial Park Project:** This fund is used to account for the funds designated for the development of this park.
- **Eastside Tower Project:** This fund is used to account for the funds designated for the construction of this tower.

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**Stanly County, North Carolina**
**Combining Balance Sheet**
**Nonmajor Governmental Funds**
**June 30, 2019**

| | 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 | Riverstone Industrial Park Project | Eastside Tower Project | Total |
| **Assets:** | | | | | | | | | |
| Current Assets: | | | | | | | | | |
| Cash and cash equivalents | $ 103,081 | $ 38,821 | $ - | $ - | $ 507,106 | $ - | $ - | $ 128 | $ 649,136 |
| Taxes receivable | - | 76,772 | - | - | - | - | - | - | 76,772 |
| Accounts receivable | - | - | - | - | - | - | - | - | - |
| Due from other governments | 34,061 | - | - | - | - | - | 481,959 | - | 516,020 |
| Restricted cash and cash equivalents | - | - | - | - | - | - | - | - | - |
| Total assets | 137,142 | 115,593 | - | - | 507,106 | - | 481,959 | 128 | 1,241,928 |
| **Liabilities, Deferred Inflows of Resources, and Fund Balances:** | | | | | | | | | |
| **Liabilities:** | | | | | | | | | |
| Accounts payable and accrued liabilities | 4,330 | 38,821 | - | - | - | - | 12,737 | 128 | 56,016 |
| Interfund payables | - | - | - | - | - | - | 469,222 | - | 469,222 |
| Liablities to be paid from restricted assets: | | | | | | | | | |
| Accounts payable | - | - | - | - | - | - | - | - | - |
| Total liabilities | 4,330 | 38,821 | - | - | - | - | 481,959 | 128 | 525,238 |
| **Deferred Inflows of Resources:** | | | | | | | | | |
| Unavailable revenue - property taxes | - | 76,772 | - | - | - | - | - | - | 76,772 |
| **Fund Balances:** | | | | | | | | | |
| Restricted: | | | | | | | | | |
| Stabilization by State Statute | 34,061 | - | - | - | - | - | 481,959 | - | 516,020 |
| Public Safety | 98,751 | - | - | - | - | - | - | - | 98,751 |
| Economic Development | - | - | - | - | - | - | - | - | - |
| Cultural and Recreational | - | - | - | - | 507,106 | - | - | - | 507,106 |
| Education | - | - | - | - | - | - | - | - | - |
| Committed | - | - | - | - | - | - | - | - | - |
| Unassigned | - | - | | - | - | - | (481,959) | - | (481,959) |
| Total fund balances | 132,812 | - | - | - | - | - | - | - | 639,918 |
| Total liabilities, deferred inflows of resources, and fund balances | $ 137,142 | $ 115,593 | $ - | $ - | $ - | $ - | $ 481,959 | $ 128 | $1,241,928 |

**Stanly County, North Carolina**
**Combining Statement of Revenues, Expenditures, and**
**Changes in Fund Balances**
**Nonmajor Governmental Funds**
**For the Year Ended June 30, 2019**

| | 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 | Riverstone Industrial Park Project | Eastside Tower Project | Total |
| **Revenues:** | | | | | | | | | |
| Ad valorem taxes | $ - | $ 3,003,977 | $ - | $ - | $ - | $ - | $ - | $ - | $ 3,003,977 |
| Restricted intergovernmental | - | - | 106,190 | - | - | - | 611,778 | - | 717,968 |
| Donations | - | - | - | - | 364,152 | - | - | - | 364,152 |
| Sales and services | 408,729 | - | - | - | - | - | - | - | 408,729 |
| Investment earnings | 1,140 | - | - | - | - | - | - | - | 1,140 |
| Total revenues | 409,869 | 3,003,977 | 106,190 | - | 364,152 | - | 611,778 | - | 4,495,966 |
| **Expenditures:** | | | | | | | | | |
| General Government | - | 60,497 | - | | | | | | 60,497 |
| Public Safety | 319,276 | 2,943,480 | - | - | - | - | - | 128 | 3,262,884 |
| Economic Development | - | - | 106,190 | - | - | - | 656,149 | - | 762,339 |
| Education | - | - | - | 18,648 | - | - | - | - | 18,648 |
| Cultural and Recreation | - | - | - | - | 1,706 | - | - | - | 1,706 |
| Debt service payment | 42,709 | - | - | - | - | - | - | - | 42,709 |
| Total expenditures | 361,985 | 3,003,977 | 106,190 | 18,648 | 1,706 | - | 656,149 | 128 | 4,148,783 |
| Revenues over (under) expenditures | 47,884 | - | - | (18,648) | 362,446 | - | (44,371) | (128) | 347,183 |
| **Other Financing Sources (Uses):** | | | | | | | | | |
| Transfers- in | | | | | | | | | |
| General Fund | - | - | - | - | - | - | 44,371 | 128 | 44,499 |
| Transfers-out | | | | | | | | | |
| General Fund | - | - | - | - | - | - | | | - |
| Total other financing sources (uses) | - | - | - | - | - | - | 44,371 | 128 | 44,499 |
| Net change in fund balances | 47,884 | - | - | (18,648) | 362,446 | - | - | - | 391,682 |
| **Fund Balances:** | | | | | | | | | |
| Fund Balance- July 1 | 84,928 | - | - | 18,648 | 144,660 | - | - | - | 248,236 |
| Fund Balance- June 30 | $ 132,812 | $ - | $ - | $ - | $ 507,106 | $ - | $ - | $ - | $ 639,918 |

**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, 2019**

| | Budget | Actual | Variance Positive (Negative) |
|---|---|---|---|
| **Revenues:** | | | |
| Charges - surcharges | $ 408,734 | $ 408,729 | $ (5) |
| Investment earnings | - | 1,140 | 1,140 |
| Total Revenues | 408,734 | 409,869 | 1,135 |
| **Expenditures:** | | | |
| Implemental Functions | - | - | - |
| Telephone | 178,357 | 159,602 | 18,755 |
| Software and software maintenance | 70,786 | 68,592 | 2,194 |
| Hardware and hardware maintenance | 83,975 | 39,319 | 44,656 |
| Professional fees | 22,950 | - | 22,950 |
| Training | 5,000 | 4,390 | 610 |
| Departmental Supplies | - | - | - |
| Capital Outlay | 50,469 | 47,373 | 3,096 |
| Debt service payment | 42,709 | 42,709 | - |
| Total Expenditures | 454,246 | 361,985 | 92,261 |
| Revenues over (under) expenditures | (45,512) | 47,884 | 93,396 |
| **Other Financing Sources (Uses):** | | | |
| Appropriated fund balance | 45,512 | - | (45,512) |
| Total Other Financing Sources (Uses) | 45,512 | - | (45,512) |
| Net change in fund balance | $ - | 47,884 | $ 138,908 |
| **Fund Balance:** | | | |
| Beginning of Year - July 1 | | 84,928 | |
| End of Year - June 30 | | $ 132,812 | |

**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, 2019**

| | Budget | Actual | Variance Positive (Negative) |
|---|---|---|---|
| **Revenues:** | | | |
| Ad valorem taxes: | | | |
| Current year | $ 2,938,300 | $ 2,952,983 | $ 14,683 |
| Prior years | 51,000 | 50,994 | (6) |
| Total Revenues | 2,989,300 | 3,003,977 | 14,677 |
| **Expenditures:** | | | |
| Administration Fees: | | | |
| Tax collections fees | 40,000 | 47,481 | (7,481) |
| NCDMV tax proccessing fees | 19,000 | 13,016 | 5,984 |
| Total Adminstration Fees | 59,000 | 60,497 | (1,497) |
| Public Safety | | | |
| West Stanly Fire District | 837,000 | 845,128 | (8,128) |
| Center Fire District | 349,000 | 346,487 | 2,513 |
| Endy Fire Distirct | 123,600 | 123,086 | 514 |
| Ridgecrest Fire District | 195,000 | 196,293 | (1,293) |
| Awuadale Fire District | 156,000 | 157,796 | (1,796) |
| Eastside Fire District | 203,000 | 202,027 | 973 |
| Oakboro Fire District | 132,000 | 133,991 | (1,991) |
| New London Fire District | 217,000 | 217,433 | (433) |
| Southside Fire District | 115,000 | 115,980 | (980) |
| Bethany Fire District | 83,700 | 83,917 | (217) |
| Richfield Fire District | 132,000 | 131,408 | 592 |
| Millingport Fire District | 220,000 | 222,532 | (2,532) |
| Norwood Special Fire District | 25,000 | 25,792 | (792) |
| Badin-Yakin Fire District | 142,000 | 141,610 | 390 |
| Total Public Safety | 2,930,300 | 2,943,480 | (13,180) |
| Total Expenditures | 2,989,300 | 3,003,977 | (14,677) |
| 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, 2019**

| | | Actual | | | |
|---|---|---|---|---|---|
| | Project Authorization | Prior Years | Current Year | Total to Date | Variance Positive (Negative) |
| **Revenues:** | | | | | |
| Restricted intergovernmental | | | | | |
| SFR Program Grant | $ 175,000 | $ - | $ 106,190 | $ 106,190 | $ (68,810) |
| Total Revenue | 175,000 | - | 106,190 | 106,190 | (68,810) |
| **Expenditures:** | | | | | |
| Economic and physical development | | | | | |
| Rehabilitation | 175,000 | - | 106,190 | 106,190 | 68,810 |
| Total Expenditures | 175,000 | - | 106,190 | 106,190 | 68,810 |
| 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, 2019**

| | | Actual | | | | |
|---|---|---|---|---|---|---|
| | Project Authorization | Prior Years | Current Year | Completed Project | Total to Date | Variance Positive (Negative) |
| **Revenues:** | | | | | | |
| Restricted intergovernmental | | | | | | |
| NC Office of Management and Budget | $ 3,092,000 | $3,092,000 | $ - | $ (3,092,000) | $ - | $(3,092,000) |
| Total Revenue | 3,092,000 | 3,092,000 | - | (3,092,000) | - | (3,092,000) |
| **Expenditures:** | | | | | | |
| Education | | | | | | |
| Professional services | 309,200 | 269,332 | 18,648 | (287,980) | - | 309,200 |
| Construction | 2,782,800 | 2,804,020 | - | (2,804,020) | - | 2,782,800 |
| Total Expenditures | 3,092,000 | 3,073,352 | 18,648 | (3,092,000) | - | 3,092,000 |
| Net change in fund balance | $ - | $ 18,648 | (18,648) | $ - | $ - | $(6,184,000) |
| **Fund Balance:** | | | | | | |
| Beginning of Year - July 1 | | | 18,648 | | | |
| End of Year - June 30 | | | $ - | | | |

**Stanly County, North Carolina**
**Livestock Arena Construction Project**
**Schedule of Revenue, Expenditures And**
**Changes in Fund Balances - Budget and Actual**
**From Inception and for the Year Ended June 30, 2019**

| | | Actual | | | |
|---|---|---|---|---|---|
| | Project Authorization | Prior Years | Current Year | Total to Date | Variance Positive (Negative) |
| **Revenues:** | | | | | |
| NC Department of Commerce | $ 175,000 | $ 175,000 | $ - | $ 175,000 | $ - |
| Donations | 364,152 | - | 364,152 | 364,152 | - |
| Total Revenue | 539,152 | 175,000 | 364,152 | 539,152 | - |
| **Expenditures:** | | | | | |
| Culture and Recreation | | | | | |
| Professional services | 100,000 | 81,864 | 1,706 | 83,570 | 16,430 |
| Buildings, Structure, & Improvements | 514,152 | 150 | - | 150 | 514,002 |
| Total Expenditures | 614,152 | 82,014 | 1,706 | 83,720 | 530,432 |
| Revenues over (under) expenditures | (75,000) | 92,986 | 362,446 | 455,432 | 530,432 |
| **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 | 362,446 | $ 507,106 | $ 507,106 |
| **Fund Balance:** | | | | | |
| Beginning of Year - July 1 | | | 144,660 | | |
| End of Year - June 30 | | | $ 507,106 | | |

**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, 2019**

| | | Actual | | | | |
|---|---|---|---|---|---|---|
| | Project Authorization | Prior Years | Current Year | Completed Projects | Total to Date | Variance Positive (Negative) |
| **Revenues:** | | | | | | |
| Donations | $ - | $ 68,500 | $ - | $ - | $ 68,500 | $ 68,500 |
| Total Revenue | - | 68,500 | - | - | 68,500 | 68,500 |
| **Expenditures:** | | | | | | |
| Culture and Recreation | | | | | | |
| Capital Outlay | - | 179,235 | - | - | 179,235 | (179,235) |
| Total Expenditures | - | 179,235 | - | - | 179,235 | (179,235) |
| Revenues over (under) expenditures | - | (110,735) | - | - | (110,735) | (110,735) |
| **Other Financing Sources (Uses):** | | | | | | |
| Transfer from General Fund | - | 110,735 | - | - | 110,735 | 110,735 |
| Total other financing sources (uses) | - | 110,735 | - | - | 110,735 | 110,735 |
| Net change in fund balance | $ - | $ - | - | $ - | $ - | $ - |
| **Fund Balance:** | | | | | | |
| Beginning of Year - July 1 | | | - | | | |
| End of Year - June 30 | | | $ - | | | |

