Stanly County, North Carolina Comprehensive Annual Financial Report Year Ended June 30, 2011

STANLY COUNTY NORTH CAROLINA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For Fiscal Year Ended June 30, 2011



Prepared and Issued by: Stanly County Finance Department

> Toby R. Hinson Finance Director



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INTRODUCTORY SECTION



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STANLY COUNTY FINANCE OFFICE 1000 North First Street, Suite 10B ALBEMARLE, NORTH CAROLINA 28001



November 17, 2011

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, 2011 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 Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations." Information related to this single audit, including the "Schedule of Expenditures of Federal and State Awards", findings, recommendations, and the independent auditor's reports on the internal control structure and compliance with applicable laws and regulations are presented in the compliance section of the report.

DESCRIPTION OF COUNTY

Stanly County is located in the south central portion of North Carolina. Its western boundary is ten (10) miles from the largest county in the state, Mecklenburg, and twenty (20) miles from the largest city in the state, Charlotte. Albemarle is the county seat. It is forty-two (42) miles northeast of Charlotte; sixty (60) miles south of Greensboro; and one hundred (100) miles southwest of the North Carolina capital city of Raleigh. It is a county of lakes, rolling farmland and small towns. Industry includes modular home and aircraft tire manufacturing.

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

DESCRIPTION OF GOVERNMENT

Stanly County is governed by a commission/manager form of government. The fivemember board of commissioners is 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, Piedmont Mental Health Authority, and various non-profit organizations that provide services to Stanly County residents.

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 twenty-nine different majors, day and evening classes, and continuing education courses at all of its campuses. Various satellite campuses also offer graduate programs in business administration, health administration and organization management.

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

For financial reporting purposes, in conformance with the Governmental Accounting Standards Board (GASB), the County includes in the report all funds that are considered to be within its oversight responsibility. Because the school administrative unit and the

community college listed above do not meet the criteria for inclusion in the general purpose financial statements of Stanly County, their financial statements are not included in this report. Audited financial statements for the school administrative unit and the community college are available from their respective business offices.

ECONOMIC CONDITION AND OUTLOOK

The County's economy has largely mirrored the regional and State economy over the course of the last year. As the local economy softened again after the slight improvements seen earlier in the year, the unemployment rate settled in at 10.6% at June 30, 2011, which is above the state average of 9.7%. While growth remains elusive for many, most employers are stable and continue to position themselves to thrive in a slower growth environment. The expansion project at Michelin Aircraft Tire that began last year has exceeded its employment targets and the operation continues to experience growth. Renewed activity at the Badin Business Park led to the location of Electronics Recyclers International, Inc.'s primary Southeast US recycling facility in Badin where the company expects to reach an employment level of 200 employees once the facility is fully operational. Efforts are underway to expand and leverage the County's economic development assets to take advantage of strong growth in the region's energy sector and also engage business leaders to help promote Stanly County's location advantages.

Stanly County's assessed valuation is projected to decrease by \$2.74 million in FY 2011-2012 and generate approximately \$48,000 less revenue at the current tax rate. The decrease in valuation is .06%.

LONG TERM FINANCIAL PLANNING

Fund balance classifications in the General Fund have changed effective FY 2010-2011. Before, the portion of fund balance available for spending at year end was labeled as "Unreserved." Starting with this fiscal year, these resources are labeled as "Available Fund Balance." Unreserved fund balance in the General Fund has decreased over the last two fiscal years. Available fund balance as a percentage of expenditures is 15.67% as of June 30, 2011, compared to unreserved at 11.92% at June 30, 2010. This is primarily due to an increase in cash of approximately \$1,600,000 and a decrease in expenses of \$2,000,000.

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. The next capital project planned is the Airport Runway Pavement Rehabilitation Project. This is set to begin in the fall of 2011.

The County has closed on the refinancing of the jail construction loan. This occurred in August 2011. This refinancing will generate a net present value savings of approximately \$174,000 or 4.7%.

MAJOR INITIATIVES

During Fiscal Year 2011, the new terminal building at the Stanly County Airport became ready to be occupied. The old terminal building is now being leased by the North Carolina Air National Guard's Regional Training Site. There were two utility projects completed during the fiscal year. Senior Services completed the repaying of their parking lot.

EMS replaced two ambulances which are being financed with a three year bank loan. Transportation replaced seven vehicles with five being purchased with ARRA funds. Transportation also purchased a new security camera system for the parking lot which was 90% funded by grants.

The County was awarded a grant from the North Carolina 911 Board to implement the Intrado Public Safety E-911 IP Network which included advanced 911 routing and ALI management services. PSAP center studies are currently in progress and complete implementation should take place by January 2012.

UTILITIES

Stanly County Utilities is responsible for the distribution of one million gallons of drinking water each day to more than 4,000 homes, schools, churches and businesses in Stanly County. Stanly County Utilities operates as three systems – Stanly County, Greater Badin Water & Sewer District and Piney Point Water District. Stanly County Utilities also provides wastewater collection and treatment to over 700 customers in Stanly County.

The following utility projects were completed and closed during Fiscal Year 2010-2011: Millingport Sewer and Highway 52 Water Extension Projects. There are currently four utility projects open with some anticipating completion in Fiscal Year 2011-2012. 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. The Highway 24/27/73 East Water Project was completed and closed in FY 2010-2011 and three others are currently in progress.

AIRPORT

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

The airport has been identified as an important economic development asset to the County. Executive jet usage at the airport is beginning to increase once again after a decline in use due to world-wide economic conditions. To accommodate this growth and to further enhance countywide economic development activity, the airport has identified a number of improvements to enhance services to both civilian and military aircraft. A state-of-the-art air traffic control tower was completed in May 2001. A 1,000 foot primary runway extension is currently being designed and all the runway and taxiway surfaces will begin being overlaid in the fall of 2011. The new extension will allow large aircraft such as the 737-800 to depart and land fully loaded. The new terminal building was occupied in December 2010 and is the envy of the region. Commercial office space will soon be available for lease in this new facility. The old terminal building has been leased by the North Carolina Air National Guard. The North Carolina Air National Guard has also installed a radar facility that has

encountered some issues during a testing phase. Once these issues are resolved, the radar will be available for both military and civilian use.

Within the last year, the North Carolina Department of Transportation has completed the Ridge Street Extension which has dramatically improved access to the airport from the Northeast Connector which should prove to be invaluable to economic development as the economy begins to improve.

The airport has hangar space available and plenty of room to construct additional hangar space or lease to third parties for hangar construction. Full time crash, fire and rescue are provided by the North Carolina Air National Guard and backed up by local volunteers.

TRANSPORTATION

Transportation within the County is very important to the Board of Commissioners. In 1986, the Board established a transportation system called SCUSA Transportation to serve the entire County. SCUSA Transportation currently operates 20 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 10-11, SCUSA Transportation provided 18,768 service hours, traveled 332,373 miles, while providing 63,558 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. In Stanly County, appropriations in the General Fund are budgeted on a function level. In other funds the budget may be adopted at the function or fund level. 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.

<u>Awards</u>

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, 2010. 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 (20) consecutive years. We believe the current report satisfies the Certificate of Achievement Program requirements, and it 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, 122 1

Andrew M. Lucas County Manager

R. Vincon

V

Toby R. Hinson Finance Director

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STANLY COUNTY, NORTH CAROLINA LIST OF ELECTED AND APPOINTED OFFICIALS October 31, 2011

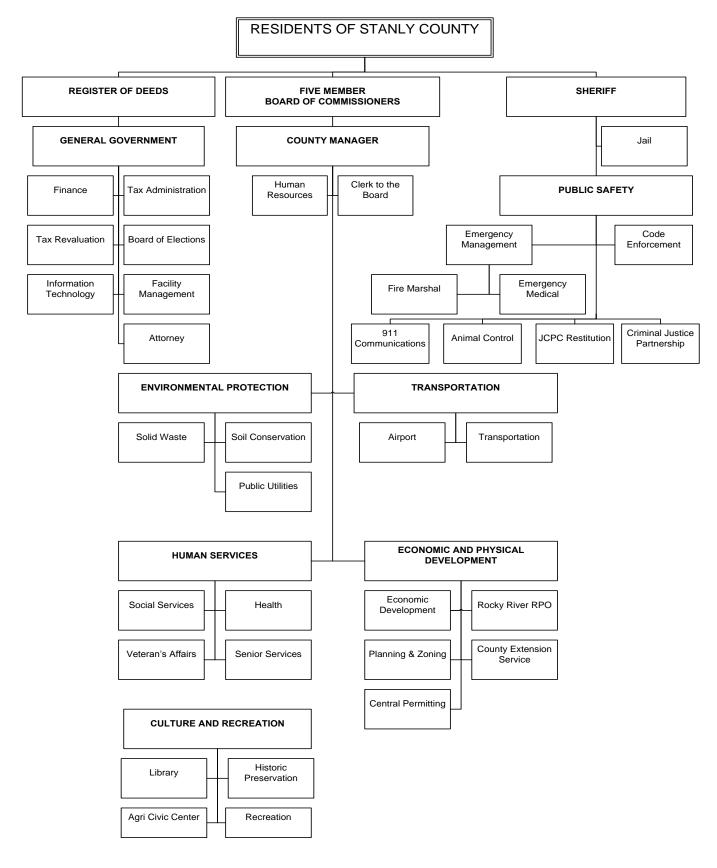
Elected Officials

Board of Commissioners – Chairman	Joshua J. Morton
Board of Commissioners - Vice-Chairman	Janet K. Lowder
Board of Commissioners	Lindsey R. Dunevant
Board of Commissioners	Ğene McIntyre
Board of Commissioners	
Sheriff	Ricky J. Burris
Register of Deeds	Suzanne Ŵ. Lowder

Appointed Officials

County Manager Clerk to the Board Agri – Civic Center Director Airport Director Central Permitting Code Enforcement Communications Director – E 911	Tyler L. Brummitt Candice B. Moffitt David M. Griffin Carol C. Almond David M. Harrington
County Attorney	Jennifer R. Furr
County Extension Service	
Criminal Justice Partnership	
Economic Development Director	
Election Supervisor	
Emergency Management Director	
Facility Management and Solid Waste Director	
Finance Director	
Health Director	
Historic Preservation Director	
Human Resources Director	
Information Technology Director	
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Library Director	
Planning Director	
Public Utilities Director	
Senior Services Director	
Social Services Director	
Soil and Water Conservation Cost Share Technician	
Tax Administrator	
Transportation Director	
Veterans Service Officer	Roderick F. Barbee

STANLY COUNTY ORGANIZATIONAL CHART



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, 2010

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Executive Director

FINANCIAL SECTION



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MARTIN & STARNES & Associates, CPAs, P.A.

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

INDEPENDENT AUDITORS' REPORT

Board of County Commissioners Stanly County, North Carolina

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 then ended June 30, 2011, which collectively comprise Stanly County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express an opinion 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 basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County as of June 30, 2011, 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 conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 17, 2011 on our consideration of Stanly County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis and the Law Enforcement Officers' Special Separation Allowance and the Other Post-Employment Benefits Schedules of Funding Progress and Employer Contributions be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information 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 assurance.

Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements of Stanly County, North Carolina. The introductory information, combining and individual fund financial statements, budget and actual schedules, supplemental ad valorem tax schedules, and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund financial statements, budget and actual schedules, and supplemental ad valorem tax schedules are the responsibility of management and were derived from, and relate directly to, the underlying accounting and other records used to prepare the financial statements and certain other procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole. The introductory section and statistical section have not been subject to the auditing procedures and statistical section have not been subject to the auditing procedures and statistical section have not been subject to the auditing procedures applied in the underly not been subject to the auditing procedures and statistical section have not been subject to the auditing procedures applied in the audit of the basic financial statements and statements and other nectors used to prepare the financial statements, in relation to the basic financial statements and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements and statements and accordi

martin Starner) & associates, CPas, P.a.

Martin Starnes & Associates, CPAs, P.A. Hickory, North Carolina November 17, 2011

Management's Discussion and Analysis

As management of Stanly County, we offer readers of Stanly County's financial statements this narrative overview and analysis of the financial activities of Stanly County for the fiscal year ended June 30, 2011. 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.

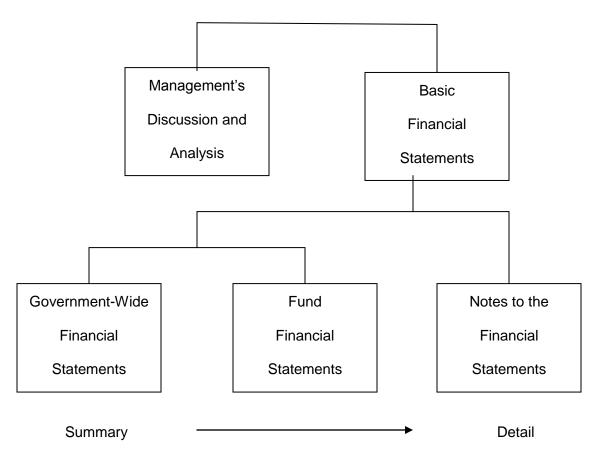
Financial Highlights

- The assets of Stanly County exceeded its liabilities at the close of the fiscal year by \$38,490,714 (*net assets*). Net assets would be much greater except Stanly County reports \$29,185,236 debt liability for the school system, and the school reports the assets.
- The government's total net assets increased by \$3,170,270, primarily due to increases in both governmental and business-type activities.
- As of the close of the current fiscal year, Stanly County's governmental funds reported combined ending fund balances of \$16,430,053, after a net increase in fund balance of \$1,048,653. Approximately 48.91% of this total amount, or \$8,035,463, is restricted or non-spendable.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$6,424,783, or 11.8% of total General Fund expenditures and transfers to other funds for the fiscal year.
- Stanly County's total debt decreased by \$993,098 (2.74%) during the current fiscal year. Regular and scheduled debt payments account for the decrease.
- Stanly County maintained its Standard & Poor's A+ bond rating for the third consecutive year and maintained its Moody's Aa3 bond rating for the second consecutive year.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to Stanly County's basic financial statements. The County's basic financial statements consist of three components: 1) government-wide financial statements; 2) fund financial statements and 3) notes to the financial statements (see diagram on next page). 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 Reports



Basic Financial Statements

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

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

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 non-major governmental funds and internal service funds, all of which are added together in one column on the basic financial statements.

Budgetary information required by the General Statutes also can be found in this part of the statements.

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

Government-Wide Financial Statements

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

The two government-wide statements report the County's net assets and how they have changed. Net assets are the difference between the County's total assets and total liabilities. Measuring net assets is one way to gage 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 basic services such as public safety, general administration, human services, transportation, and environmental protection. Property taxes, State and federal grants, and fees finance most of these activities. The business-type activities are those that the County charges customers to provide. These include water and sewer and airport services offered by Stanly County. The final category is the component unit. Stanly County Water & Sewer Authority exists to provide water and sewer services to residences of the County. The County appoints the Board of Directors for the Authority.

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

Fund Financial Statements

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

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

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

Proprietary Funds. Enterprise 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 Assets and the Statement of Activities.

The Group Health Fund is an internal service fund used to account for the medical self-insurance plan and worker's compensation benefits.

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Stanly County maintains six agency funds and has no permanent fiduciary 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 25 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 61 of this report.

		rnmental		ss-Type vities	Total				
	2011	2010	2011	2010	2011	2010			
Current and other assets	\$ 24,349,587	7 \$ 23,210,520	\$ 1,068,323	\$ 466,030	\$ 25,417,910	\$ 23,676,550			
Capital assets	19,311,104	19,974,091	35,619,709	34,931,793	54,930,813	54,905,884			
Total assets	43,660,692	43,184,611	36,688,032	35,397,823	80,348,723	78,582,434			
Long-term liabilities outstanding	37,151,794	37,809,012	411,295	373,661	37,563,089	38,182,673			
Other liabilities	3,947,806	4,362,814	347,114	716,503	4,294,920	5,079,317			
Total liablilities	41,099,600	42,171,826	758,409	1,090,164	41,858,009	43,261,990			
Net assets:									
Invested in capital assets,									
net of related debt	13,495,499	9 14,377,226	35,328,679	34,634,482	48,824,178	49,011,708			
Restricted	7,984,392	2 81,434	-	-	7,984,392	81,434			
Unrestricted	(18,918,800	0) (13,445,875)	600,944	(326,823)	(18,317,856)	(13,772,698)			
Total net assets	<u>\$ 2,561,097</u>	<u> 1,012,785</u>	\$ 35,929,623	\$ 34,307,659	\$ 38,490,714	\$ 35,320,444			

STANLY COUNTY'S NET ASSETS

Government-Wide Financial Analysis

As noted earlier, net assets may serve over time as one useful indicator of a government's financial condition. The assets of Stanly County exceeded liabilities by \$38,490,714 as of June 30, 2011. The County's net assets increased by \$3,170,270 for the fiscal year ended June 30, 2011. The largest portion \$48,824,178 reflects the County's investment in capital assets (e.g. land, buildings, machinery, and equipment), less any related debt still outstanding that was issued to acquire those items. Stanly County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although Stanly County's investment in its capital assets is reported net of the outstanding related debt, the resources needed to repay that debt must be provided by other sources, since capital assets cannot be used to liquidate these liabilities. An additional portion of Stanly County's net assets \$7,984,392 (20.74%) represents resources that are subject to external restrictions on how they may be used.

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 \$29,185,236.

Stanly County's Changes in Net Assets

	Governmental Activities			Business-Type Activities				Total			
	2011	2010		2011		2010		2011		2010	
Revenues:											
Program revenues:											
Charges for services	\$ 7,986,828	\$ 7,881,465	\$	3,399,574	\$	3,381,708	\$	11,386,402	\$	11,263,173	
Operating grants and contributions	10,632,041	11,297,862		91,262		-		10,723,303		11,297,862	
Capital grants and contributions	1,148,686	1,123,874		2,735,134		377,689		3,883,820		1,501,563	
General revenues:										-	
Property taxes	30,442,706	30,245,704		-		-		30,442,706		30,245,704	
Other taxes	6,920,782	7,322,742		-		-		6,920,782		7,322,742	
Interest earned on investments	256,933	373,880		16,543		23,857		273,476		397,737	
Miscellaneous Income				2,928		-		2,928		-	
Total revenues	57,387,976	58,245,527		6,245,441		3,783,254		63,633,417		62,028,781	
Expenses:											
General government	5,601,234	6,799,601		-		-		5,601,234		6,799,601	
Public safety	14,130,565	13,957,473		-		-		14,130,565		13,957,473	
Transportation	987,615	948,122		-		-		987,615		948,122	
Environmental protection	1,159,814	1,155,970		-		-		1,159,814		1,155,970	
Economic development	2,610,268	2,817,237		-		-		2,610,268		2,817,237	
Human services	14,614,279	14,851,419		-		-		14,614,279		14,851,419	
Cultural and recreation	1,572,655	1,954,960		-		-		1,572,655		1,954,960	
Education	13,334,719	19,284,505		-		-		13,334,719		19,284,505	
Interest on long-term debt	1,169,653	1,659,370		-		-		1,169,653		1,659,370	
Water and sewer	-	-		3,768,034		3,714,625		3,768,034		3,714,625	
Airport				1,514,311		1,518,407		1,514,311		1,518,407	
Total expenses	55,180,802	63,428,656		5,282,345		5,233,032		60,463,147		68,661,689	
Increase (decrease) in net assets											
before transfers and special items	2,207,174	(5,183,129)		963,096		(1,449,778)		3,170,270		(6,632,907)	
Transfers in (out)	(658,868)	(210,471)		658,868		210,471		-			
Increase (decrease) in net assets	1,548,306	(5,393,600)		1,621,964		(1,239,307)		3,170,270		(6,632,907)	
Net assets, July 1	1,012,785	6,406,385		34,307,659		35,546,966		35,320,444		41,953,351	
Net assets, June 30	\$ 2,561,091	\$ 1,012,785	\$	35,929,623	\$	34,307,659	\$	38,490,714	\$	35,320,444	

Governmental Activities. Governmental activities increased the County's net assets by \$1,548,306, thereby accounting for 48.84% of the total growth in the net assets of Stanly County. Key elements of this increase are as follows:

- Education expenses decreased significantly (29.87%) due to completion of school capital projects
- Decrease of 17.63% in General Government legal services
- Maintenance of the County's tax collection rate showing only a very slight decrease

Business-Type Activities. Business-type activities increased Stanly County's net assets by \$1,621,964 accounting for 51.16% of the total growth in the government's net assets. Key financial elements of this increase are as follows:

- Capital grants and contributions increased significantly in both Utility and Airport Projects
- Total expenses remained constant with only a .95% increase

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 \$8,531,232, while total fund balance reached \$15,959,930. 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 15.67% of total general fund expenditures and transfers to other funds, while total fund balance represents 29.31% of that same amount. The County plans to take corrective action to increase the percentage of available fund balance to 20% of general fund expenditures.

At June 30, 2011, the governmental funds of Stanly County reported a combined fund balance of \$16,430,053, a 6.82% increase over last year. The primary reason for this increase is the increase in fund balance in the capital project funds, more specifically the Jail Construction Fund.

General Fund Budgetary Highlights. During the fiscal year, the County revised the budget on several occasions. Generally, budget amendments fall into one of three categories: 1) amendments made to adjust the estimates that are used to prepare the original budget ordinance once exact information is available; 2) amendments made to recognize new funding amounts from external sources, such as Federal and State grants; and 3) increases in appropriations that become necessary to maintain services.

Total amendments to the General Fund increased expenditures by \$3,487,731 and revenues by only \$1,689,341, with the remaining \$1,798,390 funded by fund balance.

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 assets of the Utility Funds at the end of the fiscal year amounted to \$1,553,875 and that for the airport \$(952,931). The total increase in net assets for all enterprise funds was \$1,621,964. Other factors concerning the finances of these funds have already been addressed in the discussion of Stanly County's business-type activities.

Capital Assets and Debt Administration

Capital Assets. Stanly County's capital assets for its governmental and business-type activities as of June 30, 2011, totaled \$54,930,813 (net of accumulated depreciation). These assets include buildings, land, machinery and equipment, and vehicles.

Major capital asset transactions during the year included:

- Completion of the jail addition
- Purchased new vehicles for various departments
- Completion of sewer and water extension projects

STANLY COUNTY'S CAPITAL ASSETS (net of depreciation)

	Governmental Activities					Business-Type Activities				Total				
	2011 2010		2011 201		2011 2010		2010 2011 201			2010	2010 2011			2010
Land Buildings and	\$	1,949,950	\$	1,949,950	\$	5,147,879	\$	5,147,879	\$	7,097,829	\$	7,097,829		
improvements Equipment and		16,020,723		8,221,394		25,088,798		24,683,123		41,109,521		32,904,517		
vehicles Construction in		1,340,431		1,346,009		87,809		93,698		1,428,240		1,439,707		
progress		-		8,456,738		5,295,223		5,007,093		5,295,223	_	13,463,831		
Total	\$	19,311,104	\$	19,974,091	\$	35,619,709	\$	34,931,793	\$	54,930,813	\$	54,905,884		

Additional information on the County's capital assets can be found in the financial notes of the Basic Financial Statements on page 40.

Long-Term Debt. As of June 30, 2011, Stanly County had total bonded debt outstanding of \$16,575,000 all of which is debt backed by the full faith and credit of the County.

Stanly County's Outstanding Debt

	Governmental Activities		Business-Type Activities				Total	
	2011	2010		2011		2010	2011	2010
General obligation bonds Bond issuance	\$ 16,575,000	\$ 18,075,000	\$	-	\$	70,000	\$ 16,575,000	\$ 18,145,000
cost/premiums	978,656	1,067,654		-		-	978,656	1,067,654
Capital leases	3,850,000	4,216,666		-		-	3,850,000	4,216,666
Notes payable	13,597,185	12,628,337		291,030		227,311	13,888,215	12,855,648
Total	\$ 35,000,841	\$ 35,987,657	\$	291,030	\$	297,311	\$ 35,291,871	\$ 36,284,968

Stanly County's total debt decreased by \$993,098 (2.74%) during the past fiscal year, primarily due to regularly scheduled debt payments.

