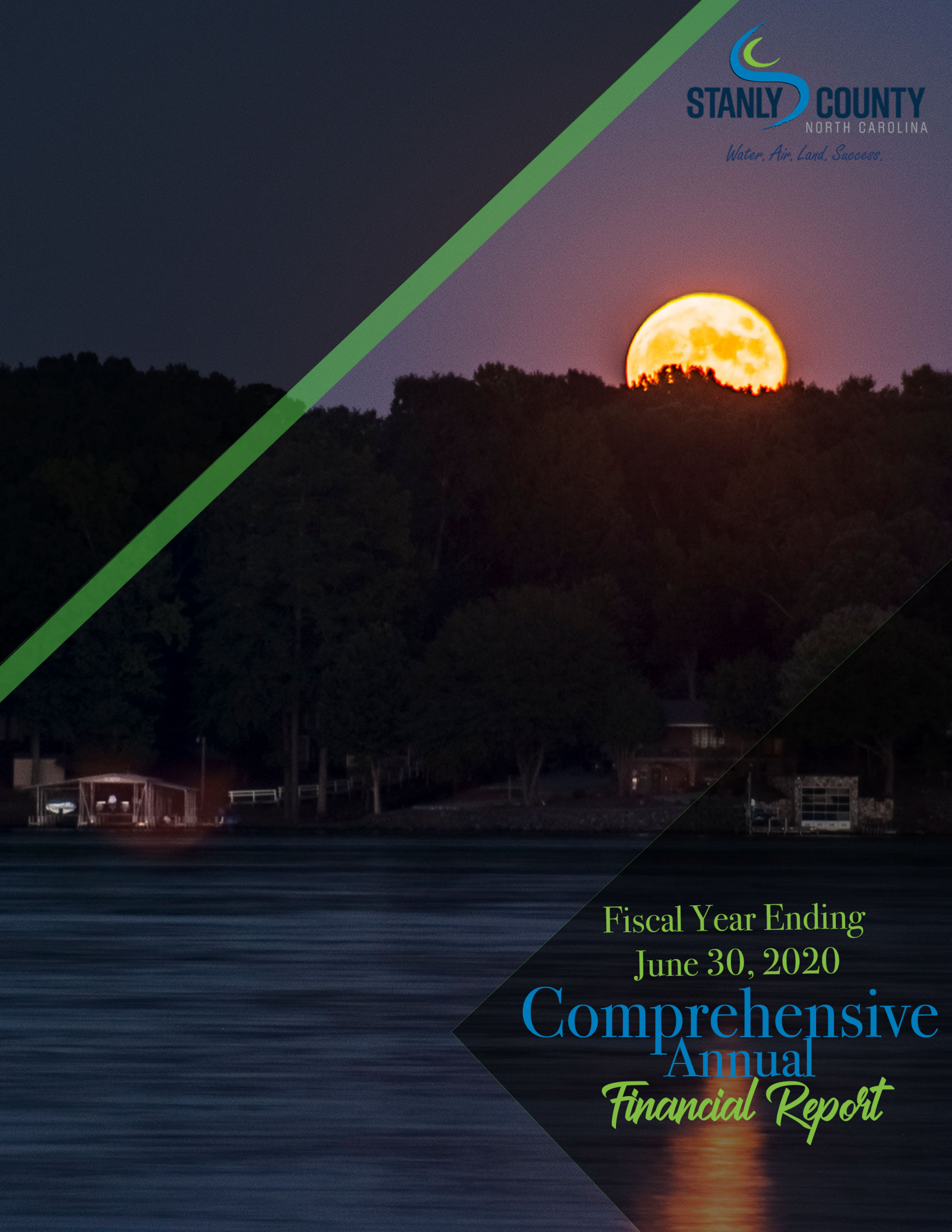

STANLY COUNTY
NORTH CAROLINA

Water, Air, Land, Success.

Fiscal Year Ending
June 30, 2020

Comprehensive Annual Financial Report

STANLY COUNTY, NORTH CAROLINA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Fiscal Year Ended June 30, 2020
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INTRODUCTORY SECTION

STANLY COUNTY
NORTH CAROLINA
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October 20, 2020

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, 2020 is hereby submitted. The County is responsible for the accuracy, completeness, and fairness of the presentation, including all disclosures. The data presented is materially accurate and the financial statements fairly present the County's financial position as measured by activity in the various funds. All disclosures have been included as necessary to enable the reader to understand the County's financial activities.

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

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

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

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 64,236 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 over the past twelve months. Data reveals a strong local economy which has continued to trend in a positive direction despite the coronavirus pandemic, which has affected the world in unprecedented ways. Continued growth in sales tax revenue, new residential construction permits, increased home purchase prices and relative low unemployment are key factors in sustainability and positioning for future growth.

Sales tax is a key indicator as it directly correlates to consumer spending. Sales tax revenue increased to $13.9 million in FY 19-20 compared to $11.2 million in FY 18-19.

Stanly County continues to maintain a low inventory of available commercial and industrial buildings. In recent years, the County purchased 76 acres with a vision of developing a publicly owned industrial park for manufacturing projects. The County continued to develop Riverstone Industrial Park in FY 20 and made infrastructure investments exceeding $1 million for water, sewer, and an entrance road. Duke Energy provided funding to further evaluate the site for manufacturing projects, and the Site Readiness Lite report will be available in FY 21. Located less than twelve miles from I-485 and offering industrial zoning and infrastructure, Riverstone is well-positioned to be competitive for projects considering the Charlotte region which will result in increased tax base and high-quality manufacturing jobs.

Stanly County's assessed valuation (tax base) is projected to increase by $150 million (3%) in FY 2020-2021, and the real and business personal property ad valorem tax revenue is based on a collection rate of 97.47%. The motor vehicle property tax revenue is based on a collection rate of 99.5%. One penny on the tax rate will generate approximately $499,681 in FY 2020-2021.

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 $573,739 for FY 20 while total fund balance decreased by $384,053. This is primarily due to an increase in ad valorem tax of just over $568,000 or 1.7% and a large increase of nearly $2.7 million or 23% in sales tax revenues while experiencing a 7.8% 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 19-20, the County financed the purchase of thirteen new Sheriff's vehicles and two EMS ambulances.

MAJOR INITIATIVES

During Fiscal Year 2020, construction of the new EMS Base had gotten underway. Most of the construction was completed on the facility by the end of the fiscal year. EMS is set to move into the new base by the end of October. The County secured a bank loan to finance the construction of this new facility. Construction of the Eastside Tower also got started in FY 20 and is projected to finish in FY 21. Reserves from the General Fund are being used to pay for this project. 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 the Commons facility that included replacing a section of the roof and replacing asphalt in the parking lot. There were also small renovations done at the Agri-Civic Center and concrete repairs at Solid Waste convenience sites.

UTILITIES

Stanly County Utilities is responsible for the distribution of over one million gallons of drinking water each day to over 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 nearly 1,000 customers in Stanly County.

The Utility projects that were closed out in FY 19-20 are the Badin Water Rehab Part B and the Airport Road Corridor Wastewater. Construction of the West Stanly WWTP is set to get started in the fall of 2020. Also, a sewer system was acquired from the Town of Richfield during the fiscal year. 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 x 100 foot runway and a secondary 3,500 x 75 foot runway. The airport is home to a number of units of the North Carolina Air National Guard including elements of the 145th Airlift Wing based at Charlotte/Douglas International Airport. The North Carolina Division of Emergency Management has a forward storage facility adjacent to the airport and 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. These transitions 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 five 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 is the home of Pressley Aviation, a primary flight school that has recently installed a state-of-the-art flight simulator to broaden their offered services. Beginning in April 2013, the Stanly County Airport began providing DoD Contract Fuel sales to the many military units that pass through and also train there. Contract fuel sales continue to increase as more military units are discovering that the airport provides these contract sales.

The airport is considering the construction of new, additional hangars to accommodate demand as hangar space is currently unavailable. They will also consider other options such as ground leasing to improve the current hangar situation. 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 project for the conversion to LED is very near completion. Also, work on the Airport Area Broadband Connection Project is completed providing fiber and wireless options with funding provided by North Carolina Emergency Management. The airport has just completed an Airport Layout Plan Update that forecast the future developments for the airport for the next 20 years. The airport recently installed a backup power generator for the new terminal building that will allow the airport terminal to operate when commercial power is unavailable. This was imperative for the airport to be able to continue operations to support emergency response missions.

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 19-20, SCUSA Transportation provided 15,455 service hours, traveled 265,776 miles, while providing 35,872 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, 2019. 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-nine (29) 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, 2020

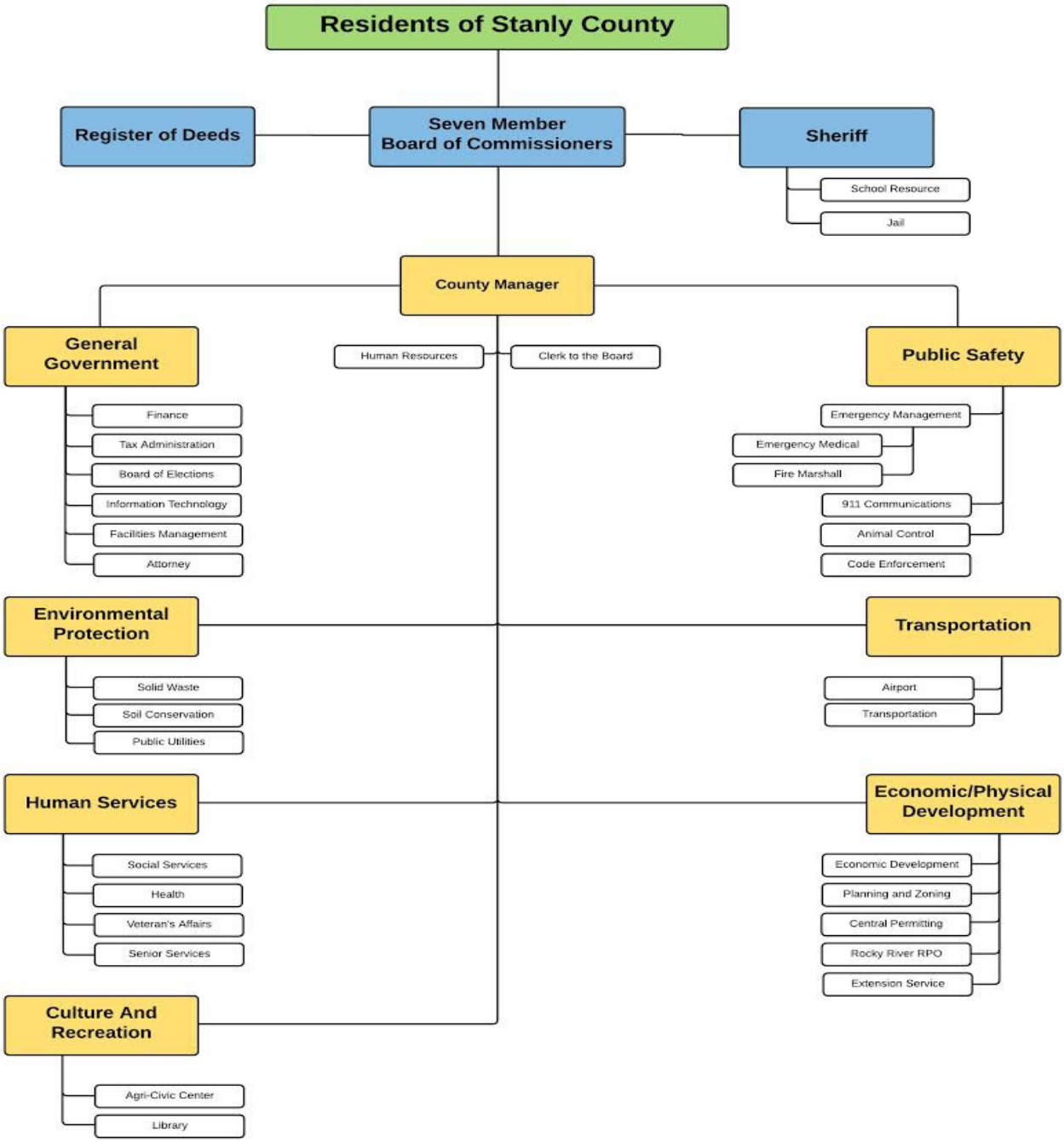
Elected Officials

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, 2019

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
R. Bryon Scott, CPA
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, 2020, 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, 2020, 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 72 and 73, 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 74 and 75, 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 76 and 77, and the Schedule of Changes in the Total OPEB Liability and Related Ratios, page 78, 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 October 20, 2020 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
October 20, 2020

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STANLY COUNTY, NORTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2020

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, 2020. 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 $71,037,164 (net position).

- The government's total net position increased by $2,158,630, primarily due to an increase in government-wide and business-type activities' net position.

- As of the close of the current fiscal year, Stanly County's governmental funds reported combined ending fund balances of $32,472,051, after a net increase in fund balance of $686,773. Approximately 24.11% of this total amount or, $7,829,051, is restricted or non-spendable.

- At the end of the current fiscal year, unassigned fund balance for the General Fund was $18,504,292 or 26.63% of total general fund expenditures and transfers to other funds for the fiscal year.

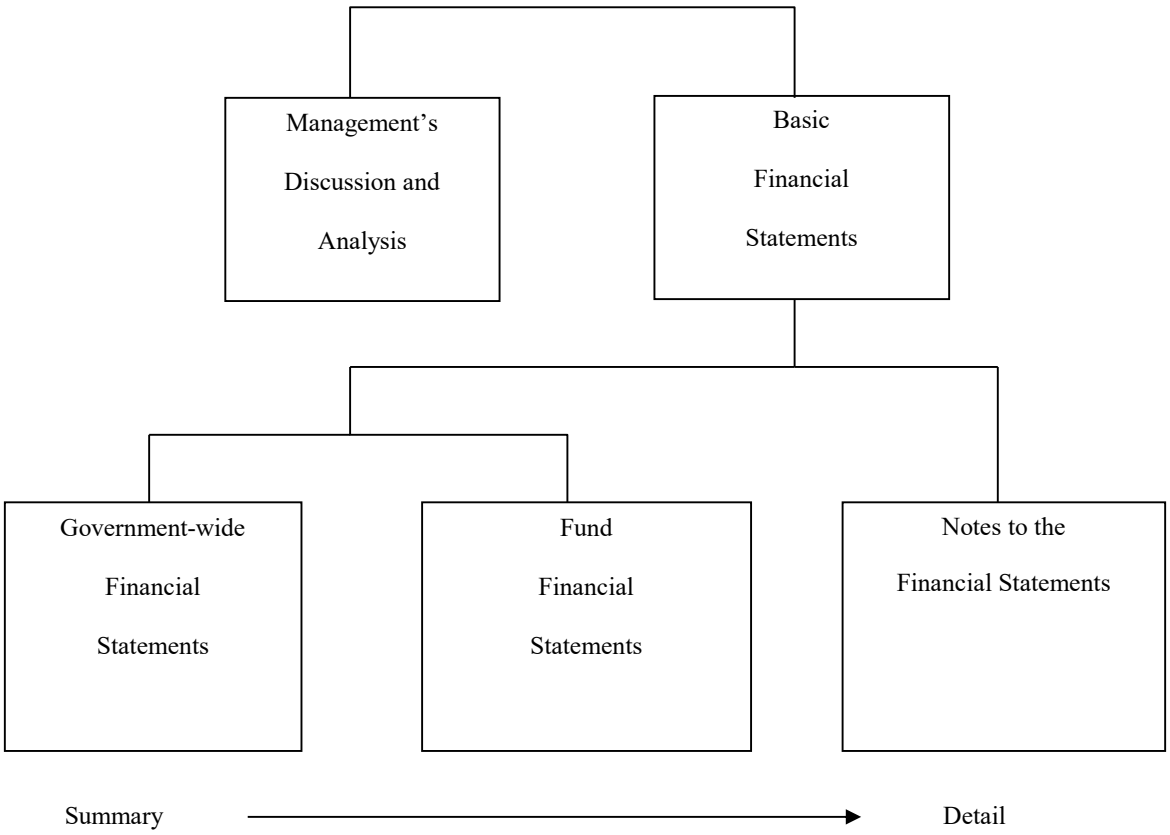
- Stanly County's total debt decreased by $215,068 (0.82%) during the current fiscal year. The County financed the purchase of new vehicles, and received additional loan proceeds to fund the construction of a new EMS Base. Regular and scheduled debt payments account for the majority of the decrease in debt.

- Stanly County maintained its Standard & Poor's AA- rating for the seventh consecutive year and maintained its Moody's Aa3 rating for the eleventh 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 72 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 $71,037,164 as of June 30, 2020. The County's net position increased by $2,158,630 for the fiscal year ended June 30, 2020. The largest portions, $56,119,737 (79.0%) reflects the County's net investment in capital assets (e.g. land, buildings, vehicles, equipment, etc). Stanly County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although Stanly County's investment in its capital assets is reported net of the outstanding related debt, the resources needed to repay that debt must be provided by other sources, since the capital assets cannot be used to liquidate these liabilities. An additional portion of Stanly County's net position $7,823,855 (11.01%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of $7,093,572 (9.99%) is unrestricted.

Stanly County's Net Position
Figure 2

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Assets						
Current and other assets	$ 41,660,804	$ 38,585,259	$ 2,732,495	$ 2,114,120	$ 44,393,299	$ 40,699,379
Capital assets	30,631,884	28,320,678	42,567,971	41,078,863	73,199,855	69,399,541
Total assets	72,292,688	66,905,937	45,300,466	43,192,983	117,593,154	110,098,920
Deferred outflows of resources	5,500,705	5,681,122	269,393	259,884	5,770,098	5,941,006
Liabilities						
Long-term liabilities outstanding	34,182,154	32,344,937	5,703,444	5,037,856	39,885,598	37,382,793
Other liabilities	10,285,280	8,086,267	1,333,185	735,314	11,618,465	8,821,581
Total liabilities	44,467,434	40,431,204	7,036,629	5,773,170	51,504,063	46,204,374
Deferred Inflows of Resources	797,000	934,059	25,025	22,959	822,025	957,018
Net Position						
Net investment in capital assets	18,891,578	17,289,940	37,228,159	36,320,978	56,119,737	53,610,918
Restricted	7,757,880	8,149,718	65,975	53,250	7,823,855	8,202,968
Unrestricted	5,879,501	5,782,138	1,214,071	1,282,510	7,093,572	7,064,648
Total net position	$ 32,528,959	$ 31,221,796	$ 38,508,205	$ 37,656,738	$ 71,037,164	$ 68,878,534

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 $8,380,445.

Stanly County's Changes in Net Position

Figure 3

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Revenues:						
Program revenues:						
Charges for services	$ 7,969,876	$ 9,317,966	$ 5,834,552	$ 5,211,547	$ 13,804,428	$ 14,529,513
Operating grants and contributions	10,878,438	10,698,203	30,000	-	10,908,438	10,698,203
Capital grants and contributions	1,137,772	595,000	1,231,577	2,209,149	2,369,349	2,804,149
General revenues:						
Property taxes	36,827,846	36,111,659	-	-	36,827,846	36,111,659
Other taxes	14,892,114	12,262,878	-	-	14,892,114	12,262,878
Interest earned	626,351	639,706	39,393	47,537	665,744	687,243
Miscellaneous income	559,972	427,731	213,640	179,881	773,612	607,612
Total revenues	72,892,369	70,053,143	7,349,162	7,648,114	80,241,531	77,701,257
Expenses:						
General government	5,759,160	7,074,055	-	-	5,759,160	7,074,055
Public safety	23,171,363	20,492,863	-	-	23,171,363	20,492,863
Transportation	1,106,553	1,048,422	-	-	1,106,553	1,048,422
Environmental protection	1,391,069	1,306,446	-	-	1,391,069	1,306,446
Economic and physical development	2,487,522	2,101,397	-	-	2,487,522	2,101,397
Human services	16,148,151	15,426,679	-	-	16,148,151	15,426,679
Cultural and recreation	1,348,330	1,797,902	-	-	1,348,330	1,797,902
Education	18,284,160	15,207,360	-	-	18,284,160	15,207,360
Interest on long-term debt	653,292	738,269	-	-	653,292	738,269
Water and sewer	-	-	6,116,368	5,425,789	6,116,368	5,425,789
Airport	-	-	1,616,933	1,858,033	1,616,933	1,858,033
Total expenses	70,349,600	65,193,393	7,733,301	7,283,822	78,082,901	72,477,215
Increase in net position before transfers and special items	2,542,769	4,859,750	(384,139)	364,292	2,158,630	5,224,042
Transfers and special items	(1,235,606)	2,854,081	1,235,606	746,604	-	3,600,685
Increase in net position after transfers and special items	1,307,163	7,713,831	851,467	1,110,896	2,158,630	8,824,727
Net position, beginning	31,221,796	23,507,965	37,656,738	36,545,842	68,878,534	60,053,807
Net position, ending	$ 32,528,959	$ 31,221,796	$ 38,508,205	$ 37,656,738	$ 71,037,164	$ 68,878,534

Governmental activities. Governmental activities increased the County's net position by $1,307,163, thereby accounting for 60.56% of the total increase in the net position of Stanly County. Key elements of this increase are as follows:

- Increase in property tax revenue by 1.98%.
- Increase in other taxes by 21.44%, mainly as a result of increases in local option sales tax.

Business-type activities. Business-type activities increased Stanly County's net position by $851,467, accounting for 39.44% of the total increase in the government's net position. Key elements of this increase are as follows:

- Decrease of $241,100 or 12.98% in expenses for the Airport.
- Receipt of capital grants and contributions for utility projects.
- Charges for services increased by 11.95%.

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 $24,794,615, while total fund balance reached $30,761,307. 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 35.68% of General Fund expenditures plus transfer out less installment purchase obligations, while total fund balance represents 44.26% of that same amount.

At June 30, 2020, the governmental funds of Stanly County reported a combined fund balance of $32,472,051, a 2.16% percent increase over last year. The primary reason for this increase is the unspent loan proceeds for the EMS Base Project.