**Stanly County, North Carolina**
**Riverstone Industrial Park Project**
**Schedule of Revenue, Expenditures And**
**Changes in Fund Balances - Budget and Actual**
**From Inception and for the Year Ended June 30, 2019**

| | | Actual | | | | |
|---|---|---|---|---|---|---|
| | Project Authorization | Prior Years | Current Year | Completed Projects | Total to Date | Variance Positive (Negative) |
| **Revenues:** | | | | | | |
| NC Department of Commerce | 950,000 | $ - | $611,778 | $ - | $611,778 | $(338,222) |
| Total Revenue | 950,000 | - | 611,778 | - | 611,778 | (338,222) |
| **Expenditures:** | | | | | | |
| Economic Development | | | | | | |
| Professional Services | 36,867 | | 44,371 | - | 44,371 | (7,504) |
| Buildings, Structure, & Improve | 1,113,133 | - | 611,778 | - | 611,778 | 501,355 |
| Total Expenditures | 1,150,000 | - | 656,149 | - | 656,149 | 493,851 |
| Revenues over (under) expenditures | (200,000) | - | (44,371) | - | (44,371) | 155,629 |
| **Other Financing Sources (Uses):** | | | | | | |
| Transfer from General Fund | 200,000 | - | 44,371 | - | 44,371 | (155,629) |
| Total other financing sources (uses) | 200,000 | - | 44,371 | - | 44,371 | (155,629) |
| Net change in fund balance | $ - | $ - | - | $ - | $ - | $ - |
| **Fund Balance:** | | | | | | |
| Beginning of Year - July 1 | | | - | | | |
| End of Year - June 30 | | | $ - | | | |

**Stanly County, North Carolina**
**Eastside Tower Project Fund**
**Schedule of Revenue, Expenditures And**
**Changes in Fund Balances - Budget and Actual**
**From Inception and for the Year Ended June 30, 2019**

| | | Actual | | | | |
|---|---|---|---|---|---|---|
| | Project Authorization | Prior Years | Current Year | Completed Projects | Total to Date | Variance Positive (Negative) |
| **Expenditures:** | | | | | | |
| Public Safety | | | | | | |
| Professional Services | $ 50,000 | | $ 128 | $ - | $ 128 | $ 49,872 |
| Buildings, Structure, & Improve | 1,151,803 | - | - | - | - | 1,151,803 |
| Total Expenditures | 1,201,803 | - | 128 | - | 128 | 1,201,675 |
| Revenues over (under) expenditures | (1,201,803) | - | (128) | - | (128) | 1,201,675 |
| **Other Financing Sources (Uses):** | | | | | | |
| Transfer from General Fund | 1,201,803 | - | 128 | - | 128 | (1,201,675) |
| Total other financing sources (uses) | 1,201,803 | - | 128 | - | 128 | (1,201,675) |
| 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, 2019**

| | Budget | Actual | Variance Positive (Negative) |
|---|---|---|---|
| **Revenues** | | | |
| Operating Revenues: | | | |
| Water Sales | | $ 229,681 | |
| Sewer Charges | | 200,804 | |
| Industrial Sewer Charges | | 48,343 | |
| Taps and Connection Fees | | 1,730 | |
| Other Operating Revenues | | 6,683 | |
| Total Operating Revenues | | 487,241 | |
| Non-Operating Revenues: | | | |
| Interest on Investments | | 6,083 | |
| Total Non-Operating Revenues | | 6,083 | |
| Total Revenues | $ 453,500 | 493,324 | $ 39,824 |
| **Expenditures:** | | | |
| Administration | | | |
| Contracted Services | | 20,000 | |
| Total Administration | | 20,000 | |
| Debt Service | | | |
| Principal Paid | | 38,000 | |
| Interest Expense | | 38,663 | |
| Total Debt Service | | 76,663 | |
| Distribution and Maintenance | | | |
| Contracted Services | | 757 | |
| Operating Expenditures | | 62,596 | |
| Repairs and Maintenance | | 75,904 | |
| Water Purchases | | 98,438 | |
| Capital Outlay | | 8,924 | |
| Total Distribution and Maintenance | | 246,619 | |
| Total Expenditures | 453,500 | 343,282 | 110,218 |
| Revenues over (under) expenditures | - | 150,042 | 150,042 |
| **Other Financing Sources (Uses):** | | | |
| USDA Loan | - | - | - |
| Appropriated fund balance | 121,159 | - | (121,159) |
| Transfers in (out) | (121,159) | (121,159) | (121,159) |
| Total other financing sources (uses) | - | (121,159) | (242,318) |
| Revenues and other financing sources (uses) over (under) expenditures and other financing uses | $ - | 28,883 | $ (92,276) |

(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, 2019**

| | Budget | Actual | Variance Positive (Negative) |
|---|---|---|---|
| **Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual:** | | | |
| Reconciling items: | | | |
| Debt Principal | | 38,000 | |
| Capital Outlay | | 8,924 | |
| Depreciation | | (170,488) | |
| (Increase) decrease in accrued interest payable | | 115 | |
| Capital Contribution | | - | |
| Transfer to Project Fund (D-6) | | 121,159 | |
| Transfer from Project Fund (D-6) | | - | |
| Total reconciling items | | (2,290) | |
| Change in net position | | $ 26,593 | |

**Stanly County, North Carolina**
**Piney Point Water District Fund**
**Schedule of Revenues and Expenditures- Budget and Actual (Non-GAAP)**
**For Year Ended June 30, 2019**

| | Budget | Actual | Variance Positive (Negative) |
|---|---|---|---|
| **Revenues:** | | | |
| Operating Revenues | | | |
| Water Sales | | $ 169,284 | |
| Taps and Connection Fees | | 3,060 | |
| Other Operating Revenue | | 920 | |
| Total Operating Revenue | | 173,264 | |
| Non-Operating Revenues | | | |
| Interest on Investments | | 6,335 | |
| Total Non-Operating Revenue | | 6,335 | |
| Total Revenue | $ 167,115 | 179,599 | $ 12,484 |
| **Expenditures:** | | | |
| Administration | | | |
| Contracted Services | | 96,000 | |
| Total Administration | | 96,000 | |
| Distribution and Maintenance | | | |
| Operating Expenditures | | 1,852 | |
| Water Purchases | | 77,559 | |
| Total Distribution and Maintenance | | 79,411 | |
| Total Expenditures | 167,115 | 175,411 | (8,296) |
| Revenues and other financing sources (uses) over (under) expenditures and other financing uses | $ - | 4,188 | $ 4,188 |
| **Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual:** | | | |
| Reconciling items: | | | |
| Depreciation | | (1,459) | |
| Total reconciling items | | (1,459) | |
| Change in net position | | $ 2,729 | |

**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, 2019**

| | Budget | Actual | Variance Positive (Negative) |
|---|---|---|---|
| **Revenues:** | | | |
| Operating Revenues | | | |
| Sewer Sales | | $ 645,989 | |
| Other Operating Revenues | | - | |
| Total Operating Revenues | | 645,989 | |
| Total Revenues | 619,500 | 645,989 | 26,489 |
| **Expenditures:** | | | |
| Administration | | | |
| Contracted Services | | 60,000 | |
| Total Administration | | 60,000 | |
| Debt Service | | | |
| Principal | | 171,250 | |
| Interest | | 34,980 | |
| Total Debt Service | | 206,230 | |
| Distribution and Maintenance | | | |
| Operating Expenditures | | 115,647 | |
| Repairs and Maintenance | | 70,900 | |
| Salaries and Benefits | | 73,608 | |
| Capital Outlay | | 18,994 | |
| Contracted Services | | 75,323 | |
| Total Distribution and Maintenance | | 354,472 | |
| Total Expenditures | 656,483 | 620,702 | 35,781 |
| Revenues over (under) expenditures | (36,983) | 25,287 | 62,270 |
| **Other Financing Sources (Uses):** | | | |
| Appropriated fund balance | 36,983 | - | (36,983) |
| Total other financing sources (uses) | 36,983 | - | (36,983) |
| Revenues and other financing sources (uses) over (under) expenditures and other financing uses | $ - | 25,287 | $ 25,287 |

(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, 2019**

| | |
|---|---|
| **Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual:** | |
| Reconciling items: | |
| Debt Principal | 171,250 |
| Capital Outlay | 18,994 |
| Depreciation | (188,546) |
| Increase (Decrease) in Deferred Outflows of Resources - Pensions | 4,345 |
| Increase (Decrease) in Deferred Outflows of Resources - OPEB | 317 |
| (Increase) Decrease in Deferred Inflows of Resources - Pensions | 202 |
| (Increase) Decrease in Deferred Inflows of Resources - OPEB | (453) |
| (Increase) Decrease in Net Pension Liability | (5,177) |
| (Increase) Decrease in Accrued Interest Payable | 45 |
| (Increase) Decrease in OPEB Liability | (462) |
| (Increase) Decrease in Compensated Absences | 1,535 |
| Total reconciling items | 2,050 |
| Change in net position | $ 27,337 |

**Stanly County, North Carolina**
**Stanly County Utility Fund**
**Schedule of Revenues and Expenditures- Budget and Actual (Non-GAAP)**
**For Year Ended June 30, 2019**

| | Budget | Actual | Variance Positive (Negative) |
|---|---|---|---|
| **Revenues:** | | | |
| Operating Revenues | | | |
| Water Sales | | $ 2,569,018 | |
| Sewer Charges | | 712,802 | |
| Taps and Connection Fees | | 46,019 | |
| Other Operating Revenues | | 94,188 | |
| Total Operating Revenues | | 3,422,027 | |
| Non-Operating Revenues | | | |
| Interest on Investments | | 28,349 | |
| Administrative Charges | | 176,000 | |
| Miscellaneous | | 3,881 | |
| Total Non-Operating Revenues | | 208,230 | |
| Total Revenues | $ 3,617,416 | 3,630,257 | $ 12,841 |
| **Expenditures:** | | | |
| Administration | | | |
| Salaries and Employee Benefits | | 365,865 | |
| Operating Expenditures | | 78,274 | |
| Total Administration | | 444,139 | |
| Debt Service | | | |
| State Loan Principal Paid | | 48,769 | |
| Interest Expense | | 2,648 | |
| Total Debt Service | | 51,417 | |
| Distribution and Maintenance | | | |
| Salaries and Employee Benefits | | 679,728 | |
| Operating Expenditures | | 856,735 | |
| Repairs and Maintenance | | 460,489 | |
| Water Purchases | | 1,094,728 | |
| Capital Outlay | | 21,151 | |
| Total Distribution and Maintenance | | 3,112,831 | |
| Total Expenditures | 3,765,831 | 3,608,387 | 157,444 |
| Revenues over (under) expenditures | (148,415) | 21,870 | 170,285 |

(continued)

**Stanly County, North Carolina**
**Stanly County Utility Fund**
**Schedule of Revenues and Expenditures- Budget and Actual (Non-GAAP)**
**For Year Ended June 30, 2019**

| | | | |
|---|---|---|---|
| **Other Financing Sources (Uses):** | | | |
| Intrafund Transfer to Utility Grant Project | (218,769) | (89,005) | 129,764 |
| Appropriated Fund Balance | 367,184 | - | (367,184) |
| Total other financing sources (uses) | 148,415 | (89,005) | (237,420) |
| Revenues and other financing sources (uses) over (under) expenditures and other financing uses | $ - | (67,135) | $ (67,135) |

| | |
|---|---|
| **Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual:** | |
| Reconciling items: | |
| Debt Principal | 48,769 |
| Capital Outlay | 21,151 |
| Depreciation | (625,853) |
| Capital Contribution | 335,988 |
| Increase (Decrease) in Deferred Outflows of Resources - Pension | 62,203 |
| Increase (Decrease) in Deferred Outflows of Resources - OPEB | 2,771 |
| (Increase) Decrease in Deferred Inflows of Resources - Pensions | 2,886 |
| (Increase) Decrease in Deferred Inflows of Resources - OPEB | (3,957) |
| (Increase) Decrease in Net Pension Liability | (74,127) |
| (Increase) Decrease in Accrued Interest Payable | (381) |
| (Increase) decreased in Net OPEB Liability | (4,041) |
| (Increase) Decrease in Accrued Vacation Payable | 15,430 |
| Intrafund Transfers to Project Funds | 209,557 |
| Professional Services - expensed from Hwy 200 Project | - |
| Total reconciling items | (9,604) |
| Change in net position | $ (76,739) |

**Stanly County, North Carolina**
**Airport Fund**
**Schedule of Revenues and Expenditures- Budget and Actual (Non-GAAP)**
**For Year Ended June 30, 2019**

| | Budget | Actual | Variance Positive (Negative) |
|---|---|---|---|
| **Revenues:** | | | |
| Operating Revenues | | | |
| Fuel and Oil Sales | | $ 388,884 | |
| Tie-Down Fees | | 2,538 | |
| Hangar Rental | | 62,888 | |
| Franchise | | - | |
| Miscellaneous | | 28,716 | |
| Total Operating Revenues | | 483,026 | |
| Non-Operating Revenues | | | |
| Interest on Investments | | 6,770 | |
| Capital Contributions | | - | |
| Total Non-Operating Revenues | | 6,770 | |
| Total Revenues | $ 626,957 | 489,796 | $ (137,161) |
| **Expenditures:** | | | |
| Administration and Operations | | | |
| Salaries and Employee Benefits | | 308,388 | |
| Operating Expenditures | | 125,709 | |
| Repairs and Maintenance | | 145,177 | |
| Purchases for Resale | | 282,364 | |
| Capital Outlay | | 36,571 | |
| Total Administration and Operations | | 898,209 | |
| Total Expenditures | 1,068,577 | 898,209 | 170,368 |
| Revenues over (under) expenditures | (441,620) | (408,413) | 33,207 |
| **Other Financing Sources (Uses):** | | | |
| Transfer in from General Fund | 441,620 | 425,370 | (16,250) |
| Total other financing sources (uses) | 441,620 | 425,370 | (16,250) |
| Revenues and other financing sources (uses) over (under) expenditures and other financing uses | $ - | 16,957 | $ 16,957 |

(continued)

**Stanly County, North Carolina**
**Airport Fund**
**Schedule of Revenues and Expenditures- Budget and Actual (Non-GAAP)**
**For Year Ended June 30, 2019**

| | |
|---|---|
| **Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual:** | |
| Reconciling items: | |
| Depreciation | (989,256) |
| Capital Outlay | 36,571 |
| Increase (decrease) in deferred outflows of outflows of resources - pensions | 18,859 |
| Increase (decrease) in deferred outflows of outflows of resources - OPEB | 1,372 |
| (Increase) decrease in deferred inflows of resources - pensions | 875 |
| (Increase) decrease in deferred inflows of resources - OPEB | (1,960) |
| (Increase) decrease in net pension liability | (22,475) |
| (Increase) decrease in other post-employment benefits | (2,002) |
| (Increase) decrease in compensated absences | (1,808) |
| Capital Contributions (from project funds) | 1,873,161 |
| Interfund transfer to projects from General Fund | 200,682 |
| Total reconciling items | 1,114,019 |
| Change in net position | $ 1,130,976 |

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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 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.

