

# **LINCOLN COUNTY**

## **NORTH CAROLINA**



## **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

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

**LINCOLN COUNTY  
NORTH CAROLINA**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR FISCAL YEAR ENDED JUNE 30, 2008**

**LINCOLN COUNTY  
NORTH CAROLINA**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**FOR FISCAL YEAR ENDED JUNE 30, 2008**

**Prepared By  
Finance Department**

**LINCOLN COUNTY**

**NORTH CAROLINA**

**BOARD OF COMMISSIONERS**

THOMAS R. ANDERSON, PE, CHAIRMAN

ALEX E. PATTON, VICE-CHAIRMAN

BRUCE CARLTON

JAMES A. KLEIN

MARIE MOORE

GEORGE A. WOOD, COUNTY MANAGER

**Lincoln County, North Carolina  
Comprehensive Annual Financial Report  
For the Fiscal Year Ended June 30, 2008**

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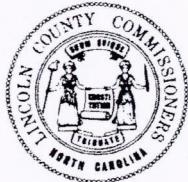
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# COUNTY OF LINCOLN, NORTH CAROLINA

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FINANCE DEPARTMENT

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**October 26, 2008**

**Residents of Lincoln County  
The Board of County Commissioners  
Lincoln County, North Carolina**

**Maintaining the fiscal strength and stability of the County government is a primary goal of the Board of County Commissioners. This Comprehensive Annual Financial Report (CAFR) of Lincoln County, North Carolina, for the fiscal year ended June 30, 2008, reflects the achievement of that goal. Each year this document is prepared to provide you with details about how the County receives, spends and accounts for its money as well as key indicators of its financial strength. The County's Finance Department prepares the CAFR, and responsibility for the accuracy of the data, the completeness and fairness of the presentation and all disclosures rests with the County. We believe the data and presentations are fair and accurate and that you will find everything necessary in this document to gain an understanding of the County's financial activities over the last fiscal year. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements. The financial statements and supplemental schedules contained herein have been audited by the independent, certified public accounting firm of Martin Starnes & Associates, CPAs and that firm's unqualified opinion is included in the Financial Section of this report.**

**The independent audit of the financial statements was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the County's internal controls and compliance with legal requirements, with emphasis on administration of federal grants.**

**We are also presenting a Management's Discussion and Analysis (MD&A) as an introduction to the financial information. This section immediately follows the auditor's opinion and provides an overview and analysis of the County's significant transactions in fiscal year 2008 to aid readers in understanding their financial impact and relationship to the financial statements and schedules provided. This section is presented to comply with significant changes in governmental accounting standards in an attempt to provide more meaningful information to our readers and to demonstrate the County's accountability for its financial actions. This letter of transmittal is written to complement the MD&A.**

## **FINANCIAL REPORTING ENTITY**

**The CAFR includes all funds and account groups of the County, including all activities considered to be part of (controlled by or dependent on) the County. Control by, or dependence on, the County was determined in accordance with the criteria established by the Governmental Accounting Standards Board (GASB) and included in the GASB's guidance in defining the governmental reporting entity.**

**The financial reporting entity includes all funds and account groups of Lincoln County, as well as its component units. Component units are legally separate entities for which Lincoln County is financially accountable.**

**The East Lincoln County Water and Sewer District Fund, Lincoln County ABC Board and the Lincolnton-Lincoln County Regional Airport Authority are component units of Lincoln County and presented as proprietary funds. Proprietary funds are used to account for a government's continuing business-type organizations and activities. Most of the generally accepted accounting principles of proprietary funds are those applicable to similar private businesses. Effective July 1, 2007 the assets of the East Lincoln County Water and Sewer District were transferred to the Lincoln County Water and Sewer Fund to allow the sewer system to serve a larger area in a rapidly growing portion of the County. The Sewer District will remain in existence and levy a tax until the existing debt service of the District is repaid.**

**State Statutes require the adoption of an annual balanced budget for all funds, except the agency fiduciary funds and those authorized by project ordinance. The annual budget serves as the basis for the County's financial planning and control. Budgets are developed on a departmental basis by expenditure function within a fund. The budgets display all of the County's financial operations including funding for various agencies outside the County's organizational structure. The County Manager submits the annual balanced budget to the Board of Commissioners before June each year. A public hearing on the budget is held in the middle of June with an expected budget adoption by June 30. In accordance with North Carolina statutes, the governing board shall adopt a budget not earlier than ten days after the budget is presented to the Board and no later than July 1. During the fiscal year, the County Manager is authorized to transfer budgeted amounts within objects of a department and up to \$50,000 between departments of the same fund; however any revisions that alter the total budget of any fund must be approved by the Board of Commissioners.**

## **PROFILE OF LINCOLN COUNTY**

**The County is located in the western portion of the North Carolina Piedmont Plateau, approximately 165 miles west of Raleigh, the State Capital, and 30 miles northwest of Charlotte, the State's largest city.**

**The County was formed in 1779 and has a total land area of approximately 308 square miles.**

**The City of Lincolnton, with an estimated 2008 population of approximately 10,791, is the center of an urban area of 15,000, the County seat, and the only incorporated municipality in the County.**

**There is growing suburban development and extensive construction in the eastern portion of the County along and near Lake Norman, the state's largest man-made lake by surface area, with approximately 520 miles of shoreline. This area is within 30 minutes of uptown Charlotte and has experienced significant residential and commercial growth in recent years.**

## **FACTORS AFFECTING FINANCIAL CONDITION**

### **Economic Diversity**

A combination of diversified industries, agricultural production, and a growing distribution cluster contributes to the economy of the County. The main agricultural pursuits are poultry production, dairy farming, raising beef cattle, apple and peach production, field crops production, and vegetable production. The major industrial employers are in metal and ceramic manufacturing, specialty textiles, home products, and motorsports. In March 2008, the Lincolnton and Lincoln County Micropolitan Area was ranked 28<sup>th</sup> nationally by *Site Selection* magazine for its ability to secure new and expanded corporate facility projects. In addition, prior to this year, the Lincoln County Micropolitan Area had been ranked in the top 25 since 2004.

In 2007-08, the following companies announced expansions: Calico Coatings with a \$1.5 million investment and 20 jobs, Campbell & Son Machining with a \$200,000 investment with 5 jobs, Leonard Automatics with a \$2 million investment and 25 jobs, Blum with a \$10.1 million investment and 10 jobs, Timken with a \$7.1 million investment, Cataler North America with a \$16.3 million investment and 40 jobs and Crate & Barrel with a \$21.6 million investment and 70 jobs.

Timken has announced seven expansions in the past eight years. Cataler has announced three expansions in the past six years and Crate & Barrel has announced three expansions in the past five years. In addition, Crate & Barrel will construct a second building that will be the first LEED Certified (Green) distribution center in North Carolina.

The Cataler and Crate & Barrel expansions also contribute to the fast growing Lincoln County Industrial Park bringing the investment total to over \$250 million with over 2,500 jobs. In June 2008, the Lincoln Economic Development Association won the Charlotte Regional Partnership Jerry Award (best public economic development project) for the Lincoln County Industrial Park. The Jerry Award is a regional award given by the Charlotte Regional Partnership. There are two awards each year one to best private and one to best public economic development project. The awards are named after Jerry Orr (Charlotte International Airport Director) and Jerry Richardson (Carolina Panthers Owner), the winners the first year the awards were given.

In early 2008, the Balsom Ridge Business Park opened and sold six lots, including two lots sold to Leonard Automatics. Recently, the Forney Creek Park opened with the first building of a medical campus by Carolinas Medical Center-Lincoln and sites for Class A office buildings.

In August 2008, Sennebogen North America announced an investment of \$5.1 million that is expected to create 25 jobs in the eastern part of the County and Hof Textiles announced an investment of \$3.4 million that is expected to create 15 jobs.

In June 2007, La-Z-Boy closed its facility in the County and eliminated 280 jobs and in October 2008 Cochrane Furniture announced it would be closing its Lincolnton facilities, which will eliminate 240 jobs by early 2009.

The County experienced commercial growth in the eastern portion of the County at the intersection of new NC 16 and NC 73 and along old Highway 16. Both areas are expected to continue to grow as national and local retailers target these high growth corridors. Two new major shopping areas were created with one more expected in the next year.

## **Capital Improvement Program**

The Board of Commissioners with the 2008-09 budget adoption approved the first formal Capital Improvement Program (CIP) for the County covering six years of capital needs. One of the capital needs being addressed is office space for court and County administrative functions. A committee considered options which consisted of purchasing and renovating existing facilities or the construction of a new facility. As a means to immediately address some of the office space needs, the Board of Commissioners in September 2006 approved a lease with option to purchase a former bank building in downtown Lincolnton was exercised. County offices previously located in the Courthouse have relocated to this building providing much needed space and freeing up space in the Courthouse for court functions. At the same September 2006 meeting the Board of Commissioners also approved an agreement that allowed Lincoln Health System to enter into an agreement for Carolinas Healthcare System to apply for a certificate of need to construct a new hospital in Lincolnton. This certificate of need was received in 2008, and the Lincoln Healthcare System is proceeding with plans for the new facility. Carolinas Healthcare System is proposing to spend up to \$100 million to construct this new hospital facility. If this new hospital is constructed the current facility will revert back to Lincoln County, which plans on using the facility for county office space. In October 2008 the Board of Commissioners approved an architect to perform a detailed space study of all county departments and how their needs can best be addressed in light of the hospital facility becoming available.