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

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 \$303,784,100. The County has no bonds authorized but unissued at June 30, 2011.

Additional information regarding Stanly County's long-term debt can be found in note II beginning on page 56 of this audited financial report.

Economic Factors and Next Year's Budgets and Rates

The following key indicators reflect the economic status of Stanly County.

- The County is experiencing an unemployment rate at 10.6%, which is above the State average
- Retail vacancy rates are high compared to prior years
- Continued reductions in workforce through targeted layoffs and furloughs

Budget Highlights for the Fiscal Year Ending June 30, 2012

Governmental Activities. Property tax values are expected to decrease by .06%, primarily because of accelerated depreciation on manufacturing equipment. Solid waste and other various fees have increased slightly.

Budgeted expenditures in the General Fund are decreasing slightly by \$351,580. This is largely due to the decrease in sales tax revenues.

Business-Type Activities. The water and sewer rates in the County will remain the same. The operating fund expenses will increase by 13.8%. The primary drivers for this increase are the purchase of water from other jurisdictions and the appropriation of contingency funds for other contracts and grants.

The Airport Operating Fund expenditures are expected to increase by 1.77%. The primary reasons for the increase are the cost of electricity, propane, and repairs and maintenance contingency given the opening of a new facility.

Requests for Information

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

BASIC FINANCIAL STATEMENTS



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STATEMENT OF NET ASSETS JUNE 30, 2011

	Primary G	overnment		Component Unit
	Governmental Activities	Business-Type Activities	Total	Stanly Water and Sewer Authority
Assets:				
Cash and cash equivalents	\$ 13,770,927	\$ 1,100,145	\$ 14,871,072	\$ 795,962
Receivables, net	6,358,143	957,498	7,315,641	1,098,391
Internal balances	1,204,446	(1,204,446)		-
Notes receivable	2,965,000	-	2,965,000	-
Inventories	-	112,176	112,176	-
Prepaid items	51,071	-	51,071	-
Restricted cash and cash equivalents	-	102,950	102,950	23,190
Capital assets:				
Land	1,949,950	5,147,879	7,097,829	-
Construction in progress	-	5,295,223	5,295,223	2,761,510
Capital assets net of depreciation	17,361,154	25,176,607	42,537,761	4,248,270
Capital assets, net	19,311,104	35,619,709	54,930,813	7,009,780
Total assets	43,660,691	36,688,032	80,348,723	8,927,323
Liabilities:				
Accounts payable	2,255,370	200,637	2,456,007	167,862
Interest payable	554,128	887	555,015	14,919
Payroll payable	933,918	42,640	976,558	-
Deposits payable	-	102,950	102,950	23,190
Due to other governments	6,757	-	6,757	-
Unearned revenue Non-current liabilities:	197,633	-	197,633	-
Due within a year	3,522,610	52,651	3,575,261	-
Due in more than a year	33,629,184	358,644	33,987,828	5,280,000
Total liabilities	41,099,600	758,409	41,858,009	5,485,971
Net Assets: Invested in capital assets,				
net of related debt Restricted for:	13,495,499	35,328,679	48,824,178	1,729,780
Stabilization by State statute	7,444,766	-	7,444,766	-
Register of Deeds	94,944	-	94,944	-
Restricted, other	444,682	-	444,682	-
Unrestricted (deficit)	(18,918,800)	600,944	(18,317,856)	1,711,572
Total net assets	<u>\$ 2,561,091</u>	\$ 35,929,623	<u>\$ 38,490,714</u>	\$ 3,441,352

STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2011

		Program Revenues							
	 Expenses	Charges for Services		C	Operating Grants and ontributions		Capital irants and ntributions		
Functions/Programs									
Primary Government:									
Governmental Activities:									
General government	\$ 5,601,234	\$	1,445,785	\$	975,832	\$	-		
Public safety	14,130,565		2,841,139		410,045		-		
Transportation	987,615		578,427		509,787		-		
Environmental protection	1,159,814		883,729		-		-		
Economic and physical development	2,610,268		18,478		1,014,918		-		
Human services	14,614,279		2,194,950		7,721,311		-		
Education	13,334,719		-		-		1,148,686		
Culture and recreation	1,572,655		24,320		148		-		
Interest on long-term debt	 1,169,653		-		-		-		
Total governmental activities	 55,180,802		7,986,828		10,632,041		1,148,686		
Business-Type Activities:									
Greater Badin Water and Sewer District	742,341		424,543		-		35,950		
Piney Point Water District	146,794		141,498		-		-		
Stanly County Utility Fund	2,878,899		2,530,407		91,262		1,454,227		
Airport Fund	 1,514,311		303,126		-		1,244,957		
Total business-type activities	 5,282,345		3,399,574		91,262		2,735,134		
Total primary government	\$ 60,463,147	\$	11,386,402	\$	10,723,303	\$	3,883,820		
Component Unit:									
Water and Sewer Authority	 194,509		251,399		-		1,507,558		
Total component unit	\$ 194,509	\$	251,399	\$	-	\$	1,507,558		

General Revenues:

Ad valorem taxes Local option sales tax Other taxes Interest earned on investments Miscellaneous income

Total general revenues

Transfers in (out)

Total general revenues and transfers

Change in net assets

Net Assets:

Beginning of year - July 1

End of year - June 30

Exhibit B

	P	rimary Gove	ernme	nt		Component Unit
	overnmental Activities				Total	Stanly Water and Sewer Authority
\$	(3,179,617)	\$	-	\$	(3,179,617)	\$
	(10,879,381)		-		(10,879,381)	
	100,599		-		100,599	
	(276,085)		-		(276,085)	
	(1,576,872)		-		(1,576,872)	
	(4,698,018)		-		(4,698,018)	
	(12,186,033)		-		(12,186,033)	
	(1,548,187)		-		(1,548,187)	
	(1,169,653)		-		(1,169,653)	
	(35,413,247)		-		(35,413,247)	
		(00)				
	-		1,848)		(281,848)	
	-	•	5,296)		(5,296)	
	-		6,997		1,196,997	
			3,772 3,625		<u>33,772</u> 943,625	
	(35,413,247)	943	3,625		(34,469,622)	
	_		_		<u>-</u>	1,564,448
						1,564,44
						1,504,444
	30,442,706		-		30,442,706	
	6,418,461		-		6,418,461	
	502,321		-		502,321	
	256,933 -		6,543 2,928		273,476	2,628 1,330
	37,620,421	19	9,471		37,636,964	3,958
	(658,868)	658	3,868 <u></u>			
	36,961,553	678	3,33 <u>9</u>		37,636,964	3,958
	1,548,306	1,621	1,964		3,170,270	1,568,400
	1,012,785	34,307	7,659		35,320,444	1,872,94
5	2,561,091	\$ 35,929		\$	38,490,714	\$ 3,441,35

1,419,788

2,561,091

\$

STANLY COUNTY, NORTH CAROLINA

BALANCE SHEET - GOVERNMENTAL FUNDS JUNE 30, 2011

		General		onmajor /ernmental Funds	Total Governmental Funds		
Assets: Cash and cash equivalents	\$	10.645,333	\$	478,393	\$	11,123,726	
Receivables, net	Ψ	5,682,477	Ψ	155,731	Ψ	5,838,208	
Due from other funds		1,233,564		-		1,233,564	
Notes receivable		2,965,000		-		2,965,000	
Prepaid items		51,071		<u> </u>		51,071	
Total assets	\$	20,577,445	\$	634,124	\$	21,211,569	
Liabilities and Fund Balances:							
Liabilities: Accounts payable and accrued liabilities	\$	1,909,711	\$	46,291	\$	1,956,002	
Due to other governments	φ	6,757	φ	40,291	φ	6,757	
Due to other funds		-		29,118		29,118	
Deferred revenue		2,503,414		88,592		2,592,006	
Unearned revenue		197,633				197,633	
Total liabilities		4,617,515		164,001		4,781,516	
Fund Balances:							
Non-spendable, not in spendable form:							
Prepaid items		51,071		-		51,071	
Restricted:		7 277 627		67 120		7 444 766	
Stabilization by State statute Restricted for Register of Deeds		7,377,627 94,944		67,139		7,444,766 94,944	
Restricted, all others		7,580		437,102		444,682	
Assigned		2,003,925				2,003,925	
Unassigned		6,424,783		(34,118)		6,390,665	
Total fund balances		15,959,930		470,123		16,430,053	
Total liabilities and fund balances	\$	20,577,445	\$	634,124			
Amounts reported for governmental activities in the Statement of Ne are different because:		-	.)				
Capital assets used in governmental activities are not financial resources reported in the funds.	and	are not				19,311,104	
The focus of governmental funds is on short-term financing; long-term as in the funds.	sets a	are deferred				3,106,068	
Long-term liabilities are not due and payable in the current period and, th reported in the funds.	erefo	e, are not				(37,705,922)	
Internal service funds are used by management to charge the costs of ce individual funds. These assets and liabilities are included in governmenta						4 440 700	

Statement of Net Assets.

Net assets of governmental activities

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS FOR THE YEAR ENDED JUNE 30, 2011

	General			Nonmajor vernmental Funds	Total Governmental Funds		
Revenues:							
Ad valorem taxes	\$	28,362,131	\$	1,894,132	\$	30,256,263	
Local option sales taxes		6,418,461		-		6,418,461	
Other taxes and licenses		502,321		-		502,321	
Restricted intergovernmental		10,206,057		1,014,918		11,220,975	
Sales and services		6,494,098		336,979		6,831,077	
Permits and fees		653,402		-		653,402	
Investment earnings		179,452		5,282		184,734	
Miscellaneous		852,352		-		852,352	
Total revenues		53,668,274		3,251,311		56,919,585	
Expenditures: Current:							
General government		5,059,953		27,621		5,087,574	
Public safety		11,619,652		2,110,245		13,729,897	
Transportation		1,210,688		-		1,210,688	
Environmental protection		1,142,292		-		1,142,292	
Economic and physical development		1,423,182		1,156,896		2,580,078	
Human services		14,568,881		-		14,568,881	
Education		13,334,719		-		13,334,719	
Culture and recreation		1,383,668		-		1,383,668	
Debt service:							
Principal		2,640,968		-		2,640,968	
Interest and other charges		1,276,448		-		1,276,448	
Total expenditures		53,660,451		3,294,762		56,955,213	
Revenues over (under) expenditures		7,823		(43,451)		(35,628)	
Other Financing Sources (Uses):							
Installment debt issued		243,149		1,500,000		1,743,149	
Transfers from other funds		108,831		67,140		175,971	
Transfers to other funds		(801,008)		(33,831)		(834,839)	
Total other financing sources (uses)		(449,028)		1,533,309		1,084,281	
Net change in fund balances		(441,205)		1,489,858		1,048,653	
Fund Balances:							
Beginning of year - July 1		16,401,135		(1,019,735)		15,381,400	
End of year - June 30	\$	15,959,930	\$	470,123	\$	16,430,053	

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, 2011

Amounts reported for governmental activities in the Statement of Activities (Exhibit B) are different due to the following items:	
Net change in fund balances for governmental funds	\$ 1,048,653
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 \$ 793,600 Depreciation (1,456,587)	(662,987)
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 Assets. Also, governmental funds report the effect of issuance costs premiums, discounts, and similar items when debt is first issued, whereas, these amounts are deferred and amortized in the Statement of Activities. This amount is the net effect of those differences.	986,819
Some revenues reported in the Statement of Activities are not yet available and, therefore, are not reported as revenues in the governmental funds.	228,643
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.	(311,806)
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.	 258,984
Change in net assets of governmental activities	\$ 1,548,306

GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2011

	Original Budget	Final Budget	Actual	Variance with Final Budget Over/Under
Revenues:	¢ 00.004.000	¢ 00 400 000	¢ 00.000.404	¢ 000.404
Ad valorem taxes Sales taxes	\$ 28,064,000 6,785,000	\$ 28,139,000 6,785,000	\$ 28,362,131 6,418,461	\$ 223,131 (266,520)
Other taxes	454,500	454,500	502,321	(366,539) 47,821
Restricted intergovernmental	9,858,937	10,322,556	10,206,057	(116,499)
Licenses and permits	650,327	658,212	653,402	(4,810)
Sales and services	6,130,467	6,529,604	6,494,098	(35,506)
Investment earnings	325,000	325,000	179,452	(145,548)
Miscellaneous	536,219	1,002,965	852,352	(150,613)
Total revenues	52,804,450	54,216,837	53,668,274	(548,563)
Expenditures: Current:				
General government	4,510,128	5,610,128	5,059,953	550,175
Public safety	11,272,676	11,686,690	11,619,652	67,038
Transportation	1,044,629	1,291,465	1,210,688	80,777
Environmental protection	1,079,996	1,187,879	1,142,292	45,587
Economic and physical development	1,559,502	1,592,108	1,423,182	168,926
Human services	14,956,248	15,815,967	14,568,881	1,247,086
Education	14,576,098	13,340,140	13,334,719	5,421
Culture and recreation	1,575,824	1,578,824	1,383,668	195,156
Debt service:				
Principal	1,956,759	2,640,969	2,640,968	1
Bond interest and costs	811,972	1,363,720	1,276,448	87,272
Contingency	50,000	50,000		50,000
Total expenditures	53,393,832	56,157,890	53,660,451	2,497,439
Revenues over (under) expenditures	(589,382)	(1,941,053)	7,823	1,948,876
Other Financing Sources (Uses):				
Transfers out	(227,336)	(951,009)	(801,008)	150,001
Transfers in	75,000	108,831	108,831	-
Installment debt issued	-	243,123	243,149	26
Appropriated fund balance	741,718	2,540,108		(2,540,108)
Total other financing sources (uses)	589,382	1,941,053	(449,028)	(2,390,081)
Net change in fund balance	<u>\$ -</u>	<u>\$</u> -	(441,205)	\$ (441,205)
Fund Balance: Beginning of year - July 1			16,401,135	
End of year - June 30			<u>\$ 15,959,930</u>	

STATEMENT OF NET ASSETS PROPRIETARY FUNDS

JUNE 30, 2011

		Ent	terprise Funds			Governmental Activities		
	Greater Badin Water & Sewer District Fund	Piney Point Water District Fund	Stanly County Utility Fund	Airport Fund	Total	Internal Service Group Health Fund		
Assets:								
Current assets:								
Cash and cash equivalents	\$ 137,332	\$ 207,469	\$ 755,344	\$-	\$ 1,100,145	\$ 2,647,203		
Accounts receivable, net	133,915	22,283	460,542	337,573	954,313	-		
Interest receivable	336	468	1,686	695	3,185	5,871		
Inventories			54,212	57,964	112,176			
Total current assets	271,583	230,220	1,271,784	396,232	2,169,819	2,653,074		
Non-current assets:								
Restricted cash and cash equivalents	13,950	3,150	85,850		102,950			
Capital assets:								
Land	-	-	223,784	4,924,095	5,147,879	-		
Construction in progress	-	-	1,638,801	3,656,422	5,295,223	-		
Capital assets, net of depreciation	2,132,981	131,661	13,271,566	9,640,399	25,176,607			
Total capital assets, net	2,132,981	131,661	15,134,151	18,220,916	35,619,709			
Total non-current assets	2,146,931	134,811	15,220,001	18,220,916	35,722,659			
Total assets	2,418,514	365,031	16,491,785	18,617,148	37,892,478	2,653,074		
Liabilities:								
Current liabilities:								
Accounts payable	4,946	19	87,636	108,036	200,637	1,349		
Interest payable	887	-	-	-	887	-		
Payroll payable	-	-	32,506	10,134	42,640	-		
Due to other funds	-	-	-	1,204,446	1,204,446	-		
Compensated absences payable	-	-	20,000	5,000	25,000	-		
Current portion of long-term debt	22,731	-	4,920	-	27,651	-		
Health and workers' compensation payable	-					1,231,937		
Total current liabilities	28,564	19	145,062	1,327,616	1,501,261	1,233,286		
Non-current liabilities:								
Customer deposits	13,950	3,150	85,850	-	102,950	-		
Compensated absences payable	-	-	38,563	10,587	49,150	-		
Non-current portion of long-term debt	181,848		116,686	10,960	309,494	-		
Total non-current liabilities	195,798	3,150	241,099	21,547	461,594			
Total liabilities	224,362	3,169	386,161	1,349,163	1,962,855	1,233,286		
Net Assets:								
Invested in capital assets, net of								
related debt	1,928,403	131,660	15,047,700	18,220,916	35,328,679	-		
Unrestricted	265,749	230,202	1,057,924	(952,931)	600,944	1,419,788		
Total net assets	\$ 2,194,152	\$ 361,862	\$ 16,105,624	\$17,267,985	\$35,929,623	\$ 1,419,788		

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS - PROPRIETARY FUNDS FOR THE YEAR ENDED JUNE 30, 2011

				Ent	erp	orise Funds					Governmental Activities		
	Water	Water & Sewer		Piney Point Water District Fund		Stanly County Utility Fund		Airport Fund		Total		rnal Service roup Health Fund	
Operating Revenues:													
Sales and charges	\$	420,541	\$	141,241	\$	2,252,910	\$	303,126	\$	3,117,818	\$	4,617,150	
Other Total an antian and a second		4,002		257 141,498		29,532		303,126		<u>33,791</u> 3,151,609		-	
Total operating revenues		424,043		141,490		2,202,442		303,120	_	3,151,009		4,617,150	
Operating Expenses:													
Administration		66,112		75,990		348,635		-		490,737		-	
Distribution and maintenance		226,124		597		1,165,143		-		1,391,864		-	
Water purchases		75,491		35,445		567,328		-		678,264		-	
Airport operations		-		-		-		558,195		558,195		-	
Group health operations		-		-		-		-		-		4,126,202	
Workers' compensation		-		-		-		-		-		261,962	
Depreciation		366,487		34,762		789,128		956,116		2,146,493		-	
Total operating expenses		734,214		146,794		2,870,234	_	1,514,311	_	5,265,553		4,388,164	
Operating income (loss)		(309,671)		(5,296)		(587,792)		<u>(1,211,185)</u>		(2,113,944)		228,986	
Non-Operating Revenues (Expenses):													
Interest income		1,841		2,351		9,090		3,261		16,543		29,998	
Rural Center Grant		35,950		2,551		91,262		5,201		127,212		29,990	
Administrative charges		55,550				247,965		_		247,965		_	
Miscellaneous						2,928		_		2,928		_	
		(8,127)				(8,665)		-		(16,792)			
Interest on long-term debt		(0,127)				(0,000)				(10,732)			
Loss on sale of capital assets		-				-		-		-		-	
Total non-operating revenues (expenses)		29,664		2,351		342,580		3,261		377,856		29,998	
Income before													
contributions and transfers		(280,007)		(2,945)		(245,212)		(1,207,924)		(1,736,088)		258,984	
Contributions and Transfers:													
Transfers in		-		-		571,532		227,336		798,868		-	
Transfers out		(40,000)		(15,000)		(85,000)		-		(140,000)		-	
Capital contributions		(40,000)		(10,000)		1,454,227		1,244,957		2,699,184		-	
Total contributions and transfers		(40,000)		(15,000)		1,940,759		1,472,293		3,358,052			
		(+0,000)		(10,000)	-	1,340,733		1,472,235		3,330,032			
Change in net assets (deficit)		(320,007)		(17,945)		1,695,547		264,369		1,621,964		258,984	
Net Assets:													
Beginning of year - July 1		2,514,159		379,807		14,410,077		17,003,616		34,307,659		1,160,804	
End of year - June 30	\$	2,194,152	\$	361,862	\$	16,105,624	\$	17,267,985	\$	35,929,623	\$	1,419,788	

STATEMENT OF CASH FLOWS PROPRIETARY FUNDS FOR THE YEAR ENDED JUNE 30, 2011

			Governmental Activities			
	Greater Badin Water & Sewer District Fund	Piney Point Water District Fund	Stanly County Utility Fund	Airport Fund	Total	Internal Service Group Health Fund
Cash Flows from Operating Activities: Cash received from customers Cash paid for goods and services Cash paid to employees for services Customer deposits	\$ 395,564 (366,336) - 700	\$ 142,310 (115,641) - <u>30</u>	\$ 2,684,313 (2,561,661) (766,600) 2,310	\$ (18,543) (91,491) (237,905)	\$ 3,203,644 (3,135,129) (1,004,505) <u>3,040</u>	\$ 4,617,150 (4,596,941) - -
Net cash provided (used) by operating activities	29,928	26,699	(641,638)	(347,939)	(932,950)	20,209
Cash Flows from Non-Capital Financing Activities: Transfers from General Fund Transfers to General Fund Other non-operating revenues Interfund transfers Net cash provided (used) by non-capital financing activities	- 35,950 (40,000) (4,050)	(15,000) - (15,000)	571,532 (85,000) 486,532	227,336	798,868 (100,000) 35,950 (40,000) 694,818	
Cash Flows From Capital and Related Financing Activities: Acquisition and construction			<u>, , , , , , , , , , , , , , , , , , , </u>			
of capital assets Long-term debt issued Principal paid on bond	-	-	(1,360,415) 91,372	(1,473,993) -	(2,834,408) 91,372	-
maturities and lease purchases Interest paid on bond maturities and lease purchases	(52,731) (8,728)	-	(44,920)	-	(97,651) (11,488)	-
Capital contribution Net cash provided (used) by capital	(0,720)		1,545,489	1,244,957	2,790,446	
and related financing activities	(61,459)		228,766	(229,036)	(61,729)	
Cash Flows from Investing Activities: Interest on investments	1,841	2,351	9,093	3,261	16,546	34,061
Net increase (decrease) in cash and cash equivalents	(33,740)	14,050	82,753	(346,378)	(283,315)	54,270
Cash and Cash Equivalents: Beginning of year - July 1	185,022	196,569	758,441	346,378	1,486,410	2,592,933
End of year - June 30	<u>\$ 151,282</u>	<u>\$ 210,619</u>	<u>\$ 841,194</u>	<u>\$ -</u>	\$ 1,203,095	\$ 2,647,203

STATEMENT OF CASH FLOWS PROPRIETARY FUNDS FOR THE YEAR ENDED JUNE 30, 2011

			Governmental Activities									
	Greater Badin Water & Sewer District Fund		Piney Point Water District Fund		Stanly County Utility Fund		Airport Fund		Total		Internal Service Group Health Fund	
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:												
Operating income (loss) Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:	\$	(309,671)	\$	(5,296)	\$	(587,792)	\$ (1,2	211,185)	\$ (2,1	13,944)	\$	228,986
Depreciation Other non-operating revenue Changes in assets and liabilities:		366,487 -	:	34,762 -		789,128 250,895	ç	956,116 -	,	46,493 50,895		-
(Increase) decrease in accounts receivable (Increase) decrease in inventory Increase (decrease) in accounts		(28,979) -		812 -		150,977 (7,584)	,	321,671) (14,960)		98,861) 22,544)		-
payable and liabilities Increase (decrease) in customer deposits Increase (decrease) in compensated absences		1,391 700 -		(3,609) 30 -		(1,234,410) 2,310 (5,162)	2	239,723 - 4,038	(9	96,905) 3,040 <u>(1,124)</u>		(208,777) - -
Total adjustments		339,599		31,995		(53,846)	8	363,246	1,1	80,994		(208,777)
Net cash provided (used) by operating activities	\$	29,928	\$	26,699	\$	(641,638)	<u>\$ (3</u>	347,939 <u>)</u>	<u>\$ (9</u>	32,950 <u>)</u>	\$	20,209

STATEMENT OF NET ASSETS FIDUCIARY FUND JUNE 30, 2011

	Agency Fund				
Assets: Cash and cash equivalents	\$	117,941			
Inmate cash	Ψ	3,754			
Total assets	\$	121,695			
Liabilities: Liabilities:					
Accounts payable	\$	107,990			
Client payable Total liabilities	\$	<u>13,705</u> 121,695			
	<u>+</u>	,			

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2011

I. Summary of Significant Accounting Policies

The accounting policies of Stanly County (the County) 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 five-member Board of Commissioners, is one of the 100 counties established in North Carolina under North Carolina General Statute 153A-10. As required by generally accepted accounting principles, these financial statements present the County and its component units, which are legally separate entities for which the County is financially accountable. The blended component units, although legally separate entities, are in substance, part of the County's operations.

