



# ANNUAL COMPREHENSIVE FINANCIAL REPORT

FISCAL YEAR ENDING JUNE 30, 2023



**Stanly County,**

North Carolina

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## **Annual Comprehensive Financial Report**

For the Fiscal Year Ended June 30, 2023

**Prepared by the Stanly County Finance Department:**

Toby R. Hinson, Finance Director

Melissa G. Efird, Deputy Financial Director/Accountant

Lora M. Lee, Senior Finance Technician

Donna S. Clayton, Finance Technician (AP)

Jana S Morton, Finance Technician (Payroll)

Mitzi S. Phillips, Finance Technician (AR)



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**STANLY COUNTY, NORTH CAROLINA**  
**ANNUAL COMPREHENSIVE FINANCIAL REPORT**  
**For the Year Ended June 30, 2023**  
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# **INTRODUCTORY SECTION**

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October 11, 2023

The Board of County Commissioners  
Stanly County, North Carolina:

The Annual Comprehensive Financial Report of Stanly County for the fiscal year ended June 30, 2023 is hereby submitted. The County is responsible for the accuracy, completeness, and fairness of the presentation, including all disclosures. The data presented is materially accurate and the financial statements fairly present the County's financial position as measured by activity in the various funds. All disclosures have been included as necessary to enable the reader to understand the County's financial activities.

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

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

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Finance

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

## DESCRIPTION OF COUNTY

Stanly County is located in south central North Carolina, bounded on the east by the Pee Dee River. The County seat of Albemarle is approximately 40 miles northeast of the Charlotte metro area. The County has a population of 64,153 and a moderate population density of over 160 people per square mile. The County's average annual household income is \$73,585 and the unemployment rate has fallen to 3.2%. The largest industry sectors that drive the local economy are manufacturing, retail trade, and health services.

The entire eastern boundary of the County consists of Badin Lake and Lake Tillery. Badin Lake is a recreational facility that is peaceful in beautiful natural surroundings where families can enjoy skiing, swimming, boating and fishing. Lake Tillery is a 5,000-acre lake with a one hundred four (104) mile shoreline that serves recreational and residential needs of the area. Lake Tillery also serves as the reservoir for the Tillery Hydroelectric Plant on the Pee Dee River. The Morrow Mountain State Park is bounded on two sides by Lake Tillery and covers 4,545 acres of the ancient Uwharrie Mountains. This beautiful park is an important tourist attraction for the County.

## DESCRIPTION OF GOVERNMENT

Stanly County is governed by a commission/manager form of government. The Board is made up of seven commissioners elected to four-year staggered terms. The County provides a full range of services as follows: public safety (law enforcement, detention facilities, funds for fire protection in unincorporated areas, building inspection, emergency medical services, and E-911 emergency telephone service); human services (social services, public health, senior services, and veterans services); culture and recreation (library, historic museum, and civic center); environmental protection (soil and water conservation services, solid waste collection, and disposal services); public utilities (water and sewer services); airport services; and general government services. In addition, the County provides financial support to the Stanly County Board of Education, Stanly Community College, and Partners Health Management.

## EDUCATIONAL INSTITUTIONS

Educational institutions include Pfeiffer University, Stanly Community College, and the Stanly County Public School System. Pfeiffer University, founded in 1885, is a four-year college that offers accredited undergraduate degree programs in thirty different majors, day and evening classes, and continuing education courses at all of its campuses. Pfeiffer's Charlotte campus offers dynamic, career-enhancing degree completion and graduate programs.

Stanly Community College is a public community college in Albemarle. It is part of the North Carolina Community College System. It has a satellite campus in Locust and is accredited by the Southern Association of Colleges and Schools. The college serves over 10,000 students annually in associate degree, diploma, certificate, general education, occupational training, adult literacy, and a comprehensive online degree program.

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

Stanly County has maintained steady economic growth over the past twelve (12) months. Data reveals a strong local economy which continues to trend in a positive direction, with median individual and household incomes, property values, and sales tax revenues increasing in the past year. Stanly County's unemployment rate regularly outperforms the region, state, and nation, and labor force participation continues to incrementally increase.

Sales tax is a key indicator as it directly correlates to consumer spending. Sales tax revenue increased to \$19.8 million in FY 22-23 compared to \$18.3 million in FY 21-22.

Stanly County continues to maintain a very low inventory of available industrial sites and buildings. In 2017, the County purchased 76 acres of property in western Stanly with the vision of developing a publicly-owned industrial park for light manufacturing projects in a rapidly growing area of the County. Located approximately twelve (12) miles from I-485, the Riverstone Industrial Park is well positioned to compete for projects that are interested in locating to the Charlotte region. The first landed project at Riverstone was announced in April 2021, when Long Island-based American Racing Headers announced plans to relocate its high-performance automotive parts manufacturing facility to Riverstone. The company broke ground on its approximate 40,000 square foot facility in July 2022. They have since successfully taken occupancy of the new facility. They are now manufacturing exclusively in Stanly County and have shuttered their New York facility. In 2021, Stanly County was awarded grant funds to support the Phase II infrastructure improvements from the Golden LEAF Foundation and the North Carolina Rural Infrastructure Authority. These improvements include a water line extension and road improvements that were completed in summer 2023. We continue to seek opportunities to develop additional products to improve real estate options for economic development projects.

Stanly County's assessed valuation (tax base) is projected to increase by \$563 million (9%) in FY 2023-2024, and the real and business personal property ad valorem tax revenue is based on a collection rate of 98.04%. The motor vehicle property tax revenue is based on a collection rate of 99.6%. One penny on the tax rate will generate approximately \$675,181 in FY 2023-2024.

## LONG TERM FINANCIAL PLANNING

Available fund balance in the General Fund continues to be above the 8% minimum recommended for local governments in North Carolina. Available fund balance in the General Fund increased by \$9,280,649 for FY 23 while total fund balance increased by \$9,997,484. This is primarily due to a large increase in ad valorem tax of just over \$3,225,000 or 8.7% and an increase of nearly \$1.46 million or 8% in sales tax revenues while experiencing only a 1.45% increase in expenditures.

Generally, low-cost capital projects have been paid on a pay-as-you-go basis from fund balance. The County has started seeking financing for certain capital projects instead of using fund balance. During Fiscal Year 22-23, the County financed the purchase of eight new Sheriff's vehicles. The County also financed the construction of an educational trades

facility located on the campus of Stanly Community College with the amount financed being at \$11.4 million. This is a one-story, 33,210 square-foot facility located on approximately 3.6 acres located west of the existing Morton-Moffitt Cosmetology Center.

## MAJOR INITIATIVES

During Fiscal Year 2023, the engineering work was completed and construction has begun on this facility at Stanly Community College. This facility will house programs for mechanical, plumbing, industrial technology, welding, CNC machining, electrical and general construction. The total cost of the project to include engineering and construction is estimated to be \$12.25 million. However, the County has utilized a pay-as-you-go approach to the engineering and soft costs. As such, the loan amount for construction and contingency is \$11.4 million. There were various improvements made at County facilities which include a camera upgrade for the Jail, installed new flooring in the public health clinic, voting equipment upgrade for Elections, upgraded current phone system to a Zoom cloud-based system, started paving a new parking lot across from the Courthouse, and completed the lobby floor renovation at the Agri-Civic Center.

## UTILITIES

Stanly County Utilities is responsible for the distribution of nearly 2.0 million gallons of drinking water each day to over 6,500 homes, schools, churches and businesses in Stanly County. Stanly County Utilities operates as three systems – Stanly County, Greater Badin Water & Sewer District and Piney Point Water District. Stanly County Utilities also provides wastewater collection and treatment to over 500 customers in Stanly County.

The Utility projects that were completed during Fiscal Year 22-23 include the Badin Inn Water Extension, Millingport Road Transmission Project, and the Construction of a pump station in the Palestine community. Also, there was a Countywide water master plan completed during the fiscal year. The County Commissioners created the Stanly Water and Sewer Authority in 2006 as a tool for securing grant funding, and as a means of completing water line installation. The Authority is still in the engineering portion of Phase IV Waterline Extension which will bring new customers to the Northeastern section of the County.

## AIRPORT

The Stanly County Airport is located five (5) miles northeast of Albemarle near the community of Palestine. The airport, which was dedicated in 1979, is a general aviation facility that can accommodate various categories of aircraft. The airport's primary runway is 5,500 x 100 feet and the secondary runway is 3,500 x 75 feet. Both runways are lit with pilot-controlled capability, the primary runway and taxiways having LED lighting and signage. The airport is home to a number of units of the North Carolina Air National Guard that are subordinate units of the 145<sup>th</sup> Airlift Wing based at Charlotte-Douglas International Airport. Air traffic control and fire/crash/rescue services are provided by the Air National Guard. The North Carolina Division of Emergency Management has a forward storage facility adjacent to the airport and there is approximately eight acres of ramp space capable of supporting various aircraft for disaster/emergency response efforts.



The airport has been identified as an important economic development asset to the County. Air operations continued an upward trend in 2022-23 from the lows of the pandemic in recent years. The airport continues its pace to set new annual operational traffic counts surrounding takeoffs and landings. The time frame from 7/1/22 through 6/30/23 saw 31,146 total takeoffs and landings. Rising fuel prices remain a concern but as of this date, there have not been any significant impacts on recent trends. The Airport Authority continues to seek ways to enhance the capabilities of this facility to make it more attractive to the future development of commercial as well as general aviation users. An eye to the future has focus on a new taxiway that will access land available for hangar growth and development.

The Stanly County Airport control tower controls aircraft movement within a roughly five-mile radius and up to four thousand feet in altitude seven days a week. All rental office spaces within the new terminal building are leased (tentatively). The Office of the State Fire Marshall has recently committed to two open office spaces vacated last year when the LYFT Flight School changed their base location. The old terminal is the home of Pressley Aviation, a primary flight school that has an affiliation with Liberty University to offer flight instruction as part of an aviation focused degree. The Stanly County Airport continues to provide Department of Defense contract fuel sales to military aircraft passing through or training locally. Military contract fuel sales had witnessed a significant adverse impact from the COVID pandemic but have been moving upward in the last half of FY 22-23.

For several years, all the airport's hangars have been rented and there continues to be a waiting list which brings into focus the need for the construction of additional hangars to accommodate this demand. There is a significant hangar shortage statewide. The airport has recently executed its first ground lease for corporate hangar construction and the potential is there for others in the near future. As mentioned earlier, there will be a focus on building a new taxiway that will open land space for both privately owned and airport owned hangar space.

A number of significant projects have been completed in the recent past. The airport now has an air-operations plan for providing response to local and regional disaster or other emergency events that were written by FEMA and coordinated through a number of state agencies. A project to replace the outdated relay airfield lighting control system is complete and now provides a new state of the art system with a number of benefits that were not possible with the older system.

Funding has been received for the construction of the North Carolina Emergency Training Center. This is a joint venture between the NC Office of State Fire Marshal and the NC Air National Guard. Construction has begun on this project with a projected date of completion being December 2025.

## TRANSPORTATION

Transportation within the County is very important to the Board of Commissioners. In 1986, the Board established a transportation system called SCUSA Transportation to serve the entire County. SCUSA Transportation currently operates eighteen (18) vehicles. Lift vehicles are available to serve disabled passengers. Service schedules are Monday through Friday from 5:30 am to 5:30 pm with trips to medical facilities, community college campuses, shopping facilities, work sites, etc. Out of County medical trips are on a pre-scheduled basis. Mileage reimbursement is offered to qualified individuals on a limited

basis. During Fiscal Year 22-23, SCUSA Transportation provided 15,513 service hours, traveled 248,604 miles, while providing 37,709 trips.

## FINANCIAL INFORMATION

General governmental funds are presented on a modified accrual basis. Revenues are recorded when measurable and available, and expenditures are recorded when the liabilities are incurred, except for accumulated compensated absences and interest on long-term debt. Adjustments are made to governmental funds to convert them to full accrual basis that is used in presenting the government-wide statements.

The adequacy of internal accounting controls is considered when evaluating and developing the accounting system. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding (1) the safeguarding of assets against loss from unauthorized use or disposition, and (2) the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived, and (2) the evaluation of costs and benefits require estimates and judgments by management. Stanly County's internal accounting controls adequately safeguard assets and provide reasonable assurance for properly recording financial transactions.

### Budgeting Controls

In government, much more than in business, the budget is an integral part of the accounting system. Legal limits on spending are created by an annual budget ordinance or by special project ordinances. The legal level of control over expenditures is at a functional level for the General Fund and at the fund level for Special Revenue Funds, Capital Project Funds, and Enterprise Funds. However, for internal accounting purposes, budgetary control is maintained on a specific line-item basis with an encumbrance system. As purchase orders are issued, corresponding appropriations are reserved for later payment. If an over-encumbrance of the budget level would result, purchase orders are not to be issued until additional appropriations are approved. Encumbrances remaining at June 30 are cancelled, and all appropriations except capital projects lapse. Encumbrances outstanding at June 30 have either been included in next year's budget or will be approved by future budget amendments.

## OTHER INFORMATION

### Independent Audit

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

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

### Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Stanly County for its annual comprehensive financial report for the fiscal year ended June 30, 2022. 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 annual comprehensive financial report, whose contents conform to program standards. This report 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 thirty-two (32) consecutive years. We believe the current report satisfies the Certificate of Achievement Program requirements, and is being submitted to the GFOA.

### Acknowledgments

We thank the Board of County Commissioners for their support and participation in conducting Stanly County financial operations in a responsible manner. We also thank the entire Finance Department staff, without whose assistance the report would not have been accomplished. We also recognize the cooperation and support provided by each County department and agency.

Respectfully submitted,



Andrew M. Lucas  
County Manager



Toby R. Hinson  
Finance Director



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**STANLY COUNTY, NORTH CAROLINA**  
**LIST OF ELECTED AND APPOINTED OFFICIALS**  
**June 30, 2023**

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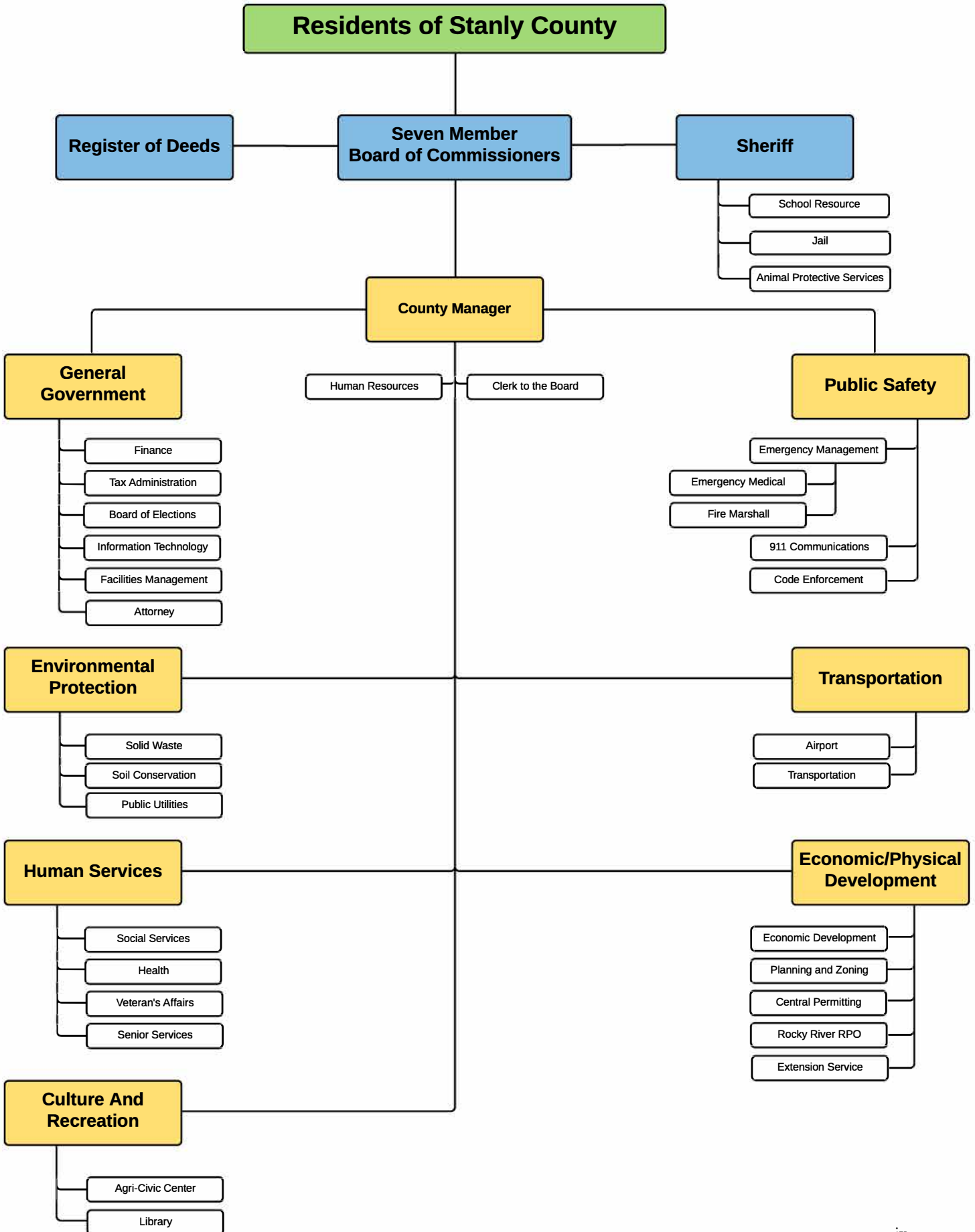
Elected Officials

Board of Commissioners – Chairman	Terry Scott Efird
Board of Commissioners – Vice-Chairman	Paul Mike Barbee
Board of Commissioners	Vint Peter Ascitutto
Board of Commissioners	Patty M. Crump
Board of Commissioners	Darrell Trent Hatley
Board of Commissioners	Brandon Lee King
Board of Commissioners	Willie (Bill) D. Lawhon Jr.
Sheriff	Jeffrey A. Crisco
Register of Deeds	Suzanne W. Lowder

Appointed Officials

County Manager	Andrew M. Lucas
Clerk to the Board	Tyler L. Brummitt
Agri – Civic Center Director	Amanda J. Griffey
Airport Director	Randy H. Shank
Central Permitting	Carol C. Almond
Code Enforcement	Christopher R. Moon
Communications Director – E 911	Kyle S. Griffin
County Attorney	Jennifer R. Furr
County Extension Service	Molly Alexi
Economic Development Director	Candice B. Moffitt
Election Supervisor	Kimberly R. Blackwelder
Emergency Management Director	Michael D Roark
Facility Management and Solid Waste Director	Todd R. Lowder
Finance Director	Toby R. Hinson
Health Director	G. David Jenkins
Human Resources Director	Emily J. Allman
Information Technology Director	Chad A. Coble
Library Director	Sara E. Hahn
Planning Director	Robert L. Remsburg III
Public Utilities Director	Duane S. Wingo
Senior Services Director	Pamela A. Sullivan
Social Services Director	Dolly A. Huffman Clayton
Soil and Water Conservation Cost Share Technician	Amanda L. Kirby
Tax Administrator	Clinton G. Swaringen
Transportation Director	Steven C. Dutton
Veterans Service Officer	Jerry W. Almond

# Stanly County Organizational Chart





Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**Stanly County  
North Carolina**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2022

*Christopher P. Morill*

Executive Director/CEO



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## **FINANCIAL SECTION**

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**INDEPENDENT AUDITORS' REPORT**

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

**Report on the Financial Statements**

**Opinions**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Stanly County, North Carolina, as of and for the year ended June 30, 2023, and the related notes to the financial statements which collectively comprise Stanly County basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Stanly County, North Carolina as of June 30, 2023, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Basis for Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under these standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Stanly County and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

***Responsibilities of Management for the Audit of the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raises substantial doubt about Stanly County's ability to continue as a going concern for the twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

**Members**

**American Institute of CPAs - N.C. Association of CPAs - AICPA Division of Firms**

## ***Auditors' Responsibility for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free of material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Governmental Auditing Standard* will always detect material statement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Governmental Auditing Standards*, we

- exercised professional judgement and maintained professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsible to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Stanly County's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Local Government Employees' Retirement System Schedules of the County's Proportionate Share of Net Pension Liability and County Contributions, pages 82 and 83, and the Register of Deeds' Supplemental Pension Fund schedules of the County's Proportionate Share of the Net Pension Asset and County Contributions on pages 84 and 85 and the Law Enforcement Officers' Special Separation Allowance schedules of the Changes in Total Pension Liability and Total Pension Liability as a Percentage of Covered Payroll, pages 86 and 87, and the Schedule of Changes in the Total OPEB Liability and Related Ratios, page 88 be presented to supplement the basic financial statements. Such information is the responsibility of management, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consists of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

## Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements of Stanly County, North Carolina. The combining and individual fund statements, budgetary schedules, other schedules as well as the accompanying Schedule of Expenditures of Federal and State Awards, as required by Title 2 *U.S. Code of Federal Regulations (CFR) Part 200*, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards are presented for purpose of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us. In our opinion, based on our audit, the procedures performed as described above, the combining and individual fund financial statements, budgetary schedules, other schedules, and the Schedule of Expenditures of Federal and State Awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

## Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory information and the statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance on thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statement, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

## Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 11, 2023 on our consideration of Stanly County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose the report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Stanly County's internal control over financial reporting and compliance.

*Thompson, Price, Scott, Adams & Co., P.A.*

Thompson, Price, Scott, Adams & Co., P.A.

Whiteville, NC

October 11, 2023



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**STANLY COUNTY, NORTH CAROLINA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**JUNE 30, 2023**

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As management of Stanly County, we offer readers of Stanly County's financial statements this narrative overview and analysis of the financial activities of Stanly County for the fiscal year ended June 30, 2023. We encourage readers to read the information presented here in conjunction with additional information that we have furnished in the County's financial statements, which follow this narrative.

**Financial Highlights**

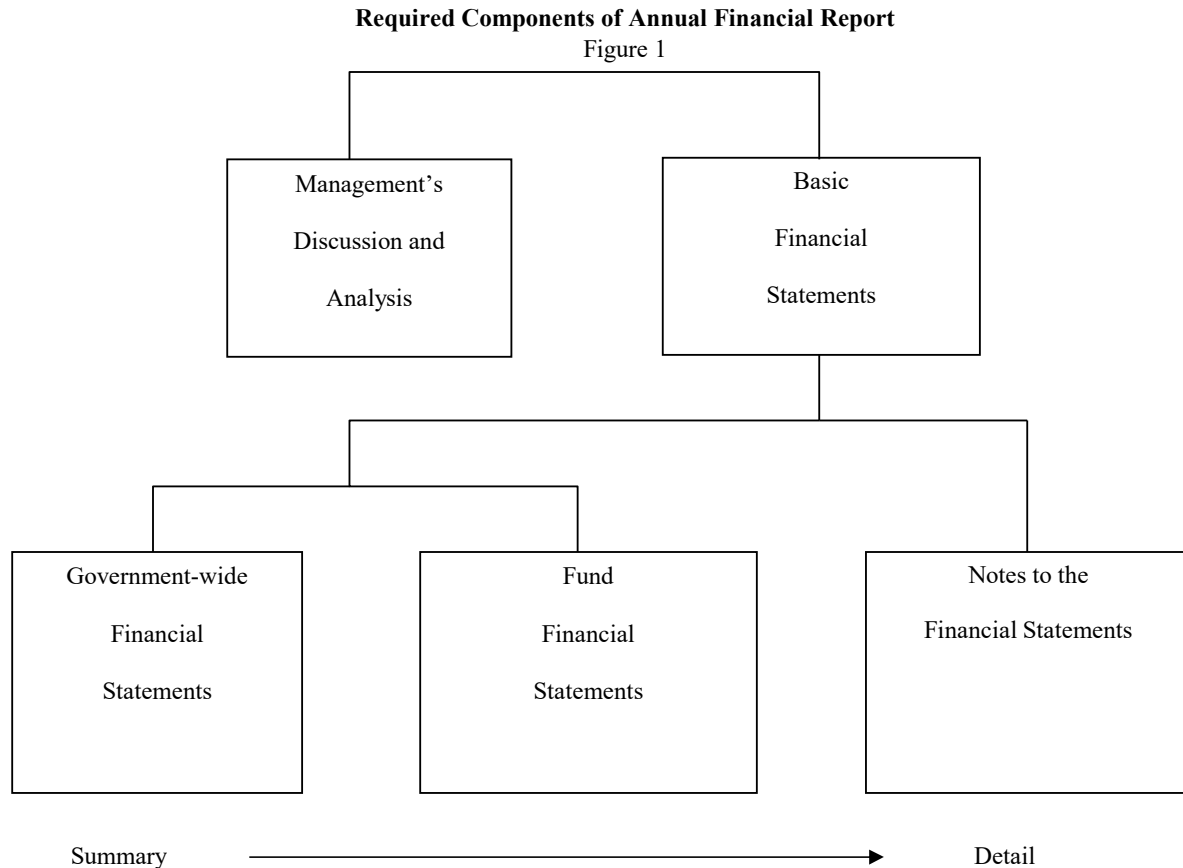
- The assets and deferred outflows of resources of Stanly County primary governmental activities exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$107,265,697 (net position).
- The government's total net position increased by \$13,161,877, primarily due to improved revenue collection efforts and controlled expenses which have led to large increases in total assets in Governmental Activities. The County also recorded a prior period adjustment that increased Governmental Activities net position by \$1,868,371.
- As of the close of the current fiscal year, Stanly County's governmental funds reported combined ending fund balances of \$64,134,874, after a net increase in fund balance of \$13,554,366. Approximately 24.44% of this total amount or, \$15,677,701, is restricted or non-spendable.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$35,808,331 or 46.15% of total general fund expenditures and transfers to other funds less loan or lease proceeds.
- Stanly County's total debt increased by \$8,291,360 (26.93%) during the current fiscal year. The County borrowed additional proceeds for the SCC Trade Facility and for equipment and vehicle purchases. In addition, the County adopted GASB 87 and 96, which resulted in lease liabilities and subscription agreements being reflected as debt.
- Stanly County maintained its Standard & Poor's AA- rating for the tenth consecutive year and maintained its Moody's Aa3 rating for the fourteenth consecutive year.

**Overview of the Financial Statements**

This discussion and analysis are intended to serve as an introduction to Stanly County's basic financial statements. The County's basic financial statements consist of three components; 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements (see Figure 1). The basic financial statements present two different views of the County through the use of government-wide statements and fund financial statements. In addition to the basic financial statements, this report contains other supplemental information that will enhance the reader's understanding of the financial condition of Stanly County.

**STANLY COUNTY, NORTH CAROLINA  
MANAGEMENT’S DISCUSSION AND ANALYSIS  
JUNE 30, 2023**

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**Basic Financial Statements**

The first two statements (Exhibits 1 and 2) in the basic financial statements are the **Government-wide Financial Statements**. They provide both short and long-term information about the County’s financial status.

The next statements (Exhibits 3 through 9) are **Fund Financial Statements**. These statements focus on the activities of the individual parts of the County’s government. These statements provide more detail than the government-wide statements. There are four parts to the Fund Financial Statements: 1) the governmental funds statements; 2) the budgetary comparison statements; 3) the enterprise fund statements; and 4) the fiduciary fund statements.

The next section of the basic financial statements is the **notes**. The notes to the financial statements explain in detail some of the data contained in those statements. After the notes, **supplemental information** is provided to show details about the County’s nonmajor governmental funds and internal service funds, all of which are added together in one column on the basic financial statements. Budgetary information required by the General Statutes can also be found in this part of the statements.

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



**STANLY COUNTY, NORTH CAROLINA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2023**

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**Government-Wide Financial Statements**

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

The two government-wide statements report the County's net position and how it has changed. Net position is the difference between the total of the County's assets and deferred outflows of resources and the total liabilities and deferred inflows of resources. Measuring net position is one way to gauge the County's financial condition.

The government-wide statements are divided into three categories: 1) governmental activities; 2) business-type activities; and 3) component units. The governmental activities include most of the County's basic services such as public safety, general administration, human services, transportation, and environmental protection. Property taxes and federal and State grant funds finance the majority of these activities. The business-type activities are those that the County charges customers to provide. These include water and sewer and airport services offered by Stanly County. The final category is the component unit. Stanly County Water and Sewer Authority exists to provide water and sewer services to residences of the County. The authority is legally separate from the County; however, the County is able to exercise control over the Board by appointing its Directors.

The government-wide financial statements are on Exhibits 1 and 2 of this report.

**Fund Financial Statements**

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

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

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

**STANLY COUNTY, NORTH CAROLINA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2023**

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**Proprietary Funds.** Enterprise funds and internal service funds are the only kinds of proprietary funds maintained by Stanly County. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. Stanly County uses enterprise funds to account for its water and sewer activity and its airport operations. These funds are the same as those separate activities shown in the business-type activities in the Statement of Net Position and the Statement of Activities.

The Group Health Fund is an Internal Service Fund used to account for the medical self-insurance plan and workers' compensation benefits the County provides.

**Fiduciary Funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Stanly County maintains two custodial funds.

**Notes to the Financial Statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements start on page 30 of this report.

**Other Information.** In addition to the basic financial statements and accompanying notes, this report includes certain required supplementary information concerning Stanly County's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found beginning on page 82 of this report.

**Government-Wide Financial Analysis**

As noted earlier, net position may serve over time as one useful indicator of a government's financial condition. The County's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by \$107,265,696 as of June 30, 2023. The County's net position increased by \$13,161,877 for the fiscal year ended June 30, 2023. The largest portions, \$47,143,132 (43.95%) reflects the County's net investment in capital assets (e.g. land, buildings, vehicles, equipment, etc). Stanly County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although Stanly County's investment in its capital assets is reported net of the outstanding related debt, the resources needed to repay that debt must be provided by other sources, since the capital assets cannot be used to liquidate these liabilities. An additional portion of Stanly County's net position \$15,905,174 (14.83%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$44,217,390 (41.22%) is unrestricted.

**STANLY COUNTY, NORTH CAROLINA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2023**

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

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
<b>Assets</b>						
Current and other assets	\$ 88,943,438	\$ 73,054,411	\$ 35,554,106	\$ 22,278,996	\$ 124,497,544	\$ 95,333,407
Capital assets	39,182,600	31,206,888	49,430,820	48,201,997	88,613,419	79,408,885
Total assets	128,126,038	104,261,299	84,984,926	70,480,993	213,110,963	174,742,292
<b>Deferred outflows of resources</b>	12,414,681	9,091,673	536,048	390,854	12,950,729	9,482,527
<b>Liabilities</b>						
Long-term liabilities outstanding	48,864,868	30,775,122	12,963,734	12,914,331	61,828,602	43,689,453
Other liabilities	23,295,643	21,040,758	30,410,144	19,087,344	53,705,787	40,128,102
Total liabilities	72,160,511	51,815,880	43,373,878	32,001,675	115,534,389	83,817,555
<b>Deferred Inflows of Resources</b>	3,149,839	7,829,415	111,768	342,400	3,261,607	8,171,815
<b>Net Position</b>						
Net investment in capital assets	10,414,613	18,531,676	36,728,520	35,076,874	47,143,132	53,608,550
Restricted	15,797,778	9,762,196	107,396	94,851	15,905,174	9,857,047
Unrestricted	39,017,978	25,413,805	5,199,412	3,356,047	44,217,390	28,769,852
Total net position	\$ 65,230,369	\$ 53,707,677	\$ 42,035,328	\$ 38,527,772	\$ 107,265,696	\$ 92,235,449

Stanly County issues and pays the debt service on bonds sold and notes issued for school improvements. The Board of Education reports the assets on their books and the County only the debt. The debt owed for school improvements is \$3,421,053.

**STANLY COUNTY, NORTH CAROLINA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2023**

**Stanly County's Changes in Net Position  
Figure 3**

	Governmental		Business-type		Total	
	Activities		Activities			
	2023	2022	2023	2022	2023	2022
<b>Revenues:</b>						
Program revenues:						
Charges for services	\$ 9,373,467	\$ 10,288,449	\$ 8,228,356	\$ 6,540,944	\$ 17,601,823	\$ 16,829,393
Operating grants and contributions	12,750,260	13,319,563	85	44,915	12,750,345	13,364,478
Capital grants and contributions	741,916	658,000	3,244,809	618,306	3,986,725	1,276,306
General revenues:						
Property taxes	44,199,128	40,858,384	-	-	44,199,128	40,858,384
Other taxes	21,320,518	19,822,298	-	-	21,320,518	19,822,298
Interest earned	2,623,345	78,250	957,544	11,675	3,580,889	89,925
Miscellaneous income	464,097	350,319	280,881	265,000	744,978	615,319
Total revenues	91,472,731	85,375,263	12,711,675	7,480,840	104,184,406	92,856,103
<b>Expenses:</b>						
General government	6,965,534	5,200,709	-	-	6,965,534	5,200,709
Public safety	29,706,989	25,740,749	-	-	29,706,989	25,740,749
Transportation	1,209,672	1,085,892	-	-	1,209,672	1,085,892
Environmental protection	1,551,732	1,441,988	-	-	1,551,732	1,441,988
Economic and physical development	2,107,026	2,656,514	-	-	2,107,026	2,656,514
Human services	17,928,235	16,360,426	-	-	17,928,235	16,360,426
Cultural and recreation	1,831,169	2,065,698	-	-	1,831,169	2,065,698
Education	19,285,181	18,856,472	-	-	19,285,181	18,856,472
Interest on long-term debt	552,984	332,682	-	-	552,984	332,682
Water and sewer	-	-	7,830,787	6,576,638	7,830,787	6,576,638
Airport	-	-	2,053,220	1,754,352	2,053,220	1,754,352
Total expenses	81,138,522	73,741,130	9,884,007	8,330,990	91,022,529	82,072,120
Increase in net position before transfers and special items	10,334,209	11,634,133	2,827,668	(850,150)	13,161,877	10,783,983
Transfers and special items	(679,888)	(1,872,346)	679,888	523,943	-	(1,348,403)
Increase in net position after transfers and special items	9,654,321	9,761,787	3,507,556	(326,207)	13,161,877	9,435,580
Net position, beginning	53,707,677	43,945,890	38,527,772	39,038,467	92,235,449	82,984,357
Net position, beginning, restated	55,576,048	43,945,890	38,527,772	38,853,979	94,103,820	82,799,869
Net position, ending	\$ 65,230,369	\$ 53,707,677	\$ 42,035,328	\$ 38,527,772	\$ 107,265,697	\$ 92,235,449

**STANLY COUNTY, NORTH CAROLINA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2023**

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**Governmental activities.** Governmental activities increased the County's net position by \$9,654,321, thereby account for 73.35% of the increase in net position for the County. Key elements of this increase are as follows:

- Increase in investment earnings of over \$2.5 million due to a substantial higher rate environment.
- Increase in property tax revenue of approximately \$3.3 million, or 8.18% due to a slight increase in the collection rate.

**Business-type activities.** Business-type activities increased Stanly County's net position by \$3,507,556, accounting for 26.65% of the increase in net position for the County. Key elements of this decrease are as follows:

- Charges for services increased by approximately \$1.7 million or 25.8%, due to an increase in water and sewer fees.
- Receipt of capital grants and contributions for Airport projects.

**Financial Analysis of the County's Funds**

As noted earlier, Stanly County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental Funds.** The focus of Stanly County's governmental funds is to provide information on near-term inflows, outflows, and balances of usable resources. Such information is useful in assessing Stanly County's financing requirements. Specifically, fund balance available for appropriation can be a useful measure of a government's net resources available for spending at the end of the fiscal year.

The General Fund is the chief operating fund of Stanly County. At the end of the current fiscal year, Stanly County's fund balance available in the General Fund was \$48,999,269 while total fund balance reached \$58,160,781. The Governing Body of Stanly County has determined that the County should maintain an available fund balance of 20% of General Fund expenditures in case of unforeseen needs or opportunities, in addition to meeting the cash flow needs of the County. The County currently has an available fund balance of 63.16% of General Fund expenditures plus transfer out less installment purchase obligations and lease proceeds, while total fund balance represents 74.97% of that same amount.

At June 30, 2023, the governmental funds of Stanly County reported a combined fund balance of \$64,134,874 a 26.806% percent increase over last year. This increase resulted from large increases in property tax and sales tax revenue, as well as loan proceeds that were unspent at year end.

**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 \$4,255,134 and revenues by \$2,434,225 with the remaining \$1,820,909 funded by other financing sources and uses.

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

**STANLY COUNTY, NORTH CAROLINA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2023**

Differences between the original budget and final budget are briefly summarized as follows:

- \$974,924 increase in Restricted Intergovernmental Revenues.
- \$892,804 increase in Human Service expense.

Differences between the final budget and actual are briefly summarized as follows:

- Transfer to other funds was under budget significantly due to project funds not getting complete and extending into the next fiscal year, therefore reducing the amount of approved expenditures needed for this fiscal year.

**Proprietary Funds.** Stanly County's proprietary funds provide the same type of information found in the government-wide statements, but in more detail. Unrestricted net position of the utility funds at the end of the fiscal year amounted to \$1,976,300 and that for the Airport equaled \$2,679,482. The total increase in net position for all enterprise funds was \$3,507,556. Other factors concerning the finances of these funds have already been addressed in the discussion of Stanly County's Business-Type activities.

**Capital Asset and Debt Administration**

**Capital Assets.** Stanly County's capital assets for its governmental and business-type activities as of June 30, 2023, totals \$88,613,420 (net of accumulated depreciation and amortization). These assets include land, plant in service, buildings and improvements, equipment and vehicles, and construction in progress.

Major capital asset transactions during the year included:

- Construction in progress for various Utility and Airport Projects
- Agri-civic center lobby floor renovation
- Purchased new vehicles for the Sheriff's Office, Fire Services, EMS, and Inspections

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

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Land	\$ 2,168,413	\$ 2,168,413	\$ 5,147,879	\$ 5,147,879	\$ 7,316,292	\$ 7,316,292
Plant in service	-	-	26,505,958	20,288,918	26,505,958	20,288,918
Buildings and improvements	11,982,093	12,936,253	12,276,159	12,588,316	24,258,252	25,524,569
Equipment and vehicles	16,237,309	15,981,496	141,604	209,593	16,378,913	16,191,089
Construction in progress	8,083,969	385,112	5,342,537	9,967,291	13,426,506	10,352,403
Right to use assets, net	710,816	855,184	16,683	27,086	727,499	882,270
<b>Total</b>	<b>\$ 39,182,600</b>	<b>\$ 32,326,458</b>	<b>\$ 49,430,820</b>	<b>\$ 48,229,083</b>	<b>\$ 88,613,420</b>	<b>\$ 80,555,541</b>

Additional information on the County's capital assets can be found in notes to the Financial Statements, beginning on page 46.

**STANLY COUNTY, NORTH CAROLINA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2023**

**Long-term Debt.** As of June 30, 2023, Stanly County had no bonded debt outstanding.

**STANLY COUNTY'S OUTSTANDING DEBT  
Figure 5**

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Lease Liabilities	\$ 689,717	\$ 878,654	\$ 14,973	\$ 27,068	\$ 704,690	\$ 905,722
IT Subscription Agreements	48,306	235	1,543	-	49,849	235
Installment Purchases	25,638,907	16,756,771	1,467,392	1,631,538	27,106,299	18,388,309
Revolving Loan Funds	-	-	8,340,141	8,402,103	8,340,141	8,402,103
Revenue bonds	-	-	2,722,000	2,779,000	2,722,000	2,779,000
Notes payable	-	-	156,250	312,500	156,250	312,500
<b>Total</b>	<b>\$ 26,376,930</b>	<b>\$ 17,635,660</b>	<b>\$ 12,702,299</b>	<b>\$ 13,152,209</b>	<b>\$ 39,079,229</b>	<b>\$ 30,787,869</b>

Stanly County's total debt increased by \$8,267,155 (34.73%) during the past fiscal year, primarily due to the repayment of debt obligations, offset by new debt for the SCC Trade Center project and for the purchase of vehicles and equipment. The County has also adopted GASB 87 and 96, which resulted in recording several leases that were previously operating leases and subscription agreements that were previously expensed as liabilities.

As mentioned in the financial highlights section of this document, Stanly County maintained its Standard & Poor's AA- rating for the tenth consecutive year and maintained its Moody's Aa3 bond rating for the fourteenth consecutive year. These bond ratings are an indication of sound financial condition. This achievement is a primary factor in keeping interest costs low on the County's outstanding debt.

The State of North Carolina limits the amount of general obligation debt that a unit of government can issue to 8% of the total assessed value of taxable property located within that government's boundaries. The legal debt margin for Stanly County is \$496,052,445. The County has no bonds authorized, but unissued at June 30, 2023.

Additional information regarding Stanly County's long-term debt can be found in the notes to the financial statements, beginning on page 65.

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

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

- Property tax revenue showed a significant increase of over \$3.2 million or 8.7%.
- Sales tax revenue increased by \$1,500,000 (7.97%) over the previous year.
- The County continues to maintain a low inventory of available industrial buildings.

**STANLY COUNTY, NORTH CAROLINA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2023**

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**Budget Highlights for Fiscal Year Ending June 30, 2024**

**Governmental Activities.** Property taxes (benefiting from economic growth) and sales tax revenues are expected to lead the increase in revenue projections. The County will use these increases in revenues to finance programs currently in place.

Budgeted expenditures in the General Fund are expected to rise approximately 12% to \$86,557,529. The primary factors for this are increased tax incentives for economic development projects, increase for 4% employee cost of living allowance, increase for Stanly County Schools current expense, grants, and teacher supplements, and an addition of six (6) school resource officers for coverage at all public schools.

**Business-Type Activities.** The water and sewer enterprise funds are self-supported through user fees and assessments. Residential and commercial growth are causing a need to expand sewer treatment capacity and extend public water. However, at the same time, the County's existing infrastructure is aging. The cost of renovating or replacing utility infrastructure is expensive. As such, it is important to establish rates at a level to provide sufficient resources for on-going system maintenance and repair. Deferring the maintenance of our system will lead to costly obligations in the future. Stanly County Utilities requested and the Board approved a 4% increase to help ensure sufficient funds are available for future debt service, on-going maintenance and repairs and the Board's desired capital improvements.

The total adopted budget for the Airport Authority is \$1,470,208 in FY 2023-2024. This represents a \$269,032 increase (22%) over the FY 2022-2023 Adopted Budget appropriation. The budget includes a \$478,370 adopted appropriation from the General Fund. This is an increase of \$78,905 (20%) from the FY 2022-2023 Adopted Budget. The budget includes an additional \$90,000 for one-time equipment and facility maintenance/repairs.