**Airport Fund:**

- **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 the design phase of the Runway & Taxiway Lighting Project.
- **Airport Pipe Rehabiliation Fund -** accounts for the revenues and expenses for rehabilitation of the pipe at the airport.
- **Area Broadband Connect Project Fund -** accounts for the revenues and expenses for connecting broadband at the Airport.
- **Airport Runway / Taxiway Lighting Construction Project Fund -** accounts for the revenues and expenses for the construction phase of the lighting project at the airport.

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**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, 2019**

| | 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 | 2,606,455 | 151,142 | 2,757,597 | 2,531,597 |
| Professional services | 887,935 | 658,199 | 33,329 | 691,528 | 196,407 |
| Land | 2,000 | 26 | - | 26 | 1,974 |
| Total Expenditures | 6,179,129 | 3,264,680 | 184,471 | 3,449,151 | 2,729,978 |
| Revenues over (under) expenditures | (3,779,129) | (864,680) | (184,471) | (1,049,151) | 2,729,978 |
| **Other Financing Sources (Uses):** | | | | | |
| Transfer from Greater Badin Fund | 121,159 | - | 121,159 | 121,159 | - |
| DWSRF Revolving Loan | 3,657,970 | 507,223 | 378,924 | 886,147 | (2,771,823) |
| Total other financing sources (uses) | 3,779,129 | 507,223 | 500,083 | 1,007,306 | (2,771,823) |
| Revenues and other financing sources (uses) over (under) expenditures and other financing uses | $ - | $ (357,457) | $ 315,612 | $ (41,845) | $ (41,845) |

**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, 2019**

| | Project Authorization | Prior Years | Current Year | Total to Date | Variance Over (Under) |
|---|---|---|---|---|---|
| **Expenditures:** | | | | | |
| Construction | $ 2,456,100 | $ - | $ - | $ - | $ 2,456,100 |
| Professional services | 540,000 | 224,871 | 184,025 | 408,896 | 131,104 |
| Closing Cost | 61,200 | 61,166 | - | 61,166 | 34 |
| Land | 1,000 | - | - | - | 1,000 |
| Total Expenditures | 3,058,300 | 286,037 | 184,025 | 470,062 | 2,588,238 |
| Revenues over (under) expenditures | (3,058,300) | (286,037) | (184,025) | (470,062) | 2,588,238 |
| **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 | $ - | $ (286,037) | $ (184,025) | $ (470,062) | $ (470,062) |

**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, 2019**

| | Project Authorization | Prior Years | Current Year | Total to Date | Variance Over (Under) |
|---|---|---|---|---|---|
| **Revenues:** | | | | | |
| **Restricted Intergovernmental:** | | | | | |
| NC Dept of Commerce Utility Account | $ 500,000 | $ 483,241 | $ 16,759 | $ 500,000 | $ - |
| **Expenditures:** | | | | | |
| Construction | 1,041,885 | 931,521 | - | 931,521 | 110,364 |
| Professional services | 208,158 | 196,700 | 11,086 | 207,786 | 372 |
| Land | 10,600 | 10,578 | - | 10,578 | 22 |
| Total Expenditures | 1,260,643 | 1,138,799 | 11,086 | 1,149,885 | 110,758 |
| Revenues over (under) expenditures | (760,643) | (655,558) | 5,673 | (649,885) | 110,758 |
| **Other Financing Sources (Uses):** | | | | | |
| NC DENR Clean Water SRF Loan | 760,643 | - | - | - | (760,643) |
| Total other financing sources (uses) | 760,643 | - | - | - | (760,643) |
| Revenues and other financing sources (uses) over (under) expenditures and other financing uses | $ - | $ (655,558) | $ 5,673 | $ (649,885) | $ (649,885) |

**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, 2019**

| | 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 | 123,572 | 161,812 | 84,188 |
| Total Expenditures | 246,000 | 38,240 | 123,572 | 161,812 | 84,188 |
| Revenues over (under) expenditures | - | (38,240) | (123,572) | (161,812) | (161,812) |
| **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) | $ (123,572) | $ (161,812) | $ (161,812) |

**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, 2019**

| | Project Authorization | Prior Years | Current Year | Total to Date | Variance Over (Under) |
|---|---|---|---|---|---|
| **Expenditures:** | | | | | |
| Professional services | $ 337,000 | $ 98,053 | $ 107,757 | $ 205,810 | $ 131,190 |
| Land | 26,000 | - | 34,307 | 34,307 | (8,307) |
| Buildings, Structure, & Improve | 862,000 | - | - | - | 862,000 |
| Total Expenditures | 1,225,000 | 98,053 | 142,064 | 240,117 | 984,883 |
| Revenues over (under) expenditures | (1,225,000) | (98,053) | (142,064) | (240,117) | 984,883 |
| **Other Financing Sources (Uses):** | | | | | |
| Transfer from General Fund | 955,000 | 45,821 | 112,426 | 158,247 | (796,753) |
| Transfer from Utility Operating Fund | 270,000 | 52,232 | 29,638 | 81,870 | (188,130) |
| Total other financing sources (uses) | 1,225,000 | 98,053 | 142,064 | 240,117 | (984,883) |
| 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, 2019**

| | Project Authorization | Prior Years | Current Year | Completed Project | Total to Date | Variance Over (Under) |
|---|---|---|---|---|---|---|
| **Expenditures:** | | | | | | |
| Building , Structure, Improvements | $ 345,897 | $ 291,863 | $ 44,633 | $ (336,496) | $ - | $ 345,897 |
| Total Expenditures | 345,897 | 291,863 | 44,633 | (336,496) | - | 345,897 |
| Revenues over (under) expenditures | (345,897) | (291,863) | (44,633) | 336,496 | - | 345,897 |
| **Other Financing Sources (Uses):** | | | | | | |
| Transfer from Utility Operating Fund | 345,897 | 291,863 | 44,633 | (336,496) | - | (345,897) |
| Total other financing sources (uses) | 345,897 | 291,863 | 44,633 | (336,496) | - | (345,897) |
| 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, 2019**

| | Project Authorization | Prior Years | Current Year | Completed Project | Total to Date | Variance Over (Under) |
|---|---|---|---|---|---|---|
| **Expenditures:** | | | | | | |
| Professional services | $ 84,000 | $ 61,085 | $ 22,859 | (83,944) | $ - | $ 84,000 |
| Total Expenditures | 84,000 | 61,085 | 22,859 | (83,944) | - | 84,000 |
| Revenues over (under) expenditures | (84,000) | (61,085) | (22,859) | 83,944 | - | 84,000 |
| **Other Financing Sources (Uses):** | | | | | | |
| Transfer from General Fund | 30,000 | 21,820 | 8,124 | (29,944) | - | (30,000) |
| Transfer from Utility Operating Fund | 54,000 | 39,265 | 14,735 | (54,000) | - | (54,000) |
| Total other financing sources (uses) | 84,000 | 61,085 | 22,859 | (83,944) | - | (84,000) |
| 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, 2019**

| | 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 | - | 319,229 | 319,229 | 229 |
| Total Revenues | 819,000 | - | 319,229 | 319,229 | (499,771) |
| **Expenditures:** | | | | | |
| Buildings, Structures, & Improve | 1,416,191 | - | - | - | 1,416,191 |
| Professional services | 159,161 | 11,929 | 37,746 | 49,675 | 109,486 |
| Land | 10,000 | - | - | - | 10,000 |
| Total Expenditures | 1,585,352 | 11,929 | 37,746 | 49,675 | 1,535,677 |
| Revenues over (under) expenditures | (766,352) | (11,929) | 281,483 | 269,554 | 1,035,906 |
| **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 | $ 281,483 | $ 307,601 | $ 307,601 |

**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, 2019**

| | Project Authorization | Prior Years | Current Year | Total to Date | Variance Over (Under) |
|---|---|---|---|---|---|
| **Revenues:** | | | | | |
| **Restricted Intergovernmental:** | | | | | |
| Vision 100 Entitlement | $ 384,997 | $ 64,646 | $ 137,946 | $ 202,592 | $ (182,405) |
| **Expenditures:** | | | | | |
| Professional services | 427,775 | 71,829 | 156,936 | 228,765 | 199,010 |
| Total Expenditures | 427,775 | 71,829 | 156,936 | 228,765 | 199,010 |
| Revenues over (under) expenditures | (42,778) | (7,183) | (18,990) | (26,173) | 16,605 |
| **Other Financing Sources (Uses):** | | | | | |
| Transfer from General Fund | 42,778 | 7,183 | 18,990 | 26,173 | (16,605) |
| Total other financing sources (uses) | 42,778 | 7,183 | 18,990 | 26,173 | (16,605) |
| 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, 2019**

| | Project Authorization | Prior Years | Current Year | Completed Project | Total to Date | Variance Over (Under) |
|---|---|---|---|---|---|---|
| **Revenues:** | | | | | | |
| **Restricted Intergovernmental:** | | | | | | |
| Vision 100 Entitlement | $ 76,763 | $ 64,801 | $ 11,960 | $ (76,761) | $ - | $ (76,763) |
| **Expenditures:** | | | | | | |
| Professional services | 85,292 | 72,001 | 13,290 | (85,291) | - | 85,292 |
| Total Expenditures | 85,292 | 72,001 | 13,290 | (85,291) | - | 85,292 |
| Revenues over (under) expenditures | (8,529) | (7,200) | (1,330) | 8,530 | - | 8,529 |
| **Other Financing Sources (Uses):** | | | | | | |
| Transfer from General Fund | 8,529 | 7,200 | 1,330 | (8,530) | - | (8,529) |
| Total other financing sources (uses) | 8,529 | 7,200 | 1,330 | (8,530) | - | (8,529) |
| 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, 2019**

| | Project Authorization | Prior Years | Current Year | Completed Project | Total to Date | Variance Over (Under) |
|---|---|---|---|---|---|---|
| **Revenues:** | | | | | | |
| **Restricted Intergovernmental:** | | | | | | |
| Vision 100 Entitlement | $ 1,938,880 | $ 90,832 | $ 1,610,587 | $ (1,701,419) | $ - | $ (1,938,880) |
| **Expenditures:** | | | | | | |
| Professional services | 361,312 | 100,925 | 161,879 | (262,804) | - | 361,312 |
| Buildings, Structures, and Improvements | 1,793,000 | - | 1,627,662 | (1,627,662) | - | 1,793,000 |
| Total Expenditures | 2,154,312 | 100,925 | 1,789,541 | (1,890,466) | - | 2,154,312 |
| Revenues over (under) expenditures | (215,432) | (10,093) | (178,954) | 189,047 | - | 215,432 |
| **Other Financing Sources (Uses):** | | | | | | |
| Transfer from General Fund | 215,432 | 10,093 | 178,954 | (189,047) | - | (215,432) |
| Total other financing sources (uses) | 215,432 | 10,093 | 178,954 | (189,047) | - | (215,432) |
| Revenues and other financing sources (uses) over (under) expenditures and other financing uses | $ - | $ - | $ - | $ - | $ - | $ - |

**Stanly County, North Carolina**
**Airport Area Broadband Connect**
**Schedule of Revenues and Expenditures- Budget and Actual (Non-GAAP)**
**From Inception and For the Year Ended June 30, 2019**

| | Project Authorization | Prior Years | Current Year | Total to Date | Variance Over (Under) |
|---|---|---|---|---|---|
| **Revenues:** | | | | | |
| **Restricted Intergovernmental:** | | | | | |
| NC Emergency Management | $ 100,000 | $ - | $ 100,000 | $ 100,000 | $ - |
| **Expenditures:** | | | | | |
| Buildings, Structure, & Improvements | 100,000 | - | 1,150 | 1,150 | 98,850 |
| Total Expenditures | 100,000 | - | 1,150 | 1,150 | 98,850 |
| Revenues over (under) expenditures | - | - | 98,850 | 98,850 | 98,850 |
| **Other Financing Sources (Uses):** | | | | | |
| Transfer from General Fund | - | - | - | - | - |
| Total other financing sources (uses) | - | - | - | - | - |
| Revenues and other financing sources (uses) over (under) expenditures and other financing uses | $ - | $ - | $ 98,850 | $ 98,850 | $ 98,850 |

