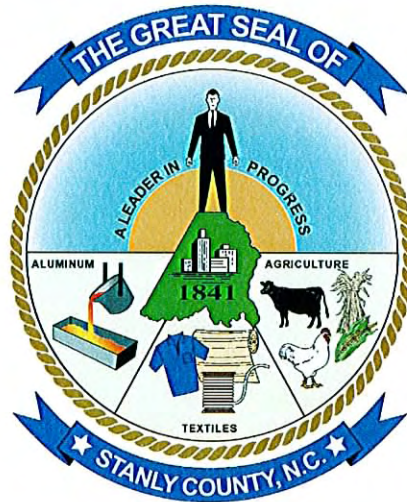


**STANLY COUNTY
NORTH CAROLINA**

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

**For Fiscal Year Ended
June 30, 2008**



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

**Toby R. Hinson
Interim Finance Director**

STANLY COUNTY, NORTH CAROLINA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Fiscal Year Ended June 30, 2008
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COUNTY OF STANLY
FINANCE OFFICE
1000 NORTH FIRST STREET, SUITE 10B
ALBEMARLE, NORTH CAROLINA 28001



October 31, 2008

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, 2008 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 textile, modular home, and aircraft tire manufacturing. Badin and Tillery lakes form the entire eastern boundary of the county, and provide recreational activities such as skiing, swimming, boating, and fishing. Tillery lake 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, and 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 Stanly County economy is slowly recovering from a downturn suffered between 2002 and 2004. ALCOA, which had been a major employer for decades, dismissed most of its employees and has since terminated all production. There were several long-standing textile plants that ceased operations and a very strong mobile home manufacturing industry temporarily scaled back.

The mobile home manufacturing industry is recovering and has been hiring employees. Several small manufacturing operations have located to the county and hired local workers. Wal-Mart opened a super store in Albemarle in 2007 and has started construction of another super store in Locust. There have been five manufacturing expansions that have occurred in 2008 that have created over 150 new jobs. The current county unemployment rate has increased to 5.8% at June 30, 2008 compared to 4.9% last year. This is the first year since 2003 that the unemployment rate has shown an increase.

Declining manufacturing operations and accelerated depreciation on manufacturing equipment continues to contribute to low growth in property tax values. The \$99,000,000 increase in tax value is only a 2.42% 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.

LONG TERM FINANCIAL PLANNING

The unreserved fund balance in the General Fund continues to be well above the 8% minimum recommended for local governments in North Carolina. Generally, low-cost capital projects are paid on a pay-as-you-go basis from fund balances. The next capital project is the Endy Sewer Project which is set to begin in the fall of 2008.

MAJOR INITIATIVES

Economic Development and water and sewer expansion are two of the highest priorities for the governing body. The following utility projects were completed during fiscal year 2007-2008: Highway 52 water line extension, construction of a pump station and extension of a sewer line for Aquadale Elementary School, water line extension to the Fork Road area and a sewer line construction in the Palestine community. The county commissioners created a 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.

Construction on an \$8,200,000 jail addition and improvement project began in June 2006, with completion scheduled for winter 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. 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

The Stanly County Airport has been continuously expanding and improving over the last decade. With assistance from numerous federal, state and military grants, the airport has become a full-service, all-weather capable facility. Parallel runways of 3,500 and 5,500 feet, and a 5,500 feet parallel taxiway accommodate aircraft weighting up to 155,000 pounds, about twice the capability of usual general aviation airports. The control tower operates twelve hours per day, five days per week.

The North Carolina Air National Guard has installed the infrastructure for a radar approach control facility (RAPCON) that originally was scheduled to be online by the end of the 2007. However, equipment problems have delayed the startup of the RAPCON until the fall of 2008. At that time Stanly County Airport will be the only general aviation airport in the United States with radar approach control. This radar approach and the control tower combine to increase efficiency and provide a much safer, controlled environment that is attractive to business, industry and military. More traffic translates into increased fuel sales and revenues.

Two large hangars capable of storing fourteen small to medium sized (cabin class) aircraft were constructed in 2005. Each hangar building includes office space for its customers.

A recently completed project was the perimeter security fence with computer-handled access control that creates a much safer environment for aircraft and people, and addresses federal security concerns. The Federal Aviation Administration (FAA), the Air National Guard, and Stanly County provided funding for the project.

The Stanly County Airport is the home base of the North Carolina Air National Guard 118th Air Support Operations Squadron, the 145th Civil Engineering Squadron's Home Station Training Site, the 235th Air Traffic Control Squadron, and the 263rd Composite Maintenance Facility. The airport will be home to the 263rd Combat Communications Squadron, which is moving from Badin to a new facility that will soon be under construction.

The Stanly County Airport and the Air National Guard are critical to disaster response efforts, as was demonstrated in 1999 during Hurricane Floyd and more recent hurricanes. The airport is the logistical staging facility for military troops and civilian disaster response teams who deploy during natural disasters with portable generators and other basic life support systems warehoused at a state emergency facility located at the Stanly County Airport. A new ramp constructed last year provides easy access to aircraft involved in emergency disaster assistance.

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 19 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. Other services are provided on a

limited basis, such as mileage reimbursement for qualified individuals. During fiscal year 2007-08, SCUSA Transportation used 28,277 service hours and drove 427,665 miles in providing 72,967 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 basis. 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 the end of the June 30 fiscal year 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 year 2008 was \$1,052,119, which was a very slight decrease of \$6,500 from 2007. Total investment earnings for all funds increased by \$39,000 from 2007. The average yield on maturing investments in 2008 was 3.5% compared to 4.75% in 2007.

A table of investments on June 30, 2008 is as follows:

<u>INVESTMENT</u>	<u>MARKET VALUE</u>
Certificates of Deposit	\$ 8,527,955
N.C. Cash Management Trust	<u>9,953,771</u>
TOTAL	<u>\$18,481,726</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 three fiscal years.

OTHER INFORMATION

Independent Audit

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

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

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Stanly County for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2007. 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 seventeen (17) 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, 2008

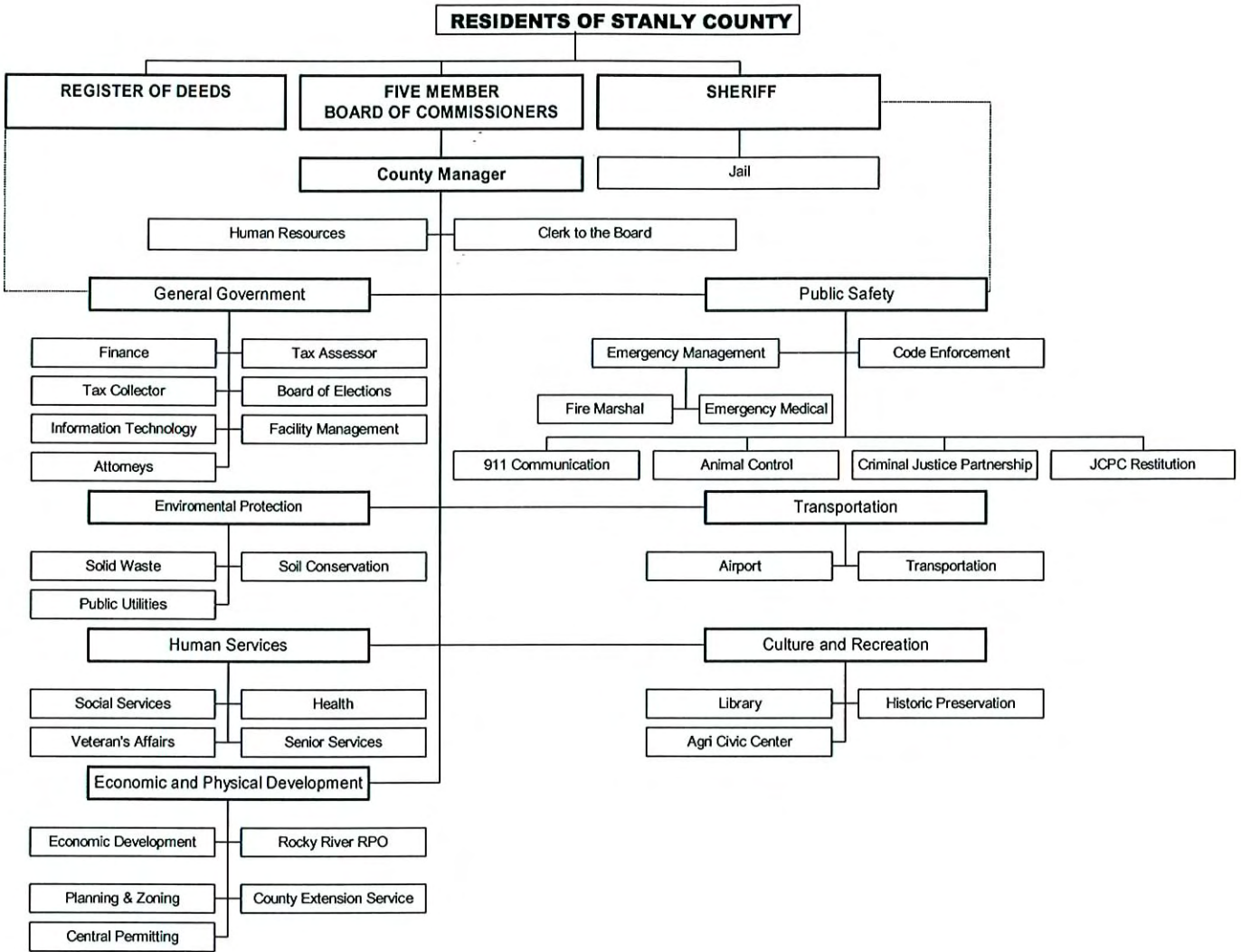
Elected Officials

Board of Commissioners – Chairman Tony M. Dennis
Board of Commissioners – Vice-Chairman Gene McIntyre
Board of Commissioners Sherrill Smith
Board of Commissioners Dr. Nalin C. Mehta
Board of Commissioners Lindsey R. Dunevant
Sheriff Rick Burris
Register of Deeds Cecil I. Almond

Appointed Officials

County Manager Jerry D. Myers
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 Sonya H. Efir
County Attorney John L. Roberts
County Extension Service Lori S. Ivey
Criminal Justice Partnership Allen E. Lawrence
Economic Development Director Vacant
Election Supervisor Kimberly R. Wilson
Emergency Management Director Brian T. Simpson
Facility Management and Solid Waste Director Jerry R. Morton
Interim 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
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, 2007

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.



Charles S. Cox

President

Jeffrey R. Emer

Executive Director



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 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, 2008, 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, 2008, 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 31, 2008 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 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 other supplementary 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 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 31, 2008

STANLY COUNTY, NORTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2008

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, 2008. 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

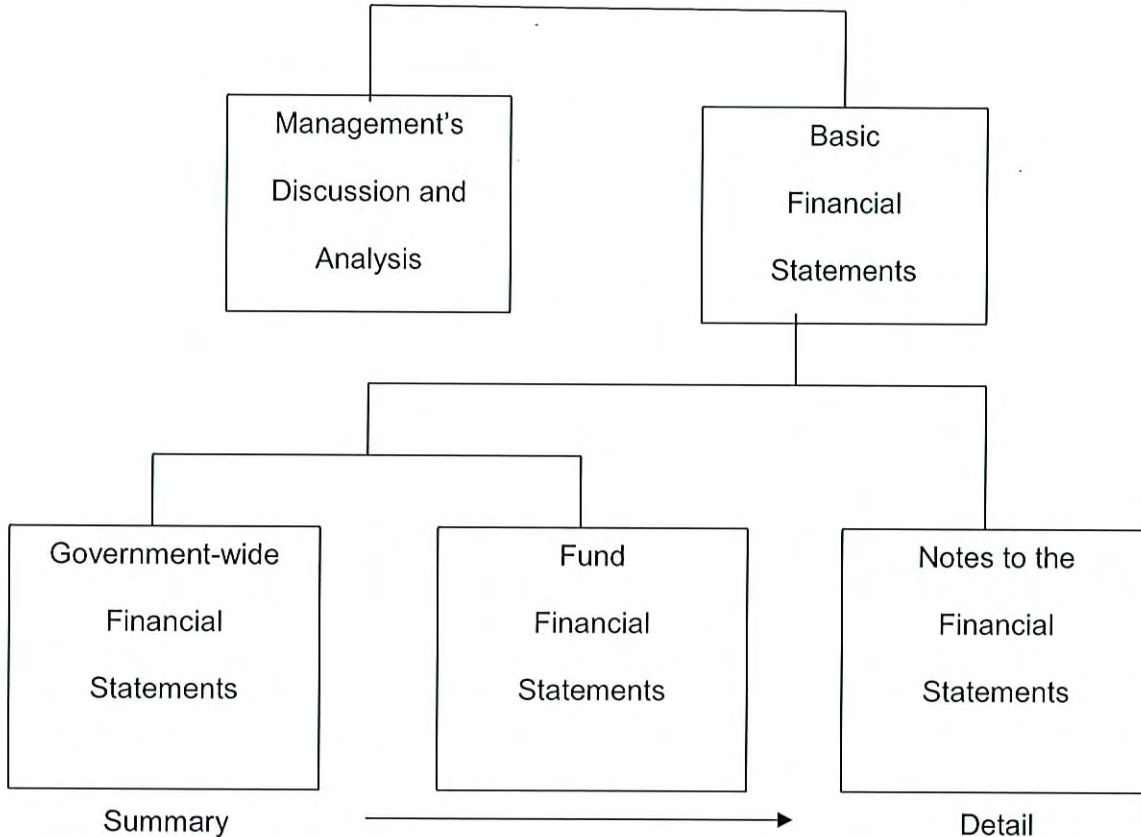
- The assets of Stanly County exceeded its liabilities at the close of the fiscal year by \$51,160,134 (*net assets*). Net assets would be much greater except Stanly County reports \$20,100,000 bond debt liability for the school system, and the school reports the assets.
- The government's total net assets increased by \$2,768,507, primarily due to increases in governmental activities net assets.
- As the close of the current fiscal year, Stanly County's governmental funds reported combined ending fund balances of \$19,588,367, after a net decrease in fund balance of \$2,036,769. Approximately 81.5% of this total amount, or \$15,966,644, 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 \$15,452,332, or 28.17% of total general fund expenditures for the fiscal year
- Stanly County's total debt decreased by \$1,979,748 (7.02%) during the current fiscal year. Regular and scheduled debt payments account for the decrease.
- Stanly County maintained its Moody's A2 bond rating for the eighth consecutive year.
- The \$2,812,450 increase (4.93%) 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, 2008

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, 2008

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, 2008

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 53 of this report.

STANLY COUNTY, NORTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2008

STANLY COUNTY'S NET ASSETS

	Governmental Activities		Business-type Activities		Total	
	2008	2007	2008	2007	2008	2007
Current and other assets	\$ 25,740,198	\$ 27,337,960	\$ 2,837,510	\$ 2,733,936	\$ 28,577,708	\$ 30,071,896
Capital assets	<u>19,359,718</u>	<u>16,151,361</u>	<u>34,034,772</u>	<u>35,259,379</u>	<u>53,394,490</u>	<u>51,410,740</u>
Total assets	<u>45,099,916</u>	<u>43,489,321</u>	<u>36,872,282</u>	<u>37,993,315</u>	<u>81,972,198</u>	<u>81,482,636</u>
Long-term liabilities outstanding	26,774,003	28,503,368	755,145	1,028,402	27,529,148	29,531,770
Other liabilities	<u>3,042,266</u>	<u>3,110,570</u>	<u>240,650</u>	<u>448,669</u>	<u>3,282,916</u>	<u>3,559,239</u>
Total liabilities	<u>29,816,269</u>	<u>31,613,938</u>	<u>995,795</u>	<u>1,477,071</u>	<u>30,812,064</u>	<u>33,091,009</u>
Net assets:						
Invested in capital assets, net of related debt	13,933,344	9,896,831	33,344,464	34,317,479	47,277,808	44,214,310
Restricted	65,839	121,967	-	-	65,839	121,967
Unrestricted (deficit)	<u>1,284,464</u>	<u>1,856,585</u>	<u>2,532,023</u>	<u>2,198,765</u>	<u>3,816,487</u>	<u>4,055,350</u>
Total net assets	<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>

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 \$51,160,134 as of June 30, 2008.

The County's net assets increased by \$2,768,507 for the fiscal year ended June 30, 2008. 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. The resources needed to repay that debt must be provided by other sources, since capital assets cannot be used to liquidate these liabilities. An additional portion of Stanly County's net assets 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 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 \$20,100,000.

STANLY COUNTY, NORTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2008

Stanly County Changes in Net Assets

	Governmental Activities		Business-type Activities		Total	
	2008	2007	2008	2007	2008	2007
Revenues:						
Program revenues:						
Charges for services	\$ 7,470,469	\$ 7,352,709	\$ 3,461,819	\$ 3,154,872	\$ 10,932,288	\$ 10,507,581
Operating grants and contributions	9,111,529	8,832,742	17,949	144,500	9,129,478	8,977,242
Capital grants and contributions	986,481	1,842,159	216,801	3,613,164	1,203,282	5,455,323
General revenues:						
Property taxes	29,160,452	27,468,013	-	-	29,160,452	27,468,013
Other taxes	11,270,758	11,185,000	-	-	11,270,758	11,185,000
Interest earned on investments	1,235,530	1,393,065	30,698	59,954	1,266,228	1,453,019
Total revenues	59,235,219	58,073,688	3,727,267	6,972,490	62,962,486	65,046,178
Expenses:						
General government	5,563,922	4,763,517	-	-	5,563,922	4,763,517
Public safety	12,089,074	11,144,226	-	-	12,089,074	11,144,226
Transportation	850,441	814,513	-	-	850,441	814,513
Environmental protection	1,031,633	1,000,097	-	-	1,031,633	1,000,097
Economic development	2,344,873	1,888,101	-	-	2,344,873	1,888,101
Human services	16,086,711	16,379,895	-	-	16,086,711	16,379,895
Cultural and recreation	1,800,314	1,668,597	-	-	1,800,314	1,668,597
Education	14,267,912	14,888,711	-	-	14,267,912	14,888,711
Interest on long-term debt	1,193,541	1,234,712	-	-	1,193,541	1,234,712
Water and sewer	-	-	3,377,002	2,857,210	3,377,002	2,857,210
Airport	-	-	1,588,558	1,670,370	1,588,558	1,670,370
Total expenses	55,228,419	53,782,369	4,965,560	4,527,580	60,193,979	58,309,949
Increase (decrease) in net assets before transfers and special items	4,006,800	4,291,319	(1,238,293)	2,444,910	2,768,507	6,736,229
Transfers in (out)	(598,536)	(1,001,788)	598,536	1,001,788	-	-
Increase (decrease) in net assets	3,408,264	3,289,531	(639,757)	3,446,698	2,768,507	6,736,229
Net assets, July 1	11,875,383	8,585,852	36,516,244	33,069,546	48,391,627	41,655,398
Net assets, June 30	\$ 15,283,647	\$ 11,875,383	\$ 35,876,487	\$ 36,516,244	\$ 51,160,134	\$ 48,391,627

STANLY COUNTY, NORTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2008

Governmental Activities. Governmental activities increased the County's net assets by \$3,408,264. Key elements of that increase were as follows:

- Construction in process added \$3,346,197 to capital assets.
- Group Health Fund surplus of \$1,117,467 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 \$15,452,332, and total fund balance was \$19,043,078. 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 28.17% of total General Fund expenditures, while total fund balance represents 34.71% of that same amount.