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 $3,389,253 and revenues by $2,595,965 with the remaining $793,288 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 $1,151,398 and that for the Airport equaled $62,673. The total increase in net position for all enterprise funds was $851,467. 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, 2020, totals $73,087,164 (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
- Construction of a new EMS Base
- Purchased new vehicles for the Sheriff's Office and EMS

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

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Land	$ 1,835,577	$ 1,950,967	$ 5,147,879	$ 5,147,879	$ 6,983,456	$ 7,098,846
Plant in service	-	-	20,749,092	16,793,732	20,749,092	16,793,732
Buildings and improvements	13,145,462	13,566,649	12,443,822	13,166,999	25,589,284	26,733,648
Equipment and vehicles	11,717,432	11,780,300	164,424	205,559	11,881,856	11,985,859
Construction in progress	3,820,722	919,232	4,062,754	5,764,694	7,883,476	6,683,926
Total	$ 30,519,193	$ 28,217,148	$42,567,971	$ 41,078,863	$ 73,087,164	$ 69,296,011

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

Long-term Debt. As of June 30, 2020, Stanly County had total bonded debt outstanding of $2,730,000, 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	
	2020	2019	2020	2019	2020	2019
General obligation bonds	$ 2,730,000	$ 4,205,000	$ -	$ -	$ 2,730,000	$ 4,205,000
Unamortized premium on bonds	176,760	265,760	-	-	176,760	265,760
Capital leases	5,518,860	6,516,213	-	-	5,518,860	6,516,213
Installment Purchases	-	-	231,913	93,363	231,913	93,363
Revolving Loan Funds	-	-	1,592,898	940,272	1,592,898	940,272
Revenue bonds	-	-	2,890,000	2,943,000	2,890,000	2,943,000
Notes payable	12,763,385	10,568,890	625,000	781,250	13,388,385	11,350,140
Total	$ 21,189,005	$ 21,555,863	$ 5,339,811	$ 4,757,885	$ 26,528,816	$ 26,313,748

Stanly County's total debt increased by $215,068 (0.82%) during the past fiscal year, primarily due to the repayment of debt obligations, offset by new debt for the construction of a new EMS Base and for the purchase of vehicles.

As mentioned in the financial highlights section of this document, Stanly County maintained its Standard & Poor's AA- rating for the seventh consecutive year and maintained its Moody's Aa3 bond rating for the eleventh 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 $382,074,882. The County has no bonds authorized, but unissued at June 30, 2020.

Additional information regarding Stanly County's long-term debt can be found in the notes to the financial statements, beginning on page 60.

Economic Factors and Next Year's Budgets and Rates

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

- Building permits and fees only showed a slight decrease of 7.5%
- Sales tax revenue increased by a little over $2,600,000 (23.72%) 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, 2021

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 1.65% to $69,816,696. The primary factors for this are an increase for Stanly County Schools current expense/operations, increase for 2% employee cost of living allowance, increase for Stanly Community College architectual expenses, and an increase for mandated Local Government Retirement System match.

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 3% 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 total adopted budget for the Airport Authority is $919,070 in FY 2020-2021. This represents a $58,795 decrease (6%) from the FY 2019-2020 adopted budget appropriation. The budget includes a $332,034 appropriation from the General Fund. This is a decrease of $25,301 (7%) from the FY 2019-2020 Adopted Budget. The $332,034 includes the required match for the annual Vision 100 grant funding. The total appropriation includes funding ($6,100) to lease a new pickup truck for airfield and ramp activities.

Requests for Information

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

BASIC FINANCIAL STATEMENTS

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

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STANLY COUNTY, NORTH CAROLINA
STATEMENT OF NET POSITION
JUNE 30, 2020

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Stanly Water & Sewer Authority
Assets				
Current assets				
Cash and cash investments	$ 32,355,673	$ 1,846,189	$ 34,201,862	$ -
Receivables (net)	7,372,302	749,810	8,122,112	108,906
Internal Balances	128,807	(128,807)	-	-
Due from component unit	551,906	-	551,906	-
Prepaid items	71,171	-	71,171	-
Inventories	-	106,400	106,400	-
Restricted cash and cash equivalents	1,180,945	158,903	1,339,848	375,808
Total current assets	41,660,804	2,732,495	44,393,299	484,714
Non-current assets:				
Net Pension Asset	112,691	-	112,691	-
Capital assets:				
Land, improvements, and construction in progress	5,656,299	9,210,633	14,866,932	-
Other capital assets, net of depreciation	24,862,894	33,357,338	58,220,232	10,427,954
Total non-current assets	30,631,884	42,567,971	73,199,855	10,427,954
Total assets	72,292,688	45,300,466	117,593,154	10,912,668
Deferred Outflows of Resources	5,500,705	269,393	5,770,098	-
Liabilities				
Current Liabilities				
Accounts payable	2,762,489	729,552	3,492,041	1,568
Interest payable	390,424	13,802	404,226	28,032
Payroll payable	1,129,834	50,168	1,180,002	-
Due to primary government	-	-	-	551,906
Due to other governments	15,017	-	15,017	-
Unspent CARES Act Funding	1,219,361	-	1,219,361	-
Due within a year	4,768,155	380,760	5,148,915	125,000
Payable from restricted assets	-	158,903	158,903	48,240
Total current liabilities	10,285,280	1,333,185	11,618,465	754,746
Non-current liabilities:				
Net pension liability - LGERS	7,725,037	363,408	8,088,445	-
Total pension liability - LEOSSA	1,081,653	-	1,081,653	-
Due in more than a year	25,375,464	5,340,036	30,715,500	6,799,000
Total long-term liabilities	34,182,154	5,703,444	39,885,598	6,799,000
Total liabilities	44,467,434	7,036,629	51,504,063	7,553,746
Deferred Inflows of Resources	797,000	25,025	822,025	-
Net Position				
Net Investment in Capital Assets	18,891,578	37,228,159	56,119,737	3,503,954
Restricted for:				
Stabilization by state statute	5,929,909	-	5,929,909	-
Public Safety	992,085	-	992,085	-
General Government	75,820	-	75,820	-
Debt Service	75,795	65,975	141,770	327,568
Cultural and Recreational	684,271	-	684,271	-
Unrestricted (deficit)	5,879,501	1,214,071	7,093,572	(472,600)
Total net position	$ 32,528,959	$ 38,508,205	$ 71,037,164	$ 3,358,922

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, 2020

		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**	**Stanly Water & Sewer Authority**
Primary government:								
Governmental Activities:								
General government	$ 5,759,160	$ 754,946	$ -	$ -	$ (5,004,214)	$ -	$ (5,004,214)	$ -
Public safety	23,171,363	4,538,528	1,188,904	-	(17,443,931)	-	(17,443,931)	-
Transportation	1,106,553	337,698	676,077	-	(92,778)	-	(92,778)	-
Environmental protection	1,391,069	1,106,104	-	-	(284,965)	-	(284,965)	-
Economic and physical development	2,487,522	37,118	133,102	338,222	(1,979,080)	-	(1,979,080)	-
Human services	16,148,151	1,139,265	8,766,708	-	(6,242,178)	-	(6,242,178)	-
Cultural and recreation	1,348,330	56,217	113,647	177,550	(1,000,916)	-	(1,000,916)	-
Education	18,284,160	-	-	622,000	(17,662,160)	-	(17,662,160)	-
Interest on long-term debt	653,292	-	-	-	(653,292)	-	(653,292)	-
Total governmental activities	70,349,600	7,969,876	10,878,438	1,137,772	(50,363,514)	-	(50,363,514)	-
Business-type activities:								
Greater Badin Water and Sewer	554,395	509,271	-	-	-	(45,124)	(45,124)	-
Piney Point Water District	197,058	186,784	-	-	-	(10,274)	(10,274)	-
West Stanly Waste Water Treatment	684,198	870,694	-	-	-	186,496	186,496	-
Stanly County Utility Fund	4,680,717	3,830,519	-	-	-	(850,198)	(850,198)	-
Airport Fund	1,616,933	437,284	30,000	1,231,577	-	81,928	81,928	-
Total business-type activities	7,733,301	5,834,552	30,000	1,231,577	-	(637,172)	(637,172)	-
Total primary government	$ 78,082,901	$ 13,804,428	$ 10,908,438	$ 2,369,349	(50,363,514)	(637,172)	(51,000,686)	-
Component Unit:								
Water & Sewer Authority	$ 705,615	$ 633,779	$ -	$ -				$ (71,836)
Total component units	$ 705,615	$ 633,779	$ -	$ -				$ (71,836)
General revenues:								
Taxes:								
Property taxes, levied for general purpose					36,827,846	-	36,827,846	-
Local option sales tax					13,943,132	-	13,943,132	-
Other taxes and licenses					948,982	-	948,982	-
Investment earnings, unrestricted					626,351	39,393	665,744	4,467
Miscellaneous, unrestricted					559,972	213,640	773,612	3,236
Transfers					(1,235,606)	1,235,606	-	-
Total general revenues, special items, and transfers					51,670,677	1,488,639	53,159,316	7,703
Change in net position					1,307,163	851,467	2,158,630	(64,133)
Net position-beginning					31,221,796	37,656,738	68,878,534	3,423,055
Net position-ending					$ 32,528,959	$ 38,508,205	$ 71,037,164	$ 3,358,922

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

STANLY COUNTY, NORTH CAROLINA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2020

	Major General Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets:			
Cash and cash equivalents	$ 28,231,877	$ 1,443,509	$ 29,675,386
Receivables, net	6,841,201	114,633	6,955,834
Due from other funds	128,807	-	128,807
Due from component unit	551,906	-	551,906
Prepaid items	71,171	-	71,171
Restricted cash and cash equivalent	-	1,180,945	1,180,945
Total assets	$ 35,824,962	$ 2,739,087	$ 38,564,049
Liabilities, Deferred Inflows of Resources, and Fund Balances:			
Liabilities:			
Accounts payable and accrued liabilities	$ 2,162,492	$ 948,098	$ 3,110,590
Due to other governments	15,017	-	15,017
Due to other funds	-	-	-
Unspent CARES Act Funding	1,219,361	-	1,219,361
Liabilities to be paid from restricted assets:			
Accounts payable and accrued liabilities	-	-	-
Deposits	-	-	-
Total liabilities	3,396,870	948,098	4,344,968
Deferred inflows of resources:			
Prepaid taxes	40,392	-	40,392
Reserve for taxes receivable	1,626,393	80,245	1,706,638
Total deferred inflows of resources	1,666,785	80,245	1,747,030
Fund balances:			
Non-spendable, not in spendable form			
Prepaid items	71,171	-	71,171
Restricted:			
Stabilization by State statue	5,895,521	34,388	5,929,909
Register of Deeds	75,820	-	75,820
Public Safety	75,795	992,085	1,067,880
Cultural and Recreational	-	684,271	684,271
Committed:			
Cultural and recreation	250,000	-	250,000
Project Funds	983,330	-	983,330
Assigned:	4,905,378	-	4,905,378
Unassigned:	18,504,292	-	18,575,463
Total fund balances	30,761,307	1,710,744	32,472,051
Total liabilities, deferred inflows of resources, and fund balances	$ 35,824,962	$ 2,739,087	$ 38,564,049

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, 2020

Amounts reported for governmental activities in the statement of net position (Exhibit 1) are different because:	
Total Fund Balance - Governmental Funds	$ 32,472,051
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	57,212,498
Less accumulated depreciation	(26,693,305)
Net capital assets	30,519,193
Net Pension Asset (Register of Deeds)	112,691
Deferred outflows of resources:	
Contributions to the pension plan in the current fiscal year	
LGERS	1,856,088
Register of Deeds	6,032
LEOSSA	19,849
OPEB	164,429
Pension related deferrals	
LGERS	3,107,790
Register of Deeds	9,752
LEOSSA	77,512
OPEB related deferrals	259,253
Accrued interest receivable less the amount claimed as unearned revenue in the government-wide statements as these funds are unavailable in the fund statements	415,833
Deferred inflows of resources reported in the government-wide statements but not the fund statements	
Deferred inflows of resources for taxes receivable	1,706,638
Pension related deferrals	
LGERS	(1,808)
Register of Deeds	(5,434)
LEOSSA	(135,424)
OPEB related deferrals	(613,942)
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	(21,189,005)
Compensated absences	(1,573,359)
Total pension liability (LEOSSA)	(1,081,653)
Total OPEB liability	(7,381,255)
Net pension liability	(7,725,037)
Accrued interest payable	(390,424)
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.	1,899,189
Total adjustment	56,908
Net position of governmental activities	$ 32,528,959

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, 2020

	Major General Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:			
Ad valorem taxes	$ 33,980,021	$ 3,203,934	$ 37,183,955
Local option sales taxes	13,943,132	-	13,943,132
Other taxes and licenses	761,827	-	761,827
Unrestricted intergovernmental	158,468	-	158,468
Restricted intergovernmental	9,661,028	338,222	9,999,250
Permits and fees	1,249,496	-	1,249,496
Sales and services	7,344,935	412,654	7,757,589
Investment earnings	623,915	2,434	626,349
Miscellaneous	1,390,863	177,550	1,568,413
Total revenues	69,113,685	4,134,794	73,248,479
Expenditures:			
Current:			
General government	5,797,208	75,917	5,873,125
Public safety	18,239,958	6,071,642	24,311,600
Transportation	1,219,542	-	1,219,542
Enviromental protection	1,384,180	-	1,384,180
Economic and physical development	1,991,669	442,360	2,434,029
Human Services	15,272,626	-	15,272,626
Education	18,373,160	-	18,373,160
Cultural and recreational	1,510,742	385	1,511,127
Debt service:			
Principal	3,670,652	42,709	3,713,361
Interest and other charges	631,352	-	631,352
Contingency	37,500	-	37,500
Total expenditures	68,128,589	6,633,013	74,761,602
Revenues over expenditures	985,096	(2,498,219)	(1,513,123)
Other Financing Sources (Uses):			
Transfers in	-	934,045	934,045
Transfers (out)	(2,169,651)	-	(2,169,651)
Installment purchase obligations issued	800,502	2,635,000	3,435,502
Total other financing sources and uses	(1,369,149)	3,569,045	2,199,896
Net change in fund balance	(384,053)	1,070,826	686,773
Fund Balances:			
Beginning of year - July 1	31,145,360	639,918	31,785,278
End of year - June 30	$ 30,761,307	$ 1,710,744	$ 32,472,051

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, 2020

Amounts reported for governmental activities in the statement of activities are different because:		
Net changes in fund balances - total governmental funds	$	686,773
Capital outlay expenditures recorded in the fund statements but capitalized as assets in the statement of activities		4,389,351
Cost of disposed capital asset not recorded in fund statements		(166,140)
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		(1,921,166)
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		(3,435,502)
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		3,713,361
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		1,862,120
Benefit payments and administration costs for LEOSSA are deferred outflows of resources on the Statement of Net Position		19,849
Contributions and pension administration costs for OPEB are deferred outflows of resources on the Statement of Net Position		164,429
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)		(21,940)
Compensated absences		(215,423)
OPEB expense		(635,001)
Pension expense		(3,651,629)
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		(219,182)
Increase in accrued interest receivable at end of year		(136,928)
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.		785,191
Total changes in net position of governmental activities	$	1,307,163

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, 2020

	General Fund			
	Original Budget	Final Budget	Actual	Variance With Final Positive (Negative)
Revenues:				
Ad valorem taxes	$ 33,535,358	$ 33,728,858	$ 33,980,021	$ 251,163
Sales taxes	11,747,000	11,747,000	13,943,132	2,196,132
Other taxes	711,000	737,000	761,827	24,827
Restricted intergovernmental	9,204,300	10,368,686	9,661,028	(707,658)
Unrestricted intergovernmental	-	87,000	158,468	71,468
Permits and fees	1,113,849	1,119,249	1,249,496	130,247
Sales and services	8,426,108	8,701,515	7,344,935	(1,356,580)
Investment earnings	575,000	575,000	623,915	48,915
Miscellaneous	563,597	1,407,869	1,390,863	(17,006)
Total revenues	65,876,212	68,472,177	69,113,685	641,508
Expenditures:				
General government	6,067,522	6,116,022	5,797,208	318,814
Public safety	16,308,568	18,340,199	18,239,958	100,241
Transportation	1,397,932	1,401,839	1,219,542	182,297
Environmental protection	1,382,974	1,417,750	1,384,180	33,570
Economic and physical development	1,850,171	2,115,837	1,991,669	124,168
Human services	16,808,442	17,813,115	15,272,626	2,540,489
Education	18,375,853	18,375,853	18,373,160	2,693
Cultural and recreational	1,617,729	1,619,329	1,510,742	108,587
Debt service:				
Principal	3,670,658	3,670,658	3,670,652	6
Bond interest and costs	631,894	631,894	631,352	542
Contingency	210,500	209,000	37,500	171,500
Total expenditures	68,322,243	71,711,496	68,128,589	3,582,907
Revenues over (under) expenditures	(2,446,031)	(3,239,319)	985,096	4,224,415
Other financing sources (uses):				
Installment Debt Issued	-	800,502	800,502	-
Transfers (to) other funds	(357,335)	(3,122,549)	(2,169,651)	952,898
Appropriated fund balance	2,803,366	5,561,366	-	(5,561,366)
Total other financing sources (uses)	2,446,031	3,239,319	(1,369,149)	(4,608,468)
Net Change in Fund Balance	$ -	$ -	(384,053)	$ (384,053)
Fund balances:				
Beginning of year, July 1			31,145,360	
End of year, June 30			$ 30,761,307	

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, 2020

	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	$ 216,127	$ -	$ 1,124,112	$ 157,769	$ 348,182	$ 1,846,190	$ 2,680,287
Accounts receivable (net)	120,686	-	559,313	35,550	4,909	720,458	-
Due from other governments	-	-	-	28,793	-	28,793	-
Interest receivable	65	-	375	35	84	559	635
Inventories	-	-	70,921	35,479	-	106,400	-
Restricted cash and cash equivalents	17,450	-	137,723	-	3,730	158,903	-
Total current assets	354,328	-	1,892,444	257,626	356,905	2,861,303	2,680,922
Noncurrent assets:							
Capital assets:							
Land	-	-	223,784	4,924,095	-	5,147,879	-
Construction in progress	-	564,227	1,881,269	1,617,258	-	4,062,754	-
Capital assets, net of depreciation	6,275,406	2,760,182	11,810,971	12,475,506	35,273	33,357,338	-
Total capital assets, net	6,275,406	3,324,409	13,916,024	19,016,859	35,273	42,567,971	-
Total assets	6,629,734	3,324,409	15,808,468	19,274,485	392,178	45,429,274	2,680,922
Deferred Outflows of Resources:							
Pension deferrals	-	7,437	106,479	32,283	-	146,199	-
OPEB deferrals	-	749	31,371	3,758		35,878	-
Contributions to pension plan	-	4,442	63,593	19,281	-	87,316	-
Total deferred outflow of resources	-	12,628	201,443	55,322	-	269,393	-
Liabilities:							
Current liabilities:							
Account payable	8,306	51,621	611,092	42,791	15,742	729,552	895
Interest payable	5,999	2,693	5,110	-	-	13,802	-
Payroll payable	-	4,125	35,773	10,270	-	50,168	-
Due to other funds	-	128,807	-	-	-	128,807	-
Compensated absence payable	-	-	21,295	10,695	-	31,990	-
Current portion of long-term debt	83,307	172,250	93,213	-	-	348,770	-
Health and workers' compensation payable	-	-	-	-	-	-	780,838
Liabilities to be paid from restricted assets:							
Customer deposits	17,450	-	137,723	-	3,730	158,903	-
Total current liabilities	115,062	359,496	904,206	63,756	19,472	1,461,992	781,733
Noncurrent liabilities:							
Net pension liability	-	18,487	264,674	80,247	-	363,408	-
Total OPEB liability	-	21,315	186,274	92,255	-	299,844	-
Compensated absence payable	-	2,885	39,941	6,324	-	49,150	-
Non-current portion of long-term debt	2,744,533	1,356,751	889,758	-	-	4,991,042	-
Total noncurrent liabilities	2,744,533	1,399,438	1,380,647	178,826	-	5,703,444	-
Total liabilities	2,859,595	1,758,934	2,284,853	242,582	19,472	7,165,436	781,733
Deferred Inflows of Resources:							
Pension Deferrals	-	4	62	19	-	85	-
OPEB Deferrals		1,773	15,494	7,673	-	24,940	-
Total deferred inflows of resources	-	1,777	15,556	7,692	-	25,025	-
Net Position:							
Net investment in capital assets	3,447,566	1,795,408	12,933,053	19,016,859	35,273	37,228,159	-
Restricted							
USDA Restrictions	30,800	35,175	-	-	-	65,975	-
Unrestricted	291,773	(254,257)	776,449	62,674	337,433	1,214,072	1,899,189
Total net position	$ 3,770,139	$ 1,576,326	$ 13,709,502	$ 19,079,533	$ 372,706	$ 38,508,206	$ 1,899,189

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, 2020

	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	$ 505,096	$ 870,694	$ 3,628,442	$ 437,284	$ 184,406	$ 5,625,922	$ 7,313,760
Other	4,175	-	202,077	-	2,378	208,630	-
Total Operating Revenues	509,271	870,694	3,830,519	437,284	186,784	5,834,552	7,313,760
Operating Expenses:							
Administration	40,000	60,000	455,609	-	100,000	655,609	-
Distribution and maintenance	113,395	401,479	2,142,502	-	2,225	2,659,601	-
Water purchases	169,071	-	1,404,995	-	93,374	1,667,440	-
Airport operating	-	-	-	797,093	-	797,093	-
Group health operations	-	-	-	-	-	-	6,105,553
Workers' compensation	-	-	-	-	-	-	463,218
Depreciation	194,094	188,346	655,381	819,840	1,459	1,859,120	-
Total Operating Expenses	516,560	649,825	4,658,487	1,616,933	197,058	7,638,863	6,568,771
Operating income (loss)	(7,289)	220,869	(827,968)	(1,179,649)	(10,274)	(1,804,311)	744,989
Non-operating Revenues (Expenses)							
Interest income	5,110	-	26,924	1,215	6,144	39,393	40,202
Administrative charges	-	-	200,466	-	-	200,466	-
CARES Act Funding	-	-	-	30,000	-	30,000	-
Miscellaneous	-	-	13,174	-	-	13,174	-
Interest on long-term debt	(37,835)	(34,373)	(22,230)	-	-	(94,438)	-
Total Nonoperating Revenues (Expenses)	(32,725)	(34,373)	218,334	31,215	6,144	188,595	40,202
Income (loss) before contributions and transfers	(40,014)	186,496	(609,634)	(1,148,434)	(4,130)	(1,615,716)	785,191
Contributions and Transfers							
Transfers in (out)	-	-	698,001	537,605	-	1,235,606	-
Capital contributions	-	-	-	1,231,577	-	1,231,577	-
Total Contributions and Transfers	-	-	698,001	1,769,182	-	2,467,183	-
Change in Net Position	(40,014)	186,496	88,367	620,748	(4,130)	851,467	785,191
Net Position:							
Beginning of Year - July 1	3,810,153	1,389,830	13,621,135	18,458,784	376,836	37,656,738	1,113,998
End of year - June 30	$ 3,770,139	$ 1,576,326	$ 13,709,502	$ 19,079,532	$ 372,706	$ 38,508,205	$ 1,899,189