**Stanly County, North Carolina**
**Airport Runway / Taxiway Lighting Project**
**Schedule of Revenues and Expenditures- Budget and Actual (Non-GAAP)**
**From Inception and For the Year Ended June 30, 2019**

| | Project Authorization | Prior Years | Current Year | Total to Date | Variance Over (Under) |
|---|---|---|---|---|---|
| **Revenues:** | | | | | |
| **Restricted Intergovernmental:** | | | | | |
| Vision 100 Entitlement | $ 1,183,284 | $ - | $ 12,668 | $ 12,668 | $ (1,170,616) |
| **Expenditures:** | | | | | |
| Buildings, Structure, & Improvements | 1,124,760 | - | - | - | 1,124,760 |
| Professional services | 190,000 | - | 14,076 | 14,076 | 175,924 |
| Total Expenditures | 1,314,760 | - | 14,076 | 14,076 | 1,300,684 |
| Revenues over (under) expenditures | (131,476) | - | (1,408) | (1,408) | 130,068 |
| **Other Financing Sources (Uses):** | | | | | |
| Transfer from General Fund | 131,476 | - | 1,408 | 1,408 | (130,068) |
| Total other financing sources (uses) | 131,476 | - | 1,408 | 1,408 | (130,068) |
| Revenues and other financing sources (uses) over (under) expenditures and other financing uses | $ - | $ - | $ - | $ - | $ - |

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# 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, 2019**

| | Financial Plan | Actual | Variance Positive (Negative) |
|---|---|---|---|
| **Operating Revenues:** | | | |
| Charges for sales and services | $ 7,349,444 | $ 6,943,781 | $ (405,663) |
| **Operating Expenses:** | | | |
| Group health operations | 7,337,048 | 7,228,131 | (108,917) |
| Workers' compensation claims | 507,771 | 468,223 | (39,548) |
| **Total operating expenditures** | 7,844,819 | 7,696,354 | (148,465) |
| Operating income (loss) | (495,375) | (752,573) | (257,198) |
| **Non-Operating Revenues (Expenses):** | | | |
| Investment earnings | 36,000 | 30,813 | (5,187) |
| Total non-operating revenues (expenses) | 36,000 | 30,813 | (5,187) |
| **Other Financing Sources (Uses)** | | | |
| Fund Balance Appropriated | 459,375 | - | (459,375) |
| Total other financing sources (uses) | 459,375 | - | (459,375) |
| Change in net position | $ - | (721,760) | $ (721,760) |
| **Net Position:** | | | |
| Beginning of year - July 1 | | 1,835,758 | |
| End of year - June 30 | | $ 1,113,998 | |

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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, 2019**

| | Balance July 1, 2018 | Additions | Deductions | Balance June 30, 2019 |
|---|---|---|---|---|
| Protective Payee Fund: | | | | |
| Assets | | | | |
| Cash and cash equivalents | $ 26,857 | $ 103,260 | $ 119,434 | $ 10,683 |
| Liabilities | | | | |
| Client Payable | $ 26,857 | $ 103,260 | $ 119,434 | $ 10,683 |
| 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 | $ 3,503 | $ 44,188 | $ 43,859 | $ 3,832 |
| Liabilities | | | | |
| Accounts Payable | $ 3,503 | $ 44,188 | $ 43,859 | $ 3,832 |
| Sheriff's Execution Fund | | | | |
| Assets | | | | |
| Cash and cash equivalents | $ 912 | $ 15,105 | $ 13,874 | $ 2,143 |
| Inmate Cash | 15,309 | 276,131 | 251,198 | 40,242 |
| Total Assets | $ 16,221 | $ 291,236 | $ 265,072 | $ 42,385 |
| Liabilities | | | | |
| Accounts Payable | $ 912 | $ 15,105 | $ 13,874 | $ 2,143 |
| Inmate Payable | 15,309 | 276,131 | 251,198 | 40,242 |
| Total Liabilities | $ 16,221 | $ 291,236 | $ 265,072 | $ 42,385 |
| Property Tax Clearing Fund | | | | |
| Assets | | | | |
| Cash and Cash Equivalents | $ 161,674 | $10,625,561 | $10,610,807 | $ 176,428 |
| Liabilities | | | | |
| Accounts Payable | $ 161,674 | $10,625,561 | $10,610,807 | $ 176,428 |

(continued)

**Stanly County, North Carolina**
**Combining Statement of Changes in Assets and Liabilities**
**Agency Funds**
**For the Year Ended June 30, 2019**

Total- All Agency Funds

| | | | | |
|---|---|---|---|---|
| Assets | | | | |
| Cash and cash equivalents | $ 192,946 | $11,032,461 | $11,032,321 | $ 193,086 |
| Inmate Cash | 15,309 | 276,131 | 251,198 | 40,242 |
| Total Assets | $ 208,255 | $11,308,592 | $11,283,519 | $ 233,328 |
| Liabilities | | | | |
| Accounts payable | $ 166,089 | $10,929,201 | $10,912,887 | $ 182,403 |
| Client and Inmate Payable | 42,166 | 379,391 | 370,632 | 50,925 |
| Total Liabilities | $ 208,255 | $11,308,592 | $11,283,519 | $ 233,328 |

# 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, 2019**

| Fiscal Year | Uncollected Balance June 30, 2018 | Additions | Collections And Credits | Uncollected Balance June 30, 2019 |
|---|---|---|---|---|
| 2018-2019 | $ - | $ 33,172,709 | $ 32,441,212 | $ 731,497 |
| 2017-2018 | 779,907 | 3,100 | 402,468 | 380,539 |
| 2016-2017 | 405,830 | 2,963 | 153,899 | 254,894 |
| 2015-2016 | 279,580 | 2,721 | 91,501 | 190,800 |
| 2014-2015 | 199,924 | 1,291 | 48,963 | 152,252 |
| 2013-2014 | 181,345 | - | 34,492 | 146,853 |
| 2012-2013 | 170,644 | - | 27,378 | 143,266 |
| 2011-2012 | 138,570 | - | 19,244 | 119,326 |
| 2010-2011 | 131,612 | - | 17,407 | 114,205 |
| 2009-2010 | 185,023 | - | 11,193 | 173,830 |
| 2008-2009 | 111,100 | - | 8,278 | 102,822 |
| 2007-2008 | 68,717 | - | 68,717 | - |
| Districts over 3 years old | 97,860 | 352 | 8,141 | 90,071 |
| Totals | $ 2,750,112 | $ 33,183,136 | $ 33,332,893 | $ 2,600,355 |

| | |
|---|---|
| Less Allowance for Doubtful Accounts | (751,307) |
| Taxes Receivable (Net) | $ 1,849,048 |

Reconcilement with revenues:

| | |
|---|---|
| Ad valorem taxes - General Fund | $ 33,411,444 |
| Reconciling items: | |
| Animal tax | (38,305) |
| Collection fees | (47,390) |
| Interest collected | (295,763) |
| Discounts allowed | 176,554 |
| Late listings | (28,401) |
| Statute of Limitations | 100,069 |
| Miscellaneous | 67,085 |
| Total Collections and Credits | $ 33,345,293 |

**Stanly County, North Carolina**
**Analysis of Current Tax Levy**
**County-Wide Levy**
**June 30, 2019**

| | 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 | $ 4,935,089,833 | 0.67 | $ 33,081,897 | $ 29,097,267 | $ 3,984,630 |
| Penalties | | | 37,036 | 37,036 | |
| **Total Original Levy** | 4,935,089,833 | | 33,118,933 | 29,134,303 | 3,984,630 |
| **Discoveries:** | | | | | |
| Current year rate | 21,253,049 | 0.67 | 142,395 | 142,395 | - |
| Penalties | - | | 67 | 67 | - |
| Penalties - prior year rate | - | | 191 | 191 | - |
| Prior year taxes | - | | 85,865 | 85,865 | - |
| **Total Discoveries** | 21,253,049 | | 228,518 | 228,518 | - |
| **Releases:** | | | | | |
| Current year rate | (25,185,876) | 0.67 | (169,189) | (169,189) | - |
| Penalties | | | (5,553) | (5,553) | - |
| **Total Releases** | (25,185,876) | | (174,742) | (174,742) | - |
| Net assessed valuation | $ 4,931,157,006 | | | | |
| **Net Levy** | | | 33,172,709 | 29,188,079 | 3,984,630 |
| Uncollected taxes June 30, 2019 | | | 731,497 | 731,497 | - |
| **Current years taxes collected** | | | $ 32,441,212 | $ 28,456,582 | $ 3,984,630 |
| **Current levy collection percentage** | | | 97.79% | 97.49% | 100.00% |

(continued)

**Stanly County, North Carolina**
**Analysis of Current Tax Levy**
**County-Wide Levy**
**June 30, 2019**

**Secondary Market Disclosures:**

| | |
|---|---|
| Assessed valuation: | |
| Assessment ratio | 100% |
| Real property | $ 4,185,187,176 |
| Personal property | 588,281,324 |
| Public service | 157,688,506 |
| Total assessed value | $ 4,931,157,006 |
| Tax rate per $100 | 0.67 |
| Levy (includes discoveries, releases, and abatements) | $ 33,172,709 |

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 | $ 2,642,012 |

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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 | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | **2010** | **2011** | **2012** | **2013** | **2014** | **2015** | **2016** | **2017** | **2018** | **2019** |
| Governmental activities | | | | | | | | | | |
| Net Investment in capital assets | $ 14,377,226 | $ 13,495,499 | $ 14,038,812 | $ 12,862,706 | $ 12,721,219 | $ 13,286,678 | $ 15,117,068 | $ 16,284,376 | $ 16,326,573 | $ 17,289,940 |
| Restricted | 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 | 8,149,718 |
| Unrestricted | (13,445,875) | (18,918,800) | (16,190,035) | (8,217,856) | (5,257,817) | (2,610,918) | 62,028 | 2,206,195 | 209,929 | 5,782,138 |
| Total Governmental activities net position | $ 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 | $ 31,221,796 |
| Business-type activities | | | | | | | | | | |
| Net Investment in capital assets | $ 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 | $ 36,320,978 |
| Restricted | $ - | $ - | $ - | - | - | - | 14,850 | 27,800 | 40,525 | 53,250 |
| Unrestricted | (326,823) | 600,944 | 508,553 | 1,216,035 | 1,612,161 | 1,641,558 | 1,977,384 | 1,836,949 | 790,075 | 1,282,510 |
| Total business-type activities net position | $ 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 | $ 37,656,738 |
| Primary government | | | | | | | | | | |
| Net Investment in capital assets | $ 49,011,708 | $ 48,824,178 | $ 52,562,651 | $ 50,798,500 | $ 50,342,567 | $ 49,109,843 | $ 50,284,617 | $ 51,895,920 | $ 52,041,815 | $ 53,610,918 |
| Restricted | 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 | 8,202,968 |
| Unrestricted | (13,772,698) | (18,317,856) | (15,681,482) | (7,001,821) | (3,645,656) | (969,360) | 2,267,775 | 4,043,144 | 1,000,004 | 7,064,648 |
| Total primary government net position | $ 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 | $ 68,878,534 |