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

Total amendments to the General Fund increased expenditures by \$2,293,126 and revenues by only \$313,929, with the remaining \$1,979,197 funded by fund balance. A total of \$709,036 was transferred to capital projects. Another \$92,000 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 \$639,757. Key financial elements of business-type activities are as follows:

- Capital grants and contributions decreased by \$3,396,363.

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 \$1,882,708, and for the airport \$649,315. The total decrease in net assets for all enterprise funds was \$639,757. 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, 2008**

Capital Asset and Debt Administration

Capital assets. Stanly County's capital assets for its governmental and business-type activities as of June 30, 2008, totaled \$53,394,490 (net of accumulated depreciation). These assets included buildings, land, machinery and equipment, and vehicles.

Major capital asset transactions during the year included:

- Jail project still under construction
- Completion of airport improvements and utility projects

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

	Governmental Activities		Business-type Activities		Total	
	2008	2007	2008	2007	2008	2007
Land	\$ 1,766,317	\$ 1,370,843	\$ 5,147,879	\$ 5,147,879	\$ 6,914,196	\$ 6,518,722
Buildings	9,115,796	9,562,997	27,455,257	26,184,515	36,571,053	35,747,512
Equipment and vehicles	1,763,883	1,849,996	262,893	167,816	2,026,776	2,017,812
Constuction in progress	<u>6,713,722</u>	<u>3,367,525</u>	<u>1,168,743</u>	<u>3,759,170</u>	<u>7,882,465</u>	<u>7,126,695</u>
Total	<u>\$ 19,359,718</u>	<u>\$ 16,151,361</u>	<u>\$ 34,034,772</u>	<u>\$ 35,259,380</u>	<u>\$ 53,394,490</u>	<u>\$ 51,410,741</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, 2008, Stanly County had total bonded debt outstanding of \$20,400,000 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	
	2008	2007	2008	2007	2008	2007
General obligation bonds	<u>\$ 20,100,000</u>	<u>\$ 21,000,000</u>	<u>\$ 300,000</u>	<u>\$ 415,000</u>	<u>\$ 20,400,000</u>	<u>\$ 21,415,000</u>

**STANLY COUNTY, NORTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2008**

Stanly County's total debt decreased by \$1,979,748 (7.02%) during the past fiscal year, primarily due to regularly scheduled debt payments.

As mentioned in the financial highlights section of this document, Stanly County maintained for the eighth consecutive year its A2 bond rating from Moody's Investor Service and an A rating from Standard and Poor's Corporation . 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 \$301,883,690. The County has no authorized but un-issued bonds at June 30, 2008.

Additional information regarding Stanly County's long-term debt can be found in note III beginning on page 45 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 a moderate unemployment rate of 5.8%, which is the same as the state average.
- Retail vacancy rates remain stable.
- Manufacturing jobs have decreased slightly over the prior year.

Budget Highlights for the Fiscal Year Ending June 30, 2009

Governmental Activities: Property tax values are expected to grow by a little more than 2%, primarily because of changes in the calculation for depreciation. Solid waste and other fees increased slightly.

General Fund expenditures were budgeted to rise from \$56,958,821 to \$59,041,106, which is a 3.5% increase. The largest increments are for employee compensation and benefits.

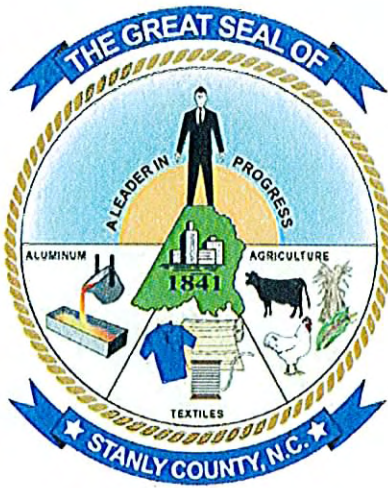
Requests for Information

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, 2008

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Stanly Water and Sewer Authority
Assets:				
Cash and cash equivalents	\$ 19,827,315	\$ 2,218,658	\$ 22,045,973	\$ 159,786
Receivables, net	5,770,438	611,913	6,382,351	34,596
Internal balances	110,503	(110,503)	-	-
Inventories	-	105,188	105,188	-
Prepaid items	31,942	-	31,942	-
Bond discount, net of amortization	-	12,254	12,254	-
Capital Assets:				
Land	1,766,317	5,147,879	6,914,196	-
Construction in progress	6,713,722	1,168,743	7,882,465	821,588
Depreciable assets, net	10,879,679	27,718,150	38,597,829	-
Total assets	45,099,916	36,872,282	81,972,198	1,015,970
Liabilities:				
Accounts payable	2,335,834	139,005	2,474,839	180
Due to other governments	130,817	-	130,817	-
Interest payable	358,387	5,121	363,508	-
Payroll payable	124,056	3,704	127,760	-
Deposits payable	-	92,820	92,820	-
Unearned revenue	93,172	-	93,172	-
Noncurrent liabilities:				
Due within a year	2,613,041	280,265	2,893,306	-
Due in more than a year	24,160,962	474,880	24,635,842	-
Total liabilities	29,816,269	995,795	30,812,064	180
Net Assets:				
Invested in capital assets, net of related debt	13,933,344	33,344,464	47,277,808	821,588
Restricted for:				
Register of deeds	65,839	-	65,839	-
Unrestricted (deficit)	1,284,464	2,532,023	3,816,487	194,202
Total net assets	\$ 15,283,647	\$ 35,876,487	\$ 51,160,134	\$ 1,015,790

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, 2008

Functions/Programs	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	
Primary Government:				
Governmental Activities:				
General government	\$ 5,563,922	\$ 1,668,625	\$ 992,145	\$ -
Public safety	12,089,074	2,579,945	503,959	-
Transportation	850,441	375,280	457,928	-
Environmental protection	1,031,633	848,824	-	-
Economic and physical development	2,344,873	23,135	-	-
Human services	16,086,711	1,894,767	7,137,287	-
Education	14,267,912	-	-	986,481
Culture and recreation	1,800,314	79,893	20,210	-
Interest on long-term debt	1,193,541	-	-	-
Total governmental activities	<u>55,228,419</u>	<u>7,470,469</u>	<u>9,111,529</u>	<u>986,481</u>
Business-Type Activities:				
Greater Badin Water and Sewer District	737,673	500,110	-	-
Piney Point Water District	93,268	134,184	-	-
Stanly County Utility Fund	2,546,061	2,370,438	17,949	147,474
Airport Fund	1,588,558	457,087	-	69,327
Total business-type activities	<u>4,965,560</u>	<u>3,461,819</u>	<u>17,949</u>	<u>216,801</u>
Total primary government	<u>\$ 60,193,979</u>	<u>\$ 10,932,288</u>	<u>\$ 9,129,478</u>	<u>\$ 1,203,282</u>
Component Unit:				
Water & Sewer Authority	6,547	2,100	-	585,000
Total Component Unit	<u>\$ 6,547</u>	<u>\$ 2,100</u>	<u>\$ -</u>	<u>\$ 585,000</u>

General Revenues:

Ad valorem taxes
Local option sales tax
Other taxes
Interest earned on investments
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
\$ (2,903,151)	\$ -	\$ (2,903,151)	\$ -
(9,005,170)	-	(9,005,170)	-
(17,233)	-	(17,233)	-
(182,809)	-	(182,809)	-
(2,321,738)	-	(2,321,738)	-
(7,054,657)	-	(7,054,657)	-
(13,281,431)	-	(13,281,431)	-
(1,700,211)	-	(1,700,211)	-
(1,193,541)	-	(1,193,541)	-
(37,659,940)	-	(37,659,940)	-
-	(237,563)	(237,563)	-
-	40,916	40,916	-
-	(10,200)	(10,200)	-
-	(1,062,144)	(1,062,144)	-
-	(1,268,991)	(1,268,991)	-
(37,659,940)	(1,268,991)	(38,928,931)	-
-	-	-	580,553
-	-	-	580,553
29,160,452	-	29,160,452	-
10,695,767	-	10,695,767	-
574,991	-	574,991	-
1,235,530	30,698	1,266,228	7,871
(598,536)	598,536	-	-
41,068,204	629,234	41,697,438	7,871
3,408,264	(639,757)	2,768,507	588,424
11,875,383	36,516,244	48,391,627	427,366
\$ 15,283,647	\$ 35,876,487	\$ 51,160,134	\$ 1,015,790

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

STANLY COUNTY, NORTH CAROLINA

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2008

	<u>General</u>	<u>Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets:			
Cash and cash equivalents	\$ 16,701,010	\$ 785,643	\$ 17,486,653
Receivables, net	5,259,940	100,409	5,360,349
Due from other funds	115,017	3,184	118,201
Prepaid items	<u>31,942</u>	<u>-</u>	<u>31,942</u>
Total assets	<u>\$ 22,107,909</u>	<u>\$ 889,236</u>	<u>\$ 22,997,145</u>
Liabilities and Fund Balances:			
Liabilities:			
Accounts payable and accrued liabilities	958,850	\$ 271,331	\$ 1,230,181
Due to other governments	130,817	-	130,817
Due to other funds	-	7,698	7,698
Deferred revenue	1,881,992	64,918	1,946,910
Unearned revenue	<u>93,172</u>	<u>-</u>	<u>93,172</u>
Total liabilities	<u>3,064,831</u>	<u>343,947</u>	<u>3,408,778</u>
Fund Balances:			
Reserved/restricted for:			
Prepaid items	31,942	-	31,942
By state statute	3,492,965	30,977	3,523,942
Register of deeds	65,839	-	65,839
Unreserved Reported In:			
General fund	15,452,332	-	15,452,332
Special revenue fund	<u>-</u>	<u>514,312</u>	<u>514,312</u>
Total fund balances	<u>19,043,078</u>	<u>545,289</u>	<u>19,588,367</u>
Total liabilities and fund balances	<u>\$ 22,107,909</u>	<u>\$ 889,236</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.	19,359,718
The focus of governmental funds is on short-term financing; long-term assets are deferred in the funds.	2,350,486
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	(27,132,391)
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>1,117,467</u>
Net assets of governmental activities	<u>\$ 15,283,647</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, 2008

	General	Non-Major Governmental Funds	Total Governmental Funds
Revenues:			
Ad valorem taxes	\$ 27,528,157	\$ 1,697,227	\$ 29,225,384
Local option sales taxes	10,695,767	-	10,695,767
Other taxes and licenses	574,991	-	574,991
Unrestricted intergovernmental	8,173	-	8,173
Restricted intergovernmental	9,349,335	315,288	9,664,623
Permits and fees	945,668	-	945,668
Sales and services	5,750,430	337,309	6,087,739
Investment earnings	1,052,119	94,358	1,146,477
Miscellaneous	714,807	-	714,807
Total revenues	<u>56,619,447</u>	<u>2,444,182</u>	<u>59,063,629</u>
Expenditures:			
Current:			
General government	5,212,755	25,633	5,238,388
Public safety	10,551,434	5,305,063	15,856,497
Transportation	928,742	-	928,742
Environmental protection	1,049,422	-	1,049,422
Economic and physical development	2,034,698	318,740	2,353,438
Human services	16,255,116	-	16,255,116
Education	14,267,912	-	14,267,912
Culture and recreation	1,612,489	-	1,612,489
Debt Service:			
Principal	1,728,156	-	1,728,156
Interest and other charges	1,211,702	-	1,211,702
Total expenditures	<u>54,852,426</u>	<u>5,649,436</u>	<u>60,501,862</u>
Revenues over (under) expenditures	<u>1,767,021</u>	<u>(3,205,254)</u>	<u>(1,438,233)</u>
Other Financing Sources (Uses):			
Transfers from other funds	484,536	110,500	595,036
Transfers to other funds	(709,036)	(484,536)	(1,193,572)
Total other financing sources and uses	<u>(224,500)</u>	<u>(374,036)</u>	<u>(598,536)</u>
Net change in fund balances	1,542,521	(3,579,290)	(2,036,769)
Fund balance, beginning of year - July 1	<u>17,500,557</u>	<u>4,124,579</u>	<u>21,625,136</u>
Fund balance, end of year - June 30	<u>\$ 19,043,078</u>	<u>\$ 545,289</u>	<u>\$ 19,588,367</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, 2008**

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	\$ (2,036,769)
Governmental funds report capital outlays as expenditures. In the statement of activities, the cost of those assets is depreciated over their estimated useful lives.	
Capital outlays	\$ 4,586,914
Sale of capital assets	(20,471)
Depreciation	<u>(1,358,086)</u>
	3,208,357
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.	
	1,728,155
Some revenues reported in the statement of activities are not yet available and, therefore, are not reported as revenues in the governmental funds.	
	(64,312)
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.	
	19,371
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>553,462</u>
Change in net assets of governmental activities	<u>\$ 3,408,264</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, 2008

	Original Budget	Final Budget	Actual	Variance With Final Positive (Negative)
Revenues:				
Ad valorem taxes	\$ 27,322,109	\$ 27,322,109	\$ 27,528,157	\$ 206,048
Sales taxes	11,150,000	11,150,000	10,695,767	(454,233)
Other taxes	584,000	584,000	574,991	(9,009)
Unrestricted intergovernmental	6,500	6,500	8,173	1,673
Restricted intergovernmental	9,460,711	9,632,237	9,349,335	(282,902)
Licenses and permits	1,001,300	1,001,300	945,668	(55,632)
Sales and services	5,264,039	5,274,039	5,750,430	476,391
Investment earnings	1,150,000	1,150,000	1,052,119	(97,881)
Miscellaneous	545,920	678,323	714,807	36,484
Total revenues	<u>56,484,579</u>	<u>56,798,508</u>	<u>56,619,447</u>	<u>(179,061)</u>
Expenditures:				
Current:				
General government	5,002,108	5,489,608	5,212,755	276,853
Public safety	10,586,873	11,008,894	10,551,434	457,460
Transportation	930,662	940,662	928,742	11,920
Environmental protection	998,924	998,924	1,049,422	(50,498)
Economic and physical development	1,749,298	2,571,613	2,034,698	536,915
Human services	17,754,847	17,838,766	16,255,116	1,583,650
Education	14,681,431	14,773,431	14,267,912	505,519
Culture and recreation	1,656,864	1,672,155	1,612,489	59,666
Debt Service:				
Principal	1,744,156	1,744,156	1,728,156	16,000
Bond interest and costs	1,274,702	1,274,702	1,211,702	63,000
Total expenditures	<u>56,379,865</u>	<u>58,312,911</u>	<u>54,852,426</u>	<u>3,460,485</u>
Revenues over (under) expenditures	<u>104,714</u>	<u>(1,514,403)</u>	<u>1,767,021</u>	<u>3,281,424</u>
Other Financing Sources (Uses):				
Transfers - out	(348,956)	(732,136)	(709,036)	23,100
Transfers - in	-	23,100	484,536	461,436
Appropriated fund balance	244,242	2,223,439	-	(2,223,439)
Total other financing sources (uses)	<u>(104,714)</u>	<u>1,514,403</u>	<u>(224,500)</u>	<u>(1,738,903)</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	1,542,521	<u>\$ 1,542,521</u>
Fund balance, beginning of year - July 1			<u>17,500,557</u>	
Fund balance, end of year - June 30			<u>\$ 19,043,078</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, 2008

	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	\$ 125,304	\$ 153,088	\$ 1,370,185	\$ 570,081	\$ 2,218,658	\$ 2,340,663
Accounts receivable, net	97,849	17,692	458,411	35,107	609,059	-
Interest receivable	348	426	1,122	958	2,854	6,512
Inventories	-	-	39,923	65,265	105,188	-
Total current assets	<u>223,501</u>	<u>171,206</u>	<u>1,869,641</u>	<u>671,411</u>	<u>2,935,759</u>	<u>2,347,175</u>
Noncurrent Assets:						
Bond discount, net of amortization	-	-	12,254	-	12,254	-
Total deferred debits	<u>-</u>	<u>-</u>	<u>12,254</u>	<u>-</u>	<u>12,254</u>	<u>-</u>
Capital Assets:						
Land	-	-	223,784	4,924,095	5,147,879	-
Construction in progress	-	-	1,158,949	9,794	1,168,743	-
Capital assets, net of depreciation	<u>3,208,691</u>	<u>235,946</u>	<u>11,752,989</u>	<u>12,520,524</u>	<u>27,718,150</u>	<u>-</u>
Total capital assets, net	<u>3,208,691</u>	<u>235,946</u>	<u>13,135,722</u>	<u>17,454,413</u>	<u>34,034,772</u>	<u>-</u>
Total noncurrent assets	<u>3,208,691</u>	<u>235,946</u>	<u>13,147,976</u>	<u>17,454,413</u>	<u>34,047,026</u>	<u>-</u>
Total assets	<u>3,432,192</u>	<u>407,152</u>	<u>15,017,617</u>	<u>18,125,824</u>	<u>36,982,785</u>	<u>2,347,175</u>
Liabilities:						
Current Liabilities:						
Accounts payable	13,709	3,018	118,483	3,795	139,005	-
Interest payable	3,025	382	1,714	-	5,121	-
Payroll payable	-	-	142	3,562	3,704	-
Interfund payable	-	-	110,503	-	110,503	-
Compensated absences payable	-	-	15,000	10,000	25,000	-
Current portion of long-term debt	62,730	44,781	147,754	-	255,265	-
Health and workers' comp payable	-	-	-	-	-	1,229,708
Total current liabilities	<u>79,464</u>	<u>48,181</u>	<u>393,596</u>	<u>17,357</u>	<u>538,598</u>	<u>1,229,708</u>
Noncurrent Liabilities:						
Customer deposits	13,320	810	78,690	-	92,820	-
Compensated absences payable	-	-	35,098	4,739	39,837	-
Noncurrent portion of long-term debt	<u>320,043</u>	<u>-</u>	<u>115,000</u>	<u>-</u>	<u>435,043</u>	<u>-</u>
Total noncurrent liabilities	<u>333,363</u>	<u>810</u>	<u>228,788</u>	<u>4,739</u>	<u>567,700</u>	<u>-</u>
Total liabilities	<u>412,827</u>	<u>48,991</u>	<u>622,384</u>	<u>22,096</u>	<u>1,106,298</u>	<u>1,229,708</u>
Net Assets:						
Invested in capital assets, net of related debt	2,825,918	191,165	12,872,968	17,454,413	33,344,464	-
Unrestricted	<u>193,447</u>	<u>166,996</u>	<u>1,522,265</u>	<u>649,315</u>	<u>2,532,023</u>	<u>1,117,467</u>
Total net assets	<u>\$ 3,019,365</u>	<u>\$ 358,161</u>	<u>\$ 14,395,233</u>	<u>\$ 18,103,728</u>	<u>\$ 35,876,487</u>	<u>\$ 1,117,467</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, 2008

