

Comprehensive Annual Financial Report Year Ended June 30, 2009

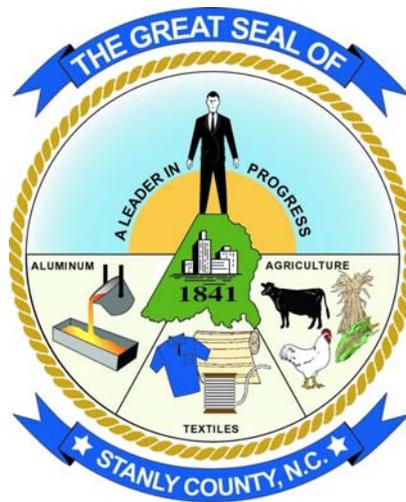


*Stanly County
North Carolina*

**STANLY COUNTY
NORTH CAROLINA**

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

**For Fiscal Year Ended
June 30, 2009**



**Prepared and Issued by:
Stanly County Finance Department**

**Toby R. Hinson
Finance Director**

STANLY COUNTY, NORTH CAROLINA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Fiscal Year Ended June 30, 2009
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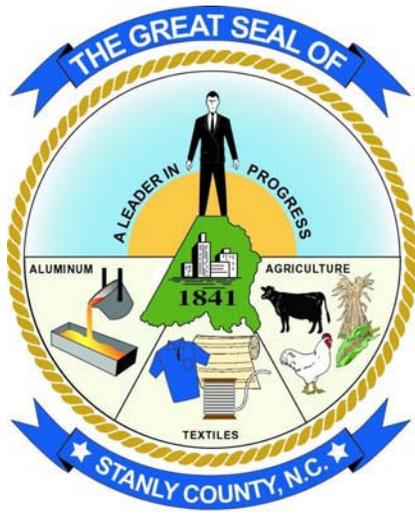
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INTRODUCTORY SECTION



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STANLY COUNTY
FINANCE OFFICE
1000 NORTH FIRST STREET, SUITE 10B
ALBEMARLE, NORTH CAROLINA 28001



October 31, 2009

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, 2009 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 a 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, about forty miles northeast of Charlotte. It is a county of lakes, rolling farmland and small towns. Industry includes modular home and aircraft tire manufacturing. Badin Lake and Lake Tillery form the entire eastern boundary of the county and provide recreational activities such as skiing, swimming, boating, and fishing. Lake Tillery also serves as the reservoir for the Tillery Hydroelectric Plant. 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 five-member 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 economic health of Stanly County remains strong despite the recent downturn in the global economy. As companies shed jobs as a way to reduce costs, Stanly County saw very little in the way of complete plant closures. Although unemployment spiked up to 12.4% at June 30, 2009, that number is slowly coming down as companies are starting to bring back workers who had been laid off. Clearly, Stanly County companies are in survival mode as they ride out this historic economic crisis. However, there have been smaller investments made by our existing companies in new technology and niche markets. This has led to several small expansions within the county. These expansions are leading to more jobs being created in “new economy” areas such as alternative energy and military contracting.

Declining manufacturing operations and accelerated depreciation on manufacturing equipment continues to contribute to low growth in property tax values. The \$85,000,000 increase in tax value is only a 2.09% increase.

The North Carolina Department of Transportation has resumed construction on the widening of Highway 24/27, with completion anticipated in 2010. This four-lane highway to Charlotte is expected to enhance economic development. The North Carolina Department of Transportation has begun the construction of the new Highway 52, with completion anticipated in 2011. This addition is expected to enhance economic development.

LONG TERM FINANCIAL PLANNING

The unreserved fund balance in the General Fund continues to be above the 8% minimum recommended for local governments in North Carolina. Unreserved fund balance in the General Fund decreased to 16.58% compared to 28.17% in 2008. This is a result of the decrease in cash of \$5,200,000. This is primarily due to \$2,965,000 loaned to the Stanly Water & Sewer Authority, a decrease of \$1,418,829 in fund balance, and the rest being reserved for capital projects. Generally, low-cost capital projects have been paid on a pay-as-you-go basis from fund balance. In the future, the County may seek financing for capital projects instead of using fund balance. The next capital project planned is the installation of mixers to improve water quality to the five existing water storage tanks in the Stanly County Utilities system. This is set to begin in the fall of 2009.

MAJOR INITIATIVES

Economic development and water and sewer expansion are two of the highest priorities for the Board of County Commissioners. There are two utility projects that are nearing completion and should be ready to close out by the fall of 2009. The County Commissioners created the Stanly Water and Sewer Authority in 2006 as a tool for securing grant funding, and as a means of completing water line installation. There are currently two projects under construction with this authority and one of these is on schedule to be finished in the fall of 2009.

Construction on an \$8,200,000 jail addition and improvement project began in June 2006. The new addition started receiving inmates in August 2009. Funding is being provided by a \$1,500,000 USDA loan, a \$5,500,000 installment loan, and by a \$1,220,000 appropriation from fund balance.

The Stanly County Board of Education started construction on improvements to two schools that began in the summer of 2008. The construction is nearing completion as of June 30, 2009. Funding is being provided by a \$13,000,000 loan from BB&T which is to be paid back by lottery proceeds and \$1,000,000 in lottery funds on hand.

AIRPORT

Albemarle-Stanly County Airport is located northeast of Albemarle near 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 Regional Airport. The North Carolina Division of Emergency Management has constructed 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 has increased in recent years. 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 new state-of-the-art air traffic control tower was completed in May 2001. A 1,000 foot extension of the runway is planned to allow for fully-loaded take-off of 737-300 aircraft from the primary runway. In addition, a new and beautiful terminal building is currently under construction with completion expected in the spring of 2010. The North Carolina Air National Guard has installed a radar system that is currently going through a testing phase and new approach procedures for the radar are expected within the next year.

For as long as the airport has been in its present location, access from U.S. Highway 52 and NC Hwy 24/27 have been through narrow, winding, two-lane roads that made access difficult and for some dangerous. Recognizing such, the North Carolina Department of Transportation is constructing a new access to the airport from the Northeast Connector. This new road, informally known as "Ridge Street Extension," will be complete in the spring of 2010 and will dramatically improve access to the Albemarle-Stanly County Airport.

The airport has hangar space available and room to construct additional hangar space or will lease to third parties for hangar construction. Crash, fire and rescue is provided by the North Carolina Air National Guard and is backed up by local volunteers.

TRANSPORTATION

Transportation within the County is very important to the Board of Commissioners. The board established a transportation system in 1986 to serve the entire county. SCUSA Transportation currently operates 21 vehicles which are handicapped accessible. Service is provided Monday through Friday from 5:30 am to 6:00 pm with daily trips to medical facilities, community college campuses, shopping facilities, work sites, etc. Out-of-county medical trips are provided on a pre-scheduled basis. Lift equipped vehicles are available for disabled passengers. Other services are provided on a limited basis, such as mileage reimbursement for qualified individuals. During fiscal year 2008-09, SCUSA Transportation used 19,743 service hours and drove 386,343 miles in providing 67,014 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 would not be written until additional appropriations were approved. Encumbrances remaining at June 30 are cancelled, and all appropriations except capital projects lapse. Encumbrances consummated subsequent to the year-end are charged to the next year's appropriations.

Cash Management

Idle cash during the year was invested either in fully insured or collateralized certificates of deposit, or in demand deposits in the State authorized mutual fund whose portfolio consists of instrument types noted above. Maturities ranged from 120 to 365 days.

The amount of investment earnings for the General Fund for 2009 was \$441,479, which was a very significant decrease of over \$600,000 from 2008. Total investment earnings for all funds decreased by \$655,000 from 2008. The average yield on maturing investments in 2009 was 2.75% compared to 3.5% in 2008.

A table of investments on June 30, 2009 is as follows:

<u>INVESTMENT</u>	<u>MARKET VALUE</u>
Certificates of Deposit	\$10,522,117
N.C. Cash Management Trust	<u>6,645,106</u>
TOTAL	<u>\$17,167,223</u>

Risk Management

The County is exposed to various risks such as torts, property loss and damage, errors and omissions, employee injuries, and natural disasters. The County provides worker's compensation coverage through a self-insured program administered by a third party. The workers' compensation coverage is the statutory limit.

The County carries commercial insurance for all other loss risks, including general liability, public official liability, vehicle, and property. Settled claims from these risks have not exceeded commercial insurance coverage in any of the last four fiscal years.

OTHER INFORMATION

Other Post Employment Benefits

This is the first fiscal year the County is required to report other post employment benefit (OPEB) information according to GASB Statement No. 45. This cost is calculated based on the annual required contribution (ARC) of the employer which is actuarially determined. The ARC represents a level of funding, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty years. The net OPEB obligation at June 30, 2009 is \$256,540.

Independent Audit

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

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

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Stanly County for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2008. 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 eighteen (18) 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,



Andrew M. Lucas
County Manager



Toby R. Hinson
Finance Director

STANLY COUNTY, NORTH CAROLINA
LIST OF ELECTED AND APPOINTED OFFICIALS
June 30, 2009

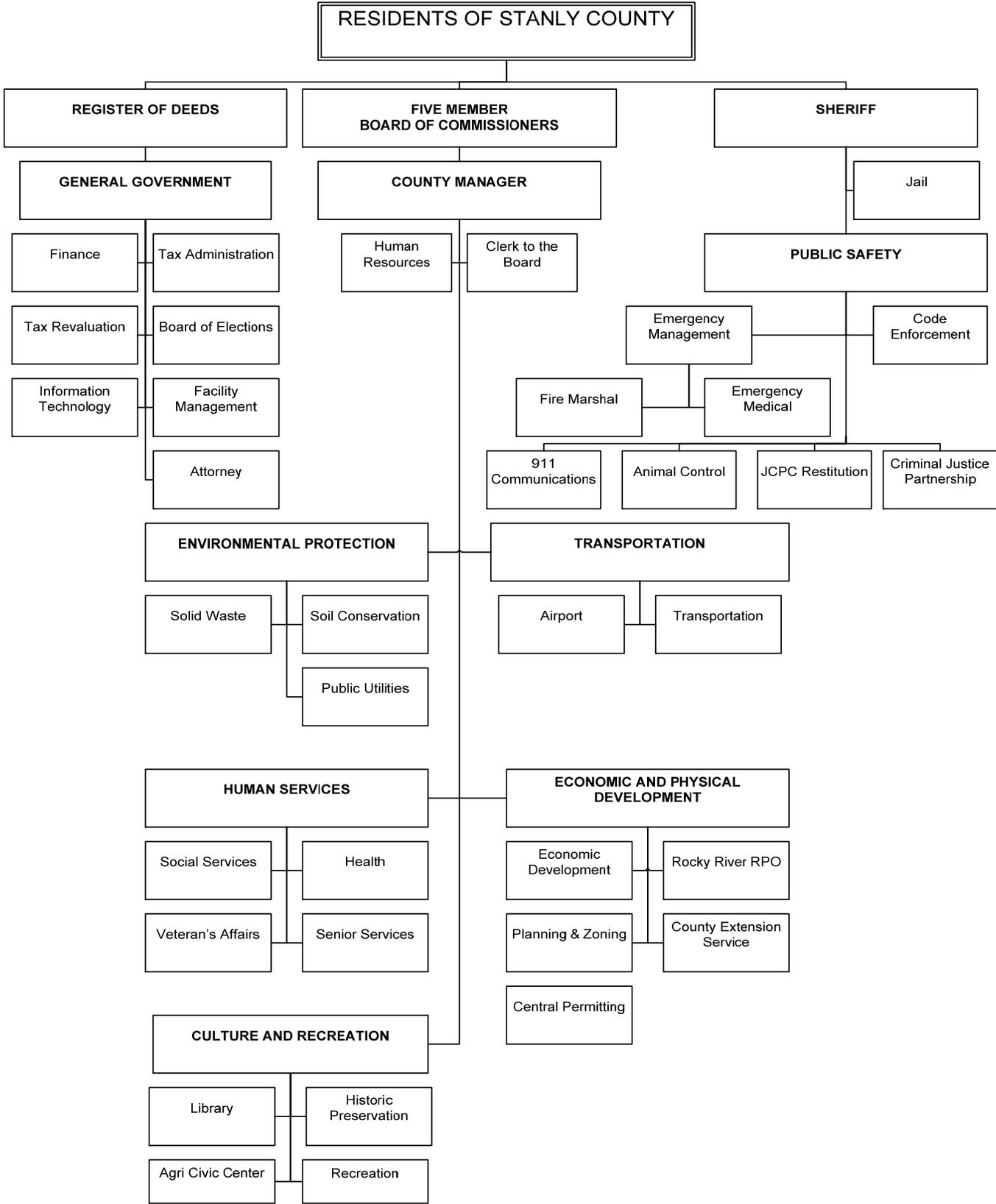
Elected Officials

Board of Commissioners – Chairman Tony M. Dennis
Board of Commissioners – Vice-Chairman Gene McIntyre
Board of Commissioners Lindsey R. Dunevant
Board of Commissioners Janet K. Lowder
Board of Commissioners Sherrill Smith
Sheriff Rick Burris
Register of Deeds Suzanne W. Lowder

Appointed Officials

County Manager Andrew M. Lucas
Clerk to the Board Tyler L. Brummitt
Agri – Civic Center Director Candice B. Moffitt
Airport Director David M. Griffin
Central Permitting Carol C. Almond
Code Enforcement David M. Harrington
Communications Director – E 911 Karen L. McDaniel
County Attorney Vacant
County Extension Service Lori S. Ivey
Criminal Justice Partnership Allen E. Lawrence
Economic Development Director Kevin M. Gullette
Election Supervisor Kimberly R. Wilson
Emergency Management Director Brian T. Simpson
Facility Management and Solid Waste Director Jerry R. Morton
Finance Director Toby R. Hinson
Health Director Dennis R. Joyner
Historic Preservation Director Jonathan A. Underwood
Human Resources Director Emily F. Valentine
Information Technology Director Chad A. Coble
JCPC Restitution Shelly D. Ross
Library Director Penny H. Welling
Planning Director Michael M. Sandy
Public Utilities Director Donna L. Davis
Senior Services Director Rebecca G. Weemhoff
Social Services Director Sharon S. Scott
Soil and Water Conservation Cost Share Technician Gerald M. McSwain
Tax Administrator Richard R. Johnson
Transportation Director Gwen L. Hinson
Veterans Service Officer W. Timothy Pressley

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, 2008

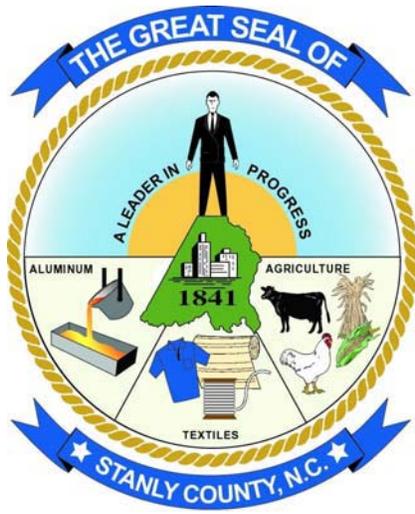
A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards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



President

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 AUDITOR'S REPORT

Board of County Commissioners
Stanly County
Albemarle, 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, 2009, 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, based upon our audit, 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, 2009, 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 October 26, 2009 on our consideration of Stanly County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grants. 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 considered in assessing the results of our audit.

Management's Discussion and Analysis and the Law Enforcement Officers' Special Separation Allowance Schedules of Funding Progress and Employer Contributions and the Other Post-Employment Benefits Schedule of Funding Progress and Employer Contributions, are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit this information and express no opinion on it.

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 non-major fund financial statements and schedules, budget and actual schedules, ad valorem tax schedules, and the statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual non-major fund financial statements and schedules, budget and actual schedules supplemental ad valorem schedules and other supplementary schedules have been subjected to the auditing procedures applied in our audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and the statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Martin Starnes & Associates, CPAs, P.A.

Martin Starnes & Associates, CPAs, P.A.
Hickory, North Carolina
October 26, 2009

**STANLY COUNTY, NORTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2009**

Management's Discussion and Analysis

This discussion and analysis is provided as an overview of Stanly County's financial activities for the fiscal year ended June 30, 2009. The transmittal letter that begins on *page i* provides additional highlights and explanations and should also be read in conjunction with the financial statements.

Financial Highlights

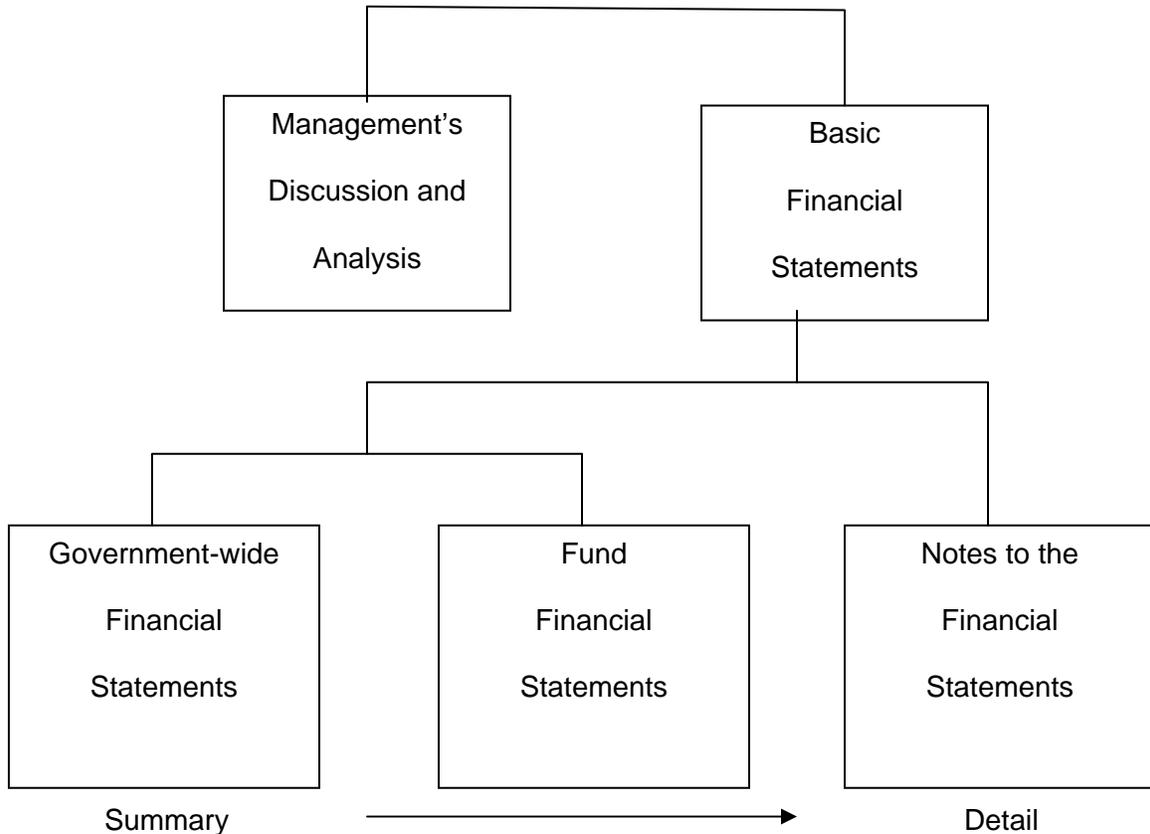
- The assets of Stanly County exceeded its liabilities at the close of the fiscal year by \$41,953,351 (*net assets*). Net assets would be much greater except Stanly County reports \$31,950,000 debt liability for the school system, and the school reports the assets.
- The government's total net assets decreased by \$9,206,783, primarily due to a overall decrease in governmental revenues and increase in education spending.
- As the close of the current fiscal year, Stanly County's governmental funds reported combined ending fund balances of \$20,842,731, after a net increase in fund balance of \$1,254,364. Approximately 60.36% of this total amount, or \$12,580,868, is available for spending at the government's discretion (unreserved fund balance).
- At the end of the current fiscal year, unreserved fund balance for the General Fund was \$9,390,468, or 16.58% of total General Fund expenditures for the fiscal year.
- Stanly County's total debt increased by \$10,751,693 (41.01%) during the current fiscal year. The closing of the Aquadale and Locust Schools construction loan in July 2008 accounts for the increase.
- Stanly County maintained its Moody's A2 bond rating for the ninth consecutive year. Standard & Poor's upgraded Stanly County's bond rating from "A" to "A+" this year.
- The \$2,195,841 increase (3.89%) in the General Fund budget occurred primarily because of normal increases for wages, benefits, insurance and other operating costs.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to Stanly County's basic financial statements, which 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 government-wide statements and fund statements present two different perspectives that, along with the supplemental information, illustrate Stanly County's financial condition.

**STANLY COUNTY, NORTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2009**

Required Components of Annual Financial Reports



Basic Financial Statements

The first two documents (Exhibits A and B) are the Government-wide Financial Statements. They provide both short and long-term information concerning the County's financial status.

Exhibits C through J are the Fund Financial Statements that focus on specific individual governmental activities and provide more detail than the government-wide statements. There are four sections to the Fund Financial Statements: 1) the governmental funds statements; 2) the budgetary comparison statements; 3) the proprietary fund statements; 4) and the fiduciary fund statements.

The next section is the notes that provide narrative and data explanation regarding selected financial statement presentations. Supplementary information is then provided to show details about the County's non-major governmental funds and internal service fund, all of which are combined in one column on the basic financial statements. Budgetary information required by the General Statutes can be found in this part of the statements.

Required supplementary information regarding funding for the County's pension plans follows the notes.

STANLY COUNTY, NORTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2009

Government-wide Financial Statements

The government-wide financial statements are similar in format to private-sector business financial statements and are designed to provide a broad overview of the County's finances. The government-wide statements also provide information regarding the short and long-term financial status as a whole. These statements report increases and decreases of net assets, which are the difference between the County's total assets and total liabilities. Change in net assets is a primary tool to gauge financial condition.

The government-wide statements are divided into two categories, governmental activities and business-type activities. The governmental activities include most of the basic services such as public safety, general administration, human services, transportation, and solid waste. Property taxes, state and federal grants, and fees finance most of these activities. Business-type activities are those for which the County charges a fee to consumers, such as water and sewer and airport.

Fund Financial Statements

Fund financial statements provide a detailed analysis of the more 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. All funds can be divided into two categories, governmental and proprietary. Stanly County, like all other governmental entities in North Carolina, uses fund accounting to ensure and report compliance (or non-compliance) with finance-related legal requirements, such as general statutes or budget ordinances.

Governmental Funds – Governmental funds are used to account for functions reported as governmental activities in the government-wide financial statements. Most 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 that has a current financial resources focus. As a result, the governmental fund financial statements present a detailed short-term view that helps determine the amount of financial resources available to finance programs and activities. The relationship between government activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds is described in a reconciliation that is a part of the fund financial statements.

Stanly County adopts an annual budget for its General Fund, as required by the General Statutes. The budget is a legally adopted document that incorporates input from residents, staff, and governing body regarding which services to provide and how to pay for them. It also identifies and authorizes revenue sources to finance 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. A reconciliation is provided at the end of the budgetary statement to account for the difference between the budgetary basis and modified accrual accounting basis.

STANLY COUNTY, NORTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2009

Proprietary Funds – Enterprise and internal service funds are the only kind of proprietary funds maintained by Stanly County. Enterprise funds are used to report the same functions that are presented as business-type activities in the government-wide financial statements. Enterprise funds account for water and sewer activities and airport operations. These funds are the same business-type activities as shown in the Statement of Net Assets and in 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 five agency funds and has no permanent fiduciary funds.

Notes to the Financial Statements – The notes provide additional information that is essential to fully understanding data provided in the government-wide and fund financial statements. The notes to the financial statements begin on page 23 of this report.

Other Information – In addition to the basic financial statements and accompanying notes, this report includes certain required supplementary information concerning funding of employee pension obligations. Required supplementary information can be found beginning on page 56 of this report.