The Lincoln County Board of Education at their September 2003 joint meeting with the Board of Commissioners presented a ten-year capital facility plan. This plan projected school enrollment versus capital needs over the next ten years. The list of capital needs includes renovations to existing facilities along with the construction of various new schools throughout the County. In keeping with this plan the Board of Commissioners in the fall of 2007 approved an additional school bond referendum in the amount of \$44.6 million that was presented for voter approval on May 6, 2008. This referendum, was approved. It will allow funds for the renovations and expansions of existing buildings, expansion of the bus garage, a new technology arts building, and a new elementary school. These bonds are proposed to be issued over three fiscal years. The first issuance of \$13 million, along with an additional \$2 million of 2004 bond authorization, is scheduled for an October 2008 sale. By selling these bonds over a three year period, we can meet the cash flow needs of the schools on these projects and spread our debt over a longer period. To meet the additional debt requirements needed for these additional bonds, the tax rate for fiscal year 2008-09 was increased 3.19 cents. It is hoped that this increase will be sufficient to service this additional debt service over the next four years.

During the fiscal year ending June 30, 2007, a minor expansion of the Water Treatment plant from 3.0 million gallons per day (MGD) to 3.99 MGD was approved. The proposed full expansion of the Plant to 6.0 MGD is in review by the State. Once environmental reports are approved the Water Plant may be expanded to six million gallons per day. A joint effort with the Board of Education is the construction of a new water line along Highway 73 which will serve the Lincolnton-Lincoln County Regional Airport and East Lincoln Middle School. This project should be completed during 2008-09. This project is being funded with a combination of local and school bond funds to provide service to both the school and to an area with potential for rapid growth in the next few years. New water lines and sewer lines have been completed to serve the new North Lincoln Middle School on Amity Church Road.

Lincoln County is currently in the permitting process to receive permission to construct a new wastewater treatment plant which will supplement the current treatment plant. The new treatment facility will have an initial capacity of 1.67 million gallons per day (MGD) and will be expandable up to 8.0 MGD as future flows require. This project is estimated at \$24 million and is to be funded by a

and future customers. The balance will come from revenue bonds or certificates of participation.

A project for the construction of a new pump station and sewer line to serve the Lincoln County Industrial Park with the City of Lincolnton's sewer system has recently been completed. This will provide additional sewer capacity for future business expansions. This project was a joint effort with the City of Lincolnton, which will receive and treat the wastewater at their existing plant.

## LONG TERM PLANNING

On the heels of three major planning goals, the Board of Commissioners, Planning Board, and the Department of Building and Land Development continue to focus on major long term planning projects which will continue to enhance and give guidance to the future development in Lincoln County. In 2007, the Future Land Use Plan, Adequate Public Facilities Policy and Transportation Policy were adopted. While those are an initial part in developing a vision through planning efforts, they require continual review and additional planning projects to assure these goals are met.

The Unified Development Ordinance project was begun in mid 2007. Its primary purpose of this project is to combine several development based ordinances into a single, more user-friendly document. The zoning, subdivision, floodplain, watershed and other ordinance were adopted several years ago and have had no comprehensive review since that time. Several of these ordinances have been amended without evaluating the impacts or conflicts those amendments might have upon one another. This reason, combined with the high rate of development in the 1990s and early 2000s, have added to the need for these development related ordinances to be rewritten and updated. Moreover, the recently adopted Future Land Use Plan recommends many changes that should be enacted to implement the plan.

Throughout the course of the year, county staff, the stakeholders, citizens along with an appointed steering committee have been involved with the consultants to guide the development of the UDO. It is targeted to be completed in November 2008 and become effective in the spring of 2009.

The NC150 West Corridor Plan is a multi-jurisdictional planning project, which works with the cities of Cherryville and Lincolnton and Gaston County, to examine and make specific land use and development recommendations along the corridor from Cherryville to Lincolnton. Working with Centralina Council of Governments, this eight month process has progressed with regional cooperation and citizen input, and is presently in a preliminary draft form. Development and land use issues along this corridor in Lincoln County primarily include the NC150 bypass around Crouse, residential and industrial uses near Lincolnton, access management and the unique opportunities for "downtown" Crouse. Projected completion is scheduled for mid 2009.

A major initiative identified in the Future Land Use Plan was to study the Old NC16 corridor; hence, the NC16 Corridor Vision Plan was begun in March 2008. The rampant development which has occurred in eastern Lincoln County has resulted in a congested road during peak hours, some buildings with little or no appeal, uncoordinated site development, and poor access management which defines the character of the area. In order to reverse this trend, the main goals of this planning project are to recommend transportation, recreation, land use, and design standards and to provide an overall vision for the corridor's future. This twelve month project has received considerable public input and is being conducted by an appointed citizen based steering committee assisted by county staff.

County staff is working with the Lincoln Natural Resources Committee and the City of

conjunction with the Carolina Thread Trail initiative, a fifteen county regional trail project. A consultant will be chosen by the end of 2008 with completion set for late 2009.

The staff is also developing the scope of work for several future projects which are designed to continue to implement the recommendations of the Future Land Use Plan and other recommendations of the projects listed above. These future projects include detailed small area plans, additional corridor plans and working with the Lincoln Economic Development Agency in a continued effort to evaluate sites identified as future employment centers. Lastly, the need for district or township plans has been identified as a future project. These plans will examine the unique characteristics of each of the five townships in Lincoln County, including their strengths and potential opportunities; and then make recommendations on how to protect their natural resources, how to address their needs of infrastructure and development, and how to focus on the citizens' ideals for the future.

## **OTHER ACCOMPLISHMENTS**

**Funding for education remains a large expenditure category in our budget with a total \$34,525,949 expended. This expenditure is composed of \$15,671,351 from the General Fund and \$18,854,598 of capital project expenditures. The General Fund portion increased the Schools Current Expense by \$1,086,000, or 8.22% over 2006.**

## **OTHER POSTEMPLOYMENT BENEFITS**

**The County provides certain other post-employment benefits (“OPEB”) as part of the total compensation offered to attract and retain the services of qualified employees.**

**The County offers post-retirement health care benefits to all full-time County employees who retire with at least 20 years of service from the Local Government Retirement System. This was increased to 25 years September 1, 2005 for new hires after that date. After the employees reach age 65 or until they are eligible to receive Medicare Benefits, whichever occurs sooner, the coverage will be terminated and the County will provide a Medicare supplement. The County pays 100% of the post retirement health care cost for individual coverage. The County funds this benefit on a pay-as-you-go basis for the upcoming year. The amount of post-retirement health care benefits expended in fiscal year 2008 was \$272,392. The amount appropriated by the County for the current fiscal year ending June 30, 2009 is \$300,000.**

**In June 2004, the Governmental Accounting Standards Board (“GASB”) issued Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pension*. GASB Statement No. 45 generally required that state and local governmental employers account for other post-employment benefits (“OPEB”) on an accrual basis similar to the manner that they currently account for pensions. GASB Statement No. 45 also requires disclosure of information on the plan in which an employer participates, the funding policy followed and the actuarial valuation process and assumptions. The County is considered a “Phase 2” government under GASB Statement No. 45 and must implement GASB Statement No. 45 in the fiscal year 2008-09.**

## **AWARDS AND ACKNOWLEDGEMENTS**

### ***Certificate of Achievement for Excellence in Financial Reporting***

**The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Lincoln County for its**

consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. 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. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

*Certificate of Model EMS System*

The North Carolina Emergency Medical Systems Advisory Council awarded a Certification of a Model System to the Lincoln County Emergency Medical Services Department during fiscal year ended June 30, 2008. To meet the requirement, a county must submit an application to Office of Emergency Medical Services for such designation showing that it not only meets the state's minimum standards, but also additional requirements. This designation is for a six year period.

*Acknowledgements*

We appreciate the assistance and dedication of the Finance Department staff throughout the year, especially during the preparation of the CAFR. We would like to thank all members of the Department who contributed to its preparation and the County's independent certified public accountants, Martin Starnes & Associates, CPAs, for their assistance. The cooperation of each County department is appreciated as we work together in conducting the County's financial operations. We also express our appreciation to the members of the Board of County Commissioners for their continued support, guidance, and advice in planning and conducting the financial activities of the County in a responsible and progressive manner.

Respectfully submitted,



George Wood  
County Manager



Leon Harmon  
Finance Director

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

Lincoln County  
North Carolina

For its Comprehensive Annual  
Financial Report

for the Fiscal Year Ended

June 30, 2007

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



*Oliver S. Cox*

President

*Jeffrey P. Ecker*

Executive Director

**LINCOLN COUNTY , NORTH CAROLINA**

**Principal Officials**

**June 30, 2008**

**Board of County Commissioners**

**Thomas R. Anderson, PE, Chairman**

**Alex E. Patton, Vice-Chairman**

**Bruce Carlton**

**James A. Klein**

**Marie Moore**

**County Officials**

**George Wood  
Jeffrey Taylor  
Elaine Harmon  
Timothy Daugherty**

**County Manager  
County Attorney  
Register of Deeds  
Sheriff**

**Donnie Fields  
Kelly Atkins  
Kevin Starr  
Judy Caudill  
Susan Spake  
Leon Harmon  
Margaret Dollar  
Gary Hoyle  
Dante' Patterson  
Steve Gilbert  
Erma Deen Hoyle  
Susan McCracken  
Rick McSwain  
Madge Huffman  
Eric Robinson**

**Buildings and Grounds  
Building and Land Development  
Cooperative Extension  
Elections  
Emergency Management  
Finance Director  
Health  
Library  
Information Technology  
Public Services  
Recreation  
Social Services  
Soil Conservation  
Tax Administrator  
Veterans Service**





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## Martin Starnes & Associates, CPAs, P.A.