**Requests for Information**

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



## **BASIC FINANCIAL STATEMENTS**

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**STANLY COUNTY, NORTH CAROLINA**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2023**

	<b>Primary Government</b>			<b>Component Unit Stanly Water &amp; Sewer Authority</b>
	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>	
<b>Assets</b>				
Current assets				
Cash and cash investments	\$ 59,459,558	\$ 3,376,537	\$ 62,836,095	\$ 1,434,417
Receivables (net)	9,873,888	1,057,375	10,931,263	158,981
Lease receivable	4,960	-	4,960	-
Internal Balances	261,630	(261,630)	-	-
Due from component unit	23,175	-	23,175	-
Prepaid items	12,559	-	12,559	-
Inventories	-	143,832	143,832	-
Restricted cash and cash equivalents	18,875,530	31,237,992	50,113,522	503,824
Total current assets	<u>88,511,300</u>	<u>35,554,106</u>	<u>124,065,406</u>	<u>2,097,222</u>
Non-current assets:				
Net Pension Asset	89,036	-	89,036	-
Due from component unit	343,102	-	343,102	-
Capital assets:				
Land and construction in progress	10,252,382	10,490,416	20,742,798	521,716
Other capital assets, net of depreciation	28,219,402	38,923,721	67,143,123	9,464,330
Right to use assets, net of amortization	710,816	16,683	727,499	-
Total capital assets	<u>39,182,600</u>	<u>49,430,820</u>	<u>88,613,420</u>	<u>9,986,046</u>
Total non-current assets	<u>39,614,738</u>	<u>49,430,820</u>	<u>89,045,558</u>	<u>9,986,046</u>
Total assets	<u>128,126,038</u>	<u>84,984,926</u>	<u>213,110,964</u>	<u>12,083,268</u>
<b>Deferred Outflows of Resources</b>	<u>12,414,681</u>	<u>536,048</u>	<u>12,950,729</u>	<u>-</u>
<b>Liabilities</b>				
Current Liabilities				
Accounts payable	4,166,350	855,267	5,021,617	3,374
Payroll payable	1,653,382	52,749	1,706,131	-
Overpayments on Accounts	-	371,779	371,779	-
Interest payable	185,382	11,047	196,429	27,006
Due to primary government	-	-	-	23,175
Due to other governments	30,799	-	30,799	-
Unearned Grant Funding	12,542,111	28,000,000	40,542,111	-
Unearned Revenues - Received in Advance	152,433	-	152,433	292,880
Long Term Debt Due within a year	4,564,786	868,090	5,432,876	137,000
Payable from restricted assets	400	251,212	251,612	69,720
Total current liabilities	<u>23,295,643</u>	<u>30,410,144</u>	<u>53,705,787</u>	<u>553,155</u>
Non-current liabilities:				
Net pension liability - LGERS	15,131,553	711,832	15,843,385	-
Total pension liability - LEOSSA	1,747,209	-	1,747,209	-
Long Term Debt Due in more than a year	31,986,106	12,251,902	44,238,008	6,747,014
Total long-term liabilities	<u>48,864,868</u>	<u>12,963,734</u>	<u>61,828,602</u>	<u>6,747,014</u>
Total liabilities	<u>72,160,511</u>	<u>43,373,878</u>	<u>115,534,389</u>	<u>7,300,169</u>
<b>Deferred Inflows of Resources</b>	<u>3,149,839</u>	<u>111,768</u>	<u>3,261,607</u>	<u>-</u>

(continued)

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

STANLY COUNTY, NORTH CAROLINA  
STATEMENT OF NET POSITION  
JUNE 30, 2023

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Stanly Water & Sewer Authority
<b>Net Position</b>				
Net Investment in Capital Assets	10,414,613	36,728,520	47,143,133	3,449,046
Restricted for:				
Stabilization by state statute	9,180,784	-	9,180,784	-
Register of Deeds pension plan	132,668	-	132,668	-
Public Safety	138,263	-	138,263	-
Human Services	330,000	-	330,000	-
General Government	113,208	-	113,208	-
Economic Development	14,950	-	14,950	-
Education	5,812,110	-	5,812,110	-
Debt Service	75,795	107,396	183,191	434,104
Unrestricted (deficit)	39,017,978	5,199,412	44,217,390	899,949
Total net position	<u>\$ 65,230,369</u>	<u>\$ 42,035,328</u>	<u>\$ 107,265,697</u>	<u>\$ 4,783,099</u>

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, 2023**

Functions/Programs	Program Revenues					Net (Expense) Revenue and Changes in Net Position			Component Unit
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Primary Government		Total	
						Business-type Activities	Sewer Authority		
<b>Primary government:</b>									
Governmental Activities:									
General government	\$ 6,965,534	\$ 882,580	\$ -	\$ -	\$ (6,082,954)	\$ -	\$ (6,082,954)	\$ -	
Public safety	29,706,989	5,698,478	955,628	-	(23,052,883)	-	(23,052,883)	-	
Transportation	1,209,672	310,293	655,331	-	(244,048)	-	(244,048)	-	
Environmental protection	1,551,732	1,308,402	-	-	(243,330)	-	(243,330)	-	
Economic and physical development	2,107,026	21,227	300,246	-	(1,785,553)	-	(1,785,553)	-	
Human services	17,928,235	824,229	10,631,619	-	(6,472,387)	-	(6,472,387)	-	
Cultural and recreation	1,831,169	105,580	207,436	198,916	(1,319,237)	-	(1,319,237)	-	
Education	19,285,181	222,678	-	543,000	(18,519,503)	-	(18,519,503)	-	
Interest on long-term debt	552,984	-	-	-	(552,984)	-	(552,984)	-	
Total governmental activities	<u>81,138,522</u>	<u>9,373,467</u>	<u>12,750,260</u>	<u>741,916</u>	<u>(58,272,879)</u>	<u>-</u>	<u>(58,272,879)</u>	<u>-</u>	
Business-type activities:									
Greater Badin Water and Sewer	610,744	611,992	-	-	-	1,248	1,248	-	
Piney Point Water District	232,707	215,706	-	-	-	(17,001)	(17,001)	-	
West Stanly Waste Water Treatment	1,400,967	1,164,059	-	-	-	(236,908)	(236,908)	-	
Stanly County Utility Fund	5,586,369	5,311,935	2,624	-	-	(271,810)	(271,810)	-	
Airport Fund	2,053,220	924,664	85	3,242,185	-	2,113,714	2,113,714	-	
Total business-type activities	<u>9,884,007</u>	<u>8,228,356</u>	<u>85</u>	<u>3,244,809</u>	<u>-</u>	<u>1,589,243</u>	<u>1,589,243</u>	<u>-</u>	
Total primary government	<u>\$ 91,022,529</u>	<u>\$ 17,601,823</u>	<u>\$ 12,750,345</u>	<u>\$ 3,986,725</u>	<u>\$ (58,272,879)</u>	<u>\$ 1,589,243</u>	<u>\$ (56,683,636)</u>	<u>\$ -</u>	
<b>Component Unit:</b>									
Water & Sewer Authority	\$ 747,267	\$ 795,294	\$ -	\$ 29,288				\$ 77,315	
Total component units	<u>\$ 747,267</u>	<u>\$ 795,294</u>	<u>\$ -</u>	<u>\$ 29,288</u>				<u>\$ 77,315</u>	
General revenues:									
Taxes:									
Property taxes, levied for general purpose					44,199,128	-	44,199,128	-	
Local option sales tax					19,934,871	-	19,934,871	-	
Other taxes and licenses					1,385,647	-	1,385,647	-	
Investment earnings, unrestricted					2,623,345	957,544	3,580,889	52,185	
Miscellaneous, unrestricted					464,097	280,881	744,978	330	
Total general revenues excluding transfers and special items					<u>68,607,088</u>	<u>1,238,425</u>	<u>69,845,513</u>	<u>52,515</u>	
Transfers					(679,888)	679,888	-	-	
Total general revenues, special items, and transfers					<u>67,927,200</u>	<u>1,918,313</u>	<u>69,845,513</u>	<u>52,515</u>	
Change in net position					9,654,321	3,507,556	13,161,877	129,830	
Net position-beginning					53,707,677	38,527,772	92,235,449	4,653,269	
Prior Period Adjustment (see Note VIII)					1,868,371	-	1,868,371	-	
Net position-beginning, restated					<u>55,576,048</u>	<u>38,527,772</u>	<u>94,103,820</u>	<u>4,653,269</u>	
Net position-ending					<u>\$ 65,230,369</u>	<u>\$ 42,035,328</u>	<u>\$ 107,265,697</u>	<u>\$ 4,783,099</u>	

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



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**STANLY COUNTY, NORTH CAROLINA**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**JUNE 30, 2023**

	<u>Major</u>		<u>Nonmajor</u>	<u>Total</u>
	<u>General Fund</u>	<u>American Rescue Plan</u>	<u>Governmental Funds</u>	<u>Governmental Funds</u>
<b>Assets:</b>				
Cash and cash equivalents	\$ 52,362,102	\$ -	\$ 1,647,454	\$ 54,009,556
Receivables, net	9,588,413	-	91,413	9,679,826
Lease receivable	4,960	-	-	4,960
Due from other funds	290,700	-	-	290,700
Due from component unit	366,277	-	-	366,277
Prepaid items	12,559	-	-	12,559
Restricted cash and cash equivalent	400	12,091,175	6,783,955	18,875,530
Total assets	<u>\$ 62,625,411</u>	<u>\$ 12,091,175</u>	<u>\$ 8,522,822</u>	<u>\$ 83,239,408</u>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances:</b>				
<b>Liabilities:</b>				
Accounts payable and accrued liabilities	\$ 3,179,601	\$ -	\$ 2,009,545	\$ 5,189,146
Due to other governments	30,799	-	-	30,799
Due to other funds	-	-	29,070	29,070
Deferred Revenues - Received in Advance	152,433	-	-	152,433
Liabilities to be paid from restricted assets:				
Deposits	400	-	-	400
Unspent Grant Funding	-	12,091,175	450,936	12,542,111
Total liabilities	<u>3,363,233</u>	<u>12,091,175</u>	<u>2,489,551</u>	<u>17,943,959</u>
<b>Deferred inflows of resources:</b>				
Reserve for taxes receivable	1,096,469	-	59,178	1,155,647
Leases	4,928	-	-	4,928
Total deferred inflows of resources	<u>1,101,397</u>	<u>-</u>	<u>59,178</u>	<u>1,160,575</u>
<b>Fund balances:</b>				
Non-spendable, not in spendable form				
Prepaid items	12,559	-	-	12,559
Leases	32	-	-	32
Restricted:				
Stabilization by State statue	9,148,921	-	31,863	9,180,784
Register of Deeds	113,208	-	-	113,208
Human services	330,000	-	-	330,000
Public Safety	75,795	-	138,263	214,058
Economic Development	-	-	14,950	14,950
Education	-	-	5,812,110	5,812,110
Committed:				
Cultural and recreation	3,419,141	-	-	3,419,141
Project Funds	3,086,926	-	-	3,086,926
Assigned:	6,165,868	-	-	6,165,868
Unassigned:	35,808,331	-	(23,093)	35,797,829
Total fund balances	<u>58,160,781</u>	<u>-</u>	<u>5,974,093</u>	<u>64,134,874</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 62,625,411</u>	<u>\$ 12,091,175</u>	<u>\$ 8,522,822</u>	<u>\$ 83,239,408</u>

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

**STANLY COUNTY, NORTH CAROLINA**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO**  
**THE STATEMENT OF NET POSITION**  
**GOVERNMENTAL FUNDS**  
**JUNE 30, 2023**

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Amounts reported for governmental activities in the statement of net position (Exhibit 1) are different because:

Total Fund Balance - Governmental Funds	\$ 64,134,874
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds (total capital assets on government-wide	70,299,079
Less accumulated depreciation	<u>(31,827,295)</u>
Net capital assets	38,471,784
Right to use assets used in governmental activities are not financial resources and are therefore not reported in the funds	1,240,004
Less accumulated amortization	<u>(529,188)</u>
Net right to use assets	710,816
Net Pension Asset (Register of Deeds)	89,036
Deferred outflows of resources:	
Contributions to the pension plan in the current fiscal year	
LGERS	2,804,699
Register of Deeds	6,589
LEOSSA	21,428
OPEB	178,134
Pension related deferrals	
LGERS	7,236,046
Register of Deeds	42,407
LEOSSA	557,242
OPEB related deferrals	1,568,136
Accrued interest receivable less the amount claimed as unearned revenue in the government-wide statements as these funds are unavailable in the fund statements	178,999
Deferred inflows of resources reported in the government-wide statements but not the fund statements	
Deferred inflows of resources for taxes receivable	1,155,647
Pension related deferrals	
LGERS	(145,644)
Register of Deeds	(5,364)
LEOSSA	(411,176)
OPEB related deferrals	(2,582,727)

(continued)



**STANLY COUNTY, NORTH CAROLINA  
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO  
THE STATEMENT OF NET POSITION  
GOVERNMENTAL FUNDS  
JUNE 30, 2023**

Liabilities that, because they are not due and payable in the current period, do not require current resources to pay and are therefore not reported in the fund statements:

Bonds, leases, and installment financing	(26,376,930)
Compensated absences	(1,738,087)
Total pension liability (LEOSSA)	(1,747,209)
Total OPEB liability	(8,435,875)
Net pension liability	(15,131,553)
Accrued interest payable	(185,382)
Internal service funds are used by management to charge the costs of certain activities to individual funds. These assets and liabilities are included in governmental activities in the Statement of Net Position.	
	4,834,479
Total adjustment	1,095,495
Net position of governmental activities	\$ 65,230,369

**STANLY COUNTY, NORTH CAROLINA**  
**STATEMENT OF REVENUES , EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2023**

	<u>Major</u>		<u>Nonmajor</u>	<u>Total</u>
	<u>General Fund</u>	<u>American Rescue Plan</u>	<u>Governmental Funds</u>	<u>Governmental Funds</u>
<b>Revenues:</b>				
Ad valorem taxes	\$ 40,228,764	\$ -	\$ 4,283,356	\$ 44,512,120
Local option sales taxes	19,934,871	-	-	19,934,871
Other taxes and licenses	1,212,517	-	-	1,212,517
Unrestricted intergovernmental	142,120	-	-	142,120
Restricted intergovernmental	11,101,539	32,181	511,946	11,645,666
Permits and fees	1,828,347	-	51,404	1,879,751
Sales and services	7,582,212	-	605,034	8,187,246
Investment earnings	2,074,194	351,057	32,272	2,457,523
Miscellaneous	1,449,171	-	198,916	1,648,087
Total revenues	<u>85,553,735</u>	<u>383,238</u>	<u>5,682,928</u>	<u>91,619,901</u>
<b>Expenditures:</b>				
Current:				
General government	6,937,265	-	131,626	7,068,891
Public safety	23,319,379	-	5,252,372	28,571,751
Transportation	1,315,915	-	-	1,315,915
Environmental protection	1,522,789	-	-	1,522,789
Economic and physical development	1,975,676	-	244,558	2,220,234
Human Services	16,789,997	126,553	375,233	17,291,783
Education	19,062,503	-	5,546,182	24,608,685
Cultural and recreational	1,692,731	-	1,603,990	3,296,721
Debt service:				
Principal	2,833,156	-	42,708	2,875,864
Interest and other charges	574,004	-	-	574,004
Total expenditures	<u>76,023,415</u>	<u>126,553</u>	<u>13,196,669</u>	<u>89,346,637</u>
Revenues over expenditures	<u>9,530,320</u>	<u>256,685</u>	<u>(7,513,741)</u>	<u>2,273,264</u>
<b>Other Financing Sources (Uses):</b>				
Transfers in	440,899	-	1,703,575	2,144,474
Transfers (out)	(2,121,368)	(262,095)	(440,899)	(2,824,362)
Installment purchase obligations issued	358,000	-	11,400,000	11,758,000
Lease liabilities issued	129,558	-	-	129,558
IT Subscription agreement	73,432	-	-	73,432
Total other financing sources and uses	<u>(1,119,479)</u>	<u>(262,095)</u>	<u>12,662,676</u>	<u>11,281,102</u>
Net change in fund balance	8,410,841	(5,410)	5,148,935	13,554,366
Fund balance, beginning	<u>48,163,297</u>	<u>5,410</u>	<u>807,816</u>	<u>48,976,523</u>
Prior Period Adjustment (see Note VIII)	<u>1,586,643</u>	<u>-</u>	<u>17,342</u>	<u>1,603,985</u>
Fund balances, beginning, as restated	<u>49,749,940</u>	<u>5,410</u>	<u>825,158</u>	<u>50,580,508</u>
End of year - June 30	<u>\$ 58,160,781</u>	<u>\$ -</u>	<u>\$ 5,974,093</u>	<u>\$ 64,134,874</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, 2023**

Amounts reported for governmental activities in the statement of activities are different because:

Net changes in fund balances - total governmental funds	\$ 13,554,366
Capital outlay expenditures recorded in the fund statements but capitalized as assets in the statement of activities	9,819,504
Cost of disposed capital asset not recorded in fund statements	(64,826)
Depreciation expense, the allocation of those assets over their useful lives, that is recorded on the statement of activities but not in the fund statements	(2,766,029)
Capital outlay expenditures recorded in the fund statements but capitalized as right to use leased assets in the statement of activities	202,990
Amortization expense, the allocation of those assets over the lease term, that is recorded on the statement of activities but not in the fund statements	(335,497)
New debt issued during the year is recorded as a source of funds on the fund statements; it has no effect on the statement of activities - it affects only the government-wide statement of net position	(11,960,990)
Principal payments on debt owed are recorded as a use of funds on the fund statements but again affect only the statement of net position in the government-wide statements	3,219,720
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities	2,811,288
Benefit payments and administration costs for LEOSSA are deferred outflows of resources on the Statement of Net Position	21,428
Contributions and pension administration costs for OPEB are deferred outflows of resources on the Statement of Net Position	178,134
Expenses reported in the statement of activities that do not require the use of current resources to pay are not recorded as expenditures in the fund statements:	
Difference in interest expense between fund statements (modified accrual) and government-wide statements (full accrual)	21,020
Compensated absences	(89,752)
OPEB expense	(668,253)
Pension expense	(4,567,661)
Revenues in the statement of activities that do not provide current resources are not reported as revenues in the fund statements.	
Increase in deferred inflows of resources - taxes receivable - at end of year	(167,086)
Increase in accrued interest receivable at end of year	(145,906)
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.	426,049
Total changes in net position of governmental activities	<u>\$ 9,488,499</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 BALANCE -**  
**BUDGET AND ACTUAL - GENERAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2023**

	General Fund			Variance With Final Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>Revenues:</b>				
Ad valorem taxes	\$ 38,752,750	\$ 39,275,150	\$ 40,228,764	\$ 953,614
Sales taxes	16,610,123	16,610,123	19,934,871	3,324,748
Other taxes	957,900	957,900	1,212,517	254,617
Restricted intergovernmental	10,236,378	11,211,302	11,101,539	(109,763)
Unrestricted intergovernmental	100,000	100,000	142,120	42,120
Permits and fees	1,310,007	1,320,684	1,828,347	507,663
Sales and services	8,119,982	8,403,287	7,582,212	(821,075)
Investment earnings	67,000	112,600	2,074,194	1,961,594
Miscellaneous	814,081	1,411,400	1,449,171	37,771
Total revenues	<u>76,968,221</u>	<u>79,402,446</u>	<u>85,553,735</u>	<u>6,151,289</u>
<b>Expenditures:</b>				
General government	7,668,790	7,846,736	6,937,265	909,471
Public safety	21,534,215	24,182,974	23,319,379	863,595
Transportation	1,525,596	1,525,596	1,315,915	209,681
Environmental protection	1,620,414	1,640,414	1,522,789	117,625
Economic and physical development	1,981,544	2,132,419	1,975,676	156,743
Human services	18,055,664	18,948,468	16,789,997	2,158,471
Education	18,898,374	19,092,949	19,062,503	30,446
Cultural and recreational	1,778,589	1,948,764	1,692,731	256,033
Debt service:				
Principal	2,947,112	2,947,112	2,833,156	113,956
Bond interest and costs	645,729	645,729	574,004	71,725
Total expenditures	<u>76,656,027</u>	<u>80,911,161</u>	<u>76,023,415</u>	<u>4,887,746</u>
Revenues over (under) expenditures	<u>312,194</u>	<u>(1,508,715)</u>	<u>9,530,320</u>	<u>11,039,035</u>
<b>Other financing sources (uses):</b>				
Installment Debt Issued	-	706,300	358,000	(348,300)
Lease liabilities issued	-	-	129,558	129,558
IT Subscription agreement	-	-	73,432	73,432
Transfers from other funds	-	439,822	440,899	1,077
Transfers (to) other funds	(399,465)	(8,604,111)	(2,121,368)	6,482,743
Appropriated fund balance	87,271	8,966,704	-	(8,966,704)
Total other financing sources (uses)	<u>(312,194)</u>	<u>1,508,715</u>	<u>(1,119,479)</u>	<u>(2,628,194)</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	8,410,841	<u>\$ 8,410,841</u>
<b>Fund balances:</b>				
Fund balance, beginning			<u>48,163,297</u>	
Prior period adjustment (see Note VIII)			<u>1,586,643</u>	
Fund balances, beginning, as restated			<u>49,749,940</u>	
Fund Balance, Ending			<u>\$ 58,160,781</u>	

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

**STANLY COUNTY, NORTH CAROLINA**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**JUNE 30, 2023**

	Major Enterprise Funds			Nonmajor	Governmental Activities	
	West Stanly Wastewater Treatment Plant Fund	Stanly County Utility Fund	Airport Fund	Total Nonmajor Funds	Total	Internal Service Group Health Fund
<b>Assets:</b>						
Current assets:						
Cash and cash equivalents	\$ 1,229,198	\$ 866,022	\$ 523,687	\$ 757,630	\$ 3,376,537	\$ 5,450,002
Accounts receivable (net)	-	818,904	43,168	157,446	1,019,518	-
Due from other governments	-	-	29,945	-	29,945	-
Interest receivable	-	4,024	1,531	2,357	7,912	15,063
Inventories	-	90,134	53,698	-	143,832	-
Restricted cash and cash equivalents	-	768,267	30,443,150	26,575	31,237,992	-
Total current assets	<u>1,229,198</u>	<u>2,547,351</u>	<u>31,095,179</u>	<u>944,008</u>	<u>35,815,736</u>	<u>5,465,065</u>
Noncurrent assets:						
Capital assets:						
Land	-	223,784	4,924,095	-	5,147,879	-
Construction in progress	225,095	3,530,693	1,586,749	-	5,342,537	-
Capital assets, net of depreciation	9,154,880	11,777,837	12,287,067	5,703,937	38,923,721	-
Right to use, net of amortization	-	-	16,683	-	16,683	-
Total capital assets, net	<u>9,379,975</u>	<u>15,532,314</u>	<u>18,814,594</u>	<u>5,703,937</u>	<u>49,430,820</u>	<u>-</u>
Total noncurrent assets	<u>9,379,975</u>	<u>15,532,314</u>	<u>18,814,594</u>	<u>5,703,937</u>	<u>49,430,820</u>	<u>-</u>
Total assets	<u>10,609,173</u>	<u>18,079,665</u>	<u>49,909,773</u>	<u>6,647,945</u>	<u>85,246,556</u>	<u>5,465,065</u>
<b>Deferred Outflows of Resources:</b>						
Pension deferrals	17,317	247,921	75,167	-	340,405	-
OPEB deferrals	4,528	39,574	19,600	-	63,702	-
Contributions to pension plan	6,712	96,094	29,135	-	131,941	-
Total deferred outflow of resources	<u>28,557</u>	<u>383,589</u>	<u>123,902</u>	<u>-</u>	<u>536,048</u>	<u>-</u>
<b>Liabilities:</b>						
Current liabilities:						
Account payable	176,827	445,752	213,379	19,309	855,267	1,882
Overpayments on Accounts	-	350,307	-	21,472	371,779	-
Interest payable	2,628	5,550	-	2,869	11,047	-
Payroll payable	4,532	38,092	10,125	-	52,749	-
Due to other funds	261,630	-	-	-	261,630	-
Unearned revenues	-	-	28,000,000	-	28,000,000	-
Compensated absence payable	3,623	46,576	6,181	-	56,380	-
Current portion of long-term debt	524,537	191,923	9,943	85,307	811,710	-
Health and workers' compensation payable	-	-	-	-	-	628,704
Liabilities to be paid from restricted assets:						
Customer deposits	-	224,637	-	26,575	251,212	-
Total current liabilities	<u>973,777</u>	<u>1,302,837</u>	<u>28,239,628</u>	<u>155,532</u>	<u>30,671,774</u>	<u>630,586</u>
Noncurrent liabilities:						
Net pension liability	36,212	518,435	157,185	-	711,832	-
Total OPEB liability	24,836	192,210	106,974	-	324,020	-
Compensated absence payable	687	24,643	11,962	-	37,292	-
Non-current portion of long-term debt	7,492,457	1,900,947	6,574	2,490,612	11,890,590	-
Total noncurrent liabilities	<u>7,554,192</u>	<u>2,636,235</u>	<u>282,695</u>	<u>2,490,612</u>	<u>12,963,734</u>	<u>-</u>
Total liabilities	<u>8,527,969</u>	<u>3,939,072</u>	<u>28,522,323</u>	<u>2,646,144</u>	<u>43,635,508</u>	<u>630,586</u>

(continued)

**STANLY COUNTY, NORTH CAROLINA**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**JUNE 30, 2023**

	Major Enterprise Funds			Nonmajor	Total	Governmental Activities
	West Stanly Wastewater Treatment Plant Fund	Stanly County Utility Fund	Airport Fund	Total Nonmajor Funds		Internal Service Group Health Fund
<b>Deferred Inflows of Resources:</b>						
Pension Deferrals	349	4,990	1,513	-	6,852	-
OPEB Deferrals	7,458	65,178	32,280	-	104,916	-
Total deferred inflows of resources	<u>7,807</u>	<u>70,168</u>	<u>33,793</u>	<u>-</u>	<u>111,768</u>	<u>-</u>
<b>Net Position:</b>						
Net investment in capital assets	1,362,981	13,439,444	18,798,077	3,128,018	36,728,520	-
Restricted						
USDA Restrictions	50,250	-	-	57,146	107,396	-
System Development	-	543,630	-	-	543,630	-
Unrestricted	<u>688,723</u>	<u>470,940</u>	<u>2,679,482</u>	<u>816,637</u>	<u>4,655,782</u>	<u>4,834,479</u>
Total net position	<u>\$ 2,101,954</u>	<u>\$ 14,454,014</u>	<u>\$ 21,477,559</u>	<u>\$ 4,001,801</u>	<u>\$ 42,035,328</u>	<u>\$ 4,834,479</u>

**STANLY COUNTY, NORTH CAROLINA**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2023**

	Major Enterprise Funds			Nonmajor	Total	Governmental
	West Stanly	Stanly County	Airport	Total		Activities
	Waste Water Treatment Plant Fund			Utility Fund		Proprietary Funds
<b>Operating Revenues:</b>						
Sales and Charges	\$ 1,164,059	\$ 4,569,420	\$ 924,664	\$ 798,828	\$ 7,456,971	\$ 6,948,619
System Development Fees	-	543,630	-	-	543,630	-
Other	-	198,885	-	28,870	227,755	-
Total Operating Revenues	<u>1,164,059</u>	<u>5,311,935</u>	<u>924,664</u>	<u>827,698</u>	<u>8,228,356</u>	<u>6,948,619</u>
<b>Operating Expenses:</b>						
Administration	140,000	319,965	-	130,000	589,965	-
Distribution and maintenance	707,915	2,633,262	-	132,856	3,474,033	-
Water purchases	-	1,847,653	-	306,247	2,153,900	-
Airport operating	-	-	1,166,486	-	1,166,486	-
Group health operations	-	-	-	-	-	6,089,506
Workers' compensation	-	-	-	-	-	433,064
Depreciation and Amortization	520,472	756,537	886,546	238,661	2,402,216	-
Total Operating Expenses	<u>1,368,387</u>	<u>5,557,417</u>	<u>2,053,032</u>	<u>807,764</u>	<u>9,786,600</u>	<u>6,522,570</u>
Operating income (loss)	<u>(204,328)</u>	<u>(245,482)</u>	<u>(1,128,368)</u>	<u>19,934</u>	<u>(1,558,244)</u>	<u>426,049</u>
<b>Non-operating Revenues (Expenses)</b>						
Interest income	-	51,219	882,665	23,660	957,544	165,822
Administrative charges	-	270,000	-	-	270,000	-
CARES Act Funding	-	-	85	-	85	-
Miscellaneous	-	10,881	-	-	10,881	-
Interest on long-term debt	(32,580)	(28,952)	(188)	(35,687)	(97,407)	-
Total Nonoperating Revenues (Expenses)	<u>(32,580)</u>	<u>303,148</u>	<u>882,562</u>	<u>(12,027)</u>	<u>1,141,103</u>	<u>165,822</u>
Income (loss) before contributions and transfers	<u>(236,908)</u>	<u>57,666</u>	<u>(245,806)</u>	<u>7,907</u>	<u>(417,141)</u>	<u>591,871</u>
<b>Contributions and Transfers</b>						
Transfers in (out)	111,645	150,451	417,792	-	679,888	-
Capital contributions	-	2,624	3,242,185	-	3,244,809	-
Total Contributions and Transfers	<u>111,645</u>	<u>153,075</u>	<u>3,659,977</u>	<u>-</u>	<u>3,924,697</u>	<u>-</u>
Change in Net Position	(125,263)	210,741	3,414,171	7,907	3,507,556	591,871
<b>Net Position:</b>						
Beginning of Year - July 1	<u>2,227,217</u>	<u>14,243,273</u>	<u>18,063,388</u>	<u>3,993,894</u>	<u>38,527,772</u>	<u>4,242,608</u>
End of year - June 30	<u>\$ 2,101,954</u>	<u>\$ 14,454,014</u>	<u>\$ 21,477,559</u>	<u>\$ 4,001,801</u>	<u>\$ 42,035,328</u>	<u>\$ 4,834,479</u>

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, 2023**

	Major Enterprise Funds			Nonmajor	Total	Governmental
	West Stanly	Stanly County	Airport Fund	Total		Internal Service
	Wastewater Treatment Plant Fund			Proprietary Funds		
<b>Cash Flows from Operating Activities:</b>						
Cash received from customers	\$ 1,164,059	\$ 5,517,638	\$ 935,287	\$ 808,294	\$ 8,425,278	\$ 6,948,619
Cash paid for goods and services	(647,039)	(3,382,920)	(736,948)	(576,919)	(5,343,826)	(6,570,502)
Cash paid to employees for services	(130,283)	(1,281,397)	(327,019)	-	(1,738,699)	-
Customer deposits	-	15,925	-	190	16,115	-
Net cash provided (used) by operating activities	386,737	869,246	(128,680)	231,565	1,358,868	378,117
<b>Cash Flows from Non-Capital Financing Activities:</b>						
Transfers (to) from other funds	111,645	150,451	417,792	-	679,888	-
Due to (from) other funds	(169,038)	-	-	-	(169,038)	-
Net cash provided (used) by noncapital financial activities	(57,393)	150,451	417,792	-	510,850	-
<b>Cash Flows from Capital and Related Financing Activities:</b>						
Acquisition and construction of capital assets	(178,246)	(1,481,642)	(1,691,259)	(76,227)	(3,427,374)	-
Principal paid on bond maturities and lease purchases	(173,250)	(206,006)	(14,661)	(84,307)	(478,224)	-
Interest paid on bond maturities and lease purchases	(32,640)	(30,296)	(188)	(35,757)	(98,881)	-
Proceeds from notes payable and bonds	275,307	-	-	-	275,307	-
Capital contributions	-	15,742	14,212,325	-	14,228,067	-
Net cash provided (used) by capital and related financing activities	(108,829)	(1,702,202)	12,506,217	(196,291)	10,498,895	-
<b>Cash Flows from Investing Activities:</b>						
Interest on investments	-	47,315	881,157	21,363	949,835	151,166
Net increase (decrease) in cash and cash equivalents	220,515	(635,190)	13,676,486	56,637	13,318,448	529,283
Cash and cash equivalents, July 1	1,008,683	2,269,479	17,290,351	727,568	21,296,081	4,920,719
Cash and cash equivalents, June 30	\$ 1,229,198	\$ 1,634,289	\$ 30,966,837	\$ 784,205	\$ 34,614,529	\$ 5,450,002

(continued)



**STANLY COUNTY, NORTH CAROLINA  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2023**

	Major Enterprise Funds			Nonmajor	Total	Governmental
	West Stanly Wastewater Treatment Plant Fund	Stanly County Utility Fund	Airport Fund	Total Nonmajor Proprietary Funds		Internal Service Group Health Fund
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</b>						
Operating income (loss)	\$ (204,328)	\$ (245,482)	\$ (1,128,368)	\$ 19,934	\$ (1,558,244)	\$ 426,049
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:						
Depreciation	520,472	756,537	886,546	238,661	2,402,216	-
Changes in assets and liabilities:						
(Increase) decrease in accounts receivable	-	(89,960)	10,623	3,957	(75,380)	-
(Increase) decrease in due from other governments	-	-	-	-	-	-
(Increase) decrease in inventory	-	9,144	24,959	-	34,103	-
(Increase) decrease in deferred outflows of resources for pensions	(8,159)	(116,801)	(35,412)	-	(160,372)	-
(Increase) decrease in deferred outflows of resources for OPEB	816	10,834	3,528	-	15,178	-
Increase (decrease) in net pension liability	26,056	373,039	113,102	-	512,197	-
Increase (decrease) in deferred inflows of resources for pensions	(14,160)	(202,737)	(61,468)	-	(278,365)	-
Increase (decrease) in deferred inflows of resources for OPEB	3,393	29,654	14,686	-	47,733	-
Increase (decrease) in accounts payable and liabilities	69,875	35,773	57,841	(7,816)	155,673	(47,932)
Increase (decrease) in payroll payable	(584)	(7,234)	(2,770)	-	(10,588)	-
Increase (decrease) in customer overpayments	-	14,782	-	(23,361)	(8,579)	-
Increase (decrease) in customer deposits	-	15,925	-	190	16,115	-
Increase (decrease) in net OPEB liability	(3,194)	(3,087)	(13,308)	-	(19,589)	-
Increase (decrease) in compensated absences	(3,450)	7,978	1,361	-	5,889	-
Total adjustments	<u>591,065</u>	<u>1,114,728</u>	<u>999,688</u>	<u>211,631</u>	<u>2,917,112</u>	<u>(47,932)</u>
Net cash provided (used) by operating activities	<u>\$ 386,737</u>	<u>\$ 869,246</u>	<u>\$ (128,680)</u>	<u>\$ 231,565</u>	<u>\$ 1,358,868</u>	<u>\$ 378,117</u>

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

**STANLY COUNTY, NORTH CAROLINA**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**FIDUCIARY FUND**  
**JUNE 30, 2023**

	Custodial Fund
<b>ASSETS</b>	
Cash and investments	\$ 156,321
Taxes receivable for other governments, net	443,318
Total Assets	599,639
<b>LIABILITIES</b>	
Accounts payable	-
Due to other governments	236,982
Total liabilities	236,982
<b>NET POSITION</b>	
Restricted for:	
Individuals, organizations, and other governments	362,657
Total fiduciary net position	\$ 362,657

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

**STANLY COUNTY, NORTH CAROLINA**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**FIDUCIARY FUND**  
**FOR THE YEAR ENDED JUNE 30, 2023**

	Custodial Funds
<b>ADDITIONS</b>	
Ad valorem taxes for other governments	\$ 14,992,436
Collections on behalf of inmates	371,438
Total additions	15,363,874
<b>DEDUCTIONS</b>	
Tax distributions to other governments	15,061,593
Payments on behalf of inmates	355,649
Total deductions	15,417,242
Net increase (decrease) in fiduciary net position	(53,368)
Net position, beginning	416,025
Net position, ending	\$ 362,657

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



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**STANLY COUNTY, NORTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

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**NOTE I: Summary of Significant Accounting Policies**

The accounting policies of Stanly County and its Component units conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant accounting policies:

**A. Reporting Entity**

The County, which is governed by a seven-member Board of Commissioners, is one of the 100 counties established in North Carolina under North Carolina General Statute 153A-10. As required by generally accepted accounting principles, these financial statements present the County and its component units, legally-separate entities for which the County is financially accountable.

**Blended Component Units**

**Piney Point Water District and Greater Badin Water and Sewer District (Districts)** exists to provide and maintain water and sewer services for residents within the Districts. Under State law (G.S. 162A-89), the County's Board of Commissioners serves as the governing board for the Districts. The County has operational responsibility for the Districts. Therefore, the Districts are reported as enterprise funds in the County's financial statements. The Districts do not issue separate financial statements. The blended presentation method presents component units as a department or unit of the County and offers no separate presentation, as with the discrete method.

**Discretely Presented Component Units**

**Stanly County Industrial Facility and Pollution Control Financing Authority** exists to issue and service revenue bond debt of private businesses for economic development purposes. The County Commissioners appoint a seven-member Board to govern the Authority. The County Commissioners can remove any Authority member with or without cause. The Authority has no financial transactions or account balances; therefore, it is not presented in the County's financial statements at June 30, 2023. The Authority does not issue separate financial statements.

**Stanly County Water and Sewer Authority** exists to provide water and sewer services for the County. The Board of Directors is appointed by the Stanly County Board of Commissioners and can be removed at any time, with or without cause. The Authority is legally separate from the County; however, the County is able to exercise control of the Board by appointment of its Directors. Complete financial statements for the Authority may be obtained from the Director of Finance, Stanly County, 1000 North First Street, Suite 10B, Albemarle, North Carolina, 28001.

The discrete presentation method presents component units as if they are separate proprietary funds of the County.

**B. Basis of Presentation – Basis of Accounting**

**Basis of Presentation, Measurement Focus - Basis of Accounting**

**Government-wide Statements:** The Statement of Net Position and the Statement of Activities display information about the primary government net position (the County) and its component units. These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. Interfund services provided are not eliminated in the process of consolidation. These statements distinguish between the *governmental* and *business-type* activities of the County. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

**STANLY COUNTY, NORTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

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**Basis of Presentation, Measurement Focus - Basis of Accounting (continued)**

The Statement of Activities presents a comparison between direct expenses and program revenues for the different business-type activities of the County and for each function of the County's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expense allocations that have been made in the funds have been reversed for the statement of activities. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

**Fund Financial Statements:** The fund financial statements provide information about the County's funds, including its fiduciary funds and blended component units. Separate statements for each fund category – governmental, proprietary, and fiduciary – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Non-operating revenues, such as subsidies and investment earnings, result from non-exchange transactions. Other non-operating items such as investment earnings are ancillary activities.

The County reports the following major governmental 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.

**American Rescue Plan Fund.** The County received funds to assist with recovery efforts as a result of the COVID-19 pandemic.

The County reports the following major enterprise funds:

**West Stanly Waste Water Treatment Plant Fund, and Stanly County Utility Fund.** These funds are used to account for the operations of providing water and sewer services to citizens within the County.

**Airport Fund.** This fund accounts for the operations of providing landings, take-offs, tie-down slots, hangars, and refueling of civilian and military aircraft.

Additionally, the County reports the following fund types:

**Custodial Funds.** Custodial funds are used to report fiduciary activities that are not required to be reported in pension (and other employee benefit) trust funds, investment trust funds, or private-purpose trust funds. Custodial funds are used to account for assets the County holds on behalf of others that meet certain criteria. The County maintains the following custodial funds: the Municipal Tax Fund, which accounts for ad valorem and vehicle property taxes that are billed and collected by the County for various municipalities within the County but are not revenues to the County, and the Jail Inmate Pay Fund, which holds cash deposits made to inmates as payment for work performed while incarcerated as well as cash collections for the benefit of inmates from their friends and families.

**Internal Service Fund.** The Internal Service Group Health and Workers' Compensation Fund is used to account for the financial activities of the County's self-insured benefit plan for employee group healthcare and activities of the County's workers' compensation coverage through a third party.

**STANLY COUNTY, NORTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

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**C. Measurement Focus, Basis of Accounting**

**Nonmajor Funds.** The County maintains seventeen legally budgeted nonmajor funds. The Emergency Telephone System, Fire Districts Fund, Single Family Rehabilitation 2020, CDBG 2020 Revitalization, Deed of Trust, Fines and Forfeitures, Representative Payee Funds, and Opioid Settlement Funds are reported as nonmajor special revenue funds. The Livestock Arena Construction Project, Riverstone Industrial Park Project, State Capital and Infrastructure Fund, SCC Trade Facility Fund, Agri Civic Center Lobby Floor Renovation Fund, Public Safety Complex Fund, and E-911 CAD System Replacement Fund are reported as nonmajor capital project funds. In addition, the Greater Badin Water and Sewer Fund and the Piney Point Water District Fund are also shown as a nonmajor funds.

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. 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 the County enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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

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

The County considers all revenues available if they are collected within 60 days after year-end, except for property taxes. Ad valorem property taxes are not accrued as a revenue because the amount is not susceptible to accrual. At June 30, taxes receivable for property other than motor vehicles are materially past due and are not considered to be an available resource to finance the operations of the current year. As of September 1, 2013, State law altered the procedures for the assessment and collection of property taxes on registered motor vehicles in North Carolina. Effective with this change in the law, the State of North Carolina is responsible for billing and collecting the property taxes on registered motor vehicles on behalf of all municipalities and special tax districts. Property taxes are due when vehicles are registered. The billed taxes are applicable to the fiscal year in which they are received. Uncollected taxes that were billed in periods prior to September 1, 2013 and for limited registration plates are shown as a receivable in these financial statements and are offset by deferred inflows of resources.

**STANLY COUNTY, NORTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

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Sales taxes and certain intergovernmental revenues, such as the utilities franchise tax, collected and held by the State at year-end on behalf of the County are recognized as revenue. Intergovernmental revenues and sales and services are not susceptible to accrual because generally they are not measurable until received in cash. All taxes, including those dedicated for specific purposes are reported as general revenues rather than program revenues. Expenditure driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been satisfied.

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

**D. Budgetary Data**

The County's budgets are adopted as required by the North Carolina General Statutes. An annual budget is adopted for the General Fund, the Special Revenue Funds (the Fire Districts Fund, Emergency Telephone System Fund, Deed of Trust Fund, Fines and Forfeitures Fund, and the Representative Payee Fund) and the Enterprise Funds. All annual appropriations lapse at the fiscal year-end. Project ordinances are adopted for all other capital project funds and special revenue funds. The enterprise capital project funds are consolidated with the enterprise operating funds for reporting purposes.

All budgets are prepared using the modified accrual basis of accounting. Expenditures may not legally exceed appropriations at the functional level for the General Fund, at the fund level for the Special Revenue, the Enterprise Funds, and the Capital Project Funds. The County Manager is authorized by the budget ordinance to expend monies from departmental budgets and to approve all budget transfers within a department budget. Intra-department transfers to or from personal services and/or capital outlay in excess of \$5,000 must have Board approval. During the year, a number of amendments to the original budget were necessary. The budget ordinance must be adopted by July 1 of the fiscal year, or the Board of Commissioners must adopt an interim budget that covers that time until the annual ordinance can be adopted.

**E. Assets, Liabilities, Deferred Inflows and Outflows, and Fund Equity**

**1. Deposits and Investments**

All deposits of the County and the Authority are made in board-designated official depositories and are secured as required by G.S. 159-31. The County and the Authority may designate, as an official depository, any bank or savings association whose principal office is located in North Carolina. Also, the County and the Authority may establish time deposit accounts such as NOW and SuperNOW accounts, money market accounts, and certificates of deposit.

State Law [G.S. 159-30(c)] authorizes the County and the Authority to invest in obligations of the United States or obligations fully guaranteed both as to principal and interest by the United States; obligations of the State of North Carolina; bonds and notes of any North Carolina local government or public authority; obligations of certain non-guaranteed federal agencies; certain high quality issues of commercial paper and bankers' acceptances; and the North Carolina Capital Management Trust (NCCMT).

The County's and the Authority's investments are carried at fair value. The North Carolina Capital Management Trust (NCCMT), which consists of one SEC-registered fund, is authorized by G.S. 159-30(c)(8). The Government Portfolio, which invests in treasuries, government agencies, and collateralized repurchase agreements, is a money market mutual fund (2a7) and maintains an AAAM rating from S&P and AAAMf by Moody's Investor Service. It is reported at fair value.



**STANLY COUNTY, NORTH CAROLINA  
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FOR THE YEAR ENDED JUNE 30, 2023**

**2. Cash and Cash Equivalents**

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

**3. Restricted Assets**

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

**Stanly County Restricted Cash**

<u>Governmental Activities</u>		
General Fund	Security Deposits	\$ 400
Opioid Settlement Fund	Unexpended settlement proceeds	456,895
American Rescue Plan Fund	Unspent grant proceeds	12,091,175
State Capital and Infrastructure Fund	Unspent grant proceeds	514,950
SCC Trade Facility Fund	Unspent loan proceeds	5,812,110
Total governmental activities		18,875,530
<u>Business-Type Activities</u>		
Greater Badin Water & Sewer District Fund	Customer Deposits	20,505
Piney Point Water District Fund	Customer Deposits	6,070
Stanly County Utility Fund	Customer Deposits	224,637
Stanly County Utility Fund	System Development Fees	543,630
Airport	Unearned grant proceeds	30,443,150
Total business-type activities		31,237,992
Total restricted cash		\$ 50,113,522

**4. Ad Valorem Taxes Receivable**

In accordance with State law [G.S. 105-347 and G.S. 159-13(a)], the County levies ad valorem taxes on property other than motor vehicles on July 1, the beginning of the fiscal year. The taxes are due on September 1 (lien date); however, penalties and interest do not accrue until the following January 6. These taxes are based on the assessed values as of January 1, 2022. As allowed by State law, the County has established a schedule of discounts that apply to taxes that are paid prior to the due date. In the County's General Fund, ad valorem tax revenue are reported net of such discounts.

**5. Lease Receivable**

The County's lease receivable is measured at the present value of lease payments expected to be received during the lease term. There are no variable components under the lease agreement. A deferred inflow of resources is recorded for the lease. The deferred inflow of resources is recorded at the initiation of the lease in an amount equal to the initial recording of the lease receivable. The deferred inflow of resources is amortized on a straight-line basis over the term of the lease.

**6. Allowance for Doubtful Accounts**

All receivables that historically experience uncollectible accounts are shown net of an allowance for doubtful accounts. This amount is estimated by analyzing the percentage of receivables that were written off in prior years.

**STANLY COUNTY, NORTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

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**7. Inventory**

The inventories of the County's enterprise funds consist of materials and supplies held for consumption and are valued at cost (first in, first out), which approximates market. The inventory of the Authority consists of goods held for sale. The cost of the inventory is recorded as an expense as it is consumed.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. Prepaid expenses are recorded as an expense when the prepaid is consumed.

**8. Capital Assets**

Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets received prior to July 1, 2015 are recorded at their estimated fair value at the date of donation. Donated capital assets received after July 1, 2015 are recorded at acquisition value. The County's minimum capitalization threshold is \$2,000. Interest is capitalized on enterprise capital assets acquired with debt. The amount of interest capitalized is offset by interest income derived from investing the proceeds of the debt. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

The County holds title to certain Stanly County Board of Education properties that have not been included in capital assets. The properties have been deeded to the County to permit installment purchase financing of acquisition and construction costs and to permit the County to receive refunds of sales tax paid for construction costs. Agreements between the County and the Board of Education give the Board of Education full use of the facilities, full responsibility for maintenance of the facilities, and provide that the County will convey title to the property back to the Board of Education, once all restrictions of the financing agreements and all sales tax reimbursement requirements have been met. The properties are reflected as capital assets in the financial statements of the Stanly County Board of Education.

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

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

Property, plant and equipment of the Authority are depreciated over their useful lives on a straight-line basis as follows:

	<u>Useful Life</u>
Distribution system	40 Years

The County's capital assets also include certain right to use assets. These right to use assets arise in association with agreements where the County reports a lease (only applies when the County is the lessee) or agreements where the County reports an Information Technology (IT) Subscription in accordance with the requirements of GASB 87 and GASB 96, respectively.

The right to use lease assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made at or prior to the start of the lease term, less lease incentives received from the lessor at or prior to the start of the lease term, and plus ancillary charges necessary to place the lease asset into service. The right to use lease assets are amortized on a straight-line basis over the life of the related lease.

**STANLY COUNTY, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2023**

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**8. Capital Assets (continued)**

The right to use IT subscription assets are initially measured at an amount equal to the initial measurement of the subscription liability plus any subscription payments made at the start of the subscription term, if applicable, plus capitalizable initial implementation costs at the start of the subscription term, less any incentives received from the IT subscription vendor at the start of the subscription term. Subscription payments, as well as payments for capitalizable implementation costs made before the start of the subscription term should be reported as a prepayment (asset). Such prepayments should be reduced by any incentives received from the same vendor before the start of the subscription term if a right of offset exists. The net amount of the prepayments and incentives should be reported as an asset or liability, as appropriate, before the start of the subscription term at which time the amount should be included in the initial measurement of the subscription asset. The right to use subscription assets should be amortized on a straight-line basis over the subscription term.

**9. Deferred Outflows/Inflows of Resources**

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflow of resources. This separate financial statement element, *Deferred Outflows of Resources*, represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. The County has several items that meets this criterion - pension related deferrals, and contributions made to the OPEB or pension plan in the current fiscal year. In addition to liabilities, the Statement of Net Position can also report a separate section for deferred inflows of resources. This separate financial statement element, *Deferred Inflows of Resources*, represents a consumption of net assets that applies to future periods and so will not be recognized as revenue until then. The County has several items that meet the criterion for this category - prepaid taxes, property taxes receivable and other OPEB or pension related deferrals.

**10. Long-Term Obligations**

In the government-wide financial statements and in the proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type Statement of Net Position.

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

**11. Compensated Absences**

The vacation policy of the County provide for the accumulation of up to thirty (30) days earned vacation leave with such leave being fully vested when earned. An expense and a liability for compensated absences and the salary-related payments are recorded as the leave is earned in the County's government-wide and proprietary fund. The County's liability for accumulated earned vacation and the salary-related payments as of June 30, 2023 is recorded in the government-wide and proprietary fund financial statements on a LIFO basis. Employees typically take leave as it is earned and there is no current portion. A current portion has been estimated as time to be used in the next fiscal year.

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

**STANLY COUNTY, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2023**

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**12. Self-Insured**

The County is self-insured for employees' medical insurance with third-party insurance coverage at specified levels. The self-insurance plan is administered by a third-party administrator. Amounts remitted by the County to the administrator include estimates of the eventual loss on claims arising prior to year-end, including claims incurred and not yet reported. The liability for estimated claims is accrued in the Group Health and Workers' Compensation Fund. As of July 1, 2013, the County is no longer self-insured for Workers' Compensation coverage. The County has purchased coverage through a private insurer.

**13. Opioid Settlement Funds**

In April 2022, drug manufacturer Johnson & Johnson, and three drug distributors, McKesson, AmerisourceBergen, and Cardinal Health, finalized a \$26 billion-dollar nationwide settlement related to multiple opioid lawsuits. These funds will be disbursed to each participating state over an 18-year period according to an allocation agreement reached with all participating states. The majority of these funds are intended for opioid abatement and the distribution of the funds will be front loaded.

North Carolina's Memorandum of Agreement (MOA) between the state and local governments for the settlement funds allocates the funds as follows:

- 15% directly to the State ("State Abatement Fund")
- 80% to abatement funds established by Local Governments ("Local Abatement Funds")
- 5% to a County Incentive Fund.

The County received \$425,925 as part of this settlement in Fiscal Year 2023. Per the terms of the MOA, the County created a special revenue fund, the Opioid Settlement Fund, to account for these funds. All funds are to be used for opioid abatement and remediation activities. Funds are restricted until expended. As of June 30, 2023, the County has expended \$154,368 of these funds. The MOA offered the County two options of expending the funds. The County opted for Option A, which allows the County to fund one or more high-impact strategies from a list of evidence-based strategies to combat the opioid epidemic.

**14. Reimbursements for Pandemic-related Expenditures**

In FY 2020/21, the American Rescue Plan Act (ARPA) established the Coronavirus State and Local Fiscal Recovery Funds to support urgent COVID-19 response efforts and replace lost revenue for the eligible state, local, territorial, and tribal governments. The County was allocated \$12,199,329 of fiscal recovery funds. The first installment of \$6,099,665 was received in May 2021. The second installment was received in June 2022. County staff and the Board of Commissioners have elected to use \$12,199,329 of the ARPA funds for water lines and broadband capital projects.

**15. Net Position/Fund Balances**

**Net Position**

Net position in government-wide and proprietary fund financial statements is classified as net investment in capital assets; restricted and unrestricted. Restricted net position represents constraints on resources that are either a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or b) imposed by law through State statute.

Restricted net position shown in proprietary fund financial statements is for USDA Debt Service Reserve requirements. Regular deposits equivalent to 10% of annual debt service are required to be shown as restricted until one annual payment is held in reserve.

**STANLY COUNTY, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2023**

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**Fund Balances**

In the governmental fund financial statements, fund balance is composed of five classifications designed to disclose the hierarchy of constraints placed on how fund balance can be spent.