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, 2020

	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	$ 511,810	$ 870,694	$ 4,033,077	$ 430,487	$ 199,124	$ 6,045,192	$ 7,313,760
Cash paid for goods and services	(356,555)	(338,332)	(2,782,803)	(431,868)	(188,074)	(4,097,632)	(6,566,779)
Cash paid to employees for services	-	(105,182)	(1,025,485)	(324,681)	-	(1,455,348)	-
Customer deposits	(350)	-	9,385	-	180	9,215	-
Net cash provided (used) by operating activities	154,905	427,180	234,174	(326,062)	11,230	501,427	746,981
Cash Flows from Non-Capital Financing Activities:							
Transfers (to) from other funds	-	-	698,001	537,606	-	1,235,607	-
Due to (from) other funds	(202,840)	(127,747)	-	-	-	(330,587)	-
Net cash provided (used) by noncapital financial activities	(202,840)	(127,747)	698,001	537,606	-	905,020	-
Cash Flows from Capital and Related Financing Activities:							
Acquisition and construction of capital assets	-	(93,765)	(1,395,802)	(1,433,668)	-	(2,923,235)	-
Principal paid on bond maturities and lease purchases	(82,307)	(171,250)	(125,689)	-	-	(379,246)	-
Interest paid on bond maturities and lease purchases	(37,950)	(34,418)	(19,089)	-	-	(91,457)	-
Proceeds from notes payable and bonds	-	-	738,792	30,000	-	768,792	-
Capital contributions	378,924	-	222,380	1,202,784	-	1,804,088	-
Net cash provided (used) by capital and related financing activities	258,667	(299,433)	(579,408)	(200,884)	-	(821,058)	-
Cash Flows from Investing Activities:							
Interest on investments	5,045	-	26,549	1,180	6,060	38,834	39,567
Net increase (decrease) in cash and cash equivalents	215,777	-	379,316	11,840	17,290	624,223	786,548
Cash and cash equivalents, July 1	17,800	-	882,519	145,929	334,622	1,380,870	1,893,740
Cash and cash equivalents, June 30	$ 233,577	$ -	$ 1,261,835	$ 157,769	$ 351,912	$ 2,005,093	$ 2,680,288

(continued)

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

STANLY COUNTY, NORTH CAROLINA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

	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)	$ (7,289)	$ 220,869	$ (827,968)	$ (1,179,649)	$ (10,274)	$ (1,804,311)	$ 744,989
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:							
Depreciation	194,094	188,346	655,381	819,840	1,459	1,859,120	-
Loss on disposal of asset	-	-	-	-	-	-	-
Other non-operating revenue	-	-	213,640	-		213,640	-
Changes in assets and liabilites:							
(Increase) decrease in accounts receivable	2,539	-	(11,082)	(6,797)	12,340	(3,000)	-
(Increase) decrease in inventory	-	-	(22,767)	12,629	-	(10,138)	-
(Increase) decrease in deferred outflows of resources for pensions	-	558	7,989	2,422	-	10,969	-
(Increase) decrease in deferred outflows of resources for OPEB	-	346	(21,804)	980	-	(20,478)	-
Increase (decrease) in net pension liability	-	3,653	52,297	15,856	-	71,806	-
Increase (decrease) in deferred inflows of resources for pensions	-	(82)	(1,171)	(355)	-	(1,608)	-
Increase (decrease) in deferred inflows of resources for OPEB	-	261	2,283	1,130	-	3,674	-
Increase (decrease) in accounts payable and liabilities	(34,089)	8,764	153,822	3,030	7,525	139,052	1,992
Increase (decrease) in payroll payable	-	944	6,220	(1,309)	-	5,855	-
Increase (decrease) in customer deposits	(350)	-	9,385	-	180	9,215	-
Increase (decrease) in net OPEB liability	-	1,226	10,719	5,308	-	17,253	-
Increase (decrease) in compensated absences	-	2,295	7,230	853	-	10,378	-
Total adjustments	162,194	206,311	1,062,142	853,587	21,504	2,305,738	1,992
Net cash provided (used) by operating activities	$ 154,905	$ 427,180	$ 234,174	$ (326,062)	$ 11,230	$ 501,427	$ 746,981

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, 2020

		Agency Fund
ASSETS		
Cash and investments	$	246,752
Inmate cash		29,090
Total Assets	$	275,842
LIABILITIES AND NET POSITION		
Liabilities:		
Accounts payable	$	232,933
Client payable		42,909
Total liabilities	$	275,842

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, 2020. 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 eight legally budgeted nonmajor funds. The Emergency Telephone System and Fire Districts Fund are reported as nonmajor special revenue funds. The Livestock Arena Construction Project, Museum Renovation Project, Riverstone Industrial Park Project, Eastside Tower Project, and EMS Base 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. The North Carolina Capital Management Trust (NCCMT), which consists of two SEC-registered funds, is authorized by G.S. 159-30(c)(8). One of these funds, the Government Portfolio, is a 2a7 fund which invests in treasuries and government agencies and is rated AAAm by S&P. The second fund, the Term Portfolio, is a short-term bond fund investing in treasuries, government agencies, and money market instruments allowe under G.S. 159-30. The Term Portfolio has no rating. Both the Government Portfolio and the Term Portfolio are reported at fair value.

2. Cash and Cash Equivalents

The County pools money from several funds to facilitate disbursement and investment and to maximize investment income. Therefore, all cash and investments are essentially demand deposits and are considered cash and cash equivalents. The Authority considers all cash and investments to be cash and cash equivalents.

3. Restricted Assets

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

Stanly County Restricted Cash

Governmental Activities			
General Fund	Security Deposits	$	-
EMS Base Project	Unspent loan proceeds		1,180,945
Total governmental activities			1,180,945
Business-Type Activities			
Greater Badin Water & Sewer District Fund	Customer Deposits	$	17,450
Piney Point Water District Fund	Customer Deposits		3,730
Stanly County Utility Fund	Customer Deposits		137,723
Total business-type activities			158,903
Total restricted cash		$	1,339,848

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, 2019. 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, 2020 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) - $75,795. The amount of $165,158 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 $826,927 that was unspent loan proceeds for the EMS Base Project.

Reserve for Cultural and Recreational - portion of fund balance restricted by revenue source for the purpose of construction - Livestock Arena Construction Project - $684,271.

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, 2020 are as follows:

Purpose	General Fund
Assigned:	
Subsequent year's expenditures	$ 1,730,183
General Government	483,966
Public Safety	418,559
Economic and Physical Development	23,981
Human Services	2,116,280
Cultural and Recreation	132,409
Total	$ 4,905,378

Assigned for Subsequent Year's Expenditures - portion of fund balance that has been appropriated for the adopted 2020-2021 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 - $69,018, Sheriff CADET program - $937, Sheriff - $4,211, animal control - $17,406, federal/State drug - $54,726, inspections - $272,262.

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. Medicaid settlements portion is assigned for future health related activities - $10,241. Dental clinic portion is assigned for future dental clinic services - $2,106,039.

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 - $13,374. Master Gardner is assigned for a specific purpose - $854, as is Learning to Grow - $59.

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	$ 1,835,577	
Construction in progress	3,820,722	
Depreciable property	51,556,199	
Accumulated depreciation	(26,693,305)	$ 30,519,193
Net Pension Asset	112,691	112,691
Contributions to the pension plan in the current fiscal year	1,862,120	1,862,120
Benefit payments and pension administration costs for LEOSSA	19,849	19,849
Contributions to OPEB plan in the current fiscal year	164,429	164,429
Accrued interest receivable, less the amount claimed as unearned revenue in the government-wide statements, as these funds are unavailable in the fund statements.	415,833	415,833
Liabilities for deferred inflows of resources reported in the fund statements, but not the government-wide	1,706,638	1,706,638
Pension related deferrals	3,052,388	3,052,388
OPEB related deferrals	(354,689)	(354,689)
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	(21,189,005)	
Compensated Absences	(1,573,359)	
Total OPEB Liability	(7,381,255)	
Net Pension Liability (LGERS)	(7,725,037)	
Total Pension Liability (LEOSSA)	(1,081,653)	
Interest Payable	(390,424)	(39,340,733)
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.	1,899,189	1,899,189
Total Adjustment		$ 56,908

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 $620,389 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	$ 4,389,351	
Depreciation	(1,921,166)	$ 2,468,185
Costs of capital assets disposed of during the year, not recognized on modified accrual basis.	(166,140)	(166,140)
The issuance of long-term debt (e.g. bonds, leases) is a resource, and the repayment of bond principal is an expenditure in governmental funds; but those transactions increase or reduce long-term liabilities in the Statement of Net Position.		
Debt issued	(3,435,502)	
Debt retired	3,713,361	
Amortized premium	89,000	366,859
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	(136,928)	
Accrual of taxes	(219,182)	(356,110)
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities	1,862,120	1,862,120
Benefit payments and administration costs for LEOSSA are deferred outflows of resources on the Statement of Net Position	19,849	19,849
Contributions to the OPEB plan are deferred outflows of resources on the Statement of Net Position	164,429	164,429
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	(215,423)	
OPEB expense	(635,001)	
County's portion of collective pension expense	(3,651,629)	
Interest expense	(21,940)	(4,523,993)
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.	785,191	785,191
Total Adjustment		$ 620,390

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, 2020 the County's deposits had a carrying amount of $12,843,501 and a bank balance of $10,543,280. Of the bank balance, $500,000 was covered by federal depository insurance; and $10,043,280 in interest bearing deposits was covered by collateral held under the Pooling Method. The petty cash funds totaled $5,468.

At June 30, 2020, the carrying amount of deposits for the Authority's deposits was $375,808 and a bank balance of $261,579. All of the bank balance, $250,000 was covered by federal depository insurance, and $11,579 was covered by collateral held under the pooling method.

2 . Investments

At June 30, 2020, 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	$ 8,931,712	$ 8,931,712	$ -	$ -
NC Capital Management Trust - Term Portfolio	Fair Value - Level 1	10,862,940	10,862,940	-	-
Direct Government Securities	Fair Value - Level 1	2,129,424	-	507,712	1,621,712
Government Agencies	Fair Value - Level 1	503,742	503,742	-	-
NC Capital Management Trust - Government Portfolio	Fair Value - Level 1	546,233	546,233	-	-

Investments (continued)

*As of June 30, 2020, the NCCMT Term Portfolio has a duration of .15 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. The NCCMT Government Portfolio has an AAAm rating from S&P. The NCCMT Term Portfolio has no rating.

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, 2020. 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
2017	$ 2,502,894	$ 594,439	$ 3,097,333
2018	2,498,292	368,499	2,866,791
2019	2,517,004	144,728	2,661,732
2020	2,532,464	-	2,532,464
Total	$ 10,050,654	$ 1,107,666	$ 11,158,320

4. Receivables

Receivables at the government-wide level at June 30, 2020, were as follows:

	Taxes Receivable	Trade Accounts Receivable	Due From Other Governments	Interest	Total
Governmental Activities:					
General	$ 2,479,352	706,129	4,823,162	$ 416,468	$ 8,425,111
Other Governmental	110,755	-	34,388	-	145,143
Total Receivables	2,590,107	706,129	4,857,550	416,468	8,570,254
Allowance for Doubtful Accts.	(883,467)	(314,485)	-	-	(1,197,952)
Total Gov't Activities	$ 1,706,640	$ 391,644	$ 4,857,550	$ 416,468	$ 7,372,302
Business-type Activities:					
Greater Badin Water & Sewer	$ -	$ 385,817	-	$ 65	$ 385,882
Piney Point Water District	-	14,037	-	84	14,121
Stanly County Utility Fund	-	902,566	-	375	902,941
Airport	-	35,909	28,793	35	64,737
Total Receivables	-	1,338,329	28,793	559	1,367,681
Allowance for Doubtful Accts.	-	(617,871)	-	-	(617,871)
Total Business-type	$ -	$ 720,458	$ 28,793	$ 559	$ 749,810

Due from other governments for the year ended June 30, 2020 consists of the following:

Governmental Activities:	
Local option sales tax	$ 2,357,155
NC DMV tax	516,839
Sales tax receivable	399,464
Medicaid Hold Harmless	164,173
EMS grants receivable	34,388
Tire and white goods	26,601
Telecommunication tax	31,607
DSS and DHHS	701,002
Lottery	149,000
Project Grant Funds	-
Other	477,321
Total	$ 4,857,550
Business-Type Activities:	
Grants Receivable	$ 28,793

5. Capital Assets

Primary Government

Capital asset activity for the year ended June 30, 2020, was as follows:

Governmental Activities:	Beginning Balances	Increases	Decreases	Ending Balances
Capital assets not being depreciated:				
Land	$ 1,950,967	$ 12,776	$ (128,166)	$ 1,835,577
Construction in Progress	919,232	3,080,725	(179,235)	3,820,722
Total capital assets not being depreciated	2,870,199	3,093,501	(307,401)	5,656,299
Capital assets being depreciated:				
Building	28,705,530	179,235	(102,015)	28,782,750
Equipment and vehicles	22,280,907	1,295,850	(803,308)	22,773,449
Total capital assets being depreciated:	50,986,437	1,475,085	(905,323)	51,556,199
Less accumulated depreciation for:				
Building	15,138,881	600,422	(102,015)	15,637,288
Equipment and vehicles	10,500,607	1,320,744	(765,334)	11,056,017
Total accumulated depreciation:	25,639,488	$ 1,921,166	$ (867,349)	26,693,305
Total capital assets being depreciated, net	25,346,949			24,862,894
Governmental activity capital assets, net	$ 28,217,148			$ 30,519,193

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

General Government	$ 402,255
Public Safety	1,287,612
Transportation	93,046
Environmental Protection	13,004
Economic and Physical Development	2,184
Human Services	55,296
Cultural and Recreation	67,769
Total Depreciation Expense	$ 1,921,166

Business-type activities:

Greater Badin Water and Sewer:	Beginning Balances	Increases	Decreases	Ending Balances
Capital assets not being depreciated:				
Construction in progress	$ 3,449,152	$ -	$ (3,449,152)	$ -
Total capital assets not being depreciated:	3,449,152	-	(3,449,152)	-
Capital assets being depreciated:				
Plant in service	9,847,568	3,449,152	-	13,296,720
Equipment and vehicles	224,017	-	-	224,017
Total capital assets being depreciated :	10,071,585	3,449,152	-	13,520,737
Less accumulated depreciation for:				
Plant in service	6,836,737	191,134	-	7,027,871
Equipment and vehicles	214,500	2,960	-	217,460
Total accumulated depreciation:	7,051,237	$ 194,094	$ -	7,245,331
Total capital assets being depreciated, net	3,020,348			6,275,406
Total Greater Badin capital assets, net	$ 6,469,500			$ 6,275,406

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	691,253	1,458	-	692,711
Total accumulated depreciation	691,253	1,458	-	692,711
Total capital assets being depreciated, net	36,731	$ (1,458)	$ -	35,273
Total Piney Point capital assets, net	$ 36,731			$ 35,273

West Stanly Waste Water Treatment Plant:	Beginning Balances	Increases	Decreases	Ending Balances
Capital assets not being depreciated:				
Construction in progress	$ 470,062	$ 94,165	$ -	$ 564,227
Total capital assets not being depreciated:	470,062	94,165	-	564,227
Capital assets being depreciated:				
Plant in service	3,835,778	-	-	3,835,778
Equipment and vehicles	53,265	-	-	53,265
Total capital assets being depreciated :	3,889,043	-	-	3,889,043
Less accumulated depreciation for:				
Plant in service	911,728	179,159	-	1,090,887
Equipment and vehicles	28,788	9,186	-	37,974
Total accumulated depreciation:	940,516	$ 188,345	$ -	1,128,861
Total capital assets being depreciated, net	2,948,527			2,760,182
Total West Stanly Waste Water Treatment Plant capital assets, net	$ 3,418,589			$ 3,324,409

Stanly Utility Operating:	Beginning Balances	Increases	Decreases	Ending Balances
Capital assets not being depreciated:				
Land	$ 223,784	$ -	$ -	$ 223,784
Construction in progress	1,601,489	1,540,020	(1,260,240)	1,881,269
Total capital assets not being depreciated:	1,825,273	1,540,020	(1,260,240)	2,105,053
Capital assets being depreciated:				
Plant in service	26,784,637	1,482,620	-	28,267,257
Equipment and vehicles	706,361	26,398	-	732,759
Total capital assets being depreciated :	27,490,998	1,509,018	-	29,000,016
Less accumulated depreciation for:				
Plant in service	15,962,517	604,661	-	16,567,178
Equipment and vehicles	571,146	50,721	-	621,867
Total accumulated depreciation:	16,533,663	$ 655,382	$ -	17,189,045
Total capital assets being depreciated, net	10,957,335			11,810,971
Total Stanly County Utility capital assets, net	$ 12,782,608			$ 13,916,024

Airport Operating:	Beginning Balances	Increases	Decreases	Ending Balances
Capital assets not being depreciated:				
Land	$ 4,924,095	$ -	$ -	$ 4,924,095
Construction in progress	243,991	1,373,267	-	1,617,258
Total capital assets not being depreciated:	5,168,086	1,373,267	-	6,541,353
Capital assets being depreciated:				
Buildings	5,064,552	-	-	5,064,552
Improvements	29,716,869	82,574	-	29,799,443
Equipment and vehicles	472,729	9,423	-	482,152
Total capital assets being depreciated :	35,254,150	91,997	-	35,346,147
Less accumulated depreciation for:				
Buildings	1,511,719	129,610	-	1,641,329
Improvements	20,102,703	676,141	-	20,778,844
Equipment and vehicles	436,379	14,089	-	450,468
Total accumulated depreciation:	22,050,801	$ 819,840	$ -	22,870,641
Total capital assets being depreciated, net	13,203,349			12,475,506
Total Airport capital assets, net	$ 18,371,435			$ 19,016,859
Total business-type activities capital assets, net	$ 41,078,863			$ 42,567,971

Construction Commitments

The county has active construction projects at June 30, 2020. Commitments with contractors are as follows:

Project	Project to Date	Remaining Commitment
Livestock Arena Construction Project	$ 84,105	$ 707,598
Riverstone Industrial Park Project	1,098,509	51,491
Eastside Tower Project Fund	830,035	371,768
EMS Base Project	1,808,073	869,025
West Stanly WWTP Rehab Project	564,227	2,494,073
NCDOT Hwy 24/27/73 East Water	163,858	82,142
Brown Hill Road	1,126,248	98,752
Palestine Water Pump Station	536,644	1,048,708
Webb Road Extension Project	54,520	552,245
Airport Layout Plan	415,375	12,400
Area Broadband Connect Project	92,126	7,874
Airport Runway / Taxiway Lighting Construction Project	1,109,757	205,003
Total	$ 7,883,477	$ 6,501,079

B. Liabilities

1. Payables

Payables at the government-wide level at June 30, 2020, were as follows :

	Vendors	Salaries and Benefits	Accrued Interest	IBNR	Total
Governmental Activities:					
General	$ 1,032,658	$ 1,129,834	$ 390,424	$ -	$ 2,552,916
Other Governmental	948,098	-	-	781,733	1,729,831
Total Governmental Activities	$ 1,980,756	$ 1,129,834	$ 390,424	$ 781,733	$ 4,282,747
Business-type Activities:					
Greater Badin Water & Sewer	$ 8,306	$ -	$ 5,999	$ -	$ 14,305
Piney Point Water District	15,742	-	-	-	15,742
West Stanly Waste Water Treatment Plant	51,621	4,125	2,693	-	58,439
Stanly County Utility	611,092	35,773	5,110	-	651,975
Airport	42,791	10,270	-	-	53,061
Total Business-type Activities	$ 729,552	$ 50,168	$ 13,802	$ -	$ 793,522

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, 2020, was 9.70% of compensation for law enforcement officers, and 9.04% 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 $1,943,404 for the year ended June 30, 2020.

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, 2020, the County reported a liability of $8,088,445 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2018. The total pension liability was then rolled forward to the measurement date of June 30, 2019 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, 2020 the County's proportion was 0.2962% (measured as of June 30, 2019), which was a decrease of 0.0226% from its proportion measured as of June 30, 2019 (measured as of June 30, 2018).

For the year ended June 30, 2020, the County recognized pension expense of $3,749,950. At June 30, 2020, 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	$ 1,384,947	$ -
Changes in assumptions	1,318,282	-
Net difference between projected and actual earnings on pension plan investments	197,289	-
Changes in proportion and differences between County Contributions and proportionate share of contributions	353,472	1,893
County contributions subsequent to the measurement date	1,943,404	-
Total	$ 5,197,394	$ 1,893

Local Governmental Employees' Retirement System (continued)

$1,943,404 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, 2021. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30:	
2021	$ 1,551,265
2022	554,680
2023	864,482
2024	281,670
2025	-
Thereafter	-
	$ 3,252,097

Actuarial Assumptions. The total pension liability in the December 31, 2018 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 based on the *RP-2014 Total Data Set for Healthy Annuitants Mortality Table* 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, 2018 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, 2020 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 2018 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)	$ 18,499,752	$ 8,088,445	$ (565,461)

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 the December 31, 2018 valuation date, the Separation Allowance's membership consisted of:

Inactive Members Currently Receiving Benefits	3
Active plan members	55
Total	58

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, 2018 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	3.26 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, 2019.

The actuarial assumptions used in the December 31,2018 valuation were based on the results of an experience study completed by the Actuary for the Local Government Employees' Retirement System for the five-year period ending December 31, 2014.

Mortality Rate

Deaths After Retirement (Healthy): Mortality rates are based on the RP-2014 Total Data Set for Healthy Annuitants Mortality Table. The RP-2014 annuitant tables have no rates prior to age 50. The RP-2014 Total Data Set Employee Mortality Table is used for ages less than 50.

Deaths After Retirement (Disabled): Mortality rates are based on the RP-2014 Total Data Set for Disabled Annuitants Mortality Table. Rates for male members are multiplied by 103% for all ages. Rates for female members are multiplied by 99% for all ages.