Blended Component Units. Piney Point Water District and Greater Badin Water and Sewer District (Districts) exist to provide and maintain water and sewer services for residents within the Districts. Under State law (G. S. 162A-89), the County's Board of Commissioners serves as the governing board for the Districts. Therefore, the Districts are reported as enterprise funds in the County's financial statements. The Districts do not issue separate financial statements.

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, 2011. The Authority does not issue separate financial statements.

Stanly 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. 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.

B. Basis of Presentation, Basis of Accounting

Basis of Presentation, Measurement Focus – Basis of Accounting

The government-wide statements (Exhibit A – Statement of Net Assets and Exhibit B – the Statement of Activities) report information on all activities of the primary government (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 and used are not eliminated in the process of consolidation.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2011

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 or 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 and Sewer District Fund, Piney Point Water District Fund, and Stanly County Utility Fund provide water and sewer services. The Airport Fund operations provide for landings, takeoffs, tie-down slots, hangars, and refueling for both civilian and military aircraft.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2011

The County reports the following fund types:

Agency Funds. Agency funds are custodial in nature and do not involve measurement of results of operations. Agency funds are used to account for assets the County holds on behalf of others. The County maintains the following agency funds: the Protective Payee Fund, which is used to account for monies deposited with the County's Social Services Department for the benefit of certain individuals for whom the County acts as agent; the Fines and Forfeitures Fund, which is used to account for monies collected by the Clerk of Court for the benefit of the Board of Education located within Stanly County; the Deed of Trust Fund, which is used to account for monies collected by the Register of Deeds for registering or filing a deed of trust or mortgage; the Sheriff's Execution Agency Fund, which is used to account for monies collected for maximum and judgments; the Property Tax Clearing Fund, which is used to account for monies collected on the Delinquent Vehicle Tax Fund which accounts for the three percent interest collected on the first month of delinquent motor vehicle taxes that the County is required to remit to the North Carolina Department of Motor Vehicles.

Internal Service Fund. This Fund is used to account for the financial activities of the County's self-insured benefit plans for employee group healthcare and workers' compensation.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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 governmentwide, proprietary, and fiduciary fund financial statements are reported using the economic resources measurement focus, except agency funds that have no measurement focus. The government-wide funds, 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2011

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

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

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

The County considers all revenues available if they are collected within 60 days after year-end, except for property taxes. Ad valorem property taxes are not accrued as a revenue, because the amount is not susceptible to accrual. At June 30, taxes receivable are materially past due and are not considered to be an available resource to finance the operations of the current year. Also, as of January 1, 1993, State law altered the procedures for the assessment and collection of property taxes on registered motor vehicles in North Carolina. Effective with this change of the law, the County is responsible for billing and collecting the property taxes on all registered motor vehicles on behalf of all municipalities and special tax districts in the County. For registered motor vehicles, property taxes are due the first day of the fourth month after the vehicles are registered. The billed taxes are applicable to the fiscal year in which they become due. Therefore, taxes for vehicles registered from March 2010 through February 2011 apply to the fiscal year ended June 30, 2011. Uncollected taxes that were billed during this period are shown as a receivable on these financial statements and are offset by deferred revenues.

Sales taxes and certain intergovernmental revenues, such as 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. Grant revenues which are unearned at year-end are recorded as unearned revenues. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been satisfied.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2011

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 are both restricted and unrestricted net assets 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.

All governmental and business-type activities and enterprise funds of the County follow FASB Statements and Interpretations issued on or before November 30, 1989, Accounting Principles Board Opinions, and Accounting Research Bulletins, unless those pronouncements conflict with GASB pronouncements.

C. Budgetary Data

The County's budgets are adopted as required by the North Carolina General Statutes. An annual budget is adopted for the General Fund, Emergency Telephone System Fund, Fire Districts Fund, Adequate Facilities Reserve Fund, and the Enterprise Funds. All annual appropriations lapse at the end of the fiscal year. Project ordinances are adopted for the Community Development Block Grants Special Revenue Funds, Jail Construction Fund, and the Enterprise Operating funds for reporting purposes.

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

D. Assets, Liabilities, and Fund Equity

1. Deposits and Investments. All deposits of the County are made in Board-designated official depositories and are secured as required by G.S. 159-31. The County may designate, as an official depository, any bank or savings and loan association whose principal office is located in North Carolina. Also, the County may establish time deposit accounts such as NOW and SuperNOW accounts, money market accounts, and certificates of deposit. State law [G.S. 159-30 (c)] authorizes the County to invest in obligations of the United States or obligations fully

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2011

guaranteed both as to principal and interest by the United States; obligations of the State of North Carolina; bonds and notes of any North Carolina local government or public authority; obligations of certain non-guaranteed federal agencies; certain high-quality issues of commercial paper and bankers' acceptances; and the North Carolina Capital Management Trust (NCCMT).

The County's investments with maturity of more than one year at acquisition and non-money market investments are carried at fair value as determined by quoted market price. The securities of the NCCMT-Cash Portfolio, an SEC-registered (2a-7) money market mutual fund, are valued at fair value, which is the NCCMT's share price.

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

Restricted Assets

Customer deposits held by the County before any services are supplied are restricted to the service for which the deposit was collected.

3. Ad Valorem Taxes Receivable. In accordance with State laws [G. S. 105-347 and G. S. 159-13 (a)], the County levies ad valorem taxes on property other than certain motor vehicles on July 1, the beginning of the fiscal year. The taxes are due on September 1; however, penalties and interest do not accrue until the following January 6, when property taxes attach as enforceable liens. These taxes are based on the assessed values as of January 1, 2010. 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 General Fund, ad valorem tax revenues are reported net of such discounts.

4. Allowances for Doubtful Accounts. Receivables that historically experience uncollectible accounts are shown net of allowances for doubtful accounts. These amounts are estimated by analyzing the percentage of receivables written off in prior years.

5. Inventories and Prepaid Items. The inventories of the enterprise funds consist of materials and supplies held for consumption, and are valued using the first-in, first-out method or cost. The cost is recorded as an expense when the inventory is consumed.

Certain payments to vendors reflect cost applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

6. Capital Assets. Purchased or constructed capital assets are reported at cost or estimated historical cost. The County's minimum capitalization threshold is \$2,000. Capital assets are recorded at original cost at the time of acquisition or estimated market value at the time of donation. 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2011

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

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

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

8. Compensated Absences. The vacation policy of the County provides for the accumulation of up to thirty (30) days earned vacation leave, with such leave being fully vested when earned. For the County's government-wide and proprietary funds, an expense and a liability for compensated absences and the salary-related payments are recorded as the leave is earned.

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

9. Deferred / Unearned Revenue. Property taxes collected in advance of the fiscal year to which they apply are recorded as unearned revenue in the government-wide financial statements and deferred revenue in the fund financial statements. Certain receivables are also recorded as deferred revenue in the fund financial statements, because they are not considered to be available at year-end.

10. Self-Insured. The County is self-insured for workers' compensation and for employees' medical 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 Fund.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2011

11. Net Assets and Fund Balances

Net Assets

Net assets in government-wide and proprietary fund financial statements are classified as invested in capital assets, net of related debt; restricted; and unrestricted. Restricted net assets represent constraints on resources that are either externally imposed by creditors, grantors, contributors, laws or regulations of other governments, or imposed by law through State statute.

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 Balances

This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Prepaid Items - portion of fund balance that is <u>not</u> an available resource because it represents the amount of prepaid items, which are not spendable resources.

Restricted Fund Balance.

This classification includes amounts that are restricted to specific purposes externally imposed by creditors or imposed by law.

Stabilization by State Statute – portion of fund balance which is not available for appropriation under State law [G.S. 159-8(a)]. This amount is usually comprised of accounts receivable and interfund receivables that are not offset by deferred revenues.

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 and imaging technology in the Register of Deeds' office.

Restricted for Public Safety (USDA Reserve) – portion of fund balance restricted for the purpose of maintaining a reserve account for debt payment of the Jail Construction USDA loan based on loan agreement.

Restricted for Public Safety (Emergency Telephone System Fund) – portion of fund balance that is restricted by North Carolina 911 Board for the use of installation of emergency 911 phone systems.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2011

Restricted, all other fund balances at June 30, 2011 are as follows:

		Oth	ner Nonmajor
Purpose	 General Fund		overnmental Funds
Restricted, all other:			
Public Safety	\$ 7,580	\$	437,102

Committed Fund Balances

This classification includes amounts 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). Any changes or removal of specific purpose requires majority action by the Board of Commissioners.

Assigned Fund Balance

This classification includes portion of fund balance that Stanly County intends to use for specific purposes.

Assigned for subsequent year's expenditures – portion of the fund balance that has been designated for the adopted 2011-2012 budget ordinance that is not already classified in restricted or committed - \$350,000. The Board of Commissioners approves the appropriation; however the budget ordinance authorizes the manager to modify the appreciations by resources or appropriation within funds up to \$5,000.

Assigned for Public Safety – portion of fund balance assigned for jail inmates – \$55,038.

Assigned for Economic and Physical Development – portion of fund balance assigned for RPO services - \$6,743.

Assigned for Human Services – portion of fund balance assigned for home health, Medicaid settlements, and dental clinic. Home health portion is assigned for future home health services - \$517,984. Medicaid settlements portion is assigned for future health related activities - \$115,320. Dental clinic portion is assigned for future dental clinic services - \$775,378.

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 - \$151,740. 4-H portion is assigned for future 4-H services - \$31,722.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2011

Assigned fund balances at June 30, 2011 are as follows:

Purpose	General ose Fund					
Assigned:						
Subsequent year's expenditures	\$	350,000	\$	-		
Public Safety		55,038		-		
Economic and Physical Development		6,743		-		
Human Services		1,408,682		-		
Cultural and Recreational		183,462		-		
Total	\$	2,003,925	\$	-		

Unassigned Fund Balances

This classification includes portion of fund balance that has not been assigned to another fund or is restricted, committed, or assigned to specific purposes within the General Fund.

The County has a revenue spending policy that provides guidance for programs with multiple revenue sources. The Finance Officer will use resources in the following order: bond/debt proceeds, federal funds, State funds, local funds, and County funds. For purposes of fund balance classification, expenditures are to be spent from restricted fund balance first, followed in order by committed fund balance, assigned fund balance, and, lastly, unassigned fund balance. The Finance Officer has the authority to deviate from this policy if it is in the best interest of the County or when required by grant or other contractual agreements.

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

E. Accounting Estimates

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

F. Reconciliation of Government-Wide and Fund Financial Statements

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2011

The governmental fund balance sheet includes a reconciliation between fund balance - total governmental funds and net assets – governmental activities as reported in the government-wide Statement of Net Assets. The net adjustment consists of several elements as follows:

Capital assets used in governmental activities are not financial resources and are not reported in the funds. Land Depreciable property Accumulated depreciation	\$ 1,949,950 35,793,453 (18,432,299)	\$ 19,311,104
The focus of governmental funds is on short-term financing; long-term assets are deferred in the funds. Interest receivable Deferred taxes	514,062 2,592,006	3,106,068
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds. The County incurs debt for school construction, but does not receive title for the building or property. This financial transaction results in a deficit for the County's net assets. Interest payable Due in one year Due in more than one year	(554,128) (3,522,610) (33,629,184)	(37,705,922)
Internal service funds are used by management to charge the costs of certain activities to individual funds. These assetsand liabilities are included in governmental activities		
in the Statement of Net Assets.		1,419,788
Total adjustment		<u>\$ (13,868,962)</u>

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2011

The governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances includes a reconciliation between net changes in fund balances – total governmental funds and changes in net assets of governmental activities as reported in the government-wide Statement of Activities. The elements of the total adjustments are as follows:

Governmental funds report capital outlays as expenditures. In the Statement of Activities, the cost of those assets is depreciated over their estimated useful lives. Capital outlays Depreciation	\$ 793,600 (1,456,587) \$	(662,987)
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 Assets. Debt issued	(1,743,149)	
Debt retired	2,729,968	986,819
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 Accrual of taxes	42,200 186,443	228,643
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.		
Allowance for special separation Compensated absences Other post-employment benefits Interest expense	(11,960) (31,885) (285,756) 17,795	(311,806)
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.	258,984	258,984
Total adjustment	<u>\$</u>	499,653

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2011

II. Detail Notes on All Funds

A. Assets

1. Deposits

All of the County's demand deposits and certificates of deposits are either federal depository insured or collateralized by the Pooling Method, a collateral pool, where all uninsured deposits are collateralized with securities held by the State Treasurer's agent in the name of the State Treasurer. Since the State Treasurer is acting in a fiduciary capacity for the County, these deposits are considered to be held by the County's agent in the County's name. The amount of the pledged collateral is based on an approved averaging method for non-interest bearing deposits and the actual current balance for interest-bearing deposits. Depositories using the Pooling Method report to the State Treasurer the adequacy of their pooled collateral covering uninsured deposits. The State Treasurer does not confirm this information with the County or the escrow agent. Because of the inability to measure the exact amount of collateral pledged for the County under the Pooling Method, the potential exists for undercollateralization, and this risk may increase in periods of high cash flows. However, the State Treasurer of North Carolina enforces strict standards of financial stability for each depository using the Pooling Method. The County does not have a policy regarding custodial credit risk for deposits, but relies on the State Treasurer to enforce standards of minimum capitalization for all pooling method financial institutions and to monitor them for compliance. The County complies with the provisions of G.S. 159-31 when designating official depositories and verifying that deposits are properly secured.

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, 2011, the County's demand deposits had a carrying amount of \$14,599,747 and a bank balance of \$14,716,944. Of the bank balance, \$507,508 was covered by federal depository insurance. The remaining \$14,209,436 was collateralized under the Pooling Method. The petty cash funds totaled \$5,417.

2. Investments

As of June 30, 2011, the County had \$486,800 invested with the North Carolina Capital Managements Trust's Cash Portfolio.

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2011

Credit Risk. The County's investments in the North Carolina Capital Management Trust Cash Portfolio carried a credit rating of AAAm by Standard & Poor's as of June 30, 2011. All other investments, certificates of deposits, and sweep accounts are covered by financial institutions who participate in the Pooling Method. The County has no formal policy on credit risk.

3. Property Tax - Use-Value Assessment on Certain Lands

In accordance with the General Statutes, agriculture, horticulture, and forestland may be taxed at present use-value rather than market value. When the property loses its eligibility for usevalue taxation, the property tax is recomputed at market value for the current year and the three preceding fiscal years, along with accrued interest from the original due date. This tax is immediately due and payable. The following are property taxes that could become due if the present use-value eligibility is lost. These amounts have not been recorded in the financial statements.

Year Levied	Tax	Interest	Total
2008	\$ 2,398,891	\$ 605,714	\$ 3,004,605
2009	2,452,820	398,582	2,851,403
2010	2,495,104	1,080,894	3,575,998
2011	2,511,464		2,511,464
Total	<u>\$ 9,858,279</u>	<u>\$ 2,085,190</u>	<u>\$ 11,943,469</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2011

4. Receivables

Receivables at the government-wide level at June 30, 2011 were as follows:

	Taxes Receivable	Trade Accounts Receivable	Due from Other Governments	Interest	Other	Total
Governmental Activities: General Other Governmental	\$ 2,965,995 99,742		\$ 2,370,759 67,139	\$ 519,934 	\$ 33,092 	\$ 6,950,446 166,881
Total receivables	3,065,737	1,060,666	2,437,898	519,934	33,092	7,117,327
Allowance for doubtful accounts	(473,732) (285,452)				(759,184)
Total governmental activities	<u>\$ 2,592,005</u>	\$ 775,214	\$ 2,437,898	<u>\$ 519,934</u>	<u>\$ 33,092</u>	<u>\$ 6,358,143</u>
Business-Type Activities: Greater Badin Water and Sewer District Piney Point Wtater District Stanly County Utility Fund Airport	\$ - -	\$ 142,589 23,824 440,249 12,224	\$ 35,950 - 100,105 325,000	\$ 336 468 1,686 695	- - - 471	\$ 178,875 24,292 542,040 338,390
Total receivables		618,886	461,055	3,185	471	1,083,597
Allowance for doubtful accounts		(126,099)				(126,099)
Total business-type activities	<u>\$</u>	<u>\$ 492,787</u>	<u>\$ 461,055</u>	<u>\$ 3,185</u>	<u>\$ 471</u>	<u>\$ 957,498</u>

Due from other governments for the year ended June 30, 2011 consisted of the following:

Governmental Activities:	
Local option sales tax	\$ 1,068,498
Sales tax receivable	283,016
Grants receivable	72,904
Tire and white goods	40,086
Telecommunication tax	47,914
DSS & DHHS	714,880
Other	 210,600
	\$ 2,437,898
Business-Type Activities:	
Grants receivable	\$ 461,055

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2011

5. Capital Assets

Primary Government

Capital asset activity for the year ended June 30, 2011 was as follows:

	J	uly 1, 2010	Additions		Retirements		Ju	ne 30, 2011
Governmental Activities:								
Non-depreciable capital assets:								
Land	\$	1,949,950	\$	-	\$	-	\$	1,949,950
Construction in progress		8,456,738		1,241		8,457,979		-
Total non-depreciable capital assets		10,406,688		1,241		8,457,979		1,949,950
Depreciable capital assets:								
Buildings		17,288,923		8,457,979		-		25,746,902
Equipment and vehicles		9,655,105		792,359		400,913		10,046,551
Total depreciable capital assets		26,944,028		9,250,338		400,913		35,793,453
Less accumulated depreciation:								
Buildings		9,067,529		658,650				9,726,179
Equipment and vehicles		8,309,096		797,937		400,913		8,706,120
Total accumulated depreciation		17,376,625	\$	1,456,587	\$	400,913		18,432,299
Total depreciable capital assets, net		9,567,403						17,361,154
Governmental activity capital assets, net	\$	19,974,091					\$	19,311,104

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

Governmental Functions:	
General government	\$ 300,073
Public safety	754,952
Transportation	100,776
Environmental protection	18,720
Economic and physical development	26,590
Human services	57,120
Cultural and recreational	 198,356
Total depreciation expense governmental functions	\$ 1,456,587

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2011

Business-Type Activities

Capital asset activity for business-type activities for year ended June 30, 2011 was as follows:

	July 1, 2010	Additions	Retirements	June 30, 2011
Business-Type Activities:				
Greater Badin Water and Sewer:				
Depreciable capital assets:				
Plant in service	\$ 7,309,606	\$-	\$ -	\$ 7,309,606
Equipment and vehicles	207,502		Ψ -	207,502
Total depreciable capital assets	7,517,108			7,517,108
		·		
Less accumulated depreciation: Plant in service	4 925 025	240 500		
	4,835,925 181,715	349,522 16,965	-	5,185,447 198,680
Equipment and vehicles	5,017,640	· · · · · · · · · · · · · · · · · · ·	\$-	5,384,127
Total accumulated depreciation			Ψ	2,132,981
Total depreciable capital assets, net	2,499,468			2,132,901
Total Greater Badin capital assets, net	2,499,468			2,132,981
Piney Point Water:				
Depreciable capital assets:				
Plant in service	727,984	-	-	727,984
Total depreciable capital assets	727,984	-	-	727,984
Less accumulated depreciation:				
Plant in service	561,562	34,761	-	596,323
Total accumulated depreciation	561,562		\$ -	596,323
		<u> </u>	<u>. </u>	· · · ·
Total Piney Point capital assets, net	166,422			131,661
Stanly Utility Operating:				
Non-depreciable capital assets:				
Land	223,784	-	-	223,784
Construction in progress	2,824,664	1,326,454	2,512,317	1,638,801
Total non-depreciable assets	3,048,448	1,326,454	2,512,317	1,862,585
Depreciable capital assets:				
Plant in service	21,069,287	2,512,317	-	23,581,604
Equipment and vehicles	528,934	33,960	20,652	542,242
Total non-depreciable capital assets:	21,598,221	2,546,277	20,652	24,123,846
Less accumulated depreciation:				
Plant in service	9,625,535	763,490	-	10,389,025
Equipment and vehicles	458,269		20,652	463,255
Total accumulated depreciation	10,083,804		\$ 20,652	10,852,280
Total non-depreciable capital assets, net	11,514,417		<u> </u>	13,271,566
				, ,
Total Stanly Utility capital assets, net	14,562,865			15,134,151

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2011

	July 1, 2010	Additions	Retirements	June 30, 2011
Airport Operating:				
Non-depreciable capital assets:				
Land	4,924,095	-	-	4,924,095
Construction in progress	2,182,429	1,473,993		3,656,422
Total non-depreciable capital assets	7,106,524	1,473,993		8,580,517
Depreciable capital assets:				
Buildings	1,852,923	-	-	1,852,923
Improvements	20,182,968	-	-	20,182,968
Equipment and vehicles	279,433	-		279,433
Total depreciable capital assets:	22,315,324			22,315,324
Less accumulated depreciation:				
Buildings	456,615	11,722	-	468,337
Improvements	10,982,762	944,393	-	11,927,155
Equipment and vehicles	279,433			279,433
Total accumulated depreciation	11,718,810	<u>\$ </u>	<u> </u>	12,674,925
Total depreciable capital assets, net	10,596,514			9,640,399
Total Airport capital assets, net	17,703,038			18,220,916
Total business-type activity capital assets, net	<u>\$ 34,931,793</u>			\$ 35,619,709

Construction Commitments

Project	 Project to Date	Remaining Commitment		
Highway 24/27 Upgrade Endy Sewer	\$ 451,669 62,931	\$	153,331 2,533,769	
ARRA Water Storage Tank Tyson Village Water Highway 200 Water Terminal Improvement	181,307 783,847 159,047 2,988,242		129,436 58,660 1,497,453 312,157	
Runway Extension Design	 668,180		202,820	
Total	\$ 5,295,223	<u>\$</u>	4,887,626	

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2011

B. Liabilities

1. Payables

Payables at the government-wide level at June 30, 2011 were as follows:

	 Vendors	 alaries and Benefits	 Accrued Interest	 Total
Governmental Activities:				
General	\$ 2,209,079	\$ 933,918	\$ 554,128	\$ 3,697,125
Other	 46,291	 -	 -	 46,291
Total-governmental activities	\$ 2,255,370	\$ 933,918	\$ 554,128	\$ 3,743,416
Business-Type Activities: Greater Badin Water and				
Sewer Districts	\$ 4,946	\$ -	\$ 887	\$ 5,833
Piney Point Water District	19	-	-	19
Stanly County Utility	87,636	32,506	-	120,142
Airport	 108,036	 10,134	 -	 118,170
Total business-type activities:	\$ 200,637	\$ 42,640	\$ 887	\$ 244,164

2. Pension Plan Obligations

a. North Carolina Local Governmental Employees' Retirement System

Plan Description. The County contributes to the State-wide Local Governmental Employees' Retirement System (LGERS), a cost-sharing multiple-employer defined benefit pension plan administered by the State of North Carolina. LGERS provides retirement and disability benefits to plan members and beneficiaries. Article 3 of G.S. Chapter 128 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The Local Governmental Employee's 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 and LEO. 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. Plan members are required to contribute six percent of their annual covered salary. The County is required to contribute at an actuarially determined rate. For the County, the current rate for employees not engaged in law enforcement is 6.48%, and for law enforcement officers 6.36% of annual covered payroll. The contribution requirements for members and for the County are established and may be amended by the North Carolina

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2011

General Assembly. The County's contributions to LGERS for the years ended June 30, 2009, 2010, and 2011 were \$736,280, \$715,552, and \$897,355, respectively. The County's contributions to LEO for the years ended June 30, 2009, 2010, and 2011 were \$92,966, \$93,633, and \$119,175, respectively. The contributions made by the County equaled the required contributions for each year.

b. Law Enforcement Officers' Special Separation Allowance

Plan Description. The County administers a public employee retirement system (the "Separation Allowance"), a single-employer defined benefit pension plan that provides retirement benefits to the County's qualified sworn law enforcement officers. The Separation Allowance is equal to .85% of the annual equivalent of the base rate of compensation most recently applicable to the officer for each year of creditable service. The retirement benefits are not subject to any increases in salary or retirement allowances that may be authorized by the General Assembly. Article 12D of G.S. Chapter 143 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The County does not issue a separate report for this pension activity.