The governmental fund types classify fund balances as follows:

**Non-Spendable Fund Balance** - this classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

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

*Leases* - portion of fund balance that is not an available resource because it represents the year-end balance of the lease receivable in excess of the deferred inflow of resources for the lease receivable, which is not a spendable resource.

**Restricted Fund Balance** - This classification includes revenue sources that are restricted to specific purposes externally imposed or imposed by law.

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

*Restricted for Register of Deeds* - portion of fund balance constituting the Automation Enhancement and Preservation Fund, funded by 10% of the fees collected and maintained by the Register of Deeds' office. The funds are available for appropriation, but are legally restricted for computer equipment and imaging technology in the Register of Deeds' office.

*Restricted for Public Safety* - portion of fund balance in the General Fund restricted for the purpose of maintaining a reserve account for debt payment of the Jail Construction USDA Loan based on loan agreement (USDA Reserve) - \$75,795. The amount of \$138,263 in the Emergency Telephone System Fund, this is the portion of fund balance that is restricted by the North Carolina 911 Board for the use of installation of emergency 911 phone systems.

*Restricted for Human Services* - portion of fund balance restricted by revenue source for the purpose of future costs (10% of sale of home health).

*Restricted for Economic Development* - portion of fund balance restricted by revenue source for the purpose of economic development (SCIF Funds).

*Restricted for Education* - portion of fund balance in the SCC Trade Facility Project Fund restricted by revenue source for the construction of the project - \$5,812,110.

**STANLY COUNTY, NORTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

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**Fund Balances (continued)**

Restricted net position in Exhibit 1 varies from restricted fund balance on Exhibit 3 by the amount of the Register of Deeds' Pension Plan of \$132,668.

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

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

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

**Assigned Fund Balance** - This classification includes the portion of fund balance that the Stanly County Board of Commissioners intends to use for specific purposes they have budgeted.

Assigned Fund Balances at June 30, 2023 are as follows:

Purpose	General Fund
<b>Assigned:</b>	
Subsequent year's expenditures	\$ 1,140,746
General Government	548,225
Public Safety	1,914,511
Economic and Physical Development	32,508
Human Services	2,378,680
Cultural and Recreation	151,199
Total	\$ 6,165,868

*Assigned for Subsequent Year's Expenditures* - portion of fund balance that has been appropriated for the adopted 2023-2024 budget ordinance that has not already been classified as restricted or committed. The Board of Commissioners approves the appropriation.

*Assigned for General Government* - portion of fund balance assigned for future tax revaluation.

*Assigned for Public Safety* - portion of fund balance assigned for the benefit of jail inmates - \$75,914, Sheriff - \$16,091, animal control - \$17,406, federal/State drug - \$208,206 inspections - \$1,546,089, Jail Telephone - \$50,805.

*Assigned for Economic and Physical Development* - portion of fund balance assigned for Rocky River RPO Services.

*Assigned for Human Services* - portion of fund balance assigned for Medicaid settlements, and dental clinic. Medicaid settlements portion is assigned for future health related activities - \$53,094. Dental clinic portion is assigned for future dental clinic services - \$2,325,585.

*Assigned for Cultural and Recreational* - portion of fund balance assigned for library endowment and 4-H. Library endowment portion is assigned for future library activities - \$118,222. 4-H portion is assigned for future 4-H services - \$24,748. Master Gardner is assigned for a specific purpose - \$1,013, as is Farm School - \$7,215.

**STANLY COUNTY, NORTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

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**Fund Balances (continued)**

**Unassigned Fund Balances** - This classification includes the portion of fund balance that has not been restricted, committed, or assigned to specific purposes or other funds. Only the General Fund may report a positive unassigned fund balance.

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

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

**16. Defined Benefit Cost-Sharing Plans**

The County participates in three cost-sharing, multiple-employer, defined benefit pension plans that are administered by the State; the Local Governmental Employees' Retirement System (LGERS), the Registers of Deeds' Supplemental Pension Fund (RODSPF) and the Law Enforcement Officers' Special Separation Allowance (LEOSSA) (collectively, the "state-administered defined benefit pension plans"), and one other postemployment benefit plan (OPEB), the Healthcare Benefits Plan (HCB). For purposes of measuring the net pension asset or liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net positions of the state-administered defined benefit pension plans and additions to/deductions from the state-administered defined benefit pension plans' fiduciary net positions have been determined on the same basis as they are reported by the state-administered defined benefit pension plans. For this purpose, plan member contributions are recognized in the period in which the contributions are due. The County's employer contributions are recognized when due and the County has a legal requirement to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the state-administered defined benefit pension plans.

**F. Accounting Estimates**

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

**STANLY COUNTY, NORTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

**G. Reconciliation of Government-Wide and Fund Financial Statements**

**1. Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-Wide Statement of Net Position**

The governmental fund balance sheet includes a reconciliation between total fund balance for the governmental funds and net position for governmental activities as reported in the government-wide statement of net position.

The net adjustment consists of several elements as follows:

Capital assets used in governmental activities are not financial resources and are therefore not reported in the funds (total capital assets on government-wide statement in governmental activities column)

Land	\$ 2,168,413	
Construction in progress	8,083,969	
Depreciable property	60,046,697	
Accumulated depreciation	<u>(31,827,295)</u>	\$ 38,471,784

Right to use assets used in governmental activities are not financial resources and are therefore not reported in the funds

Less accumulated amortization	<u>1,240,004</u>	
Net right to use assets	(529,188)	710,816

Net Pension Asset

	<u>89,036</u>	89,036
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Contributions to the pension plan in the current fiscal year

	<u>2,811,288</u>	2,811,288
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Benefit payments and pension administration costs for LEOSSA

	<u>21,428</u>	21,428
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Contributions to OPEB plan in the current fiscal year

	<u>178,134</u>	178,134
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Accrued interest receivable, less the amount claimed as unearned revenue in the government-wide statements, as these funds are unavailable in the fund statements.

	<u>178,999</u>	178,999
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Liabilities for deferred inflows of resources reported in the fund statements, but not the government-wide

	<u>1,155,647</u>	1,155,647
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Pension related deferrals

	<u>7,273,511</u>	7,273,511
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OPEB related deferrals

	<u>(1,014,591)</u>	(1,014,591)
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Liabilities that, because they are not due and payable in the current period, do not require current resources to pay and are therefore not reported in the fund statements:

Bonds, leases, and installment financing	(26,376,930)	
Compensated Absences	(1,738,087)	
Total OPEB Liability	(8,435,875)	
Net Pension Liability (LGERS)	(15,131,553)	
Total Pension Liability (LEOSSA)	(1,747,209)	
Interest Payable	<u>(185,382)</u>	(53,615,036)

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

	<u>4,834,479</u>	4,834,479
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Total Adjustment

		<u>\$ 1,095,495</u>
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**STANLY COUNTY, NORTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

**2. Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balance and the Government-Wide Statement of Activities**

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances for the governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities. The total adjustment of (\$3,900,045) is comprised of the following:

Governmental funds report capital outlays as expenditures. In the Statement of Activities, the cost of those assets is depreciated over their estimated useful lives.

Capital outlays	\$ 9,819,504	
Depreciation	<u>(2,766,029)</u>	\$ 7,053,475

Costs of capital assets disposed of during the year, not recognized on modified accrual basis.

	<u>(64,826)</u>	(64,826)
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Governmental funds report capital outlays associated with leases as expenditures. In the Statement of Activities, the cost of those assets is amortized over the remaining term of the lease.

Capital outlays	202,990	
Amortization	<u>(335,497)</u>	(132,507)

The issuance of long-term debt (e.g. bonds, leases) is a resource, and the repayment of bond principal is an expenditure in governmental funds; but those transactions increase or reduce long-term liabilities in the Statement of Net Position.

Debt issued	(11,758,000)	
Debt retired	2,875,864	
Lease liabilities and IT subscription liabilities issued	(202,990)	
Lease payments	<u>343,856</u>	(8,741,270)

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	(145,906)	
Accrual of taxes	<u>(167,086)</u>	(312,992)

Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities

	<u>2,811,288</u>	2,811,288
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Benefit payments and administration costs for LEOSSA are deferred outflows of resources on the Statement of Net Position

	<u>21,428</u>	21,428
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Contributions to the OPEB plan are deferred outflows of resources on the Statement of Net Position

	<u>178,134</u>	178,134
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Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.

Compensated absences	(89,752)	
OPEB expense	(668,253)	
County's portion of collective pension expense	(4,567,661)	
Interest expense	<u>21,020</u>	(5,304,646)

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>426,049</u>	426,049
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Total Adjustment		<u><u>\$ (4,065,867)</u></u>
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**STANLY COUNTY, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2023**

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**NOTE II: Stewardship, Compliance and Accountability**

**Excess of Expenditures over Appropriations**

None reported.

**NOTE III: Detail Notes on All Funds**

**A. Assets**

**1. Deposits**

All of the County's and the Authority's deposits are either insured or collateralized by the Pooling Method. Under the Pooling Method, which is a collateral pool, all uninsured deposits are collateralized with securities held by the State Treasurer's agent in the name of the State Treasurer. Since the State Treasurer is acting in a fiduciary capacity for the County and the Authority, these deposits are considered to be held by their agents in the entities' names. The amount of the pledged collateral is based on an approved averaging method for non-interest bearing deposits and the actual current balance for interest-bearing deposits. Depositories using the Pooling Method report to the State Treasurer the adequacy of their pooled collateral covering uninsured deposits. The State Treasurer does not confirm this information with the County or the Authority or with the escrow agent. Because of the inability to measure the exact amount of collateral pledged for the County or the Authority under the Pooling Method, the potential exists for the under-collateralization, and this risk may increase in periods of high cash flows. However, the State Treasurer of North Carolina enforces strict standards of financial stability for each depository that collateralizes public deposits under the Pooling Method.

The State Treasurer enforces standards of minimum capitalization for all pooling method financial institutions. The County relies on the State Treasurer to monitor those financial institutions. The County analyzes the financial soundness of any other financial institution used by the County. The County complies with the provisions of G.S. 159-31 when designating official depositories and verifying that deposits are properly secured. The County does not have formal policies regarding custodial credit risk for deposits.

The County maintains a pool for substantially all cash, cash equivalents, and investments. These balances are reflected in the financial statements as "cash and cash equivalents" or "restricted assets" as appropriate. Interest earnings are allocated monthly to qualified funds based on the fund's monthly cash balances.

At June 30, 2023, the County's deposits had a carrying amount of \$54,709,459 and a bank balance of \$55,424,299. Of the bank balance, \$750,000 was covered by federal depository insurance; and \$54,674,299 in interest bearing deposits was covered by collateral held under the Pooling Method. The petty cash funds totaled \$4,348.

At June 30, 2023, the carrying amount of deposits for the Authority's deposits was \$1,938,241 and a bank balance of \$1,950,508. Of the bank balance, \$250,000 was covered by federal depository insurance, and \$1,700,508 was covered by collateral held under the pooling method.

**STANLY COUNTY, NORTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

**2. Investments**

At June 30, 2023, the County had the following investments in maturities.

Investment Type	Valuation Measurement Method	Fair Value	Less Than 6 Months	6 - 12 Months	1 - 3 Years
NC Capital Management Trust - Government Portfolio	Fair Value - Level 1	\$ 55,174,225	\$ 55,174,225	\$ -	\$ -
First Citizens - Direct Government Securities	Fair Value - Level 1	3,073,447	250,560	519,878	2,303,009
First Citizens - Accrued Income	Fair Value - Level 1	2,976	2,976	-	-
First Citizens - NC Capital Management Trust - Government Portfolio	Fair Value - Level 1	145,831	145,831	-	-

Because the NCCMT Government Portfolio has a weighted average maturity of less than 90 days, it is presented as an investment with a maturity of less than 6 months. The NCCMT Government Portfolio has an AAAM rating from S&P and AAAM by Moody's Investor Service. It is reported at fair value.

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

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

*Interest Rate Risk.* As a means of limiting its exposure to fair value losses arising from rising interest rates, the County's investment policy limits at least half of the County's investment portfolio to maturities of less than one year. Also, the County's investment policy requires purchases of securities to be laddered with staggered maturity dates and limits all securities to a final maturity of no more than 3 years.

*Credit Risk.* The County limits investments to the provisions of G.S. 159-30 and restricts the purchase of securities to the highest possible ratings whenever particular types of securities are rated. State law limits investments in commercial paper to the top rating issued by nationally recognized statistical rating organizations (NRSROs). The County's investments in the NC Capital Management Trust Portfolio carried a credit rating of AAAM by Standard & Poor's as of June 30, 2023. The County's investments in US Agencies are rated AAA by Standard & Poor's and Aaa by Moody's Investors Service.

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

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

Year Levied	Tax	Interest	Total
2020	\$ 2,398,599	\$ 569,691	\$ 2,968,290
2021	2,436,912	359,446	2,796,358
2022	2,451,792	140,979	2,592,771
2023	2,476,767	-	2,476,767
Total	\$ 9,764,070	\$ 1,070,116	\$ 10,834,186

**STANLY COUNTY, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2023**

**4. Receivables**

Receivables at the government-wide level at June 30, 2023, were as follows:

	Taxes Receivable	Trade Accounts Receivable	Due From Other Governments	Interest	Total
Governmental Activities:					
General	\$ 2,028,573	\$ 920,500	\$ 7,829,021	\$ 194,062	\$ 10,972,156
Other Governmental	100,198	-	32,235	-	132,433
Total Receivables	2,128,771	920,500	7,861,256	194,062	11,104,589
Allowance for Doubtful Accts.	(973,011)	(257,690)	-	-	(1,230,701)
Total Gov't Activities	<u>\$ 1,155,760</u>	<u>\$ 662,810</u>	<u>\$ 7,861,256</u>	<u>\$ 194,062</u>	<u>\$ 9,873,888</u>
Business-type Activities:					
Greater Badin Water & Sewer	\$ -	\$ 252,913	-	\$ 1,378	\$ 254,291
Piney Point Water District	-	54,773	-	980	55,753
Stanly County Utility Fund	-	1,004,864	-	4,024	1,008,888
Airport	-	43,594	29,945	1,531	75,070
Total Receivables	-	1,356,144	29,945	7,913	1,394,002
Allowance for Doubtful Accts.	-	(336,627)	-	-	(336,627)
Total Business-type	<u>\$ -</u>	<u>\$ 1,019,517</u>	<u>\$ 29,945</u>	<u>\$ 7,913</u>	<u>\$ 1,057,375</u>

Due from other governments for the year ended June 30, 2023 consists of the following:

Governmental Activities:	
Local option sales tax	\$ 4,738,918
NC DMV tax	1,395,529
Sales tax receivable	695,050
Medicaid Hold Harmless	62,465
EMS grants receivable	31,863
Tire and white goods	37,454
Telecommunication tax	28,670
DSS and DHHS	672,125
Other	199,182
Total	<u>\$ 7,861,256</u>
Business-Type Activities:	
Grants Receivable	\$ 29,945
Total	<u>\$ 29,945</u>

**Lease Receivable**

For the year ended 6/30/2023, the financial statements include the adoption of GASB Statement No. 87, Leases. The primary objective of this statement is to enhance the relevance and consistency of information about governments' leasing activities. This statement establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. For additional information, refer to the disclosures below.

**STANLY COUNTY, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2023**

On 07/01/2021, Stanly County entered into a 36 month lease as Lessor for the use of Parcel of Land. An initial lease receivable was recorded in the amount of \$14,783. As of 06/30/2023, the value of the lease receivable is \$4,960. The lessee is required to make monthly fixed principal and interest payments of \$415. The lease has an interest rate of 0.7270%. The Land estimated useful life was 0 months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2023 was \$4,928, and Stanly County recognized lease revenue of \$4,928 during the fiscal year. The lessee has 2 extension option(s), each for 60 months.

On 07/01/2021, Stanly County entered into a 24 month lease as Lessor for the use of Partnership for Children Rent at Commons. An initial lease receivable was recorded in the amount of \$108,255. As of 06/30/2023, the value of the lease receivable is \$0. The lessee is required to make annual fixed principal and interest payments of \$54,266. The lease has an interest rate of 0.5140%. The value of the deferred inflow of resources as of 06/30/2023 was \$0, and Stanly County recognized lease revenue of \$54,128 during the fiscal year.

Principal and Interest Expected to Maturity		
Year Ending June 30	Governmental Activities	
	Principal	Interest
2024	\$ 4,960	\$ 20
2025	-	-
2026	-	-
2027	-	-
2028	-	-
Total General	\$ 4,960	\$ 20

**5. Capital Assets**

**Primary Government**

Capital asset activity for the year ended June 30, 2023, was as follows:

<u>Governmental Activities:</u>	Beginning Balances	Increases	Decreases	Ending Balances
Capital assets not being depreciated:				
Land	\$ 2,168,413	\$ -	\$ -	\$ 2,168,413
Construction in Progress	385,112	7,887,268	(188,411)	8,083,969
Total capital assets not being depreciated	2,553,525	7,887,268	(188,411)	10,252,382
Capital assets being depreciated:				
Building	29,932,750	-	-	29,932,750
Equipment and vehicles	28,633,351	2,120,647	(640,051)	30,113,947
Total capital assets being depreciated:	58,566,101	2,120,647	(640,051)	60,046,697
Less accumulated depreciation for:				
Building	16,996,497	954,160	-	17,950,657
Equipment and vehicles	12,651,855	1,811,869	(587,086)	13,876,638
Total accumulated depreciation:	29,648,352	2,766,029	(587,086)	31,827,295
Total capital assets being depreciated, net	28,917,749	(645,382)	(52,965)	28,219,402
Capital assets being amortized:				
Right to use assets:				
Leased vehicles	238,197	129,558	(55,350)	312,405
Leased equipment	844,103	-	-	844,103
Leased land	10,064	-	-	10,064
IT Subscriptions	235	73,432	(235)	73,432
Total capital assets being amortized	1,092,599	202,990	(55,585)	1,240,004

**STANLY COUNTY, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2023**

<u>Governmental Activities (continued):</u>	Beginning Balances	Increases	Decreases	Ending Balances
Less accumulated amortization for:				
Right to use assets:				
Leased vehicles	79,301	105,526	(43,489)	141,338
Leased equipment	155,746	210,027	-	365,773
Leased land	2,368	2,368	-	4,736
IT Subscriptions	-	17,576	(235)	17,341
Total accumulated amortization	237,415	335,497	(43,724)	529,188
Total capital assets being amortized, net	855,184	(132,507)	(11,861)	710,816
Governmental activity capital assets, net	\$ 32,326,458	\$ 7,109,379	\$ (253,237)	\$ 39,182,600

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

General Government	\$ 308,194
Public Safety	2,413,755
Transportation	138,708
Environmental Protection	17,416
Economic and Physical Development	60,724
Human Services	86,228
Cultural and Recreation	76,501
Total Depreciation Expense	\$ 3,101,527

Business-type activities:

<b>Greater Badin Water and Sewer:</b>	Beginning Balances	Increases	Decreases	Ending Balances
Capital assets not being depreciated:				
Construction in progress	\$ 3,286	\$ 68,063	\$ (71,349)	\$ -
Total capital assets not being depreciated:	3,286	68,063	(71,349)	-
Capital assets being depreciated:				
Plant in service	13,296,720	71,349	-	13,368,069
Equipment and vehicles	226,273	8,164	-	234,437
Total capital assets being depreciated :	13,522,993	79,513	-	13,602,506
Less accumulated depreciation for:				
Plant in service	7,484,551	229,232	-	7,713,783
Equipment and vehicles	207,713	7,969	-	215,682
Total accumulated depreciation:	7,692,264	\$ 237,201	\$ -	7,929,465
Total capital assets being depreciated, net	5,830,729			5,673,041
Total Greater Badin capital assets, net	\$ 5,834,015			\$ 5,673,041

<b>Piney Point Water:</b>	Beginning Balances	Increases	Decreases	Ending Balances
Capital assets being depreciated:				
Plant in service	\$ 727,984	\$ -	\$ -	\$ 727,984
Total capital assets being depreciated:	727,984	-	-	727,984
Less accumulated depreciation for:				
Plant in service	695,629	1,459	-	697,088
Total accumulated depreciation	695,629	1,459	-	697,088
Total capital assets being depreciated, net	32,355	\$ (1,459)	\$ -	30,896
Total Piney Point capital assets, net	\$ 32,355			\$ 30,896

**STANLY COUNTY, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2023**

<b>West Stanly Waste Water Treatment Plant:</b>	Beginning Balances	Increases	Decreases	Ending Balances
Capital assets not being depreciated:				
Construction in progress	\$ 7,336,336	\$ 156,133	\$ (7,267,374)	\$ 225,095
Total capital assets not being depreciated:	7,336,336	156,133	(7,267,374)	225,095
Capital assets being depreciated:				
Plant in service	3,835,778	7,267,374	-	11,103,152
Equipment and vehicles	75,394	-	-	75,394
Total capital assets being depreciated :	3,911,172	7,267,374	-	11,178,546
Less accumulated depreciation for:				
Plant in service	1,449,207	512,247	-	1,961,454
Equipment and vehicles	53,987	8,225	-	62,212
Total accumulated depreciation:	1,503,194	\$ 520,472	\$ -	2,023,666
Total capital assets being depreciated, net	2,407,978			9,154,880
Total West Stanly Waste Water Treatment Plant capital assets, net	\$ 9,744,314			\$ 9,379,975
<b>Stanly Utility Operating:</b>	Beginning Balances	Increases	Decreases	Ending Balances
Capital assets not being depreciated:				
Land	\$ 223,784	\$ -	\$ -	\$ 223,784
Construction in progress	2,339,518	1,513,598	(322,423)	3,530,693
Total capital assets not being depreciated:	2,563,302	1,513,598	(322,423)	3,754,477
Capital assets being depreciated:				
Plant in service	29,950,377	322,423	-	30,272,800
Equipment and vehicles	873,988	11,624	(16,860)	868,752
Total capital assets being depreciated :	30,824,365	334,047	(16,860)	31,141,552
Less accumulated depreciation for:				
Plant in service	17,892,554	701,168	-	18,593,722
Equipment and vehicles	731,484	55,369	(16,860)	769,993
Total accumulated depreciation:	18,624,038	\$ 756,537	\$ (16,860)	19,363,715
Total capital assets being depreciated, net	12,200,327			11,777,837
Total Stanly County Utility capital assets, net	\$ 14,763,629			\$ 15,532,314
<b>Airport Operating:</b>	Beginning Balances	Increases	Decreases	Ending Balances
Capital assets not being depreciated:				
Land	\$ 4,924,095	\$ -	\$ -	\$ 4,924,095
Construction in progress	288,151	1,842,261	(543,663)	1,586,749
Total capital assets not being depreciated:	5,212,246	1,842,261	(543,663)	6,510,844
Capital assets being depreciated:				
Buildings	5,064,552	-	-	5,064,552
Improvements	31,564,410	543,663	-	32,108,073
Equipment and vehicles	464,062	-	-	464,062
Total capital assets being depreciated :	37,093,024	543,663	-	37,636,687

**STANLY COUNTY, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2023**

<b>Airport Operating (continued):</b>	Beginning			Ending
	Balances	Increases	Decreases	Balances
Less accumulated depreciation for:				
Buildings	1,900,549	129,610	-	2,030,159
Improvements	22,140,097	726,210	-	22,866,307
Equipment and vehicles	436,940	16,214	-	453,154
Total accumulated depreciation:	<u>24,477,586</u>	<u>872,034</u>	<u>-</u>	<u>25,349,620</u>
Total capital assets being depreciated, net	<u>12,615,438</u>	<u>(328,371)</u>	<u>-</u>	<u>12,287,067</u>
Capital assets being amortized:				
Right to use assets:				
Leased vehicles	39,088	-	-	39,088
IT Subscriptions	-	4,109	-	4,109
Total capital assets being amortized	<u>39,088</u>	<u>4,109</u>	<u>-</u>	<u>43,197</u>
Less accumulated amortization for:				
Right to use assets:				
Leased vehicles	12,002	12,002	-	24,004
IT Subscriptions	-	2,510	-	2,510
Total accumulated amortization	<u>12,002</u>	<u>14,512</u>	<u>-</u>	<u>26,514</u>
Total capital assets being amortized, net	<u>27,086</u>	<u>(10,403)</u>	<u>-</u>	<u>16,683</u>
Total Airport capital assets, net	<u>\$ 17,854,770</u>	<u>\$ 1,503,487</u>	<u>\$ (543,663)</u>	<u>\$ 18,814,594</u>
Total business-type activities capital assets, net	<u>\$ 48,229,083</u>			<u>\$ 49,430,820</u>

**Construction Commitments**

The county has active construction projects at June 30, 2023. Commitments with contractors are as follows:

<b>Project</b>	<b>Project to Date</b>	<b>Remaining Commitment</b>
SCC Trade Facility	\$ 6,028,789	\$ 5,811,033
Livestock Arena Construction	1,502,386	4,364,142
Riverstone Industrial Park Project	262,594	490,173
Public Safety Complex	48,928	451,072
E911 CAD System Replacement	682,174	2,163,558
Single Family Rehab	16,700	173,300
CDBG-2020 Revitalization	57,058	692,942
West Stanly WWTP Rehab Proj	7,267,374	65,445
WS WWTP 2.5 MGD Expan	225,095	2,452,356
NCDOT Hwy 24/27/73 East Water	250,780	5,220
Stony Gap Road Water Main	104,651	179,265
Meadow Creek Church Road Water	50,534	147,267
Palestine Water Pump Station	1,233,955	351,397
Bost Road Water Main	340,802	24,698
Liberty Hill Water Booster Pump	1,412,563	312,188
Millingport Rd Transmission	19,146	10,854
Richfield Sewer Improvement Project	142,142	1,073,058
Airport Obstruction Removal	164,738	30,342
Airfield Lighting Control System	378,925	11,836
Total	<u>\$ 20,189,333</u>	<u>\$ 18,810,146</u>



**STANLY COUNTY, NORTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

**B. Liabilities**

**1. Payables**

Payables at the government-wide level at June 30, 2023, were as follows :

	Vendors	Salaries and Benefits	Accrued Interest	IBNR	Total
Governmental Activities:					
General	\$ 1,526,219	\$ 1,653,382	\$ 185,382	\$ -	\$ 3,364,983
Other Governmental	2,009,545	-	-	630,586	2,640,131
Total Governmental Activities	<u>\$ 3,535,764</u>	<u>\$ 1,653,382</u>	<u>\$ 185,382</u>	<u>\$ 630,586</u>	<u>\$ 6,005,114</u>
Business-type Activities:					
Greater Badin Water & Sewer	\$ 4,956	\$ -	\$ 2,869	\$ -	\$ 7,825
Piney Point Water District	14,353	-	-	-	14,353
West Stanly Waste Water Treatment Plant	176,827	4,532	2,628	-	183,987
Stanly County Utility	445,752	38,092	5,550	-	489,394
Airport	213,379	10,125	-	-	223,504
Total Business-type Activities	<u>\$ 855,267</u>	<u>\$ 52,749</u>	<u>\$ 11,047</u>	<u>\$ -</u>	<u>\$ 919,063</u>

**2. Pension Plan Obligations**

**a. Local Governmental Employees' Retirement System**

*Plan Description.* The County is a participating employer in the statewide Local Governmental Employees' Retirement System (LGERS), a cost-sharing multiple-employer defined benefit pension plan administered by the State of North Carolina. LGERS membership is comprised of general employees and local law enforcement officers (LEOs) of participating local governmental entities. Article 3 of G.S. Chapter 128 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. Management of the plan is vested in the LGERS Board of Trustees, which consists of 13 members – nine appointed by the Governor, one appointed by the state Senate, one appointed by the state House of Representatives, and the State Treasurer and State Superintendent, who serve as ex-officio members. The Local Governmental Employees' Retirement System is included in the Annual Comprehensive Financial Report for the State of North Carolina. The State's Annual Comprehensive Financial Report includes financial statements and required supplementary information for LGERS. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, by calling (919) 981-5454, or at [www.osc.nc.gov](http://www.osc.nc.gov).

*Benefits Provided.* LGERS provides retirement and survivor benefits. Retirement benefits are determined as 1.85% of the member's average final compensation times the member's years of creditable service. A member's average final compensation is calculated as the average of a member's four highest consecutive years of compensation. Plan members are eligible to retire with full retirement benefits at age 65 with five years of creditable service, at age 60 with 25 years of creditable service, or at any age with 30 years of creditable service. Plan members are eligible to retire with partial retirement benefits at age 50 with 20 years of creditable service or at age 60 with five years of creditable service (age 55 for firefighters). Survivor benefits are available to eligible beneficiaries of members who die while in active service or within 180 days of their last day of service and who have either completed 20 years of creditable service regardless of age (15 years of creditable service for firefighters and rescue squad members who are killed in the line of duty) or have completed five years of service and have reached age 60. Eligible beneficiaries may elect to receive a monthly Survivor's Alternate Benefit for life or a return of the member's contributions. The plan does not provide for automatic postretirement benefit increases. Increases are contingent upon actuarial gains of the plan.

**STANLY COUNTY, NORTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

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

LGERS plan members who are LEOs are eligible to retire with full retirement benefits at age 55 with five years of creditable service as an officer, or at any age with 30 years of creditable service. LEO plan members are eligible to retire with partial retirement benefits at age 50 with 15 years of creditable service as an officer. Survivor benefits are available to eligible beneficiaries of LEO members who die while in active service or within 180 days of their last day of service and who also have either completed 20 years of creditable service regardless of age, or have completed 15 years of service as a LEO and have reached age 50, or have completed five years of creditable service as a LEO and have reached age 55, or have completed 15 years of creditable service as a LEO if killed in the line of duty. Eligible beneficiaries may elect to receive a monthly Survivor's Alternate Benefit for life or a return of the member's contributions.

*Contributions.* Contribution provisions are established by General Statute 128-30 and may be amended only by the North Carolina General Assembly. County employees are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by the LGERS Board of Trustees. The County's contractually required contribution rate for the year ended June 30, 2023, was 13.04% of compensation for law enforcement officers, and 12.16% for general employees and firefighters, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year. Contributions to the pension plan from the County were \$2,936,640 for the year ended June 30, 2023.

*Refunds of Contributions.* County employees who have terminated service as a contributing member of LGERS, may file an application for a refund of their contributions. By state law, refunds to members with at least five years of service include 4% interest. State law requires a 60 day waiting period after service termination before the refund may be paid. The acceptance of a refund payment cancels the individual's right to employer contributions or any other benefit provided by LGERS.

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

At June 30, 2023, the County reported a liability of \$15,843,386 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2021. The total pension liability was then rolled forward to the measurement date of June 30, 2022 utilizing update procedures incorporating the actuarial assumptions. The County's proportion of the net pension liability was based on a projection of the County's long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating LGERS employers, actuarially determined. At June 30, 2023 the County's proportion was 0.2808% (measured as of June 30, 2022), which was a decrease of 0.0089% from its proportion measured as of June 30, 2022 (measured as of June 30, 2021).

For the year ended June 30, 2023, the County recognized pension expense of \$4,571,678. At June 30, 2023, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 682,677	\$ 66,933
Changes in assumptions	1,580,815	-
Net difference between projected and actual earnings on pension plan investments	5,236,405	-
Changes in proportion and differences between County Contributions and proportionate share of contributions	76,554	85,563
County contributions subsequent to the measurement date	2,936,640	-
Total	\$ 10,513,091	\$ 152,496

**STANLY COUNTY, NORTH CAROLINA  
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**Local Governmental Employees' Retirement System (continued)**

\$2,936,640 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as an increase of the net pension asset in the year ended June 30, 2024. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

**Year Ended June 30:**

2024	\$ 2,385,914
2025	1,982,383
2026	560,937
2027	2,494,721
	<u>\$ 7,423,955</u>

*Actuarial Assumptions.* The total pension liability in the December 31, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50 Percent
Salary Increases	3.25% to 8.25%, which includes a 3.25% inflation and productivity
Investment Rate of Return	6.5 percent, net of pension plan investment expense, including inflation

The plan currently uses mortality tables based on the *RP-2014 Total Data Set for Healthy Annuitants Mortality Table* that vary by age, gender, employee group (i.e. general, law enforcement officer) and health status (i.e. disabled and healthy). The current mortality rates are based on published tables and based on studies that cover significant portions of the U.S. population. The healthy mortality rates also contain a provision to reflect future mortality improvements.

The actuarial assumptions used in the December 31, 2021 valuation were based on the results of an actuarial experience review for LGERS for the period January 1, 2015 through December 31, 2019.

Future ad hoc COLA amounts are not considered to be substantively automatic and are therefore not included in the measurement.

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. Global public equity return projections are established through analysis of the equity risk premium and the fixed income return projections. Other asset categories and strategies' return projections reflect the foregoing and historical data analysis. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2023 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed Income	29.00%	1.4%
Global Equity	42.00%	5.3%
Real Estate	8.00%	4.3%
Alternatives	8.00%	8.9%
Credit	7.00%	6.0%
Inflation Protection	<u>6.00%</u>	4.0%
Total	<u>100.00%</u>	

**STANLY COUNTY, NORTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
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**Local Governmental Employees' Retirement System (continued)**

The information above is based on 30 year expectations developed with the consulting actuary for the 2022 asset, liability, and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 2.50%. All rates of return and inflation are annualized.

*Discount rate.* The discount rate used to measure the total pension liability was 6.50%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

*Sensitivity of the County's proportionate share of the net pension asset to changes in the discount rate.* The following presents the County's proportionate share of the net pension asset calculated using the discount rate of 6.50%, as well as what the County's proportionate share of the net pension asset or net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.50%) or 1-percentage-point higher (7.50%) than the current rate:

	1% Decrease (5.50%)	Discount Rate (6.50%)	1% Increase (7.50%)
County's proportionate share of the net pension liability (asset)	\$ 28,595,272	\$ 15,843,386	\$ 5,335,092

*Pension plan fiduciary net position.* Detailed information about the pension plan's fiduciary net position is available in the separately issued Annual Comprehensive Financial Report for the State of North Carolina.

**b. Law Enforcement Officers' Special Separation Allowance**

**1. Plan Description**

Stanly County administers a public employee retirement system (the Separation Allowance), a single-employer defined benefit pension plan that provides retirement benefits to the County's qualified sworn law enforcement officers under the age of 62 who have completed at least 30 years of creditable service or have attained 55 years of age and have completed five or more years of creditable service. The Separation allowance is equal to 0.85% of the annual equivalent of the base rate of compensation most recently applicable to the officer for each year of creditable service. The retirement benefits are not subject to any increases in salary or retirement allowances that may be authorized by the General Assembly. Article 12D of G.S. Chapter 143 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly.

All full-time County law enforcement officers are covered by the Separation Allowance. At the December 31, 2021 valuation date, the Separation Allowance's membership consisted of:

Inactive Members Currently Receiving Benefits	4
Active plan members	65
Total	69

**STANLY COUNTY, NORTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
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**Law Enforcement Officers' Special Separation Allowance (continued)**

**2. Summary of Significant Accounting Policies:**

*Basis of Accounting* - The County has chosen to fund the Separation Allowance on a pay as you go basis. Pension expenditures are made from the General Fund, which is maintained on the modified accrual basis of accounting. Benefits are recognized when due and payable in accordance with the terms of the plan.

The Separation Allowance has no assets accumulated in a trust that meets the criteria which are outlined in GASB Statement 73.

**3. Actuarial Assumptions**

The entry age actuarial cost method was used in the December 31, 2021 valuation. The total pension liability was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50 percent
Salary increases	3.25 to 7.75 percent including inflation and productivity factor
Discount rate	4.31 percent

The discount rate used to measure the TPL is the S&P Municipal Bond 20 Year High Grade Rate Index.

The actuarial assumptions used in the December 31, 2021 valuation were based on the results of an experience study completed by the Actuary for the Local Governmental Employees' Retirement System for the five-year period ending December 31, 2019.

**Mortality Rate**

Deaths After Retirement (Healthy): Mortality rates are based on the Safety Mortality Table for Retirees. Rates for all members are multiplied by 97% and Set Forward by 1 year.

Deaths After Retirement (Disabled): Mortality rates are based on the Non-Safety Mortality Table for Disabled Retirees. Rates are Set Back 3 years for all ages.

Deaths Before Retirement: Mortality rates are based on the Safety Mortality Table for Employees.

Mortality Projection: All mortality rates are projected from 2010 using generational improvement with Scale MP-2019.

**4. Contributions**

The County is required by article 12D of G.S. Chapter 143 to provide these retirement benefits and has chosen to fund the benefit payments on a pay as you go basis through appropriations made in the General Fund operating budget. There were no contributions by employees. The County's obligation to contribute to this plan is established and may be amended by the North Carolina General Assembly. Administrative costs of the Separation Allowance are financed through investment earnings. The County paid \$47,355 as benefits came due for the reporting period.

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

At June 30, 2023, the County reported a total pension liability of \$1,747,209. The total pension liability was measured as of December 31, 2022 based on a December 31, 2021 actuarial valuation. The total pension liability was rolled forward to December 31, 2022 utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2023, the County recognized pension expense of \$189,490.

**STANLY COUNTY, NORTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
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**Law Enforcement Officers' Special Separation Allowance (continued)**

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 278,354	\$ 18,567
Changes of assumptions	278,888	392,609
County benefit payments and plan administrative expense made subsequent to the measurement date	21,428	-
Total	\$ 578,670	\$ 411,176

The County paid \$21,428 in benefit payments subsequent to the measurement date that are reported as deferred outflows of resources related to pensions which will be recognized as a decrease of the total pension liability in the year ended June 30, 2024. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

**Year ended June 30:**

2024	\$ 41,657
2025	57,729
2026	56,332
2027	23,805
2028	(23,331)
Thereafter	(10,126)

*Sensitivity of the County's total pension liability to changes in the discount rate.* The following presents the County's total pension liability calculated using the discount rate of 4.31%, as well as what the County's total pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.31%) or 1-percentage-point higher (5.31%) than the current rate:

	1% Decrease (3.31%)	Discount Rate (4.31%)	1% Increase (5.31%)
Total pension liability	\$ 1,919,376	\$ 1,732,619	\$ 1,563,623

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

	<b>2023</b>
Beginning balance	\$ 1,732,619
Service Cost	136,622
Interest on the total pension liability	38,451
Changes of benefit terms	-
Differences between expected and actual experience in the measurement of the total pension liability	291,973
Changes in assumptions or other inputs	(405,101)
Benefit payments	(47,355)
Other changes	-
Ending balance of the total pension liability	\$ 1,747,209

*Changes of assumptions.* Changes of assumptions and other inputs reflect a change in the discount rate from 2.25 percent at June 30, 2021 (measurement date) to 4.31% at June 30, 2022 (measurement date).

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

The plan currently uses mortality tables that vary by age, and health status (i.e. disabled and healthy). The current mortality rates are based on published tables and based on studies that cover significant portions of the U.S. population. The healthy mortality rates also contain a provision to reflect future mortality improvements.

**STANLY COUNTY, NORTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
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**Law Enforcement Officers' Special Separation Allowance (continued)**

The actuarial assumptions used in the December 31, 2021 valuation were based on the results of an experience study completed by the Actuary for the Local Governmental Employees' Retirement System for the five year period ending December 31, 2019.

**c. Supplemental Retirement Income Plan for Law Enforcement Officers**

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

*Funding Policy.* Article 12E of G.S. Chapter 143 requires the County to contribute each month an amount equal to five percent of each officer's salary, and all amounts contributed are vested immediately. Also, the law enforcement officers may make voluntary contributions to the plan. Contributions for the year ended June 30, 2023 were \$214,754 which consisted of \$168,114 from the County and \$46,640 from the law enforcement officers. Members of this plan immediately vest and would only forfeit benefits if convicted of a felony and ordered to forfeit by the court.

**d. Registers of Deeds' Supplemental Pension Fund**

*Plan Description.* The County also contributes to the Registers of Deeds' Supplemental Pension Fund (RODSPF), a noncontributory, cost-sharing multiple-employer defined benefit plan administered by the North Carolina Department of State Treasurer. RODSPF provides supplemental pension benefits to any eligible county register of deeds who is retired under the Local Government Employees' Retirement System (LGERS) or an equivalent locally sponsored plan. Article 3 of G.S. Chapter 161 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. Management of the plan is vested in the LGERS Board of Trustees, which consists of 13 members – nine appointed by the Governor, one appointed by the state Senate, one appointed by the state House of Representatives, and the State Treasurer and State Superintendent, who serve as ex-officio members. The Register of Deeds' Supplemental Pension Fund is included in the Annual Comprehensive Financial Report for the State of North Carolina. The State's Annual Comprehensive Financial Report includes financial statements and required supplementary information for RODSPF. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, by calling (919) 981-5454, or at [www.osc.nc.gov](http://www.osc.nc.gov).

*Benefits Provided.* An individual's benefits for the year are calculated as a share of accumulated contributions available for benefits for that year, subject to certain statutory limits. An individual's eligibility is based on at least 10 years of service as a register of deeds with the individual's share increasing with years of service. Because of the statutory limits noted above, not all contributions available for benefits are distributed.

*Contributions.* Benefits and administrative expenses are funded by investment income and 1.5% of the receipts collected by each County Commission under Article 1 of Chapter 161 of the North Carolina General Statutes. The statutory contribution currently has no relationship to the actuary's required contribution. The actuarially determined contribution this year and for the foreseeable future is zero. Registers of Deeds do not contribute. Contribution provisions are established by General Statute 161-50 and may be amended only by the North Carolina General Assembly. Contributions to the pension plan from the County were \$6,589 for the year ended June 30, 2023.

**STANLY COUNTY, NORTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
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**Registers of Deeds' Supplemental Pension Fund (continued)**

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

At June 30, 2023, the County reported an asset of \$89,036 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2022. The total pension asset used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2021. The total pension liability was then rolled forward to the measurement date of June 30, 2022 utilizing update procedures incorporating the actuarial assumptions. The County's proportion of the net pension asset was based on the County's share of contributions to the pension plan, relative to contributions to the pension plan of all participating RODSPF employers. At June 30, 2022, the County's proportion was 0.6725%, which was an increase of 0.0123% from its proportion measured as of June 30, 2021.

For the year ended June 30, 2023, the County recognized pension expense of \$11,895. At June 30, 2023, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 686	\$ 1,614
Changes of assumptions	4,714	-
Net difference between projected and actual earnings on pension plan investments	37,007	-
Changes in proportion and differences between County Contributions and proportionate share of contributions	-	3,750
County contributions subsequent to the measurement date	6,589	-
Total	\$ 48,996	\$ 5,364

\$6,589 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as an increase of the net pension asset in the year ended June 30, 2024.

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

Year Ended June 30:	Total
2024	\$ 8,062
2025	7,354
2026	12,320
2027	9,307
2028	-
Thereafter	-

*Actuarial Assumptions*. The total pension liability in the December 31, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50 Percent
Salary Increases	3.25 to 8.25 percent, including inflation and productivity factor
Investment Rate of Return	3.00 percent, net of pension plan investment expense, including

The plan currently uses mortality tables that vary by age, gender, employee group (i.e. general, law enforcement officer) and health status (i.e. disabled and healthy). The current mortality rates are based on published tables and based on studies that cover significant portions of the U.S. population. The healthy mortality rates also contain a provision to reflect future mortality improvements.



**STANLY COUNTY, NORTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
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**Registers of Deeds' Supplemental Pension Fund (continued)**

The actuarial assumptions used in the December 31, 2021 valuation were based on the results of an actuarial experience review for LGERS for the period January 1, 2015 through December 31, 2019.

Future ad hoc COLA amounts are not considered to be substantively automatic and are therefore not included in the measurement.

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The adopted asset allocation policy for the RODSPF is 100% in the fixed income asset class. The best estimate of arithmetic real rate of return for the fixed income asset class as of June 30, 2022 is 1.4%.

The information above is based on 30 year expectations developed with the consulting actuary for the 2022 asset, liability, and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 2.50%. All rates of return and inflation are annualized.

*Discount rate.* The discount rate used to measure the total pension liability was 3.00%. The projection of cash flows used to determine the discount rate assumed that contributions from employers will be made at statutorily required rates. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

*Sensitivity of the County's proportionate share of the net pension asset to changes in the discount rate.* The following presents the County's proportionate share of the net pension asset calculated using the discount rate of 3.00%, as well as what the County's proportionate share of the net pension asset or net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.00%) or 1-percentage-point higher (4.00%) than the current rate:

	1% Decrease (2.00%)	Discount Rate (3.00%)	1% Increase (4.00%)
County's proportionate share of the net pension liability (asset)	\$ (102,627)	\$ 89,036	\$ (151,537)

*Pension plan fiduciary net position.* Detailed information about the pension plan's fiduciary net position is available in the separately issued Annual Comprehensive Financial Report for the State of North Carolina.

**e. Pension Liabilities (Assets), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

The net pension liability (asset) for LGERS and ROD was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of December 31, 2021. The total pension liability for LEOSSA was measured as of June 30, 2022, with an actuarial valuation date of December 31, 2021. The County's proportion of the net pension liability was based on the County's share of contributions to the pension plan relative to the contribution of all participating entities. Following is information related to the proportionate share and pension expense:

**STANLY COUNTY, NORTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
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**Pension Liabilities (Assets), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)**

	<u>LGERS</u>	<u>ROD</u>	<u>LEOSSA</u>	<u>Total</u>
Proportionate Share of Net Pension Liability (Asset)	\$ 15,843,386	\$ (89,036)	\$ -	\$ 15,754,350
Proportionate of the Net Pension Liability (Asset)	0.2808%	0.6725%	n/a	
Total Pension Liability	\$ -	\$ -	\$ 1,747,209	\$ 1,747,209
Pension Expense	\$ 4,571,678	\$ 11,895	\$ 189,490	\$ 4,773,063

At June 30, 2023, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>LGERS</u>	<u>ROD</u>	<u>LEOSSA</u>	<u>Total</u>
<b><u>Deferred Outflows of Resources</u></b>				
Differences between expected and actual experience	\$ 682,677	\$ 686	\$ 278,354	\$ 961,717
Changes of assumptions	1,580,815	4,714	278,888	1,864,417
Net difference between projected and actual earnings on pension plan investment	5,236,405	37,007	-	5,273,412
Changes in proportion and differences between County contributions and proportionate share of contributions	76,554	-	-	76,554
County contributions (LGERS, ROD)/benefit payments and administration costs (LEOSSA) subsequent to the measurement date	2,936,640	6,589	21,428	2,964,657
<b><u>Deferred Inflows of Resources</u></b>				
Differences between expected and actual experience	\$ 66,933	\$ 1,614	\$ 18,567	\$ 87,114
Changes of assumptions	-	-	392,609	392,609
Net difference between projected and actual earnings on pension plan investment	-	-	-	-
Changes in proportion and differences between County contributions and proportionate share of contributions	85,563	3,750	-	89,313

**STANLY COUNTY, NORTH CAROLINA  
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**f. Other Postemployment Benefits**

*Plan Description.* According to a County resolution, the County provides healthcare benefits through the Retiree Healthcare Benefits Plan as single-employer defined benefit plan to cover retirees of the County who participate in the North Carolina Local Government Employees' Retirement System (System) and have at least 25 years of credible service. The County has elected to pay the future overall cost of coverage for these benefits as indicated below. The Board of Commissioners may amend the benefit provisions. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75.

*Benefits Provided.* The County will contribute to the cost of retire group health insurance premiums based on the years of service with the County and within the NCLGERS using the following schedule:

County Contributions Based on Years of Creditable Service		
Years of County Service at Retirement	Years of Service with NCLGERS at Retirement	County Pays
Less than 10	Less than 25	Not Eligible
10 - 29	25 or more	50%
30 or more	25 or more	100%

Any employee that retired prior to July 1, 2005 and is currently on the county's health insurance plan will remit payment, before the first of the month, of \$220 for their health coverage. Health care and prescription drug coverage are provided in the county's self-insured group health care plan to retirees until age 65 or they become eligible for Medicare. The retiree may continue dependent coverage (and pay the full premium for this coverage) if enrolled in dependent coverage at the time of retirement. Dependent coverage terminates upon the retiree or dependent becoming eligible for Medicare or upon the retiree's death.

