



Water. Air. Land. Success.

REVIEWED

By SLGFD at 12:59 pm, Nov 09, 2021

ANNUAL
COMPREHENSIVE
FINANCIAL
REPORT

FISCAL YEAR ENDING
JUNE 30, 2021

Stanly County,
North Carolina

Annual Comprehensive Financial Report

For the Fiscal Year Ended June 30, 2021

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)

STANLY COUNTY, NORTH CAROLINA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Fiscal Year Ended June 30, 2021
TABLE OF CONTENTS

	<u>Exhibit</u>	<u>Page</u>
INTRODUCTORY SECTION		
Letter of Transmittal		i
List of Elected and Appointed Officials		viii
Organizational Chart		ix
Certificate of Achievement for Excellence in Financial Reporting		x
FINANCIAL SECTION		
Independent Auditors' Report		1
Management's Discussion and Analysis		4
Basic Financial Statements:		
Government-Wide Financial Statements:		
Statement of Net Position	1	14
Statement of Activities	2	15
Fund Financial Statements:		
Balance Sheet – Governmental Funds	3	16
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	3a	17
Statement of Revenues, Expenditures, and Changes in Fund Balances-Governmental Funds	4	18
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	4a	19
Statement of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual - General Fund	5	20
Statement of Net Position –Proprietary Funds	6	21
Statement of Revenues, Expenses, and Changes in Fund Net Position-Proprietary Funds	7	22
Statement of Cash Flows – Proprietary Funds	8	23
Statement of Fiduciary Net Position – Fiduciary Funds	9	25
Statement of Changes in Fiduciary Net Position - Fiduciary Funds	10	26
Notes to the Financial Statements		27

STANLY COUNTY, NORTH CAROLINA
TABLE OF CONTENTS (Continued)

	<u>Schedule</u>	<u>Page</u>
Required Supplementary Information:		
Schedule of County's Proportionate Share of Net Pension Liability (Asset) (LGERS)	A-1	70
Schedule of County Contributions (LGERS)	A-2	71
Schedule of County's Proportionate Share of Net Pension Liability (Asset) (ROD)	A-3	72
Schedule of County Contributions (ROD)	A-4	73
Schedule of Changes in Total Pension Liability - Law Enforcement Officers' Special Separation Allowance	A-5	74
Schedule of Total Pension Liability as a Percentage of Covered Payroll - Law Enforcement Officers' Special Separation Allowance	A-6	75
Schedule of Changes in Net OPEB Liability and Related Ratios	A-7	76
Combining and Individual Fund Statements and Schedules:		
<u>Governmental Funds</u>		
Schedule of Revenues, Expenditures and Changes in Fund Balance - General Fund - Budget and Actual	B-1	77
Combining Balance Sheet – Nonmajor Governmental Funds	C-1	86
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Governmental Funds	C-2	88
Schedules of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual:		
Emergency Telephone System Fund	C-3	90
Fire Districts Fund	C-4	91
Schedules of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - from Inception and for the Year Ended June 30, 2021:		
Single Family Rehab 2020 Fund	C-5	92
CDBG - 2020 Revitalization Fund	C-6	93
American Rescue Plan Fund	C-7	94
Deed of Trust Fund	C-8	95
Fines and Forfeitures Fund	C-9	96

**STANLY COUNTY, NORTH CAROLINA
TABLE OF CONTENTS (Continued)**

Governmental Funds (Continued)

Representative Payee Fund	C-10	97
Livestock Arena Construction Project	C-11	98
Riverstone Industrial Park Project	C-12	99
Eastside Tower Project Fund	C-13	100
EMS Base Project	C-14	101

Enterprise Funds

Schedules of Revenues and Expenditures - Budget and Actual (Non-GAAP):

Greater Badin Water and Sewer District Fund	D-1	102
Piney Point Water District Fund	D-2	104
West Stanly Waste Water Treatment Plant Fund	D-3	105
Stanly County Utility Fund	D-4	107
Airport Fund	D-5	109

Project Funds

Schedules of Revenues and Expenditures - Budget and Actual (Non-GAAP)
- from Inception and for the Year Ended June 30, 2020:

West Stanly WWTP Rehabilitation Project	D-6	111
WS WWTP 2.5 MGD Expansion Project	D-7	112
Bost Road Water Extension Project	D-8	113
NC DOT Hwy 24/27/73 East Waterline Relocation Project	D-9	114
Brown Hill Road Waterline Project Fund	D-10	115
Palestine Water Pump Station Replacement Project	D-11	116
Webb Road Extension Project	D-12	117
Liberty Hill Water Booster Pump Project	D-13	118
Millington Rd Transmission Project Fund	D-14	119
Countywide Water Main Master Plan	D-15	120

**STANLY COUNTY, NORTH CAROLINA
TABLE OF CONTENTS (Continued)**

Project Funds (Continued)

Airport Terminal Backup Generator Project	D-16	121
Airport Area Broadband Connect	D-17	122
Airport Runway / Taxiway Lighting Project	D-18	123
Airport New Beacon Lighting	D-19	124
Airport Obstruction Removal	D-20	125
Airfield Lighting Control System	D-21	126

Internal Service Fund

Schedules of Revenues and Expenditures - Financial Plan and Actual (Non-GAAP) - Internal Service Fund - Group Health Workers' Compensation Fund	D-22	127
---	------	-----

Custodial Funds

Combining Statement of Fiduciary Net Position - Custodial Funds	E-1	128
Combining Statement of Changes in Fiduciary Net Position - Custodial Funds	E-2	129

Other Schedules

Schedule of Ad Valorem Taxes Receivable - General Fund	F-1	130
Analysis of Current Tax Levy-County-wide Levy	F-2	131

STATISTICAL SECTION

	<u>Table</u>	<u>Page</u>
Net Position by Component	1	133
Changes in Net Position	2	134
Fund Balances of Governmental Funds	3	136
Changes in Fund Balances of Governmental Funds	4	137
Governmental Activities Tax Revenues by Source	5	138
General Governmental Tax Revenues by Source	6	139
Assessed Value and Estimated Actual Value of Taxable Property	7	140
Property Tax Rates - Direct and Overlapping Governments	8	141

STANLY COUNTY, NORTH CAROLINA
TABLE OF CONTENTS (Continued)

	<u>Table</u>	<u>Page</u>
STATISTICAL SECTION (continued)		
Principal Property Taxpayers	9	142
Property Tax Levies and Collections	10	143
Ratio of Outstanding Debt by Type	11	144
Ratios of General Bonded Debt Outstanding	12	145
Direct and Overlapping Governmental Activities Debt	13	146
Legal Debt Margin Information	14	147
Demographic and Economic Statistics	15	148
Principal Employers	16	149
Full-Time Equivalent County Government Employees by Function	17	150
Operating Indicators by Function	18	151
Capital Assets Statistics by Function	19	152

COMPLIANCE SECTION

	<u>Page</u>
Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	153
Reporting 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	155
Reporting 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	157
Schedule of Findings and Questioned Costs	159
Corrective Action Plan	165
Summary Schedule of Prior Year Audit Findings	167
Schedule of Expenditures of Federal and State Awards	168

INTRODUCTORY SECTION



October 8, 2021

The Board of County Commissioners
Stanly County, North Carolina:

The Annual Comprehensive Financial Report of Stanly County for the fiscal year ended June 30, 2021 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.

P| 704.986.3611

F| 704.986.0081

www.stanlycountync.gov

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 61,588 and a moderate population density of over 156 people per square mile. The County's median family income is \$64,663 and the unemployment rate has fallen to 4.5%. 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 one of fifty-eight community colleges in the North Carolina Community College System. SCC is located in Albemarle, NC with a satellite campus in Locust, NC. This institution is accredited by the Southern Association of Colleges and Schools.

For financial reporting purposes, in conformance with the Governmental Accounting Standards Board (GASB), the County includes in the report all funds that are considered to be within its oversight responsibility. Because the school administrative unit and the community college listed above do not meet the criteria for inclusion in the general purpose financial statements of Stanly County, their financial statements are not included in this

report. Audited financial statements for the school administrative unit and the community college are available from their respective business offices.

ECONOMIC CONDITION AND OUTLOOK

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 has largely outperformed the region, state, and nation, despite the adverse effects of the ongoing coronavirus pandemic.

Sales tax is a key indicator as it directly correlates to consumer spending. Sales tax revenue increased to \$16.6 million in FY 20-21 compared to \$13.9 million in FY 19-20.

Stanly County continues to maintain a very low inventory of available industrial buildings and sites. In 2017, the County purchased 76 acres of property in western Stanly with the vision of developing a publicly-owned industrial park for large manufacturing projects in a rapidly growing area of the County. Located approximately twelve (12) miles from I-485, Riverstone is well positioned to compete for projects that are interested in locating to the Charlotte region. The County has continued to make investments in the park, including \$1 million for water, sewer, and an entrance road. These improvements dramatically improved the marketability of the site. The first landed project at the Riverstone Industrial Park was announced in April 2021. Long Island based American Racing Headers announced plans to relocate its high-performance automotive parts facility to Riverstone. The company plans to construct a 50,000 square foot facility on eight acres located on the corner of Brown's Hill and Nance Roads. To further support the project, the Golden LEAF Foundation and the North Carolina Rural Infrastructure Authority have committed funds for additional infrastructure improvements, including a water line extension and road improvements.

Stanly County's assessed valuation (tax base) is projected to increase by \$661 million (12.7%) in FY 2021-2022, and the real and business personal property ad valorem tax revenue is based on a collection rate of 97.47%. The increase is due to the County's 2021 tax revaluation. However, please note the tax rate has been decreased slightly below the revenue-neutral rate of \$0.6111 to \$0.61 cents per \$100. The motor vehicle property tax revenue is based on a collection rate of 99.5%. One penny on the tax rate will generate approximately \$574,954 in FY 2021-2022.

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 \$6,180,807 for FY 21 while total fund balance increased by \$9,290,624. This is primarily due to an increase in ad valorem tax of just over \$1,637,000 or 4.8% and a large increase of nearly \$2.7 million or 19% in sales tax revenues while experiencing a 15.5% 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 20-21, the County financed the purchase of eight new Sheriff's vehicles and three EMS ambulances. The County also refinanced three

different outstanding loans into one large loan during the fiscal year with the closing taking place in February 2021. The amount of this refinancing totaled \$8,154,981.56.

MAJOR INITIATIVES

During Fiscal Year 2021, construction was completed on the new EMS base located in the eastern section of Albemarle. EMS was able to start occupying this new facility in the Fall of 2020. The County secured a bank loan to finance the construction of this new facility. Construction of the Eastside Tower was also completed in Fiscal Year 2021. Reserves from the General Fund were used to pay for this project. SCUSA Transportation purchased three light transit vehicles with 90% of the cost being covered by grant funds from the Department of Transportation. There were various improvements and repairs made at the Commons facility that included replacing a section of the roof. A large section of concrete in the parking lot of the courthouse was replaced. There were also renovations done at the Agri-Civic Center and the Senior Center over the course of the fiscal year.

UTILITIES

Stanly County Utilities is responsible for the distribution of over 1.5 million gallons of drinking water each day to over 6,000 homes, schools, churches and businesses in Stanly County. Stanly County Utilities operates as three systems – Stanly County, Greater Badin Water & Sewer District and Piney Point Water District. Stanly County Utilities also provides wastewater collection and treatment to over 1,000 customers in Stanly County.

The Utility project that was completed during Fiscal Year 20-21 is the Browns Hill Road Waterline Extension. Construction of a pump station in the community of Palestine is nearing completion. Also, there were smaller water extension projects that got underway during the fiscal year that should be finished around the middle of next 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 has just gotten underway with the engineering portion of Phase IV Waterline Extension.

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, with the primary runway and taxiways having LED lighting and signage. The airport is home to a number of North Carolina Air National Guard units that are elements of the 145th Airlift Wing based at Charlotte/Douglas International Airport. Air traffic control and 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 (8) 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 have been adversely impacted by the COVID pandemic but are beginning to trend upward, although rising fuel prices continue to create a concern for potential adverse

impacts to this upward trend. To accommodate anticipated growth and to further enhance countywide economic development activity, the airport has identified a number of improvements to enhance services to both civilian and military aircraft. The C-130 aircraft that has been the primary airlift platform for a number of Air National Guard and Air Force Reserve units is being replaced in favor of the C-17. These transitions will likely lead to major infrastructure changes to the airport to accommodate the much larger and heavier aircraft. Preliminary work is underway to determine these infrastructure needs and costs.

The Stanly County Airport control tower controls aircraft movement within a roughly five (5) mile radius and up to four thousand feet in altitude seven days a week. Commercial office space is available for lease in the terminal building. The old terminal is the home of Pressley Aviation, a primary flight school that has recently installed a state-of-the-art flight simulator to broaden their offered services. The Stanly County Airport continues to provide contract fuel sales to military aircraft passing through or training locally. Military contract fuel sales have seen a significant adverse impact from the COVID pandemic due to curtailed flying operations.

All the hangars have continued to be rented for several years now with a waiting list being maintained. This brings into focus the need for the construction of new hangars to accommodate this demand. There is a significant hangar shortage statewide. The airport is working on ground leasing to provide other options to the hangar shortage.

A number of significant projects have been completed recently. The 120 inch pipe rehabilitation, the airfield lighting upgrade, wireless broadband tower, new terminal building generator, airfield pavement rubber removal, crack sealing and restriping, runway obstruction removal and the new rotating beacon and short field lighting constant current regulator replacement have all been completed. The Airport Overlay District Ordinance was recently revised to more accurately reflect the current footprint of airspace and provide more details of zoning requirements around the airport. Other projects being considered include a backup power generator for the fuel farm/self-serve facility, additional airfield markings to provide hold short lines between the ramps and taxiway alpha, and additional obstruction removal. The US Army Corps of Engineers, the National Guard Bureau and the North Carolina Air National Guard continue to work on the environmental assessment that is the key first requirement for the pending airfield enhancements to support C-17 operations and training at the airport.

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 20-21, SCUSA Transportation provided 11,612 service hours, traveled 200,655 miles, while providing 26,647 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, 2020. 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 (30) consecutive years. We believe the current report satisfies the Certificate of Achievement Program requirements, and is being submitted to the GFOA.

Acknowledgments

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

Respectfully submitted,



Andrew M. Lucas
County Manager



Toby R. Hinson
Finance Director

STANLY COUNTY, NORTH CAROLINA
LIST OF ELECTED AND APPOINTED OFFICIALS
June 30, 2021

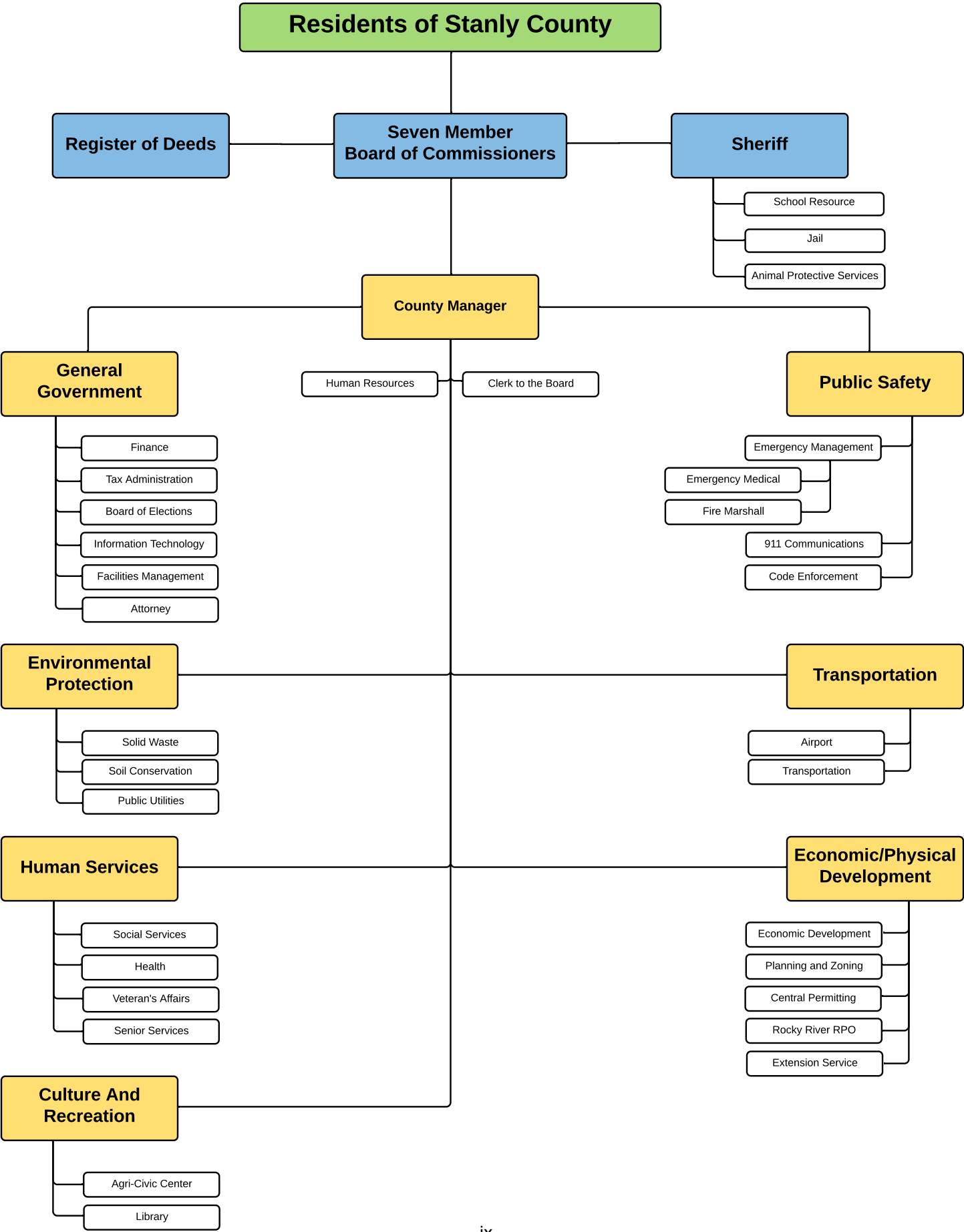
Elected Officials

Board of Commissioners – Chairman	Willie (Bill) D. Lawhon Jr.
Board of Commissioners – Vice-Chairman.....	Thomas S. Jordan III
Board of Commissioners	Zachary D. Almond
Board of Commissioners	Vint Peter Ascutto
Board of Commissioners	Paul Mike Barbee
Board of Commissioners	Terry Scott Efrid
Board of Commissioners	Michael Lane Furr
Sheriff	Jeffrey A. Crisco
Register of Deeds	Suzanne W. Lowder

Appointed Officials

County Manager	Andrew M. Lucas
Clerk to the Board.....	Tyler L. Brummitt
Agri – Civic Center Director	Doshia F. Swaringen
Airport Director	Kenneth E. Swaringen
Central Permitting.....	Carol C. Almond
Code Enforcement	Christopher R. Moon
Communications Director – E 911	Kyle S. Griffin
County Attorney	Jennifer R. Furr
County Extension Service	Lori S. Ivey
Economic Development Director	Candice B. Moffitt
Election Supervisor	Kimberly R. Blackwelder
Emergency Management Director	Brian T. Simpson
Facility Management and Solid Waste Director.....	Todd R. Lowder
Finance Director	Toby R. Hinson
Health and Human Service Director	G. David Jenkins
Human Resources Director	Emily J. Frye
Information Technology Director	Chad A. Coble
Library Director	Melanie J. Holles
Planning Director	Robert L. Remsburg III
Public Utilities Director.....	Duane S. Wingo
Senior Services Director.....	Pamela A. Sullivan
Social Services Director	Dolly A. Huffman Clayton
Soil and Water Conservation Cost Share Technician.....	Rebecca M. Brickner
Tax Administrator	Clinton G. Swaringen
Transportation Director.....	Randy H. Shank
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 Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2020

Christopher P. Morill

Executive Director/CEO

FINANCIAL SECTION



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

**P.O Box 398
1626 S. Madison Street
Whiteville, NC 28472
Telephone (910) 642-2109
Fax (910) 642-5958**

**Alan W. Thompson, CPA
R. Bryon Scott, CPA
Gregory S. Adams, CPA**

INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Stanly County, North Carolina, as of and for the year ended June 30, 2021, and the related notes to the financial statements which collectively comprise Stanly County basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Members

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Stanly County, North Carolina as of June 30, 2021, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Local Government Employees' Retirement System Schedules of the County's Proportionate Share of Net Pension Liability and County Contributions, pages 70 and 71, 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 72 and 73, 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 74 and 75, and the Schedule of Changes in the Total OPEB Liability and Related Ratios, page 76, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements of Stanly County, North Carolina. The combining and individual fund statements, budgetary schedules, other schedules as well as the accompanying Schedule of Expenditures of Federal and State Awards, as required by Title 2 *U.S. Code of Federal Regulations (CFR) Part 200*, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards are presented for purpose of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements, budgetary schedules, other schedules and the Schedule of Expenditures of Federal and State Awards are the responsibility of management and were derived from and related directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us. In our opinion, based on our audit, the procedures performed as described above, and the report of the other auditors, the combining and individual fund financial statements, budgetary schedules, other schedules, and the Schedule of Expenditures of Federal and State Awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with Government Auditing Standards, we have also issued our report dated October 8, 2021 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 8, 2021

STANLY COUNTY, NORTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021

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, 2021. 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.

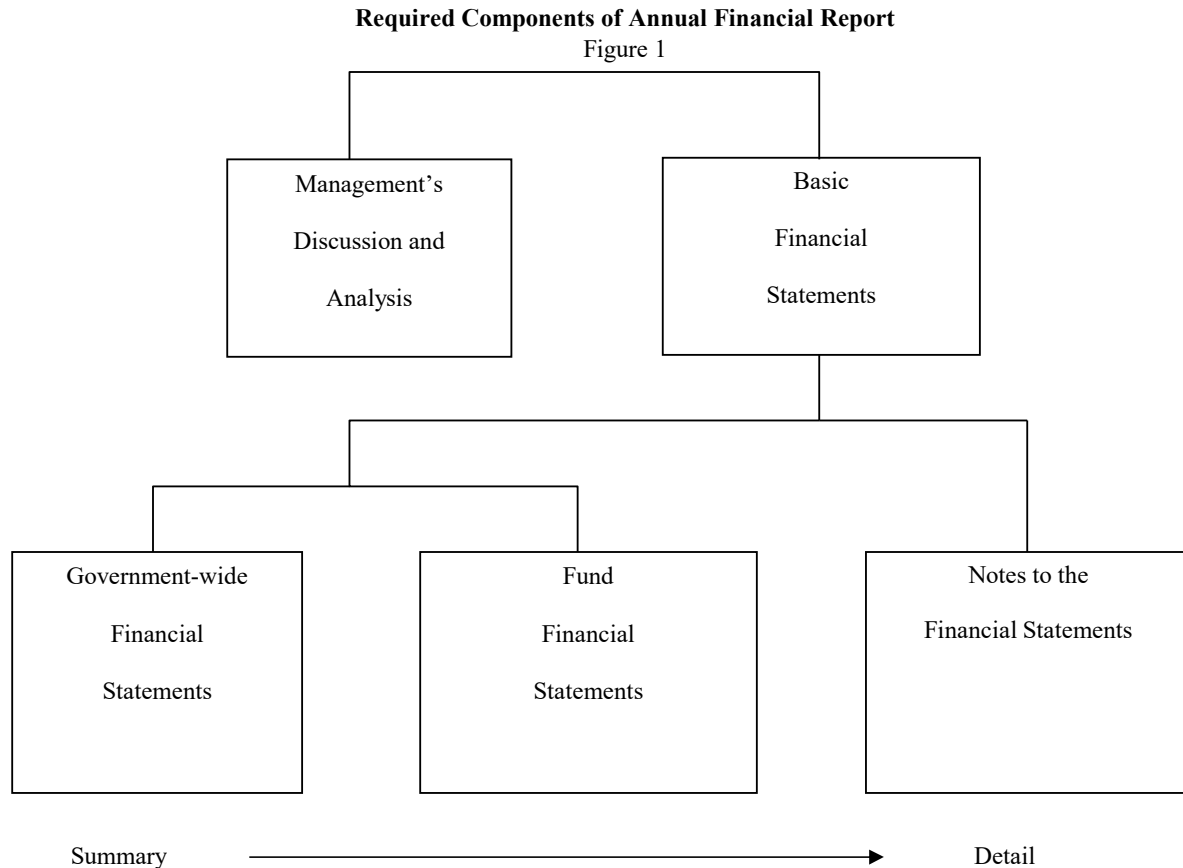
Financial Highlights

- 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 \$82,984,357 (net position).
- The government's total net position increased by \$11,932,338, primarily due to an increase in government-wide and business-type activities' net position. There was a restatement of beginning fund balance that resulted in an increase of \$14,855, which was associated with the implementation of GASB 84.
- As of the close of the current fiscal year, Stanly County's governmental funds reported combined ending fund balances of \$40,931,393, after a net increase in fund balance of \$8,444,488. Approximately 25.43% of this total amount or, \$10,407,223, is restricted or non-spendable.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$24,953,545 or 34.71% of total general fund expenditures and transfers to other funds for the fiscal year.
- Stanly County's total debt decreased by \$3,412,789 (12.86%) during the current fiscal year. The County financed the purchase of new vehicles, and received additional loan proceeds to fund the construction of a water project. Regular and scheduled debt payments account for the majority of the decrease in debt.
- Stanly County maintained its Standard & Poor's AA- rating for the eighth consecutive year and maintained its Moody's Aa3 rating for the twelfth 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, 2021**



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, 2021

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, 2021

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 27 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 70 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 \$82,984,357 as of June 30, 2021. The County's net position increased by \$11,932,338 for the fiscal year ended June 30, 2021. The largest portions, \$57,023,501 (68.72%) 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 \$10,417,035 (12.55%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$15,543,821 (18.73%) is unrestricted.

STANLY COUNTY, NORTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021

Stanly County's Net Position
Figure 2

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Assets						
Current and other assets	\$ 55,133,305	\$ 41,660,804	\$ 4,145,319	\$ 2,732,495	\$ 59,278,624	\$ 44,393,299
Capital assets	32,078,266	30,631,884	45,895,080	42,567,971	77,973,346	73,199,855
Total assets	87,211,571	72,292,688	50,040,399	45,300,466	137,251,970	117,593,154
Deferred outflows of resources	7,782,197	5,500,705	350,329	269,393	8,132,526	5,770,098
Liabilities						
Long-term liabilities outstanding	35,642,963	34,182,154	9,065,322	5,703,444	44,708,285	39,885,598
Other liabilities	14,693,336	10,285,280	2,262,908	1,333,185	16,956,244	11,618,465
Total liabilities	50,336,299	44,467,434	11,328,230	7,036,629	61,664,529	51,504,063
Deferred Inflows of Resources	711,579	797,000	24,031	25,025	735,610	822,025
Net Position						
Net investment in capital assets	20,067,458	18,891,578	36,956,043	37,228,159	57,023,501	56,119,737
Restricted	10,338,335	7,757,880	78,700	65,975	10,417,035	7,823,855
Unrestricted	13,540,097	5,879,501	2,003,724	1,214,071	15,543,821	7,093,572
Total net position	\$ 43,945,890	\$ 32,528,959	\$ 39,038,467	\$ 38,508,205	\$ 82,984,357	\$ 71,037,164

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 \$6,142,234.

STANLY COUNTY, NORTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021

Stanly County's Changes in Net Position
Figure 3

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Revenues:						
Program revenues:						
Charges for services	\$ 9,608,266	\$ 7,969,876	\$ 6,715,652	\$ 5,834,552	\$ 16,323,918	\$ 13,804,428
Operating grants and contributions	14,299,425	10,878,438	-	30,000	14,299,425	10,908,438
Capital grants and contributions	712,000	1,137,772	804,208	1,231,577	1,516,208	2,369,349
General revenues:						
Property taxes	38,485,699	36,827,846	-	-	38,485,699	36,827,846
Other taxes	17,732,289	14,892,114	-	-	17,732,289	14,892,114
Interest earned	51,162	626,351	2,322	39,393	53,484	665,744
Miscellaneous income	736,373	559,972	208,141	213,640	944,514	773,612
Total revenues	81,625,214	72,892,369	7,730,323	7,349,162	89,355,537	80,241,531
Expenses:						
General government	6,267,897	5,759,160	-	-	6,267,897	5,759,160
Public safety	24,335,735	23,171,363	-	-	24,335,735	23,171,363
Transportation	1,001,227	1,106,553	-	-	1,001,227	1,106,553
Environmental protection	1,479,042	1,391,069	-	-	1,479,042	1,391,069
Economic and physical development	1,829,677	2,487,522	-	-	1,829,677	2,487,522
Human services	17,403,780	16,148,151	-	-	17,403,780	16,148,151
Cultural and recreation	1,673,416	1,348,330	-	-	1,673,416	1,348,330
Education	17,127,823	18,284,160	-	-	17,127,823	18,284,160
Interest on long-term debt	460,487	653,292	-	-	460,487	653,292
Water and sewer	-	-	6,347,093	6,116,368	6,347,093	6,116,368
Airport	-	-	1,549,195	1,616,933	1,549,195	1,616,933
Total expenses	71,579,084	70,349,600	7,896,288	7,733,301	79,475,372	78,082,901
Increase in net position before transfers and special items	10,046,130	2,542,769	(165,965)	(384,139)	9,880,165	2,158,630
Transfers and special items	1,355,946	(1,235,606)	696,227	1,235,606	2,052,173	-
Increase in net position after transfers and special items	11,402,076	1,307,163	530,262	851,467	11,932,338	2,158,630
Net position, beginning	32,528,959	31,221,796	38,508,205	37,656,738	71,037,164	68,878,534
Net position, beginning, restated	32,543,814	23,507,965	38,508,205	37,656,738	71,052,019	61,164,703
Net position, ending	\$ 43,945,890	\$ 32,528,959	\$ 39,038,467	\$ 38,508,205	\$ 82,984,357	\$ 71,037,164

STANLY COUNTY, NORTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021

Governmental activities. Governmental activities increased the County's net position by \$11,402,076, thereby accounting for 95.56% of the total increase in the net position of Stanly County. Key elements of this increase are as follows:

- Increase in property tax revenue by 4.51%.
- Increase in other taxes by 19.07%, mainly as a result of increases in local option sales tax.

Business-type activities. Business-type activities increased Stanly County's net position by \$530,262, accounting for 4.44% of the total increase in the government's net position. Key elements of this increase are as follows:

- Decrease of \$67,738 or 4.19% in expenses for the Airport.
- Receipt of capital grants and contributions for utility projects.
- Charges for services increased by 15.10%.

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 \$30,979,532, while total fund balance reached \$40,057,076. 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 43.10% of General Fund expenditures plus transfer out less installment purchase obligations, while total fund balance represents 55.73% of that same amount.

At June 30, 2021, the governmental funds of Stanly County reported a combined fund balance of \$40,931,393, a 26% percent increase over last year. The primary reason for this increase is the \$3.3 million receipt for the sale of the home health services, and the receipt of additional loan proceeds.

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 \$13,982,724 and revenues by \$3,464,929 with the remaining \$10,517,795 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, 2021

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

- \$2,644,553 increase in Restricted Intergovernmental Revenues.
- \$9,144,407 increase in loan proceeds for debt refinancing.

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

- Human Services was under budget due to the sale of the Home Health division in the early winter. Additionally, general health and DSS was under budget due to the use of COVID-related program revenues.

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 \$1,884,143 and that for the Airport equaled 119,581. The total increase in net position for all enterprise funds was \$530,262. 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, 2021, totals \$77,828,974 (net of accumulated depreciation). These assets include land, plant in service, buildings and improvements, equipment and vehicles, and construction in progress.