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

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### **INDEPENDENT AUDITORS' REPORT**

To the Board of Commissioners  
Lincoln County, North Carolina

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Lincoln County, North Carolina, as of and for the year ended June 30, 2008, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Lincoln County's management. Our responsibility is to express an opinion on these basic financial statements based on our audit. We did not audit the financial statements of the Lincoln County ABC Board which represents 11.2 percent, 5.5 percent, and 61.4 percent, respectively, of the assets, net assets and revenues of the discretely presented component units. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Lincoln County ABC Board is based solely on the report of the other auditor.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. The financial statements of Lincolnton-Lincoln County Regional Airport Authority and the Lincoln County ABC Board were not audited in accordance with *Government Auditing Standards*. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation. We believe that our audit and the report of the other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of Lincoln County, North Carolina, as of June 30, 2008, and the respective changes in financial position and cash flows, where appropriate, thereof and the respective budgetary comparison for the general fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Management's Discussion and Analysis, Schedules of Funding Progress, Employer Contributions, and Notes to the Required Schedules for the Law Enforcement Officer's Special Separation Allowance are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion thereon.

In accordance with *Government Auditing Standards*, we have also issued a report dated October 26, 2008, on our consideration of Lincoln County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was performed for the purpose of forming an opinion on financial statements that collectively comprise the basic financial statements of Lincoln County, North Carolina. The introductory information, combining and individual major and nonmajor fund schedules, supplemental financial data, and the statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual major and nonmajor fund schedules and the supplemental financial data have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects, in relation to the basic financial statements taken as a whole. The introductory information and the statistical tables have not been subjected to the auditing procedures applied in the audit of basic financial statements and, accordingly, we express no opinion on them.

*Martin Starnes & Associates, CPAs, P.A.*

Martin Starnes & Associates, CPAs, P.A.

October 26, 2008

## Management's Discussion and Analysis

As management of Lincoln County, we offer readers of Lincoln County's financial statements this narrative overview and analysis of the financial activities of Lincoln County for the fiscal year ended June 30, 2008. We encourage readers to read the information presented here in conjunction with additional information that we have furnished in the County's financial statements, which follow this narrative.

### Financial Highlights

- The assets of Lincoln County exceeded its liabilities at the close of the fiscal year by \$13,135,768 (*net assets*).
- Current year operations, increased property tax collections, and a decrease in school capital construction increased the government's total net assets by \$8,187,855.
- As of the close of the current fiscal year, Lincoln County's governmental funds reported combined ending fund balances of \$25,930,938, a decrease of \$8,081,423 in comparison with the prior year amount. This decrease was primarily due to the expenditure of School Capital Project funds to construct or improve school facilities. Approximately 73.7 percent of this total amount, or \$19,121,000, is available for spending at the government's discretion (*unreserved fund balance*).
- At the end of the current fiscal year, unreserved fund balance for the General Fund was \$10,239,759, or 12.87 percent of total general fund expenditures for the fiscal year. In 2007, unreserved fund balance in the General Fund was \$11,136,446, or 15.03% of total expenditures.
- Lincoln County's total debt decreased by \$9,921,697, or 7.62%, during the current fiscal year. The key factor in this decrease was the payment of current debt and no new debt issuance.
- The assets of the East Lincoln County Water and Sewer District were transferred to the Lincoln County Water and Sewer Fund in order to better serve a rapidly growing area of the County. The East Lincoln County Water and Sewer District will remain in existence until all debt of the District incurred prior to the asset transfer is repaid.
- Lincoln County maintained its A2 bond rating from Moody's Investors Service; was upgraded to an AA- rating from Standard & Poor's; and maintained an AA- rating from Fitch Ratings.

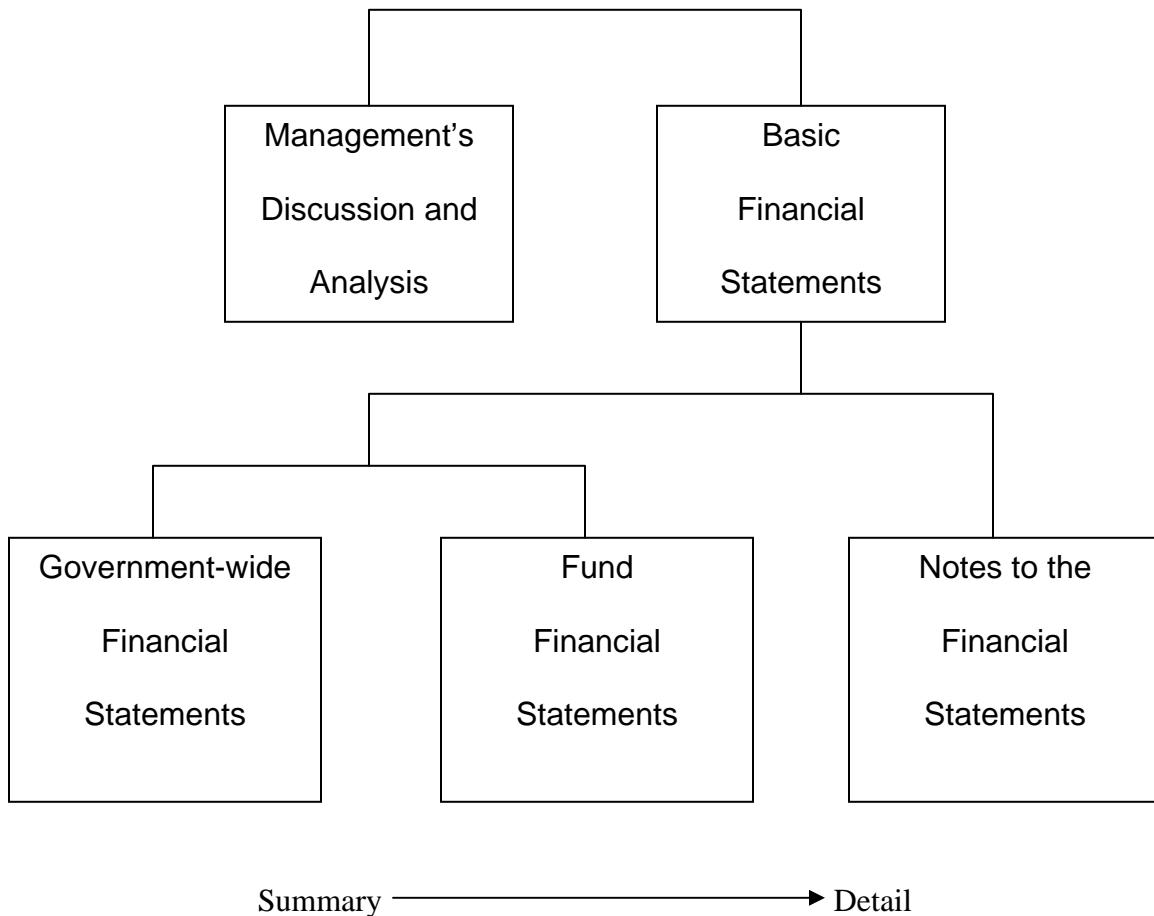
### Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to Lincoln 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 Lincoln County.

## Required Components of Annual Financial Report

**Figure 1**



### Basic Financial Statements

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

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

The next section of the basic financial statements is the **Notes to the Basic Financial Statements**. 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 individual funds. Budgetary information required by the General Statutes also can be found in this part of the statements.

## **Government-wide Financial Statements**

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

The two government-wide statements report the County's net assets and how they have changed. Net assets are the difference between the County's total assets and total liabilities. Measuring net assets is one way to 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, parks and recreation, and general administration. Property taxes and State and Federal grant funds finance most of these activities. The business-type activities are those that the County charges customers to provide. These include the water and sewer and landfill services offered by Lincoln County. The final category is the component units. Although legally separate from the County, the ABC Board is important to the County because the County is financially accountable for the Board by appointing its members and because the Board is required to distribute its profits to the County. The Lincolnton-Lincoln County Regional Airport Authority is a legally separate entity; however, the County provides a significant level of support, including grants, leases, and accounting support services.

The government-wide financial statements are on Exhibits A and B 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. Lincoln County, like all other governmental entities in North Carolina, uses fund accounting to ensure and reflect compliance (or non-compliance) with finance-related legal requirements, such as the General Statutes or the County's budget ordinance. All of the funds of Lincoln County can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

**Governmental Funds** – Governmental funds are used to account for those functions reported as governmental activities in the government-wide financial statements. Most of the County's basic services are accounted for in governmental funds. These funds focus on how assets can readily be converted into cash flow in and out, and what monies are left at year-end that will be available for spending in the next year. Governmental funds

are reported using an accounting method called *modified accrual accounting*. This method also has a current financial resources focus. As a result, the governmental fund financial statements give the reader a detailed short-term view that helps him or her determine if there are more or less financial resources available to finance the County's programs. The relationship between government activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds is described in a reconciliation that is a part of the fund financial statements.

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

**Proprietary Funds** – Lincoln County has one kind of proprietary fund. *Enterprise Funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. Lincoln County uses enterprise funds to account for its water and sewer activity and for its landfill operations. These funds are the same as those separate activities shown in the business-type activities in the Statement of Net Assets and the Statement of Activities.

**Fiduciary Funds** – Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Lincoln County has five fiduciary funds, which are agency 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 after Exhibit J of this report.

**Other Information** – In addition to the basic financial statements and accompanying notes, this report includes certain required supplementary information concerning Lincoln County's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information starts after the notes to the financial statements.