	Enterprise Funds				Totals	Governmental Activities- Internal Service Group Health Fund
	Greater Badin Water & Sewer District Fund	Piney Point Water District Fund	Stanly County Utility Fund	Airport Fund		
Operating Revenues:						
Sales and charges	\$ 494,624	\$ 129,621	\$ 2,149,194	\$ 457,087	\$ 3,230,526	\$ 3,946,425
Other	5,486	4,563	29,826	-	39,875	-
Total operating revenues	500,110	134,184	2,179,020	457,087	3,270,401	3,946,425
Operating Expenses:						
Administration	70,015	20,896	327,315	-	418,226	-
Distribution and maintenance	204,816	3,244	1,090,271	-	1,298,331	-
Water purchases	84,096	32,259	464,137	-	580,492	-
Airport operations	-	-	-	638,067	638,067	-
Group health operations	-	-	-	-	-	3,220,468
Workers' compensation	-	-	-	-	-	260,928
Depreciation	360,974	34,762	643,212	950,491	1,989,439	-
Total operating expenses	719,901	91,161	2,524,935	1,588,558	4,924,555	3,481,396
Operating income (loss)	(219,791)	43,023	(345,915)	(1,131,471)	(1,654,154)	465,029
Nonoperating Revenues (Expenses):						
Interest income	5,457	5,714	13,035	6,492	30,698	88,433
Grant	-	-	17,950	-	17,950	-
Administrative charges	-	-	191,417	-	191,417	-
Interest on long-term debt	(17,772)	(2,107)	(21,126)	-	(41,005)	-
Total nonoperating revenues (expenses)	(12,315)	3,607	201,276	6,492	199,060	88,433
Income before contributions and transfers	(232,106)	46,630	(144,639)	(1,124,979)	(1,455,094)	553,462
Contributions and Transfers:						
Transfers - in	-	-	249,580	348,956	598,536	-
Transfers - out	-	-	-	-	-	-
Capital contributions	-	-	147,474	69,327	216,801	-
Total contributions and transfers	-	-	397,054	418,283	815,337	-
Change in net assets (deficit)	(232,106)	46,630	252,415	(706,696)	(639,757)	553,462
Net Assets:						
Net assets - July 1	3,251,471	311,531	14,142,818	18,810,424	36,516,244	564,005
Net assets - June 30	\$ 3,019,365	\$ 358,161	\$ 14,395,233	\$ 18,103,728	\$35,876,487	\$ 1,117,467

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, 2008

	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	\$ 454,910	\$ 126,121	\$ 3,349,725	\$ 663,442	\$ 4,594,198	\$ 3,946,423
Cash paid for goods and services	(347,879)	(56,172)	(2,282,526)	(660,124)	(3,346,701)	(3,235,972)
Cash paid to employees for services	-	-	(695,502)	(205,983)	(901,485)	-
Customer deposits	520	270	3,330	-	4,120	-
Net cash provided (used) by operating activities	107,551	70,219	375,027	(202,665)	350,132	710,451
Cash Flows From Noncapital Financing Activities:						
Transfers from general fund	-	-	249,580	348,956	598,536	-
Net cash provided by noncapital financing activities	-	-	249,580	348,956	598,536	-
Cash Flows From Capital and Related Financing Activities:						
Acquisition and construction of capital assets	(54,525)	-	(566,484)	(143,823)	(764,832)	-
Principal paid on bond maturities and lease purchases	(62,731)	(43,381)	(145,480)	-	(251,592)	-
Interest paid on bond maturities and lease purchases	(18,542)	(2,478)	(16,031)	-	(37,051)	-
Capital contribution	-	-	147,474	69,327	216,801	-
Net cash used by capital and related financing activities	(135,798)	(45,859)	(580,521)	(74,496)	(836,674)	-
Cash Flows From Investing Activities:						
Interest on investments	5,457	5,714	13,032	6,489	30,692	93,907
Net increase (decrease) in cash and cash equivalents	(22,790)	30,074	57,118	78,284	142,686	804,358
Cash and cash equivalents, July 1	148,094	123,014	1,313,067	491,797	2,075,972	1,536,305
Cash and cash equivalents, June 30	\$ 125,304	\$ 153,088	\$ 1,370,185	\$ 570,081	\$ 2,218,658	\$ 2,340,663
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:						
Operating income (loss)	\$ (219,791)	\$ 43,023	\$ (345,915)	\$ (1,131,471)	\$ (1,654,154)	\$ 465,029
Adjustments to reconcile operating income to net cash provided by operating activities:						
Depreciation	360,974	34,762	643,212	950,491	1,989,439	-
Changes in assets and liabilities:						
(Increase) decrease in accounts receivable	(45,199)	(8,064)	1,170,707	206,355	1,323,799	-
(Increase) decrease in prepaid items	-	-	-	-	-	(3)
(Increase) decrease in inventory	-	-	911	(13,944)	(13,033)	-
Increase (decrease) in accounts payable and liabilities	11,047	227	(1,073,742)	(215,875)	(1,278,343)	245,425
Increase (decrease) in customer deposits	520	271	3,330	-	4,121	-
Increase (decrease) in compensated absences	-	-	(23,476)	1,779	(21,697)	-
Total adjustments	327,342	27,196	720,942	928,806	2,004,286	245,422
Net cash provided (used) by operating activities	\$ 107,551	\$ 70,219	\$ 375,027	\$ (202,665)	\$ 350,132	\$ 710,451

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, 2008

	<u>Agency Fund</u>
Assets:	
Cash and cash equivalents	\$ 151,024
Inmate cash	<u>3,021</u>
Total assets	<u>\$ 154,045</u>
Liabilities:	
Liabilities:	
Accounts payable	\$ 127,676
Client payable	<u>26,369</u>
Total liabilities	<u>\$ 154,045</u>

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

**STANLY COUNTY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008**

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, 2008. 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. 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

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. 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, 2008

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 non-major 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.

The County reports the following major enterprise funds – Greater Badin Water and Sewer Fund, Piney Point Water District, and Stanly County Utility Fund provide for water and sewer services. The Airport 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 Boards 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 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 health care and workers compensation.

STANLY COUNTY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008

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.

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.

STANLY COUNTY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008

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, 2008, 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 those motor vehicles registered under the staggered system, 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 2007 through February 2008 apply to the fiscal year ended June 30, 2008. Uncollected taxes that were billed during this period are shown as a receivable on these financial statements and are offset by deferred revenues.

Sales taxes and certain intergovernmental revenues, such as utilities franchise tax, collected and held by the State at year-end on behalf of the County are recognized as revenue. Intergovernmental revenues and sales and services are not susceptible to accrual because generally they are not measurable until received in cash. Grant revenues which are unearned at year-end are recorded as unearned revenues. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been satisfied.

Under the terms of grant agreements, the County funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants, and general revenues. Thus when program expenses are incurred, there are both restricted and unrestricted net assets available to finance the program. It is the County's policy to first apply cost-reimbursement grant resources to such programs, followed by categorical block grants, and then by general revenues.

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

C. Budgetary Data

The County's budgets are adopted as required by the North Carolina General Statutes. An annual budget is adopted for the General Fund, Emergency Telephone System, 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, the Jail Construction Capital Project 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. Expenditures may not legally exceed appropriations at the functional level for all annually budgeted funds and at the object level for the multi-year funds. Amendments are required for any revisions that alter total expenditures of any fund or that change functional appropriations by more than \$5,000. The governing board must approve all amendments. During the year, several amendments to the original budget were necessary. The budget ordinance must be adopted by July 1 of the fiscal year or the governing board must adopt an interim budget that covers that time until the annual ordinance can be adopted.

STANLY COUNTY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008

D. Assets, Liabilities, and Net Assets or 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 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.

3. 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, 2007. As allowed by state law, the County has established a schedule of discounts that apply to taxes that are paid prior to the due date. In the General Fund, ad valorem tax revenues are reported net of such discounts.

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

5. Inventories – 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.

6. Capital assets – 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:

STANLY COUNTY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008

	<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

7. Long-term obligations – In the government-wide financial statements and in the proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. In the fund financial statements for governmental fund types, the face amount of debt issued is reported as an other financing source.

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

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

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

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 and fund equity – 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.

STANLY COUNTY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008

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.

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 \$2,080,074 are comprised of the following:

Designated for Home Health – Portion of fund balance designated for future home health services - \$231,853.

Designated for Medicaid Settlements – Portion of fund balance designated for future health related activities - \$83,737.

Designated for Dental Clinic – Portion of fund balance designated for future dental clinic services - \$579,305.

Designated for Library Endowment – Portion of fund balance designated for Library activities - \$72,074.

Designated for 4-H – Portion of fund balance designated for future 4-H services - \$28,375.

Designated for subsequent year's expenditures – Portion of fund balance that has been designated for the adopted 2008-2009 budget ordinance - \$1,045,480.

STANLY COUNTY
NOTES TO THE FINANCIAL STATEMENTS
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Designated for RPO – Portion of fund balance designated for RPO services - \$10,306.

Designated for Jail Inmates – Portion of fund balances designed for inmates \$28,944.

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

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.

STANLY COUNTY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008

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	\$ 1,766,317	
Depreciable property	33,101,910	
Accumulated depreciation	<u>(15,508,509)</u>	\$ 19,359,718

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

Interest receivable	403,576	
Deferred taxes	<u>1,946,910</u>	2,350,486

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	(358,388)	
Due in one year	(2,613,041)	
Due in more than one year	<u>(24,160,962)</u>	(27,132,391)

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.

1,117,467

Total adjustment \$ (4,304,720)

STANLY COUNTY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008

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	\$ 4,586,914	
Sale of capital assets	(20,471)	
Depreciation	<u>(1,358,086)</u>	\$ 3,208,357

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 retired	<u>1,728,155</u>	1,728,155
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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	620	
Accrual of taxes	<u>(64,932)</u>	(64,312)

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	6,241	
Compensated absences	(5,031)	
Interest expense	<u>18,161</u>	19,371

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>553,462</u>	<u>553,462</u>
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Total adjustment		<u>\$ 5,445,033</u>
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STANLY COUNTY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008

II. Stewardship, Compliance, and Unrestricted Net Asset Deficit

Excess of Expenditures over Appropriations

In the General Fund, Environmental Protection expenses were in excess of the budget ordinance by \$50,498. In the Emergency Telephone System Fund, transfers were in excess of the budget ordinance by \$484,536. In the Greater Badin Water and Sewer District Fund, expenditures were in excess of the budget ordinance by \$11,611. 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, 2008 the County's demand deposits had a carrying amount of \$12,237,759 and a bank balance of \$12,948,733. Of the bank balance, \$404,610 was covered by federal depository insurance. The remaining \$12,544,123 was collateralized under the Pooling Method. The petty cash funds totaled \$5,467.

**STANLY COUNTY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008**

2. Investments

As of June 30, 2008, the County had \$9,953,771 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 6 Months</u>	<u>6-12 Months</u>	<u>1-3 Years</u>
NC Capital Mangement Trust- Cash Portfolio	<u>\$ 9,953,771</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>

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, 2008. All other investments, certificates of deposits and sweep accounts are covered by financial institutions who participate in the pooling method.

3. Property Tax and 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>
2005	\$ 2,213,482	\$ 525,693	\$ 2,739,175
2006	2,283,051	336,738	2,619,788
2007	2,382,903	137,015	2,519,917
2008	<u>2,427,373</u>	<u>-</u>	<u>2,427,373</u>
Total	<u>\$ 9,306,809</u>	<u>\$ 999,445</u>	<u>\$ 10,306,254</u>

**STANLY COUNTY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008**

4. Receivables

Receivables at the government-wide level at June 30, 2008 were as follows:

	<u>Taxes Receivable</u>	<u>Trade Accounts Receivable</u>	<u>Due from Other Governments</u>	<u>Interest and Other</u>	<u>Total</u>
Governmental Activities:					
General	\$ 2,098,896	\$ 1,823,241	\$ 1,902,758	\$ 384,293	\$ 6,209,188
Other Governmental	<u>64,918</u>	<u>35,491</u>	<u>-</u>	<u>-</u>	<u>100,409</u>
Total receivables	2,163,814	1,858,732	1,902,758	384,293	6,309,597
Allowance for doubtful accounts	<u>(364,259)</u>	<u>(174,901)</u>	<u>-</u>	<u>-</u>	<u>(539,159)</u>
Total governmental activities	<u>\$ 1,799,556</u>	<u>\$ 1,683,831</u>	<u>\$ 1,902,758</u>	<u>\$ 384,293</u>	<u>\$ 5,770,438</u>
Business-type Activities:					
Greater Badin Water and Sewer District	\$ -	\$ 110,880	\$ -	\$ 348	\$ 111,228
Piney Point Water District	-	18,388	-	426	18,814
Stanly County Utility Fund	-	354,048	137,799	1,122	492,969
Airport	<u>-</u>	<u>35,430</u>	<u>-</u>	<u>957</u>	<u>36,387</u>
Total receivables	-	518,746	137,799	2,854	659,399
Allowance for doubtful accounts	<u>-</u>	<u>(47,486)</u>	<u>-</u>	<u>-</u>	<u>(47,486)</u>
Total business-type activities	<u>\$ -</u>	<u>\$ 471,260</u>	<u>\$ 137,799</u>	<u>\$ 2,854</u>	<u>\$ 611,913</u>

Due from other governments for the year ended June 30, 2008, consists of the following:

Local option sales tax	\$ 1,571,993
Sales Tax Receivable	263,369
Grants receivable	147,156
Tire and White Goods	22,682
Telecommunication tax	<u>35,357</u>
	<u>\$ 2,040,557</u>

STANLY COUNTY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008

5. Capital Assets

Primary Government

Capital asset activity for the year ended June 30, 2008 were as follows:

Governmental activities:	<u>07/01/07</u>	<u>Additions</u>	<u>Retirements</u>	<u>06/30/08</u>
Capital assets not being depreciated:				
Land	\$ 1,370,843	\$ 395,474	\$ -	\$ 1,766,317
Construction in progress	<u>3,367,525</u>	<u>3,346,197</u>	<u>-</u>	<u>6,713,722</u>
Total capital assets not being depreciated	<u>4,738,368</u>	<u>3,741,671</u>	<u>-</u>	<u>8,480,039</u>
Capital assets being depreciated:				
Buildings	17,288,923	-	-	17,288,923
Equipment and vehicles	<u>8,848,569</u>	<u>845,244</u>	<u>594,548</u>	<u>9,099,265</u>
Total capital assets being depreciated:	<u>26,137,492</u>	<u>845,244</u>	<u>594,548</u>	<u>26,388,188</u>
Less accumulated depreciation for:				
Buildings	7,725,926	447,201	-	8,173,127
Equipment and vehicles	<u>6,998,573</u>	<u>910,885</u>	<u>574,076</u>	<u>7,335,382</u>
Total accumulated depreciation	<u>14,724,499</u>	<u>1,358,086</u>	<u>574,076</u>	<u>15,508,509</u>
Total capital assets being depreciated, net	<u>11,412,993</u>			<u>10,879,679</u>
Governmental activity capital assets, net	<u>\$ 16,151,361</u>			<u>\$ 19,359,718</u>

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

Governmental Functions:

General government	\$ 311,560
Public safety	687,967
Transportation	70,435
Environmental protection	14,064
Economic development	3,797
Human services	51,074
Culture and recreation	<u>219,189</u>
Total depreciation expense governmental functions	<u>\$ 1,358,086</u>

**STANLY COUNTY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008**

Business-type Activities

Capital asset activity for business-type activities for year ended June 30, 2008 was as follows:

	<u>07/01/07</u>	<u>Additions</u>	<u>Retirements</u>	<u>06/30/08</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	135,054	54,524	-	189,578
Total capital assets being depreciated	<u>7,444,660</u>	<u>54,524</u>	<u>-</u>	<u>7,499,184</u>
Less accumulated depreciation for:				
Plant in service	3,787,365	349,520	-	4,136,885
Equipment and vehicles	142,154	11,454	-	153,608
Total accumulated depreciation	<u>3,929,519</u>	<u>360,974</u>	<u>-</u>	<u>4,290,493</u>
Total capital assets being dep, net	<u>3,515,141</u>			<u>3,208,691</u>
Total Greater Badin capital assets, net	<u>3,515,141</u>			<u>3,208,691</u>
Piney Point Water:				
Capital assets being depreciated:				
Plant in service	727,984	-	-	727,984
Total assets being depreciated	<u>727,984</u>	<u>-</u>	<u>-</u>	<u>727,984</u>
Less accumulated depreciation for:				
Plant in service	457,276	34,762	-	492,038
Total accumulated depreciation	<u>457,276</u>	<u>34,762</u>	<u>-</u>	<u>492,038</u>
Total Piney Point capital assets, net	<u>270,708</u>			<u>235,946</u>
Stanly Utility Operating:				
Capital assets not being depreciated:				
Land	223,784	-	-	223,784
Construction in progress	3,168,157	380,487	2,389,695	1,158,949
Total assets not being depreciated	<u>3,391,941</u>	<u>380,487</u>	<u>2,389,695</u>	<u>1,382,733</u>
Capital assets being depreciated:				
Plant in service	17,312,574	2,568,691	-	19,881,265
Equipment and vehicles	532,420	7,000	11,160	528,260
Total capital assets being depreciated:	<u>17,844,994</u>	<u>2,575,691</u>	<u>11,160</u>	<u>20,409,525</u>
Less accumulated depreciation for:				
Plant in service	7,642,397	607,043	-	8,249,440
Equipment and vehicles	382,088	36,168	11,160	407,096
Total accumulated depreciation	<u>8,024,485</u>	<u>643,211</u>	<u>11,160</u>	<u>8,656,536</u>
Total capital assets being depreciated, net	<u>9,820,509</u>			<u>11,752,989</u>
Total Stanly County Utility capital assets, net	<u>13,212,450</u>			<u>13,135,722</u>