**STANLY COUNTY, NORTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2009**

STANLY COUNTY'S NET ASSETS

	Governmental Activities		Business-type Activities		Total	
	2009	2008	2009	2008	2009	2008
Current and other assets	\$ 29,491,092	\$ 25,740,198	\$ 2,635,541	\$ 2,837,510	\$ 32,126,633	\$ 28,577,708
Capital assets	<u>20,187,833</u>	<u>19,359,718</u>	<u>33,744,521</u>	<u>34,034,772</u>	<u>53,932,354</u>	<u>53,394,490</u>
Total assets	<u>49,678,925</u>	<u>45,099,916</u>	<u>36,380,062</u>	<u>36,872,282</u>	<u>86,058,987</u>	<u>81,972,198</u>
Long-term liabilities outstanding	38,053,042	26,774,003	511,853	755,145	38,564,895	27,529,148
Other liabilities	<u>5,219,498</u>	<u>3,042,266</u>	<u>321,243</u>	<u>240,650</u>	<u>5,540,741</u>	<u>3,282,916</u>
Total liabilities	<u>43,272,540</u>	<u>29,816,269</u>	<u>833,096</u>	<u>995,795</u>	<u>44,105,636</u>	<u>30,812,064</u>
Net assets:						
Invested in capital assets, net of related debt	18,364,949	13,933,344	33,309,479	33,344,464	51,674,428	47,277,808
Restricted	71,511	65,839	-	-	71,511	65,839
Unrestricted (deficit)	<u>(12,030,075)</u>	<u>1,284,464</u>	<u>2,237,487</u>	<u>2,532,023</u>	<u>(9,792,588)</u>	<u>3,816,487</u>
Total net assets	<u>\$ 6,406,385</u>	<u>\$ 15,283,647</u>	<u>\$ 35,546,966</u>	<u>\$ 35,876,487</u>	<u>\$ 41,953,351</u>	<u>\$ 51,160,134</u>

As noted earlier, comparing changes in net assets over time provides one useful indicator of financial condition. The assets of Stanly County exceeded liabilities by \$41,953,351 as of June 30, 2009.

The County's net assets decreased by \$9,206,783 for the fiscal year ended June 30, 2009. Capital assets (e.g. land, buildings, machinery and equipment) reflect the largest portion of net assets. Stanly County's investment in its capital assets is reported net of the outstanding related debt. Stanly County uses capital assets to provide services to citizens; consequently, these assets are not available for future spending. An additional portion of Stanly County's net assets 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 \$31,950,000.

STANLY COUNTY, NORTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2009

Stanly County Changes in Net Assets

	Governmental Activities		Business-type Activities		Total	
	2009	2008	2009	2008	2009	2008
Revenues:						
Program revenues:						
Charges for services	\$ 8,807,738	\$ 7,470,469	\$ 3,297,326	\$ 3,461,819	\$ 12,105,064	\$ 10,932,288
Operating grants and contributions	9,307,612	9,111,529	-	17,949	9,307,612	9,129,478
Capital grants and contributions	1,706,125	986,481	1,092,003	216,801	2,798,128	1,203,282
General revenues:						
Property taxes	29,839,262	29,160,452	-	-	29,839,262	29,160,452
Other taxes	9,362,040	11,270,758	-	-	9,362,040	11,270,758
Interest earned on investments	612,476	1,235,530	29,042	30,698	641,518	1,266,228
Total revenues	<u>59,635,253</u>	<u>59,235,219</u>	<u>4,418,371</u>	<u>3,727,267</u>	<u>64,053,624</u>	<u>62,962,486</u>
Expenses:						
General government	6,207,070	5,563,922	-	-	6,207,070	5,563,922
Public safety	13,941,395	12,089,074	-	-	13,941,395	12,089,074
Transportation	923,081	850,441	-	-	923,081	850,441
Environmental protection	1,108,942	1,031,633	-	-	1,108,942	1,031,633
Economic development	1,494,393	2,344,873	-	-	1,494,393	2,344,873
Human services	16,136,859	16,086,711	-	-	16,136,859	16,086,711
Cultural and recreation	2,035,578	1,800,314	-	-	2,035,578	1,800,314
Education	24,661,209	14,267,912	-	-	24,661,209	14,267,912
Interest on long-term debt	1,393,628	1,193,541	-	-	1,393,628	1,193,541
Water and sewer	-	-	3,809,744	3,377,002	3,809,744	3,377,002
Airport	-	-	1,548,508	1,588,558	1,548,508	1,588,558
Total expenses	<u>67,902,155</u>	<u>55,228,419</u>	<u>5,358,252</u>	<u>4,965,560</u>	<u>73,260,407</u>	<u>60,193,979</u>
Increase (decrease) in net assets before transfers and special items	(8,266,902)	4,006,800	(939,881)	(1,238,293)	(9,206,783)	2,768,507
Transfers in (out)	<u>(610,360)</u>	<u>(598,536)</u>	<u>610,360</u>	<u>598,536</u>	<u>-</u>	<u>-</u>
Increase (decrease) in net assets	(8,877,262)	3,408,264	(329,521)	(639,757)	(9,206,783)	2,768,507
Net assets, July 1	<u>15,283,647</u>	<u>11,875,383</u>	<u>35,876,487</u>	<u>36,516,244</u>	<u>51,160,134</u>	<u>48,391,627</u>
Net assets, June 30	<u>\$ 6,406,385</u>	<u>\$ 15,283,647</u>	<u>\$ 35,546,966</u>	<u>\$ 35,876,487</u>	<u>\$ 41,953,351</u>	<u>\$ 51,160,134</u>

STANLY COUNTY, NORTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2009

Governmental activities. Governmental activities decreased the County's net assets by \$8,877,262. Key elements of that increase were as follows:

- Education expenses increased by 10,393,297 due to school improvements.
- Group Health Fund surplus of \$1,418,094 was transferred to governmental activities.

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 governmental funds is to provide information on near-term inflows, outflows, and balances of usable resources. Such information is useful in assessing financing requirements. Specifically, unreserved fund balance at year-end is a useful measure of resources available to spend in future years.

The General Fund is the chief operating fund. The unreserved fund balance at the end of the fiscal year was \$9,390,468, and total fund balance was \$17,624,249. As a measure of the General Fund's liquidity, it is useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 16.58% of total General Fund expenditures, while total fund balance represents 31.13% of that same amount. The decrease in unreserved fund balance is primarily due to \$2,965,000 loaned to the Stanly Water & Sewer Authority, a decrease of \$1,418,829 in fund balance reflected in Exhibit F and Schedule 1, and the rest being reserved for capital projects.

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 \$9,359,329 and revenues by only \$1,905,154, with the remaining \$7,454,175 funded by fund balance. A total of \$1,610,360 was transferred to capital projects. Another \$790,403 was appropriated to document an increase in the transfer for school building cost from the state bond fund.

Business-type activities: Business-type activities decreased Stanly County's net assets by \$329,521. Key financial elements of business-type activities are as follows:

- Water and sewer expenses increased by \$432,742.

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 \$1,610,005, and for the airport \$627,482. The total decrease in net assets for all enterprise funds was \$329,521. Other factors concerning the finances of these two funds have already been addressed in the discussion of business-type activities.

**STANLY COUNTY, NORTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2009**

Capital Asset and Debt Administration

Capital assets. Stanly County's capital assets for its governmental and business-type activities as of June 30, 2009, totaled \$53,932,354 (net of accumulated depreciation). These assets included buildings, land, machinery and equipment, and vehicles.

Major capital asset transactions during the year included:

- Jail Construction nearing completion
- Airport improvements and utility projects are ongoing

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

	Governmental Activities		Business-type Activities		Total	
	2009	2008	2009	2008	2009	2008
Land	\$ 1,949,950	\$ 1,766,317	\$ 5,147,879	\$ 5,147,879	\$ 7,097,829	\$ 6,914,196
Buildings and improvements	8,668,595	9,115,796	25,638,687	27,455,257	34,307,282	36,571,053
Equipment and vehicles	1,595,585	1,763,883	189,914	262,893	1,785,499	2,026,776
Constuction in progress	<u>7,973,703</u>	<u>6,713,722</u>	<u>2,768,041</u>	<u>1,168,743</u>	<u>10,741,744</u>	<u>7,882,465</u>
Total	<u>\$20,187,833</u>	<u>\$19,359,718</u>	<u>\$33,744,521</u>	<u>\$34,034,772</u>	<u>\$53,932,354</u>	<u>\$53,394,490</u>

Additional information on capital assets can be found in the financial notes of the Basic Financial Statements on page 36.

Long-term Debt. As of June 30, 2009, Stanly County had total bonded debt outstanding of \$19,135,000 all of which is debt backed by the full faith and credit of the County.

**Stanly County's Outstanding Debt
General Obligation**

	Governmental Activities		Business-type Activities		Total	
	2009	2008	2009	2008	2009	2008
General obligation bonds	<u>\$ 18,950,000</u>	<u>\$ 20,100,000</u>	<u>\$185,000</u>	<u>\$ 300,000</u>	<u>\$19,135,000</u>	<u>\$20,400,000</u>

**STANLY COUNTY, NORTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2009**

Stanly County's total debt increased by \$10,751,693 (41.01%) during the past fiscal year, primarily due to funding Aquadale and Locust Elementary School improvements with a \$13,000,000 installment purchase agreement.

As mentioned in the financial highlights section of this document, Stanly County maintained for the ninth consecutive year its A2 bond rating from Moody's Investor Service and Standard & Poor's upgraded the County's rating to A+. 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 \$297,258,933. The County has no authorized but un-issued bonds at June 30, 2009.

Additional information regarding Stanly County's long-term debt can be found in note III beginning on page 48 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 increase in the unemployment rate at 12.4%, which is the slightly above the state average.
- Retail vacancy rates are high compared to prior years.
- Manufacturing jobs have decreased significantly over the prior year.

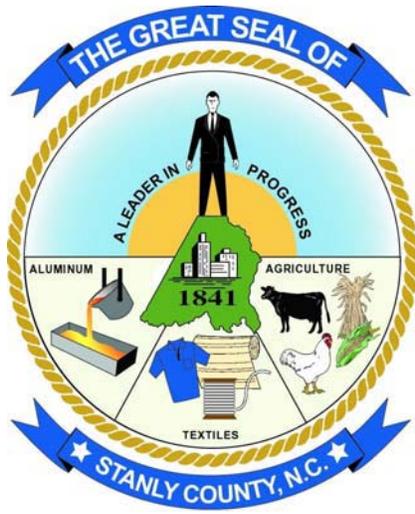
Budget Highlights for the Fiscal Year Ending June 30, 2010

Governmental Activities: Property tax values are expected to grow by a little more than 2%, primarily due to average growth trend. Solid waste and other fees increased slightly.

General Fund expenditures were budgeted to fall from \$59,041,106 to \$55,716,925, which is a 5.6% decrease. This is largely due to the decrease in sales tax revenues.

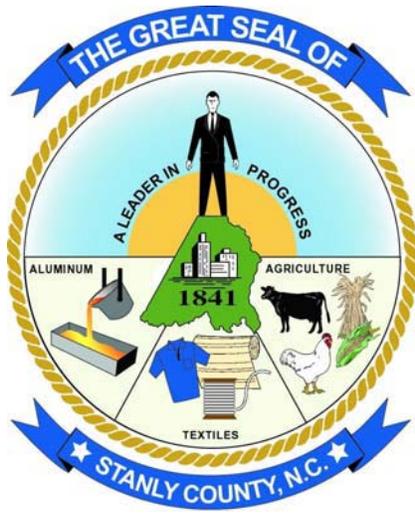
Requests for Information

This report is designed to provide an overview of the County's finances. 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.



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BASIC FINANCIAL STATEMENTS



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STANLY COUNTY, NORTH CAROLINA

STATEMENT OF NET ASSETS

JUNE 30, 2009

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Stanly Water and Sewer Authority
Assets:				
Cash and cash equivalents	\$ 16,839,573	\$ 2,019,062	\$ 18,858,635	\$ 355,888
Receivables, net	9,418,780	936,358	10,355,138	422,342
Internal balances	431,964	(431,964)	-	-
Inventories	-	105,958	105,958	-
Prepaid items	40,326	-	40,326	-
Bond discount, net of amortization	-	6,127	6,127	-
Restricted cash and cash equivalents	2,760,449	-	2,760,449	-
Capital Assets:				
Land	1,949,950	5,147,879	7,097,829	-
Construction in progress	7,973,703	2,768,041	10,741,744	4,182,631
Depreciable assets, net	10,264,180	25,828,601	36,092,781	-
Total assets	49,678,925	36,380,062	86,058,987	4,960,861
Liabilities:				
Accounts payable	3,604,183	181,105	3,785,288	208,721
Interest payable	609,814	2,895	612,709	-
Payroll payable	840,155	40,453	880,608	-
Deposits payable	-	96,790	96,790	-
Due to other governments	6,191	-	6,191	2,965,000
Unearned revenue	159,155	-	159,155	-
Noncurrent liabilities:				
Due within a year	3,020,877	162,731	3,183,608	-
Due in more than a year	35,032,165	349,122	35,381,287	-
Total liabilities	43,272,540	833,096	44,105,636	3,173,721
Net Assets:				
Invested in capital assets, net of related debt	18,364,949	33,309,479	51,674,428	4,182,631
Restricted for:				
Register of Deeds	71,511	-	71,511	-
Unrestricted (deficit)	(12,030,075)	2,237,487	(9,792,588)	(2,395,491)
Total net assets	\$ 6,406,385	\$ 35,546,966	\$ 41,953,351	\$ 1,787,140

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

STANLY COUNTY, NORTH CAROLINA

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2009

	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Functions/Programs				
Primary Government:				
Governmental Activities:				
General government	\$ 6,207,070	\$ 1,844,478	\$ 694,138	\$ -
Public safety	13,941,395	2,669,845	546,859	-
Transportation	923,081	370,233	477,952	-
Environmental protection	1,108,942	835,242	-	-
Economic and physical development	1,494,393	601,271	-	114,286
Human services	16,136,859	2,301,087	7,588,380	-
Education	24,661,209	-	-	1,591,839
Culture and recreation	2,035,578	185,582	283	-
Interest on long-term debt	1,393,628	-	-	-
Total governmental activities	<u>67,902,155</u>	<u>8,807,738</u>	<u>9,307,612</u>	<u>1,706,125</u>
Business-Type Activities:				
Greater Badin Water and Sewer District	738,717	485,259	-	-
Piney Point Water District	106,114	113,193	-	-
Stanly County Utility Fund	2,964,913	2,402,997	-	869,674
Airport Fund	1,548,508	295,877	-	222,329
Total business-type activities	<u>5,358,252</u>	<u>3,297,326</u>	<u>-</u>	<u>1,092,003</u>
Total primary government	<u>\$ 73,260,407</u>	<u>\$ 12,105,064</u>	<u>\$ 9,307,612</u>	<u>\$ 2,798,128</u>
Component Unit:				
Water & Sewer Authority	591,363	448,272	-	912,460
Total Component Unit	<u>\$ 591,363</u>	<u>\$ 448,272</u>	<u>\$ -</u>	<u>\$ 912,460</u>

General Revenues:

Ad valorem taxes
Local option sales tax
Other taxes
Interest earned on investments
Miscellaneous income
Transfers in (out)

Total general revenues and transfers

Change in net assets

Net assets, beginning of year - July 1

Net assets, end of year - June 30

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

Exhibit B

Net (Expense) Revenue and Changes in Net Assets				
Primary Government			Component Unit	
Governmental Activities	Business-Type Activities	Total	Stanly Water and Sewer Authority	
\$ (3,668,454)	\$ -	\$ (3,668,454)	\$ -	-
(10,724,691)	-	(10,724,691)	-	-
(74,896)	-	(74,896)	-	-
(273,700)	-	(273,700)	-	-
(778,836)	-	(778,836)	-	-
(6,247,392)	-	(6,247,392)	-	-
(23,069,370)	-	(23,069,370)	-	-
(1,849,713)	-	(1,849,713)	-	-
(1,393,628)	-	(1,393,628)	-	-
(48,080,680)	-	(48,080,680)	-	-
-	(253,458)	(253,458)	-	-
-	7,079	7,079	-	-
-	307,758	307,758	-	-
-	(1,030,302)	(1,030,302)	-	-
-	(968,923)	(968,923)	-	-
(48,080,680)	(968,923)	(49,049,603)	-	-
-	-	-	769,369	-
-	-	-	769,369	-
29,839,262	-	29,839,262	-	-
8,842,576	-	8,842,576	-	-
519,464	-	519,464	-	-
612,476	29,042	641,518	1,875	-
-	-	-	106	-
(610,360)	610,360	-	-	-
39,203,418	639,402	39,842,820	1,981	-
(8,877,262)	(329,521)	(9,206,783)	771,350	-
15,283,647	35,876,487	51,160,134	1,015,790	-
\$ 6,406,385	\$ 35,546,966	\$ 41,953,351	\$ 1,787,140	-

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

STANLY COUNTY, NORTH CAROLINA

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2009

	<u>General</u>	<u>Jail Construction Fund</u>	<u>School Construction Fund</u>	<u>Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets:					
Cash and cash equivalents	\$ 11,487,801	\$ -	\$ 2,180,380	\$ 375,706	\$ 14,043,887
Receivables, net	8,829,544	-	-	145,243	8,974,787
Due from other funds	1,397,866	-	-	-	1,397,866
Prepaid items	40,326	-	-	-	40,326
Restricted cash and cash equivalents	-	-	2,760,449	-	2,760,449
Total assets	<u>\$ 21,755,537</u>	<u>\$ -</u>	<u>\$ 4,940,829</u>	<u>\$ 520,949</u>	<u>\$ 27,217,315</u>
Liabilities and Fund Balances:					
Liabilities:					
Accounts payable and accrued liabilities	\$ 1,860,476	\$ 52,754	\$ 1,115,907	\$ 28,395	\$ 3,057,532
Due to other governments	6,191	-	-	-	6,191
Due to other funds	-	929,139	-	36,763	965,902
Deferred revenue	2,105,466	-	-	80,338	2,185,804
Unearned revenue	159,155	-	-	-	159,155
Total liabilities	<u>4,131,288</u>	<u>981,893</u>	<u>1,115,907</u>	<u>145,496</u>	<u>6,374,584</u>
Fund Balances:					
Reserved/restricted for:					
By State statute	8,121,944	-	-	28,082	8,150,026
Register of Deeds	71,511	-	-	-	71,511
Prepaid items	40,326	-	-	-	40,326
Unreserved Reported In:					
General Fund	9,390,468	-	-	-	9,390,468
Special Revenue Fund	-	-	-	347,371	347,371
Capital Project Fund	-	(981,893)	3,824,922	-	2,843,029
Total fund balances	<u>17,624,249</u>	<u>(981,893)</u>	<u>3,824,922</u>	<u>375,453</u>	<u>20,842,731</u>
Total liabilities and fund balances	<u>\$ 21,755,537</u>	<u>\$ -</u>	<u>\$ 4,940,829</u>	<u>\$ 520,949</u>	

Amounts reported for governmental activities in the statement of net assets (Exhibit A) are different because:

Capital assets used in governmental activities are not financial resources and are not reported in the funds.	20,187,833
The focus of governmental funds is on short-term financing; long-term assets are deferred in the funds.	2,620,583
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	(38,662,856)
Internal service funds are used by management to charge the costs of certain activities to individual funds. These assets and liabilities are included in governmental activities in the statement of net assets.	<u>1,418,094</u>
Net assets of governmental activities	<u>\$ 6,406,385</u>

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

STANLY COUNTY, NORTH CAROLINA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2009

	General	Jail Construction Fund	School Construction Fund	Non-Major Governmental Funds	Total Governmental Funds
Revenues:					
Ad valorem taxes	\$ 27,833,266	\$ -	\$ -	\$ 1,767,102	\$ 29,600,368
Local option sales taxes	8,842,576	-	-	-	8,842,576
Other taxes and licenses	519,464	-	-	-	519,464
Unrestricted intergovernmental	2,664	-	-	-	2,664
Restricted intergovernmental	10,573,980	-	-	114,286	10,688,266
Permits and fees	919,726	-	-	6,001	925,727
Sales and services	6,378,724	-	-	336,975	6,715,699
Investment earnings	441,479	469	64,473	4,489	510,910
Miscellaneous	1,290,237	-	-	-	1,290,237
Total revenues	<u>56,802,116</u>	<u>469</u>	<u>64,473</u>	<u>2,228,853</u>	<u>59,095,911</u>
Expenditures:					
Current:					
General government	5,708,279	-	-	26,863	5,735,142
Public safety	11,690,381	1,259,980	-	1,966,992	14,917,353
Transportation	955,788	-	-	-	955,788
Environmental protection	1,119,667	-	-	-	1,119,667
Economic and physical development	1,459,308	-	-	127,216	1,586,524
Human services	16,173,399	-	-	-	16,173,399
Education	14,421,658	-	10,239,551	-	24,661,209
Culture and recreation	1,946,862	-	-	-	1,946,862
Debt Service:					
Principal	1,993,041	-	-	-	1,993,041
Interest and other charges	1,142,202	-	-	-	1,142,202
Total expenditures	<u>56,610,585</u>	<u>1,259,980</u>	<u>10,239,551</u>	<u>2,121,071</u>	<u>70,231,187</u>
Revenues over (under) expenditures	<u>191,531</u>	<u>(1,259,511)</u>	<u>(10,175,078)</u>	<u>107,782</u>	<u>(11,135,276)</u>
Other Financing Sources (Uses):					
Debt issued	-	-	13,000,000	-	13,000,000
Transfers from other funds	-	-	1,000,000	-	1,000,000
Transfers to other funds	(1,610,360)	-	-	-	(1,610,360)
Total other financing sources (uses)	<u>(1,610,360)</u>	<u>-</u>	<u>14,000,000</u>	<u>-</u>	<u>12,389,640</u>
Net change in fund balances	(1,418,829)	(1,259,511)	3,824,922	107,782	1,254,364
Fund balance, beginning of year - July 1	19,043,078	277,618	-	267,671	19,588,367
Fund balance, end of year - June 30	<u>\$ 17,624,249</u>	<u>\$ (981,893)</u>	<u>\$ 3,824,922</u>	<u>\$ 375,453</u>	<u>\$ 20,842,731</u>

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

STANLY COUNTY, NORTH CAROLINA

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2009**

Amounts reported for governmental activities in the statement of activities are different due to the following items:

Net changes in fund balances for governmental funds	\$ 1,254,364
Governmental funds report capital outlays as expenditures. In the statement of activities, the cost of those assets is depreciated over their estimated useful lives.	
Capital outlays \$ 2,219,482	
Depreciation <u>(1,391,367)</u>	828,115
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.	
	(11,006,958)
Some revenues reported in the statement of activities are not yet available and, therefore, are not reported as revenues in the governmental funds.	
	270,097
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.	
	(523,507)
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.	
	<u>300,627</u>
Change in net assets of governmental activities	<u>\$ (8,877,262)</u>

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

STANLY COUNTY, NORTH CAROLINA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Positive (Negative)</u>
Revenues:				
Ad valorem taxes	\$ 27,598,100	\$ 27,703,100	\$ 27,833,266	\$ 130,166
Sales taxes	10,885,000	10,885,000	8,842,576	(2,042,424)
Other taxes	576,000	586,900	519,464	(67,436)
Unrestricted intergovernmental	8,000	8,000	2,664	(5,336)
Restricted intergovernmental	9,783,720	11,126,788	10,573,980	(552,808)
Licenses and permits	970,056	970,056	919,726	(50,330)
Sales and services	6,118,343	6,375,670	6,378,724	3,054
Investment earnings	1,000,000	1,000,000	441,479	(558,521)
Miscellaneous	571,871	760,730	1,290,237	529,507
Total revenues	<u>57,511,090</u>	<u>59,416,244</u>	<u>56,802,116</u>	<u>(2,614,128)</u>
Expenditures:				
Current:				
General government	5,091,045	5,952,284	5,708,279	244,005
Public safety	11,752,205	12,130,441	11,690,381	440,060
Transportation	1,019,353	1,115,829	955,788	160,041
Environmental protection	1,081,041	1,207,941	1,119,667	88,274
Economic and physical development	2,062,568	4,506,231	1,459,308	3,046,923
Human services	17,093,272	17,542,015	16,173,399	1,368,616
Education	15,093,788	15,884,191	14,421,658	1,462,533
Culture and recreation	1,868,188	2,193,357	1,946,862	246,495
Debt Service:				
Principal	2,009,042	2,009,042	1,993,041	16,001
Bond interest and costs	1,505,204	1,505,204	1,142,202	363,002
Total expenditures	<u>58,575,706</u>	<u>64,046,535</u>	<u>56,610,585</u>	<u>7,435,950</u>
Revenues over (under) expenditures	<u>(1,064,616)</u>	<u>(4,630,291)</u>	<u>191,531</u>	<u>4,821,822</u>
Other Financing Sources (Uses):				
Transfers - out	239,136	(3,649,364)	(1,610,360)	2,039,004
Appropriated fund balance	825,480	8,279,655	-	(8,279,655)
Total other financing sources (uses)	<u>1,064,616</u>	<u>4,630,291</u>	<u>(1,610,360)</u>	<u>(6,240,651)</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>(1,418,829)</u>	<u>\$ (1,418,829)</u>
Fund balance, beginning of year - July 1			<u>19,043,078</u>	
Fund balance, end of year - June 30			<u>\$ 17,624,249</u>	