Major capital asset transactions during the year included:

- Construction in progress for various Utility and Airport Projects
- Construction of a new EMS Base and Eastside Tower Project
- Purchased new vehicles for the Sheriff's Office, as well as 4 new ambulances for EMS

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

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Land	\$ 2,168,413	\$ 1,835,577	\$ 5,147,879	\$ 5,147,879	\$ 7,316,292	\$ 6,983,456
Plant in service	-	-	20,828,299	20,749,092	20,828,299	20,749,092
Buildings and improvements	13,643,970	13,145,462	13,330,816	12,443,822	26,974,786	25,589,284
Equipment and vehicles	16,037,019	11,717,432	261,924	164,424	16,298,943	11,881,856
Construction in progress	84,492	3,820,722	6,326,162	4,062,754	6,410,654	7,883,476
Total	\$ 31,933,894	\$ 30,519,193	\$ 45,895,080	\$ 42,567,971	\$ 77,828,974	\$ 73,087,164

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

**STANLY COUNTY, NORTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021**

Long-term Debt. As of June 30, 2020, Stanly County had total bonded debt outstanding of \$1,265,000, all of which is backed by the full faith and credit of the County.

STANLY COUNTY'S OUTSTANDING DEBT

Figure 5

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
General obligation bonds	\$ 1,265,000	\$ 2,730,000	\$ -	\$ -	\$ 1,265,000	\$ 2,730,000
Unamortized premium on bonds	87,760	176,760	-	-	87,760	176,760
Capital leases	425,304	5,518,860	-	-	425,304	5,518,860
Installment Purchases	16,233,397	12,763,385	294,085	231,913	16,527,482	12,995,298
Revolving Loan Funds	-	-	1,506,731	1,592,898	1,506,731	1,592,898
Revenue bonds	-	-	2,835,000	2,890,000	2,835,000	2,890,000
Notes payable	-	-	468,750	625,000	468,750	625,000
Total	\$ 18,011,461	\$ 21,189,005	\$ 5,104,566	\$ 5,339,811	\$ 23,116,027	\$ 26,528,816

Stanly County's total debt decreased by \$3,412,789 (12.86%) during the past fiscal year, primarily due to the repayment of debt obligations, offset by new debt for the construction of a new EMS Base and for the purchase of vehicles.

As mentioned in the financial highlights section of this document, Stanly County maintained its Standard & Poor's AA- rating for the eighth consecutive year and maintained its Moody's Aa3 bond rating for the twelfth 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 \$401,973,528. The County has no bonds authorized, but unissued at June 30, 2021.

Additional information regarding Stanly County's long-term debt can be found in the notes to the financial statements, beginning on page 61.

Economic Factors and Next Year's Budgets and Rates

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

- Building permits and fees showed a significant increase of 40.77%
- Sales tax revenue increased by a little over \$2,700,000 (19.3%) over the previous year.
- The County continues to maintain a low inventory of available industrial buildings and sites.

**STANLY COUNTY, NORTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021**

Budget Highlights for Fiscal Year Ending June 30, 2022

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 3.19% to \$72,046,304. The primary factors for this are an increase for Stanly County Schools current expense/operations, increase for 3.5% employee cost of living allowance, increase for construction of a new courthouse parking lot, and an increase for mandated Local Government Retirement System Match.

Business-Type Activities. The water and sewer enterprise funds are intended to be self-supporting through user fees and assessments. Overall the funds are demonstrating improved fiscal health. The Board's decision to steadily increase rates over the past couple fiscal years has given each of the funds some additional cash flow. The Board approved a 3% rate increase for Stanly County utility customers. This rate increase for all customers is based on the need to ensure sufficient funds are available for future debt service, ongoing maintenance and repairs and the Board's desired capital improvement.

The total adopted budget for the Airport Authority is \$945,933 in FY 2021-2022. This represents a \$26,863 increase (3%) over the FY 2020-2021 Adopted Budget appropriation. The budget includes a \$342,572 appropriation from the General Fund. This is an increase of \$10,538 (3%) from the FY 2020-2021 Adopted Budget. The adopted Budget includes \$13,000 for LED lighting enhancements and terminal building parking lot repairs and sealing. Additionally \$3,000 is included to upgrade the current video conference capabilities in both conference rooms.

Requests for Information

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

BASIC FINANCIAL STATEMENTS

STANLY COUNTY, NORTH CAROLINA
STATEMENT OF NET POSITION
JUNE 30, 2021

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Stanly Water & Sewer Authority
Assets				
Current assets				
Cash and cash investments	\$ 38,299,493	\$ 1,810,639	\$ 40,110,132	\$ 1,273,810
Receivables (net)	8,147,259	4,100,329	12,247,588	79,698
Internal Balances	2,087,775	(2,087,775)	-	-
Due from component unit	427,434	-	427,434	-
Prepaid items	68,888	-	68,888	-
Inventories	-	147,033	147,033	-
Restricted cash and cash equivalents	6,102,456	175,093	6,277,549	407,325
Total current assets	55,133,305	4,145,319	59,278,624	1,760,833
Non-current assets:				
Net Pension Asset	144,372	-	144,372	-
Capital assets:				
Land, improvements, and construction in progress	2,252,905	11,474,041	13,726,946	12,891
Other capital assets, net of depreciation	29,680,989	34,421,039	64,102,028	10,106,746
Total non-current assets	32,078,266	45,895,080	77,973,346	10,119,637
Total assets	87,211,571	50,040,399	137,251,970	11,880,470
Deferred Outflows of Resources	7,782,197	350,329	8,132,526	-
Liabilities				
Current Liabilities				
Accounts payable	2,393,551	1,238,448	3,631,999	1,433
Interest payable	155,007	13,446	168,453	27,701
Payroll payable	1,265,871	55,675	1,321,546	-
Due to primary government	-	-	-	22,275
Due to other governments	26,150	-	26,150	-
Unspent Grant Funding	6,099,665	-	6,099,665	-
Due within a year	4,754,332	780,246	5,534,578	128,000
Payable from restricted assets	-	175,093	175,093	50,355
Total current liabilities	14,694,576	2,262,908	16,957,484	229,764
Non-current liabilities:				
Net pension liability - LGERS	10,008,254	470,818	10,479,072	-
Total pension liability - LEOSSA	1,689,179	-	1,689,179	-
Due in more than a year	23,944,290	8,594,504	32,538,794	7,063,909
Total long-term liabilities	35,641,723	9,065,322	44,707,045	7,063,909
Total liabilities	50,336,299	11,328,230	61,664,529	7,293,673
Deferred Inflows of Resources	711,579	24,031	735,610	-
Net Position				
Net Investment in Capital Assets	20,067,458	36,956,043	57,023,501	3,320,637
Restricted for:				
Stabilization by state statute	9,044,571	-	9,044,571	-
Public Safety	139,186	-	139,186	-
Human Services	330,000	-	330,000	-
General Government	68,622	-	68,622	-
Debt Service	75,795	78,700	154,495	356,970
Cultural and Recreational	684,271	-	684,271	-
Unrestricted (deficit)	13,535,987	2,003,724	15,539,711	909,190
Total net position	\$ 43,945,890	\$ 39,038,467	\$ 82,984,357	\$ 4,586,797

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, 2021

		Program Revenues			Net (Expense) Revenue and Changes in Net Position			
					Primary Government			Component Unit
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	Sewer Authority
Primary government:								
Governmental Activities:								
General government	\$ 6,267,897	\$ 1,150,650	\$ 15,942	\$ -	\$ (5,101,305)	\$ -	\$ (5,101,305)	\$ -
Public safety	24,335,735	5,776,629	1,251,992	-	(17,307,114)	-	(17,307,114)	-
Transportation	1,001,227	240,791	380,955	-	(379,481)	-	(379,481)	-
Environmental protection	1,479,042	1,185,421	-	-	(293,621)	-	(293,621)	-
Economic and physical development	1,829,677	26,398	150,666	-	(1,652,613)	-	(1,652,613)	-
Human services	17,403,780	1,168,216	12,374,792	-	(3,860,772)	-	(3,860,772)	-
Cultural and recreation	1,673,416	60,161	125,078	-	(1,488,177)	-	(1,488,177)	-
Education	17,127,823	-	-	712,000	(16,415,823)	-	(16,415,823)	-
Interest on long-term debt	460,487	-	-	-	(460,487)	-	(460,487)	-
Total governmental activities	71,579,084	9,608,266	14,299,425	712,000	(46,959,393)	-	(46,959,393)	-
Business-type activities:								
Greater Badin Water and Sewer	648,814	618,056	-	-	-	(30,758)	(30,758)	-
Piney Point Water District	172,131	194,636	-	-	-	22,505	22,505	-
West Stanly Waste Water Treatment	650,641	958,050	-	-	-	307,409	307,409	-
Stanly County Utility Fund	4,875,507	4,463,051	-	566,386	-	153,930	153,930	-
Airport Fund	1,549,195	481,859	-	237,822	-	(829,514)	(829,514)	-
Total business-type activities	7,896,288	6,715,652	-	804,208	-	(376,428)	(376,428)	-
Total primary government	\$ 79,475,372	\$ 16,323,918	\$ 14,299,425	\$ 1,516,208	(46,959,393)	(376,428)	(47,335,821)	-
Component Unit:								
Water & Sewer Authority	\$ 695,095	\$ 664,954	\$ -	\$ -				\$ (30,141)
Total component units	\$ 695,095	\$ 664,954	\$ -	\$ -				\$ (30,141)
General revenues:								
Taxes:								
Property taxes, levied for general purpose					38,485,699	-	38,485,699	-
Local option sales tax					16,642,246	-	16,642,246	-
Other taxes and licenses					1,090,043	-	1,090,043	-
Investment earnings, unrestricted					51,162	2,322	53,484	464
Miscellaneous, unrestricted					736,373	208,141	944,514	9,725
Total general revenues excluding transfers and special items					57,005,523	210,463	57,215,986	10,189
Special Item (see Note VIII)					3,300,000	-	3,300,000	-
Transfers					(1,944,054)	696,227	(1,247,827)	1,247,827
Total general revenues, special items, and transfers					58,361,469	906,690	59,268,159	1,258,016
Change in net position					11,402,076	530,262	11,932,338	1,227,875
Net position-beginning					32,528,959	38,508,205	71,037,164	3,358,922
Restatement					14,855	-	14,855	-
Net position-beginning, restated					32,543,814	38,508,205	71,052,019	3,358,922
Net position-ending					\$ 43,945,890	\$ 39,038,467	\$ 82,984,357	\$ 4,586,797

**STANLY COUNTY, NORTH CAROLINA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2021**

	Major		Nonmajor	Total
	General Fund	American Rescue Plan	Governmental Funds	Governmental Funds
Assets:				
Cash and cash equivalents	\$ 33,788,026	\$ -	\$ 942,716	\$ 34,730,742
Receivables, net	7,760,522	-	95,593	7,856,115
Due from other funds	2,101,949	-	-	2,101,949
Due from component unit	427,434	-	-	427,434
Prepaid items	68,888	-	-	68,888
Restricted cash and cash equivalent	-	6,099,665	2,791	6,102,456
Total assets	<u>\$ 44,146,819</u>	<u>\$ 6,099,665</u>	<u>\$ 1,041,100</u>	<u>\$ 51,287,584</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable and accrued liabilities	\$ 2,782,344	\$ -	\$ 92,931	\$ 2,875,275
Due to other governments	26,150	-	-	26,150
Due to other funds	-	-	14,174	14,174
Liabilities to be paid from restricted assets:				
Unspent Grant Funding	-	6,099,665	-	6,099,665
Total liabilities	<u>2,808,494</u>	<u>6,099,665</u>	<u>107,105</u>	<u>9,015,264</u>
Deferred inflows of resources:				
Prepaid taxes	-	-	-	-
Reserve for taxes receivable	1,281,249	-	59,678	1,340,927
Total deferred inflows of resources	<u>1,281,249</u>	<u>-</u>	<u>59,678</u>	<u>1,340,927</u>
Fund balances:				
Non-spendable, not in spendable form				
Prepaid items	68,888	-	-	68,888
Restricted:				
Stabilization by State statute	9,008,656	-	35,915	9,044,571
Register of Deeds	68,622	-	-	68,622
Public Safety	75,795	-	135,076	210,871
Human Services	330,000	-	-	330,000
Economic Development	-	-	-	-
Cultural and Recreational	-	-	684,271	684,271
Education	-	-	-	-
Committed:				
Cultural and recreation	250,000	-	-	250,000
Project Funds	313,270	-	-	313,270
Assigned:	4,988,300	-	-	4,988,300
Unassigned:	24,953,545	-	19,055	25,041,488
Total fund balances	<u>40,057,076</u>	<u>-</u>	<u>874,317</u>	<u>40,931,393</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 44,146,819</u>	<u>\$ 6,099,665</u>	<u>\$ 1,041,100</u>	<u>\$ 51,287,584</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, 2021

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

Total Fund Balance - Governmental Funds	\$ 40,931,393
---	---------------

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds (total capital assets on government-wide statement in	59,991,103
Less accumulated depreciation	(28,057,209)
Net capital assets	31,933,894

Net Pension Asset (Register of Deeds)	144,372
---------------------------------------	---------

Deferred outflows of resources:

Contributions to the pension plan in the current fiscal year	
LGERS	2,170,390
Register of Deeds	7,923
LEOSSA	20,248
OPEB	162,791
Pension related deferrals	
LGERS	3,676,134
Register of Deeds	5,254
LEOSSA	509,958
OPEB related deferrals	1,229,499

Accrued interest receivable less the amount claimed as unearned revenue in the government-wide statements as these funds are unavailable in the fund statements	290,509
---	---------

Deferred inflows of resources reported in the government-wide statements but not the fund statements

Deferred inflows of resources for taxes receivable	1,340,927
Pension related deferrals	
LGERS	-
Register of Deeds	(22,782)
LEOSSA	(97,231)
OPEB related deferrals	(591,566)

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	(18,011,461)
Compensated absences	(1,745,505)
Total pension liability (LEOSSA)	(1,689,179)
Total OPEB liability	(8,941,656)
Net pension liability	(10,008,254)
Accrued interest payable	(155,007)

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.

	2,785,239
Total adjustment	3,014,497
Net position of governmental activities	\$ 43,945,890

STANLY COUNTY, NORTH CAROLINA
STATEMENT OF REVENUES , EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	Major		Nonmajor	Total
	General Fund	American Rescue Plan	Governmental Funds	Governmental Funds
Revenues:				
Ad valorem taxes	\$ 35,617,178	\$ -	\$ 3,359,551	\$ 38,976,729
Local option sales taxes	16,642,245	-	-	16,642,245
Other taxes and licenses	917,201	-	-	917,201
Unrestricted intergovernmental	138,823	-	-	138,823
Restricted intergovernmental	12,741,748	-	225,517	12,967,265
Permits and fees	1,757,685	-	62,454	1,820,139
Sales and services	8,481,024	-	660,546	9,141,570
Investment earnings	51,016	-	147	51,163
Miscellaneous	4,761,111	-	-	4,761,111
Total revenues	<u>81,108,031</u>	<u>-</u>	<u>4,308,215</u>	<u>85,416,246</u>
Expenditures:				
Current:				
General government	6,514,227	-	357,832	6,872,059
Public safety	19,890,170	-	4,757,838	24,648,008
Transportation	1,061,622	-	-	1,061,622
Environmental protection	1,444,310	-	-	1,444,310
Economic and physical development	1,746,699	-	65,665	1,812,364
Human Services	16,444,675	-	206,107	16,650,782
Education	17,216,823	-	-	17,216,823
Cultural and recreational	1,536,901	-	386	1,537,287
Debt service:				
Principal	12,112,943	-	42,709	12,155,652
Interest and other charges	695,904	-	-	695,904
Total expenditures	<u>78,664,274</u>	<u>-</u>	<u>5,430,537</u>	<u>84,094,811</u>
Revenues over expenditures	<u>2,443,757</u>	<u>-</u>	<u>(1,122,322)</u>	<u>1,321,435</u>
Other Financing Sources (Uses):				
Transfers in	68,165		340,241	408,406
Transfers (out)	(2,284,295)		(68,165)	(2,352,460)
Installment purchase obligations issued	9,067,107		-	9,067,107
Total other financing sources and uses	<u>6,850,977</u>	<u>-</u>	<u>272,076</u>	<u>7,123,053</u>
Net change in fund balance	9,294,734	-	(850,246)	8,444,488
Fund balance, beginning, as previously reported	30,761,306	-	1,710,744	32,472,050
Prior period restatement - change in accounting principle	1,036	-	13,819	14,855
Fund balances, beginning, as restated	<u>30,762,342</u>	<u>-</u>	<u>1,724,563</u>	<u>32,486,905</u>
End of year - June 30	<u>\$ 40,057,076</u>	<u>\$ -</u>	<u>\$ 874,317</u>	<u>\$ 40,931,393</u>

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, 2021

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

Net changes in fund balances - total governmental funds	\$ 8,444,488
Capital outlay expenditures recorded in the fund statements but capitalized as assets in the statement of activities	3,504,356
Cost of disposed capital asset not recorded in fund statements	(27,131)
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	(2,062,524)
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	(9,067,107)
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	12,155,652
Amortization on deferred premium payments on debt that is recorded in the statement of activities but not in the fund statements.	89,000
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities	2,178,313
Benefit payments and administration costs for LEOSSA are deferred outflows of resources on the Statement of Net Position	20,248
Contributions and pension administration costs for OPEB are deferred outflows of resources on the Statement of Net Position	162,791
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)	235,417
Compensated absences	(172,146)
OPEB expense	(732,209)
Pension expense	(3,722,091)
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	(365,707)
Increase in accrued interest receivable at end of year	(125,324)
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.	886,050
Total changes in net position of governmental activities	\$ 11,402,076

STANLY COUNTY, NORTH CAROLINA
STATEMENT OF REVENUES , EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2021

	General Fund			Variance With Final Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Ad valorem taxes	\$ 34,531,198	\$ 34,802,799	\$ 35,617,178	\$ 814,379
Sales taxes	12,557,380	12,557,380	16,642,245	4,084,865
Other taxes	730,000	730,000	917,201	187,201
Restricted intergovernmental	9,320,867	11,810,484	12,741,748	931,264
Unrestricted intergovernmental	64,985	64,985	138,823	73,838
Permits and fees	1,072,234	1,122,884	1,757,685	634,801
Sales and services	8,473,657	8,499,478	8,481,024	(18,454)
Investment earnings	305,000	305,000	51,016	(253,984)
Miscellaneous	786,792	1,414,032	4,761,111	3,347,079
Total revenues	<u>67,842,113</u>	<u>71,307,042</u>	<u>81,108,031</u>	<u>9,800,989</u>
Expenditures:				
General government	6,047,989	6,706,745	6,514,227	192,518
Public safety	17,997,745	20,011,943	19,890,170	121,773
Transportation	1,304,631	1,306,076	1,061,622	244,454
Environmental protection	1,453,769	1,466,789	1,444,310	22,479
Economic and physical development	1,831,066	1,866,309	1,746,699	119,610
Human services	17,155,416	19,657,422	16,444,675	3,212,747
Education	18,401,696	17,730,455	17,216,823	513,632
Cultural and recreational	1,656,454	1,656,877	1,536,901	119,976
Debt service:				
Principal	3,203,908	12,111,796	12,112,943	(1,147)
Bond interest and costs	431,988	702,974	695,904	7,070
Contingency	-	250,000	-	250,000
Total expenditures	<u>69,484,662</u>	<u>83,467,386</u>	<u>78,664,274</u>	<u>4,803,112</u>
Revenues over (under) expenditures	<u>(1,642,549)</u>	<u>(12,160,344)</u>	<u>2,443,757</u>	<u>14,604,101</u>
Other financing sources (uses):				
Installment Debt Issued	-	9,144,407	9,067,107	(77,300)
Transfers from other funds	-	70,957	68,165	(2,792)
Transfers (to) other funds	(332,034)	(1,283,061)	(1,036,468)	246,593
Transfer (to) component unit	-	(1,247,827)	(1,247,827)	
Appropriated fund balance	1,974,583	5,475,868	-	(5,475,868)
Total other financing sources (uses)	<u>1,642,549</u>	<u>12,160,344</u>	<u>6,850,977</u>	<u>(5,309,367)</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	9,294,734	<u>\$ 9,294,734</u>
Fund balances:				
Fund balance, beginning, as previously reported			30,761,306	
Prior period restatement - change in accounting principle			<u>1,036</u>	
Fund balances, beginning, as restated			<u>30,762,342</u>	
Fund Balance, Ending			<u>\$ 40,057,076</u>	

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

STANLEY COUNTY, NORTH CAROLINA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2021

	Major Enterprise Funds				Nonmajor		Governmental Activities
	Greater Badin Water & Sewer District Fund	West Stanly Wastewater Treatment Plant Fund	Stanly County Utility Fund	Airport Fund	Piney Point Water District Fund	Total	Internal Service Group Health Fund
Assets:							
Current assets:							
Cash and cash equivalents	\$ 327,589	\$ 583,977	\$ 288,937	\$ 236,762	\$ 373,374	\$ 1,810,639	\$ 3,568,751
Accounts receivable (net)	116,952	-	685,392	24,664	7,916	834,924	-
Due from other governments	-	2,727,490	537,356	-	-	3,264,846	-
Interest receivable	65	-	375	35	84	559	635
Inventories	-	-	107,601	39,432	-	147,033	-
Restricted cash and cash equivalents	19,080	-	151,298	-	4,715	175,093	-
Total current assets	463,686	3,311,467	1,770,959	300,893	386,089	6,233,094	3,569,386
Noncurrent assets:							
Capital assets:							
Land	-	-	223,784	4,924,095	-	5,147,879	-
Construction in progress	-	4,152,216	1,964,523	209,423	-	6,326,162	-
Capital assets, net of depreciation	6,066,222	2,592,842	12,351,739	13,376,422	33,814	34,421,039	-
Total capital assets, net	6,066,222	6,745,058	14,540,046	18,509,940	33,814	45,895,080	-
Total assets	6,529,908	10,056,525	16,311,005	18,810,833	419,903	52,128,174	3,569,386
Deferred Outflows of Resources:							
Pension deferrals	-	8,798	125,951	38,187	-	172,936	-
OPEB deferrals	-	3,551	55,856	15,884	-	75,291	-
Contributions to pension plan	-	5,194	74,362	22,546	-	102,102	-
Total deferred outflow of resources	-	17,543	256,169	76,617	-	350,329	-
Liabilities:							
Current liabilities:							
Account payable	20,696	846,114	342,830	9,216	19,592	1,238,448	4,475
Interest payable	5,882	2,646	4,918	-	-	13,446	-
Payroll payable	-	4,651	40,119	10,905	-	55,675	-
Due to other funds	-	2,087,775	-	-	-	2,087,775	-
Compensated absence payable	-	4,703	24,708	6,476	-	35,887	-
Current portion of long-term debt	84,307	543,594	116,458	-	-	744,359	-
Health and workers' compensation payable	-	-	-	-	-	-	779,672
Liabilities to be paid from restricted assets:							
Customer deposits	19,080	-	151,298	-	4,715	175,093	-
Total current liabilities	129,965	3,489,483	680,331	26,597	24,307	4,350,683	784,147
Noncurrent liabilities:							
Net pension liability	-	23,951	342,902	103,965	-	470,818	-
Total OPEB liability	-	26,297	204,974	113,296	-	344,567	-
Compensated absence payable	-	1,267	47,315	6,677	-	55,259	-
Non-current portion of long-term debt	2,660,226	4,647,627	886,825	-	-	8,194,678	-
Total noncurrent liabilities	2,660,226	4,699,142	1,482,016	223,938	-	9,065,322	-
Total liabilities	2,790,191	8,188,625	2,162,347	250,535	24,307	13,416,005	784,147
Deferred Inflows of Resources:							
Pension Deferrals	-	-	-	-	-	-	-
OPEB Deferrals	-	1,708	14,929	7,394	-	24,031	-
Total deferred inflows of resources	-	1,708	14,929	7,394	-	24,031	-
Net Position:							
Net investment in capital assets	3,321,689	1,553,837	13,536,763	18,509,940	33,814	36,956,043	-
Restricted							
USDA Restrictions	38,500	40,200	-	-	-	78,700	-
Unrestricted	379,528	289,698	853,135	119,581	361,782	2,003,724	2,785,239
Total net position	\$ 3,739,717	\$ 1,883,735	\$ 14,389,898	\$ 18,629,521	\$ 395,596	\$ 39,038,467	\$ 2,785,239

STANLY COUNTY, NORTH CAROLINA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	Major Enterprise Funds				Nonmajor		Governmental Activities
	Greater Badin Water & Sewer District Fund	West Stanly Waste Water Treatment Plant Fund	Stanly County Utility Fund	Airport Fund	Piney Point Water District Fund	Total	Internal Service Group Health Fund
Operating Revenues:							
Sales and Charges	\$ 605,306	\$ 958,050	\$ 4,223,549	\$ 481,859	\$ 191,961	\$ 6,460,725	\$ 7,149,116
Other	12,750	-	239,502	-	2,675	254,927	-
Total Operating Revenues	618,056	958,050	4,463,051	481,859	194,636	6,715,652	7,149,116
Operating Expenses:							
Administration	50,000	75,000	251,525	-	66,400	442,925	-
Distribution and maintenance	118,931	354,592	2,350,101	-	1,924	2,825,548	-
Water purchases	209,293	-	1,542,833	-	102,348	1,854,474	-
Airport operating	-	-	-	745,288	-	745,288	-
Group health operations	-	-	-	-	-	-	5,818,746
Workers' compensation	-	-	-	-	-	-	447,807
Depreciation	233,470	187,244	712,883	803,907	1,459	1,938,963	-
Total Operating Expenses	611,694	616,836	4,857,342	1,549,195	172,131	7,807,198	6,266,553
Operating income (loss)	6,362	341,214	(394,291)	(1,067,336)	22,505	(1,091,546)	882,563
Non-operating Revenues (Expenses)							
Interest income	336	-	1,454	147	385	2,322	3,487
Administrative charges	-	-	191,982	-	-	191,982	-
CARES Act Funding	-	-	-	-	-	-	-
Miscellaneous	-	-	16,159	-	-	16,159	-
Interest on long-term debt	(37,120)	(33,805)	(18,165)	-	-	(89,090)	-
Total Nonoperating Revenues (Expenses)	(36,784)	(33,805)	191,430	147	385	121,373	3,487
Income (loss) before contributions and transfers	(30,422)	307,409	(202,861)	(1,067,189)	22,890	(970,173)	886,050
Contributions and Transfers							
Transfers in (out)	-	-	316,871	379,356	-	696,227	-
Capital contributions	-	-	566,386	237,822	-	804,208	-
Total Contributions and Transfers	-	-	883,257	617,178	-	1,500,435	-
Change in Net Position	(30,422)	307,409	680,396	(450,011)	22,890	530,262	886,050
Net Position:							
Beginning of Year - July 1	3,770,139	1,576,326	13,709,502	19,079,532	372,706	38,508,205	1,899,189
End of year - June 30	\$ 3,739,717	\$ 1,883,735	\$ 14,389,898	\$ 18,629,521	\$ 395,596	\$ 39,038,467	\$ 2,785,239

**STANLY COUNTY, NORTH CAROLINA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2021**

	Major Enterprise Funds				Nonmajor		Governmental Activities
	Greater Badin Water & Sewer District Fund	West Stanly Wastewater Treatment Plant Fund	Stanly County Utility Fund	Airport Fund	Piney Point Water District Fund	Total	Internal Service Group Health Fund
Cash Flows from Operating Activities:							
Cash received from customers	\$ 621,789	\$ 958,049	\$ 4,545,113	\$ 492,745	\$ 191,629	\$ 6,809,325	\$ 7,149,116
Cash paid for goods and services	(365,834)	(399,258)	(2,949,109)	(426,332)	(166,822)	(4,307,355)	(6,264,140)
Cash paid to employees for services	-	(111,303)	(1,091,038)	(301,292)	-	(1,503,633)	-
Customer deposits	1,630	-	13,575	-	985	16,190	-
Net cash provided (used) by operating activities	257,585	447,488	518,541	(234,879)	25,792	1,014,527	884,976
Cash Flows from Non-Capital Financing Activities:							
Transfers (to) from other funds	-	-	316,871	379,356	-	696,227	-
Due to (from) other funds	-	1,958,968	-	-	-	1,958,968	-
Net cash provided (used) by noncapital financial activities	-	1,958,968	316,871	379,356	-	2,655,195	-
Cash Flows from Capital and Related Financing Activities:							
Acquisition and construction of capital assets	(24,285)	(2,828,968)	(1,689,451)	(332,245)	-	(4,874,949)	-
Principal paid on bond maturities and lease purchases	(83,307)	(172,250)	(93,213)	-	-	(348,770)	-
Interest paid on bond maturities and lease purchases	(37,237)	(33,852)	(18,357)	-	-	(89,446)	-
Proceeds from notes payable and bonds	-	1,212,591	113,525	-	-	1,326,116	-
Capital contributions	-	-	29,030	266,615	-	295,645	-
Net cash provided (used) by capital and related financing activities	(144,829)	(1,822,479)	(1,658,466)	(65,630)	-	(3,691,404)	-
Cash Flows from Investing Activities:							
Interest on investments	336	-	1,454	147	385	2,322	3,487
Net increase (decrease) in cash and cash equivalents	113,092	583,977	(821,600)	78,994	26,177	(19,360)	888,463
Cash and cash equivalents, July 1	233,577	-	1,261,835	157,768	351,912	2,005,092	2,680,288
Cash and cash equivalents, June 30	\$ 346,669	\$ 583,977	\$ 440,235	\$ 236,762	\$ 378,089	\$ 1,985,732	\$ 3,568,751

**STANLY COUNTY, NORTH CAROLINA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2021**

	Major Enterprise Funds				Nonmajor		Governmental Activities
	Greater Badin Water & Sewer District Fund	West Stanly Waste Water Treatment Plant Fund	Stanly County Utility Fund	Airport Fund	Piney Point Water District Fund	Total	Internal Service Group Health Fund
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:							
Operating income (loss)	\$ 6,362	\$ 341,214	\$ (394,291)	\$ (1,067,336)	\$ 22,505	\$ (1,091,546)	\$ 882,563
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:							
Depreciation	233,470	187,244	712,883	803,907	1,459	1,938,963	-
Loss on disposal of asset	-	-	-	-	-	-	-
Other non-operating revenue	-	-	208,141	-	-	208,141	-
Changes in assets and liabilities:							
(Increase) decrease in accounts receivable	3,733	-	(126,079)	10,886	(3,007)	(114,467)	-
(Increase) decrease in due from other governments	-	(105,610)	-	-	-	(105,610)	-
(Increase) decrease in inventory	-	-	(36,680)	(3,953)	-	(40,633)	-
(Increase) decrease in deferred outflows of resources for pensions	-	(2,113)	(30,241)	(9,169)	-	(41,523)	-
(Increase) decrease in deferred outflows of resources for OPEB	-	(2,802)	(24,485)	(12,126)	-	(39,413)	-
Increase (decrease) in net pension liability	-	5,464	78,228	23,718	-	107,410	-
Increase (decrease) in deferred inflows of resources for pensions	-	(4)	(62)	(19)	-	(85)	-
Increase (decrease) in deferred inflows of resources for OPEB	-	(65)	(565)	(279)	-	(909)	-
Increase (decrease) in accounts payable and liabilities	12,390	15,568	84,284	1,682	3,850	117,774	2,413
Increase (decrease) in payroll payable	-	526	4,346	635	-	5,507	-
Increase (decrease) in customer deposits	1,630	-	13,575	-	985	16,190	-
Increase (decrease) in net OPEB liability	-	4,981	18,700	21,041	-	44,722	-
Increase (decrease) in compensated absences	-	3,085	10,787	(3,866)	-	10,006	-
Total adjustments	251,223	106,274	912,832	832,457	3,287	2,106,073	2,413
Net cash provided (used) by operating activities	<u>\$ 257,585</u>	<u>\$ 447,488</u>	<u>\$ 518,541</u>	<u>\$ (234,879)</u>	<u>\$ 25,792</u>	<u>\$ 1,014,527</u>	<u>\$ 884,976</u>

STANLY COUNTY, NORTH CAROLINA
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUND
JUNE 30, 2021

	Custodial Fund
ASSETS	
Cash and investments	\$ 298,704
Taxes receivable for other governments, net	441,943
Total Assets	<u>740,647</u>
LIABILITIES	
Accounts payable	-
Due to other governments	247,830
Total liabilities	<u>247,830</u>
NET POSITION	
Restricted for:	
Individuals, organizations, and other governments	492,817
Total fiduciary net position	<u><u>\$ 492,817</u></u>

STANLY COUNTY, NORTH CAROLINA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUND
FOR THE YEAR ENDED JUNE 30, 2021

	Custodial Funds
ADDITIONS	
Ad valorem taxes for other governments	\$ 24,825,753
Collections on behalf of inmates	316,972
Total additions	<u>25,142,725</u>
DEDUCTIONS	
Tax distributions to other governments	24,825,753
Payments on behalf of inmates	295,188
Total deductions	<u>25,120,941</u>
Net increase (decrease) in fiduciary net position	21,784
Net position, beginning, as previously reported	-
Prior period restatement - change in accounting principle	<u>471,033</u>
Net position, beginning, as restated	<u>471,033</u>
Net position, ending	<u><u>\$ 492,817</u></u>

**STANLY COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

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, 2021. The Authority does not issue separate financial statements.