**STANLY COUNTY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008**

	<u>07/01/07</u>	<u>Additions</u>	<u>Retirements</u>	<u>06/30/08</u>
Airport Operating:				
Capital assets not being depreciated:				
Land	4,924,095	-	-	4,924,095
Construction in progress	591,013	79,121	660,340	9,794
Total capital assets not being depreciated	<u>5,515,108</u>	<u>79,121</u>	<u>660,340</u>	<u>4,933,889</u>
Capital assets being depreciated:				
Buildings	1,852,922	-	-	1,852,922
Improvements	19,594,709	591,013	-	20,185,722
Equipment and vehicles	173,781	134,028	5,625	302,184
Total capital assets being depreciated:	<u>21,621,412</u>	<u>725,041</u>	<u>5,625</u>	<u>22,340,828</u>
Less accumulated depreciation for:				
Buildings	280,318	55,725	-	336,043
Improvements	8,445,923	841,913	-	9,287,836
Equipment and vehicles	149,198	52,852	5,625	196,425
Total accumulated depreciation	<u>8,875,439</u>	<u>\$ 950,490</u>	<u>\$ 5,625</u>	<u>9,820,304</u>
Total capital assets being depreciated, net	<u>12,745,973</u>			<u>12,520,524</u>
Total Airport capital assets, net	<u>18,261,081</u>			<u>17,454,413</u>
Total business-type activity capital assets, net	<u>\$ 35,259,380</u>			<u>\$ 34,034,772</u>

Construction Commitments:

<u>Project</u>	<u>Project to Date</u>	<u>Remaining Commitment</u>
Highway 24/27 Upgrade	\$ 15,972	\$ 589,028
Fork Road Water Line	432,412	42,513
Millingport Sewer	877,016	430,512
Highway 731 Water	60,048	596,922
Morrow Mountain	205,912	4,088
Airport Fencing	591,014	4,659
Terminal Improvement	9,794	571,210
Jail Construction	<u>6,713,723</u>	<u>1,507,663</u>
Total	<u>\$ 8,905,891</u>	<u>\$ 3,746,595</u>

**STANLY COUNTY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008**

B. Liabilities

1. Payables

Payables at the government-wide level at June 30, 2008 were as follows:

	<u>Vendors</u>	<u>Salaries and Benefits</u>	<u>Accrued Interest</u>	<u>Other</u>	<u>Total</u>
Governmental Activities:					
General - Internal Service	\$ 1,971,331	\$ 124,056	\$ 358,387	\$ 223,989	\$ 2,677,763
Other	<u>271,331</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>271,331</u>
Total-governmental activities	<u>\$ 2,242,662</u>	<u>\$ 124,056</u>	<u>\$ 358,387</u>	<u>\$ 223,989</u>	<u>\$ 2,949,094</u>
Business-type Activities:					
Water and Sewer Districts	\$ 135,206	\$ 146	\$ 5,121	\$ 92,820	\$ 233,293
Airport	<u>3,795</u>	<u>3,562</u>	<u>-</u>	<u>-</u>	<u>7,357</u>
Total business-type activities:	<u>\$ 139,001</u>	<u>\$ 3,708</u>	<u>\$ 5,121</u>	<u>\$ 92,820</u>	<u>\$ 240,650</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 4.96%, 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 contributions to LGERS for the years ended June 30, 2006, 2007, and 2008 were \$579,040, \$629,386, and \$679,412, respectively. The County's contributions to LEO for the years ended June 30, 2006, 2007, and 2008 were \$72,167, \$75,448, and \$78,534, respectively. The contributions made by the County equaled the required contributions for each year.

**STANLY COUNTY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008**

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, 2007, the Separation Allowance's membership consisted of:

Retirees receiving benefits	5
Active plan members	<u>49</u>
Total	<u>54</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. 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 costs for fiscal year ended June 30, 2008 was \$56,962 or .85% of annual covered payroll.

The annual required contribution for the current year was determined as part of the December 31, 2006 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, 2006 was 24 years.

**STANLY COUNTY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008**

Change in Net Pension Obligation – As of December 31, 2007, the County's Net Pension Obligation was \$267,432, a decrease of \$6,241 from the previous year. The County's Annual Pension Cost for June 30, 2008 was \$50,721.

Employer annual required contribution	\$ 47,697
Interest on net pension obligation	19,841
Adjustment to annual required contribution	<u>(16,817)</u>
Annual pension cost	50,721
Employer contributions made for fiscal year	<u>56,962</u>
Increase (decrease) in net pension obligation	(6,241)
Net pension obligation, January 1, 2007	<u>273,673</u>
 Net pension obligation, December 31, 2007	 <u>\$ 267,432</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, 2006	\$ 46,666	77.48%	\$ 280,218
June 30, 2007	45,400	114.42%	273,673
June 30, 2008	50,721	112.30%	267,432

Funded Status and Funding Progress - As of December 31, 2006 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 \$417,619. The covered payroll (annual payroll of active employees covered by the plan) was \$1,637,644, and the ratio of the UAAL to the covered payroll was 25.50 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.

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.

**STANLY COUNTY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008**

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, 2008 were \$86,142, which consisted of \$79,967 from the County and \$6,175, 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 Registers 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, 2008, the County's required and actual contributions were \$5,190.

e. Other Post – Employment Benefits

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 becoming eligible for Medicare. Employees with a minimum of 25 years of service in the state retirement system, and with at least 10 years of service to Stanly County, are provided insurance by paying 50% of the cost.

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

**STANLY COUNTY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008**

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. Contributions are determined as a percentage of monthly payrolls, based upon rates established annually by the State. Separate rates are set for employees not engaged in law enforcement and for law enforcement officers. Because the benefit payments are made by the Death Benefit Plan and not by the county, the County does not determine the number of eligible participants. For the fiscal year ended June 30, 2008, the County made contributions to the State for death benefits of \$22,813. The County's required contributions for employees not engaged in law enforcement and for law enforcement officers represented .15 percent and .14 percent of covered payroll, respectively. 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	\$ -	\$ 93,172
Taxes receivable, net (General)	1,881,992	-
Taxes receivable, net (Special)	64,918	-
Total	\$ 1,946,910	\$ 93,172

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 \$460,314 reported in the fund at June 30, 2008 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

**STANLY COUNTY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008**

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 \$460,314 claims liability represents total estimated claims incurred but not reported, as provided by the plan administrator's actuary.

	June 30	
	2008	2007
Unpaid claims and claim adjustment expenses at beginning of fiscal year	\$ 215,000	\$ 215,000
Incurred claims and claim adjustment expenses:		
Provision for insured events of current year	2,612,972	2,413,466
Claims and adjustment expenses attributable to insured events of current and prior year	<u>2,367,658</u>	<u>2,413,466</u>
Total Claims Liability	<u>\$ 460,314</u>	<u>\$ 215,000</u>

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 \$737,712 reported in the fund at June 30, 2008 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 \$737,712 claims liability represents total estimated claims incurred but not reported, as provided by the plan administrator's actuary.

STANLY COUNTY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008

	June 30	
	2008	2007
Unpaid claims and claim adjustment expenses at beginning of fiscal year	\$ 712,918	\$ 609,343
Incurred claims and claim adjustment expenses:		
Provision for insured events of current year	184,612	307,961
Claims and adjustment expenses attributable to insured events of current and prior year	159,818	204,386
Total Claims Liability	\$ 737,712	\$ 712,918

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.

5. Claims, Judgments and Contingent Liabilities

At June 30, 2008, 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, 2008 are comprised of the following:

STANLY COUNTY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008

General Government:

Lease for the acquisition, construction and renovation of a Human Services Facility and Prison Land entered into on March 22, 1993. Agreement modified on August 15, 2003, payable in semi-annual installments of \$243,919 including interest through March 26, 2009. The interest rate was reduced from 5.47% to 3.2%.	\$ 476,375
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>4,950,000</u>
Total General Government	<u>\$ 5,426,375</u>

Enterprise Funds:

Piney Point Water District Fund:

Lease for the construction of water lines entered into on March 22, 1993. Agreement modified on August 15, 2003, payable in semi-annual installments of \$37,252 including interest through March 26, 2009. The interest rate was reduced from 5.47% to 3.20%.	\$ 44,781
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Stanly County Utility Fund:

Lease for the extension of a water line entered into on March 22, 1993. Agreement modified on August 15, 2003 payable in semi-annual installments of \$37,252 including interest through March 26, 2009. The interest rate was reduced from 5.47% to 3.20%.	<u>72,753</u>
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Total Enterprise Funds	<u>117,534</u>
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Total Capital Leases	<u>\$ 5,543,909</u>
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b. Notes Payable

Enterprise Fund:

Greater Badin Water and Sewer District:

North Carolina Clean Water Revolving Loan executed on May 1, 1999, payable in annual principal payments of \$22,731 and semi-annual interest payments at an interest rate of 2.60%.	\$ <u>272,773</u>
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Total Notes Payable	<u>\$ 272,773</u>
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**STANLY COUNTY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008**

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, 2008:

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 4.25% to 4.80%.	\$ 12,500,000
---	---------------

\$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>7,600,000</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>20,100,000</u>
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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%.	190,000
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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>110,000</u>
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Total Enterprise Fund General Obligation Bonds	<u>300,000</u>
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Total General Obligation Bonds	<u>\$ 20,400,000</u>
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STANLY COUNTY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008

The following is a summary of changes in general long-term debt for the fiscal year ended June 30, 2008.

	<u>Balances</u> <u>07/01/07</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balances</u> <u>06/30/08</u>	<u>Current</u> <u>Portion of</u> <u>Balance</u>
Governmental Activities:					
General obligation debt	\$ 21,000,000	\$ -	\$ 900,000	\$ 20,100,000	\$ 1,150,000
Capitalized leases	6,254,530	-	828,155	5,426,375	843,041
Compensated absences	975,165	790,995	785,964	980,196	620,000
Net pension obligation	<u>273,673</u>	<u>50,721</u>	<u>56,962</u>	<u>267,432</u>	<u>-</u>
Total governmental activities:	<u>\$ 28,503,368</u>	<u>\$ 841,716</u>	<u>\$ 2,571,081</u>	<u>\$ 26,774,003</u>	<u>\$ 2,613,041</u>
Business-Type Activities:					
General obligation debt	\$ 415,000	\$ -	\$ 115,000	\$ 300,000	\$ 115,000
Capitalized leases	231,396	-	113,862	117,534	117,534
Notes payable	295,504	-	22,731	272,773	22,731
Compensated absences	<u>86,503</u>	<u>25,532</u>	<u>47,197</u>	<u>64,838</u>	<u>25,000</u>
Total business-type activities:	<u>\$ 1,028,403</u>	<u>\$ 25,532</u>	<u>\$ 298,790</u>	<u>\$ 755,145</u>	<u>\$ 280,265</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.

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, 2008, three industrial revenue bonds were outstanding, with an aggregate principal amount payable of \$13,664,465.

STANLY COUNTY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008

At June 30, 2008, Stanly County had a legal debt margin of \$301,883,690. 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):

	<u>General Obligation Bonds</u>		<u>Capitalized Leases</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
General Long-Term Debt				
2009	\$ 1,150,000	\$ 927,175	\$ 843,041	\$ 215,027
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
2014-2017	6,000,000	2,064,900	1,466,666	414,810
2018-2022	7,300,000	1,001,650	1,650,000	172,837
	<u>20,100,000</u>	<u>7,174,675</u>	<u>5,426,375</u>	<u>1,463,298</u>
Proprietary Funds				
2009	115,000	20,405	117,534	2,828
2010	115,000	12,625	-	-
2011	70,000	4,770	-	-
	<u>300,000</u>	<u>37,800</u>	<u>117,534</u>	<u>2,828</u>
	<u>\$ 20,400,000</u>	<u>\$ 7,212,475</u>	<u>\$ 5,543,909</u>	<u>\$ 1,466,126</u>

**STANLY COUNTY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008**

<u>Proprietary Funds</u>	<u>Notes Payable</u>	
	<u>Principal</u>	<u>Interest</u>
2009	\$ 22,731	\$ 7,092
2010	22,731	6,501
2011	22,731	5,910
2012	22,731	5,319
2013	22,731	4,728
2014-2017	90,924	13,002
2018-2020	68,193	3,546
	\$ 272,773	\$ 46,098

C. Interfund Balances and Activity

Interfund receivable balances consist of cash deficits as of June 30, 2008. 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:

	<u>Interfund Receivables</u>	<u>Interfund Payable</u>
General Fund	\$ 107,318	\$ -
Community Development Block Grant-Hook Up	3,184	-
Highway 731 Water Project	-	5,961
Morrow Mountain Rd Water	-	104,541
	\$ 110,502	\$ 110,502

STANLY COUNTY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008

Transfers to/from other funds at June 30, 2008 consists of the following:

	Transfers		Purpose
	From	To	
General Fund:			
General Fund	\$ 709,036	\$ 484,536	
Emergency Telephone System	484,536	-	Wireline balance at 12/31/07
CDBG-2007 Revitalation	-	110,500	Capital Outlay Support
Millington Sewer Project	-	249,580	Capital Outlay Support
Airport Fund	-	348,956	Operating Support
	<u>\$ 1,193,572</u>	<u>\$ 1,193,572</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 \$207,901 to the Authority during fiscal year ended June 30, 2008. 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, 2008. Complete financial statements for the Authority can be obtained from the Authority's administrative office at 245 LePhillip Court, NE, Concord, North Carolina 28025.

The County, in conjunction with the State of North Carolina and the Stanly County Board of Education, participates in a joint venture to operate Stanly Community College. Stanly County appoints one member of the 13-member board of trustees. The community college is included as a component unit of the state.

The County has the basic responsibility for providing funding for facilities and also provides some financial support for operations. The County has an ongoing statutory financial responsibility to provide funding for the community college. The County contributed \$1,247,857 for operating purposes and \$175,000 for capital, during the fiscal year ended June 30, 2008. Completed financial statements for the community college may be obtained from administrative offices at 141 College Drive, Albemarle, North Carolina 28001.

**STANLY COUNTY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008**

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 \$7,551 to the Council during the fiscal year ended June 30, 2008.

VI. Summary Disclosure of Significant Contingencies

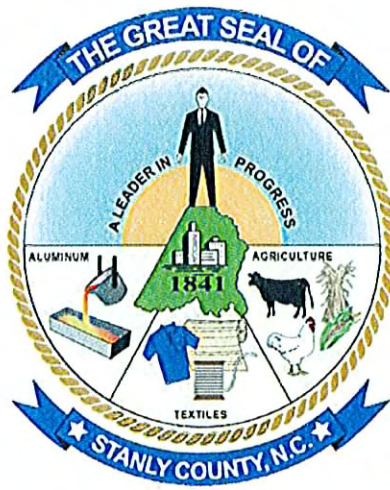
Federal and State Assisted Programs

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.

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	\$ 36,192,427	\$ 18,844,243
Temporary Assistance for Needy Families	344,092	(10)
Food Stamp Program	6,649,451	-
Special Supplemental Food Program for Women, Infants and Children	96,463	
Special Assistance to Adults	-	594,154
Low-Income Home Energy Assistance	134,263	-
Titel IV-E Fostercare Subsidiary	54,482	14,055
Title IV-E Adoption Subsidiary	136,373	40,127
NC Department of Cultural Resources	-	130,291
CWS Adoption Subsidiary	-	93,108
	<u> </u>	<u> </u>
Totals	<u>\$ 43,607,551</u>	<u>\$ 19,715,968</u>

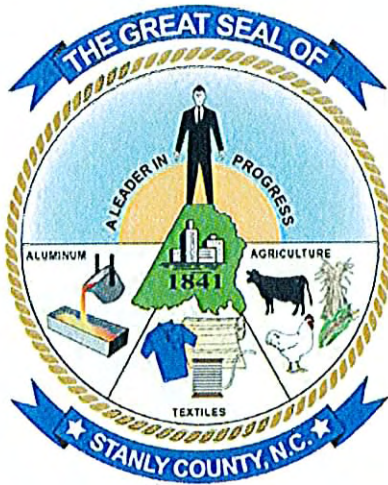


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**REQUIRED SUPPLEMENTARY
FINANCIAL INFORMATION**

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

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



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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, 2008

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)
12/31/1996	\$ -	\$ 144,538	\$ 144,538	0.00%	\$ 790,680	18.28%
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%

**STANLY COUNTY, NORTH CAROLINA
LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER CONTRIBUTIONS
For Year Ended June 30, 2008**

<u>Year Ended June 30</u>	<u>Annual Required Contribution</u>	<u>Percentage Contributed</u>
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%
1998	\$20,076	40.04%

Notes to the Required Schedules:

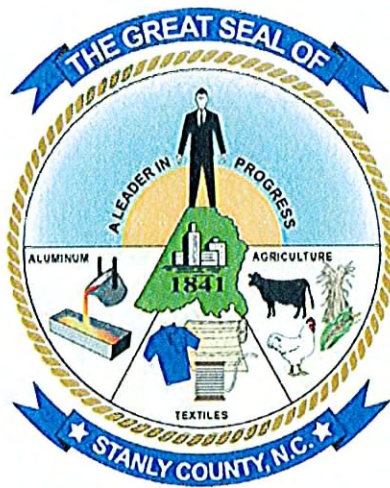
The information presented in the required supplementary schedules was determined as part of the actuarial valuations at the dates indicated. Additional information as of the latest actuarial valuation follows:

Valuation date	12/31/2006
Actuarial cost method	Projected unit credit
Amortization method	Level percent of pay closed
Remaining amortization period	24 years
Asset valuation method	Market Value
Actuarial assumptions:	
Investment rate or return*	7.25%
Projected salary increases*	4.5-12.3%

*Includes inflation at	3.75%
Cost of living adjustments	N/A

GENERAL FUND

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



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STANLY COUNTY, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2008

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Ad valorem property taxes:			
Ad valorem taxes		\$ 27,215,613	
Penalties and interest		<u>312,544</u>	
Total ad valorem property taxes	<u>\$ 27,322,109</u>	<u>27,528,157</u>	<u>\$ 206,048</u>
Local option sales taxes:			
Sales tax article 39		3,637,668	
Sales tax article 40		2,489,191	
Sales tax article 42		2,473,495	
Sales tax article 44		1,855,023	
Medicaid Hold Harmless payment		<u>240,390</u>	
Total sales taxes	<u>11,150,000</u>	<u>10,695,767</u>	<u>(454,233)</u>
Other taxes:			
Real property excise tax		202,558	
Cable franchise tax		139,719	
Occupancy tax		215,575	
Other taxes		<u>17,139</u>	
Total other taxes	<u>584,000</u>	<u>574,991</u>	<u>(9,009)</u>
Intergovernmental revenues:			
Unrestricted intergovernmental:			
ABC profits	<u>6,500</u>	<u>8,173</u>	<u>1,673</u>
Restricted intergovernmental:			
Public safety		503,959	
Transportation		457,928	
Health		631,103	
Social services grants		6,401,201	
Senior and aging services		10,160	
Other federal and state grants		<u>1,344,984</u>	
Total restricted intergovernmental	<u>9,632,237</u>	<u>9,349,335</u>	<u>(282,902)</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, 2008