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

STANLY COUNTY, NORTH CAROLINA

STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
JUNE 30, 2009

	Enterprise Funds					Governmental Activities- Internal Service Group Health Fund
	Greater Badin Water & Sewer District Fund	Piney Point Water District Fund	Stanly County Utility Fund	Airport Fund	Total	
Assets:						
Current Assets:						
Cash and cash equivalents	\$ 151,216	\$ 151,675	1,054,872	661,299	\$ 2,019,062	\$ 2,795,686
Accounts receivable, net	95,143	19,026	804,837	13,273	932,279	-
Interest receivable	499	501	1,906	1,173	4,079	9,214
Inventories	-	-	43,097	62,861	105,958	-
Total current assets	<u>246,858</u>	<u>171,202</u>	<u>1,904,712</u>	<u>738,606</u>	<u>3,061,378</u>	<u>2,804,900</u>
Noncurrent Assets:						
Bond discount, net of amortization	-	-	6,127	-	6,127	-
Total deferred debits	-	-	6,127	-	6,127	-
Capital Assets:						
Land	-	-	223,784	4,924,095	5,147,879	-
Construction in progress	-	-	2,376,352	391,689	2,768,041	-
Capital assets, net of depreciation	<u>2,866,694</u>	<u>201,184</u>	<u>11,203,033</u>	<u>11,557,690</u>	<u>25,828,601</u>	-
Total capital assets, net	<u>2,866,694</u>	<u>201,184</u>	<u>13,803,169</u>	<u>16,873,474</u>	<u>33,744,521</u>	-
Total noncurrent assets	<u>2,866,694</u>	<u>201,184</u>	<u>13,809,296</u>	<u>16,873,474</u>	<u>33,750,648</u>	-
Total assets	<u>3,113,552</u>	<u>372,386</u>	<u>15,714,008</u>	<u>17,612,080</u>	<u>36,812,026</u>	<u>2,804,900</u>
Liabilities:						
Current Liabilities:						
Accounts payable	8,373	16	85,373	87,343	181,105	6,514
Interest payable	2,256	-	639	-	2,895	-
Payroll payable	-	-	31,159	9,294	40,453	-
Due to other funds	-	-	431,964	-	431,964	-
Compensated absences payable	-	-	20,000	5,000	25,000	-
Current portion of long-term debt	62,731	-	75,000	-	137,731	-
Health and workers' comp payable	-	-	-	-	-	1,380,292
Total current liabilities	<u>73,360</u>	<u>16</u>	<u>644,135</u>	<u>101,637</u>	<u>819,148</u>	<u>1,386,806</u>
Noncurrent Liabilities:						
Customer deposits	13,200	3,210	80,380	-	96,790	-
Compensated absences payable	-	-	42,324	9,487	51,811	-
Noncurrent portion of long-term debt	<u>257,311</u>	-	<u>40,000</u>	-	<u>297,311</u>	-
Total noncurrent liabilities	<u>270,511</u>	<u>3,210</u>	<u>162,704</u>	<u>9,487</u>	<u>445,912</u>	-
Total liabilities	<u>343,871</u>	<u>3,226</u>	<u>806,839</u>	<u>111,124</u>	<u>1,265,060</u>	<u>1,386,806</u>
Net Assets:						
Invested in capital assets, net of related debt	2,546,652	201,184	13,688,169	16,873,474	33,309,479	-
Unrestricted	<u>223,029</u>	<u>167,976</u>	<u>1,219,000</u>	<u>627,482</u>	<u>2,237,487</u>	<u>1,418,094</u>
Total net assets	<u>\$ 2,769,681</u>	<u>\$ 369,160</u>	<u>\$ 14,907,169</u>	<u>\$ 17,500,956</u>	<u>\$ 35,546,966</u>	<u>\$ 1,418,094</u>

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

STANLY COUNTY, NORTH CAROLINA

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2009

	Enterprise Funds					Governmental Activities-Internal Service Group Health Fund
	Greater Badin Water & Sewer District Fund	Piney Point Water District Fund	Stanly County Utility Fund	Airport Fund	Totals	
Operating Revenues:						
Sales and charges	\$ 477,388	\$ 113,058	\$ 2,067,015	\$ 295,877	\$ 2,953,338	\$ 4,431,055
Other	7,871	135	112,419	-	120,425	-
Total operating revenues	485,259	113,193	2,179,434	295,877	3,073,763	4,431,055
Operating Expenses:						
Administration	70,260	36,082	355,243	-	461,585	-
Distribution and maintenance	204,329	1,580	1,406,887	-	1,612,796	-
Water purchases	82,155	32,995	483,816	-	598,966	-
Airport operations	-	-	-	585,673	585,673	-
Group health operations	-	-	-	-	-	3,799,169
Workers' compensation	-	-	-	-	-	401,622
Depreciation	367,471	34,762	705,255	962,835	2,070,323	-
Total operating expenses	724,215	105,419	2,951,201	1,548,508	5,329,343	4,200,791
Operating income (loss)	(238,956)	7,774	(771,767)	(1,252,631)	(2,255,580)	230,264
Non-Operating Revenues (Expenses):						
Interest income	3,774	3,920	13,357	7,991	29,042	70,363
Administrative charges	-	-	223,563	-	223,563	-
Interest on long-term debt	(14,502)	(695)	(13,712)	-	(28,909)	-
Total non-operating revenues (expenses)	(10,728)	3,225	223,208	7,991	223,696	70,363
Income before contributions and transfers	(249,684)	10,999	(548,559)	(1,244,640)	(2,031,884)	300,627
Contributions and Transfers:						
Transfers - in	-	-	190,821	419,539	610,360	-
Capital contributions	-	-	869,674	222,329	1,092,003	-
Total contributions and transfers	-	-	1,060,495	641,868	1,702,363	-
Change in net assets (deficit)	(249,684)	10,999	511,936	(602,772)	(329,521)	300,627
Net Assets:						
Net assets - July 1	3,019,365	358,161	14,395,233	18,103,728	35,876,487	1,117,467
Net assets - June 30	\$ 2,769,681	\$ 369,160	\$ 14,907,169	\$ 17,500,956	\$ 35,546,966	\$ 1,418,094

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

STANLY COUNTY, NORTH CAROLINA

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2009

	Enterprise Funds					Governmental Activities- Internal Service Group Health Fund
	Greater Badin Water & Sewer District Fund	Piney Point Water District Fund	Stanly County Utility Fund	Airport Fund	Totals	
Cash Flows From Operating Activities:						
Cash received from customers	\$ 487,816	\$ 111,784	\$ 1,836,250	\$ 317,492	\$ 2,753,342	\$ 4,431,055
Cash paid for goods and services	(362,081)	(73,659)	(1,072,201)	(291,957)	(1,799,898)	(4,043,693)
Cash paid to employees for services	-	-	(804,215)	(202,282)	(1,006,497)	-
Customer deposits	(120)	2,400	1,690	-	3,970	-
Net cash provided (used) by operating activities	125,615	40,525	(38,476)	(176,747)	(49,083)	387,362
Cash Flows From Noncapital Financing Activities:						
Transfers from general fund	-	-	190,821	419,539	610,360	-
Other non-operating revenues	-	-	223,563	-	223,563	-
Net cash provided by noncapital financing activities	-	-	414,384	419,539	833,923	-
Cash Flows From Capital and Related Financing Activities:						
Acquisition and construction of capital assets	(25,475)	-	(1,417,838)	(381,894)	(1,825,207)	-
Principal paid on bond maturities and lease purchases	(62,731)	(44,781)	(147,754)	-	(255,266)	-
Interest paid on bond maturities and lease purchases	(15,271)	(1,077)	(8,660)	-	(25,008)	-
Capital contribution	-	-	869,674	222,329	1,092,003	-
Net cash used by capital and related financing activities	(103,477)	(45,858)	(704,578)	(159,565)	(1,013,478)	-
Cash Flows From Investing Activities:						
Interest on investments	3,774	3,920	13,357	7,991	29,042	67,661
Net increase (decrease) in cash and cash equivalents	25,912	(1,413)	(315,313)	91,218	(199,596)	455,023
Cash and cash equivalents, July 1	125,304	153,088	1,370,185	570,081	2,218,658	2,340,663
Cash and cash equivalents, June 30	\$ 151,216	\$ 151,675	\$ 1,054,872	\$ 661,299	\$ 2,019,062	\$ 2,795,686
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:						
Operating income (loss)	\$ (238,956)	\$ 7,774	\$ (771,767)	\$ (1,252,631)	\$ (2,255,580)	\$ 230,264
Adjustments to reconcile operating income to net cash provided by operating activities:						
Depreciation	367,471	34,762	705,255	962,835	2,070,323	-
Changes in assets and liabilities:						
(Increase) decrease in accounts receivable	2,557	(1,409)	(343,184)	21,615	(320,421)	-
(Increase) decrease in inventory	-	-	(3,173)	2,406	(767)	-
Increase (decrease) in accounts payable and liabilities	(5,337)	(3,002)	329,460	83,548	404,669	157,098
Increase (decrease) in customer deposits	(120)	2,400	1,690	-	3,970	-
Increase (decrease) in compensated absences	-	-	43,243	5,480	48,723	-
Total adjustments	364,571	32,751	733,291	1,075,884	2,206,497	157,098
Net cash provided (used) by operating activities	\$ 125,615	\$ 40,525	\$ (38,476)	\$ (176,747)	\$ (49,083)	\$ 387,362

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

STANLY COUNTY, NORTH CAROLINA

STATEMENT OF NET ASSETS

FIDUCIARY FUNDS

JUNE 30, 2009

	<u>Agency Fund</u>
Assets:	
Cash and cash equivalents	\$ 113,674
Inmate cash	<u>308</u>
Total assets	<u>\$ 113,982</u>
Liabilities:	
Liabilities:	
Accounts payable	\$ 95,750
Client payable	<u>18,232</u>
Total liabilities	<u>\$ 113,982</u>

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

STANLY COUNTY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2009

I. Summary of Significant Accounting Policies

The accounting policies of Stanly 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, 2009. 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. 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.

STANLY COUNTY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2009

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 funds:

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.

Jail Construction Fund – This project fund accounts for the construction of jail additions and future improvements to the County Jail.

School Construction Fund – This project fund accounts for the construction of schools.

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 for water and sewer services. The Airport Fund operations provide for landings, take-offs, tie-down slots, hangars, and refueling for both civilian and military aircraft.

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 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 Sheriff's Execution Agency Fund, which is used to account for monies collected for tax warrants and judgments; 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

STANLY COUNTY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2009

for whom the County acts as agent; the Property Tax Clearing Fund, which is used to account for monies collected from ad valorem taxes for the benefit of municipalities located in the County; and 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 – The Internal Service Fund is used to account for the financial activities of the County's self-insured benefit plans for employee group health care 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 government-wide, 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, proprietary fund, and fiduciary fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the County gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

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

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result 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.

STANLY COUNTY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2009

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 2008 through February 2009 apply to the fiscal year ended June 30, 2009. Uncollected taxes that were billed during this period are shown as a receivable on these financial statements.

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.

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.

STANLY COUNTY
NOTES TO THE FINANCIAL STATEMENTS
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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, Adequate Facilities Reserve Fund and Fire District Special Revenue Funds, 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, School Construction Fund, and the Enterprise Capital Projects Funds, which are consolidated with 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 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 transfer line item appropriations within a fund up to \$5,000; however, the Board of Commissioners must approve any revisions that alter total expenditures of any fund. 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 Super NOW 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 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, a 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.

**STANLY COUNTY
NOTES TO THE FINANCIAL STATEMENTS
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3. Restricted Assets - The unexpended debt proceeds of the County's notes payable are classified as restricted assets within the School Construction Fund because its use is completely restricted to the purpose for which the debt was originally issued.

4. Ad Valorem Taxes Receivable – In accordance with State law [G. S. 105-347 and G. S. 159-13 (a)], the County levies ad valorem taxes on property other than 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, 2008. 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.

5. 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.

6. 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.

7. 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. Depreciation is recorded on the straight-line basis using the following depreciable lives:

	<u>Years</u>
Water distribution systems	20-50
Sewer collection system	20
Waterwater treatment facility	20
Buidlings and terminal	40
Airport improvements	10-30
Equipment	3-10

8. 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.

STANLY COUNTY
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9. 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.

10. 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.

11. Self-insured - The County is self-insured for workers' compensation and for employee's 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.

12. Net Assets/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, or laws or regulations of other governments, or imposed by law through state statute.

Fund Balances

In the governmental fund financial statements, reservations or restrictions of fund balance represent amounts that are not appropriable or are legally segregated for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

State law [G.S. 159-13(b)(16)] restricts the appropriation of fund balance to an amount not to exceed the sum of cash and investments minus the sum of liabilities, encumbrances and deferred revenues arising from cash receipts as those amounts stand at the close of the fiscal year preceding the budget year.

STANLY COUNTY
NOTES TO THE FINANCIAL STATEMENTS
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The governmental fund types classify fund balances as follows:

Reserved Fund Balances are legal or regulated restrictions as established by state law or by a state regulatory agency.

Reserved 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.

Reserved 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.

Reserved for prepaid items – portion of fund balance required to be reserved for the amount of prepaid items.

General Fund Unreserved – Designated fund balances totaling \$2,459,518 are comprised of the following:

Designated for Home Health – Portion of fund balance designated for future home health services - \$430,360.

Designated for Medicaid Settlements – Portion of fund balance designated for future health related activities - \$27,031.

Designated for Dental Clinic – Portion of fund balance designated for future dental clinic services - \$531,978.

Designated for Library Endowment – Portion of fund balance designated for Library activities - \$75,962.

Designated for 4-H – Portion of fund balance designated for future 4-H services - \$34,139.

Designated for subsequent year's expenditures – Portion of fund balance that has been designated for the adopted 2009-2010 budget ordinance - \$1,314,958.

Designated for RPO – Portion of fund balance designated for RPO services - \$6,014.

Designated for Jail Inmates – Portion of fund balances designed for inmates \$39,076.

Undesignated – the portion of total fund balance available for future appropriations.

STANLY COUNTY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2009

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.

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 of a negative consists of several elements as follows:

Capital assets used in governmental activities are not financial resources and are not reported in the funds.

Land	\$ 1,949,950	
Construction in progress	7,973,703	
Depreciable property	26,944,833	
Accumulated depreciation	<u>(16,680,653)</u>	\$ 20,187,833

The focus of governmental funds is on short-term financing; long-term assets are deferred in the funds.

Interest receivable	434,779	
Deferred taxes	<u>2,185,804</u>	2,620,583

Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.

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	(609,814)	
Due in one year	(3,020,877)	
Due in more than one year	<u>(35,032,165)</u>	(38,662,856)

Internal service funds are used by management to charge the costs of certain activities to individual funds. These assets and liabilities are included in governmental activities in the statement of net assets.

1,418,094

Total adjustment \$ (14,436,346)

STANLY COUNTY
NOTES TO THE FINANCIAL STATEMENTS
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2. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balance and the government-wide statement of activities.

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances - 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	\$ 2,219,482	
Depreciation	<u>(1,391,367)</u>	\$ 828,115

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	(13,000,000)	
Debt retired	<u>1,993,042</u>	(11,006,958)

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	31,203	
Accrual of taxes	<u>238,894</u>	270,097

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	16,330	
Compensated absences	(288,410)	
Interest expense	<u>(251,427)</u>	(523,507)

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.

	<u>300,627</u>	<u>300,627</u>
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Total adjustment		<u><u>\$ (10,131,626)</u></u>
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**STANLY COUNTY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2009**

II. Stewardship, Compliance, and Accountability

Deficit Fund Balance or Retained Earnings of Individual Funds:

For the fiscal year ended June 30, 2009, individual funds had deficit fund balance as follows:

Jail Construction Fund \$981,893

Management will more closely monitor budget reports to ensure compliance in future years.

III. 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 under collateralization, and this risk may increase in periods of high cash flows. However, the State Treasurer of North Carolina enforces strict standards of financial stability for each depository 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, 2009, the County's demand deposits had a carrying amount of \$15,082,443 and a bank balance of \$15,350,266. Of the bank balance, \$750,000 was covered by federal depository insurance. The remaining \$14,600,266 was collateralized under the Pooling Method. The petty cash funds totaled \$5,517.

**STANLY COUNTY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2009**

2. Investments

As of June 30, 2009, the County had \$6,645,106 invested with the North Carolina Capital Managements Trust's Cash Portfolio which carried a credit rating of AAAM by Standard and Poor's. The County has no policy regarding credit risk.

<u>Investment Type</u>	<u>Fair Value</u>	<u>Less Than</u>		
		<u>6 Months</u>	<u>6-12 Months</u>	<u>1-3 Years</u>
NC Capital Mangement Trust-Cash Portfolio	\$ 6,645,106	N/A	N/A	N/A

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.

Credit Risk. The County's investments in the NC Capital Management Trust Cash Portfolio carried a credit rating of AAAM by Standard & Poor's as of June 30, 2009. 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 use-value 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.

<u>Year Levied</u>	<u>Tax</u>	<u>Interest</u>	<u>Total</u>
2006	\$ 2,272,754	\$ 539,768	\$ 2,812,521
2007	2,371,914	349,853	2,721,766
2008	2,423,107	139,328	2,562,435
2009	<u>2,472,568</u>	<u>-</u>	<u>2,472,568</u>
Total	<u>\$ 9,540,342</u>	<u>\$ 1,028,949</u>	<u>\$ 10,569,291</u>

**STANLY COUNTY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2009**

4. Receivables

Receivables at the government-wide level at June 30, 2009, were as follows:

	<u>Taxes Receivable</u>	<u>Trade Accounts Receivable</u>	<u>Due from Other Governments</u>	<u>Interest</u>	<u>Other</u>	<u>Total</u>
Governmental Activities:						
General	\$ 2,493,776	\$ 1,023,174	\$ 5,846,711	\$ 443,993	\$ 22,014	\$ 9,829,668
Other Governmental	<u>90,977</u>	<u>64,905</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>155,882</u>
Total receivables	2,584,753	1,088,079	5,846,711	443,993	22,014	9,985,550
Allowance for doubtful accounts	<u>(398,948)</u>	<u>(167,822)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(566,770)</u>
Total governmental activities	<u>\$ 2,185,805</u>	<u>\$ 920,257</u>	<u>\$ 5,846,711</u>	<u>\$ 443,993</u>	<u>\$ 22,014</u>	<u>\$ 9,418,780</u>
Business-type Activities:						
Greater Badin Water and Sewer District	\$ -	\$ 119,317	\$ -	\$ 499	\$ -	\$ 119,816
Piney Point Water District	-	19,931	-	501	-	20,432
Stanly County Utility Fund	-	395,126	462,501	1,906	-	859,533
Airport	<u>-</u>	<u>13,398</u>	<u>-</u>	<u>1,173</u>	<u>-</u>	<u>14,572</u>
Total receivables	-	547,773	462,501	4,078	-	1,014,352
Allowance for doubtful accounts	<u>-</u>	<u>(77,995)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(77,995)</u>
Total business-type activities	<u>\$ -</u>	<u>\$ 469,778</u>	<u>\$ 462,501</u>	<u>\$ 4,078</u>	<u>\$ -</u>	<u>\$ 936,358</u>

Due from other governments for the year ended June 30, 2009, consists of the following:

Local option sales tax	\$ 1,308,645
Water & Sewer Authority	2,965,000
Sales Tax Receivable	373,500
Grants receivable	532,975
Tire and White Goods	26,240
Telecommunication Tax	40,936
DSS & DHHS	882,391
Others	179,525
	<u>\$ 6,309,212</u>

STANLY COUNTY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2009

5. Capital Assets

Primary Government

Capital asset activity for the year ended June 30, 2009 were as follows:

Governmental activities:	<u>07/01/08</u>	<u>Additions</u>	<u>Retirements</u>	<u>06/30/09</u>
Capital assets not being depreciated:				
Land	\$ 1,766,317	\$ 183,633	\$ -	\$ 1,949,950
Construction in progress	6,713,722	1,259,981	-	7,973,703
Total capital assets not being depreciated	<u>8,480,039</u>	<u>1,443,614</u>	<u>-</u>	<u>9,923,653</u>
Capital assets being depreciated:				
Buildings	17,288,923	-	-	17,288,923
Equipment and vehicles	<u>9,099,265</u>	<u>775,878</u>	<u>219,233</u>	<u>9,655,910</u>
Total capital assets being depreciated:	<u>26,388,188</u>	<u>775,878</u>	<u>219,233</u>	<u>26,944,833</u>
Less accumulated depreciation for:				
Buildings	8,173,127	447,201	-	8,620,328
Equipment and vehicles	<u>7,335,382</u>	<u>944,167</u>	<u>219,223</u>	<u>8,060,325</u>
Total accumulated depreciation	<u>15,508,509</u>	<u>1,391,367</u>	<u>219,223</u>	<u>16,680,653</u>
Total capital assets being depreciated, net	<u>10,879,679</u>			<u>10,264,180</u>
Governmental activity capital assets, net	<u>\$ 19,359,718</u>			<u>\$ 20,187,833</u>

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

Governmental Functions:	
General government	\$ 319,094
Public safety	684,332
Transportation	75,119
Environmental protection	17,350
Economic development	28,422
Human services	48,772
Culture and recreation	<u>218,278</u>
Total depreciation expense governmental functions	<u>\$ 1,391,367</u>

STANLY COUNTY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2009

Business-type Activities

Capital asset activity for business-type activities for year ended June 30, 2009 was as follows:

	<u>7/1/2008</u>	<u>Additions</u>	<u>Retirements</u>	<u>06/30/09</u>
Business-type activities:				
Greater Badin Water and Sewer:				
Capital assets being depreciated:				
Plant in service	\$ 7,309,606	\$ -	\$ -	\$ 7,309,606
Equipment and vehicles	<u>189,578</u>	<u>25,474</u>	<u>7,550</u>	<u>207,502</u>
Total capital assets being depreciated	<u>7,499,184</u>	<u>25,474</u>	<u>7,550</u>	<u>7,517,108</u>
Less accumulated depreciation for:				
Plant in service	4,136,885	349,520	-	4,486,405
Equipment and vehicles	<u>153,608</u>	<u>17,951</u>	<u>7,550</u>	<u>164,009</u>
Total accumulated depreciation	<u>4,290,493</u>	<u>367,471</u>	<u>7,550</u>	<u>4,650,414</u>
Total Greater Badin capital assets, net	<u>3,208,691</u>			<u>2,866,694</u>
Piney Point Water:				
Capital assets being depreciated:				
Plant in service	<u>727,984</u>	-	-	<u>727,984</u>
Total assets being depreciated	<u>727,984</u>	-	-	<u>727,984</u>
Less accumulated depreciation for:				
Plant in service	<u>492,038</u>	<u>34,762</u>	-	<u>526,800</u>
Total accumulated depreciation	<u>492,038</u>	<u>34,762</u>	-	<u>526,800</u>
Total Piney Point capital assets, net	<u>235,946</u>			<u>201,184</u>
Stanly Utility Operating:				
Capital assets not being depreciated:				
Land	223,784	-	-	223,784
Construction in progress	<u>1,158,949</u>	<u>1,262,538</u>	<u>45,135</u>	<u>2,376,352</u>
Total assets not being depreciated	<u>1,382,733</u>	<u>1,262,538</u>	<u>45,135</u>	<u>2,600,136</u>
Capital assets being depreciated:				
Plant in service	19,881,265	152,500	-	20,033,765
Equipment and vehicles	<u>528,260</u>	<u>2,800</u>	<u>14,385</u>	<u>516,675</u>
Total capital assets being depreciated:	<u>20,409,525</u>	<u>155,300</u>	<u>14,385</u>	<u>20,550,440</u>
Less accumulated depreciation for:				
Plant in service	8,249,440	677,040	-	8,926,480
Equipment and vehicles	<u>407,096</u>	<u>28,216</u>	<u>14,385</u>	<u>420,927</u>
Total accumulated depreciation	<u>8,656,536</u>	<u>705,256</u>	<u>14,385</u>	<u>9,347,407</u>
Total capital assets being depreciated, net	<u>11,752,989</u>			<u>11,203,033</u>
Total Stanly County Utility capital assets, net	<u>13,135,722</u>			<u>13,803,169</u>