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

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

B. Basis of Presentation – Basis of Accounting

Basis of Presentation, Measurement Focus - Basis of Accounting

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

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

**STANLY COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

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

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

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

The County reports the following major governmental fund:

General Fund. This is the County's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

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:

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

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

Additionally, the County reports the following 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.

Nonmajor Funds. The County maintains twelve legally budgeted nonmajor funds. The Emergency Telephone System, Fire Districts Fund, Single Family Rehabilitation 2020, CDBG 2020 Revitalization, Deed of Trust, Fines and Forfeitures, and Representative Payee Funds are reported as nonmajor special revenue funds. The Livestock Arena Construction Project, Museum Renovation Project, Riverstone Industrial Park Project, Eastside Tower Project, and EMS Base Project are reported as nonmajor capital project funds. In addition, the Piney Point Water District Fund is also shown as a nonmajor fund.

STANLY COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

C. Measurement Focus, Basis of Accounting

In accordance with North Carolina General Statutes, all funds of the County are maintained during the year using the modified accrual basis of accounting.

Government-wide, Proprietary, and Fiduciary Fund Financial Statements. The government-wide, proprietary, and fiduciary fund financial statements are reported using the economic resources measurement focus, except for the agency funds which have no measurement focus. The government-wide, proprietary fund, and fiduciary fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the County gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

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

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

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.

STANLY COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

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 two SEC-registered funds, is authorized by G.S. 159-30(c)(8). One of these funds, the Government Portfolio, is a 2a7 fund which invests in treasuries and government agencies and is rated AAAm by S&P and AA-mf by Moody Investor Services. The Government Portfolio is reported at fair value.

2. Cash and Cash Equivalents

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

3. Restricted Assets

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

STANLY COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

Restricted Assets (continued)

Stanly County Restricted Cash		
<u>Governmental Activities</u>		
EMS Base Project	Unspent loan proceeds	\$ 2,791
American Rescue Plan Fund	Unspent grant proceeds	6,099,665
Total governmental activities		<u>6,102,456</u>
<u>Business-Type Activities</u>		
Greater Badin Water & Sewer District Fund	Customer Deposits	\$ 19,080
Piney Point Water District Fund	Customer Deposits	4,715
Stanly County Utility Fund	Customer Deposits	151,298
Total business-type activities		<u>175,093</u>
Total restricted cash		<u>\$ 6,277,549</u>

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, 2020. As allowed by State law, the County has established a schedule of discounts that apply to taxes that are paid prior to the due date. In the County's General Fund, ad valorem tax revenue are reported net of such discounts.

5. Allowance for Doubtful Accounts

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

6. Inventory

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

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

7. Capital Assets

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

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

**STANLY COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

Capital Assets (continued)

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

8. Deferred Outflows/Inflows of Resources

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

9. Long-Term Obligations

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

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

10. Compensated Absences

The vacation policy of the County provide for the accumulation of up to thirty (30) days earned vacation leave with such leave being fully vested when earned. An expense and a liability for compensated absences and the salary-related payments are recorded as the leave is earned in the County's government-wide and proprietary fund. The County's liability for accumulated earned vacation and the salary-related payments as of June 30, 2021 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, 2021**

11. Self-Insured

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

12. Net Position/Fund Balances

Net Position

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

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

Fund Balances

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

The governmental fund types classify fund balances as follows:

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

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

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

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

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

STANLY COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

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 \$135,076 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.

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

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

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

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

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

Assigned Fund Balances at June 30, 2021 are as follows:

Purpose	General Fund
Assigned:	
Subsequent year's expenditures	\$ 1,461,352
General Government	522,886
Public Safety	797,751
Economic and Physical Development	28,408
Human Services	2,042,952
Cultural and Recreation	134,951
Total	<u>\$ 4,988,300</u>

Assigned for Subsequent Year's Expenditures - portion of fund balance that has been appropriated for the adopted 2021-2022 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 - \$74,989, Sheriff - \$4,211, animal control - \$17,406, federal/State drug - \$15,620 inspections - \$685,525.

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 - \$10,241. Dental clinic portion is assigned for future dental clinic services - \$2,032,711.

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 - \$15,281. Master Gardner is assigned for a specific purpose - \$1,132, as is Learning to Grow - \$33 and Crop/Hort Fundraising - \$282.

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, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

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

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

13. Defined Benefit 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, 2021

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	84,492	
Depreciable property	57,738,198	
Accumulated depreciation	<u>(28,057,209)</u>	\$ 31,933,894

Net Pension Asset	<u>144,372</u>	144,372
-------------------	----------------	---------

Contributions to the pension plan in the current fiscal year	<u>2,178,313</u>	2,178,313
--	------------------	-----------

Benefit payments and pension administration costs for LEOSA	<u>20,248</u>	20,248
---	---------------	--------

Contributions to OPEB plan in the current fiscal year	<u>162,791</u>	162,791
---	----------------	---------

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>290,509</u>	290,509
--	----------------	---------

Liabilities for deferred inflows of resources reported in the fund statements, but not the government-wide	<u>1,340,927</u>	1,340,927
--	------------------	-----------

Pension related deferrals	<u>4,071,333</u>	4,071,333
---------------------------	------------------	-----------

OPEB related deferrals	<u>637,933</u>	637,933
------------------------	----------------	---------

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	(18,011,461)	
Compensated Absences	(1,745,505)	
Total OPEB Liability	(8,941,656)	
Net Pension Liability (LGERS)	(10,008,254)	
Total Pension Liability (LEOSA)	(1,689,179)	
Interest Payable	<u>(155,007)</u>	(40,551,062)

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>2,785,239</u>	<u>2,785,239</u>
Total Adjustment		<u><u>\$ 3,014,497</u></u>

STANLY COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

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 \$2,957,588 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	\$ 3,504,356	
Depreciation	<u>(2,062,524)</u>	\$ 1,441,832

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

<u>(27,131)</u>	(27,131)
-----------------	----------

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	(9,067,107)	
Debt retired	12,155,652	
Amortized premium	<u>89,000</u>	3,177,545

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	(125,324)	
Accrual of taxes	<u>(365,707)</u>	(491,031)

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

<u>2,178,313</u>	2,178,313
------------------	-----------

Benefit payments and administration costs for LEOSA are deferred outflows of resources on the Statement of Net Position.

<u>20,248</u>	20,248
---------------	--------

Contributions to the OPEB plan are deferred outflows of resources on the Statement of Net Position.

<u>162,791</u>	162,791
----------------	---------

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	(172,146)	
OPEB expense	(732,209)	
County's portion of collective pension expense	(3,722,091)	
Interest expense	<u>235,417</u>	(4,391,029)

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>886,050</u>	<u>886,050</u>
----------------	----------------

Total Adjustment		<u><u>\$ 2,957,588</u></u>
------------------	--	----------------------------

**STANLY COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

NOTE II: Stewardship, Compliance and Accountability

Excess of Expenditures over Appropriations

The County should have established budgets for the three new special revenue funds (Deed of Trust, Fines and Forfeitures, and Representative Payee Fund) created as a result of the implementation of GASB 84. As a result of not adopting a budget, expenditures were made that were not properly authorized. This was a new standard, so it was simply an oversight by the County. They are now aware of the requirement, and will adopt budgets accordingly.

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, 2021 the County's deposits had a carrying amount of \$26,211,976 and a bank balance of \$26,379,321. Of the bank balance, \$500,000 was covered by federal depository insurance; and \$25,879,321 in interest bearing deposits was covered by collateral held under the Pooling Method. The petty cash funds totaled \$4,748.

At June 30, 2021, the carrying amount of deposits for the Authority's deposits was \$1,681,135 and a bank balance of \$1,691,318. All of the bank balance, \$250,000 was covered by federal depository insurance, and \$1,441,318 was covered by collateral held under the pooling method.

STANLY COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

2 . Investments

At June 30, 2021, the County had the following investments and maturities.

Investment Type	Valuation Measurement Method	Fair Value	Less Than 6 Months	6 - 12 Months	1 - 3 Years
NC Capital Management Trust - Government Portfolio	Fair Value - Level 1	\$ 17,301,815	\$ 17,301,815	\$ -	\$ -
First Citizens - Direct Government Securities	Fair Value - Level 1	6,198	6,198	-	-
First Citizens - Accrued Income	Fair Value - Level 1	2,531,193	1,311,131	532,835	687,227
First Citizens - NC Capital Management Trust - Government Portfolio	Fair Value - Level 1	635,203	635,203	-	-

Because the NCCMT Government and Term Portfolio have a weighted average maturity of less than 90 days, they are presented as in investment with a maturity of less than 6 months. The NCCMT Government Portfolio has an AAAM rating from S&P and AAA-mf by Moody's Investor Service. The NCCMT Term Portfolio has no rating.

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

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

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

Credit Risk. The County limits investments to the provisions of G.S. 159-30 and restricts the purchase of securities to the highest possible ratings whenever particular types of securities are rated. State law limits investments in commercial paper to the top rating issued by nationally recognized statistical rating organizations (NRSROs). The County's investments in the NC Capital Management Trust Portfolio carried a credit rating of AAA by Standard & Poor's as of June 30, 2021. The County's investment in the NC Capital Trust Term Portfolio is unrated. The Term Portfolio is authorized to invest in obligations of the US Government and agencies, and in high grade money market instruments as permitted under North Carolina General Statue 159-30 as amended. The County's investments in US Agencies are rated AAA by Standard & Poor's and Aaa by Moody's Investors Service.

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

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

Year Levied	Tax	Interest	Total
2018	\$ 2,475,601	\$ 587,957	\$ 3,063,558
2019	2,480,307	365,858	2,846,165
2020	2,496,963	143,581	2,640,544
2021	2,540,195	-	2,540,195
Total	<u>\$ 9,993,066</u>	<u>\$ 1,097,396</u>	<u>\$ 11,090,462</u>

STANLY COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

4. Receivables

Receivables at the government-wide level at June 30, 2021, were as follows:

	Taxes Receivable	Trade Accounts Receivable	Due From Other Governments	Interest	Total
Governmental Activities:					
General	\$ 2,247,797	\$ 1,241,191	\$ 5,501,396	\$ 291,144	\$ 9,281,528
Other Governmental	94,130	-	35,915	-	130,045
Total Receivables	2,341,927	1,241,191	5,537,311	291,144	9,411,573
Allowance for Doubtful Accts.	(1,012,185)	(252,129)	-	-	(1,264,314)
Total Gov't Activities	<u>\$ 1,329,742</u>	<u>\$ 989,062</u>	<u>\$ 5,537,311</u>	<u>\$ 291,144</u>	<u>\$ 8,147,259</u>
Business-type Activities:					
Greater Badin Water & Sewer	\$ -	\$ 264,351	-	\$ 65	\$ 264,416
West Stanly WWTP	-	-	2,727,490	-	2,727,490
Piney Point Water District	-	15,343	-	84	15,427
Stanly County Utility Fund	-	845,851	537,356	375	1,383,582
Airport	-	24,910	-	35	24,945
Total Receivables	-	1,150,455	3,264,846	559	4,415,860
Allowance for Doubtful Accts.	-	(315,531)	-	-	(315,531)
Total Business-type	<u>\$ -</u>	<u>\$ 834,924</u>	<u>\$ 3,264,846</u>	<u>\$ 559</u>	<u>\$ 4,100,329</u>

Due from other governments for the year ended June 30, 2021 consists of the following:

Governmental Activities:	
Local option sales tax	\$ 2,828,209
NC DMV tax	616,108
Sales tax receivable	546,918
Medicaid Hold Harmless	335,362
EMS grants receivable	35,915
Tire and white goods	34,517
Telecommunication tax	32,490
DSS and DHHS	860,858
Lottery	-
Project Grant Funds	-
Other	246,934
Total	<u>\$ 5,537,311</u>
Business-Type Activities:	
Grants Receivable	\$ 537,356
DEQ Drawdown Loan	2,727,490
Total	<u>\$ 3,264,846</u>

STANLY COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

5. Capital Assets

Primary Government

Capital asset activity for the year ended June 30, 2021, was as follows:

<u>Governmental Activities:</u>	Beginning Balances	Increases	Decreases	Ending Balances
Capital assets not being depreciated:				
Land	\$ 1,835,577	\$ 332,836	\$ -	\$ 2,168,413
Construction in Progress	3,820,722	1,099,003	(4,835,233)	84,492
Total capital assets not being depreciated	5,656,299	1,431,839	(4,835,233)	2,252,905
Capital assets being depreciated:				
Building	28,782,750	1,150,000	-	29,932,750
Equipment and vehicles	22,773,449	5,757,750	(725,751)	27,805,448
Total capital assets being depreciated:	51,556,199	6,907,750	(725,751)	57,738,198
Less accumulated depreciation for:				
Building	15,637,288	651,492	-	16,288,780
Equipment and vehicles	11,056,017	1,411,032	(698,620)	11,768,429
Total accumulated depreciation:	26,693,305	\$ 2,062,524	\$ (698,620)	28,057,209
Total capital assets being depreciated, net	24,862,894			29,680,989
Governmental activity capital assets, net	\$ 30,519,193			\$ 31,933,894

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

General Government	\$ 380,702
Public Safety	1,418,071
Transportation	109,099
Environmental Protection	16,428
Economic and Physical Development	23,958
Human Services	47,442
Cultural and Recreation	66,824
Total Depreciation Expense	\$ 2,062,524

Business-type activities:

Greater Badin Water and Sewer:	Beginning Balances	Increases	Decreases	Ending Balances
Capital assets not being depreciated:				
Construction in progress	\$ -	\$ -	\$ -	\$ -
Total capital assets not being depreciated:	-	-	-	-
Capital assets being depreciated:				
Plant in service	13,296,720	-	-	13,296,720
Equipment and vehicles	224,017	24,285	(22,029)	226,273
Total capital assets being depreciated :	13,520,737	24,285	(22,029)	13,522,993
Less accumulated depreciation for:				
Plant in service	7,027,871	228,340	-	7,256,211
Equipment and vehicles	217,460	5,129	(22,029)	200,560
Total accumulated depreciation:	7,245,331	\$ 233,469	\$ (22,029)	7,456,771
Total capital assets being depreciated, net	6,275,406			6,066,222
Total Greater Badin capital assets, net	\$ 6,275,406			\$ 6,066,222

STANLY COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

	Beginning Balances	Increases	Decreases	Ending Balances
Piney Point Water:				
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	692,711	1,459	-	694,170
Total accumulated depreciation	692,711	1,459	-	694,170
Total capital assets being depreciated, net	35,273	\$ (1,459)	\$ -	33,814
Total Piney Point capital assets, net	\$ 35,273			\$ 33,814
West Stanly Waste Water Treatment Plant:				
Capital assets not being depreciated:				
Construction in progress	\$ 564,227	\$ 3,587,989	\$ -	\$ 4,152,216
Total capital assets not being depreciated:	564,227	3,587,989	-	4,152,216
Capital assets being depreciated:				
Plant in service	3,835,778	-	-	3,835,778
Equipment and vehicles	53,265	19,905	-	73,170
Total capital assets being depreciated :	3,889,043	19,905	-	3,908,948
Less accumulated depreciation for:				
Plant in service	1,090,887	179,160	-	1,270,047
Equipment and vehicles	37,974	8,085	-	46,059
Total accumulated depreciation:	1,128,861	\$ 187,245	\$ -	1,316,106
Total capital assets being depreciated, net	2,760,182			2,592,842
Total West Stanly Waste Water Treatment Plant capital assets, net	\$ 3,324,409			\$ 6,745,058
Stanly Utility Operating:				
Capital assets not being depreciated:				
Land	\$ 223,784	\$ -	\$ -	\$ 223,784
Construction in progress	1,881,269	1,223,589	(1,140,335)	1,964,523
Total capital assets not being depreciated:	2,105,053	1,223,589	(1,140,335)	2,188,307
Capital assets being depreciated:				
Plant in service	28,267,257	1,140,335	-	29,407,592
Equipment and vehicles	732,759	113,316	(13,087)	832,988
Total capital assets being depreciated :	29,000,016	1,253,651	(13,087)	30,240,580
Less accumulated depreciation for:				
Plant in service	16,567,178	652,169	-	17,219,347
Equipment and vehicles	621,867	60,714	(13,087)	669,494
Total accumulated depreciation:	17,189,045	\$ 712,883	\$ (13,087)	17,888,841
Total capital assets being depreciated, net	11,810,971			12,351,739
Total Stanly County Utility capital assets, net	\$ 13,916,024			\$ 14,540,046

STANLY COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

Airport Operating:	Beginning Balances	Increases	Decreases	Ending Balances
Capital assets not being depreciated:				
Land	\$ 4,924,095	\$ -	\$ -	\$ 4,924,095
Construction in progress	1,617,258	265,006	(1,672,841)	209,423
Total capital assets not being depreciated:	6,541,353	265,006	(1,672,841)	5,133,518
Capital assets being depreciated:				
Buildings	5,064,552	-	-	5,064,552
Improvements	29,799,443	1,672,841	-	31,472,284
Equipment and vehicles	482,152	31,982	(50,072)	464,062
Total capital assets being depreciated :	35,346,147	1,704,823	(50,072)	37,000,898
Less accumulated depreciation for:				
Buildings	1,641,329	129,610	-	1,770,939
Improvements	20,778,844	656,237	-	21,435,081
Equipment and vehicles	450,468	18,060	(50,072)	418,456
Total accumulated depreciation:	22,870,641	\$ 803,907	\$ (50,072)	23,624,476
Total capital assets being depreciated, net	12,475,506			13,376,422
Total Airport capital assets, net	\$ 19,016,859			\$ 18,509,940
Total business-type activities capital assets, net	\$ 42,567,971			\$ 45,895,080

Construction Commitments

The county has active construction projects at June 30, 2021. Commitments with contractors are as follows:

Project	Project to Date	Remaining Commitment
Livestock Arena Construction Proj	\$ 84,492	\$ 707,211
West Stanly WWTP Rehab Proj	4,111,692	3,221,127
WS WWTP 2.5 MGD Expansion	40,524	16,977
NCDOT Hwy 24/27/73 East Water	229,689	16,311
Palestine Water Pump Station	1,071,069	514,283
Countywide Water Master Plan	66,386	233,615
Webb Road Extn Project	542,785	63,980
Bost Rd Waer Main Extn	13,807	186,193
Liberty Hill Water Booster Pump	38,552	141,448
Millingport Rd Transmission	2,235	27,765
Airport Area Broadband Connect	92,126	7,874
Airport Obstruction Removal	73,059	22,821
Airfield Lighting Control System	44,238	16,478
Total	\$ 6,410,654	\$ 5,176,081

STANLY COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

B. Liabilities

1. Payables

Payables at the government-wide level at June 30, 2021, were as follows :

	Vendors	Salaries and Benefits	Accrued Interest	IBNR	Total
Governmental Activities:					
General	\$ 1,516,473	\$ 1,265,871	\$ 155,007	\$ -	\$ 2,937,351
Other Governmental	92,931	-	-	784,147	877,078
Total Governmental Activities	<u>\$ 1,609,404</u>	<u>\$ 1,265,871</u>	<u>\$ 155,007</u>	<u>\$ 784,147</u>	<u>\$ 3,814,429</u>
Business-type Activities:					
Greater Badin Water & Sewer	\$ 20,696	\$ -	\$ 5,882	\$ -	\$ 26,578
Piney Point Water District	19,592	-	-	-	19,592
West Stanly Waste Water Treatment Plant	846,114	4,651	2,646	-	853,411
Stanly County Utility	342,830	40,119	4,918	-	387,867
Airport	9,216	10,905	-	-	20,121
Total Business-type Activities	<u>\$ 1,238,448</u>	<u>\$ 55,675</u>	<u>\$ 13,446</u>	<u>\$ -</u>	<u>\$ 1,307,569</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.

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, 2021**

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, 2021, was 10.84% of compensation for law enforcement officers, and 10.22% 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 \$2,272,491 for the year ended June 30, 2021.

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, 2021, the County reported a liability of \$10,479,072 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2019. The total pension liability was then rolled forward to the measurement date of June 30, 2020 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, 2021 the County's proportion was 0.29330% (measured as of June 30, 2020), which was a decrease of 0.0029% from its proportion measured as of June 30, 2020 (measured as of June 30, 2019).

For the year ended June 30, 2021, the County recognized pension expense of \$3,737,059. At June 30, 2021, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,323,323	\$ -
Changes in assumptions	779,849	-
Net difference between projected and actual earnings on pension plan investments	1,474,649	-
Changes in proportion and differences between County Contributions and proportionate share of contributions	271,249	-
County contributions subsequent to the measurement date	2,272,491	-
Total	<u>\$ 6,121,561</u>	<u>\$ -</u>

STANLY COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

Local Governmental Employees' Retirement System (continued)

\$2,272,491 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, 2022. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30:

2022	\$ 1,125,666
2023	1,432,132
2024	854,852
2025	436,420
2026	-
Thereafter	-
	<u>\$ 3,849,070</u>

Actuarial Assumptions. The total pension liability in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 Percent
Salary Increases	3.50 percent
Investment Rate of Return	7.00 percent, net of pension plan investment expense, including inflation

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

The actuarial assumptions used in the December 31, 2019 valuation were based on the results of an actuarial experience study as of December 31, 2014.

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

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. Global public equity return projections are established through analysis of the equity risk premium and the fixed income return projections. Other asset categories and strategies' return projections reflect the foregoing and historical data analysis. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2021 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
FOR THE YEAR ENDED JUNE 30, 2021**

Local Governmental Employees' Retirement System (continued)

The information above is based on 30 year expectations developed with the consulting actuary for the 2019 asset, liability, and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.05%. All rates of return and inflation are annualized.

Discount rate. The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the County's proportionate share of the net pension asset to changes in the discount rate. The following presents the County's proportionate share of the net pension asset calculated using the discount rate of 7.00%, as well as what the County's proportionate share of the net pension asset or net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00%) or 1-percentage-point higher (8.00%) than the current rate:

	1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
County's proportionate share of the net pension liability (asset)	\$ 21,260,895	\$ 10,479,072	\$ 1,518,619

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, 2019 valuation date, the Separation Allowance's membership consisted of:

Inactive Members Currently Receiving Benefits	4
Active plan members	55
Total	<u>59</u>

**STANLY COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

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, 2019 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	1.93 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, 2019 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 \$38,087 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, 2021, the County reported a total pension liability of \$1,689,179. The total pension liability was measured as of December 31, 2020 based on a December 31, 2019 actuarial valuation. The total pension liability was rolled forward to December 31, 2020 utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2021, the County recognized pension expense of \$156,736.

STANLY COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

Law Enforcement Officers' Special Separation Allowance (continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 48,312	\$ 67,022
Changes of assumptions	461,646	30,209
County benefit payments and plan administrative expense made subsequent to the measurement date	20,248	-
Total	<u>\$ 530,206</u>	<u>\$ 97,231</u>

The County paid \$20,248 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, 2022. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2022	\$ 61,999
2023	63,985
2024	68,462
2025	84,534
2026	83,137
Thereafter	50,610

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 1.93%, 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 (0.93%) or 1-percentage-point higher (2.93%) than the current rate:

	1% Decrease (0.93%)	Discount Rate (1.93%)	1% Increase (2.93%)
Total pension liability	\$ 1,870,908	\$ 1,689,179	\$ 1,524,925

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

	2021
Beginning balance	\$ 1,081,653
Service Cost	78,334
Interest on the total pension liability	34,641
Changes of benefit terms	-
Differences between expected and actual experience in the measurement of the total pension liability	51,389
Changes in assumptions or other inputs	481,249
Benefit payments	(38,087)
Other changes	-
Ending balance of the total pension liability	<u>\$ 1,689,179</u>

Changes of assumptions. Changes of assumptions and other inputs reflect a change in the discount rate from 3.26 percent at June 30, 2019 (measurement date) to 1.93% at June 30, 2020 (measurement date).

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

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

The actuarial assumptions used in the December 31, 2019 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.

**STANLY COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

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, 2021 were \$176,557, which consisted of \$133,062 from the County and \$43,496 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.

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 \$7,923 for the year ended June 30, 2021.

STANLY COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

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, 2021, the County reported an asset of \$144,372 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2020. The total pension asset used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2019. The total pension liability was then rolled forward to the measurement date of June 30, 2020 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, 2020, the County's proportion was 0.6300%, which was an increase of 0.0591% from its proportion measured as of June 30, 2019.

For the year ended June 30, 2021, the County recognized pension revenue of \$3,800. At June 30, 2021, 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	\$ -	\$ 2,942
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	-	12,353
Changes in proportion and differences between County Contributions and proportionate share of contributions	5,254	7,487
County contributions subsequent to the measurement date	7,923	-
Total	<u>\$ 13,177</u>	<u>\$ 22,782</u>

\$7,923 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, 2022.

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

<u>Year Ended June 30:</u>	<u>Total</u>
2022	\$ (3,264)
2023	(5,577)
2024	(5,575)
2025	(3,112)
2026	-
Thereafter	-

Actuarial Assumptions. The total pension liability in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 Percent
Salary Increases	3.5 to 7.75 percent, including inflation and productivity factor
Investment Rate of Return	3.75 percent, net of pension plan investment expense, including inflation

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

The actuarial assumptions used in the December 31, 2019 valuation were based on the results of an actuarial experience study as of December 31, 2014.

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

**STANLY COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

Registers of Deeds' Supplemental Pension Fund (continued)

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, 2021 is 1.4%.

The information above is based on 30 year expectations developed with the consulting actuary for the 2021 asset, liability, and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.00%. All rates of return and inflation are annualized.

Discount rate. The discount rate used to measure the total pension liability was 3.75%. The projection of cash flows used to determine the discount rate assumed that contributions from employers will be made at statutorily required rates. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the County's proportionate share of the net pension asset to changes in the discount rate. The following presents the County's proportionate share of the net pension asset calculated using the discount rate of 3.75%, as well as what the County's proportionate share of the net pension asset or net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.75%) or 1-percentage-point higher (4.75%) than the current rate:

	1% Decrease (2.75%)	Discount Rate (3.75%)	1% Increase (4.75%)
County's proportionate share of the net pension liability (asset)	\$ (122,626)	\$ (144,372)	\$ (162,773)

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, 2020, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of December 31, 2019. The total pension liability for LEOSSA was measured as of June 30, 2020, with an actuarial valuation date of December 31, 2019. 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
FOR THE YEAR ENDED JUNE 30, 2021

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)	\$ 10,479,072	\$ (144,372)	\$ -	\$ 10,334,700
Proportionate of the Net Pension Liability (Asset)	0.2933%	0.6300%	n/a	
Total Pension Liability	\$ -	\$ -	\$ 1,689,179	\$ 1,689,179
Pension Expense	\$ 3,737,059	\$ (3,800)	\$ 156,736	\$ 3,889,995

At June 30, 2021, 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>
<u>Deferred Outflows of Resources</u>				
Differences between expected and actual experience	\$ 1,323,323	\$ -	\$ 48,312	\$ 1,371,635
Changes of assumptions	779,849	-	461,646	1,241,495
Net difference between projected and actual earnings on pension plan investment	1,474,649	-	-	1,474,649
Changes in proportion and differences between County contributions and proportionate share of contributions	271,249	5,254	-	276,503
County contributions (LGERS, ROD)/benefit payments and administration costs (LEOSSA) subsequent to the measurement date	2,272,491	7,923	20,248	2,300,662

Deferred Inflows of Resources

Differences between expected and actual experience	\$ -	\$ 2,942	\$ 67,022	\$ 69,964
Changes of assumptions	-	-	30,209	30,209
Net difference between projected and actual earnings on pension plan investment	-	12,353	-	12,353
Changes in proportion and differences between County contributions and proportionate share of contributions	-	7,487	-	7,487

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:

STANLY COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

Other Postemployment Benefits (continued)

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, 2020, the date of the latest actuarial valuation:

Retirees and dependents receiving benefits	20
Active plan members	421
Total	<u>441</u>

Total OPEB Liability

The County's total OPEB liability of \$9,286,223 was measured as of June 30, 2020 and was determined by an actuarial valuation as of that date.

Actuarial assumptions and other inputs. The total OPEB liability in the June 30, 2020 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement unless otherwise specified:

Inflation	2.50 percent
Real wage growth	1.00 percent
Wage inflation	3.50 percent
Salary increases, including wage inflation	
General Employees	3.50 to 7.75 percent
Firefighters	3.50 to 7.75 percent
Law Enforcement Officers	3.50 to 7.35 percent
Municipal Bond Index Rate	
Prior Measurement Date	3.50 percent
Measurement Date	2.21 percent
Healthcare cost trend rates	
Pre-Medicare	7.00% for 2019 decreasing to an ultimate rate of 4.50% by 2026

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.

STANLY COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

Other Postemployment Benefits (continued)

Changes in the Total OPEB Liability

Total OPEB Liability as of June 30, 2019	\$ 7,681,100
Changes for the year:	
Service Cost at the end of the year*	388,595
Interest on TOL and Cash Flows	280,017
Change in benefit terms	-
Difference between expected and actual experience	(118,239)
Changes of assumptions or other inputs	1,194,370
Benefit payments	(139,620)
Other	-
Net Changes	<u>\$ 1,605,123</u>
Total OPEB Liability as of June 30, 2020	<u><u>\$ 9,286,223</u></u>

*The service cost includes interest for the year.

Changes in assumptions and other inputs reflect a change in the discount rate from 3.50% to 2.21%.

Mortality rates were based on the RP-2014 mortality tables, with adjustments for LGERS experience and generational mortality improvements using Scale MP-2015.

The actuarial assumptions used in the valuation were based on the results of an actuarial experience study for the period January 1, 2010 - December 31, 2014, 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 (1.21 percent) and 1-percentage-point higher (3.21 percent) than the current discount rate:

	1% Decrease (1.21 percent)	Discount Rate (2.21 Percent)	1% Increase (3.21 percent)
Net OPEB liability (asset)	\$ 10,340,596	\$ 9,286,223	\$ 8,344,912

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, 2021, 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)	\$ 8,002,064	\$ 9,286,223	\$ 10,845,850

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB. At June 30, 2021, the County recognized OPEB expense of \$761,953. At June 30, 2021, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

STANLY COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

Other Postemployment Benefits (continued)

At June 30, 2021, the components of the net OPEB liability of the County, measured as of June 30, 2020, were as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 113,799	\$ 277,413
Changes of assumptions	1,165,645	338,184
Benefit payments and administrative costs made subsequent to the measurement date	188,136	-
Total	<u>\$ 1,467,580</u>	<u>\$ 615,597</u>

\$188,136 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, 2022. Other amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30	
2022	\$ 43,187
2023	43,187
2024	47,218
2025	86,279
2026	111,064
Thereafter	332,912

f. Other Employment Benefits

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

3 Deferred Outflows and Inflows of Resources

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience		
LGERS	\$ 1,323,323	\$ -
Register of Deeds	-	2,942
LEOSSA	48,312	67,022
OPEB	113,799	277,413
Changes in assumptions		
LGERS	779,849	-
Register of Deeds	-	-
LEOSSA	461,646	30,209
OPEB	1,165,645	338,184

STANLY COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

Deferred Outflows and Inflows of Resources (continued)

Net difference between projected and actual earnings on pension plan investments		
LGERS	1,474,649	-
Register of Deeds	-	12,353
Changes in proportion and differences between employer contributions and proportionate share of contributions		
LGERS	271,251	-
Register of Deeds	5,254	7,487
County contributions and proportionate share of contributions (LGERS, ROD)		
LGERS	2,272,491	-
Register of Deeds	7,923	-
Benefit payments/administrative costs paid subsequent to the measurement date (LEOSSA)	20,248	
Benefit payments for the OPEB plan paid subsequent to measurement date	188,136	
Prepaid taxes not yet earned (General Fund)	-	-
Taxes receivable, net (General)	-	1,281,249
Taxes receivable, net (Special Revenue)	-	59,678
Total	<u>\$ 8,132,526</u>	<u>\$ 2,076,537</u>

4 Risk Management

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

Medical and Dental. The County is exposed to various risks of loss related to medical and illness needs of employees. The County and employees participated in a cost-share plan for group health insurance. The County established the Group Health Fund (Internal Service Fund) to account for its self-insurance plan. The County has contracted with a third-party administrator to account for its group health self-insurance plan that is administrated by Blue Cross/Blue Shield of North Carolina. The County is responsible for claims up to \$120,000 per covered employee/dependent per policy term. Claims greater than \$120,000 per covered employee/dependent per policy term, and those in excess of the aggregate stop/loss of 120% of expected net claims, are insured by the private insurance carrier. All full-time employees of the County participate in the program and make payments to the Group Health Insurance Fund based on estimates of the amounts needed to pay claims. The claims liability of \$609,879 reported in the fund at June 30, 2021 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 \$609,879 claims liability represented total estimated claims incurred, but not reported, as provided by the plan administrator's actuary.