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Permits and fees:			
Recording fees		318,643	
Marriage license		10,029	
Building permits		580,311	
Concealed weapons permits		13,550	
Zoning and planning permits		<u>23,135</u>	
Total permits and fees	<u>1,001,300</u>	<u>945,668</u>	<u>(55,632)</u>
Sales and services:			
Intergovernmental charges		174,828	
Sheriff and jail fees		516,721	
Ambulance fees		1,712,365	
Transportation		360,650	
Solid waste		737,774	
Health fees		2,005,817	
Rental and other charges		<u>242,275</u>	
Total sales and services	<u>5,274,039</u>	<u>5,750,430</u>	<u>476,391</u>
Investment earnings:			
Earned interest	<u>1,150,000</u>	<u>1,052,119</u>	<u>(97,881)</u>
Miscellaneous:			
Donations		124,055	
Rents		287,953	
Sale of assets		12,285	
Miscellaneous other		<u>290,514</u>	
Total miscellaneous	<u>678,323</u>	<u>714,807</u>	<u>36,484</u>
Total revenues	<u>56,798,508</u>	<u>56,619,447</u>	<u>(179,061)</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, 2008

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Expenditures:			
General government:			
Governing body:			
Salaries and employee benefits		68,470	
Operating expenditures		<u>156,364</u>	
Total		<u>224,834</u>	
Administration:			
Salaries and employee benefits		387,990	
Operating expenditures		<u>61,795</u>	
Total		<u>449,785</u>	
Finance department:			
Salaries and employee benefits		311,477	
Operating expenditures		<u>118,611</u>	
Total		<u>430,088</u>	
Tax assessor:			
Salaries and employee benefits		366,127	
Operating expenditures		<u>68,708</u>	
Total		<u>434,835</u>	
Tax collector:			
Salaries and employee benefits		344,194	
Operating expenditures		<u>55,631</u>	
Total		<u>399,825</u>	
Tax revaluation:			
Salaries and employee benefits		317,912	
Operating expenditures		<u>32,637</u>	
Total		<u>350,549</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, 2008

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
County attorney:			
Salaries and employee benefits		131,019	
Operating expenditures		<u>16,418</u>	
 Total		 <u>147,437</u>	
 Legal services:			
Contracted services		<u>669,332</u>	
 Total		 <u>669,332</u>	
 Clerk of Court:			
Operating expenditures		<u>18,667</u>	
 Judge's office:			
Operating expenditures		<u>15,372</u>	
 District Attorney's office:			
Operating expenditures		<u>5,452</u>	
 Elections:			
Salaries and employee benefits		180,154	
Operating expenditures		124,923	
Capital outlay		<u>3,548</u>	
 Total		 <u>308,625</u>	
 Register of deeds:			
Salaries and employee benefits		274,883	
Operating expenditures		76,761	
Capital outlay		<u>(695)</u>	
 Total		 <u>350,949</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, 2008

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Information technology:			
Salaries and employee benefits		297,737	
Operating expenditures		114,995	
Capital outlay		<u>52,182</u>	
Total		<u>464,914</u>	
Facilities management:			
Salaries and employee benefits		274,979	
Operating expenditures		<u>667,112</u>	
Total		<u>942,091</u>	
Total general government	<u>5,489,608</u>	<u>5,212,755</u>	<u>276,853</u>
Public safety:			
Sheriff:			
Salaries and employee benefits		2,564,289	
Operating expenditures		540,706	
Capital outlay		<u>167,862</u>	
Total		<u>3,272,857</u>	
Jail:			
Salaries and employee benefits		1,450,219	
Operating expenditures		<u>511,206</u>	
Total		<u>1,961,425</u>	
Office of juvenile justice:			
Operating expenditures		48,460	
Daymark I-Care		97,497	
Juvenile detention		<u>34,537</u>	
Total		<u>180,494</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, 2008

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Criminal justice partnership:			
Salaries and employee benefits		49,558	
Operating expenditures		<u>41,899</u>	
Total		<u>91,457</u>	
Emergency management:			
Salaries and employee benefits		2,133,402	
Operating expenditures		622,466	
Capital outlay		<u>656,216</u>	
Total		<u>3,412,084</u>	
Code enforcement:			
Salaries and employee benefits		379,286	
Operating expenditures		48,880	
Capital outlay		<u>23,636</u>	
Total		<u>451,802</u>	
Medical examiner:			
Contractual services		<u>21,400</u>	
Animal control:			
Salaries and employee benefits		222,676	
Operating expenditures		64,363	
Capital outlay		<u>39,424</u>	
Total		<u>326,463</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, 2008

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
911 communication service:			
Salaries and employee benefits		769,777	
Operating expenditures		61,615	
Capital outlay		<u>2,060</u>	
Total		<u>833,452</u>	
Total public safety	<u>11,008,894</u>	<u>10,551,434</u>	<u>457,460</u>
Transportation:			
Salaries and employee benefits		593,277	
Operating expenditures		203,953	
Capital outlay		<u>131,512</u>	
Total transportation	<u>940,662</u>	<u>928,742</u>	<u>11,920</u>
Environmental protection:			
Solid waste operations:			
Salaries and employee benefits		307,128	
Operating expenditures		546,296	
Capital outlay		<u>23,208</u>	
Total		<u>876,632</u>	
Fire forester:			
Contribution to other agency		<u>77,156</u>	
Soil and water conservation:			
Salaries and employee benefits		90,562	
Operating expenditures		<u>5,072</u>	
Total		<u>95,634</u>	
Total environmental protection	<u>998,924</u>	<u>1,049,422</u>	<u>(50,498)</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, 2008

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Economic and Physical Development:			
Economic development commission:			
Salaries and employee benefits		111,583	
Operating expenditures		257,219	
Capital outlay		<u>2,101</u>	
Total		<u>370,903</u>	
Occupancy tax-motel/hotel:			
To other municipalities		<u>180,466</u>	
Planning and zoning:			
Salaries and employee benefits		236,038	
Operating expenditures		<u>44,254</u>	
Total		<u>280,292</u>	
Central permitting			
Salaries and employee benefits		46,238	
Operating expenditures		<u>4,174</u>	
Total		<u>50,412</u>	
Cooperative extension:			
Salaries and employee benefits		13,652	
Operating expenditures		245,141	
Capital outlay		<u>2,408</u>	
Total		<u>261,201</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, 2008

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Special appropriation for economic development: Contribution for economic development		769,896	
Rocky River RPO:			
Salaries and employee benefits		101,612	
Operating expenditures		19,916	
Total		121,528	
Total economic and physical development	2,571,613	2,034,698	536,915
Human services:			
Health:			
Salaries and employee benefits		1,615,764	
Operating expenditures		431,298	
Capital outlay		27,006	
Total		2,074,068	
Home health:			
Salaries and employee benefits		465,490	
Operating expenditures		237,690	
Capital outlay		15,968	
Total		719,148	
Health - smart start:			
Salaries and employee benefits		124,449	
Operating expenditures		6,654	
Total		131,103	
Dental clinic:			
Salaries and employee benefits		698,366	
Operating expenditures		106,021	
Capital outlay		103	
Total		804,490	

STANLY COUNTY, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2008

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Environmental health:			
Salaries and employee benefits		323,624	
Operating expenditures		37,637	
Capital outlay		<u>9,899</u>	
Total		<u>371,160</u>	
Mental health:			
Contributions to other agencies:			
Bottle surcharge		9,901	
Piedmont area mental health		<u>198,000</u>	
Total		<u>207,901</u>	
Social services:			
Salaries and employee benefits		3,791,975	
Operating expenditures		4,171,116	
Day care and resident services		<u>2,646,436</u>	
Total		<u>10,609,527</u>	
Aging services:			
Salaries and employee benefits		405,294	
Operating expenditures		<u>484,455</u>	
Total		<u>889,749</u>	
Senior services:			
Salaries and employee benefits		182,529	
Operating expenditures		<u>201,769</u>	
Total		<u>384,298</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, 2008

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Veterans services:			
Salaries and employee benefits		56,728	
Operating expenditures		4,944	
Veteran's Association		<u>2,000</u>	
Total		<u>63,672</u>	
Total human services	<u>17,838,766</u>	<u>16,255,116</u>	<u>1,583,650</u>
Education:			
Stanly County Public Schools:			
Current expenditures		9,908,574	
Capital outlay		<u>2,936,481</u>	
Total		<u>12,845,055</u>	
Stanly Community College:			
Current expenditures		1,247,857	
Capital outlay		<u>175,000</u>	
Total		<u>1,422,857</u>	
Total education	<u>14,773,431</u>	<u>14,267,912</u>	<u>505,519</u>
Culture and recreation:			
Library:			
Salaries and employee benefits		842,936	
Operating expenditures		340,941	
Capital outlay		<u>8,057</u>	
Total		<u>1,191,934</u>	
Historic Preservation Commission:			
Salaries and employee benefits		82,482	
Operating expenditures		<u>50,940</u>	
Total		<u>133,422</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, 2008

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Agri Civic Center:			
Salaries and employee benefits		146,757	
Operating expenditures		<u>140,376</u>	
Total		<u>287,133</u>	
Total culture and recreation	<u>1,672,155</u>	<u>1,612,489</u>	<u>59,666</u>
Debt Service:			
Principal		1,728,156	
Interest		<u>1,211,702</u>	
Total debt service	<u>3,018,858</u>	<u>2,939,858</u>	<u>79,000</u>
Total expenditures	<u>58,312,911</u>	<u>54,852,426</u>	<u>3,460,485</u>
Revenues over (under) expenditures	<u>(1,514,403)</u>	<u>1,767,021</u>	<u>3,281,424</u>
Other financing sources (uses):			
Transfers to:			
Enterprise fund		(598,536)	
Special revenue fund		(110,500)	
Transfers from:			
Emergency Telephone System fund		484,536	
Total other financing sources (uses)	<u>1,514,403</u>	<u>(224,500)</u>	<u>(1,738,903)</u>
Net change in fund balance	<u>\$ -</u>	1,542,521	<u>\$ 1,542,521</u>
Fund balance, beginning of year - July 1		<u>17,500,557</u>	
Fund balance, end of year - June 30		<u>\$ 19,043,078</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.
- **Jail Construction Fund** – accounts for the funds designated for jail construction.

STANLY COUNTY, NORTH CAROLINA

COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2008

	Special Revenue Funds		
	Community Development Block Grant Housing Project	Community Development Block Grant Hook Up Project	Emergency Telephone System
Assets:			
Cash and cash equivalents	\$ -	\$ -	\$ 119,394
Taxes receivable, net	-	-	-
Accounts receivable	4,514	-	30,977
Interfund receivables	-	3,184	-
Total assets	<u>\$ 4,514</u>	<u>\$ 3,184</u>	<u>\$ 150,371</u>
Liabilities and Fund Equity:			
Liabilities:			
Accounts payable	\$ -	\$ -	\$ 504
Interfund payables	4,514	3,184	-
Deferred revenues	-	-	-
Total liabilities	<u>4,514</u>	<u>3,184</u>	<u>504</u>
Fund Equity:			
Reserved by state statute	-	-	30,977
Unreserved	-	-	118,890
Total fund balances	<u>-</u>	<u>-</u>	<u>149,867</u>
Total liabilities and fund balances	<u>\$ 4,514</u>	<u>\$ 3,184</u>	<u>\$ 150,371</u>

Fire Districts	Capital Project Fund				Total Nonmajor Governmental Funds
	Adequate Facilities Reserve Fund	CDBG Urgent Repair Program Fund	CDBG 2007 Revitalization Fund	Jail Construction Fund	
\$ 22,571	\$ 14,576	\$ 16,422	\$ 98,031	514,649	\$ 785,643
64,918	-	-	-	-	64,918
-	-	-	-	-	35,491
-	-	-	-	-	3,184
<u>\$ 87,489</u>	<u>\$ 14,576</u>	<u>\$ 16,422</u>	<u>\$ 98,031</u>	<u>\$ 514,649</u>	<u>\$ 889,236</u>
\$ 22,571	\$ -	\$ 4,975	\$ 6,250	237,031	\$ 271,331
-	-	-	-	-	7,698
<u>64,918</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>64,918</u>
<u>87,489</u>	<u>-</u>	<u>4,975</u>	<u>6,250</u>	<u>237,031</u>	<u>343,947</u>
-	-	-	-	-	30,977
-	14,576	11,447	91,781	277,618	514,312
-	14,576	11,447	91,781	277,618	545,289
<u>\$ 87,489</u>	<u>\$ 14,576</u>	<u>\$ 16,422</u>	<u>\$ 98,031</u>	<u>\$ 514,649</u>	<u>\$ 889,236</u>

STANLY COUNTY, NORTH CAROLINA

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2008

	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	\$ -	\$ -	\$ -	\$ 1,697,227	\$ -
Restricted intergovernmental	177,954	62,334	-	-	-
Sales and services	-	-	337,309	-	-
Permits and fees	-	-	-	-	-
Investment earnings	-	-	23,640	-	631
Miscellaneous					
Total revenues	<u>177,954</u>	<u>62,334</u>	<u>360,949</u>	<u>1,697,227</u>	<u>631</u>
Expenditures:					
Current:					
General government	-	-	-	25,633	-
Public safety	-	-	287,271	1,671,594	-
Economic and physical development	<u>177,954</u>	<u>57,361</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>177,954</u>	<u>57,361</u>	<u>287,271</u>	<u>1,697,227</u>	<u>-</u>
Revenues over (under) expenditures	<u>-</u>	<u>4,973</u>	<u>73,678</u>	<u>-</u>	<u>631</u>
Other Financing Sources (Uses):					
Appropriated fund balance	-	-	-	-	-
Transfers out	-	-	(484,536)	-	-
Transfers in	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources	<u>-</u>	<u>-</u>	<u>(484,536)</u>	<u>-</u>	<u>-</u>
Net change in fund balance	-	4,973	(410,858)	-	631
Fund balance, beginning of year - July 1	<u>-</u>	<u>(4,973)</u>	<u>560,725</u>	<u>-</u>	<u>13,945</u>
Fund balance, end of year - June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 149,867</u>	<u>\$ -</u>	<u>\$ 14,576</u>

Schedule 3

<u>Capital Project Fund</u>			
<u>CDBG Urgent Repair Program Fund</u>	<u>CDBG 2007 Revitalization Fund</u>	<u>Jail Construction Fund</u>	<u>Total Nonmajor Governmental Funds</u>
\$ -	\$ -	\$ -	\$ 1,697,227
75,000	-	-	315,288
-	-	-	337,309
-	-	-	-
<u>1,153</u>	<u>-</u>	<u>68,934</u>	<u>94,358</u>
<u>76,153</u>	<u>-</u>	<u>68,934</u>	<u>2,444,182</u>
-	-	-	25,633
-	-	3,346,198	5,305,063
<u>64,706</u>	<u>18,719</u>	<u>-</u>	<u>318,740</u>
<u>64,706</u>	<u>18,719</u>	<u>3,346,198</u>	<u>5,649,436</u>
<u>11,447</u>	<u>(18,719)</u>	<u>(3,277,264)</u>	<u>(3,205,254)</u>
-	-	-	(484,536)
<u>-</u>	<u>110,500</u>	<u>-</u>	<u>110,500</u>
<u>-</u>	<u>110,500</u>	<u>-</u>	<u>(374,036)</u>
11,447	91,781	(3,277,264)	(3,579,290)
<u>-</u>	<u>-</u>	<u>3,554,882</u>	<u>4,124,579</u>
<u>\$ 11,447</u>	<u>\$ 91,781</u>	<u>\$ 277,618</u>	<u>\$ 545,289</u>



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BUDGETARY INFORMATION - GOVERNMENTAL FUNDS

Special revenue budget and actual results for fiscal June 30, 2008.

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.
- **Jail Construction Fund** – accounts for the funds designated for jail construction.