STANLY COUNTY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2009

	<u>7/1/2008</u>	<u>Additions</u>	<u>Retirements</u>	<u>06/30/09</u>
Airport Operating:				
Capital assets not being depreciated:				
Land	4,924,095	-	-	4,924,095
Construction in progress	9,794	381,895	-	391,689
Total assets not being depreciated	<u>4,933,889</u>	<u>381,895</u>	<u>-</u>	<u>5,315,784</u>
Capital assets being depreciated:				
Buildings	1,852,923	-	-	1,852,923
Improvements	20,185,722	-	-	20,185,722
Equipment and vehicles	302,184	-	25,505	276,679
Total capital assets being depreciated:	<u>22,340,829</u>	<u>-</u>	<u>25,505</u>	<u>22,315,324</u>
Less accumulated depreciation for:				
Buildings	336,043	60,286	-	396,329
Improvements	9,287,836	847,463	-	10,135,299
Equipment and vehicles	196,425	55,086	25,505	226,006
Total accumulated depreciation	<u>9,820,304</u>	<u>962,835</u>	<u>25,505</u>	<u>10,757,634</u>
Total capital assets being depreciated, net	<u>12,520,525</u>			<u>11,557,690</u>
Total Airport capital assets, net	<u>17,454,414</u>			<u>16,873,474</u>
Total business-type capital assets, net	<u>\$ 34,034,772</u>			<u>\$ 33,744,521</u>

Construction Commitments:

<u>Project</u>	<u>Project to Date</u>	<u>Remaining Commitment</u>
Jail Construction	\$ 7,973,703	\$ 518,107
School Construction	10,239,551	3,760,449
Highway 24/27 Upgrade	138,462	466,538
Millingport Sewer	1,448,697	27,411
Highway 731 Water	575,497	81,473
Morrow Mountain	175,376	34,624
Endy Sewer	16,811	2,583,189
Highway 52 Water Extn	21,509	1,068,491
Terminal Improvement	217,550	1,802,849
Runway Extn Design	174,138	371,862
Total	<u>\$ 20,981,294</u>	<u>\$ 10,714,993</u>

**STANLY COUNTY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2009**

B. Liabilities

1. Payables

Payables at the government-wide level at June 30, 2009 were as follows:

	Vendors	Salaries and Benefits	Accrued Interest	Other	Total
Governmental Activities:					
General	\$ 2,410,985	\$ 836,297	\$ 609,814	\$ -	\$ 3,857,096
Other	<u>1,193,198</u>	<u>3,858</u>	<u>-</u>	<u>-</u>	<u>\$ 1,197,056</u>
Total-governmental activities	<u>\$ 3,604,183</u>	<u>\$ 840,155</u>	<u>\$ 609,814</u>	<u>\$ -</u>	<u>\$ 5,054,152</u>
Business-type Activities:					
Greater Badin Water and Sewer Districts	\$ 8,373	\$ 31,159	\$ 2,256	\$ 96,790	\$ 138,578
Piney Point Water District	16	-	-	-	16
Stanly County Utility	85,373	-	639	-	86,012
Airport	<u>87,343</u>	<u>9,294</u>	<u>-</u>	<u>-</u>	<u>96,637</u>
Total business-type activities:	<u>\$ 181,105</u>	<u>\$ 40,453</u>	<u>\$ 2,895</u>	<u>\$ 96,790</u>	<u>\$ 321,243</u>

2. Pension Plan Obligations

a. North Carolina Local Governmental Employees' Retirement System

Plan Description – Stanly County contributes to the statewide Local Governmental Employees' Retirement System (LGERS), and to the Law Enforcement Officers' Retirement System (LEO), cost-sharing multiple-employer defined benefit pension plans administered by the State of North Carolina. LGERS and LEO provide 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 LGERS and LEO are 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 4.94%, and for law enforcement officers 4.86% of annual covered payroll. The contribution requirements for members and for Stanly County are established and may be amended by the North Carolina General Assembly. The County's

**STANLY COUNTY
NOTES TO THE FINANCIAL STATEMENTS
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contributions to LGERS for the years ended June 30, 2007, 2008, and 2009 were \$629,386, \$679,412, and \$736,280, respectively. The County's contributions to LEO for the years ended June 30, 2007, 2008, and 2009 were \$75,448, \$78,534, and \$92,966, respectively. The contributions made by the County equaled the required contributions for each year.

b. Law Enforcement Officers' Special Separation Allowance

Plan Description – Stanly County administers a public employee retirement system (the "Separation Allowance"), a single-employer defined benefit pension plan that provides retirement benefits to the County's qualified sworn law enforcement officers. 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, 2008, the Separation Allowance's membership consisted of:

Retirees receiving benefits	6
Active plan members	<u>50</u>
Total	<u>56</u>

Summary of Significant Accounting Policies

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

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 contribution for fiscal year ended June 30, 2009 was \$66,465 or .39% of annual covered payroll.

STANLY COUNTY
NOTES TO THE FINANCIAL STATEMENTS
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The annual required contribution for the current year was determined as part of the December 31, 2008 actuarial valuation using the projected unit credit actuarial cost method. The actuarial assumptions included: (a) 7.25% investment rate of return (net of administrative expenses) and (b) projected salary increases ranging from 4.5% to 12.3% per year. Item (b) included an inflation component of 3.75%. The assumptions did 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 dollar amount on a closed basis. The remaining amortization period at December 31, 2008 was 22 years.

Annual Pension Cost and Net Pension Obligation – As of December 31, 2008, the County's Net Pension Obligation was \$251,102, a decrease of \$16,330 from the previous year. The County's Annual Pension Cost for June 30, 2009 was \$50,135.

Employer annual required contribution	\$ 47,648
Interest on net pension obligation	19,389
Adjustment to annual required contribution	<u>(16,902)</u>
Annual pension cost	50,135
Employer contributions made for fiscal year	<u>66,465</u>
Increase (decrease) in net pension obligation	(16,330)
Net pension obligation, January 1, 2008	<u>267,432</u>
Net pension obligation, December 31, 2008	<u>\$ 251,102</u>

Trend Information

<u>Fiscal Year Ended</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation End of Year</u>
June 30, 2007	\$ 45,400	114.42%	\$ 273,673
June 30, 2008	50,721	112.30%	267,432
June 30, 2009	50,135	132.57%	251,102

Funded Status and Funding Progress - As of December 31, 2008, 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 \$508,724. The covered payroll (annual payroll of active employees covered by the plan) was \$1,793,364, and the ratio of the UAAL to the covered payroll was 28.37 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.

**STANLY COUNTY
NOTES TO THE FINANCIAL STATEMENTS
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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, 2009 were \$103,617, which consisted of \$94,357 from the County and \$9,260, from the law enforcement officers. The County provides a Section 401K Deferred Compensation Plan for this purpose.

d. Register of Deeds’ Supplemental Pension Fund

Plan Description – Stanly County also contributes to the Register of Deeds’ Supplemental Pension Fund (Fund), a noncontributory, 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, 2009, the County’s required and actual contributions were \$4,629.

**STANLY COUNTY
NOTES TO THE FINANCIAL STATEMENTS
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e. Other Postemployment Benefits

Healthcare Benefits

Plan Description – According to a County resolution, at retirement, all employees who have at least 30 years of service to Stanly County, are provided free medical insurance until age 62. Employees with a minimum of 25 years of service in the state retirement system, and with the last 10 consecutive years of service to Stanly County, are provided insurance by paying 50% of the cost.

Members of the Retiree Health Benefit Plan consisted of the following at July 1, 2006, the date of the latest actuarial valuation:

	General <u>Employees</u>	Law Enforcement <u>Officers</u>
Retirees and dependents receiving benefits	10	2
Active plan members	<u>331</u>	<u>40</u>
	<u>341</u>	<u>42</u>

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 2.99% of annual covered payroll. For the current year, the County contributed \$112,460 or .91% 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 \$1,830 for spouse coverage, \$1,520 for children coverage, and \$5,625 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 – Postemployment expenditures are made from the General Fund, which is maintained on the modified accrual basis of accounting. No funds are set aside to pay benefits and administration costs. These expenditures are paid as they come due.

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

STANLY COUNTY
NOTES TO THE FINANCIAL STATEMENTS
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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:

Annual required contribution	\$ 369,000
Interest on net OPEB obligation	-
Adjustment to annual required contribution	<u>-</u>
Annual OPEB cost	369,000
Contributions made	<u>112,460</u>
Increase (decrease) in net pension obligation	256,540
Net OPEB obligation, July 1, 2008	<u>-</u>
Net OPEB obligation, June 30, 2009	<u>\$ 256,540</u>

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2009 were as follows:

Trend Information			Net Pension
<u>Fiscal</u> <u>Year Ended</u>	<u>Annual</u> <u>OPEB Cost</u>	<u>Percentage of Annual</u> <u>OPEB Cost Contributed</u>	<u>Obligation</u> <u>End of Year</u>
June 30, 2009	\$369,000	30.48%	\$256,540

Funded Status and Funding Progress – As of July 1, 2006 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 \$3,851,000. The covered payroll (annual payroll of active employees covered by the plan) was \$12,343,462, and the ratio of the UAAL to the covered payroll was 31.20 percent.

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 multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

STANLY COUNTY
NOTES TO THE FINANCIAL STATEMENTS
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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 July 1, 2006 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 12.00 to 5.00 percent annually. Both rates included a 5.00 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 July 1, 2006 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.

3. Deferred and Unearned Revenues

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

	Deferred Revenue	Unearned Revenue
Prepaid taxes not yet earned	\$ 159,155	\$ 159,155
Taxes receivable, net (General)	2,105,466	-
Taxes receivable, net (Special)	80,338	-
Total	\$ 2,344,959	\$ 159,155

**STANLY COUNTY
NOTES TO THE FINANCIAL STATEMENTS
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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 benefits are provided in a self-insured insurance plan and the dental in a fully insured 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 the North Carolina Association of County Commissioners Risk Management Agency, 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 \$50,000 per covered employee/dependent per policy term. Claims greater than \$50,000 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 \$492,381 reported in the fund at June 30, 2009 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.

The \$492,381 claims liability represents total estimated claims incurred but not reported, as provided by the plan administrator's actuary.

	<u>June 30, 2009</u>	<u>June 30, 2008</u>
Unpaid claims and claim adjustment expenses at beginning of fiscal year	\$ 460,314	\$ 215,000
Incurred claims and claim adjustment expenses:		
Provision for insured events of current year	3,090,627	2,612,972
Claims and adjustment expenses attributable to insured events of current and prior year	<u>3,058,560</u>	<u>2,367,658</u>
Total Claims Liability	<u>\$ 492,381</u>	<u>\$ 460,314</u>

**STANLY COUNTY
NOTES TO THE FINANCIAL STATEMENTS
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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 \$887,912 reported in the fund at June 30, 2009 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.

The \$887,911 claims liability represents total estimated claims incurred but not reported, as provided by the plan administrator's actuary.

	<u>June 30, 2009</u>	<u>June 30, 2008</u>
Unpaid claims and claim adjustment expenses at beginning of fiscal year	\$ 737,712	\$ 712,918
Incurred claims and claim adjustment expenses:		
Provision for insured events of current year	339,087	184,612
Claims and adjustment expenses attributable to insured events of current and prior year	<u>188,888</u>	<u>159,818</u>
Total Claims Liability	<u>\$ 887,911</u>	<u>\$ 737,712</u>

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 the tax collector are bonded for \$100,000 each.

**STANLY COUNTY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2009**

5. Claims, Judgments and Contingent Liabilities

At June 30, 2009, the County was a defendant to various lawsuits. In the opinion of the County's management and the County attorney, the ultimate effect of these legal matters 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, 2009 are comprised of the following:

General Government:

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.	<u>\$ 4,583,333</u>
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Total Capital Leases	<u><u>\$ 4,583,333</u></u>
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b. Notes Payable

General Fund:

Aquadale and Locust School Project:

The construction of additions to Aquadale and Locust Schools. July 7, 2008, payable in annual principal payments of \$684,210 and semi-annual interest payments at an interest rate of 4.48%.	<u>\$ 13,000,000</u>
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Enterprise Fund:

Greater Badin Water and Sewer District:

North Carolina Clean Water Revolving Loan executed on May 1, 2000, payable in annual principal payments of \$22,731 and semi-annual interest payments at an interest rate of 2.60%.	<u>250,042</u>
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Total Notes Payable	<u><u>\$ 13,250,042</u></u>
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**STANLY COUNTY
NOTES TO THE FINANCIAL STATEMENTS
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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.

The following is a schedule of general obligation debt at June 30, 2009:

General Government:

\$16,000,000 Series 2001 Bond, due on February 1, installments ranging from \$1,152,800 to \$1,514,150 through February 1, 2020, interest payable on August 1 and February 1 at 4.56% to 4.80%.	\$ 11,750,000
\$10,000,000 Series 2002 Bond, due on June 1, installments ranging from \$547,200 to \$1,628,800 through June 1, 2022, interest payable on December 1 and June 1 at 4.5% to 4.6%.	<u>7,200,000</u>
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>18,950,000</u>

Enterprise Funds:

Stanly County Utility Fund:

\$1,465,000 1990 Sanitary Sewer Bonds, beginning June 1, 1991 due in annual installments of \$75,000 through June 1, 2011, interest payable on December 1 and June 1 at 6.75%.	115,000
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Greater Badin Water and Sewer District:

\$750,000 1991 Sanitary Sewer Bonds, due on April 1, installments of \$40,000 through April 1, 2011, interest payable on April 1 and October 1 at 6.6% to 6.7%.	<u>70,000</u>
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Total Enterprise Fund General Obligation Bonds	<u>185,000</u>
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Total General Obligation Bonds	<u><u>\$ 19,135,000</u></u>
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STANLY COUNTY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2009

The following is a summary of changes in general long-term debt for the fiscal year ended June 30, 2009:

	Balances 07/01/08	Additions	Retirements	Balances 06/30/09	Current Portion of Balance
Governmental Activities:					
General obligation debt	\$ 20,100,000	\$ -	\$ 1,150,000	\$ 18,950,000	\$ 1,350,000
Capitalized leases	5,426,375	-	843,041	4,583,333	366,667
Notes payable	-	13,000,000	-	13,000,000	684,210
Compensated absences	980,196	709,774	677,903	1,012,067	620,000
Other post employment benefit	-	363,829	107,289	256,540	-
Net pension obligation	<u>267,432</u>	<u>50,135</u>	<u>66,465</u>	<u>251,102</u>	<u>-</u>
Total governmental activities:	<u>\$ 26,774,003</u>	<u>\$ 14,123,738</u>	<u>\$ 2,844,698</u>	<u>\$ 38,053,042</u>	<u>\$ 3,020,877</u>
Business-Type Activities:					
General obligation debt	\$ 300,000	-	\$ 115,000	\$ 185,000	\$ 115,000
Capitalized leases	117,534	-	117,534	-	-
Notes payable	272,773	-	22,731	250,042	22,731
Compensated absences	<u>64,838</u>	<u>49,900</u>	<u>37,927</u>	<u>76,811</u>	<u>25,000</u>
Total business-type activities:	<u>\$ 755,145</u>	<u>\$ 49,900</u>	<u>\$ 293,192</u>	<u>\$ 511,853</u>	<u>\$ 162,731</u>

Compensated absences typically have been liquidated in the general fund and are accounted for on a LIFO basis, assuming that employees are taking leave time as it is earned. The estimated current portion of compensated absence is \$645,000.

Invested in capital assets net of related debt for June 30, 2009 was calculated as follows:

	<u>General Fund</u>	<u>Enterprise Fund</u>
Capital assets	\$ 20,187,833	\$ 33,744,521
Total Debt, gross	(36,533,333)	(435,042)
Add: Debt not related to County Capital Assets		
School debt for which County does not hold title	31,950,000	-
Unexpended proceeds	<u>2,760,449</u>	<u>-</u>
Total related debt	<u>(1,822,884)</u>	<u>(435,042)</u>
Invested in Capital Assets, net of related debt	<u>\$ 18,364,949</u>	<u>\$ 33,309,479</u>

STANLY COUNTY
NOTES TO THE FINANCIAL STATEMENTS
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d. 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, 2009, three industrial revenue bonds were outstanding, with an aggregate principal amount payable of \$17,264,465.

At June 30, 2009, Stanly County had a legal debt margin of \$297,258,933.

The following summarizes the annual requirements to amortize all long-term debt outstanding (excluding compensated absences and Law Enforcement Officers' Special Separation Allowance unfunded pension contribution):

	General Obligation Bonds		Capitalized Leases	
	Principal	Interest	Principal	Interest
General Long-Term Debt				
2010	\$ 1,350,000	\$ 877,300	\$ 366,667	\$ 188,201
2011	1,350,000	816,550	366,667	172,838
2012	1,450,000	798,550	366,667	157,474
2013	1,500,000	688,550	366,667	142,111
2014	1,500,000	619,950	366,667	126,748
2015-2018	6,000,000	1,786,800	1,466,667	353,357
2019-2022	5,800,000	659,800	1,283,331	107,543
	18,950,000	6,247,500	4,583,333	1,248,271
Proprietary Funds				
2010	115,000	12,625	-	-
2011	70,000	4,770	-	-
	185,000	17,395	-	-
	\$ 19,135,000	\$ 6,264,895	\$ 4,583,333	\$ 1,248,271

STANLY COUNTY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2009

	Notes Payable	
	Principal	Interest
General Long-Term Debt		
2010	\$ 684,210	\$ 582,400
2011	684,210	551,747
2012	684,210	521,095
2013	684,210	490,442
2014	684,210	459,790
2015-2018	2,736,840	1,532,632
2019-2028	6,842,110	1,685,888
	13,000,000	5,823,994
Proprietary Funds		
2010	22,731	6,501
2011	22,731	5,910
2012	22,731	5,319
2013	22,731	4,728
2014	22,731	4,137
2015-2018	90,924	10,638
2019-2020	45,463	1,773
	250,042	39,006
	\$ 13,250,042	\$ 5,863,000

**STANLY COUNTY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2009**

C. Interfund Balances and Activity

Interfund receivable balances consist of cash deficits as of June 30, 2009. 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 Balances and Activity

	<u>Interfund Receivables</u>	<u>Interfund Payable</u>
General Fund	\$ 1,397,866	\$ -
Jail Construction	-	929,139
Community Development Block Grant-Hook Up	-	36,359
Community Development Block Grant-Infrastructure	-	60
Community Development Block Grant-Single Family	-	284
Community Development Block Grant-Hook Up	-	60
Stanly County Utility Fund	-	431,964
	<u>\$ 1,397,866</u>	<u>\$ 1,397,866</u>

Transfers to/from other funds at June 30, 2009 consists of the following:

	Transfers		
	<u>From</u>	<u>To</u>	<u>Purpose</u>
General Fund:			
General Fund	\$ 1,610,360	\$ -	
School Construction Fund	-	1,000,000	School Construction
Stanly County Utility Fund	-	190,821	Capital Outlay Support
Airport Fund	-	419,539	Capital Outlay Support
	<u>\$ 1,610,360</u>	<u>\$ 1,610,360</u>	

IV. 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 \$209,874 to the Authority during fiscal year ended June 30, 2009. 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, 2009. Complete financial statements for the Authority can be obtained from the Authority's administrative office at 245 LePhillip Court, NE, Concord, North Carolina 28025.

STANLY COUNTY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2009

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 \$1,332,857 for operating purposes and \$175,000 for capital, during the fiscal year ended June 30, 2009. Completed financial statements for the community college may be obtained from administrative offices at 141 College Drive, Albemarle, North Carolina 28001.

V. 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 \$7,591 to the Council during the fiscal year ended June 30, 2009.

VI. Summary Disclosure of Significant Contingencies

Federal and State Assisted Programs

The County has received proceeds from several federal and state grants. Periodic audits of 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.