Membership of the HCB Plan consisted of the following at June 30, 2021, the date of the latest actuarial valuation:

Retirees and dependents receiving benefits	15
Active plan members	424
Total	439

**Total OPEB Liability**

The County's total OPEB liability of \$8,759,895 was measured as of June 30, 2022 and was determined by an actuarial valuation as of that date.

*Actuarial assumptions and other inputs.* The total OPEB liability in the June 30, 2022 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement unless

Inflation	2.50 percent
Real wage growth	0.75 percent
Wage inflation	3.25 percent
Salary increases, including wage inflation	
General Employees	3.25 to 8.41 percent
Firefighters	3.25 to 8.15 percent
Law Enforcement Officers	3.25 to 7.90 percent
Municipal Bond Index Rate	
Prior Measurement Date	2.16 percent
Measurement Date	3.54 percent
Healthcare cost trend rates	
Pre-Medicare	7.00% for 2021 decreasing to an ultimate rate of 4.50% by 2031

**STANLY COUNTY, NORTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
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**Other Postemployment Benefits (continued)**

The County selected a Municipal Bond Index Rate equal to the Bond Buyer 20-year General Obligation Bond Index published at the last Thursday of June by The Bond Buyer, and the Municipal Bond Index Rate as of the measurement date as the discount rate used to measure the TOL.

Changes in the Total OPEB Liability

Total OPEB Liability as of June 30, 2021	\$ 9,722,831
Changes for the year:	
Service Cost at the end of the year*	554,428
Interest on TOL and Cash Flows	221,469
Change in benefit terms	-
Difference between expected and actual experience	(168,193)
Changes of assumptions or other inputs	(1,522,240)
Benefit payments	(48,400)
Other	-
Net Changes	<u>\$ (962,936)</u>
Total OPEB Liability as of June 30, 2022	<u>\$ 8,759,895</u>

\*The service cost includes interest for the year.

Changes in assumptions and other inputs reflect a change in the discount rate from 2.16% to 3.54%.

Mortality rates were based on the Pub-2010 mortality tables, with adjustments for LGERS experience and generational mortality improvements using Scale MP-2019.

The actuarial assumptions used in the valuation were based on the results of an actuarial experience study for the period January 1, 2015 - December 31, 2019, adopted by the LGERS Board.

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

The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.54 percent) and 1-percentage-point higher (4.54 percent) than the current discount rate:

	1% Decrease (2.54 percent)	Discount Rate (3.54 Percent)	1% Increase (4.54 percent)
Net OPEB liability (asset)	\$ 9,834,268	\$ 8,759,895	\$ 7,821,933

*Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates.*

The following presents the net OPEB liability of the County at June 30, 2023, as well as what the County's net OPEB liability would be if it were to calculate healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rate:

	1% Decrease	Current	1% Increase
Net OPEB liability (asset)	\$ 7,563,736	\$ 8,759,895	\$ 10,210,034

**STANLY COUNTY, NORTH CAROLINA  
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**Other Postemployment Benefits (continued)**

*OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB.* At June 30, 2023, the County recognized OPEB expense of \$711,576. At June 30, 2023, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

At June 30, 2023, the components of the net OPEB liability of the County, measured as of June 30, 2022, were as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 42,957	\$ 1,210,410
Changes of assumptions	1,588,881	1,477,234
Benefit payments and administrative costs made subsequent to the measurement date	178,134	-
Total	<u>\$ 1,809,972</u>	<u>\$ 2,687,644</u>

\$178,134 reported as deferred outflows of resources related to OPEB resulting from County contributions subsequent to the measurement date will be recognized as a decrease in the net OPEB liability in the year ended June 30, 2024. Other amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30	
2024	\$ (169,878)
2025	(130,817)
2026	(106,032)
2027	(106,032)
2028	(105,155)
Thereafter	(437,892)

**f. Other Employment Benefits**

The County has elected to provide death benefits to employees through the Death Benefit Plan for members of the Local Governmental Employees' Retirement System (Death Benefit Plan), a multiple-employer, State-administered, cost-sharing plan funded on a one-year term cost basis. The beneficiaries of those employees who die in active service after one year of contributing membership in the System, or who die within 180 days after retirement or termination of service and have at least one year of contributing membership service in the System at the time of death are eligible for death benefits. Lump sum death benefit payments to beneficiaries are equal to the employee's 12 highest months salary in a row during the 24 months prior to the employee's death, but the benefit will be a minimum of \$25,000 and will not exceed \$50,000. Because all death benefit payments are made from the Death Benefit Plan and not by the County, the County does not determine the number of participants. The County has no liability beyond the payment of monthly contributions. The contributions to the Death Benefit Plan cannot be separated between the postemployment benefit amount and the other benefit amount. Contributions are determined as a percentage of monthly payroll based upon rates established annually by the State. Separate rates are established for employees not engaged in law enforcement and for law enforcement officers. The County considers these contributions to be immaterial.

**STANLY COUNTY, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**3. Deferred Outflows and Inflows of Resources**

The balance in deferred inflows and outflows in the fund statements and in the governments-wide statements at year-end is composed of the following elements:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience		
LGERS	\$ 682,677	\$ 66,933
Register of Deeds	686	1,614
LEOSSA	278,354	18,567
OPEB	42,956	1,210,409
Changes in assumptions		
LGERS	1,580,815	-
Register of Deeds	4,714	-
LEOSSA	278,888	392,609
OPEB	1,588,881	1,477,234
Net difference between projected and actual earnings on pension plan investments		
LGERS	5,236,405	-
Register of Deeds	37,007	-
Changes in proportion and differences between employer contributions and proportionate share of contributions		
LGERS	76,556	85,563
Register of Deeds	-	3,750
County contributions and proportionate share of contributions (LGERS, ROD)		
LGERS	2,936,640	-
Register of Deeds	6,589	-
Benefit payments/administrative costs paid subsequent to the measurement date (LEOSSA)	21,428	
Benefit payments for the OPEB plan paid subsequent to measurement date	178,134	
Leases (General)	-	4,928
Prepaid taxes not yet earned (General Fund)	-	-
Taxes receivable, net (General)	-	1,096,469
Taxes receivable, net (Special Revenue)	-	59,178
Total	\$ 12,950,730	\$ 4,417,254

**4. Risk Management**

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

**STANLY COUNTY, NORTH CAROLINA**  
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**Risk Management (continued)**

*Medical and Dental.* The County is exposed to various risks of loss related to medical and illness needs of employees. The County and employees participated in a cost-share plan for group health insurance. The County established the Group Health Fund (Internal Service Fund) to account for its self-insurance plan. The County has contracted with a third-party administrator to account for its group health self-insurance plan that is administrated by Blue Cross/Blue Shield of North Carolina. The County is responsible for claims up to \$140,000 per covered employee/dependent per policy term. Claims greater than \$140,000 per covered employee/dependent per policy term, and those in excess of the aggregate stop/loss of 120% of expected net claims, are insured by the private insurance carrier. All full-time employees of the County participate in the program and make payments to the Group Health Insurance Fund based on estimates of the amounts needed to pay claims. The claims liability of \$501,119 reported in the fund at June 30, 2023 is based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicated that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. The County expects all claims to be paid within the next twelve months; therefore, the entire amount is presented as current.

The \$501,119 claims liability represented total estimated claims incurred, but not reported, as provided by the plan administrator's actuary.

	6/30/23	6/30/22
Unpaid claims and claim adjustment expenses at the beginning of the fiscal year	\$ 535,587	\$ 609,879
Incurred claims and claims adjustment expenses:		
Provision for insured events of current year	4,353,020	4,846,879
Claims and adjustment expenses attributable to insured events of current and prior year	4,387,488	4,921,171
Total claims liability	\$ 501,119	\$ 535,587

*Workers' Compensation.* The County was self-funded for workers' compensation coverage prior to July 1, 2013. Through this self-funded workers' compensation program, the County obtains workers' compensation coverage up to the statutory limits, with no deductible. The fund is reinsured through an insurance company for a single occurrence losses of \$500,000 and aggregate excess limit for \$1,000,000. The claims liability of \$127,585 reported in the fund at June 30, 2023 is based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicated that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. The County expects all claims to be paid within the next twelve months; therefore, the entire amount is presented as current.

The \$127,585 claims liability represents total estimated claims incurred, but not reported, as provided by the plan administrator's actuary.

	6/30/23	6/30/22
Unpaid claims and claim adjustment expenses at the beginning of the fiscal year	\$ 142,756	\$ 169,793
Incurred claims and claims adjustment expenses:		
Provision for insured events of current year	431,814	391,829
Claims and adjustment expenses attributable to insured events of current and prior year	446,985	418,866
Total claims liability	\$ 127,585	\$ 142,756

**STANLY COUNTY, NORTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
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**Risk Management (continued)**

*Commercial Insurance.* The County carries commercial coverage for all other risks of loss. There have been no significant reductions in insurance coverage from the previous year, and settled claims have not exceeded coverage in any of the past three fiscal years.

The County carries no flood insurance.

In accordance with G.S. 159-29, the County's employees who have access to \$100 or more of the County's funds at any given time are performance bonded through a commercial surety bond. The Finance Officer and the Tax Collector are each bonded for \$150,000 and \$100,000, respectively.

**5. Contingent Liabilities**

At June 30, 2023, the County was a defendant to various lawsuits. In the opinion of the County's management and the County attorney, the ultimate effect of these legal matters could have a material adverse effect on the County's financial position.

**6. Long-Term Obligations**

**a. Leases**

**Serviced by the General Fund**

For the year ended 6/30/2023, the financial statements include the adoption of GASB Statement No. 87, Leases. The primary objective of this statement is to enhance the relevance and consistency of information about governments' leasing activities. This statement establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. For additional information, refer to the disclosures below.

On 07/01/2021, Stanly County entered into a 51 month lease as Lessee for the use of Stanly Fixtures Solid Waste Rent of Site. An initial lease liability was recorded in the amount of \$2,836. As of 06/30/2023, the value of the lease liability is \$1,421. Stanly County is required to make annual fixed principal and interest payments of \$720. The lease has an interest rate of 0.8930%. The Land estimated useful life was 0 months as of the contract commencement. The value of the right to use asset as of 06/30/2023 of \$2,836 with accumulated amortization of \$1,334 is included with Land on the Lease Class activities table found below.

On 07/01/2021, Stanly County entered into a 29 month lease as Lessee for the use of Presidiiio Technology Capital E911 \$411,193. An initial lease liability was recorded in the amount of \$192,738. As of 06/30/2023, the value of the lease liability is \$33,387. Stanly County is required to make monthly fixed principal and interest payments of \$6,686. The lease has an interest rate of 0.5140%. The Equipment estimated useful life was 0 months as of the contract commencement. The value of the right to use asset as of 06/30/2023 of \$192,738 with accumulated amortization of \$159,507 is included with Equipment on the Lease Class activities table found below.

On 07/01/2021, Stanly County entered into a 51 month lease as Lessee for the use of East Center Township. An initial lease liability was recorded in the amount of \$7,228. As of 06/30/2023, the value of the lease liability is \$5,344. Stanly County is required to make monthly fixed principal and interest payments of \$200. The lease has an interest rate of 0.8930%. The Land estimated useful life was 0 months as of the contract commencement. The value of the right to use asset as of 06/30/2023 of \$7,228 with accumulated amortization of \$3,401 is included with Land on the Lease Class activities table found below.



**STANLY COUNTY, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2023**

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**Leases (continued)**

On 07/01/2021, Stanly County entered into a 30 month lease as Lessee for the use of Enterprise Ford -Unit # 232HV3 General Health. An initial lease liability was recorded in the amount of \$10,522. As of 06/30/2023, the value of the lease liability is \$2,119. Stanly County is required to make monthly fixed principal and interest payments of \$387. The lease has an interest rate of 0.7270%. The Vehicles estimated useful life was 0 months as of the contract commencement. The value of the right to use asset as of 06/30/2023 of \$10,522 with accumulated amortization of \$8,289 is included with Vehicles on the Lease Class activities table found below. The lease has a guaranteed residual value payment of \$3,716.

On 07/01/2021, Stanly County entered into a 20 month lease as Lessee for the use of Enterprise Ford -Unit # 22MHGP Tax Reval. An initial lease liability was recorded in the amount of \$6,737. As of 06/30/2023, the value of the lease liability is \$0. Stanly County is required to make monthly fixed principal and interest payments of \$371. The lease has an interest rate of 0.5140%. The vehicle was returned at the end of the lease term, so the right to use the asset value and accumulated amortization has been removed from the table below.

On 07/01/2021, Stanly County entered into a 21 month lease as Lessee for the use of Enterprise Ford -Unit # 22ML6N Inspections. An initial lease liability was recorded in the amount of \$9,589. As of 06/30/2023, the value of the lease liability is \$0. Stanly County is required to make monthly fixed principal and interest payments of \$495. The lease has an interest rate of 0.5140%. The vehicle was returned at the end of the lease term, so the right to use the asset value and accumulated amortization has been removed from the table below.

On 07/01/2021, Stanly County entered into a 20 month lease as Lessee for the use of Enterprise Ford -Unit # 22ML6W DSS. An initial lease liability was recorded in the amount of \$7,652. As of 06/30/2023, the value of the lease liability is \$0. Stanly County is required to make monthly fixed principal and interest payments of \$418. The lease has an interest rate of 0.5140%. The vehicle was returned at the end of the lease term, so the right to use the asset value and accumulated amortization has been removed from the table below.

On 07/01/2021, Stanly County entered into a 17 month lease as Lessee for the use of Enterprise Chevrolet-Unit # 22MVST Facilites Mgmt. An initial lease liability was recorded in the amount of \$7,975. As of 06/30/2023, the value of the lease liability is \$0. Stanly County is required to make monthly fixed principal and interest payments of \$506. The lease has an interest rate of 0.3870%. The vehicle was returned at the end of the lease term, so the right to use the asset value and accumulated amortization has been removed from the table below.

On 07/01/2021, Stanly County entered into a 30 month lease as Lessee for the use of Enterprise Ford -Unit # 22T3H7 Inspections. An initial lease liability was recorded in the amount of \$14,061. As of 06/30/2023, the value of the lease liability is \$2,831. Stanly County is required to make monthly fixed principal and interest payments of \$511. The lease has an interest rate of 0.7270%. The Vehicles estimated useful life was 0 months as of the contract commencement. The value of the right to use asset as of 06/30/2023 of \$14,061 with accumulated amortization of \$7,653 is included with Vehicles on the Lease Class activities table found below. The lease has a guaranteed residual value payment of \$4,971.

On 07/01/2021, Stanly County entered into a 20 month lease as Lessee for the use of Enterprise Dodge-Unit # 22ML98 Planning & Zoning. An initial lease liability was recorded in the amount of \$7,653. As of 06/30/2023, the value of the lease liability is \$0. Stanly County is required to make monthly fixed principal and interest payments of \$418. The lease has an interest rate of 0.5140%. The vehicle was returned at the end of the lease term, so the right to use the asset value and accumulated amortization has been removed from the table below.

On 07/01/2021, Stanly County entered into a 30 month lease as Lessee for the use of Enterprise Ford -Unit # 22T3NR Env Health. An initial lease liability was recorded in the amount of \$14,061. As of 06/30/2023, the value of the lease liability is \$2,831. Stanly County is required to make monthly fixed principal and interest payments of \$509. The lease has an interest rate of 0.7270%. The Vehicles estimated useful life was 0 months as of the contract commencement. The value of the right to use asset as of 06/30/2023 of \$14,061 with accumulated amortization of \$11,450 is included with Vehicles on the Lease Class activities table found below. The lease has a guaranteed residual value payment of \$4,971.

**STANLY COUNTY, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2023**

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**Leases (continued)**

On 07/01/2021, Stanly County entered into a 28 month lease as Lessee for the use of Enterprise Ford -Unit # 22T9VW DSS. An initial lease liability was recorded in the amount of \$11,220. As of 06/30/2023, the value of the lease liability is \$1,611. Stanly County is required to make monthly fixed principal and interest payments of \$436. The lease has an interest rate of 0.5140%. The Vehicles estimated useful life was 0 months as of the contract commencement. The value of the right to use asset as of 06/30/2023 of \$11,220 with accumulated amortization of \$9,617 is included with Vehicles on the Lease Class activities table found below. The lease has a guaranteed residual value payment of \$4,339.

On 07/01/2021, Stanly County entered into a 36 month lease as Lessee for the use of Enterprise Chevrolet-Unit # 237V4P Inspections. An initial lease liability was recorded in the amount of \$17,652. As of 06/30/2023, the value of the lease liability is \$5,925. Stanly County is required to make monthly fixed principal and interest payments of \$531. The lease has an interest rate of 0.7270%. The Vehicles estimated useful life was 0 months as of the contract commencement. The value of the right to use asset as of 06/30/2023 of \$17,652 with accumulated amortization of \$11,586 is included with Vehicles on the Lease Class activities table found below. The lease has a guaranteed residual value payment of \$5,493.

On 07/01/2021, Stanly County entered into a 36 month lease as Lessee for the use of Enterprise Chevrolet-Unit # 237V4S DSS. An initial lease liability was recorded in the amount of \$11,890. As of 06/30/2023, the value of the lease liability is \$3,991. Stanly County is required to make monthly fixed principal and interest payments of \$366. The lease has an interest rate of 0.7270%. The Vehicles estimated useful life was 0 months as of the contract commencement. The value of the right to use asset as of 06/30/2023 of \$11,890 with accumulated amortization of \$7,804 is included with Vehicles on the Lease Class activities table found below. The lease has a guaranteed residual value payment of \$3,603.

On 07/01/2021, Stanly County entered into a 36 month lease as Lessee for the use of Enterprise Chevrolet-Unit # 237V4W Env Health. An initial lease liability was recorded in the amount of \$11,890. As of 06/30/2023, the value of the lease liability is \$11,890. Stanly County is required to make monthly fixed principal and interest payments of \$366. The lease has an interest rate of 0.7270%. The Vehicles estimated useful life was 0 months as of the contract commencement. The value of the right to use asset as of 06/30/2023 of \$11,890 with accumulated amortization of \$7,804 is included with Vehicles on the Lease Class activities table found below. The lease has a guaranteed residual value payment of \$3,603.

On 07/01/2021, Stanly County entered into a 36 month lease as Lessee for the use of Enterprise Chevrolet-Unit # 237WD6 Facilites Mgmt. An initial lease liability was recorded in the amount of \$16,842. As of 06/30/2023, the value of the lease liability is \$5,654. Stanly County is required to make monthly fixed principal and interest payments of \$507. The lease has an interest rate of 0.7270%. The Vehicles estimated useful life was 0 months as of the contract commencement. The value of the right to use asset as of 06/30/2023 of \$16,842 with accumulated amortization of \$10,974 is included with Vehicles on the Lease Class activities table found below. The lease has a guaranteed residual value payment of \$5,348.

On 07/01/2021, Stanly County entered into a 25 month lease as Lessee for the use of Enterprise Chevrolet-Unit # 238SFK EMS . An initial lease liability was recorded in the amount of \$1,388. As of 06/30/2023, the value of the lease liability is \$56. Stanly County is required to make monthly fixed principal and interest payments of \$56. The lease has an interest rate of 0.5140%. The Vehicles estimated useful life was 0 months as of the contract commencement. The value of the right to use asset as of 06/30/2023 of \$1,388 with accumulated amortization of \$1,300 is included with Vehicles on the Lease Class activities table found below. The lease has a guaranteed residual value payment of \$763.

On 07/01/2021, Stanly County entered into a 41 month lease as Lessee for the use of Enterprise Chevrolet-Unit # 23DVQB Env Health. An initial lease liability was recorded in the amount of \$8,626. As of 06/30/2023, the value of the lease liability is \$3,602. Stanly County is required to make monthly fixed principal and interest payments of \$247. The lease has an interest rate of 0.7270%. The Vehicles estimated useful life was 0 months as of the contract commencement. The value of the right to use asset as of 06/30/2023 of \$8,626 with accumulated amortization of \$4,976 is included with Vehicles on the Lease Class activities table found below. The lease has a guaranteed residual value payment of \$2,206.

**STANLY COUNTY, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**Leases (continued)**

On 07/01/2021, Stanly County entered into a 48 month lease as Lessee for the use of Enterprise Ford -Unit # 23LTNK Tax Reval. An initial lease liability was recorded in the amount of \$15,826. As of 06/30/2023, the value of the lease liability is \$7,982. Stanly County is required to make monthly fixed principal and interest payments of \$369. The lease has an interest rate of 0.8930%. The Vehicles estimated useful life was 0 months as of the contract commencement. The value of the right to use asset as of 06/30/2023 of \$15,826 with accumulated amortization of \$7,805 is included with Vehicles on the Lease Class activities table found below. The lease has a guaranteed residual value payment of \$3,738.

On 07/01/2021, Stanly County entered into a 48 month lease as Lessee for the use of Enterprise Ford -Unit # 23LTNM Env Health. An initial lease liability was recorded in the amount of \$15,746. As of 06/30/2023, the value of the lease liability is \$0. The County returned this vehicle before the lease term was up and received a different vehicle, so the liability, right to use asset value, and accumulated amortization to date were removed from the lease class activities table.

On 01/12/2022, Stanly County entered into a 48 month lease as Lessee for the use of Enterprise Ford-Unit # 25KMVQ Animal Protective Service. An initial lease liability was recorded in the amount of \$48,867. As of 06/30/2023, the value of the lease liability is \$31,299. Stanly County is required to make monthly fixed principal and interest payments of \$1,019. The lease has an interest rate of 0.7270%. The Vehicles estimated useful life was 0 months as of the contract commencement. The value of the right to use asset as of 06/30/2023 of \$48,867 with accumulated amortization of \$17,718 is included with Vehicles on the Lease Class activities table found below. The lease has a guaranteed residual value payment of \$3,147.

On 12/01/2021, Stanly County, NC entered into a 60 month lease as Lessee for the use of Philips Medical Capital Monitors for EMS. An initial lease liability was recorded in the amount of \$651,365. As of 06/30/2023, the value of the lease liability is \$478,720. Stanly County is required to make annual fixed payments of \$119,680. The lease has an interest rate of 0.0000%. The Equipment estimated useful life was 0 months as of the contract commencement. The value of the right to use asset as of 06/30/2023 of \$651,365 with accumulated amortization of \$206,266 is included with Equipment on the Lease Class activities table found below.

On 07/01/2022, Stanly County, NC entered into a 60 month lease as Lessee for the use of Enterprise Chevrolet Equinox-Unit # 258WKF Env Health. An initial lease liability was recorded in the amount of \$24,472. As of 06/30/2023, the value of the lease liability is \$19,868. Stanly County, NC is required to make monthly fixed payments of \$428. The lease has an interest rate of 0.7270%. The Vehicles estimated useful life was 0 months as of the contract commencement. The value of the right to use asset as of 06/30/2023 of \$24,472 with accumulated amortization of \$4,894 is included with Vehicles on the Lease Class activities table found below. The lease has a guaranteed residual value payment of \$24,150.

On 07/01/2022, Stanly County, NC entered into a 48 month lease as Lessee for the use of Enterprise Ford-Unit # 25LWWV Animal Protective Service. An initial lease liability was recorded in the amount of \$56,633. As of 06/30/2023, the value of the lease liability is \$42,619. Stanly County, NC is required to make monthly fixed payments of \$1,197. The lease has an interest rate of 0.7270%. The Vehicles estimated useful life was 0 months as of the contract commencement. The value of the right to use asset as of 06/30/2023 of \$56,633 with accumulated amortization of \$14,158 is included with Vehicles on the Lease Class activities table found below. The lease has a guaranteed residual value payment of \$52,936.

On 07/01/2022, Stanly County, NC entered into a 48 month lease as Lessee for the use of Enterprise Ford-Unit # 25KQQV Animal Protective Service. An initial lease liability was recorded in the amount of \$48,453. As of 06/30/2023, the value of the lease liability is \$36,464. Stanly County, NC is required to make monthly fixed payments of \$1,024. The lease has an interest rate of 0.7270%. The Vehicles estimated useful life was 0 months as of the contract commencement. The value of the right to use asset as of 06/30/2023 of \$48,453 with accumulated amortization of \$12,113 is included with Vehicles on the Lease Class activities table found below. The lease has a guaranteed residual value payment of \$45,573.

**STANLY COUNTY, NORTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
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**Leases (continued)**

Serviced by the Enterprise Funds

Airport

On 07/01/2021, Stanly County entered into a 28 month lease as Lessee for the use of Enterprise Dodge-Unit # 22TNP9 Airport. An initial lease liability was recorded in the amount of \$13,137. As of 06/30/2023, the value of the lease liability is \$1,886. Stanly County is required to make monthly fixed principal and interest payments of \$506. The lease has an interest rate of 0.5140%. The Vehicles estimated useful life was 0 months as of the contract commencement. The value of the right to use asset as of 06/30/2023 of \$13,137 with accumulated amortization of \$11,207 is included with Vehicles on the Lease Class activities table found below. The lease has a guaranteed residual value payment of \$4,831.

On 07/01/2021, Stanly County entered into a 48 month lease as Lessee for the use of Enterprise Ford -Unit # 23LTNH Airport. An initial lease liability was recorded in the amount of \$25,950. As of 06/30/2023, the value of the lease liability is \$13,088. Stanly County is required to make monthly fixed principal and interest payments of \$587. The lease has an interest rate of 0.8930%. The Vehicles estimated useful life was 0 months as of the contract commencement. The value of the right to use asset as of 06/30/2023 of \$25,950 with accumulated amortization of \$12,797 is included with Vehicles on the Lease Class activities table found below. The lease has a guaranteed residual value payment of \$6,321.

Amount of Lease Assets by Major Classes of Underlying Asset

<u>Asset Class</u>	<u>Lease Asset Value</u>	<u>Accumulated Amortization</u>
Vehicles	\$ 351,492	\$ 165,342
Equipment	844,103	365,773
Land	10,064	4,736
Total Leases	<u>\$ 1,205,659</u>	<u>\$ 535,851</u>

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2023, were as follows:

<u>Year Ending June 30</u>	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2024	\$ 234,506	\$ 1,062	\$ 8,400	\$ 92
2025	171,389	535	6,573	32
2026	159,033	180	-	-
2027	124,789	20	-	-
Total General	<u>\$ 689,717</u>	<u>\$ 1,797</u>	<u>\$ 14,973</u>	<u>\$ 124</u>

**b. Installment Purchase Agreements**

General Fund:

On November 9, 2017, the County refinanced the construction of additions to Aquadale and Locust Schools by entering into a \$7,526,316 direct placement installment purchase contract. The property is provided as collateral. The loan is payable in annual principal payments of \$684,211 plus interest. On December 9, 2020, there was a rate modification which adjusted the interest rate from 2.69% to 1.54%.

\$ 3,421,053

**STANLY COUNTY, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**Installment Purchase Agreements (continued)**

On August 10, 2010, the County entered into a \$1,500,000 direct placement installment purchase contract with the USDA to finance the construction of jail additions. The property is pledged as collateral for the debt while the debt is outstanding. The financing contract requires annual principal payments of \$75,795, and annual interest payments at an interest rate of 4.00%. The County and the Lender agree that in the event of a default, the parties will cooperate with each other with respect to the foreclosure of their deeds of trust and the repossession, collection, and sale of the property. If the parties agree that foreclosure is an appropriate remedy, the Lender will initiate a foreclosure action by substituting and appointing a trustee under its deed of trust and filing a foreclosure proceeding under the deed of trust. After deducting the expense and fees relating to the sale, the sales proceeds will be shared by the County and the Lender in the same percentage as the debt owed under the loan documents to each such party bears to the total debt owed under the loan documents. 1,262,667

On August 10, 2017, the County entered into a \$317,675 direct placement installment purchase contract to finance the purchase of IT equipment. The equipment is pledged as collateral for the debt while the debt is outstanding. The financing contract requires annual principal payments ranging from \$42,411 to \$48,468, plus annual interest payments at an interest rate of 2.22%. In the event of default, the Lender may declare the entire unpaid principal balance under this Note and all accrued unpaid interest immediately due. 95,871

On August 14, 2015, the County entered into a \$250,000 direct placement installment purchase contract to purchase equipment for the cosmetology facility. The equipment is pledged as collateral for the debt while the debt is outstanding. The financing contract requires annual principal payments ranging from \$22,675 to \$27,450, and annual interest payments at an interest rate of 2.11%. In the event of default, the Bank may exercise any one or more of the following remedies: (a) declare the unpaid portion of the then outstanding principal component of the Installment Payments immediately due and payable without notice or demand to the County; (b) proceed by appropriate court action to enforce performance by the County of the applicable covenants of the contract or to recover for the breach thereof; (c) exercise all the rights and remedies of a secured party or creditor under the Uniform Commercial Code of the State and the general laws of the State with respect to the enforcement of the security interest granted or reserved under this Contract, or (d) enforce its security interest or direct the Deed of Trust Trustee to institute foreclosure proceedings under the Deed of Trust and sell the Project. 80,636

On September 12, 2019, the County entered into a \$337,900 direct placement installment purchase contract to purchase Sheriff department vehicles. The vehicles are pledged as collateral for the debt while the debt is outstanding. The financing contract requires annual principal payments ranging from \$81,577 to \$87,418, plus interest payments at an interest rate of 2.30%. In the event of default, the Lender may declare the entire unpaid principal balance under this Note and all accrued unpaid interest immediately due. 87,418

On January 24, 2020, the County entered into a \$462,602 direct placement installment purchase contract to purchase 2 ambulances for Emergency Services. The vehicles are pledged as collateral for the debt while the debt is outstanding. The financing contract requires annual principal payments ranging from \$111,869 to \$119,488 plus interest payments at an interest rate of 2.19%. In the event of default, the lender may declare the entire unpaid principal balance under this Note and all accrued unpaid interest immediately due. 119,488

**STANLY COUNTY, NORTH CAROLINA  
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**Installment Purchase Agreements (continued)**

On August 25, 2020, the County entered into a \$260,125 direct placement installment purchase contract to purchase 8 vehicles for the Sheriff's department. The vehicles are pledged as collateral for the debt while the debt is outstanding. The financing contract requires annual payments of \$68,362, including interest at a rate of 2.0%. In the event of default, the lender may declare the entire unpaid principal balance under this Note and all accrued unpaid interest immediately due. 132,671

On May 6, 2021, the County entered into a \$652,000 direct placement installment purchase contract to purchase 3 ambulances for the EMS department. The equipment is pledged as collateral for the debt while the debt is outstanding. The financing contract requires annual payments of \$224,203, including interest at a rate of 1.55%. In the event of default, the lender may declare the entire unpaid principal balance under this Note and all accrued unpaid interest immediately due. 220,725

On February 1, 2021, the County entered into a \$8,154,982 direct placement installment purchase contract to refinance (1) an Installment Financing Contract dated October 10, 2014 with Pinnacle Bank for EMS Equipment, (2) an Installment Financing Contract dated August 14, 2015 with Uwharrie Bank with financed the cost of the construction of a cosmetology building for SCC, and (3) an Installment Financing Contract dated September 6, 2019, which financed the capital costs of construction of a new Emergency Medical Services base facility. The property is pledged as collateral for the debt while the debt is outstanding. The financing contract requires annual principal payments ranging from \$263,000 to \$759,000, plus interest payments at an interest rate of 1.50%. In the event of default, the lender may declare the entire unpaid principal balance under this Note and all accrued unpaid interest immediately due. 6,777,000

On March 4, 2022, the County entered into a \$435,000 direct placement installment purchase contract to purchase (2) ambulances. The property is pledged as collateral for the debt while the debt is outstanding. The financing contract requires annual payments of \$148,843, which includes interest payments at an interest rate of 1.30%. In the event of default, the lender may declare the entire unpaid principal balance under this Note and all accrued unpaid interest immediately due. 291,891

On April 14, 2022, the County entered into a \$304,850 direct placement installment purchase contract to finance the purchase of (10) vehicles for the Sheriff's Department. The property is pledged as collateral for the debt while the debt is outstanding. The financing contract requires annual payments of \$79,803, which includes interest payments at an interest rate of 1.84%. In the event of default, the lender may declare the entire unpaid principal balance under this Note and all accrued unpaid interest immediately due. 230,734

On December 15, 2021, the County entered into a \$1,810,198 direct placement installment purchase contract to finance the capital costs of purchasing radio equipment for Emergency Services. The property is pledged as collateral for the debt while the debt is outstanding. The financing contract requires annual principal payments of \$301,700, plus interest payments at an interest rate of 1.50%. In the event of default, the lender may declare the entire unpaid principal balance under this Note and all accrued unpaid interest immediately due. 1,508,498

**STANLY COUNTY, NORTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
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**Installment Purchase Agreements (continued)**

On March 28, 2023, the County entered into a \$358,000 direct placement installment purchase contract to finance the capital costs of purchasing vehicles for the Sheriff department. The property is pledged as collateral for the debt while the debt is outstanding. The financing contract requires annual payments of \$98,694, which includes interest payments at an interest rate of 3.97%. In the event of default, the lender may declare the entire unpaid principal balance under this Note and all accrued unpaid interest immediately due. 358,000

On August 31, 2022, the County entered into a \$11,400,000 direct placement installment purchase contract to finance the capital costs of construction at SCC for a trade facility. The property is pledged as collateral for the debt while the debt is outstanding. The financing contract requires monthly payments of \$63,921, which includes interest at an interest rate of 3.08%. In the event of default, the lender may declare the entire unpaid principal balance under this Note and all accrued unpaid interest immediately due. 11,052,255

Total General Fund \$ 25,638,907

Enterprise Fund:

**Stanly County Utility Fund:**

On October 11, 2019, the County entered into a \$222,380 direct placement installment purchase contract to purchase easements for Sewer access rights from the Town of Richfield. The financing contract requires annual principal payments ranging from \$38,996 to \$34,636, plus interest payments at an interest rate of 2.99%. In the event of default, the Lender shall have all the rights of a secured party under the North Carolina Uniform Commercial Code including (a) making all or part of the amount owing by the terms of the loan immediately due; (b) acquire all or any portion of the Collateral and any certificates of title and other documents relating to the Collateral; (c) sell the collateral to collect proceeds to pay off the debt. \$ 73,509

On August 25, 2020, the County entered into a \$58,525 direct placement installment purchase contract to purchase a dump truck. The equipment stands as collateral for the loan. The financing contract requires annual principal payments ranging from \$11,240 to \$12,180, plus interest payments at an interest rate of 2.0%. In the event of default, all commitments and obligations of the lender under the agreement immediately will terminate, and, at Lender's option, all indebtedness immediately will become due and payable. 35,817

On October 19, 2020, the County entered into a \$55,000 direct placement installment purchase contract to purchase a backhoe. The equipment stands as collateral for the loan. The financing contract requires annual principal payments ranging from \$10,565 to \$11,444, plus interest payments at an interest rate of 1.99%. In the event of default, all commitments and obligations of the lender under the agreement immediately will terminate, and, at Lender's option, all indebtedness immediately will become due and payable. 33,657

On May 10, 2022, the County entered into a \$1,412,051 direct placement installment purchase contract to replace the Liberty Hill Booster Pump Station. The equipment stands as collateral for the loan. The financing contract requires annual principal payments ranging of \$101,958, including interest payments at an interest rate of 1.0%. In the event of default, all commitments and obligations of the lender under the agreement immediately will terminate, and, at Lender's option, all indebtedness immediately will become due and payable. 1,324,410

Total Enterprise Fund \$ 1,467,393

**Total Installment Purchase Agreements** \$ 27,106,300

**STANLY COUNTY, NORTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
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**Installment Purchase Agreements (continued)**

Future minimum payments as of June 30, 2023 were as follows:

<u>Year Ending June 30</u>	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2024	\$ 3,018,936	\$ 596,050	\$ 150,062	\$ 17,099
2025	2,622,599	539,473	147,217	14,531
2026	2,396,808	490,280	113,957	12,102
2027	2,316,212	444,576	91,250	10,708
2028	2,244,363	400,183	92,148	9,810
2029-2033	5,153,055	1,527,280	475,065	34,724
2034-2038	4,137,432	921,727	397,694	10,137
2039-2043	3,239,873	335,173	-	-
2044-2048	300,117	78,858	-	-
2049-2053	209,512	16,944	-	-
Total General	<u>\$ 25,638,907</u>	<u>\$ 5,350,544</u>	<u>\$ 1,467,393</u>	<u>\$ 109,111</u>

**c. Revolving Loan Funds**

Enterprise Fund:

**West Stanly WWTP**

North Carolina Clean Water Revolving Loan executed on February 18, 2021 in the amount of \$7,332,819. The loan is a drawdown loan. As of June 30, 2023, \$7,005,744 was received of the total loan balance available. The principal sum shall be repaid in not more than 20 annual installments due on May 1. \$ 7,005,744

**Stanly County Utility Fund:**

Drinking Water State Revolving Fund Loan executed on May 1, 2011, payable in annual principal payments of \$4,920 and interest has been forgiven for the term of the loan. 34,443

Drinking Water State Revolving Fund Loan executed on November 1, 2019, payable in annual principal payments of \$36,940 annually on May 1, plus interest payments semi-annually on November 1 and May 1 at 1.67% for the term of the loan. 591,034

**Greater Badin Water and Sewer District Fund:**

North Carolina Clean Water Revolving Loan executed on June 17, 2017 in the amount of \$6,057,970, immediately reduced by a principal forgiveness amount of \$2,400,000. The loan is a drawdown loan, and the initial receipts were all allocated towards the principal forgiveness amount. As of June 30, 2020, \$886,147 was received of the total loan balance available. The principal sum shall be repaid in not more than 20 annual installments due on May 1. 708,918

**Total Revolving Loan Fund Loans** \$ 8,340,139



**STANLY COUNTY, NORTH CAROLINA  
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**d. Other Notes Payable**

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

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

\$ 156,250

**Total Other Notes Payable**

\$ 156,250

Business Type Activities

Year Ending June 30	<u>Revolving Loan Funds</u>		<u>Other Notes Payable</u>	
	Principal	Interest	Principal	Interest
2024	\$ 436,455	\$ 9,870	\$ 156,250	\$ -
2025	436,455	9,253	-	-
2026	436,455	8,636	-	-
2027	436,455	8,020	-	-
2028	436,455	7,403	-	-
2029-2033	2,167,512	27,760	-	-
2034-2038	2,157,671	12,338	-	-
2039-2043	1,832,681	617	-	-
Total Business-Type	<u>\$ 8,340,139</u>	<u>\$ 83,897</u>	<u>\$ 156,250</u>	<u>\$ -</u>

**e. Revenue Bonds**

**West Stanly Waste Water Treatment Plant Fund**

Debt assumed by the County to USDA for assets acquired from the Town of Oakboro, on May 16, 2014 to acquire the West Stanly Waste Water Treatment Plant operations, payable in annual principal payments ranging from \$12,000 to \$47,000, and annual interest payments at an interest rate of 3.75%. The revenue bonds mature on June 1, 2051.

\$ 855,000

**Greater Badin Water and Sewer District Fund**

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

1,867,000

**Total Revenue Bonds**

\$ 2,722,000

**STANLY COUNTY, NORTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

**Revenue Bonds (continued)**

Revenue bond debt service requirement to maturity are as follows:

Year Ending June 30	Business-Type Activities	
	Principal	Interest
2024	\$ 59,000	\$ 67,069
2025	60,000	65,625
2026	62,000	64,163
2027	64,000	62,644
2028	65,000	61,069
2029-2033	350,000	280,406
2034-2038	400,000	234,000
2039-2043	451,000	180,563
2044-2048	510,000	119,306
2049-2053	479,000	50,644
2054-2058	222,000	8,419
Total	<u>\$ 2,722,000</u>	<u>\$ 1,193,908</u>

**West Stanly Waste Water Treatment Plant Fund**

The debt service coverage ratio calculation for the year ended June 30, 2023, is as follows:

Total Revenues	\$ 1,164,059
Operating Expenses*	880,495
Operating Income	<u>\$ 235,685</u>

Net revenues must be no less than 110% of the amount necessary to meet annual debt service obligations due for current year with respect to general obligation bonds and installment financing obligations

Current Year Debt Service	<u>\$ 49,640</u>
Debt service on debt due in current fiscal year percent of coverage	<u>475%</u>

\* Per revenue bond covenants, this does not include the depreciation expense of \$520,472.

**Greater Badin Water and Sewer District Fund**

The debt service coverage ratio calculation for the year ended June 30, 2023, is as follows:

Total Revenues	\$ 611,992
Operating Expenses*	373,542
Operating Income	<u>\$ 238,450</u>

Net revenues must be no less than 110% of the amount necessary to meet annual debt service obligations due for current year with respect to general obligation bonds and installment financing obligations

Debt service	<u>\$ 75,756</u>
Debt service on debt due in current fiscal year percent of coverage	<u>315%</u>

\* Per revenue bond covenants, this does not include the depreciation expense of \$237,202.

**STANLY COUNTY, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2023**

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**f. Subscriptions**

For the year ended June 30, 2023 the County implemented the requirements of GASB Statement No. 96, Subscription-Based Information Technology Arrangements (Subscriptions). The Statement provides a definition of Subscriptions and provides uniform guidance for accounting and financial reporting for such transactions. The guidance will decrease diversity in the accounting and financial reporting for these transactions, thereby, increasing comparability in financial reporting among governments. Further, the reporting of a subscription asset (a right-to-use intangible capital asset) and a subscription liability will enhance the relevance and reliability of the financial statements.

Serviced by the General Fund:

Subscriptions in affect at the end of the prior fiscal year had their assets and liabilities initially measured at the present value of the subscription payments expected over the remaining term of the Subscription after July 1, 2022. One such agreement was in place at June 30, 2022. The Subscription is for the use of Black Book. An initial subscription liability was recorded in the amount of \$235. As of 06/30/2023, the value of the subscription liability is \$0. Stanly County, NC is required to make annual fixed payments of \$235. The subscription has an interest rate of 1.7103%. Because the term was expired at year end, the value of the right to use asset and accumulated amortization is not included with Software on the Subscription Class activities below.

On 07/15/2022, Stanly County, NC entered into a 12 month subscription for the use of Bluelake Laserfiche Import. An initial subscription liability was recorded in the amount of \$400. As of 06/30/2023, the value of the subscription liability is \$0. Stanly County, NC is required to make annual fixed payments of \$400. The subscription has an interest rate of 1.7103%. The value of the right to use asset as of 06/30/2023 of \$400 with accumulated amortization of \$384 is included with Software on the Subscription Class activities table found below.

On 07/13/2022, Stanly County, NC entered into a 12 month subscription for the use of Aircraft Live Tracking. An initial subscription liability was recorded in the amount of \$1,800. As of 06/30/2023, the value of the subscription liability is \$0. Stanly County, NC is required to make annual fixed payments of \$1,800. The subscription has an interest rate of 1.7103%. The value of the right to use asset as of 06/30/2023 of \$1,800 with accumulated amortization of \$1,740 is included with Software on the Subscription Class activities table found below.

On 03/03/2023, Stanly County, NC entered into a 24 month subscription for the use of GoDaddy SSL. An initial subscription liability was recorded in the amount of \$355. As of 06/30/2023, the value of the subscription liability is \$175. Stanly County, NC is required to make annual fixed payments of \$180. The subscription has an interest rate of 2.7070%. The value of the right to use asset as of 06/30/2023 of \$355 with accumulated amortization of \$58 is included with Software on the Subscription Class activities table found below.

On 02/27/2023, Stanly County, NC entered into a 60 month subscription for the use of Cost Analysis Valuation System. An initial subscription liability was recorded in the amount of \$14,213. As of 06/30/2023, the value of the subscription liability is \$11,218. Stanly County, NC is required to make annual fixed payments of \$2,995.00. The subscription has an interest rate of 2.6820%. The value of the right to use asset as of 06/30/2023 of \$14,213 with accumulated amortization of \$979 is included with Software on the Subscription Class activities table found below.

On 09/01/2022, Stanly County, NC entered into a 24 month subscription for the use of DebtBook. An initial subscription liability was recorded in the amount of \$24,702. As of 06/30/2023, the value of the subscription liability is \$14,702. Stanly County, NC is required to make annual fixed payments of \$10,000. The subscription has an interest rate of 2.0237%. The value of the right to use asset as of 06/30/2023 of \$24,702 with accumulated amortization of \$10,293 is included with Software on the Subscription Class activities table found below.

**STANLY COUNTY, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**Subscriptions (continued)**

Serviced by the Enterprise Funds

Airport

On 01/01/2023, Stanly County, NC entered into a 36 month subscription for the use of GovOS Application Studio. An initial subscription liability was recorded in the amount of \$33,761. As of 06/30/2023, the value of the subscription liability is \$22,211. Stanly County, NC is required to make annual fixed payments of \$11,550. The subscription has an interest rate of 2.6560%. The value of the right to use asset as of 06/30/2023 of \$33,761 with accumulated amortization of \$5,627 is included with Software on the Subscription Class activities table found below.

On 03/01/2023, Stanly County, NC entered into a 12 month subscription for the use of Atlas Software. An initial subscription liability was recorded in the amount of \$2,309. As of 06/30/2023, the value of the subscription liability is \$1,543. Stanly County, NC is required to make monthly fixed payments of \$195. The subscription has an interest rate of 2.8943%. The value of the right to use asset as of 06/30/2023 of \$2,309 with accumulated amortization of \$770 is included with Software on the Subscription Class activities table found below.

Amount of Subscription Assets by Major Classes of Underlying Asset

<u>Asset Class</u>	<u>Subscription Asset Value</u>	<u>Accumulated Amortization</u>
Software	\$ 77,541	\$ 19,851
Total Subscriptions	<u>\$ 77,541</u>	<u>\$ 19,851</u>

The future minimum subscription obligations and the net present value of these minimum payments as of June 30, 2023, were as follows:

<u>Year Ending June 30</u>	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2024	\$ 28,532	\$ 1,193	\$ 1,543	\$ 17
2025	14,018	527	-	-
2026	2,841	154	-	-
2027	2,915	78	-	-
	<u>\$ 48,306</u>	<u>\$ 1,952</u>	<u>\$ 1,543</u>	<u>\$ 17</u>

**g. Long-Term Obligation Activity**

The following is a summary of changes in the County's long-term obligations for the fiscal year ended June 30, 2023:

	<u>Balance July 1, 2022</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance June 30, 2023</u>	<u>Current Portion</u>
<b>Governmental Activities:</b>					
Lease Liabilities	\$ 878,654	\$ 129,558	\$ 318,495	\$ 689,717	\$ 234,506
IT Subscription liabilities	235	73,432	25,361	48,306	28,532
Direct Placement Installment Purchase	16,756,771	11,758,000	2,875,864	25,638,907	3,018,936
Compensated Absences	1,648,335	1,372,564	1,282,812	1,738,087	1,282,812
Net pension liability (LGERS)	4,243,654	10,887,899	-	15,131,553	-
Total pension liability (LEOSSA)	1,732,619	14,590	-	1,747,209	-
Total OPEB Liability	9,379,222	-	943,347	8,435,875	-
Total governmental activities	<u>\$ 34,639,490</u>	<u>\$ 24,236,043</u>	<u>\$ 5,445,879</u>	<u>\$ 53,429,654</u>	<u>\$ 4,564,786</u>

**STANLY COUNTY, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**Long-Term Obligation Activity (continued)**

	Balance July 1, 2022	Additions	Retirements	Balance June 30, 2023	Current Portion
<b>Business-type Activities:</b>					
<b>Stanly County Utility Fund:</b>					
Direct Placement Installment Purchase	\$ 1,631,538	\$ -	\$ 164,146	\$ 1,467,392	\$ 150,063
Direct Borrowing Revolving Loan	667,338	-	41,860	625,478	41,860
Compensated absences	63,241	54,554	46,576	71,219	46,576
Net Pension Liability(LGERS)	145,396	373,039	-	518,435	-
Total OPEB Liability	195,297	-	3,087	192,210	-
Total Stanly County Utility Fund	<u>\$ 2,702,810</u>	<u>\$ 427,593</u>	<u>\$ 255,669</u>	<u>\$ 2,874,734</u>	<u>\$ 238,499</u>
<b>Greater Badin Water and Sewer District Fund:</b>					
Revenue Bond	\$ 1,907,000	\$ -	\$ 40,000	\$ 1,867,000	\$ 41,000
Direct Borrowing Revolving Loan	753,226	-	44,307	708,919	44,307
Total Greater Badin W&S Fund	<u>\$ 2,660,226</u>	<u>\$ -</u>	<u>\$ 84,307</u>	<u>\$ 2,575,919</u>	<u>\$ 85,307</u>
<b>West Stanly Waste Water Treatment Plant Fund:</b>					
Notes payable	\$ 312,500	\$ -	\$ 156,250	\$ 156,250	\$ 156,250
Revenue bonds	872,000	-	17,000	855,000	18,000
Direct Borrowing Revolving Loan	6,981,539	24,205	-	7,005,744	350,287
Compensated absences	7,760	173	3,623	4,310	3,623
Net Pension Liability(LGERS)	10,156	26,056	-	36,212	-
Total OPEB Liability	28,030	-	3,194	24,836	-
Total West Stanly WWTP Fund	<u>\$ 8,211,985</u>	<u>\$ 50,434</u>	<u>\$ 180,067</u>	<u>\$ 8,082,352</u>	<u>\$ 528,160</u>
<b>Airport Fund:</b>					
Lease Liabilities	\$ 27,068	\$ -	\$ 12,095	\$ 14,973	\$ 8,400
IT Subscription liabilities	-	4,109	2,566	1,543	1,543
Compensated absences	16,782	7,542	6,181	18,143	6,181
Net Pension Liability(LGERS)	44,083	113,102	-	157,185	-
Total OPEB Liability	120,282	-	13,308	106,974	-
Total Airport Fund	<u>\$ 208,215</u>	<u>\$ 124,753</u>	<u>\$ 34,150</u>	<u>\$ 298,818</u>	<u>\$ 16,124</u>
Total Business-type activities	<u>\$ 13,783,236</u>	<u>\$ 602,780</u>	<u>\$ 554,193</u>	<u>\$ 13,831,823</u>	<u>\$ 868,090</u>

Compensated absences, other postemployment benefits and net pension obligation typically have been liquidated in the General Fund and are accounted for on a FIFO (first-in, first-out) basis.