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, 2008

	<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	\$ 450,000	\$ 226,559	\$ 177,954	\$ 404,513	\$ (45,487)
Total revenues	<u>450,000</u>	<u>226,559</u>	<u>177,954</u>	<u>404,513</u>	<u>(45,487)</u>
Expenditures:					
Professional services	35,000	35,399	11,329	46,728	(11,728)
Contract services	<u>415,000</u>	<u>191,160</u>	<u>166,625</u>	<u>357,785</u>	<u>57,215</u>
Total expenditures	<u>450,000</u>	<u>226,559</u>	<u>177,954</u>	<u>404,513</u>	<u>45,487</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 - HOOK UP PROJECT
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCES - BUDGET AND ACTUAL
 FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2008

	<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	\$ 75,000	\$ -	\$ 62,334	\$ 62,334	\$ (12,666)
Total revenues	<u>75,000</u>	<u>-</u>	<u>62,334</u>	<u>62,334</u>	<u>(12,666)</u>
Expenditures:					
Administration	11,250	1,516	22,680	24,196	(12,946)
Rehabilitation	<u>60,600</u>	<u>307</u>	<u>34,681</u>	<u>34,988</u>	<u>25,612</u>
Total expenditures	<u>71,850</u>	<u>1,823</u>	<u>57,361</u>	<u>59,184</u>	<u>12,666</u>
Revenues over (under) expenditures	3,150	(1,823)	4,973	3,150	-
Other financing sources:					
Transfer to Fork Road Water Line project	<u>(3,150)</u>	<u>(3,150)</u>	<u>-</u>	<u>(3,150)</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ (4,973)</u>	4,973	<u>\$ -</u>	<u>\$ -</u>
Fund balance, beginning of year - July 1			<u>(4,973)</u>		
Fund balance, end of year - June 30			<u>\$ -</u>		

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, 2008

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Charges - surcharge	\$ 170,281	\$ 114,082	\$ (56,199)
Charges - wireless	157,173	223,227	66,054
Investment earnings	<u>22,284</u>	<u>23,640</u>	<u>1,356</u>
Total revenues	<u>349,738</u>	<u>360,949</u>	<u>11,211</u>
Expenditures:			
Salaries and employee benefits	99,042	97,166	1,876
Operating expenditures	234,696	178,903	55,793
Capital outlay	<u>16,000</u>	<u>11,202</u>	<u>4,798</u>
Total expenditures	<u>349,738</u>	<u>287,271</u>	<u>62,467</u>
Revenues over (under) expenditures	-	73,678	73,678
Other Financing Sources (Uses):			
Transfer to General Fund	<u>-</u>	<u>(484,536)</u>	<u>(484,536)</u>
Net change in fund balance	<u>\$ -</u>	<u>(410,858)</u>	<u>\$ (410,858)</u>
Fund balance, beginning of year - July 1		<u>560,725</u>	
Fund balance, end of year - June 30		<u>\$ 149,867</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, 2008

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Ad valorem taxes:			
Current year	\$ 1,684,200	\$ 1,647,304	\$ (36,896)
Prior years	50,000	49,923	(77)
	<u>1,734,200</u>	<u>1,697,227</u>	<u>(36,973)</u>
Total revenues			
Expenditures:			
Administration fees:			
Tax collection fees	27,000	25,633	1,367
Public safety:			
Locust Fire District	363,400	367,402	(4,002)
Center Fire District	144,000	139,885	4,115
Endy Fire District	107,700	104,863	2,837
Ridgecrest Fire District	114,000	109,830	4,170
Aquadale Fire District	70,000	68,657	1,343
Eastside Fire District	135,600	132,744	2,856
Oakoro Fire District	72,000	70,696	1,304
New London Fire District	128,000	124,986	3,014
Southside Fire District	100,000	97,486	2,514
Rocky River Fire District	121,200	117,246	3,954
Bethany Fire District	50,000	47,390	2,610
Richfield Fire District	116,800	112,066	4,734
Millingport Fire District	94,500	91,780	2,720
Badin-Yakin Fire District	90,000	86,563	3,437
	<u>1,734,200</u>	<u>1,697,227</u>	<u>36,973</u>
Total expenditures			
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>	

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, 2008

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Facility fees	\$ 100,000	\$ -	\$ (100,000)
Investment earnings	<u>1,000</u>	<u>631</u>	<u>(369)</u>
Total revenues	<u>101,000</u>	<u>631</u>	<u>(100,369)</u>
Other Financing Sources (Uses):			
Appropriated fund balance	<u>(101,000)</u>	<u>-</u>	<u>101,000</u>
Net change in fund balance	<u>\$ -</u>	<u>631</u>	<u>\$ 631</u>
Fund balance, beginning of year - July 1		<u>13,945</u>	
Fund balance, end of year - June 30		<u>\$ 14,576</u>	

STANLY COUNTY, NORTH CAROLINA

CDBG URGENT REPAIR PROGRAM
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCES - BUDGET AND ACTUAL
 FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2008

	Project Authorization	Actual		Total to Date	Variance Positive (Negative)
		Prior Years	Current Year		
Revenues:					
Restricted Intergovernmental:					
Community Development	\$ 75,000	\$ -	\$ 75,000	\$ 75,000	\$ -
Investment earnings	2,000	-	1,153	1,153	(847)
Total revenues	77,000	-	76,153	76,153	(847)
Expenditures:					
Contract Services	77,000	-	64,706	64,706	12,294
Total expenditures	77,000	-	64,706	64,706	12,294
Revenues over (under) expenditures	-	-	11,447	11,447	11,447
Other financing sources:					
Transfers	-	-	-	-	-
Net change in fund balance	\$ -	\$ -	11,447	\$ 11,447	\$ 11,447
Fund balance, beginning of year - July 1			-		
Fund balance, end of year - June 30			\$ 11,447		

STANLY COUNTY, NORTH CAROLINA

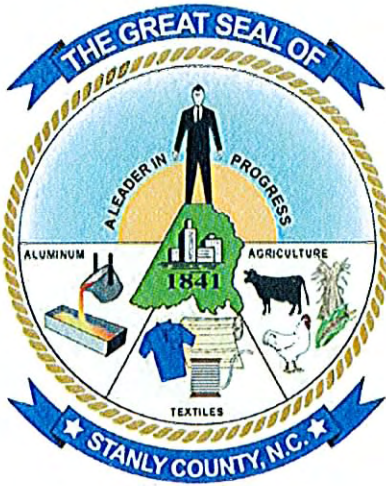
CDBG 2007 REVITALIZATION
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCES - BUDGET AND ACTUAL
 FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2008

	<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	\$ -	\$ -	\$ -	\$ (850,000)
Total revenues	<u>850,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(850,000)</u>
Expenditures:					
Professional Services	115,625	-	18,719	18,719	96,906
Construction	387,406	-	-	-	-
Rehabilitation	<u>457,469</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>457,469</u>
Total expenditures	<u>960,500</u>	<u>-</u>	<u>18,719</u>	<u>18,719</u>	<u>554,375</u>
Revenues over (under) expenditures	(110,500)	-	(18,719)	(18,719)	91,781
Other financing sources:					
Transfer from General Fund	<u>110,500</u>	<u>-</u>	<u>110,500</u>	<u>110,500</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>91,781</u>	<u>\$ 91,781</u>	<u>\$ 91,781</u>
Fund balance, beginning of year - July 1			<u>-</u>		
Fund balance, end of year - June 30			<u>\$ 91,781</u>		

STANLY COUNTY, NORTH CAROLINA

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, 2008

	Project Authorization	Actual			Variance Positive (Negative)
		Prior Years	Current Year	Total to Date	
Revenues:					
Investment earnings	\$ -	\$ 201,021	\$ 68,934	\$ 269,955	\$ 269,955
Total revenues	-	201,021	68,934	269,955	269,955
Expenditures:					
Professional services	565,000	485,093	(475,577)	9,516	555,484
Construction	7,514,986	2,813,813	3,148,347	5,962,160	1,552,826
Operating expenditures	141,400	68,619	673,428	742,047	(600,647)
Total expenditures	8,221,386	3,367,525	3,346,198	6,713,723	1,507,663
Revenues over (under) expenditures	(8,221,386)	(3,166,504)	(3,277,264)	(6,443,768)	1,777,618
Other Financing Sources:					
Debt issued	7,000,000	5,500,000	-	5,500,000	(1,500,000)
Transfer from General Fund	1,221,386	1,221,386	-	1,221,386	-
Total other financing sources	8,221,386	6,721,386	-	6,721,386	(1,500,000)
Net change in fund balance	\$ -	\$ 3,554,882	(3,277,264)	\$ 277,618	\$ 277,618
Fund balance, beginning of year - July 1			3,554,882		
Fund balance, end of year - June 30			\$ 277,618		



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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, 2008

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Operating Revenues:			
Charges for services:			
Water sales		\$ 266,728	
Sewer charges		158,217	
Industrial sewer charges		68,269	
Taps and connection fees		1,410	
Other operating revenues		<u>5,486</u>	
Total operating revenues		<u>500,110</u>	
Non-operating revenues:			
Interest on investments		<u>5,457</u>	
Total non-operating revenues		<u>5,457</u>	
Total revenues	<u>\$ 474,000</u>	<u>505,567</u>	<u>\$ 31,567</u>
Expenditures:			
Administration:			
Contracted services		67,730	
Operating expenditures		<u>2,285</u>	
Total administration		<u>70,015</u>	
Debt Service:			
G.O. bond principal paid		40,000	
State loan principal paid		22,731	
Interest expense		16,964	
Bond service costs		<u>808</u>	
Total debt service		<u>80,503</u>	
Distribution and maintenance:			
Contracted services		111,096	
Operating expenditures		93,720	
Water purchases		84,096	
Capital outlay		<u>54,524</u>	
Total distribution and maintenance		<u>343,436</u>	
Total expenditures	<u>482,343</u>	<u>493,954</u>	<u>(11,611)</u>
Revenues over (under) expenditures	<u>(8,343)</u>	<u>11,613</u>	<u>19,956</u>

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, 2008

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Other financing sources (uses):			
Appropriated fund balance	8,343	-	(8,343)
Total other financing sources (uses)	<u>8,343</u>	<u>-</u>	<u>(8,343)</u>
Revenues over (under) expenditures and other financing sources (uses)	<u>\$ -</u>	<u>\$ 11,613</u>	<u>\$ 11,613</u>
Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual:			
Reconciling Items:			
Capital outlay		\$ 54,524	
Debt principal		62,731	
Depreciation		<u>(360,974)</u>	
Total reconciling items		<u>(243,719)</u>	
Change in net assets		<u>\$ (232,106)</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, 2008

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Operating Revenues:			
Charges for services:			
Water sales		\$ 113,502	
Taps and connection fees		16,119	
Other operating revenues		<u>4,563</u>	
Total operating revenues		<u>134,184</u>	
Non-Operating Revenues:			
Interest on investments		<u>5,714</u>	
Total non-operating revenues		<u>5,714</u>	
Total revenues	\$ 104,084	139,898	\$ 35,814
Expenditures:			
Administration:			
Contracted services		20,000	
Operating expenditures		<u>896</u>	
Total administration		<u>20,896</u>	
Debt Service:			
Lease principal		43,381	
Lease interest		<u>2,107</u>	
Total debt service		<u>45,488</u>	
Distribution and maintenance:			
Operating expenditures		3,244	
Water purchases		<u>32,259</u>	
Total distribution and maintenance		<u>35,503</u>	
Total expenditures	<u>104,084</u>	<u>101,887</u>	<u>2,197</u>
Revenues over (under) expenditures	<u>\$ -</u>	<u>\$ 38,011</u>	<u>\$ 38,011</u>
Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual:			
Debt principal		43,381	
Depreciation		<u>(34,762)</u>	
Total reconciling items		<u>8,619</u>	
Change in net assets		<u>\$ 46,630</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, 2008

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Operating Revenues:			
Charges for services:			
Water sales		\$ 1,645,100	
Sewer charges		417,272	
Taps and connection fees		86,822	
Other operating revenues		<u>29,826</u>	
Total operating revenues		<u>2,179,020</u>	
Non-Operating Revenues:			
Interest on investments		13,035	
NC DOT Grant		17,950	
Administrative charges		<u>191,417</u>	
Total non-operating revenues		<u>222,402</u>	
Total revenues	<u>\$ 2,326,441</u>	<u>2,401,422</u>	<u>\$ 74,981</u>
Expenditures:			
Administration:			
Salaries and employee benefits		283,700	
Operating expenditures		<u>43,615</u>	
Total administration		<u>327,315</u>	
Debt Service:			
G.O. bond principal paid		75,000	
Lease payment		70,480	
Interest expense		<u>21,126</u>	
Total debt service		<u>166,606</u>	
Distribution and maintenance:			
Salaries and employee benefits		388,328	
Operating expenditures		701,943	
Water purchases		464,137	
Capital outlay		<u>185,996</u>	
Total distribution and maintenance		<u>1,740,404</u>	
Total expenditures	<u>2,236,569</u>	<u>2,234,325</u>	<u>2,244</u>
Revenues over (under) expenditures	<u>89,872</u>	<u>167,097</u>	<u>77,225</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, 2008

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Other financing sources (uses):			
Transfer out	(95,000)	(95,000)	-
Transfers in	1,102	1,101	(1)
Appropriations	<u>4,026</u>	<u>-</u>	<u>(4,026)</u>
 Total other financing sources (uses)	 <u>(89,872)</u>	 <u>(93,899)</u>	 <u>(4,027)</u>
 Revenues and other financing sources over (under) expenditures and other financing uses	 <u>\$ -</u>	 <u>\$ 73,198</u>	 <u>\$ 73,198</u>

**Reconciliation from Budgetary Basis (Modified Accrual)
to Full Accrual:**

Reconciling items:	
Debt principal	\$ 145,480
Capital outlay	185,996
Depreciation	(643,212)
Capital contribution	147,474
Intrafund transfer to Morrow Mountain project	95,000
Intrafund transfer from Highway 52 project	47,528
Intrafund transfer to Millingport	(47,528)
Intrafund transfer from Fork Road project	(1,101)
Intrafund transfer from Palestine project	(4,025)
Intrafund transfer to Utility fund from project	4,025
Interfund transfer to project from General Fund	249,580
Interfund transfer from Fork Road project	2,287
Intrafund transfer to Aquadale Project	<u>(2,287)</u>
 Total reconciling items	 <u>179,217</u>
 Change in net assets	 <u>\$ 252,415</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, 2008

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Operating Revenues:			
Sales and services:			
Fuel and oil sales		\$ 397,641	
Tie down fees		1,625	
Hanger rental		39,020	
Franchise		4,500	
Miscellaneous		<u>14,301</u>	
Total operating revenues	<u>\$ 430,465</u>	<u>457,087</u>	<u>\$ 26,622</u>
Non-Operating Revenues:			
Interest on investments		<u>6,492</u>	
Total non-operating revenues	<u>16,719</u>	<u>6,492</u>	<u>(10,227)</u>
Total revenues	<u>447,184</u>	<u>463,579</u>	<u>16,395</u>
Expenditures:			
Administration and operations:			
Salaries and employee benefits		238,315	
Operating expenditures		113,393	
Purchases for resale		286,359	
Capital outlay		<u>134,028</u>	
Total administration and operations	<u>796,140</u>	<u>772,095</u>	<u>24,045</u>
Revenues over (under) expenditures	<u>(348,956)</u>	<u>(308,516)</u>	<u>40,440</u>
Other Financing Sources (Uses):			
Transfer in	<u>348,956</u>	<u>348,956</u>	<u>-</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ 40,440</u>	<u>\$ 40,440</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, 2008

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual:			
Reconciling Items:			
Capital outlay		\$ 134,028	
Depreciation		(950,491)	
Capital contributions		69,327	
Intrafund transfers from Fencing		69,326	
Intrafund transfers to Terminal Fund		<u>(69,326)</u>	
Total reconciling items		<u>(747,136)</u>	
Change in net assets		<u>\$ (706,696)</u>	

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 52 Project Fund** – accounts for the revenues and expenses for the extension of water lines along Highway 52 and Dennis Road.
- **Aquadale School Sewer Project Fund** – accounts for the revenues and expenses for the extension of a sewer line and construction of a pump station for Aquadale Elementary School.
- **Highway 24/27 Upgrade Project Fund** – accounts for the revenues and expenses for the upsizing of water lines along Highway 24/27.
- **Fork Road Water Line Project Fund** – accounts for the revenues and expenses for the extension of a water line to the Fork Road area.
- **Millingport Sewer Project Fund** – accounts for the revenues and expenses for the construction of a sewer line in the Millingport community.
- **Palestine Sewer Project Fund** – accounts for the revenues and expenses for the construction of a sewer line in the Palestine 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.
- **Airport Fencing Project Fund** – accounts for the revenues and expenses for the installation of perimeter fencing at the County's airport.
- **Airport Terminal Project Fund** – accounts for the revenues and expenses for improvements made to the airport terminal.

STANLY COUNTY, NORTH CAROLINA

HIGHWAY 52 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, 2008

	Project Authorization	Actual			Variance Positive (Negative)
		Prior Years	Current Year	Total to Date	
Expenditures:					
Professional services	\$ 97,601	\$ 97,601	\$ -	\$ 97,601	\$ -
Construction	<u>634,871</u>	<u>634,871</u>	<u>-</u>	<u>634,871</u>	<u>-</u>
Total expenditures	<u>732,472</u>	<u>732,472</u>	<u>-</u>	<u>732,472</u>	<u>-</u>
Other Financing Sources (Uses):					
Transfer to other funds	(47,528)	-	(47,528)	(47,528)	-
Transfer from General Fund	<u>780,000</u>	<u>780,000</u>	<u>-</u>	<u>780,000</u>	<u>-</u>
Total other financing sources	<u>732,472</u>	<u>780,000</u>	<u>(47,528)</u>	<u>732,472</u>	<u>-</u>
Other financing sources over (under) expenditures	<u>\$ -</u>	<u>\$ 47,528</u>	<u>\$ (47,528)</u>	<u>\$ -</u>	<u>\$ -</u>

STANLY COUNTY, NORTH CAROLINA

AQUADALE SCHOOL SEWER 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, 2008

	Project Authorization	Actual			Variance Positive (Negative)
		Prior Years	Current Year	Total to Date	
Revenues:					
Restricted Intergovernmental:					
State grant	\$ 1,000,000	\$ 997,738	\$ 2,262	\$ 1,000,000	\$ -
Total revenues	1,000,000	997,738	2,262	1,000,000	-
Expenditures:					
Professional services	251,412	248,600	2,812	251,412	-
Land purchase	500	500	-	500	-
Construction	900,375	898,638	1,737	900,375	-
Total expenditures	1,152,287	1,147,738	4,549	1,152,287	-
Revenues over (under) expenditures	(152,287)	(150,000)	(2,287)	(152,287)	-
Other Financing Sources:					
Transfer from General Fund	150,000	150,000	-	150,000	-
Transfer from Fork Road	2,287	-	2,287	2,287	-
Total other financing sources	152,287	150,000	2,287	152,287	-
Revenues and other financing sources over (under) expenditures	\$ -	\$ -	\$ -	\$ -	\$ -

STANLY COUNTY, NORTH CAROLINA

HIGHWAY 24/27 UPGRADE 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, 2008

	Actual			Variance Positive (Negative)	
	Project Authorization	Prior Years	Current Year		Total to Date
Expenditures:					
Construction	\$ 605,000	\$ -	\$ -	\$ -	\$ 605,000
Professional services	-	-	15,972	15,972	(15,972)
Total expenditures	<u>605,000</u>	<u>-</u>	<u>15,972</u>	<u>15,972</u>	<u>589,028</u>
Other Financing Sources:					
Transfer from General Fund	<u>605,000</u>	<u>605,000</u>	<u>-</u>	<u>605,000</u>	<u>-</u>
Total other financing sources	<u>605,000</u>	<u>605,000</u>	<u>-</u>	<u>605,000</u>	<u>-</u>
Other financing sources over (under) expenditures	<u>\$ -</u>	<u>\$ 605,000</u>	<u>\$ (15,972)</u>	<u>\$ 589,028</u>	<u>\$ 589,028</u>

STANLY COUNTY, NORTH CAROLINA

FORK ROAD WATER LINE 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, 2008

	<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:					
Golden Leaf grant	\$ 60,000	\$ 48,000	\$ -	\$ 48,000	(12,000)
USDA grant	99,100	95,712	3,388	99,100	-
Rural center grant	60,000	60,000	-	60,000	-
Tap fees	27,125	-	-	-	(27,125)
Donations	219,350	219,350	-	219,350	-
Total revenues	<u>465,575</u>	<u>423,062</u>	<u>3,388</u>	<u>426,450</u>	<u>(39,125)</u>
Expenditures:					
Professional services	50,575	48,101	-	48,101	2,474
Construction	424,350	384,311	-	384,311	40,039
Total expenditures	<u>474,925</u>	<u>432,412</u>	<u>-</u>	<u>432,412</u>	<u>42,513</u>
Revenues over (under) expenditures	<u>(9,350)</u>	<u>(9,350)</u>	<u>3,388</u>	<u>(5,962)</u>	<u>3,388</u>
Other Financing Sources:					
Intrafund transfer from Utility Fund	6,200	6,200	-	6,200	-
Transfer from CDBG Hook Up Project	3,150	3,150	-	3,150	-
Transfer to Utility Fund	-	-	(1,101)	(1,101)	(1,101)
Intrafund transfer to Aquadale Fund	-	-	(2,287)	(2,287)	(2,287)
Total other financing sources	<u>9,350</u>	<u>9,350</u>	<u>(3,388)</u>	<u>5,962</u>	<u>(3,388)</u>
Revenues and other financing sources over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