**STANLY COUNTY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2009**

VII. Benefit Payments Issued by the State

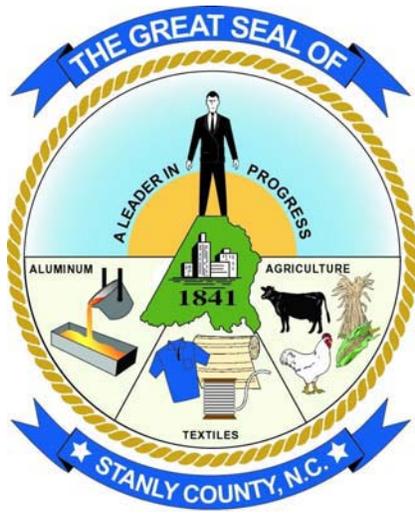
The amounts listed below were paid directly to individual recipients by the state from federal and state monies. County personnel are involved with certain functions, primarily eligibility determinations, which cause benefit payments to be issued by the state. These amounts disclose this additional aid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

	<u>Federal</u>	<u>State</u>
Medicaid	\$ 48,145,484	\$ 18,146,500
Temporary Assistance for Needy Families	390,329	-
Food Stamp Program	9,158,102	-
Special Supplemental Food Program for Women, Infants and Children	1,274,557	-
Special Assistance to Adults	-	555,232
Low-Income Home Energy Assistance	366,779	-
Title IV-E Foster care Subsidiary	138,655	22,868
Title IV-E Adoption Subsidiary	200,604	38,948
NC Department of Cultural Resources	-	120,334
CWS Adoption Subsidiary	-	121,852
LINKS	<u>8,953</u>	<u>-</u>
Totals	<u>\$ 59,683,463</u>	<u>\$ 19,005,734</u>

**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 Postemployment Benefits
- Schedule of Employer Contributions for the Other Postemployment Benefits
- Notes to Required Schedules for the Other Postemployment Benefits



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**STANLY COUNTY, NORTH CAROLINA
LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS
For the Year Ended June 30, 2009**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Proj. Unit Credit (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll for Year Ending on Val. Date (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/1997	-	164,309	164,309	0.00%	867,510	18.94%
12/31/1998	-	176,765	176,675	0.00%	843,004	20.97%
12/31/1999	-	146,701	147,701	0.00%	861,704	17.02%
12/31/2000	-	248,087	248,087	0.00%	953,180	26.03%
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%

**STANLY COUNTY, NORTH CAROLINA
LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER CONTRIBUTIONS
For Year Ended June 30, 2009**

<u>Year Ended June 30</u>	<u>Annual Required Contribution</u>	<u>Percentage Contributed</u>
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%
2001	\$23,878	18.41%
2000	\$27,654	15.90%
1999	\$26,248	16.75%

Notes to the Required Schedules:

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

Valuation date	12/31/2008
Actuarial cost method	Projected unit credit
Amortization method	Level percent of pay closed
Remaining amortization period	22 years
Asset valuation method	Market Value
Actuarial assumptions:	
Investment rate of return*	7.25%
Projected salary increases*	4.5 - 12.3%
*Includes inflation at	3.75%
Cost of living adjustments	N/A

**STANLY COUNTY, NORTH CAROLINA
OTHER POSTEMPLOYMENT BENEFITS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS
For the Year Ended June 30, 2009**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Proj. Unit Credit (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
7/1/2006	112,460	3,851,000	3,738,540	2.92%	12,343,462	30.29%

**STANLY COUNTY, NORTH CAROLINA
OTHER POSTEMPLOYMENT BENEFITS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER CONTRIBUTIONS
For Year Ended June 30, 2009**

<u>Year Ended June 30</u>	<u>Annual Required Contribution</u>	<u>Percentage Contributed</u>
2009	\$369,000	30.48%

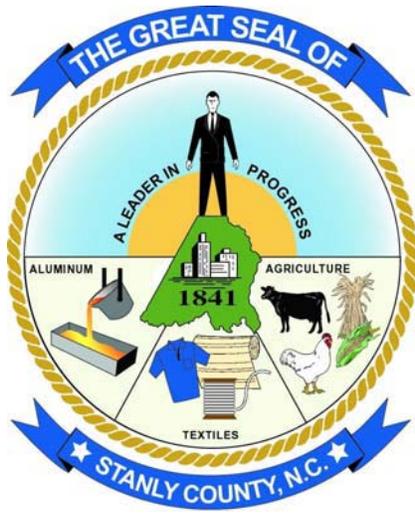
Notes to the Required Schedules:

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	7/1/2006
Actuarial cost method	Projected unit credit
Amortization method	Level percent of pay closed
Remaining amortization period	30
Asset valuation method	Market Value
Actuarial assumptions:	
Investment rate or return*	4.00%
Projected salary increases*	12.00-5.00%
*Includes inflation at	5.00%
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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STANLY COUNTY, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2009

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Ad valorem property taxes:			
Ad valorem taxes		\$ 27,571,528	
Penalties and interest		<u>261,738</u>	
Total ad valorem property taxes	<u>\$ 27,703,100</u>	<u>27,833,266</u>	<u>\$ 130,166</u>
Local option sales taxes:			
Sales tax article 39		3,293,238	
Sales tax article 40		2,254,781	
Sales tax article 42		2,236,473	
Sales tax article 44		<u>1,058,084</u>	
Total sales taxes	<u>10,885,000</u>	<u>8,842,576</u>	<u>(2,042,424)</u>
Other taxes:			
Real property excise tax		123,989	
Solid waste		16,865	
Cable franchise tax		163,923	
Occupancy tax		197,667	
Other taxes		<u>17,020</u>	
Total other taxes	<u>586,900</u>	<u>519,464</u>	<u>(67,436)</u>
Intergovernmental revenues:			
Unrestricted intergovernmental:			
ABC profits	<u>8,000</u>	<u>2,664</u>	<u>(5,336)</u>
Restricted intergovernmental:			
Public safety		522,821	
Transportation		477,952	
Health		714,040	
Social services grants		6,799,770	
Senior and aging services		27,555	
Other federal and state grants		2,007,804	
EMS		<u>24,038</u>	
Total restricted intergovernmental	<u>11,126,788</u>	<u>10,573,980</u>	<u>(552,808)</u>

STANLY COUNTY, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2009

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Permits and fees:			
Recording fees		285,230	
Marriage license		9,488	
Building permits		582,392	
Concealed weapons permits		26,345	
Zoning and planning permits		<u>16,271</u>	
Total permits and fees	<u>970,056</u>	<u>919,726</u>	<u>(50,330)</u>
Sales and services:			
Intergovernmental charges		182,204	
Sheriff and jail fees		517,488	
Ambulance fees		1,789,037	
Transportation		353,488	
Solid waste		761,562	
Health fees		2,374,767	
Rental and other charges		<u>400,178</u>	
Total sales and services	<u>6,375,670</u>	<u>6,378,724</u>	<u>3,054</u>
Investment earnings:			
Earned interest	<u>1,000,000</u>	<u>441,479</u>	<u>(558,521)</u>
Miscellaneous:			
Donations		168,526	
Rents		287,404	
Sale of assets		11,167	
Contribution from Water & Sewer Authority		585,000	
Miscellaneous other		<u>238,140</u>	
Total miscellaneous	<u>760,730</u>	<u>1,290,237</u>	<u>529,507</u>
Total revenues	<u>59,416,244</u>	<u>56,802,116</u>	<u>(2,614,128)</u>

STANLY COUNTY, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2009

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Expenditures:			
General government:			
Governing body:			
Salaries and employee benefits		75,145	
Operating expenditures		<u>186,777</u>	
Total		<u>261,922</u>	
Administration:			
Salaries and employee benefits		430,406	
Operating expenditures		<u>36,799</u>	
Total		<u>467,205</u>	
Finance department:			
Salaries and employee benefits		301,985	
Operating expenditures		<u>126,780</u>	
Total		<u>428,765</u>	
Tax assessor:			
Salaries and employee benefits		795,358	
Operating expenditures		128,336	
Capital outlay		<u>8,400</u>	
Total		<u>932,094</u>	
Tax revaluation:			
Salaries and employee benefits		279,997	
Operating expenditures		<u>29,149</u>	
Total		<u>309,146</u>	
County attorney:			
Salaries and employee benefits		158,452	
Operating expenditures		<u>968,996</u>	
Total		<u>1,127,448</u>	

STANLY COUNTY, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2009

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Clerk of Court:			
Operating expenditures		19,930	
Judge's office:			
Operating expenditures		7,051	
District Attorney's office:			
Operating expenditures		2,548	
Elections:			
Salaries and employee benefits		200,983	
Operating expenditures		139,431	
Total		340,414	
Register of deeds:			
Salaries and employee benefits		269,867	
Operating expenditures		92,414	
Capital outlay		5,431	
Total		367,712	
Information technology:			
Salaries and employee benefits		294,897	
Operating expenditures		144,254	
Capital outlay		51,548	
Total		490,699	
Facilities management:			
Salaries and employee benefits		300,200	
Operating expenditures		639,207	
Capital outlay		13,938	
Total		953,345	
Total general government	5,952,284	5,708,279	244,005

STANLY COUNTY, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2009

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Public safety:			
Sheriff:			
Salaries and employee benefits		3,155,857	
Operating expenditures		481,461	
Capital outlay		<u>153,624</u>	
Total		<u>3,790,942</u>	
Jail:			
Salaries and employee benefits		1,871,162	
Operating expenditures		<u>604,599</u>	
Total		<u>2,475,761</u>	
Office of juvenile justice:			
Operating expenditures		2,426	
Daymark I-Care		104,527	
Juvenile detention		<u>8,455</u>	
Total		<u>115,408</u>	
Criminal justice partnership:			
Salaries and employee benefits		55,500	
Operating expenditures		<u>25,523</u>	
Total		<u>81,023</u>	
JCPC Restitution:			
Salaries and employee benefits		50,911	
Operating expenditures		<u>9,947</u>	
Total		<u>60,858</u>	

STANLY COUNTY, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2009

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Emergency management:			
Salaries and employee benefits		2,304,097	
Operating expenditures		792,437	
Capital outlay		<u>187,972</u>	
Total		<u>3,284,506</u>	
Code enforcement:			
Salaries and employee benefits		393,049	
Operating expenditures		36,955	
Capital outlay		<u>15,984</u>	
Total		<u>445,988</u>	
Medical examiner:			
Contractual services		<u>31,400</u>	
Animal control:			
Salaries and employee benefits		282,356	
Operating expenditures		<u>78,560</u>	
Total		<u>360,916</u>	
911 communication service:			
Salaries and employee benefits		936,594	
Operating expenditures		<u>106,985</u>	
Total		<u>1,043,579</u>	
Total public safety	<u>12,130,441</u>	<u>11,690,381</u>	<u>440,060</u>
Transportation:			
Salaries and employee benefits		671,668	
Operating expenditures		175,878	
Capital outlay		<u>108,242</u>	
Total transportation	<u>1,115,829</u>	<u>955,788</u>	<u>160,041</u>

STANLY COUNTY, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2009

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Environmental protection:			
Solid waste operations:			
Salaries and employee benefits		327,854	
Operating expenditures		571,513	
Capital outlay		<u>29,074</u>	
Total		<u>928,441</u>	
Fire forester:			
Contribution to other agency		<u>74,368</u>	
Soil and water conservation:			
Salaries and employee benefits		103,887	
Operating expenditures		<u>12,971</u>	
Total		<u>116,858</u>	
Total environmental protection	<u>1,207,941</u>	<u>1,119,667</u>	<u>88,274</u>
Economic and Physical Development:			
Economic development commission:			
Salaries and employee benefits		120,097	
Operating expenditures		<u>134,912</u>	
Total		<u>255,009</u>	
Occupancy tax-motel/hotel:			
To other municipalities		<u>164,077</u>	
Planning and zoning:			
Salaries and employee benefits		249,120	
Operating expenditures		<u>23,282</u>	
Total		<u>272,402</u>	

STANLY COUNTY, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2009

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Central permitting			
Salaries and employee benefits		153,796	
Operating expenditures		10,063	
Capital outlay		<u>122,500</u>	
Total		<u>286,359</u>	
Cooperative extension:			
Salaries and employee benefits		6,185	
Operating expenditures		<u>250,155</u>	
Total		<u>256,340</u>	
Special appropriation for economic development:			
Contribution for economic development		<u>110,468</u>	
Rocky River RPO:			
Salaries and employee benefits		98,102	
Operating expenditures		<u>16,551</u>	
Total		<u>114,653</u>	
Total economic and physical development	<u>4,506,231</u>	<u>1,459,308</u>	<u>3,046,923</u>
Human services:			
Health:			
Salaries and employee benefits		1,739,094	
Operating expenditures		424,842	
Capital outlay		<u>7,772</u>	
Total		<u>2,171,708</u>	
Home health:			
Salaries and employee benefits		482,327	
Operating expenditures		<u>373,319</u>	
Total		<u>855,646</u>	

STANLY COUNTY, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2009

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Health - smart start:			
Salaries and employee benefits		127,919	
Operating expenditures		<u>3,642</u>	
Total		<u>131,561</u>	
Dental clinic:			
Salaries and employee benefits		698,614	
Operating expenditures		116,075	
Capital outlay		<u>34,713</u>	
Total		<u>849,402</u>	
Environmental health:			
Salaries and employee benefits		336,121	
Operating expenditures		<u>42,265</u>	
Total		<u>378,386</u>	
Mental health:			
Contributions to other agencies:			
Bottle surcharge		11,874	
Piedmont area mental health		<u>198,000</u>	
Total		<u>209,874</u>	
Social services:			
Salaries and employee benefits		4,227,224	
Operating expenditures		3,015,184	
Day care and resident services		<u>2,829,526</u>	
Total		<u>10,071,934</u>	
In-home services:			
Salaries and employee benefits		229,897	
Operating expenditures		<u>119,556</u>	
Total		<u>349,453</u>	

STANLY COUNTY, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2009

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Nutrition:			
Salaries and employee benefits		110,563	
Operating expenditures		<u>287,746</u>	
Total		<u>398,309</u>	
I&A/Transportation:			
Salaries and employee benefits		54,838	
Operating expenditures		<u>55,055</u>	
Total		<u>109,893</u>	
Family Caregiver Support:			
Operating expenditures		<u>25,570</u>	
Total		<u>25,570</u>	
Senior services:			
Salaries and employee benefits		211,549	
Operating expenditures		<u>326,376</u>	
Total		<u>537,925</u>	
Veterans services:			
Salaries and employee benefits		77,112	
Operating expenditures		4,626	
Veteran's Association		<u>2,000</u>	
Total		<u>83,738</u>	
Total human services	<u>17,542,015</u>	<u>16,173,399</u>	<u>1,368,616</u>

STANLY COUNTY, NORTH CAROLINA

**GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2009**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Education:			
Stanly County Public Schools:			
Current expenditures		9,333,574	
Capital outlay		<u>3,580,227</u>	
Total		<u>12,913,801</u>	
Stanly Community College:			
Current expenditures		1,332,857	
Capital outlay		<u>175,000</u>	
Total		<u>1,507,857</u>	
Total education	<u>15,884,191</u>	<u>14,421,658</u>	<u>1,462,533</u>
Culture and recreation:			
Library:			
Salaries and employee benefits		946,643	
Operating expenditures		367,627	
Capital outlay		<u>3,465</u>	
Total		<u>1,317,735</u>	
Historic Preservation Commission:			
Salaries and employee benefits		93,606	
Operating expenditures		33,257	
Capital outlay		<u>128,166</u>	
Total		<u>255,029</u>	
Agri Civic Center:			
Salaries and employee benefits		168,089	
Operating expenditures		150,541	
Capital outlay		<u>55,468</u>	
Total		<u>374,098</u>	
Total culture and recreation	<u>2,193,357</u>	<u>1,946,862</u>	<u>246,495</u>

STANLY COUNTY, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2009

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Debt service:			
Principal		1,993,041	
Interest		<u>1,142,202</u>	
Total debt service	<u>3,514,246</u>	<u>3,135,243</u>	<u>379,003</u>
Total expenditures	<u>64,046,535</u>	<u>56,610,585</u>	<u>7,435,950</u>
Revenues over (under) expenditures	<u>(4,630,291)</u>	<u>191,531</u>	<u>4,821,822</u>
Other financing sources (uses):			
Transfers to:			
Enterprise Fund		(610,360)	
Capital Project Fund		<u>(1,000,000)</u>	
Total other financing sources (uses)	<u>4,630,291</u>	<u>(1,610,360)</u>	<u>(6,240,651)</u>
Net change in fund balance	<u>\$ -</u>	<u>(1,418,829)</u>	<u>\$ (1,418,829)</u>
Fund balance, beginning of year - July 1		<u>19,043,078</u>	
Fund balance, end of year - June 30		<u>\$ 17,624,249</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:

- **Community Development Block Grant Housing Project** – accounts for the funds designated for housing improvement.
- **Community Development Block Grant Hook up Project** – accounts for the funds designated for water hook ups.
- **Emergency Telephone System Fund** – accounts for the revenues earmarked for the installation of emergency 911-phone system.
- **Fire District Fund** – account for the revenues of the fourteen fire districts in Stanly County.
- **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.
- **Community Development Block Grant Urgent Repair Program Fund** – accounts for the funds designated for urgent housing repairs.
- **Community Development Block Grant 2007 Revitalization Fund**– accounts for the funds designated for improvements to include streets, drainage, water and sewer.
- **Community Development Block Grant 2008 Hook up Project** – accounts for the funds designated for water hook ups.
- **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 2002 Hook up Project** – accounts for the funds designated for water hook ups
- **School Construction Fund** – accounts for the funds designated for Aquadale and Locust Elementary School construction
- **Jail Construction Fund** – accounts for the funds designated for jail construction.

STANLY COUNTY, NORTH CAROLINA

MAJOR CAPITAL PROJECT FUND

JAIL CONSTRUCTION FUND

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

	<u>Actual</u>				Variance Positive (Negative)
	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>	
Revenues:					
Investment earnings	\$ 270,424	\$ 269,955	\$ 469	\$ 270,424	\$ -
Total revenues	<u>270,424</u>	<u>269,955</u>	<u>469</u>	<u>270,424</u>	<u>-</u>
Expenditures:					
Professional services	734,424	598,688	132,872	731,560	2,864
Construction	7,514,986	5,962,160	1,034,250	6,996,410	518,576
Operating expenditures	<u>242,400</u>	<u>152,875</u>	<u>92,858</u>	<u>245,733</u>	<u>(3,333)</u>
Total expenditures	<u>8,491,810</u>	<u>6,713,723</u>	<u>1,259,980</u>	<u>7,973,703</u>	<u>518,107</u>
Revenues over (under) expenditures	<u>(8,221,386)</u>	<u>(6,443,768)</u>	<u>(1,259,511)</u>	<u>(7,703,279)</u>	<u>518,107</u>
Other Financing Sources (Uses):					
Debt issued	7,000,000	5,500,000	-	5,500,000	(1,500,000)
Transfer from General Fund	<u>1,221,386</u>	<u>1,221,386</u>	<u>-</u>	<u>1,221,386</u>	<u>-</u>
Total other financing sources (uses)	<u>8,221,386</u>	<u>6,721,386</u>	<u>-</u>	<u>6,721,386</u>	<u>(1,500,000)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 277,618</u>	<u>(1,259,511)</u>	<u>\$ (981,893)</u>	<u>\$ (981,893)</u>
Fund balance, beginning of year - July 1			<u>277,618</u>		
Fund balance, end of year - June 30			<u>\$ (981,893)</u>		

STANLY COUNTY, NORTH CAROLINA

MAJOR CAPITAL PROJECT FUND
SCHOOL CONSTRUCTION FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2009

	<u>Actual</u>			<u>Variance Positive (Negative)</u>	
	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Current Year</u>		<u>Total to Date</u>
Revenues:					
Investment earnings	\$ -	\$ -	\$ 64,473	\$ 64,473	\$ 64,473
Total revenues	-	-	64,473	64,473	64,473
Expenditures:					
Professional services	921,088	-	1,151,111	1,151,111	(230,023)
Construction	13,078,912	-	9,088,440	9,088,440	3,990,472
Total expenditures	14,000,000	-	10,239,551	10,239,551	3,760,449
Revenues over (under) expenditures	(14,000,000)	-	(10,175,078)	(10,175,078)	3,824,922
Other Financing Sources:					
Debt issued	13,000,000	-	13,000,000	13,000,000	-
Transfer from General Fund	1,000,000	-	1,000,000	1,000,000	-
Total other financing sources	14,000,000	-	14,000,000	14,000,000	-
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	3,824,922	<u>\$ 3,824,922</u>	<u>\$ 3,824,922</u>
Fund balance, beginning of year - July 1			-		
Fund balance, end of year - June 30			<u>\$ 3,824,922</u>		

STANLY COUNTY, NORTH CAROLINA

COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2009

	Special Revenue Funds				
	Community Development Block Grant Housing Project	Community Development Block Grant Hook Up Project	Emergency Telephone System	Fire Districts	Adequate Facilities Reserve Fund
Assets:					
Cash and cash equivalents	\$ -	\$ -	\$ 248,355	\$ 16,019	\$ 21,006
Taxes receivable, net	-	-	-	80,338	-
Accounts receivable	-	-	28,082	-	-
Total assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 276,437</u>	<u>\$ 96,357</u>	<u>\$ 21,006</u>
Liabilities and Fund Equity:					
Liabilities:					
Accounts payable and accrued liabilities	\$ -	\$ -	\$ 12,316	\$ 16,019	\$ -
Interfund payables	-	-	-	-	-
Deferred revenues	-	-	-	80,338	-
Total liabilities	<u>-</u>	<u>-</u>	<u>12,316</u>	<u>96,357</u>	<u>-</u>
Fund Equity:					
Reserved by State statute	-	-	28,082	-	-
Unreserved	-	-	236,039	-	21,006
Total fund balances	<u>-</u>	<u>-</u>	<u>264,121</u>	<u>-</u>	<u>21,006</u>
Total liabilities and fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 276,437</u>	<u>\$ 96,357</u>	<u>\$ 21,006</u>

Special Revenue Funds

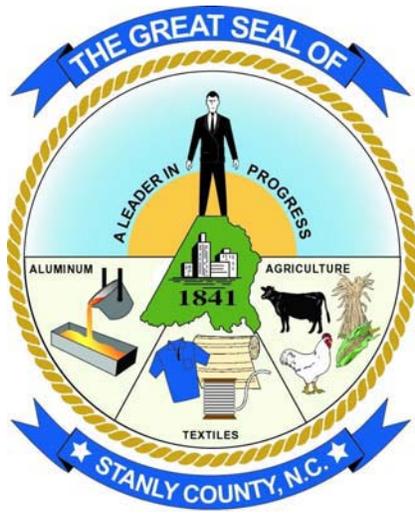
CDBG Urgent Repair Program Fund	CDBG 2007 Revitalization Fund	CDBG Hookup Fund	CDBG Infrastructure Fund	Single Family Rehabilitation \$3,000 Fund	CDBG Hookup 2002 Fund	Total Nonmajor Governmental Funds
\$ -	\$ 90,326	\$ -	\$ -	\$ -	\$ -	\$ 375,706
-	-	-	-	-	-	80,338
-	-	36,419	60	284	60	64,905
<u>\$ -</u>	<u>\$ 90,326</u>	<u>\$ 36,419</u>	<u>\$ 60</u>	<u>\$ 284</u>	<u>\$ 60</u>	<u>\$ 520,949</u>
\$ -	\$ -	\$ 60	\$ -	\$ -	\$ -	\$ 28,395
-	-	36,359	60	284	60	36,763
-	-	-	-	-	-	80,338
-	-	36,419	60	284	60	145,496
-	-	-	-	-	-	28,082
-	90,326	-	-	-	-	347,371
-	90,326	-	-	-	-	375,453
<u>\$ -</u>	<u>\$ 90,326</u>	<u>\$ 36,419</u>	<u>\$ 60</u>	<u>\$ 284</u>	<u>\$ 60</u>	<u>\$ 520,949</u>

STANLY COUNTY, NORTH CAROLINA

**COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2009**

	Special Revenue Funds				
	Community Development Block Grant Housing Project	Community Development Block Grant Hook Up Project	Emergency Telephone System	Fire Districts	Adequate Facilities Reserve Fund
Revenues:					
Ad valorem taxes	\$ -	\$ -	\$ -	\$ 1,767,102	\$ -
Restricted intergovernmental	45,487	9,337	-	-	-
Sales and services	-	-	336,975	-	-
Permits and fees	-	-	-	-	6,001
Investment earnings	-	-	4,032	-	429
Total revenues	45,487	9,337	341,007	1,767,102	6,430
Expenditures:					
Current:					
General government	-	-	-	26,863	-
Public safety	-	-	226,753	1,740,239	-
Economic and physical development	45,487	9,337	-	-	-
Total expenditures	45,487	9,337	226,753	1,767,102	-
Revenues over (under) expenditures	-	-	114,254	-	6,430
Net change in fund balance	-	-	114,254	-	6,430
Fund balance, beginning of year - July 1	-	-	149,867	-	14,576
Fund balance, end of year - June 30	\$ -	\$ -	\$ 264,121	\$ -	\$ 21,006

Special Revenue Funds							Total Nonmajor Governmental Funds
CDBG Urgent Repair Program Fund	CDBG 2007 Revitalization Fund	CDBG 2008 Hookup Fund	CDBG Infrastructure Fund	Single Family Rehabilitation \$3,000 Fund	CDBG Hookup 2002 Fund		
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,767,102	
-	22,639	36,419	60	284	60	114,286	
-	-	-	-	-	-	336,975	
-	-	-	-	-	-	6,001	
28	-	-	-	-	-	4,489	
<u>28</u>	<u>22,639</u>	<u>36,419</u>	<u>60</u>	<u>284</u>	<u>60</u>	<u>2,228,853</u>	
-	-	-	-	-	-	26,863	
-	-	-	-	-	-	1,966,992	
11,475	24,094	36,419	60	284	60	127,216	
<u>11,475</u>	<u>24,094</u>	<u>36,419</u>	<u>60</u>	<u>284</u>	<u>60</u>	<u>2,121,071</u>	
(11,447)	(1,455)	-	-	-	-	107,782	
(11,447)	(1,455)	-	-	-	-	107,782	
11,447	91,781	-	-	-	-	267,671	
<u>\$ -</u>	<u>\$ 90,326</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 375,453</u>	



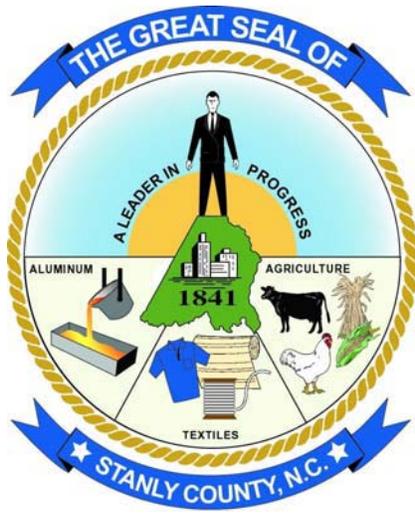
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BUDGETARY INFORMATION - GOVERNMENTAL FUNDS

Special revenue budget and actual results for fiscal June 30, 2009.