The Separation Allowance covers all full-time County law enforcement officers. At December 31, 2010, the Separation Allowance's membership consisted of:

Retirees receiving benefits	5
Active plan members	49
Total	<u> </u>

Summary of Significant Accounting Policies

Basis of Accounting. The County has chosen to fund the Separation Allowance on a pay-asyou-go basis. Pension expenditures are made from the General Fund, which is maintained on the modified accrual basis of accounting.

Method Used to Value Investments. No funds are set aside to pay benefits and administration costs. These expenditures are paid as they come due.

Contributions

The County is required by Article 12D of G.S. Chapter 143 to provide separation allowance retirement benefits and has chosen to fund the benefit payments on a pay-as-you-go basis through annual appropriations made in the General Fund operating budget. There were no contributions made by employees. The County's obligation to contribute to the plan is established and may be amended by the North Carolina General Assembly. The annual separation allowance costs are pro-rated and paid monthly. The County does not provide a funding schedule for the Net Pension Obligation. The County's annual separation allowance covered payroll.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2011

The annual required contribution for the current year was determined as part of the December 31, 2009 actuarial valuation using the projected unit credit actuarial cost method. The actuarial assumptions included: (a) 5.00% investment rate of return (net of administrative expenses) and (b) projected salary increases ranging from 4.25% to 12.3% per year. The inflation component was 3.75%. The assumptions do not include post-retirement benefit increases. The actuarial value of assets was determined using the market value of investments. The unfunded actuarial accrued liability is being amortized as a level percentage of pay on a closed basis. The remaining amortization period at December 31, 2009 was 21 years.

Annual Pension Cost and Net Pension Obligation. For the fiscal year ending June 30, 2011, the County's annual pension cost and net pension obligation were as follows:

Employer annual required contribution	\$ 70,475
Interest on net pension obligation	12,114
Adjustment to annual required contribution	 (12,971)
Annual pension cost	69,618
Employer contributions made for fiscal year	 57,658
Increase (decrease) in net pension obligation	11,960
Net pension obligation:	
Beginning of year - July 1	 242,283
End of year - June 30	\$ 254,243

Three-Year Trend Information							
Year Ended June 30	Annual Pension Cost (APC)		Percentage of APC Contributed	0	Net Pension Obligation End of Year		
2009	\$	50,135	132.57%	\$	251,102		
2010		58,134	115.17%		242,283		
2011		69,618	82.82%		254,243		

Funded Status and Funding Progress. As of December 31, 2010, the most recent actuarial valuation date, the plan was not funded. The actuarial accrued liability for benefits and the unfunded actuarial accrued liability (UAAL) was \$578,200. The covered payroll (annual payroll of active employees covered by the plan) was \$1,926,552, and the ratio of the UAAL to the covered payroll was 30.01 percent.

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2011

c. Supplemental Retirement Income Plan for Law Enforcement Officers

Plan Description. The County contributes to the Supplemental Retirement Income Plan (Plan), a defined contribution pension plan administered by the Department of State Treasurer and a Board of Trustees. The Plan provides retirement benefits to law enforcement officers employed by the County. Article 5 of G.S. Chapter 135 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The Supplemental Retirement Income Plan for Law Enforcement Officers is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes the pension trust fund financial statements for the Internal Revenue Code Section 401(k) plan that includes the Supplemental Retirement Income Plan for Law Enforcement Officers. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454.

Funding Policy. Article 12E of G.S. Chapter 143 requires the County to contribute each month an amount equal to five percent of each officer's salary, and all amounts contributed are vested immediately. Also, the law enforcement officers may make voluntary contributions to the plan. Contributions for the year ended June 30, 2011 were \$105,924, which consisted of \$96,692 from the County and \$9,232 from the law enforcement officers. The County provides a Section 401(k) Deferred Compensation Plan for this purpose.

d. Register of Deeds' Supplemental Pension Fund

Plan Description. The County also contributes to the Register of Deeds' Supplemental Pension Fund (Fund), a non-contributory, defined contribution plan administered by the North Carolina Department of State Treasurer. The Fund provides supplemental pension benefits to any county register of deeds that is retired under the Local Governmental 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. The State's CAFR includes financial statements and required supplementary information for LGERS. The Registers of Deeds' Supplemental Pension Fund is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes financial statements and required supplementary information for the Register of Deeds' Supplemental Pension Fund. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454.

Funding Policy. On a monthly basis, the County remits to the Department of State Treasurer an amount equal to one and one-half percent (1.5%) of the monthly receipts collected pursuant to Article 1 of G.S. 161. Immediately following January 1 of each year, the Department of State Treasurer divides ninety-three percent (93%) of the amount in the Fund at the end of the preceding calendar year into equal shares to be disbursed as monthly benefits. The State Treasurer, in administering the Fund, may use the remaining seven percent (7%) of the Fund's assets. For the fiscal year ended June 30, 2011, the County's required and actual contributions were \$4,817.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2011

e. Other Post-Employment Benefits

Healthcare Benefits

Plan Description. According to a County resolution, the County provides healthcare benefits through the Healthcare Benefits Plan as a single-employer defined benefit plan. At retirement, all employees who have at least 30 years of service with the County are provided free medical insurance until they reach age 65 or become eligible for Medicare. Employees with a minimum of 25 years of service in the Local Retirement System, and which includes the last 10 consecutive years with service to Stanly County, are provided insurance by paying 50% of the cost. The Board of Commissioners may amend the benefit provisions. A separate report was not issued for the plan.

Members of the Retiree Health Benefit Plan consisted of the following at December 31, 2009, the date of the latest actuarial valuation:

	General Employees	Law Enforcement Officers
Retirees and dependents receiving benefits	20	2
Active plan members	406	48
Total	426	50

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

The current ARC rate is 2.84% of annual covered payroll. For the current year, the County contributed \$142,176, or .84% of annual covered payroll. The County obtains healthcare coverage through self insurance. The County requires no contributions made by employees, except for dependent coverage in the amount of \$2,776 for spouse coverage, \$1,900 for children coverage, and \$7,275 for family coverage. The County obligation to contribute to the healthcare benefits is established and may be amended by the County Commissioners.

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2011

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

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

Employer annual required contribution	\$ 470,851
Valuation discount rate	4.00%
Interest on net OPEB obligations	23,284
Amortizaiton Factor	29
Adjustment to annual required contribution	 (20,088)
Annual OPEB cost	474,047
Employer contributions made for	
fiscal year ended June 30, 2011	 (142,176)
Increase (decrease) in net OPEB obligations:	331,871
Net OPEB obligations:	
Beginning of year - July 1	 582,100
End of year - June 30	\$ 913,971

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2011 were as follows:

i		Th	ree-Year Trei	nd Information		
	Year Ended June 30	P	Annual ension ost (APC)	Percentage of APC Contributed	0	Net Pension bligation id of Year
	2009 2010 2011	\$	369,000 472,260 474,047	30.50% 31.06% 29.99%	\$	256,540 582,100 913,971

Funded Status and Funding Progress. As of December 31, 2009, the most recent actuarial valuation date, the plan was not funded. The actuarial liability for benefits and, thus, the unfunded actuarial accrued liability (UAAL) was \$5,151,348. The covered payroll (annual payroll of active employees covered by the plan) was \$16,545,086, and the ratio of the UAAL to the covered payroll was 31.1 percent.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2011

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

Actuarial Methods and Assumptions. Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members at that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value assets, consistent with the long-term perspective of the calculations.

In the December 31, 2009 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 4.00 percent investment rate of return (net of administrative expenses), which is the expected long-term investment returns on the employer's own investments calculated based on the funded level of the plan at the valuation date, and an annual medical cost trend increase of 10.50 to 5.00 percent annually. Both rates included a 3.75 percent inflation assumption. The actuarial value of assets, if any, was determined using techniques that spread the effects of short-term volatility in the market value of investments over a 5-year period. The UAAL is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at December 31, 2009 was 30 years.

f. Other Employment Benefits

The County has elected to provide death benefits to employees through the Death Benefit Plan for members of the Local Governmental Employees' Retirement System (Death Benefit Plan), a multiple-employer, State-administered, cost-sharing plan funded on a one-year term cost basis. The beneficiaries of those employees who die in active service after one year of contributing membership in the System, or who die within 180 days after retirement or termination of service and have at least one year of contributing membership in the System at the time of death are eligible for death benefits. Lump-sum death benefit payments to beneficiaries are equal to the employee's 12 highest months' salary in a row during the 24 months prior to the employee's death, with the benefit being no less than \$25,000 and no greater than \$50,000. All death benefit payments are made from the Death Benefit Plan. The County has no liability beyond the payment of monthly contributions. The contributions to the Death Benefit Plan cannot be separated between the post-employment benefit amount and the other benefit amount. The County considers these contributions to be immaterial.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2011

3. Deferred and Unearned Revenues

The balance in deferred revenues on the fund statements and unearned revenues on the government-wide statements at year-end are composed of the following elements:

	Deferred Revenue	-	nearned Revenue
Prepaid taxes not yet earned	\$ -	\$	197,633
Taxes receivable, net (General)	2,503,414		-
Taxes receivable, net (Special)	 88,592		-
Total	\$ 2,592,006	\$	197,633

4. Risk Management

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

Medical and Dental. The County is exposed to various risks of loss related to medical and illness needs of employees. The County and employees participate in a cost-share plan for group health insurance. The County established the Group Health Fund (Internal Service Fund) to account for its self-insurance plan. The County has contracted with a third-party administrator to account for its group health self-insurance plan that is administrated by Blue Cross/Blue Shield of North Carolina. The County is responsible for claims up to \$70,000 per covered employee/dependent per policy term. Claims greater than \$70,000 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 employees of the County participate in the program and make payments to the Group Health Fund based on estimates of the amounts needed to pay claims. The claims liability of \$448,803 reported in the fund at June 30, 2011 is based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. The County expects all claims to be paid within the next twelve months; therefore, the entire amount is presented as current.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2011

The \$448,803 claims liability represents total estimated claims incurred, but not reported, as provided by the plan administrator's actuary.

		June 30 2011	June 30 2010		
Unpaid claims and claim adjustment expenses at beginning of fiscal year	\$	339,922	\$	492,381	
Incurred claims and claim adjustment expenses: Provision for insured events of current year		3,162,270		3,437,245	
Claims and adjustment expenses attributable to insured events of current and prior year		3,053,389		3,589,704	
Total claims liability	\$	448,803	\$	339,922	

Workers' Compensation. The County is self-funded for workers' compensation. Through this self-funded workers' compensation program, the County obtains workers' compensation coverage up to the statutory limits, with no deductible. The fund is reinsured through an insurance company for single occurrence losses of \$300,000 and aggregate excess limit for \$1,000,000. The claims liability of \$783,134 reported in the fund at June 30, 2011 is based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. The County expects all claims to be paid within the next twelve months; therefore, the entire amount is presented as current.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2011

The \$783,134 claims liability represents total estimated claims incurred, but not reported, as provided by the plan administrator's actuary.

	June 30 2011	June 30 2010		
Unpaid claims and claim adjustment expenses at beginning of fiscal year	\$ 1,100,452	\$	887,912	
Incurred claims and claim adjustment expenses: Provision for insured events of current year	195,893		558,086	
Claims and adjustment expenses attributable to insured events of current and prior year	 513,211		345,545	
Total claims liability	\$ 783,134	\$	1,100,452	

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 that have access to \$100 or more at any given time of the County's funds are performance bonded through a commercial surety bond. The Finance Officer and Tax Collector are bonded for \$100,000 each.

5. Claims, Judgments, and Contingent Liabilities

At June 30, 2011, the County was a defendant to various lawsuits. In the opinion of the County's management and the County's attorney, the ultimate effect of these legal matters will not have a material adverse effect on the County's financial position.

6. Long-Term Obligations

a. Capital Leases

The County has entered into agreements to lease certain land, buildings, and equipment. These agreements are in substance lease-purchases (capital leases) for accounting purposes and, therefore, have been recorded at the present value of the future minimum lease payments as of the date of their inception. Titles pass to the County at the end of the lease terms. Capital lease agreements at June 30, 2011 are comprised of the following:

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2011

General Government:

Lease for the construction of the jail additions entered into on August 10, 2006, payable in semi-annual principal payments of \$183,333 and semi-annual interest payments at a rate of 4.19% through August 10, 2021. \$3,850,000

At June 30, 2011, the County leased the jail valued at:

Class of Property	 Cost	 cumlated preciation	۱ 	Net Book Value	
Jail	\$ 8,457,979	\$ 211,449	\$	8,246,530	

Future minimum lease payments as of June 30, 2011 were as follows:

General Long-Term	Capitalize	ed L	eases
Debt	Principal		Interest
2012	\$ 366,667	\$	157,474
2013	366,667		142,111
2014	366,667		126,748
2015	366,667		111,384
2016	366,667		96,021
2017-2021	1,833,333		249,654
2022-2026	 183,332		3,840
Total	\$ 3,850,000	\$	887,232

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2011

b. Notes Payable

General Fund:	
Aquadale and Locust School Project: Construction of additions to Aquadale and Locus Schools, July 7, 2008, payable in annual principal payments of \$684,210 and semi-annual interest payments at an interest rate of 4.48%	\$ 11,631,580
Ambulance Loan: Purchase of two new Ambulances for Emergency Services, May 20, 2010, payable in annual principal payments of \$86,964 and annual interest payments at an interest rate of 4.00%.	163,875
Ambulance Loan: Purchase of two new Ambulances for Emergency Services, February 1,2011, payable in annual principal payment of \$87,067 and annual interest payments at an interest rate of 3.58%.	243,150
USDA Jail Loan: Construction of the jail additions entered into on August 10, 2006, August 10, 2010, payable in annual principal payments of \$75,795 and annual interest payments at an interest rate of 4.00%	1,500,000
Information Technology Loan: Renovations of the information technology network equipment, January 13, 2010, payable in semi-annual principal payments of \$8,812 and semi-annual interest payments at an interest rate of 5.00%	58,580
Total General Fund	13,597,185
Enterprise Fund:	
Drinking Water State Revolving Fund: North Carolina Clean Water Revolving 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.	86,451
Greater Badin Water and Sewer District: North Carolina Clean Water Revolving Loan executed on May 1, 1999, payable in annual principal payments of \$22,731 and semi-annual interest payments at an interest rate of 2.60%	204,579
Total Enterprise Fund	291,030
Total Notes Payable	<u>\$ 13,888,215</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2011

Future minimum payments as of June 30, 2011 were as follows:

General Long-Term	Notes I	Paya	able
Debt	 Principal		Interest
2012	\$ 871,943	\$	599,552
2013	879,527		561,316
2014	800,306		522,920
2015	717,741		487,765
2016	702,688		455,801
2017-2021	3,525,136		1,807,522
2022-2026	3,547,686		1,018,656
2027-2031	1,522,502		316,852
2032-2036	187,452		191,523
2037-2041	228,065		150,911
2042-2046	277,475		101,500
2047-2051	 336,664		41,384
Total	 13,597,185		6,255,702
Proprietary Funds			
2012	27,651		5,319
2013	27,651		4,728
2014	27,651		4,137
2015	27,651		3,546
2016	27,651		2,955
2017-2021	115,527		5,910
2022-2026	24,603		-
2027-2029	12,645		-
Total	 291,030		26,595
Total	\$ 13,888,215	\$	6,282,297

c. General Obligation Indebtedness

The general obligation bonds issued to finance the construction of facilities utilized in the operations of the water and sewer system, and which are being retired by its resources, are reported as long-term debt in the enterprise funds. The full faith, credit, and taxing power of the County's general government collateralize all bonds. Principal and interest requirements are appropriated when due.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2011

The following is a schedule of general obligation debt at June 30, 2011:

General Government:

\$16,325,000 Series 2010 Bond, due on February 1, installments ranging \$696,195 to \$2,008,800 through February 1, 2022; interest payable on August 1 and February 1 at 2.00% to 5.00%	\$	16,175,000
\$10,000,000 Series 2002 Bond, due on June 1, installments of \$400,000 through June 1, 2012; interest payable on December 1 and June 1 at 4.5%		400,000
Total General Government for school building purposes that is excluded from County's Net Assets, because title is transferred to Stanly County Board of Education	<u>\$</u>	16,575,000

Annual debt service requirements to maturity at June 30, 2011 are as follows:

General Long-Term		General Oblig	gatio	on Bonds
Debt		Principal	_	Interest
2012	\$	1,575,000	\$	586,600
2013		1,615,000		533,350
2014		1,575,000		501,050
2015		1,555,000		453,800
2016		1,530,000		407,150
2017-2021		7,460,000		1,212,450
2022-2026		1,265,000		50,600
Total	<u>\$</u>	16,575,000	\$	3,745,000

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2011

d. 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, 2011:

		Balances July 1,2010	A	dditions	R	etirements	J	Balances une 30, 2011	Current Portion of Balance
Governmental Activities:									
General obligation debt	\$	18,075,000	\$	-	\$	1,500,000	\$	16,575,000	\$ 1,575,000
Bond issuance cost/premiums		1,067,654		-		88,998		978,656	89,000
Capitalized leases		4,216,666		-		366,667		3,850,000	366,667
Notes payable		12,628,337		1,743,149		774,301		13,597,185	871,943
Compensated absences		996,972		767,854		735,972		1,028,854	620,000
Other post-employment benefit		582,100		427,932		142,176		867,856	-
Net pension obligation		242,283		69,618		57,658		254,243	
Total governmental activities	\$	37,809,012	\$	3,008,553	\$	3,665,772	\$	37,151,794	\$ 3,522,610
Business-Type Activities: Stanly County Utility Fund:									
General obligation debt	\$	40,000	\$	-	\$	40,000	\$	-	\$ -
Notes payable		-		91,372		4,920		86,451	4,920
Compensated absences		64,060		40,600		46,097		58,563	20,000
Other post-employment benefit		-		35,155		-		35,155	 -
Total Utility Fund		104,060		167,127		91,017		180,169	 24,920
Greater Badin Water and									
Sewer District Fund:									
General obligation debt		30,000		-		30,000		-	-
Notes payable		227,311		-		22,731		204,579	 22,731
Total Water and Sewer Fund	_	257,311		-		52,731		204,579	 22,731
Airport Fund:									
Compensated absences		12,290		11,264		7,967		15,587	5,000
Other post-employment benefit		-		10,960		-		10,960	 -
Total Airport Fund	_	12,290		22,224		7,967		26,547	 5,000
Total business-type activities	\$	373,661	\$	189,351	\$	151,715	\$	411,295	\$ 52,651

Compensated absences, other post-employment benefits, and net pension obligations typically have been liquidated in the General Fund and are accounted for on a LIFO (last-in,first-out) basis, assuming that employees are taking leave time as it is earned. The estimated current portion of compensated absence is \$645,000.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2011

e. Conduit Debt Obligations. Stanly County Industrial and Pollution Control Authority has issued industrial revenue bonds to provide financial assistance to private businesses for economic development purposes. These bonds are secured by the properties financed, as well as letters of credit, and are payable solely from payments received from the private businesses involved. Ownership of the acquired facilities is in the name of the private business served by the bond issuance. The County, the Authority, 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, 2011, three industrial revenue bonds were outstanding, with an aggregate principal amount payable of \$17,264,465.

At June 30, 2011, the County had a legal debt margin of \$303,784,100.

f. Invested in Capital Assets, Net of Related Debt

Invested in capital assets, net of related debt, at June 30, 2011 was calculated as follows:

	General Fund	Enterprise Fund
Capital assets	\$ 19,311,104	\$ 35,619,709
Total debt, gross Add: debt not related to County assets	(35,000,841)	(291,030)
School debt for which County does not hold title	29,185,236	
Total related debt	(5,815,605)	(291,030)
Invested in capital assets, net of related debt	\$ 13,495,499	\$ 35,328,679

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2011

C. Interfund Balances and Activity

Interfund receivable balances consist of cash deficits as of June 30, 2011. 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		
General Fund	\$	1,233,564	\$	-		
Community Development Block Grant 2009 Scattered Site		-		29,118		
Stanly County Airport Fund		-		1,204,446		
Total	<u>\$</u>	1,233,564	\$	1,233,564		

Transfers to and from other funds at June 30, 2011 consists of the following:

		Tr	ansfers		
	From	 То	Purpose		
General Fund Adequate Facilities Reserve Fund Stanly County Utlilty Fund Airport Fund	\$ 801,008 - - -	\$ 2,140 571,532 227,336	Close fund Capital outlay support Operating and capital outlay support		
Enterprise Funds: Stanly County Utility Fund	65,000	-			
Special Revenue Fund: CDBG 2007 Revitialization Fund	-	65,000	Operating support		
Capital Project Fund: Jail Construction	33,831	-	Close project		
Enterprise Funds: Stanly County Utility Fund Piney Point Water District Fund Greater Badin Water District Fund General Fund	 20,000 15,000 40,000 -	 - - 108,831	Operating support Operating support Operating support		
Total	\$ 974,839	\$ 974,839			

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2011

D. Fund Balance

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

Total fund balance - General Fund	\$ 15,959,930
Less:	
Prepaid items	51,071
Stabilization by State statute	 7,377,627
Total available fund balance	\$ 8,531,232

III. Joint Ventures

The County, in conjunction with Union, Cabarrus, and Rowan Counties, participates in the Piedmont Area Mental Health Authority. The Authority is a joint venture established to provide the participating counties with legally mandated mental health services. The County has an ongoing financial responsibility for the Authority, because the Authority's continued existence depends on the participating governments' continued funding. The County contributed \$206,256 to the Authority during fiscal year ended June 30, 2011. 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, 2011. Complete financial statements for the Authority can be obtained from the Authority's administrative office at 245 LePhillip Court, NE, 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 \$1,274,830 for operating purposes and \$175,000 for capital, during the fiscal year ended June 30, 2011. Completed financial statements for the Community College may be obtained from administrative offices at 141 College Drive, Albemarle, North Carolina 28001.

IV. Jointly Governed Organization

The County, in conjunction with eight other counties and twenty municipalities, participates in the Centralina Council of Governments (Council). The participating governments established the Council to coordinate various funding received from federal and State agencies. Each participating government appoints one member to the Council's governing board. The County paid membership fees of \$14,790 to the Council during the fiscal year ended June 30, 2011.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2011

V. Summary Disclosure of Significant Contingencies

Federal and State-Assisted Programs

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

VI. Significant Effects of Subsequent Events

On August 15, 2011, the County refunded the Jail Series 2006 installment purchase for \$3,709,191, at an interest rate of 2.92%. This resulted in an overall net present value savings of \$174,077. At June 30, 2011, the principal balance of this debt was \$3,850,000.