	6/30/21	6/30/20
Unpaid claims and claim adjustment expenses at the beginning of the fiscal year	\$ 607,737	\$ 573,689
Incurring claims and claims adjustment expenses:		
Provision for insured events of current year	4,360,511	4,791,703
Claims and adjustment expenses attributable to insured events of current and prior year	<u>4,358,369</u>	<u>4,757,655</u>
Total claims liability	<u>\$ 609,879</u>	<u>\$ 607,737</u>

STANLY COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

Risk Management (continued)

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 \$169,793 reported in the fund at June 30, 2021 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 \$169,793 claims liability represents total estimated claims incurred, but not reported, as provided by the plan administrator's actuary.

	6/30/21	6/30/20
Unpaid claims and claim adjustment expenses at the beginning of the fiscal year	\$ 173,101	\$ 203,555
Incurred claims and claims adjustment expenses:		
Provision for insured events of current year	447,807	491,973
Claims and adjustment expenses attributable to insured events of current and prior year	451,115	522,427
Total claims liability	<u>\$ 169,793</u>	<u>\$ 173,101</u>

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

The County carries no flood insurance.

In accordance with G.S. 159-29, the County's employees 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, 2021, the County was a defendant to various lawsuits. In the opinion of the County's management and the County attorney, the ultimate effect of these legal matters could have a material adverse effect on the County's financial position.

6 Long-Term Obligations

a. Capital Leases

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

Capital lease agreements at June 30, 2021 are comprised of the following:

General Government:

Lease for the construction of the jail additions entered into on August 15, 2011, payable in semi-annual principal payments ranging from \$166,155 to \$195,078 and semi-annual interest payments at a rate of 2.92% through August 15, 2021.

\$ 166,155

STANLY COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

Capital Leases (continued)

Refinanced and additional lease proceeds for the purchase and construction of radio towers entered into on October 10, 2014, payable in annual principal payments ranging from \$225,544 to \$259,149, and annual interest payments at a rate of 2.31% through October 10, 2021.

259,149

Total

\$ 425,304

For Stanly County, the future minimum lease payments as of June 30, 2021 are as follows:

Year Ending June 30	Capitalized Leases	
	Principal	Interest
2022	\$ 425,304	\$ 8,495
Total	<u>\$ 425,304</u>	<u>\$ 8,495</u>

At June 30, 2021, the County leased the following assets valued at:

Class of Property	Cost	Accumulated Depreciation	Net Book Value
Jail	\$ 8,457,979	\$ 2,325,944	\$ 6,132,035
Radio Towers	554,210	88,674	465,536
Total	<u>\$ 9,012,189</u>	<u>\$ 2,414,618</u>	<u>\$ 6,597,571</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%.

\$ 4,789,474

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.

1,310,364

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.

187,571

**STANLY COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

Installment Purchase Agreements (continued)

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.	131,619
On September 21, 2017, the County entered into a \$218,468 direct placement installment purchase contract to purchase Sheriff department vehicles. The vehicles are pledged as collateral for the debt while the debt is outstanding. The financing contract requires annual principal payments ranging from \$53,025 to \$56,233 plus interest payments at an interest rate of 1.95%. In the event of default, the lender may declare the entire unpaid principal balance under this Note and all accrued unpaid interest immediately due.	56,233
On December 11, 2018, the County entered into a \$163,601 direct placement installment purchase contract to purchase Sheriff department vehicles. The vehicles are pledged as collateral for the debt while the debt is outstanding. The financing contract requires annual principal payments ranging from \$39,291 to \$42,543 plus interest payments at an interest rate of 2.65%. In the event of default, the lender may declare the entire unpaid principal balance under this Note and all accrued unpaid interest immediately due.	83,973
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.	256,323
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.	350,733
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.	260,125
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.	652,000

**STANLY COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

Installment Purchase Agreements (continued)

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.

8,154,982

Total General Fund

\$ 16,233,397

Enterprise Fund:

Stanly County Utility Fund:

On February 23, 2018, the County entered into a \$80,000 direct placement installment purchase contract to purchase a utilities 2017 Ford F-550 truck. The truck is pledged as collateral for the debt while the debt is outstanding. The financing contract requires annual principal payments of \$16,887, including interest payments at an interest rate of 2.15%. In the event of default, the Lender shall have all the rights of a secured party under the North Carolina Uniform Commercial Code including (a) making all or part of the amount owing by the terms of the loan immediately due; (b) acquire all or any portion of the Collateral and any certificates of title and other documents relating to the Collateral; (c) sell the collateral to collect proceeds to pay off the debt.

\$ 32,704

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.

147,858

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.

58,525

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.

55,000

Total Enterprise Fund

\$ 294,087

Total Installment Purchase Agreements

\$ 16,527,484

STANLY COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

Installment Purchase Agreements (continued)

Future minimum payments as of June 30, 2021 were as follows:

Year Ending June 30	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2022	\$ 2,026,674	\$ 281,426	\$ 74,598	\$ 7,492
2023	2,009,194	300,875	76,505	5,588
2024	1,984,517	258,931	61,569	3,634
2025	1,567,850	217,773	57,790	2,000
2026	1,470,013	184,556	23,625	478
2027-2031	4,777,493	515,199	-	-
2032-2036	1,555,452	253,253	-	-
2037-2041	228,064	150,911	-	-
2042-2046	277,475	101,500	-	-
2047-2051	336,665	41,384	-	-
2052-2056	-	-	-	-
Total General	<u>\$ 16,233,397</u>	<u>\$ 2,305,808</u>	<u>\$ 294,087</u>	<u>\$ 19,192</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, 2021, \$3,834,471 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.

\$ 3,834,471

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.

44,284

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.

664,913

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.

797,532

Total Revolving Loan Fund Loans

\$ 5,341,200

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.

\$ 468,750

Total Other Notes Payable

\$ 468,750

**STANLY COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

Other Notes Payable (continued)

Year Ending June 30	<u>Business Type Activities</u>			
	<u>Revolving Loan Funds</u>		<u>Other Notes Payable</u>	
	Principal	Interest	Principal	Interest
2022	\$ 452,808	\$ 11,104	\$ 156,250	\$ -
2023	452,808	10,487	156,250	-
2024	452,808	9,870	156,250	-
2025	452,808	9,253	-	-
2026	452,808	8,636	-	-
2027-2031	2,259,121	33,929	-	-
2032-2036	574,296	18,507	-	-
2037-2041	243,743	3,701	-	-
Total Business-Type	<u>\$ 5,341,200</u>	<u>\$ 105,487</u>	<u>\$ 468,750</u>	<u>\$ -</u>

e. General Obligation Indebtedness

The general obligation bond serviced by the County's General Fund are collateralized by the full faith credit and taxing power of the County. Principal and interest payments are appropriated when due. In the event of a default, the County agrees to pay to the Purchaser, on demand, interest on any and all amounts due and owing by the County under this Agreement.

The following is a schedule of general obligation debt at June 30, 2021:

General Fund:

\$16,325,000 Refunding Series 2010 Bond, due February 1, installments ranging from \$696,195 to \$2,008,800 through February 1, 2022; interest payable on August 1 and February 1 at 2.00% and 5.00%

\$ 1,265,000

General Obligation Indebtedness (continued)

The total general obligation debt above is for school building purposes and is excluded from the County's net position because title will be transferred to the Stanly County Board of Education.

Annual debt service requirements to maturity at June 30, 2021 are as follows:

Year Ending June 30	<u>Governmental Activities</u>	
	Principal	Interest
2022	\$ 1,265,000	\$ 50,600
Total	<u>\$ 1,265,000</u>	<u>\$ 50,600</u>

f. Revenue Bonds

West Stanly Waste Water Treatment Plant Fund

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

\$ 888,000

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%.

1,947,000

Total Revenue Bonds

\$ 2,835,000

STANLY COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

Revenue Bonds (continued)

Revenue bond debt service requirement to maturity are as follows:

Year Ending June 30	Business-Type Activities	
	Principal	Interest
2022	\$ 56,000	\$ 69,806
2023	57,000	68,456
2024	59,000	67,069
2025	60,000	65,625
2026	62,000	64,163
2027-2031	333,000	297,131
2032-2036	380,000	253,406
2037-2041	430,000	202,781
2042-2046	486,000	144,862
2047-2051	550,000	78,169
2052-2056	362,000	20,700
Total	<u>\$ 2,835,000</u>	<u>\$ 1,332,168</u>

West Stanly Waste Water Treatment Plant Fund

The debt service coverage ratio calculation for the year ended June 30, 2021, is as follows:

Total Revenues	\$ 958,050
Operating Expenses*	463,397
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>\$ 49,852</u>
---------------------------	------------------

Debt service on debt due in current fiscal year percent of coverage	<u>473%</u>
---	-------------

* Per revenue bond covenants, this does not include the depreciation expense of \$187,244.

Greater Badin Water and Sewer District Fund

The debt service coverage ratio calculation for the year ended June 30, 2021, is as follows:

Total Revenues	\$ 618,056
Operating Expenses*	378,224
Operating Income	<u>\$ 239,832</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>\$ 76,120</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 \$233,470.

Debt Related to Capital Activities. Of the total governmental activities debt listed, only \$11,869,227 relates to assets to which the County holds title. Unspent restricted cash related to this debt amounts to \$0.

STANLY COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

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, 2021:

	Balance July 1, 2020	Additions	Retirements	Balance June 30, 2021	Current Portion
Governmental Activities:					
General obligation debt	\$ 2,730,000	\$ -	\$ 1,465,000	\$ 1,265,000	\$ 1,265,000
Unamortized premiums on bonds	176,760	-	89,000	87,760	87,760
Capital Leases	5,518,860	-	5,093,556	425,304	425,304
Direct Placement Installment Purchase	12,763,385	9,067,107	5,597,095	16,233,397	2,026,674
Compensated Absences	1,573,359	1,120,500	948,354	1,745,505	948,354
Net pension liability (LGERS)	7,725,037	2,283,217	-	10,008,254	-
Total pension liability (LEOSSA)	1,081,653	607,526	-	1,689,179	-
Total OPEB Liability	7,381,255	1,560,401	-	8,941,656	-
Total governmental activities	\$ 38,950,309	\$ 14,638,751	\$ 13,193,005	\$ 40,396,055	\$ 4,754,332

Long-Term Obligation Activity (continued)

	Balance July 1, 2020	Additions	Retirements	Balance June 30, 2021	Current Portion
Business-type Activities:					
Stanly County Utility Fund:					
Direct Placement Installment Purchase	\$ 231,913	\$ 113,525	\$ 51,353	\$ 294,085	\$ 74,598
Direct Borrowing Revolving Loan Funds	751,058	-	41,860	709,198	41,860
Compensated absences	61,236	35,495	24,708	72,023	24,708
Net Pension Liability(LGERS)	264,674	78,228	-	342,902	-
Total OPEB Liability	186,274	18,700	-	204,974	-
Total Stanly County Utility Fund	\$ 1,495,155	\$ 245,948	\$ 117,921	\$ 1,623,182	\$ 141,166

Greater Badin Water and Sewer District Fund:

Revenue Bond	\$ 1,986,000	\$ -	\$ 39,000	\$ 1,947,000	\$ 40,000
Direct Borrowing Revolving Loan Funds	841,840	-	44,307	797,533	44,307
Total Greater Badin W&S Fund	\$ 2,827,840	\$ -	\$ 83,307	\$ 2,744,533	\$ 84,307

West Stanly Waste Water Treatment Plant Fund:

Notes payable	\$ 625,000	\$ -	\$ 156,250	\$ 468,750	\$ 156,250
Revenue bonds	904,000	-	16,000	888,000	16,000
Direct Borrowing Revolving Loan Funds	-	3,834,471	-	3,834,471	366,641
Compensated absences	2,885	7,788	4,703	5,970	4,703
Net Pension Liability(LGERS)	18,487	5,464	-	23,951	-
Total OPEB Liability	21,315	4,982	-	26,297	-
Total West Stanly WWTP Fund	\$ 1,571,687	\$ 3,852,705	\$ 176,953	\$ 5,247,439	\$ 543,594

Airport Fund:

Compensated absences	\$ 17,019	\$ 2,610	\$ 6,476	\$ 13,153	\$ 6,476
Net Pension Liability(LGERS)	80,247	23,718	-	103,965	-
Total OPEB Liability	92,255	21,041	-	113,296	-
Total Airport Fund	\$ 189,521	\$ 47,369	\$ 6,476	\$ 230,414	\$ 6,476

Total Business-type activities	\$ 6,084,203	\$ 4,146,022	\$ 384,657	\$ 9,845,568	\$ 775,543
--------------------------------	--------------	--------------	------------	--------------	------------

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

On June 30, 2021, Stanly County had a legal debt margin of \$401,973,528.

STANLY COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

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, 2021, no industrial revenue bonds were outstanding.

i. Net Investments in Capital Assets

Net investment in capital assets at June 30, 2021 was calculated as follows:

	General Fund	Enterprise Fund
Capital assets	\$ 31,933,894	\$ 45,895,080
Total debt, gross	(18,011,461)	(8,939,037)
Add: Debt not related to County assets		
School debt for which County does not hold title:		
Notes payable	4,789,474	-
General obligation bonds (refunded school bonds)	1,265,000	-
Unamortized premium on refunded bonds	87,760	-
Total school debt for which County does not hold title	6,142,234	-
Less: unspent debt proceeds	2,791	-
Total debt	(11,866,436)	(8,939,037)
Net investment in capital assets	\$ 20,067,458	\$ 36,956,043

C. Interfund Balances and Activity

Interfund receivable balances consist of cash deficits as of June 30, 2021. Those funds have projects in progress for which they first expend the money and are later reimbursed. The funds and the amounts are as follows:

	Interfund Receivables	Interfund Payable	Purpose
General Fund	\$ 2,101,949	\$ -	Cash Deficit
West Stanly Waste Water Treatment	-	2,087,775	Cash Deficit
Single Family Rehab 2020	-	274	Cash Deficit
CDBG 2020 Revitalization Fund	-	13,900	Cash Deficit
Total	\$ 2,101,949	\$ 2,101,949	

Transfers to and from other funds at June 30, 2021 consist of the following:

	Transfers From	To	Purpose
General Fund	\$ 1,036,082	\$ 68,165	Capital outlay
Capital Project Fund			
Riverstone Industrial Park	-	51,491	Capital outlay
Eastside Tower Project	-	288,364	Capital outlay
EMS Base	68,165	-	Remaining funds from project
Major enterprise funds and capital projects:			
Airport Fund	-	352,172	Capital outlay
Airport Runway Project	-	9,581	Capital outlay
Airport Lighting Project	-	4,424	Capital outlay
Airport Obstruction Removal Project	-	8,062	Capital outlay
Airport New Beacon Project	-	5,117	Capital outlay

STANLY COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

Transfers (continued)

West Stanly Waste Water Treatment Plant	40,524	-	Capital outlay
WS WWTP 2.5 MGD Expansion Project	-	40,524	Capital outlay
Stanly County Utility Fund	240,075	-	Capital outlay
Bost Road Water Extension Project		13,807	Capital outlay
Brown Hill Road Waterline Project	-	14,087	Capital outlay
Webb Road Extension Project	-	488,265	Capital outlay
Liberty Hill Water Booster Pump	-	38,552	Capital outlay
Millingport Road Transmission	-	2,235	Capital outlay
Total	<u>\$ 1,384,846</u>	<u>\$ 1,384,846</u>	

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	\$ 40,057,076
Less:	
Prepaid items	68,888
Stabilization by State statute	9,008,656
Total available fund balance	<u>\$ 30,979,532</u>

The County had no outstanding encumbrances at June 30, 2021.

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 \$216,674 to the Authority during the fiscal year ended June 30, 2021. 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, 2021. 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 \$1,689,293 for operating purposes and \$160,000 for capital during the fiscal year ended June 30, 2021. Complete financial statements for the Community College may be obtained from administrative offices at 141 College Drive, Albemarle, North Carolina 28001.

NOTE V: Joint Governed Organization

The County, in conjunction with eight other counties and twenty municipalities participates in the Centralina Council of Governments (Council). The participating governments established the Council to coordinate various funding received from federal and State agencies. Each participating government appoints one member to the Council's governing board. The County paid membership fees of \$15,199 the Council during the fiscal year ended June 30, 2021.

STANLY COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

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.

Coronavirus Disease (COVID-19)

During the fiscal year 2020, the World Health Organization declared the spread of Coronavirus Disease (COVID-19) a worldwide pandemic. The COVID-19 pandemic has had significant effects on global markets, supply chains, businesses, and communities. Specific to the County, COVID-19 is expected to impact various parts of its fiscal year 2021-22 operations and financial results. Management believes the County is taking appropriate actions to mitigate the negative impact. However, the full impact of COVID-19 is unknown and cannot be reasonably estimated as events associated with the pandemic continue to develop.

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 8, 2021, the date the financial statements were available to be issued.

NOTE VIII: Special Item

The County sold the Home Health Division effective November 20, 2020, for \$3,300,000. Per the agreement, \$330,000 is recorded as restricted fund balance until the terms of the agreement are satisfied.

NOTE IX: Restatements

Change in Account Principle

The County implemented Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*, effective July 1, 2020. The statement establishes criteria for identifying fiduciary activities of all state and local governments and provides guidance on how to report fiduciary activities within the financial statements. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. The statement also describes four fiduciary funds that should be reported if criteria outlined in the statement are met: (1) pension (and other employee benefit) trust funds, (2) investment trust funds, (3) private purpose trust funds, and (4) custodial funds. The use of agency funds was eliminated. The statement also provides for recognition of a liability to the beneficiaries in a fiduciary fund when an event has occurred that compels the government to disburse fiduciary resources.

STANLY COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

Change in Account Principle (continued)

As part of implementing the statement, the County performed a comprehensive review of its fiduciary relationships and applied the criteria within the guidance. As a result, fund balance and net position were restated as follows:

Governmental Activities Net Position - Increase (Decrease)	General Fund Balance - Increase (Decrease)	Nonmajor Special Revenue Fund Balance - Increase (Decrease)	Fiduciary Net Position - Custodial Fund - Increase (Decrease)	
\$ 1,036	\$ 1,036	\$ -	\$ -	Cash related to funds held for Sheriff execution fees were transferred from the previous agency fund to the General Fund. The resulted in a restatement of fund balance to set up the fund balance in the General Fund.
-	-	-	441,943	Cash, taxes receivables and liabilities related to ad valorem and vehicle property taxes collected by the County on behalf of various municipalities were reclassified out of the Agency Fund into a newly created Municipal Tax Custodial Fund. The portion of liabilities attributable taxes receivable at the beginning of the year were restated as custodial net position.
-	-	-	29,090	Cash related to funds held inmates was previously offset by a liability in the former Agency Fund. This restatement is to establish beginning net position in the new custodial fund.
13,819	-	13,819		Cash received under the Social Security Administration's Representative Payee Program net of liabilities owed for payments on behalf of beneficiaries were reclassified out of the Agency Fund into a newly created Representative Payee Special Revenue Fund. The portion of liabilities in the Agency Fund representing net cash available at the beginning of the year were restated as fund balance.
<u>\$ 14,855</u>	<u>\$ 1,036</u>	<u>\$ 13,819</u>	<u>\$ 471,033</u>	

REQUIRED SUPPLEMENTARY FINANCIAL INFORMATION

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

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

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

Local Government Employees' Retirement System				
	2021	2020	2019	2018
County's proportion of the net pension liability (asset) (%)	0.293%	0.296%	0.274%	0.277%
County's proportion of the net pension liability (asset) (\$)	\$ 10,479,072	\$ 8,088,445	\$ 6,490,253	\$ 4,224,918
County's covered payroll	21,303,811	20,577,405	19,501,302	19,078,455
County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	49.19%	39.31%	33.28%	22.14%
Plan fiduciary net position as a percentage of the total pension liability**	88.61%	92.00%	94.18%	91.47%
	2017	2016	2015	2014
County's proportion of the net pension liability (asset) (%)	0.276%	0.281%	0.272%	0.279%
County's proportion of the net pension liability (asset) (\$)	\$ 5,850,853	\$ 1,259,226	\$ (1,602,930)	\$ 3,358,200
County's covered payroll	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	33.71%	7.32%	-9.64%	21.97%
Plan fiduciary net position as a percentage of the total pension liability**	98.09%	98.79%	102.64%	94.35%

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Stanly County, North Carolina
Schedule of Changes in Total Pension Liability
Law Enforcement Officers' Special Separation Allowance
For the Year Ended June 30, 2021

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Beginning balance	\$ 1,081,653	\$ 980,566	\$ 1,033,196	\$ 992,821	\$ 967,725
Service cost	78,334	66,483	62,353	54,696	60,419
Interest on the total pension liability	34,641	34,873	32,138	37,598	33,817
Change in benefit terms	-	-	-	-	-
Difference between expected and actuarial experience in the measurement of the total pension liability	51,389	6,798	(68,751)	(92,684)	-
Changes of assumptions and other inputs	481,249	37,983	(46,010)	78,299	(28,212)
Benefit payments	(38,087)	(45,050)	(32,360)	(37,534)	(40,928)
Other changes	-	-	-	-	-
Ending balance of total pension liability	<u>\$ 1,689,179</u>	<u>\$ 1,081,653</u>	<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
For the Year Ended June 30, 2021

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total pension liability	\$ 1,689,179	\$ 1,081,653	\$ 980,566	\$ 1,033,196	\$ 992,821
Covered payroll	2,803,191	2,578,952	2,252,291	2,269,098	2,378,573
Total pension liability as a percentage of covered payroll	60.26%	41.94%	43.54%	45.53%	41.74%

Notes to the schedules:

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

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

Stanly County, North Carolina
Schedule of Changes in the Total OPEB Liability and Related Ratios
Healthcare Benefits Plan
For the Year Ended June 30, 2021

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability				
Service cost	\$ 388,595	\$ 356,965	\$ 370,806	\$ 403,919
Interest	280,017	279,522	247,169	207,976
Changes of benefit terms	-	-	-	-
Differences between expected and actual experience	(118,239)	(222,356)	76,465	167,936
Changes of assumptions	1,194,370	135,807	(266,490)	(446,264)
Benefit payments	(139,620)	(107,947)	(261,316)	(338,652)
Net change in total OPEB liability	<u>1,605,123</u>	<u>441,991</u>	<u>166,634</u>	<u>(5,085)</u>
Total OPEB liability - beginning	<u>7,681,100</u>	<u>7,239,109</u>	<u>7,072,475</u>	<u>7,077,560</u>
Total OPEB liability - ending	<u><u>\$ 9,286,223</u></u>	<u><u>\$ 7,681,100</u></u>	<u><u>\$ 7,239,109</u></u>	<u><u>\$ 7,072,475</u></u>
Covered payroll	\$ 18,115,221	\$ 18,115,221	\$ 17,586,997	\$ 17,586,997
Total OPEB liability as a percentage of covered payroll	51.26%	42.40%	41.16%	40.21%

Notes to Schedule

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

<u>Fiscal Year</u>	<u>Rate</u>
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.

GENERAL FUND

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

Stanly County, North Carolina
General Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2021

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Ad valorem Taxes			
Current year		\$ 35,251,588	
Penalties and interest		365,590	
Total	\$ 34,802,799	35,617,178	\$ 814,379
Local Option Sales Taxes			
Sales tax article 39		5,191,822	
Sales tax article 40		3,869,883	
Sales tax article 42		3,364,951	
Sales tax article 44		851,427	
Sales tax article 46		2,254,848	
Medicaid Hold Harmless payment		1,109,314	
Total	12,557,380	16,642,245	4,084,865
Other Taxes and Licenses			
Other taxes		31,816	
Real property excise tax		407,143	
Solid waste		31,681	
Occupancy tax		309,980	
Cable franchise tax		133,291	
Beer & wine tax		3,290	
Total	730,000	917,201	187,201
Unrestricted Intergovernmental Revenues			
ABC profits		138,823	
Total	64,985	138,823	73,838
Restricted Intergovernmental Revenues			
EMS		59,800	
Other federal and State grants		725,724	
Senior and aging grants		625,174	
Public safety		282,549	
Transportation		380,955	
Health		1,536,282	
Social services grants		5,334,340	
HRSA Grant		125,738	
CARES Act Funding		2,959,186	
Lottery		712,000	
Total	11,810,484	12,741,748	931,264
Permits and Fees			
Zoning and planning permits		35,736	
Tech fees		30,767	
Concealed weapons permit		100,925	
Recording fess		402,839	
Marriage license		13,036	
Building permits		1,140,499	
Animal control		33,883	
Total	1,122,884	1,757,685	634,801

Stanly County, North Carolina
General Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2021

	Final Budget	Actual	Variance Positive (Negative)
Sales and Services			
Intergovernmental charges		211,321	
Sherriff and jail fees		964,082	
Ambulance fees		3,577,716	
Transportation		275,088	
Solid waste		1,092,732	
Health fees		2,329,148	
Rental and other charges		30,937	
Total	8,499,478	8,481,024	(18,454)
Interest on investments	305,000	51,016	(253,984)
Miscellaneous			
Donations		367,376	
Other Grants		118,300	
Rents		276,727	
Sale of assets		92,373	
Sale of Home Health Division		3,300,000	
Miscellaneous other		606,335	
Total	1,414,032	4,761,111	3,347,079
Total Revenues	71,307,042	81,108,031	9,800,989
Expenditures			
General Government:			
Governing Body			
Salaries and employee benefits		154,311	
Operating expenditures		98,416	
Total		252,727	
Administration			
Salaries and employee benefits		488,177	
Operating expenditures		28,518	
Capital Outlay		2,831	
Total		519,526	
Finance Department			
Salaries and employee benefits		462,457	
Operating expenditures		210,394	
Total		672,851	
Tax Assessor			
Salaries and employee benefits		670,694	
Operating expenditures		249,266	
Total		919,960	

Stanly County, North Carolina
General Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2021

	Final Budget	Actual	Variance Positive (Negative)
Tax Revaluation			
Salaries and employee benefits		411,191	
Operating expenditures		43,184	
Capital Outlay		-	
Total		<u>454,375</u>	
County Attorney			
Salaries		182,180	
Operating expenditures		4,953	
Total		<u>187,133</u>	
District Attorney			
Operating expenditures		-	
Total		<u>-</u>	
Clerk of Court			
Operating expenditures		11,872	
Total		<u>11,872</u>	
Judge's Office			
Operating expenditures		5,078	
Total		<u>5,078</u>	
Elections			
Salaries and employee benefits		388,000	
Operating expenditures		258,681	
Capital Outlay		60,999	
Total		<u>707,680</u>	
Register of Deeds			
Salaries and employee benefits		310,260	
Operating expenditures		57,719	
Capital Outlay		51,813	
Total		<u>419,792</u>	
Information Technology			
Salaries and employee benefits		556,335	
Operating expenditures		422,568	
Capital outlay		-	
Total		<u>978,903</u>	
Facilities Management			
Salaries and employee benefits		404,638	
Operating expenditures		646,856	
Capital outlay		332,836	
Total		<u>1,384,330</u>	
Total General Government	<u>6,706,745</u>	<u>6,514,227</u>	<u>192,518</u>

Stanly County, North Carolina
General Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2021

	Final Budget	Actual	Variance Positive (Negative)
Public safety:			
Sheriff			
Salaries		4,626,560	
Operating expenditures		924,308	
Capital Outlay		421,610	
Total		<u>5,972,478</u>	
Jail			
Salaries and employee benefits		2,106,530	
Operating expenditures		1,187,805	
Capital outlay		5,000	
Total		<u>3,299,335</u>	
Office of Juvenile Justice			
Operating expenditures		2,140	
Program expenditures		214,334	
Juvenile detention		47,824	
Total		<u>264,298</u>	
Emergency Management			
Salaries and employee benefit		4,768,819	
Operating expenditures		1,306,327	
Capital Outlay		1,335,602	
Total		<u>7,410,748</u>	
Code Enforcement			
Salaries and employee benefits		413,168	
Operating expenditures		46,782	
Capital Outlay		-	
Total		<u>459,950</u>	
Medical Examiner			
Contractual services		<u>44,100</u>	
Animal Control			
Salaries and employee benefits		335,780	
Operating expenditures		104,142	
Capital outlay		-	
Total		<u>439,922</u>	

Stanly County, North Carolina
General Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2021

	Final Budget	Actual	Variance Positive (Negative)
911 Communication Service			
Salaries and employee benefits		1,447,232	
Operating expenditures		552,107	
Capital outlay		-	
Total		<u>1,999,339</u>	
Total Public Safety	<u>20,011,943</u>	<u>19,890,170</u>	<u>121,773</u>
Transportation			
Salaries and employee benefits		719,512	
Operating expenditures		137,397	
Capital outlay		<u>204,713</u>	
Total Transportation	<u>1,306,076</u>	<u>1,061,622</u>	<u>244,454</u>
Environmental Protection			
Solid Waste Operations			
Salaries and employee benefits		410,178	
Operating expenditures		821,981	
Capital outlay		<u>8,500</u>	
Total		<u>1,240,659</u>	
Fire Forester			
Contributions to other agencies		<u>81,920</u>	
Soil and Water Conservation			
Salaries and employee benefits		117,518	
Operating expenditures		<u>4,213</u>	
Total		<u>121,731</u>	
Total Environmental Protection	<u>1,466,789</u>	<u>1,444,310</u>	<u>22,479</u>
Economic and Physical Development:			
Economic Development Commission			
Salaries and employee benefits		159,364	
Operating expenditures		369,275	
Capital Outlay		-	
Total		<u>528,639</u>	

Stanly County, North Carolina
General Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2021

	Final Budget	Actual	Variance Positive (Negative)
Occupancy Tax -Motel/Hotel			
To other municipalities		230,963	
Planning and Zoning			
Salaries and employee benefits		221,003	
Operating expenditures		27,273	
Total		248,276	
Central Permitting			
Salaries and employee benefits		239,408	
Operating expenditures		27,878	
Total		267,286	
Cooperative Extension			
Salaries and employee benefits		-	
Operating expenditures		219,196	
Total		219,196	
Special Appropriations for Economic Development			
Contribution for economic development		145,000	
Rocky River RPO			
Salaries and employee benefits		100,993	
Operating expenditures		6,346	
Total		107,339	
Total Economic and Physical Develop	1,866,309	1,746,699	119,610
Human services:			
Board Member expenses			
Salaries and employee benefits		3,146	
Other operating expenditures		622	
Total		3,768	
Health			
Salaries and employee benefits		2,374,788	
Other operating expenditures		974,014	
Capital outlay		-	
Total		3,348,802	
Home Health			
Salaries and employee benefits		165,310	
Operating expenditures		292,217	
Total		457,527	

Stanly County, North Carolina
General Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2021