STANLY COUNTY, NORTH CAROLINA

MILLINGPORT SEWER 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, 2008

	Actual			Variance Positive (Negative)	
	Project Authorization	Prior Years	Current Year		Total to Date
Revenues:					
Restricted Intergovernmental:					
NC DOT Reimbursement	\$ 210,420	\$ -	\$ -	\$ -	\$ (210,420)
Total revenues	<u>210,420</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(210,420)</u>
Expenditures:					
Construction	1,200,000	735,875	5,122	740,997	459,003
Professional services	97,528	18,400	72,230	90,630	6,898
Capital outlay	<u>10,000</u>	<u>27,839</u>	<u>17,550</u>	<u>45,389</u>	<u>(35,389)</u>
Total expenditures	<u>1,307,528</u>	<u>782,114</u>	<u>94,902</u>	<u>877,016</u>	<u>430,512</u>
Revenues over (under) expenditures	<u>(1,097,108)</u>	<u>(782,114)</u>	<u>(94,902)</u>	<u>(877,016)</u>	<u>220,092</u>
Other Financing Sources:					
Transfer from General Fund	1,049,580	800,000	249,580	1,049,580	-
Transfer from Highway 52 Fund	<u>47,528</u>	<u>-</u>	<u>47,528</u>	<u>47,528</u>	<u>-</u>
Total other financing sources	<u>1,097,108</u>	<u>800,000</u>	<u>297,108</u>	<u>1,097,108</u>	<u>-</u>
Revenues and other financing sources over (under) expenditures	<u>\$ -</u>	<u>\$ 17,886</u>	<u>\$ 202,206</u>	<u>\$ 220,092</u>	<u>\$ 220,092</u>

STANLY COUNTY, NORTH CAROLINA

PALESTINE SEWER 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, 2008

	<u>Actual</u>				Variance Positive (Negative)
	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>	
Revenues:					
Restricted Intergovernmental:					
Rural Center grant	\$ 36,500	\$ 32,475	\$ 4,025	\$ 36,500	\$ -
Donations	35,549	35,549	-	35,549	-
Total revenues	<u>72,049</u>	<u>68,024</u>	<u>4,025</u>	<u>72,049</u>	<u>-</u>
Expenditures:					
Construction	<u>72,523</u>	<u>72,524</u>	<u>-</u>	<u>72,524</u>	<u>(1)</u>
Total expenditures	<u>72,523</u>	<u>72,524</u>	<u>-</u>	<u>72,524</u>	<u>(1)</u>
Revenues over (under) expenditures	<u>(474)</u>	<u>(4,500)</u>	<u>4,025</u>	<u>(475)</u>	<u>(1)</u>
Other Financing Sources:					
Transfer from General Fund	4,500	4,500	-	4,500	-
Transfer to Utility Fund	<u>(4,026)</u>	<u>-</u>	<u>(4,025)</u>	<u>(4,025)</u>	<u>1</u>
Total other financing sources	<u>474</u>	<u>4,500</u>	<u>(4,025)</u>	<u>475</u>	<u>1</u>
Revenues and other financing sources over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

STANLY COUNTY, NORTH CAROLINA

HIGHWAY 731 WATER PROJECT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP)
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2008

	<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	\$ 26,887	\$ (596,922)
Total revenues	<u>623,809</u>	<u>-</u>	<u>26,887</u>	<u>26,887</u>	<u>(596,922)</u>
Expenditures:					
Professional services	108,000	500	59,151	59,651	48,349
Construction	<u>548,970</u>	<u>397</u>	<u>-</u>	<u>397</u>	<u>548,573</u>
Total expenditures	<u>656,970</u>	<u>897</u>	<u>59,151</u>	<u>60,048</u>	<u>596,922</u>
Revenues over (under) expenditures	<u>(33,161)</u>	<u>(897)</u>	<u>(32,264)</u>	<u>(33,161)</u>	<u>-</u>
Other Financing Sources:					
Transfer from Badin Sewer Project Fund	<u>33,161</u>	<u>33,161</u>	<u>-</u>	<u>33,161</u>	<u>-</u>
Total other financing sources	<u>33,161</u>	<u>33,161</u>	<u>-</u>	<u>33,161</u>	<u>-</u>
Revenues and other financing sources over (under) expenditures	<u>\$ -</u>	<u>\$ 32,264</u>	<u>\$ (32,264)</u>	<u>\$ -</u>	<u>\$ -</u>

MORROW MOUNTAIN ROAD UTILITIES PROJECT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP)
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2008

		<u>Actual</u>			
	<u>Project</u>	<u>Prior</u>	<u>Current</u>	<u>Total to Date</u>	<u>Variance</u>
	<u>Authorization</u>	<u>Years</u>	<u>Year</u>		<u>Positive</u>
					<u>(Negative)</u>
Revenues:					
Restricted Intergovernmental:					
Rural Center grant	\$ 100,000	\$ -	\$ 100,000	\$ 100,000	\$ -
Sales and services					
Tap fees	<u>15,000</u>	<u>-</u>	<u>10,912</u>	<u>10,912</u>	<u>(4,088)</u>
Total revenues	<u>115,000</u>	<u>-</u>	<u>110,912</u>	<u>110,912</u>	<u>(4,088)</u>
Expenditures:					
Operating expense	13,500	-	19,985	19,985	(6,485)
Capital outlay	<u>196,500</u>	<u>-</u>	<u>185,927</u>	<u>185,927</u>	<u>10,573</u>
Total expenditures	<u>210,000</u>	<u>-</u>	<u>205,912</u>	<u>205,912</u>	<u>4,088</u>
Revenues over (under) expenditures	<u>(95,000)</u>	<u>-</u>	<u>(95,000)</u>	<u>(95,000)</u>	<u>-</u>
Other Financing Sources:					
Transfer from Utility Fund	<u>95,000</u>	<u>-</u>	<u>95,000</u>	<u>95,000</u>	<u>-</u>
Total other financing sources	<u>95,000</u>	<u>-</u>	<u>95,000</u>	<u>95,000</u>	<u>-</u>
Revenues and other financing sources over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

STANLY COUNTY, NORTH CAROLINA

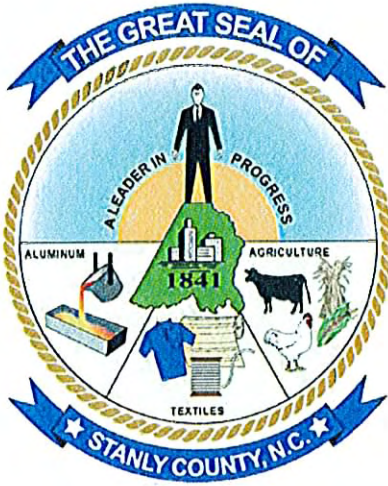
AIRPORT FENCING PROJECT FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP)
 FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2008

	Project Authorization	Actual		Total to Date	Variance Positive (Negative)
		Prior Years	Current Year		
Revenues:					
Restricted Intergovernmental:					
FAA grant	\$ 450,000	\$ 477,820	\$ -	\$ 477,820	\$ 27,820
Air guard	165,000	63,194	69,327	132,521	(32,479)
Total revenues	615,000	541,014	69,327	610,341	(4,659)
Expenditures:					
Professional services	-	31,511	-	31,511	(31,511)
Construction	595,673	559,503	-	559,503	36,170
Total expenditures	595,673	591,014	-	591,014	4,659
Revenues over (under) expenditures	19,327	(50,000)	69,327	19,327	-
Other Financing Sources (Uses):					
Transfer from airport fund	50,000	50,000	-	50,000	-
Transfer to Airport Terminal project	(69,327)	-	(69,327)	(69,327)	-
Total other financing sources (uses)	(19,327)	50,000	(69,327)	(19,327)	-
Revenues and other financing sources over (under) expenditures	\$ -	\$ -	\$ -	\$ -	\$ -

STANLY COUNTY, NORTH CAROLINA

AIRPORT TERMINAL 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, 2008

	Project Authorization	Actual			Variance Positive (Negative)
		Prior Years	Current Year	Total to Date	
Revenues:					
Restricted Intergovernmental:					
Vision Entitlement grant	\$ 150,000	\$ -	\$ -	\$ -	\$ (150,000)
FAA grant	195,000	-	-	-	(195,000)
Total revenues	345,000	-	-	-	(345,000)
Expenditures:					
Professional services	316,677	-	9,794	9,794	306,883
Construction	264,327	-	-	-	264,327
Total expenditures	581,004	-	9,794	9,794	571,210
Revenues over (under) expenditures	(236,004)	-	(9,794)	(9,794)	226,210
Other Financing Sources:					
Transfer from Airport Hangar project	158,000	157,745	-	157,745	(255)
Transfer from Airport Land Acquisition project	8,677	8,677	-	8,677	-
Transfer from Airport Fencing project	69,327	-	69,326	69,326	(1)
Total other financing sources	236,004	166,422	69,326	235,748	(256)
Revenues and other financing sources over (under) expenditures	\$ -	\$ 166,422	\$ 59,532	\$ 225,954	\$ 225,954



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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.

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, 2008

	<u>Financial Plan</u>	<u>Actual</u>	<u>Variance</u>
Operating Revenues:			
Charges for sales and services	\$ 3,808,000	\$ 3,946,425	\$ 138,425
Total operating revenues	<u>3,808,000</u>	<u>3,946,425</u>	<u>138,425</u>
Operating Expenses:			
Group health operations	3,466,337	3,220,468	245,869
Worker's compensation claims	401,663	260,928	140,735
Total operating expenditures	<u>3,868,000</u>	<u>3,481,396</u>	<u>386,604</u>
Operating income (loss)	(60,000)	465,029	525,029
Nonoperating Revenues:			
Investment earnings	<u>60,000</u>	<u>88,433</u>	<u>28,433</u>
Change in net assets	<u>\$ -</u>	<u>553,462</u>	<u>\$ 553,462</u>
Net assets, beginning of year - July 1		<u>564,003</u>	
Net assets, end of year - June 30		<u>\$ 1,117,465</u>	

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

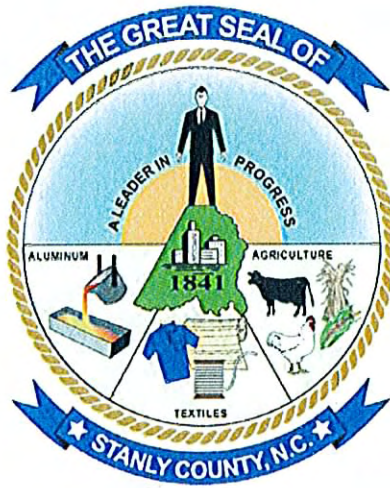
COMBINING SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2008

	<u>Balance June 30, 2007</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2008</u>
Protective Payee Fund:				
Assets:				
Cash and cash equivalents	\$ 33,250	\$ 134,521	\$ 144,423	\$ 23,347
Liabilities:				
Client equity	\$ 33,250	\$ 134,521	\$ 144,423	\$ 23,347
Fines and Forfeitures:				
Assets:				
Cash and cash equivalents	\$ -	\$ 760,205	\$ 760,205	\$ -
Liabilities:				
Accounts payable	\$ -	\$ 760,205	\$ 760,205	\$ -
Sheriff's Execution:				
Assets:				
Cash and cash equivalents	\$ 3,969	\$ 120,760	\$ 113,741	\$ 10,988
Inmate cash	2,476	96,202	95,656	3,021
Total Assets	<u>\$ 6,445</u>	<u>\$ 216,962</u>	<u>\$ 209,397</u>	<u>\$ 14,009</u>
Liabilities:				
Executions payable	\$ 3,969	\$ 120,760	\$ 113,741	\$ 10,988
Inmate equity	2,476	96,202	95,656	3,021
Total Liabilities	<u>\$ 6,445</u>	<u>\$ 216,962</u>	<u>\$ 209,397</u>	<u>\$ 14,009</u>

STANLY COUNTY, NORTH CAROLINA

COMBINING SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2008

	<u>Balance June 30, 2007</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2008</u>
Property Tax Clearing Fund:				
Assets:				
Cash and cash equivalents	\$ 100,502	\$ 8,839,236	\$ 8,826,122	\$ 113,616
Liabilities:				
Accounts payable	\$ 100,502	\$ 8,839,236	\$ 8,826,122	\$ 113,616
Delinquent Vehicle Tax Fund:				
Assets:				
Cash and cash equivalents	\$ 2,365	\$ 39,971	\$ 39,263	\$ 3,073
Liabilities:				
Due Department of State Treasurer	\$ 2,365	\$ 39,971	\$ 39,263	\$ 3,073
Totals:				
Assets:				
Cash and cash equivalents	\$ 140,086	\$ 9,894,693	\$ 9,883,755	\$ 151,024
Inmate cash	2,476	96,202	95,656	3,021
Total assets	<u>\$ 142,561</u>	<u>\$ 9,990,895</u>	<u>\$ 9,979,411</u>	<u>\$ 154,045</u>
Liabilities:				
Accounts payable and future payments	\$ 106,836	\$ 8,999,967	\$ 8,979,127	\$ 127,676
Client and inmate payable	35,726	230,723	240,079	26,369
Total liabilities	<u>\$ 142,562</u>	<u>\$ 9,230,690</u>	<u>\$ 9,219,206</u>	<u>\$ 154,045</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, 2008

Fiscal Year	Uncollected Balance June 30, 2007	Additions	Collections and Credits	Uncollected Balance June 30, 2008
2007-2008	\$ -	\$ 27,427,554	\$ 26,505,922	\$ 921,632
2006-2007	915,560	35,207	625,826	324,941
2005-2006	355,602	34,798	173,564	216,836
2004-2005	273,044	18,504	128,038	163,510
2003-2004	176,712	-	45,253	131,459
2002-2003	142,339	-	26,435	115,904
2001-2002	108,615	-	13,777	94,838
2000-2001	79,099	-	8,147	70,952
1999-2000	58,597	-	6,272	52,325
1998-1999	50,406	-	5,620	44,786
1997-1998	53,346	-	4,772	48,574
1996-1997	41,507	-	41,507	-
Districts over 3 years old	49,446	14,550	13,058	50,938
	<u>\$ 2,304,273</u>	<u>\$ 27,530,613</u>	<u>\$ 27,598,191</u>	2,236,695
				(354,702)
				<u>\$ 1,881,993</u>
				<u>\$ 27,528,157</u>
				(19,663)
				12,393
				(58,705)
				(253,839)
				295,902
				(20,281)
				70,751
				<u>43,476</u>
				<u>\$ 27,598,191</u>

Less allowance for uncollectible accounts - General Fund

Ad valorem taxes receivable, net

Reconciliation with revenues:

Ad valorem taxes - General Fund

Reconciling items:

Animal tax	(19,663)
Refunds	12,393
Collection fees	(58,705)
Interest collected	(253,839)
Discounts allowed	295,902
Late listings	(20,281)
Releases	70,751
Statute of limitations	<u>43,476</u>

Total collections and credits

STANLY COUNTY, NORTH CAROLINA

ANALYSIS OF CURRENT TAX LEVY - COUNTY-WIDE LEVY
FOR THE YEAR ENDED JUNE 30, 2008

	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	\$ 159,109,417	0.6450	\$ 1,026,272	\$ -	\$ 1,026,272
Property taxed at prior year's rate	3,934,713,582	0.6700	26,362,631	24,512,019	1,850,612
Penalties	-		22,387	22,387	-
Total original levy	4,093,822,999		27,411,290	24,534,406	2,876,884
Discoveries:					
Current year rate	998,804	0.6450	6,442	-	6,442
Prior year rate	9,910,904	0.6700	66,403	53,880	12,523
Penalties	-		1,171	1,171	-
Penalties prior year rate	-		2,876	2,876	-
Prior year taxes	-		25,665	25,665	-
Total discoveries	10,909,708		102,557	83,592	18,965
Releases:					
Current year rate	(2,702,383)	0.6450	(17,430)	-	(17,430)
Prior year rate	(9,404,519)	0.6700	(63,010)	(27,674)	(35,336)
Penalties	-		(5,853)	(5,853)	-
Penalties prior year rate	-		-	-	-
Total releases	(12,106,902)		(86,293)	(33,527)	(52,766)
Net assessed valuation	\$ 4,092,625,805				
Net Levy			27,427,554	24,584,471	2,843,083
Uncollected taxes , June 30			921,632	641,716	279,916
Current year's taxes collected			<u>\$ 26,505,922</u>	<u>\$ 23,942,755</u>	<u>\$ 2,563,167</u>
Current levy collection percentage rate			<u>96.64%</u>	<u>97.39%</u>	<u>90.15%</u>

STANLY COUNTY, NORTH CAROLINA

ANALYSIS OF CURRENT TAX LEVY - COUNTY-WIDE LEVY
FOR THE YEAR ENDED JUNE 30, 2008

Secondary Market Disclosures:

Assessed valuation:	
Assessment ratio	100%
Real property	\$ 3,554,329,144
Personal property	434,119,760
Public service	<u>104,176,901</u>
Total assessed value	4,092,625,805
Tax rate per \$100	0.6700
Levy (includes discoveries, releases, and abatements)	<u>\$ 27,427,554</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>\$ 1,702,036</u>
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STATISTICAL SECTION

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

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

Net Assets by Component	Table 1
Changes in Net Assets	Table 2
Fund Balances of Governmental Funds	Table 3
Changes in Fund Balances of Governmental Funds	Table 4

Revenue Capacity – These tables contain information to help the reader assess the government’s most significant local revenue source, the property tax.