Individual Fund Descriptions:

- **Community Development Block Grant Housing Project** – accounts for the funds designated for housing improvement.
- **Community Development Block Grant Hook up Project** – accounts for the funds designated for water hook ups.
- **Emergency Telephone System Fund** – accounts for the revenues earmarked for the installation of emergency 911-phone system.
- **Fire District Fund** – account for the revenues of the fourteen fire districts in Stanly County.
- **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.
- **Community Development Block Grant Urgent Repair Program Fund** – accounts for the funds designated for urgent housing repairs.
- **Community Development Block Grant 2007 Revitalization Fund**– accounts for the funds designated for improvements to include streets, drainage, water and sewer.
- **Community Development Block Grant 2008 Hook up Project** – accounts for the funds designated for water hook ups.
- **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 2002 Hook up Project** – accounts for the funds designated for water hook ups
- **School Construction Fund** – accounts for the funds designated for Aquadale and Locust Elementary School construction
- **Jail Construction Fund** – accounts for the funds designated for jail construction.



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STANLY COUNTY, NORTH CAROLINA

COMMUNITY DEVELOPMENT BLOCK GRANT FUND - HOUSING
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCES - BUDGET AND ACTUAL
 FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2009

	<u>Project Authorization</u>	<u>Actual</u>			<u>Variance Positive (Negative)</u>
		<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>	
Revenues:					
Restricted Intergovernmental:					
Community Development	\$ 450,000	\$ 404,513	\$ 45,487	\$ 450,000	\$ -
Expenditures:					
Professional services	35,000	46,728	-	46,728	(11,728)
Contract services	415,000	357,785	45,487	403,272	11,728
Total expenditures	450,000	404,513	45,487	450,000	-
Net change in fund balance	\$ -	\$ -	-	\$ -	\$ -
Fund balance, beginning of year - July 1			-		
Fund balance, end of year - June 30			\$ -		

STANLY COUNTY, NORTH CAROLINA

COMMUNITY DEVELOPMENT BLOCK GRANT FUND - HOOK UP PROJECT
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCES - BUDGET AND ACTUAL
 FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2009

	<u>Project Authorization</u>	<u>Actual</u>		<u>Total to Date</u>	<u>Variance Positive (Negative)</u>
		<u>Prior Years</u>	<u>Current Year</u>		
Revenues:					
Restricted Intergovernmental:					
Community Development	\$ 87,521	\$ 62,334	\$ 9,337	\$ 71,671	\$ (15,850)
Total revenues	87,521	62,334	9,337	71,671	(15,850)
Expenditures:					
Administration	23,771	24,196	(6,083)	18,113	5,658
Rehabilitation	60,600	34,988	15,420	50,408	10,192
Total expenditures	84,371	59,184	9,337	68,521	15,850
Revenues over (under) expenditures	3,150	3,150	-	3,150	-
Other Financing Sources (Uses):					
Transfer to Fork Road Water Line project	(3,150)	(3,150)	-	(3,150)	-
Net change in fund balance	\$ -	\$ -	-	\$ -	\$ -
Fund balance, beginning of year - July 1			-		
Fund balance, end of year - June 30			\$ -		

STANLY COUNTY, NORTH CAROLINA

EMERGENCY TELEPHONE SYSTEM FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCES - BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2009

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Charges - surcharge	\$ 325,706	\$ 336,975	\$ 11,269
Investment earnings	19,428	4,032	(15,396)
Total revenues	<u>345,134</u>	<u>341,007</u>	<u>(4,127)</u>
Expenditures:			
Salaries and employee benefits	110,112	45,659	64,453
Operating expenditures	223,559	147,878	75,681
Capital outlay	<u>111,500</u>	<u>33,216</u>	<u>78,284</u>
Total expenditures	<u>445,171</u>	<u>226,753</u>	<u>218,418</u>
Revenues over (under) expenditures	<u>(100,037)</u>	<u>114,254</u>	<u>214,291</u>
Other Financing Sources (Uses):			
Transfer to General Fund	(484,536)	-	484,536
Appropriated fund balance	<u>584,573</u>	<u>-</u>	<u>(584,573)</u>
Total other financing sources (uses)	<u>100,037</u>	<u>-</u>	<u>(100,037)</u>
Net change in fund balance	<u>\$ -</u>	<u>114,254</u>	<u>\$ 114,254</u>
Fund balance, beginning of year - July 1		<u>149,867</u>	
Fund balance, end of year - June 30		<u>\$ 264,121</u>	

STANLY COUNTY, NORTH CAROLINA

FIRE DISTRICT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2009

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Ad valorem taxes:			
Current year	\$ 1,772,850	\$ 1,725,770	\$ (47,080)
Prior years	<u>50,000</u>	<u>41,332</u>	<u>(8,668)</u>
Total revenues	<u>1,822,850</u>	<u>1,767,102</u>	<u>(55,748)</u>
Expenditures:			
Administration fees:			
Tax collection fees	27,000	26,863	137
Public safety:			
Locust Fire District	514,200	498,087	16,113
Center Fire District	141,500	136,580	4,920
Endy Fire District	108,000	106,781	1,219
Ridgecrest Fire District	116,400	113,518	2,882
Aquadale Fire District	72,000	69,386	2,614
Eastside Fire District	136,800	132,988	3,812
Oakoro Fire District	73,600	70,234	3,366
New London Fire District	128,500	130,368	(1,868)
Southside Fire District	102,500	98,652	3,848
Bethany Fire District	49,750	46,551	3,199
Richfield Fire District	117,500	110,732	6,768
Millingport Fire District	95,500	93,580	1,920
Badin-Yakin Fire District	<u>139,600</u>	<u>132,782</u>	<u>6,818</u>
Total expenditures	<u>1,822,850</u>	<u>1,767,102</u>	<u>55,748</u>
Net change in fund balance	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund balance, beginning of year - July 1		<u>-</u>	
Fund balance, end of year - June 30		<u><u>\$ -</u></u>	

STANLY COUNTY, NORTH CAROLINA

ADEQUATE FACILITIES RESERVE FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCES - BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2009

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Facility fees	\$ 15,000	\$ 6,001	\$ (8,999)
Investment earnings	<u>700</u>	<u>429</u>	<u>(271)</u>
Total revenues	<u>15,700</u>	<u>6,430</u>	<u>(9,270)</u>
Other Financing Sources (Uses):			
Appropriated fund balance	<u>(15,700)</u>	<u>-</u>	<u>15,700</u>
Net change in fund balance	<u>\$ -</u>	<u>6,430</u>	<u>\$ 6,430</u>
Fund balance, beginning of year - July 1		<u>14,576</u>	
Fund balance, end of year - June 30		<u>\$ 21,006</u>	

STANLY COUNTY, NORTH CAROLINA

COMMUNITY DEVELOPMENT BLOCK GRANT FUND - URGENT REPAIR PROGRAM
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCES - BUDGET AND ACTUAL
 FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2009

	Project Authorization	Actual			Variance Positive (Negative)
		Prior Years	Current Year	Total to Date	
Revenues:					
Restricted Intergovernmental:					
Community Development	\$ 75,000	\$ 75,000	\$ -	\$ 75,000	\$ -
Investment earnings	<u>2,000</u>	<u>1,153</u>	<u>28</u>	<u>1,181</u>	<u>(819)</u>
Total revenues	<u>77,000</u>	<u>76,153</u>	<u>28</u>	<u>76,181</u>	<u>(819)</u>
Expenditures:					
Contract services	<u>77,000</u>	<u>64,706</u>	<u>11,475</u>	<u>76,181</u>	<u>819</u>
Total expenditures	<u>77,000</u>	<u>64,706</u>	<u>11,475</u>	<u>76,181</u>	<u>819</u>
Revenues over (under) expenditures	<u>-</u>	<u>11,447</u>	<u>(11,447)</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 11,447</u>	<u>(11,447)</u>	<u>\$ -</u>	<u>\$ -</u>
Fund balance, beginning of year - July 1			<u>11,447</u>		
Fund balance, end of year - June 30			<u>\$ -</u>		

STANLY COUNTY, NORTH CAROLINA

COMMUNITY DEVELOPMENT BLOCK GRANT FUND - 2007 REVITALIZATION
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCES - BUDGET AND ACTUAL
 FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2009

	<u>Project Authorization</u>	<u>Actual</u>			<u>Variance Positive (Negative)</u>
		<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>	
Revenues:					
Restricted Intergovernmental:					
Community Development	\$ 850,000	\$ -	\$ 22,639	\$ 22,639	\$ (827,361)
Expenditures:					
Professional services	115,625	18,719	21,594	40,313	75,312
Construction	387,406	-	-	-	387,406
Rehabilitation	457,469	-	2,500	2,500	454,969
Total expenditures	960,500	18,719	24,094	42,813	917,687
Revenues over (under) expenditures	(110,500)	(18,719)	(1,455)	(20,174)	90,326
Other Financing Sources (Uses):					
Transfer from General Fund	110,500	110,500	-	110,500	-
Net change in fund balance	\$ -	\$ 91,781	(1,455)	\$ 90,326	\$ 90,326
Fund balance, beginning of year - July 1			91,781		
Fund balance, end of year - June 30			\$ 90,326		

STANLY COUNTY, NORTH CAROLINA

COMMUNITY DEVELOPMENT BLOCK GRANT FUND - 2008 INFRASTRUCTURE HOOK UP PROJECT
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCES - BUDGET AND ACTUAL
 FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2009

	Project Authorization	Actual			Variance Positive (Negative)
		Prior Years	Current Year	Total to Date	
Revenues:					
Restricted Intergovernmental:					
Community Development	\$ 75,000	\$ -	\$ 36,419	\$ 36,419	\$ (38,581)
Total revenues	75,000	-	36,419	36,419	(38,581)
Expenditures:					
Construction	11,250	-	4,899	4,899	6,351
Rehabilitation	63,750	-	5,165	5,165	58,585
Professional services	-	-	26,355	26,355	(26,355)
Total expenditures	75,000	-	36,419	36,419	38,581
Revenues over (under) expenditures	-	-	-	-	-
Net change in fund balance	\$ -	\$ -	-	\$ -	\$ -
Fund balance, beginning of year - July 1			-		
Fund balance, end of year - June 30			\$ -		

STANLY COUNTY, NORTH CAROLINA

COMMUNITY DEVELOPMENT BLOCK GRANT FUND - INFRASTRUCTURE
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCES - BUDGET AND ACTUAL
 FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2009

	<u>Project Authorization</u>	<u>Actual</u>			<u>Variance Positive (Negative)</u>
		<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>	
Revenues:					
Restricted Intergovernmental:					
Community Development	\$ 50,000	\$ -	\$ 60	\$ 60	\$ (49,940)
Total revenues	50,000	-	60	60	(49,940)
Expenditures:					
Administration	7,500	-	60	60	7,440
Rehabilitation	42,500	-	-	-	42,500
Total expenditures	50,000	-	60	60	49,940
Net change in fund balance	\$ -	\$ -	-	\$ -	\$ -
Fund balance, beginning of year - July 1			-		
Fund balance, end of year - June 30			\$ -		

STANLY COUNTY, NORTH CAROLINA

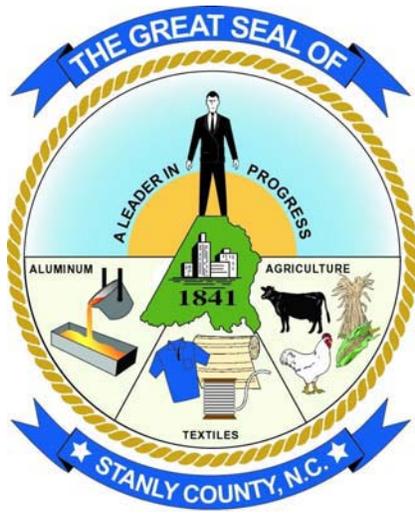
COMMUNITY DEVELOPMENT BLOCK GRANT FUND - SINGLE FAMILY REHABILITATION \$3,000
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCES - BUDGET AND ACTUAL
 FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2009

	<u>Project Authorization</u>	<u>Actual</u>			<u>Variance Positive (Negative)</u>
		<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>	
Revenues:					
Restricted Intergovernmental:					
Community Development	\$ 400,000	\$ -	\$ 284	\$ 284	\$ (399,716)
Total revenues	<u>400,000</u>	<u>-</u>	<u>284</u>	<u>284</u>	<u>(399,716)</u>
Expenditures:					
Administration	32,000	-	284	284	31,716
Rehabilitation hardcost	48,000	-	-	-	48,000
Rehabilitation	<u>320,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>320,000</u>
Total expenditures	<u>400,000</u>	<u>-</u>	<u>284</u>	<u>284</u>	<u>399,716</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>
Fund balance, beginning of year - July 1			<u>-</u>		
Fund balance, end of year - June 30			<u>\$ -</u>		

STANLY COUNTY, NORTH CAROLINA

COMMUNITY DEVELOPMENT BLOCK GRANT FUND - HOOKUP 2002
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCES - BUDGET AND ACTUAL
 FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2009

	<u>Project Authorization</u>	<u>Actual</u>			<u>Variance Positive (Negative)</u>
		<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>	
Revenues:					
Restricted Intergovernmental:					
Community Development	\$ 3,318	\$ -	\$ 60	\$ 60	\$ (3,258)
Total revenues	<u>3,318</u>	<u>-</u>	<u>60</u>	<u>60</u>	<u>(3,258)</u>
Expenditures:					
Rehabilitation	<u>3,318</u>	<u>-</u>	<u>60</u>	<u>60</u>	<u>3,258</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>
Fund balance, beginning of year - July 1			<u>-</u>		
Fund balance, end of year - June 30			<u><u>\$ -</u></u>		



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BUDGETARY INFORMATION - ENTERPRISE FUNDS

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

Individual Fund Descriptions:

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

STANLY COUNTY, NORTH CAROLINA

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, 2009

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Operating Revenues:			
Charges for services:			
Water sales		\$ 243,884	
Sewer charges		161,229	
Industrial sewer charges		71,174	
Taps and connection fees		1,101	
Other operating revenues		<u>7,871</u>	
Total operating revenues		<u>485,259</u>	
Non-Operating Revenues:			
Interest on investments		<u>3,774</u>	
Total revenues	\$ 498,845	<u>489,033</u>	\$ (9,812)
Expenditures:			
Administration:			
Contracted services		67,887	
Operating expenditures		<u>2,373</u>	
Total administration		<u>70,260</u>	
Debt Service:			
G.O. bond principal paid		40,000	
State loan principal paid		22,731	
Interest expense		13,694	
Bond service costs		<u>808</u>	
Total debt service		<u>77,233</u>	
Distribution and maintenance:			
Contracted services		120,791	
Operating expenditures		83,538	
Water purchases		82,155	
Capital outlay		<u>25,475</u>	
Total distribution and maintenance		<u>311,959</u>	
Total expenditures	<u>498,845</u>	<u>459,452</u>	<u>39,393</u>
Revenues over (under) expenditures	<u>\$ -</u>	<u>29,581</u>	<u>\$ 29,581</u>
Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual:			
Reconciling Items:			
Capital outlay		25,475	
Debt principal		62,731	
Depreciation		<u>(367,471)</u>	
Total reconciling items		<u>(279,265)</u>	
Change in net assets		<u>\$ (249,684)</u>	

STANLY COUNTY, NORTH CAROLINA

**MAJOR ENTERPRISE FUND
PINEY POINT WATER DISTRICT FUND- SCHEDULE OF
REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)
FOR THE YEAR ENDED JUNE 30, 2009**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Operating Revenues:			
Charges for services:			
Water sales		\$ 105,793	
Taps and connection fees		7,265	
Other operating revenues		<u>135</u>	
Total operating revenues		<u>113,193</u>	
Non-Operating Revenues:			
Interest on investments		<u>3,920</u>	
Total revenues	<u>\$ 133,859</u>	<u>117,113</u>	<u>\$ (16,746)</u>
Expenditures:			
Administration:			
Contracted services		35,000	
Operating expenditures		<u>1,082</u>	
Total administration		<u>36,082</u>	
Debt Service:			
Lease principal		44,781	
Lease interest		<u>695</u>	
Total debt service		<u>45,476</u>	
Distribution and maintenance:			
Operating expenditures		1,580	
Water purchases		<u>32,995</u>	
Total distribution and maintenance		<u>34,575</u>	
Total expenditures	<u>133,859</u>	<u>116,133</u>	<u>17,726</u>
Revenues over (under) expenditures	<u>\$ -</u>	<u>980</u>	<u>\$ 980</u>
Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual:			
Debt principal		44,781	
Depreciation		<u>(34,762)</u>	
Total reconciling items		<u>10,019</u>	
Change in net assets		<u>\$ 10,999</u>	

STANLY COUNTY, NORTH CAROLINA

MAJOR ENTERPRISE FUND
STANLY COUNTY UTILITY FUND - SCHEDULE OF
REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)
FOR THE YEAR ENDED JUNE 30, 2009

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Operating Revenues:			
Charges for services:			
Water sales		\$ 1,564,104	
Sewer charges		438,683	
Taps and connection fees		64,230	
Other operating revenues		<u>112,419</u>	
Total operating revenues		<u>2,179,436</u>	
Non-Operating Revenues:			
Interest on investments		13,357	
Administrative charges		<u>223,563</u>	
Total non-operating revenues		<u>236,920</u>	
Total revenues	\$ 2,490,413	<u>2,416,356</u>	\$ (74,057)
Expenditures:			
Administration:			
Salaries and employee benefits		323,177	
Operating expenditures		<u>32,066</u>	
Total administration		<u>355,243</u>	
Debt Service:			
G.O. bond principal paid		75,000	
Lease payment		72,754	
Interest expense		<u>13,712</u>	
Total debt service		<u>161,466</u>	
Distribution and maintenance:			
Salaries and employee benefits		524,281	
Operating expenditures		693,164	
Water purchases		483,816	
Capital outlay		<u>344,743</u>	500,043
Total distribution and maintenance		<u>2,046,004</u>	
Total expenditures	<u>2,642,913</u>	<u>2,562,713</u>	<u>80,200</u>
Revenues over (under) expenditures	<u>(152,500)</u>	<u>(146,357)</u>	<u>6,143</u>

STANLY COUNTY, NORTH CAROLINA

**MAJOR ENTERPRISE FUND
STANLY COUNTY UTILITY FUND - SCHEDULE OF
REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)
FOR THE YEAR ENDED JUNE 30, 2009**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Other Financing Sources (Uses):			
Transfers in	152,500	152,500	-
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	6,143	<u>\$ 6,143</u>
Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual:			
Reconciling items:			
Debt principal		147,754	
Capital outlay		155,300	
Depreciation		(705,255)	
Capital contribution		869,674	
Interfund transfer to project from General Fund		<u>38,320</u>	
Total reconciling items		<u>505,793</u>	
Change in net assets		<u>\$ 511,936</u>	

STANLY COUNTY, NORTH CAROLINA

MAJOR ENTERPRISE FUND
AIRPORT FUND - SCHEDULE OF REVENUES
AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)
FOR THE YEAR ENDED JUNE 30, 2009

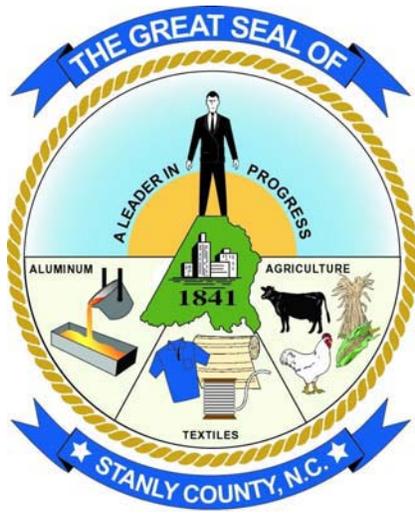
	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Operating Revenues:			
Sales and services:			
Fuel and oil sales		\$ 257,612	
Tie down fees		1,275	
Hanger rental		29,115	
Franchise		4,500	
Miscellaneous		3,375	
Total operating revenues	\$ 464,906	295,877	\$ (169,029)
Non-Operating Revenues:			
Interest on investments		7,991	
Total non-operating revenues	3,996	7,991	3,995
Total revenues	468,902	303,868	(165,034)
Expenditures:			
Administration and operations:			
Salaries and employee benefits		251,815	
Operating expenditures		118,638	
Purchases for resale		215,220	
Total administration and operations	714,302	585,673	128,629
Revenues over (under) expenditures	(245,400)	(281,805)	(36,405)
Other Financing Sources (Uses):			
Transfer in	245,400	245,400	-
Revenues and other financing sources over (under) expenditures and other financing uses	\$ -	(36,405)	\$ (36,405)
Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual:			
Reconciling Items:			
Depreciation		(962,835)	
Capital contributions		222,329	
Interfund transfer to project from General Fund		174,139	
Total reconciling items		(566,367)	
Change in net assets		\$ (602,772)	

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.
- **Highway 731 Water Project Fund** – accounts for the revenues and expenses for the extension of a water line along Highway 731.
- **Morrow Mountain Road Project Fund** – accounts for the revenues and expenses for the extension of a water line along Morrow Mountain Road.
- **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.
- **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.