	Final Budget	Actual	Variance Positive (Negative)
Dental Clinic			
Salaries and employee benefits		1,098,085	
Other operating expenditures		210,661	
Capital outlay		24,199	
Total		<u>1,332,945</u>	
Environmental Health			
Salaries		433,762	
Other operating expenditures		58,430	
Capital outlay		12,240	
Total		<u>504,432</u>	
Mental Health			
Contributions to other agencies:			
Bottle surcharge		26,514	
Piedmont area mental health		190,160	
Total		<u>216,674</u>	
Social Services			
Salaries and employee benefits		6,303,730	
Operating expenditures		1,643,820	
Daycare and resident services		254,284	
Total		<u>8,201,834</u>	
In-Home Services			
Salaries and employee benefits		106,874	
Operating expenditures		262,215	
Total		<u>369,089</u>	
Nutrition			
Salaries and employee benefits		153,403	
Operating expenditures		345,312	
Total		<u>498,715</u>	
I&A/Transportation			
Salaries and employee benefits		72,184	
Operating expenditures		40,017	
Total		<u>112,201</u>	
Family Caregiver Support Program			
Operating expenditures		33,533	
Total		<u>33,533</u>	

Stanly County, North Carolina
General Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2021

	Final Budget	Actual	Variance Positive (Negative)
Senior Services			
Salaries and employee benefits		286,764	
Other operating expenditures		248,580	
Total		535,344	
Veterans Services			
Salaries and employee benefits		89,456	
Operating expenditures		1,570	
Veterans Association		2,295	
Total		93,321	
HRSA Grant			
Salaries and employee benefits		7,389	
Other operating expenditures		135,700	
Total		143,089	
CARES Act - Allocation to Other Governments		593,401	
Total Human Services	19,657,422	16,444,675	3,212,747
Education:			
Stanly County Public Schools			
Current expenditures		11,608,310	
Teacher supplement		314,220	
Capital Outlay		3,445,000	
Total		15,367,530	
Stanly Community College			
Current Expenditures		1,386,842	
Capital Outlay		462,451	
Total		1,849,293	
Total Education	17,730,455	17,216,823	513,632
Cultural and Recreation:			
Library			
Salaries and employee benefits		971,651	
Operating expenditures		257,378	
Capital outlay		-	
Total		1,229,029	
Agriculture Civic Center			
Salaries and employee benefits		160,905	
Operating expenditures		147,353	
Total		308,258	
Total Cultural and Recreation	1,656,877	1,537,287	119,590

Stanly County, North Carolina
General Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2021

	Final Budget	Actual	Variance Positive (Negative)
Debt service:			
Principal		12,112,943	
Interest payments		695,904	
Total debt service	12,814,770	12,808,847	5,923
Contingency	250,000	-	250,000
Total expenditures	83,467,386	78,664,660	4,802,726
Revenue over (under) expenditures	(12,160,344)	2,443,371	14,603,715
Other financing sources (uses):			
Transfers (to):			
Enterprise Funds	(859,800)	(696,227)	163,573
Capital Project Funds	(423,261)	(339,855)	83,406
Water Sewer Authority (Component Unit)	(1,247,827)	(1,247,827)	-
Transfers from:			
Internal Service Fund	-	-	-
Capital Project Funds	70,957	68,165	(2,792)
Installment Debt Issued	9,144,407	9,067,107	(77,300)
Appropriated Fund Balance	5,475,868	-	(5,475,868)
Total other financing sources (uses)	12,160,344	6,851,363	(5,308,981)
Net change in fund balance	\$ -	9,294,734	\$ 9,294,734
Fund balance, beginning, as previously reported		30,761,306	
Prior period restatement - change in accounting principle		1,036	
Fund balance, beginning, as restated		30,762,342	
Fund balance, ending		\$ 40,057,076	

NONMAJOR GOVERNMENTAL FUNDS

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

Individual Fund Descriptions:

- **Emergency Telephone System Fund:** This fund is used to account for the revenues earmarked for the installation of emergency 911 phone system.
- **Fire Districts Fund:** This fund is used to account for revenues of the fourteen fire districts in Stanly County.
- **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.
- **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
- **Riverstone Industrial Park Project:** This fund is used to account for the funds designated for the development of this park.
- **Eastside Tower Project:** This fund is used to account for the funds designated for the construction of this tower.
- **EMS Base Project:** This fund is used to account for the construction of an EMS Base

Stanly County, North Carolina
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2021

Schedule C-1

	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
Assets:							
Current Assets:							
Cash and cash equivalents	\$ 177,193	\$ 48,023	\$ -	\$ -	\$ -	\$ -	\$ 33,229
Taxes receivable	-	59,678	-	-	-	-	-
Due from other governments	35,915	-	-	-	-	-	-
Restricted cash and cash equivalents	-	-	-	-	-	-	-
Total assets	<u>213,108</u>	<u>107,701</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>33,229</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances:							
Liabilities:							
Accounts payable and accrued liabilities	42,117	48,023	-	-	-	-	-
Interfund payables	-	-	274	13,900	-	-	-
Total liabilities	<u>42,117</u>	<u>48,023</u>	<u>274</u>	<u>13,900</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred Inflows of Resources:							
Unavailable revenue - property taxes	-	59,678	-	-	-	-	-
Fund Balances:							
Restricted:							
Stabilization by State Statute	35,915	-	-	-	-	-	-
Public Safety	135,076	-	-	-	-	-	-
Human Services	-	-	-	-	-	-	33,229
Cultural and Recreational	-	-	-	-	-	-	-
Unassigned	-	-	(274)	(13,900)	-	-	-
Total fund balances	<u>170,991</u>	<u>-</u>	<u>(274)</u>	<u>(13,900)</u>	<u>-</u>	<u>-</u>	<u>33,229</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 213,108</u>	<u>\$ 107,701</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 33,229</u>

Stanly County, North Carolina
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2021

Schedule C-1

	Capital Project Fund				
	Livestock Arena Construction Project	Riverstone Industrial Park Project	Eastside Tower Project	EMS Base Project	Total
Assets:					
Current Assets:					
Cash and cash equivalents	\$ 684,271	\$ -	\$ -	\$ -	\$ 942,716
Taxes receivable	-	-	-	-	59,678
Due from other governments	-	-	-	-	35,915
Restricted cash and cash equivalents	-	-	-	2,791	2,791
Total assets	<u>684,271</u>	<u>-</u>	<u>-</u>	<u>2,791</u>	<u>1,041,100</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances:					
Liabilities:					
Accounts payable and accrued liabilities	-	-	-	2,791	92,931
Interfund payables	-	-	-	-	14,174
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,791</u>	<u>107,105</u>
Deferred Inflows of Resources:					
Unavailable revenue - property taxes	-	-	-	-	59,678
Fund Balances:					
Restricted:					
Stabilization by State Statute	-	-	-	-	35,915
Public Safety	-	-	-	-	135,076
Human Services	-	-	-	-	33,229
Cultural and Recreational	684,271	-	-	-	684,271
Unassigned	-	-	-	-	(14,174)
Total fund balances	<u>684,271</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>874,317</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 684,271</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,791</u>	<u>\$ 1,041,100</u>

Stanly County, North Carolina
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2021

Schedule C-2

	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
Revenues:							
Ad valorem taxes	\$ -	\$ 3,359,551	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted intergovernmental	-	-	-	-	-	-	225,517
Permits and fees	-	-	-	-	62,454	-	-
Sales and services	430,982	-	-	-	-	229,564	-
Investment earnings	147	-	-	-	-	-	-
Total revenues	<u>431,129</u>	<u>3,359,551</u>	<u>-</u>	<u>-</u>	<u>62,454</u>	<u>229,564</u>	<u>225,517</u>
Expenditures:							
General Government	-	65,814	-	-	62,454	229,564	-
Public Safety	416,975	3,293,737	-	-	-	-	-
Human Services	-	-	-	-	-	-	206,107
Economic Development	-	-	274	13,900	-	-	-
Cultural and Recreation	-	-	-	-	-	-	-
Debt service payment	42,709	-	-	-	-	-	-
Total expenditures	<u>459,684</u>	<u>3,359,551</u>	<u>274</u>	<u>13,900</u>	<u>62,454</u>	<u>229,564</u>	<u>206,107</u>
Revenues over (under) expenditures	<u>(28,555)</u>	<u>-</u>	<u>(274)</u>	<u>(13,900)</u>	<u>-</u>	<u>-</u>	<u>19,410</u>
Other Financing Sources (Uses):							
Transfers- in							
General Fund	-	-	-	-	-	-	-
Transfers-out							
General Fund	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(28,555)	-	(274)	(13,900)	-	-	19,410
Fund Balances, beginning, as previously reported	199,546	-	-	-	-	-	-
Prior Period Restatement - change in accounting principle	-	-	-	-	-	-	13,819
Fund Balances, beginning, as restated	<u>199,546</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,819</u>
Fund Balance- June 30	<u>\$ 170,991</u>	<u>\$ -</u>	<u>\$ (274)</u>	<u>\$ (13,900)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 33,229</u>

Stanly County, North Carolina
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2021

Schedule C-2

	Capital Project Fund				
	Livestock Arena Construction Project	Riverstone Industrial Park Project	Eastside Tower Project	EMS Base Project	Total
Revenues:					
Ad valorem taxes	\$ -	\$ -	\$ -	\$ -	\$ 3,359,551
Restricted intergovernmental	-	-	-	-	225,517
Permits and fees	-	-	-	-	62,454
Sales and services	-	-	-	-	660,546
Investment earnings	-	-	-	-	147
Total revenues	-	-	-	-	4,308,215
Expenditures:					
General Government	-	-	-	-	357,832
Public Safety	-	-	288,364	758,762	4,757,838
Human Services	-	-	-	-	206,107
Economic Development	-	51,491	-	-	65,665
Cultural and Recreation	-	-	-	-	-
Debt service payment	-	-	-	-	42,709
Total expenditures	-	51,491	288,364	758,762	5,430,151
Revenues over (under) expenditures	-	(51,491)	(288,364)	(758,762)	(1,121,936)
Other Financing Sources (Uses):					
Transfers- in					
General Fund	-	51,491	288,364	-	339,855
Transfers-out					
General Fund	-	-	-	(68,165)	(68,165)
Total other financing sources (uses)	-	51,491	288,364	(68,165)	271,690
Net change in fund balances	-	-	-	(826,927)	(850,246)
Fund Balances, beginning, as previously reported	684,271	-	-	826,927	1,710,744
Prior Period Restatement - change in accounting principle	-	-	-	-	13,819
Fund Balances, beginning, as restated	684,271	-	-	826,927	1,724,563
Fund Balance- June 30	\$ 684,271	\$ -	\$ -	\$ -	\$ 874,317

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, 2021

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Charges - surcharges	\$ 430,982	\$ 430,982	\$ -
Investment earnings	-	147	147
Total Revenues	<u>430,982</u>	<u>431,129</u>	<u>147</u>
Expenditures:			
Telephone	158,363	134,234	24,129
Software and software maintenance	78,952	78,935	17
Hardware and hardware maintenance	112,874	108,184	4,690
Training	8,460	8,811	(351)
Departmental Supplies	7,982	7,846	136
Rental of Equipment	67,940	78,965	(11,025)
Contingency	23,627	-	23,627
Debt service payment	42,709	42,709	-
Total Expenditures	<u>500,907</u>	<u>459,684</u>	<u>41,223</u>
Revenues over (under) expenditures	<u>(69,925)</u>	<u>(28,555)</u>	<u>41,370</u>
Other Financing Sources (Uses):			
Appropriated fund balance	69,925	-	(69,925)
Total Other Financing Sources (Uses)	<u>69,925</u>	<u>-</u>	<u>(69,925)</u>
Net change in fund balance	<u>\$ -</u>	<u>(28,555)</u>	<u>\$ 111,295</u>
Fund Balance:			
Beginning of Year - July 1		<u>199,546</u>	
End of Year - June 30		<u>\$ 170,991</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, 2021

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Ad valorem taxes:			
Current year	\$ 3,287,303	\$ 3,304,025	\$ 16,722
Prior years	53,697	55,526	1,829
Total Revenues	<u>3,341,000</u>	<u>3,359,551</u>	<u>18,551</u>
Expenditures:			
Administration Fees:			
Tax collections fees	46,000	49,300	(3,300)
NCDMV tax processing fees	16,000	16,514	(514)
Total Administration Fees	<u>62,000</u>	<u>65,814</u>	<u>(3,814)</u>
Public Safety			
West Stanly Fire District	922,000	927,569	(5,569)
Center Fire District	355,000	360,611	(5,611)
Endy Fire District	214,000	215,013	(1,013)
Ridgecrest Fire District	210,000	211,369	(1,369)
Auwadale Fire District	165,000	164,793	207
Eastside Fire District	209,000	208,421	579
Oakboro Fire District	144,000	145,313	(1,313)
New London Fire District	239,000	238,625	375
Southside Fire District	180,000	179,306	694
Bethany Fire District	89,000	89,058	(58)
Richfield Fire District	140,000	139,785	215
Millingport Fire District	232,000	232,876	(876)
Norwood Special Fire District	34,000	33,992	8
Badin-Yakin Fire District	146,000	147,006	(1,006)
Total Public Safety	<u>3,279,000</u>	<u>3,293,737</u>	<u>(14,737)</u>
Total Expenditures	<u>3,341,000</u>	<u>3,359,551</u>	<u>(18,551)</u>
Net change in fund balance	<u>\$ -</u>	-	<u>\$ -</u>
Fund Balance:			
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, 2021

		Actual			Variance
	Project Authorization	Prior Years	Current Year	Total to Date	Positive Negative
Revenues:					
Single Family Rehab	\$ 190,000	\$ -	\$ -	\$ -	\$ (190,000)
Total Revenue	<u>190,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(190,000)</u>
Expenditures:					
Economic and Physical Development					
Administration	10,000		274	274	9,726
Rehabilitation	180,000	-	-	-	180,000
Total Expenditures	<u>190,000</u>	<u>-</u>	<u>274</u>	<u>274</u>	<u>189,726</u>
Revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>(274)</u>	<u>(274)</u>	<u>(274)</u>
Other Financing Sources (Uses):					
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>(274)</u>	<u>\$ (274)</u>	<u>\$ (274)</u>
Fund balance, beginning			-		
Fund balance, ending			<u>\$ (274)</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, 2021

		Actual			Variance
	Project Authorization	Prior Years	Current Year	Total to Date	Positive Negative
Revenues:					
CDBG Grant	\$ 750,000	\$ -	\$ -	\$ -	\$ (750,000)
Total Revenue	<u>750,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(750,000)</u>
Expenditures:					
Economic and Physical Development					
Professional Services	20,000		13,900	13,900	6,100
Rehabilitation	<u>730,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>730,000</u>
Total Expenditures	<u>750,000</u>	<u>-</u>	<u>13,900</u>	<u>13,900</u>	<u>736,100</u>
Revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>(13,900)</u>	<u>(13,900)</u>	<u>(13,900)</u>
Other Financing Sources (Uses):					
Transfer from General Fund	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
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>(13,900)</u>	<u>\$ (13,900)</u>	<u>\$ (13,900)</u>
Fund Balance:					
Beginning of Year - July 1			<u>-</u>		
End of Year - June 30			<u>\$ (13,900)</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, 2021

		Actual			Variance
	Project Authorization	Prior Years	Current Year	Total to Date	Positive (Negative)
Revenues:					
American Rescue Plan Act of 2021	\$ 6,099,665	\$ -	\$ -	\$ -	\$ (6,099,665)
Total Revenue	<u>6,099,665</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(6,099,665)</u>
Expenditures:					
Other Contracts, Grants	6,099,665	-	-	-	6,099,665
Total Expenditures	<u>6,099,665</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,099,665</u>
Revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other Financing Sources (Uses):					
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>-</u>	<u>\$ -</u>	<u>\$ -</u>
Fund Balance:					
Beginning of Year - July 1			<u>-</u>		
End of Year - June 30			<u>\$ -</u>		

Stanly County
Deed of Trust Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
June 30, 2021

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Permits and fees			
Register of deeds	<u>\$ -</u>	<u>\$ 62,454</u>	<u>\$ 62,454</u>
Expenditures:			
General Government			
Payments of fees collected to the State of North Carolina	<u>-</u>	<u>62,454</u>	<u>(62,454)</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>
Fund Balance:			
Fund balance, beginning, as previously reported		-	
Prior Period Restatement - change in accounting principle		<u>-</u>	
Fund balance, beginning, as restated		<u>-</u>	
Fund balance, ending		<u><u>\$ -</u></u>	

Stanly County
Fines and Forfeitures Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
June 30, 2021

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Sales and Services			
Penalties, fines, and forfeitures	\$ -	\$ 229,564	\$ 229,564
Expenditures:			
General Government			
Payments of penalties, fines and forfeitures to the Board of Education	-	229,564	(229,564)
Other Financing Sources(Uses):			
Fund Balance Appropriated	-	-	-
Net change in fund balance	<u>\$ -</u>	-	<u>\$ -</u>
Fund balance, beginning, as previously reported		-	
Prior Period Restatement - change in accounting principle		-	
Fund balance, beginning, as restated		-	
Fund balance, ending		<u>\$ -</u>	

Stanly County
Representative Payee Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
June 30, 2021

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Restricted intergovernmental	<u>\$ -</u>	<u>\$ 225,517</u>	<u>\$ 225,517</u>
Expenditures:			
Human services			
Payments made for the benefit of beneficiaries	<u>-</u>	<u>206,107</u>	<u>(206,107)</u>
Other Financing Sources(Uses):			
Fund Balance Appropriated	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u><u>\$ -</u></u>	<u>19,410</u>	<u><u>\$ 19,410</u></u>
Fund balance, beginning, as previously reported		-	
Prior Period Restatement - change in accounting principle		<u>13,819</u>	
Fund balance, beginning, as restated		<u>13,819</u>	
Fund balance, ending		<u><u>\$ 33,229</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, 2021

		Actual			Variance
	Project Authorization	Prior Years	Current Year	Total to Date	Positive (Negative)
Revenues:					
NC Department of Commerce	\$ 175,000	\$ 175,000	\$ -	\$ 175,000	\$ -
Donations	541,703	541,702	-	541,702	1
Total Revenue	<u>716,703</u>	<u>716,702</u>	<u>-</u>	<u>716,702</u>	<u>1</u>
Expenditures:					
Culture and Recreation					
Professional services	110,000	83,955	-	83,955	26,045
Buildings, Structure, & Improvements	681,703	150	-	150	681,553
Total Expenditures	<u>791,703</u>	<u>84,105</u>	<u>-</u>	<u>84,105</u>	<u>707,598</u>
Revenues over (under) expenditures	<u>(75,000)</u>	<u>632,597</u>	<u>-</u>	<u>632,597</u>	<u>707,599</u>
Other Financing Sources (Uses):					
Transfer from General Fund	75,000	51,674	-	51,674	(23,326)
Total other financing sources (uses)	<u>75,000</u>	<u>51,674</u>	<u>-</u>	<u>51,674</u>	<u>(23,326)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 684,271</u>	<u>-</u>	<u>\$ 684,271</u>	<u>\$ 684,273</u>
Fund Balance:					
Beginning of Year - July 1			<u>684,271</u>		
End of Year - June 30			<u>\$ 684,271</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, 2021

		Actual				Variance
	Project Authorization	Prior Years	Current Year	Completed Projects	Total to Date	Positive Negative
Revenues:						
NC Department of Commerce	\$ 950,000	\$ 950,000	\$ -	\$ (950,000)	\$ -	\$ (950,000)
Total Revenue	950,000	950,000	-	(950,000)	-	(950,000)
Expenditures:						
Economic Development						
Professional Services	36,867	58,930	4,000	(62,930)	-	36,867
Buildings, Structure, & Improve	1,113,133	1,039,579	47,491	(1,087,070)	-	1,113,133
Total Expenditures	1,150,000	1,098,509	51,491	(1,150,000)	-	1,150,000
Revenues over (under) expenditures	(200,000)	(148,509)	(51,491)	200,000	-	200,000
Other Financing Sources (Uses):						
Transfer from General Fund	200,000	148,509	51,491	(200,000)	-	(200,000)
Total other financing sources (uses)	200,000	148,509	51,491	(200,000)	-	(200,000)
Net change in fund balance	\$ -	\$ -	-	\$ -	\$ -	\$ -
Fund Balance:						
Beginning of Year - July 1			-			
End of Year - June 30			\$ -			

Stanly County, North Carolina
Eastside Tower Project Fund
Schedule of Revenue, Expenditures And
Changes in Fund Balances - Budget and Actual
From Inception and for the Year Ended June 30, 2021

		Actual				Variance
	Project Authorization	Prior Years	Current Year	Completed Projects	Total to Date	Positive Negative
Expenditures:						
Public Safety						
Professional Services	\$ 50,000	\$ 9,375	\$ -	\$ (9,375)	\$ -	\$ 50,000
Buildings, Structure, & Improve	1,151,803	820,660	288,364	(1,109,024)	-	1,151,803
Total Expenditures	<u>1,201,803</u>	<u>830,035</u>	<u>288,364</u>	<u>(1,118,399)</u>	<u>-</u>	<u>1,201,803</u>
Revenues over (under) expenditures	<u>(1,201,803)</u>	<u>(830,035)</u>	<u>(288,364)</u>	<u>1,118,399</u>	<u>-</u>	<u>1,201,803</u>
Other Financing Sources (Uses):						
Transfer from General Fund	1,201,803	830,035	288,364	(1,118,399)	-	(1,201,803)
Total other financing sources (uses)	<u>1,201,803</u>	<u>830,035</u>	<u>288,364</u>	<u>(1,118,399)</u>	<u>-</u>	<u>(1,201,803)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Fund Balance:						
Beginning of Year - July 1			<u>-</u>			
End of Year - June 30			<u>\$ -</u>			

Stanly County, North Carolina
EMS Base Project
Schedule of Revenue, Expenditures And
Changes in Fund Balances - Budget and Actual
From Inception and for the Year Ended June 30, 2021

		Actual				Variance
	Project Authorization	Prior Years	Current Year	Completed Project	Total to Date	Positive (Negative)
Expenditures:						
Education						
Professional services	\$ 90,000	\$ 34,936	\$ 2,791	\$ (37,727)	\$ -	\$ 90,000
Minor Office Equipment	42,098	-	41,354	(41,354)	-	42,098
Construction	2,431,142	1,773,137	714,617	(2,487,754)	-	2,431,142
Contingency	42,901	-	-	-	-	42,901
Total Expenditures	<u>2,606,141</u>	<u>1,808,073</u>	<u>758,762</u>	<u>(2,566,835)</u>	<u>-</u>	<u>2,606,141</u>
Revenues over (under) expenditures	<u>(2,606,141)</u>	<u>(1,808,073)</u>	<u>(758,762)</u>	<u>2,566,835</u>	<u>-</u>	<u>(2,606,141)</u>
Other Financing Sources (Uses):						
Transfer from (to) General Fund	(28,859)	-	(68,165)	68,165	-	28,859
Installment purchase obligations issued	<u>2,635,000</u>	<u>2,635,000</u>	<u>-</u>	<u>(2,635,000)</u>	<u>-</u>	<u>(2,635,000)</u>
Total Other Financing ources (Uses)	<u>2,606,141</u>	<u>2,635,000</u>	<u>(68,165)</u>	<u>(2,566,835)</u>	<u>-</u>	<u>(2,606,141)</u>
Revenues and Other Sources						
Over (Under) Expenditures	<u>\$ -</u>	<u>\$ 826,927</u>	<u>(826,927)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Fund Balance:						
Beginning of Year - July 1			<u>826,927</u>			
End of Year - June 30			<u>\$ -</u>			

BUDGETARY INFORMATION - ENTERPRISE FUNDS

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

Individual Fund Descriptions:

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

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, 2021

	Budget	Actual	Variance Positive (Negative)
Revenues			
Operating Revenues:			
Water Sales		\$ 351,289	
Sewer Charges		209,859	
Industrial Sewer Charges		42,223	
Taps and Connection Fees		1,935	
Other Operating Revenues		12,750	
Total Operating Revenues		<u>618,056</u>	
Non-Operating Revenues:			
Interest on Investments		336	
Total Non-Operating Revenues		<u>336</u>	
Total Revenues	<u>\$ 552,488</u>	<u>618,392</u>	<u>\$ 65,904</u>
Expenditures:			
Administration			
Contracted Services		50,000	
Total Administration		<u>50,000</u>	
Debt Service			
Principal Paid		83,307	
Interest Expense		37,237	
Total Debt Service		<u>120,544</u>	
Distribution and Maintenance			
Contracted Services		-	
Operating Expenditures		66,070	
Repairs and Maintenance		52,861	
Water Purchases		209,293	
Capital Outlay		24,285	
Total Distribution and Maintenance		<u>352,509</u>	
Total Expenditures	<u>552,488</u>	<u>523,053</u>	<u>29,435</u>
Revenues over (under) expenditures	<u>-</u>	<u>95,339</u>	<u>95,339</u>
Other Financing Sources (Uses):			
Appropriated fund balance	-	-	-
Transfers in (out)	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Revenues and other financing sources (uses) over (under) expenditures and other financing uses	<u>\$ -</u>	<u>95,339</u>	<u>\$ 95,339</u>

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, 2021

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Reconciliation from Budgetary Basis (Modified Accrual)			
to Full Accrual:			
Reconciling items:			
Debt Principal		83,307	
Capital Outlay		24,285	
Depreciation		(233,470)	
(Increase) decrease in accrued interest payable		117	
Capital Contribution		-	
Total reconciling items		<u>(125,761)</u>	
Change in net position		<u>\$ (30,422)</u>	

Stanly County, North Carolina
Piney Point Water District Fund
Schedule of Revenues and Expenditures- Budget and Actual (Non-GAAP)
For Year Ended June 30, 2021

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Operating Revenues			
Water Sales		\$ 186,281	
Taps and Connection Fees		5,680	
Other Operating Revenue		<u>2,675</u>	
Total Operating Revenue		<u>194,636</u>	
Non-Operating Revenues			
Interest on Investments		<u>385</u>	
Total Non-Operating Revenue		<u>385</u>	
Total Revenue	<u>\$ 171,870</u>	<u>195,021</u>	<u>\$ 23,151</u>
Expenditures:			
Administration			
Contracted Services		<u>66,400</u>	
Total Administration		<u>66,400</u>	
Distribution and Maintenance			
Operating Expenditures		1,924	
Repairs and Maintenance		-	
Water Purchases		<u>102,348</u>	
Total Distribution and Maintenance		<u>104,272</u>	
Total Expenditures	<u>171,870</u>	<u>170,672</u>	<u>1,198</u>
Revenues and other financing sources (uses)			
over (under) expenditures and other financing uses	<u>\$ -</u>	<u>24,349</u>	<u>\$ 24,349</u>
Reconciliation from Budgetary Basis (Modified Accrual)			
to Full Accrual:			
Reconciling items:			
Depreciation		<u>(1,459)</u>	
Total reconciling items		<u>(1,459)</u>	
Change in net position		<u>\$ 22,890</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, 2021

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Operating Revenues			
Sewer Sales		\$ 958,050	
Other Operating Revenues		-	
Total Operating Revenues		<u>958,050</u>	
 Total Revenues	<u>\$ 738,495</u>	<u>958,050</u>	<u>\$ 219,555</u>
Expenditures:			
Administration			
Contracted Services		<u>75,000</u>	
Total Administration		<u>75,000</u>	
 Debt Service			
Principal		172,250	
Interest		<u>33,852</u>	
Total Debt Service		<u>206,102</u>	
 Distribution and Maintenance			
Operating Expenditures		138,443	
Repairs and Maintenance		33,309	
Salaries and Benefits		111,829	
Capital Outlay		19,905	
Contracted Services		<u>62,464</u>	
Total Distribution and Maintenance		<u>365,950</u>	
 Total Expenditures	<u>738,495</u>	<u>647,052</u>	<u>91,443</u>
 Revenues over (under) expenditures	<u>-</u>	<u>310,998</u>	<u>310,998</u>
Other Financing Sources (Uses):			
Appropriated fund balance	57,500	-	(57,500)
Transfers to Project Fund	<u>(57,500)</u>	<u>(40,524)</u>	16,976
Total other financing sources (uses)	<u>-</u>	<u>(40,524)</u>	<u>(40,524)</u>
 Revenues and other financing sources (uses) over (under) expenditures and other financing uses	<u>\$ -</u>	<u>270,474</u>	<u>\$ 270,474</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, 2021

Reconciliation from Budgetary Basis (Modified Accrual)

to Full Accrual:

Reconciling items:

Debt Principal	172,250
Capital Outlay	19,905
Depreciation	(187,244)
Increase (Decrease) in Deferred Outflows of Resources - Pensions	2,113
Increase (Decrease) in Deferred Outflows of Resources - OPEB	2,802
(Increase) Decrease in Deferred Inflows of Resources - Pensions	4
(Increase) Decrease in Deferred Inflows of Resources - OPEB	65
(Increase) Decrease in Net Pension Liability	(5,464)
(Increase) Decrease in Accrued Interest Payable	47
(Increase) Decrease in Total OPEB Liability	(4,982)
(Increase) Decrease in Compensated Absences	(3,085)
Transfer to project funds	40,524
Total reconciling items	<u>36,935</u>
Change in net position	<u><u>\$ 307,409</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, 2021

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Operating Revenues			
Water Sales		\$ 3,293,794	
Sewer Charges		879,661	
Taps and Connection Fees		50,094	
Other Operating Revenues		239,502	
Total Operating Revenues		<u>4,463,051</u>	
Non-Operating Revenues			
Interest on Investments		1,454	
Administrative Charges		191,982	
Miscellaneous		16,159	
Total Non-Operating Revenues		<u>209,595</u>	
Total Revenues	<u>\$ 3,981,827</u>	<u>4,672,646</u>	<u>\$ 690,819</u>
Expenditures:			
Administration			
Salaries and Employee Benefits		168,141	
Operating Expenditures		83,384	
Total Administration		<u>251,525</u>	
Debt Service			
Principal Paid		93,213	
Interest Expense		18,357	
Total Debt Service		<u>111,570</u>	
Distribution and Maintenance			
Salaries and Employee Benefits		927,243	
Operating Expenditures		926,929	
Repairs and Maintenance		443,567	
Water Purchases		1,542,833	
Capital Outlay		113,316	
Total Distribution and Maintenance		<u>3,953,888</u>	
Total Expenditures	<u>4,181,099</u>	<u>4,316,983</u>	<u>(135,884)</u>
Revenues over (under) expenditures	<u>(199,272)</u>	<u>355,663</u>	<u>554,935</u>

Stanly County, North Carolina
Stanly County Utility Fund
Schedule of Revenues and Expenditures- Budget and Actual (Non-GAAP)
For Year Ended June 30, 2021

Other Financing Sources (Uses):

Transfers (Out)	747	-	(747)
Intrafund Transfer to Utility Grant Project	(595,481)	(240,075)	355,406
Loan Proceeds	113,525	113,525	-
Appropriated Fund Balance	680,481	-	(680,481)
Total other financing sources (uses)	<u>199,272</u>	<u>(126,550)</u>	<u>(325,822)</u>
Revenues and other financing sources (uses)			
over (under) expenditures and other financing uses	<u>\$ -</u>	<u>229,113</u>	<u>\$ 229,113</u>

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

Reconciling items:

Debt Principal	93,213
Loan Proceeds	(113,525)
Capital Outlay	113,316
Depreciation	(712,883)
Increase (Decrease) in Deferred Outflows of Resources - Pension	30,241
Increase (Decrease) in Deferred Outflows of Resources - OPEB	24,485
(Increase) Decrease in Deferred Inflows of Resources - Pensions	62
(Increase) Decrease in Deferred Inflows of Resources - OPEB	565
(Increase) Decrease in Net Pension Liability	(78,228)
(Increase) Decrease in Accrued Interest Payable	192
(Increase) decreased in Total OPEB Liability	(18,700)
(Increase) Decrease in Accrued Vacation Payable	(10,787)
Capital Contribution (Projects)	566,386
Intrafund Transfers to Project Funds	556,946
Total reconciling items	<u>451,283</u>
Change in net position	<u>\$ 680,396</u>

Stanly County, North Carolina
Airport Fund
Schedule of Revenues and Expenditures- Budget and Actual (Non-GAAP)
For Year Ended June 30, 2021

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Operating Revenues			
Fuel and Oil Sales		\$ 359,990	
Tie-Down Fees		3,616	
Hangar Rental		77,306	
Franchise		-	
Miscellaneous		40,947	
Total Operating Revenues		<u>481,859</u>	
Non-Operating Revenues			
Interest on Investments		147	
CARES Act Relief Funds		-	
Capital Contributions		-	
Total Non-Operating Revenues		<u>147</u>	
Total Revenues	<u>\$ 627,236</u>	<u>482,006</u>	<u>\$ (145,230)</u>
Expenditures:			
Administration and Operations			
Salaries and Employee Benefits		301,927	
Operating Expenditures		143,550	
Repairs and Maintenance		43,259	
Purchases for Resale		237,252	
Capital Outlay		31,982	
Total Administration and Operations		<u>757,970</u>	
Total Expenditures	<u>979,408</u>	<u>757,970</u>	<u>221,438</u>
Revenues over (under) expenditures	<u>(352,172)</u>	<u>(275,964)</u>	<u>76,208</u>
Other Financing Sources (Uses):			
Transfer in from General Fund	<u>352,172</u>	<u>352,172</u>	<u>-</u>
Total other financing sources (uses)	<u>352,172</u>	<u>352,172</u>	<u>-</u>
Revenues and other financing sources (uses) over (under) expenditures and other financing uses	<u>\$ -</u>	<u>76,208</u>	<u>\$ 76,208</u>

Stanly County, North Carolina
Airport Fund
Schedule of Revenues and Expenditures- Budget and Actual (Non-GAAP)
For Year Ended June 30, 2021

Reconciliation from Budgetary Basis (Modified Accrual)

to Full Accrual:

Reconciling items:

Depreciation	(803,907)
Capital Outlay	31,982
Increase (decrease) in deferred outflows of outflows of resources - pensions	9,169
Increase (decrease) in deferred outflows of outflows of resources - OPEB	12,126
(Increase) decrease in deferred inflows of resources - pensions	19
(Increase) decrease in deferred inflows of resources - OPEB	279
(Increase) decrease in net pension liability	(23,718)
(Increase) decrease in other post-employment benefits	(21,041)
(Increase) decrease in compensated absences	3,866
Capital Contributions (from project funds)	237,822
Transfer to projects from General Fund	27,184
Total reconciling items	<u>(526,219)</u>
Change in net position	<u><u>\$ (450,011)</u></u>

BUDGETED PROJECT FUNDS

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

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.
- **Brown Hill Road Waterline Project** - accounts for the revenues and expenses for the waterlines to serve the residents on Brown Hill Road.
- **Palestine Water Pump Station Replacement Project** - accounts for the revenues and expenses for the construction of a replacement water pump station and distribution system infrastructure to serve Badin-
- **Webb Road Extension Project:** Accounts for the revenues and expenses for the waterlines to serve the residents on Webb Road.
- **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.