Governmental Activities Tax Revenue by Source	Table 5
General Governmental Tax Revenues by Source	Table 6
Assessed Value and Estimated Actual Value of Taxable 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 Six Fiscal Years
(accrual basis of accounting)

	Fiscal Year					
	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Governmental activities						
Invested in capital assets, net of related debt	\$ 10,698,835	\$ 10,887,087	\$ 11,200,155	\$ 12,190,805	\$ 9,896,831	\$ 13,933,344
Restricted	55,304	61,691	50,431	71,510	121,967	65,839
Unrestricted	<u>(3,610,061)</u>	<u>(3,189,828)</u>	<u>(4,783,194)</u>	<u>(3,676,463)</u>	<u>1,856,585</u>	<u>1,284,464</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>	<u>\$ 11,875,383</u>	<u>\$ 15,283,647</u>
Business-type activities						
Invested in capital assets, net of related debt	\$ 23,832,478	\$ 29,165,629	\$ 30,444,727	\$ 30,892,567	\$ 34,317,479	\$ 33,344,464
Unrestricted	<u>4,133,013</u>	<u>1,305,445</u>	<u>576,013</u>	<u>2,176,979</u>	<u>2,198,765</u>	<u>2,532,023</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>	<u>\$ 36,516,244</u>	<u>\$ 35,876,487</u>
Primary government						
Invested in capital assets, net of related debt	\$ 34,531,313	\$ 40,052,716	\$ 41,644,882	\$ 43,083,372	\$ 44,214,310	\$ 47,277,808
Restricted	55,304	61,691	50,431	71,510	121,967	65,839
Unrestricted	<u>522,952</u>	<u>(1,884,383)</u>	<u>(4,207,181)</u>	<u>(1,499,484)</u>	<u>4,055,350</u>	<u>3,816,487</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>	<u>\$ 48,391,627</u>	<u>\$ 51,160,134</u>

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

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

Expenses	Fiscal Year					
	2003	2004	2005	2006	2007	2008
Governmental activities:						
General government	\$ 3,681,482	\$ 3,943,999	\$ 7,211,199	\$ 4,507,077	\$ 4,763,517	\$ 5,563,922
Public safety	8,501,449	9,208,320	10,271,412	10,901,818	11,144,226	12,089,074
Transportation	615,484	627,172	722,422	799,798	814,513	850,441
Environmental protection	793,220	867,293	899,015	927,806	1,000,097	1,031,633
Economic and physical development	1,352,313	1,282,716	1,529,470	2,001,170	1,888,101	2,344,873
Human services	13,141,648	13,402,271	14,330,481	15,746,398	16,379,896	16,086,711
Education	18,425,835	14,665,895	16,478,097	14,524,281	14,888,711	14,267,912
Culture and recreation	1,545,035	1,509,613	1,384,589	1,552,261	1,668,597	1,800,314
Interest on long-term debt	1,356,195	1,201,997	1,136,626	1,085,577	1,234,712	1,193,541
Total governmental activities expenses	<u>49,412,661</u>	<u>46,709,276</u>	<u>53,963,311</u>	<u>52,046,186</u>	<u>53,782,370</u>	<u>55,228,419</u>
Business-type activities:						
Water and sewer	2,728,878	2,852,826	3,127,806	2,852,463	2,857,210	3,377,002
Airport	1,188,525	1,377,782	1,444,977	1,445,778	1,670,370	1,588,558
Total business-type activities	<u>3,917,403</u>	<u>4,230,608</u>	<u>4,572,783</u>	<u>4,298,241</u>	<u>4,527,580</u>	<u>4,965,560</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>	<u>\$ 58,309,950</u>	<u>\$ 60,193,979</u>
Program Revenues						
Governmental activities:						
Charges for services:						
General government	\$ 565,380	\$ 596,905	\$ 4,261,895	\$ 1,668,751	\$ 1,579,480	\$ 1,668,625
Public safety	2,278,536	2,120,800	1,824,146	2,022,339	2,396,682	2,579,945
Transportation	243,890	266,612	304,235	303,563	312,282	375,280
Environmental protection	714,625	706,657	769,537	740,437	857,834	848,824
Economic and physical development	32,612	28,230	6,625	13,081	12,480	23,135
Human services	941,148	1,647,522	1,698,934	1,910,676	2,157,094	1,894,767
Culture and recreation	121,043	96,867	24,497	27,714	36,857	79,893
Operating grants and contributions	8,250,279	7,996,207	8,458,500	11,035,610	8,832,742	9,111,529
Capital grants and contributions	1,059,978	53,048	29,503	164,368	1,842,159	986,481
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>	<u>18,027,610</u>	<u>17,568,479</u>
Business-type activities:						
Charges for services:						
Water and sewer	2,252,317	2,415,287	2,535,305	2,762,650	2,725,228	3,004,732
Airport	251,514	261,181	334,406	397,830	429,644	457,087
Operating grants and contributions	-	-	-	-	-	17,949
Capital grants and contributions	2,293,083	3,142,125	1,789,803	1,007,601	3,757,664	216,801
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>	<u>6,912,536</u>	<u>3,696,569</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>	<u>\$ 24,940,146</u>	<u>\$ 21,265,048</u>
Net (expense)/revenue						
Governmental activities	<u>\$(35,205,170)</u>	<u>\$(33,196,428)</u>	<u>\$(36,585,439)</u>	<u>\$(34,159,647)</u>	<u>\$(35,754,760)</u>	<u>\$(37,659,940)</u>
Business-type activities	<u>879,511</u>	<u>1,587,985</u>	<u>86,731</u>	<u>(130,160)</u>	<u>2,384,956</u>	<u>(1,268,991)</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>	<u>\$(33,369,804)</u>	<u>\$(38,928,931)</u>

**General Revenues and Other Changes in
Net Assets**

	Fiscal Year					
	2003	2004	2005	2006	2007	2008
Governmental activities:						
Taxes						
Ad valorem taxes	\$ 24,929,899	\$ 25,024,239	\$ 25,255,507	\$ 27,029,395	\$ 27,468,013	\$ 29,160,452
Local option sales tax	7,097,667	8,684,938	9,407,446	9,922,637	10,605,369	10,695,767
Other taxes	416,498	491,953	523,941	557,210	579,632	574,991
Unrestricted grants and contributions	12,226	5,936	-	-	-	-
Interest earned on investments	255,131	246,635	294,656	921,555	1,393,065	1,235,530
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)	(1,001,788)	(598,536)
Total governmental activities	<u>31,677,404</u>	<u>33,811,300</u>	<u>35,293,881</u>	<u>36,278,107</u>	<u>39,044,291</u>	<u>41,068,204</u>
Business-type activities:						
Ad valorem taxes	85	-	-	-	-	-
Interest earned on investments	26,163	12,749	25,319	26,276	59,954	30,698
Miscellaneous	114,010	-	-	-	-	-
Gain (loss) on sale of capital assets	(155,210)	-	-	-	-	-
Transfers in (out)	973,724	904,849	437,616	2,152,690	1,001,788	598,536
Total business-type activities	<u>958,772</u>	<u>917,598</u>	<u>462,935</u>	<u>2,178,966</u>	<u>1,061,742</u>	<u>629,234</u>
Total primary government	<u>\$ 32,636,176</u>	<u>\$ 34,728,898</u>	<u>\$ 35,756,816</u>	<u>\$ 38,457,073</u>	<u>\$ 40,106,033</u>	<u>\$ 41,697,438</u>
Change in Net Assets						
Governmental activities	\$ (3,527,766)	\$ 614,872	\$ (1,291,558)	\$ 2,118,460	\$ 3,289,531	\$ 3,408,264
Business-type activities	1,838,283	2,505,583	549,666	2,048,806	3,446,698	(639,757)
Total primary government	<u>\$ (1,689,483)</u>	<u>\$ 3,120,455</u>	<u>\$ (741,892)</u>	<u>\$ 4,167,266</u>	<u>\$ 6,736,229</u>	<u>\$ 2,768,507</u>

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

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

	Fiscal Year					
	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
General Fund						
Reserved	\$ 3,689,921	\$ 4,549,925	\$ 5,575,709	\$ 4,206,084	\$ 5,249,619	\$ 3,590,746
Unreserved	<u>10,560,386</u>	<u>10,601,862</u>	<u>10,931,952</u>	<u>11,756,250</u>	<u>12,250,938</u>	<u>15,452,332</u>
Total General Fund	<u>\$ 14,250,307</u>	<u>\$ 15,151,787</u>	<u>\$ 16,507,661</u>	<u>\$ 15,962,334</u>	<u>\$ 17,500,557</u>	<u>\$ 19,043,078</u>
All other governmental funds						
Reserved	\$ -	\$ 27,119	\$ 24,928	\$ 59,382	\$ 105,640	\$ 30,977
Unreserved, reported in:						
Special revenue funds	6,023,236	3,967,446	590,577	482,567	464,056	514,312
Capital projects funds	<u>-</u>	<u>400,658</u>	<u>208,637</u>	<u>665,307</u>	<u>3,554,882</u>	<u>-</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>	<u>\$ 4,124,578</u>	<u>\$ 545,289</u>

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

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

	Fiscal Year					
	2003	2004	2005	2006	2007	2008
Revenues						
Ad valorem taxes	\$ 24,644,601	\$ 24,978,882	\$ 25,328,973	\$ 26,829,328	\$ 27,519,067	\$ 29,225,384
Local option sales taxes	7,097,665	8,684,938	9,407,446	9,922,637	10,605,369	10,695,767
Other taxes and licenses	416,501	570,076	523,941	557,210	579,632	574,991
Unrestricted intergovernmental	12,226	5,936	5,763	6,080	5,657	8,173
Restricted intergovernmental	8,301,818	7,627,446	8,250,771	10,365,169	10,258,260	9,664,623
Permits and fees	468,084	915,083	750,320	813,844	927,965	945,668
Sales and services	4,794,619	4,626,431	4,897,601	5,734,916	5,984,898	6,087,739
Investment earnings	391,940	229,301	286,217	827,006	1,286,592	1,146,477
Miscellaneous	495,751	528,194	748,556	834,809	706,272	714,807
Total revenues	46,623,205	48,166,287	50,199,588	55,890,999	57,873,712	59,063,629
Expenditures						
General government	3,169,773	3,332,574	3,664,082	3,933,312	4,219,004	5,183,353
Public safety	8,487,712	8,681,718	9,779,612	10,245,837	13,933,485	14,967,299
Transportation	477,461	543,815	627,756	712,320	732,129	797,230
Environmental protection	789,005	873,394	895,520	923,604	975,779	1,026,214
Economic and physical development	1,157,470	1,292,366	1,525,184	2,005,105	1,912,875	2,348,929
Human services	13,243,827	13,370,134	14,307,611	15,729,303	16,415,126	16,202,140
Education	18,425,835	14,665,894	16,290,282	14,318,186	14,888,711	11,156,431
Culture and recreation	1,319,469	1,301,922	1,393,480	1,449,484	1,468,388	1,604,432
Capital Outlay	1,447,520	1,357,952	1,021,639	2,150,608	678,811	4,275,976
Debt service						
Principal	1,253,005	1,253,005	1,319,567	1,333,098	1,530,401	1,728,156
Interest and other charges	1,323,627	1,315,197	1,152,446	1,099,665	1,161,670	1,211,702
Total expenditures	51,094,704	47,987,971	51,977,179	53,900,522	57,916,379	60,501,862
Excess of revenues over (under) expenditures	(4,471,499)	178,316	(1,777,591)	1,990,477	(42,667)	(1,438,233)
Other financing sources (uses)						
Debt Proceeds	-	-	-	-	5,500,000	-
Transfers from other funds	1,042,813	420,000	90,561	580,000	245,167	595,036
Transfers to other funds	(2,016,537)	(1,324,849)	(528,177)	(2,732,690)	(1,246,955)	(1,193,572)
Sale of capital assets	26,781	-	-	-	-	-
Total other financing sources (uses)	(946,943)	(904,849)	(437,616)	(2,152,690)	4,498,212	(598,536)
Net change in fund balances	\$ (5,418,442)	\$ (726,533)	\$ (2,215,207)	\$ (162,213)	\$ 4,455,545	\$ (2,036,769)
Debt services as a percentage of noncapital expenditures	5.2%	5.5%	4.9%	4.7%	4.7%	5.3%

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

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

Fiscal Year	Property Tax	Sales Tax	Franchise Tax	Occupancy Tax	Property Excise Tax	Intangible Tax	Other Tax	Total
1999	\$ 16,218,662	\$ 6,995,893	\$ 57,760	\$ -	\$ 125,186	\$ 490,287	\$ -	\$ 23,887,788
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

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>Other Tax</u>	<u>Total</u>
1999	\$ 16,218,662	\$ 6,995,893	\$ 57,760	\$ -	\$ 125,186	\$ 490,287	\$ -	\$ 23,887,788
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

Stanly County, North Carolina
Assessed Value and Estimated Actual Value of Taxable Property
Last Seven 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%

Source: Stanly County Tax Assessor

Note: Data not available before Fiscal Year 2002.

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

Fiscal Year Ended June 30	Locust 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
1999	0.0600	0.0500	0.0400	0.0500	0.0500	0.0800	0.0400	0.0500
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

	Stanly County	City of Albemarle	Town of Oakboro	Town of Badin	Town of Norwood	Town of Locust	Stanfield Annex	Town of Stanfield
1998	0.6675	0.5600	0.4700	0.2400	0.4000	0.3200	N/A	0.3700
1999	0.6675	0.5600	0.4700	0.2400	0.4000	0.3200	N/A	0.3700
2000	0.6975	0.5800	0.4700	0.2400	0.4000	0.3200	N/A	0.4000
2001	0.7575	0.6100	0.4400	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

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.

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).

Table 8

Southside Fire District	Rocky River District	Bethany Fire District	Richfield Fire District	Millingport Fire District	Badin-Yakin Fire District	Piney Point Water District
0.1000	0.0600	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	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

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	N/A	0.0400	0.7675	1.2275
0.1600	0.1600	N/A	N/A	N/A	0.1000	N/A	0.7675	1.2275
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

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

<u>Taxpayer</u>	<u>2008</u>			<u>1999</u>		
	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total Taxable Assessed Value</u>	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total Taxable Assessed Value</u>
APGI	\$ 47,715,629	1	1.17%			
Michelin Aircraft Tire Co.	37,528,311	2	0.92%	21,927,670	3	0.94%
Alcoa	30,443,079	3	0.75%	71,326,276	1	3.07%
Duke Energy	29,852,462	4	0.73%	21,639,786	5	0.93%
Union Electric	26,294,476	5	0.65%	11,107,469	9	0.48%
Fiber Composites	24,014,148	6	0.59%			
Concord Telephone Co.	15,345,975	7	0.38%	14,161,431	8	0.61%
Preformed Line Prod	14,811,569	8	0.36%			
Wiscassett Mills	14,744,677	9	0.36%	17,764,988	6	0.76%
Wal Mart	14,713,896	10	0.36%			
Piedmont Natural Gas						
Yadkin Inc.				32,262,978	2	1.39%
Collina and Aikman				21,724,855	4	0.93%
General Signal Ind., Inc.				15,931,815	7	0.69%
Albemarle Fiber and Finishing				10,470,052	10	0.45%
E.J. Snyder, Inc.						
Totals	<u>\$ 255,464,222</u>		<u>6.28%</u>	<u>\$ 238,317,320</u>		<u>10.25%</u>

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
1999	\$15,584,334	\$ 15,021,386	96.39%	\$ 542,942	\$ 15,564,328	99.87%
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	100.46%
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	100.22%
2008	27,427,554	26,505,922	96.64%	974,054	27,479,976	100.19%

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	General Obligation Bonds	Capital Leases	Revolving Loan			
1999	\$ -	\$ 4,394,295	\$ 2,934,600	\$ 955,789	\$ -	\$ 8,284,684	0.76%	\$ 148.99
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

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>
1999	\$ 2,934,600	0.12%	\$ 52.77
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

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, 2008

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Stanly County	\$ 20,400,000	100%	\$ 20,400,000
City of Albemarle	630,000	100%	630,000
Town of Richfield	10,500	100%	<u>10,500</u>
Total direct and overlapping debt			<u>\$ 21,040,500</u>



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

	Fiscal Year			
	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>
Debt limit	\$185,924,795	\$ 194,275,355	\$ 198,639,178	\$ 244,327,835
Total net debt applicable to limit	<u>4,394,295</u>	<u>4,058,436</u>	<u>19,999,754</u>	<u>28,732,926</u>
Legal debt margin	<u>\$181,530,500</u>	<u>\$ 190,216,919</u>	<u>\$ 178,639,424</u>	<u>\$ 215,594,909</u>
Total net debt applicable to the limit as a percentage of debt limit	2.36%	2.09%	10.07%	11.76%

Legal Debt Margin Calculation for Fiscal Year 2008

Assessed value	<u>\$ 4,092,625,805</u>
Debt limit - 8% of assessed value	327,410,064
Debt applicable to limit:	
General obligation bonds	\$ 20,400,000
Revolving loan	272,773
Capital lease obligation	5,543,909
Total debt	<u>\$ 26,216,682</u>
Less-Statutory deductions	690,308
Total amount of debt applicable to debt limit	<u>25,526,374</u>
Legal debt margin	<u>\$ 301,883,690</u>

Table 14

Fiscal Year					
<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
\$282,142,285	\$282,534,541	\$284,957,574	\$314,713,191	\$319,453,600	\$327,410,064
<u>24,600,000</u>	<u>23,700,000</u>	<u>22,800,000</u>	<u>23,284,931</u>	<u>27,254,530</u>	<u>25,526,374</u>
<u>\$257,542,285</u>	<u>\$258,834,541</u>	<u>\$262,157,574</u>	<u>\$291,428,260</u>	<u>\$292,199,070</u>	<u>\$301,883,690</u>
8.72%	8.39%	8.00%	7.40%	8.53%	7.80%

**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	55,606	\$1,085,929,574	\$ 19,529	36.5	10,189	3.6%
2000	57,214	1,184,558,656	20,704	37.0	10,187	4.0%
2001	58,100	1,325,609,600	22,816	37.0	10,186	7.6%
2002	58,792	1,357,507,280	23,090	37.2	10,204	8.3%
2003	58,794	1,311,517,758	22,307	37.2	10,184	9.1%
2004	59,060	1,355,604,180	22,953	36.9	9,903	7.2%
2005	59,078	1,379,707,612	23,354	36.9	9,868	5.9%
2006	58,912	1,452,298,624	24,652	38.0	9,588	5.5%
2007	59,126	1,552,116,626	26,251	38.2	9,687	4.9%
2008	60,470	1,682,517,280	27,824	39.0	9,650	5.8%

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	2008		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>
Stanly County Schools	1,443	1	4.87%
Stanly Regional Medical Center	757	2	2.55%
Stanly County Government	599	3	2.02%
Collins & Aikman	450	4	1.52%
Michelin Aircraft	360	5	1.21%
Wal-Mart	325	6	1.10%
Albemarle Correctional	317	7	1.07%
City of Albemarle	295	8	1.00%
Shult Manufacturing	260	9	0.88%
Clayton Mobile Homes	<u>204</u>	10	0.69%
Total	<u>5,010</u>		<u>16.91%</u>

Source: Stanly County Economic Development Commission

Note: Data not available for 1999.

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

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

Note: Data not available before Fiscal Year 2000

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

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

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 Three Fiscal Years**

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

Sources: Various departments

Note: This data not available before Fiscal Year 2006.