*Debt Related to Capital Activities.* Of the total governmental activities debt listed, only \$3,421,053 relates to assets to which the County holds title. Unspent restricted cash related to this debt amounts to \$5,812,110.

On June 30, 2023, Stanly County had a legal debt margin of \$496,052,445.

**STANLY COUNTY, NORTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

**h. Conduit Debt Obligation**

Stanly County Industrial and Pollution Control Authority has issued industrial revenue bonds to provide financial assistance to private business for economic development purposes. These bonds are secured by the properties financed, as well as letters of credit, and are payable solely from payments received from the private businesses involved. Ownership of the acquired facilities is in the name of the private business served by the bond issuance. Neither the County, the Authority, nor the State, nor any political subdivision thereof, is obligated in any manner for the repayment of bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of June 30, 2023, no industrial revenue bonds were outstanding.

**i. Net Investments in Capital Assets**

Net investment in capital assets at June 30, 2023 was calculated as follows:

	<b>General Fund</b>	<b>Enterprise Fund</b>
Capital assets (including Right to Use Assets)	\$ 39,182,600	\$ 49,430,820
Total debt, gross	(26,376,930)	(12,702,300)
Add: Debt not related to County assets		
School debt for which County does not hold title:		
Notes payable	3,421,053	-
Less: unspent debt proceeds	(5,812,110)	-
Total debt	(28,767,987)	(12,702,300)
Net investment in capital assets	\$ 10,414,613	\$ 36,728,520

**C. Interfund Balances and Activity**

Interfund receivable balances consist of cash deficits as of June 30, 2023. 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:

	<b>Interfund Receivables</b>	<b>Interfund Payable</b>	<b>Purpose</b>
General Fund	\$ 290,700	\$ -	Cash Deficit
West Stanly Waste Water Treatment	-	261,630	Cash Deficit
Single Family Rehab 2020	-	16,700	Cash Deficit
CDBG 2020 Revitalization Fund	-	11,998	Cash Deficit
Deed of Trust Fund	-	372	Cash Deficit
Total	\$ 290,700	\$ 290,700	

Transfers to and from other funds at June 30, 2023 consist of the following:

	Transfers		
	From	To	Purpose
General Fund	\$ 2,121,369	\$ 440,899	Capital outlay
Special Revenue and Capital Project Funds			
ARPA Fund		262,095	Capital outlay
Livestock Arena		-	Capital outlay
Riverstone Industrial Park		660,093	Capital outlay
SCC Trade Facility Fund		72,456	Capital outlay
E911 CAD System Replacement Fund	440,899	176,513	Capital project
Public Safety Complex Fund		682,174	Capital project
Agri-Civic Center Lobby Floor Renovation Fund		48,928	Capital project
		63,411	Capital project

**STANLY COUNTY, NORTH CAROLINA  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

Transfers (continued)

Enterprise Funds

Stanly County Utility Fund			
Stony Gap Road Water Main Project	-	99,917	Capital outlay
Meadow Creek Church Road Water Project	-	50,534	Capital outlay
Airport Fund	-	399,466	Capital outlay
Airport Obstruction Removal	-	39	Capital outlay
Airfield Lighting Control System	-	18,288	Capital outlay
West Stanly Waste Water Treatment Plant			
WS WWTP 2.5 MGD Expansion Project	-	111,645	Capital outlay
Total	\$ 2,824,363	\$ 2,824,363	

All transfers were to provide resources for capital projects.

**D. Fund Balance**

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

Total fund balance - General Fund	\$ 58,160,781
Less:	
Nonspendable Items	12,591
Stabilization by State statute	9,148,921
Total available fund balance	\$ 48,999,269

The County had no outstanding encumbrances at June 30, 2023.

**NOTE IV: Joint Ventures**

Stanly County, in conjunction with Cabarrus, Rowan, and Union counties participates in the Piedmont Area Mental Health Authority. The Authority is a joint venture established to provide the participating counties with legally mandated mental health services. The County has an ongoing financial responsibility for the Authority because the Authority's continued existence depends on the participating governments' continued funding. The County contributed \$213,288 to the Authority during the fiscal year ended June 30, 2023. 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, 2023. Complete financial statements for the Authority can be obtained from the Authority's administrative office at 245 LePhillip Court Northeast, Concord, North Carolina 28025.

The County, in conjunction with the State of North Carolina and the Stanly County Board of Education, participates in a joint venture to operate Stanly Community College. Stanly County appoints one member of the 13-member Board of Trustees. The Community College is included as a component unit of the State. The County has the basic responsibility for providing funding for facilities and also provides some financial support for operations. The County has an ongoing statutory financial responsibility to provide funding for the Community College. The County contributed \$1,368,152 for operating purposes and \$175,000 for capital during the fiscal year ended June 30, 2023. Complete financial statements for the Community College may be obtained from administrative offices at 141 College Drive, Albemarle, North Carolina 28001.

**STANLY COUNTY, NORTH CAROLINA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2023**

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**NOTE V: Joint Governed Organization**

The County, in conjunction with eight other counties and twenty municipalities participates in the Centralina Council of Governments (Council). The participating governments established the Council to coordinate various funding received from federal and State agencies. Each participating government appoints one member to the Council's governing board. The County paid membership fees of \$15,006 to the Council during the fiscal year ended June 30, 2023.

**NOTE VI: Summary Disclosure of Significant Contingencies**

Federal and State Assisted Programs

The County has received proceeds from several federal and State grants. Periodic audits of these grants are required and certain costs may 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.

**NOTE VII: Significant Effects of Subsequent Events**

In preparing these financial statements, the County has evaluated events and transactions for potential recognition or disclosure through October 11, 2023, the date the financial statements were available to be issued.

**NOTE VIII: Prior Period Adjustment**

The County accrued local option sales tax received in September 2022 back to the previous year to correct the receivable balance per the distribution table provided by the Department of Revenue. This accrual resulted in a prior period adjustment in the General Fund that increased fund balance by \$1,603,985. In addition, the E911 Board determined that costs were unallowable from the prior year, so an adjustment was made that increased fund balance in the E911 Fund by \$17,342, but decreased fund balance in the General Fund by the same amount, result in no net change to fund balance in the governmental funds. In addition, it was determined that a project that was expensed (SCC Trade Facility) should have been capitalized because debt was issued that required the County to hold the title to the asset until the debt was paid. This adjustments resulted in an increase in net position in the Governmental Activities of \$264,386.



## **REQUIRED SUPPLEMENTARY FINANCIAL INFORMATION**

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

- Schedule of the County's Proportionate Share of Net Pension Liability (Asset) - Local Government Employees' Retirement System
- Schedule of County Contributions - Local Government Employees' Retirement System
- Schedule of Proportionate Share of Net Pension Asset - Register of Deeds Supplemental Pension Fund
- Schedule of Contributions - Register of Deeds' Supplemental Pension Fund
- Schedule of Changes in Total Pension Liability (LEO)
- Schedule of Total Pension Liability as a Percentage of Covered-Employee Payroll
- Schedule of Changes in the Net OPEB Liability and Related Ratios - Healthcare Benefits Plan



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

<b>Local Government Employees' Retirement System</b>					
	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>
County's proportion of the net pension liability (asset) (%)	0.281%	0.290%	0.293%	0.296%	0.274%
County's proportion of the net pension liability (asset) (\$)	\$ 15,843,386	\$ 4,443,288	\$ 10,479,072	\$ 8,088,445	\$6,490,253
County's covered payroll	22,308,230	22,068,866	21,303,811	20,577,405	19,501,302
County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	71.02%	20.13%	49.19%	39.31%	33.28%
Plan fiduciary net position as a percentage of the total pension liability**	84.14%	95.51%	88.61%	92.00%	94.18%
	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
County's proportion of the net pension liability (asset) (%)	0.277%	0.276%	0.281%	0.272%	0.279%
County's proportion of the net pension liability (asset) (\$)	\$ 4,224,918	\$ 5,850,853	\$ 1,259,226	\$(1,602,930)	\$ 3,358,200
County's covered payroll	19,078,455	17,357,375	17,210,820	16,632,050	15,288,312
County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	22.14%	33.71%	7.32%	-9.64%	21.97%
Plan fiduciary net position as a percentage of the total pension liability**	91.47%	98.09%	98.79%	102.64%	94.35%

\* The amounts presented for each fiscal year were determined as of the prior fiscal year ending June 30.

\*\* This will be the same percentage for all participant employers in the LGERS plan.

**Stanly County, North Carolina**  
**Schedule of County Contributions**  
**Local Government Employees' Retirement System**  
**Last Ten Fiscal Years**

<b>Local Government Employees' Retirement System</b>					
	<u><b>2023</b></u>	<u><b>2022</b></u>	<u><b>2021</b></u>	<u><b>2020</b></u>	<u><b>2019</b></u>
Contractually required contribution	\$ 2,936,640	\$ 2,567,894	\$ 2,272,491	\$ 1,943,404	\$ 1,628,654
Contributions in relation to the contractually required contribution	2,936,640	2,567,894	2,272,491	1,943,404	1,628,654
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered payroll	\$ 23,898,175	\$ 22,308,230	\$ 22,068,866	\$ 21,303,811	\$ 20,577,405
Contributions as a percentage of covered payroll	12.29%	11.51%	10.30%	9.12%	7.91%
	<u><b>2018</b></u>	<u><b>2017</b></u>	<u><b>2016</b></u>	<u><b>2015</b></u>	<u><b>2014</b></u>
Contractually required contribution	\$ 1,499,925	\$ 1,420,118	\$ 1,179,295	\$ 1,216,645	\$ 1,170,226
Contributions in relation to the contractually required contribution	1,499,925	1,420,118	1,179,295	1,216,645	1,170,226
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered payroll	\$ 19,501,302	\$ 19,078,455	\$ 17,357,375	\$ 17,210,820	\$ 16,632,050
Contributions as a percentage of covered payroll	7.69%	7.44%	6.79%	7.07%	7.04%

**Stanly County, North Carolina**  
**Schedule of the County's Proportionate Share of the Net Pension Liability (Asset)**  
**Register of Deeds' Supplemental Pension Fund**  
**Last Ten Fiscal Years**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
County's proportionate share of the net pension liability (asset) (%)	0.672%	0.660%	0.630%	0.571%	0.625%
County's proportionate share of the net pension liability (asset) (\$)	\$ (89,036)	\$ (126,833)	\$(144,372)	\$(112,691)	\$ (103,530)
Plan fiduciary net position as a percentage of the total pension liability	139.04%	156.53%	173.62%	164.11%	153.31%
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
County's proportionate share of the net pension liability (asset) (%)	0.635%	0.622%	0.585%	0.552%	0.531%
County's proportionate share of the net pension liability (asset) (\$)	\$ (108,390)	\$ (116,332)	\$(135,524)	\$(125,137)	\$ (113,505)
Plan fiduciary net position as a percentage of the total pension liability	153.77%	160.17%	197.29%	193.88%	190.50%

\* The amounts presented for the fiscal year were determined as of June 30.

\*\* This will be the same percentage for all participant employers in the ROD plan.

**Stanly County, North Carolina**  
**Schedule of County Contributions**  
**Register of Deeds' Supplemental Pension Fund**  
**Last Ten Fiscal Years**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
County's required contribution	\$ 6,589	\$ 7,709	\$ 7,923	\$ 6,032	\$ 5,264
Contributions in relation to contractually required contribution	<u>6,589</u>	<u>7,709</u>	<u>7,923</u>	<u>6,032</u>	<u>5,264</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
County's required contribution	\$ 4,772	\$ 4,518	\$ 3,800	\$ 4,680	\$ 4,508
Contributions in relation to contractually required contribution	<u>4,772</u>	<u>4,518</u>	<u>3,800</u>	<u>4,680</u>	<u>4,508</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**Stanly County, North Carolina**  
**Schedule of Changes in Total Pension Liability**  
**Law Enforcement Officers' Special Separation Allowance**  
**For the Last Seven Fiscal Years\***

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Beginning balance	\$ 1,732,619	\$ 1,689,179	\$ 1,081,653	\$ 980,566
Service cost	136,622	117,221	78,334	66,483
Interest on the total pension liability	38,451	32,196	34,641	34,873
Change in benefit terms	-	-	-	-
Difference between expected and actuarial experience in the measurement of the total pension liability	291,973	(6,213)	51,389	6,798
Changes of assumptions and other inputs	(405,101)	(57,779)	481,249	37,983
Benefit payments	(47,355)	(41,985)	(38,087)	(45,050)
Other changes	-	-	-	-
Ending balance of total pension liability	<u>\$ 1,747,209</u>	<u>\$ 1,732,619</u>	<u>\$ 1,689,179</u>	<u>\$ 1,081,653</u>
	<u>2019</u>	<u>2018</u>	<u>2017</u>	
Beginning balance	\$ 1,033,196	\$ 992,821	\$ 967,725	
Service cost	62,353	54,696	60,419	
Interest on the total pension liability	32,138	37,598	33,817	
Change in benefit terms	-	-	-	
Difference between expected and actuarial experience in the measurement of the total pension liability	(68,751)	(92,684)	-	
Changes of assumptions and other inputs	(46,010)	78,299	(28,212)	
Benefit payments	(32,360)	(37,534)	(40,928)	
Other changes	-	-	-	
Ending balance of total pension liability	<u>\$ 980,566</u>	<u>\$ 1,033,196</u>	<u>\$ 992,821</u>	

The amounts presented for each fiscal year were determined as of the prior December 31.

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

**Stanly County, North Carolina**  
**Schedule of Total Pension Liability as a Percentage of Covered Payroll**  
**Law Enforcement Officers' Special Separation Allowance**  
**Last Seven Fiscal Years\***

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Total pension liability	\$ 1,747,209	\$ 1,732,619	\$ 1,689,179	\$ 1,081,653
Covered-employee payroll	3,388,393	2,843,180	2,803,191	2,578,952
Total pension liability as a percentage of covered-employee payroll	51.56%	60.94%	60.26%	41.94%
	<u>2019</u>	<u>2018</u>	<u>2017</u>	
Total pension liability	\$ 980,566	\$ 1,033,196	\$ 992,821	
Covered-employee payroll	2,252,291	2,269,098	2,378,573	
Total pension liability as a percentage of covered-employee payroll	43.54%	45.53%	41.74%	

**Notes to the schedules:**

Stanly County has no assets accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 73 to pay related benefits.

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



**Stanly County, North Carolina**  
**Schedule of Changes in the Total OPEB Liability and Related Ratios**  
**Healthcare Benefits Plan**  
**Last Six Fiscal Years**

	<u>2023</u>	<u>2022</u>	<u>2021</u>
<b>Total OPEB Liability</b>			
Service cost	\$ 554,428	\$ 536,907	\$ 388,595
Interest	221,469	215,608	280,017
Differences between expected and actual experience	(168,193)	(1,120,818)	(118,239)
Changes of assumptions	(1,522,240)	939,886	1,194,370
Benefit payments	(48,400)	(134,975)	(139,620)
Net change in total OPEB liability	<u>(962,936)</u>	<u>436,608</u>	<u>1,605,123</u>
Total OPEB liability - beginning	<u>9,722,831</u>	<u>9,286,223</u>	<u>7,681,100</u>
Total OPEB liability - ending	<u>\$ 8,759,895</u>	<u>\$ 9,722,831</u>	<u>\$ 9,286,223</u>
Covered-employee payroll	\$ 19,226,907	\$ 19,226,907	\$ 18,115,221
Total OPEB liability as a percentage of covered-employee payroll	45.56%	50.57%	51.26%
	<u>2020</u>	<u>2019</u>	<u>2018</u>
<b>Total OPEB Liability</b>			
Service cost	\$ 356,965	\$ 370,806	\$ 403,919
Interest	279,522	247,169	207,976
Differences between expected and actual experience	(222,356)	76,465	167,936
Changes of assumptions	135,807	(266,490)	(446,264)
Benefit payments	(107,947)	(261,316)	(338,652)
Net change in total OPEB liability	<u>441,991</u>	<u>166,634</u>	<u>(5,085)</u>
Total OPEB liability - beginning	<u>7,239,109</u>	<u>7,072,475</u>	<u>7,077,560</u>
Total OPEB liability - ending	<u>\$ 7,681,100</u>	<u>\$ 7,239,109</u>	<u>\$ 7,072,475</u>
Covered-employee payroll	\$ 18,115,221	\$ 17,586,997	\$ 17,586,997
Total OPEB liability as a percentage of covered-employee payroll	42.40%	41.16%	40.21%

**Notes to Schedule**

There are no assets accumulated in a trust that meets the criteria of GASB codification P22.101 or P52.101 to pay related benefits for the pension/OPEB plan.

Changes of assumptions: Changes of assumptions and other inputs reflect the effects of changes in the discount rate of each period. The following are the discount rates used in each period:

<u>Fiscal Year</u>	<u>Rate</u>
2023	<u>3.54%</u>
2022	2.16%
2021	2.21%
2020	3.50%
2019	3.89%
2018	3.56%

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



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## **MAJOR GOVERNMENTAL FUNDS**

### **GENERAL FUND**

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

### **AMERICAN RESCUE PLAN FUND**

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The County received funds to assist with recovery efforts as a result of the COVID-19 pandemic.



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**Stanly County, North Carolina**  
**General Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Year Ended June 30, 2023**

	Final Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>			
Ad valorem Taxes			
Current year		\$ 39,849,044	
Penalties and interest		379,720	
Total	\$ 39,275,150	40,228,764	\$ 953,614
Local Option Sales Taxes			
Sales tax article 39		6,082,496	
Sales tax article 40		4,657,072	
Sales tax article 42		4,011,327	
Sales tax article 44		975,075	
Sales tax article 46		2,743,664	
Medicaid Hold Harmless payment		1,465,237	
Total	16,610,123	19,934,871	3,324,748
Other Taxes and Licenses			
Other taxes		41,539	
Real property excise tax		576,800	
Solid waste		33,898	
Occupancy tax		440,116	
Cable franchise tax		117,054	
Beer & wine tax		3,110	
Total	957,900	1,212,517	254,617
Unrestricted Intergovernmental Revenues			
ABC profits		142,120	
Total	100,000	142,120	42,120
Restricted Intergovernmental Revenues			
EMS		2,429	
Other federal and State grants		914,763	
Senior and aging grants		970,596	
Public safety		523,350	
Transportation		655,099	
Health		1,117,190	
Social services grants		5,976,165	
HRSA Grant		398,947	
Lottery		543,000	
Total	11,211,302	11,101,539	(109,763)
Permits and Fees			
Zoning and planning permits		38,357	
Tech fees		35,821	
Concealed weapons permit		48,818	
Recording fess		337,379	
Marriage license		8,155	
Building permits		1,346,160	
Animal control		13,657	
Total	1,320,684	1,828,347	507,663

(continued)

**Stanly County, North Carolina**  
**General Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Year Ended June 30, 2023**

	Final Budget	Actual	Variance Positive (Negative)
<b>Sales and Services</b>			
Intergovernmental charges		257,097	
Sherriff and jail fees		944,362	
Ambulance fees		2,918,363	
Transportation		325,528	
Solid waste		1,190,173	
Health fees		1,699,767	
Rental and other charges		246,922	
Total	8,403,287	7,582,212	(821,075)
Interest on investments	112,600	2,074,194	1,961,594
<b>Miscellaneous</b>			
Donations		281,195	
Other Grants		279,072	
Rents		310,292	
Sale of assets		29,763	
Miscellaneous other		548,849	
Total	1,411,400	1,449,171	37,771
Total Revenues	79,402,446	85,553,735	6,151,289
<b>Expenditures</b>			
<b>General Government:</b>			
<b>Governing Body</b>			
Salaries and employee benefits		129,080	
Operating expenditures		111,554	
Total		240,634	
<b>Administration</b>			
Salaries and employee benefits		554,892	
Operating expenditures		49,414	
Total		604,306	
<b>Finance Department</b>			
Salaries and employee benefits		528,019	
Operating expenditures		244,281	
Capital Outlay		24,702	
Total		797,002	
<b>Tax Assessor</b>			
Salaries and employee benefits		716,815	
Operating expenditures		271,515	
Total		1,002,543	

(continued)

**Stanly County, North Carolina**  
**General Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Year Ended June 30, 2023**

	Final Budget	Actual	Variance Positive (Negative)
Tax Revaluation			
Salaries and employee benefits		449,184	
Operating expenditures		59,241	
Total		<u>508,425</u>	
County Attorney			
Salaries		206,830	
Operating expenditures		7,106	
Total		<u>213,936</u>	
Clerk of Court			
Operating expenditures		18,784	
Total		<u>18,784</u>	
Judge's Office			
Operating expenditures		3,611	
Total		<u>3,611</u>	
Elections			
Salaries and employee benefits		334,686	
Operating expenditures		167,245	
Capital Outlay		99,983	
Total		<u>601,914</u>	
Register of Deeds			
Salaries and employee benefits		353,718	
Operating expenditures		59,811	
Capital Outlay		27,224	
Total		<u>440,753</u>	
Information Technology			
Salaries and employee benefits		647,456	
Operating expenditures		550,171	
Total		<u>1,251,701</u>	
Facilities Management			
Salaries and employee benefits		460,705	
Operating expenditures		692,356	
Capital outlay		16,710	
Total		<u>1,169,771</u>	
Contingency		<u>83,885</u>	
Total General Government	<u>7,846,736</u>	<u>6,937,265</u>	<u>909,471</u>

(continued)

**Stanly County, North Carolina**  
**General Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Year Ended June 30, 2023**

Schedule B-1  
(continued)

	Final Budget	Actual	Variance Positive (Negative)
Public safety:			
Sheriff			
Salaries		5,233,222	
Operating expenditures		1,199,479	
Capital Outlay		583,272	
Total		<u>7,015,973</u>	
Jail			
Salaries and employee benefits		2,465,554	
Operating expenditures		1,608,532	
Capital outlay		234,174	
Total		<u>4,308,260</u>	
Office of Juvenile Justice			
Operating expenditures		5,110	
Program expenditures		214,334	
Juvenile detention		12,677	
Total		<u>232,121</u>	
Emergency Management			
Salaries and employee benefit		5,408,734	
Operating expenditures		2,169,274	
Capital Outlay		477,783	
Total		<u>8,055,791</u>	
Code Enforcement			
Salaries and employee benefits		526,414	
Operating expenditures		61,171	
Capital Outlay		79,827	
Total		<u>667,412</u>	
Medical Examiner			
Contractual services		32,400	
Animal Control			
Salaries and employee benefits		461,399	
Operating expenditures		134,499	
Capital outlay		145,675	
Total		<u>741,573</u>	
911 Communication Service			
Salaries and employee benefits		1,530,540	
Operating expenditures		735,309	
Total		<u>2,265,849</u>	
Total Public Safety	<u>24,182,974</u>	<u>23,319,379</u>	<u>863,595</u>

(continued)



**Stanly County, North Carolina**  
**General Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Year Ended June 30, 2023**

	Final Budget	Actual	Variance Positive (Negative)
Transportation			
Salaries and employee benefits		854,717	
Operating expenditures		182,655	
Capital outlay		<u>278,543</u>	
Total Transportation	<u>1,525,596</u>	<u>1,315,915</u>	<u>209,681</u>
Environmental Protection			
Solid Waste Operations			
Salaries and employee benefits		459,984	
Operating expenditures		805,560	
Total		<u>1,265,544</u>	
Fire Forester			
Contributions to other agencies		<u>108,236</u>	
Soil and Water Conservation			
Salaries and employee benefits		142,602	
Operating expenditures		6,407	
Total		<u>149,009</u>	
Total Environmental Protection	<u>1,640,414</u>	<u>1,522,789</u>	<u>117,625</u>
Economic and Physical Development:			
Economic Development Commission			
Salaries and employee benefits		187,129	
Operating expenditures		422,372	
Total		<u>609,501</u>	
Occupancy Tax -Motel/Hotel			
To other municipalities		<u>301,525</u>	
Planning and Zoning			
Salaries and employee benefits		252,893	
Operating expenditures		95,428	
Total		<u>348,321</u>	
Central Permitting			
Salaries and employee benefits		276,405	
Operating expenditures		39,406	
Total		<u>315,811</u>	
Cooperative Extension			
Operating expenditures		<u>251,445</u>	
Total		<u>251,445</u>	

(continued)

**Stanly County, North Carolina**  
**General Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Year Ended June 30, 2023**

	Final Budget	Actual	Variance Positive (Negative)
Special Appropriations for Economic Development			
Contribution for economic development		35,000	
Rocky River RPO			
Salaries and employee benefits		103,956	
Operating expenditures		10,117	
Total		<u>114,073</u>	
Total Economic and Physical Development	<u>2,132,419</u>	<u>1,975,676</u>	<u>156,743</u>
Human services:			
Board Member expenses			
Salaries and employee benefits		4,303	
Other operating expenditures		826	
Total		<u>5,129</u>	
Health			
Salaries and employee benefits		2,284,325	
Other operating expenditures		1,205,201	
Total		<u>3,489,526</u>	
Dental Clinic			
Salaries and employee benefits		1,171,635	
Other operating expenditures		298,449	
Capital outlay		41,825	
Total		<u>1,511,909</u>	
Environmental Health			
Salaries		487,187	
Other operating expenditures		83,978	
Capital outlay		53,184	
Total		<u>624,349</u>	
Mental Health			
Contributions to other agencies:			
Bottle surcharge		30,423	
Piedmont area mental health		182,865	
Total		<u>213,288</u>	
Social Services			
Salaries and employee benefits		6,604,753	
Operating expenditures		1,579,600	
Daycare and resident services		422,489	
Total		<u>8,606,842</u>	

(continued)

**Stanly County, North Carolina**  
**General Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Year Ended June 30, 2023**

	Final Budget	Actual	Variance Positive (Negative)
In-Home Services			
Salaries and employee benefits		109,519	
Operating expenditures		293,017	
Total		<u>402,536</u>	
Nutrition			
Salaries and employee benefits		194,502	
Operating expenditures		476,057	
Total		<u>670,559</u>	
I&A/Transportation			
Salaries and employee benefits		82,989	
Operating expenditures		65,675	
Total		<u>148,664</u>	
Family Caregiver Support Program			
Operating expenditures		36,303	
Total		<u>36,303</u>	
Senior Services			
Salaries and employee benefits		278,040	
Other operating expenditures		379,705	
Total		<u>657,745</u>	
Veterans Services			
Salaries and employee benefits		65,360	
Operating expenditures		4,197	
Veterans Association		2,100	
Total		<u>71,657</u>	
HRSA Grant			
Other operating expenditures		314,990	
Total		<u>314,990</u>	
CARES Act - Allocation to Other Governments		36,500	
Total Human Services	18,948,468	<u>16,789,997</u>	<u>2,158,471</u>
Education:			
Stanly County Public Schools			
Current expenditures		12,878,600	
Teacher supplement		375,000	
Capital Outlay		4,070,000	
Total		<u>17,323,600</u>	

(continued)

**Stanly County, North Carolina**  
**General Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Year Ended June 30, 2023**

	Final Budget	Actual	Variance Positive (Negative)
Stanly Community College			
Current Expenditures		1,395,374	
Capital Outlay		343,529	
Total		<u>1,738,903</u>	
Total Education	<u>19,092,949</u>	<u>19,062,503</u>	<u>30,446</u>
Cultural and Recreation:			
Library			
Salaries and employee benefits		990,781	
Operating expenditures		368,874	
Total		<u>1,359,655</u>	
Agriculture Civic Center			
Salaries and employee benefits		178,026	
Operating expenditures		155,050	
Total		<u>333,076</u>	
Total Cultural and Recreation	<u>1,948,764</u>	<u>1,692,731</u>	<u>256,033</u>
Debt service:			
Principal		2,833,156	
Interest payments		574,004	
Total debt service	<u>3,592,841</u>	<u>3,407,160</u>	<u>185,681</u>
Total expenditures	<u>80,911,161</u>	<u>76,023,415</u>	<u>4,887,746</u>
Revenue over (under) expenditures	<u>(1,508,715)</u>	<u>9,530,320</u>	<u>11,039,035</u>
<b>Other financing sources (uses):</b>			
Transfers (to):			
Enterprise Funds	(729,695)	(417,793)	311,902
Capital Project Funds	(7,874,416)	(1,703,575)	6,170,841
Transfers from:			
Capital Project Funds	439,822	440,899	1,077
Installment Debt Issued	706,300	358,000	(348,300)
Lease Liabilities issued	-	129,558	129,558
IT Subscription agreement	-	73,432	73,432
Appropriated Fund Balance	8,966,704	-	(8,966,704)
<b>Total other financing sources (uses)</b>	<u>1,508,715</u>	<u>(1,119,479)</u>	<u>(2,628,194)</u>
<b>Net change in fund balance</b>	<u>\$ -</u>	<u>8,410,841</u>	<u>\$ 8,410,841</u>
<b>Fund balance, beginning, as previously reported</b>		<u>48,163,297</u>	
Prior period adjustment (see Note VIII)		<u>1,586,643</u>	
<b>Fund balance, beginning, as restated</b>		<u>49,749,940</u>	
<b>Fund balance, ending</b>		<u>\$ 58,160,781</u>	

**Stanly County, North Carolina**  
**American Rescue Plan Fund**  
**Schedule of Revenue, Expenditures And**  
**Changes in Fund Balances - Budget and Actual**  
**From Inception and for the Year Ended June 30, 2023**

	Project Authorization	Actual			Variance Positive (Negative)
		Prior Years	Current Year	Total to Date	
<b>Revenues:</b>					
American Rescue Plan Act of 2021	\$ 6,099,665	\$ 75,973	\$ 32,181	\$ 108,154	\$ (5,991,511)
Interest on Investments	-	5,410	351,057	356,467	356,467
Total Revenue	<u>6,099,665</u>	<u>81,383</u>	<u>383,238</u>	<u>464,621</u>	<u>(5,635,044)</u>
<b>Expenditures:</b>					
Other Contracts, Grants	3,053,948	75,973	126,553	202,526	2,851,422
Total Expenditures	<u>3,053,948</u>	<u>75,973</u>	<u>126,553</u>	<u>202,526</u>	<u>2,851,422</u>
Revenues over (under) expenditures	<u>3,045,717</u>	<u>5,410</u>	<u>256,685</u>	<u>262,095</u>	<u>(2,783,622)</u>
<b>Other Financing Sources (Uses):</b>					
Transfer to Wastewater Treatment Plant	(2,564,000)	-	(111,645)	(111,645)	2,452,355
Transfer to Utility Fund	(481,717)	-	(150,450)	(150,450)	331,267
Total other financing sources (uses)	<u>(3,045,717)</u>	<u>-</u>	<u>(262,095)</u>	<u>(262,095)</u>	<u>2,783,622</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 5,410</u>	<u>(5,410)</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Fund Balance:</b>					
Beginning of Year - July 1			<u>5,410</u>		
End of Year - June 30			<u>\$ -</u>		



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## **NONMAJOR GOVERNMENTAL FUNDS**

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Nonmajor Funds account for the proceeds of special revenue sources that are legally restricted to the expenditure for specific purposes. The financial information for Nonmajor Funds is found on Exhibits 3 and 4 in aggregate.

### **Individual Fund Descriptions:**

- **Emergency Telephone System Fund:** This fund is used to account for the revenues earmarked for the installation of emergency 911 phone system.
- **Fire Districts Fund:** This fund is used to account for revenues of the fourteen fire districts in Stanly County.
- **Single Family Rehab 20 Fund:** This fund is used to account for revenues of the Single Family Rehab Grant.
- **CDBG - 2020 Revitalization Fund:** This fund is used to account for revenues of the CDBG 2020 Revitalization Grant.
- **Deed of Trust Fund:** This fund is used to account for revenues received from Register of Deeds fees that are due to the State.
- **Fines and Forfeitures Fund:** This fund is used to account for revenues received for fines and forfeitures that are due to the Board of Education.
- **Representative Payee Fund:** This fund is used to account for revenues received for DSS Clients that the County holds on their behalf.
- **Opioid Settlement Fund:** This fund is used to account for revenues received from opioid settlement with the pharmaceutical distributors.
- **Livestock Arena Construction Project:** This fund is used to account for the funds designated for the construction of a new livestock arena at the Agriculture Civic Center.
- **Riverstone Industrial Park Project:** This fund is used to account for the funds designated for the development of this park.
- **State Capital and Infrastructure Fund:** This fund is used to account for funds issued by the Office of State Budget and Management.
- **SCC Trade Facility Project Fund:** This fund is used to account for loan proceeds used for the construction of a facility at Stanly Community College.
- **Agri Civic Center Lobby Floor Renovation Fund:** This fund is used to account for renovations at the Agri Civic Center Lobby.
- **Public Safety Complex Fund:** This fund is used to account for construction of a Public Safety Complex.
- **E-911 CAD System Replacement Fund:** This fund is used to account for replacement of the E-911 CAD System.



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**Stanly County, North Carolina  
Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2023**

	Special Revenue Fund							
	Emergency Telephone System Fund	Fire Districts Fund	Single Family Rehab 20 Fund	CDBG - 2020 Revitalization Fund	Deed of Trust Fund	Fines and Forfeitures Fund	Representative Payee Fund	Opioid Settlement Fund
<b>Assets:</b>								
Current Assets:								
Cash and cash equivalents	\$ 148,098	\$ 58,663	\$ -	\$ -	\$ -	\$ -	\$ 9,492	\$ -
Taxes receivable	-	59,178	-	-	-	-	-	-
Due from other governments	31,863	-	-	-	372	-	-	-
Restricted cash and cash equivalents	-	-	-	-	-	-	-	456,895
<b>Total assets</b>	<b>179,961</b>	<b>117,841</b>	<b>-</b>	<b>-</b>	<b>372</b>	<b>-</b>	<b>9,492</b>	<b>456,895</b>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances:</b>								
<b>Liabilities:</b>								
Accounts payable and accrued liabilities	9,835	58,663	-	3,887	-	-	-	5,959
Interfund payables	-	-	16,700	11,998	372	-	-	-
Unspent Grant / Settlement Funding	-	-	-	-	-	-	-	450,936
<b>Total liabilities</b>	<b>9,835</b>	<b>58,663</b>	<b>16,700</b>	<b>15,885</b>	<b>372</b>	<b>-</b>	<b>-</b>	<b>456,895</b>
<b>Deferred Inflows of Resources:</b>								
Unavailable revenue - property taxes	-	59,178	-	-	-	-	-	-
<b>Fund Balances:</b>								
Restricted:								
Stabilization by State Statute	31,863	-	-	-	-	-	-	-
Public Safety	138,263	-	-	-	-	-	-	-
Education	-	-	-	-	-	-	-	-
Economic Development	-	-	-	-	-	-	-	-
Human Services	-	-	-	-	-	-	9,492	-
Unassigned	-	-	(16,700)	(15,885)	-	-	-	-
<b>Total fund balances</b>	<b>170,126</b>	<b>-</b>	<b>(16,700)</b>	<b>(15,885)</b>	<b>-</b>	<b>-</b>	<b>9,492</b>	<b>-</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 179,961</b>	<b>\$ 117,841</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 372</b>	<b>\$ -</b>	<b>\$ 9,492</b>	<b>\$ 456,895</b>

**Stanly County, North Carolina  
Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2023**

	Capital Project Fund							Total
	Livestock Arena Construction Project	Riverstone Industrial Park Project	State Capital and Infrastructure Fund	SCC Trade Facility Project	Agri Civic Center Lobby Floor Reno- vation Fund	Public Safety Complex Fund	E-911 CAD System Replacement Fund	
<b>Assets:</b>								
Current Assets:								
Cash and cash equivalents	\$ 1,027,939	\$ 12,218	\$ -	\$ 391,044	\$ -	\$ -	\$ -	\$ 1,647,454
Taxes receivable	-	-	-	-	-	-	-	59,178
Due from other governments	-	-	-	-	-	-	-	32,235
Restricted cash and cash equivalents	-	-	514,950	5,812,110	-	-	-	6,783,955
<b>Total assets</b>	<u>1,027,939</u>	<u>12,218</u>	<u>514,950</u>	<u>6,203,154</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,522,822</u>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances:</b>								
<b>Liabilities:</b>								
Accounts payable and accrued liabilities	1,027,939	12,218	500,000	391,044	-	-	-	2,009,545
Interfund payables	-	-	-	-	-	-	-	29,070
Unspent Grant / Settlement Funding	-	-	-	-	-	-	-	450,936
<b>Total liabilities</b>	<u>1,027,939</u>	<u>12,218</u>	<u>500,000</u>	<u>391,044</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,489,551</u>
<b>Deferred Inflows of Resources:</b>								
Unavailable revenue - property taxes	-	-	-	-	-	-	-	59,178
<b>Fund Balances:</b>								
Restricted:								
Stabilization by State Statute	-	-	-	-	-	-	-	31,863
Public Safety	-	-	-	-	-	-	-	138,263
Education	-	-	-	5,812,110	-	-	-	5,812,110
Economic Development	-	-	14,950	-	-	-	-	14,950
Human Services	-	-	-	-	-	-	-	9,492
Unassigned	-	-	-	-	-	-	-	(32,585)
<b>Total fund balances</b>	<u>-</u>	<u>-</u>	<u>14,950</u>	<u>5,812,110</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,786,203</u>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<u>\$ 1,027,939</u>	<u>\$ 12,218</u>	<u>\$ 514,950</u>	<u>\$ 6,203,154</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,334,932</u>

**Stanly County, North Carolina**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**For the Year Ended June 30, 2023**

	Special Revenue Fund									
	Emergency Telephone System Fund	Fire Districts Fund	Single Family Rehab 20 Fund	CDBG - 2020 Revitalization Fund	Deed of Trust Fund	Fines and Forfeitures Fund	Representative Payee Fund	Opioid Settlement Fund		
<b>Revenues:</b>										
Ad valorem taxes	\$ -	\$ 4,283,356	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted intergovernmental	-	-	-	-	-	-	-	-	-	-
Permits and fees	-	-	-	-	51,404	-	201,361	-	154,368	-
Sales and services	382,356	-	-	-	-	222,678	-	-	-	-
Investment earnings	3,798	-	-	-	-	-	-	-	13,939	-
Miscellaneous	-	-	-	-	-	-	-	-	-	-
<b>Total revenues</b>	<b>386,154</b>	<b>4,283,356</b>	<b>-</b>	<b>-</b>	<b>51,404</b>	<b>222,678</b>	<b>201,361</b>	<b>-</b>	<b>168,307</b>	<b>-</b>
<b>Expenditures:</b>										
General Government	-	80,222	-	-	51,404	-	-	-	-	-
Public Safety	318,136	4,203,134	-	-	-	-	-	-	-	-
Human Services	-	-	-	-	-	-	206,884	-	168,349	-
Economic Development	-	-	-	15,885	-	-	-	-	-	-
Education	-	-	-	-	-	222,678	-	-	-	-
Cultural and Recreation	-	-	-	-	-	-	-	-	-	-
Debt service payment	42,708	-	-	-	-	-	-	-	-	-
<b>Total expenditures</b>	<b>360,844</b>	<b>4,283,356</b>	<b>-</b>	<b>15,885</b>	<b>51,404</b>	<b>222,678</b>	<b>206,884</b>	<b>-</b>	<b>168,349</b>	<b>-</b>
Revenues over (under) expenditures	25,310	-	-	(15,885)	-	-	(5,523)	-	(42)	-
<b>Other Financing Sources (Uses):</b>										
Transfers-in	-	-	-	-	-	-	-	-	-	-
General Fund	-	-	-	-	-	-	-	-	-	-
Transfers-out	-	-	-	-	-	-	-	-	-	-
General Fund	-	-	-	-	-	-	-	-	-	-
Installment Purchase Obligations	-	-	-	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net change in fund balances	25,310	-	-	(15,885)	-	-	(5,523)	-	(42)	-
Fund Balances, beginning	127,474	-	(16,700)	-	-	-	15,015	-	42	-
Prior Period Adjustment (Note VIII)	17,342	-	-	-	-	-	-	-	-	-
Fund Balances, beginning, as restated	144,816	-	(16,700)	-	-	-	15,015	-	42	-
<b>Fund Balance- June 30</b>	<b>\$ 170,126</b>	<b>\$ -</b>	<b>\$ (16,700)</b>	<b>\$ (15,885)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 9,492</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**Stanly County, North Carolina**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**For the Year Ended June 30, 2023**

	Capital Project Fund										Total
	Livestock Arena Construction Project	Riverstone Industrial Park Project	State Capital and Infrastructure Fund	SCC Trade Facility Fund	Agri Civic Center Lobby Floor Reno- vation Fund	Public Safety Complex Fund	E-911 CAD System Replacement Fund				
<b>Revenues:</b>											
Ad valorem taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,283,356
Restricted intergovernmental	-	156,217	-	-	-	-	-	-	-	-	511,946
Permits and fees	-	-	-	-	-	-	-	-	-	-	51,404
Sales and services	-	-	-	-	-	-	-	-	-	-	605,034
Investment earnings	-	-	14,535	-	-	-	-	-	-	-	32,272
Miscellaneous	73,916	-	-	-	125,000	-	-	-	-	-	198,916
Total revenues	73,916	156,217	14,535	-	125,000	-	-	-	-	-	5,682,928
<b>Expenditures:</b>											
General Government	-	-	-	-	-	-	-	-	-	-	131,626
Public Safety	-	-	-	-	-	48,928	-	682,174	-	-	5,252,372
Human Services	-	-	-	-	-	-	-	-	-	-	375,233
Economic Development	-	228,673	-	-	-	-	-	-	-	-	244,558
Education	-	-	-	5,323,504	-	-	-	-	-	-	5,546,182
Cultural and Recreation	1,415,579	-	-	-	188,411	-	-	-	-	-	1,603,990
Debt service payment	-	-	-	-	-	-	-	-	-	-	42,708
Total expenditures	1,415,579	228,673	-	5,323,504	188,411	48,928	-	682,174	-	-	13,196,669
Revenues over (under) expenditures	(1,341,663)	(72,456)	14,535	(5,323,504)	(63,411)	(48,928)	-	(682,174)	-	-	(7,513,741)
<b>Other Financing Sources (Uses):</b>											
Transfers- in											
General Fund	660,093	72,456	-	176,513	63,411	48,928	-	682,174	-	-	1,703,575
Transfers-out											
General Fund	-	-	-	(440,899)	-	-	-	-	-	-	(440,899)
Installment Purchase Obligations	-	-	-	11,400,000	-	-	-	-	-	-	11,400,000
Total other financing sources (uses)	660,093	72,456	-	11,135,614	63,411	48,928	-	682,174	-	-	12,662,676
Net change in fund balances	(681,570)	-	14,535	5,812,110	-	-	-	-	-	-	5,148,935
Fund Balances, beginning	681,570	-	415	-	-	-	-	-	-	-	807,816
Prior Period Adjustment (Note VIII)	-	-	-	-	-	-	-	-	-	-	17,342
Fund Balances, beginning, as restated	681,570	-	415	-	-	-	-	-	-	-	825,158
Fund Balance- June 30	\$ -	\$ -	\$ 14,950	\$ 5,812,110	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,974,093

**Stanly County, North Carolina**  
**Emergency Telephone System Fund**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Year Ended June 30, 2023**

	Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>			
Charges - surcharges	\$ 382,356	\$ 382,356	\$ -
Investment earnings	3,500	3,798	298
Total Revenues	<u>385,856</u>	<u>386,154</u>	<u>298</u>
<b>Expenditures:</b>			
Telephone	100,943	90,462	10,481
Software and software maintenance	88,084	87,526	558
Hardware and hardware maintenance	69,372	70,760	(1,388)
Training	7,000	9,434	(2,434)
Departmental Supplies	-	-	-
Rental of Equipment	63,435	59,954	3,481
Contingency	14,314	-	14,314
Debt service payment	42,708	42,708	-
Total Expenditures	<u>385,856</u>	<u>360,844</u>	<u>25,012</u>
Revenues over (under) expenditures	<u>-</u>	<u>25,310</u>	<u>25,310</u>
<b>Other Financing Sources (Uses):</b>			
Appropriated fund balance	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>25,310</u>	<u>\$ 25,310</u>
<b>Fund Balance:</b>			
Beginning of Year - July 1		127,474	
Prior Period Adjustment (see Note VIII)		<u>17,342</u>	
End of Year - June 30		<u>\$ 170,126</u>	

**Stanly County, North Carolina**  
**Fire Districts Fund**  
**Statement of Revenues, Expenditures**  
**and Changes In Fund Balance- Budget and Actual**  
**For the Year Ended June 30, 2023**

	Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>			
Ad valorem taxes:			
Current year	\$ 4,153,024	\$ 4,241,385	\$ 88,361
Prior years	120,000	41,971	(78,029)
Total Revenues	<u>4,273,024</u>	<u>4,283,356</u>	<u>10,332</u>
<b>Expenditures:</b>			
Administration Fees:			
Tax collections fees	58,000	61,146	(3,146)
NCDMV tax processing fees	19,000	19,076	(76)
Total Administration Fees	<u>77,000</u>	<u>80,222</u>	<u>(3,222)</u>
Public Safety			
West Stanly Fire District	1,298,000	1,298,263	(263)
Center Fire District	415,000	416,205	(1,205)
Endy Fire Distirct	249,000	249,886	(886)
Ridgecrest Fire District	245,000	246,652	(1,652)
Auwadale Fire District	193,000	193,841	(841)
Eastside Fire District	239,000	239,010	(10)
Oakboro Fire District	246,000	246,376	(376)
New London Fire District	317,000	316,973	27
Southside Fire District	237,000	237,131	(131)
Bethany Fire District	103,000	103,327	(327)
Richfield Fire District	161,000	160,632	368
Millingport Fire District	265,000	267,793	(2,793)
Norwood Special Fire District	60,000	59,413	587
Badin-Yakin Fire District	168,024	167,632	392
Total Public Safety	<u>4,196,024</u>	<u>4,203,134</u>	<u>(7,110)</u>
Total Expenditures	<u>4,273,024</u>	<u>4,283,356</u>	<u>(10,332)</u>
Net change in fund balance	<u>\$ -</u>	-	<u>\$ -</u>
<b>Fund Balance:</b>			
Beginning of Year - July 1		-	
End of Year - June 30		<u>\$ -</u>	