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STANLY COUNTY, NORTH CAROLINA

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, 2009

	<u>Project Authorization</u>	<u>Actual</u>			<u>Variance Positive (Negative)</u>
		<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>	
Expenditures:					
Construction	\$ 605,000	\$ -	\$ 122,490	\$ 122,490	\$ 482,510
Professional services	-	15,972	-	15,972	(15,972)
Total expenditures	605,000	15,972	122,490	138,462	466,538
Other Financing Sources (Uses):					
Transfer from General Fund	605,000	605,000	-	605,000	-
Revenues and other financing sources over (under) expenditures and other financing uses	\$ -	\$ 589,028	\$ (122,490)	\$ 466,538	\$ 466,538

STANLY COUNTY, NORTH CAROLINA

MILLINGPORT SEWER PROJECT FUND
 SCHEDULE OF REVENUES AND EXPENDITURES -
 BUDGET AND ACTUAL (NON-GAAP)
 FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2009

	<u>Project Authorization</u>	<u>Actual</u>			<u>Variance Positive (Negative)</u>
		<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>	
Revenues:					
Restricted Intergovernmental:					
NC DOT Reimbursement	\$ 224,000	\$ -	\$ 224,000	\$ 224,000	\$ -
Army Corp	155,000	-	127,589	127,589	(27,411)
Total revenues	379,000	-	351,589	351,589	(27,411)
Expenditures:					
Construction	1,245,000	740,997	481,610	1,222,607	22,393
Professional services	183,608	90,630	88,721	179,351	4,257
Capital outlay	47,500	45,389	1,350	46,739	761
Total expenditures	1,476,108	877,016	571,681	1,448,697	27,411
Revenues over (under) expenditures	(1,097,108)	(877,016)	(220,092)	(1,097,108)	-
Other Financing Sources (Uses):					
Transfer from General Fund	1,049,580	1,049,580	-	1,049,580	-
Transfer from Highway 52 Fund	47,528	47,528	-	47,528	-
Total other financing sources (uses)	1,097,108	1,097,108	-	1,097,108	-
Revenues and other financing sources over (under) expenditures and other financing uses	\$ -	\$ 220,092	\$ (220,092)	\$ -	\$ -

STANLY COUNTY, NORTH CAROLINA

HIGHWAY 731 WATER PROJECT
 SCHEDULE OF REVENUES, AND EXPENDITURES -
 BUDGET AND ACTUAL (NON-GAAP)
 FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2009

	<u>Project Authorization</u>	<u>Actual</u>			<u>Variance Positive (Negative)</u>
		<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>	
Revenues:					
Restricted Intergovernmental:					
Rural Center grant	\$ 623,809	\$ 26,887	\$ 518,085	\$ 544,972	\$ (78,837)
Expenditures:					
Professional services	108,000	59,651	52,526	112,177	(4,177)
Construction	548,970	397	462,923	463,320	85,650
Total expenditures	656,970	60,048	515,449	575,497	81,473
Revenues over (under) expenditures	(33,161)	(33,161)	2,636	(30,525)	2,636
Other Financing Sources (Uses):					
Transfer from Badin Sewer Project Fund	33,161	33,161	-	33,161	-
Revenues and other financing sources over (under) expenditures and other financing uses	\$ -	\$ -	\$ 2,636	\$ 2,636	\$ 2,636

STANLY COUNTY, NORTH CAROLINA

MORROW MOUNTAIN ROAD UTILITIES PROJECT
 SCHEDULE OF REVENUES AND EXPENDITURES -
 BUDGET AND ACTUAL (NON-GAAP)
 FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2009

	<u>Project Authorization</u>	<u>Actual</u>			<u>Variance Positive (Negative)</u>
		<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>	
Revenues:					
Restricted Intergovernmental:					
Rural Center grant	\$ 100,000	\$ 100,000	\$ -	\$ 100,000	\$ -
Sales and services					
Tap fees	<u>15,000</u>	<u>10,912</u>	<u>-</u>	<u>10,912</u>	<u>(4,088)</u>
Total revenues	<u>115,000</u>	<u>110,912</u>	<u>-</u>	<u>110,912</u>	<u>(4,088)</u>
Expenditures:					
Operating expense	13,500	19,985	(5,118)	14,867	(1,367)
Capital outlay	<u>196,500</u>	<u>185,927</u>	<u>(25,417)</u>	<u>160,510</u>	<u>35,990</u>
Total expenditures	<u>210,000</u>	<u>205,912</u>	<u>(30,535)</u>	<u>175,377</u>	<u>34,623</u>
Revenues over (under) expenditures	<u>(95,000)</u>	<u>(95,000)</u>	<u>(30,535)</u>	<u>(64,465)</u>	<u>30,535</u>
Other Financing Sources (Uses):					
Transfer from Utility Fund	<u>95,000</u>	<u>95,000</u>	<u>-</u>	<u>95,000</u>	<u>-</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (30,535)</u>	<u>\$ 30,535</u>	<u>\$ 30,535</u>

STANLY COUNTY, NORTH CAROLINA

ENDY SEWER EXTENSION PROJECT FUND
 SCHEDULE OF REVENUES AND EXPENDITURES -
 BUDGET AND ACTUAL (NON-GAAP)
 FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2009

	<u>Project Authorization</u>	<u>Actual</u>			<u>Variance Positive (Negative)</u>
		<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>	
Expenditures:					
Professional services	\$ 250,000	\$ -	\$ 16,811	\$ 16,811	\$ 233,189
Land	25,000	-	-	-	25,000
Construction	<u>2,325,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,325,000</u>
Total expenditures	<u>2,600,000</u>	<u>-</u>	<u>16,811</u>	<u>16,811</u>	<u>2,583,189</u>
Other Financing Sources (Uses):					
Transfer from General Fund	<u>2,600,000</u>	<u>-</u>	<u>16,811</u>	<u>16,811</u>	<u>(2,583,189)</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

STANLY COUNTY, NORTH CAROLINA

HWY 52 EXTENSION PROJECT FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP)
 FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2009

	<u>Project Authorization</u>	<u>Actual</u>			<u>Variance Positive (Negative)</u>
		<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>	
Revenues:					
Restricted Intergovernmental:					
Rural Center grant	\$ 500,000	\$ -	\$ -	\$ -	\$ (500,000)
Expenditures:					
Construction	900,000	-	-	-	900,000
Professional services	180,000	-	21,509	21,509	158,491
Land	10,000	-	-	-	10,000
Total expenditures	1,090,000	-	21,509	21,509	1,068,491
Revenues over (under) expenditures	(590,000)	-	(21,509)	(21,509)	568,491
Other Financing Sources (Uses):					
Transfer from General Fund	590,000	-	21,509	21,509	(568,491)
Revenues and other financing sources over (under) expenditures and other financing uses	\$ -	\$ -	\$ -	\$ -	\$ -

STANLY COUNTY, NORTH CAROLINA

AIRPORT TERMINAL PROJECT FUND
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP)
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2009

	<u>Project Authorization</u>	<u>Actual</u>			<u>Variance Positive (Negative)</u>
		<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>	
Revenues:					
Restricted Intergovernmental:					
Vision Entitlement grant	\$ 644,395	\$ -	\$ 222,329	\$ 222,329	\$ (422,066)
Division of Aviation	325,000	-	-	-	-
NC DOT Grant	195,000	-	-	-	-
Federal Project	195,000	-	-	-	(195,000)
Total revenues	<u>1,359,395</u>	<u>-</u>	<u>222,329</u>	<u>222,329</u>	<u>(617,066)</u>
Expenditures:					
Professional services	316,677	9,794	196,740	206,534	110,143
Construction	<u>1,703,722</u>	<u>-</u>	<u>11,016</u>	<u>11,016</u>	<u>1,692,706</u>
Total expenditures	<u>2,020,399</u>	<u>9,794</u>	<u>207,756</u>	<u>217,550</u>	<u>1,802,849</u>
Revenues over (under) expenditures	<u>(661,004)</u>	<u>(9,794)</u>	<u>14,573</u>	<u>4,779</u>	<u>665,783</u>
Other Financing Sources (Uses):					
Transfer from General Fund	425,000	-	-	-	(425,000)
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	<u>69,327</u>	<u>69,326</u>	<u>-</u>	<u>69,326</u>	<u>(1)</u>
Total other financing sources (uses)	<u>661,004</u>	<u>235,748</u>	<u>-</u>	<u>235,748</u>	<u>(256)</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ 225,954</u>	<u>\$ 14,573</u>	<u>\$ 240,527</u>	<u>\$ 665,527</u>

STANLY COUNTY, NORTH CAROLINA

RUNWAY EXTENSION PROJECT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP)
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2009

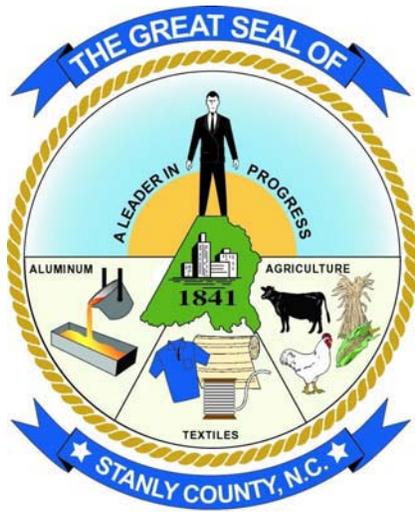
	<u>Actual</u>			
	<u>Project</u>		<u>Current</u>	<u>Variance</u>
	<u>Authorization</u>	<u>Prior</u>	<u>Year</u>	<u>Positive</u>
		<u>Years</u>		<u>(Negative)</u>
			<u>Total to Date</u>	
Expenditures:				
Professional services	\$ 546,000	\$ -	\$ 174,139	\$ 174,139
				\$ 371,861
Other Financing Sources (Uses):				
Transfer from General Fund	546,000	-	174,139	174,139
				(371,861)
Revenues and other financing sources over (under) expenditures and other financing uses	\$ -	\$ -	\$ -	\$ -

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.

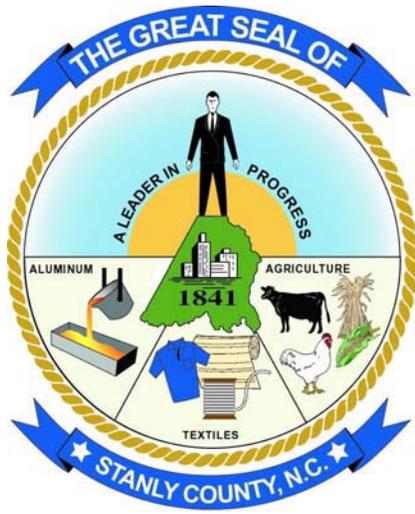


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STANLY COUNTY, NORTH CAROLINA

INTERNAL SERVICE FUND
 GROUP HEALTH AND WORKERS' COMPENSATION FUND
 SCHEDULE OF REVENUES AND EXPENDITURES -
 FINANCIAL PLAN AND ACTUAL (NON-GAAP)
 FOR THE YEAR ENDED JUNE 30, 2009

	<u>Financial Plan</u>	<u>Actual</u>	<u>Variance</u>
Operating Revenues:			
Charges for sales and services	\$ 3,861,634	\$ 4,431,055	\$ 569,421
Operating Expenses:			
Group health operations	3,503,000	3,799,169	(296,169)
Worker's compensation claims	418,634	401,622	17,012
Total operating expenditures	<u>3,921,634</u>	<u>4,200,791</u>	<u>(279,157)</u>
Operating income (loss)	(60,000)	230,264	290,264
Non-operating Revenues:			
Investment earnings	<u>60,000</u>	<u>70,363</u>	<u>10,363</u>
Change in net assets	<u>\$ -</u>	<u>300,627</u>	<u>\$ 300,627</u>
Net assets, beginning of year - July 1		<u>1,117,467</u>	
Net assets, end of year - June 30		<u>\$ 1,418,094</u>	



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AGENCY FUNDS

Agency Funds are used to account for assets held by the County as an agent for individuals, private organizations, other governments and/or other funds.

Individual Fund Descriptions:

- **Protective Payee Fund** – account for monies deposited with the County for the benefit of certain individuals.
- **Fines and Forfeitures Fund** – accounts for fines designated for school operations.
- **Sheriff Court 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.

STANLY COUNTY, NORTH CAROLINA

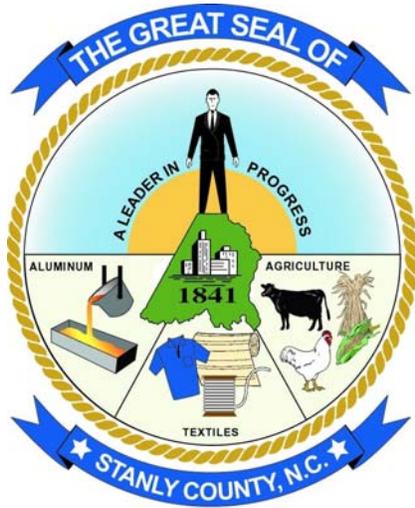
COMBINING SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2009

	<u>Balance June 30, 2008</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2009</u>
Protective Payee Fund:				
Assets:				
Cash and cash equivalents	\$ 23,347	\$ 176,423	\$ 181,846	\$ 17,924
Liabilities:				
Client equity	\$ 23,347	\$ 176,423	\$ 181,846	\$ 17,924
Fines and Forfeitures:				
Assets:				
Cash and cash equivalents	\$ -	\$ 563,693	\$ 563,693	\$ -
Liabilities:				
Accounts payable	\$ -	\$ 563,693	\$ 563,693	\$ -
Sheriff's Execution:				
Assets:				
Cash and cash equivalents	\$ 10,988	\$ 75,216	\$ 86,204	\$ -
Inmate cash	3,021	92,946	95,659	308
Total Assets	<u>\$ 14,009</u>	<u>\$ 168,162</u>	<u>\$ 181,863</u>	<u>\$ 308</u>
Liabilities:				
Executions payable	\$ 10,988	\$ 75,216	\$ 86,204	\$ -
Inmate equity	3,021	92,946	95,659	308
Total Liabilities	<u>\$ 14,009</u>	<u>\$ 168,162</u>	<u>\$ 181,863</u>	<u>\$ 308</u>
Property Tax Clearing Fund:				
Assets:				
Cash and cash equivalents	\$ 113,616	\$ 9,101,264	\$ 9,121,564	\$ 93,316
Liabilities:				
Accounts payable	\$ 113,616	\$ 9,101,264	\$ 9,121,564	\$ 93,316
Delinquent Vehicle Tax Fund:				
Assets:				
Cash and cash equivalents	\$ 3,073	\$ 38,643	\$ 39,281	\$ 2,435
Liabilities:				
Due Department of State Treasurer	\$ 3,073	\$ 38,643	\$ 39,281	\$ 2,435

STANLY COUNTY, NORTH CAROLINA

COMBINING SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2009

	<u>Balance June 30, 2008</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2009</u>
Totals:				
Assets:				
Cash and cash equivalents	\$ 151,024	\$ 9,955,239	\$ 9,992,589	\$ 113,674
Inmate cash	<u>3,021</u>	<u>92,946</u>	<u>95,659</u>	<u>308</u>
Total assets	<u>\$ 154,045</u>	<u>\$ 10,048,184</u>	<u>\$ 10,088,248</u>	<u>\$ 113,982</u>
Liabilities:				
Accounts payable and future payments	\$ 127,676	\$ 9,215,123	\$ 9,247,050	\$ 95,750
Client and inmate payable	<u>26,369</u>	<u>269,368</u>	<u>277,504</u>	<u>18,232</u>
Total liabilities	<u>\$ 154,045</u>	<u>\$ 9,484,492</u>	<u>\$ 9,524,554</u>	<u>\$ 113,982</u>



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OTHER SCHEDULES

This section contains the following schedules:

- **General Fund Schedule of Ad Valorem Taxes Receivable**
- **Analysis of Current Tax Levy**

STANLY COUNTY, NORTH CAROLINA

GENERAL FUND SCHEDULE OF AD VALOREM TAXES RECEIVABLE
JUNE 30, 2009

<u>Fiscal Year</u>	<u>Uncollected Balance June 30, 2008</u>	<u>Additions</u>	<u>Collections and Credits</u>	<u>Uncollected Balance June 30, 2009</u>
2008-2009	\$ -	\$ 28,197,742	\$ 27,070,898	\$ 1,126,844
2007-2008	921,632	9,354	597,616	333,370
2006-2007	324,941	8,720	106,696	226,965
2005-2006	216,836	3,954	58,536	162,254
2004-2005	163,510	-	29,327	134,183
2003-2004	131,459	9	19,438	112,030
2002-2003	115,904	-	13,632	102,272
2001-2002	94,838	-	10,624	84,214
2000-2001	70,952	-	5,031	65,921
1999-2000	52,325	-	4,644	47,681
1998-1999	44,786	-	1,970	42,816
1997-1998	48,574	-	48,574	-
Districts over 3 years old	<u>50,938</u>	<u>14,418</u>	<u>10,130</u>	<u>55,226</u>
	<u>\$ 2,236,695</u>	<u>\$ 28,234,197</u>	<u>\$ 27,977,116</u>	2,493,776
				<u>(388,309)</u>
				Ad valorem taxes receivable, net
				<u>\$ 2,105,467</u>
				Reconciliation with revenues:
				Ad valorem taxes - General Fund
				\$ 27,833,266
				Reconciling items:
				Animal tax
				(35,321)
				Refunds
				7,139
				Collection fees
				(40,649)
				Interest collected
				(221,089)
				Discounts allowed
				302,918
				Late listings
				(46,406)
				Releases
				126,761
				Statute of limitations
				<u>50,497</u>
				Total collections and credits
				<u>\$ 27,977,116</u>

STANLY COUNTY, NORTH CAROLINA

ANALYSIS OF CURRENT TAX LEVY - COUNTY-WIDE LEVY
FOR THE YEAR ENDED JUNE 30, 2009

	County-wide			Total Levy	
	Property Valuation	Rate per \$100	Amount of Levy	Property Excluding Registered Motor Vehicles	Registered Motor Vehicles
Original Levy:					
Property taxed at current year's rate	\$ 4,165,896,696	0.6700	\$ 27,911,573	\$ 25,058,006	\$ 2,853,567
Penalties	-		19,971	19,971	-
Total original levy	<u>4,165,896,696</u>		<u>27,931,544</u>	<u>25,077,976</u>	<u>2,853,567</u>
Discoveries:					
Current year rate	21,574,569	0.6700	144,550	128,648	15,902
Penalties	-		11,407	11,407	-
Penalties prior year rate	-		55,978	55,978	-
Prior year taxes	-		160,590	160,590	-
Total discoveries	<u>21,574,569</u>		<u>372,525</u>	<u>356,623</u>	<u>15,902</u>
Releases:					
Current year rate	(15,067,946)	0.6700	(100,942)	(55,324)	(45,618)
Penalties	-		(1,190)	(1,190)	-
Penalties prior year rate	-		(1,084)	(1,084)	-
Prior year taxes	-		(3,110)	(3,110)	-
Total releases	<u>(15,067,946)</u>		<u>(106,327)</u>	<u>(60,709)</u>	<u>(45,618)</u>
Net assessed valuation	<u>\$ 4,172,403,319</u>				
Net Levy			28,197,742	25,373,890	2,823,851
Uncollected taxes , June 30			1,126,844	843,313	283,531
Current year's taxes collected			<u>\$ 27,070,898</u>	<u>\$ 24,530,577</u>	<u>\$ 2,540,321</u>
Current levy collection percentage rate			<u>96.00%</u>	<u>96.68%</u>	<u>89.96%</u>

STANLY COUNTY, NORTH CAROLINA

**ANALYSIS OF CURRENT TAX LEVY - COUNTY-WIDE LEVY
FOR THE YEAR ENDED JUNE 30, 2009**

Secondary Market Disclosures:

Assessed valuation:	
Assessment ratio	100%
Real property	\$ 3,635,384,638
Personal property	432,406,645
Public service	<u>104,612,036</u>
Total assessed value	4,172,403,319
Tax rate per \$100	0.6700
Levy (includes discoveries, releases, and abatements)	<u>\$ 28,197,742</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, 2007:

Fire Protection Districts	<u>\$ 1,796,198</u>
---------------------------	---------------------

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 Property	Table 7
Property Tax Rates – Direct and Overlapping Governments	Table 8
Principal Property Taxpayers	Table 9
Property Tax Levies and Collections	Table 10

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

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

Demographic and Economic Information – These tables offer demographic and economic indicators to help the reader understand the environment within which the government’s financial 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 by Function	Table 17
Operating Indicators by Function	Table 18
Capital Asset Statistics by Function	Table 19

STANLY COUNTY, NORTH CAROLINA

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

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
\$ 9,896,831	\$ 13,933,344	\$ 18,364,949
121,967	65,839	71,511
<u>1,856,585</u>	<u>1,284,464</u>	<u>(12,030,075)</u>
<u>\$ 11,875,383</u>	<u>\$ 15,283,647</u>	<u>\$ 6,406,385</u>
\$ 34,317,479	\$ 33,344,464	\$ 33,309,479
2,198,765	2,532,023	2,237,487
<u>\$ 36,516,244</u>	<u>\$ 35,876,487</u>	<u>\$ 35,546,966</u>
\$ 44,214,310	\$ 47,277,808	\$ 51,674,428
121,967	65,839	71,511
<u>4,055,350</u>	<u>3,816,487</u>	<u>(9,792,588)</u>
<u>\$ 48,391,627</u>	<u>\$ 51,160,134</u>	<u>\$ 41,953,351</u>

STANLY COUNTY, NORTH CAROLINA

**CHANGES IN NET ASSETS
LAST SEVEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)**

Expenses	Fiscal Year			
	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	<u>49,412,661</u>	<u>46,709,276</u>	<u>53,963,311</u>	<u>52,046,186</u>
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	<u>3,917,403</u>	<u>4,230,608</u>	<u>4,572,783</u>	<u>4,298,241</u>
Total primary governmental expenses	<u>\$ 53,330,064</u>	<u>\$ 50,939,884</u>	<u>\$ 58,536,094</u>	<u>\$ 56,344,427</u>
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	<u>14,207,491</u>	<u>13,512,848</u>	<u>17,377,872</u>	<u>17,886,539</u>
Business-type activities:				
Charges for services:				
Water and sewer	2,252,317	2,415,287	2,535,305	2,762,650
Airport	251,514	261,181	334,406	397,830
Operating grants and contributions	-	-	-	-
Capital grants and contributions	2,293,083	3,142,125	1,789,803	1,007,601
Total business-type activities program revenues	<u>4,796,914</u>	<u>5,818,593</u>	<u>4,659,514</u>	<u>4,168,081</u>
Total primary governmental program revenues	<u>\$ 19,004,405</u>	<u>\$ 19,331,441</u>	<u>\$ 22,037,386</u>	<u>\$ 22,054,620</u>
Net (expense)/revenue				
Governmental activities	\$ (35,205,170)	\$ (33,196,428)	\$ (36,585,439)	\$ (34,159,647)
Business-type activities	<u>879,511</u>	<u>1,587,985</u>	<u>86,731</u>	<u>(130,160)</u>
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
\$ 4,763,517	\$ 5,563,922	\$ 6,207,070
11,144,226	12,089,074	13,941,395
814,513	850,441	923,081
1,000,097	1,031,633	1,108,942
1,888,101	2,344,873	1,494,393
16,379,896	16,086,711	16,136,859
14,888,711	14,267,912	24,661,209
1,668,597	1,800,314	2,035,578
<u>1,234,712</u>	<u>1,193,541</u>	<u>1,393,628</u>
<u>53,782,370</u>	<u>55,228,419</u>	<u>67,902,155</u>
2,857,210	3,377,002	3,809,744
<u>1,670,370</u>	<u>1,588,558</u>	<u>1,548,508</u>
<u>4,527,580</u>	<u>4,965,560</u>	<u>5,358,252</u>
<u>\$ 58,309,950</u>	<u>\$ 60,193,979</u>	<u>\$ 73,260,407</u>
\$ 1,579,480	\$ 1,668,625	\$ 1,844,478
2,396,682	2,579,945	2,669,845
312,282	375,280	370,233
857,834	848,824	835,242
12,480	23,135	601,271
2,157,094	1,894,767	2,301,087
36,857	79,893	185,582
8,832,742	9,111,529	9,307,612
<u>1,842,159</u>	<u>986,481</u>	<u>1,706,125</u>
<u>18,027,610</u>	<u>17,568,479</u>	<u>19,821,475</u>
2,725,228	3,004,732	3,001,449
429,644	457,087	295,877
-	17,949	-
<u>3,757,664</u>	<u>216,801</u>	<u>1,092,003</u>
<u>6,912,536</u>	<u>3,696,569</u>	<u>4,389,329</u>
<u>\$ 24,940,146</u>	<u>\$ 21,265,048</u>	<u>\$ 24,210,804</u>
\$ (35,754,760)	\$ (37,659,940)	\$ (48,080,680)
<u>2,384,956</u>	<u>(1,268,991)</u>	<u>(968,923)</u>
<u>\$ (33,369,804)</u>	<u>\$ (38,928,931)</u>	<u>\$ (49,049,603)</u>

STANLY COUNTY, NORTH CAROLINA

**CHANGES IN NET ASSETS
LAST SEVEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)**

General Revenues and

Other Changes in Net Assets

	Fiscal Year			
	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Governmental activities:				
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	<u>31,677,404</u>	<u>33,811,300</u>	<u>35,293,881</u>	<u>36,278,107</u>
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	<u>958,772</u>	<u>917,598</u>	<u>462,935</u>	<u>2,178,966</u>
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	<u>1,838,283</u>	<u>2,505,583</u>	<u>549,666</u>	<u>2,048,806</u>
Total primary government	<u>\$ (1,689,483)</u>	<u>\$ 3,120,455</u>	<u>\$ (741,892)</u>	<u>\$ 4,167,266</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

Fiscal Year		
<u>2007</u>	<u>2008</u>	<u>2009</u>
\$ 27,468,013	\$ 29,160,452	\$ 29,839,262
10,605,369	10,695,767	8,842,576
579,632	574,991	519,464
-	-	-
1,393,065	1,235,530	612,476
-	-	-
-	-	-
(1,001,788)	(598,536)	(610,360)
<u>39,044,291</u>	<u>41,068,204</u>	<u>39,203,418</u>
-	-	-
59,954	30,698	29,042
-	-	-
-	-	-
<u>1,001,788</u>	<u>598,536</u>	<u>610,360</u>
<u>1,061,742</u>	<u>629,234</u>	<u>639,402</u>
<u>\$ 40,106,033</u>	<u>\$ 41,697,438</u>	<u>\$ 39,842,820</u>
\$ 3,289,531	\$ 3,408,264	\$ (8,877,262)
<u>3,446,698</u>	<u>(639,757)</u>	<u>(329,521)</u>
<u>\$ 6,736,229</u>	<u>\$ 2,768,507</u>	<u>\$ (9,206,783)</u>