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



| | Fiscal Year | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| **Expenses** | **2010** | **2011** | **2012** | **2013** | **2014** | **2015** | **2016** | **2017** | **2018** | **2019** |
| Governmental activities: | | | | | | | | | | |
| General government | $ 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 | $ 7,074,055 |
| Public safety | 13,957,473 | 14,130,565 | 14,482,815 | 14,434,194 | 14,969,660 | 16,006,619 | 15,690,978 | 17,375,025 | 19,068,798 | 20,492,863 |
| Transportation | 948,122 | 987,615 | 988,483 | 950,965 | 961,283 | 956,499 | 996,173 | 1,039,842 | 1,031,868 | 1,048,422 |
| Environmental protection | 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 | 1,306,446 |
| Economic and physical development | 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 | 2,101,397 |
| Human services | 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 | 15,426,679 |
| Education | 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 | 1,797,902 |
| Culture and recreation | 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 | 15,207,360 |
| Interest on long-term debt | 1,659,370 | 1,169,653 | 1,264,990 | 925,756 | 1,007,050 | 913,803 | 1,144,394 | 1,042,725 | 781,389 | 738,269 |
| Total governmental activities expenses | 63,352,475 | 55,180,802 | 54,567,906 | 53,793,681 | 53,881,096 | 57,842,268 | 57,723,873 | 60,741,915 | 62,369,313 | 65,193,393 |
| Business-type activities: | | | | | | | | | | |
| Water and sewer | 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 | 5,425,789 |
| Airport | 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 | 1,858,033 |
| Total business-type activities | 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 | 7,283,822 |
| Total primary governmental expenses | $ 68,574,595 | $ 60,463,147 | $ 60,272,911 | $ 60,206,611 | $ 60,404,384 | $ 64,551,197 | $ 64,638,249 | $ 67,973,323 | $ 69,416,992 | $ 72,477,215 |
| **Program Revenues** | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| Charges for services: | | | | | | | | | | |
| General government | $ 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 | $ 713,025 |
| Public safety | 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 | 5,135,319 |
| Transportation | 364,756 | 578,427 | 425,439 | 423,318 | 387,695 | 410,615 | 453,131 | 431,514 | 458,703 | 437,488 |
| Environmental protection | 862,811 | 883,729 | 883,005 | 891,052 | 931,946 | 930,730 | 952,865 | 882,991 | 907,355 | 1,041,001 |
| Economic and physical development | 13,770 | 18,478 | 24,042 | 25,101 | 25,342 | 35,192 | 38,805 | 24,450 | 60,585 | 60,383 |
| Human services | 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 | 1,822,941 |
| Culture and recreation | 21,703 | 24,320 | 20,811 | 28,624 | 25,029 | 24,214 | 25,402 | 114,148 | 147,240 | 107,809 |
| Operating grants and contributions | 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 | 10,698,203 |
| Capital grants and contributions | 1,123,874 | 1,148,686 | 970,547 | 1,091,138 | 4,017,043 | 1,216,000 | 570,000 | 1,264,953 | 749,000 | 595,000 |
| Total governmental activities program revenues | 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 | 20,611,169 |
| Business-type activities: | | | | | | | | | | |
| Charges for services: | | | | | | | | | | |
| Water and sewer | 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 | 4,728,521 |
| Airport | 311,966 | 303,126 | 362,955 | 411,149 | 455,302 | 425,283 | 432,189 | 405,988 | 501,149 | 483,026 |
| Operating grants and contributions | - | 91,262 | - | - | - | - | - | - | - | - |
| Capital grants and contributions | 366,777 | 2,735,134 | 5,130,143 | 1,734,467 | 392,171 | 68,567 | 1,173,017 | 1,961,823 | 617,125 | 2,209,149 |
| Total business-type activities program revenues | 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 | 7,420,696 |
| Total primary governmental program revenues | $ 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 | $ 28,031,865 |
| Net (expense)/revenue | | | | | | | | | | |
| Governmental activities | $ (43,124,274) | $ (35,413,247) | $ (34,130,735) | $ (34,613,698) | $ (31,312,516) | $ (37,844,555) | $ (36,969,339) | $ (39,101,406) | $ (42,997,158) | $ (44,582,224) |
| Business-type activities | (1,473,635) | 943,625 | 2,950,169 | (1,190,368) | (2,198,133) | (2,077,852) | (705,143) | (352,561) | (1,361,208) | 136,874 |
| Total primary governmental net expense | $ (44,597,909) | $ (34,469,622) | $ (31,180,566) | $ (35,804,066) | $ (33,510,649) | $ (39,922,407) | $ (37,674,482) | $ (39,453,967) | $ (44,358,366) | $ (44,445,350) |

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



| **General Revenues and Other Changes in net position** | Fiscal Year | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| Governmental activities: | **2010** | **2011** | **2012** | **2013** | **2014** | **2015** | **2016** | **2017** | **2018** | **2019** |
| Taxes | | | | | | | | | | |
| Ad valorem taxes | $ 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 | $ 36,111,659 |
| Local option sales tax | 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 | 11,290,942 |
| Other taxes | 481,063 | 502,321 | 504,698 | 543,968 | 544,765 | 605,773 | 643,354 | 686,615 | 847,431 | 971,936 |
| Interest earned on investments | 372,699 | 256,933 | 261,112 | 171,540 | 139,996 | 64,018 | 85,044 | 145,583 | 347,934 | 639,706 |
| Miscellaneous | - | - | - | - | 19,025 | - | - | 83,104 | 231,775 | 4,028,416 |
| Transfers in (out) | (210,471) | (658,868) | (136,841) | (1,284,059) | (2,276,464) | (372,691) | (357,425) | (339,746) | (410,502) | (746,604) |
| Total governmental activities | 37,730,674 | 36,961,553 | 37,824,743 | 37,646,384 | 37,727,030 | 40,160,884 | 41,241,913 | 43,384,984 | 46,405,036 | 52,296,055 |
| Business-type activities: | | | | | | | | | | |
| Ad valorem taxes | - | | | | | | | | | |
| Interest earned on investments | 23,857 | 16,543 | 15,759 | 3,890 | 3,349 | 3,707 | 6,472 | 11,223 | 24,703 | 47,537 |
| Miscellaneous | - | 2,928 | - | 21,856 | - | 39,003 | 36,306 | 318,102 | 135,497 | 179,881 |
| Transfers in (out) | 210,471 | 658,868 | 136,841 | 1,284,059 | 2,276,464 | 372,691 | 357,425 | 339,746 | 410,502 | 746,604 |
| Total business-type activities | 234,328 | 678,339 | 152,600 | 1,309,805 | 2,279,813 | 415,401 | 400,203 | 669,071 | 570,702 | 974,022 |
| Total primary government | $ 37,965,002 | $ 37,639,892 | $ 37,977,343 | $ 38,956,189 | $ 40,006,843 | $ 40,576,285 | $ 41,642,116 | $ 44,054,055 | $ 46,975,738 | $ 53,270,077 |
| **Change in net position** | | | | | | | | | | |
| Governmental activities | $ (5,393,600) | $ 1,548,306 | $ 3,694,008 | $ 3,032,686 | $ 6,414,514 | $ 2,316,329 | $ 4,272,574 | $ 4,283,578 | $ 3,407,878 | $ 7,713,831 |
| Business-type activities | (1,239,307) | 1,621,964 | 3,102,769 | 119,437 | 81,680 | (1,662,451) | (304,940) | 316,510 | (790,506) | 1,110,896 |
| Total primary government | $ (6,632,907) | $ 3,170,270 | $ 6,796,777 | $ 3,152,123 | $ 6,496,194 | $ 653,878 | $ 3,967,634 | $ 4,600,088 | $ 2,617,372 | $ 8,824,727 |

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

**Table 3**

| | Fiscal Year | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | **2010** | **2011** | **2012** | **2013** | **2014** | **2015** | **2016** | **2017** | **2018** | **2019** |
| General Fund | | | | | | | | | | |
| Nonspendable | $ 36,360 | $ 51,071 | $ 52,912 | $ 66,374 | $ 71,395 | $ 66,969 | $ 73,666 | $ 72,377 | $ 62,596 | $ 66,763 |
| 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 | 7,027,841 |
| Committed | - | - | - | - | 750,000 | 500,000 | 250,000 | 250,000 | 250,000 | 2,574,055 |
| 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 | 5,684,374 |
| 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 | 15,792,326 |
| Total General Fund | $ 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 | $ 31,145,359 |
| All other governmental funds | | | | | | | | | | |
| Committed | $ - | $ - | $ - | $ - | $ - | $ - | $ 397,390 | $ 80,345 | $ 103,576 | $ 1,121,877 |
| 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 | (481,959) |
| Total all other governmental funds | $ 445,193 | $ 470,123 | $ 326,209 | $ 274,423 | $ 3,315,328 | $ 1,185,513 | $ 899,665 | $ 80,345 | $ 248,236 | $ 639,918 |

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

**Table 4**

| | Fiscal Year | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | **2010** | **2011** | **2012** | **2013** | **2014** | **2015** | **2016** | **2017** | **2018** | **2019** |
| **Revenues** | | | | | | | | | | |
| Ad valorem taxes | $ 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 | $ 36,415,421 |
| Local option sales taxes | 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 | 11,290,941 |
| Other taxes and licenses | 481,063 | 502,321 | 504,698 | 543,968 | 544,765 | 605,773 | 643,354 | 715,513 | 735,843 | 805,424 |
| Unrestricted intergovernmental | 425 | - | - | - | - | - | 6,464 | 205,294 | 313,086 | 140,755 |
| Restricted intergovernmental | 11,995,950 | 11,220,975 | 11,150,806 | 9,874,535 | 12,814,737 | 10,554,160 | 10,289,200 | 10,871,430 | 8,978,900 | 8,359,293 |
| Permits and fees | 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 | 1,278,115 |
| Sales and services | 694,288 | 653,402 | 689,032 | 725,695 | 645,337 | 745,432 | 1,004,071 | 8,197,813 | 8,743,824 | 9,302,787 |
| Investment earnings | 284,270 | 184,734 | 142,460 | 98,746 | 83,822 | 82,688 | 95,992 | 145,583 | 347,934 | 639,707 |
| Miscellaneous | 635,110 | 852,352 | 874,456 | 937,510 | 1,024,222 | 795,900 | 871,974 | 963,533 | 711,192 | 5,007,178 |
| Total revenues | 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 | 73,239,621 |
| **Expenditures** | | | | | | | | | | |
| General government | 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 | 5,830,653 |
| Public safety | 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 | 19,285,589 |
| Transportation | 837,489 | 920,286 | 854,643 | 825,722 | 860,179 | 881,184 | 881,576 | 948,713 | 950,167 | 986,704 |
| Environmental protection | 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 | 1,293,611 |
| Economic and physical development | 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 | 2,772,321 |
| Human services | 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 | 15,173,968 |
| Education | 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 | 15,296,360 |
| Culture and recreation | 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 | 1,658,679 |
| Capital Outlay | 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 | 629,064 |
| Debt service | | | - | | | | - | | | |
| Principal | 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 | 3,663,699 |
| Interest and other charges | 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 | 741,029 |
| Total expenditures | 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 | 67,331,677 |
| Excess of revenues over (under) expenditures | (5,732,862) | (35,628) | 2,063,688 | 1,711,054 | (1,220,325) | (8,691,142) | (973,633) | 303,077 | 1,938,891 | 5,907,944 |
| **Other financing sources (uses)** | | | | | | | | | | |
| Debt Proceeds | 312,547 | 1,743,149 | 3,709,191 | 403,039 | 7,206,441 | 8,037,761 | 3,368,086 | 197,772 | 536,143 | 163,601 |
| 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 | 190,572 | 175,971 | 103,059 | 50,000 | 59,406 | 383,540 | 357,944 | 171,034 | 5,542 | 44,499 |
| Transfers to other funds | (401,043) | (834,839) | (239,900) | (1,334,059) | (2,585,870) | (756,231) | (715,369) | (510,780) | (416,044) | (791,103) |
| Total other financing sources (uses) | 271,530 | 1,084,281 | (277,650) | (881,020) | 4,679,977 | 7,665,070 | 3,010,661 | (141,974) | 125,641 | (583,003) |
| Net change in fund balances | $ (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 | $ 5,324,941 |
| Debt services as a percentage of noncapital expenditures | 6.6% | 7.0% | 7.2% | 7.3% | 7.0% | 15.8% | 7.5% | 7.6% | 7.10% | 6.64% |

**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 |
|---|---|---|---|---|---|---|---|---|---|
| 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 |
| 2019 | 36,111,659 | 11,290,941 | 138,590 | 332,201 | 267,119 | - | 30,350 | 37,164 | 48,208,024 |

**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 |
|---|---|---|---|---|---|---|---|---|---|
| 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 |
| 2019 | 36,415,421 | 11,290,941 | 138,590 | 332,201 | 267,119 | - | 30,350 | 37,164 | 48,511,786 |

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

**Table 7**

| Fiscal Year | Real Property: Residential Property | Real Property: Commercial Property | Personal Property: Motor Vehicles | Personal Property: Other | Less: Tax Exempt Real Property | Total Taxable Assessed Value | Total Direct Tax Rate | Estimated Actual Taxable Value | Assessed Value as a Percentage of Actual Value |
|---|---|---|---|---|---|---|---|---|---|
| 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 | 4,741,093,761 | 0.6700 | 4,741,093,761 | 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 | 4,575,241,623 | 0.6700 | 4,575,241,623 | 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% |
| 2019 | 3,667,221,191 | 710,913,245 | 594,720,896 | 393,000,792 | 434,699,118 | 4,931,157,006 | 0.6700 | 4,931,157,006 | 100% |

Source: Stanly County Tax Assessor

**Stanly County, North Carolina** **Table 8**

**Property Tax Rates - Direct and Overlapping Governments**

**Last Ten Fiscal Years**

| | Fiscal Year | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | **2010** | **2011** | **2012** | **2013** | **2014** | **2015** | **2016** | **2017** | **2018** | **2019** |
| **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 | 0.5900 | 0.5900 | 0.5900 | 0.5900 | 0.6400 | 0.6400 |
| 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 | 0.3900 | 0.3900 | 0.3900 | 0.4100 | 0.4100 | 0.4200 | 0.4200 |
| Town of Norwood | 0.4000 | 0.4000 | 0.4000 | 0.4000 | 0.4000 | 0.4000 | 0.3900 | 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 | 0.3200 | 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 | 0.1700 | 0.1700 | 0.1700 | 0.2000 | 0.2200 | 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 | 0.0842 | 0.0842 | 0.0842 | 0.1000 | 0.1000 | 0.1000 | 0.1000 |
| Center Rural | 0.0700 | 0.0700 | 0.0700 | 0.0700 | 0.1000 | 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 | 0.1000 |
| Ridgecrest | 0.0900 | 0.0900 | 0.0900 | 0.0900 | 0.0900 | 0.0900 | 0.0900 | 0.1100 | 0.1100 | 0.1100 |
| Aquadale | 0.0500 | 0.0500 | 0.0500 | .0.1000 | 0.1000 | 0.1000 | 0.1000 | 0.1000 | 0.1000 | 0.1000 |
| Eastside | 0.0800 | 0.0800 | 0.0800 | 0.0800 | 0.1000 | 0.1000 | 0.1000 | 0.1000 | 0.1000 | 0.1000 |
| Oakboro Rural | 0.0400 | 0.0400 | 0.0400 | 0.0400 | 0.0400 | 0.0400 | 0.0600 | 0.0600 | 0.0600 | 0.0600 |
| New London | 0.0500 | 0.0500 | 0.0500 | 0.0515 | 0.0750 | 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 | 0.1500 |
| 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 | 0.0775 | 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 | 0.1000 | 0.1000 | 0.1000 |
| Badin-Yadkin | 0.0800 | 0.0800 | 0.0800 | 0.0803 | 0.0803 | 0.0803 | 0.0803 | 0.0803 | 0.0803 | 0.0803 |
| Norwood Special | 0.0700 | 0.0700 | 0.0700 | 0.0700 | 0.0700 | 0.1000 | 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 | 0.7800 | 0.7800 | 0.7800 |
| *** City Tax Rate | 1.2300 | 1.2300 | 1.2300 | 1.2300 | 1.2600 | 1.2600 | 1.2600 | 1.2600 | 1.3100 | 1.3100 |