**Stanly County, North Carolina**  
**Single Family Rehab 2020 Fund**  
**Schedule of Revenue, Expenditures And**  
**Changes in Fund Balances - Budget and Actual**  
**From Inception and for the Year Ended June 30, 2023**

	Project Authorization	Actual			Variance Positive (Negative)
		Prior Years	Current Year	Total to Date	
<b>Revenues:</b>					
Single Family Rehab	\$ 190,000	\$ -	\$ -	\$ -	\$ (190,000)
Total Revenue	<u>190,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(190,000)</u>
<b>Expenditures:</b>					
Economic and Physical Development					
Administration	10,000	16,700	-	16,700	(6,700)
Rehabilitation	180,000	-	-	-	180,000
Total Expenditures	<u>190,000</u>	<u>16,700</u>	<u>-</u>	<u>16,700</u>	<u>173,300</u>
Revenues over (under) expenditures	<u>-</u>	<u>(16,700)</u>	<u>-</u>	<u>(16,700)</u>	<u>(16,700)</u>
<b>Other Financing Sources (Uses):</b>					
Transfer from General Fund	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ (16,700)</u>	<u>-</u>	<u>\$ (16,700)</u>	<u>\$ (16,700)</u>
Fund balance, beginning			<u>(16,700)</u>		
Fund balance, ending			<u>\$ (16,700)</u>		

**Stanly County, North Carolina**  
**CDBG - 2020 Revitalization Fund**  
**Schedule of Revenue, Expenditures And**  
**Changes in Fund Balances - Budget and Actual**  
**From Inception and for the Year Ended June 30, 2023**

	Project Authorization	Actual			Variance Positive (Negative)
		Prior Years	Current Year	Total to Date	
<b>Revenues:</b>					
CDBG Grant	\$ 750,000	\$ 41,173	\$ -	\$ 41,173	\$ (708,827)
Total Revenue	<u>750,000</u>	<u>41,173</u>	<u>-</u>	<u>41,173</u>	<u>(708,827)</u>
<b>Expenditures:</b>					
Economic and Physical Development					
Professional Services	20,000	41,173	15,885	57,058	(37,058)
Rehabilitation	730,000	-	-	-	730,000
Total Expenditures	<u>750,000</u>	<u>41,173</u>	<u>15,885</u>	<u>57,058</u>	<u>692,942</u>
Revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>(15,885)</u>	<u>(15,885)</u>	<u>(15,885)</u>
<b>Other Financing Sources (Uses):</b>					
Transfer from General Fund	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>(15,885)</u>	<u>\$ (15,885)</u>	<u>\$ (15,885)</u>
<b>Fund Balance:</b>					
Beginning of Year - July 1			<u>-</u>		
End of Year - June 30			<u>\$ (15,885)</u>		



**Stanly County**  
**Deed of Trust Fund**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Year Ended June 30, 2023**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Permits and fees			
Register of deeds	\$ 70,000	\$ 51,404	\$ (18,596)
Expenditures:			
General Government			
Payments of fees collected to the State of North Carolina	70,000	51,404	18,596
Other Financing Sources(Uses):			
Fund Balance Appropriated	-	-	-
Net change in fund balance	<u>\$ -</u>	-	<u>\$ -</u>
Fund Balance:			
Fund balance, beginning		-	
Fund balance, ending		<u>\$ -</u>	

**Stanly County**  
**Fines and Forfeitures Fund**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Year Ended June 30, 2023**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Sales and Services			
Penalties, fines, and forfeitures	<u>\$ 275,000</u>	<u>\$ 222,678</u>	<u>\$ (52,322)</u>
Expenditures:			
Education			
Payments of penalties, fines and forfeitures to the Board of Education	<u>275,000</u>	<u>222,678</u>	<u>52,322</u>
Other Financing Sources(Uses):			
Fund Balance Appropriated	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u><u>\$ -</u></u>	<u><u>-</u></u>	<u><u>\$ -</u></u>
Fund balance, beginning		<u>-</u>	
Fund balance, ending		<u><u>\$ -</u></u>	

**Stanly County**  
**Representative Payee Fund**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Year Ended June 30, 2023**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Restricted intergovernmental	<u>\$ 310,000</u>	<u>\$ 201,361</u>	<u>\$ (108,639)</u>
Expenditures:			
Human services			
Payments made for the benefit of beneficiaries	<u>310,000</u>	<u>206,884</u>	<u>103,116</u>
Other Financing Sources(Uses):			
Fund Balance Appropriated	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u><u>\$ -</u></u>	<u><u>(5,523)</u></u>	<u><u>\$ (5,523)</u></u>
Fund balance, beginning		<u>15,015</u>	
Fund balance, ending		<u><u>\$ 9,492</u></u>	

**Stanly County, North Carolina**  
**Opioid Settlement Fund**  
**Schedule of Revenue, Expenditures And**  
**Changes in Fund Balances - Budget and Actual**  
**From Inception and for the Year Ended June 30, 2023**

	Project Authorization	Actual			Variance Positive (Negative)
		Prior Years	Current Year	Total to Date	
<b>Revenues:</b>					
Opioid Settlement Funds	\$ 605,304	\$ -	\$ 154,368	\$ 154,368	\$ (450,936)
Interest on Investments	-	42	13,939	13,981	13,981
Total Revenue	<u>605,304</u>	<u>42</u>	<u>168,307</u>	<u>168,349</u>	<u>(436,955)</u>
<b>Expenditures:</b>					
Human Services					
Opioid Recovery Efforts	605,304	-	168,349	168,349	436,955
Total Expenditures	<u>605,304</u>	<u>-</u>	<u>168,349</u>	<u>168,349</u>	<u>436,955</u>
Revenues over (under) expenditures	<u>-</u>	<u>42</u>	<u>(42)</u>	<u>-</u>	<u>-</u>
<b>Other Financing Sources (Uses):</b>					
Transfer from General Fund	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 42</u>	<u>(42)</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Fund Balance:</b>					
Beginning of Year - July 1			<u>42</u>		
End of Year - June 30			<u>\$ -</u>		

**Stanly County, North Carolina**  
**Livestock Arena Construction Project**  
**Schedule of Revenue, Expenditures And**  
**Changes in Fund Balances - Budget and Actual**  
**From Inception and for the Year Ended June 30, 2023**

	Project Authorization	Actual		Total to Date	Variance Positive (Negative)
		Prior Years	Current Year		
<b>Revenues:</b>					
NC Department of Commerce	\$ 175,000	\$ 175,000	\$ -	\$ 175,000	\$ -
Donations	1,040,619	541,702	73,916	615,618	(425,001)
Total Revenue	<u>1,215,619</u>	<u>716,702</u>	<u>73,916</u>	<u>790,618</u>	<u>(425,001)</u>
<b>Expenditures:</b>					
Culture and Recreation					
Professional services	150,623	86,656	5,173	91,829	58,794
Buildings, Structure, & Improvements	5,715,904	150	1,410,406	1,410,556	4,305,348
Total Expenditures	<u>5,866,527</u>	<u>86,806</u>	<u>1,415,579</u>	<u>1,502,385</u>	<u>4,364,142</u>
Revenues over (under) expenditures	<u>(4,650,908)</u>	<u>629,896</u>	<u>(1,341,663)</u>	<u>(711,767)</u>	<u>3,939,141</u>
<b>Other Financing Sources (Uses):</b>					
Transfer from General Fund	4,130,908	51,674	660,093	711,767	(3,419,141)
Transfer from SCIF Grant	520,000	-	-	-	(520,000)
Total other financing sources (uses)	<u>4,650,908</u>	<u>51,674</u>	<u>660,093</u>	<u>711,767</u>	<u>(3,939,141)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 681,570</u>	<u>(681,570)</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Fund Balance:</b>					
Beginning of Year - July 1			<u>681,570</u>		
End of Year - June 30			<u>\$ -</u>		

**Stanly County, North Carolina**  
**Riverstone Industrial Park Project**  
**Schedule of Revenue, Expenditures And**  
**Changes in Fund Balances - Budget and Actual**  
**From Inception and for the Year Ended June 30, 2023**

	Project Authorization	Actual			Variance Positive (Negative)
		Prior Years	Current Year	Total to Date	
<b>Revenues:</b>					
Rural Infrastructure Authority	\$ 300,000	\$ -	\$ 139,727	\$ 139,727	\$ (160,273)
Golden Leaf Grant	200,000	15,081	16,490	31,571	(168,429)
Total Revenue	<u>500,000</u>	<u>15,081</u>	<u>156,217</u>	<u>171,298</u>	<u>(328,702)</u>
<b>Expenditures:</b>					
Economic Development					
Professional Services	91,485	33,920	41,813	75,733	15,752
Buildings, Structure, & Improve	661,282	-	186,860	186,860	474,422
Total Expenditures	<u>752,767</u>	<u>33,920</u>	<u>228,673</u>	<u>262,593</u>	<u>490,174</u>
Revenues over (under) expenditures	<u>(252,767)</u>	<u>(18,839)</u>	<u>(72,456)</u>	<u>(91,295)</u>	<u>161,472</u>
<b>Other Financing Sources (Uses):</b>					
Transfer from General Fund	<u>252,767</u>	<u>18,839</u>	<u>72,456</u>	<u>91,295</u>	<u>(161,472)</u>
Total other financing sources (uses)	<u>252,767</u>	<u>18,839</u>	<u>72,456</u>	<u>91,295</u>	<u>(161,472)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Fund Balance:</b>					
Beginning of Year - July 1			<u>-</u>		
End of Year - June 30			<u>\$ -</u>		

**Stanly County, North Carolina**  
**State Capital and Infrastructure Fund**  
**Schedule of Revenue, Expenditures And**  
**Changes in Fund Balances - Budget and Actual**  
**From Inception and for the Year Ended June 30, 2023**

	Project Authorization	Actual			Variance Positive (Negative)
		Prior Years	Current Year	Total to Date	
<b>Revenues:</b>					
SCIF Grant	\$ 500,000	\$ -	\$ -	\$ -	\$ (500,000)
Interest on Investments	20,000	415	14,535	14,950	(5,050)
Total Revenue	<u>520,000</u>	<u>415</u>	<u>14,535</u>	<u>14,950</u>	<u>(505,050)</u>
<b>Expenditures:</b>					
Economic Development	-	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues over (under) expenditures	<u>520,000</u>	<u>415</u>	<u>14,535</u>	<u>14,950</u>	<u>(505,050)</u>
<b>Other Financing Sources (Uses):</b>					
Transfer from (to) Livestock Arena Project	<u>(520,000)</u>	-	-	-	520,000
Total other financing sources (uses)	<u>(520,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>520,000</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 415</u>	14,535	<u>\$ 14,950</u>	<u>\$ 14,950</u>
<b>Fund Balance:</b>					
Beginning of Year - July 1			<u>415</u>		
End of Year - June 30			<u>\$ 14,950</u>		

**Stanly County, North Carolina**  
**SCC Trade Facility Fund**  
**Schedule of Revenue, Expenditures And**  
**Changes in Fund Balances - Budget and Actual**  
**From Inception and for the Year Ended June 30, 2023**

	Project Authorization	Actual			Variance Positive (Negative)
		Prior Years	Current Year	Total to Date	
<b>Revenues:</b>					
Interest on Investments	\$ -	\$ -	\$ -	\$ -	\$ -
Total Revenue	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Expenditures:</b>					
Education					
Buildings, Structures, and Improvements	11,400,000	264,386	5,297,638	5,562,024	5,837,976
Professional Services	-	-	25,866	25,866	(25,866)
Total Expenditures	<u>11,400,000</u>	<u>264,386</u>	<u>5,323,504</u>	<u>5,587,890</u>	<u>5,812,110</u>
Revenues over (under) expenditures	<u>(11,400,000)</u>	<u>(264,386)</u>	<u>(5,323,504)</u>	<u>(5,587,890)</u>	<u>5,812,110</u>
<b>Other Financing Sources (Uses):</b>					
Transfer from General fund	439,822	264,386	176,513	440,899	1,077
Transfer (to) General fund	(439,822)	-	(440,899)	(440,899)	(1,077)
Installment financing proceeds	11,400,000	-	11,400,000	11,400,000	-
Total Other Financing Sources (Uses)	<u>11,400,000</u>	<u>264,386</u>	<u>11,135,614</u>	<u>11,400,000</u>	<u>-</u>
Revenues and Other Sources Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	5,812,110	<u>\$ 5,812,110</u>	<u>\$ 5,812,110</u>
<b>Fund Balance:</b>					
Beginning of Year - July 1			<u>-</u>		
End of Year - June 30			<u>\$ 5,812,110</u>		



**Stanly County, North Carolina**  
**Agri-Civic Center Lobby Floor Renovation Fund**  
**Schedule of Revenue, Expenditures And**  
**Changes in Fund Balances - Budget and Actual**  
**From Inception and for the Year Ended June 30, 2023**

	Actual					Variance Positive (Negative)
	Project Authorization	Prior Years	Current Year	Completed Project	Total to Date	
<b>Revenues:</b>						
Donations	\$ 125,000	\$ -	\$ 125,000	\$(125,000)	\$ -	\$ -
Total Revenue	<u>125,000</u>	<u>-</u>	<u>125,000</u>	<u>(125,000)</u>	<u>-</u>	<u>-</u>
<b>Expenditures:</b>						
Cultural and Recreational						
Buildings, Structures, and Improvements	188,411	-	188,411	(188,411)	-	-
Total Expenditures	<u>188,411</u>	<u>-</u>	<u>188,411</u>	<u>(188,411)</u>	<u>-</u>	<u>-</u>
Revenues over (under) expenditures	<u>(63,411)</u>	<u>-</u>	<u>(63,411)</u>	<u>63,411</u>	<u>-</u>	<u>-</u>
<b>Other Financing Sources (Uses):</b>						
Transfer (to) General fund	63,411	-	63,411	(63,411)	-	-
Total Other Financing sources (Uses)	<u>63,411</u>	<u>-</u>	<u>63,411</u>	<u>(63,411)</u>	<u>-</u>	<u>-</u>
Revenues and Other Sources Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Fund Balance:</b>						
Beginning of Year - July 1			<u>-</u>			
End of Year - June 30			<u>\$ -</u>			

**Stanly County, North Carolina**  
**Public Safety Complex Fund**  
**Schedule of Revenue, Expenditures And**  
**Changes in Fund Balances - Budget and Actual**  
**From Inception and for the Year Ended June 30, 2023**

	Project Authorization	Actual		Total to Date	Variance Positive (Negative)
		Prior Years	Current Year		
<b>Revenues:</b>					
Donations	\$ -	\$ -	\$ -	\$ -	\$ -
Total Revenue	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Expenditures:</b>					
Public Safety					
Land	400,000	-	-	-	400,000
Professional Services	100,000	-	48,928	48,928	51,072
Total Expenditures	<u>500,000</u>	<u>-</u>	<u>48,928</u>	<u>48,928</u>	<u>451,072</u>
Revenues over (under) expenditures	<u>(500,000)</u>	<u>-</u>	<u>(48,928)</u>	<u>(48,928)</u>	<u>451,072</u>
<b>Other Financing Sources (Uses):</b>					
Transfer (to) General fund	500,000	-	48,928	48,928	(451,072)
Total Other Financing ources (Uses)	<u>500,000</u>	<u>-</u>	<u>48,928</u>	<u>48,928</u>	<u>(451,072)</u>
Revenues and Other Sources Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>	<u>\$ -</u>
<b>Fund Balance:</b>					
Beginning of Year - July 1			<u>-</u>		
End of Year - June 30			<u>\$ -</u>		

**Stanly County, North Carolina**  
**E911 CAD System Replacement Fund**  
**Schedule of Revenue, Expenditures And**  
**Changes in Fund Balances - Budget and Actual**  
**From Inception and for the Year Ended June 30, 2023**

	Project Authorization	Actual		Total to Date	Variance Positive (Negative)
		Prior Years	Current Year		
<b>Revenues:</b>					
Donations	\$ -	\$ -	\$ -	\$ -	\$ -
Total Revenue	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Expenditures:</b>					
Public Safety					
Salaries and benefits	-	-	8,729	8,729	(8,729)
Other Contracts, Grants, Subs	2,845,732	-	673,445	673,445	2,172,287
Total Expenditures	<u>2,845,732</u>	<u>-</u>	<u>682,174</u>	<u>682,174</u>	<u>2,163,558</u>
Revenues over (under) expenditures	<u>(2,845,732)</u>	<u>-</u>	<u>(682,174)</u>	<u>(682,174)</u>	<u>2,163,558</u>
<b>Other Financing Sources (Uses):</b>					
Transfer from (to) General fund	2,845,732	-	682,174	682,174	(2,163,558)
Total Other Financing sources (Uses)	<u>2,845,732</u>	<u>-</u>	<u>682,174</u>	<u>682,174</u>	<u>(2,163,558)</u>
Revenues and Other Sources Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Fund Balance:</b>					
Beginning of Year - July 1			<u>-</u>		
End of Year - June 30			<u>\$ -</u>		



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## BUDGETARY INFORMATION - ENTERPRISE FUNDS

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

### **Individual Fund Descriptions:**

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



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**STANLY COUNTY, NORTH CAROLINA**  
**CONSOLIDATING STATEMENT OF NET POSITION**  
**NONMAJOR PROPRIETARY FUNDS**  
**JUNE 30, 2023**

	Nonmajor		Total
	Greater Badin Water & Sewer District Fund	Piney Point Water District Fund	
<b>Assets:</b>			
Current assets:			
Cash and cash equivalents	\$ 409,494	\$ 348,136	\$ 757,630
Accounts receivable (net)	111,537	45,909	157,446
Interest receivable	1,377	980	2,357
Restricted cash and cash equivalents	20,505	6,070	26,575
Total current assets	<u>542,913</u>	<u>401,095</u>	<u>944,008</u>
Noncurrent assets:			
Capital assets:			
Capital assets, net of depreciation	5,673,041	30,896	5,703,937
Total capital assets, net	<u>5,673,041</u>	<u>30,896</u>	<u>5,703,937</u>
Total noncurrent assets	<u>5,673,041</u>	<u>30,896</u>	<u>5,703,937</u>
Total assets	<u>6,215,954</u>	<u>431,991</u>	<u>6,647,945</u>
<b>Liabilities:</b>			
Current liabilities:			
Account payable	4,956	14,353	19,309
Overpayments on Accounts	3,098	18,374	21,472
Interest payable	2,869	-	2,869
Current portion of long-term debt	85,307	-	85,307
Liabilities to be paid from restricted assets:			
Customer deposits	20,505	6,070	26,575
Total current liabilities	<u>116,735</u>	<u>38,797</u>	<u>155,532</u>
Noncurrent liabilities:			
Non-current portion of long-term debt	2,490,612	-	2,490,612
Total noncurrent liabilities	<u>2,490,612</u>	<u>-</u>	<u>2,490,612</u>
Total liabilities	<u>2,607,347</u>	<u>38,797</u>	<u>2,646,144</u>
<b>Net Position:</b>			
Net investment in capital assets	3,097,122	30,896	3,128,018
Restricted			
USDA Restrictions	57,146	-	57,146
Unrestricted	454,339	362,298	816,637
Total net position	<u>\$ 3,608,607</u>	<u>\$ 393,194</u>	<u>\$ 4,001,801</u>

**STANLY COUNTY, NORTH CAROLINA**  
**CONSOLIDATING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION**  
**NONMAJOR PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2023**

	Nonmajor		Total
	Greater Badin Water & Sewer District Fund	Piney Point Water District Fund	
<b>Operating Revenues:</b>			
Sales and Charges	\$ 590,547	\$ 208,281	\$ 798,828
Other	21,445	7,425	28,870
Total Operating Revenues	<u>611,992</u>	<u>215,706</u>	<u>827,698</u>
<b>Operating Expenses:</b>			
Administration	50,000	80,000	130,000
Distribution and maintenance	130,889	1,967	132,856
Water purchases	156,966	149,281	306,247
Depreciation and Amortization	237,202	1,459	238,661
Total Operating Expenses	<u>575,057</u>	<u>232,707</u>	<u>807,764</u>
Operating income (loss)	<u>36,935</u>	<u>(17,001)</u>	<u>19,934</u>
<b>Non-operating Revenues (Expenses)</b>			
Interest income	12,214	11,446	23,660
Interest on long-term debt	<u>(35,687)</u>	<u>-</u>	<u>(35,687)</u>
Total Nonoperating Revenues (Expenses)	<u>(23,473)</u>	<u>11,446</u>	<u>(12,027)</u>
Income (loss) before contributions and transfers	<u>13,462</u>	<u>(5,555)</u>	<u>7,907</u>
Change in Net Position	13,462	(5,555)	7,907
<b>Net Position:</b>			
Beginning of Year - July 1	<u>3,595,145</u>	<u>398,749</u>	<u>3,993,894</u>
End of year - June 30	<u>\$ 3,608,607</u>	<u>\$ 393,194</u>	<u>\$ 4,001,801</u>



**STANLY COUNTY, NORTH CAROLINA  
COMBINING STATEMENT OF CASH FLOWS  
NONMAJOR PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2023**

	Nonmajor		Total
	Greater Badin Water & Sewer District Fund	Piney Point Water District Fund	
<b>Cash Flows from Operating Activities:</b>			
Cash received from customers	\$ 615,934	\$ 192,360	\$ 808,294
Cash paid for goods and services	(348,737)	(228,182)	(576,919)
Cash paid to employees for services	-	-	-
Customer deposits	435	(245)	190
Net cash provided (used) by operating activities	<u>267,632</u>	<u>(36,067)</u>	<u>231,565</u>
<b>Cash Flows from Non-Capital Financing Activities:</b>			
Transfers (to) from other funds	-	-	-
Due to (from) other funds	-	-	-
Net cash provided (used) by noncapital financial activities	<u>-</u>	<u>-</u>	<u>-</u>
<b>Cash Flows from Capital and Related Financing Activities:</b>			
Acquisition and construction of capital assets	(76,227)	-	(76,227)
Principal paid on bond maturities and lease purchases	(84,307)	-	(84,307)
Interest paid on bond maturities and lease purchases	(35,757)	-	(35,757)
Net cash provided (used) by capital and related financing activities	<u>(196,291)</u>	<u>-</u>	<u>(196,291)</u>
<b>Cash Flows from Investing Activities:</b>			
Interest on investments	<u>10,866</u>	<u>10,497</u>	<u>21,363</u>
Net increase (decrease) in cash and cash equivalents	82,207	(25,570)	56,637
Cash and cash equivalents, July 1	<u>347,792</u>	<u>379,776</u>	<u>727,568</u>
Cash and cash equivalents, June 30	<u>\$ 429,999</u>	<u>\$ 354,206</u>	<u>\$ 784,205</u>

(continued)

**STANLY COUNTY, NORTH CAROLINA  
COMBINING STATEMENT OF CASH FLOWS  
NONMAJOR PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2023**

	Nonmajor		Total
	Greater Badin Water & Sewer District Fund	Piney Point Water District Fund	
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</b>			
Operating income (loss)	\$ 36,935	\$ (17,001)	\$ 19,934
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	237,202	1,459	238,661
Changes in assets and liabilities:			
(Increase) decrease in accounts receivable	12,094	(8,137)	3,957
Increase (decrease) in accounts payable and liabilities	(10,882)	3,066	(7,816)
Increase (decrease) in customer overpayments	(8,152)	(15,209)	(23,361)
Increase (decrease) in customer deposits	435	(245)	190
Total adjustments	230,697	(19,066)	211,631
Net cash provided (used) by operating activities	\$ 267,632	\$ (36,067)	\$ 231,565

**Stanly County, North Carolina**  
**Greater Badin Water and Sewer District Fund**  
**Schedule of Revenues and Expenditures- Budget and Actual (Non-GAAP)**  
**For Year Ended June 30, 2023**

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
<b>Revenues</b>			
Operating Revenues:			
Water Sales		\$ 331,517	
Sewer Charges		225,879	
Industrial Sewer Charges		32,752	
Taps and Connection Fees		399	
Other Operating Revenues		<u>21,445</u>	
Total Operating Revenues		<u>611,992</u>	
Non-Operating Revenues:			
Interest on Investments		<u>12,214</u>	
Total Non-Operating Revenues		<u>12,211</u>	
Total Revenues	<u>\$ 575,775</u>	<u>624,203</u>	<u>\$ 48,428</u>
<b>Expenditures:</b>			
Administration			
Contracted Services		<u>50,000</u>	
Total Administration		<u>50,000</u>	
Distribution and Maintenance			
Contracted Services		11,447	
Operating Expenditures		74,378	
Repairs and Maintenance		45,064	
Water Purchases		156,966	
Capital Outlay		<u>8,164</u>	
Total Distribution and Maintenance		<u>296,019</u>	
Debt Service			
Principal Paid		84,307	
Interest Expense		<u>35,757</u>	
Total Debt Service		<u>120,064</u>	
Total Expenditures	<u>575,775</u>	<u>466,083</u>	<u>109,692</u>
Revenues over (under) expenditures	<u>-</u>	<u>158,120</u>	<u>158,120</u>
<b>Other Financing Sources (Uses):</b>			
Appropriated fund balance	121,349	-	(121,349)
Transfers in (out)			
Badin Inn Water Extension Project	(71,349)	(68,063)	3,286
Utility Fund	<u>(50,000)</u>	<u>-</u>	<u>50,000</u>
Total other financing sources (uses)	<u>-</u>	<u>(68,063)</u>	<u>(68,063)</u>
Revenues and other financing sources (uses) over (under) expenditures and other financing uses	<u>\$ -</u>	<u>90,057</u>	<u>\$ 90,057</u>

(continued)

**Stanly County, North Carolina**  
**Greater Badin Water and Sewer District Fund**  
**Schedule of Revenues and Expenditures- Budget and Actual (Non-GAAP)**  
**For Year Ended June 30, 2023**

	Budget	Actual	Variance Positive (Negative)
<b>Reconciliation from Budgetary Basis (Modified Accrual)</b>			
<b>to Full Accrual:</b>			
Reconciling items:			
Debt Principal		84,307	
Capital Outlay		8,164	
Depreciation		(237,202)	
(Increase) decrease in accrued interest payable		70	
Transfer from Project Fund (D-6)		68,063	
Total reconciling items		(76,598)	
Change in net position		\$ 13,459	

**Stanly County, North Carolina**  
**Piney Point Water District Fund**  
**Schedule of Revenues and Expenditures- Budget and Actual (Non-GAAP)**  
**For Year Ended June 30, 2023**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>Revenues:</b>			
Operating Revenues			
Water Sales		\$ 204,794	
Taps and Connection Fees		3,487	
System Development Fees		600	
Other Operating Revenue		<u>6,825</u>	
Total Operating Revenue		<u>215,706</u>	
Non-Operating Revenues			
Interest on Investments		<u>11,446</u>	
Total Non-Operating Revenue		<u>11,446</u>	
Total Revenue	<u>\$ 196,515</u>	<u>227,152</u>	<u>\$ 30,637</u>
<b>Expenditures:</b>			
Administration			
Contracted Services		<u>80,000</u>	
Total Administration		<u>80,000</u>	
Distribution and Maintenance			
Operating Expenditures		1,967	
Water Purchases		<u>149,281</u>	
Total Distribution and Maintenance		<u>151,248</u>	
Total Expenditures	<u>231,036</u>	<u>231,248</u>	<u>(212)</u>
Revenues over (under) expenditures	<u>(34,521)</u>	<u>(4,096)</u>	<u>30,425</u>
<b>Other Financing Sources (Uses):</b>			
Appropriated fund balance	84,521	-	(84,521)
Transfers in (out):			
Utility Fund	<u>(50,000)</u>	-	<u>50,000</u>
Total other financing sources (uses)	<u>34,521</u>	<u>-</u>	<u>(34,521)</u>
Revenues and other financing sources (uses) over (under) expenditures and other financing uses	<u>\$ -</u>	<u>(4,096)</u>	<u>\$ (4,096)</u>
<b>Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual:</b>			
Reconciling items:			
Depreciation		<u>(1,459)</u>	
Total reconciling items		<u>(1,459)</u>	
Change in net position		<u>\$ (5,555)</u>	

**Stanly County, North Carolina**  
**West Stanly Waste Water Treatment Plant Fund**  
**Schedule of Revenues and Expenditures- Budget and Actual (Non-GAAP)**  
**For Year Ended June 30, 2023**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>Revenues:</b>			
Operating Revenues			
Sewer Sales		\$ 1,164,059	
Other Operating Revenues		-	
Total Operating Revenues		<u>1,164,059</u>	
Total Revenues	<u>\$ 1,056,180</u>	<u>1,164,059</u>	<u>\$ 107,879</u>
<b>Expenditures:</b>			
Administration			
Contracted Services		<u>140,000</u>	
Total Administration		<u>140,000</u>	
Distribution and Maintenance			
Operating Expenditures		228,277	
Repairs and Maintenance		199,870	
Salaries and Benefits		129,699	
Contracted Services		<u>148,767</u>	
Total Distribution and Maintenance		<u>706,613</u>	
Debt Service			
Principal		173,250	
Interest		<u>32,640</u>	
Total Debt Service		<u>205,890</u>	
Total Expenditures	<u>1,381,416</u>	<u>1,052,503</u>	<u>328,913</u>
Revenues over (under) expenditures	<u>(325,236)</u>	<u>111,556</u>	<u>436,792</u>
<b>Other Financing Sources (Uses):</b>			
Appropriated fund balance	369,674	-	(369,674)
Transfers to Project Fund	<u>(44,438)</u>	<u>(44,438)</u>	-
Total other financing sources (uses)	<u>325,236</u>	<u>(44,438)</u>	<u>(369,674)</u>
Revenues and other financing sources (uses) over (under) expenditures and other financing uses	<u>\$ -</u>	<u>67,118</u>	<u>\$ 67,118</u>

(continued)

**Stanly County, North Carolina**  
**West Stanly Waste Water Treatment Plant Fund**  
**Schedule of Revenues and Expenditures- Budget and Actual (Non-GAAP)**  
**For Year Ended June 30, 2023**

**Reconciliation from Budgetary Basis (Modified Accrual)**

**to Full Accrual:**

Reconciling items:

Debt Principal	173,250
Depreciation	(520,472)
Increase (Decrease) in Deferred Outflows of Resources - Pensions	8,159
Increase (Decrease) in Deferred Outflows of Resources - OPEB	(816)
(Increase) Decrease in Deferred Inflows of Resources - Pensions	14,160
(Increase) Decrease in Deferred Inflows of Resources - OPEB	(3,393)
(Increase) Decrease in Net Pension Liability	(26,056)
(Increase) Decrease in Accrued Interest Payable	60
(Increase) Decrease in Total OPEB Liability	3,194
(Increase) Decrease in Compensated Absences	3,450
Transfer to project funds	<u>156,083</u>
Total reconciling items	<u>(192,381)</u>
Change in net position	<u><u>\$ (125,263)</u></u>

**Stanly County, North Carolina**  
**Stanly County Utility Fund**  
**Schedule of Revenues and Expenditures- Budget and Actual (Non-GAAP)**  
**For Year Ended June 30, 2023**

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
<b>Revenues:</b>			
Operating Revenues			
Water Sales		\$ 3,760,298	
Sewer Charges		715,460	
Taps and Connection Fees		93,662	
Other Operating Revenues		198,885	
Total Operating Revenues		<u>4,768,305</u>	
Non-Operating Revenues			
Interest on Investments		51,219	
Administrative Charges		270,000	
Miscellaneous		10,881	
Total Non-Operating Revenues		<u>332,100</u>	
Total Revenues	<u>\$ 4,488,757</u>	<u>5,100,405</u>	<u>\$ 611,648</u>
<b>Expenditures:</b>			
Administration			
Salaries and Employee Benefits		239,078	
Operating Expenditures		80,887	
Total Administration		<u>319,965</u>	
Debt Service			
Principal Paid		206,006	
Interest Expense		30,296	
Total Debt Service		<u>236,302</u>	
Distribution and Maintenance			
Salaries and Employee Benefits		1,035,085	
Operating Expenditures		948,477	
Repairs and Maintenance		550,820	
Water Purchases		1,847,653	
Capital Outlay		11,624	
Total Distribution and Maintenance		<u>4,393,659</u>	
Total Expenditures	<u>5,001,147</u>	<u>4,949,926</u>	<u>51,221</u>
Revenues over (under) expenditures	<u>(512,390)</u>	<u>150,479</u>	<u>662,869</u>

(continued)



**Stanly County, North Carolina**  
**Stanly County Utility Fund**  
**Schedule of Revenues and Expenditures- Budget and Actual (Non-GAAP)**  
**For Year Ended June 30, 2023**

**Other Financing Sources (Uses):**

Intrafund Transfer to Utility Grant Project	(351,793)	(69,393)	282,400
Appropriated Fund Balance	<u>864,183</u>	<u>-</u>	<u>(864,183)</u>
Total other financing sources (uses)	<u>512,390</u>	<u>(69,393)</u>	<u>(581,783)</u>
Revenues and other financing sources (uses)			
over (under) expenditures and other financing uses	<u>\$ -</u>	<u>81,086</u>	<u>\$ 81,086</u>

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

Reconciling items:

Debt Principal	206,006
Capital Outlay	11,624
Depreciation	(756,537)
Increase (Decrease) in Deferred Outflows of Resources - Pension	116,801
Increase (Decrease) in Deferred Outflows of Resources - OPEB	(10,834)
(Increase) Decrease in Deferred Inflows of Resources - Pensions	202,737
(Increase) Decrease in Deferred Inflows of Resources - OPEB	(29,654)
(Increase) Decrease in Net Pension Liability	(373,039)
(Increase) Decrease in Accrued Interest Payable	1,344
(Increase) decreased in Total OPEB Liability	3,087
(Increase) Decrease in Accrued Vacation Payable	(7,978)
Capital Contribution (Projects)	2,624
System Development Fees	543,630
Intrafund Transfers to Project Funds	<u>219,844</u>
Total reconciling items	<u>129,655</u>

Change in net position \$ 210,741

**Stanly County, North Carolina**  
**System Development Fees Fund**  
**Schedule of Revenues and Expenditures- Budget and Actual (Non-GAAP)**  
**For Year Ended June 30, 2023**

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
<b>Revenues:</b>			
Operating Revenues			
System Development Fees - Water		\$ 497,611	
System Development Fees - Sewer		<u>46,019</u>	
Total Revenues	<u>\$ 500,000</u>	<u>543,630</u>	<u>\$ 43,630</u>
<b>Other Financing Sources (Uses):</b>			
Intrafund Transfer to Utility Grant Projects	<u>(500,000)</u>	-	<u>500,000</u>
Total other financing sources (uses)	<u>(500,000)</u>	-	<u>500,000</u>
Revenues and other financing sources (uses) over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ 543,630</u>	<u>\$ 543,630</u>

**Stanly County, North Carolina**  
**Airport Fund**  
**Schedule of Revenues and Expenditures- Budget and Actual (Non-GAAP)**  
**For Year Ended June 30, 2023**

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
<b>Revenues:</b>			
Operating Revenues			
Fuel and Oil Sales		\$ 773,041	
Tie-Down Fees		6,175	
Hangar Rental		76,000	
Miscellaneous		69,448	
Total Operating Revenues		<u>924,664</u>	
Non-Operating Revenues			
Interest on Investments		13,487	
CARES Act Relief Funds		85	
Total Non-Operating Revenues		<u>13,572</u>	
Total Revenues	<u>\$ 1,123,819</u>	<u>938,236</u>	<u>\$ (185,583)</u>
<b>Expenditures:</b>			
Administration and Operations			
Salaries and Employee Benefits		324,249	
Operating Expenditures		158,343	
Repairs and Maintenance		97,826	
Purchases for Resale		563,579	
Capital Outlay		4,109	
Total Administration and Operations		<u>1,148,106</u>	
Debt Service			
Principal - Lease		14,661	
Interest - Lease		188	
Total Debt Service		<u>14,849</u>	
Total Expenditures	<u>1,544,525</u>	<u>1,162,955</u>	<u>381,570</u>
Revenues over (under) expenditures	<u>(420,706)</u>	<u>(224,719)</u>	<u>195,987</u>
<b>Other Financing Sources (Uses):</b>			
Appropriated fund balance	21,241	-	(21,241)
IT Subscription Agreements	-	4,109	4,109
Transfer in from General Fund	399,465	399,465	-
Total other financing sources (uses)	<u>420,706</u>	<u>403,574</u>	<u>(17,132)</u>
Revenues and other financing sources (uses) over (under) expenditures and other financing uses	<u>\$ -</u>	<u>178,855</u>	<u>\$ 178,855</u>

(continued)

**Stanly County, North Carolina**  
**Airport Fund**  
**Schedule of Revenues and Expenditures- Budget and Actual (Non-GAAP)**  
**For Year Ended June 30, 2023**

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

Reconciling items:

Depreciation	(872,034)
Lease and IT Subscription Agreement Liabilities	(4,109)
Right to Use Assets	4,109
Principal Payments - Lease Liability	14,661
Amortization - Right to Use Assets	(14,512)
Increase (decrease) in deferred outflows of outflows of resources - pensions	35,412
Increase (decrease) in deferred outflows of outflows of resources - OPEB	(3,528)
(Increase) decrease in deferred inflows of resources - pensions	61,468
(Increase) decrease in deferred inflows of resources - OPEB	(14,686)
(Increase) decrease in net pension liability	(113,102)
(Increase) decrease in other post-employment benefits	13,308
(Increase) decrease in compensated absences	(1,361)
Capital Contributions (from project funds)	242,185
Department of Insurance Contribution (from project funds)	3,000,000
Investment earnings (from projects funds)	869,178
Transfer to (from) projects	18,327
Total reconciling items	<u>3,235,316</u>
Change in net position	<u><u>\$ 3,414,171</u></u>

## BUDGETED PROJECT FUNDS

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

### **Greater Badin Water and Sewer District Fund**

- **Badin Inn Water Extension Project** - accounts for the revenues and expenses to initiate the engineering for this water main extension.

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

- **West Stanly WWTP Rehabilitation Project** - accounts for the revenues and expenses for the construction and rehabilitation of wastewater infrastructure associated with West Stanly WWTP and McCoy Creek Pump Station.
- **WS WWTP 2.5 MGD Expansion Project** - accounts for the revenues and expenses for preliminary engineering report and the environmental assessment.

### **Stanly County Utility Fund:**

- **Bost Road Water Extension Project** - accounts for the revenues and expenses for the Badin Water Main Extension on Bost Road.
- **NC DOT Hwy 24/27/73 East Waterline Relocation Project-** accounts for the revenues and expenses for the waterlines to serve the residents on NC 24-27 from NC 740 in Albemarle to East of the Pee Dee River.
- **Palestine Water Pump Station Replacement Project** - accounts for the revenues and expenses for the construction of a replacement water pump station and distribution system infrastructure to serve Badin-
- **Utility Meter Replacement Project:** Accounts for the revenues and expenses for utility meter replacements.
- **Liberty Hill Water Booster Pump Project:** Accounts for the revenues and expenses for the Liberty Hill Water Booser Pump Station replacement.
- **Millingport Rd Transmission Project Fund:** Accounts for the revenues and expenses for the Millingport Road Transmission Water Main Project.
- **Countywide Water Main Master Plan:** Accounts for the revenues and expenses for the countywide water master plan to be financed by reimbursements from Union County.
- **Richfield Sewer Project Fund:** Accounts for the revenues and expenses for finding and fixing inflow and infiltration sources within the Town of Richfield water sewer collection system.
- **Stony Gap Road Water Main Project Fund:** Accounts for the revenues and expenses for Stony Gap Road Water Main project.
- **Meadow Creek Church Road Water Project Fund:** Accounts for the revenues and expenses for Meadow Creek Church Road Water project.

### **Airport Fund:**

- **Airport Obstruction Removal** - accounts for the revenues and expenses for obstruction removal at the airport.
- **Airfield Lighting Control System** - accounts for the revenues and expenses for lighting control system at the airport.
- **Airport Emergency Training Center** - accounts for the revenues and expenses for the construction of a new North Carolina Emergency Training Center near the Stanly County Airport.
- **Airport DOI Project Fund** - accounts for the revenues and expenses for work done at the Airport with funding provided by the NC Department of Insurance.



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**Stanly County, North Carolina**  
**Badin Inn Water Extension Project**  
**Schedule of Revenues and Expenditures- Budget and Actual (Non-GAAP)**  
**From Inception and For the Year Ended June 30, 2023**

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Completed Project</u>	<u>Total to Date</u>	<u>Variance Over (Under)</u>
<b>Expenditures:</b>						
Professional services	\$ 12,551	\$ 3,286	\$ 9,265	\$ (12,551)	\$ -	\$ -
Buildings, Structure	58,798	-	58,798	(58,798)	-	-
Total Expenditures	<u>71,349</u>	<u>3,286</u>	<u>68,063</u>	<u>(71,349)</u>	<u>-</u>	<u>-</u>
Revenues over (under) expenditures	<u>(71,349)</u>	<u>(3,286)</u>	<u>(68,063)</u>	<u>71,349</u>	<u>-</u>	<u>-</u>
<b>Other Financing Sources (Uses):</b>						
Transfer from:						
Greater Badin Operating Fund	71,349	3,286	68,063	(71,349)	-	-
Total other financing sources (uses)	<u>71,349</u>	<u>3,286</u>	<u>68,063</u>	<u>(71,349)</u>	<u>-</u>	<u>-</u>
Revenues and other financing sources (uses) over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**Stanly County, North Carolina**  
**West Stanly WWTP Rehabilitation Project**  
**Schedule of Revenues and Expenditures- Budget and Actual (Non-GAAP)**  
**From Inception and For the Year Ended June 30, 2023**

	Project Authorization	Prior Years	Current Year	Completed Project	Total to Date	Variance Over (Under)
<b>Expenditures:</b>						
Construction	\$ 6,515,880	\$ 6,328,502	\$ -	\$ (6,328,502)	\$ -	\$ 187,378
Professional services	672,158	792,166	50	(792,216)	-	(120,058)
Closing Cost	143,781	146,656	-	(146,656)	-	(2,875)
Land	1,000	-	-	-	-	1,000
Total Expenditures	<u>7,332,819</u>	<u>7,267,324</u>	<u>50</u>	<u>(7,267,374)</u>	<u>-</u>	<u>65,445</u>
Revenues over (under) expenditures	<u>(7,332,819)</u>	<u>(7,267,324)</u>	<u>(50)</u>	<u>7,267,374</u>	<u>-</u>	<u>65,445</u>
<b>Other Financing Sources (Uses):</b>						
NC DENR Clean Water SRF Loan	7,332,819	6,981,539	24,205	(7,005,744)	-	(327,075)
Total other financing sources (uses)	<u>7,332,819</u>	<u>6,981,539</u>	<u>24,205</u>	<u>(7,005,744)</u>	<u>-</u>	<u>(327,075)</u>
Revenues and other financing sources (uses) over (under) expenditures and other financing	<u>\$ -</u>	<u>\$ (285,785)</u>	<u>\$ 24,155</u>	<u>\$ 261,630</u>	<u>\$ -</u>	<u>\$ (261,630)</u>



**Stanly County, North Carolina**  
**WS WWTP 2.5 MGD Expansion Project**  
**Schedule of Revenues and Expenditures- Budget and Actual (Non-GAAP)**  
**From Inception and For the Year Ended June 30, 2023**

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>	<u>Variance Over (Under)</u>
<b>Expenditures:</b>					
Professional services	\$ 2,677,450	\$ 69,012	\$ 156,083	\$ 225,095	\$ 2,452,355
Total Expenditures	<u>2,677,450</u>	<u>69,012</u>	<u>156,083</u>	<u>225,095</u>	<u>2,452,355</u>
Revenues over (under) expenditures	<u>(2,677,450)</u>	<u>(69,012)</u>	<u>(156,083)</u>	<u>(225,095)</u>	<u>2,452,355</u>
<b>Other Financing Sources (Uses):</b>					
Transfer from West Stanly WWTP	113,450	69,012	44,438	113,450	-
Transfer from ARPA Fund	<u>2,564,000</u>	<u>-</u>	<u>111,645</u>	<u>111,645</u>	<u>(2,452,355)</u>
Total other financing sources (uses)	<u>2,677,450</u>	<u>69,012</u>	<u>156,083</u>	<u>225,095</u>	<u>(2,452,355)</u>
Revenues and other financing sources (uses) over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**Stanly County, North Carolina**  
**Bost Road Water Extension Project**  
**Schedule of Revenues and Expenditures- Budget and Actual (Non-GAAP)**  
**From Inception and For the Year Ended June 30, 2023**

	Project Authorization	Prior Years	Current Year	Total to Date	Variance Over (Under)
<b>Revenues:</b>					
<b>Restricted Intergovernmental:</b>					
NC Dept of Commerce Utility Account	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Expenditures:</b>					
Construction	325,500	248,035	62,371	310,406	15,094
Professional services	40,000	26,650	3,746	30,396	9,604
Land	-	-	-	-	-
Total Expenditures	<u>365,500</u>	<u>274,685</u>	<u>66,117</u>	<u>340,802</u>	<u>24,698</u>
Revenues over (under) expenditures	<u>(365,500)</u>	<u>(274,685)</u>	<u>(66,117)</u>	<u>(340,802)</u>	<u>24,698</u>
<b>Other Financing Sources (Uses):</b>					
Transfer from General Fund	165,500	165,500	-	165,500	-
Transfer from Utility Operating Fund	200,000	109,185	66,117	175,302	(24,698)
Total other financing sources (uses)	<u>365,500</u>	<u>274,685</u>	<u>66,117</u>	<u>340,802</u>	<u>(24,698)</u>
Revenues and other financing sources (uses) over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**Stanly County, North Carolina**  
**NC DOT Hwy 24/27/73 East Waterline Relocation Project**  
**Schedule of Revenues and Expenditures- Budget and Actual (Non-GAAP)**  
**From Inception and For the Year Ended June 30, 2023**

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>	<u>Variance Over (Under)</u>
<b>Revenues:</b>					
<b>Restricted Intergovernmental:</b>					
NCDOT Reimbursement	\$ 256,000	\$ 237,333	\$ -	\$ 237,333	\$ (18,667)
<b>Expenditures:</b>					
Professional services	256,000	238,839	11,941	250,780	5,220
Total Expenditures	<u>256,000</u>	<u>238,839</u>	<u>11,941</u>	<u>250,780</u>	<u>5,220</u>
Revenues over (under) expenditures	<u>-</u>	<u>(1,506)</u>	<u>(11,941)</u>	<u>(13,447)</u>	<u>(13,447)</u>
<b>Other Financing Sources (Uses):</b>					
Transfer from Utility Operating Fund	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues and other financing sources (uses) over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ (1,506)</u>	<u>\$ (11,941)</u>	<u>\$ (13,447)</u>	<u>\$ (13,447)</u>

**Stanly County, North Carolina**  
**Palestine Water Pump Station Replacement Project**  
**Schedule of Revenues and Expenditures- Budget and Actual (Non-GAAP)**  
**From Inception and For the Year Ended June 30, 2023**

	Project Authorization	Prior Years	Current Year	Total to Date	Variance Over (Under)
<b>Revenues:</b>					
<b>Restricted Intergovernmental:</b>					
Golden Leaf Grant	\$ 500,000	\$ 500,000	\$ -	\$ 500,000	\$ -
USDA Grant	319,000	319,229	-	319,229	229
Total Revenues	<u>819,000</u>	<u>819,229</u>	<u>-</u>	<u>819,229</u>	<u>229</u>
<b>Expenditures:</b>					
Buildings, Structures, & Improve	1,416,191	1,106,876	-	1,106,876	309,315
Professional services	159,161	127,079	-	127,079	32,082
Land	10,000	-	-	-	10,000
Total Expenditures	<u>1,585,352</u>	<u>1,233,955</u>	<u>-</u>	<u>1,233,955</u>	<u>351,397</u>
Revenues over (under) expenditures	<u>(766,352)</u>	<u>(414,726)</u>	<u>-</u>	<u>(414,726)</u>	<u>351,626</u>
<b>Other Financing Sources (Uses):</b>					
Loan Proceeds	728,304	-	-	-	(728,304)
From Badin Water Project	38,048	38,047	-	38,047	(1)
Total other financing sources (uses)	<u>766,352</u>	<u>38,047</u>	<u>-</u>	<u>38,047</u>	<u>(728,305)</u>
Revenues and other financing sources (uses) over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ (376,679)</u>	<u>\$ -</u>	<u>\$ (376,679)</u>	<u>\$ (376,679)</u>