Airport Fund:

- **Airport Layout Plan Fund** - accounts for the revenues and expenses for updating the layout plan per FAA requirements.
- **Airport Area Broadband Connect Project Fund** - accounts for the revenues and expenses for connecting broadband at the Airport.
- **Airport Runway / Taxiway Lighting Construction Project Fund** - accounts for the revenues and expenses for the construction phase of the lighting project at the airport.
- **Airport New Beacon Lighting** - accounts for the revenues and expenses for lighting project at the airport.
- **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.

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, 2021

	Project Authorization	Prior Years	Current Year	Total to Date	Variance Over (Under)
Expenditures:					
Construction	\$ 6,515,880	\$ -	\$ 3,296,825	\$ 3,296,825	\$ 3,219,055
Professional services	672,158	503,061	165,150	668,211	3,947
Closing Cost	143,781	61,166	85,490	146,656	(2,875)
Land	1,000	-	-	-	1,000
Total Expenditures	<u>7,332,819</u>	<u>564,227</u>	<u>3,547,465</u>	<u>4,111,692</u>	<u>3,221,127</u>
Revenues over (under) expenditures	<u>(7,332,819)</u>	<u>(564,227)</u>	<u>(3,547,465)</u>	<u>(4,111,692)</u>	<u>3,221,127</u>
Other Financing Sources (Uses):					
NC DENR Clean Water SRF Loan	7,332,819	-	3,834,471	3,834,471	(3,498,348)
Total other financing sources (uses)	<u>7,332,819</u>	<u>-</u>	<u>3,834,471</u>	<u>3,834,471</u>	<u>(3,498,348)</u>
Revenues and other financing sources (uses) over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ (564,227)</u>	<u>\$ 287,006</u>	<u>\$ (277,221)</u>	<u>\$ (277,221)</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, 2021

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>	<u>Variance Over (Under)</u>
Expenditures:					
Professional services	\$ 57,500	\$ -	\$ 40,524	\$ 40,524	\$ 16,976
Total Expenditures	<u>57,500</u>	<u>-</u>	<u>40,524</u>	<u>40,524</u>	<u>16,976</u>
Revenues over (under) expenditures	<u>(57,500)</u>	<u>-</u>	<u>(40,524)</u>	<u>(40,524)</u>	<u>16,976</u>
Other Financing Sources (Uses):					
Transfer from West Stanly WWTP	57,500	-	40,524	40,524	(16,976)
Total other financing sources (uses)	<u>57,500</u>	<u>-</u>	<u>40,524</u>	<u>40,524</u>	<u>(16,976)</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, 2021

	<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>
Revenues:						
Restricted Intergovernmental:						
NC Dept of Commerce Utility Account	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Expenditures:						
Construction	160,000	-	447	-	447	159,553
Professional services	40,000	-	13,360	-	13,360	26,640
Land	-	-	-	-	-	-
Total Expenditures	<u>200,000</u>	<u>-</u>	<u>13,807</u>	<u>-</u>	<u>13,807</u>	<u>186,193</u>
Revenues over (under) expenditures	<u>(200,000)</u>	<u>-</u>	<u>(13,807)</u>	<u>-</u>	<u>(13,807)</u>	<u>186,193</u>
Other Financing Sources (Uses):						
NC DENR Clean Water SRF Loan	-	-	-	-	-	-
Transfer from Utility Operating Fund	200,000	-	13,807	-	13,807	(186,193)
Total other financing sources (uses)	<u>200,000</u>	<u>-</u>	<u>13,807</u>	<u>-</u>	<u>13,807</u>	<u>(186,193)</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
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, 2021

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>	<u>Variance Over (Under)</u>
Revenues:					
Restricted Intergovernmental:					
NCDOT Reimbursement	<u>\$ 246,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (246,000)</u>
Expenditures:					
Professional services	<u>246,000</u>	<u>163,858</u>	<u>65,831</u>	<u>229,689</u>	<u>16,311</u>
Total Expenditures	<u>246,000</u>	<u>163,858</u>	<u>65,831</u>	<u>229,689</u>	<u>16,311</u>
Revenues over (under) expenditures	<u>-</u>	<u>(163,858)</u>	<u>(65,831)</u>	<u>(229,689)</u>	<u>(229,689)</u>
Other Financing Sources (Uses):					
Transfer from Utility Operating Fund	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
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></u>	<u><u>\$ (163,858)</u></u>	<u><u>\$ (65,831)</u></u>	<u><u>\$ (229,689)</u></u>	<u><u>\$ (229,689)</u></u>

Stanly County, North Carolina
Brown Hill Road Waterline Project Fund
Schedule of Revenues and Expenditures- Budget and Actual (Non-GAAP)
From Inception and For the Year Ended June 30, 2021

	<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>
Expenditures:						
Professional services	\$ 337,000	\$ 258,085	\$ -	\$ (258,085)	\$ -	\$ 337,000
Land	26,000	34,507	-	(34,507)	-	26,000
Buildings, Structure, & Improve	862,000	833,656	14,087	(847,743)	-	862,000
Total Expenditures	<u>1,225,000</u>	<u>1,126,248</u>	<u>14,087</u>	<u>(1,140,335)</u>	<u>-</u>	<u>1,225,000</u>
Revenues over (under) expenditures	<u>(1,225,000)</u>	<u>(1,126,248)</u>	<u>(14,087)</u>	<u>1,140,335</u>	<u>-</u>	<u>1,225,000</u>
Other Financing Sources (Uses):						
Transfer from General Fund	955,000	856,248	14,087	(870,335)	-	(955,000)
Transfer from Utility Operating Fund	270,000	270,000	-	(270,000)	-	(270,000)
Total other financing sources (uses)	<u>1,225,000</u>	<u>1,126,248</u>	<u>14,087</u>	<u>(1,140,335)</u>	<u>-</u>	<u>(1,225,000)</u>
Revenues and other financing sources (uses) over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</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, 2021

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>	<u>Variance Over (Under)</u>
Revenues:					
Restricted Intergovernmental:					
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>319,229</u>	<u>500,000</u>	<u>819,229</u>	<u>229</u>
Expenditures:					
Buildings, Structures, & Improve	1,416,191	454,915	489,402	944,317	471,874
Professional services	159,161	81,729	45,023	126,752	32,409
Land	10,000	-	-	-	10,000
Total Expenditures	<u>1,585,352</u>	<u>536,644</u>	<u>534,425</u>	<u>1,071,069</u>	<u>514,283</u>
Revenues over (under) expenditures	<u>(766,352)</u>	<u>(217,415)</u>	<u>(34,425)</u>	<u>(251,840)</u>	<u>514,512</u>
Other Financing Sources (Uses):					
Loan Proceeds	728,304	-	-	-	(728,304)
From Badin Water Project	38,048	38,047	-	38,047	(1)
Total other financing sources (uses)	<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>\$ (179,368)</u>	<u>\$ (34,425)</u>	<u>\$ (213,793)</u>	<u>\$ (213,793)</u>

Stanly County, North Carolina
Webb Road Extension Project
Schedule of Revenues and Expenditures- Budget and Actual (Non-GAAP)
From Inception and For the Year Ended June 30, 2021

	<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>
Expenditures:						
Professional services	\$ 88,732	\$ 47,065	\$ 28,988	\$ -	\$ 76,053	\$ 12,679
Land	7,455	7,455	-	-	7,455	-
Building, Structure, & Improve	510,578	-	459,277	-	459,277	51,301
Total Expenditures	<u>606,765</u>	<u>54,520</u>	<u>488,265</u>	<u>-</u>	<u>542,785</u>	<u>63,980</u>
Revenues over (under) expenditures	<u>(606,765)</u>	<u>(54,520)</u>	<u>(488,265)</u>	<u>-</u>	<u>(542,785)</u>	<u>63,980</u>
Other Financing Sources (Uses):						
Transfer from General Fund	366,765	-	302,785	-	302,785	(63,980)
Transfer from Utility Operating Fund	240,000	54,520	185,480	-	240,000	-
Total other financing sources (uses)	<u>606,765</u>	<u>54,520</u>	<u>488,265</u>	<u>-</u>	<u>542,785</u>	<u>(63,980)</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
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, 2021

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>	<u>Variance Over (Under)</u>
Expenditures:					
Professional services	<u>\$ 180,000</u>	<u>\$ -</u>	<u>\$ 38,552</u>	<u>\$ 38,552</u>	<u>\$ 141,448</u>
Total Expenditures	<u>180,000</u>	<u>-</u>	<u>38,552</u>	<u>38,552</u>	<u>141,448</u>
Revenues over (under) expenditures	<u>(180,000)</u>	<u>-</u>	<u>(38,552)</u>	<u>(38,552)</u>	<u>141,448</u>
Other Financing Sources (Uses):					
Transfer from Utility Operating Fund	<u>180,000</u>	<u>-</u>	<u>38,552</u>	<u>38,552</u>	<u>(141,448)</u>
Total other financing sources (uses)	<u>180,000</u>	<u>-</u>	<u>38,552</u>	<u>38,552</u>	<u>(141,448)</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
Millingport Rd Transmission Project Fund
Schedule of Revenues and Expenditures- Budget and Actual (Non-GAAP)
From Inception and For the Year Ended June 30, 2021

	<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>
Expenditures:						
Professional services	\$ 30,000	\$ -	\$ 2,235	\$ -	\$ 2,235	\$ 27,765
Land	-	-	-	-	-	-
Building, Structure, & Improve	-	-	-	-	-	-
Total Expenditures	<u>30,000</u>	<u>-</u>	<u>2,235</u>	<u>-</u>	<u>2,235</u>	<u>27,765</u>
Revenues over (under) expenditures	<u>(30,000)</u>	<u>-</u>	<u>(2,235)</u>	<u>-</u>	<u>(2,235)</u>	<u>27,765</u>
Other Financing Sources (Uses):						
Transfer from Utility Operating Fund	30,000	-	2,235	-	2,235	(27,765)
Total other financing sources (uses)	<u>30,000</u>	<u>-</u>	<u>2,235</u>	<u>-</u>	<u>2,235</u>	<u>(27,765)</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
Countywide Water Main Master Plan
Schedule of Revenues and Expenditures- Budget and Actual (Non-GAAP)
From Inception and For the Year Ended June 30, 2021

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>	<u>Variance Over (Under)</u>
Expenditures:					
Professional services	\$ 300,000	\$ -	\$ 66,386	\$ 66,386	\$ 233,614
Land	-	-	-	-	-
Building, Structure, & Improve	-	-	-	-	-
Total Expenditures	<u>300,000</u>	<u>-</u>	<u>66,386</u>	<u>66,386</u>	<u>233,614</u>
Revenues over (under) expenditures	<u>(300,000)</u>	<u>-</u>	<u>(66,386)</u>	<u>(66,386)</u>	<u>233,614</u>
Other Financing Sources (Uses):					
Reimbursement from Union County	<u>300,000</u>	<u>-</u>	<u>66,386</u>	<u>66,386</u>	<u>(233,614)</u>
Total other financing sources (uses)	<u>300,000</u>	<u>-</u>	<u>66,386</u>	<u>66,386</u>	<u>(233,614)</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 Layout Plan Fund
Schedule of Revenues and Expenditures- Budget and Actual (Non-GAAP)
From Inception and For the Year Ended June 30, 2021

	<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>
Revenues:						
Restricted Intergovernmental:						
Vision 100 Entitlement	\$ 384,997	\$ 373,835	\$ -	\$ (373,835)	\$ -	\$ (384,997)
Expenditures:						
Professional services	427,775	415,375	-	(415,375)	-	427,775
Total Expenditures	427,775	415,375	-	(415,375)	-	427,775
Revenues over (under) expenditures	(42,778)	(41,540)	-	41,540	-	42,778
Other Financing Sources (Uses):						
Transfer from General Fund	42,778	41,540	-	(41,540)	-	(42,778)
Total other financing sources (uses)	42,778	41,540	-	(41,540)	-	(42,778)
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
Airport Area Broadband Connect
Schedule of Revenues and Expenditures- Budget and Actual (Non-GAAP)
From Inception and For the Year Ended June 30, 2021

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>	<u>Variance Over (Under)</u>
Revenues:					
Restricted Intergovernmental:					
NC Emergency Management	<u>\$ 100,000</u>	<u>\$ 100,000</u>	<u>\$ -</u>	<u>\$ 100,000</u>	<u>\$ -</u>
Expenditures:					
Buildings, Structure, & Improvements	<u>100,000</u>	<u>92,126</u>	<u>-</u>	<u>92,126</u>	<u>7,874</u>
Total Expenditures	<u>100,000</u>	<u>92,126</u>	<u>-</u>	<u>92,126</u>	<u>7,874</u>
Revenues over (under) expenditures	<u>-</u>	<u>7,874</u>	<u>-</u>	<u>7,874</u>	<u>7,874</u>
Other Financing Sources (Uses):					
Transfer from General Fund	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
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>\$ 7,874</u>	<u>\$ -</u>	<u>\$ 7,874</u>	<u>\$ 7,874</u>

Stanly County, North Carolina
Airport Runway / Taxiway Lighting Project
Schedule of Revenues and Expenditures- Budget and Actual (Non-GAAP)
From Inception and For the Year Ended June 30, 2021

	<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>
Revenues:						
Restricted Intergovernmental:						
Vision 100 Entitlement	\$ 1,183,284	\$ 998,685	\$86,960	\$ (1,085,645)	\$ -	\$ (1,183,284)
Expenditures:						
Buildings, Structure, & Improvements	1,124,760	980,026	86,023	(1,066,049)	-	1,124,760
Professional services	190,000	129,731	10,518	(140,249)	-	190,000
Total Expenditures	1,314,760	1,109,757	96,541	(1,206,298)	-	1,314,760
Revenues over (under) expenditures	(131,476)	(111,072)	(9,581)	120,653	-	131,476
Other Financing Sources (Uses):						
Transfer from General Fund	131,476	111,072	9,581	(120,653)	-	(131,476)
Total other financing sources (uses)	131,476	111,072	9,581	(120,653)	-	(131,476)
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
Airport New Beacon Lighting
Schedule of Revenues and Expenditures- Budget and Actual (Non-GAAP)
From Inception and For the Year Ended June 30, 2021

	<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>
Revenues:						
Restricted Intergovernmental:						
Vision 100 Entitlement	\$ 47,700	\$ -	\$ 46,051	\$ (46,051)	\$ -	\$ (47,700)
Expenditures:						
Other Equipment	53,000	-	51,168	(51,168)	-	53,000
Total Expenditures	53,000	-	51,168	(51,168)	-	53,000
Revenues over (under) expenditures	(5,300)	-	(5,117)	5,117	-	5,300
Other Financing Sources (Uses):						
Transfer from General Fund	5,300	-	5,117	(5,117)	-	(5,300)
Total other financing sources (uses)	5,300	-	5,117	(5,117)	-	(5,300)
Revenues and other financing sources (uses) over (under) expenditures and other financing uses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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, 2021

	<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>
Revenues:						
Restricted Intergovernmental:						
Vision 100 Entitlement	\$ 86,292	\$ -	\$ 64,997	\$ -	\$ 64,997	\$ (21,295)
Expenditures:						
Professional Services	95,880	-	73,059	-	73,059	22,821
Total Expenditures	95,880	-	73,059	-	73,059	22,821
Revenues over (under) expenditures	(9,588)	-	(8,062)	-	(8,062)	1,526
Other Financing Sources (Uses):						
Transfer from General Fund	9,588	-	8,062	-	8,062	(1,526)
Total other financing sources (uses)	9,588	-	8,062	-	8,062	(1,526)
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
Airfield Lighting Control System
Schedule of Revenues and Expenditures- Budget and Actual (Non-GAAP)
From Inception and For the Year Ended June 30, 2021

	<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>
Revenues:						
Restricted Intergovernmental:						
Vision 100 Entitlement	\$ 54,644	\$ -	\$ 39,814	\$ -	\$ 39,814	\$ (14,830)
Expenditures:						
Professional Services	60,716	-	44,238	-	44,238	16,478
Total Expenditures	60,716	-	44,238	-	44,238	16,478
Revenues over (under) expenditures	(6,072)	-	(4,424)	-	(4,424)	1,648
Other Financing Sources (Uses):						
Transfer from General Fund	6,072	-	4,424	-	4,424	(1,648)
Total other financing sources (uses)	6,072	-	4,424	-	4,424	(1,648)
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>

INTERNAL SERVICE FUND

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

Individual Descriptions:

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

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, 2021

	Financial Plan	Actual	Variance Positive (Negative)
Operating Revenues:			
Charges for sales and services	\$ 7,975,116	\$ 7,149,116	\$ (826,000)
Operating Expenses:			
Group health operations	7,966,330	5,818,746	(2,147,584)
Workers' compensation claims	489,161	447,807	(41,354)
Total operating expenditures	<u>8,455,491</u>	<u>6,266,553</u>	<u>(2,188,938)</u>
Operating income (loss)	<u>(480,375)</u>	<u>882,563</u>	<u>1,362,938</u>
Non-Operating Revenues (Expenses):			
Investment earnings	21,000	3,487	(17,513)
Total non-operating revenues (expenses)	<u>21,000</u>	<u>3,487</u>	<u>(17,513)</u>
Other Financing Sources (Uses)			
Fund Balance Appropriated	459,375	-	(459,375)
Total other financing sources (uses)	<u>459,375</u>	<u>-</u>	<u>(459,375)</u>
Change in net position	<u>\$ -</u>	<u>886,050</u>	<u>\$ 886,050</u>
Net Position:			
Beginning of year - July 1		<u>1,899,189</u>	
End of year - June 30		<u>\$ 2,785,239</u>	

CUSTODIAL FUNDS

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.

Stanly County, North Carolina
Combining Statement of Fiduciary Net Position
Custodial Funds
June 30, 2021

	Municipal Tax Fund	Jail Inmate Pay Fund	Total Custodial Funds
ASSETS			
Cash and cash equivalents	\$ 247,830	\$ 50,874	\$ 298,704
Taxes receivable for other governments, net	441,943	-	441,943
Total assets	<u>689,773</u>	<u>50,874</u>	<u>740,647</u>
LIABILITIES			
Accounts payable and accrued liabilities	-	-	-
Due to other governments	247,830	-	247,830
Total liabilities	<u>247,830</u>	<u>-</u>	<u>247,830</u>
NET POSITION			
Restricted for:			
Individuals, organizations, and other governments	441,943	50,874	492,817
Total net position	<u>\$ 441,943</u>	<u>\$ 50,874</u>	<u>\$ 492,817</u>

Stanly County, North Carolina
Combining Statement of Changes in Fiduciary Net Position
Custodial Funds
For the Year Ended June 30, 2021

	<u>Municipal Tax Fund</u>	<u>Jail Inmate Pay Fund</u>	<u>Total Custodial Funds</u>
ADDITIONS			
Ad valorem taxes for other governments	\$ 24,825,753	\$ -	\$ 24,825,753
Collections on behalf of inmates	-	316,972	316,972
Total additions	<u>24,825,753</u>	<u>316,972</u>	<u>25,142,725</u>
DEDUCTIONS			
Tax distributions to other governments	24,825,753	-	24,825,753
Payments on behalf of inmates	-	295,188	295,188
Total deductions	<u>24,825,753</u>	<u>295,188</u>	<u>25,120,941</u>
Net increase (decrease) in fiduciary net position	-	21,784	21,784
Net position, beginning, as previously reported	-	-	-
Prior period restatement - change in accounting principle	441,943	29,090	471,033
Net position, beginning, as restated	<u>441,943</u>	<u>29,090</u>	<u>471,033</u>
Net position, ending	<u><u>\$ 441,943</u></u>	<u><u>\$ 50,874</u></u>	<u><u>\$ 492,817</u></u>

OTHER SCHEDULES

This section contains the following schedules:

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

Stanly County, North Carolina
General Fund
Schedule of Ad Valorem Taxes Receivable
June 30, 2021

Schedule F-1

<u>Fiscal Year</u>	<u>Uncollected Balance June 30, 2020</u>	<u>Additions</u>	<u>Collections And Credits</u>	<u>Uncollected Balance June 30, 2021</u>
2020-2021	\$ -	\$ 35,309,231	\$ 34,632,089	\$ 677,142
2019-2020	799,511	9,533	433,752	375,292
2018-2019	389,913	-	147,422	242,491
2017-2018	265,978	-	70,500	195,478
2016-2017	196,692	34	46,759	149,967
2015-2016	153,517	34	29,236	124,315
2014-2015	123,343	-	21,742	101,601
2013-2014	122,939	-	19,493	103,446
2012-2013	123,493	-	20,227	103,266
2011-2012	104,681	-	16,438	88,243
2010-2011	99,403	-	99,403	-
Districts over 3 years old	<u>99,881</u>	<u>11,195</u>	<u>13,335</u>	<u>97,741</u>
Totals	\$ <u><u>2,479,351</u></u>	\$ <u><u>35,330,027</u></u>	\$ <u><u>35,550,396</u></u>	\$ 2,258,982
Less Allowance for Doubtful Accounts				<u>(977,733)</u>
Taxes Receivable (Net)				\$ <u><u>1,281,249</u></u>
<u>Reconciliation with revenues:</u>				
Ad valorem taxes - General Fund				\$ 35,617,178
Reconciling items:				
Animal tax				(37,059)
Collection fees				(47,573)
Interest collected				(318,017)
Discounts allowed				192,659
Late listings				(24,614)
Statute of Limitations				99,403
Miscellaneous				<u>68,419</u>
Total Collections and Credits				\$ <u><u>35,550,396</u></u>

Stanly County, North Carolina
Analysis of Current Tax Levy
County-Wide Levy
June 30, 2021

				Total Levy	
	County Wide			Property Excluding Registered Motor Vehicles	Registered Motor Vehicles
	Property Valuation	Rate	Total Levy		
Original Levy					
Property taxed at current year's rate	\$ 5,239,263,394	0.67	\$ 35,119,470	\$ 30,461,051	\$ 4,658,419
Penalties	-		26,724	26,724	
Total Original Levy	<u>5,239,263,394</u>		<u>35,146,194</u>	<u>30,487,775</u>	<u>4,658,419</u>
Discoveries:					
Current year rate	38,358,724	0.67	257,004	257,004	-
Penalties	-		34	34	-
Penalties - prior year rate	-		1,249	1,249	-
Prior year taxes	-		93,744	93,744	-
Total Discoveries	<u>38,358,724</u>		<u>352,031</u>	<u>352,031</u>	<u>-</u>
Releases:					
Current year rate	(27,809,758)	0.67	(186,325)	(186,325)	-
Penalties	-		(2,669)	(2,669)	-
Total Releases	<u>(27,809,758)</u>		<u>(188,994)</u>	<u>(188,994)</u>	<u>-</u>
Net assessed valuation	<u>\$ 5,249,812,360</u>				
Net Levy			35,309,231	30,650,812	4,658,419
Uncollected taxes June 30, 2021			<u>677,142</u>	<u>677,142</u>	<u>-</u>
Current years taxes collected			<u>\$ 34,632,089</u>	<u>\$ 29,973,670</u>	<u>\$ 4,658,419</u>
Current levy collection percentage			<u>98.08%</u>	<u>97.79%</u>	<u>100.00%</u>

Stanly County, North Carolina
Analysis of Current Tax Levy
County-Wide Levy
June 30, 2021

Secondary Market Disclosures:

Assessed valuation:	
Assessment ratio	100%
Real property	\$ 4,380,247,151
Personal property	703,386,904
Public service	166,178,305
Total assessed value	\$ 5,249,812,360
Tax rate per \$100	0.67
Levy (includes discoveries, releases, and abatements)	\$ 35,309,231
In addition to the County--wide rate, the following table lists the levies by the County on behalf of fire protection districts for the fiscal year ended June 30, 2017:	
Fire protection districts	\$ 2,901,689

STATISTICAL SECTION

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

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

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

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

Governmental Activities Tax Revenue by Source	Table 5
General Governmental Tax Revenues by Source	Table 6
Assessed Value and Estimated Actual Value of Taxable Property	Table 7
Property Tax Rates - Direct and Overlapping Governments	Table 8
Principal Property Taxpayers	Table 9
Property Tax Levies and Collections	Table 10

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

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

Demographic and Economic Information - These tables offer demographic and economic indicators to help the reader understand the environment within which the government's financial

Demographic and Economic Statistics	Table 15
Principal Employers	Table 16

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

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

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

	Fiscal Year					Fiscal Year				
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Governmental activities										
Net Investment in capital assets	\$ 14,038,812	\$ 12,862,706	\$ 12,721,219	\$ 13,286,678	\$ 15,117,068	\$ 16,284,376	\$ 16,326,573	\$ 17,289,940	\$ 18,891,578	\$ 20,067,458
Restricted	8,406,322	4,642,935	8,238,897	5,379,242	5,148,480	5,545,876	6,971,463	8,149,718	7,757,880	10,338,335
Unrestricted	(16,190,035)	(8,217,856)	(5,257,817)	(2,610,918)	62,028	2,206,195	209,929	5,782,138	5,879,501	13,540,097
Total Governmental activities net position	<u>\$ 6,255,099</u>	<u>\$ 9,287,785</u>	<u>\$ 15,702,299</u>	<u>\$ 16,055,002</u>	<u>\$ 20,327,576</u>	<u>\$ 24,036,447</u>	<u>\$ 23,507,965</u>	<u>\$ 31,221,796</u>	<u>\$ 32,528,959</u>	<u>\$ 43,945,890</u>
Business-type activities										
Net Investment in capital assets	\$ 38,523,839	\$ 37,935,794	\$ 37,621,348	\$ 35,823,165	\$ 35,167,549	\$ 35,611,544	\$ 35,715,242	\$ 36,320,978	\$ 37,228,159	\$ 36,956,043
Restricted	\$ -	\$ -	\$ -	-	14,850	27,800	40,525	53,250	65,975	78,700
Unrestricted	508,553	1,216,035	1,612,161	1,641,558	1,977,384	1,836,949	790,075	1,282,510	1,214,071	2,003,724
Total business-type activities net position	<u>\$ 39,032,392</u>	<u>\$ 39,151,829</u>	<u>\$ 39,233,509</u>	<u>\$ 37,464,723</u>	<u>\$ 37,159,783</u>	<u>\$ 37,476,293</u>	<u>\$ 36,545,842</u>	<u>\$ 37,656,738</u>	<u>\$ 38,508,205</u>	<u>\$ 39,038,467</u>
Primary government										
Net Investment in capital assets	\$ 52,562,651	\$ 50,798,500	\$ 50,342,567	\$ 49,109,843	\$ 50,284,617	\$ 51,895,920	\$ 52,041,815	\$ 53,610,918	\$ 56,119,737	\$ 57,023,501
Restricted	8,406,322	4,642,935	8,238,897	5,379,242	5,163,330	5,573,676	7,011,988	8,202,968	7,823,855	10,417,035
Unrestricted	(15,681,482)	(7,001,821)	(3,645,656)	(969,360)	2,267,775	4,043,144	1,000,004	7,064,648	7,093,572	15,543,821
Total primary government net position	<u>\$ 45,287,491</u>	<u>\$ 48,439,614</u>	<u>\$ 54,935,808</u>	<u>\$ 53,519,725</u>	<u>\$ 57,487,359</u>	<u>\$ 61,512,740</u>	<u>\$ 60,053,807</u>	<u>\$ 68,878,534</u>	<u>\$ 71,037,164</u>	<u>\$ 82,984,357</u>