Deaths Before Retirement: Mortality rates are based on the RP-2014 Total Data Set Employee Mortality Table.

Mortality Projection: All mortality rates are projected from 2014 using generational improvement with Scale MP-2015.

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 $45,050 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, 2020, the County reported a total pension liability of $1,081,653. The total pension liability was measured as of December 31, 2019 based on a December 31, 2018 actuarial valuation. The total pension liability was rolled forward to December 31, 2019 utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2020, the County recognized pension expense of $61,372.

Law Enforcement Officers' Special Separation Allowance (continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 5,736	$ 93,420
Changes of assumptions	71,776	42,004
County benefit payments and plan administrative expense made subsequent to the measurement date	19,849	-
Total	$ 97,361	$ 135,424

$19,849 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, 2021. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2021	$ (18,339)
2022	(18,339)
2023	(16,353)
2024	(11,876)
2025	4,196
Thereafter	2,799

$19,849 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 3.26%, 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 (2.26%) or 1-percentage-point higher (4.26%) than the current rate:

	1% Decrease (2.26%)	Discount Rate (3.26%)	1% Increase (4.26%)
Total pension liability	$ 1,188,815	$ 1,081,653	$ 984,802

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

	2020
Beginning balance	$ 980,566
Service Cost	66,483
Interest on the total pension liability	34,873
Changes of benefit terms	-
Differences between expected and actual experience in the measurement of the total pension liability	6,798
Changes in assumptions or other inputs	37,983
Benefit payments	(45,050)
Other changes	-
Ending balance of the total pension liability	$ 1,081,653

Changes of assumptions. Changes of assumptions and other inputs reflect a change in the discount rate from 3.64 percent at June 30, 2018 (measurement date) to 3.26% at June 30, 2019 (measurement date).

Changes in Benefit Terms. Reported compensation adjusted to reflect the assumed rate of pay as of the valuation date.

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, 2018 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, 2020 were $159,007, which consisted of $126,064 from the County and $32,943 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 $6,032 for the year ended June 30, 2020.

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

At June 30, 2020, the County reported an asset of $112,691 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2019. The total pension asset used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2018. The total pension liability was then rolled forward to the measurement date of June 30, 2019 utilizing update procedures incorporating the actuarial assumptions. The County's proportion of the net pension asset was based on the County's share of contributions to the pension plan, relative to contributions to the pension plan of all participating RODSPF employers. At June 30, 2019, the County's proportion was 0.5708%, which was a decrease of 0.0542% from its proportion measured as of June 30, 2018.

Registers of Deeds' Supplemental Pension Fund (continued)

For the year ended June 30, 2020, the County recognized pension expense of $8,790. At June 30, 2020, 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	$ -	$ 5,434
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	1,153	-
Changes in proportion and differences between County Contributions and proportionate share of contributions	8,599	-
County contributions subsequent to the measurement date	6,032	-
Total	$ 15,784	$ 5,434

$6,032 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, 2021.

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

Year Ended June 30:	Total
2021	$ 1,153
2022	3,740
2023	1,651
2024	(2,226)
2025	-
Thereafter	-

Actuarial Assumptions. The total pension liability in the December 31, 2018 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, 2018 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, 2020 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 2020 asset, liability, and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.00%. All rates of return and inflation are annualized.

Discount rate. The discount rate used to measure the total pension liability was 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)	$ (7,592)	$ (112,691)	$ (1,356)

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, 2018, 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, 2019, with an actuarial valuation date of December 31, 2018. 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)	$ 8,088,445	$ (112,691)	$ -	$ (112,691)
Proportionate of the Net Pension Liability (Asset)	0.2962%	0.5708%	n/a	
Total Pension Liability	$ -	$ -	$ 1,081,653	$ 1,081,653
Pension Expense	$ 3,749,950	$ 8,790	$ 61,372	$ 70,162

At June 30, 2020, 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	$ 1,384,947	$ -	$ 5,736	$ 1,390,683
Changes of assumptions	1,318,282	-	71,776	1,390,058
Net difference between projected and actual earnings on pension plan investment	197,289	1,153	-	198,442
Changes in proportion and differences between County contributions and proportionate share of contributions	353,472	8,599	-	362,071
County contributions (LGERS, ROD)/benefit payments and administration costs (LEOSSA) subsequent to the measurement date	1,943,404	6,032	19,849	1,969,285
Deferred Inflows of Resources				
Differences between expected and actual experience	$ -	$ 5,434	$ 93,420	$ 98,854
Changes of assumptions	-	-	42,004	42,004
Changes in proportion and differences between County contributions and proportionate share of contributions	1,893	-	-	1,893

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, 2019, the date of the latest actuarial valuation:

	2019
Retirees and dependents receiving benefits	20
Active plan members	421
Total	441

Total OPEB Liability

The County's total OPEB liability of $7,681,100 was measured as of June 30, 2019 and was determined by an actuarial valuation as of that date.

Actuarial assumptions and other inputs . The total OPEB liability in the June 30, 2019 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 7.75 percent
Firefighters	3.50 to 7.75 percent
Law Enforcement Officers	3.50 to 7.35 percent
Municipal Bond Index Rate	
Prior Measurement Date	3.89 percent
Measurement Date	3.50 percent
Healthcare cost trend rates	
Pre-Medicare	7.00% for 2019 decreasing to an ultimate rate of 4.50% by 2026

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.

Changes in the Total OPEB Liability

Total OPEB Liability as of June 30, 2018	$ 7,239,109
Changes for the year:	
Service Cost at the end of the year*	356,965
Interest on TOL and Cash Flows	279,522
Change in benefit terms	-
Difference between expected and actual experience	(222,356)
Changes of assumptions or other inputs	135,807
Benefit payments	(107,947)
Other	-
Net Changes	$ 441,991
Total OPEB Liability as of June 30, 2019	$ 7,681,100

*The service cost includes interest for the year.

Other Postemployment Benefits (continued)

Changes in assumptions and other inputs reflect a change in the discount rate from 3.89% to 3.50%.

Mortality rates were based on the RP-2014 Total Data Set for Healthy Annuitants Mortality Table.

The actuarial assumptions used in the valuation were based on the results of an actuarial experience study for the period January 1, 2010 - December 31, 2014.

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

The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.50 percent) and 1-percentage-point higher (4.50 percent) than the current discount rate:

	1% Decrease (2.50 percent)	Discount Rate (3.50 Percent)	1% Increase (4.50 percent)
Net OPEB liability (asset)	$ 8,548,742	$ 7,681,100	$ 6,910,621

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, 2020, 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)	$ 6,725,989	$ 7,681,100	$ 8,827,519

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB. At June 30, 2020, the County recognized OPEB expense of $660,796. At June 30, 2020, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

At June 30, 2020, the components of the net OPEB liability of the County, measured as of June 30, 2019, were as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 149,220	$ 197,400
Changes of assumptions	120,565	441,482
Benefit payments and administrative costs made subsequent to the measurement date	189,774	-
Total	$ 459,559	$ 638,882

Other Postemployment Benefits (continued)

$189,774 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, 2021. Other amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30	
2021	$ (77,591)
2022	(77,591)
2023	(77,591)
2024	(73,560)
2025	(34,499)
Thereafter	(28,265)

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	$ 1,384,947	$ -
Register of Deeds	-	5,434
LEOSSA	5,736	93,420
OPEB	149,220	197,400
Changes in assumptions		
LGERS	1,318,282	-
Register of Deeds	-	-
LEOSSA	71,776	42,004
OPEB	120,565	441,482

Deferred Outflows and Inflows of Resources (continued)

Net difference between projected and actual earnings on pension plan investments		
LGERS	197,289	-
Register of Deeds	1,153	-
Changes in proportion and differences between employer contributions and proportionate share of contributions		
LGERS	353,472	1,893
Register of Deeds	8,599	-
County contributions and proportionate share of contributions (LGERS, ROD)		
LGERS	1,943,404	-
Register of Deeds	6,032	-
Benefit payments/administrative costs paid subsequent to the measurement date (LEOSSA)	19,849	
Benefit payments for the OPEB plan paid subsequent to measurement date	189,774	
Prepaid taxes not yet earned (General Fund)	-	40,392
Taxes receivable, net (General)	-	1,626,393
Taxes receivable, net (Special Revenue)	-	80,245
Total	$ 5,770,098	$ 2,528,663

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 $120,000 per covered employee/dependent per policy term. Claims greater than $120,000 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 $607,737 reported in the fund at June 30, 2020 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 $607,737 claims liability represented total estimated claims incurred, but not reported, as provided by the plan administrator's actuary.

	6/30/20	6/30/19
Unpaid claims and claim adjustment expenses at the beginning of the fiscal year	$ 573,689	$ 506,825
Incurred claims and claims adjustment expenses:		
Provision for insured events of current year	4,791,703	5,616,751
Claims and adjustment expenses attributable to insured events of current and prior year	4,757,655	5,549,887
Total claims liability	$ 607,737	$ 573,689

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 $173,101 reported in the fund at June 30, 2020 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 $173,101 claims liability represents total estimated claims incurred, but not reported, as provided by the plan administrator's actuary.

	6/30/20	6/30/19
Unpaid claims and claim adjustment expenses at the beginning of the fiscal year	$ 203,555	$ 226,093
Incurred claims and claims adjustment expenses:		
Provision for insured events of current year	491,973	490,761
Claims and adjustment expenses attributable to insured events of current and prior year	522,427	513,299
Total claims liability	$ 173,101	$ 203,555

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, 2020, 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, 2020 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.	$ 520,814
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.	4,485,710
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.	512,336
Total	$ 5,518,860

For Stanly County, the future minimum lease payments as of June 30, 2020 are as follows:

	Capitalized Leases	
Year Ending June 30	Principal	Interest
2021	$ 1,007,721	$ 137,751
2022	835,543	111,231
2023	420,554	92,421
2024	431,129	81,846
2025	441,775	71,200
2026-2030	2,382,138	182,733
2031-2035	-	-
Total	$ 5,518,860	$ 677,182

At June 30, 2020, the County leased the following assets valued at:

Class of Property	Cost	Accumulated Depreciation	Net Book Value
Jail	$ 8,457,979	$ 2,114,495	$ 6,343,484
Radio Towers	6,897,941	827,753	6,070,188
Total	$ 15,355,920	$ 2,942,248	$ 12,413,672

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%.	$ 5,473,685
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.	1,332,845
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.	231,898
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.	164,784
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.	28,651
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.	-

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.	1,653,770
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.	156,304
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.	50,267
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.	111,369

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.	124,310
On September 9, 2019, the County entered into a $2,635,000 direct placement installment purchase construction of an EMS Facilty Base. The equipment is pledged as collateral for the debt while the debt is outstanding. The financing contract requires annual principal payments of $131,750, plus interest payments at an interest rate of 3.19%. In the event of default, the lender may declare the entire unpaid principal balance under this Note and all accured unpaid interest immediately due. Final payment is due September 2039.	2,635,000
On September 12, 2019, the County entered into a $337,900 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 $81,577 to $87,418, plus interest payments at an interest rate of 2.30%. In the event of default, the lnder may declare the entire unpaid principal balance under this Note and all accured unpaid interest immediately due.	337,900
On January 24, 2020, the County entered into a $462,602 direct placement installment purchase contract to purchase 2 ambulances for Emergency Services. The vehicles are pledged as collateral for the debt while the debt is outstanding. The financing contract requires annual principal payments ranging from $111,869 to $119,488 plus interest payments at an interest rate of 2.19%. In the event of default, the lnder may declare the entire unpaid principal balance under this Note and all accured unpaid interest immediately due.	462,602
Total General Fund	$ 12,763,385

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. $ -

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. 48,530

On October 11, 2019, the County entered into a $222,380 direct placement installment purchase contract to purchase easements for Sewer access rights from the Town of Richfield. The financing contract requires annual principal payments ranging from $38,996 to $34,636, plus interest payments at an interest rate of 2.99%. 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. $ 183,385

Total Enterprise Fund $ 231,915

Total Installment Purchase Agreements $ 12,995,300

Future minimum payments as of June 30, 2020 were as follows:

	Governmental Activities		Business-Type Activities	
Year Ending June 30	**Principal**	**Interest**	**Principal**	**Interest**
2021	$ 1,526,795	$ 358,807	$ 51,353	$ 6,635
2022	1,294,198	322,133	52,793	5,195
2023	1,248,085	288,235	54,259	3,733
2024	1,214,769	255,199	38,873	2,228
2025	1,012,537	223,167	34,637	1,053
2026-2030	3,395,518	733,030	-	-
2031-2035	1,408,272	422,645	-	-
2036-2040	999,814	226,378	-	-
2041-2045	266,803	112,172	-	-
2046-2050	324,607	54,368	-	-
2051-2055	71,987	2,879	-	-
Total General	$ 12,763,385	$ 2,999,013	$ 231,915	$ 18,844

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.	$ 49,205
Drinking Water State Revolving Fund Loan executed on November 1, 2019, payable in annual principal payments of $36,940 annually on May 1, plus interest payments semi-annually on November 1 and May 1 at 1.67% for the term of the loan.	701,852

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, 2020, $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.	841,840
Total Revolving Loan Fund Loans	$ 1,592,897

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.	$ 625,000
Total Other Notes Payable	$ 625,000

	Business Type Activities			
	Revolving Loan Funds		Other Notes Payable	
Year Ending June 30	**Principal**	**Interest**	**Principal**	**Interest**
2021	$ 86,167	$ 11,721	$ 156,250	$ -
2022	86,167	11,104	156,250	-
2023	86,167	10,487	156,250	-
2024	86,167	9,870	156,250	-
2025	86,167	9,253	-	-
2026-2030	430,837	37,013	-	-
2031-2035	406,235	21,591	-	-
2036-2040	324,990	6,169	-	-
Total Business-Type	$ 1,592,897	$ 117,208	$ 625,000	$ -

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, 2020:

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%	$ 2,730,000

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, 2020 are as follows:

	Governmental Activities	
Year Ending June 30	Principal	Interest
2021	$ 1,465,000	$ 123,850
2022	1,265,000	50,600
2023	-	-
Total	$ 2,730,000	$ 174,450

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.	$ 904,000

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%.	1,986,000
Total Revenue Bonds	$ 2,890,000

Revenue bond debt service requirement to maturity are as follows:

	Business-Type Activities	
Year Ending June 30	Principal	Interest
2021	$ 55,000	$ 71,138
2022	56,000	69,806
2023	57,000	68,456
2024	59,000	67,069
2025	60,000	65,625
2026-2030	325,000	305,156
2031-2035	370,000	262,688
2036-2040	420,000	213,469
2041-2045	474,000	157,106
2046-2050	537,000	92,269
2051-2055	400,000	29,081
2056-2060	77,000	1,444
Total	$ 2,890,000	$ 1,403,307

Revenue Bonds (continued)

West Stanly Waste Water Treatment Plant Fund

The debt service coverage ratio calculation for the year ended June 30, 2020, is as follows:

Total Revenues	$ 870,694
Operating Expenses*	495,852
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	$ 49,418
Debt service on debt due in current fiscal year percent of coverage	477%

* Per revenue bond covenants, this does not include the depreciation expense of $188,346.

Greater Badin Water and Sewer District Fund

The debt service coverage ratio calculation for the year ended June 30, 2020, is as follows:

Total Revenues	$ 509,271
Operating Expenses*	322,466
Operating Income	$ 186,805
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	$ 75,835
Debt service on debt due in current fiscal year percent of coverage	246%

* Per revenue bond covenants, this does not include the depreciation expense of $194,094.

Debt Related to Capital Activities. Of the total governmental activities debt listed, only $12,808,560 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, 2020:

Governmental Activities:	Balance July 1,2019	Additions	Retirements	Balance June 30, 2020	Current Portion
General obligation debt	$ 4,205,000	$ -	$ 1,475,000	$ 2,730,000	$ 1,465,000
Unamortized premiums on bonds	265,760	-	89,000	176,760	89,000
Capital Leases	6,516,213	-	997,353	5,518,860	1,007,721
Direct Placement Installment Purchase	10,568,890	3,435,502	1,241,007	12,763,385	1,526,795
Compensated Absences	1,357,936	895,062	679,639	1,573,359	679,639
Net pension liability (LGERS)	6,198,650	1,526,387	-	7,725,037	-
Total pension liability (LEOSSA)	980,566	101,087	-	1,081,653	-
Total OPEB Liability	6,956,518	424,737	-	7,381,255	-
Total governmental activities	$ 37,049,533	$ 6,382,775	$ 4,481,999	$ 38,950,309	$ 4,768,155

Long-Term Obligation Activity (continued)

	Balance July 1,2019	Additions	Retirements	Balance June 30, 2020	Current Portion
Business-type Activities:					
Stanly County Utility Fund:					
Direct Placement Installment Purchase	$ 93,363	$ 222,380	$ 83,830	$ 231,913	$ 51,353
Direct Borrowing Revolving Loan Funds	54,125	738,792	41,859	751,058	41,860
Compensated absences	54,006	28,525	21,295	61,236	21,295
Net Pension Liability(LGERS)	212,377	52,297	-	264,674	-
Total OPEB Liability	175,555	10,719		186,274	-
Total Stanly County Utility Fund	$ 589,426	$ 1,052,713	$ 146,984	$ 1,495,155	$ 114,508

Greater Badin Water and Sewer District Fund:					
Revenue Bond	$ 2,024,000	$ -	$ 38,000	$ 1,986,000	$ 39,000
Direct Borrowing Revolving Loan Funds	886,147	-	44,307	841,840	44,307
Total Greater Badin W&S Fund	$ 2,910,147	$ -	$ 82,307	$ 2,827,840	$ 83,307
West Stanly Waste Water Treatment Plant Fund:					
Notes payable	$ 781,250	$ -	$ 156,250	$ 625,000	$ 156,250
Revenue bonds	919,000	-	15,000	904,000	16,000
Compensated absences	590	2,295	-	2,885	-
Net Pension Liability(LGERS)	14,834	3,653	-	18,487	-
Total OPEB Liability	20,089	1,226	-	21,315	-
Total West Stanly WWTP Fund	$ 1,735,763	$ 7,174	$ 171,250	$ 1,571,687	$ 172,250
Airport Fund:					
Compensated absences	$ 16,166	$ 11,548	$ 10,695	$ 17,019	$ 10,695
Net Pension Liability(LGERS)	64,391	15,856	-	80,247	-
Total OPEB Liability	86,947	5,308	-	92,255	-
Total Airport Fund	$ 167,504	$ 32,712	$ 10,695	$ 189,521	$ 10,695
Total Business-type activities	$ 5,402,840	$ 1,092,599	$ 411,236	$ 6,084,203	$ 380,760

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, 2020, Stanly County had a legal debt margin of $382,074,882.

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, 2020, no industrial revenue bonds were outstanding.

i. Net Investments in Capital Assets

Net investment in capital assets at June 30, 2020 was calculated as follows:

	General Fund	Enterprise Fund
Capital assets	$ 30,519,193	$ 42,567,971
Total debt, gross	(21,189,005)	(5,339,811)
Add: Debt not related to County assets		
School debt for which County does not hold title:		
Notes payable	5,473,685	-
General obligation bonds (refunded school bonds)	2,730,000	-
Unamortized premium on refunded bonds	176,760	-
Total school debt for which County does not hold title	8,380,445	-
Less: unspent debt proceeds	1,180,945	-
Total debt	(11,627,615)	(5,339,811)
Net investment in capital assets	$ 18,891,578	$ 37,228,160

C. Interfund Balances and Activity

Interfund receivable balances consist of cash deficits as of June 30, 2020. 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	$ 128,807	$ -	Cash Deficit
West Stanly Waste Water Treatment	-	128,807	Cash Deficit
Total	$ 128,807	$ 128,807	

Transfers to and from other funds at June 30, 2020 consist of the following:

	Transfers		
	From	To	Purpose
General Fund	$ 2,169,651	$ -	Capital outlay
Capital Project Fund			
Riverstone Industrial Park	-	104,138	Capital outlay
Eastside Tower Project	-	829,907	Capital outlay
Major enterprise funds and capital projects:			
Airport Fund	-	404,318	Capital outlay
Airport Layout Project Fund	-	15,367	Capital outlay
Airport Runway Project	-	109,664	Capital outlay
Airport Terminal Backup Generator Project		8,257	Capital outlay
Greater Badin Water and Sewer District Fund	41,846	-	Capital outlay
Badin Water Rehab Project Part A	-	41,846	Capital outlay support, close out
Stanly County Utility Fund	264,098	-	Capital outlay
Airport Corridor Wastewater Project		21,448	Capital outlay
Brown Hill Road Waterline Project	-	886,131	Capital outlay
Carriker Road Project	-	54,520	Capital outlay
Total	$ 2,475,595	$ 2,475,596	

All transfers were to provide resources for capital projects.

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	$ 30,761,307
Less:	
Prepaid items	71,171
Stabilization by State statute	5,895,521
Total available fund balance	$ 24,794,615

The County had no outstanding encumbrances at June 30, 2020.

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 $212,291 to the Authority during the fiscal year ended June 30, 2020. 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, 2020. 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 $1,787,454 for operating purposes and $160,000 for capital during the fiscal year ended June 30, 2020. 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 $15,054 the Council during the fiscal year ended June 30, 2020.

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: Significant Effects of Subsequent Events

In preparing these financial statements, the County has evaluated events and transactions for potential recognition or disclosure through October 20, 2020, the date the financial statements were available to be issued.