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**

| | 2019 | | | 2010 | | |
|---|---|---|---|---|---|---|
| **Taxpayer** | **Taxable Assessed Value** | **Rank** | **Percentage of Total Taxable Assessed Value** | **Taxable Assessed Value** | **Rank** | **Percentage of Total Taxable Assessed Value** |
| Michelin Aircraft Tire Co. | $ 54,624,988 | 1 | 1.11% | $ 36,995,026 | 2 | 0.90% |
| Duke Energy | 49,812,062 | 2 | 1.01% | 30,369,942 | 3 | 0.74% |
| Fiber Composites | 41,591,389 | 3 | 0.84% | 22,835,173 | 6 | 0.56% |
| Piedmont Natural Gas | 37,141,742 | 4 | 0.75% | 14,870,782 | 8 | 0.36% |
| Cube Yadkin Generation LLC | 35,545,060 | 5 | 0.72% | | | |
| Union Electric | 34,484,846 | 6 | 0.70% | 27,418,447 | 4 | 0.67% |
| Walmart Real Estate Business | 22,595,236 | 7 | 0.46% | | | |
| Preformed Line Products | 17,455,091 | 8 | 0.35% | 15,299,813 | 7 | 0.37% |
| Time Warner Cable Stheast LLC | 12,864,994 | 9 | 0.26% | | | |
| APOCO 10 (Olive Place) | 11,539,642 | 10 | 0.23% | | | |
| APGI | | | 0.00% | 49,122,910 | 1 | 1.20% |
| ALCOA | | | | 23,814,730 | 5 | 0.58% |
| CMH Manufacturing | | | | 14,277,469 | 9 | 0.35% |
| Concord Telephone Co. | | | | 13,757,020 | 10 | 0.34% |
| Totals | $ 263,030,062 | | 5.33% | $ 211,766,286 | | 4.84% |

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 Subsequent | Total Collections to Date | |
|---|---|---|---|---|---|---|
| June 30 | Fiscal Year | Amount | Percentage of Levy | Years | Amount | Percentage of Levy |
| 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 | 32,376,887 | 31,596,981 | 97.59% | 851,059 | 32,448,040 | 100.00% |
| 2019 | 33,399,044 | 32,441,213 | 97.13% | 891,681 | 33,332,894 | 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 |
| 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 |
| 2019 | 4,205,000 | 265,758 | 6,516,213 | 10,568,890 | - | - | 2,024,000 | - | 1,847,738 | 25,427,599 | 1.10% | 417.70 |

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 |
|---|---|---|---|
| 2010 | 16,575,000 | 0.39% | 277.35 |
| 2011 | 15,000,000 | 0.35% | 242.05 |
| 2012 | 13,385,000 | 0.31% | 214.48 |
| 2013 | 12,521,660 | 0.28% | 199.28 |
| 2014 | 10,876,760 | 0.25% | 178.14 |
| 2015 | 9,257,760 | 0.21% | 151.63 |
| 2016 | 7,633,762 | 0.17% | 124.67 |
| 2017 | 6,044,760 | 0.13% | 99.73 |
| 2018 | 6,044,760 | 0.13% | 99.30 |
| 2019 | 4,470,758 | 0.09% | 73.44 |

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, 2019**

**Table 13**

| Governmental Unit | Debt Outstanding | Estimated Percentage Applicable | Estimated Share of Overlapping Debt |
|---|---|---|---|
| **Direct:** | | | |
| Stanly County | $ 21,640,341 | 100% | $ 21,640,341 |
| **Overlapping:** | | | |
| Town of Richfield | 222,405 | 100% | 222,405 |
| **Total direct and overlapping debt** | | | $ 21,862,745 |

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 | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | **2010** | **2011** | **2012** | **2013** | **2014** | **2015** | **2016** | **2017** | **2018** | **2019** |
| Debt limit | $ 336,564,256 | $ 338,784,941 | $ 340,312,947 | $ 345,081,262 | $ 357,033,937 | $ 352,648,533 | $ 358,493,678 | $ 365,425,176 | 385,037,208 | 394,492,560 |
| Total net debt applicable to limit | 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 | 21,555,861 |
| Legal debt margin | $ 301,644,251 | $ 303,784,100 | $ 308,174,833 | $ 315,513,789 | $ 323,224,870 | $ 320,665,302 | $ 326,510,447 | $ 337,134,991 | $ 359,892,248 | $ 372,936,699 |
| Total net debt applicable to the limit as a percentage of debt limit | 7.80% | 10.94% | 10.38% | 10.33% | 9.44% | 9.07% | 8.89% | 7.74% | 6.53% | 5.46% |

**Legal Debt Margin Calculation for Fiscal Year 2019**

| | | |
|---|---|---|
| Assessed value | | $ 4,931,157,006 |
| Debt limit - 8% of assessed value | | 394,492,560 |
| Debt applicable to limit: | | |
| General obligation bonds | $ 4,205,000 | |
| Bond premiums | 265,758 | |
| Capital lease obligation | 6,516,213 | |
| Installment note | 10,568,890 | |
| Business-type installment note | 1,847,738 | |
| Business-type revenue bond | 2,024,000 | |
| Business-type anticipation note | - | |
| Total debt | $ 25,427,599 | |
| Less-Statutory deductions | 3,871,738 | |
| Total amount of debt applicable to debt limit | | 21,555,861 |
| Legal debt margin | | $ 372,936,699 |

**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) |
|---|---|---|---|---|---|---|
| 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% |
| 2019 | 60,875 | 2,312,580,375 | 37,989 | 42.0 | 8,455 | 4.1% |

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**

| | 2019 | | | 2010 | | |
|---|---|---|---|---|---|---|
| **Employer** | **Employees** | **Rank** | **Percentage of Total County Employment** | **Employees** | **Rank** | **Percentage of Total County Employment** |
| Stanly County Schools | 1,146 | 1 | 1.88% | 1,350 | 1 | 4.56% |
| Carolina Healtcare Stanly | 657 | 2 | 1.08% | 705 | 2 | 2.38% |
| Stanly County Government | 472 | 3 | 0.78% | 353 | 7 | 1.19% |
| Michelin Aircraft | 450 | 4 | 0.74% | 444 | 4 | 1.50% |
| Fiberon | 423 | 5 | 0.69% | 441 | 5 | 1.49% |
| Wal-mart Associates, Inc. | 414 | 6 | 0.68% | | | |
| Food Lion | 413 | 7 | 0.68% | 527 | 3 | 1.78% |
| Stanly Community College | 383 | 8 | 0.63% | | | |
| Dept of Public Safety | 375 | 9 | 0.62% | | | |
| Monarch | 350 | 10 | 0.57% | | | |
| 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 | 5,083 | | 8.35% | 5,119 | | 17.26% |

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 | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | **2010** | **2011** | **2012** | **2013** | **2014** | **2015** | **2016** | **2017** | **2018** | **2019** |
| **Function** | | | | | | | | | | |
| General government | | | | | | | | | | |
| Administration | 5 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 |
| Finance | 6 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 |
| Taxes | 19 | 19 | 18 | 18 | 16 | 16 | 15 | 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 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 5 | 5 | 5 |
| Information technology | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 7 | 7 |
| Facilities management | 7 | 7 | 7 | 7 | 7 | 7 | 7 | 7 | 7 | 7 |
| Public safety | | | | | | | | | | |
| Sheriff | 57 | 55 | 54 | 54 | 54 | 57 | 59 | 60 | 60 | 60 |
| Jail | 33 | 38 | 38 | 38 | 38 | 38 | 38 | 38 | 38 | 38 |
| Criminal justice partnership | 1 | 1 | NA | NA | NA | NA | NA | NA | NA | NA |
| Juvenile justice partnership | 1 | 1 | NA | NA | NA | NA | NA | NA | NA | NA |
| Emergency management | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Fire | 3 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Emergency medical services | 41 | 36 | 36 | 37 | 43 | 46 | 47 | 56 | 56 | 56 |
| Inspections | 5 | 4 | 4 | 4 | 4 | 4 | 4 | 5 | 5 | 5 |
| Animal control | 6 | 5 | 5 | 5 | 5 | 5 | 5 | 4 | 4 | 4 |
| E-911 operations | 17 | 16 | 16 | 17 | 17 | 17 | 17 | 19 | 19 | 19 |
| Transportation | 11 | 12 | 15 | 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 | 1 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Planning and zoning | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| Central Permitting | 4 | 3 | 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 | 58 | 54 | 57 | 58 | 55 | 55 | 55 | 55 | 55 | 55 |
| Social services | 76 | 78 | 81 | 81 | 81 | 84 | 84 | 87 | 89 | 89 |
| Senior services | 15 | 13 | 13 | 13 | 13 | 13 | 13 | 13 | 13 | 13 |
| Veterans services | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Culture and recreation | | | | | | | | | | |
| Library | 18 | 16 | 17 | 17 | 17 | 17 | 17 | 17 | 17 | 17 |
| Historic preservation | 2 | 2 | NA | NA | NA | NA | NA | NA | NA | NA |
| Agri civic center | 4 | 4 | 4 | 3 | 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 | 13 | 11 | 12 | 12 | 12 | 12 | 12 | 13 | 13 | 13 |
| West Stanly WWTP | 0 | 0 | 0 | 0 | 2 | 2 | 2 | 2 | 2 | 2 |
| Total | 446 | 429 | 435 | 437 | 440 | 449 | 451 | 468 | 472 | 472 |

Source: Stanly County Human Resources

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

**Table 18**

| | Fiscal Year | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | **2010** | **2011** | **2012** | **2013** | **2014** | **2015** | **2016** | **2017** | **2018** | **2019** |
| **Function** | | | | | | | | | | |
| Public Safety | | | | | | | | | | |
| Arrests | 3,200 | 1,689 | 937 | 705 | 813 | 758 | 958 | 998 | 896 | 1,109 |
| Civil papers serviced | 8,447 | 9,196 | 8,781 | 8,339 | 8,653 | 6,594 | 7,382 | 5,841 | 5,587 | 5,904 |
| Average daily jail population | 94 | 80 | 75 | 66 | 74 | 76 | 104 | 108 | 122 | 132 |
| Dispatched EMS calls | 7,299 | 7,864 | 8,668 | 8,625 | 7,949 | 9,091 | 8,425 | 9,257 | 10,933 | 11,001 |
| EMS move up calls | 3,221 | 2,883 | 3,342 | 3,564 | 2,923 | 2,891 | 2,992 | 3,435 | 4,069 | 5,014 |
| Building permits issued | 517 | 541 | 549 | 545 | 512 | 604 | 667 | 677 | 756 | 743 |
| Animals entering shelter | 2,996 | 2,883 | 2,910 | 2,053 | 1,777 | 1,705 | 1,715 | 1,364 | 1,300 | 1,305 |
| Animals euthanized | 2,422 | 2,471 | 1,257 | 1,611 | 1,330 | 1,316 | 1,334 | 1,125 | 985 | 667 |
| 911 calls logged for service | 115,840 | 119,724 | 121,662 | 116,356 | 115,885 | 121,817 | 120,907 | 123,043 | 135,423 | 134,659 |
| Transportation | | | | | | | | | | |
| Service hours | 18,991 | 18,768 | 17,966 | 16,927 | 16,267 | 18,115 | 18,235 | 18,678 | 17,997 | 18,168 |
| Miles driven | 351,009 | 332,373 | 313,790 | 286,007 | 285,806 | 311,038 | 317,622 | 307,469 | 302,293 | 312,613 |
| Trips | 63,848 | 63,558 | 62,587 | 55,350 | 47,491 | 48,075 | 47,501 | 46,799 | 47,542 | 49,644 |
| Environmental protection | | | | | | | | | | |
| Discarded materials collected (tons/day) | 19 | 19 | 19 | 24 | 22 | 22 | 25 | 25 | 22 | 25 |
| Recyclables collected (tons/day) | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Human services | | | | | | | | | | |
| Food and lodging permits | 45 | 27 | 92 | 63 | 60 | 68 | 63 | 61 | 51 | 34 |
| Food and lodging inspections made | 937 | 822 | 859 | 730 | 729 | 764 | 762 | 787 | 751 | 746 |
| Wells permits issued | 83 | 68 | 84 | 100 | 51 | 84 | 79 | 76 | 85 | 106 |
| Culture and recreation | | | | | | | | | | |
| Library books checked out | 236,179 | 226,350 | 210,951 | 204,653 | 186,501 | 173,519 | 178,070 | 172,322 | 170,157 | 162,223 |
| Library cards issued | 2,421 | 2,783 | 2,850 | 2,620 | 1,942 | 2,491 | 2,086 | 1,868 | 2,048 | 1,689 |
| Water and sewer | | | | | | | | | | |
| Number of water customers | 3,972 | 4,116 | 4,994 | 5,207 | 5,460 | 5,525 | 5,738 | 5,855 | 5,945 | 6,095 |
| Average monthly water demand (Gallons) | 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 | 40,834,222 |
| Number of sewer customers | 682 | 716 | 720 | 625 | 695 | 698 | 703 | 708 | 708 | 727 |
| Average monthly sewage collected and treated* (Gallons) | 383,500 | 220,800 | 310,500 | 358,417 | 688,400 | 798,730 | 10,100,036 | 10,334,427 | 19,832,569 | 19,880,583 |
| Airport | | | | | | | | | | |
| Operations ** (Take-offs and/or landings) | 11,425 | 10,605 | 9,969 | 10,271 | 13,200 | 14,867 | 16,005 | 15,500 | 15,125 | 16,637 |