## Lincoln County's Net Assets

**Figure 2**

	Governmental Activities		Business-type Activities		Total	
	2008	2007	2008	2007	2008	2007
Current and other assets	\$ 30,323,926	\$ 39,988,292	\$ 18,690,856	\$ 16,769,605	\$ 49,014,782	\$ 56,757,897
Capital assets	29,111,944	25,751,713	66,695,208	64,046,492	95,807,152	89,798,205
Total assets	\$ 59,435,870	\$ 65,740,005	\$ 85,386,064	\$ 80,816,097	\$ 144,821,934	\$ 146,556,102
Long-term liabilities outstanding	\$ 109,397,934	\$ 116,794,867	\$ 17,768,853	\$ 19,592,931	\$ 127,166,787	\$ 136,387,798
Other liabilities	2,935,417	4,625,265	1,583,962	595,126	4,519,379	5,220,391
Total liabilities	\$ 112,333,351	\$ 121,420,132	\$ 19,352,815	\$ 20,188,057	\$ 131,686,166	\$ 141,608,189
Net assets:						
Invested in capital assets, net of related debt	23,939,226	19,429,598	54,035,788	49,158,040	77,975,014	68,587,638
Unrestricted	(76,836,707)	(75,109,725)	11,997,461	11,470,000	(64,839,246)	(63,639,725)
Total net assets	\$ (52,897,481)	\$ (55,680,127)	\$ 66,033,249	\$ 60,628,040	\$ 13,135,768	\$ 4,947,913

As noted earlier, net assets may serve over time as one useful indicator of a government's financial condition. The assets of Lincoln County exceeded liabilities by \$13,135,768 as of June 30, 2008. The County's net assets increased by \$8,187,855 for the fiscal year ended June 30, 2008. One of the largest portions \$77,975,014 reflects the County's investment in capital assets (e.g. land, buildings, machinery, and equipment) less any related debt still outstanding that was issued to acquire those items. Lincoln County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although Lincoln 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 Lincoln County's net assets (< 1%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of (\$64,839,246) is unrestricted.

Several particular aspects of the County's financial operations positively influenced the total unrestricted governmental net assets:

- Continued diligence in the collection of property taxes by maintaining a collection percentage of 97.81%, higher than the 2007 statewide average of 96.43%.
- Increased ad valorem tax and sales tax revenue due to growth in County.
- Continued low cost of debt due to the County's high bond rating.

**Lincoln County's Changes in Net Assets**  
**Figure 3**

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total</b>	
	<b>2008</b>	<b>2007</b>	<b>2008</b>	<b>2007</b>	<b>2008</b>	<b>2007</b>
<b>Revenues:</b>						
Program revenues:						
Charges for services	\$ 9,534,687	\$ 10,059,533	\$ 12,076,967	\$ 13,277,640	\$ 21,611,654	\$ 23,337,173
Operating grants and contributions	10,873,450	10,605,237	-	-	10,873,450	10,605,237
Capital grants and contributions	132,720	162,635	3,449,828	2,777,235	3,582,548	2,939,870
General revenues:						
Property taxes	43,830,954	40,282,791	1,302,839	1,701,604	45,133,793	41,984,395
Other taxes	18,179,813	17,212,689	-	-	18,179,813	17,212,689
Other	<u>2,077,677</u>	<u>1,726,822</u>	<u>712,156</u>	<u>769,650</u>	<u>2,789,833</u>	<u>2,496,472</u>
Total revenues	84,629,301	80,049,707	17,541,790	18,526,129	102,171,091	98,575,836
<b>Expenses:</b>						
General government	7,838,748	8,792,178	-	-	7,838,748	8,792,178
Public safety	23,430,338	20,408,731	-	-	23,430,338	20,408,731
Environmental protection	-	-	-	-	-	-
Economic and physical development	1,892,385	1,456,144	-	-	1,892,385	1,456,144
Human services	21,226,794	20,527,745	-	-	21,226,794	20,527,745
Cultural and recreation	1,691,147	1,607,435	-	-	1,691,147	1,607,435
Education	20,859,917	34,525,949	-	-	20,859,917	34,525,949
Interest on long-term debt	4,907,326	5,045,424	-	-	4,907,326	5,045,424
Landfill	-	-	5,345,843	3,546,096	5,345,843	3,546,096
Water and sewer	-	-	<u>6,790,738</u>	<u>5,893,882</u>	<u>6,790,738</u>	<u>5,893,882</u>
Total expenses	81,846,655	92,363,606	12,136,581	9,439,978	93,983,236	101,803,584
Increase (decrease) in net assets	<u>2,782,646</u>	<u>(12,313,899)</u>	<u>5,405,209</u>	<u>9,086,151</u>	<u>8,187,855</u>	<u>(3,227,748)</u>
Net assets, beginning	<u>(55,680,127)</u>	<u>(43,366,228)</u>	<u>60,628,040</u>	<u>51,541,889</u>	<u>4,947,913</u>	<u>8,175,661</u>
Net assets, ending	<u><u>(\$52,897,481)</u></u>	<u><u>(\$55,680,127)</u></u>	<u><u>\$66,033,249</u></u>	<u><u>\$60,628,040</u></u>	<u><u>\$13,135,768</u></u>	<u><u>\$ 4,947,913</u></u>

**Governmental Activities.** Governmental activities increased the County's net assets by \$2,782,646. The key elements of this increase in 2008 were decreased expenditures for general government, school construction, and interest on debt that were partially offset by increased expenditures for public safety, economic development, and human services. Additional property tax, other taxes, and operating grant revenues were the revenues that contributed to the increase in net assets.

**Business -type Activities:** Business-type activities increased Lincoln County's net assets by \$5,405,209. This increase in net assets was further increased by the "Governmental activities" increase previously mentioned. Together there was a total net asset increase of \$8,187,855. The main reason for the increase in net assets in business-type activities was

increased charges for services due to continued growth in new customers and an increase in connection rates.

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

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

**Governmental Funds.** The focus of Lincoln County's governmental funds is to provide information on near-term inflows, outflows, and balances of usable resources. Such information is useful in assessing Lincoln County's financing requirements. Specifically, unreserved fund balance 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 Lincoln County. At the end of the current fiscal year, unreserved fund balance of the General Fund was \$10,239,759, while total fund balance reached \$16,423,980. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 12.87 percent of total General Fund expenditures, while total fund balance represents 20.65 percent of that same amount. This decrease in fund balance is due to an increase in appropriations of fund balance to balance the budget. The Board of Commissioners felt the size of existing fund balance was adequate and could decrease some in years leading up to property revaluation which became effective January 1, 2008 and will affect the 2008-09 fiscal year.

At June 30, 2008, the governmental funds of Lincoln County reported a combined fund balance of \$25,930,938, a 23.76 percent decrease over last year. The primary reason for this decrease was the expenditure of school capital funds during the year to construct and improve school facilities.

**General Fund Budgetary Highlights:** During the fiscal year, the County revised the budget projections 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 revenues by \$2,784,812. The majority of this increase was in sales taxes that were identified, restricted revenues to account for additional grants, and increased sales and services for increases in ambulance and transportation services. Expenditures increased by \$2,784,812 to account for grants in public safety, economic and physical development, human services and general government and to provide one half year of salary adjustments, due to the implementation of a new employee classification and pay plan. Approximately half of this increase was due to the salary adjustments; the other increases were for the new centralized transportation service and additional human resources and other increases.

**Proprietary Funds.** Lincoln County's proprietary funds provide the same type of information found in the government-wide statements but in more detail. Unrestricted

net assets of the Landfill Fund at the end of the fiscal year amounted to \$1,667,826, the Water and Sewer Fund equaled \$10,005,494 and those for the East Lincoln County Water and Sewer District equaled \$324,141. The total growth in net assets for the three funds, were (\$2,132,780), \$36,516,649 and (\$28,978,660), respectively. Factors concerning the finances of these funds have already been addressed in the discussion of Lincoln County's business-type activities. The transfer of the assets from the East Lincoln County Water and Sewer District to the Lincoln County Water and Sewer Fund accounted for the majority of the changes within these two funds.

### **Capital Asset and Debt Administration**

**Capital Assets.** Lincoln County's capital assets for its governmental and business – type activities as of June 30, 2008, totals \$95,807,152 (net of accumulated depreciation). These assets include buildings, land, water and sewer line and treatment facilities, machinery and equipment, park facilities, and vehicles.

Major capital asset transactions during the year include:

- Purchased new vehicles for Law Enforcement and various other departments
- Construction of new water distribution lines
- Expansion of Wastewater Treatment facility
- Construction of sewer collection lines
- Purchase of tub grinder at landfill

**Lincoln County's Capital Assets  
(net of depreciation)**  
**Figure 4**

	Governmental Activities		Business-type Activities		Total	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
Land	\$ 1,647,900	\$ 1,647,900	\$ 695,367	\$ 690,367	\$ 2,343,267	\$ 2,338,267
Buildings and structures	13,881,853	14,336,150	19,488,838	18,659,718	33,370,691	32,995,868
Other improvements	2,772,209	2,908,054	3,839,506	5,353,442	6,611,715	8,261,496
Machinery and equipment	2,916,797	2,964,344	2,834,581	2,962,045	5,751,378	5,926,389
Infrastructure	-	-	33,995,904	29,094,717	33,995,904	29,094,717
Vehicles and other equipment	1,930,046	1,813,060	-	-	1,930,046	1,813,060
Construction in progress	5,963,139	2,082,205	5,841,012	7,286,203	11,804,151	9,368,408
Total	<u>\$ 29,111,944</u>	<u>\$ 25,751,713</u>	<u>\$ 66,695,208</u>	<u>\$ 64,046,492</u>	<u>\$ 95,807,152</u>	<u>\$ 89,798,205</u>

Additional information on the County's capital assets can be found in notes 5 and 6 of the Basic Financial Statements.

**Long-term Debt.** As of June 30, 2008, Lincoln County had total bonded debt outstanding of \$87,365,000, all of which is debt backed by the full faith and credit of the County.

**Lincoln County's Outstanding Debt  
General Obligation Bonds**

**Figure 5**

	Governmental Activities		Business-type Activities		Total	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
General obligation bonds	\$ 80,473,856	\$ 85,687,229	\$ 6,891,144	\$ 8,617,771	\$ 87,365,000	\$ 94,305,000

Lincoln County's total debt decreased by \$6,940,000 (7.36 percent) during the past fiscal year, primarily due to the payment of current debt service and no additional new debt.