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

Table 2
Page 1 of 2

Expenses	Fiscal Year					Fiscal Year				
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Governmental activities:										
General government	\$ 5,048,549	\$ 5,204,527	\$ 4,793,725	\$ 4,791,099	\$ 5,595,567	\$ 5,853,567	\$ 6,356,160	\$ 7,074,055	\$ 5,759,160	\$ 6,267,897
Public safety	14,482,815	14,434,194	14,969,660	16,006,619	15,690,978	17,375,025	19,068,798	20,492,863	23,171,363	24,335,735
Transportation	988,483	950,965	961,283	956,499	996,173	1,039,842	1,031,868	1,048,422	1,106,553	1,001,227
Environmental protection	1,162,909	1,197,567	1,202,676	1,220,956	1,250,048	1,329,773	1,275,593	1,306,446	1,391,069	1,479,042
Economic and physical development	2,364,231	2,004,658	1,590,399	2,058,625	1,850,849	1,143,443	1,861,880	2,101,397	2,487,522	1,829,677
Human services	14,968,599	14,970,988	15,020,712	14,772,323	15,650,283	16,375,560	15,375,617	15,426,679	16,148,151	17,403,780
Education	12,643,400	12,532,158	12,830,472	15,665,022	14,035,997	14,788,737	1,686,781	1,797,902	1,348,330	1,673,416
Culture and recreation	1,643,930	1,572,868	1,505,119	1,457,322	1,509,584	1,793,243	14,931,227	15,207,360	18,284,160	17,127,823
Interest on long-term debt	1,264,990	925,756	1,007,050	913,803	1,144,394	1,042,725	781,389	738,269	653,292	460,487
Total governmental activities expenses	<u>54,567,906</u>	<u>53,793,681</u>	<u>53,881,096</u>	<u>57,842,268</u>	<u>57,723,873</u>	<u>60,741,915</u>	<u>62,369,313</u>	<u>65,193,393</u>	<u>70,349,600</u>	<u>71,579,084</u>
Business-type activities:										
Water and sewer	4,071,866	4,714,762	4,254,118	4,800,936	4,995,224	5,215,442	5,092,068	5,425,789	6,116,368	6,347,093
Airport	1,633,139	1,698,168	2,269,170	1,907,993	1,919,152	2,015,966	1,955,611	1,858,033	1,616,933	1,549,195
Total business-type activities	<u>5,705,005</u>	<u>6,412,930</u>	<u>6,523,288</u>	<u>6,708,929</u>	<u>6,914,376</u>	<u>7,231,408</u>	<u>7,047,679</u>	<u>7,283,822</u>	<u>7,733,301</u>	<u>7,896,288</u>
Total primary governmental expenses	<u>\$ 60,272,911</u>	<u>\$ 60,206,611</u>	<u>\$ 60,404,384</u>	<u>\$ 64,551,197</u>	<u>\$ 64,638,249</u>	<u>\$ 67,973,323</u>	<u>\$ 69,416,992</u>	<u>\$ 72,477,215</u>	<u>\$ 78,082,901</u>	<u>\$ 79,475,372</u>
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 1,499,922	\$ 1,483,698	\$ 1,538,895	\$ 1,700,655	\$ 2,011,722	\$ 841,182	\$ 944,556	\$ 713,025	\$ 754,946	\$ 1,150,650
Public safety	3,331,264	3,200,111	3,194,958	3,099,903	3,393,629	4,322,509	4,563,999	5,135,319	4,538,528	5,776,629
Transportation	425,439	423,318	387,695	410,615	453,131	431,514	458,703	437,488	337,698	240,791
Environmental protection	883,005	891,052	931,946	930,730	952,865	882,991	907,355	1,041,001	1,106,104	1,185,421
Economic and physical development	24,042	25,101	25,342	35,192	38,805	24,450	60,585	60,383	37,118	26,398
Human services	2,514,395	2,335,558	2,709,716	2,530,711	2,504,439	1,596,772	2,698,509	1,822,941	1,139,265	1,168,216
Culture and recreation	20,811	28,624	25,029	24,214	25,402	114,148	147,240	107,809	56,217	60,161
Operating grants and contributions	10,767,746	9,701,383	9,737,956	10,049,693	10,804,541	12,161,990	8,842,208	10,698,203	10,878,438	14,299,425
Capital grants and contributions	970,547	1,091,138	4,017,043	1,216,000	570,000	1,264,953	749,000	595,000	1,137,772	712,000
Total governmental activities program revenues	<u>20,437,171</u>	<u>19,179,983</u>	<u>22,568,580</u>	<u>19,997,713</u>	<u>20,754,534</u>	<u>21,640,509</u>	<u>19,372,155</u>	<u>20,611,169</u>	<u>19,986,086</u>	<u>24,619,691</u>
Business-type activities:										
Charges for services:										
Water and sewer	3,162,076	3,076,946	3,477,682	4,137,227	4,604,027	4,511,036	4,568,197	4,728,521	5,397,268	6,233,793
Airport	362,955	411,149	455,302	425,283	432,189	405,988	501,149	483,026	437,284	481,859
Operating grants and contributions	-	-	-	-	-	-	-	-	30,000	-
Capital grants and contributions	5,130,143	1,734,467	392,171	68,567	1,173,017	1,961,823	617,125	2,209,149	1,231,577	804,208
Total business-type activities program revenues	<u>8,655,174</u>	<u>5,222,562</u>	<u>4,325,155</u>	<u>4,631,077</u>	<u>6,209,233</u>	<u>6,878,847</u>	<u>5,686,471</u>	<u>7,420,696</u>	<u>7,096,129</u>	<u>7,519,860</u>
Total primary governmental program revenues	<u>\$ 29,092,345</u>	<u>\$ 24,402,545</u>	<u>\$ 26,893,735</u>	<u>\$ 24,628,790</u>	<u>\$ 26,963,767</u>	<u>\$ 28,519,356</u>	<u>\$ 25,058,626</u>	<u>\$ 28,031,865</u>	<u>\$ 27,082,215</u>	<u>\$ 32,139,551</u>
Net (expense)/revenue										
Governmental activities	\$ (34,130,735)	\$ (34,613,698)	\$ (31,312,516)	\$ (37,844,555)	\$ (36,969,339)	\$ (39,101,406)	\$ (42,997,158)	\$ (44,582,224)	\$ (50,363,514)	\$ (46,959,393)
Business-type activities	2,950,169	(1,190,368)	(2,198,133)	(2,077,852)	(705,143)	(352,561)	(1,361,208)	136,874	(637,172)	(376,428)
Total primary governmental net expense	<u>\$ (31,180,566)</u>	<u>\$ (35,804,066)</u>	<u>\$ (33,510,649)</u>	<u>\$ (39,922,407)</u>	<u>\$ (37,674,482)</u>	<u>\$ (39,453,967)</u>	<u>\$ (44,358,366)</u>	<u>\$ (44,445,350)</u>	<u>\$ (51,000,686)</u>	<u>\$ (47,335,821)</u>

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

Table 2
Page 2 of 2

General Revenues and Other Changes in
net position

	Fiscal Year					Fiscal Year				
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Governmental activities:										
Taxes										
Ad valorem taxes	\$ 30,499,757	\$ 31,174,287	\$ 32,363,012	\$ 32,146,975	\$ 32,603,038	\$ 33,544,111	\$ 35,469,139	\$ 36,111,659	\$ 36,827,846	\$ 38,485,699
Local option sales tax	6,696,017	7,040,648	6,936,696	7,716,809	8,267,902	9,265,317	9,919,259	11,290,942	13,943,132	16,642,246
Other taxes	504,698	543,968	544,765	605,773	643,354	686,615	847,431	971,936	948,982	1,090,043
Interest earned on investments	261,112	171,540	139,996	64,018	85,044	145,583	347,934	639,706	626,351	51,162
Miscellaneous	-	-	19,025	-	-	83,104	231,775	4,028,416	559,972	736,373
Special item	-	-	-	-	-	-	-	-	-	3,300,000
Transfers in (out)	(136,841)	(1,284,059)	(2,276,464)	(372,691)	(357,425)	(339,746)	(410,502)	(746,604)	(1,235,606)	(1,944,054)
Total governmental activities	<u>37,824,743</u>	<u>37,646,384</u>	<u>37,727,030</u>	<u>40,160,884</u>	<u>41,241,913</u>	<u>43,384,984</u>	<u>46,405,036</u>	<u>52,296,055</u>	<u>51,670,677</u>	<u>58,361,469</u>
Business-type activities:										
Ad valorem taxes	-	-	-	-	-	-	-	-	-	-
Interest earned on investments	15,759	3,890	3,349	3,707	6,472	11,223	24,703	47,537	39,393	2,322
Miscellaneous	-	21,856	-	39,003	36,306	318,102	135,497	179,881	213,640	208,141
Transfers in (out)	136,841	1,284,059	2,276,464	372,691	357,425	339,746	410,502	746,604	1,235,606	696,227
Total business-type activities	<u>152,600</u>	<u>1,309,805</u>	<u>2,279,813</u>	<u>415,401</u>	<u>400,203</u>	<u>669,071</u>	<u>570,702</u>	<u>974,022</u>	<u>1,488,639</u>	<u>906,690</u>
Total primary government	<u>\$ 37,977,343</u>	<u>\$ 38,956,189</u>	<u>\$ 40,006,843</u>	<u>\$ 40,576,285</u>	<u>\$ 41,642,116</u>	<u>\$ 44,054,055</u>	<u>\$ 46,975,738</u>	<u>\$ 53,270,077</u>	<u>\$ 53,159,316</u>	<u>\$ 59,268,159</u>
Change in net position										
Governmental activities	\$ 3,211,045	\$ 6,333,868	\$ (117,525)	\$ 3,191,545	\$ 2,140,507	\$ 387,826	\$ 1,822,812	\$ 7,713,831	\$ 1,307,163	\$ 11,402,076
Business-type activities	(1,037,768)	(888,328)	201,961	(289,742)	47,642	(692,137)	707,576	1,110,896	851,467	530,262
Total primary government	<u>\$ 2,173,277</u>	<u>\$ 5,445,540</u>	<u>\$ 84,436</u>	<u>\$ 2,901,803</u>	<u>\$ 2,188,149</u>	<u>\$ (304,311)</u>	<u>\$ 2,530,388</u>	<u>\$ 8,824,727</u>	<u>\$ 2,158,630</u>	<u>\$ 11,932,338</u>

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

Table 3

	Fiscal Year					Fiscal Year				
	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
General Fund										
Nonspendable	\$ 52,912	\$ 66,374	\$ 71,395	\$ 66,969	\$ 73,666	\$ 72,377	\$ 62,596	\$ 66,763	\$ 71,171	\$ 68,888
Restricted	8,027,964	4,206,637	4,887,893	4,731,910	4,834,753	5,465,531	6,867,887	7,027,841	6,047,136	9,483,073
Committed	-	-	750,000	500,000	250,000	250,000	250,000	2,574,055	1,233,330	563,270
Assigned	2,803,717	3,120,289	3,368,058	3,465,815	3,901,523	4,170,673	5,075,669	5,684,374	4,905,378	4,988,300
Unassigned	7,005,289	11,378,402	10,113,103	11,529,498	13,557,126	13,638,910	13,237,980	15,792,326	18,504,292	24,953,545
Total General Fund	<u>\$ 17,889,882</u>	<u>\$ 18,771,702</u>	<u>\$ 19,190,449</u>	<u>\$ 20,294,192</u>	<u>\$ 22,617,068</u>	<u>\$ 23,597,491</u>	<u>\$ 25,494,132</u>	<u>\$ 31,145,359</u>	<u>\$ 30,761,307</u>	<u>\$ 40,057,076</u>
All other governmental funds										
Committed	\$ -	\$ -	\$ -	\$ -	\$ 397,390	\$ 80,345	\$ 103,576	\$ 1,121,877	\$ 1,710,744	\$ -
Restricted	378,358	436,298	3,351,004	1,191,645	523,599	-	-	-	-	855,262
Unassigned	(52,149)	(161,875)	(35,676)	(6,132)	(21,324)	-	144,660	(481,959)	-	19,055
Total all other governmental funds	<u>\$ 326,209</u>	<u>\$ 274,423</u>	<u>\$ 3,315,328</u>	<u>\$ 1,185,513</u>	<u>\$ 899,665</u>	<u>\$ 80,345</u>	<u>\$ 248,236</u>	<u>\$ 639,918</u>	<u>\$ 1,710,744</u>	<u>\$ 874,317</u>

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

Table 4

	Fiscal Year					Fiscal Year				
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Revenues										
Ad valorem taxes	\$ 30,009,197	\$ 30,947,727	\$ 32,473,168	\$ 32,555,339	\$ 32,950,508	\$ 33,815,462	\$ 35,529,927	\$ 36,415,421	\$ 37,183,955	\$ 38,976,729
Local option sales taxes	6,696,017	7,040,648	6,936,696	7,716,809	8,267,902	9,265,317	9,919,259	11,290,941	13,943,132	16,642,245
Other taxes and licenses	504,698	543,968	544,765	605,773	643,354	715,513	735,843	805,424	761,827	917,201
Unrestricted intergovernmental	-	-	-	-	6,464	10,871,430	8,978,900	8,359,293	158,468	138,823
Restricted intergovernmental	11,150,806	9,874,535	12,814,737	10,554,160	10,289,200	205,294	313,086	858,723	9,999,250	12,967,265
Permits and fees	7,467,321	7,390,642	7,861,820	7,631,225	8,300,554	976,781	1,015,983	1,278,115	1,249,496	1,820,139
Sales and services	689,032	725,695	645,337	745,432	1,004,071	8,197,813	8,743,824	9,302,787	7,757,589	9,141,570
Investment earnings	142,460	98,746	83,822	82,688	95,992	145,583	347,934	639,707	626,349	51,163
Miscellaneous	874,456	937,510	1,024,222	795,900	871,974	963,533	711,192	5,007,178	1,568,413	4,761,111
Total revenues	<u>57,533,987</u>	<u>57,559,471</u>	<u>62,384,567</u>	<u>60,687,326</u>	<u>62,430,019</u>	<u>65,156,726</u>	<u>66,295,948</u>	<u>73,957,589</u>	<u>73,248,479</u>	<u>85,416,246</u>
Expenditures										
General government	4,312,607	4,665,411	4,511,868	4,604,532	5,012,708	5,145,558	5,393,585	5,830,653	5,816,501	6,534,092
Public safety	13,504,875	13,688,999	14,490,807	15,823,755	14,954,848	16,742,180	17,679,335	19,285,589	23,354,615	21,808,678
Transportation	854,643	825,722	860,179	881,184	881,576	948,713	950,167	986,704	917,202	856,909
Environmental protection	1,295,081	1,174,893	1,195,669	1,229,814	1,240,144	1,305,594	1,257,504	1,293,611	1,384,175	1,435,810
Economic and physical development	2,154,133	1,968,404	1,601,078	2,093,874	1,851,046	1,591,670	1,840,179	2,772,321	2,434,029	1,760,873
Human services	14,703,300	14,790,919	15,104,956	15,190,257	15,586,861	16,130,471	15,116,493	15,173,968	15,233,500	16,588,813
Education	10,813,400	10,662,158	12,830,472	15,665,028	14,035,997	14,877,737	15,020,227	15,296,360	13,223,940	17,216,823
Culture and recreation	1,418,401	1,376,531	1,420,457	1,452,471	1,459,114	1,884,812	1,639,525	1,658,679	1,511,127	1,536,901
Capital Outlay	2,443,567	2,703,079	7,673,583	1,712,914	3,947,820	1,529,617	964,125	629,064	6,541,800	3,504,356
Debt service	-	-	-	-	-	-	-	-	-	-
Principal	2,632,920	2,884,682	2,875,846	9,773,698	3,409,657	3,671,350	3,592,365	3,663,699	3,713,361	12,155,652
Interest and other charges	1,337,372	1,107,619	1,039,977	950,941	1,023,881	1,025,947	903,552	741,029	631,352	695,904
Total expenditures	<u>55,470,299</u>	<u>55,848,417</u>	<u>63,604,892</u>	<u>69,378,468</u>	<u>63,403,652</u>	<u>64,853,649</u>	<u>64,357,057</u>	<u>67,331,677</u>	<u>74,761,602</u>	<u>84,094,811</u>
Excess of revenues over (under) expenditures	2,063,688	1,711,054	(1,220,325)	(8,691,142)	(973,633)	303,077	1,938,891	6,625,912	(1,513,123)	1,321,435
Other financing sources (uses)										
Debt Proceeds	3,709,191	403,039	7,206,441	8,037,761	3,368,086	197,772	536,143	163,601	3,435,502	9,067,107
Refunding bond issued	-	-	-	-	-	-	-	-	-	-
Payment to escrow agent-retired debt	(3,850,000)	-	-	-	-	-	-	-	-	-
Payment to bondholders	-	-	-	-	-	-	-	-	-	-
Bond Premium	-	-	-	-	-	-	-	-	-	-
Transfers from other funds	103,059	50,000	59,406	383,540	357,944	171,034	5,542	44,499	934,045	408,020
Transfers to other funds	(239,900)	(1,334,059)	(2,585,870)	(756,231)	(715,369)	(510,780)	(416,044)	(791,103)	(2,169,651)	(2,352,074)
Total other financing sources (uses)	<u>(277,650)</u>	<u>(881,020)</u>	<u>4,679,977</u>	<u>7,665,070</u>	<u>3,010,661</u>	<u>(141,974)</u>	<u>125,641</u>	<u>(583,003)</u>	<u>2,199,896</u>	<u>7,123,053</u>
Net change in fund balances	<u>\$ 1,786,038</u>	<u>\$ 830,034</u>	<u>\$ 3,459,652</u>	<u>\$ (1,026,072)</u>	<u>\$ 2,037,028</u>	<u>\$ 161,103</u>	<u>\$ 2,064,532</u>	<u>\$ 6,042,909</u>	<u>\$ 686,773</u>	<u>\$ 8,444,488</u>
Debt services as a percentage of noncapital expenditures	7.2%	7.3%	7.0%	15.8%	7.5%	7.6%	7.1%	6.6%	5.89%	15.95%

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

Table 5

Fiscal Year	Property Tax	Sales Tax	Franchise Tax	Occupancy Tax	Property Excise Tax	Solid Waste Tax	Other Tax	Total
2012	30,499,757	6,696,017	164,644	207,471	87,523	25,930	19,130	37,700,472
2013	31,174,287	7,040,648	159,993	234,448	107,618	21,594	19,315	38,757,903
2014	32,363,012	7,716,809	157,706	230,930	111,097	23,382	21,650	40,624,586
2015	32,146,975	7,716,809	155,454	263,470	141,546	24,939	20,364	40,469,557
2016	32,603,038	8,267,902	149,042	278,951	167,941	25,361	22,059	41,514,294
2017	33,544,111	9,265,317	148,730	288,928	222,723	26,498	28,634	43,524,941
2018	35,469,139	9,919,259	143,884	310,361	225,897	26,498	29,203	46,124,241
2019	36,111,659	11,290,941	138,590	332,201	267,119	30,350	37,164	48,208,024
2020	36,827,841	13,943,132	135,372	280,261	283,111	31,290	29,575	51,530,582
2021	38,485,699	16,642,245	133,291	309,980	407,143	31,681	35,106	56,045,145

Stanly County, North Carolina
General Governmental Tax Revenues By Source
Last Ten Fiscal Years
(modified accrual basis of accounting)

Table 6

Fiscal Year	Property Tax	Sales Tax	Franchise Tax	Occupancy Tax	Property Excise Tax	Solid Waste Tax	Other Tax	Total
2012	30,009,197	7,040,648	159,993	234,448	107,618	21,594	19,315	37,592,813
2013	30,947,727	7,716,809	157,706	235,448	111,097	23,382	21,650	39,213,819
2014	32,473,168	7,716,809	155,454	263,470	141,546	24,939	20,364	40,795,750
2015	32,555,339	7,716,809	155,454	263,470	141,546	24,939	20,364	40,877,921
2016	32,950,508	8,267,902	149,042	278,951	167,941	25,361	22,059	41,861,764
2017	33,815,462	9,265,317	148,730	288,928	222,723	26,498	28,634	43,796,292
2018	35,529,927	9,919,259	143,884	310,361	225,897	26,498	29,203	46,185,029
2019	36,415,421	11,290,941	138,590	332,201	267,119	30,350	37,164	48,511,786
2020	37,183,955	13,943,132	135,372	280,261	283,111	31,290	29,575	51,886,696
2021	38,976,729	16,642,245	133,291	309,980	407,143	31,681	35,106	56,536,175

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

Table 7

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					
2012	\$ 2,989,362,988	\$ 612,152,578	\$ 389,552,648	\$ 318,244,954	\$ 55,401,328	\$ 4,253,911,840	0.6700	\$ 4,253,911,840	100%
2013	3,021,902,549	1,101,009,623	407,026,074	326,955,037	543,377,510	4,313,515,773	0.6700	4,313,515,773	100%
2014	3,346,741,922	797,344,983	819,379,104	321,402,524	543,774,772	4,462,924,217	0.6700	4,462,924,217	100%
2015	3,372,794,145	665,520,283	444,155,733	335,090,927	409,454,428	4,408,106,660	0.6700	4,408,106,660	100%
2016	3,379,961,023	680,180,319	466,690,677	338,020,267	383,681,306	4,481,170,980	0.6700	4,481,170,980	100%
2017	3,411,665,707	694,306,584	517,055,017	351,063,739	406,276,622	4,567,814,695	0.6700	4,567,814,695	100%
2018	3,614,571,935	711,956,003	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%

Source: Stanly County Tax Assessor

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

Table 8

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
County Direct Rate										
Stanly (General)	0.6700	0.6700	0.6700	0.6700	0.6700	0.6700	0.6700	0.0670	0.6700	0.6100
Total direct rate	0.6700	0.6700	0.6700	0.6700	0.6700	0.6700	0.6700	0.6700	0.6700	0.6100
City/Town Overlapping Rates										
City of Albemarle	0.5600	0.5600	0.5900	0.5900	0.5900	0.5900	0.6400	0.6400	0.6400	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	0.3800	0.3900	0.3900	0.3900	0.4100	0.4100	0.4200	0.4200	0.4200	0.4300
Town of Norwood	0.4000	0.4000	0.4000	0.4000	0.3900	0.3900	0.3900	0.3900	0.3900	0.3900
Town of Locust	0.3600	0.3600	0.3600	0.3600	0.3600	0.3600	0.3600	0.3600	0.3600	0.3600
Stanfield Annex	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Town of Stanfield	0.3800	0.3800	0.3800	0.3200	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	0.1500	0.1700	0.1700	0.1700	0.2000	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
Fire Districts Overlapping Rates										
*West Stanly	0.0800	0.0842	0.0842	0.0842	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000
Center Rural	0.0700	0.0700	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	0.0600	0.0600	0.1000	0.1000	0.1000
Ridgecrest	0.0900	0.0900	0.0900	0.0900	0.0900	0.1100	0.1100	0.1100	0.1100	0.1100
Aquadale	0.0500	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000
Eastside	0.0800	0.0800	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000
Oakboro Rural	0.0400	0.0400	0.0400	0.0400	0.0600	0.0600	0.0600	0.0600	0.0600	0.0600
New London	0.0500	0.0515	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	0.1000	0.1000	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	0.0500	0.0500	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	0.0500	0.0500	0.1000	0.1000	0.1000	0.1000	0.1000
Badin-Yadkin	0.0800	0.0803	0.0803	0.0803	0.0803	0.0803	0.0803	0.0803	0.0803	0.0803
Norwood Special	0.0700	0.0700	0.0700	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000
Maximum Combined										
**County Tax Rate	0.7700	0.7700	0.7700	0.7700	0.7700	0.7800	0.7800	0.7800	0.8200	0.7600
*** City Tax Rate	1.2300	1.2300	1.2600	1.2600	1.2600	1.2600	1.3100	1.3100	1.3100	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).

Source: Stanly County Tax Assessor

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

Table 9

Taxpayer	2021			2012		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Duke Energy	\$ 61,508,684	1	1.17%	\$ 31,859,254	2	0.75%
Michelin Aircraft Tire Co.	56,020,841	2	1.07%	25,147,278	5	0.59%
Fiber Composites	54,615,937	3	1.04%	29,626,408	3	0.70%
Piedmont Natural Gas	36,607,156	4	0.70%	14,140,473	9	0.33%
Cube Yadkin Generation LLC	35,054,451	5	0.67%			
Union Electric	34,361,668	6	0.65%	26,482,679	4	0.62%
Walmart Real Estate Business	23,365,071	7	0.45%			
Preformed Line Products	17,889,645	8	0.34%	16,158,344	7	0.38%
Culp Lumber Company	16,183,035	9	0.31%			
Time Warner Cable Stheast LLC	12,856,839	10	0.24%			
APGI				46,117,643	1	1.08%
ALCOA				20,028,147	6	0.47%
Stanly Regional Medical Center				15,020,520	8	0.35%
IAC Group North America Inc.				11,998,905	10	0.28%
Totals	\$ 348,463,327		6.64%	\$ 236,579,651		5.56%

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 Levy</u>		<u>Amount</u>	<u>Percentage of</u> <u>Levy</u>
2012	\$ 28,535,034	\$ 27,153,596	95.16%	\$ 741,518	\$ 27,895,114	97.76%
2013	29,056,680	27,644,474	95.14%	1,072,968	28,717,442	98.83%
2014	30,126,927	28,910,756	95.96%	1,145,792	30,056,548	99.77%
2015	29,746,072	28,799,295	96.82%	1,112,513	29,911,808	100.00%
2016	30,157,831	29,316,007	97.21%	979,411	30,295,418	100.00%
2017	30,810,287	30,058,849	97.56%	858,647	30,917,496	100.00%
2018	32,376,887	31,596,981	97.59%	851,059	32,448,040	100.00%
2019	33,172,709	32,441,212	97.13%	891,681	33,332,893	100.00%
2020	33,889,514	33,090,003	97.64%	917,082	34,007,085	100.00%
2021	35,309,231	34,632,089	98.08%	992,456	35,624,545	100.00%

Source: Stanly County Tax Assessor

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

Table 11

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	Installment Note	General Obligation Bonds	Capital Leases	Revenue Bonds	Bond Anticipation Note	Installment Note			
2012	\$ 15,000,000	\$ 889,658	\$ 3,523,215	\$ 12,725,241	\$ -	\$ -	\$ -	\$ -	\$ 263,379	\$ 32,401,493	1.73%	\$ 522.85
2013	13,385,000	800,660	3,133,060	12,248,753	-	-	-	-	242,765	29,810,238	1.47%	477.67
2014	11,810,000	711,660	9,644,846	11,642,562	-	-	-	-	2,765,613	36,574,681	1.77%	582.07
2015	10,255,000	621,760	10,402,629	10,703,842	-	-	-	2,132,000	2,704,812	36,820,043	1.78%	585.97
2016	8,725,000	532,760	9,445,822	13,149,078	-	-	962,000	2,132,000	1,520,306	36,466,966	1.93%	597.27
2017	7,190,000	443,762	8,479,715	12,176,708	-	-	948,000	-	3,409,166	32,647,351	2.02%	533.16
2018	5,690,000	354,760	7,503,088	11,597,112	-	-	2,996,000	-	1,640,980	29,781,940	1.36%	491.37
2019	4,205,000	265,758	6,516,213	10,568,890	-	-	2,024,000	-	1,847,738	25,427,599	1.10%	417.70
2020	2,730,000	176,756	8,153,860	10,128,385	-	-	2,890,000	-	2,449,811	26,528,812	1.71%	422.39
2021	1,265,000	87,760	425,304	16,233,397	-	-	2,835,000	-	6,104,037	26,950,498	1.69%	437.59

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

Stanly County, North Carolina
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years

Table 12

Fiscal Year	General Obligation Bonds	Percentage of Estimated Actual Taxable Value of Property	Per Capita
2012	13,385,000	0.31%	214.48
2013	12,521,660	0.28%	199.28
2014	10,876,760	0.25%	178.14
2015	9,257,760	0.21%	151.63
2016	7,633,762	0.17%	124.67
2017	6,044,760	0.13%	99.73
2018	4,470,758	0.09%	73.44
2019	4,381,756	0.09%	71.98
2020	2,906,756	0.06%	46.28
2021	1,352,760	0.03%	21.96

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

Stanly County, North Carolina
Direct and Overlapping Governmental Activities Debt
June 30, 2021

Table 13

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Direct:			
Stanly County	\$ 18,011,461	100%	\$ 18,011,461
Overlapping:			
Town of Richfield	152,660	100%	<u>152,660</u>
Total direct and overlapping debt			<u>\$ 18,164,121</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.

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

Table 14

	Fiscal Year					Fiscal Year				
	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Debt limit	\$ 340,312,947	\$ 345,081,262	\$ 357,033,937	\$ 352,648,533	\$ 358,493,678	\$ 365,425,176	\$ 385,037,208	\$ 393,236,497	403,263,887	419,984,989
Total net debt applicable to limit	<u>32,138,114</u>	<u>29,567,473</u>	<u>33,809,068</u>	<u>31,983,231</u>	<u>31,983,231</u>	<u>28,290,185</u>	<u>25,144,960</u>	<u>21,466,859</u>	<u>21,189,001</u>	<u>18,011,461</u>
Legal debt margin	<u>\$ 308,174,833</u>	<u>\$ 315,513,789</u>	<u>\$ 323,224,870</u>	<u>\$ 320,665,302</u>	<u>\$ 326,510,447</u>	<u>\$ 337,134,991</u>	<u>\$ 359,892,248</u>	<u>\$ 371,769,638</u>	<u>\$ 382,074,886</u>	<u>\$ 401,973,528</u>
Total net debt applicable to the limit as a percentage of debt limit	<u>10.38%</u>	<u>10.33%</u>	<u>9.44%</u>	<u>9.07%</u>	<u>8.89%</u>	<u>7.74%</u>	<u>6.53%</u>	<u>5.46%</u>	<u>5.25%</u>	<u>4.29%</u>

Legal Debt Margin Calculation for Fiscal Year 2021

Assessed value	<u>\$ 5,249,812,360</u>
Debt limit - 8% of assessed value	419,984,989
Debt applicable to limit:	
General obligation bonds	\$ 1,265,000
Bond premiums	87,760
Capital lease obligation	425,304
Installment note	16,233,397
Business-type installment note	6,104,037
Business-type revenue bond	2,835,000
Business-type anticipation note	-
Total debt	<u>\$ 26,950,498</u>
Less-Statutory deductions	<u>8,939,037</u>
Total amount of debt applicable to debt limit	<u>18,011,461</u>
Legal debt margin	<u>\$ 401,973,528</u>

Stanly County, North Carolina
Demographic and Economic Statistics
Last Ten Fiscal Years

Table 15

Fiscal Year	Population (1)	Personal Income	Per Capita Personal Income (2)	Median Age (3)	School Enrollment (4)	Unemployment Rate (5)
2012	60,585	1,766,961,525	29,165	41.0	9,070	10.2%
2013	61,971	1,873,197,417	30,227	41.0	8,953	8.9%
2014	62,408	2,026,262,944	32,468	41.0	8,763	5.8%
2015	62,836	2,070,320,528	32,948	42.0	8,666	5.7%
2016	61,056	1,888,706,304	30,934	42.0	8,670	4.3%
2017	61,234	1,612,536,156	26,334	42.0	8,582	5.1%
2018	60,610	2,185,596,600	36,060	42.0	8,832	3.3%
2019	60,875	2,312,580,375	37,989	42.0	8,455	4.1%
2020	62,806	1,549,486,826	24,671	42.0	8,414	10.4%
2021	61,588	1,592,850,444	25,863	42.4	8,348	4.5%

Sources:

- (1) Stanly County Economic Development Office
- (2) Stanly County Economic Development Office
- (3) Stanly County Economic Development Office
- (4) Division of School Business Services School Allotments Sections
- (5) Stanly County Economic Development Office

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

Table 16

Employer	2021			2012		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Stanly County Schools	1000+	1	5.42%+	1000+	1	6.51%
Atrium Health	500-999	2	2.71%-4.88%	500-999	2	2.71%-4.88%
County of Stanly	500-999	4	2.71%-4.88%	200-499	3	1.48-2.59%
Wal-Mart Associates Inc.	500-999	4	2.71%-4.88%	200-499	4	
Food Lion	250-499	5	1.35%-2.70%			
Fiberon	250-499	6	1.35%-2.70%			
Michelin Tire Center	250-499	7	1.35%-2.70%	200-499	5	1.48-2.59%
Clayton Mobile Homes	250-499	8	1.35%-2.70%			
Stanly Community College	250-499	9	1.35%-2.70%	200-499	6	1.48-2.59%
Department of Public Safety	250-499	10	1.35%-2.70%	200-499	7	1.48-2.59%
IAC Old Fort LLC				250-499	8	1.48-2.59%
Monarch				250-499	9	1.48-2.59%
City of Albemarle				250-499	10	1.48-2.59%
Pfeiffer University						
Total	<u>18,453</u>		<u>29.96%</u>	<u>5,072</u>		<u>27.99%</u>

Source: Stanly County Economic Development Office

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

Table 17

Function	Full-time Equivalent Employees as of June 30									
	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
General government										
Administration	4	4	4	4	4	4	4	4	4	4
Finance	5	5	5	5	5	5	5	6	6	6
Taxes	18	18	16	16	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	3	3
Register of deeds	4	4	4	4	4	5	5	5	5	5
Information technology	5	5	5	5	5	5	7	7	7	7
Facilities management	7	7	7	7	7	7	7	7	7	7
Public safety										
Sheriff	54	54	54	57	59	60	60	60	65	65
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	2
Emergency medical services	36	37	43	46	47	56	56	56	61	61
Inspections	4	4	4	4	4	5	5	5	5	5
Animal control	5	5	5	5	5	4	4	5	5	5
E-911 operations	16	17	17	17	17	19	19	19	19	19
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	3	3
Rocky River RPO	1	1	1	1	1	1	1	1	1	1
Cooperative extension	0	0	0	0	0	0	0	0	0	0
Title V	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Human services										
Health	57	58	55	55	55	55	55	55	55	50
Social services	81	81	81	84	84	87	89	89	93	93
Senior services	13	13	13	13	13	13	13	13	13	13
Veterans services	1	1	1	1	1	1	1	1	1	1
Culture and recreation										
Library	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	4	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	12	12	13	13	13	13	13
West Stanly WWTP	0	0	2	2	2	2	2	2	2	2
Total	<u>429</u>	<u>435</u>	<u>437</u>	<u>440</u>	<u>449</u>	<u>451</u>	<u>468</u>	<u>472</u>	<u>472</u>	<u>483</u>

Source: Stanly County Human Resources

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

Table 18

Function	Fiscal Year					Fiscal Year				
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Public Safety										
Arrests	937	705	813	758	958	998	896	1,109	1,214	1,222
Civil papers serviced	8,781	8,339	8,653	6,594	7,382	5,841	5,587	5,904	3,264	2,912
Average daily jail population	75	66	74	76	104	108	122	132	139	124
Dispatched EMS calls	8,668	8,625	7,949	9,091	8,425	9,257	10,933	11,001	10,436	11,718
EMS move up calls	3,342	3,564	2,923	2,891	2,992	3,435	4,069	5,014	4,606	3,892
Building permits issued	549	545	512	604	667	677	756	743	818	1,085
Animals entering shelter	2,910	2,053	1,777	1,705	1,715	1,364	1,300	1,305	1,082	1,714
Animals euthanized	1,257	1,611	1,330	1,316	1,334	1,125	985	667	409	359
911 calls logged for service	121,662	116,356	115,885	121,817	120,907	123,043	135,423	134,659	130,614	130,397
Transportation										
Service hours	17,966	16,927	16,267	18,115	18,235	18,678	17,997	18,168	15,455	11,612
Miles driven	313,790	286,007	285,806	311,038	317,622	307,469	302,293	312,613	265,776	200,655
Trips	62,587	55,350	47,491	48,075	47,501	46,799	47,542	49,644	35,872	26,647
Environmental protection										
Discarded materials collected (tons/day)	19	24	22	22	25	25	22	25	26	27
Recyclables collected (tons/day)	2	2	2	2	2	2	2	2	2	2
Human services										
Food and lodging permits	92	63	60	68	63	61	51	34	36	
Food and lodging inspections made	859	730	729	764	762	787	751	746	449	
Wells permits issued	84	100	51	84	79	76	85	106	82	95
Culture and recreation										
Library books checked out	210,951	204,653	186,501	173,519	178,070	172,322	170,157	162,223	149,549	132,310
Library cards issued	2,850	2,620	1,942	2,491	2,086	1,868	2,048	1,689	1,297	1,085
Water and sewer										
Number of water customers	4,994	5,207	5,460	5,525	5,738	5,855	5,945	6,095	6,217	
Average monthly water demand (Gallons)	32,253,281	29,400,454	31,760,350	38,656,000	40,677,041	41,246,000	37,395,076	40,834,222	55,885,833	
Number of sewer customers	720	625	695	698	703	708	708	727	1,016	
Average monthly sewage collected and treated* (Gallons)	310,500	358,417	688,400	798,730	10,100,036	10,334,427	19,832,569	19,880,583	32,500,675	
Airport										
Operations ** (Take-offs and/or landings)	9,969	10,271	13,200	14,867	16,005	15,500	15,125	16,637	12,845	16,585

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.