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 | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | **2010** | **2011** | **2012** | **2013** | **2014** | **2015** | **2016** | **2017** | **2018** | **2019** |
| **Function** | | | | | | | | | | |
| Public safety | | | | | | | | | | |
| Detention center | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Patrol units | 51 | 48 | 48 | 48 | 45 | 46 | 55 | 55 | 57 | 64 |
| EMS ambulances | 9 | 9 | 9 | 9 | 10 | 10 | 10 | 10 | 10 | 10 |
| Transportation | | | | | | | | | | |
| Transit vehicles | 20 | 20 | 16 | 16 | 19 | 19 | 19 | 19 | 19 | 18 |
| 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 | 194 | 191 | 191 | 206 | 283 | 283 | 283 | 283 | 283 | 283 |
| Number of wastewater plants | 1 | 1 | 1 | 1 | 2 | 2 | 2 | 2 | 2 | 2 |
| Miles of sanitary sewer | 49 | 49 | 49 | 49 | 56 | 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).

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

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

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

Independent Auditors' Report

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Stanly County, North Carolina, as of and for the year ended June 30, 2019, 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 1, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Stanly County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Stanly County's internal control. Accordingly, we do not express an opinion on the effectiveness of 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 1, 2019

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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, 2019. 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 Federal and State statutues, regulations, and the terms and conditions of its federal awards 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, the 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. des examining, on a test basis, evidence about the 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, 2019.

**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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, we did identify certain deficiencies in internal control over compliance, as described in the accompanying Schedule of Findings and Questioned Costs as items [2019-001, 2019-002] that we consider to be significant deficiencies.

Stanly County's response to the internal control over compliance findings identified in our audit are described in the accompanying Corrective Action Plan. Stanly County's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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 1, 2019

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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, 2019. 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 state statutes, regulations, and the terms and conditions of its state awards 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 could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about Stanly County's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances.

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

**Opinion on Each Major State Program**

In our opinion, Stanly County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2019.

**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.

Thompson, Price, Scott, Adams & Co., P.A.
Whiteville, NC
November 1, 2019

**Stanly County, North Carolina**
**Schedule of Findings and Questioned Costs**
**For the Year Ended June 30, 2019**

## 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 | _X_yes | ___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)? | _X_yes | ___no |

Identification of major federal programs:

| CFDA # | Program Name |
|---|---|
| 93.778 | Medical Assistance Program |
| 20.106 | Stanly County Airport (Vision 100 Entitlement) |

| | | |
|---|---|---|
| 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, 2019**

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
Rural Economic Development Grant - Riverstone Industrial Park Project
Public School Building Capital Fund - Lottery Proceeds

## Section II. Financial Statement Findings

None Reported.

## Section III. Federal Award Findings and Questioned Costs

**US Department of Health and Human Services**
Passed through the NC Dept. of Health and Human Services
Program Name: Medical Assistance Program (Medicaid; Title XIX)
CFDA# 93.778

**Finding: 2019-001**

SIGNIFICANT DEFICENCY

Eligibility

Criteria: Medicaid for Aged, Blind and Disabled case records should contain documentation that verifications were done in preparation of the application and these items will agree to reports in the NC FAST system. In this process, the countable resources should be calculated correctly and agree back to the amounts in the NC FAST system. Any items discovered in the verification process should be considered countable or non-countable resources and explained within the documentation.

Condition: There were eleven errors discovered during our procedures that resources in the county documentation and those same resources contained in NC FAST were not the same amounts or files containing resources were not properly documented to be considered countable or non-countable. Four of the eleven errors for which online verification for resources were incomplete. One of the eleven errors resulting applicant received benefits although the value of resources exceeded the limit.

Questioned Costs: The amounts paid out for the above in-eligible participants did not exceed the threshold for a question costs determination.

Context: We examined 60 Medicaid recipients from the Medicaid Beneficiary report provided by NC Department of Health and Human Services to re-determine eligibility. These findings are being reported with the financial statement audit as it relates to Medicaid administrative cost compliance audit.

Effect: For those certifications/re-certifications there was a chance that information was not properly documented and reconciled to NC FAST which affect countable resource and a participant could have been approved for benefits that they were not eligible.

Cause: Ineffective record keeping and ineffective case review process, incomplete documentation, and incorrect application of rules for purposes of determining eligibility.

Recommendation: Files should be reviewed internally to ensure proper documentation is in place for eligibility. Workers should be retrained on what files should contain and the importance of complete and accurate record keeping. We recommend that all files include online verifications, documented resources of income and those amounts agree to information in NC FAST. The results found or documentation made in case notes that clearly indicates what actions were performed and the results of those actions.

Views of responsible officials and planned corrective actions: The County agrees with the finding. Supervisors will perform second party reviews to ensure proper documentation is contained in files to support eligibility determinations. Workers will be retrained on what information should be maintained in case files, the importance of complete and accurate record keeping, and reserve calculations. The County finance office will also participating in the review process.

## Section III. Federal Award Findings and Questioned Costs (Continued)

**US Department of Health and Human Services**
Passed through the NC Dept. of Health and Human Services
Program Name: Medical Assistance Program (Medicaid; Title XIX)
CFDA# 93.778

**Finding: 2019-002**

SIGNIFICANT DEFICENCY

Eligibility

Criteria: In accordance with 42 CFR 435, documentation must be obtained as needed to determine if a recipient meets specific income standards, and documentation must be maintained to support eligibility determinations. In accordance with 2 CFR 200, management should have an adequate system of internal controls procedures in place to ensure an applicant is properly determined or redetermined for benefits.

Condition: There were four errors discovered during our procedures that inaccurate information was entered when determining eligibility. Three of the four errors were inaccurate income calculation; One of the four errors was incorrect household size calculation. One errors resulting applicant received benefits from wrong class of the program.

Questioned Costs: The amounts paid out for the above in-eligible participants did not exceed the threshold for a question costs determination.

Context: We examined 60 Medicaid recipients from the Medicaid Beneficiary report provided by NC Department of Health and Human Services to re-determine eligibility. These findings are being reported with the financial statement audit as it relates to Medicaid administrative cost compliance audit.

Effect: For those certifications/re-certifications there was a chance that information was not properly documented and reconciled to NC FAST which affect countable resource and a participant could have been approved for benefits that they were not eligible.

Cause: Ineffective record keeping and ineffective case review process, incomplete documentation, and incorrect application of rules for purposes of determining eligibility.

Recommendation: Files should be reviewed internally to ensure proper documentation is in place for eligibility. Workers should be retrained on what files should contain and the importance of complete and accurate record keeping. We recommend that all files include online verifications, documented resources of income and those amounts agree to information in NC FAST. The results found or documentation made in case notes that clearly indicates what actions were performed and the results of those actions.

Views of responsible officials and planned corrective actions: The County agrees with the finding. Supervisors will perform second party reviews to ensure proper documentation is contained in files to support eligibility determinations. Workers will be retrained on what information should be maintained in case files, the importance of complete and accurate record keeping, and reserve calculations. The County finance office will also participating in the review process.

## Section IV. State Award Findings and Questioned Costs

Program Name: Medical Assistance Program (Medicaid; Title XIX)
CFDA # 93.778

SIGNIFICANT DEFICENCY: Finding 2019-001 and 2019-002 also apply to State requirements and State Awards.

STANLY COUNTY
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**Corrective Action Plan**
**For the Year Ended June 30, 2019**

## Section II - Financial Statement Findings

None Reported.

## Section III - Federal Award Findings and Question Costs

**Finding 2019-001**

Name of contact person: Stacy Ragsdale, Adult Medicaid Supervisor

Corrective Action: Training provided to staff during Unit meeting on September 12, 2019. Training elements included the following:
1) How to properly run DMV in OVS when results are inconclusive;
2) How to properly document vehicles at application and review to meet Medicaid policy rules and regulations;
3) The importance of ensuring that information must match in NCFAST with our verifications;
4) How to properly calculate and show how reserve is reduced. Previously, caseworkers were running adding machines tapes when reducing reserve. Instructions were provided on completing a DSS 5036 showing reducing reserve and documenting the correct information to show how reserve was reduced.

Supervisor or Lead Worker will monitor these errors during 2nd Party Reviews that are completed monthly. Adult Medicaid reviews 5 cases per worker each month.

Proposed completion date: Unit meeting was held on September 12, 2019 to address errors. We will continue to monitor cases for at least 4 months and until we have 100 percent accuracy.

**Finding 2019-002**

Name of contact person: Robin Huneycutt, IM Supervisor II

Corrective Action: Training to be provided to staff during Unit meeting on November 7, 2019. Training elements to include the following:
1) How to determine correct countable income from all sources;
2) How to correctly enter income calculations using the income wizard;
3) How to make sure the determination has the correct household size and income;
4) The importance of thorough documentation.

Supervisor or Lead Worker will monitor these errors during 2nd Party Reviews that are completed monthly. Family and Children's Medicaid reviews a minimum of two records per worker each month.

Proposed completion date: Unit meeting will be held November 7, 2019 to address errors. We will continue to monitor cases for at least 4 months and until we have 100 percent accuracy.

## Section IV - State Award Findings and Question Costs

None Reported.

No Prior Year Finding Reported.

**Stanly County, North Carolina**
**Schedule of Expenditures of Federal and State Awards**
**For The Fiscal Year Ended June 30, 2019**

| 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 | | $ 417,478 | $ - | $ - | $ 417,478 |
| 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 | | 294,620 | - | - | - |
| USDA Grant - Palestine Water Pump Project | 10.760 | | 11,628 | - | - | - |
| Total U.S. Dept. of Agriculture | | | 723,726 | - | - | 417,478 |
| U.S. Department of Homeland Security: | | | | | | |
| Passed -through N.C. Department of Public Safety | | | | | | |
| Division of Emergency Management: | | | | | | |
| Emergency Management Performance Grants | 97.042 | | 38,542 | - | - | - |
| Homeland Security Grant Progam | 97.067 | | 17,000 | - | - | - |
| Total U.S. Department of Homeland Security | | | 55,542 | - | - | - |
| 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 | | 24,650 | - | - | - |
| Project Grants and Cooperative Agreements for Tuberculosis Control Programs | 93.116 | | 50 | - | - | - |
| Family Planning Services | 93.217 | | 30,292 | - | - | - |
| Immunization Grants | 93.268 | | 9,411 | - | - | - |
| Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response | 93.354 | | 30,411 | - | - | - |
| Preventive Health and Health Services Block Grant funded solely with Prevention and Public Health Funds (PPHF) | 93.758 | | 39,946 | - | - | - |
| Cancer Prevention and Control Programs for State, Territorial and Tribal Organizations | 93.898 | | 3,825 | - | - | - |
| Preventive Health Services_Sexually Transmitted Diseases Control Grants | 93.977 | | 42 | - | - | - |
| Maternal and Child Health Services Block Grant | 93.994 | | 59,432 | 23,432 | - | - |