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

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

	Local Government Employees' Retirement System						
	2020	**2019**	**2018**	**2017**	**2016**	**2015**	**2014**
County's proportion of the net pension liability (asset) (%)	0.296%	0.274%	0.277%	0.276%	0.281%	0.272%	0.279%
County's proportion of the net pension liability (asset) ($)	$ 8,088,445	$ 6,490,253	$ 4,224,918	$ 5,850,853	$ 1,259,226	$ (1,602,930)	$ 3,358,200
County's covered payroll	20,577,405	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 payroll	39.31%	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%	98.79%	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 Seven Fiscal Years

Local Government Employees' Retirement System

	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	$ 1,943,404	$ 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	1,943,404	1,628,654	1,499,925	1,420,118	1,179,295	1,216,645	1,170,226
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -
County's covered payroll	$ 21,303,811	$ 20,577,405	$ 19,501,302	$ 19,078,455	$ 17,357,375	$ 17,210,820	$ 16,632,050
Contributions as a percentage of covered payroll	9.12%	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 Seven Fiscal Years*

	2020	2019	2018	2017	2016	2015	2014
County's proportionate share of the net pension liability (asset) (%)	0.571%	0.625%	0.635%	0.622%	0.585%	0.552%	0.531%
County's proportionate share of the net pension liability (asset) ($)	$ (112,691)	$ (103,530)	$ (108,390)	$ (116,332)	$ (135,524)	$ (125,137)	$ (113,505)
Plan fiduciary net position as a percentage of the total pension liability **	164.11%	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 Seven Fiscal Years

	2020	2019	2018	2017	2016	2015	2014
County's required contribution	$ 6,032	$ 5,264	$ 4,772	$ 4,518	$ 3,800	$ 4,680	$ 4,508
Contributions in relation to contractually required contribution	6,032	5,264	4,772	4,518	3,800	4,680	4,508
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -

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, 2020

	2020	2019	2018	2017
Beginning balance	$ 980,566	$ 1,033,196	$ 992,821	$ 967,725
Service cost	66,483	62,353	54,696	60,419
Interest on the total pension liability	34,873	32,138	37,598	33,817
Change in benefit terms	-	-	-	-
Difference between expected and actuarial experience in the measurement of the total pension liability	6,798	(68,751)	(92,684)	-
Changes of assumptions and other inputs	37,983	(46,010)	78,299	(28,212)
Benefit payments	(45,050)	(32,360)	(37,534)	(40,928)
Other changes	-	-	-	-
Ending balance of total pension liability	$ 1,081,653	$ 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, 2020

	2020	2019	2018	2017
Total pension liability	$ 1,081,653	$ 980,566	$ 1,033,196	$ 992,821
Covered payroll	2,578,952	2,252,291	2,269,098	2,378,573
Total pension liability as a percentage of covered payroll	41.94%	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, 2020

	2020	2019	2018
Total OPEB Liability			
Service cost	$ 356,965	$ 370,806	$ 403,919
Interest	279,522	247,169	207,976
Changes of benefit terms	-	-	-
Differences between expected and actual experience	(222,356)	76,465	167,936
Changes of assumptions	135,807	(266,490)	(446,264)
Benefit payments	(107,947)	(261,316)	(338,652)
Net change in total OPEB liability	441,991	166,634	(5,085)
Total OPEB liability - beginning	7,239,109	7,072,475	7,077,560
Total OPEB liability - ending	$ 7,681,100	$ 7,239,109	$ 7,072,475
Covered payroll	$ 18,115,221	$ 17,586,997	$ 17,586,997
Total OPEB liability as a percentage of covered payroll	42.40%	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
2020	3.50%
2019	3.89%
2018	3.56%

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

GENERAL FUND

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

STANLY COUNTY
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Stanly County, North Carolina
General Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2020

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Ad valorem Taxes			
Current year		$ 33,668,480	
Penalties and interest		311,541	
Total	$ 33,728,858	33,980,021	$ 251,163
Local Option Sales Taxes			
Sales tax article 39		4,340,559	
Sales tax article 40		3,343,884	
Sales tax article 42		2,827,411	
Sales tax article 44		825,418	
Sales tax article 46		1,883,719	
Medicaid Hold Harmless payment		722,141	
Total	11,747,000	13,943,132	2,196,132
Other Taxes and Licenses			
Other taxes		29,575	
Real property excise tax		283,111	
Solid waste		31,290	
Occupancy tax		280,261	
Cable franchise tax		135,372	
Beer & wine tax		2,218	
Total	737,000	761,827	24,827
Unrestricted Intergovernmental Revenues			
ABC profits		158,468	
Total	87,000	158,468	71,468
Restricted Intergovernmental Revenues			
EMS		-	
Other federal and State grants		488,290	
Senior and aging grants		597,094	
Public safety		411,095	
Transportation		674,077	
Health		1,034,187	
Social services grants		5,437,474	
HRSA Grant		193,126	
CARES Act Funding		203,685	
Lottery		622,000	
Total	10,368,686	9,661,028	(707,658)
Permits and Fees			
Zoning and planning permits		30,459	
Tech fees		21,950	
Concealed weapons permit		59,415	
Recording fess		318,605	
Marriage license		8,871	
Building permits		810,196	
Total	1,119,249	1,249,496	130,247

(continued)

Stanly County, North Carolina
General Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2020

	Final Budget	Actual	Variance Positive (Negative)
Sales and Services			
Intergovernmental charges		205,727	
Sherriff and jail fees		948,113	
Ambulance fees		2,672,544	
Transportation		355,094	
Solid waste		1,019,986	
Health fees		2,052,334	
Rental and other charges		91,137	
Total	8,701,515	7,344,935	(1,356,580)
Interest on investments	575,000	623,915	48,915
Miscellaneous			
Donations		392,340	
Rents		260,421	
Sale of assets		24,398	
Miscellaneous other		713,704	
Total	1,407,869	1,390,863	(17,006)
Total Revenues	68,472,177	69,113,685	641,508
Expenditures			
General Government:			
Governing Body			
Salaries and employee benefits		160,944	
Operating expenditures		98,109	
Total		259,053	
Administration			
Salaries and employee benefits		469,024	
Operating expenditures		31,995	
Capital Outlay		17,211	
Total		518,230	
Finance Department			
Salaries and employee benefits		439,584	
Operating expenditures		158,016	
Total		597,600	
Tax Assessor			
Salaries and employee benefits		636,137	
Operating expenditures		247,271	
Total		883,408	

Stanly County, North Carolina
General Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2020

	Final Budget	Actual	Variance Positive (Negative)
Tax Revaluation			
Salaries and employee benefits		402,571	
Operating expenditures		21,543	
Capital Outlay		-	
Total		424,114	
County Attorney			
Salaries		176,309	
Operating expenditures		5,035	
Total		181,344	
District Attorney			
Operating expenditures		4,266	
Total		4,266	
Clerk of Court			
Operating expenditures		12,313	
Total		12,313	
Judge's Office			
Operating expenditures		4,327	
Total		4,327	
Elections			
Salaries and employee benefits		292,114	
Operating expenditures		150,564	
Capital Outlay		-	
Total		442,678	
Register of Deeds			
Salaries and employee benefits		296,385	
Operating expenditures		56,993	
Capital Outlay		39,413	
Total		392,791	
Information Technology			
Salaries and employee benefits		531,295	
Operating expenditures		411,045	
Capital outlay		-	
Total		942,340	
Facilities Management			
Salaries and employee benefits		390,129	
Operating expenditures		744,615	
Total		1,134,744	
Total General Government	6,116,022	5,797,208	318,814

Stanly County, North Carolina
General Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2020

	Final Budget	Actual	Variance Positive (Negative)
Public safety:			
Sheriff			
Salaries		4,495,945	
Operating expenditures		713,509	
Capital Outlay		411,052	
Total		5,620,506	
Jail			
Salaries and employee benefits		2,058,464	
Operating expenditures		1,038,589	
Capital outlay		-	
Total		3,097,053	
Office of Juvenile Justice			
Operating expenditures		1,685	
Program expenditures		202,978	
Juvenile detention		8,174	
Total		212,837	
Emergency Management			
Salaries and employee benefit		4,673,353	
Operating expenditures		1,235,018	
Capital Outlay		496,492	
Total		6,404,863	
Code Enforcement			
Salaries and employee benefits		386,180	
Operating expenditures		49,902	
Capital Outlay		-	
Total		436,082	
Medical Examiner			
Contractual services		46,000	
Animal Control			
Salaries and employee benefits		356,994	
Operating expenditures		73,846	
Capital outlay		49,441	
Total		480,281	

Stanly County, North Carolina
General Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2020

	Final Budget	Actual	Variance Positive (Negative)
911 Communication Service			
Salaries and employee benefits		1,413,505	
Operating expenditures		528,831	
Capital outlay		-	
Total		1,942,336	
Total Public Safety	18,340,199	18,239,958	100,241
Transportation			
Salaries and employee benefits		770,468	
Operating expenditures		146,734	
Capital outlay		302,340	
Total Transportation	1,401,839	1,219,542	182,297
Environmental Protection			
Solid Waste Operations			
Salaries and employee benefits		416,786	
Operating expenditures		724,791	
Capital outlay		37,505	
Total		1,179,082	
Fire Forester			
Contributions to other agencies		91,554	
Soil and Water Conservation			
Salaries and employee benefits		108,212	
Operating expenditures		5,332	
Total		113,544	
Total Environmental Protection	1,417,750	1,384,180	33,570
Economic and Physical Development:			
Economic Development Commission			
Salaries and employee benefits		160,769	
Operating expenditures		558,187	
Capital Outlay		-	
Total		718,956	

Stanly County, North Carolina
General Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2020

	Final Budget	Actual	Variance Positive (Negative)
Occupancy Tax -Motel/Hotel			
To other municipalities		222,693	
Planning and Zoning			
Salaries and employee benefits		210,474	
Operating expenditures		38,314	
Total		248,788	
Central Permitting			
Salaries and employee benefits		248,056	
Operating expenditures		26,055	
Total		274,111	
Cooperative Extension			
Salaries and employee benefits		-	
Operating expenditures		246,881	
Total		246,881	
Special Appropriations for Economic Development			
Contribution for economic development		175,336	
Rocky River RPO			
Salaries and employee benefits		96,888	
Operating expenditures		8,016	
Total		104,904	
Total Economic and Physical Develop	2,115,837	1,991,669	124,168
Human services:			
Board Member expenses			
Salaries and employee benefits		3,233	
Other operating expenditures		634	
Total		3,867	
Health			
Salaries and employee benefits		2,215,989	
Other operating expenditures		670,116	
Capital outlay		-	
Total		2,886,105	
Home Health			
Salaries and employee benefits		427,498	
Operating expenditures		829,878	
Total		1,257,376	

Stanly County, North Carolina
General Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2020

	Final Budget	Actual	Variance Positive (Negative)
Dental Clinic			
Salaries and employee benefits		838,993	
Other operating expenditures		172,706	
Capital outlay		39,126	
Total		1,050,825	
Environmental Health			
Salaries		411,860	
Other operating expenditures		71,994	
Total		485,854	
Mental Health			
Contributions to other agencies:			
Bottle surcharge		22,131	
Piedmont area mental health		190,160	
Total		212,291	
Social Services			
Salaries and employee benefits		5,974,951	
Operating expenditures		1,514,420	
Daycare and resident services		197,870	
Total		7,687,241	
In-Home Services			
Salaries and employee benefits		104,867	
Operating expenditures		272,083	
Total		376,950	
Nutrition			
Salaries and employee benefits		134,608	
Operating expenditures		249,965	
Total		384,573	
I&A/Transportation			
Salaries and employee benefits		67,903	
Operating expenditures		72,830	
Total		140,733	
Family Caregiver Support Program			
Operating expenditures		20,131	
Total		20,131	

Stanly County, North Carolina
General Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2020

	Final Budget	Actual	Variance Positive (Negative)
Senior Services			
Salaries and employee benefits		273,031	
Other operating expenditures		211,650	
Total		484,681	
Veterans Services			
Salaries and employee benefits		77,282	
Operating expenditures		2,585	
Veterans Association		2,295	
Total		82,162	
HRSA Grant			
Salaries and employee benefits		5,420	
Other operating expenditures		194,417	
Total		199,837	
Total Human Services	17,813,115	15,272,626	2,540,489
Education:			
Stanly County Public Schools			
Current expenditures		11,436,486	
Capital Outlay		4,989,220	
Total		16,425,706	
Stanly Community College			
Current Expenditures		1,787,454	
Capital Outlay		160,000	
Total		1,947,454	
Total Education	18,375,853	18,373,160	2,693
Cultural and Recreation:			
Library			
Salaries and employee benefits		951,354	
Operating expenditures		275,370	
Capital outlay		-	
Total		1,226,724	
Special Appropriation - Senior Center		-	
Agriculture Civic Center			
Salaries and employee benefits		159,469	
Operating expenditures		124,549	
Total		284,018	
Total Cultural and Recreation	1,619,329	1,510,742	108,587

Stanly County, North Carolina
General Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2020

	Final Budget	Actual	Variance Positive (Negative)
Debt service:			
Principal		3,670,652	
Interest payments		631,352	
Total debt service	4,302,552	4,302,004	548
Contingency	209,000	37,500	171,500
Total expenditures	71,711,496	68,128,589	3,582,907
Revenue over (under) expenditures	(3,239,319)	985,096	4,224,415
Other financing sources (uses):			
Transfers (to):			
Enterprise Funds	(1,723,146)	(1,235,608)	487,538
Capital Project Funds	(1,399,403)	(934,044)	465,359
Transfers from:			
Internal Service Fund	-	-	-
Capital Project Funds	-	-	-
Installment Debt Issued	800,502	800,502	-
Appropriated Fund Balance	5,561,366	-	(5,561,366)
Total other financing sources (uses)	3,239,319	(1,369,150)	(4,608,469)
Excess of revenues and other sources over (under) expenditures and other uses	$ -	(384,054)	$ (384,054)
Fund balance- July 1		31,145,360	
Fund balance- June 30		$ 30,761,306	

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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.
- **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.
- **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.
- **EMS Base Project:** This fund is used to acccount for the construction of an EMS Base

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Stanly County, North Carolina
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2020

	Special Revenue Fund		Capital Project Fund				
	Emergency Telephone System Fund	Fire Districts Fund	Livestock Arena Construction Project	Riverstone Industrial Park Project	Eastside Tower Project	EMS Base Project	Total
Assets:							
Current Assets:							
Cash and cash equivalents	$ 165,982	$ 46,150	$ 684,271	$ -	$ 547,106	$ -	$ 1,443,509
Taxes receivable	-	80,245	-	-	-	-	80,245
Accounts receivable	-	-	-	-	-	-	-
Due from other governments	34,388	-	-	-	-	-	34,388
Restricted cash and cash equivalents	-	-	-	-	-	1,180,945	1,180,945
Total assets	200,370	126,395	684,271	-	547,106	1,180,945	2,739,087
Liabilities, Deferred Inflows of Resources, and Fund Balances:							
Liabilities:							
Accounts payable and accrued liabilities	824	46,150	-	-	547,106	354,018	948,098
Interfund payables	-	-	-	-	-	-	-
Liablities to be paid from restricted assets:							
Accounts payable	-	-	-	-	-	-	-
Total liabilities	824	46,150	-	-	547,106	354,018	948,098
Deferred Inflows of Resources:							
Unavailable revenue - property taxes	-	80,245	-	-	-	-	80,245
Fund Balances:							
Restricted:							
Stabilization by State Statute	34,388	-	-	-	-	-	34,388
Public Safety	165,158	-	-	-	-	826,927	992,085
Cultural and Recreational	-	-	684,271	-	-	-	684,271
Unassigned	-	-	-	-	-	-	-
Total fund balances	199,546	-	684,271	-	-	826,927	1,710,744
Total liabilities, deferred inflows of resources, and fund balances	$ 200,370	$ 126,395	$ 684,271	$ -	$ 547,106	$ 1,180,945	$ 2,739,087

Stanly County, North Carolina
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2020

	Special Revenue Fund		Capital Project Fund				
	Emergency Telephone System Fund	Fire Districts Fund	Livestock Arena Construction Project	Riverstone Industrial Park Project	Eastside Tower Project	EMS Base Project	Total
Revenues:							
Ad valorem taxes	$ -	$ 3,203,934	$ -	$ -	$ -	$ -	$ 3,203,934
Restricted intergovernmental	-	-	-	338,222	-	-	338,222
Donations	-	-	177,550	-	-	-	177,550
Sales and services	412,654	-	-	-	-	-	412,654
Investment earnings	2,434	-	-	-	-	-	2,434
Total revenues	415,088	3,203,934	177,550	338,222	-	-	4,134,794
Expenditures:							
General Government	-	75,917	-	-	-	-	75,917
Public Safety	305,645	3,128,017	-	-	829,907	1,808,073	6,071,642
Economic Development	-	-	-	442,360	-	-	442,360
Education	-	-	-	-	-	-	-
Cultural and Recreation	-	-	385	-	-	-	385
Debt service payment	42,709	-	-	-	-	-	42,709
Total expenditures	348,354	3,203,934	385	442,360	829,907	1,808,073	6,633,013
Revenues over (under) expenditures	66,734	-	177,165	(104,138)	(829,907)	(1,808,073)	(2,498,219)
Other Financing Sources (Uses):							
Transfers- in							
General Fund	-	-	-	104,138	829,907	-	934,045
Transfers-out							
General Fund	-	-	-	-		-	-
Installment Purchase Obligations Issued	-	-	-			2,635,000	2,635,000
Total other financing sources (uses)	-	-	-	104,138	829,907	2,635,000	3,569,045
Net change in fund balances	66,734	-	177,165	-	-	826,927	1,070,826
Fund Balances:							
Fund Balance- July 1	132,812	-	507,106	-	-	-	639,918
Fund Balance- June 30	$ 199,546	$ -	$ 684,271	$ -	$ -	$ 826,927	$ 1,710,744

Stanly County, North Carolina
Emergency Telephone System Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2020

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Charges - surcharges	$ 412,668	$ 412,654	$ (14)
Investment earnings	-	2,434	2,434
Total Revenues	412,668	415,088	2,420
Expenditures:			
Implemental Functions	-	-	-
Telephone	163,232	156,641	6,591
Software and software maintenance	82,822	59,269	23,553
Hardware and hardware maintenance	41,709	38,759	2,950
Training	5,000	4,273	727
Capital Outlay	50,469	46,703	3,766
Contingency	26,727	-	26,727
Debt service payment	42,709	42,709	-
Total Expenditures	412,668	348,354	64,314
Revenues over (under) expenditures	-	66,734	66,734
Other Financing Sources (Uses):			
Appropriated fund balance	-	-	-
Total Other Financing Sources (Uses)	-	-	-
Net change in fund balance	$ -	66,734	$ 66,734
Fund Balance:			
Beginning of Year - July 1		132,812	
End of Year - June 30		$ 199,546	

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, 2020

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Ad valorem taxes:			
Current year	$ 3,173,678	$ 3,162,307	$ (11,371)
Prior years	43,000	41,627	(1,373)
Total Revenues	3,216,678	3,203,934	(12,744)
Expenditures:			
Administration Fees:			
Tax collections fees	50,000	60,869	(10,869)
NCDMV tax proccessing fees	14,400	15,048	(648)
Total Adminstration Fees	64,400	75,917	(11,517)
Public Safety			
West Stanly Fire District	873,000	866,419	6,581
Center Fire District	350,000	344,812	5,188
Endy Fire Distirct	208,500	203,819	4,681
Ridgecrest Fire District	202,000	201,744	256
Awuadale Fire District	160,000	160,516	(516)
Eastside Fire District	204,000	203,625	375
Oakboro Fire District	140,000	139,290	710
New London Fire District	219,750	219,538	212
Southside Fire District	176,000	173,867	2,133
Bethany Fire District	86,000	85,651	349
Richfield Fire District	133,700	133,396	304
Millingport Fire District	227,000	225,686	1,314
Norwood Special Fire District	31,000	30,123	877
Badin-Yakin Fire District	141,328	139,531	1,797
Total Public Safety	3,152,278	3,128,017	24,261
Total Expenditures	3,216,678	3,203,934	12,744
Net change in fund balance	$ -	-	$ -
Fund Balance:			
Beginning of Year - July 1		-	
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, 2020

		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	541,703	364,152	177,550	541,702	1
Total Revenue	716,703	539,152	177,550	716,702	1
Expenditures:					
Culture and Recreation					
Professional services	110,000	83,570	385	83,955	26,045
Buildings, Structure, & Improvements	681,703	150	-	150	681,553
Total Expenditures	791,703	83,720	385	84,105	707,598
Revenues over (under) expenditures	(75,000)	455,432	177,165	632,597	707,599
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	$ -	$ 507,106	177,165	$ 684,271	$ 684,273
Fund Balance:					
Beginning of Year - July 1			507,106		
End of Year - June 30			$ 684,271		

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, 2020

		Actual				
	Project Authorization	Prior Years	Current Year	Completed Projects	Total to Date	Variance Positive (Negative)
Revenues:						
Donations	$ -	$ 68,500	$ -	$ (68,500)	$ -	$ -
Total Revenue	-	68,500	-	(68,500)	-	-
Expenditures:						
Culture and Recreation						
Capital Outlay	-	179,235	-	(179,235)	-	-
Total Expenditures	-	179,235	-	(179,235)	-	-
Revenues over (under) expenditures	-	(110,735)	-	110,735	-	-
Other Financing Sources (Uses):						
Transfer from General Fund	-	110,735	-	(110,735)	-	-
Total other financing sources (uses)	-	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, 2020

		Actual				
	Project Authorization	Prior Years	Current Year	Completed Projects	Total to Date	Variance Positive (Negative)
Revenues:						
NC Department of Commerce	$ 950,000	$ 611,778	$ 338,222	$ -	$ 950,000	$ -
Total Revenue	950,000	611,778	338,222	-	950,000	-
Expenditures:						
Economic Development						
Professional Services	36,867	44,371	14,559	-	58,930	(22,063)
Buildings, Structure, & Improve	1,113,133	611,778	427,801	-	1,039,579	73,554
Total Expenditures	1,150,000	656,149	442,360	-	1,098,509	51,491
Revenues over (under) expenditures	(200,000)	(44,371)	(104,138)	-	(148,509)	51,491
Other Financing Sources (Uses):						
Transfer from General Fund	200,000	44,371	104,138	-	148,509	(51,491)
Total other financing sources (uses)	200,000	44,371	104,138	-	148,509	(51,491)
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, 2020

		Actual				
	Project Authorization	Prior Years	Current Year	Completed Projects	Total to Date	Variance Positive (Negative)
Expenditures:						
Public Safety						
Professional Services	$ 50,000	$ 128	$ 9,247	$ -	$ 9,375	$ 40,625
Buildings, Structure, & Improve	1,151,803	-	820,660	-	820,660	331,143
Total Expenditures	1,201,803	128	829,907	-	830,035	371,768
Revenues over (under) expenditures	(1,201,803)	(128)	(829,907)	-	(830,035)	371,768
Other Financing Sources (Uses):						
Transfer from General Fund	1,201,803	128	829,907	-	830,035	(371,768)
Total other financing sources (uses)	1,201,803	128	829,907	-	830,035	(371,768)
Net change in fund balance	$ -	$ -	-	$ -	$ -	$ -
Fund Balance:						
Beginning of Year - July 1			-			
End of Year - June 30			$ -			

Stanly County, North Carolina
EMS Base Project
Schedule of Revenue, Expenditures And
Changes in Fund Balances - Budget and Actual
From Inception and for the Year Ended June 30, 2020

		Actual			
	Project Authorization	Prior Years	Current Year	Total to Date	Variance Positive (Negative)
Expenditures:					
Education					
Professional services	$ 90,000	$ -	$ 34,936	$ 34,936	$ 55,064
Minor Office Equipment	42,098	-	-	-	42,098
Construction	2,431,142	-	1,773,137	1,773,137	658,005
Contingency	113,858	-	-	-	113,858
Total Expenditures	2,677,098	-	1,808,073	1,808,073	869,025
Revenues over (under) expenditures	(2,677,098)	-	(1,808,073)	(1,808,073)	(869,025)
Other Financing Sources (Uses):					
Transfer from General Fund	42,098	-	-	-	(42,098)
Installment purchase obligations issued	2,635,000	-	2,635,000	2,635,000	-
Total Other Financing ources (Uses)	2,677,098	-	2,635,000	2,635,000	(42,098)
Revenues and Other Sources Over (Under) Expenditures	$ -	$ -	826,927	$ 826,927	$ (911,123)
Fund Balance:					
Beginning of Year - July 1			-		
End of Year - June 30			$ 826,927		

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BUDGETARY INFORMATION - ENTERPRISE FUNDS

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

Individual Fund Descriptions:

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

- **Piney Point Water District Fund -** accounts for revenues and expenses of the special utility district established to provide water services to the Piney Point community.