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

Table 19

Function	Fiscal Year									
	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Public safety										
Detention center	1	1	1	1	1	1	1	1	1	1
Patrol units	48	48	45	46	55	55	57	64	72	73
EMS ambulances	9	9	10	10	10	10	10	10	10	10
Transportation										
Transit vehicles	16	16	19	19	19	19	19	18	18	18
Environmental protection										
Convenience centers	9	9	9	9	9	9	9	9	9	9
Sanitary landfill	0	0	0	0	0	0	0	0	0	0
Culture and recreation										
Museums	3	3	3	3	3	3	3	3	3	3
Civic center	1	1	1	1	1	1	1	1	1	1
Water and sewer										
Miles of water mains	191	206	283	283	283	283	283	283	285	285
Number of wastewater plants	1	1	2	2	2	2	2	2	2	2
Miles of sanitary sewer	49	49	56	56	56	56	56	56	70	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



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

P.O. Box 398

1626 S Madison Street

Whiteville, NC 28472

Telephone (910) 642-2109

Fax (910) 642-5958

Alan W. Thompson, CPA

R. Bryon Scott, CPA

Gregory S. Adams, CPA

**Report On Internal Control Over Financial Reporting And On Compliance and
Other Matters Based On An Audit Of Financial Statements Performed In Accordance With
*Government Auditing Standards***

Independent Auditors' Report

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Stanly County, North Carolina, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprises Stanly County's basic financial statements, and have issued our report thereon dated October 8, 2021.

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

Members

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

material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings and Questioned Costs as items [2021-001] that we consider to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Stanly County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Stanly County's Response to Findings

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 results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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

Thompson, Price, Scott, Adams & Co., P.A.
Whiteville, NC
October 8, 2021



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

P.O. Box 398

1626 S Madison Street

Whiteville, NC 28472

Telephone (910) 642-2109

Fax (910) 642-5958

Alan W. Thompson, CPA

R. Bryon Scott, CPA

Gregory S. Adams, CPA

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

Independent Auditors' Report

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

Report on Compliance for Each Major Federal Program

We have audited Stanly County, North Carolina's, compliance with the types of compliance requirements described in the OMB *Compliance Supplement* and the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that could have a direct and material effect on each of Stanly County's major federal programs for the year ended June 30, 2021. Stanly County's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal and State statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of Stanly County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and the State Single Audit Implementation Act. Those standards, the Uniform Guidance, and the State Single Audit Implementation Act require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Stanly County's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Stanly County's compliance.

Members

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

Opinion on Each Major Federal Program

In our opinion, Stanly County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

Report on Internal Control Over Compliance

Management of Stanly County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Stanly County's internal control over compliance with the types of requirements that could have direct and material effect on major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance with type of compliance requirement of a federal program that is less severe than material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, we did identify certain deficiencies in internal control over compliance, as described in the accompanying Schedule of Findings and Questioned Costs as items [2021-002, 2021-003, 2020-004 and 2021-005] that we consider to be significant deficiencies.

Stanly County's response to the internal control over compliance findings identified in our audit are described in the accompanying Corrective Action Plan. Stanly County's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

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

Thompson, Price, Scott, Adams & Co., P.A.
Whiteville, NC
October 8, 2021



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

P.O. Box 398

1626 S Madison Street

Whiteville, NC 28472

Telephone (910) 642-2109

Fax (910) 642-5958

Alan W. Thompson, CPA

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
Albemarle, North Carolina

Report on Compliance for Each Major State Program

We have audited Stanly County, North Carolina's, compliance with the types of compliance requirements described in the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that could have a direct and material effect on each of Stanly County's major state programs for the year ended June 30, 2021. Stanly County's major state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with State statutes, regulations, and the terms and conditions of its state awards applicable to its state programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of Stanly County's major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and applicable sections of Title 2 US *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), as described in the Audit Manual for Governmental Auditors in North Carolina, and the State Single Audit Implementation Act. Those standards, Uniform Guidance, and the State Single Audit Implementation Act require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about Stanly County's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major state program. However, our audit does not provide a legal determination of Stanly County's compliance.

Members

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

Opinion on Each Major State Program

In our opinion, Stanly County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2021.

Report on Internal Control Over Compliance

Management of Stanly County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Stanly County's internal control over compliance with the types of requirements that could have and material effect on a major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major state program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a state program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a state program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, we did identify certain deficiencies in internal control over compliance, as described in the accompanying Schedule of Findings and Questioned Costs as items [2021-003, 2021-004 and 2021-005] that we consider to be significant deficiencies.

Stanly County's response to the internal control over compliance findings identified in our audit are described in the accompanying Corrective Action Plan. Stanly County's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of 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 8, 2021

Stanly County, North Carolina
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2021

Section I. Summary of Auditors' Results

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance to GAAP:

Unmodified

Internal control over financial reporting:

- Material Weakness(es) identified? ___yes ___X_no
- Significant Deficiency(s) identified ___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>CFDA #</u>	<u>Program Name</u>
20.509	Public Transportation for Nonurbanized Areas
21.019	Coronavirus Relief Fund
66.458	Capitalization Grants for Clean Water State Revolving Funds - West Stanly WWTP Rehab Project
93.778	Medical Assistance Program

Dollar threshold used to distinguish between Type A and Type B Programs

\$ 750,000

Auditee qualified as low-risk auditee?

___X_yes ___no

Section I. Summary of Auditors' Results (continued)

Section II. Financial Statement Findings

Stanly County, North Carolina
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2021

Section III. Federal Award Findings and Questioned Costs

US Department of Transportation

Passed through the NC Dept. of Transportation

Program Name: Public Transportation for Nonurbanized Areas

CFDA# 20.509

Finding: 2021-002 Program Income Reporting

SIGNIFICANT DEFICENCY

Program Income

- Criteria: In accordance with the compliance requirements for Public Transportation for Nonurbanized Areas, program income should be accurately determined and reported. Service contract revenues should be reported a program income when operating funding was received.
- Condition: Service contract revenues were not reported as program income when the County received operating funding during the fiscal year.
- Questioned Costs: There was no known effect to eligibility and there were no known questioned costs.
- Effect: Inaccurate information could be reported to the Federal and State grantor agencies.
- Cause: County oversight on the compliance requirement.
- Recommendation: The finance officer and the department personnel should review the grant requirements more carefully, especially when there are changes in the performance period, to ensure grant funds are properly used and reported.
- Views of responsible officials and planned corrective actions: The County agrees with the finding.

US Department of Health and Human Services

Passed through the NC Dept. of Health and Human Services

Program Name: Medical Assistance Program (Medicaid; Title XIX)

CFDA# 93.778

Finding: 2021-003 Inaccurate Information Entry - Resources

SIGNIFICANT DEFICENCY

Eligibility

- Criteria: Medicaid for Aged, Blind and Disabled case records should contain documentation that verifications were done in preparation of the application and these items will agree to reports in the NC FAST system. In this process, the countable resources should be calculated correctly and agree back to the amounts in the NC FAST system. Any items discovered in the verification process should be considered countable or non-countable resources and explained within the documentation.

Stanly County, North Carolina
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2021

Section III. Federal Award Findings and Questioned Costs (Continued)

Condition:	There were 2 errors discovered during our procedures that resources in the county documentation and those same resources contained in NC FAST were not the same amounts or files containing resources were not properly documented to be considered countable or non-countable.
Questioned Costs:	There was no known effect to eligibility and there were no known questioned costs.
Context:	We examined 60 Medicaid recipients from the Medicaid Beneficiary report provided by NC Department of Health and Human Services to re-determine eligibility. These findings are being reported with the financial statement audit as it relates to Medicaid administrative cost compliance audit.
Effect:	For those certifications/re-certifications there was a chance that information was not properly documented and reconciled to NC FAST which affect countable resource and a participant could have been approved for benefits that they were not eligible.
Identification of a repeat finding:	This is a repeat finding from the immediate previous audit, 2020-001.
Cause:	Ineffective record keeping and ineffective case review process, incomplete documentation, and incorrect application of rules for purposes of determining eligibility.
Recommendation:	Files should be reviewed internally to ensure proper documentation is in place for eligibility. Workers should be retrained on what files should contain and the importance of complete and accurate record keeping. We recommend that all files include online verifications, documented resources of income and those amounts agree to information in NC FAST. The results found or documentation made in case notes that clearly indicates what actions were performed and the results of those actions.
Views of responsible officials and planned corrective actions:	The County agrees with the finding.

US Department of Health and Human Services

Passed through the NC Dept. of Health and Human Services

Program Name: Medical Assistance Program (Medicaid; Title XIX)

CFDA# 93.778

Finding: 2021-004 Inaccurate Information Entry - Income

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.
-----------	--

Stanly County, North Carolina
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2021

Section III. Federal Award Findings and Questioned Costs (Continued)

Condition:	There were 2 errors discovered during our procedures that inaccurate information was entered when determining eligibility.
Questioned Costs:	There was no known effect to eligibility and there were no known questioned costs.
Context:	We examined 60 Medicaid recipients from the Medicaid Beneficiary report provided by NC Department of Health and Human Services to re-determine eligibility. These findings are being reported with the financial statement audit as it relates to Medicaid administrative cost compliance audit.
Effect:	For those certifications/re-certifications there was a chance that information was not properly documented and reconciled to NC FAST which affect countable resource and a participant could have been approved for benefits that they were not eligible.
Identification of a repeat finding:	This is a repeat finding from the immediate previous audit, 2020-002.
Cause:	Ineffective record keeping and 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.

US Department of Health and Human Services

Passed through the NC Dept. of Health and Human Services

Program Name: Medical Assistance Program (Medicaid; Title XIX)

CFDA# 93.778

Finding: 2021-005 Inadequate Request for Information

SIGNIFICANT DEFICIENCY

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 2 errors discovered during our procedures that inadequate information was requested at applications and/or redeterminations.

Stanly County, North Carolina
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2021

Section III. Federal Award Findings and Questioned Costs (Continued)

Questioned Costs:	There was no known effect to eligibility and there were no known questioned costs.
Context:	We examined 60 Medicaid recipients from the Medicaid Beneficiary report provided by NC Department of Health and Human Services to re-determine eligibility. These findings are being reported with the financial statement audit as it relates to Medicaid administrative cost compliance audit.
Effect:	For those certifications/re-certifications there was a chance that information was not properly documented and reconciled to NC FAST which affect countable resource and a participant could have been approved for benefits that they were not eligible.
Cause:	Ineffective record keeping and ineffective case review process, incomplete documentation, and incorrect application of rules for purposes of determining eligibility.
Recommendation:	Files should be reviewed internally to ensure proper documentation is in place for eligibility. Workers should be retrained on what files should contain and the importance of complete and accurate record keeping. We recommend that all files include online verifications, documented resources 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.

Section IV. State Award Findings and Questioned Costs

Program Name: Medical Assistance Program (Medicaid; Title XIX)
CFDA # 93.778

SIGNIFICANT DEFICENCY: Finding 2021-003, 2021-004 and 2021-005 also apply to State requirements and State Awards.



**Corrective Action Plan
For the Year Ended June 30, 2021**

Section II - Financial Statement Findings

Finding 2021-001

Name of contact person: Toby Hinson, Finance Director

Corrective Action: The County is aware of the requirement, and will adopt budgets accordingly.

Proposed completion date: Immediately.

Section III - Federal Award Findings and Question Costs

Finding 2021-002

Name of contact person: Toby Hinson, Finance Director

Corrective Action: The County will review the grant requirements and make adjustments accordingly.

Proposed completion date: Immediately.

Finding 2021-003

Name of contact person: Stacy Ragsdale, IM Supervisor II

Corrective Action:

1. Technical Error of liquid assets value not entered in evidence. The caseworkers complete a Summary Sheet that documents income, assets and includes a budget. The liquid assets were not entered into NCFast. We will hold an Adult Medicaid Unit training to review the importance of entering all information into NCFast so that a correct eligibility decision will occur. The Lead Worker will review all approved/denied applications for 2 months and then will review 3 applications and 2 reviews monthly per worker.
2. Technical Error of non-countable cash value of life insurance not entered into NC Fast. We will have an Adult Medicaid Unit training to review with caseworkers the requirement to enter the cash value of non-countable life insurance at application. The Lead Worker will review all approved/denied applications for 2 months and then will review 3 applications monthly per worker.

Proposed completion date: October 31 2021.



Corrective Action Plan (continued)

Finding 2021-004

Name of contact person: Robin Huneycutt, IM Supervisor II

Corrective Action: 1. Technical error of worker using non-base period check stubs when Work Number was available with base period income. We will hold a Family & Children's Medicaid Unit training reviewing the use of base period income when available. Supervisor or Lead Worker will monitor these errors during monthly 2nd Party Reviews. We will review a minimum of two records per worker each month.

2. Technical error of worker not entering all countable income at review. We will hold a Family & Children's Medicaid Unit training reviewing the requirement to enter and verify all countable income. Supervisor or Lead Worker will monitor these errors during monthly 2nd Party Reviews. We will review a minimum of two records per worker each month.

Proposed completion date: October 31 2021.

Finding 2021-005

Name of contact person: Robin Huneycutt, IM Supervisor II

Corrective Action: 1. Technical error of worker not documenting that the Work Number was ran. We will hold a Family & Children's Medicaid Unit training reviewing the need to document when The Work Number has to be ran outside of NC Fast. Supervisor or Lead Worker will monitor these errors during monthly 2nd Party Reviews. We will review a minimum of two records per worker each month.

2. Technical error of worker not running OVS on all household members. We will hold a Family & Children's Medicaid Unit training reviewing the requirement to run and check OVS for all household members. Supervisor or Lead Worker will monitor these errors during monthly 2nd Party Reviews. We will review a minimum of two records per worker each month

Proposed completion date: October 31 2021.

Section IV - State Award Findings and Question Costs

Corrective Action Plan for Finding 2021-003, 2021-004 and 2021-005 also apply to State Awards findings.

Stanly County, North Carolina
Summary Schedule of Prior Audit Findings
For the Year Ended June 30, 2021

Finding: 2020-001
Status: Repeated as finding 2021-002

Finding: 2020-002
Status: Repeated as finding 2021-003

Finding: 2020-003
Status: Corrected

Stanly County, North Carolina
Schedule of Expenditures of Federal and State Awards
For The Fiscal Year Ended June 30, 2021

Grantor/Pass-through Grantor/Program Title	Federal AL # CFDA Number	State/ Pass-through Grantor's Number	Fed (Direct & Pass-through Expenditures	State Expenditures	Provided to Subrecipients	Local Expenditures
Federal Awards:						
<u>U. S. Department of Agriculture:</u>						
Passed-through N.C. Dept of Health and Human Services: Division of Social Services: Administration: State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561		\$ 506,844	\$ -	\$ -	\$ 506,844
Passed-through N.C. Dept of Health and Human Services: Division of Public Health: Administration: Special Supplemental Nutrition Program for Women Infant and Children Total U.S. Dept. of Agriculture	10.557		265,146 771,990	- -	- -	- 506,844
<u>U.S. Department of Justice</u>						
Direct Program Equitable Sharing - Federal Forfeiture Fund Program Total U.S. Department of Justice	16.922		16,084 16,084	- -	- -	- -
<u>U.S. Dept of Transportation</u>						
Passed thru N.C. Department of Transportation Stanly County Airport (Vision 100 Entitlement) Stanly County Airport (Vision 100 Entitlement) Stanly County Airport (Vision 100 Entitlement) Total Stanly County Airport (Vision 100 Entitlement)	20.106 20.106 20.106	36237.50.19.2 36237.50.19.1 36237.50.19.3	46,051 64,997 39,814 150,862	- - - -	- - - -	- - - -
Public Transportation for Nonurbanized Areas - Admin Public Transportation for Nonurbanized Areas - Capital COVID-19 Public Transportation for Nonurbanized Areas - Operating Total Formula Grant for Rural Areas	20.509 20.509 20.509	36233.96.22.1 36233.96.22.3 49233.59.1.2	192,506 156,816 401,761 751,083	12,031 19,602 - 31,633	- - - -	- - - -
Highway Planning and Construction Cluster RPO Grants Rocky River RPO Grants Rocky River Total Highway Planning and Construction Cluster	20.205-8 20.205-8	48232.4.15 48478.4.15	62,200 21,831 84,031	- - -	- - -	- - -
Stanly County SR. SVCS. CAP Total U.S. Dept of Transportation	20.513	51001.87.5.3	19,961 1,005,937	2,495 34,128	- -	- -
<u>U.S. Department of Treasury</u>						
Direct Program Equitable Sharing - Federal Forfeiture Fund Program Passed-through the Office of State Budget and Management: NC Pandemic Recovery Office Coronavirus Relief Fund Passed-through N.C. Dept of Health and Human Services Division of Public Health Coronavirus Relief Fund Total Coronavirus Relief Fund Total U.S. Department of Treasury	21.016 21.019 21.019		800 2,438,297 97,652 2,535,949 2,536,749	- - - - -	- 622,702 - 622,702 622,702	- - - - -
Institute of Museum and Library Services Passed-through N.C. Dept. of Cultural and Natural Resources Division of State Library COVID-19 - LSTA Total Institute of Museum and Library Services	45.310		3,500 3,500	- -	- -	- -
<u>U.S. Environmental Protection Agency</u>						
Passed Through N.C. Department of Environmental Quality Division of Water Resources Capitalization Grants for Clean Water State Revolving Funds - West Stanly WWTP Rehab Project Total Environmental Protection Agency	66.458		3,547,465 3,547,465	- -	- -	- -

Stanly County, North Carolina
Schedule of Expenditures of Federal and State Awards
For The Fiscal Year Ended June 30, 2021

Grantor/Pass-through Grantor/Program Title	Federal AL # CFDA Number	State/ Pass-through Grantor's Number	Fed (Direct & Pass-through Expenditures	State Expenditures	Provided to Subrecipients	Local Expenditures
<u>U.S. Election Assistance Commission</u>						
Passed-through N.C. State Board of Elections						
HAVA Election Security Grants	90.404		63,635	-	-	-
COVID-19 HAVA Election Security Grants	90.404		111,047	-	-	-
Total U.S. Election Assistance Commission			174,682	-	-	-
<u>U.S. Department of Health and Human Services:</u>						
Rural Communities Opioid Response-Implementation	93.211		105,986	-	-	-
Passed-through N.C. Department of Health and Human Services:						
Division of Public Health:						
Public Health Emergency Preparedness	93.069		32,282	-	-	-
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116		50	-	-	-
Injury Prevention and Control Research and State and Community Based Programs	93.136		82,365	-	-	-
Family Planning Services	93.217		41,127	-	-	-
Immunization Cooperation Agreements	93.268		4,633	-	-	-
COVID-19 Immunization Cooperation Agreements	93.268		229,517	-	-	-
Total Immunization Cooperation Agreements			234,150	-	-	-
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323		207,354	-	-	-
COVID-19 Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323		27,750	-	-	-
Total Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)			235,104	-	-	-
COVID-19 - Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response	93.354		25,397	-	-	-
Cancer Prevention and Control Programs for State, Territorial and Tribal Organizations	93.898		4,900	-	-	-
Sexually Transmitted Diseases (STD) Prevention and Control Grants	93.977		42	-	-	-
Preventive Health and Health Services Block Grant	93.991		29,896	-	-	-
Maternal and Child Health Services Block Grant	93.994		50,891	25,784	-	-
Passed-through Centralina Council of Governments						
Division of Aging and Adult Services:						
Title III-D HP/DP (90%)	93.043		1,105	65	-	-
Family Caregiver Support	93.052		19,149	1,277	-	-
COVID-19 Family Caregiver Support	93.052		11,490	-	-	-
Total Family Caregiver Support			30,639	1,277	-	-
<u>Aging Cluster:</u>						
Special Programs for the Aging - Title III B	93.044		101,829	153,130	-	-
Grants for Supportive Services and Senior Centers						
COVID-19 Special Programs for the Aging - Title III B	93.044		52,169	-	-	-
Special Programs for the Aging - Title III C	93.045		104,707	63,554	-	-
COVID-19 Special Programs for the Aging - Title III C	93.045		8,393	-	-	-
Nutrition Services						
Nutrition Services Incentive Program	93.053		50,198	-	-	-
Total Aging Cluster			317,296	216,684	-	-
Division of Social Services:						
Temporary Assistance for Needy Families Cluster						
TANF - Work First	93.558		517,612	-	-	359,064
Division of Public Health						
Temporary Assistance for Needy Families	93.558		7,407	-	-	-
Total TANF Cluster			525,019	-	-	359,064

Stanly County, North Carolina
Schedule of Expenditures of Federal and State Awards
For The Fiscal Year Ended June 30, 2021

Grantor/Pass-through Grantor/Program Title	Federal AL # CFDA Number	State/ Pass-through Grantor's Number	Fed (Direct & Pass-through Expenditures	State Expenditures	Provided to Subrecipients	Local Expenditures
<u>Foster Care and Adoption Cluster</u>						
Foster Care - Title IV-E	93.658		366,727	59,483	-	213,022
Adoption Assistance	93.659		2,294	-	-	2,294
Foster Care	N/A		61,932	-	-	2,830
Total Foster Care and Adoption Cluster			430,953	59,483	-	218,146
Child Support Enforcement	93.563		604,139	403	-	310,820
Refugee Assist Admin	93.566		294	-	-	-
Family Preservation	93.556		7,891	-	-	-
Low Income Energy Assistance						
Administration	93.568		41,921	-	-	-
Energy Assistance Payments	93.568		278,353	-	-	-
Crisis Intervention Program	93.568		232,112	-	-	-
LIEAP - COVID 19	93.568		114,589	-	-	-
LIEAP - COVID 19 Admin	93.568		4,903	-	-	-
Total Low Income Energy Assistance			671,878	-	-	-
Stephanie Tubbs Jones Child Welfare Services Program:						
Permanency Planning - Families for Kids	93.645		13,697	-	-	4,566
Total Stephanie Tubbs Jones Child Welfare Services Program			13,697	-	-	4,566
Chafee Foster Care Independence Program	93.674		7,361	1,840	-	-
SSBG - Other Service and Training	93.667		192,259	-	-	64,086
Division of Aging and Adult Services:						
Division of Social Services:						
SSBG - State In Home Service Fund	93.667		29,087	-	-	4,155
SSBG - Adult Protective Services	93.667		6,852	-	-	-
Passed-through Centralina Council of Governments:						
Social Service Block Grant (SSBG)	93.667		22,698	649	-	-
Total Social Service Block Grant			250,896	649	-	68,241
<u>Administration for Children and Families</u>						
Passed-through the N.C. Dept. of Health and Human Services						
Subsidized Child Care (Note 4)						
<u>Child Care Development Fund Cluster</u>						
Division of Social Services:						
Child Care Development Mandatory and Match Fund-	93.596		80,944	-	-	-
Total Subsidized Child Care Cluster			80,944	-	-	-
Passed-through the N.C. Dept. of Health and Human Services:						
Division of Medical Assistance:						
Division of Social Services:						
Medical Assistance Program	93.778		1,435,347	835	-	558,887
Division of Social Services						
Administration						
State Children's Insurance Program - N.C. Health Choice	93.767		49,055	595	-	9,062
Total Children's Insurance Program - N.C. Health Choice			49,055	595	-	9,062
Total U.S. Dept. of Health and Human Services			5,268,704	307,615	-	1,528,786
<u>U.S. Department of Homeland Security:</u>						
Passed -through N.C. Department of Public Safety						
Division of Emergency Management:						
Emergency Management Performance Grants	97.042		52,073	-	-	-
Total U.S. Department of Homeland Security			52,073	-	-	-
Total Federal Awards			\$ 13,377,184	\$ 341,743	\$ 622,702	\$ 2,035,630

Stanly County, North Carolina
Schedule of Expenditures of Federal and State Awards
For The Fiscal Year Ended June 30, 2021

Grantor/Pass-through Grantor/Program Title	Federal AL # CFDA Number	State/ Pass-through Grantor's Number	Fed (Direct & Pass-through Expenditures	State Expenditures	Provided to Subrecipients	Local Expenditures
State Awards:						
<u>N.C. Dept. of Health and Human Services</u>						
Division of Public Health						
Other Receipts / State Supported Expenditures						
Food and Lodging Fees			\$ -	\$ 15,694	\$ -	\$ -
Aid-to-Counties			-	89,081	-	-
General Communicable Disease Control			-	2,732	-	-
Healthy Community Activities			-	3,746	-	-
Child Health			-	12,454	-	-
HIV STD State			-	500	-	-
STD Drugs			-	535	-	-
Breast and Cervical Cancer Program			-	1,950	-	-
School Nurse Funding Initiative			-	50,000	-	-
Healthy Beginnings			-	72,994	-	-
Family Planning - State			-	9,320	-	-
Maternal Health (HMMC)			-	43,251	-	-
Women's Health Service Fund			-	3,077	-	-
TB Control			-	3,905	-	-
Total Public Health			-	309,239	-	-
Division of Social Services:						
County Fund Programs			-	-	-	769,732
Non Allocating County Cost			-	-	-	225,341
St Child Welfare/CPS/CS			-	124,992	-	-
APS/CPS Care - COVID 19			-	54,618	-	417
DCD Smart Start			-	18,202	-	-
Energy Assist Private			-	647	-	-
Work First Non Reimbursable			-	-	-	384,707
Foster Care Stipend			-	11,300	-	-
SFHF Maximization			-	12,041	-	12,041
State Foster Home			-	8,129	-	8,129
Total Division of Social Services			-	229,929	-	1,400,367
Passed-through Centralina Council of Governments:						
Division of Aging and Adult Services						
SR CTR General Purpose			-	10,514	-	-
Fan/Heat Program			-	287	-	-
Total Division of Aging and Adult Services			-	10,801	-	-
Total N.C. Dept. of Health and Human Services			-	534,275	-	1,400,367
<u>N.C. Dept. of Transportation</u>						
Stanly County Airport		36244.62.7.1	-	86,960	-	-
Total N.C. Dept. of Transportation			-	86,960	-	-
<u>N.C. Dept of Administration</u>						
Veterans Services			-	2,084	-	-
Total of N.C. Dept of Administration			-	2,084	-	-
<u>N. C. Department of Environmental Quality</u>						
Division of Waste Management						
Soil and Water Conservation			-	31,833	-	-
Electronics Management			-	3,020	-	-
Off Waste Red Trust Fund				9,795		
Abandoned Mobile Home Grant			-	4,500	-	-
Total of N.C. Dept. of Environmental Quality			-	49,148	-	-
<u>N.C. Dept. of Natural and Cultural Resources</u>						
Division of State Library						
State Aid to Public Libraries			-	113,927	-	-
Division of Partks and Recreation						
Parks and Recreation Trust Fund			-	59,800	-	-
Total of N.C. Dept. of Cultural Resources			-	173,727	-	-

Stanly County, North Carolina
Schedule of Expenditures of Federal and State Awards
For The Fiscal Year Ended June 30, 2021

Grantor/Pass-through Grantor/Program Title	Federal AL # CFDA Number	State/ Pass-through Grantor's Number	Fed (Direct & Pass-through Expenditures	State Expenditures	Provided to Subrecipients	Local Expenditures
<u>N.C. Department of Public Safety</u>						
Juvenile Crime Prevention Programs			-	133,587	-	-
DWI Safe Roads Act			-	4,074	-	-
Drug Seizures			-	13,309	-	-
Tier II Universal Grant			-	1,000	-	-
Total of N.C. Dept. of Public Safety			-	151,970	-	-
<u>Golden LEAF Foundation</u>						
Golden LEAF Infrastructure Grants			-	500,000	-	-
Total Golden LEAF Foundation			-	500,000	-	-
<u>N.C. Dept. of Insurance</u>						
SHIIP Grant			-	5,033	-	-
Total N.C. Dept. of Insurance			-	5,033	-	-
<u>N.C. State Board of Elections</u>						
One-stop Worker Bonuses Grant			-	15,942	-	-
Total N.C. Board of Elections			-	15,942	-	-
<u>N.C. Department of Public Instruction</u>						
Public School Building Capital Fund-Lottery Proceeds			-	712,000	-	-
Total N.C. Department of Public Instruction			-	712,000	-	-
Total State Awards			\$ -	\$ 2,231,139	\$ -	\$ 1,400,367
Total Federal and State Awards			\$ 13,377,184	\$ 2,588,576	\$ 622,702	\$ 3,435,997

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, 2021. 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: Loans Outstanding

Stanly County had the following loan balances outstanding at June 30, 2021 for loans that the grantor/pass-through grantor has still imposed continuing compliance requirements. Loans outstanding at the beginning of the year and loans made during the year are included in the SEFSA. The balance of loans outstanding at June 30, 2021 consist of:

Program Title	AL# CFDA No.	Pass-through Grantor Number	Amount Outstanding
Capitalization Grants for Clean Water State Revolving Funds			
West Stanly WWTP Rehabilitation Project	66.458	CS370834-04	\$ 3,834,471

Note 5: 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.

Stanly County, North Carolina
Schedule of Expenditures of Federal and State Awards
For The Fiscal Year Ended June 30, 2021

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

Note 6: Benefit Payments Issued by the State

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

Program Title	CFDA No.	Federal	State
Supplemental Nutrition Assistance Program	10.551	\$ 21,943,867	\$ -
Special Supplemental Nutrition Program for Women Infant and Children	10.557	1,177,891	-
TANF Payments & Penalties	93.558	147,467	-
Refugee Assistance	93.566	944	-
IV-E Adopt & Vendor & Guardianship	93.659	161,955	31,599
Medicaid Assistance Program	93.778	77,729,712	29,558,497
State Children's Insurance Program	93.767	1,795,448	351,621
CWS Adopt, Vendor, Guardian	N/A	-	111,037
SAA/SAD HB 1030	N/A	-	213,550
SC/SA Domiciliary Care	N/A	-	263,404