VII. Benefit Payments Issued by the State

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

	 Federal	 State
Medicaid	\$ 50,028,099	\$ 20,652,835
Temporary Assistance for Needy Families	280,842	-
Special Supplemental Food Program for		
Women, Infants, and Children	1,188,295	-
Special Assistance to Adults	-	531,236
Low-Income Home Energy Assistance	590,055	-
Title IV-E Foster Care Subsidiary	111,331	25,988
Title IV-E Adoption Subsidiary	241,777	53,893
NC Department of Cultural Resources	-	106,801
CWS Adoption Subsidiary	-	96,382
LINKS	 2,701	 -
Totals	\$ 52,443,100	\$ 21,467,135

State and Federal Awards:



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REQUIRED SUPPLEMENTARY FINANCIAL INFORMATION

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

- Schedule of Funding Progress for the Law Enforcement Officers' Special Separation Allowance
- Schedule of Employer Contributions for the Law Enforcement Officers' Special Separation Allowance
- Notes to Required Schedules for the Law Enforcement Officers' Special Separation Allowance
- Schedule of Funding Progress for the Other Post-Employment Benefits
- Schedule of Employer Contributions for the Other Post-Employment Benefits
- Notes to Required Schedules for the Other Post-Employment Benefits



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LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF FUNDING PROGRESS FOR THE YEAR ENDED JUNE 30, 2011

Actuarial Valuation Date	Actuaria Value o Assets (a)	f	Actuarial Accrued Liability (AAL) Project Unit Credit (b)		Unfunded AAL (UAAL) (b-a)		Funded Ratio (a/b)	F Ye	Covered Payroll for ear Ending n Valuation Date (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/2001	\$	-	\$	281,184	\$	281,184	0.00%	\$	1,056,895	26.60%
12/31/2002		-		352,552		352,552	0.00%		1,303,695	27.04%
12/31/2003		-		363,497		363,497	0.00%		1,222,822	29.73%
12/31/2004		-		407,795		407,795	0.00%		1,237,242	32.96%
12/31/2005		-		375,030		375,030	0.00%		1,521,812	24.64%
12/31/2006		-		431,973		431,973	0.00%		1,629,065	26.52%
12/31/2007		-		417,619		417,619	0.00%		1,637,644	25.50%
12/31/2008		-		508,724		508,724	0.00%		1,793,364	28.37%
12/31/2009		-		643,054		643,054	0.00%		1,919,595	33.50%
12/31/2010		-		578,200		578,200	0.00%		1,926,552	30.01%

LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF EMPLOYER CONTRIBUTIONS FOR THE YEAR ENDED JUNE 30, 2011

Year Ended June 30	Annual Required Contribution	Percentage Contributed
2011	\$ 70,475	81.81%
2010	55,747	120.10%
2009	47,648	139.49%
2008	47,697	119.42%
2007	41,853	124.12%
2006	42,603	84.87%
2005	41,234	55.99%
2004	42,234	50.57%
2003	34,993	20.35%
2002	31,170	11.05%

Notes to the Required Schedules:

The information presented in the required supplementary schedules was determined as part of the actuarial valuations at the dates indicated. Additional information as of the latest actuarial valuation follows:

Valuation date Actuarial cost method Amortization method Remaining amortization period Asset valuation method Actuarial assumptions: Investment rate or return* Projected salary increases*	12/31/2009 Projected unit credit Level percent of pay closed 21 years Market Value 5.00% 4.5 -12.3%
*Includes inflation at	3.75%
Cost of living adjustments	N/A

OTHER POST-EMPLOYMENT BENEFITS REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF FUNDING PROGRESS FOR THE YEAR ENDED JUNE 30, 2011

Actuarial Valuation Date	Actuar Value Asset (a)	of	Lia	Actuarial Accrued Liability (AAL) Project Unit Credit (b)		Jnfunded AL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)		
7/1/2006 12/31/2009	\$	-	\$	3,851,000 5,151,348	\$	3,851,000 5,151,348	0.00% 0.00%	\$ 12,343,462 16,545,086	31.2% 31.1%		

OTHER POST-EMPLOYMENT BENEFITS REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF EMPLOYER CONTRIBUTIONS FOR THE YEAR ENDED JUNE 30, 2011

Year Ended June 30	al Required	Percentage Contributed
2009	\$ 369,000	30.48%
2010	470,851	31.16%
2011	470,851	30.20%

Notes to the Required Schedules:

The information presented in the required supplementary schedules was determined as part of the actuarial valuations at the dates indicated. Additional information as of the latest actuarial valuation follows:

Valuation date Actuarial cost method Amortization method Remaining amortization period Asset valuation method Actuarial assumptions: Investment rate or return* Projected salary increases*	12/31/2009 Projected unit credit Level percent of pay closed 30 Market Value 4.00% 10.50-5.00%
*Includes inflation at	3.75%
Cost of living adjustments	N/A

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 for a detail result of the General Fund's budgetary and actual revenues and expenditures.



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GENERAL FUND

	Final Budget		 Actual		Variance Over/Under	
Revenues:						
Ad valorem property taxes:						
Ad valorem taxes			\$ 28,066,195			
Penalties and interest	۴	00 400 000	 295,936	۴	000 404	
Total	<u>\$</u>	28,139,000	 28,362,131	\$	223,131	
Local option sales taxes:						
Sales tax article 39			2,667,826			
Sales tax article 40			2,127,637			
Sales tax article 42			1,620,019			
Sales tax article 44		6 785 000	 2,979		(266 520)	
Total		6,785,000	 6,418,461		(366,539)	
Other taxes:						
Real property excise tax			85,131			
Solid waste			25,674			
Cable franchise tax			156,765			
Occupancy tax			215,999			
Other taxes		454 500	 18,752		47.004	
Total		454,500	 502,321		47,821	
Restricted intergovernmental:						
Public safety			401,972			
Transportation			509,787			
Health			792,172			
Social services grants			6,835,500			
Senior and aging services			37,849			
Other federal and State grants			1,620,704			
EMS		40 000 550	 8,073		(110, 100)	
Total		10,322,556	 10,206,057		(116,499)	
Permits and fees:						
Recording fees			256,304			
Marriage license			8,611			
Building permits			351,349			
Concealed weapons permits			18,660			
Zoning and planning permits		050 040	 18,478		(4.040)	
Total		658,212	 653,402		(4,810)	
Sales and services:						
Intergovernmental charges			184,075			
Sheriff and jail fees			556,350			
Ambulance fees			1,929,150			
Transportation			563,191			
Solid waste			819,034			
Health fees			2,259,645			
Rental and other charges		6,529,604	 182,653		(25 506)	
Total		0,529,004	 6,494,098		(35,506)	

GENERAL FUND

	Final Budget	Actual	Variance Over/Under
Investment earnings: Earned interest	325,000	179,452	(145,548)
Miscellaneous: Donations Rents Sale of assets Miscellaneous other		332,426 270,712 11,667 237,547	
Total	1,002,965	852,352	(150,613)
Total revenues	54,216,837	53,668,274	(548,563)
Expenditures: General Government: Governing body: Salaries and employee benefits		86,713	
Operating expenditures Total	-	84,869 171,582	
Administration: Salaries and employee benefits Operating expenditures Total		308,250 14,575 322,825	
Finance department: Salaries and employee benefits Operating expenditures Total		275,909 118,048 393,957	
Tax assessor: Salaries and employee benefits Operating expenditures Total		732,817 101,073 833,890	
Tax revaluation: Salaries and employee benefits Operating expenditures Total	- - -	277,630 15,207 292,837	
County attorney: Salaries and employee benefits Operating expenditures Total		115,048 1,073,369 1,188,417	

GENERAL FUND

	Final Budget	Actual	Variance Over/Under
Clerk of Court: Operating expenditures		8,930	
Judge's office: Operating expenditures		2,639	
Elections: Salaries and employee benefits Operating expenditures Total	-	172,077 85,523 257,600	
Register of Deeds: Salaries and employee benefits Operating expenditures Capital outlay Total		194,865 55,858 16,881 267,604	
Information technology: Salaries and employee benefits Operating expenditures Total	-	276,324 169,712 446,036	
Facilities management: Salaries and employee benefits Operating expenditures Total	-	358,713 514,923 873,636	
Total general government	5,610,128	5,059,953	550,175
Public Safety: Sheriff: Salaries and employee benefits Operating expenditures Capital outlay Total	-	3,131,444 460,039 136,494 3,727,977	
Jail: Salaries and employee benefits Operating expenditures Total	-	1,837,108 714,047 2,551,155	
Office of juvenile justice: Operating expenditures Program expenditures Juvenile detention Total	-	18,953 90,384 <u>9,167</u> 118,504	

	Final Budget	Actual	Variance Over/Under
Criminal justice partnership: Salaries and employee benefits Operating expenditures Total		59,879 24,829 84,708	
JCPC Restitution: Salaries and employee benefits Operating expenditures Total		53,034 9,362 62,396	
Emergency management: Salaries and employee benefits Operating expenditures Capital outlay Total		2,355,181 883,496 249,330 3,488,007	
Code enforcement: Salaries and employee benefits Operating expenditures Total		260,211 30,586 290,797	
Medical examiner: Contractual services		38,500	
Animal control: Salaries and employee benefits Operating expenditures Total		267,367 53,736 321,103	
911 communication service: Salaries and employee benefits Operating expenditures Total		912,805 69,716 982,521	
Reimbursements: From E-911 fund		(46,016)	
Total public safety	11,686,690	11,619,652	67,038
Transportation: Salaries and employee benefits Operating expenditures Capital outlay Total transportation	1,291,465	680,103 240,183 <u>290,402</u> 1,210,688	80,777
Environmental Protection: Solid waste operations: Salaries and employee benefits Operating expenditures Capital outlay Total		330,347 623,271 <u>5,860</u> 959,478	

GENERAL FUND

	Final Budget	Actual	Variance Over/Under
Fire forester: Contribution to other agency		80,955	
Soil and water conservation: Salaries and employee benefits Operating expenditures Total		96,995 4,864 101,859	
Total environmental protection	1,187,879	1,142,292	45,587
Economic and Physical Development: Economic development commission: Salaries and employee benefits Operating expenditures Total		60,710 <u>367,447</u> <u>428,157</u>	
Occupancy tax-motel/hotel: To other municipalities		179,160	
Planning and zoning: Salaries and employee benefits Operating expenditures Total		212,776 29,744 242,520	
Central permitting Salaries and employee benefits Operating expenditures Total		155,758 5,027 160,785	
Cooperative extension: Salaries and employee benefits Operating expenditures Total		2,621 220,536 223,157	
Special appropriation for economic development: Contribution for economic development		87,140	
Rocky River RPO: Salaries and employee benefits Operating expenditures Total		94,001 <u>8,262</u> 102,263	
Total economic and physical development	1,592,108	1,423,182	168,926
Human Services: Health: Salaries and employee benefits Operating expenditures Capital outlay Total		1,695,873 575,436 45,670 2,316,979	

GENERAL FUND

	Final Budget	Actual	Variance Over/Under
Home health: Salaries and employee benefits Operating expenditures Total		504,657 515,781 1,020,438	
Health - smart start: Salaries and employee benefits Operating expenditures Total		111,523 5,402 116,925	
Dental clinic: Salaries and employee benefits Operating expenditures Capital outlay Total		521,634 89,976 <u>4,160</u> 615,770	
Environmental health: Salaries and employee benefits Operating expenditures Total		299,188 32,349 331,537	
Mental health: Contributions to other agencies: Bottle surcharge Piedmont area mental health Total		12,216 194,040 206,256	
Social services: Salaries and employee benefits Operating expenditures Day care and resident services Total		4,106,267 1,734,938 2,754,606 8,595,811	
In-home services: Salaries and employee benefits Operating expenditures Total		207,129 157,614 364,743	
Nutrition: Salaries and employee benefits Operating expenditures Total		105,682 296,601 402,283	
I&A/Transportation: Salaries and employee benefits Operating expenditures Total		54,928 49,732 104,660	
Family Caregiver Support: Operating expenditures		26,674	

GENERAL FUND

	Final Budget	Actual	Variance Over/Under
Senior services:			
Salaries and employee benefits		207,260	
Operating expenditures		212,415	
Total		419,675	
Veterans services:			
Salaries and employee benefits		41,827	
Operating expenditures		3,303	
Veteran's Association		2,000	
Total		47,130	
Total human services	15,815,967	14,568,881	1,247,086
Education:			
Stanly County Public Schools:			
Current expenditures		10,076,268	
Capital outlay		1,800,000	
Total		11,876,268	
Stanly Community College:			
Current expenditures		1,283,451	
Capital outlay		175,000	
Total		1,458,451	
Total education	13,340,140	13,334,719	5,421
Cultural and Recreational:			
Library:			
Salaries and employee benefits		699,006	
Operating expenditures		278,171	
Capital outlay		6,995	
Total		984,172	
Recreation:			
Operating expenditures		1,925	
chernen a chernen			
Historic Preservation Commission:			
Salaries and employee benefits		86,052	
Operating expenditures		26,193	
Total		112,245	
Agriculture Civic Center:			
Salaries and employee benefits		149,070	
Operating expenditures		132,256	
Capital outlay		4,000	
Total		285,326	
Total cultural and recreational	1,578,824	1,383,668	195,156

GENERAL FUND

	Final Budget	Actual	Variance Over/Under
Debt Service:			
Principal Interest		2,640,968 1,276,448	
Total debt service	4,004,689	3,917,416	87,273
Contingency	50,000		50,000
Total expenditures	56,157,890	53,660,451	2,497,439
Revenues over (under) expenditures	(1,941,053)	7,823	1,948,876
Other Financing Sources (Uses):			
Transfers to:	(2.42.222)	(=======)	
Enterprise Fund	(948,869)	(798,868)	(150,001)
Capital project fund	(2,140)	(2,140)	-
Transfers from: Enterprise Fund	75,000	75,000	
Capital Project Fund	33,831	33,831	-
	,	,	(26)
Installment debt issued	243,123	243,149	
Total other financing sources (uses)	1,941,053	(449,028)	(2,390,081)
Net change in fund balance	<u>\$</u> -	(441,205)	<u>\$ (441,205)</u>
Fund Balance:			
Beginning of year - July 1		16,401,135	
End of year - June 30		<u> </u>	

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 Major Funds is found on Exhibit C and D.

Individual Fund Descriptions:

- **Emergency Telephone System Fund** accounts for the revenues earmarked for the installation of emergency 911-phone system.
- Fire Districts Fund account for the revenues of the fourteen fire districts in Stanly County.
- Community Development Block Grant 2007 Revitalization Fundaccounts for the funds designated for improvements to include streets, drainage, water and sewer.
- **Community Development Block Grant Infrastructure Project** accounts for the funds designated for water hook ups.
- **Single Family Rehabilitation Project** accounts for the funds designated for housing improvement.
- Community Development Block Grant 2009 Scattered Site Housing Project – accounts for the funds designated for housing improvement.
- Community Development Block Grant 2009 Urgent Repair Program Fund accounts for the funds designated for urgent housing repairs.
- Jail Construction Fund accounts for the funds designated for jail construction.
- Adequate Facilities Reserve Fund Created to accumulate funds generated by a facilities fee. These funds will be used to help pay for future school construction.



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COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS JUNE 30, 2011

	Special Revenue Funds								
	Т	mergency elephone System Fund		Fire Districts Fund		CDBG 2007 italization Fund	200	CDBG 09 Scattered Site Project	Total Ionmajor vernmental Funds
Assets:									
Cash and cash equivalents	\$	437,108	\$	21,285	\$	20,000	\$	-	\$ 478,393
Taxes receivable, net Accounts receivable		- 28,082		88,592		-		- 39,057	88,592 67,139
Accounts receivable		20,002						53,007	 07,103
Total assets	\$	465,190	\$	109,877	\$	20,000	\$	39,057	\$ 634,124
Liabilities and Fund Balances: Liabilities:									
Accounts payable and accrued liabilities	\$	6	\$	21,285	\$	20,000	\$	5,000	\$ 46,291
Interfund payables		-		-		-		29,118	29,118
Deferred revenues		-		88,592		-		-	 88,592
Total liabilities		6		109,877		20,000		34,118	 164,001
Fund Equity: Restricted									
Stabilization by State statute		28,082		-		-		39,057	67,139
Restricted, all others		437,102		-		-		-	437,102
Unassigned		-		-		-		(34,118)	 (34,118)
Total fund balances		465,184		-		-		4,939	 470,123
Total liabilities and fund balances	\$	465,190	\$	109,877	\$	20,000	\$	39,057	\$ 634,124

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS FOR THE YEAR ENDED JUNE 30, 2011

	Special Revenue Funds									
	Emergency Telephone System Fund	CDBG Emergency Fire 2007 Telephone Districts Revitalizat								
Revenues:										
Ad valorem taxes	\$ -	\$ 1,894,132	\$-	\$-						
Restricted intergovernmental	-	-	590,228	16,441						
Sales and services	336,979	-	-	-						
Investment earnings	5,202									
Total revenues	342,181	1,894,132	590,228	16,441						
Expenditures:										
Current:										
General government	-	27,621	-	-						
Public safety	242,494	1,866,511	-	-						
Economic and physical development	-	-	710,648	(3,043)						
Total expenditures	242,494	1,894,132	710,648	(3,043)						
Revenues over (under) expenditures	99,687	-	(120,420)	19,484						
Other Financing Sources (Uses):										
Transfers out	-	-	-	-						
Transfers in	-	-	65,000	-						
Debt issued										
Total other financing sources (uses)	<u> </u>		65,000							
Net change in fund balances	99,687	-	(55,420)	19,484						
Fund Balances:										
Beginning of year - July 1	365,497		55,420	(19,484)						
End of year - June 30	\$ 465,184	<u>\$</u> -	<u>\$</u>	<u>\$</u>						

Special Rev	venue Funds	Ca Projec		
CDBG 2009 Scattered Site Project	2009 Urgent Repair	Jail Construction Fund	Adequate Facilities Reserve Fund	Total Nonmajor Governmental Funds
\$ -	\$-	\$-	\$-	\$ 1,894,132
370,749	37,500	-	-	1,014,918
-	-	-	-	336,979
	2		78	5,282
370,749	37,502		78	3,251,311
-	-	-	-	27,621
- 365,810	- 53,732	1,240	- 29,749	2,110,245 1,156,896
365,810	53,732	1,240	29,749	3,294,762
303,010	55,752	1,240	23,143	5,294,702
4,939	(16,230)	(1,240)	(29,671)	(43,451)
-	-	(33,831)	-	(33,831)
-	-	-	2,140	67,140
<u>-</u>		1,500,000		1,500,000
		1,466,169	2,140	1,533,309
4,939	(16,230)	1,464,929	(27,531)	1,489,858
<u>-</u>	16,230	(1,464,929)	27,531	(1,019,735)
\$ 4,939	<u>\$</u> -	<u>\$ -</u>	<u>\$</u> -	\$ 470,123



Special revenue budget and actual results for fiscal June 30, 2011.

Individual Fund Descriptions:

- **Emergency Telephone System Fund** accounts for the revenues earmarked for the installation of emergency 911-phone system.
- Fire Districts Fund account for the revenues of the fourteen fire districts in Stanly County.
- Community Development Block Grant 2007 Revitalization Fundaccounts for the funds designated for improvements to include streets, drainage, water and sewer.
- Community Development Block Grant Infrastructure Project accounts for the funds designated for water hook ups.
- **Single Family Rehabilitation Project** accounts for the funds designated for housing improvement.
- Community Development Block Grant 2009 Scattered Site Housing Project – accounts for the funds designated for housing improvement.
- Community Development Block Grant 2009 Urgent Repair Program Fund accounts for the funds designated for urgent housing repairs.
- Jail Construction Fund accounts for the funds designated for jail construction.
- Adequate Facilities Reserve Fund Created to accumulate funds generated by a facilities fee. These funds will be used to help pay for future school construction.



EMERGENCY TELEPHONE SYSTEM FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2011

	Budget	Actual	Variance Over/Under
Revenues:			
Charges - surcharge	\$ 341,011		\$ (4,032)
Investment earnings	-	5,202	5,202
Total revenues	341,011	342,181	1,170
Expenditures:			
Operating expenditures	262,257	242,494	19,763
Total expenditures	262,257	242,494	19,763
Revenues over (under) expenditures	78,754	99,687	20,933
Other Financing Sources (Uses): Appropriated fund balance	(78,754)	78,754
Net change in fund balance	<u>\$</u> -	99,687	<u>\$ 99,687</u>
Fund Balance:			
Beginning of year - July 1		365,497	
End of year - June 30		\$ 465,184	

FIRE DISTRICT FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2011

	Budget			Actual	Variance)ver/Under
Revenues:					
Ad valorem taxes:					
Current year	\$	1,903,365	\$	1,847,691	\$ (55,674)
Prior years		50,000		46,441	(3,559)
Total revenues		1,953,365		1,894,132	 (59,233)
Expenditures:					
Administration fees:					
Tax collection fees		27,500		27,621	(121)
Public safety:					
Locust Fire District		544,400		534,538	9,862
Center Fire District		200,100		194,708	5,392
Endy Fire District		109,560		105,229	4,331
Ridgecrest Fire District		136,325		129,921	6,404
Aquadale Fire District		73,325		70,394	2,931
Eastside Fire District		140,240		134,770	5,470
Oakoro Fire District		75,040		71,718	3,322
New London Fire District		131,800		127,183	4,617
Southside Fire District		103,800		100,374	3,426
Bethany Fire District		50,075		48,100	1,975
Richfield Fire District		116,975		111,445	5,530
Millingport Fire District		97,575		93,431	4,144
Norwood Special Fire District		9,050		12,596	(3,546)
Badin-Yakin Fire District		137,600		132,104	 5,496
Total expenditures		1,953,365		1,894,132	 59,233
Net change in fund balance	\$			-	\$ <u> </u>
Fund Balance: Beginning of year - July 1				<u> </u>	
End of year - June 30			<u>\$</u>		

COMMUNITY DEVELOPMENT BLOCK GRANT FUND - 2007 REVITALIZATION SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2011

		 Actual						
	Project thorization	Prior Years		Current Year		Total to Date	-	ariance er/Under
Revenues:								
Restricted intergovernmental:								
Community Development	\$ 850,000	\$ 259,772	\$	590,228	\$	850,000	\$	-
Total revenues	 850,000	 259,772		590,228		850,000		-
Expenditures:								
Professional services	180,625	216,080		123,816		339,897		(159,271)
Construction	387,406	1,300		502,652		503,952		(116,546)
Rehabilitation	 457,469	 97,472		84,180		181,652		275,817
Total expenditures	 1,025,500	 314,852		710,648		1,025,500		-
Revenues over (under) expenditures	(175,500)	(55,080)		(120,420)		(175,500)		-
Other Financing Sources (Uses):								
Transfer from General Fund	110,500	110,500		-		110,500		-
Transfer from Utilities Fund	 65,000	 -		65,000		65,000		-
Total other financing sources (uses)	 175,500	 110,500		65,000		175,500		-
Net change in fund balance	\$ -	\$ 55,420		(55,420)	\$		\$	_
Fund Balance:								
Beginning of year - July 1				55,420				
End of year - June 30			\$					

COMMUNITY DEVELOPMENT BLOCK GRANT FUND -SINGLE FAMILY REHABILITATION \$3,000 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2011

			 Actual							
	Project Authorization		 Prior Years		Current Year		Total to Date		Variance Over/Under	
Revenues:										
Restricted intergovernmental:										
Community Development	\$	463,800	\$ 447,359	\$	16,441	\$	463,800	\$	-	
Total revenues		463,800	 447,359		16,441		463,800		-	
Expenditures:										
Administration		32,000	64,823		(3,043)		61,780		(29,780)	
Rehabilitation hardcost		53,798	-		-		-		53,798	
Rehabilitation		378,002	 402,020		-		402,020		(24,018)	
Total expenditures		463,800	 466,843		(3,043)		463,800		-	
Revenues over (under) expenditures			 (19,484)		19,484					
Net change in fund balance	\$		\$ (19,484)		19,484	\$	-	\$	-	
Fund Balance: Beginning of year - July 1					(19,484)					
End of year - June 30				\$	-					

COMMUNITY DEVELOPMENT BLOCK GRANT FUND - 2009 SCATTERED SITE PROJECT SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2011