- **West Stanly Waste Water Treatment Plant Fund -** accounts for revenues and expenses of the special utility district established to provide 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, 2020

	Budget	Actual	Variance Positive (Negative)
Revenues			
Operating Revenues:			
Water Sales		$ 277,220	
Sewer Charges		196,977	
Industrial Sewer Charges		29,123	
Taps and Connection Fees		1,776	
Other Operating Revenues		4,175	
Total Operating Revenues		509,271	
Non-Operating Revenues:			
Interest on Investments		5,110	
Total Non-Operating Revenues		5,110	
Total Revenues	$ 481,577	514,381	$ 32,804
Expenditures:			
Administration			
Contracted Services		40,000	
Total Administration		40,000	
Debt Service			
Principal Paid		82,307	
Interest Expense		37,950	
Total Debt Service		120,257	
Distribution and Maintenance			
Contracted Services		-	
Operating Expenditures		63,775	
Repairs and Maintenance		49,620	
Water Purchases		169,071	
Capital Outlay		-	
Total Distribution and Maintenance		282,466	
Total Expenditures	481,577	442,723	38,854
Revenues over (under) expenditures	-	71,658	71,658
Other Financing Sources (Uses):			
USDA Loan	-	-	-
Appropriated fund balance	41,846	-	(41,846)
Transfers in (out)	(41,846)	(41,846)	-
Total other financing sources (uses)	-	(41,846)	(41,846)
Revenues and other financing sources (uses) over (under) expenditures and other financing uses	$ -	29,812	$ 29,812

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, 2020

	Budget	Actual	Variance Positive (Negative)
Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual:			
Reconciling items:			
Debt Principal		82,307	
Capital Outlay		-	
Depreciation		(194,094)	
(Increase) decrease in accrued interest payable		115	
Capital Contribution		-	
Transfer to Project Fund (D-6)		41,846	
Transfer from Project Fund (D-6)		-	
Total reconciling items		(69,826)	
Change in net position		$ (40,014)	

Stanly County, North Carolina
Piney Point Water District Fund
Schedule of Revenues and Expenditures- Budget and Actual (Non-GAAP)
For Year Ended June 30, 2020

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Operating Revenues			
Water Sales		$ 178,841	
Taps and Connection Fees		5,565	
Other Operating Revenue		2,378	
Total Operating Revenue		186,784	
Non-Operating Revenues			
Interest on Investments		6,144	
Total Non-Operating Revenue		6,144	
Total Revenue	$ 190,850	192,928	$ 2,078
Expenditures:			
Administration			
Contracted Services		100,000	
Total Administration		100,000	
Distribution and Maintenance			
Operating Expenditures		1,875	
Repairs and Maintenance		350	
Water Purchases		93,374	
Total Distribution and Maintenance		95,599	
Total Expenditures	189,015	195,599	(6,584)
Revenues and other financing sources (uses) over (under) expenditures and other financing uses	$ 1,835	(2,671)	$ (4,506)
Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual:			
Reconciling items:			
Depreciation		(1,459)	
Total reconciling items		(1,459)	
Change in net position		$ (4,130)	

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, 2020

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Operating Revenues			
Sewer Sales		$ 870,694	
Other Operating Revenues		-	
Total Operating Revenues		870,694	
Total Revenues	$ 640,101	870,694	$ 230,593
Expenditures:			
Administration			
Contracted Services		60,000	
Total Administration		60,000	
Debt Service			
Principal		171,250	
Interest		34,418	
Total Debt Service		205,668	
Distribution and Maintenance			
Operating Expenditures		134,921	
Repairs and Maintenance		94,011	
Salaries and Benefits		106,126	
Capital Outlay		-	
Contracted Services		58,164	
Total Distribution and Maintenance		393,222	
Total Expenditures	667,601	658,890	8,711
Revenues over (under) expenditures	(27,500)	211,804	239,304
Other Financing Sources (Uses):			
Appropriated fund balance	27,500	-	(27,500)
Total other financing sources (uses)	27,500	-	(27,500)
Revenues and other financing sources (uses) over (under) expenditures and other financing uses	$ -	211,804	$ 211,804

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, 2020

Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual:	
Reconciling items:	
Debt Principal	171,250
Capital Outlay	-
Depreciation	(188,346)
Increase (Decrease) in Deferred Outflows of Resources - Pensions	(558)
Increase (Decrease) in Deferred Outflows of Resources - OPEB	(346)
(Increase) Decrease in Deferred Inflows of Resources - Pensions	82
(Increase) Decrease in Deferred Inflows of Resources - OPEB	(261)
(Increase) Decrease in Net Pension Liability	(3,653)
(Increase) Decrease in Accrued Interest Payable	45
(Increase) Decrease in Total OPEB Liability	(1,226)
(Increase) Decrease in Compensated Absences	(2,295)
Total reconciling items	(25,308)
Change in net position	$ 186,496

Stanly County, North Carolina
Stanly County Utility Fund
Schedule of Revenues and Expenditures- Budget and Actual (Non-GAAP)
For Year Ended June 30, 2020

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Operating Revenues			
Water Sales		$ 2,927,001	
Sewer Charges		641,208	
Taps and Connection Fees		60,233	
Other Operating Revenues		202,077	
Total Operating Revenues		3,830,519	
Non-Operating Revenues			
Interest on Investments		26,924	
Administrative Charges		200,466	
Miscellaneous		13,174	
Total Non-Operating Revenues		240,564	
Total Revenues	$ 4,192,104	4,071,083	$ (121,021)
Expenditures:			
Administration			
Salaries and Employee Benefits		369,084	
Operating Expenditures		86,525	
Total Administration		455,609	
Debt Service			
State Loan Principal Paid		125,689	
Interest Expense		19,089	
Total Debt Service		144,778	
Distribution and Maintenance			
Salaries and Employee Benefits		662,621	
Operating Expenditures		945,341	
Repairs and Maintenance		476,997	
Water Purchases		1,404,995	
Capital Outlay		248,778	
Total Distribution and Maintenance		3,738,732	
Total Expenditures	4,052,104	4,339,119	(287,015)
Revenues over (under) expenditures	140,000	(268,036)	(408,036)

Stanly County, North Carolina
Stanly County Utility Fund
Schedule of Revenues and Expenditures- Budget and Actual (Non-GAAP)
For Year Ended June 30, 2020

Other Financing Sources (Uses):			
Transfers (Out)	-	-	-
Intrafund Transfer to Utility Grant Project	(449,579)	(264,098)	185,481
Intrafund Transfers to Brown Hill Road Project Fund	-	-	-
Loan Proceeds	-	-	-
Appropriated Fund Balance	309,579	-	(309,579)
Total other financing sources (uses)	(140,000)	(264,098)	(124,098)
Revenues and other financing sources (uses) over (under) expenditures and other financing uses	$ -	(532,134)	$ (532,134)

Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual:	
Reconciling items:	
Debt Principal	125,689
Capital Outlay	248,778
Depreciation	(655,381)
Capital Contribution	-
Increase (Decrease) in Deferred Outflows of Resources - Pension	(7,989)
Increase (Decrease) in Deferred Outflows of Resources - OPEB	21,804
(Increase) Decrease in Deferred Inflows of Resources - Pensions	1,171
(Increase) Decrease in Deferred Inflows of Resources - OPEB	(2,283)
(Increase) Decrease in Net Pension Liability	(52,297)
(Increase) Decrease in Accrued Interest Payable	(3,141)
(Increase) decreased in Total OPEB Liability	(10,719)
(Increase) Decrease in Accrued Vacation Payable	(7,230)
Intrafund Transfers to Project Funds	962,099
Total reconciling items	620,501
Change in net position	$ 88,367

Stanly County, North Carolina
Airport Fund
Schedule of Revenues and Expenditures- Budget and Actual (Non-GAAP)
For Year Ended June 30, 2020

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Operating Revenues			
Fuel and Oil Sales		$ 301,798	
Tie-Down Fees		2,646	
Hangar Rental		77,800	
Franchise		9,000	
Miscellaneous		46,040	
Total Operating Revenues		437,284	
Non-Operating Revenues			
Interest on Investments		1,215	
CARES Act Relief Funds		30,000	
Capital Contributions		-	
Total Non-Operating Revenues		31,215	
Total Revenues	$ 620,494	468,499	$ (151,995)
Expenditures:			
Administration and Operations			
Salaries and Employee Benefits		323,372	
Operating Expenditures		132,341	
Repairs and Maintenance		95,102	
Purchases for Resale		220,084	
Capital Outlay		9,423	
Total Administration and Operations		780,322	
Total Expenditures	1,024,812	780,322	244,490
Revenues over (under) expenditures	(404,318)	(311,823)	92,495
Other Financing Sources (Uses):			
Transfer in from General Fund	404,318	404,318	-
Total other financing sources (uses)	404,318	404,318	-
Revenues and other financing sources (uses) over (under) expenditures and other financing uses	$ -	92,495	$ 92,495

(continued)

Stanly County, North Carolina
Airport Fund
Schedule of Revenues and Expenditures- Budget and Actual (Non-GAAP)
For Year Ended June 30, 2020

Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual:	
Reconciling items:	
Depreciation	(819,840)
Capital Outlay	9,423
Increase (decrease) in deferred outflows of outflows of resources - pensions	(2,422)
Increase (decrease) in deferred outflows of outflows of resources - OPEB	(980)
(Increase) decrease in deferred inflows of resources - pensions	355
(Increase) decrease in deferred inflows of resources - OPEB	(1,130)
(Increase) decrease in net pension liability	(15,856)
(Increase) decrease in other post-employment benefits	(5,308)
(Increase) decrease in compensated absences	(853)
Capital Contributions (from project funds)	1,231,577
Interfund transfer to projects from General Fund	133,287
Total reconciling items	528,253
Change in net position	$ 620,748

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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.
- **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-
- **Webb Road Extension Project:** Accounts for the revenues and expenses for the waterlines to serve the residents on Webb Road.

Airport Fund:

- **Airport Layout Plan Fund -** accounts for the revenues and expenses for updating the layout plan per FAA requirements.
- **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.
- **Airport Terminal Backup Generator Project Fund -** accounts for the revenues and expenses for backup generator 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, 2020

	Project Authorization	Prior Years	Current Year	Closed Project	Total to Date	Variance Over (Under)
Revenues:						
Restricted Intergovernmental:						
DWSRF Principal Forgiveness Grant	$ 2,400,000	$ 2,400,000	$ -	$ (2,400,000)	$ -	$ (2,400,000)
Expenditures:						
Construction	5,289,194	2,757,597	-	(2,757,597)	-	5,289,194
Professional services	887,935	691,528	-	(691,528)	-	887,935
Land	2,000	26	-	(26)	-	2,000
Total Expenditures	6,179,129	3,449,151	-	(3,449,151)	-	6,179,129
Revenues over (under) expenditures	(3,779,129)	(1,049,151)	-	1,049,151	-	3,779,129
Other Financing Sources (Uses):						
Transfer from Greater Badin Fund	163,005	121,158	41,846	(163,004)	-	(163,005)
DWSRF Revolving Loan	3,616,124	886,147	-	(886,147)	-	(3,616,124)
Total other financing sources (uses)	3,779,129	1,007,305	41,846	(1,049,151)	-	(3,779,129)
Revenues and other financing sources (uses) over (under) expenditures and other financing uses	$ -	$ (41,846)	$41,846	$ -	$ -	$ -

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, 2020

	Project Authorization	Prior Years	Current Year	Total to Date	Variance Over (Under)
Expenditures:					
Construction	$ 2,456,100	$ -	$ -	$ -	$ 2,456,100
Professional services	540,000	408,896	94,165	503,061	36,939
Closing Cost	61,200	61,166	-	61,166	34
Land	1,000	-	-	-	1,000
Total Expenditures	3,058,300	470,062	94,165	564,227	2,494,073
Revenues over (under) expenditures	(3,058,300)	(470,062)	(94,165)	(564,227)	2,494,073
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	$ -	$ (470,062)	$ (94,165)	$ (564,227)	$ (564,227)

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, 2020

	Project Authorization	Prior Years	Current Year	Closed Project	Total to Date	Variance Over (Under)
Revenues:						
Restricted Intergovernmental:						
NC Dept of Commerce Utility Account	$ 500,000	$ 500,000	$ -	$ (500,000)	$ -	$ (500,000)
Expenditures:						
Construction	1,041,885	931,521	110,355	(1,041,876)	-	1,041,885
Professional services	208,158	207,786	-	(207,786)	-	208,158
Land	10,600	10,578	-	(10,578)	-	10,600
Total Expenditures	1,260,643	1,149,885	110,355	(1,260,240)	-	1,260,643
Revenues over (under) expenditures	(760,643)	(649,885)	(110,355)	760,240	-	760,643
Other Financing Sources (Uses):						
NC DENR Clean Water SRF Loan	739,195	-	738,792	(738,792)	-	(739,195)
Transfer from Utility Operating Fund	21,448	-	21,448	(21,448)	-	(21,448)
Total other financing sources (uses)	760,643	-	760,240	(760,240)	-	(760,643)
Revenues and other financing sources (uses) over (under) expenditures and other financing uses	$ -	$ (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, 2020

	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	161,812	2,046	163,858	82,142
Total Expenditures	246,000	161,812	2,046	163,858	82,142
Revenues over (under) expenditures	-	(161,812)	(2,046)	(163,858)	(163,858)
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	$ -	$ (161,812)	$ (2,046)	$ (163,858)	$ (163,858)

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, 2020

	Project Authorization	Prior Years	Current Year	Total to Date	Variance Over (Under)
Expenditures:					
Professional services	$ 337,000	$ 205,810	$ 52,275	$ 258,085	$ 78,915
Land	26,000	34,307	200	34,507	(8,507)
Buildings, Structure, & Improve	862,000	-	833,656	833,656	28,344
Total Expenditures	1,225,000	240,117	886,131	1,126,248	98,752
Revenues over (under) expenditures	(1,225,000)	(240,117)	(886,131)	(1,126,248)	98,752
Other Financing Sources (Uses):					
Transfer from General Fund	955,000	158,247	698,001	856,248	(98,752)
Transfer from Utility Operating Fund	270,000	81,870	188,130	270,000	-
Total other financing sources (uses)	1,225,000	240,117	886,131	1,126,248	(98,752)
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, 2020

	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	-	454,915	454,915	961,276
Professional services	159,161	49,675	32,054	81,729	77,432
Land	10,000	-	-	-	10,000
Total Expenditures	1,585,352	49,675	486,969	536,644	1,048,708
Revenues over (under) expenditures	(766,352)	269,554	(486,969)	(217,415)	548,937
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	$ -	$ 307,601	$ (486,969)	$ (179,368)	$ (179,368)

Stanly County, North Carolina
Webb Road Extension Project
Schedule of Revenues and Expenditures- Budget and Actual (Non-GAAP)
From Inception and For the Year Ended June 30, 2020

	Project Authorization	Prior Years	Current Year	Completed Project	Total to Date	Variance Over (Under)
Expenditures:						
Professional services	$ 88,732	$ -	$ 47,065	$ -	$ 47,065	$ 41,667
Land	7,455	-	7,455	-	7,455	-
Building, Structure, & Improve	510,578	-	-	-	-	510,578
Total Expenditures	606,765	-	54,520	-	54,520	552,245
Revenues over (under) expenditures	(606,765)	-	(54,520)	-	(54,520)	552,245
Other Financing Sources (Uses):						
Transfer from General Fund	366,765	-	-	-	-	(366,765)
Transfer from Utility Operating Fund	240,000	-	54,520	-	54,520	(185,480)
Total other financing sources (uses)	606,765	-	54,520	-	54,520	(552,245)
Revenues and other financing sources (uses) over (under) expenditures and other financing uses	$ -	$ -	$ -	$ -	$ -	$ -

Stanly County, North Carolina
Airport Layout Plan Fund
Schedule of Revenues and Expenditures- Budget and Actual (Non-GAAP)
From Inception and For the Year Ended June 30, 2020

	Project Authorization	Prior Years	Current Year	Total to Date	Variance Over (Under)
Revenues:					
Restricted Intergovernmental:					
Vision 100 Entitlement	$ 384,997	$ 202,592	$ 171,243	$ 373,835	$ (11,162)
Expenditures:					
Professional services	427,775	228,765	186,610	415,375	12,400
Total Expenditures	427,775	228,765	186,610	415,375	12,400
Revenues over (under) expenditures	(42,778)	(26,173)	(15,367)	(41,540)	1,238
Other Financing Sources (Uses):					
Transfer from General Fund	42,778	26,173	15,367	41,540	(1,238)
Total other financing sources (uses)	42,778	26,173	15,367	41,540	(1,238)
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, 2020

	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	90,976	92,126	7,874
Total Expenditures	100,000	1,150	90,976	92,126	7,874
Revenues over (under) expenditures	-	98,850	(90,976)	7,874	7,874
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	$ (90,976)	$ 7,874	$ 7,874

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, 2020

	Project Authorization	Prior Years	Current Year	Total to Date	Variance Over (Under)
Revenues:					
Restricted Intergovernmental:					
Vision 100 Entitlement	$ 1,183,284	$ 12,668	$ 986,017	$ 998,685	$ (184,599)
Expenditures:					
Buildings, Structure, & Improvements	1,124,760	-	980,026	980,026	144,734
Professional services	190,000	14,076	115,655	129,731	60,269
Total Expenditures	1,314,760	14,076	1,095,681	1,109,757	205,003
Revenues over (under) expenditures	(131,476)	(1,408)	(109,664)	(111,072)	20,404
Other Financing Sources (Uses):					
Transfer from General Fund	131,476	1,408	109,664	111,072	(20,404)
Total other financing sources (uses)	131,476	1,408	109,664	111,072	(20,404)
Revenues and other financing sources (uses) over (under) expenditures and other financing uses	$ -	$ -	$ -	$ -	$ -

Stanly County, North Carolina
Airport Terminal Backup Generator Project
Schedule of Revenues and Expenditures- Budget and Actual (Non-GAAP)
From Inception and For the Year Ended June 30, 2020

	Project Authorization	Prior Years	Current Year	Completed Project	Total to Date	Variance Over (Under)
Revenues:						
Restricted Intergovernmental:						
Vision 100 Entitlement	$ 77,719	$ -	$ 74,317	$ (74,317)	$ -	$ (77,719)
Expenditures:						
Other Equipment	86,355	-	82,574	(82,574)	-	86,355
Total Expenditures	86,355	-	82,574	(82,574)	-	86,355
Revenues over (under) expenditures	(8,636)	-	(8,257)	8,257	-	8,636
Other Financing Sources (Uses):						
Transfer from General Fund	8,636	-	8,257	(8,257)	-	(8,636)
Total other financing sources (uses)	8,636	-	8,257	(8,257)	-	(8,636)
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, 2020

	Financial Plan	Actual	Variance Positive (Negative)
Operating Revenues:			
Charges for sales and services	$ 7,876,824	$ 7,313,760	$ (563,064)
Operating Expenses:			
Group health operations	7,850,914	6,105,553	(1,745,361)
Workers' compensation claims	521,285	463,218	(58,067)
Total operating expenditures	8,372,199	6,568,771	(1,803,428)
Operating income (loss)	(495,375)	744,989	1,240,364
Non-Operating Revenues (Expenses):			
Investment earnings	36,000	40,202	4,202
Total non-operating revenues (expenses)	36,000	40,202	4,202
Other Financing Sources (Uses)			
Fund Balance Appropriated	459,375	-	(459,375)
Total other financing sources (uses)	459,375	-	(459,375)
Change in net position	$ -	785,191	$ 785,191
Net Position:			
Beginning of year - July 1		1,113,998	
End of year - June 30		$ 1,899,189	

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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, 2020

	Balance July 1, 2019	Additions	Deductions	Balance June 30, 2020
Protective Payee Fund:				
Assets				
Cash and cash equivalents	$ 10,683	$ 178,989	$ 175,853	$ 13,819
Liabilities				
Client Payable	$ 10,683	$ 178,989	$ 175,853	$ 13,819
Fines and Forfeitures Fund:				
Assets				
Cash and cash equivalents	$ -	$ 228,319	$ 228,319	$ -
Liabilities				
Accounts Payable	$ -	$ 228,319	$ 228,319	$ -
Deed of Trust Fund:				
Assets				
Cash and cash equivalents	$ 3,832	$ 47,510	$ 46,711	$ 4,631
Liabilities				
Accounts Payable	$ 3,832	$ 47,510	$ 46,711	$ 4,631
Sheriff's Execution Fund				
Assets				
Cash and cash equivalents	$ 2,143	$ 2,435	$ 3,591	$ 987
Inmate Cash	40,242	292,739	303,891	29,090
Total Assets	$ 42,385	$ 295,174	$ 307,482	$ 30,077
Liabilities				
Accounts Payable	$ 2,143	$ 2,435	$ 3,591	$ 987
Inmate Payable	40,242	292,739	303,891	29,090
Total Liabilities	$ 42,385	$ 295,174	$ 307,482	$ 30,077
Property Tax Clearing Fund				
Assets				
Cash and Cash Equivalents	$ 176,428	$ 11,620,183	$ 11,569,296	$ 227,315
Liabilities				
Accounts Payable	$ 176,428	$ 11,620,183	$ 11,569,296	$ 227,315