**Stanly County, North Carolina**  
**Utility Meter Replacement Project**  
**Schedule of Revenues and Expenditures- Budget and Actual (Non-GAAP)**  
**From Inception and For the Year Ended June 30, 2023**

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>	<u>Variance Over (Under)</u>
<b>Expenditures:</b>					
Building, Structure, & Improve	\$ 650,000	\$ -	\$ -	\$ -	\$ 650,000
Total Expenditures	<u>650,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>650,000</u>
Revenues over (under) expenditures	<u>(650,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>650,000</u>
<b>Other Financing Sources (Uses):</b>					
Contribution from Stanly WSA	125,000	-	-	-	(125,000)
Transfer from General Fund	300,000	-	-	-	(300,000)
Transfer from Greater Badin	50,000	-	-	-	(50,000)
Transfer from Utility Operating Fund	175,000	-	-	-	(175,000)
Total other financing sources (uses)	<u>650,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(650,000)</u>
Revenues and other financing sources (uses) over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**Stanly County, North Carolina**  
**Liberty Hill Water Booster Pump Project**  
**Schedule of Revenues and Expenditures- Budget and Actual (Non-GAAP)**  
**From Inception and For the Year Ended June 30, 2023**

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>	<u>Variance Over (Under)</u>
<b>Expenditures:</b>					
Bldgs, Structure	\$ 1,544,751	\$ 115,210	\$ 1,121,250	\$ 1,236,460	\$ 308,291
Professional services	180,000	108,920	67,183	176,103	3,897
Total Expenditures	<u>1,724,751</u>	<u>224,130</u>	<u>1,188,433</u>	<u>1,412,563</u>	<u>312,188</u>
Revenues over (under) expenditures	<u>(1,724,751)</u>	<u>(224,130)</u>	<u>(1,188,433)</u>	<u>(1,412,563)</u>	<u>312,188</u>
<b>Other Financing Sources (Uses):</b>					
Installment debt issued	1,412,051	1,412,051	-	1,412,051	-
Transfer from Utility Operating Fund	312,700	38,552	-	38,552	(274,148)
Total other financing sources (uses)	<u>1,724,751</u>	<u>1,450,603</u>	<u>-</u>	<u>1,450,603</u>	<u>(274,148)</u>
Revenues and other financing sources (uses) over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ 1,226,473</u>	<u>\$ (1,188,433)</u>	<u>\$ 38,040</u>	<u>\$ 38,040</u>

**Stanly County, North Carolina**  
**Millington Rd Transmission Project Fund**  
**Schedule of Revenues and Expenditures- Budget and Actual (Non-GAAP)**  
**From Inception and For the Year Ended June 30, 2023**

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>	<u>Variance Over (Under)</u>
<b>Expenditures:</b>					
Professional services	\$ 30,000	\$ 19,146	\$ -	\$ 19,146	\$ 10,854
Total Expenditures	<u>30,000</u>	<u>19,146</u>	<u>-</u>	<u>19,146</u>	<u>10,854</u>
Revenues over (under) expenditures	<u>(30,000)</u>	<u>(19,146)</u>	<u>-</u>	<u>(19,146)</u>	<u>10,854</u>
<b>Other Financing Sources (Uses):</b>					
Transfer from Utility Operating Fund	30,000	19,146	-	19,146	(10,854)
Total other financing sources (uses)	<u>30,000</u>	<u>19,146</u>	<u>-</u>	<u>19,146</u>	<u>(10,854)</u>
Revenues and other financing sources (uses) over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**Stanly County, North Carolina**  
**Countywide Water Main Master Plan**  
**Schedule of Revenues and Expenditures- Budget and Actual (Non-GAAP)**  
**From Inception and For the Year Ended June 30, 2023**

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Completed Project</u>	<u>Total to Date</u>	<u>Variance Over (Under)</u>
<b>Expenditures:</b>						
Professional services	\$ 303,277	\$297,376	\$ 5,900	\$ (303,276)	\$ -	\$ 1
Total Expenditures	<u>303,277</u>	<u>297,376</u>	<u>5,900</u>	<u>(303,276)</u>	<u>-</u>	<u>1</u>
Revenues over (under) expenditures	<u>(303,277)</u>	<u>(297,376)</u>	<u>(5,900)</u>	<u>303,276</u>	<u>-</u>	<u>1</u>
<b>Other Financing Sources (Uses):</b>						
Transfer from Utility Operating Fund	3,277	-	3,276	(3,276)	-	(1)
Reimbursement from Union County	300,000	297,376	2,624	(300,000)	-	-
Total other financing sources (uses)	<u>303,277</u>	<u>297,376</u>	<u>5,900</u>	<u>(303,276)</u>	<u>-</u>	<u>(1)</u>
Revenues and other financing sources (uses) over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>



**Stanly County, North Carolina**  
**Richfield Sewer Improvement Project**  
**Schedule of Revenues and Expenditures- Budget and Actual (Non-GAAP)**  
**From Inception and For the Year Ended June 30, 2023**

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>	<u>Variance Over (Under)</u>
<b>Revenues:</b>					
<b>Restricted Intergovernmental:</b>					
NC DEQ Grant	\$ 1,215,200	\$ -	\$ -	\$ -	\$ (1,215,200)
<b>Total Revenues</b>	<u>1,215,200</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,215,200)</u>
<b>Expenditures:</b>					
Professional services	251,400	51,387	90,755	142,142	109,258
Buildings, Structure, & Improve	963,800	-	-	-	963,800
<b>Total Expenditures</b>	<u>1,215,200</u>	<u>51,387</u>	<u>90,755</u>	<u>142,142</u>	<u>1,073,058</u>
Revenues over (under) expenditures	<u>\$ -</u>	<u>\$ (51,387)</u>	<u>\$ (90,755)</u>	<u>\$(142,142)</u>	<u>\$ (142,142)</u>

**Stanly County, North Carolina**  
**Stony Gap Road Water Main Project Fund**  
**Schedule of Revenues and Expenditures- Budget and Actual (Non-GAAP)**  
**From Inception and For the Year Ended June 30, 2023**

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>	<u>Variance Over (Under)</u>
<b>Expenditures:</b>					
Professional services	\$ 283,916	\$ -	\$ 99,917	\$ 99,917	\$ 183,999
Total Expenditures	<u>283,916</u>	<u>-</u>	<u>99,917</u>	<u>99,917</u>	<u>183,999</u>
Revenues over (under) expenditures	<u>(283,916)</u>	<u>-</u>	<u>(99,917)</u>	<u>(99,917)</u>	<u>183,999</u>
<b>Other Financing Sources (Uses):</b>					
Transfer from ARPA Fund	283,916	-	99,917	99,917	(183,999)
Total other financing sources (uses)	<u>283,916</u>	<u>-</u>	<u>99,917</u>	<u>99,917</u>	<u>(183,999)</u>
Revenues and other financing sources (uses) over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**Stanly County, North Carolina**  
**Meadow Creek Church Road Water Project Fund**  
**Schedule of Revenues and Expenditures- Budget and Actual (Non-GAAP)**  
**From Inception and For the Year Ended June 30, 2023**

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>	<u>Variance Over (Under)</u>
<b>Expenditures:</b>					
Professional services	\$ 197,801	\$ -	\$ 50,534	\$ 50,534	\$ 147,267
Total Expenditures	<u>197,801</u>	<u>-</u>	<u>50,534</u>	<u>50,534</u>	<u>147,267</u>
Revenues over (under) expenditures	<u>(197,801)</u>	<u>-</u>	<u>(50,534)</u>	<u>(50,534)</u>	<u>147,267</u>
<b>Other Financing Sources (Uses):</b>					
Transfer from ARPA Fund	197,801	-	50,534	50,534	(147,267)
Total other financing sources (uses)	<u>197,801</u>	<u>-</u>	<u>50,534</u>	<u>50,534</u>	<u>(147,267)</u>
Revenues and other financing sources (uses) over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**Stanly County, North Carolina**  
**Airport Obstruction Removal**  
**Schedule of Revenues and Expenditures- Budget and Actual (Non-GAAP)**  
**From Inception and For the Year Ended June 30, 2023**

	Project Authorization	Prior Years	Current Year	Total to Date	Variance Over (Under)
<b>Revenues:</b>					
<b>Restricted Intergovernmental:</b>					
Vision 100 Entitlement	\$ 175,572	\$ 143,479	\$ 5,234	\$148,713	\$ (26,859)
<b>Expenditures:</b>					
Professional Services	95,880	79,071	-	79,071	16,809
Buildings, Structure, & Improvements	99,200	80,394	5,273	85,667	13,533
Total Expenditures	<u>195,080</u>	<u>159,465</u>	<u>5,273</u>	<u>164,738</u>	<u>30,342</u>
Revenues over (under) expenditures	<u>(19,508)</u>	<u>(15,986)</u>	<u>(39)</u>	<u>(16,025)</u>	<u>3,483</u>
<b>Other Financing Sources (Uses):</b>					
Transfer from General Fund	19,508	15,986	39	16,025	(3,483)
Total other financing sources (uses)	<u>19,508</u>	<u>15,986</u>	<u>39</u>	<u>16,025</u>	<u>(3,483)</u>
Revenues and other financing sources (uses) over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**Stanly County, North Carolina**  
**Airfield Lighting Control System**  
**Schedule of Revenues and Expenditures- Budget and Actual (Non-GAAP)**  
**From Inception and For the Year Ended June 30, 2023**

	Project Authorization	Prior Years	Current Year	Total to Date	Variance Over (Under)
<b>Revenues:</b>					
<b>Restricted Intergovernmental:</b>					
Vision 100 Entitlement	\$ 351,684	\$ 111,315	\$ 236,951	\$348,266	\$ (3,418)
<b>Expenditures:</b>					
Professional Services	129,023	66,723	47,396	114,119	14,904
Buildings, Structure, & Improvements	261,738	56,963	207,843	264,806	(3,068)
Total Expenditures	390,761	123,686	255,239	378,925	11,836
Revenues over (under) expenditures	(39,077)	(12,371)	(18,288)	(30,659)	8,418
<b>Other Financing Sources (Uses):</b>					
Transfer from General Fund	39,077	12,371	18,288	30,659	(8,418)
Total other financing sources (uses)	39,077	12,371	18,288	30,659	(8,418)
Revenues and other financing sources (uses) over (under) expenditures and other financing uses	\$ -	\$ -	\$ -	\$ -	\$ -

**Stanly County, North Carolina**  
**Airport Emergency Training Center**  
**Schedule of Revenues and Expenditures- Budget and Actual (Non-GAAP)**  
**From Inception and For the Year Ended June 30, 2023**

	Project Authorization	Prior Years	Current Year	Total to Date	Variance Over (Under)
<b>Revenues:</b>					
<b>Restricted Intergovernmental:</b>					
SCIF Grant	\$ 28,000,000	\$ -	\$ -	\$ -	\$ (28,000,000)
Department of Insurance	-	-	3,000,000	3,000,000	3,000,000
Investment Earnings	-	9,719	869,178	878,897	878,897
Total Revenues	<u>28,000,000</u>	<u>9,719</u>	<u>3,869,178</u>	<u>3,878,897</u>	<u>(24,121,103)</u>
<b>Expenditures:</b>					
Professional services	-	5,000	43,296	48,296	(48,296)
Other Contracts, Grants, Subs	27,700,000	-	1,318,813	1,318,813	26,381,187
Total Expenditures	<u>27,700,000</u>	<u>5,000</u>	<u>1,362,109</u>	<u>1,367,109</u>	<u>26,332,891</u>
Revenues over (under) expenditures	<u>300,000</u>	<u>4,719</u>	<u>2,507,069</u>	<u>2,511,788</u>	<u>2,211,788</u>
<b>Other Financing Sources (Uses):</b>					
Transfer to Airport DOI Project Fund	(300,000)	-	(219,640)	(219,640)	80,360
Total other financing sources (uses)	<u>(300,000)</u>	<u>-</u>	<u>(219,640)</u>	<u>(219,640)</u>	<u>80,360</u>
Revenues and other financing sources (uses) over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ 4,719</u>	<u>\$ 2,287,429</u>	<u>\$ 2,292,148</u>	<u>\$ 2,292,148</u>

**Stanly County, North Carolina**  
**Airport DOI Projects**  
**Schedule of Revenues and Expenditures- Budget and Actual (Non-GAAP)**  
**From Inception and For the Year Ended June 30, 2023**

	Project Authorization	Prior Years	Current Year	Total to Date	Variance Over (Under)
<b>Revenues:</b>					
<b>Restricted Intergovernmental:</b>					
NC Emergency Management	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Expenditures:</b>					
Buildings, Structure, & Improvements	300,000	-	219,640	219,640	80,360
Total Expenditures	300,000	-	219,640	219,640	80,360
Revenues over (under) expenditures	(300,000)	-	(219,640)	(219,640)	80,360
<b>Other Financing Sources (Uses):</b>					
Transfer from Airport Emergency Trainin	300,000	-	219,640	219,640	(80,360)
Total other financing sources (uses)	300,000	-	219,640	219,640	(80,360)
Revenues and other financing sources (uses) over (under) expenditures and other financing uses	\$ -	\$ -	\$ -	\$ -	\$ -



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## INTERNAL SERVICE FUND

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

### **Individual Descriptions:**

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



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**Stanly County, North Carolina**  
**Internal Service Fund**  
**Group Health and Workers' Compensation Fund**  
**Schedule of Revenues and Expenditures- Financial Plan and Actual (Non-GAAP)**  
**For Year Ended June 30, 2023**

	Financial Plan	Actual	Variance Positive (Negative)
<b>Operating Revenues:</b>			
Charges for sales and services	\$ 7,929,293	\$ 6,948,619	\$ (980,674)
<b>Operating Expenses:</b>			
Group health operations	7,458,188	6,089,506	(1,368,682)
Workers' compensation claims	474,105	433,064	(41,041)
<b>Total operating expenditures</b>	<u>7,932,293</u>	<u>6,522,570</u>	<u>(1,409,723)</u>
Operating income (loss)	<u>(3,000)</u>	<u>426,049</u>	<u>429,049</u>
<b>Non-Operating Revenues (Expenses):</b>			
Investment earnings	<u>3,000</u>	<u>165,822</u>	<u>162,822</u>
Total non-operating revenues (expenses)	<u>3,000</u>	<u>165,822</u>	<u>162,822</u>
<b>Other Financing Sources (Uses)</b>			
Fund Balance Appropriated	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Change in net position	<u>\$ -</u>	<u>591,871</u>	<u>\$ 591,871</u>
<b>Net Position:</b>			
Beginning of year - July 1		<u>4,242,608</u>	
End of year - June 30		<u>\$ 4,834,479</u>	



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## CUSTODIAL FUNDS

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**Custodial 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:**

- **Municipal Tax Fund**- accounts for property taxes collected by the County on behalf of the respective cities and towns.
- **Jail Inmate Trust Fund** - accounts for funds received and disbursed on behalf of inmates.



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**Stanly County, North Carolina**  
**Combining Statement of Fiduciary Net Position**  
**Custodial Funds**  
**June 30, 2023**

	<u>Municipal Tax Fund</u>	<u>Jail Inmate Pay Fund</u>	<u>Total Custodial Funds</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 98,669	\$ 57,652	\$ 156,321
Taxes receivable for other governments, net	443,318	-	443,318
Total assets	<u>541,987</u>	<u>57,652</u>	<u>599,639</u>
<b>LIABILITIES</b>			
Accounts payable and accrued liabilities	-	-	-
Due to other governments	236,982	-	236,982
Total liabilities	<u>236,982</u>	<u>-</u>	<u>236,982</u>
<b>NET POSITION</b>			
Restricted for:			
Individuals, organizations, and other governments	305,005	57,652	362,657
Total net position	<u>\$ 305,005</u>	<u>\$ 57,652</u>	<u>\$ 362,657</u>

**Stanly County, North Carolina**  
**Combining Statement of Changes in Fiduciary Net Position**  
**Custodial Funds**  
**For the Year Ended June 30, 2023**

	<u>Municipal Tax Fund</u>	<u>Jail Inmate Pay Fund</u>	<u>Total Custodial Funds</u>
<b>ADDITIONS</b>			
Ad valorem taxes for other governments	\$ 14,992,436	\$ -	\$ 14,992,436
Collections on behalf of inmates	-	371,438	371,438
Total additions	<u>14,992,436</u>	<u>371,438</u>	<u>15,363,874</u>
<b>DEDUCTIONS</b>			
Tax distributions to other governments	15,061,593	-	15,061,593
Payments on behalf of inmates	-	355,649	355,649
Total deductions	<u>15,061,593</u>	<u>355,649</u>	<u>15,417,242</u>
Net increase (decrease) in fiduciary net position	(69,157)	15,789	(53,368)
Net position, beginning	<u>374,162</u>	<u>41,863</u>	<u>416,025</u>
Net position, ending	<u>\$ 305,005</u>	<u>\$ 57,652</u>	<u>\$ 362,657</u>



## **OTHER SCHEDULES**

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This section contains the following schedules:

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



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**Stanly County, North Carolina**  
**General Fund**  
**Schedule of Ad Valorem Taxes Receivable**  
**For the Year Ended June 30, 2023**

Schedule F-1

Fiscal Year	Uncollected Balance June 30, 2022	Additions	Collections And Credits	Uncollected Balance June 30, 2023
2022-2023	\$ -	\$ 40,050,860	\$ 39,400,025	\$ 650,835
2021-2022	640,616	7,805	325,041	323,380
2020-2021	342,549	34	117,739	224,844
2019-2020	243,992	33	71,657	172,368
2018-2019	176,809	33	41,602	135,240
2017-2018	152,999	-	34,065	118,934
2016-2017	119,421	-	26,329	93,092
2015-2016	105,092	-	20,855	84,237
2014-2015	85,230	-	16,089	69,141
2013-2014	92,368	-	18,645	73,723
2012-2013	90,518	-	90,518	-
Districts over 3 years old	84,849	11,195	13,378	82,666
Totals	\$ <u>2,134,443</u>	\$ <u>40,069,960</u>	\$ <u>40,175,943</u>	\$ 2,028,460
				<u>(931,991)</u>
				\$ <u>1,096,469</u>
<u>Reconciliation with revenues:</u>				
				\$ 40,228,764
				(33,910)
				(40,344)
				(339,376)
				225,885
				(45,284)
				96,831
				<u>83,377</u>
				\$ <u>40,175,943</u>

**Stanly County, North Carolina**  
**Analysis of Current Tax Levy**  
**County-Wide Levy**  
**For the Year Ended June 30, 2023**

	County Wide		Total Levy		
			Property Excluding Registered Motor Vehicles	Registered Motor Vehicles	
	Property Valuation	Rate	Total Levy		
<b>Original Levy</b>					
Property taxed at current year's rate	\$ 6,506,588,001	0.61	\$ 39,707,479	\$ 34,771,007	\$ 4,936,472
Penalties	-		48,042	48,042	
<b>Total Original Levy</b>	<u>6,506,588,001</u>		<u>39,755,521</u>	<u>34,819,049</u>	<u>4,936,472</u>
<b>Discoveries:</b>					
Current year rate	84,913,539	0.61	517,973	517,973	-
Penalties	-		703	703	-
Penalties - prior year rate	-		6,058	6,058	-
Prior year taxes	-		148,770	148,770	-
<b>Total Discoveries</b>	<u>84,913,539</u>		<u>673,504</u>	<u>673,504</u>	<u>-</u>
<b>Releases:</b>					
Current year rate	(60,927,905)	0.61	(371,660)	(371,660)	-
Penalties	-		(6,505)	(6,505)	-
<b>Total Releases</b>	<u>(60,927,905)</u>		<u>(378,165)</u>	<u>(378,165)</u>	<u>-</u>
Net assessed valuation	<u>\$ 6,530,573,635</u>				
<b>Net Levy</b>			40,050,860	35,114,388	4,936,472
Uncollected taxes June 30, 2023			650,835	650,835	-
<b>Current years taxes collected</b>			<u>\$ 39,400,025</u>	<u>\$ 34,463,553</u>	<u>\$ 4,936,472</u>
<b>Current levy collection percentage</b>			<u>98.37%</u>	<u>98.15%</u>	<u>100.00%</u>

**Stanly County, North Carolina**  
**Analysis of Current Tax Levy**  
**County-Wide Levy**  
**For the Year Ended June 30, 2023**

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**Secondary Market Disclosures:**

Assessed valuation:	
Assessment ratio	<u><u>100%</u></u>
Real property	\$ 5,502,752,223
Personal property	830,408,611
Public service	<u>197,412,800</u>
Total assessed value	<u><u>\$ 6,530,573,634</u></u>
Tax rate per \$100	0.61
Levy (includes discoveries, releases, and abatements)	\$ 40,050,860
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, 2023:	
Fire protection districts	<u><u>\$ 3,789,082</u></u>



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## STATISTICAL SECTION

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

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

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

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

Governmental Activities Tax Revenue by Source	Table 5
General Governmental Tax Revenues by Source	Table 6
Assessed Value and Estimated Actual Value of Taxable Property	Table 7
Property Tax Rates - Direct and Overlapping Governments	Table 8
Principal Property Taxpayers	Table 9
Property Tax Levies and Collections	Table 10

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

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

**Demographic and Economic Information** - These tables offer demographic and economic indicators to help the reader understand the environment within which the government's financial

Demographic and Economic Statistics	Table 15
Principal Employers	Table 16

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

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



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Table 1

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

	Fiscal Year					Fiscal Year				
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Governmental activities</b>										
Net Investment in capital assets	\$ 12,721,219	\$ 13,286,678	\$ 15,117,068	\$ 16,284,376	\$ 16,326,573	\$ 17,289,940	\$ 18,891,578	\$ 20,067,458	\$ 18,531,676	\$ 10,414,613
Restricted	8,238,897	5,379,242	5,148,480	5,545,876	6,971,463	8,149,718	7,757,880	10,338,335	9,762,196	15,797,778
Unrestricted	(5,257,817)	(2,610,918)	62,028	2,206,195	209,929	5,782,138	5,879,501	13,540,097	25,413,805	39,017,978
<b>Total Governmental activities net position</b>	<b>\$ 15,702,299</b>	<b>\$ 16,055,002</b>	<b>\$ 20,327,576</b>	<b>\$ 24,036,447</b>	<b>\$ 23,507,965</b>	<b>\$ 31,221,796</b>	<b>\$ 32,528,959</b>	<b>\$ 43,945,890</b>	<b>\$ 53,707,677</b>	<b>\$ 65,230,369</b>
<b>Business-type activities</b>										
Net Investment in capital assets	\$ 37,621,348	\$ 35,823,165	\$ 35,167,549	\$ 35,611,544	\$ 35,715,242	\$ 36,320,978	\$ 37,228,159	\$ 36,956,043	\$ 35,076,874	\$ 36,728,520
Restricted	-	-	14,850	27,800	40,525	53,250	65,975	78,700	94,851	107,396
Unrestricted	1,612,161	1,641,558	1,977,384	1,836,949	790,075	1,282,510	1,214,071	2,003,724	3,356,047	5,199,412
<b>Total business-type activities net position</b>	<b>\$ 39,233,509</b>	<b>\$ 37,464,723</b>	<b>\$ 37,159,783</b>	<b>\$ 37,476,293</b>	<b>\$ 36,545,842</b>	<b>\$ 37,656,738</b>	<b>\$ 38,508,205</b>	<b>\$ 39,038,467</b>	<b>\$ 38,527,772</b>	<b>\$ 42,035,328</b>
<b>Primary government</b>										
Net Investment in capital assets	\$ 50,342,567	\$ 49,109,843	\$ 50,284,617	\$ 51,895,920	\$ 52,041,815	\$ 53,610,918	\$ 56,119,737	\$ 57,023,501	\$ 53,608,550	\$ 47,143,133
Restricted	8,238,897	5,379,242	5,163,330	5,573,676	7,011,988	8,202,968	7,823,855	10,417,035	9,857,047	15,905,174
Unrestricted	(3,645,656)	(969,360)	2,267,775	4,043,144	1,000,004	7,064,648	7,093,572	15,543,821	28,769,852	44,217,390
<b>Total primary government net position</b>	<b>\$ 54,935,808</b>	<b>\$ 53,519,725</b>	<b>\$ 57,487,359</b>	<b>\$ 61,512,740</b>	<b>\$ 60,053,807</b>	<b>\$ 68,878,534</b>	<b>\$ 71,037,164</b>	<b>\$ 82,984,357</b>	<b>\$ 92,235,449</b>	<b>\$ 107,265,697</b>

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

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Expenses</b>										
Governmental activities:										
General government	\$ 4,793,725	\$ 4,791,099	\$ 5,595,567	\$ 5,853,567	\$ 6,356,160	\$ 7,074,055	\$ 5,759,160	\$ 6,267,897	\$ 5,200,709	\$ 6,965,534
Public safety	14,969,660	16,006,619	15,690,978	17,375,025	19,068,798	20,492,863	23,171,363	24,335,735	25,740,749	29,706,989
Transportation	961,283	956,499	996,173	1,039,842	1,031,868	1,048,422	1,106,533	1,001,227	1,085,892	1,209,672
Environmental protection	1,202,676	1,220,956	1,250,048	1,329,773	1,275,593	1,306,446	1,391,069	1,479,042	1,441,988	1,551,732
Economic and physical development	1,590,399	2,038,625	1,850,849	1,143,443	1,861,880	2,101,397	2,487,522	1,829,677	2,656,514	2,107,026
Human services	15,020,712	14,772,323	15,650,283	16,375,560	15,375,617	15,426,679	16,148,151	17,403,780	16,360,426	17,928,235
Education	12,830,472	15,665,022	14,035,997	14,788,737	1,686,781	1,797,902	1,348,330	1,673,416	2,065,698	1,831,169
Culture and recreation	1,505,119	1,457,322	1,509,584	1,793,243	14,931,227	15,207,360	18,284,160	17,127,823	18,856,472	19,285,181
Interest on long-term debt	1,007,050	913,803	1,144,394	1,042,725	781,389	738,269	653,292	460,487	332,682	552,984
Total governmental activities expenses	\$ 53,881,096	\$ 57,842,268	\$ 57,723,873	\$ 60,741,915	\$ 62,369,313	\$ 65,193,393	\$ 70,349,600	\$ 71,579,084	\$ 73,741,130	\$ 81,138,522
Business-type activities:										
Water and sewer	4,254,118	4,800,936	4,995,224	5,215,442	5,092,068	5,425,789	6,116,368	6,347,093	6,576,638	7,830,787
Airport	2,269,170	1,907,993	1,919,152	2,015,966	1,955,611	1,858,033	1,616,933	1,549,195	1,754,352	2,053,220
Total business-type activities	6,523,288	6,708,929	6,914,376	7,231,408	7,047,679	7,283,822	7,733,301	7,896,288	8,330,990	9,884,007
Total primary governmental expenses	\$ 60,404,384	\$ 64,551,197	\$ 64,638,249	\$ 67,973,323	\$ 69,416,992	\$ 72,477,215	\$ 78,082,901	\$ 79,475,372	\$ 82,072,120	\$ 91,022,529
<b>Program Revenues</b>										
Governmental activities:										
Charges for services:										
General government	\$ 1,538,895	\$ 1,700,655	\$ 2,011,722	\$ 841,182	\$ 944,556	\$ 713,025	\$ 754,946	\$ 1,150,650	\$ 1,147,540	\$ 882,580
Public safety	3,194,958	3,099,903	3,393,629	4,322,509	4,563,999	5,135,319	4,538,528	5,776,629	6,115,715	5,698,478
Transportation	387,695	410,615	453,131	431,514	458,703	437,488	337,698	240,791	277,684	310,293
Environmental protection	931,946	930,730	952,865	882,991	907,355	1,041,001	1,106,104	1,185,421	1,264,411	1,308,402
Economic and physical development	25,342	35,192	38,805	24,450	60,585	60,383	37,118	26,398	33,087	21,227
Education	-	-	-	-	-	-	-	-	244,186	824,229
Human services	2,709,716	2,530,711	2,504,439	1,596,772	2,698,509	1,822,941	1,139,265	1,168,216	1,125,047	105,580
Culture and recreation	25,029	24,214	25,402	114,148	147,240	107,809	56,217	60,161	80,779	222,678
Operating grants and contributions	9,737,956	10,049,693	10,804,541	12,161,990	8,842,208	10,698,203	10,878,438	14,299,425	13,319,563	12,750,260
Capital grants and contributions	4,017,043	1,216,000	570,000	1,264,953	749,000	595,000	1,137,772	712,000	658,000	741,916
Total governmental activities program revenues	22,568,580	19,997,713	20,754,534	21,640,509	19,372,155	20,611,169	19,986,086	24,619,691	24,266,012	22,865,643
Business-type activities:										
Charges for services:										
Water and sewer	3,477,682	4,137,227	4,604,027	4,511,036	4,568,197	4,728,521	5,397,268	6,233,793	5,916,020	7,303,692
Airport	455,302	425,283	432,189	405,988	501,149	483,026	437,284	481,859	624,924	924,664
Operating grants and contributions	-	-	-	-	-	-	30,000	-	44,915	85
Capital grants and contributions	392,171	68,567	1,173,017	1,961,823	617,125	2,209,149	1,231,577	804,208	618,306	3,244,809
Total business-type activities program revenues	4,325,155	4,631,077	6,209,233	6,878,847	5,686,471	7,420,696	7,096,129	7,519,860	7,204,165	11,473,250
Total primary governmental program revenues	\$ 26,893,735	\$ 24,628,790	\$ 26,963,767	\$ 28,519,356	\$ 25,058,626	\$ 28,031,865	\$ 27,082,215	\$ 32,139,551	\$ 31,470,177	\$ 34,338,893
Net (expense)/revenue	\$ (31,312,516)	\$ (37,844,555)	\$ (36,969,339)	\$ (39,101,406)	\$ (42,997,158)	\$ (44,582,224)	\$ (50,363,514)	\$ (46,959,393)	\$ (49,475,118)	\$ (58,272,879)
Governmental activities	(2,198,133)	(2,077,852)	(705,143)	(352,561)	(1,361,208)	136,874	(637,172)	(376,428)	(1,126,825)	1,589,243
Business-type activities	(33,510,649)	(39,922,407)	(37,674,482)	(39,453,967)	(44,358,366)	(44,445,350)	(51,000,686)	(47,335,821)	(50,601,943)	(56,683,636)
Total primary governmental net expense										

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

General Revenues and Other Changes in  
net position

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Governmental activities:										
Taxes										
Ad valorem taxes	\$ 32,363,012	\$ 32,146,975	\$ 32,603,038	\$ 33,544,111	\$ 35,469,139	\$ 36,111,659	\$ 36,827,846	\$ 38,485,699	\$ 40,858,384	\$ 44,199,128
Local option sales tax	6,936,696	7,716,809	8,267,902	9,265,317	9,919,259	11,290,942	13,943,132	16,642,246	18,363,716	19,934,871
Other taxes	544,765	605,773	643,354	686,615	847,431	971,936	948,982	1,090,043	1,458,582	1,385,647
Interest earned on investments	139,996	64,018	85,044	145,583	347,934	639,706	626,351	51,162	78,250	2,623,345
Miscellaneous	19,025	-	-	83,104	231,775	4,028,416	559,972	736,373	350,319	464,097
Special Items								3,300,000	(1,348,403)	-
Transfers in (out)	(2,276,464)	(372,691)	(357,425)	(339,746)	(410,502)	(746,604)	(1,235,606)	(1,944,054)	(523,943)	(679,888)
Total governmental activities	37,727,030	40,160,884	41,241,913	43,384,984	46,405,036	52,296,055	51,670,677	58,361,469	59,236,905	67,927,200
Business-type activities:										
Ad valorem taxes	-	-	-	-	-	-	-	-	-	-
Interest earned on investments	3,349	3,707	6,472	11,223	24,703	47,537	39,393	2,322	11,675	957,544
Miscellaneous	-	39,003	36,306	318,102	135,497	179,881	213,640	208,141	265,000	280,881
Transfers in (out)	2,276,464	372,691	357,425	339,746	410,502	746,604	1,235,606	696,227	523,943	679,888
Total business-type activities	2,279,813	415,401	400,203	669,071	570,702	974,022	1,488,639	906,690	800,618	1,918,313
Total primary government	\$ 40,006,843	\$ 40,576,285	\$ 41,642,116	\$ 44,054,055	\$ 46,975,738	\$ 53,270,077	\$ 53,159,316	\$ 59,268,159	\$ 60,037,523	\$ 69,845,513
<b>Change in net position</b>										
Governmental activities	\$ (117,525)	\$ 3,191,545	\$ 2,140,507	\$ 387,826	\$ 1,822,812	\$ 7,713,831	\$ 1,307,163	\$ 8,886,351	\$ 9,761,787	\$ 9,654,321
Business-type activities	201,961	(289,742)	47,642	(692,137)	707,576	1,110,896	851,467	(220,135)	(326,207)	3,507,556
Total primary government	\$ 84,436	\$ 2,901,803	\$ 2,188,149	\$ (304,311)	\$ 2,530,388	\$ 8,824,727	\$ 2,158,630	\$ 8,666,216	\$ 9,435,580	\$ 13,161,877

Table 3

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

	Fiscal Year					Fiscal Year				
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Fund										
Nonspendable	\$ 71,395	\$ 66,969	\$ 73,666	\$ 72,377	\$ 62,596	\$ 66,763	\$ 71,171	\$ 68,888	\$ 4,729	\$ 12,591
Restricted	4,887,893	4,731,910	4,834,753	5,465,531	6,867,887	7,027,841	6,047,136	9,483,073	8,947,742	9,667,924
Committed	750,000	500,000	250,000	250,000	250,000	2,574,055	1,233,330	563,270	1,692,179	6,506,067
Assigned	3,368,058	3,465,815	3,901,523	4,170,673	5,075,669	5,684,374	4,905,378	4,988,300	4,313,322	6,165,868
Unassigned	10,113,103	11,529,498	13,557,126	13,638,910	13,237,980	15,792,326	18,504,292	24,953,545	33,203,325	35,808,331
Total General Fund	\$ 19,190,449	\$ 20,294,192	\$ 22,617,068	\$ 23,597,491	\$ 25,494,132	\$ 31,145,359	\$ 30,761,307	\$ 40,057,076	\$ 48,163,297	\$ 58,160,781
All other governmental funds										
Committed	\$ -	\$ -	\$ 397,390	\$ 80,345	\$ 103,576	\$ 1,121,877	\$ 1,710,744	\$ -	\$ -	\$ -
Restricted	3,351,004	1,191,645	523,599	-	-	-	-	855,262	814,869	5,997,186
Unassigned	(35,676)	(6,132)	(21,324)	-	144,660	(481,959)	-	19,055	(1,643)	(23,093)
Total all other governmental funds	\$ 3,315,328	\$ 1,185,513	\$ 899,665	\$ 80,345	\$ 248,236	\$ 639,918	\$ 1,710,744	\$ 874,317	\$ 813,226	\$ 5,974,093

Table 4

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

	Fiscal Year					Fiscal Year				
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Revenues</b>										
Ad valorem taxes	\$ 32,473,168	\$ 32,555,339	\$ 32,950,508	\$ 33,815,462	\$ 35,529,927	\$ 36,415,421	\$ 37,183,955	\$ 38,976,729	\$ 40,842,188	\$ 44,512,120
Local option sales taxes	6,936,696	7,716,809	8,267,902	9,265,317	9,919,259	11,290,941	13,943,132	16,642,245	18,363,716	19,934,871
Other taxes and licenses	544,765	605,773	643,354	715,513	735,843	805,424	761,827	917,201	1,297,360	1,212,517
Unrestricted intergovernmental	-	-	6,464	10,871,430	8,978,900	8,359,293	158,468	138,823	128,212	142,120
Restricted intergovernmental	12,814,737	10,554,160	10,289,200	205,294	313,086	858,723	9,999,250	12,967,265	11,150,815	11,645,666
Permits and fees	7,861,820	7,631,225	8,300,554	976,781	1,015,983	1,278,115	1,249,496	1,820,139	1,973,487	1,879,751
Sales and services	645,337	745,432	1,004,071	8,197,813	8,743,824	9,302,787	7,757,589	9,141,570	9,631,820	8,187,246
Investment earnings	83,822	82,688	95,992	145,583	347,934	639,707	626,349	51,163	74,102	2,457,523
Miscellaneous	1,024,222	795,900	871,974	963,533	711,192	5,007,178	1,568,413	4,761,111	1,893,220	1,648,087
Total revenues	62,384,567	60,687,326	62,430,019	65,156,726	66,295,948	73,957,589	73,248,479	85,416,246	85,354,920	91,619,901
<b>Expenditures</b>										
General government	4,511,868	4,604,532	5,012,708	5,145,558	5,393,585	5,830,653	5,816,501	6,534,092	6,261,429	6,900,272
Public safety	14,490,807	15,823,755	14,954,848	16,742,180	17,679,335	19,285,589	23,354,615	21,808,678	23,928,819	27,051,020
Transportation	860,179	881,184	881,576	948,713	950,167	986,704	917,202	856,909	965,617	1,037,372
Environmental protection	1,195,669	1,229,814	1,240,144	1,305,594	1,257,504	1,293,611	1,384,175	1,435,810	1,427,621	1,522,789
Economic and physical development	1,601,078	2,093,874	1,851,046	1,591,670	1,840,179	2,772,321	2,434,029	1,760,873	2,628,881	2,220,234
Human services	15,104,956	15,190,257	15,586,861	16,130,471	15,116,493	15,173,968	15,233,500	16,588,813	16,465,258	17,238,599
Education	12,830,472	15,665,028	14,035,997	14,877,737	15,020,227	15,296,360	13,223,940	17,216,823	18,944,232	24,608,685
Culture and recreation	1,420,457	1,452,471	1,459,114	1,884,812	1,639,525	1,658,679	1,511,127	1,536,901	1,999,850	3,296,721
Capital Outlay	7,673,583	1,712,914	3,947,820	1,529,617	964,125	629,064	6,541,800	3,504,356	3,808,288	2,021,077
Debt service										
Principal	2,875,846	9,773,698	3,409,657	3,671,350	3,592,365	3,663,699	3,713,361	12,155,652	3,716,977	2,875,864
Interest and other charges	1,039,977	950,941	1,023,881	1,025,947	903,552	741,029	631,352	695,904	281,287	574,004
Total expenditures	63,604,892	69,378,468	63,403,652	64,853,649	64,357,057	67,331,677	74,761,602	84,094,811	80,428,259	89,346,637
Excess of revenues over (under) expenditures	(1,220,325)	(8,691,142)	(973,633)	303,077	1,938,891	6,625,912	(1,513,123)	1,321,435	4,926,661	2,273,264
<b>Other financing sources (uses)</b>										
Debt Proceeds	7,206,441	8,037,761	3,368,086	197,772	536,143	163,601	3,435,502	9,067,107	3,642,413	11,960,990
Transfers from other funds	59,406	383,540	357,944	171,034	5,542	44,499	934,045	408,020	283,225	2,144,474
Transfers to other funds	(2,585,870)	(756,231)	(715,369)	(510,780)	(416,044)	(791,103)	(2,169,651)	(2,352,074)	(807,168)	(2,824,362)
Total other financing sources (uses)	4,679,977	7,665,070	3,010,661	(141,974)	125,641	(583,003)	2,199,896	7,123,053	3,118,470	11,281,102
Net change in fund balances	\$ 3,459,652	\$ (1,026,072)	\$ 2,037,028	\$ 161,103	\$ 2,064,532	\$ 6,042,909	\$ 686,773	\$ 8,444,488	\$ 8,045,131	\$ 13,554,366
Debt services as a percentage of noncapital expenditures	7.0%	15.8%	7.5%	7.6%	7.1%	6.6%	5.9%	16.0%	5.17%	4.34%

Table 5

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

<b>Fiscal Year</b>	<b>Property Tax</b>	<b>Sales Tax</b>	<b>Franchise Tax</b>	<b>Occupancy Tax</b>	<b>Property Excise Tax</b>	<b>Solid Waste Tax</b>	<b>Other Tax</b>	<b>Total</b>
2014	\$ 32,363,012	\$ 7,716,809	\$ 157,706	\$ 230,930	\$ 111,097	\$ 23,382	\$ 21,650	\$ 40,624,586
2015	32,146,975	7,716,809	155,454	263,470	141,546	24,939	20,364	40,469,557
2016	32,603,038	8,267,902	149,042	278,951	167,941	25,361	22,059	41,514,294
2017	33,544,111	9,265,317	148,730	288,928	222,723	26,498	28,634	43,524,941
2018	35,469,139	9,919,259	143,884	310,361	225,897	26,498	29,203	46,124,241
2019	36,111,659	11,290,941	138,590	332,201	267,119	30,350	37,164	48,208,024
2020	36,827,841	13,943,132	135,372	280,261	283,111	31,290	29,575	51,530,582
2021	38,485,699	16,642,245	133,291	309,980	407,143	31,681	35,106	56,045,145
2022	40,858,384	18,363,716	125,365	456,883	646,731	31,484	36,897	60,519,460
2023	44,199,128	19,934,871	117,054	440,116	576,800	33,898	44,649	65,346,516

Stanly County, North Carolina  
 General Governmental Tax Revenues By Source  
 Last Ten Fiscal Years  
 (modified accrual basis of accounting)

Table 6

<b>Fiscal Year</b>	<b>Property Tax</b>	<b>Sales Tax</b>	<b>Franchise Tax</b>	<b>Occupancy Tax</b>	<b>Property Excise Tax</b>	<b>Solid Waste Tax</b>	<b>Other Tax</b>	<b>Total</b>
2014	\$ 32,473,168	\$ 7,716,809	\$ 155,454	\$ 263,470	\$ 141,546	\$ 24,939	\$ 20,364	\$ 40,795,750
2015	32,555,339	7,716,809	155,454	263,470	141,546	24,939	20,364	40,877,921
2016	32,950,508	8,267,902	149,042	278,951	167,941	25,361	22,059	41,861,764
2017	33,815,462	9,265,317	148,730	288,928	222,723	26,498	28,634	43,796,292
2018	35,529,927	9,919,259	143,884	310,361	225,897	26,498	29,203	46,185,029
2019	36,415,421	11,290,941	138,590	332,201	267,119	30,350	37,164	48,511,786
2020	37,183,955	13,943,132	135,372	280,261	283,111	31,290	29,575	51,886,696
2021	38,976,729	16,642,245	133,291	309,980	407,143	31,681	35,106	56,536,175
2022	40,842,188	18,363,716	125,365	456,883	646,731	31,484	36,897	60,503,264
2023	44,512,120	19,934,871	117,054	440,116	576,800	33,898	44,649	65,659,508

**Stanly County, North Carolina  
Assessed Value and Estimated Actual Value of Taxable Property  
Last Ten 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					
2014	\$ 3,346,741,922	\$ 797,344,983	\$ 819,379,104	\$ 321,402,524	\$ 543,774,772	\$ 4,462,924,217	0.6700	\$ 4,462,924,217	100%
2015	3,372,794,145	665,520,283	444,155,733	335,090,927	409,454,428	4,408,106,660	0.6700	4,408,106,660	100%
2016	3,379,961,023	680,180,319	466,690,677	338,020,267	383,681,306	4,481,170,980	0.6700	4,481,170,980	100%
2017	3,411,665,707	694,306,584	517,055,017	351,063,739	406,276,622	4,567,814,695	0.6700	4,567,814,695	100%
2018	3,614,571,935	711,956,003	534,705,557	376,725,472	435,965,922	4,801,993,045	0.6700	4,801,993,045	100%
2019	3,667,221,191	710,913,245	578,941,242	393,079,648	434,699,118	4,915,456,208	0.6700	4,915,456,208	100%
2020	3,720,654,805	723,371,923	622,604,828	407,529,671	433,362,637	5,040,798,590	0.6700	5,040,798,590	100%
2021	3,802,572,073	728,378,992	642,125,511	508,424,944	431,689,160	5,249,812,360	0.6700	5,249,812,360	100%
2022	4,467,477,261	808,910,945	726,823,681	428,404,622	472,521,646	5,959,094,863	0.6100	5,959,094,863	100%
2023	4,612,639,373	857,352,240	768,837,580	694,354,671	402,610,230	6,530,573,634	0.6100	6,530,573,634	100%

Source: Stanly County Tax Assessor



**Table 8**

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

	<b>Fiscal Year</b>									
	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
<b>County Direct Rate</b>										
Stanly (General)	0.6700	0.6700	0.6700	0.6700	0.6700	0.0670	0.6700	0.6700	0.6100	0.6100
Total direct rate	0.6700	0.6700	0.6700	0.6700	0.6700	0.6700	0.6700	0.6700	0.6100	0.6100
<b>City/Town Overlapping Rates</b>										
City of Albemarle	0.5900	0.5900	0.5900	0.5900	0.6400	0.6400	0.6400	0.6100	0.6100	0.6100
Town of Oakboro	0.4100	0.4100	0.4100	0.4100	0.4100	0.4100	0.4100	0.4100	0.4100	0.4100
Town of Badin	0.3900	0.3900	0.4100	0.4100	0.4200	0.4200	0.4200	0.4300	0.4300	0.4475
Town of Norwood	0.4000	0.4000	0.3900	0.3900	0.3900	0.3900	0.3900	0.3900	0.3900	0.4100
Town of Locust	0.3600	0.3600	0.3600	0.3600	0.3600	0.3600	0.3600	0.3600	0.3600	0.3600
Stanfield Annex	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Town of Stanfield	0.3800	0.3200	0.3200	0.3200	0.3200	0.3200	0.3200	0.3200	0.3200	0.3200
Town of New London	0.1600	0.1600	0.1600	0.1600	0.1600	0.1600	0.1600	0.1600	0.1600	0.1600
Town of Richfield	0.1700	0.1700	0.2000	0.2200	0.2200	0.2200	0.2200	0.2200	0.2200	0.2200
Town of Redcross	0.1600	0.1600	0.1600	0.1600	0.1600	0.1600	0.1600	0.1600	0.1600	0.1600
Redcross Annex	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Town of Misenheimer	0.2200	0.2200	0.2200	0.2200	0.2200	0.2200	0.2200	0.2200	0.2200	0.2200
Municipal Service	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000
<b>Fire Districts Overlapping Rates</b>										
*West Stanly	0.0842	0.0842	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.1200
Center Rural	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000
Endy	0.0600	0.0600	0.0600	0.0600	0.0600	0.1000	0.1000	0.1000	0.1000	0.1000
Ridgecrest	0.0900	0.0900	0.0900	0.1100	0.1100	0.1100	0.1100	0.1100	0.1100	0.1100
Aquadale	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000
Eastside	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000
Oakboro Rural	0.0400	0.0400	0.0600	0.0600	0.0600	0.0600	0.0600	0.0600	0.0600	0.0800
New London	0.0750	0.0750	0.0750	0.0750	0.0750	0.0750	0.0750	0.0750	0.0750	0.0750
Southside	0.1000	0.1000	0.1000	0.1000	0.1000	0.1500	0.1500	0.1500	0.1500	0.1500
Rocky River	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Bethany	0.0775	0.0775	0.0775	0.0775	0.0775	0.0775	0.0775	0.0775	0.0775	0.0775
Richfield	0.0700	0.0700	0.0700	0.0700	0.0700	0.0700	0.0700	0.0700	0.0700	0.0700
Millingport	0.0500	0.0500	0.0500	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000
Badin-Yadkin	0.0803	0.0803	0.0803	0.0803	0.0803	0.0803	0.0803	0.0803	0.0803	0.0803
Norwood Special	0.0700	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	N/A
<b>Maximum Combined</b>										
**County Tax Rate	0.7700	0.7700	0.7700	0.7800	0.7800	0.7800	0.8200	0.7600	0.7600	0.7600
*** City Tax Rate	1.2600	1.2600	1.2600	1.2600	1.3100	1.3100	1.3100	1.2200	1.2200	1.2200

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

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

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

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

\*\*\*\*Norwood Special Fire District was abolished by the Town of Norwood in 2023.