As mentioned in the financial highlights section of this document, Lincoln County maintained its A2 bond rating from Moody's Investor Service, was upgraded to an AA-rating from Standard and Poor's Corporation, and maintained its AA- rating from Fitch Ratings. These bond ratings are a clear indication of the sound financial condition of Lincoln County. 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 percent of the total assessed value of taxable property located within that government's boundaries. The legal debt margin for Lincoln County is \$413,196,190. The County had \$46,600,000 in school bonds authorized but un-issued at June 30, 2008.

Additional information regarding Lincoln County's long-term debt can be found in note 7 of this report.

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

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

- Although the County unemployment rate for 2007-08 averaged approximately 5.50%, slightly higher than the state average of 5.08%, we remain lower than some of our surrounding counties who have lost more jobs than Lincoln County.
- Our industrial park was awarded North Carolina Certified Industrial Site status, making it one of 14 such sites across the State.
- In March 2008, *Site Selection Magazine* ranked the Lincolnton and Lincoln County Micropolitan Area as number 28<sup>th</sup> nationally for its ability to secure new and expanded corporate facility projects.
- Seven industrial expansions were announced during 2007-08 totaling \$37.2 million of capital investments and 170 jobs.

- The County's proximity to Charlotte and major transportation corridors continue to make it attractive for development.
- The County has a relative low tax rate of 61 cents which is less than the state average of 65.9 cents.
- Retail sales were relatively flat at (.1)% during fiscal year 2008 compared with the same period in year 2007.

### **Budget Highlights for the Fiscal Year Ending June 30, 2009**

**Governmental Activities:** The County adopted a General Fund budget in the amount of \$92,068,420 for the fiscal year ending June 30, 2009, a decrease of \$1,728,902, or 1.84%, from the fiscal year 2008 budget. The majority of the budget increase was to fund increased spending on law enforcement, ambulance service, human services, education, debt service for school bonds, and economic development. The property tax rate was reduced to \$.57 per \$100 valuation.

**Business-type Activities:** The water and sewer rates in the County continue to remain stable with growth and new customers adequate to cover any increases in expenses. The water system recently completed construction of additional distribution lines. This construction has allowed for the continued expansion and growth of residential and commercial growth in the eastern part of the County along with providing adequate water service for our industrial park in the northern part of the County. The County Water and Sewer system was also enhanced by the transfer of assets from the East Lincoln Water and Sewer District. Rates for landfill services have remained the same with tipping fees and availability fees adequate to allow the accumulation of funds for future landfill cells and the closure of landfill cells currently in use.

### **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 Finance Director, Lincoln County, 115 West Main Street, Lincolnton, N.C. 28092.

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## LINCOLN COUNTY, NORTH CAROLINA

### STATEMENT OF NET ASSETS JUNE 30, 2008

	Governmental Activities	Business-Type Activities	Total Primary Government
<b>Assets:</b>			
Cash and cash equivalents	\$ 23,441,747	\$ 17,904,072	\$ 41,345,819
Taxes receivable (net)	1,349,752	123,365	1,473,117
Accounts receivable (net)	1,189,950	156,841	1,346,791
Due from other governments	4,270,624	153,839	4,424,463
Internal balances	(143,148)	143,148	-
Inventories	-	-	-
Cash and cash equivalents-restricted	215,001	-	215,001
Other assets	-	209,591	209,591
Capital assets, nondepreciable	7,611,039	6,536,379	14,147,418
Capital assets- depreciable, net	21,500,905	60,158,829	81,659,734
<b>Total assets</b>	<b>59,435,870</b>	<b>85,386,064</b>	<b>144,821,934</b>
<b>Liabilities:</b>			
Accounts payable and other accrued liabilities	2,781,888	1,433,072	4,214,960
Unearned revenue	153,529	-	153,529
Customer deposits	-	92,589	92,589
<b>Long-term Liabilities:</b>			
Premium on long term debt, net	-	58,301	58,301
Due in less than one year	7,911,025	1,907,184	9,818,209
Due in more than one year	101,486,909	15,861,669	117,348,578
<b>Total liabilities</b>	<b>112,333,351</b>	<b>19,352,815</b>	<b>131,686,166</b>
<b>Net Assets:</b>			
Invested in capital assets, net of related debt	23,939,226	54,035,788	77,975,014
Restricted	-	-	-
Unrestricted	(76,836,707)	11,997,461	(64,839,246)
<b>Total net assets</b>	<b>\$ (52,897,481)</b>	<b>\$ 66,033,249</b>	<b>\$ 13,135,768</b>

*The accompanying notes are an integral part of the financial statements.*

**Exhibit A**

<b>Component Units</b>	
<b>ABC Board</b>	<b>Lincolnton- Lincoln County Airport Authority</b>
\$ 134,999	\$ 628,549
-	-
-	56,968
-	15,601
-	-
130,519	42,293
-	192,666
-	-
181,213	1,786,908
450,637	4,352,242
<hr/> 897,368	<hr/> 7,075,227
 89,433	 126,450
-	-
-	-
-	-
30,473	58,224
412,943	567,825
<hr/> 532,849	<hr/> 752,499
 188,434	 5,513,101
51,264	-
124,821	809,627
<hr/> \$ 364,519	<hr/> \$ 6,322,728

**LINCOLN COUNTY, NORTH CAROLINA**

**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2008**

	<b>Program Revenues</b>								
	<b>Expenses</b>	<b>Charges for Services</b>	<b>Operating Grants and Contributions</b>	<b>Capital Grants and Contributions</b>					
<b>Functions/Programs</b>									
<b>Primary Government</b>									
<b>Governmental Activities:</b>									
General government	\$ 7,838,749	\$ 1,114,334	\$ 1,033,216	\$ 132,720					
Public safety	23,430,338	4,536,817	364,292	-					
Economic and physical development	1,892,385	-	4,000	-					
Human services	21,226,794	3,881,436	8,252,407	-					
Cultural and recreational	1,691,147	2,100	-	-					
Education	20,859,917	-	1,219,535	-					
<b>Debt Service:</b>									
Interest and fees	4,907,326	-	-	-					
Total governmental activities	<u>81,846,655</u>	<u>9,534,687</u>	<u>10,873,450</u>	<u>132,720</u>					
<b>Business-Type Activities:</b>									
Landfill	5,345,843	2,926,931	-	-					
Water and Sewer	6,526,756	9,150,036	-	3,449,828					
East Lincoln County water and sewer	<u>263,982</u>	<u>-</u>	<u>-</u>	<u>-</u>					
Total business type activities	<u>12,136,581</u>	<u>12,076,967</u>	<u>-</u>	<u>3,449,828</u>					
Total primary government	<u>\$ 93,983,236</u>	<u>\$ 21,611,654</u>	<u>\$ 10,873,450</u>	<u>\$ 3,582,548</u>					
<b>Component Unit:</b>									
Lincoln County ABC Authority	\$ 1,548,140	\$ 1,704,688	\$ -	\$ -					
Lincolnton-Lincoln County Airport Authority	<u>1,133,355</u>	<u>772,649</u>	<u>192,808</u>	<u>78,803</u>					
Total component unit	<u>\$ 2,681,495</u>	<u>\$ 2,477,337</u>	<u>\$ 192,808</u>	<u>\$ 78,803</u>					
<b>General Revenues:</b>									
Ad valorem taxes									
Local option sales tax									
Utility franchise tax									
Real estate transfer tax									
Other taxes and licenses									
Unrestricted intergovernmental									
Investment earnings									
Total general revenues									
<b>Change in net assets</b>									
Net assets - beginning									
Net assets - ending									

*The accompanying notes are an integral part of the financial statements.*

**Exhibit B**

<b>Net (Expense) Revenue and Changes in Net Assets</b>				<b>Component Units</b>		
<b>Primary Government</b>			<b>Component Units</b>			
<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>	<b>Lincoln County ABC Board</b>	<b>Lincolnton Lincoln County Airport Authority</b>		
\$ (5,558,479)	\$ -	\$ (5,558,479)	-	\$ -		
(18,529,229)	-	(18,529,229)	-	-		
(1,888,385)	-	(1,888,385)	-	-		
(9,092,951)	-	(9,092,951)	-	-		
(1,689,047)	-	(1,689,047)	-	-		
(19,640,382)	-	(19,640,382)	-	-		
(4,907,326)	-	(4,907,326)	-	-		
(61,305,798)	-	(61,305,798)	-	-		
-	(2,418,912)	(2,418,912)	-	-		
-	6,073,108	6,073,108	-	-		
-	(263,982)	(263,982)	-	-		
-	3,390,214	3,390,214	-	-		
(61,305,798)	3,390,214	(57,915,584)	-	-		
-	-	-	156,548	-		
-	-	-	-	(89,095)		
-	-	-	156,548	(89,095)		
43,830,954	1,302,839	45,133,793	-	-		
16,360,401	-	16,360,401	-	-		
318,899	-	318,899	-	-		
1,005,843	-	1,005,843	-	-		
494,670	-	494,670	-	-		
472,872	-	472,872	-	-		
1,604,805	712,156	2,316,961	1,755	28,493		
64,088,444	2,014,995	66,103,439	1,755	28,493		
2,782,646	5,405,209	8,187,855	158,303	(60,602)		
(55,680,127)	60,628,040	4,947,913	206,216	6,383,330		
\$ (52,897,481)	\$ 66,033,249	\$ 13,135,768	\$ 364,519	\$ 6,322,728		

## LINCOLN COUNTY, NORTH CAROLINA

**BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2008**

	General Fund	Other Governmental Funds	Total Governmental Funds
<b>Assets:</b>			
Cash and cash equivalents	\$ 14,200,866	\$ 9,240,881	\$ 23,441,747
Taxes receivable (net)	1,186,608	163,144	1,349,752
Accounts receivable (net)	1,137,255	52,695	1,189,950
Due from other governments	4,065,274	205,350	4,270,624
Due from other funds	1,089,511	572,359	1,661,870
Cash and cash equivalents, restricted	215,001	-	215,001
Total assets	\$ 21,894,515	\$ 10,234,429	\$ 32,128,944