Stanly County, North Carolina
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Year Ended June 30, 2020

Total- All Agency Funds				
Assets				
Cash and cash equivalents	$ 193,086	$ 12,077,436	$ 12,023,770	$ 246,752
Inmate Cash	40,242	292,739	303,891	29,090
Total Assets	$ 233,328	$ 12,370,175	$ 12,327,661	$ 275,842
Liabilities				
Accounts payable	$ 182,403	$ 11,898,447	$ 11,847,917	$ 232,933
Client and Inmate Payable	50,925	471,728	479,744	42,909
Total Liabilities	$ 233,328	$ 12,370,175	$ 12,327,661	$ 275,842

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, 2020

Fiscal Year	Uncollected Balance June 30, 2019	Additions	Collections And Credits	Uncollected Balance June 30, 2020
2019-2020	$ -	$ 33,889,513	$ 33,090,002	$ 799,511
2018-2019	731,497	1,750	343,334	389,913
2017-2018	380,539	161	114,722	265,978
2016-2017	254,894	65	58,267	196,692
2015-2016	190,800	-	37,283	153,517
2014-2015	152,252	-	28,909	123,343
2013-2014	146,853	-	23,914	122,939
2012-2013	143,266	-	19,773	123,493
2011-2012	119,326	-	14,645	104,681
2010-2011	114,205	-	14,802	99,403
2009-2010	173,830	-	173,830	-
2008-2009	102,822	-	102,822	-
Districts over 3 years old	90,071	16,598	6,788	99,881
Totals	$ 2,600,355	$ 33,908,087	$ 34,029,091	$ 2,479,351

Less Allowance for Doubtful Accounts	(852,958)
Taxes Receivable (Net)	$ 1,626,393

Reconcilement with revenues:

Ad valorem taxes - General Fund	$ 33,980,021
Reconciling items:	
Animal tax	(37,024)
Collection fees	(42,374)
Interest collected	(269,167)
Discounts allowed	182,212
Late listings	(28,466)
Statute of Limitations	266,797
Miscellaneous	(22,908)
Total Collections and Credits	$ 34,029,091

Stanly County, North Carolina
Analysis of Current Tax Levy
County-Wide Levy
June 30, 2020

	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	$ 5,030,575,350	0.67	$ 33,722,709	$ 29,613,686	$ 4,109,023
Penalties	-		33,416	33,416	
Total Original Levy	5,030,575,350		33,756,125	29,647,102	4,109,023
Discoveries:					
Current year rate	27,993,731	0.67	187,558	187,558	-
Penalties	-		155	155	-
Penalties - prior year rate	-		76	76	-
Prior year taxes	-		66,109	66,109	-
Total Discoveries	27,993,731		253,898	253,898	-
Releases:					
Current year rate	(17,770,491)	0.67	(119,062)	(119,062)	-
Penalties			(1,448)	(1,448)	-
Total Releases	(17,770,491)		(120,510)	(120,510)	-
Net assessed valuation	$ 5,040,798,590				
Net Levy			33,889,513	29,780,490	4,109,023
Uncollected taxes June 30, 2020			799,511	799,511	-
Current years taxes collected			$ 33,090,002	$ 28,980,979	$ 4,109,023
Current levy collection percentage			97.64%	97.32%	100.00%

Stanly County, North Carolina
Analysis of Current Tax Levy
County-Wide Levy
June 30, 2020

Secondary Market Disclosures:

Assessed valuation:		
Assessment ratio		100%
Real property	$	4,251,323,716
Personal property		620,845,396
Public service		168,629,478
Total assessed value	$	5,040,798,590
Tax rate per $100		0.67
Levy (includes discoveries, releases, and abatements)	$	33,889,513

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	$	2,826,079

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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)

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Governmental activities										
Net Investment in capital assets	$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	$ 18,891,578
Restricted	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	7,757,880
Unrestricted	(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	5,879,501
Total Governmental activities net position	$ 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	$ 32,528,959
Business-type activities										
Net Investment in capital assets	$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	$ 37,228,159
Restricted	$ -	$ -	$ -	-	-	14,850	27,800	40,525	53,250	65,975
Unrestricted	600,944	508,553	1,216,035	1,612,161	1,641,558	1,977,384	1,836,949	790,075	1,282,510	1,214,071
Total business-type activities net position	$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	$ 38,508,205
Primary government										
Net Investment in capital assets	$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	$ 56,119,737
Restricted	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	7,823,855
Unrestricted	(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	7,093,572
Total primary government net position	$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	$ 71,037,164

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

	Fiscal Year									
Expenses	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**
Governmental activities:										
General government	$ 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	$ 5,759,160
Public safety	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	23,171,363
Transportation	987,615	988,483	950,965	961,283	956,499	996,173	1,039,842	1,031,868	1,048,422	1,106,553
Environmental protection	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	1,391,069
Economic and physical development	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	2,487,522
Human services	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	16,148,151
Education	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	1,348,330
Culture and recreation	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	18,284,160
Interest on long-term debt	1,169,653	1,264,990	925,756	1,007,050	913,803	1,144,394	1,042,725	781,389	738,269	653,292
Total governmental activities expenses	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	70,349,600
Business-type activities:										
Water and sewer	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	6,116,368
Airport	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	1,616,933
Total business-type activities	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	7,733,301
Total primary governmental expenses	$ 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	$ 78,082,901
Program Revenues										
Governmental activities:										
Charges for services:										
General government	$ 1,445,785	$ 1,499,922	$ 1,483,698	$ 1,538,895	$ 1,700,655	$ 2,011,722	$ 841,182	$ 944,556	$ 713,025	$ 754,946
Public safety	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	4,538,528
Transportation	578,427	425,439	423,318	387,695	410,615	453,131	431,514	458,703	437,488	337,698
Environmental protection	883,729	883,005	891,052	931,946	930,730	952,865	882,991	907,355	1,041,001	1,106,104
Economic and physical development	18,478	24,042	25,101	25,342	35,192	38,805	24,450	60,585	60,383	37,118
Human services	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	1,139,265
Culture and recreation	24,320	20,811	28,624	25,029	24,214	25,402	114,148	147,240	107,809	56,217
Operating grants and contributions	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	10,878,438
Capital grants and contributions	1,148,686	970,547	1,091,138	4,017,043	1,216,000	570,000	1,264,953	749,000	595,000	1,137,772
Total governmental activities program revenues	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	19,986,086
Business-type activities:										
Charges for services:										
Water and sewer	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	5,397,268
Airport	303,126	362,955	411,149	455,302	425,283	432,189	405,988	501,149	483,026	437,284
Operating grants and contributions	91,262	-	-	-	-	-	-	-	-	30,000
Capital grants and contributions	2,735,134	5,130,143	1,734,467	392,171	68,567	1,173,017	1,961,823	617,125	2,209,149	1,231,577
Total business-type activities program revenues	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	7,096,129
Total primary governmental program revenues	$ 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	$ 27,082,215
Net (expense)/revenue										
Governmental activities	$ (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)	$ (50,363,514)
Business-type activities	943,625	2,950,169	(1,190,368)	(2,198,133)	(2,077,852)	(705,143)	(352,561)	(1,361,208)	136,874	(637,172)
Total primary governmental net expense	$ (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)	$ (51,000,686)

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

General Revenues and Other Changes in net position	Fiscal Year					Fiscal Year				
Governmental activities:	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**
Taxes										
Ad valorem taxes	$ 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	$ 36,827,846
Local option sales tax	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	13,943,132
Other taxes	502,321	504,698	543,968	544,765	605,773	643,354	686,615	847,431	971,936	948,982
Interest earned on investments	256,933	261,112	171,540	139,996	64,018	85,044	145,583	347,934	639,706	626,351
Miscellaneous	-	-	-	19,025	-	-	83,104	231,775	4,028,416	559,972
Transfers in (out)	(658,868)	(136,841)	(1,284,059)	(2,276,464)	(372,691)	(357,425)	(339,746)	(410,502)	(746,604)	(1,235,606)
Total governmental activities	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	51,670,677
Business-type activities:										
Ad valorem taxes										
Interest earned on investments	16,543	15,759	3,890	3,349	3,707	6,472	11,223	24,703	47,537	39,393
Miscellaneous	2,928	-	21,856	-	39,003	36,306	318,102	135,497	179,881	213,640
Transfers in (out)	658,868	136,841	1,284,059	2,276,464	372,691	357,425	339,746	410,502	746,604	1,235,606
Total business-type activities	678,339	152,600	1,309,805	2,279,813	415,401	400,203	669,071	570,702	974,022	1,488,639
Total primary government	$ 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	$ 53,159,316
Change in net position										
Governmental activities	$ 2,830,818	$ 3,211,045	$ 6,333,868	$ (117,525)	$ 3,191,545	$ 2,140,507	$ 387,826	$ 1,822,812	$ 7,713,831	$ 1,307,163
Business-type activities	3,628,508	(1,037,768)	(888,328)	201,961	(289,742)	47,642	(692,137)	707,576	1,110,896	851,467
Total primary government	$ 6,459,326	$ 2,173,277	$ 5,445,540	$ 84,436	$ 2,901,803	$ 2,188,149	$ (304,311)	$ 2,530,388	$ 8,824,727	$ 2,158,630

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

Table 3

	Fiscal Year									
	2011	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**
General Fund										
Nonspendable	$ 51,071	$ 52,912	$ 66,374	$ 71,395	$ 66,969	$ 73,666	$ 72,377	$ 62,596	$ 66,763	$ 71,171
Restricted	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	6,047,136
Committed	-	-	-	750,000	500,000	250,000	250,000	250,000	2,574,055	1,233,330
Assigned	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	4,905,378
Unassigned	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	18,504,292
Total General Fund	$ 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	$ 30,761,307
All other governmental funds										
Committed	$ -	$ -	$ -	$ -	$ -	$ 397,390	$ 80,345	$ 103,576	$ -	$ -
Restricted	504,241	378,358	436,298	3,351,004	1,191,645	523,599	-	-	1,121,877	1,710,744
Unassigned	(34,118)	(52,149)	(161,875)	(35,676)	(6,132)	(21,324)	-	144,660	(481,959)	-
Total all other governmental funds	$ 470,123	$ 326,209	$ 274,423	$ 3,315,328	$ 1,185,513	$ 899,665	$ 80,345	$ 248,236	$ 639,918	$ 1,710,744

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

Table 4

	Fiscal Year									
	2011	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**
Revenues										
Ad valorem taxes	$ 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	$ 37,183,955
Local option sales taxes	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	13,943,132
Other taxes and licenses	502,321	504,698	543,968	544,765	605,773	643,354	715,513	735,843	805,424	761,827
Unrestricted intergovernmental	-	-	-	-	-	6,464	10,871,430	8,978,900	8,359,293	158,468
Restricted intergovernmental	11,220,975	11,150,806	9,874,535	12,814,737	10,554,160	10,289,200	205,294	313,086	858,723	9,999,250
Permits and fees	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	1,249,496
Sales and services	653,402	689,032	725,695	645,337	745,432	1,004,071	8,197,813	8,743,824	9,302,787	7,757,589
Investment earnings	184,734	142,460	98,746	83,822	82,688	95,992	145,583	347,934	639,707	626,349
Miscellaneous	852,352	874,456	937,510	1,024,222	795,900	871,974	963,533	711,192	5,007,178	1,568,413
Total revenues	56,919,585	57,533,987	57,559,471	62,384,567	60,687,326	62,430,019	65,156,726	66,295,948	73,957,589	73,248,479
Expenditures										
General government	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	5,816,501
Public safety	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	23,354,615
Transportation	920,286	854,643	825,722	860,179	881,184	881,576	948,713	950,167	986,704	917,202
Environmental protection	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	1,384,175
Economic and physical development	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	2,434,029
Human services	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	15,233,500
Education	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	13,223,940
Culture and recreation	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	1,511,127
Capital Outlay	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	6,541,800
Debt service		-				-				
Principal	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	3,713,361
Interest and other charges	1,276,448	1,337,372	1,107,619	1,039,977	950,941	1,023,881	1,025,947	903,552	741,029	631,352
Total expenditures	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	74,761,602
Excess of revenues over (under) expenditures	(35,628)	2,063,688	1,711,054	(1,220,325)	(8,691,142)	(973,633)	303,077	1,938,891	6,625,912	(1,513,123)
Other financing sources (uses)										
Debt Proceeds	1,743,149	3,709,191	403,039	7,206,441	8,037,761	3,368,086	197,772	536,143	163,601	3,435,502
Payment to escrow agent-retired debt	-	(3,850,000)	-	-	-	-	-	-	-	-
Transfers from other funds	175,971	103,059	50,000	59,406	383,540	357,944	171,034	5,542	44,499	934,045
Transfers to other funds	(834,839)	(239,900)	(1,334,059)	(2,585,870)	(756,231)	(715,369)	(510,780)	(416,044)	(791,103)	(2,169,651)
Total other financing sources (uses)	1,084,281	(277,650)	(881,020)	4,679,977	7,665,070	3,010,661	(141,974)	125,641	(583,003)	2,199,896
Net change in fund balances	$ 1,048,653	$ 1,786,038	$ 830,034	$ 3,459,652	$ (1,026,072)	$ 2,037,028	$ 161,103	$ 2,064,532	$ 6,042,909	$ 686,773
Debt services as a percentage of noncapital expenditures	7.0%	7.2%	7.3%	7.0%	15.8%	7.5%	7.6%	7.1%	6.64%	5.89%

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
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
2020	36,827,841	13,943,132	135,372	280,261	283,111	-	31,290	29,575	51,530,582

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
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
2020	37,183,955	13,943,132	135,372	280,261	283,111	-	31,290	29,575	51,886,696

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
2011	$ 2,961,763,672	$ 604,404,169	$ 375,174,209	$ 346,434,253	$ 52,964,536	$ 4,234,811,767	0.6700	$ 4,234,811,767	100%
2012	2,989,362,988	612,152,578	389,552,648	318,244,954	55,401,328	4,253,911,840	0.6700	4,253,911,840	100%
2013	3,021,902,549	1,101,009,623	407,026,074	326,955,037	543,377,510	4,313,515,773	0.6700	4,313,515,773	100%
2014	3,346,741,922	797,344,983	819,379,104	321,402,524	543,774,772	4,462,924,217	0.6700	4,462,924,217	100%
2015	3,372,794,145	665,520,283	444,155,733	335,090,927	409,454,428	4,408,106,660	0.6700	4,408,106,660	100%
2016	3,379,961,023	680,180,319	466,690,677	338,020,267	383,681,306	4,481,170,980	0.6700	4,481,170,980	100%
2017	3,411,665,707	694,306,584	517,055,017	351,063,739	406,276,622	4,567,814,695	0.6700	4,567,814,695	100%
2018	3,614,571,935	711,956,003	545,677,620	376,725,472	435,965,922	4,812,965,108	0.6700	4,801,993,045	100%
2019	3,667,221,191	710,913,245	594,720,896	393,079,648	434,699,118	4,931,157,006	0.6700	4,915,456,208	100%
2020	3,720,654,805	723,371,923	622,604,828	407,529,671	433,362,637	5,040,798,590	0.6700	5,040,798,590	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									
	2011	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**
County Direct Rate										
Stanly (General)	0.6700	0.6700	0.6700	0.6700	0.6700	0.6700	0.6700	0.6700	0.0670	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	0.5900	0.5900	0.5900	0.5900	0.6400	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	0.3900	0.3900	0.3900	0.4100	0.4100	0.4200	0.4200	0.4200
Town of Norwood	0.4000	0.4000	0.4000	0.4000	0.4000	0.3900	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	0.3200	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	0.1700	0.1700	0.1700	0.2000	0.2200	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	0.0842	0.0842	0.0842	0.1000	0.1000	0.1000	0.1000	0.1000
Center Rural	0.0700	0.0700	0.0700	0.1000	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	0.1000	0.1000
Ridgecrest	0.0900	0.0900	0.0900	0.0900	0.0900	0.0900	0.1100	0.1100	0.1100	0.1100
Aquadale	0.0500	0.0500	.0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000
Eastside	0.0800	0.0800	0.0800	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000
Oakboro Rural	0.0400	0.0400	0.0400	0.0400	0.0400	0.0600	0.0600	0.0600	0.0600	0.0600
New London	0.0500	0.0500	0.0515	0.0750	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	0.1500	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	0.0775	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	0.1000	0.1000	0.1000	0.1000
Badin-Yadkin	0.0800	0.0800	0.0803	0.0803	0.0803	0.0803	0.0803	0.0803	0.0803	0.0803
Norwood Special	0.0700	0.0700	0.0700	0.0700	0.1000	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	0.7800	0.7800	0.7800	0.8200
*** City Tax Rate	1.2300	1.2300	1.2300	1.2600	1.2600	1.2600	1.2600	1.3100	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

	2020			2011		
Taxpayer	**Taxable Assessed Value**	**Rank**	**Percentage of Total Taxable Assessed Value**	**Taxable Assessed Value**	**Rank**	**Percentage of Total Taxable Assessed Value**
Duke Energy	$ 57,511,586	1	1.17%	$ 31,859,254	3	0.78%
Michelin Aircraft Tire Co.	56,076,677	2	1.14%	31,505,735	4	0.77%
Piedmont Natural Gas	40,589,914	3	0.82%	14,140,473	10	0.35%
Fiber Composites	40,287,494	4	0.82%	36,282,525	2	0.89%
Union Electric	34,084,608	5	0.69%	26,482,679	5	0.65%
Cube Yadkin Generation LLC	33,723,302	6	0.68%			
Walmart Real Estate Business	22,595,236	7	0.46%	22,333,968	7	0.55%
Preformed Line Products	17,592,192	8	0.36%	16,158,344	9	0.39%
Culp Lumber Company	14,660,402	9	0.30%			
Time Warner Cable Stheast LLC	13,188,324	10	0.27%			
APGI			0.00%	46,117,643	1	1.13%
ALCOA				20,028,147	6	0.49%
Stanly Memorial Hospital				17,254,057	8	0.42%
						0.00%
Totals	$ 330,309,735		6.70%	$ 262,162,825		6.41%

Source: Stanly County Tax Assessor

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

Table 10

Fiscal Year Ended June 30	Total Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
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	33,172,709	32,441,212	97.13%	891,681	33,332,893	100.00%
2020	33,889,514	33,090,003	97.64%	917,082	34,007,085	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
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
2020	2,730,000	176,756	8,153,860	10,128,385	-	-	2,890,000	-	2,449,811	26,528,812	1.71%	422.39

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
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	4,470,758	0.09%	73.44
2019	4,381,756	0.09%	71.98
2020	2,906,756	0.06%	46.28

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, 2020

Table 13

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Direct:			
Stanly County	$ 17,717,675	100%	$ 17,717,675
Overlapping:			
Town of Richfield	188,045	100%	188,045
Total direct and overlapping debt			$ 17,905,720

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									
	2011	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**
Debt limit	$ 338,784,941	$ 340,312,947	$ 345,081,262	$ 357,033,937	$ 352,648,533	$ 358,493,678	$ 365,425,176	$ 385,037,208	393,236,497	403,263,887
Total net debt applicable to limit	35,000,841	32,138,114	29,567,473	33,809,068	31,983,231	31,983,231	28,290,185	25,144,960	21,466,859	21,189,001
Legal debt margin	$ 303,784,100	$ 308,174,833	$ 315,513,789	$ 323,224,870	$ 320,665,302	$ 326,510,447	$ 337,134,991	$ 359,892,248	$ 371,769,638	$ 382,074,886
Total net debt applicable to the limit as a percentage of debt limit	10.94%	10.38%	10.33%	9.44%	9.07%	8.89%	7.74%	6.53%	5.46%	5.25%

Legal Debt Margin Calculation for Fiscal Year 2018

Assessed value		$ 5,040,798,590
Debt limit - 8% of assessed value		403,263,887
Debt applicable to limit:		
General obligation bonds	$ 2,730,000	
Bond premiums	176,756	
Capital lease obligation	8,153,860	
Installment note	10,128,385	
Business-type installment note	2,449,811	
Business-type revenue bond	2,890,000	
Business-type anticipation note	-	
Total debt	$ 26,528,812	
Less-Statutory deductions	5,339,811	
Total amount of debt applicable to debt limit		21,189,001
Legal debt margin		$ 382,074,886

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)
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%
2020	62,806	1,549,486,826	24,671	42.0	8,414	10.4%

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

	2020			2011		
Employer	**Employees**	**Rank**	**Percentage of Total County Employment**	**Employees**	**Rank**	**Percentage of Total County Employment**
Stanly County Schools	1,133	1	1.80%	1,489	1	5.02%
Carolina Healtcare Stanly	659	2	1.05%	658	2	2.22%
Michelin Aircraft	521	4	0.83%	480	3	1.62%
Stanly County Government	487	4	0.78%	429	4	1.45%
Food Lion	421	5	0.67%			
Wal-mart Associates, Inc.	414	6	0.66%	338	7	1.14%
Stanly Community College	396	7	0.63%			
Dept of Public Safety	375	8	0.60%			
Monarch	350	9	0.56%	309	8	1.04%
Fiberon	292	10	0.46%			
IAC Old Fort LLC				350	5	1.18%
Stanly Health Services				342	6	1.15%
City of Albemarle				273	9	0.92%
Pfeiffer University				220	10	0.74%
Total	5,048		8.04%	4,888		16.49%