**Stanly County, North Carolina**
**Schedule of Expenditures of Federal and State Awards**
**For The Fiscal Year Ended June 30, 2019**

| Grantor/Pass-through Grantor/Program Title | Federal CFDA Number | State/ Pass-through Grantor's Number | Fed (Direct & Pass-through Expenditures | State Expenditures | Pass-through to Subrecipients | Local Expenditures |
|---|---|---|---|---|---|---|
| Passed-through 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 | | 258,717 | 45,656 | - | - |
| Special Programs for the Aging - Title III C Nutrition Services | 93.045 | | 97,517 | 17,209 | - | - |
| Title III-E (Caregiver) | 93.052 | | 17,513 | 1,168 | - | - |
| Nutrition Services Incentive Program | 93.053 | | 31,375 | | - | - |
| Total Aging Cluster | | | 407,111 | 64,384 | - | - |
| Division of Social Services: | | | | | | |
| Temporary Assistance for Needy Families Cluster | | | | | | |
| TANF - Work First | 93.558 | | 460,399 | - | - | - |
| Division of Public Health | | | | | | |
| Temporary Assistance for Needy Families | 93.558 | | 2,684 | - | - | - |
| Total TANF Cluster | | | 463,083 | - | - | - |
| Foster Care and Adoption Cluster (Note 4) | | | | | | |
| Foster Care - Title IV-E | 93.658 | | 327,772 | 56,782 | - | 210,348 |
| Adoption Assistance | 93.659 | | 2,920 | - | - | 2,920 |
| Foster Care | N/A | | 36,307 | - | - | 21,464 |
| Total Foster Care and Adoption Cluster | | | 366,999 | 56,782 | - | 234,732 |
| Child Support Enforcement | 93.563 | | 585,800 | - | - | 301,775 |
| Refugee Assist Admin | 93.566 | | 83 | - | - | |
| Low Income Energy Assistance | | | | | | |
| Administration | 93.568 | | 43,153 | - | - | - |
| Energy Assistance Payments | 93.568 | | 267,800 | - | - | - |
| Crisis Intervention Program | 93.568 | | 231,963 | - | - | - |
| Total Low Income Energy Assistance | | | 542,916 | - | - | - |
| Stephanie Tubbs Jones Child Welfare Services Program: | | | | | | |
| Permanency Planning - Families for Kids | 93.645 | | 16,034 | - | - | 5,345 |
| Chafee Foster Care Independence Program | 93.674 | | 13,977 | - | - | - |
| SSBG - Other Service and Training | 93.667 | | 195,979 | - | - | 65,326 |
| Division of Aging and Adult Services: | | | | | | |
| Division of Social Services: | | | | | | |
| SSBG - State In Home Service Fund | 93.667 | | 19,658 | - | - | 2,808 |
| Passed-through Upper Coastal Council of Governments: | | | | | | |
| Social Service Block Grant (SSBG) | 93.667 | | 26,362 | 3,764 | - | - |
| Total Social Service Block Grant | | | 241,999 | 3,764 | - | 68,134 |
| 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 | | 70,867 | - | - | - |
| Total Subsidized Child Care Cluster | | | 70,867 | - | - | - |

**Stanly County, North Carolina**
**Schedule of Expenditures of Federal and State Awards**
**For The Fiscal Year Ended June 30, 2019**

| Grantor/Pass-through Grantor/Program Title | Federal CFDA Number | State/ Pass-through Grantor's Number | Fed (Direct & Pass-through Expenditures | State Expenditures | Pass-through to Subrecipients | Local Expenditures |
|---|---|---|---|---|---|---|
| Passed-through the N.C. Dept. of Health and Human Services: | | | | | | |
| Division of Medical Assistance: | | | | | | |
| Division of Social Services: | | | | | | |
| Administration | | | | | | |
| Medical Assistance Program | 93.778 | | 1,261,607 | 2,841 | - | 485,006 |
| Total Medical Assistance Program | | | 1,261,607 | 2,841 | - | 485,006 |
| Division of Social Services | | | | | | |
| Administration | | | | | | |
| State Children's Insurance Program | 93.767 | | 52,575 | - | - | - |
| Total Children's Insurance Program - N.C. Health Choice | | | 52,575 | - | - | - |
| Total U.S. Dept. of Health and Human Services | | | 4,221,110 | 151,203 | - | 1,094,992 |
| U.S. Environmental Protection Agency | | | | | | |
| Passed Through N.C. Department of Environmental Quality | | | | | | |
| Division of Water Resources | | | | | | |
| Capitalization Grants for Clean Water State Revolving Funds - WWTP Rehabilitation Project | 66.458 | | 184,025 | - | - | - |
| Capitalization Grants for Drinking Water State Revolving Funds | 66.468 | | 402,565 | - | - | - |
| Total Environmental Protection Agency | | | 586,590 | - | - | - |
| U.S. Dept of Transportation | | | | | | |
| Passed thru N.C. Department of Transportation | | | | | | |
| Stanly County Airport (Vision 100 Entitlement) | 20.106 | 36237.50.16.3 | 1,610,587 | - | - | - |
| Stanly County Airport (Vision 100 Entitlement) | 20.106 | 36237.50.16.2 | 137,946 | - | - | - |
| Stanly County Airport (Vision 100 Entitlement) | 20.106 | 36237.50.16.1 | 11,960 | - | - | - |
| Total Stanly County Airport (Vision 100 Entitlement) | | | 1,760,493 | - | - | - |
| Formula Grants for Rural Areas - Admin | 20.509 | 36233.96.20.1 | 180,219 | 11,264 | - | - |
| Formula Grants for Rural Areas - Admin | 20.509 | 36233.96.19.1 | 11,534 | 721 | - | - |
| Formula Grants for Rural Areas - Capital | 20.509 | 36233.96.20.3 | 151,548 | 18,943 | - | - |
| Formula Grants for Rural Areas - Capital II | 20.509 | 36233.96.20.4 | 5,400 | 675 | - | - |
| Total Formula Grant for Rural Areas | | | 348,701 | 31,603 | - | - |
| Highway Planning and Construction Cluster | | | | | | |
| RPO Grants Rocky River | 20.205-8 | 48232.4.16 | 49,714 | - | - | - |
| RPO Grants Rocky River | 20.205-8 | 47551.1.16 | 34,140 | - | - | - |
| Total Highway Planning and Construction Cluster | | | 83,854 | - | - | - |
| Stanly County SR. SVCS. CAP | 20.513 | 51001.87.4.3 | 48,000 | 6,000 | - | - |
| Total U.S. Dept of Transportation | | | 2,193,048 | 31,603 | - | - |
| U.S. Dept. of Housing and Urban Development | | | | | | |
| Passed thru N.C. Housing Finace Agency | | | | | | |
| Single Family Rehab Program | 14.239 | SFRLP1727 | 106,190 | - | - | - |
| Total U.S.Dept. of Housing and Urban Development | | | 106,190 | - | - | - |
| **Total Federal Awards** | | | 7,934,206 | 188,806 | - | 1,512,470 |

**Stanly County, North Carolina**
**Schedule of Expenditures of Federal and State Awards**
**For The Fiscal Year Ended June 30, 2019**

| 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 |
|---|---|---|---|---|---|---|
| **State Awards:** | | | | | | |
| N.C. Dept. of Health and Human Services | | | | | | |
| Division of Public Health | | | | | | |
| Other Reciepts / State Supported Expenditures | | | | | | |
| Food & Lodging Fees | | | $ - | $ 18,610 | $ - | $ - |
| CHA/CHIP Peer Review | | | - | 89,081 | - | - |
| General Communicable Disease Control | | | - | 2,732 | - | - |
| Child Health | | | - | 12,454 | - | - |
| HIV STD State | | | - | 500 | - | - |
| STD Drugs | | | - | 338 | - | - |
| Breast and Cervical Cancer Program | | | - | 1,275 | - | - |
| School Nurse Funding Initiative | | | - | 50,000 | - | - |
| Family Plannning - State | | | - | 22,109 | - | - |
| Maternal Health (HMHC) | | | - | 43,251 | - | - |
| Women's Health Service Fund | | | - | 7,548 | - | - |
| TB Control | | | - | 3,905 | - | - |
| Total Public Health | | | - | 251,803 | - | - |
| Division of Social Services: | | | | | | |
| County Fund Programs | | | - | - | - | 699,205 |
| Non Allocating County Cost | | | - | - | - | 245,566 |
| St Child Welfare/CPS/CS | | | - | 103,585 | - | - |
| DCD Smart Start | | | - | 18,273 | - | - |
| Energy Assist Private | | | - | 599 | - | - |
| Work First Non Reimbursable | | | - | - | - | 152,250 |
| Extended FC/MAX Non-IV-E | | | - | 900 | - | - |
| SFHF Maximization | | | - | 6,559 | - | - |
| State Foster Home | | | - | 12,952 | - | - |
| CSE Disaster Non-Reimbursable | | | - | - | - | 4,967 |
| AFDC Incent/Prog Integrity | | | - | 181 | - | - |
| Total Division of Social Services | | | - | 143,049 | - | 1,101,988 |
| Division of Aging and Adult Services | | | | | | |
| SR CTR General Purpose | | | - | 10,692 | - | - |
| Fan/Heat Program | | | - | 503 | - | - |
| Total Division of Aging and Adult Services | | | - | 11,195 | - | - |
| Total N.C. Dept. of Health and Human Services | | | - | 406,047 | - | 1,101,988 |
| N.C. Dept. of Transportation | | | | | | |
| Rural Operating Assistance Program (ROAP) Cluster | | | | | | |
| - ROAP Elderly and Disabled Transportation Assistance | | 36220.10.7.1 | - | 71,280 | - | - |
| - ROAP Rural General Public Program | | 36228.22.7.1 | - | 90,979 | - | - |
| - ROAP Work First Transitional - Employment | | 36236.11.6.1 | - | 15,167 | - | - |
| Total ROAP Cluster | | | - | 177,426 | - | - |
| Stanly County Airport | | | | 12,668 | | |
| Total N.C. Dept. of Transportation | | | - | 190,094 | - | - |
| N.C. Dept of Administration | | | | | | |
| Veterans Services | | | - | 2,216 | - | - |
| Total of N.C. Dept of Administration | | | - | 2,216 | - | - |

**Stanly County, North Carolina**
**Schedule of Expenditures of Federal and State Awards**
**For The Fiscal Year Ended June 30, 2019**

| Grantor/Pass-through Grantor/Program Title | Federal CFDA Number | State/ Pass-through Grantor's Number | Fed (Direct & Pass-through Expenditures | State Expenditures | Pass-through to Subrecipients | Local Expenditures |
|---|---|---|---|---|---|---|
| N. C. Department of Environmental Quality | | | | | | |
| Division of Waste Management | | | | | | |
| Soil and Water Conservation | | | - | 26,726 | - | - |
| Electronics Management | | | - | 3,935 | - | - |
| Scrap Tire Program | | | - | 786 | - | - |
| Abandoned Mobile Home Grant | | | - | 6,121 | - | - |
| Total of N.C. Dept. of Environmental Quality | | | - | 37,568 | - | - |
| N.C. Dept. of Cultural and Natural Resources | | | | | | |
| Division of State Library | | | | | | |
| State Aid to Public Libraries | | | - | 113,266 | - | - |
| Total of N.C. Dept. of Cultural Resources | | | - | 113,266 | - | - |
| N.C. Department of Public Safety | | | | | | |
| Juvenile Crime Prevention Programs | | | - | 174,070 | - | - |
| DWI Safe Roads Act | | | - | 5,343 | - | - |
| Drug Seizures | | | - | 9,890 | - | - |
| Tier II Universal Grant | | | - | 9,748 | - | - |
| Emergency Management Planning | | | - | 1,150 | - | - |
| Total of N.C. Dept. of Public Safety | | | - | 200,201 | - | - |
| N. C. Department of Commerce | | | | | | |
| Livestock Arena Construction Program | | | - | 1,706 | - | - |
| Industrial Development Fund / Utility Fund | | | - | 16,759 | - | - |
| Rural Economic Development Grant - Riverstone | | | | | | |
| Industrail Park Project | | U-482 | | 611,778 | | |
| Total N.C. Department of Commerce | | | - | 630,243 | - | - |
| N.C. Dept. of Insurance | | | | | | |
| SHIIP Grant | | | - | 10,506 | - | - |
| Total N.C. Dept. of Insurance | | | - | 10,506 | - | - |
| N.C. Department of Public Instruction | | | | | | |
| Public School Building Capital Fund-Lottery Proceeds | | | - | 595,000 | - | - |
| Total N.C. Department of Public Instruction | | | - | 595,000 | - | - |
| **Total State Awards** | | | $ - | $ 2,185,141 | $ - | $ 1,101,988 |
| **Total Federal and State Awards** | | | $ 7,934,206 | $ 2,373,947 | $ - | $ 2,614,458 |

| 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 |
|---|---|---|---|---|---|---|

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, 2019. 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.

**Note 5: Loans Outstanding**

Stanly County had the following loan balances outstanding at June 30, 2019 for loans that the grantor/pass-through grantor has still imposed continuing compliance requirements . Loans outstanding at the beginning of the year and loans made during the year are included in the SEFSA. The balance of loans outstanding at June 30, 2019 consist of:

| Program Title | CFDA Number | Pass-through Grantor's Number | Amount Outstanding |
|---|---|---|---|
| Capitalization Grants for Drinking Water State Revolving Funds | 66.468 | H-LRX-F-14-1673 | $ 886,147 |

**Note 6: Benefit Payments Issued by the State**

The amounts listed below were paid directly to individual recipients by the State from federal and State moneys. 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.

| Program Title | CFDA No. | Federal | State |
|---|---|---|---|
| Medicaid | 93.778 | $ 57,486,198 | $ 29,352,831 |
| State Children's Insurance Program | 93.767 | 1,825,215 | - |
| Special Supplemental Nutrition Program for Women Infant and Children | 10.557 | 1,103,131 | - |
| Food and Nutrition Services | 10.561 | 10,275,334 | - |
| IV-E Adopt & Vendor & Gua | 93.659 | 146,855 | 37,312 |
| Family Perservation | 93.556 | 10,267 | - |
| TANF Payments & Penalties | 93.558 | 155,777 | - |
| CWS Adopt, Vendor, Guard | N/A | - | 123,554 |
| SAA/SAD HB 1030 | N/A | - | 20,893 |
| SC/SA Domiciliary Care | N/A | - | 345,124 |
| | | $ 71,002,777 | $ 29,879,714 |