### **Liabilities and Fund Balances:**

## Liabilities:

Accounts payable and other accrued liabilities	\$ 2,217,603	\$ 564,285	\$ 2,781,888
Due to other funds	1,804,976	42	1,805,018
Deferred revenue	<u>1,447,956</u>	<u>163,144</u>	<u>1,611,100</u>
<b>Total liabilities</b>	<b>5,470,535</b>	<b>727,471</b>	<b>6,198,006</b>

## Fund Balances:

Reserved:

State statute	6,184,221	625,717	6,809,938
Unreserved	10,239,759	-	10,239,759

### **Reported in Nonmajor:**

Capital project funds	-	4,431,429	4,431,429
Special revenue funds	-	4,449,812	4,449,812
<b>Total fund balances</b>	<b>16,423,980</b>	<b>9,506,958</b>	<b>25,930,938</b>

Total liabilities and fund balances \$ 21,894,515 \$ 10,234,429

**Capital assets, net of accumulated depreciation, used in governmental activities**

are not current financial resources and, therefore, are not reported in the funds. Long-term liabilities, unfunded pension obligations, and compensated absences 29,111,944

Long-term liabilities, unfunded pension obligations, and compensated absences are not due and payable in the current period and therefore not reported in the funds. (109,397,934)  
Deferred revenues in the governmental funds are used to offset accounts receivable not expected to be available within 90 days of year end. 1,457,571

#### Net assets of governmental activities, per Exhibit A

\$ (52,897,481)

*The accompanying notes are an integral part of the financial statements.*

## LINCOLN COUNTY, NORTH CAROLINA

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

	General	Other Governmental Funds	Total Governmental Funds
<b>Revenues:</b>			
Ad valorem taxes	\$ 39,560,720	\$ 4,271,148	\$ 43,831,868
Local option sales taxes	16,360,401	-	16,360,401
Other taxes and licenses	1,406,715	412,697	1,819,412
Unrestricted intergovernmental revenues	472,872	-	472,872
Restricted intergovernmental revenues	8,647,074	1,358,432	10,005,506
Permits and fees	2,250,774	-	2,250,774
Sales, service and rents	7,176,094	-	7,176,094
Miscellaneous	862,161	145,182	1,007,343
Investment earnings	1,040,938	563,867	1,604,805
Total revenues	<u>77,777,749</u>	<u>6,751,326</u>	<u>84,529,075</u>
<b>Expenditures:</b>			
<b>Current:</b>			
General government	6,973,330	-	6,973,330
Public safety	18,312,168	4,660,987	22,973,155
Economic and physical development	1,891,301	-	1,891,301
Human services	21,030,957	-	21,030,957
Cultural and recreational	1,567,316	-	1,567,316
Education	17,109,628	-	17,109,628
Capital outlay	-	8,523,119	8,523,119
<b>Debt Service:</b>			
Principal repayments	7,743,368	-	7,743,368
Interest	4,907,326	-	4,907,326
Total expenditures	<u>79,535,394</u>	<u>13,184,106</u>	<u>92,719,500</u>
<b>Revenues over (under) expenditures</b>	<u>(1,757,645)</u>	<u>(6,432,780)</u>	<u>(8,190,425)</u>
<b>Other Financing Sources (Uses):</b>			
Long-term debt issued	109,002	-	109,002
Transfers out	(11,635,384)	(11,245,991)	(22,881,375)
Transfers in	<u>11,245,991</u>	<u>11,635,384</u>	<u>22,881,375</u>
Total other financing sources (uses)	<u>(280,391)</u>	<u>389,393</u>	<u>109,002</u>
<b>Net change in fund balances</b>	<u>(2,038,036)</u>	<u>(6,043,387)</u>	<u>(8,081,423)</u>
Fund balance, beginning of year	<u>18,462,016</u>	<u>15,550,345</u>	<u>34,012,361</u>
Fund balance, end of year	<u>\$ 16,423,980</u>	<u>\$ 9,506,958</u>	<u>\$ 25,930,938</u>

The accompanying notes are an integral part of the financial statements.

## LINCOLN COUNTY, NORTH CAROLINA

### RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2008

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

Net change in fund balances - total governmental funds	\$ (8,081,423)
Capital outlays are reported as expenditures in the governmental fund statement. However, in the statement of activities, capital outlay is not an expense, rather it is an increase in capital assets.	5,203,662
Depreciation expense allocates the costs of capital assets over their useful lives. It is not reported as an expenditure in the governmental fund statements.	(1,836,558)
The sale of capital assets is reported as a revenue in the governmental fund statements without subtracting the net book value of the capital assets sold.	(6,873)
Expenses related to compensated absences and law enforcement officers separation allowance that do not require current financial resources are not reported as expenditures in the governmental fund statement.	(237,433)
Exhibit D reports revenues using a current financial resources basis, which generally means revenue is recognized when collected or is expected to be collected within 90 days of year end. Exhibit B reports revenues when the earning process is complete, regardless of when it is collected. This measurement difference causes timing of revenue recognition differences for the following revenue types:	
Property taxes	(914)
Other fees for service	107,819
Principal repayments are reported as expenditures in the governmental fund statement. However, in the statement of activities, these transactions are not an expense, rather they are a decrease in liabilities.	7,743,368
The issuance of long-term debt (e.g. bonds, leases) and the refunding of long-term debt provide current financial resources to governmental funds. The repayment of refunded long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, is reported in the statement of activities.	<u>(109,002)</u>
Change in net assets of governmental activities	\$ <u>2,782,646</u>

*The accompanying notes are an integral part of the financial statements.*

## LINCOLN COUNTY, NORTH CAROLINA

## GENERAL FUND

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

	Original Budget	Final Budget	Actual	Variance With Final Budget Over/Under
<b>Revenues:</b>				
Ad valorem taxes	\$ 38,974,300	\$ 39,005,350	\$ 39,560,720	\$ 555,370
Local option sales taxes	15,500,000	15,699,056	16,360,401	661,345
Other taxes and licenses	1,168,000	1,348,351	1,406,715	58,364
Unrestricted intergovernmental revenues	438,500	442,670	472,872	30,202
Restricted intergovernmental revenues	8,248,040	8,756,790	8,647,074	(109,716)
Permits and fees	2,287,644	2,350,222	2,250,774	(99,448)
Sales, service and rents	8,510,355	9,042,306	7,176,094	(1,866,212)
Miscellaneous	570,933	728,183	862,161	133,978
Investment earnings	1,200,000	1,200,000	1,040,938	(159,062)
Total revenues	<u>76,897,772</u>	<u>78,572,928</u>	<u>77,777,749</u>	<u>(795,179)</u>
<b>Expenditures:</b>				
<b>Current:</b>				
General government	7,469,786	8,121,008	6,973,330	1,147,678
Public safety	17,559,547	18,744,484	18,312,168	432,316
Economic and physical development	1,881,446	1,965,391	1,891,301	74,090
Human services	23,261,525	24,173,341	21,030,957	3,142,384
Cultural and recreational	1,800,509	1,911,815	1,567,316	344,499
Education	17,109,628	17,109,628	17,109,628	-
<b>Debt Service:</b>				
Principal	7,824,094	7,847,699	7,743,368	104,331
Interest and fees	4,921,522	4,921,972	4,907,326	14,646
Total expenditures	<u>81,828,057</u>	<u>84,795,338</u>	<u>79,535,394</u>	<u>5,259,944</u>
<b>Revenues over (under) expenditures</b>	<b>(4,930,285)</b>	<b>(6,222,410)</b>	<b>(1,757,645)</b>	<b>4,464,765</b>
<b>Other Financing Sources (Uses):</b>				
Long-term debt issued	-	109,002	109,002	-
Transfers out	(10,670,787)	(11,665,489)	(11,635,384)	30,105
Transfers in	11,657,265	11,657,265	11,245,991	(411,274)
Fund balance appropriated	3,943,807	6,121,632	-	(6,121,632)
Total other financing sources (uses)	<u>4,930,285</u>	<u>6,222,410</u>	<u>(280,391)</u>	<u>(6,502,801)</u>
<b>Net change in fund balances</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (2,038,036)</b>	<b>\$ (2,038,036)</b>
Fund balance, beginning of year			<u>18,462,016</u>	
Fund balance, end of year			<u>\$ 16,423,980</u>	

The accompanying notes are an integral part of the financial statements.