	Project Authorization		Prior Current Years Year		Total to Date		Variance Over/Under	
Revenues: Restricted intergovernmental:								
Community Development	\$	469,004	\$ 88,489	\$	370,749	\$ 459,238	\$	(9,766)
Total revenues		469,004	 88,489		370,749	 459,238		(9,766)
Expenditures:								
Administration		40,000	8,794		52,963	61,757		(21,757)
Rehabilitation		410,885	79,695		312,587	392,282		18,603
Relocation		18,119	 -		260	 260		17,859
Total expenditures		469,004	 88,489		365,810	 454,299		14,705
Revenues over (under) expenditures		-	 		4,939	 4,939		4,939
Net change in fund balance	\$		\$ 		4,939	\$ 4,939	\$	4,939
Fund Balance: Beginning of year - July 1					<u>-</u>			
End of year - June 30				\$	4,939			

2009 URGENT REPAIR FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2011

	Project Authorization		Prior Years		Current Year		Total to Date	Variance Over/Under	
Revenues: Restricted intergovernmental:									
Urgent repair Investment earnings	\$	75,000 622	\$ 37,500 620	\$	37,500 2	\$	75,000 622	\$	-
Total revenues		75,622	 38,120	_	37,502		75,622		-
Expenditures:		75 000	04.000		50 700		75 000		
Rehabilitation Total expenditures		75,622 75,622	 21,890 21,890		53,732 53,732	. <u> </u>	75,622 75,622		<u>-</u>
Revenues over (under) expenditures			 16,230		(16,230)				
Net change in fund balance	\$		\$ 16,230		(16,230)	\$		\$	_
Fund Balance: Beginning of year - July 1					16,230				
End of year - June 30				\$	-				

JAIL CONSTRUCTION FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2011

	Au	Project thorization	Prior Years	Current Year		Total to Date	/ariance ver/Under
Revenues:				 _			
Investment earnings	\$	270,424	\$ 270,424	\$ 	\$	270,424	\$
Total revenues		270,424	 270,424	 -		270,424	 -
Expenditures:							
Professional services		734,424	762,607	1,240		763,847	(29,423)
Construction		7,481,155	7,420,333	-		7,420,333	60,822
Operating expenditures		242,400	 273,799	 -		273,799	 (31,399 <u>)</u>
Total expenditures		8,457,979	 8,456,739	 1,240		8,457,979	 -
Revenues over (under) expenditures		(8,187,555)	 (8,186,315)	 (1,240)		(8,187,555)	 <u> </u>
Other Financing Sources (Uses):							
Debt issued		7,000,000	5,500,000	1,500,000		7,000,000	-
Transfer to General Fund		(33,831)	-	(33,831)		(33,831)	-
Transfer from General Fund		1,221,386	 1,221,386	 -		1,221,386	
Total other financing sources (uses)		8,187,555	 6,721,386	 1,466,169		8,187,555	 -
Net change in fund balance	\$	-	\$ (1,464,929)	1,464,929	\$		\$ <u> </u>
Fund Balance:				(1 464 020)			
Beginning of year - July 1				 (1,464,929)			
End of year - June 30				\$ 			

ADEQUATE FACILITIES RESERVE FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2011

	Budget				Variance Over/Under		
Revenues:							
Facility fees	\$	15,000	\$	-	\$	(15,000)	
Investment earnings		250		78		(172)	
Total revenues		15,250	·	78		(15,172)	
Expenditures:							
Refunds		29,750		29,749		(1)	
Total expenditures		29,750		29,749		(1)	
Revenues over (under) expenditures		(14,500)		(29,671)		(15,171)	
Other Financing Sources (Uses):							
Transfer from General Fund		-		2,140		2,140	
Appropriated fund balance		14,500		-		(14,500)	
Total other financing sources (uses)		14,500		2,140		(12,360)	
Net change in fund balance	\$			(27,531)	\$	(27,531)	
Fund Balance:							
Beginning of year - July 1				27,531			
End of year - June 30			\$				

BUDGETARY INFORMATION - ENTERPRISE FUNDS

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

Individual Fund Descriptions:

- Greater Badin Water and Sewer District Fund accounts for revenues and expenses of the special utility district established to provide water and sewer services to the Badin community.
- **Piney Point Water District Fund** accounts for revenues and expenses of the special utility district established to provide water services to the Piney Point community.
- Stanly County Utility Fund accounts for revenues and expenses of the County's water and sewer services.
- **Airport Operating Fund** accounts for the revenues and expenses of the County's public airport facility.



MAJOR ENTERPRISE FUND GREATER BADIN WATER AND SEWER DISTRICT FUND SCHEDULE OF REVENUES AND EXPENDITURES -BUDGET AND ACTUAL (NON-GAAP) FOR THE YEAR ENDED JUNE 30, 2011

	Budget	Actual	Variance Over/Under
Revenues:			
Operating revenues:			
Charges for services:			
Water sales		\$ 227,095	
Sewer charges		162,731	
Industrial sewer charges		29,355	
Taps and connection fees		1,360	
Other operating revenues		4,002	
Total operating revenues		424,543	
Non-operating revenues:			
Rural Center Grant		35,950	
Interest on investments		1,841	
Total non-operating revenues		37,791	
Total revenues	<u>\$ 476,983</u>	462,334	<u>\$ (14,649</u>)
Expenditures:			
Administration:			
Contracted services		64,356	
Operating expenditures		1,756	
Total administration		66,112	
Debt service:			
G.O. bond principal paid		30,000	
State loan principal paid		22,731	
Interest expense		7,319	
Bond service costs		808	
Total debt service		60,858	
Distribution and maintenance:			
Contracted services		108,609	
Operating expenditures		97,171	
Repairs and maintenance		20,344	
Water purchases		75,491	
Total distribution and maintenance		301,615	
Total expenditures	436,983	428,585	8,398

MAJOR ENTERPRISE FUND GREATER BADIN WATER AND SEWER DISTRICT FUND SCHEDULE OF REVENUES AND EXPENDITURES -BUDGET AND ACTUAL (NON-GAAP) FOR THE YEAR ENDED JUNE 30, 2011

	Budget	Actual	Variance Over/Under
Revenues over (under) expenditures	40,000	33,749	(6,251)
Other Financing Sources (Uses): Transfers out	(40,000)	(40,000)	<u> </u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$</u>	(6,251)	<u>\$ (6,251)</u>
Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual: Reconciling items: Debt principal Depreciation Total reconciling items	-	52,731 (366,487) (313,756)	
Change in net assets	5	(320,007)	

MAJOR ENTERPRISE FUND PINEY POINT WATER DISTRICT FUND SCHEDULE OF REVENUES AND EXPENDITURES -BUDGET AND ACTUAL (NON-GAAP) FOR THE YEAR ENDED JUNE 30, 2011

	Budget	Actual	Variance Over/Under
Revenues:			
Operating revenues: Charges for services:			
Water sales		\$ 137,566	
Taps and connection fees		3,675 257	
Other operating revenues Total operating revenues		141,498	
Non-operating revenues: Interest on investments		2,351	
Total revenues	<u>\$ 138,850</u>	143,849	\$ 4,999
Expenditures:			
Administration:			
Contracted services		75,000 990	
Operating expenditures Total administration		75,990	
Distribution and maintenance:		507	
Operating expenditures Water purchases		597 35,445	
Total distribution and maintenance		36,042	
	123,850	112,032	11,818
Total expenditures	123,830	112,032	11,010
Revenues over (under) expenditures	15,000	31,817	16,817
Other Financing Sources (Uses):			
Transfers out	(15,000)) (15,000	
Devenues and other financing sources over			
Revenues and other financing sources over (under) expenditures and other financing uses	\$-	16,817	\$ 16,817
	<u>+</u>		<u> </u>
Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual:			
Reconciling items:			
Depreciation		(34,762)
Change in net assets		<u>\$ (17,945</u>)

MAJOR ENTERPRISE FUND STANLY COUNTY UTILITY FUND SCHEDULE OF REVENUES AND EXPENDITURES -BUDGET AND ACTUAL (NON-GAAP) FOR THE YEAR ENDED JUNE 30, 2011

	Budget	Actual	Variance Over/Under
Revenues:			
Operating revenues:			
Charges for services:			
Water sales		\$ 1,668,086	
Sewer charges		460,356	
Taps and connection fees		124,468	
Other operating revenues		29,532	
Total operating revenues		2,282,442	
Non-operating revenues:		0.000	
Interest on investments		9,090	
NC DOT Grant		91,262	
Administrative charges		247,965	
Miscellaneous		2,928	
Total non-operating revenues		351,245	
Total revenues	<u>\$ 2,416,983</u>	2,633,687	<u>\$ 216,704</u>
Expenditures:			
Administration:			
Salaries and employee benefits		306,888	
Operating expenditures		41,747	
Total administration		348,635	
Debt service:			
G.O. bond principal paid		40,000	
Lease payment		4,920 8,665	
Interest expense		53,585	
Total debt service		55,565	
Distribution and maintenance:			
Salaries and employee benefits		489,705	
Operating expenditures		525,960	
Repairs and maintenance		149,478	
Water purchases		567,328 33,960	
Capital outlay Total distribution and maintenance		1,766,431	
		1,700,431	
Total expenditures	2,254,225	2,168,651	85,574

MAJOR ENTERPRISE FUND STANLY COUNTY UTILITY FUND SCHEDULE OF REVENUES AND EXPENDITURES -BUDGET AND ACTUAL (NON-GAAP) FOR THE YEAR ENDED JUNE 30, 2011

	Budget	Actual	Variance Over/Under
Revenues over (under) expenditures	162,758	465,036	302,278
Other Financing Sources (Uses): Transfers out Intrafund transfers Total other financing sources (uses)	(85,000) (77,758) (162,758)	(85,000) (77,758) (162,758)	-
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$</u>	302,278	<u>\$ 302,278</u>
Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual: Reconciling items: Debt principal Capital outlay Depreciation		44,920 33,960 (789,128)	
Capital contribution Intrafund transfer to Millingport Sewer Project Transfer to projects from General Fund Total reconciling items	-	1,454,227 77,758 571,532 1,393,269	
Change in net assets	<u> </u>	5 1,695,547	

MAJOR ENTERPRISE FUND AIRPORT FUND SCHEDULE OF REVENUES AND EXPENDITURES -BUDGET AND ACTUAL (NON-GAAP) FOR THE YEAR ENDED JUNE 30, 2011

		Budget		Actual	-	/ariance /er/Under
Revenues:						
Operating revenues:						
Sales and services:						
Fuel and oil sales			\$	235,402		
Tie down fees				1,175		
Hanger rental				24,072		
Franchise				4,500		
Miscellaneous				37,977		
Total operating revenues	\$	405,622		303,126	<u>\$</u>	(102,496)
Non-operating revenues:						
Interest on investments				3,261		
Total non-operating revenues		500		3,261		2,761
Total revenues		406,122		306,387		(99,735)
Expenditures:						
Administration and operations:						
Salaries and employee benefits				252,901		
Operating expenditures				113,883		
Repairs and maintenance				28,907		
Purchases for resale				162,504		
Total administration and operations		633,458		558,195		75,263
Revenues over (under) expenditures		(227,336)		(251,808)		(24,472)
Other Financing Sources (Uses):						
Transfer in		227,336		227,336		-
Total other financing sources (uses)		227,336		227,336		
Revenues and other financing sources over						
(under) expenditures and other financing uses	<u>\$</u>	-		(24,472)	\$	(24,472)
Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual: Reconciling items:						
Depreciation				(956,116)		
Capital contributions				1,244,957		
Total reconciling items			_	288,841		
Change in net assets			\$	264,369		

BUDGETED PROJECT FUNDS

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

Individual Project Descriptions:

- **Highway 24/27 Upgrade Project Fund** accounts for the revenues and expenses for the upsizing of water lines along Highway 24/27.
- **Millingport Sewer Project Fund** accounts for the revenues and expenses for the construction of a sewer line in the Millingport community.
- Endy Sewer Extension Project Fund accounts for the revenues and expenses for the extension of a sewer line for Endy community
- Highway 52 Extension Project Fund accounts for the revenues and expenses for the extension of water lines along Highway 52 and Dennis Road.
- ARRA Water Storage Tank Project Fund accounts for the revenues and expenses for the installation of mixer to improve water quality in five storage tanks.
- Community Development Block Grant Project Fund accounts for the revenues and expenses for the extension of water lines along Tyson Village Rolling Hills.
- **Highway 200 Water Project Fund** accounts for the revenues and expenses for the extension of a water line along Highway 200.
- **Airport Terminal Project Fund** accounts for the revenues and expenses for improvements made to the airport terminal.
- Airport Runway Extension Project Fund accounts for the revenues and expenses for extension made to the airport runway.



HIGHWAY 24/27 UPGRADE PROJECT FUND SCHEDULE OF REVENUES AND EXPENDITURES -BUDGET AND ACTUAL (NON-GAAP) FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2011

	Project Authorization		Prior Years		Current Year		Total to Date		-	/ariance /er/Under
Expenditures:										
Construction	\$	605,000	\$	278,213	\$	157,484	\$	435,697	\$	169,303
Professional services		-		15,972		-		15,972		(15,972 <u>)</u>
Total expenditures		605,000		294,185		157,484		451,669		153,331
Other Financing Sources (Uses):										
Transfer from General Fund	_	605,000		605,000		-		605,000		-
Total other financing sources		605,000		605,000		-		605,000		-
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$</u>		<u>\$</u>	310,815	\$	(157,484)	\$	153,331	\$	153,331

MILLINGPORT SEWER PROJECT FUND SCHEDULE OF REVENUES AND EXPENDITURES -BUDGET AND ACTUAL (NON-GAAP) FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2011

	Project Authorization		Prior Years	Current Year		Total to Date	-	/ariance /er/Under
Revenues:								
Restricted intergovernmental:								
NC DOT reimbursement	\$	195,519	\$ 234,836	\$ -	\$	234,836	\$	39,317
Army Corp		132,433	 -	 85,495		85,495		(46,938 <u>)</u>
Total revenues		327,952	 234,836	 85,495		320,331		(7,621)
Expenditures:								
Construction		1,229,467	1,222,607	-		1,222,607		6,860
Professional services		179,351	179,351	-		179,351		-
Capital outlay		47,500	46,739	-		46,739		761
Total expenditures		1,456,318	 1,448,697	 -		1,448,697		7,621
Revenues over (under) expenditures		(1,128,366)	 (1,213,861)	 85,495		(1,128,366)		<u> </u>
Other Financing Sources (Uses):								
Transfer from General Fund		1,049,580	1,049,580	-		1,049,580		-
Transfer from Utilities Fund		47,528	47,528	-		47,528		-
Intrafund transfer from Highway 52 Fund		77,758	-	77,758		77,758		
Intrafund transfer to Highway 200 Fund		(46,500)	 -	 (46,500)		(46,500)		-
Total other financing sources (uses)		1,128,366	 1,097,108	 31,258		1,128,366		-
Revenues and other financing sources over								
(under) expenditures and other financing uses	\$	-	\$ (116,753)	\$ 116,753	\$	-	\$	

ENDY SEWER EXTENSION PROJECT FUND SCHEDULE OF REVENUES AND EXPENDITURES -BUDGET AND ACTUAL (NON-GAAP) FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2011

	Project Authorization		Prior Years		Current Year		Total to Date		Variance ver/Under
Expenditures:									
Professional services	\$	250,000	\$	60,981	\$	-	\$	60,981	\$ 189,019
Land		25,000		1,950		-		1,950	23,050
Construction		2,321,700		-		-		-	 2,321,700
Total expenditures		2,596,700		62,931		-		62,931	 2,533,769
Other Financing Sources (Uses):									
Transfer to General Fund		(3,300)		(3,300)		-		(3,300)	-
Transfer from General Fund		2,600,000		36,811		29,420		66,231	 (2,533,769)
Total other financing sources (uses)		2,596,700		33,511		29,420		62,931	 (2,533,769)
Revenues and other financing sources over (under) expenditures and other financing uses	\$	-	\$	(29,420)	\$	29,420	\$		\$

HWY 52 EXTENSION PROJECT FUND SCHEDULE OF REVENUES AND EXPENDITURES -BUDGET AND ACTUAL (NON-GAAP) FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2011

			Actual							
	Project Authorization			Prior Years		Current Year	Total to Date			ariance er/Under
Revenues:										
Restricted intergovernmental:										
Rural Center Grant	\$	500,000	\$	-	\$	500,000	\$	500,000	\$	-
Total revenues		500,000		-		500,000		500,000		-
Expenditures:										
Construction		900,000		697,024		209,697		906,721		(6,721)
Professional services		180,000		83,875		61,320		145,195		34,805
Land		10,000		11,191		514		11,705	_	(1,705)
Total expenditures	1	,090,000		792,090		271,531		1,063,621		26,379
Revenues over (under) expenditures		(590,000)		(792,090)		228,469		(563,621)		26,379
Other Financing Sources (Uses):										
Transfer from General Fund		590,000		21,509		542,112		563,621		(26,379)
Total other financing sources (uses)		590,000		21,509		542,112		563,621		(26,379)
Revenues and other financing sources over (under) expenditures and other financing uses	\$		\$	(770,581)	\$	770,581	\$		\$	<u> </u>

ARRA WATERSTORAGE TANK PROJECT FUND SCHEDULE OF REVENUES AND EXPENDITURES -BUDGET AND ACTUAL (NON-GAAP) FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2011

	Project Authorization	Prior Years	Current Year	Total to Date	Variance Over/Under
Revenues:					
Restricted intergovernmental:					
DWSRF Principal Forgiveness Grant	\$ 155,371	<u>\$</u> -	<u>\$ </u>	<u>\$ </u>	\$ (64,000)
Total revenues	155,371		91,371	91,371	(64,000)
Expenditures:					
Construction	270,946	2,500	151,307	153,807	117,139
Professional services	39,797	27,500		27,500	12,297
Total expenditures	310,743	30,000	151,307	181,307	129,436
Revenues over (under) expenditures	(155,372)	(30,000)	(59,936)	(89,936)	65,436
Other Financing Sources (Uses):					
DWSRF Revolving Loan	155,372		91,371	91,371	(64,001)
Total other financing sources	155,372		91,371	91,371	(64,001)
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$</u> -	<u>\$ (30,000)</u>	\$ 31,435	<u>\$ </u>	<u>\$ </u>

TYSON VILLAGE ROLLING HILLS MHPS WATER PROJECT SCHEDULE OF REVENUES AND EXPENDITURES -BUDGET AND ACTUAL (NON-GAAP) FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2011

	Project Authorization		Prior Years	Current Year		Total to Date	-	ariance er/Under
Revenues: Restricted intergovernmental:								
CDBG - Recovery funds	\$	842,507	\$ 6,485	\$ 777,361	\$	783,846	\$	(58,661)
Total revenues		842,507	 6,485	 777,361		783,846		(58,661)
Expenditures:								
Construction		742,000	49,303	596,938		646,242		95,758
Professional services		100,000	35,463	102,107		137,570		(37,570)
Land		507	 -	 34		34		473
Total expenditures		842,507	 84,766	 699,079		783,846		58,661
Revenues over (under) expenditures	\$		\$ (78,281)	\$ 78,282	\$	-	\$	_

ALBEMARLE TO HWY 200 WATER PROJECT FUND SCHEDULE OF REVENUES AND EXPENDITURES -BUDGET AND ACTUAL (NON-GAAP) FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2011

			Actual							
	Project Authorization			Prior Years		Current Year		Total to Date		Variance Ver/Under
Expenditures:										
Construction	\$	1,470,000	\$	-	\$	-	\$	-	\$	1,470,000
Professional services		156,500		111,996		47,051		159,047		(2,547)
Land		30,000		-		-		-		30,000
Total expenditures		1,656,500		111,996		47,051		159,047		1,497,453
Revenues over (under) expenditures		(1,656,500)		(111,996)		(47,051)		(159,047)		1,497,453
Other Financing Sources (Uses):										
Transfer from Utilities Fund		110,000		110,000		-		110,000		-
Transfer from Millingport Sewer Project Fund		46,500		-		46,500		46,500		-
Debt issued		1,500,000		-		-		-		(1,500,000)
Total other financing sources (uses)		1,656,500		110,000		46,500		156,500		(1,500,000)
Revenues and other financing sources over										
(under) expenditures and other financing uses	\$	-	\$	(1,996)	\$	(551)	\$	(2,547)	\$	(2,547)

AIRPORT TERMINAL PROJECT FUND SCHEDULE OF REVENUES AND EXPENDITURES -BUDGET AND ACTUAL (NON-GAAP) FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2011

	Project Authorization		Prior Years	Current Year		Total to Date		Variance ver/Under
Revenues:								
Restricted intergovernmental:								
Vision Entitlement Grant	\$	839,395	\$ 617,427	\$ 26,969	\$	644,396	\$	(194,999)
Division of Aviation		325,000	-	325,000		325,000		-
NC DOT Grant		795,000	-	529,098		529,098		(265,902)
Miscellaneous			 -	 17,500	_	17,500	_	17,500
Total revenues		1,959,395	 617,427	 898,567	_	1,515,994	_	(443,401)
Expenditures:								
Professional services		316,677	491,778	149,096		640,874		(324,197)
Construction		2,983,722	 1,419,270	 928,098		2,347,368	_	636,354
Total expenditures		3,300,399	 1,911,048	 1,077,194	_	2,988,242	_	312,157
Revenues over (under) expenditures		(1,341,004)	 (1,293,621)	 (178,627)		(1,472,248)		(131,244)
Other Financing Sources (Uses):								
Transfer from General Fund		925,000	-	-		-		(925,000)
Transfer from Airport Fund		180,000	-	-		-		(180,000)
Transfer from Airport Hangar Project		158,000	157,745	-		157,745		(255)
Transfer from Airport Land Acquisition Project		8,677	8,677	-		8,677		-
Transfer from Airport Fencing Project		69,327	 69,326	 -	_	69,326	_	(1)
Total other financing sources (uses)		1,341,004	 235,748	 -		235,748		(1,105,256)
Revenues and other financing sources over (under) expenditures and other financing uses	\$		\$ <u>(1,057,873</u>)	\$ (178,627)	\$	(1,236,500)	\$	(1,236,500)

RUNWAY EXTENSION PROJECT FUND SCHEDULE OF REVENUES AND EXPENDITURES -BUDGET AND ACTUAL (NON-GAAP) FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2011

			Actual							
	Project Authorization			Prior Years		Current Year	Total to Date			/ariance ver/Under_
Revenues:										_
Restricted intergovernmental:										
FAA Grant	\$	325,000	\$	14,022	\$	210,841	\$	224,863	\$	(100,137)
NC DOT Grant		250,000		-		-		-		(250,000)
Air Guard		-		-		135,549		135,549		135,549
Total revenues		575,000		14,022		346,390		360,412		(214,588)
Expenditures:										
Professional services		628,406		271,380		196,973		468,353		160,053
Construction		242,594		-		199,827		199,827		42,767
Total expenditures		871,000		271,380		396,800		668,180		202,820
Revenues over (under) expenditures		(296,000)		(257,358)		(50,410)		(307,768)		(11,768)
Other Financing Sources (Uses):										
Transfer from General Fund		296,000		235,411				235,411		(60,589)
Revenues and other financing sources over										
(under) expenditures and other financing uses	\$	-	\$	(21,947)	\$	(50,410)	\$	(72,357)	\$	(72,357)



INTERNAL SERVICE FUND

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

Individual Descriptions:

- **Group Health** accounts for the revenues and expenses of the County's group health plan.
- Workers' Compensation accounts for the revenues and expenses of the County's self-insured workers' compensation program that includes administration, stop loss insurance, and benefits paid.