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									
	2011	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**
Function										
General government										
Administration	4	4	4	4	4	4	4	4	4	4
Finance	5	5	5	5	5	5	5	5	6	6
Taxes	19	18	18	16	16	15	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	5	5	5	5
Information technology	5	5	5	5	5	5	5	7	7	7
Facilities management	7	7	7	7	7	7	7	7	7	7
Public safety										
Sheriff	55	54	54	54	57	59	60	60	60	65
Jail	38	38	38	38	38	38	38	38	38	38
Criminal justice partnership	1	NA	NA	NA	NA	NA	NA	NA	NA	NA
Juvenile justice partnership	1	NA	NA	NA	NA	NA	NA	NA	NA	NA
Emergency management	2	2	2	2	2	2	2	2	2	2
Fire	2	2	2	2	2	2	2	2	2	2
Emergency medical services	36	36	37	43	46	47	56	56	56	61
Inspections	4	4	4	4	4	4	5	5	5	5
Animal control	5	5	5	5	5	5	4	4	5	5
E-911 operations	16	16	17	17	17	17	19	19	19	19
Transportation	12	15	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	1	2	2	2	2	2	2	2	2	2
Planning and zoning	3	3	3	3	3	3	3	3	3	3
Central Permitting	3	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	54	57	58	55	55	55	55	55	55	55
Social services	78	81	81	81	84	84	87	89	89	93
Senior services	13	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	16	17	17	17	17	17	17	17	17	17
Historic preservation	2	NA	NA	NA	NA	NA	NA	NA	NA	NA
Agri civic center	4	4	3	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	11	12	12	12	12	12	13	13	13	13
West Stanly WWTP	0	0	0	2	2	2	2	2	2	2
Total	429	435	437	440	449	451	468	472	472	488

Source: Stanly County Human Resources

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

Table 18

	Fiscal Year									
Function	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**
Public Safety										
Arrests	1,689	937	705	813	758	958	998	896	1,109	1,214
Civil papers serviced	9,196	8,781	8,339	8,653	6,594	7,382	5,841	5,587	5,904	3,264
Average daily jail population	80	75	66	74	76	104	108	122	132	139
Dispatched EMS calls	7,864	8,668	8,625	7,949	9,091	8,425	9,257	10,933	11,001	10,436
EMS move up calls	2,883	3,342	3,564	2,923	2,891	2,992	3,435	4,069	5,014	4,606
Building permits issued	541	549	545	512	604	667	677	756	743	818
Animals entering shelter	2,883	2,910	2,053	1,777	1,705	1,715	1,364	1,300	1,305	1,082
Animals euthanized	2,471	1,257	1,611	1,330	1,316	1,334	1,125	985	667	409
911 calls logged for service	119,724	121,662	116,356	115,885	121,817	120,907	123,043	135,423	134,659	130,614
Transportation										
Service hours	18,768	17,966	16,927	16,267	18,115	18,235	18,678	17,997	18,168	15,455
Miles driven	332,373	313,790	286,007	285,806	311,038	317,622	307,469	302,293	312,613	265,776
Trips	63,558	62,587	55,350	47,491	48,075	47,501	46,799	47,542	49,644	35,872
Environmental protection										
Discarded materials collected (tons/day)	19	19	24	22	22	25	25	22	25	26
Recyclables collected (tons/day)	2	2	2	2	2	2	2	2	2	2
Human services										
Food and lodging permits	27	92	63	60	68	63	61	51	34	36
Food and lodging inspections made	822	859	730	729	764	762	787	751	746	449
Wells permits issued	68	84	100	51	84	79	76	85	106	82
Culture and recreation										
Library books checked out	226,350	210,951	204,653	186,501	173,519	178,070	172,322	170,157	162,223	149,549
Library cards issued	2,783	2,850	2,620	1,942	2,491	2,086	1,868	2,048	1,689	1,297
Water and sewer										
Number of water customers	4,116	4,994	5,207	5,460	5,525	5,738	5,855	5,945	6,095	6,217
Average monthly water demand (Gallons)	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	55,885,833
Number of sewer customers	716	720	625	695	698	703	708	708	727	1,016
Average monthly sewage collected and treated* (Gallons)	220,800	310,500	358,417	688,400	798,730	10,100,036	10,334,427	19,832,569	19,880,583	32,500,675
Airport										
Operations ** (Take-offs and/or landings)	10,605	9,969	10,271	13,200	14,867	16,005	15,500	15,125	16,637	12,845

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.
*** 2020 fiscal year, numbers are lower due to COVID-19 and governement shut down and stay at home orders
****Prior to 2020, Sewer collect numbers were not including the other wastewater treatment plant. Effective 2020 the collection data now includes both sewer treatment plants.

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

Table 19

	Fiscal Year									
	2011	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**
Function										
Public safety										
Detention center	1	1	1	1	1	1	1	1	1	1
Patrol units	48	48	48	45	46	55	55	57	64	72
EMS ambulances	9	9	9	10	10	10	10	10	10	10
Transportation										
Transit vehicles	20	16	16	19	19	19	19	19	18	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	191	191	206	283	283	283	283	283	283	285
Number of wastewater plants	1	1	1	2	2	2	2	2	2	2
Miles of sanitary sewer	49	49	49	56	56	56	56	56	56	70
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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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, 2020, and the related notes to the financial statements, which collectively comprises Stanly County's basic financial statements, and have issued our report thereon dated October 20, 2020.

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
October 20, 2020

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CERTIFIED PUBLIC ACCOUNTANTS
CONSULTANTS AND TAX ADVISORS

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

Independent Auditors' Report

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

Report on Compliance for Each Major Federal Program

We have audited Stanly County, North Carolina's, compliance with the types of compliance requirements described in the OMB *Compliance Supplement* and the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that could have a direct and material effect on each of Stanly County's major federal programs for the year ended June 30, 2020. Stanly County's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of Stanly County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and the State Single Audit Implementation Act. Those standards, 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 occurred. An audit includes 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, 2020.

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 2020-001, 2020-002 and 2020-003 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
October 20, 2020

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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, 2020. 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, 2020.

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
October 20, 2020

Stanly County, North Carolina
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2020

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
93.568	Low Income Energy Assistance
93.778	Medical Assistance Program

Dollar threshold used to distinguish between Type A and Type B Programs		$ 750,000
Auditee qualified as low-risk auditee?	_X_yes	__no

Section I. Summary of Auditors' Results (continued)

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
Stanly County Airport
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: 2020-001

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 four 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.

Questioned Costs: There was no known affect to eligibility and there were no known questioned costs.

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.

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: 2020-002

SIGNIFICANT DEFICENCY

Eligibility

Criteria:	In accordance with 42 CFR 435, documentation must be obtained as needed to determine if a recipient meets specific 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 eight errors discovered during our procedures that inaccurate information was entered when determining eligibility.
Questioned Costs:	There was no known affect to eligibility and there were no known questioned costs.
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 should clearly indicate 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.

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: 2020-003

SIGNIFICANT DEFICENCY

Eligibility

Criteria:	The Child Support Enforcement Agency (IV-D) can assist the family in obtaining financial and/or medical support or medical support payments from the child's non-custodial parent. Cooperation requirement with Social Services and Child Support Agencies must be met or good cause for not cooperating must be established when determine Medicaid eligibility.
Condition:	There were three errors discovered during our procedures that referrals between DSS and Child Support Agencies were not properly made.
Questioned Costs:	There was no known affect to eligibility and there were no known questioned costs.
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:	Error in reading the ACTS report and/or ineffective case review process.
Recommendation:	Files should be reviewed internally to ensure proper information is in place and necessary procedures are taken when determine eligibility. The results found or documentation made in case notes should clearly indicate 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 is needed when there is an absent parent.

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
NORTH CAROLINA
Water. Air. Land. Success.

Corrective Action Plan
For the Year Ended June 30, 2020

Section II - Financial Statement Findings

None Reported.

Section III - Federal Award Findings and Question Costs

Finding 2020-001

Name of contact: Stacy Ragsdale, Adult Medicaid Supervisor

Corrective Action: Adult Medicaid had 4 technical errors in this audit. All 4 cases were completed prior to last year's audit and subsequent training session held with staff on September 12, 2019. During this training the following elements were covered;
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.

A training session was completed October 21, 2020 for a refresher on the following topics:
1) Policy requirements to clearly document countable and non-countable resources;
2) Instruction for staff to double check online verifications for conclusive results and procedures when they are inconclusive;
3) To check determinations in NCFAST to verify income and resources are reading correctly and match NCFAST evidence.
Currently the Supervisor or Lead Worker are monitoring records for these issues monthly. The second party tool was revised to include these factors. Each caseworker has five records reviewed for accuracy. Monitoring of the cases will continue.

Proposed completion date: Unit meeting was done on October 21, 2020 to address these technical errors. We will continue to monitor cases for at least 4 months and until we have 100 percent accuracy.

STANLY COUNTY
NORTH CAROLINA
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Corrective Action Plan (continued)

Finding 2020-002

Name of contact	Robin Huneycutt, IM Supervisor II
Corrective Action:	Family and Children's Medicaid had 7 technical errors in this area discovered in this audit. 4 cases were completed prior to last year's audit and subsequent training session held with staff on November 7, 2019. During this training the following elements were covered: 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. The workers involved were met with individually on October 8, 2020. During these meetings the following training was completed: 1)Policy requirement and the importance of correctly enteriing and applying all evidence, including but not limted to, income. 2)To always check determinations in NCFAST to verfiy income and household size are correct. 3) The importance of documentation in NCFAST that clearly indicates what actions were performed and the results of those actions. 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:	Training was completed on November 7, 2019 and October 8, 2020. We will continue to monitor cases for at least 4 months and until we have 100 percent accuracy.

Finding 2020-003

Name of contact	Robin Huneycutt, IM Supervisor II
Corrective Action:	Family and Children's Medicaid had two new errors discovered during this audit for failure to complete a IV-D referral. All workers completed training on manual section MA 3365 Child Support Policy requirement to key child support referrals when an applicant/recipient has a child actively receiving Medicaid. 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:	On October 19, 2020 training on MA 3365 was completed. 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.

Finding: 2019-001
Status: Repeated as finding 2020-001

Finding: 2019-002
Status: Repeated as finding 2020-002

Stanly County, North Carolina
Schedule of Expenditures of Federal and State Awards
For The Fiscal Year Ended June 30, 2020

Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	State/ Pass-through Grantor's Number	Fed (Direct & Pass-through Expenditures	State Expenditures	Provided 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		$ 492,104	$ -	$ -	$ 492,104
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		308,417	-	-	-
Water and Waste Disposal System for Rural Communities-Palestine Water Pump Project	10.760		307,601	-	-	-
Total U.S. Dept. of Agriculture			1,108,122	-	-	492,104
U.S. Department of Treasury						
Passed-through the Office of State Budget and Management:						
NC Pandemic Recovery Office						
Coronavirus Relief Fund	21.019		52,513	-	-	-
Total U.S. Department of Treasury			52,513	-	-	-
U.S. Department of Homeland Security:						
Passed -through N.C. Department of Public Safety						
Division of Emergency Management:						
Emergency Management Performance Grants	97.042		38,904	-	-	-
Total U.S. Department of Homeland Security			38,904	-	-	-
U.S. Department of Health and Human Services:						
Rural Communities Opioid Response-Implementation	93.211		199,837	-	-	-
Provider Relief Fund	93.498		151,172	-	-	-
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		81,321	-	-	-
COVID-19 - Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements	93.074		54,308	-	-	-
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116		50	-	-	-
Injury Prevention and Control Research and State and Community Based Programs	93.136		42,562	-	-	-
Family Planning Services	93.217		45,925	-	-	-
Immunization Grants	93.268		11,123	-	-	-
Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health	93.354		44,791	-	-	-
Cancer Prevention and Control Programs for State, Territorial and Tribal Organizations	93.898		4,875	-	-	-
Preventive Health Services_Sexually Transmitted Diseases Control Grants	93.977		42	-	-	-
Preventive Health and Health Services Block Grant	93.991		28,431	-		
Maternal and Child Health Services Block Grant	93.994		50,871	25,846	-	-

Stanly County, North Carolina
Schedule of Expenditures of Federal and State Awards
For The Fiscal Year Ended June 30, 2020

Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	State/ Pass-through Grantor's Number	Fed (Direct & Pass-through Expenditures	State Expenditures	Provided to Subrecipients	Local Expenditures
Passed-through Centralina Council of Governments						
Division of Aging and Adult Services:						
Title III-D HP/DP (90%)	93.043		2,010	355	-	-
Nutrition Services Incentive Program	93.053		26,819	-	-	-
Aging Cluster:						
Special Programs for the Aging - Title III B Grants for Supportive Services and Senior Centers	93.044		266,907	47,102	-	-
Special Programs for the Aging - Title III C Nutrition Services	93.045		154,270	17,548	-	-
Title III-E (Caregiver)	93.052		17,160	1,144	-	-
Total Aging Cluster			438,337	65,794	-	-
Division of Social Services:						
Temporary Assistance for Needy Families Cluster						
TANF - Work First	93.558		428,573	-	-	432,260
Division of Public Health						
Temporary Assistance for Needy Families	93.558		8,228	-	-	-
Total TANF Cluster			436,801	-	-	432,260
Foster Care and Adoption Cluster (Note 4)						
Foster Care - Title IV-E	93.658		296,298	50,191	-	197,408
Adoption Assistance	93.659		1,935	-	-	1,934
Foster Care	N/A		73,256	-	-	39,580
Total Foster Care and Adoption Cluster			371,488	50,191	-	238,923
Child Support Enforcement	93.563		598,594	(403)	-	308,770
Refugee Assist Admin	93.566		10	-	-	-
Family Preservation	93.556		19,720	-	-	-
Low Income Energy Assistance						
Administration	93.568		27,521	-	-	-
Energy Assistance Payments	93.568		237,585	-	-	-
Crisis Intervention Program	93.568		226,199	-	-	-
Total Low Income Energy Assistance			491,304	-	-	-
Stephanie Tubbs Jones Child Welfare Services Program:						
Permanency Planning - Families for Kids	93.645		17,580	-	-	5,860
Total Stephanie Tubbs Jones Child Welfare Services Program			17,580	-	-	5,860
Chafee Foster Care Independence Program	93.674		6,714	1,679	-	-
SSBG - Other Service and Training	93.667		186,314	-	-	62,104
Division of Aging and Adult Services:						
Division of Social Services:						
SSBG - State In Home Service Fund	93.667		40,308	-	-	5,758
SSBG - Adult Protective Services	93.667		19,117	-	-	-
Passed-through Centralina Council of Governments:						
Social Service Block Grant (SSBG)	93.667		15,388	2,198	-	-
Total Social Service Block Grant			261,126	2,198	-	67,862
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-	93.596		83,921	-	-	-
Total Subsidized Child Care Cluster			83,921	-	-	-

Stanly County, North Carolina
Schedule of Expenditures of Federal and State Awards
For The Fiscal Year Ended June 30, 2020

Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	State/ Pass-through Grantor's Number	Fed (Direct & Pass-through Expenditures	State Expenditures	Provided to Subrecipients	Local Expenditures
Passed-through the N.C. Dept. of Health and Human Services:						
Division of Medical Assistance:						
Division of Social Services:						
Medical Assistance Program	93.778		1,348,588	2,143	-	517,018
Division of Social Services						
Administration						
State Children's Insurance Program - N.C. Health Choice	93.767		60,370	1,037	-	3,574
Total Children's Insurance Program - N.C. Health Choice			60,370	1,037	-	3,574
Total U.S. Dept. of Health and Human Services			4,878,691	148,840	-	1,574,267
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 - Airport Road Corridor Wastewater Project	66.458		738,792	-	-	-
Total Environmental Protection Agency			738,792	-	-	-
U.S. Dept of Transportation						
Passed thru N.C. Department of Transportation						
Stanly County Airport-CARES Act Relief Fund	20.106	36237.50.18.2	30,000	-	-	-
Stanly County Airport (Vision 100 Entitlement)	20.106	36237.50.16.2	171,243	-	-	-
Stanly County Airport (Vision 100 Entitlement)	20.106	36237.50.18.1	74,317	-	-	-
Total Stanly County Airport (Vision 100 Entitlement)			275,560	-	-	-
Formula Grants for Rural Areas - Admin	20.509	36233.96.21.1	178,395	11,149	-	-
Formula Grants for Rural Areas - Admin	20.509	36233.96.20.1	6,750	422	-	-
Formula Grants for Rural Areas - Capital	20.509	36233.96.21.3	169,841	21,230	-	-
Formula Grants for Rural Areas - Capital II	20.509	36233.96.21.4	20,291	2,537	-	-
Total Formula Grant for Rural Areas			375,277	35,338	-	-
Highway Planning and Construction Cluster						
RPO Grants Rocky River	20.205-8	48232.4.16	20,257	-	-	-
RPO Grants Rocky River	20.205-8	48478.4.15	61,312	-	-	-
Total Highway Planning and Construction Cluster			81,569	-	-	-
Stanly County SR. SVCS. CAP	20.513	51001.87.5.3	28,677	3,584	-	-
Total U.S. Dept of Transportation			732,406	35,338	-	-
Total Federal Awards			$ 7,578,105	$ 187,762	$ -	$ 2,066,372
State Awards:						
N.C. Dept. of Health and Human Services						
Division of Public Health						
Other Receipts / State Supported Expenditures						
Food & Lodging Fees			$ -	$ 17,521	$ -	$ -
Aid-to-Counties			-	89,081	-	-
General Communicable Disease Control			-	2,732	-	-
Child Health			-	12,454	-	-
HIV STD State			-	500	-	-
Gonorrhea Partner Services			-	67	-	-
Healthy Community Activities			-	3,785	-	-
STD Drugs			-	272	-	-
Breast and Cervical Cancer Program			-	5,200	-	-
School Nurse Funding Initiative			-	50,000	-	-
Healthy Beginnings			-	78,981	-	-
Family Planning - State			-	3,767	-	-
Maternal Health (HMHC)			-	43,251	-	-
Women's Health Service Fund			-	1,737	-	-
TB Control			-	3,905	-	-
Total Public Health			-	313,253	-	-

Stanly County, North Carolina
Schedule of Expenditures of Federal and State Awards
For The Fiscal Year Ended June 30, 2020

Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	State/ Pass-through Grantor's Number	Fed (Direct & Pass-through Expenditures	State Expenditures	Provided to Subrecipients	Local Expenditures
Division of Social Services:						
County Fund Programs			-	-	-	600,109
Non Allocating County Cost			-	-	-	164,785
St Child Welfare/CPS/CS			-	127,577	-	-
DCD Smart Start			-	18,344	-	-
Energy Assist Private			-	600	-	-
Work First Non Reimbursable			-	-	-	307,099
SFHF Maximization			-	9,025	-	9,025
State Foster Home			-	12,515	-	12,515
Total Division of Social Services			-	168,060	-	1,093,532
Passed-through Centralina Council of Governments:						
Division of Aging and Adult Services						
SR CTR General Purpose			-	14,096	-	-
Fan/Heat Program			-	531	-	-
Total Division of Aging and Adult Services			-	14,627	-	-
Total N.C. Dept. of Health and Human Services			-	495,940	-	1,093,532
N.C. Dept. of Transportation						
Rural Operating Assistance Program (ROAP) Cluster						
- ROAP Elderly and Disabled Transportation Assistance Program		36220.10.7.1	-	83,352	-	-
- ROAP Rural General Public Program		36228.22.7.1	-	107,356	-	-
- ROAP Work First Transitional - Employment		36236.11.6.1	-	17,484	-	-
Total ROAP Cluster			-	208,192	-	-
Stanly County Airport		36244.62.7.1	-	986,017	-	-
Total N.C. Dept. of Transportation			-	1,194,209	-	-
N.C. Dept of Administration						
Veterans Services			-	2,182	-	-
Total of N.C. Dept of Administration			-	2,182	-	-
N. C. Department of Environmental Quality						
Division of Waste Management						
Soil and Water Conservation			-	14,711	-	-
Electronics Management			-	3,692	-	-
Off Waste Red Trust Fund				10,000		
Abandoned Mobile Home Grant			-	3,879	-	-
Total of N.C. Dept. of Environmental Quality			-	32,282	-	-
N.C. Dept. of Cultural and Natural Resources						
Division of State Library						
State Aid to Public Libraries			-	113,607	-	-
Total of N.C. Dept. of Cultural Resources			-	113,607	-	-
N.C. Department of Public Safety						
Juvenile Crime Prevention Programs			-	203,978	202,978	-
DWI Safe Roads Act			-	4,332	-	-
Drug Seizures			-	27,323	-	-
Tier II Universal Grant			-	1,000	-	-
Emergency Management Planning			-	90,976	-	-
Total of N.C. Dept. of Public Safety			-	327,609	202,978	-

Stanly County, North Carolina
Schedule of Expenditures of Federal and State Awards
For The Fiscal Year Ended June 30, 2020

Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	State/ Pass-through Grantor's Number	Fed (Direct & Pass-through Expenditures	State Expenditures	Provided to Subrecipients	Local Expenditures
N. C. Department of Commerce						
Rural Economic Development Grant - Riverstone Industrial Park Proje		U-482	-	338,222	-	-
Total N.C. Department of Commerce			-	338,222	-	-
N.C. Dept. of Insurance						
SHIIP Grant			-	8,840	-	-
Total N.C. Dept. of Insurance			-	8,840	-	-
N.C. Department of Public Instruction						
Public School Building Capital Fund-Lottery Proceeds			-	622,000	-	-
Total N.C. Department of Public Instruction			-	622,000	-	-
Total State Awards			$ -	$ 3,134,891	$ 202,978	$ 1,093,532
Total Federal and State Awards			$ 7,578,105	$ 3,322,653	$ 202,978	$ 3,159,904

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, 2020. 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: 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	$ 62,633,110	$ 27,930,702
State Children's Insurance Program	93.767	1,866,578	137,294
Special Supplemental Nutrition Program for Women Infa	10.557	1,147,256	-
Supplemental Nutrition Assistance Program	10.551	11,752,207	-
Refugee Assistance	93.566	1,448	-
IV-E Adopt & Vendor & Gua	93.659	140,280	33,266
TANF Payments & Penalties	93.558	171,196	-
CWS Adopt, Vendor, Guard	N/A	-	125,886
SAA/SAD HB 1030	N/A	-	68
SC/SA Domiciliary Care	N/A	-	300,044

Stanly County, North Carolina
Schedule of Expenditures of Federal and State Awards
For The Fiscal Year Ended June 30, 2020

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

Note 6: Coronavirus Relief Funds

Stanly County received $1,271,874 of funding from the Coronavirus Relief Fund (21.019) and is scheduled to receive $1,218,935 in July 2020. At least twenty-five percent (25%) of the funds are mandated to go to municipalities within Stanly County, at the discretion of the County. Municipalities are to have a plan to spend these funds by September 1, 2020, or any funds received are to be returned to the County. Counties and municipalities are liable to the State for funds not spent in accordance with US Dept. of Treasury, the granting agency, guidelines. According to the Office of State Budget and Management, the State's pass-through agency, municipalities are considered subrecipients of the Counties. However, under state statute, municipalities are liable to the State, not the County, for any misused or misspent funds. CRF must be spent during the period March 1, 2020 to December 30, 2020.