## LINCOLN COUNTY, NORTH CAROLINA

STATEMENT OF NET ASSETS  
PROPRIETARY FUNDS  
JUNE 30, 2008

	<b>Enterprise Funds</b>			
	<b>East Lincoln County</b>			
	<b>Landfill Fund</b>	<b>Water and Sewer Fund</b>	<b>Water and Sewer District Fund</b>	<b>Total</b>
<b>Assets:</b>				
<b>Current Assets:</b>				
Cash and cash equivalents	\$ 6,616,197	\$ 11,078,960	\$ 208,915	\$ 17,904,072
Taxes receivable (net)	106,751	-	16,614	123,365
Accounts receivable (net)	61,845	94,996	-	156,841
Due from other governments	60,263	93,576	-	153,839
Due from other funds	13,103	1,219,514	110,312	1,342,929
Other assets	-	194,867	14,724	209,591
Total current assets	<u>6,858,159</u>	<u>12,681,913</u>	<u>350,565</u>	<u>19,890,637</u>
<b>Capital Assets:</b>				
Non-depreciable capital assets	400,367	6,136,012	-	6,536,379
Depreciable capital assets, net	<u>5,948,794</u>	<u>54,210,035</u>	<u>-</u>	<u>60,158,829</u>
Total noncurrent assets	<u>6,349,161</u>	<u>60,346,047</u>	<u>-</u>	<u>66,695,208</u>
Total assets	<u>13,207,320</u>	<u>73,027,960</u>	<u>350,565</u>	<u>86,585,845</u>
<b>Liabilities:</b>				
<b>Current Liabilities:</b>				
Accounts payable and other accrued liabilities	126,048	1,280,600	26,424	1,433,072
Due to other funds	564	1,199,217	-	1,199,781
Customer deposits	-	92,589	-	92,589
Current portion of compensated absences	5,700	10,400	-	16,100
Current portion of long-term debt	-	1,056,084	835,000	1,891,084
Total current liabilities	<u>132,312</u>	<u>3,638,890</u>	<u>861,424</u>	<u>4,632,626</u>
<b>Noncurrent Liabilities:</b>				
Accrued landfill closure/postclosure care costs	5,006,671	-	-	5,006,671
Premium on long-term debt, net	-	58,301	-	58,301
Compensated absences	51,350	93,613	-	144,963
Long-term debt	-	4,340,035	6,370,000	10,710,035
Total noncurrent liabilities	<u>5,058,021</u>	<u>4,491,949</u>	<u>6,370,000</u>	<u>15,919,970</u>
Total liabilities	<u>5,190,333</u>	<u>8,130,839</u>	<u>7,231,424</u>	<u>20,552,596</u>
<b>Net Assets:</b>				
Invested in capital assets, net of related debt	6,349,161	54,891,627	(7,205,000)	54,035,788
Unrestricted	<u>1,667,826</u>	<u>10,005,494</u>	<u>324,141</u>	<u>11,997,461</u>
Total net assets	<u>\$ 8,016,987</u>	<u>\$ 64,897,121</u>	<u>\$ (6,880,859)</u>	<u>\$ 66,033,249</u>

*The accompanying notes are an integral part of the financial statements.*

## LINCOLN COUNTY, NORTH CAROLINA

**STATEMENT OF REVENUES, EXPENSES,  
AND CHANGES IN FUND NET ASSETS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2008**

	Enterprise Funds			
	East Lincoln County			
	Landfill Fund	Water and Sewer Fund	Water and Sewer District Fund	Total
<b>Operating Revenues:</b>				
Charges for services	\$ 588,788	\$ 7,945,933	\$ -	\$ 8,534,721
Water and sewer taps	-	1,186,634	-	1,186,634
Other operating revenues	25,622	17,469	-	43,091
Total operating revenues	614,410	9,150,036	-	9,764,446
<b>Operating Expenses:</b>				
Water treatment and distribution	-	2,838,635	-	2,838,635
Sewage collection	-	1,715,846	-	1,715,846
Pumping station	-	10,559	-	10,559
Landfill operations	3,413,113	-	-	3,413,113
Water and sewer district	-	-	2,938	2,938
Depreciation	1,987,666	1,782,888	-	3,770,554
Total operating expenses	5,400,779	6,347,928	2,938	11,751,645
<b>Operating income (loss)</b>	(4,786,369)	2,802,108	(2,938)	(1,987,199)
<b>Nonoperating Revenues (Expenses):</b>				
Ad valorem taxes	-	-	1,302,839	1,302,839
Availability fee	2,204,939	-	-	2,204,939
Investment earnings	286,132	291,161	134,863	712,156
White goods disposal tax	27,473	-	-	27,473
Tire disposal tax	80,109	-	-	80,109
Sales and use tax refund	54,936	49,944	-	104,880
Interest and fees	-	(228,772)	(261,044)	(489,816)
Total nonoperating revenues (expenses)	2,653,589	112,333	1,176,658	3,942,580
<b>Income (loss) before transfers and contributions</b>	(2,132,780)	2,914,441	1,173,720	1,955,381
Capital contribution	-	3,449,828	-	3,449,828
<b>Income (loss) before special items</b>	(2,132,780)	6,364,269	1,173,720	5,405,209
<b>Special items:</b>				
Transfers in	-	30,152,380	-	30,152,380
Transfers out	-	-	(30,152,380)	(30,152,380)
Total special items (Note 9.)	-	30,152,380	(30,152,380)	-
<b>Change in net assets</b>	(2,132,780)	36,516,649	(28,978,660)	5,405,209
Net assets - beginning	10,149,767	28,380,472	22,097,801	60,628,040
Net assets - ending	\$ 8,016,987	\$ 64,897,121	\$ (6,880,859)	\$ 66,033,249

*The accompanying notes are an integral part of the financial statements.*

**LINCOLN COUNTY, NORTH CAROLINA**

**STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2008**

	<b>Enterprise Funds</b>			
	<b>Landfill Fund</b>	<b>Water and Sewer Fund</b>	<b>Water and Sewer District Fund</b>	<b>Total</b>
<b>Operating Activities:</b>				
Cash received from customers	\$ 615,311	\$ 9,171,342	\$ 76,618	\$ 9,863,271
Cash received from other operating revenues	25,622	17,469	-	43,091
Cash paid for goods and services	(1,343,913)	(1,685,187)	(36,463)	(3,065,563)
Cash paid on behalf of employees	(1,481,521)	(1,907,681)	(15,936)	(3,405,138)
Net cash provided by (used in) operating activities	<u>(2,184,501)</u>	<u>5,595,943</u>	<u>24,219</u>	<u>3,435,661</u>
<b>Noncapital Financing Activities:</b>				
Transfers in (out)	-	4,561,068	(4,561,068)	-
Loans to other funds	(215,201)	(1,396,641)	705,519	(906,323)
Other non-operating	2,367,457	49,944	1,302,839	3,720,240
Net cash provided (used) by noncapital financing activities	<u>2,152,256</u>	<u>3,214,371</u>	<u>(2,552,710)</u>	<u>2,813,917</u>
<b>Capital and Related Financing Activities:</b>				
Acquisition and construction of capital assets	(491,813)	(2,477,629)	-	(2,969,442)
Debt principal paid	-	(1,442,333)	(845,000)	(2,287,333)
Interest and fees paid	-	(287,071)	(261,044)	(548,115)
Net cash used by capital and related financing activities	<u>(491,813)</u>	<u>(4,207,033)</u>	<u>(1,106,044)</u>	<u>(5,804,890)</u>
<b>Investing Activities:</b>				
Interest on investments	286,132	291,161	134,863	712,156
Net cash provided by investing activities	<u>286,132</u>	<u>291,161</u>	<u>134,863</u>	<u>712,156</u>
Net increase (decrease) in cash and cash equivalents/investments	(237,926)	4,894,442	(3,499,672)	1,156,844
<b>Cash and Cash Equivalents/Investments:</b>				
Beginning of year	6,854,123	6,184,518	3,708,587	16,747,228
End of year	<u>\$ 6,616,197</u>	<u>\$ 11,078,960</u>	<u>\$ 208,915</u>	<u>\$ 17,904,072</u>

*The accompanying notes are an integral part of the financial statements.*

**LINCOLN COUNTY, NORTH CAROLINA**

**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2008**

	<b>Enterprise Funds</b>				
	<b>Landfill Fund</b>	<b>Water and Sewer Fund</b>	<b>Water and Sewer District Fund</b>	<b>East Lincoln County</b>	
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by (used in) Operating Activities:</b>					
Operating income (loss)	\$ (4,786,369)	\$ 2,802,108	\$ (2,938)	\$ (1,987,199)	
<b>Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:</b>					
Depreciation	1,987,666	1,782,888	-	3,770,554	
<b>Change in Assets and Liabilities:</b>					
(Increase) decrease in receivables	(4,493)	(14,833)	11,667	(7,659)	
(Increase) decrease in due from other governments	31,016	(29,485)	63,193	64,724	
(Increase) decrease in other assets	-	83,093	1,758	84,851	
Increase (decrease) in accounts payable	23,908	931,056	(33,525)	921,439	
Increase (decrease) in customer deposits	-	9,096	-	9,096	
Increase (decrease) in landfill closure/postclosure care cost	555,821	-	-	555,821	
Increase (decrease) in compensated absences payable	7,950	32,020	(15,936)	24,034	
Total adjustments	2,601,868	2,793,835	27,157	5,422,860	
Net cash provided by (used in) operating activities	\$ (2,184,501)	\$ 5,595,943	\$ 24,219	\$ 3,435,661	
<b>Noncash Investing, Capital, and Financing Activities:</b>					
Transfers of capital assets, net of accumulated depreciation	\$ -	\$ 25,591,312	\$ (25,591,312)	\$ -	
Contributed depreciable assets, net of accumulated depreciation	\$ -	\$ 3,449,828	\$ -	\$ 3,449,828	

*The accompanying notes are an integral part of the financial statements.*

**LINCOLN COUNTY, NORTH CAROLINA**

**STATEMENT OF FIDUCIARY NET ASSETS**  
**FIDUCIARY FUNDS**  
**JUNE 30, 2008**

	<b><u>Agency Funds</u></b>
<b>Assets:</b>	
Cash and cash equivalents	\$ 342,444
Total assets	<u>\$ 342,444</u>
 <b>Liabilities:</b>	
Intergovernmental payable	\$ 342,444
Total liabilities	<u>\$ 342,444</u>

*The accompanying notes are an integral part of the financial statements.*

# **LINCOLN COUNTY, NORTH CAROLINA**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2008**

### **1. Summary of Significant Accounting Policies**

The accounting policies of Lincoln County and its component units conform to generally accepted accounting principles as they apply to governments. The following is a summary of the more significant accounting policies:

#### **A. Reporting Entity**

The County, which is governed by a five-member board of commissioners, is one of the 100 counties established in North Carolina under North Carolina General Statute 153A-10. As required by generally accepted accounting principles, these financial statements present the County and its component units, legally-separate entities for which the County is financially accountable. The following discretely presented component units are reported in separate columns in the County's government-wide financial statements in order to emphasize that they are legally separate from the County. The blended component units, although they are legally separate entities, are in substance, part of the County's operations.