INTERNAL SERVICE FUND GROUP HEALTH AND WORKERS' COMPENSATION FUND SCHEDULE OF REVENUES AND EXPENDITURES -FINANCIAL PLAN AND ACTUAL (NON-GAAP) FOR THE YEAR ENDED JUNE 30, 2011

	Financial Plan		Actual		Variance Over/Under	
Operating Revenues:						
Charges for sales and services	\$	4,918,140	\$	4,617,150	\$	(300,990)
Operating Expenses:						
Group health operations		4,527,152		4,126,202		400,950
Worker's compensation claims		416,988		261,962		155,026
Total operating expenditures		4,944,140		4,388,164		555,976
Operating income (loss)		(26,000)		228,986		254,986
Non-Operating Revenues:						
Investment earnings		26,000		29,998		3,998
Total non-operating revenues		26,000		29,998		3,998
Change in net assets	\$	-		258,984	<u>\$</u>	258,984
Net Assets: Beginning of year - July 1				1,160,804		
End of year - June 30			\$	1,419,788		



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** account 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 of each fee collected by the Register of Deeds for registering or filing a deed of trust or mortgage.
- Sheriff Execution Fund accounts for funds received and disbursed by order of the court system.
- **Property Tax Clearing Funds** account for property taxes collected by the County on behalf of the respective cities and towns.
- **Delinquent Vehicle Tax Fund** accounts for delinquent vehicle taxes collected by the County and disbursed to the Department of State Treasurer.



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COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES AGENCY FUNDS FOR THE YEAR ENDED JUNE 30, 2011

		alance y 1, 2010	A	dditions	De	ductions		alance 30, 2011
Protective Payee Fund: Assets:								
Cash and cash equivalents	\$	18,855	\$	172,372	\$	181,276	\$	9,951
Liabilities:	¢	40.055	¢	470.070	¢	404 070	¢	0.054
Client payable	\$	18,855	\$	172,372	\$	181,276	\$	9,951
Fines and Forfeitures: Assets:								
Cash and cash equivalents	\$		\$	373,226	\$	373,226	\$	
Liabilities:								
Accounts payable	\$	-	\$	373,226	\$	373,226	\$	
Deed of Trust: Assets:								
Cash and cash equivalents	<u>\$</u>	-	<u>\$</u>	10,090	\$	9,390	\$	700
Liabilities:								
Accounts payable	\$		\$	10,090	\$	9,390	\$	700
Sheriff's Execution: Assets:								
Cash and cash equivalents	\$	3,741	\$	45,163	\$	47,808	\$	1,096
Inmate cash		2,686		82,681		81,613		3,754
Total assets	\$	6,427	\$	127,844	\$	129,421	\$	4,850
Liabilities:								
Executions payable	\$	3,741	\$	45,163	\$	47,808	\$	1,096
Inmate payable		2,686		82,681		81,613		3,754
Total liabilities	\$	6,427	\$	127,844	\$	129,421	\$	4,850

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES AGENCY FUNDS FOR THE YEAR ENDED JUNE 30, 2011

	Balance July 1, 2010	Additions	Deductions	Balance June 30, 2011
Property Tax Clearing Fund: Assets:				
Cash and cash equivalents	<u>\$ 115,679</u>	<u>\$ 9,291,981</u>	<u>\$ 9,303,927</u>	<u>\$ 103,733</u>
Liabilities:				
Accounts payable	<u>\$ 115,679</u>	<u>\$ 9,291,981</u>	<u>\$ 9,303,927</u>	<u>\$ 103,733</u>
Delinquent Vehicle Tax Fund: Assets:				
Cash and cash equivalents	<u>\$</u> 2,571	\$ 30,802	\$ 30,912	\$ 2,461
Liabilities:				
Due Department of State Treasurer	<u>\$ </u>	\$ 30,802	<u>\$ 30,912</u>	<u>\$ 2,461</u>
Totals: Assets:				
Cash and cash equivalents	\$ 140,848	. , ,	\$ 9,946,539	\$ 117,941
Inmate cash	2,686	82,681	81,613	3,754
Total assets	\$ 143,534	\$ 10,006,315	\$ 10,028,152	\$ 121,695
Liabilities:				
Accounts payable and future payments	\$ 121,993		\$ 9,765,263	\$ 107,990
Client and inmate payable	21,541	255,053	262,889	13,705
Total liabilities	<u>\$ 143,534</u>	\$ 10,006,315	<u>\$ 10,028,152</u>	\$ 121,695

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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GENERAL FUND SCHEDULE OF AD VALOREM TAXES RECEIVABLE JUNE 30, 2011

Fiscal Year	Uncollected Balance July 1, 2010	Additions	Collections and Credits	Uncollected Balance June 30, 2011
2010-2011	\$-	\$ 28,414,033	\$ 27,215,473	\$ 1,198,560
2009-2010	1,164,508	8,591	646,450	526,649
2008-2009	491,844	8,987	168,090	332,741
2007-2008	241,086	3,288	60,569	183,805
2006-2007	187,470	-	40,537	146,933
2005-2006	127,309	-	22,183	105,126
2004-2005	116,266	-	17,678	98,588
2003-2004	101,570	-	10,385	91,185
2002-2003	93,894	-	6,909	86,985
2001-2002	77,628	-	5,808	71,820
2000-2001	62,166	-	2,456	59,710
1999-2000	45,983	-	45,983	-
Districts over 3 years old	59,585	17,644	13,336	63,893
Total	\$ 2,769,309	<u>\$ 28,452,543</u>	<u>\$ 28,255,857</u>	2,965,995
Less allowance for uncollectible ac	ccounts - General Fu	nd		(462,582)
Ad valorem taxes receivable, net				<u>\$ 2,503,413</u>
Reconciliation with Revenues: Ad valorem taxes - General Fund				\$ 28,362,131
Reconciling items:				
Animal tax				(33,263)
Refunds				4,810
Collection fees				(30,714)
Interest collected				(265,222)
Discounts allowed				150,927
Late listings				(19,031)
Releases				63,002
Statute of Limitations				47,485
Miscellaneous				(24,268)
Total collections and credits				\$ 28,255,857

ANALYSIS OF CURRENT TAX LEVY - COUNTY-WIDE LEVY FOR THE YEAR ENDED JUNE 30, 2011

				Total	Levy
		ounty-Wide Rate	Amount	Property Excluding Registered Motor	Registered Motor
	Property Valuation	per \$100	of Levy	Vehicles	Vehicles
Original Levy:					
Property taxed at current year's rate Penalties	\$ 4,215,522,916 -	\$ 0.6700	\$ 28,244,064 11,584	\$ 25,681,123 11,584	\$ 2,562,941 -
Total original levy	4,215,522,916		28,255,648	25,692,707	2,562,941
Discoveries:					
Current year rate	28,333,760	0.6700	189,836	178,514	11,322
Penalties	-		15,677	15,677	-
Penalties prior year rate	-		1,454	1,454	-
Prior year taxes	<u> </u>		12,473	12,473	-
Total discoveries	28,333,760		219,440	208,118	11,322
Releases:					
Current year rate	(9,044,909)	0.6700	(60,409)	(27,639)	(32,770)
Penalties			(646)	(646)	
Total releases	(9,044,909)		(61,055)	(28,285)	(32,770)
Net assessed valuation	\$4,234,811,767				
Net Levy			28,414,033	25,872,540	2,541,493
Uncollected taxes, June 30			1,198,560	900,623	297,937
Current Year's Taxes Collected			<u>\$ 27,215,473</u>	<u>\$ 24,971,917</u>	<u>\$ 2,243,556</u>
Current Levy Collection Percentage Ra	ite		<u>95.78%</u>	<u>96.52%</u>	<u>88.28%</u>

ANALYSIS OF CURRENT TAX LEVY - COUNTY-WIDE LEVY FOR THE YEAR ENDED JUNE 30, 2011

Secondary Market Disclosures:

Assessed valuation:	
Assessment ratio	100%
Real property	\$ 3,736,953,549
Personal property	401,812,569
Public service	96,045,649
Total assessed value	\$4,234,811,767
Tax rate per \$100	0.6700
Levy (includes discoveries, releases, and abatements)	<u>\$ 28,414,033</u>
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, 2011:	
Fire Protection Districts	<u>\$ 1,910,176</u>



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STATISTICAL SECTION

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

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

Net Assets by Component	Table 1
Changes in Net Assets	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	Table 7
Property	
Property Tax Rates – Direct and Overlapping Governments	Table 8
Principal Property Taxpayers	Table 9
Property Tax Levies and Collections	Table 10

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

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

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

Demographic and Economic Statistics	Table 15
Principal Employers	Table 16

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

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

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

	Fiscal Year			
	2003	2004	2005	2006
Governmental activities				
Invested in capital assets, net of related debt	\$10,698,835	\$10,887,087	\$11,200,155	\$12,190,805
Restricted	55,304	61,691	50,431	71,510
Unrestricted	(3,610,061)	(3,189,828)	(4,783,194)	(3,676,463)
Total Governmental activities net assets	\$ 7,144,078	\$ 7,758,950	\$ 6,467,392	\$ 8,585,852
Business-type activities Invested in capital assets, net of related debt Unrestricted Total business-type activities net assets	\$23,832,478 <u>4,133,013</u> \$27,965,491	\$29,165,629 <u>1,305,445</u> \$30,471,074	\$30,444,727 <u>576,013</u> \$31,020,740	\$30,892,567 <u>2,176,979</u> \$33,069,546
Primary government Invested in capital assets, net of related debt Restricted Unrestricted	\$34,531,313 55,304 522,952	\$40,052,716 61,691 (1,884,383)	\$41,644,882 50,431 (4,207,181)	\$43,083,372 71,510 (1,499,484)
Total primary government net assets	\$35,109,569	\$38,230,024	\$37,488,132	\$41,655,398

Note: Stanly County began to report accrual information when it implemented GASB Statement 34 in fiscal year 2003.

Table 1

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

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

	Fiscal Year								
Expenses	2003	2004	2005	2006					
Governmental activities:									
General government	\$ 3,681,482	\$ 3,943,999	\$ 7,211,199	\$ 4,507,077					
Public safety	8,501,449	9,208,320	10,271,412	10,901,818					
Transportation	615,484	627,172	722,422	799,798					
Environmental protection	793,220	867,293	899,015	927,806					
Economic and physical development	1,352,313	1,282,716	1,529,470	2,001,170					
Human services	13,141,648	13,402,271	14,330,481	15,746,398					
Education	18,425,835	14,665,895	16,478,097	14,524,281					
Culture and recreation	1,545,035	1,509,613	1,384,589	1,552,261					
Interest on long-term debt	1,356,195	1,201,997	1,136,626	1,085,577					
Total governmental activities expenses	49,412,661	46,709,276	53,963,311	52,046,186					
Business-type activities:									
Water and sewer	2,728,878	2,852,826	3,127,806	2,852,463					
Airport	1,188,525	1,377,782	1,444,977	1,445,778					
Total business-type activities	3,917,403	4,230,608	4,572,783	4,298,241					
Total primary governmental expenses	\$ 53,330,064	<u>\$ 50,939,884</u>	<u>\$ 58,536,094</u>	\$ 56,344,427					
Program Revenues									
Governmental activities:									
Charges for services:									
General government	\$ 565,380	\$ 596,905	\$ 4,261,895	\$ 1,668,751					
Public safety	2,278,536	2,120,800	1,824,146	2,022,339					
Transportation	243,890	266,612	304,235	303,563					
Environmental protection	714,625	706,657	769,537	740,437					
Economic and physical development	32,612	28,230	6,625	13,081					
Human services	941,148	1,647,522	1,698,934	1,910,676					
Culture and recreation	121,043	96,867	24,497	27,714					
Operating grants and contributions	8,250,279	7,996,207	8,458,500	11,035,610					
Capital grants and contributions	1,059,978	53,048	29,503	164,368					
Total governmental activities program revenues	14,207,491	13,512,848	17,377,872	17,886,539					
Business-type activities:									
Charges for services: Water and sewer	0.050.047	2 445 207	2 525 205	2 762 650					
Airport	2,252,317 251,514	2,415,287 261,181	2,535,305 334,406	2,762,650 397,830					
Operating grants and contributions	201,014	201,101	334,400	397,030					
Capital grants and contributions	2,293,083	3,142,125	1,789,803	1,007,601					
Total business-type activities program revenues				4,168,081					
	4,796,914	5,818,593	4,659,514						
Total primary governmental program revenues	<u>\$ 19,004,405</u>	<u>\$ 19,331,441</u>	<u>\$ 22,037,386</u>	\$ 22,054,620					
Net (expense)/revenue	• /= = = ··· ·	• /== · - · · ·		A / A / A = - - · · · ·					
Governmental activities	\$(35,205,170)			\$(34,159,647)					
Business-type activities	879,511	1,587,985	86,731	(130,160)					
Total primary governmental net expense	<u>\$(34,325,659</u>)	<u>\$(31,608,443</u>)	<u>\$(36,498,708</u>)	<u>\$(34,289,807</u>)					

Table 2 Page 1 of 2

	Fiscal Year									
2007	2008	2009	2010	2011						
• • • • • • • • • • •		• • • • • • • • • • • • • • • • • • •	• • - • • • • • • • • • • • • • • • • • • •	• • • • • • • • •						
\$ 4,763,517		\$ 6,207,070	\$ 6,799,601	\$ 5,601,234						
11,144,226		13,941,395	13,957,473	14,130,565						
814,513		923,081	948,122	987,615						
1,000,097		1,108,942	1,155,970	1,159,814						
1,888,101		1,494,393	2,741,056	2,610,268						
16,379,896		16,136,859	14,851,419	14,614,279						
14,888,711		24,661,209	19,284,505	13,334,719						
1,668,597		2,035,578	1,954,960	1,572,655						
1,234,712	1,193,541	1,393,628	1,659,370	1,169,653						
53,782,370	55,228,419	67,902,155	63,352,475	55,180,802						
2,857,210	3,377,002	3,809,744	3,703,713	3,768,034						
1,670,370	1,588,558	1,548,508	1,518,407	1,514,311						
4,527,580	4,965,560	5,358,252	5,222,120	5,282,345						
\$ 58,309,950	<u>\$ 60,193,979</u>	\$ 73,260,407	\$ 68,574,595	\$ 60,463,147						
\$ 1,579,480	\$ 1,668,625	\$ 1,844,478	\$ 1,468,042	\$ 1,445,785						
2,396,682	2,579,945	2,669,845	3,003,195	2,841,139						
312,282	375,280	370,233	364,756	578,427						
857,834	848,824	835,242	862,811	883,729						
12,480) 23,135	601,271	13,770) 18,478						
2,157,094	1,894,767	2,301,087	2,147,188	2,194,950						
36,857	79,893	185,582	21,703	24,320						
8,832,742	9,111,529	9,307,612	11,222,862	10,632,041						
1,842,159	986,481	1,706,125	1,123,874	1,148,686						
18,027,610	17,568,479	19,821,475	20,228,201	19,767,555						
2,725,228	3,004,732	3,001,449	3,069,742	3,096,448						
429,644	457,087	295,877	311,966	303,126						
	- 17,949	-	-	91,262						
3,757,664	216,801	1,092,003	366,777	2,735,134						
6,912,536	3,696,569	4,389,329	3,748,485	6,225,970						
\$ 24,940,146	\$ 21,265,048	\$ 24,210,804	\$ 23,976,686	\$ 25,993,525						
\$(35,754,760		\$(48,080,680)	\$(43,124,274)	\$ (35,413,247)						
2,384,956	<u>(1,268,991</u>)	(968,923)	(1,473,635)	943,625						
\$(33,369,804	<u>\$(38,928,931</u>)	<u>\$(49,049,603)</u>	<u>\$(44,597,909</u>)	<u>\$ (34,469,622)</u>						

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

General Revenues and Other Changes in

General Revenues and Other Changes in				
Net Assets			Fiscal Year	
Governmental activities:	2003	2004	2005	2006
Taxes				
Ad valorem taxes	\$ 24,929,899	\$ 25,024,239	\$ 25,255,507	\$ 27,029,395
Local option sales tax	7,097,667	8,684,938	9,407,446	9,922,637
Other taxes	416,498	491,953	523,941	557,210
Unrestricted grants and contributions	12,226	5,936	-	-
Interest earned on investments	255,131	246,635	294,656	921,555
Miscellaneous	19,213	262,448	249,947	-
Gain (loss) on sale of capital assets	(79,506)	-	-	-
Transfers in (out)	(973,724)	(904,849)	(437,616)	(2,152,690)
Total governmental activities	31,677,404	33,811,300	35,293,881	36,278,107
Business-type activities:				
Ad valorem taxes	85	-	-	-
Interest earned on investments	26,163	12,749	25,319	26,276
Miscellaneous	114,010	-	-	-
Gain (loss) on sale of capital assets	(155,210)	-	-	-
Transfers in (out)	973,724	904,849	437,616	2,152,690
Total business-type activities	958,772	917,598	462,935	2,178,966
Total primary government	<u>\$ 32,636,176</u>	<u>\$ 34,728,898</u>	<u>\$ 35,756,816</u>	<u>\$ 38,457,073</u>
Change in Net Assets				
Governmental activities	\$ (3,527,766)	\$ 614,872	\$ (1,291,558)	\$ 2,118,460
Business-type activities	1,838,283	2,505,583	549,666	2,048,806
Total primary government	\$ (1,689,483)	\$ 3,120,455	\$ (741,892)	\$ 4,167,266
		<u> </u>	<u> </u>	<u> </u>

Note: Stanly County began to report accrual information when it implemented GASB Statement 34 in fiscal year 2003.

Table 2 Page 2 of 2

		Fisca	l Year	
2007	2008	2009	2010	2011
\$ 27,468,013	\$ 29,160,452	\$ 29,839,262	\$ 30,245,704	\$ 30,442,706
10,605,369	10,695,767	8,842,576	6,841,679	6,418,461
579,632	574,991	519,464	481,063	502,321
-	-	-	-	-
1,393,065	1,235,530	612,476	372,699	256,933
-	-	-	-	-
-	-	-	-	-
(1,001,788)	(598,536)	(610,360)	(210,471)	(658,868)
39,044,291	41,068,204	39,203,418	37,730,674	36,961,553
-	-	-	-	
59,954	30,698	29,042	23,857	16,543
-	-	-	-	2,928
-	-	-	-	-
1,001,788	598,536	610,360	210,471	658,868
1,061,742	629,234	639,402	234,328	678,339
\$ 40,106,033	\$ 41,697,438	\$ 39,842,820	\$ 37,965,002	\$ 37,639,892
\$ 3,289,531	\$ 3,408,264	\$ (8,877,262)	\$ (5,393,600)	\$ 1,548,306
3,446,698	(639,757)	(329,521)	(1,239,307)	1,621,964
\$ 6,736,229	\$ 2,768,507	<u>\$ (9,206,783)</u>	<u>\$ (6,632,907)</u>	<u>\$ 3,170,270</u>

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

		Fisc	al Year		
	2003	2004	2005	2006	
General Fund					
Reserved	\$ 3,689,921	\$ 4,549,925	\$ 5,575,709	\$ 4,206	,084
Unreserved	10,560,386	10,601,862	10,931,952	11,756	,250
Non-spendable					
Restricted					
Committed					
Assigned					
Unassigned	* 4 4 9 5 9 9 7	• • • • • • • • • • • • • • •		• • • • • • • • • •	004
Total General Fund	\$14,250,307	<u>\$ 15,151,787</u>	\$16,507,661	<u>\$ 15,962</u>	,334
All other governmental funds					
Reserved	\$-	\$ 27,119	\$ 24,928	\$ 59	,382
Unreserved, reported in:					
Special revenue funds	6,023,236	3,967,446	590,577		,567
Capital projects funds	-	400,658	208,637	665	,307
Non-spendable					
Restricted					
Committed					
Assigned					
Unassigned					
Total all other governmental funds	\$ 6,023,236	\$ 4,395,223	\$ 824,142	\$ 1,207	,256

Note: Stanly County began to report accrual information when it implemented GASB Statement 34 in fiscal year 2003.

Table 3

		Fiscal Year		
2007	2008	2009	2010	2011
\$ 5,249,619 12,250,938	\$ 3,590,746 15,452,332	\$ 8,233,781 9,390,468	36,360 9,661,929 -	51,071 7,480,151 -
			2,062,820 4,640,026	2,003,925 6,424,783
<u>\$17,500,557</u>	<u>\$19,043,078</u>	<u>\$17,624,249</u>	\$ 16,401,135	\$ 15,959,930
\$ 105,640	\$ 30,977	\$ 28,082		
464,056 3,554,882	514,312 -	347,371		
			-	-
			445,193	504,241
			-	-
			-	-
¢ / 10/ 579	\$ 545,289	¢ 275 452	<u>-</u>	<u>(34,118)</u> \$ 470,123
\$ 4,124,578	\$ 545,289	\$ 375,453	\$ 445,193	\$ 470,123

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

	Fiscal Year					
	2003	2004	2005	2006		
Revenues						
Ad valorem taxes	\$24,644,601	\$24,978,882	\$25,328,973	\$26,829,328		
Local option sales taxes	7,097,665	8,684,938	9,407,446	9,922,637		
Other taxes and licenses	416,501	570,076	523,941	557,210		
Unrestricted intergovernmental	12,226	5,936	5,763	6,080		
Restricted intergovernmental	8,301,818	7,627,446	8,250,771	10,365,169		
Permits and fees	468,084	915,083	750,320	813,844		
Sales and services	4,794,619	4,626,431	4,897,601	5,734,916		
Investment earnings	391,940	229,301	286,217	827,006		
Miscellaneous	495,751	528,194	748,556	834,809		
Total revenues	46,623,205	48,166,287	50,199,588	55,890,999		
Expenditures						
General government	3,169,773	3,332,574	3,664,082	3,933,312		
Public safety	8,487,712	8,681,718	9,779,612	10,245,837		
Transportation	477,461	543,815	627,756	712,320		
Environmental protection	789,005	873,394	895,520	923,604		
Economic and physical development	1,157,470	1,292,366	1,525,184	2,005,105		
Human services	13,243,827	13,370,134	14,307,611	15,729,303		
Education	18,425,835	14,665,894	16,290,282	14,318,186		
Culture and recreation	1,319,469	1,301,922	1,393,480	1,449,484		
Capital Outlay	1,447,520	1,357,952	1,021,639	2,150,608		
Debt service						
Principal	1,253,005	1,253,005	1,319,567	1,333,098		
Interest and other charges	1,323,627	1,315,197	1,152,446	1,099,665		
Total expenditures	51,094,704	47,987,971	51,977,179	53,900,522		
Excess of revenues						
over (under) expenditures	(4,471,499)	178,316	(1,777,591)	1,990,477		
Other financing sources (uses)						
Debt Proceeds	-	-	-	-		
Refunding bond issued	-	-	-	-		
Payment to bondholders	-	-	-	-		
Bond Premium	-	-	-	-		
Transfers from other funds	1,042,813	420,000	90,561	580,000		
Transfers to other funds	(2,016,537)	(1,324,849)	(528,177)	(2,732,690)		
Sale of capital assets	26,781					
Total other financing						
sources (uses)	(946,943)	(904,849)	(437,616)	(2,152,690)		
Net change in fund balances	<u>\$ (5,418,442)</u>	<u>\$ (726,533)</u>	<u>\$ (2,215,207)</u>	<u>\$ (162,213)</u>		
Debt services as a percentage of noncapital						
expenditures	5.2%	5.5%	4.9%	4.7%		

Note: Stanly County began to report accrual information when it implemented GASB Statement 34 in fiscal year 2003.