STANLY COUNTY, NORTH CAROLINA

**FUND BALANCES OF GOVERNMENTAL FUNDS
LAST SEVEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)**

	Fiscal Year			
	2003	2004	2005	2006
General Fund				
Reserved	\$ 3,689,921	\$ 4,549,925	\$ 5,575,709	\$ 4,206,084
Unreserved	<u>10,560,386</u>	<u>10,601,862</u>	<u>10,931,952</u>	<u>11,756,250</u>
Total General Fund	<u>\$ 14,250,307</u>	<u>\$ 15,151,787</u>	<u>\$ 16,507,661</u>	<u>\$ 15,962,334</u>
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	482,567
Capital projects funds	<u>-</u>	<u>400,658</u>	<u>208,637</u>	<u>665,307</u>
Total all other governmental funds	<u>\$ 6,023,236</u>	<u>\$ 4,395,223</u>	<u>\$ 824,142</u>	<u>\$ 1,207,256</u>

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
\$ 5,249,619	\$ 3,590,746	\$ 8,233,781
<u>12,250,938</u>	<u>15,452,332</u>	<u>9,390,468</u>
<u>\$ 17,500,557</u>	<u>\$ 19,043,078</u>	<u>\$ 17,624,249</u>
\$ 105,640	\$ 30,977	\$ 28,082
464,056	514,312	347,371
<u>3,554,882</u>	<u>-</u>	<u>-</u>
<u>\$ 4,124,578</u>	<u>\$ 545,289</u>	<u>\$ 375,453</u>

STANLY COUNTY, NORTH CAROLINA

**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST SEVEN 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	<u>46,623,205</u>	<u>48,166,287</u>	<u>50,199,588</u>	<u>55,890,999</u>
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	<u>1,323,627</u>	<u>1,315,197</u>	<u>1,152,446</u>	<u>1,099,665</u>
Total expenditures	<u>51,094,704</u>	<u>47,987,971</u>	<u>51,977,179</u>	<u>53,900,522</u>
Excess of revenues over (under) expenditures	(4,471,499)	178,316	(1,777,591)	1,990,477
Other Financing Sources (Uses)				
Debt proceeds	-	-	-	-
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	<u>26,781</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>(946,943)</u>	<u>(904,849)</u>	<u>(437,616)</u>	<u>(2,152,690)</u>
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 non-capital 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
\$ 27,519,067	\$ 29,225,384	\$ 29,600,368
10,605,369	10,695,767	8,842,576
579,632	574,991	519,464
5,657	8,173	2,664
10,258,260	9,664,623	10,688,266
927,965	945,668	925,727
5,984,898	6,087,739	6,715,699
1,286,592	1,146,477	510,910
706,272	714,807	1,290,237
<u>57,873,712</u>	<u>59,063,629</u>	<u>59,095,911</u>
4,219,004	5,183,353	5,655,825
13,933,485	14,967,299	14,559,774
732,129	797,230	847,546
975,779	1,026,214	1,090,593
1,912,875	2,348,929	1,464,024
16,415,126	16,202,140	16,130,914
14,888,711	11,156,431	20,905,982
1,468,388	1,604,432	1,887,929
678,811	4,275,976	4,553,357
1,530,401	1,728,156	1,993,041
<u>1,161,670</u>	<u>1,211,702</u>	<u>1,142,202</u>
<u>57,916,379</u>	<u>60,501,862</u>	<u>70,231,187</u>
(42,667)	(1,438,233)	(11,135,276)
5,500,000	-	13,000,000
245,167	595,036	1,000,000
(1,246,955)	(1,193,572)	(1,610,360)
-	-	-
<u>4,498,212</u>	<u>(598,536)</u>	<u>12,389,640</u>
<u>\$ 4,455,545</u>	<u>\$ (2,036,769)</u>	<u>\$ 1,254,364</u>
4.7%	5.3%	4.6%

STANLY COUNTY, NORTH CAROLINA

GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE
 LAST TEN FISCAL YEARS
 (ACCRUAL BASIS OF ACCOUNTING)

<u>Fiscal Year</u>	<u>Property Tax</u>	<u>Sales Tax</u>	<u>Franchise Tax</u>	<u>Occupancy Tax</u>	<u>Property Excise Tax</u>	<u>Intangible Tax</u>	<u>Solid Waste Tax</u>	<u>Other Tax</u>	<u>Total</u>
2000	\$ 17,606,833	\$ 7,278,261	\$ 123,099	\$ -	\$ 118,573	\$ 484,977	\$ -	\$ -	\$ 25,611,743
2001	19,258,393	7,227,876	104,576	-	129,747	486,093	-	27,393	27,234,078
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

STANLY COUNTY, NORTH CAROLINA

GENERAL GOVERNMENTAL TAX REVENUES BY SOURCE
 LAST TEN FISCAL YEARS
 (MODIFIED ACCRUAL BASIS OF ACCOUNTING)

<u>Fiscal Year</u>	<u>Property Tax</u>	<u>Sales Tax</u>	<u>Franchise Tax</u>	<u>Occupancy Tax</u>	<u>Property Excise Tax</u>	<u>Intangible Tax</u>	<u>Solid Waste Tax</u>	<u>Other Tax</u>	<u>Total</u>
2000	\$ 17,606,833	\$ 7,278,261	\$ 123,099	\$ -	\$ 118,573	\$ 484,977	\$ -	\$ -	\$ 25,611,743
2001	19,258,393	7,227,876	104,576	-	129,747	486,093	-	27,393	27,234,078
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

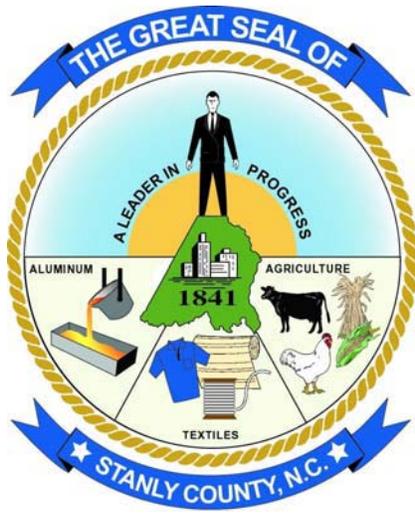
STANLY COUNTY, NORTH CAROLINA

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST EIGHT FISCAL YEARS

Fiscal Year	Real Property		Personal Property		Less: Tax Exempt Real Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
	Residential Property	Commercial Property	Motor Vehicles	Other					
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%

Source: Stanly County Tax Assessor

Note: Data not available before Fiscal Year 2002.



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STANLY COUNTY, NORTH CAROLINA

**PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS**

Fiscal Year Ended June 30	*West Stanly Fire District	Center Rural Fire District	Endy Fire District	Ridgecrest Fire District	Aquadale Fire District	Eastside Fire District	Oakboro Rural Fire District	New London Fire District
2000	0.0800	0.0500	0.0400	0.0800	0.0500	0.0800	0.0400	0.0500
2001	0.0800	0.0500	0.0400	0.0800	0.0500	0.0800	0.0400	0.0500
2002	0.0800	0.0500	0.0400	0.0800	0.0500	0.0800	0.0400	0.0500
2003	0.0800	0.0500	0.0400	0.0800	0.0500	0.0800	0.0400	0.0500
2004	0.0800	0.0500	0.0400	0.0800	0.0500	0.0800	0.0400	0.0500
2005	0.0800	0.0500	0.0400	0.0800	0.0500	0.0800	0.0400	0.0500
2006	0.0800	0.0500	0.0600	0.0800	0.0500	0.0800	0.0400	0.0500
2007	0.0800	0.0500	0.0600	0.0800	0.0500	0.0800	0.0400	0.0500
2008	0.0800	0.0500	0.0600	0.0800	0.0500	0.0800	0.0400	0.0500
2009	0.0800	0.0500	0.0600	0.0800	0.0500	0.0800	0.0400	0.0500

Fiscal Year Ended June 30	Stanly County	City of Albemarle	Town of Oakboro	Town of Badin	Town of Norwood	Town of Locust	Stanfield Annex	Town of Stanfield
2000	0.6975	0.5800	0.4700	0.2400	0.4000	0.3200	N/A	0.4000
2001	0.7575	0.6100	0.4700	0.2500	0.4000	0.3700	N/A	0.4000
2002	0.6675	0.5400	0.4400	0.2300	0.4000	0.3600	N/A	0.3800
2003	0.6675	0.5400	0.4400	0.2530	0.4000	0.3600	0.3167	0.3800
2004	0.6675	0.5400	0.4400	0.3000	0.4000	0.3600	N/A	0.3800
2005	0.6675	0.5600	0.4400	0.3200	0.4000	0.3600	N/A	0.3800
2006	0.6450	0.5600	0.4400	0.3200	0.4000	0.3600	N/A	0.3800
2007	0.6450	0.5600	0.4400	0.3400	0.4000	0.3600	N/A	0.3800
2008	0.6700	0.5600	0.4100	0.3600	0.4000	0.3600	N/A	0.3800
2009	0.6700	0.5600	0.4100	0.3800	0.4000	0.3600	N/A	0.3800

All tax rates are expressed in dollars of tax per \$100 of assessed valuation. For the above years, the tax levies were assessed at one hundred percent (100%) of the actual value.

*Locust and Rocky River Fire District merged July 1, 2008 to form West Stanly Fire District.

**Maximum Combined County Tax Rate - Stanly County plus the highest fire district tax rate.

***Maximum Combined City Tax Rate - Stanly County plus the highest city or township tax rate(s).

Source: Stanly County Tax Assessor

Table 8

Southside Fire District	Rocky River District	Bethany Fire District	Richfield Fire District	Millingport Fire District	Badin- Yadkin Fire District	Piney Point Water District
0.1000	0.0800	0.0500	0.0700	0.0500	N/A	0.0860
0.1000	0.0800	0.0500	0.0700	0.0500	N/A	0.0860
0.1000	0.0800	0.0500	0.0700	0.0500	N/A	N/A
0.1000	0.0800	0.0500	0.0700	0.0500	0.0500	N/A
0.1000	0.0800	0.0500	0.0700	0.0500	0.0500	N/A
0.1000	0.0800	0.0500	0.0700	0.0500	0.0500	N/A
0.1000	0.0800	0.0500	0.0700	0.0500	0.0500	N/A
0.1000	0.0800	0.0500	0.0700	0.0500	0.0500	N/A
0.1000	0.0800	0.0500	0.0700	0.0500	0.0500	N/A
0.1000	N/A	0.0500	0.0700	0.0500	0.0080	N/A

Town of New London	Town of Richfield	Town of Red Cross	Red Cross Annex	Town of Misenheimer	Municipal Service	City Schools Higher Standard	**Maximum Combined County Tax Rate	***Maximum Combined City Tax Rate
0.1600	0.1600	N/A	N/A	N/A	0.1000	N/A	0.7975	1.2775
0.1600	0.1600	N/A	N/A	N/A	0.1000	N/A	0.8575	1.3675
0.1600	0.1500	N/A	N/A	N/A	0.1000	N/A	0.7675	1.2075
0.1600	0.1500	0.1008	N/A	N/A	0.1000	N/A	0.7675	1.2075
0.1600	0.1500	0.1600	0.2242	0.2200	0.1000	N/A	0.7675	1.2075
0.1600	0.1500	0.1600	N/A	0.2200	0.1000	N/A	0.7675	1.2275
0.1600	0.1500	0.1600	N/A	0.2200	0.1000	N/A	0.7450	1.2050
0.1600	0.1500	0.1600	N/A	0.2200	0.1000	N/A	0.7450	1.2050
0.1600	0.1500	0.1600	N/A	0.2200	0.1000	N/A	0.7700	1.2300
0.1600	0.1500	0.1600	N/A	0.2200	0.1000	N/A	0.7700	1.2300

STANLY COUNTY, NORTH CAROLINA

PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO

Taxpayer	2009			2000		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
APGI	\$ 49,122,910	1	1.20%			
Michelin Aircraft Tire Co.	36,995,026	2	0.90%	\$ 20,474,238	5	0.84%
Duke Energy	30,369,942	3	0.74%	21,968,611	4	0.91%
Union Electric	27,418,447	4	0.67%	11,986,487	9	0.49%
Alcoa	23,814,730	5	0.58%	65,054,291	1	2.68%
Fiber Composites	22,835,173	6	0.56%			
Preformed Line Prod	15,299,813	7	0.37%			
Piedmont Natural Gas	14,870,782	8	0.36%			
CMH Manufacturing	14,277,469	9	0.35%			
Concord Telephone Co.	13,757,020	10	0.34%	13,446,516	8	0.55%
Yadkin Inc.				34,695,272	2	1.43%
Collina and Aikman				23,531,928	3	0.97%
General Signal Ind., Inc.				18,300,926	6	0.75%
Wiscassett Mills Co.				16,808,247	7	0.69%
Albemarle Fiber and Finishing				10,775,145	10	0.44%
Totals	\$ 248,761,312			\$ 237,041,661		9.75%

Source: Stanly County Tax Assessor

STANLY COUNTY, NORTH CAROLINA

PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

Fiscal Year Ended June 30	Total Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2000	\$ 17,002,740	\$ 16,394,852	96.42%	\$ 543,801	\$ 16,938,653	99.62%
2001	18,880,008	18,137,223	96.07%	527,428	18,664,651	98.86%
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%

Source: Stanly County Tax Assessor

STANLY COUNTY, NORTH CAROLINA

RATIO OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

Fiscal Year	Governmental Activities			Business-Type Activities			Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Capital Leases	Installment Note	General Obligation Bonds	Capital Leases	Revolving Loan			
2000	\$ -	\$ 4,058,436	\$ -	\$ 2,692,900	\$ 908,167	\$ 438,033	\$ 8,097,536	0.68%	\$ 141.53
2001	16,000,000	3,648,753	-	2,440,700	829,982	431,890	23,351,325	1.76%	401.92
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	23,968,375	2.21%	394.15

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

<u>Fiscal Year</u>	<u>General Obligation Bonds</u>	<u>Percentage of Estimated Actual Taxable Value of Property</u>	<u>Per Capita</u>
2000	\$ 2,692,900	0.11%	\$ 47.07
2001	18,440,700	0.74%	317.40
2002	27,677,200	0.80%	470.76
2003	25,475,000	0.72%	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

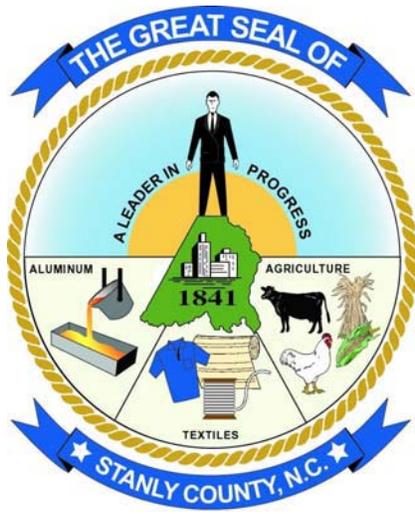
Note: Details regarding the county's outstanding debt can be found in the notes to the financial statements.

STANLY COUNTY, NORTH CAROLINA

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
JUNE 30, 2009

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Stanly County	\$ 19,135,000	100%	\$ 19,135,000
Town of Richfield	417,000	100%	<u>417,000</u>
Total direct and overlapping debt			<u>\$ 19,552,000</u>

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				
	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>
Debt limit	\$ 194,275,355	\$ 198,639,178	\$ 244,327,835	\$ 282,142,285	\$ 282,534,541
Total net debt applicable to limit	<u>4,058,436</u>	<u>19,999,754</u>	<u>28,732,926</u>	<u>24,600,000</u>	<u>23,700,000</u>
Legal debt margin	<u>\$ 190,216,919</u>	<u>\$ 178,639,424</u>	<u>\$ 215,594,909</u>	<u>\$ 257,542,285</u>	<u>\$ 258,834,541</u>
Total net debt applicable to the limit as a percentage of debt limit	<u>2.09%</u>	<u>10.07%</u>	<u>11.76%</u>	<u>8.72%</u>	<u>8.39%</u>

Legal Debt Margin Calculation for Fiscal Year 2009

Assessed value	<u>\$ 4,172,403,319</u>
Debt limit - 8% of assessed value	\$ 333,792,266
Debt applicable to limit:	
General obligation bonds	\$ 19,135,000
Installment note	\$ 13,000,000
Revolving loan	250,042
Capital lease obligation	<u>4,583,333</u>
Total debt	\$ 36,968,375
Less-Statutory deductions	<u>435,042</u>
Total amount of debt applicable to debt limit	<u>36,533,333</u>
Legal debt margin	<u>\$ 297,258,933</u>

Table 14

Fiscal Year				
2005	2006	2007	2008	2009
\$ 284,957,574	\$ 314,713,191	\$ 319,453,600	\$ 327,410,064	\$ 333,792,266
<u>22,800,000</u>	<u>23,284,931</u>	<u>27,254,530</u>	<u>25,526,374</u>	<u>36,533,333</u>
<u>\$ 262,157,574</u>	<u>\$ 291,428,260</u>	<u>\$ 292,199,070</u>	<u>\$ 301,883,690</u>	<u>\$ 297,258,933</u>
<u>8.00%</u>	<u>7.40%</u>	<u>8.53%</u>	<u>7.80%</u>	<u>10.94%</u>

STANLY COUNTY, NORTH CAROLINA

DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS

Fiscal Year	Population (1)	Personal Income	Per Capita Personal Income (2)	Median Age (3)	School Enrollment (4)	Unemployment Rate (5)
1999	55606	\$ 1,085,929,574	\$ 19,529	36.5	10,189	3.6%
2000	57214	1,184,558,656	20,704	37.0	10,187	4.0%
2001	58100	1,325,609,600	22,816	37.0	10,186	7.6%
2002	58792	1,357,507,280	23,090	37.2	10,204	8.3%
2003	58794	1,311,517,758	22,307	37.2	10,184	9.1%
2004	59060	1,355,604,180	22,953	36.9	9,903	7.2%
2005	59078	1,379,707,612	23,354	36.9	9,868	5.9%
2006	58912	1,452,298,624	24,652	38.0	9,588	5.5%
2007	59126	1,552,116,626	26,251	38.2	9,687	4.9%
2008	60470	1,682,517,280	27,824	39.0	9,650	5.8%
2009	60810	1,751,510,430	28,803	39.0	9,276	12.4%

Sources:

- (1) N.C. Department of Commerce North Carolina Economic Development Intelligence System
- (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

Employer	2009		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>
Stanly County Schools	1,350	1	4.56%
Stanly Regional Medical Center	705	2	2.38%
Wal-Mart	527	3	1.78%
Stanly County Government	444	4	1.50%
Stanly Community College	441	5	1.49%
State of North Carolina	410	6	1.38%
Michelin Aircraft	353	7	1.19%
IAC Old Fort LLC	336	8	1.13%
City of Albemarle	280	9	0.94%
Food Lion	<u>273</u>	10	<u>0.92%</u>
Total	<u>5,119</u>		<u>17.27%</u>

Source: Stanly County Economic Development Commission

Note: Data not available before Fiscal Year 2006.

Table 17

STANLY COUNTY, NORTH CAROLINA

FULL-TIME EQUIVALENT COUNTY GOVERNMENT EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS

Function	Full-time Equivalent Employees as of June 30									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
General government										
Administration	5	6	4	4	5	6	6	6	6	5
Finance	6	7	7	7	7	7	7	6	5	5
Taxes	28	25	22	23	23	22	22	26	20	19
Attorneys	0	0	0	0	0	0	0	0	2	2
Elections	3	3	3	3	3	3	2	3	5	3
Register of deeds	5	6	6	6	6	6	6	6	6	5
Information technology	3	3	3	3	3	3	3	3	4	4
Facilities management	6	6	6	6	6	6	6	6	6	7
Public safety										
Sheriff	44	48	48	51	51	51	53	52	53	58
Jail	15	17	17	16	18	23	20	24	37	39
Criminal justice partnership	1	1	1	1	1	1	1	1	1	1
Juvenile justice partnership	NA	NA	NA	NA	NA	NA	NA	NA	NA	1
Emergency management	2	2	2	2	2	2	2	2	2	2
Fire	2	2	2	1	1	1	1	2	3	3
Emergency medical services	35	34	35	35	33	39	37	42	39	39
Inspections	7	7	7	7	7	7	7	6	6	5
Animal control	4	4	3	5	5	5	5	5	5	6
E-911 operations	13	15	15	16	16	15	16	14	15	18
E-911 surcharge	1	1	2	2	1	1	2	2	2	NA
Transportation	16	16	17	16	17	18	19	19	18	14
Environmental protection										
Solid waste collection	14	15	13	13	13	13	13	14	14	10
Conservation	2	2	2	2	2	2	2	2	2	2
Economic and physical development										
Economic development	2	2	2	2	2	2	2	2	1	2
Planning and zoning	6	6	6	5	5	6	4	5	4	3
Central Permitting	0	0	0	0	0	0	0	0	3	3
Rocky River RPO	0	0	0	0	0	0	0	1	1	1
Cooperative extension	10	10	10	10	7	6	6	0	0	0
Title V	3	5	6	7	6	5	6	5	0	NA
Human services										
Health	46	49	47	52	56	56	54	60	55	57
Social services	78	77	77	77	73	75	76	79	74	81
Senior services	17	18	18	16	18	17	18	17	15	15
Veterans services	2	1	1	1	1	1	1	1	1	1
Culture and recreation										
Library	20	19	20	19	19	20	20	19	18	20
Historic preservation	2	2	2	2	2	2	1	2	2	2
Agri civic center	3	4	4	4	4	3	5	5	5	4
Airport	5	4	4	4	5	5	5	5	5	5
Utilities										
Administration	4	4	4	4	4	4	4	5	5	4
Operations	6	6	7	7	8	8	8	8	9	12
Total	<u>416</u>	<u>427</u>	<u>423</u>	<u>429</u>	<u>430</u>	<u>441</u>	<u>440</u>	<u>455</u>	<u>449</u>	<u>458</u>

Source: Stanly County Human Resources

STANLY COUNTY, NORTH CAROLINA

OPERATING INDICATORS BY FUNCTION
LAST FOUR FISCAL YEARS

Function	Fiscal Year			
	2006	2007	2008	2009
Public Safety				
Arrests	1,819	1,712	3,471	1,157
Civil papers serviced	1,060	1,166	13,269	5,848
Average daily jail population	83	92	91	92
Dispatched EMS calls	6,297	6,370	6,885	7,164
EMS move up calls	2,748	2,695	5,270	2,836
Building permits issued	642	710	651	652
Animals entering shelter	4,358	4,211	3,313	2,980
Animals euthanized	3,201	2,866	2,404	2,649
911 calls logged for service	102,834	107,118	110,472	111,643
Transportation				
Service hours	26,180	20,713	28,277	19,743
Miles driven	413,044	392,079	427,665	386,343
Trips	82,878	77,888	72,967	67,014
Environmental protection				
Discarded materials collected (tons/day)	19	20	19	25
Recyclables collected (tons/day)	2	2	2	2
Human services				
Food and lodging permits	127	114	50	131
Food and lodging inspections made	917	836	627	754
Wells inspected	155	168	145	94
Culture and recreation				
Library books checked out	197,718	209,100	220,331	226,603
Library cards issued	2,763	4,043	1,287	2,580
Water and sewer				
Number of water customers	3,859	3,979	3,756	4,152
Average monthly water demand (Gallons)	24,216,807	26,290,707	53,000,000	30,030,025
Number of sewer customers	648	624	650	622
Average sewage collected monthly (Gallons)	31,199,628	20,217,286	12,000,000	4,303,468
Airport				
Operations (Take-offs and/or landings)	11,451	13,844	13,718	11,490

Sources: Various departments

* This change is due to less I&I in the system.

Note: Data not available before Fiscal Year 2006.

STANLY COUNTY, NORTH CAROLINA

CAPITAL ASSET STATISTICS BY FUNCTION
LAST FOUR FISCAL YEARS

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

Sources: Various departments

Note: This data not available before Fiscal Year 2006.