Source: Stanly County Tax Assessor

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

Table 9

<u>Taxpayer</u>	<u>2023</u>			<u>2014</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>
Charlotte Pipe & Foundry	\$ 144,149,425	1	2.21%			
Fiber Composites	109,368,996	2	1.67%	\$ 28,451,795	5	0.67%
Duke Energy	82,364,537	3	1.26%	40,462,793	2	0.95%
Michelin Aircraft Tire Co.	58,435,609	4	0.89%	29,227,822	4	0.69%
Cube Yadkin Generation LLC	49,412,998	5	0.76%			
Piedmont Natural Gas	41,507,746	6	0.64%	16,471,985	9	0.39%
Union Electric	36,910,307	7	0.57%	31,208,253	3	0.73%
Walmart Real Estate Business	26,213,978	8	0.40%	23,953,079	6	0.56%
Culp Lumber Company	25,061,030	9	0.38%			
Preformed Line Products	18,598,906	10	0.28%	17,288,451	7	0.41%
APGI				42,670,833	1	1.00%
Stanly Regional Medical Center				17,217,213	8	0.40%
ALCOA				15,367,653	10	0.36%
Totals	<u>\$ 592,023,532</u>		<u>5.18%</u>	<u>\$ 233,868,082</u>		<u>5.50%</u>

Source: Stanly County Tax Assessor

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

Table 10

<u>Fiscal Year</u> <u>Ended June 30</u>	<u>Total Levy for</u> <u>Fiscal Year</u>	<u>Collected within the</u> <u>Fiscal Year of the Levy</u>		<u>Collections in</u> <u>Subsequent Years</u>	<u>Total Collections to Date</u>	
		<u>Amount</u>	<u>Percentage of</u> <u>Levy</u>		<u>Amount</u>	<u>Percentage of</u> <u>Levy</u>
2014	\$ 30,126,927	\$ 28,910,756	95.96%	\$ 1,145,792	\$ 30,056,548	99.77%
2015	29,746,072	28,799,295	96.82%	1,112,513	29,911,808	100.00%
2016	30,157,831	29,316,007	97.21%	979,411	30,295,418	100.00%
2017	30,810,287	30,058,849	97.56%	858,647	30,917,496	100.00%
2018	32,376,887	31,596,981	97.59%	851,059	32,448,040	100.00%
2019	33,172,709	32,441,212	97.13%	891,681	33,332,893	100.00%
2020	33,889,514	33,090,003	97.64%	917,082	34,007,085	100.00%
2021	35,309,231	34,632,089	98.08%	992,456	35,624,545	100.00%
2022	36,846,001	36,205,385	98.26%	767,178	36,972,563	100.00%
2023	40,050,860	39,400,025	98.37%	775,918	40,175,943	100.00%

Source: Stanly County Tax Assessor

Table 11

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	Unamortized Premium on Bonds	Capital Leases	Lease Liability	IT Subscription Liability	Installment Note	Revenue Bonds	Bond Anticipation Note	Lease Liability	IT Subscription Liability				Installment Note
2014	\$ 11,810,000	\$ 711,660	\$ 9,644,846	\$ -	\$ -	\$ 11,642,562	\$ -	\$ -	\$ -	\$ -	\$ 2,765,613	\$ 36,574,681	1.77%	\$ 582.07
2015	10,255,000	621,760	10,402,629	-	-	10,703,842	-	2,132,000	-	-	2,704,812	36,820,043	1.78%	585.97
2016	8,725,000	532,760	9,445,822	-	-	13,149,078	962,000	2,132,000	-	-	1,520,306	36,466,966	1.93%	597.27
2017	7,190,000	443,762	8,479,715	-	-	12,176,708	948,000	-	-	-	3,409,166	32,647,351	2.02%	533.16
2018	5,690,000	354,760	7,503,088	-	-	11,597,112	2,996,000	-	-	-	1,640,980	29,781,940	1.36%	491.37
2019	4,205,000	265,758	6,516,213	-	-	10,568,890	2,024,000	-	-	-	1,847,738	23,427,599	1.10%	417.70
2020	2,730,000	176,756	8,153,860	-	-	10,128,385	2,890,000	-	-	-	2,449,811	26,528,812	1.71%	422.39
2021	1,265,000	87,758	8,580,286	-	-	8,078,414	2,835,000	-	-	-	2,269,565	23,116,023	1.45%	375.33
2022	-	-	-	878,654	-	16,756,772	2,779,000	-	27,069	-	10,346,140	30,787,634	1.63%	485.42
2023	-	-	-	689,717	48,306	25,638,907	2,722,000	-	14,973	1,543	9,963,783	39,079,229	2.15%	609.16

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>
2014	11,810,000	0.25%	178.14
2015	10,255,000	0.21%	151.63
2016	8,725,000	0.17%	124.67
2017	7,190,000	0.13%	99.73
2018	5,690,000	0.09%	73.44
2019	4,205,000	0.09%	71.98
2020	2,730,000	0.06%	46.28
2021	1,265,000	0.03%	21.96
2022	-	0.00%	-
2023	-	0.00%	-

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

\*General Obligation Bond was paid off in fiscal year 2021-2022.

\*\*None of the debt is bonded debt, all recorded debt is for installment purchases

Stanly County, North Carolina  
 Direct and Overlapping Governmental Activities Debt  
 June 30, 2023

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
<b>Direct:</b>			
Stanly County	\$ 13,423,914	100%	\$ 26,376,930
<b>Overlapping:</b>			
Town of Richfield	78,607	100%	<u>78,607</u>
<b>Total direct and overlapping debt</b>			<u>\$ 26,455,537</u>

Source: State of North Carolina Treasurer LGC 129

Note: Overlapping governments are those that coincide, at least in part, with geographic boundaries of the County. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the property taxpayers of Stanly County. This process recognizes that, when considering the County's ability to issue and repay long-term debt, the entire debt burden borne by the property taxpayers should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

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

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Debt limit	\$ 357,033,937	\$ 352,648,533	\$ 358,493,678	\$ 365,425,176	\$ 385,037,208	\$ 393,236,497	\$ 403,263,887	\$ 419,984,989	\$ 476,727,589	\$ 522,445,891
Total net debt applicable to limit	33,809,068	31,983,231	31,983,231	28,290,185	25,144,960	21,466,859	21,189,001	18,011,461	17,635,425	26,393,446
Legal debt margin	\$ 323,224,870	\$ 320,665,302	\$ 326,510,447	\$ 337,134,991	\$ 359,892,248	\$ 371,769,638	\$ 382,074,886	\$ 401,973,528	\$ 459,092,164	\$ 496,052,444
Total net debt applicable to the limit as a percentage of debt limit	9.44%	9.07%	8.89%	7.74%	6.53%	5.46%	5.25%	4.29%	3.70%	5.05%

**Legal Debt Margin Calculation for Fiscal Year 2023**

Assessed value	\$ 6,530,573,634
Debt limit - 8% of assessed value	522,445,891
Debt applicable to limit:	
General obligation bonds	\$ -
Bond premiums	-
Capital lease obligation	-
Installment note	25,638,907
Lease Liability	689,717
IT Subscription Liability	48,306
Business-type installment note	9,963,783
Business-type revenue bond	2,722,000
Business-type Lease Liability	14,973
Business-type IT Subscription Liability	1,543
Business-type anticipation note	-
Total debt	\$ 39,079,229
Less-Statutory deductions	12,685,783
Total amount of debt applicable to debt limit	26,393,446
Legal debt margin	\$ 496,052,444

**Stanly County, North Carolina  
Demographic and Economic Statistics  
Last Ten Fiscal Years**

<b>Fiscal Year</b>	<b>Population (1)</b>	<b>Personal Income</b>	<b>Per Capita Personal Income (2)</b>	<b>Median Age (3)</b>	<b>School Enrollment (4)</b>	<b>Unemployment Rate (5)</b>
2014	62,408	\$ 2,026,262,944	\$ 32,468	41.0	8,763	5.8%
2015	62,836	2,070,320,528	32,948	42.0	8,666	5.7%
2016	61,056	1,888,706,304	30,934	42.0	8,670	4.3%
2017	61,234	1,612,536,156	26,334	42.0	8,582	5.1%
2018	60,610	2,185,596,600	36,060	42.0	8,832	3.3%
2019	60,875	2,312,580,375	37,989	42.0	8,455	4.1%
2020	62,806	1,549,486,826	24,671	42.0	8,414	10.4%
2021	61,588	1,592,850,444	25,863	42.0	8,348	4.5%
2022	63,425	1,887,908,550	29,766	43.0	8,181	3.6%
2023	64,153	1,817,711,102	28,334	42.0	8,409	3.2%

Sources:

- (1) U.S. Census Bureau
- (2) Stanly County Economic Development Office
- (3) Stanly County Economic Development Office
- (4) Division of School Business Services School Allotments Sections
- (5) Stanly County Economic Development Office (Ycharts.com)



**Table 16**

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

<b>Employer</b>	<b>2023</b>			<b>2014</b>		
	<b>Employees</b>	<b>Rank</b>	<b>Percentage of Total County Employment</b>	<b>Employees</b>	<b>Rank</b>	<b>Percentage of Total County Employment</b>
ESS Southeast LLC	1000+	1	4.5%+			
Stanly County Schools	1000+	2	4.5%+	1000+	1	5.11%+
Atrium Health	500-999	3	2.2%-4.4%	1000+	2	2.5%-6.07%
Fiberon	500-999	4	2.2%-4.4%	500-999	3	1.27%-2.49%
Walmart	500-999	5	2.2%-4.4%			
County Of Stanly	500-999	6	2.2%-4.4%	250-499	6	1.27%-2.49%
Food Lion	250-499	7	1.1% - 2.2%	250-499	10	1.27%-2.49%
Michelin North America Inc	250-499	8	1.1% - 2.3%	250-499	4	1.27%-2.49%
Clayton Mobile Homes	250-499	9	1.1% - 2.3%			
Stanly Community College	250-499	10	1.1% - 2.3%	250-499	5	1.27%-2.49%
Dept Of Public Safety				250-499	9	1.27%-2.49%
IAC Old Fort LLC				250-499	7	1.27%-2.49%
Monarch				250-499	8	1.27%-2.49%
<b>Total</b>	<b><u>22,482</u></b>		<b><u>35.04%</u></b>	<b><u>5,667</u></b>		<b><u>27.68%</u></b>

Source: Stanly County Economic Development Office

Table 17

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

Function	Full-time Equivalent Employees as of June 30									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General government										
Administration	4	4	4	4	4	4	4	4	4	4
Finance	5	5	5	5	5	6	6	6	6	6
Taxes	16	16	15	15	15	15	15	15	15	15
Attorneys	2	2	2	2	2	2	2	2	2	2
Elections	3	3	3	3	3	3	3	3	4	4
Register of deeds	4	4	4	5	5	5	5	5	5	5
Information technology	5	5	5	5	7	7	7	7	7	8
Facilities management	7	7	7	7	7	7	7	7	7	7
Public safety										
Sheriff	54	57	59	60	60	60	65	65	66	68
Jail	38	38	38	38	38	38	38	38	38	38
Criminal justice partnership	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Juvenile justice partnership	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Emergency management	2	2	2	2	2	2	2	2	2	2
Fire	2	2	2	2	2	2	2	2	2	3
Emergency medical services	43	46	47	56	56	56	61	61	61	70
Inspections	4	4	4	5	5	5	5	5	5	6
Animal control	5	5	5	4	4	5	5	5	6	6
E-911 operations	17	17	17	19	19	19	19	19	21	22
Transportation	15	15	15	15	15	15	15	15	15	15
Environmental protection										
Solid waste collection	10	10	10	10	10	10	10	10	10	10
Conservation	2	2	2	2	2	2	2	2	2	2
Economic and physical development										
Economic development	2	2	2	2	2	2	2	2	2	2
Planning and zoning	3	3	3	3	3	3	3	3	3	3
Central Permitting	3	3	3	3	3	3	3	3	4	5
Rocky River RPO	1	1	1	1	1	1	1	1	1	1
Cooperative extension	0	0	0	0	0	0	0	0	0	0
Title V	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Human services										
Health	55	55	55	55	55	55	55	50	50	51
Social services	81	84	84	87	89	89	93	93	96	100
Senior services	13	13	13	13	13	13	13	13	13	13
Veterans services	1	1	1	1	1	1	1	1	1	1
Culture and recreation										
Library	17	17	17	17	17	17	17	17	17	17
Historic preservation	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Agri civic center	3	3	3	3	3	3	3	3	3	3
Airport	5	5	5	5	5	5	5	5	5	5
Utilities										
Administration	4	4	4	4	4	4	4	4	4	4
Operations	12	12	12	13	13	13	13	13	13	14
West Stanly WWTP	2	2	2	2	2	2	2	2	2	2
Total	<u>437</u>	<u>440</u>	<u>449</u>	<u>451</u>	<u>468</u>	<u>472</u>	<u>472</u>	<u>483</u>	<u>491</u>	<u>514</u>

Source: Stanly County Human Resources

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

Function	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Public Safety										
Arrests	813	758	958	998	896	1,109	1,214	1,222	1,404	1,123
Civil papers serviced	8,653	6,594	7,382	5,841	5,587	5,904	3,264	2,912	3,190	3,780
Average daily jail population	74	76	104	108	122	132	139	124	156	142
Dispatched EMS calls	7,949	9,091	8,425	9,257	10,933	11,001	10,436	11,718	13,097	13,794
EMS move up calls	2,923	2,891	2,992	3,435	4,069	5,014	4,606	3,892	3,160	3,201
Building permits issued	512	604	667	677	756	743	818	1,085	1,566	1,340
Animals entering shelter	1,777	1,705	1,715	1,364	1,300	1,305	1,082	1,714	1,212	873
Animals euthanized	1,330	1,316	1,334	1,125	985	667	409	359	58	26
911 calls logged for service	115,885	121,817	120,907	123,043	135,423	134,659	130,614	130,397	132,701	145,000
Transportation										
Service hours	16,267	18,115	18,235	18,678	17,997	18,168	15,455	11,612	13,810	15,513
Miles driven	285,806	311,038	317,622	307,469	302,293	312,613	265,776	200,655	228,024	248,604
Trips	47,491	48,075	47,501	46,799	47,542	49,644	35,872	26,647	30,827	37,709
Environmental protection										
Discarded materials collected (tons/day)	22	22	25	25	22	25	26	27	26	26
Recyclables collected (tons/day)	2	2	2	2	2	2	2	2	2	2
Human services										
Food and lodging permits	60	68	63	61	51	34	36	19	30	35
Food and lodging inspections made	729	764	762	787	751	746	449	825	855	837
Wells permits issued	51	84	79	76	85	106	82	95	129	114
Culture and recreation										
Library books checked out	186,501	173,519	178,070	172,322	170,157	162,223	149,549	132,310	145,128	155,858
Library cards issued	1,942	2,491	2,086	1,868	2,048	1,689	1,297	1,085	1,349	1,641
Water and sewer										
Number of water customers	5,460	5,525	5,738	5,855	5,945	6,095	6,217	6,577	7,378	7,555
Average monthly water demand (Gallons)	31,760,350	38,656,000	40,677,041	41,246,000	37,395,076	40,834,222	55,885,833	56,760,877	49,560,800	58,639,219
Number of sewer customers	695	698	703	708	708	727	1,016	507	1,062	1,176
Average monthly sewage collected and treated* (Gallons)	688,400	798,730	10,100,036	10,334,427	19,832,569	19,880,583	32,500,675	30,718,240	35,308,459	33,175,699
Airport										
Operations ** (Take-offs and/or landings)	13,200	14,867	16,005	15,500	15,125	16,637	12,845	16,585	18,909	32,600

Sources: Various departments

\*Accurate information not available for prior years.

Prior to 2016, this information consisted of average daily flow of sewage for treatment.

Effective 2016, this information reflects average monthly flow of sewage based on retail billing.

\*\* Airport take-off and/or landings, are not complete for 2018 there was a problem with radar during this time period, the problem has been resolved for future years.

\*\*\* 2020 fiscal year, numbers are lower due to COVID-19 and government shut down and stay at home orders

\*\*\*\*Prior to 2020, Sewer collect numbers were not including the other wastewater treatment plant. Effective 2020 the

collection data now includes both sewer treatment plants.

\*\*\*\*\*2022-2023 Airport increase is due to Leadership in Flight Training Academy using airport facility.

**Table 19**

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

Function	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Public safety										
Detention center	1	1	1	1	1	1	1	1	1	1
Patrol Units	45	46	55	55	57	64	72	73	74	74
EMS ambulances	10	10	10	10	10	10	10	10	10	10
Transportation										
Transit vehicles	19	19	19	19	19	18	18	18	19	18
Environmental protection										
Convenience centers	9	9	9	9	9	9	9	9	9	9
Sanitary landfill	0	0	0	0	0	0	0	0	0	0
Culture and recreation										
Museums	3	3	3	3	3	3	3	3	3	3
Civic center	1	1	1	1	1	1	1	1	1	1
Water and sewer										
Miles of water mains	283	283	283	283	283	283	285	285	285	288
Number of wastewater plants	2	2	2	2	2	2	2	2	2	2
Miles of sanitary sewer	56	56	56	56	56	56	70	70	83	70
Airport										
Runways	2	2	2	2	2	2	2	2	2	2
Hangar Spaces	30	30	30	30	30	30	30	30	30	30

Sources: Various departments

## **COMPLIANCE SECTION**

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

**Independent Auditors' Report**

To the Board of County Commissioners  
Stanly County, North Carolina

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Stanly County, North Carolina, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprises Stanly County's basic financial statements, and have issued our report thereon dated 10/11/2023. Our report includes a reference to other auditors who audited the financial statements of the Stanly County Airport Authority, as described in our report on the Stanly County's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported separately by those auditors.

Report on Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the schedule of findings and questioned costs as item [2023-001] that we consider to be significant deficiencies.

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### Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Stanly County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters<sup>6</sup> that are required to be reported under Government Auditing Standards.

### Stanly County's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on Stanly County's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Thompson, Price, Scott, Adams & Co., P.A.

Thompson, Price, Scott, Adams & Co., P.A.  
Whiteville, NC  
October 11, 2023





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

**Independent Auditors' Report**

To the Board of County Commissioners  
Stanly County, North Carolina

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Stanly County, North Carolina, compliance with the types of compliance requirements described in the OMB Compliance Supplement and the Audit Manual for Governmental Auditors in North Carolina, issued by the Local Government Commission, that could have a direct and material effect on each of the Stanly County's major federal programs for the year ended June 30, 2023. Stanly County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Stanly County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and the State Single Audit Implementation Act. Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Stanly County and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provides a reasonable basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Stanly County's compliance with the compliance requirements referred to above.

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### Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to Stanly County federal programs.

### Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Stanly County's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, Government Auditing Standards, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Stanly County's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, Government Auditing Standards, and the Uniform Guidance, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Stanly County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of Stanly County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Stanly County's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in Auditor's Responsibilities for the Audit of Compliance section and above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies or material weaknesses in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items [2023-002, 2023-003, 2023-004] to be significant deficiencies.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Government Auditing Standards requires the auditor to perform limited procedures on Stanly County's response to the noncompliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. Stanly County's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Stanly County is responsible for preparing a corrective action plan to address each audit finding included in our auditor's report. Stanly County's corrective action plan was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on it.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Thompson, Price, Scott, Adams & Co., P.A.

Thompson, Price, Scott, Adams & Co., P.A.  
Whiteville, NC  
October 11, 2023



*Thompson, Price, Scott, Adams & Co, P.A.*

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R. Bryon Scott, CPA

Gregory S. Adams, CPA

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

**Independent Auditors' Report**

To the Board of County Commissioners  
Stanly County, North Carolina

Report on Compliance for Each Major State Program

Opinion on Each Major State Program

We have audited the Stanly County, North Carolina, compliance with the types of compliance requirements described in the OMB Compliance Supplement and the Audit Manual for Governmental Auditors in North Carolina, issued by the Local Government Commission, that could have a direct and material effect on each of Stanly County's major State programs for the year ended June 30, 2023. Stanly County's major State programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Stanly County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major State programs for the year ended June 30, 2023.

Basis for Opinion on Each Major State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and the State Single Audit Implementation Act. Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Stanly County and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provides a reasonable basis for our opinion on compliance for each major State program. Our audit does not provide a legal determination of Stanly County's compliance with the compliance requirements referred to above.

Members

American Institute of CPAs - N.C. Association of CPAs - AICPA Division of Firms

### Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to Stanly County State programs.

### Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Stanly County's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, Government Auditing Standards, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Stanly County's compliance with the requirements of each major State program as a whole.

In performing an audit in accordance with GAAS, Government Auditing Standards, and the Uniform Guidance, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Stanly County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of Stanly County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Stanly County's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in Auditor's Responsibilities for the Audit of Compliance section and above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies or material weaknesses in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

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A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a State program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items [2023-002, 2023-003, 2023-004] to be significant deficiencies.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Government Auditing Standards requires the auditor to perform limited procedures on Stanly County's response to the noncompliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. Stanly County's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Stanly County is responsible for preparing a corrective action plan to address each audit finding included in our auditor's report. Stanly County's corrective action plan was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on it.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*Thompson, Price, Scott, Adams & Co., P.A.*

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Thompson, Price, Scott, Adams & Co., P.A.  
Whiteville, NC  
October 11, 2023

**Stanly County, North Carolina**  
**Schedule of Findings and Questioned Costs**  
**For the Year Ended June 30, 2023**

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**Section I. Summary of Auditor's Results**

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Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance to GAAP: Unmodified

Internal control over financial reporting:

- Material Weakness(es) identified? \_\_\_yes \_X\_no
- Significant Deficiency(s) identified \_X\_yes \_\_\_none reported

Noncompliance material to financial statements noted \_\_\_yes \_X\_no

Federal Awards

Internal control over major federal programs:

- Material Weakness(es) identified? \_\_\_yes \_X\_no
- Significant Deficiency(s) identified \_X\_yes \_\_\_none reported

Noncompliance material to federal awards \_\_\_yes \_X\_no

Type of auditor's report issued on compliance for major federal programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? \_X\_yes \_\_\_no

Identification of major federal programs:

<u>Assistance Listing No.</u>	<u>Program Name</u>
93.568	Low Income Energy Assistance
93.778	Medical Assistance Program

Dollar threshold used to distinguish between Type A and Type B Programs \$ 750,000

Auditee qualified as low-risk auditee? \_X\_yes \_\_\_no

**Stanly County, North Carolina  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2023**

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**Section I. Summary of Auditors' Results (continued)**

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State Awards

Internal control over major State programs:

- Material Weakness(es) identified?                                 \_\_\_yes                         X no
- Significant Deficiency(s) identified                                 X yes                         \_\_\_none reported

Type of auditors' report issued on compliance for major State programs:                                 Unmodified

Identification of major State programs:

Program Name  
Medical Assistance Program  
Department of Insurance Special Appropriation  
Public School Building Capital Fund-Lottery Proceeds

Dollar threshold used to determine  
a State major program   \$ 500,000

Auditee qualified as State low-risk auditee?   X yes                         \_\_\_no

**Finding: 2023-001                         Prior Period Adjustment**

**SIGNIFICANT DEFICENCY**

Criteria:                         Management should have a system in place to verify that transactions are recorded in the correct fund, thereby reducing the likelihood of errors in financial reporting.

Condition:                         The County accrued local option sales tax received in September 2022 back to the previous year to correct the receivable balance per the distribution table provided by the Department of Revenue. This accrual resulted in a prior period adjustment in the General Fund that increased fund balance by \$1,603,985. In addition, the E911 Board determined that costs were unallowable from the prior year, so an adjustment was made that increased fund balance in the E911 Fund by \$17,342, but decreased fund balance in the General Fund by the same amount, result in no net change to fund balance in the governmental funds. In addition, it was determined that a project that was expensed (SCC Trade Facility) should have been capitalized because debt was issued that required the County to hold the title to the asset until the debt was paid. This adjustments resulted in an increase in net position in the Governmental Activities of \$264,386.



**Stanly County, North Carolina**  
**Schedule of Findings and Questioned Costs**  
**For the Year Ended June 30, 2023**

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**Section II. Financial Statement Findings**

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Effect:	The County's management and other users of the financial statements do not have accurate information for decisions-making and monitoring of the county's financial position and adherence to laws, regulations, and other requirements. Errors in financial reporting could occur and not be detected.
Cause:	The County understood that the accrual for August was for June sales, not realizing that the distribution received in September was actually for June sales. Since they had 12 months in revenue, they did not believe that that September distribution should be accrued.
Recommendation:	The County should monitor account balances for reasonableness. If there is a significant change in billings, the account should be monitored to ensure proper billings are issued.
Views of responsible officials and planned corrective actions:	The County agrees with this finding.

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**Section III. Federal Award Findings and Questioned Costs**

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**U.S. Department of Health and Human Services**

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

**Finding: 2023-002                      Inaccurate Information Entry**

**SIGNIFICANT DEFICENCY**  
**ELIGIBILITY**

Criteria:	In accordance with 42 CFR 435, documentation must be obtained as needed to determine if a recipient meets specific standards, and documentation must be maintained to support eligibility determinations. In accordance with 2 CFR 200, management should have an adequate system of internal controls procedures in place to ensure an applicant is properly determined or redetermined for benefits.
Condition:	There were 4 errors discovered during our procedures that inaccurate information was entered when determining eligibility.
Questioned Costs:	There was no known affect to eligibility and there were no known questioned costs.
Context:	We examined 60 cases from of a total of 584,876 Medicaid claims from the Medicaid beneficiary report provided by NC Department of Health and Human Services to re-determine eligibility. These findings are being reported with the financial statement audit as it relates to Medicaid administrative cost compliance audit.
Effect:	For those certifications/re-certifications there was a chance that information was not properly documented and reconciled to NC FAST and a participant could have been approved for benefits for which they were not eligible.

**Stanly County, North Carolina**  
**Schedule of Findings and Questioned Costs**  
**For the Year Ended June 30, 2023**

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**Section III. Federal Award Findings and Questioned Costs (continued)**

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

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

Views of responsible officials and planned corrective actions: The County agrees with the finding. See Corrective Action Plan in the following section.

**Finding: 2023-003                      Inaccurate Resource Entry**  
**SIGNIFICANT DEFICIENCY**  
**ELIGIBILITY**

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

Condition: There was 1 error discovered during our procedures that resources in the county documentation and those same resources contained in NC FAST were not the same amounts or files containing resources were not properly documented to be considered countable or non-countable.

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

Context: We examined 60 cases from of a total of 584,876 Medicaid claims from the Medicaid beneficiary report provided by NC Department of Health and Human Services to re-determine eligibility. These findings are being reported with the financial statement audit as it relates to Medicaid administrative cost compliance audit.

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

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

**Stanly County, North Carolina**  
**Schedule of Findings and Questioned Costs**  
**For the Year Ended June 30, 2023**

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**Section III. Federal Award Findings and Questioned Costs (continued)**

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

Views of responsible officials and planned corrective actions: The County agrees with the finding. See Corrective Action Plan in the following section.

**Finding: 2023-004      Inadequate Request For Information**

**SIGNIFICANT DEFICENCY**

**ELIGIBILITY**

Criteria: In accordance with 42 CFR 435, documentation must be obtained as needed to determine if a recipient meets specific standards, and documentation must be maintained to support eligibility determinations. Electronic matches are required at applications and redeterminations.

Condition: There were 10 errors discovered during our procedures that inadequate information was requested at applications and/or redeterminations.

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

Context: We examined 60 cases from of a total of 584,876 Medicaid claims from the Medicaid beneficiary report provided by NC Department of Health and Human Services to re-determine eligibility. These findings are being reported with the financial statement audit as it relates to Medicaid administrative cost compliance audit.

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

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

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

Views of responsible officials and planned corrective actions: The County agrees with the finding. See Corrective Action Plan in the following section.

**Stanly County, North Carolina**  
**Schedule of Findings and Questioned Costs**  
**For the Year Ended June 30, 2023**

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**Section IV. State Award Findings and Questioned Costs**

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Program Name: Medical Assistance Program (Medicaid; Title XIX)

CFDA #: 93.778

SIGNIFICANT DEFICENCY: Findings 2023-002, 2023-003, and 2023-004 also apply to State requirements and State Awards.

**Corrective Action Plan  
For the Year Ended June 30, 2023**

**Section II - Financial Statement Findings**

**Finding 2023-001**

Name of contact person: Toby Hinson, Finance Director

Corrective Action: The County will make it a practice going forward of accruing three months of sales tax as a receivable. The County does not get approval from the E-911 Board of the annual PSAP Revenue-Expenditure Report until after the ACFR has been submitted. E911 Staff will continue to monitor the usage of the Surcharge Funds. Staff will continue to include the SCC Trade Facility Fund Expenditures in the Primary Government Construction in Progress until the project is completed.

Proposed completion date: Immediately.

**Section III - Federal Award Findings and Question Costs**

**Finding 2023-002**

**ELIGIBILITY - INACCURATE INFORMATION ENTRY**

Name of contact person: Robin Huneycutt, Family and Children's Medicaid Supervisor

Corrective Action: Unit meeting to discuss the importance/requirement to enter all information correctly into NCFast.

Proposed Completion Date: Meeting will be held on 10/31/2023. Will be checked during monthly 2nd party reviews.

**Finding 2023-003**

**ELIGIBILITY - INACCURATE RESOURCE ENTRY**

Name of contact person: Stacy Ragsdale, Adult Medicaid Supervisor

Corrective Action: One on one training with worker that did not mark vehicles property and reminder at an Adult Medicaid unit meeting to all workers.

Proposed Completion Date: 10/31/2023. Will be checked on monthly 2nd party reviews.

**Finding 2023-004**

**ELIGIBILITY - INADEQUATE REQUEST FOR INFORMATION**

Name of contact person: Stacy Ragsdale, Adult Medicaid Supervisor

Corrective Action: Unit Meeting to discuss running work number and go over 1/3 reduction policy.

Proposed Completion Date: 10/31/2023. Will be checked on monthly 2nd party reviews.

**Section IV - State Award Findings and Question Costs**

Corrective Actions for Findings 2023-002, 2023-003, and 2023-004 also apply to State requirements and State Awards.

**Stanly County, North Carolina**  
**Summary Schedule of Prior Audit Findings**  
**For the Year Ended June 30, 2023**

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Finding: 2022-001  
Status: Corrected

Finding: 2022-002  
Status: Repeated as finding 2023-001

**Stanly County, North Carolina**  
**Schedule of Expenditures of Federal and State Awards**  
**For The Year Ended June 30, 2023**

<b>Grantor/Pass-through Grantor/Program Title</b>	<b>Federal Assistance Listing No.</b>	<b>State/ Pass-through Grantor's Number</b>	<b>Fed (Direct &amp; Pass-through Expenditures</b>	<b>State Expenditures</b>	<b>Provided to Subrecipients</b>	<b>Local Expenditures</b>
<b>Federal Awards:</b>						
<u>U. S. Department of Agriculture:</u>						
Passed-through N.C. Dept of Health and Human Services:						
Division of Social Services:						
Administration:						
<u>SNAP Cluster</u>						
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561		\$ 511,757	\$ -	\$ -	\$ 511,757
FNS - ARPA	10.561		142,872	-	-	-
Total for Supplemental Nutrition Assistance Program			654,629	-	-	511,757
Passed-through N.C. Dept of Health and Human Services:						
Division of Public Health:						
Administration:						
Special Supplemental Nutrition Program for Women Infant and Children	10.557		376,551	-	-	-
Total U.S. Dept. of Agriculture			1,031,180	-	-	511,757
<u>U.S. Department of Housing and Urban Development</u>						
Passed-through N.C. Department of Commerce						
CDBG - Neighborhood Revitalization Program	14.228		15,885	-	-	-
Total U.S. Department of Housing and Urban Development			15,885	-	-	-
<u>U.S. Dept of Transportation</u>						
Passed thru N.C. Department of Transportation						
Stanly County Airport (Vision 100 Entitlement)	20.106	36237.50.19.1	5,273	-	-	-
Stanly County Airport (Vision 100 Entitlement)	20.106	36237.50.19.3	236,951	-	-	-
Stanly County Airport (Vision 100 Entitlement)	20.106	36237.50.20.1	5,234	-	-	-
Stanly County Airport (Vision 100 Entitlement)	20.106	36237.50.20.2	57,179	-	-	-
Total Stanly County Airport (Vision 100 Entitlement)			304,637	-	-	-
DOT-11						
Public Transportation for Nonurbanized Areas - Admin	20.509	36233.96.23.1	16,496	1,031	-	-
DOT-11						
Public Transportation for Nonurbanized Areas - Capital	20.509	36233.96.23.3	115,148	14,393	-	-
DOT-11						
Public Transportation for Nonurbanized Areas - Admin	20.509	36233.96.24.1	191,135	11,946	-	-
Total Formula Grant for Rural Areas			322,779	27,370	-	-
Highway Planning and Construction Cluster						
RPO Grants Rocky River	20.205-8	50343.4.15	88,367	-	-	-
DOT-14						
Stanly County SR. SVCS. CAP	20.513	51001.87.7.3	50,137	6,267	-	-
Total U.S. Dept of Transportation			765,920	33,637	-	-
<u>U.S. Department of Treasury</u>						
Direct Program						
Coronavirus State and Local Fiscal Recovery Funds	21.027		32,181	-	-	-
Passed-through N.C. Dept. of Cultural and Natural Resources						
Division of State Library						
SFRF Nonrecurring Aid to Libraries	21.027		67,062	-	-	-
Total U.S. Department of Treasury			99,243	-	-	-
Institute of Museum and Library Services						
Passed-through N.C. Dept. of Cultural and Natural Resources						
Division of State Library						
COVID-19 - LSTA	45.310		15,957	-	-	-
Total Institute of Museum and Library Services			15,957	-	-	-

**Stanly County, North Carolina**  
**Schedule of Expenditures of Federal and State Awards**  
**For The Year Ended June 30, 2023**

<u>Grantor/Pass-through Grantor/Program Title</u>	<u>Federal Assistance Listing No.</u>	<u>State/ Pass-through Grantor's Number</u>	<u>Fed (Direct &amp; Pass-through Expenditures</u>	<u>State Expenditures</u>	<u>Provided to Subrecipients</u>	<u>Local Expenditures</u>
<u>U.S. Environmental Protection Agency</u>						
Passed Through N.C. Department of Environmental Quality Division of Water Resources <u>Drinking Water State Revolving Fund Cluster</u> Capitalization Grants for Clean Water State Revolving Funds - West Stanly WWTP Rehab Project	66.458	CS370834-04	50	-	-	-
Total Environmental Protection Agency			50	-	-	-
<u>U.S. Department of Health and Human Services:</u>						
Rural Communities Opioid Response-Implementation	93.211		242,557	-	-	-
Passed-through N.C. Department of Health and Human Services: Division of Public Health:						
Public Health Emergency Preparedness	93.069		33,520	-	-	-
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116		3,768	-	-	-
Injury Prevention and Control Research and State and Community Based Programs	93.136		99,620	-	-	-
Family Planning Services	93.217		33,971	-	-	-
Immunization Cooperation Agreements	93.268		13,270	-	-	-
COVID-19 Immunization Cooperation Agreements	93.268		108,296	-	-	-
Total Immunization Cooperation Agreements			121,566	-	-	-
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323		38,537	-	-	-
COVID-19 Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323		489	-	-	-
Total Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)			39,026	-	-	-
COVID-19 - Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response	93.354		60,655	-	-	-
Cancer Prevention and Control Programs for State, Territorial and Tribal Organizations	93.898		3,230	-	-	-
Preventive Health and Health Services Block Grant	93.991		29,304	-	-	-
Maternal and Child Health Services Block Grant	93.994		49,001	24,698	-	-
Passed-through Centralina Council of Governments Division of Aging and Adult Services:						
Title III-D HP/DP (90%)	93.043		3,400	200	-	-
Family Caregiver Support	93.052		32,211	2,147	-	-
<u>Aging Cluster:</u>						
Special Programs for the Aging - Title III B Grants for Supportive Services and Senior Centers	93.044		81,652	4,803	-	-
ARPA - Special Programs for the Aging - Title III B	93.044		9,402	1,659	-	-
Total for Special Programs for the Aging - Title III B			91,054	6,462	-	-
Special Programs for the Aging - Title III C Nutrition Services	93.045		139,036	8,136	-	-
ARPA - Special Programs for the Aging - Title III C2	93.045		100,786	17,778	-	-
Total for Special Programs for the Aging - Title III C			239,822	25,914	-	-
Nutrition Services Incentive Program	93.053		59,004	-	-	-
Total Aging Cluster			389,880	32,376	-	-
Division of Social Services:						
Temporary Assistance for Needy Families Cluster TANF - Work First	93.558		433,353	-	-	460,843
Division of Public Health						
Temporary Assistance for Needy Families	93.558		7,903	-	-	-
Total TANF Cluster			441,256	-	-	460,843



**Stanly County, North Carolina**  
**Schedule of Expenditures of Federal and State Awards**  
**For The Year Ended June 30, 2023**

<u>Grantor/Pass-through Grantor/Program Title</u>	<u>Federal Assistance Listing No.</u>	<u>State/ Pass-through Grantor's Number</u>	<u>Fed (Direct &amp; Pass-through Expenditures</u>	<u>State Expenditures</u>	<u>Provided to Subrecipients</u>	<u>Local Expenditures</u>
<u>Foster Care and Adoption Cluster</u>						
Foster Care - Title IV-E	93.658		322,235	53,563	-	217,044
Adoption Assistance	93.659		1,865	-	-	1,865
Foster Care	N/A		77,458	-	-	-
Total Foster Care and Adoption Cluster			401,558	53,563	-	218,909
Child Support Enforcement	93.563		585,751	(315)	-	302,065
Family Preservation	93.556		9,704	-	-	-
<u>Low Income Energy Assistance</u>						
Administration	93.568		37,411	-	-	-
Energy Assistance Payments	93.568		250,212	-	-	-
Crisis Intervention Program	93.568		179,907	-	-	-
LIEAP - ARPA ADMIN	93.568		(214)	-	-	-
LIHWAP - ADM			38,994	-	-	-
LIHWAP - ARPA	93.568		14,832	-	-	-
LIHWAP - CAA	93.568		62,660	-	-	-
Total Low Income Energy Assistance			583,802	-	-	-
<u>Stephanie Tubbs Jones Child Welfare Services Program:</u>						
Permanency Planning - Families for Kids	93.645		40,567	(12,204)	-	5,386
Chafee Foster Care Independence Program	93.674		4,605	776	-	-
SSBG - Other Service and Training	93.667		204,163	-	-	68,054
<u>Division of Aging and Adult Services:</u>						
<u>Division of Social Services:</u>						
SSBG - State In Home Service Fund	93.667		25,938	-	-	3,705
SSBG - Adult Protective Services	93.667		5,140	-	-	-
Total Social Service Block Grant			235,241	-	-	71,759
<u>Administration for Children and Families</u>						
<u>Passed-through the N.C. Dept. of Health and Human Services</u>						
<u>Subsidized Child Care (Note 4)</u>						
<u>Child Care Development Fund Cluster</u>						
<u>Division of Social Services:</u>						
Child Care Development Mandatory and Match Fund-Administration	93.596		92,832	-	-	-
<u>Passed-through the N.C. Dept. of Health and Human Services:</u>						
<u>Division of Medical Assistance:</u>						
<u>Division of Social Services:</u>						
<u>Administration</u>						
<u>Medicaid Cluster</u>						
Medical Assistance Program	93.778		1,421,454	107,397	-	592,188
<u>Division of Social Services</u>						
<u>Administration</u>						
State Children's Insurance Program - N.C. Health Choice	93.767		54,095	4,543	-	8,042
Total U.S. Dept. of Health and Human Services			5,012,574	213,181	-	1,659,192
<u>U.S. Department of Homeland Security:</u>						
<u>Passed-through N.C. Department of Public Safety</u>						
<u>Division of Emergency Management:</u>						
Emergency Management Performance Grants	97.042	1500	39,032	-	-	-
Total U.S. Department of Homeland Security			39,032	-	-	-
<b>Total Federal Awards</b>			<b>\$ 6,979,841</b>	<b>\$ 246,818</b>	<b>\$ -</b>	<b>\$ 2,170,949</b>
<b>State Awards:</b>						
<u>N.C. Dept. of Health and Human Services</u>						
<u>Division of Public Health</u>						
Food and Lodging Fees			-	24,020	-	-
PH Capacity Building			-	89,081	-	-
General Communicable Disease Control			-	2,732	-	-
Healthy Community Activities			-	3,746	-	-
Child Health			-	12,454	-	-

**Stanly County, North Carolina**  
**Schedule of Expenditures of Federal and State Awards**  
**For The Year Ended June 30, 2023**

<b>Grantor/Pass-through Grantor/Program Title</b>	<b>Federal Assistance Listing No.</b>	<b>State/ Pass-through Grantor's Number</b>	<b>Fed (Direct &amp; Pass-through Expenditures</b>	<b>State Expenditures</b>	<b>Provided to Subrecipients</b>	<b>Local Expenditures</b>
HIV STD State			-	585	-	-
Breast and Cervical Cancer Program			-	2,445	-	-
School Nurse Funding Initiative			-	50,000	-	-
Family Planning - State			-	9,320	-	-
Maternal Health (HMHC)			-	37,919	-	-
Women's Health Service Fund			-	1,519	-	-
TB Control			-	3,905	-	-
Total Public Health			-	237,726	-	-
<b>Division of Social Services:</b>						
County Fund Programs			-	-	-	859,048
Non Allocating County Cost			-	-	-	213,735
St Child Welfare/CPS/CS			-	133,870	-	-
DCD Smart Start			-	18,252	-	-
Energy Assist Private			-	409	-	-
Work First Non Reimbursable			-	-	-	316,403
SFHF Maximization			-	67,775	-	52,646
State Foster Home			-	33,363	-	28,849
Total Division of Social Services			-	253,669	-	1,470,681
<b>Passed-through Centralina Council of Governments:</b>						
<b>Division of Aging and Adult Services</b>						
90% State Appropriation - Access			-	12,281	-	-
90% State Appropriation - Nutrition			-	47,521	-	-
90% State Appropriation - In Home Services			-	235,985	-	-
SR CTR General Purpose			-	14,576	-	-
Fan/Heat Program			-	452	-	-
Total Division of Aging and Adult Services			-	310,815	-	-
Total N.C. Dept. of Health and Human Services			-	802,210	-	1,470,681
<b><u>N.C. Dept. of Transportation</u></b>						
<b>Rural Operating Assistance Program (ROAP) Cluster</b>						
ROAP - RGP		DOT-16CL 36228.22.10.1	-	113,268	-	-
ROAP - EDTAP		DOT-16CL 36220.10.10.1	-	73,639	-	-
ROAP - EMPLOYMENT		DOT-16CL 36236.11.9.1	-	18,446	-	-
Total of ROAP Cluster			-	205,353	-	-
Total N.C. Dept. of Transportation			-	205,353	-	-
<b><u>N.C. Dept of Administration</u></b>						
<b>Veterans Services</b>						
Total of N.C. Dept of Administration			-	2,083	-	-
<b><u>N. C. Department of Environmental Quality</u></b>						
<b>Division of Waste Management</b>						
Soil and Water Conservation			-	26,743	-	-
Electronics Management			-	7,031	-	-
Total of N.C. Dept. of Environmental Quality			-	33,774	-	-
<b><u>N.C. Dept. of Natural and Cultural Resources</u></b>						
<b>Division of State Library</b>						
State Aid to Public Libraries			-	119,532	-	-
Total of N.C. Dept. of Cultural Resources			-	119,532	-	-
<b><u>N.C. Department of Public Safety</u></b>						
Juvenile Crime Prevention Programs		1240	-	197,834	-	-
DWI Safe Roads Act			-	4,802	-	-
Drug Seizures			-	210,583	-	-
Tier II Universal Grant			-	95	-	-
Total of N.C. Dept. of Public Safety			-	413,314	-	-
<b><u>Golden LEAF Foundation</u></b>						
Golden LEAF Infrastructure Grants			-	16,490	-	-
Total Golden LEAF Foundation			-	16,490	-	-

**Stanly County, North Carolina**  
**Schedule of Expenditures of Federal and State Awards**  
**For The Year Ended June 30, 2023**

<u>Grantor/Pass-through Grantor/Program Title</u>	<u>Federal Assistance Listing No.</u>	<u>State/ Pass-through Grantor's Number</u>	<u>Fed (Direct &amp; Pass-through Expenditures</u>	<u>State Expenditures</u>	<u>Provided to Subrecipients</u>	<u>Local Expenditures</u>
<u>N.C. Department of Insurance</u>						
SHIIP Grant			-	5,541	-	-
Total N.C. Department of Insurance			-	5,541	-	-
<u>N.C. Department of Commerce</u>						
		2018-140-3201- 2587				
Building Reuse Program			-	41,242	-	-
Rural Infrastructure Authority Grant			-	139,727	-	-
Total Department of Commerce			-	180,969	-	-
<u>N.C. Department of Insurance</u>						
Special Appropriation			-	712,571	-	-
Total N.C. Department of Insurance			-	712,571	-	-
<u>N.C. Department of Public Instruction</u>						
Public School Building Capital Fund-Lottery Proceeds			-	543,000	543,000	-
Total N.C. Department of Public Instruction			-	543,000	543,000	-
Total State Awards			-	3,034,837	543,000	1,470,681
<b>Other Financial Assistance:</b>						
<u>N.C. Department of Justice</u>						
Opioid Settlement Fund (Note 6)			-	154,368	-	-
Total Federal and State Awards			\$ 6,979,841	\$ 3,436,023	\$ 543,000	\$ 3,641,630

Notes to the Schedule of Expenditures of Federal and State Financial Awards:

**Note 1: Basis of Presentation**

The accompanying schedule of expenditures of federal and State awards (SEFSA) includes the federal and State grant activity of the Stanly County under the programs of the federal government and the State of North Carolina for the year ended June 30, 2023. The information in this SEFSA is presented in accordance with the requirements of Title 2 US Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and the State Single Audit Implementation Act. Because the Schedule presents only a selected portion of the operations of Stanly County, it is not intended to and does not present the financial position, changes in net position or cash flows of Stanly County.

**Note 2: Summary of Significant Accounting Policies**

Expenditures reported in the SEFSA are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

**Note 3: Indirect Cost Rate**

Stanly County has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

**Note 4: Cluster of Programs**

The following are clustered by the NC Department of Health and Human Services and are treated separately for state audit requirement purposes: Subsidized Child Care and Foster Care and Adoption.

**Note 5: Benefit Payments Issued by the State**

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

<u>Program Title</u>	<u>AL No.</u>	<u>Federal</u>	<u>State</u>
Supplemental Nutrition Assistance Program	10.551	\$ 26,437,629	\$ -
Special Supplemental Nutrition Program for Women Infant and Children	10.557	1,646,858	-
TANF - PEAFF	93.558	35,061	-
TANF Payments & Penalties	93.558	96,691	-
Refugee Assistance	93.566	2,896	-
IV-E Adopt & Vendor & Gua	93.659	175,351	35,119
Medical Assistance Program	93.778	95,713,668	36,576,835
State Children's Insurance Program	93.767	490,826	109,432
CWS Adopt, Vendor, Guard	N/A	-	86,721
SC/SA Domiciliary Care	N/A	-	234,849

**Note 6: Opioid Settlement Fund**

The NC Department of Justice does not consider Opioid Settlement Funds either Federal or State Financial assistance since they are from a settlement with private major drug companies. Since these funds are subject to the State Single Audit Implementation Act, they are reported as "Other Financial Assistance" on the SEFSA, and considered State Awards for State single audit requirements.