Table 4

		Fiscal Year		
2007	2008	2009	2010	2011
¢ 07 540 007	¢ 00 005 004	¢ 00 000 000	¢ 00 005 045	¢
\$27,519,067	\$29,225,384	\$29,600,368	\$ 30,025,945	\$ 30,256,263
10,605,369	10,695,767	8,842,576	6,841,679	6,418,461
579,632	574,991	519,464	481,063	502,321
5,657	8,173	2,664	425	-
10,258,260	9,664,623	10,688,266	11,995,950	11,220,975
927,965	945,668	925,727	6,719,000	6,831,077
5,984,898	6,087,739	6,715,699	694,288	653,402
1,286,592	1,146,477	510,910	284,270	184,734
706,272	714,807	1,290,237	635,110	852,352
57,873,712	59,063,629	59,095,911	57,677,730	56,919,585
4,219,004	5,183,353	5,655,825	6,183,333	5,070,693
13,933,485	14,967,299	14,559,774	13,594,893	13,344,073
732,129	797,230	847,546	837,489	920,286
975,779	1,026,214	1,090,593	1,121,743	1,136,432
1,912,875	2,348,929	1,464,024	2,689,449	2,580,078
16,415,126	16,202,140	16,130,914	14,601,773	14,519,051
14,888,711	11,156,431	20,905,982	15,346,641	11,359,719
1,468,388	1,604,432	1,887,929	1,698,160	1,372,673
678,811	4,275,976	4,553,357	3,238,973	2,734,792
1,530,401	1,728,156	1,993,041	2,400,877	2,640,968
1,161,670	1,211,702	1,142,202	1,697,261	1,276,448
57,916,379	60,501,862	70,231,187	63,410,592	56,955,213
(42,667)	(1,438,233)	(11,135,276)	(5,732,862)	(35,628)
5,500,000	-	13,000,000	312,547	1,743,149
-	-	-	16,325,000	-
-	-	-	(17,223,200)	-
-	-	-	1,067,654	-
245,167	595,036	1,000,000	190,572	175,971
(1,246,955)	(1,193,572)	(1,610,360)	(401,043)	(834,839)
4,498,212	(598,536)	12,389,640	271,530	1,084,281
\$ 4,455,545	<u>\$ (2,036,769)</u>	\$ 1,254,364	<u>\$ (5,461,332</u>)	\$ 1,048,653
4.7%	5.3%	4.6%	6.6%	7.0%

Fiscal Year	 Property Tax	 Sales Tax	F	ranchise Tax	0	ccupancy Tax	Property Excise Tax	Ir	ntangible Tax	Solid Waste Tax	Other Tax	 Total
2002	\$ 24,031,580	\$ 7,278,661	\$	116,860	\$	91,583	\$ 151,271	\$	491,512	\$ -	\$ 29,503	\$ 32,190,970
2003	24,929,899	7,097,667		124,121		162,097	122,057		-	-	8,224	32,444,065
2004	25,024,239	8,684,938		131,244		179,150	173,016		-	-	8,544	34,201,131
2005	25,255,507	9,407,446		138,938		184,879	185,316		-	-	14,808	35,186,894
2006	27,029,395	9,922,637		133,670		199,699	207,718		-	-	16,123	37,509,242
2007	27,468,013	10,605,369		153,011		192,680	216,215		-	-	17,726	38,653,014
2008	29,160,452	10,695,767		139,719		215,575	202,558		-	-	17,139	40,431,210
2009	29,839,262	8,842,576		163,923		197,667	123,989		-	16,865	17,020	39,201,302
2010	30,245,704	6,841,679		145,856		180,566	111,336		-	25,901	17,404	37,568,446
2011	30,442,706	6,418,461		156,765		215,999	85,131		-	25,674	18,752	37,363,488

Fiscal Year	Property Tax	Sales Tax	Franchise Tax	Occupancy Tax	Property Excise Tax	Intangible Tax	Solid Waste Tax	Other Tax	Total
	Tax	Tax	Tax	101		101	101	Tax	Total
2002	\$24,031,580	\$ 7,278,661	\$ 116,860	\$ 91,583	\$151,271	\$ 491,512	\$-	\$ 29,503	\$ 32,190,970
2003	24,644,601	7,097,667	124,121	162,097	122,057	-	-	8,224	32,158,767
2004	24,978,882	8,684,938	131,244	179,150	173,016	-	-	8,544	34,155,774
2005	25,328,973	9,407,446	138,938	184,879	185,316	-	-	14,808	35,260,360
2006	26,829,328	9,922,637	133,670	199,699	207,718	-	-	16,123	37,309,175
2007	27,519,067	10,605,369	153,011	192,680	216,215	-	-	17,726	38,704,068
2008	29,225,384	10,695,767	139,719	215,575	202,558	-	-	17,139	40,496,142
2009	29,600,368	8,842,576	163,923	197,667	123,989	-	16,865	17,020	38,962,408
2010	30,025,945	6,841,679	145,856	180,566	111,336	-	25,901	17,404	37,348,687
2011	30,256,263	6,418,461	156,765	215,999	85,131	-	25,674	18,752	37,177,045

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

	Real Pro	operty	Personal Property		Less:	Less: Total Taxable		Total Direct	Estimated Actual	Assessed Value as a	
Fiscal Year	Residential Property	Commercial Property	Motor Vehicles	Other	Tax Exempt Real Property		Assessed Value	Tax Rate	Taxable Value	Percentage of Actual Value	
2002	\$ 1,931,813,015	\$ 265,236,527	\$404,433,570	\$1,340,530,512	\$ 492,330,928	\$	3,449,682,696	0.6675	\$3,449,682,696	100%	
2003	1,971,026,440	276,214,095	407,678,432	1,404,289,682	525,249,495		3,533,959,154	0.6675	3,533,959,154	100%	
2004	2,009,269,613	283,643,078	401,540,778	1,455,386,443	618,158,151		3,531,681,761	0.6675	3,531,681,761	100%	
2005	2,050,000,000	290,000,000	404,465,835	1,467,503,839	650,000,000		3,561,969,674	0.6675	3,561,969,674	100%	
2006	2,530,377,851	343,500,422	454,259,606	1,313,792,452	708,015,435		3,933,914,896	0.6450	3,933,914,896	100%	
2007	2,304,600,237	355,608,820	420,101,573	1,760,360,739	847,501,363		3,993,170,006	0.6450	3,993,170,006	100%	
2008	2,758,609,886	957,073,583	406,812,810	342,065,414	371,935,888		4,092,625,805	0.6700	4,092,625,805	100%	
2009	2,803,975,706	976,467,389	431,300,423	339,233,489	378,573,688		4,172,403,319	0.6700	4,172,403,319	100%	
2010	2,933,112,623	606,978,343	410,349,318	339,844,218	83,231,303		4,207,053,199	0.6700	4,207,053,199	100%	
2011	2,961,763,672	604,404,169	375,174,209	346,434,253	52,964,536		4,234,811,767	0.6700	4,234,811,767	100%	

Source: Stanly County Tax Assessor

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

	_				Fiscal	Year				
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
County Direct Rate										
Stanly	0.6675	0.6675	0.6675	0.6675	0.6450	0.6450	0.6700	0.6700	0.6700	0.6700
Oldiny	0.0070	0.0070	0.0070	0.0070	0.0400	0.0400	0.0700	0.0700	0.0700	0.0700
City/Town Rates										
City of Albemarle	0.5400	0.5400	0.5600	0.5600	0.5600	0.5600	0.5600	0.5600	0.5600	0.5600
Town of Oakboro	0.4400	0.4400	0.4400	0.4400	0.4400	0.4100	0.4100	0.4100	0.4100	0.4100
Town of Badin	0.2530	0.3000	0.3200	0.3200	0.3400	0.3600	0.3800	0.3800	0.3800	0.3800
Town of Norwood	0.4000	0.4000	0.4000	0.4000	0.4000	0.4000	0.4000	0.4000	0.4000	0.4000
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	0.3167	N/A								
Town of Stanfield	0.3800	0.3800	0.3800	0.3800	0.3800	0.3800	0.3800	0.3800	0.3800	0.3800
Town of New London	0.1600	0.1600	0.1600	0.1600	0.1600	0.1600	0.1600	0.1600	0.1600	0.1600
Town of Richfield	0.1500	0.1500	0.1500	0.1500	0.1500	0.1500	0.1500	0.1500	0.1500	0.1500
Town of Redcross	0.1008	0.1600	0.1600	0.1600	0.1600	0.1600	0.1600	0.1600	0.1600	0.1600
Redcross Annex	N/A	0.2242	N/A							
Town of Misenheimer	N/A	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										
*West Stanly	0.0800	0.0800	0.0800	0.0800	0.0800	0.0800	0.0800	0.0800	0.0800	0.0800
Center Rural	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0700	0.0700	0.0700
Endy	0.0400	0.0400	0.0400	0.0600	0.0600	0.0600	0.0600	0.0600	0.0600	0.0600
Ridgecrest	0.0800	0.0800	0.0800	0.0800	0.0800	0.0800	0.0800	0.0800	0.0900	0.0900
Aquadale	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500
Eastside	0.0800	0.0800	0.0800	0.0800	0.0800	0.0800	0.0800	0.0800	0.0800	0.0800
Oakboro Rural	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400
New London	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500
Southside	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000
Rocky River	0.0800	0.0800	0.0800	0.0800	0.0800	0.0800	0.0800	N/A	N/A	N/A
Bethany	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500
Richfield	0.0700	0.0700	0.0700	0.0700	0.0700	0.0700	0.0700	0.0700	0.0700	0.0700
Millingport	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500
Badin-Yadkin	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0800	0.0800	0.0800
Norwood Special	N/A	0.0500	0.0700	0.0700						
Maximum Combined										
**County Tax Rate	0.7675	0.7675	0.7675	0.7675	0.7450	0.7700	0.7700	0.7700	0.7700	0.7700
*** City Tax Rate	1.2075	1.2075	1.2275	1.2275	1.2050	1.2050	1.2300	1.2300	1.2300	1.2300

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).

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

		2011				2002	
Taxpayer	Taxable Assessed Value	<u>Rank</u>	Percentage of Total Taxable Assessed <u>Value</u>		Taxable Assessed Value	<u>Rank</u>	Percentage of Total Taxable Assessed <u>Value</u>
APGI	\$ 48,026,314	1	1.13%	\$	40,532,002	2	1.17%
Michelin Aircraft Tire Co.	31,207,216	2	0.74%				
Fiber Composites	28,889,995	3	0.68%		30,663,136	4	0.89%
Duke Energy	28,649,290	4	0.68%		26,113,370	5	0.76%
Union Electric	25,572,230	5	0.60%		17,527,423	7	0.51%
Alcoa	21,831,911	6	0.52%		71,498,528	1	2.07%
Preformed Line Prod	16,326,409	7	0.39%		15,322,861	9	0.44%
NC Natural Gas	14,542,779	8	0.34%		11,121,367	10	0.32%
IAC Group North America Inc.	13,892,031	9	0.33%				
Clayton Moblie Homes Maunfacturing	13,052,332	10	0.31%				
Collian and Aikman					36,743,003	3	1.07%
Textron Inc.					25,712,258	6	0.75%
General Signal Ind., Inc.					16,819,117	8	0.49%
Totals	\$ 241,990,507		<u>5.71</u> %	<u>\$</u>	292,053,065		<u>8.47</u> %

Source: Stanly County Tax Assessor

			ed within the ar of the Levy	Collections in		Total Collections to Date			
June 30	Fiscal Year	al Year Amount		Percentage of Levy	Subsequent Years		Amount	Percentage of Levy	
2002	\$ 23,202,760	\$	22,217,710	95.75%	\$ 691,765	\$	22,909,475	98.74%	
2003	23,570,947		22,498,389	95.45%	755,234		23,253,623	98.65%	
2004	23,615,122		22,627,355	95.82%	983,334		23,610,689	99.98%	
2005	23,837,624		22,937,907	96.23%	1,008,706		23,946,613	100.00%	
2006	25,446,392		24,452,587	96.09%	799,246		25,251,833	99.24%	
2007	25,771,587		24,856,027	96.45%	973,208		25,829,235	100.00%	
2008	27,427,554		26,505,922	96.64%	974,054		27,479,976	100.00%	
2009	28,197,742		27,070,898	96.00%	786,972		27,857,870	98.79%	
2010	28,322,388		27,157,880	95.89%	846,456		28,004,336	98.88%	
2011	28,414,033		27,215,473	95.78%	954,163		28,169,636	99.14%	

Source: Stanly County Tax Assessor

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

	Governmental Activities					Business	-type Activi	ties			
Fiscal Year	General Obligation Bonds	Bond Issuance Cost/ Premiums	Capital Leases	Installment Note		General Obligation Bonds	Capital Leases	Revolving Loan	Total Primary Government	Percentage of Personal Income	Per Capita
2002	\$ 25,500,000	\$-	\$ 3,232,926	\$-	\$	2,177,200	\$747,461	\$ 409,159	\$ 32,066,746	2.36%	\$ 545.43
2003	24,600,000	-	2,793,300	-		875,000	660,365	386,428	29,315,093	2.24%	498.61
2004	23,700,000	-	2,237,600	-		760,000	552,076	363,697	27,613,373	2.04%	467.55
2005	22,800,000	-	1,818,029	-		645,000	448,556	340,967	26,052,552	1.89%	440.99
2006	21,900,000	-	1,384,931	-		530,000	341,700	318,235	24,474,866	1.69%	415.45
2007	21,000,000	-	6,254,530	-		415,000	231,396	295,504	28,196,430	1.82%	476.89
2008	20,100,000	-	5,426,375	-		300,000	117,534	272,773	26,216,682	1.56%	433.55
2009	18,950,000	-	4,583,333	13,000,000		185,000	-	250,042	36,968,375	2.11%	394.15
2010	18,075,000	1,067,654	4,216,668	12,628,337		70,000	-	227,310	36,284,969	2.02%	601.20
2011	16,575,000	978,656	3,850,000	13,597,185		-	-	291,030	35,291,871	1.97%	590.55

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

		Percentage of Estimated	
Fiscal Year	General Obligation Bonds	Actual Taxable Value of Property	Per Capita
2002	\$ 27,677,200	0.80%	\$ 470.76
2002	25,475,000	0.72%	φ 478.78 428.89
2004	24,460,000	0.67%	414.16
2005	23,445,000	0.66%	396.85
2006	22,430,000	0.57%	380.74
2007	21,415,000	0.54%	362.19
2008	20,400,000	0.50%	337.36
2009	19,135,000	0.46%	314.67
2010	18,145,000	0.43%	300.64
2011	16,575,000	0.39%	277.35

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

Governmental Unit Stanly County	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt		
Stanly County	\$ 16,575,000	100%	\$	16,575,000	
Town of Richfield	392,500	100%		392,500	
Total direct and overlapping debt			\$	16,967,500	

Source: State of North Carolina Treasurer LGC 129



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

	Fiscal Year								
	2002		2003	2004	2005	2006			
Debt limit	\$ 244,327,835	\$	282,142,285	\$282,534,541	\$284,957,574	\$314,713,191			
Total net debt applicable to limit	28,732,926		24,600,000	23,700,000	22,800,000	23,284,931			
Legal debt margin	<u>\$ 215,594,909</u>	\$	257,542,285	<u>\$258,834,541</u>	<u>\$262,157,574</u>	<u>\$291,428,260</u>			
Total net debt applicable to the limit as a percentage of debt limit	<u>11.76%</u>		<u>8.72%</u>	<u>8.39%</u>	<u>8.00%</u>	<u>7.40%</u>			

Legal Debt Margin Calculation for Fiscal Year 2011

Assessed value		<u>\$</u> 4	4,234,811,767
Debt limit - 8% of assessed value Debt applicable to limit:			338,784,941
General obligation bonds	\$ 16,575,000		
Bond issuance cost/premiums	978,656		
Installment note	13,597,185		
Revolving loan	291,030		
Capital lease obligation	 3,850,000		
Total debt	35,291,871		
Less: Statutory deductions	 291,030		
Total amount of debt applicable to de Legal debt margin	\$	35,000,841 303,784,100	

Table 14

Fiscal Year											
2007	2008	2009	2010	2011							
\$ 319,453,600	\$327,410,064	\$ 333,792,266	\$336,564,256	\$ 338,784,941							
27,254,530	25,526,374	12,815,000	34,920,005	35,000,841							
<u>\$292,199,070</u>	<u>\$301,883,690</u>	<u>\$320,977,266</u>	<u>\$ 301,644,251</u>	<u>\$ 303,784,100</u>							
<u>8.53%</u>	<u>7.80%</u>	<u>3.84%</u>	<u>10.38%</u>	<u>10.33%</u>							

Fiscal Year	Population (1)	Personal Income	P	Per Capita ersonal come (2)	Median Age (3)	School Enrollment (4)	Unemployment Rate (5)
2002	58,792	\$ 1,357,507,280	\$	23,090	37.2	10,204	8.3%
2003	58,794	1,311,517,758		22,307	37.2	10,184	9.1%
2004	59,060	1,355,604,180		22,953	36.9	9,903	7.2%
2005	59,078	1,379,707,612		23,354	36.9	9,868	5.9%
2006	58,912	1,452,298,624		24,652	38.0	9,588	5.5%
2007	59,126	1,552,116,626		26,251	38.2	9,687	4.9%
2008	60,470	1,682,517,280		27,824	39.0	9,650	5.8%
2009	60,810	1,751,510,430		28,803	39.0	9,276	12.4%
2010	60,354	1,800,721,944		29,836	40.0	9,386	11.9%
2011	59,761	1,790,738,365		29,965	40.0	9,053	10.6%

Sources:

- (1) N.C. Employment Security Commission Workforce In-Depth
- (2) N.C. Employment Security Commission Workforce In-Depth
- (3) N.C. Department of Commerce North Carolina Economic Development Intelligence System
- (4) Stanly County Board of Education
- (5) N.C. Employment Security Commission Workforce In-Depth

Stanly County, North Carolina Principal Employers Current Year

	2010							
Employer	Employees	Rank	Percentage of Total County Employment					
Stanly County Schools	1,489	1	5.02%					
Stanly Regional Medical Center	658	2	2.22%					
Michelin Aircraft	480	3	1.62%					
Stanly County Government	429	4	1.45%					
IAC Old Fort LLC	350	5	1.18%					
Stanly Health Services	342	6	1.15%					
Wal-Mart of Albemarle	338	7	1.14%					
Monarch	309	8	1.04%					
City of Albemarle	273	9	0.92%					
Pfeiffer University	220	10	0.74%					
Total	4,888		<u>16.49</u> %					

Source: N.C. Employment Security Commission Workforce In-Depth

Note: Data not available before Fiscal Year 2006.

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

			Full-Ti	me Equi	ivalent I	Employe	es as of	June 30	1	
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Function										
General government										
Administration	4	4	5	6	6	6	6	5	5	4
Finance	7	7	7	7	7	6	5	5	6	5
Taxes	22	23	23	22	22	26	20	19	19	19
Attorneys	0	0	0	0	0	0	2	2	2	2
Elections	3	3	3	3	2	3	5	3	3	3
Register of deeds	6	6	6	6	6	6	6	5	4	4
Information technology	3	3	3	3	3	3	4	4	5	5
Facilities management	6	6	6	6	6	6	6	7	7	7
Public safety	0	0	0	0	0	0	0	'	'	I
Sheriff	48	51	51	51	53	52	53	58	57	55
Jail	17	16	18	23	20	24	37	39	33	38
Criminal justice partnership	1	10	10	23 1	1	1	1	1	1	1
Juvenile justice partnership	NA	1	1	1						
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	2 35	35	33	39	37	2 42	39	39	3 41	2 36
Inspections	7 3	7 5	7	7	7 5	6	6 5	5 6	5 6	4 5
Animal control	-	-	5	5	-	5	-	-	-	-
E-911 operations	15	16	16	15	16	14	15	18	17	16
E-911 surcharge	2	2	1	1	2	2	2	NA	NA	NA
Transportation	17	16	17	18	19	19	18	14	11	12
Environmental protection	40	40	40	40	40			40	40	4.0
Solid waste collection	13	13	13	13	13	14	14	10	10	10
Conservation	2	2	2	2	2	2	2	2	2	2
Economic and physical development	-	-	-	-	-	-		-	-	
Economic development	2	2	2	2	2	2	1	2	2	1
Planning and zoning	6	5	5	6	4	5	4	3	3	3
Central Permitting	0	0	0	0	0	0	3	3	4	3
Rocky River RPO	0	0	0	0	0	1	1	1	1	1
Cooperative extension	10	10	7	6	6	0	0	0	0	0
Title V	6	7	6	5	6	5	0	NA	NA	NA
Human services										
Health	47	52	56	56	54	60	55	57	58	54
Social services	77	77	73	75	76	79	74	81	76	78
Senior services	18	16	18	17	18	17	15	15	15	13
Veterans services	1	1	1	1	1	1	1	1	1	1
Culture and recreation										
Library	20	19	19	20	20	19	18	20	18	16
Historic preservation	2	2	2	2	1	2	2	2	2	2
Agri civic center	4	4	4	3	5	5	5	4	4	4
Airport	4	4	5	5	5	5	5	5	5	5
Utilities										
Administration	4	4	4	4	4	5	5	4	4	4
Operations	<u>7</u>	<u>7</u>	<u>8</u>	<u>8</u>	<u>8</u>	<u>8</u>	<u>9</u>	<u>12</u>	<u>13</u>	11
Total	<u>423</u>	<u>429</u>	<u>430</u>	<u>441</u>	<u>440</u>	<u>455</u>	<u>449</u>	<u>458</u>	<u>446</u>	<u>429</u>

Source: Stanly County Human Resources

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

	Fiscal Year							
	2006	2007	2008	2009	2010	2011		
Function								
Public Safety								
Arrests	1,819	1,712	3,471	1,157	3,200	1,689		
Civil papers serviced	1,060	1,166	13,269	5,848	8,447	9,196		
Average daily jail population	83	92	91	92	94	80		
Dispatched EMS calls	6,297	6,370	6,885	7,164	7,299	7,864		
EMS move up calls	2,748	2,695	5,270	2,836	3,221	2,883		
Building permits issued	642	710	651	652	517	541		
Animals entering shelter	4,358	4,211	3,313	2,980	2,996	2,883		
Animals euthanized	3,201	2,866	2,404	2,649	2,422	2,471		
911 calls logged for service	102,834	107,118	110,472	111,643	115,840	119,724		
Transportation								
Service hours	26,180	20,713	28,277	19,743	18,991	18,768		
Miles driven	413,044	392,079	427,665	386,343	351,009	332,373		
Trips	82,878	77,888	72,967	67,014	63,848	63,558		
Environmental protection								
Discarded materials collected (tons/day)	19	20	19	25	19	19		
Recyclables collected (tons/day)	2	2	2	2	2	2		
Human services								
Food and lodging permits	127	114	50	131	45	27		
Food and lodging inspections made	917	836	627	754	937	822		
Wells permits	155	168	145	94	83	68		
Culture and recreation								
Library books checked out	197,718	209,100	220,331	226,603	236,179	226,350		
Library cards issued	2,763	4,043	1,287	2,580	2,421	2,783		
Water and sewer								
Number of water customers	3,859	3,979	3,756	4,152	3,972	4,116		
Average monthly water demand								
(Gallons)	24,216,807	26,290,707	53,000,000	30,030,025	29,300,527	34,065,300		
Number of sewer customers	648	624	650	622	682	716		
Average monthly sewage collected*								
(Gallons)	-	-	-	244,000	383,500	220,800		
Airport					-			
Operations								
(Take-offs and/or landings)	11,451	13,844	13,718	11,490	11,425	10,605		

Sources: Various departments

*Accurate information not available for prior years.

Note: Data not available before Fiscal Year 2006.

		Fiscal Year					
	2006	2007	2008	2009	2010	2011	
Function							
Public safety							
Detention center	1	1	1	1	1	1	
Patrol units	51	46	48	52	51	48	
EMS ambulances	8	9	9	9	9	9	
Transportation							
Transit vehicles	29	24	18	21	20	20	
Environmental protection							
Convenience centers	9	9	9	9	9	9	
Sanitary landfill	0	0	0	0	0	0	
Culture and recreation							
Museums	3	3	3	3	3	3	
Civic center	1	1	1	1	1	1	
Water and sewer							
Miles of water mains	150	150	162	188	194	191	
Number of wastewater plants	1	1	1	1	1	1	
Miles of sanitary sewer	26	26	33	48	49	49	
Airport							
Runways	2	2	2	2	2	2	
Hangar Spaces	30	30	30	30	30	30	

Sources: Various departments

Note: This data not available before Fiscal Year 2006.