#### **Component Units**

#### **Blended Component Unit**

The East Lincoln County Water and Sewer District Fund (the "District") exists to provide and maintain a sewer system for the county residents within each district. Under State law [G.S. 162A-89], the County's board of commissioners also serve as the governing board for the District. Therefore, the District is reported as an enterprise fund in the County's financial statements. The district does not issue separate financial statements.

#### **Discretely Presented Component Units**

#### **Lincoln County ABC Board**

The members of the governing body of the Lincoln County ABC Board (the "ABC Board") are appointed by the County. In addition, the ABC Board is required by State statute to distribute its surpluses to the General Fund of the County. The ABC Board, which has a June 30 year end, is presented as if it were a proprietary fund. Complete financial statements for the ABC Board may be obtained from Huggins & Co. P.O Box 680668 Charlotte, NC 28216.

## **LINCOLN COUNTY, NORTH CAROLINA**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2008**

#### **Lincolnton-Lincoln County Airport Authority**

The Lincolnton-Lincoln County Airport Authority (the “Airport Authority”) is a public body created under the laws of the State of North Carolina. The County provides a significant level of support to the Airport Authority through an operating subsidy, an operating lease, capital grants and support services. Those support services include the County’s finance officer acting in a similar capacity for the Airport Authority. The Airport Authority, which has a June 30 year end, is presented as if it were a proprietary fund. Complete financial statements for the Airport Authority may be obtained at 115 West Main Street, Lincolnton, NC 28092.

#### **Lincoln County Industrial Facility and Pollution Control Financing Authority**

Lincoln County Industrial Facility and Pollution Control Financing Authority (the “Authority”) exists to issue and service revenue bond debt of private businesses for economic development purposes. The Authority is governed by a seven-member board, all of whom are appointed by the county commissioners. The County can remove any commissioner of the Authority with or without cause. The Authority has no financial transactions or account balances; therefore, it is not presented in the basic financial statements. The Authority does not issue separate financial statements.

#### **B. Basis of Presentation**

*Government-wide Statements:* The statement of net assets and the statement of activities display information about the primary government (the County) and its component units. These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the *governmental* and *business-type activities* of the County. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

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.

## LINCOLN COUNTY, NORTH CAROLINA

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2008

*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. Nonoperating revenues, such as subsidies and investment earnings, result from non-exchange transactions or ancillary activities.

The County reports the following major governmental funds:

**General Fund** - The General Fund is the general operating fund of the County. It is used to account for all financial resources except those that are required to be accounted for in another fund.

The County reports the following nonmajor governmental funds:

**Special Revenue Funds** - Special Revenue Funds are used to account for specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specified purposes. The County has the following Special Revenue Funds: the Capital Reserve Fund, the Fire Districts Fund, the Law Enforcement Fund, the Federal Law Enforcement Fund, and the Emergency Telephone Systems Fund.

**Capital Projects Funds** - The General Capital Projects Fund is used to account for financial resources to be used for the acquisition and construction of major capital facilities (other than those financed by proprietary funds and trust funds). The School Capital Projects Fund is used to account for the construction and renovation of public schools.

The County reports all of its enterprise funds as major:

**Lincoln County has the following Enterprise Funds: the Landfill Fund, the Water and Sewer Fund and the East Lincoln County Water and Sewer Fund.** In addition, the Water and Sewer Capital Fund is consolidated with the Water and Sewer Fund for financial reporting purposes. The Enterprise Funds are used to account for those operations that (a) are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis, be financed or recovered primarily through user charges; or (b) where the governing body has decided that the periodic determination of revenues earned, expenses incurred and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

## **LINCOLN COUNTY, NORTH CAROLINA**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2008**

The County reports the following fund types:

**Agency Funds - Agency** funds are custodial in nature and do not involve the measurement of operating results. Agency funds are used to account for assets the County holds on behalf of others. The County maintains five Agency Funds: the Social Services Fund, which accounts for monies deposited with the Department of Social Services for the benefit of certain individuals; the Tax Collector Fund, which accounts for ad valorem property taxes that are billed and collected by the County for a municipality within the County; the HB 1779 Interest Fund, which accounts for collection of interest on delinquent motor vehicle taxes that is required to be remitted to the state; the Inmate Trust Fund, which accounts for monies held on behalf of inmates in the County jail, and the Miscellaneous Fund, which accounts for monies deposited with various other organizations.

#### **C. Measurement Focus and 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 and the accrual basis of accounting, except for the agency funds, which have no measurement focus. 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 nonoperating 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 nonoperating revenues and expenses.

## **LINCOLN COUNTY, NORTH CAROLINA**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2008**

*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. Long-term debt issued and acquisitions under capital leases are reported as other financing sources. General capital asset acquisitions are reported as expenditures in governmental funds.

The County considers all revenues available if they are collected within 90 days after year-end, except for property taxes. Ad valorem property taxes are not accrued as revenue because the amount is not susceptible to accrual. At June 30, taxes receivable are materially past due and are not considered to be an available resource to finance the operations of the current year. Also, as of January 1, 1993, State law altered the procedures for the assessment and collection of property taxes on registered motor vehicles in North Carolina. Effective with this change in the law, Lincoln County is responsible for billing and collecting the property taxes on all registered motor vehicles on behalf of all municipalities and special tax districts in the County. For those motor vehicles registered under the staggered system property taxes are due the first day of the fourth month after the vehicles are registered. The billed taxes are applicable to the fiscal year in which they become due. Therefore, taxes for vehicles registered from March 2007 through February 2008 apply to the fiscal year ended June 30, 2008. Uncollected taxes which were billed during this period are shown as a receivable on these financial statements.

Sales taxes 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. Expenditure driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been satisfied.

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

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

## **LINCOLN COUNTY, NORTH CAROLINA**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2008**

#### **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, the special, and the enterprise funds. All annual appropriations lapse at the fiscal year-end. Project ordinances are adopted for the Water and Sewer Capital Fund, which is an enterprise fund capital project. A project ordinance is also adopted for the General Capital Projects Fund and the School Capital Projects Fund, which are governmental fund capital projects. 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, the departmental level for the special revenue and enterprise funds and at the object level for the capital project funds. The balances in the Capital Reserve Fund will be appropriated when transferred to a capital projects fund in accordance with the project ordinance adopted for the reserve. The County Manager is authorized by the budget ordinance to transfer appropriations between departments within a fund up to \$20,000; however, any revisions that alter total expenditures of any fund or that change functional appropriations by more than \$20,000 must be approved by the governing board. During the year, some amendments to the original budget were necessary, the effects of which were not material. The budget ordinance must be adopted by July 1 of the fiscal year or the governing board must adopt an interim budget that covers that time until the annual ordinance can be adopted.

#### **E. Assets, Liabilities and Fund Equity**

##### **1. Deposits and Investments**

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

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

The County's investments with a maturity of more than one year at acquisition and non-money market investments are carried at fair value as determined by quoted market prices. The securities of the NCCMT Cash Portfolio, a SEC-registered (2a-7) money market fund, are valued at fair value, which is the NCCMT's share price. The NCCMT Term Portfolio's securities are valued at fair value. Money market investments that have a remaining maturity at the time of purchase of one year or less and non-participating interest earnings and investment contracts are reported at amortized cost.

## **LINCOLN COUNTY, NORTH CAROLINA**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2008**

#### **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.

#### **3. Ad Valorem Taxes Receivable**

In accordance with State law [G.S. 105-347 and G.S. 159-13(a)], the County levies ad valorem taxes on property other than 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, 2007. As allowed by State law, the County has established a schedule of discounts that apply to taxes which are paid prior to the due date. In the County's General Fund, ad valorem tax revenues are reported net of such discounts.

#### **4. Allowances 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.

#### **5. Cash and Cash Equivalents, Restricted**

The restricted cash in the General Fund represents the balance in a sinking fund required by a financing contract to construct schools.

#### **6. Capital Assets**

Purchased or constructed capital assets are recorded at original cost or estimated historical cost. Donated assets are listed at the market value at the date of donation. Minimum capitalization costs are \$5,000 for all asset categories. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are not capitalized. The County capitalizes interest costs which are incurred during the construction period of capital assets.

Enterprise plant assets of the County are depreciated on a composite straight-line basis for the entire plant, regardless of the year of the acquisition, at a 2% annual rate. In the composite rate, gain or loss on dispositions is not calculated except in extraordinary circumstances. Landfill cells are depreciated based on the percent of capacity used each year.

## **LINCOLN COUNTY, NORTH CAROLINA**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2008**

Other capital assets are depreciated on a straight-line basis over the following estimated useful lives:

	<u>Years</u>
Buildings	25-50
Infrastructure	30-50
Furniture and office equipment	5-20
Equipment	7-15
Vehicles	6

#### **7. Long-Term Obligations**

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

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as debt issuance costs, during the current period. The face amount of debt issued is reported as an other financing source. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual net proceeds received, are reported as debt service expenditures.

The County's long-term debt for the water districts and landfill is carried within the Enterprise Fund. The debt service requirements for the water districts' debt are being met by water revenues, but the taxing power of the County is pledged to make these payments if water revenues should ever be insufficient.

#### **8. Compensated Absences**

The vacation policy of the County provides for the accumulation of up to thirty days earned vacation leave with such leave being fully vested when earned. In the County's governmental proprietary funds, an expense and a liability for compensated absences and the salary-related payments are recorded as the leave is earned.

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

## **LINCOLN COUNTY, NORTH CAROLINA**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2008**

#### **9. Net Assets / Fund Balances**

##### **Net Assets**

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

##### **Fund Balances**

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

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

The governmental fund types classify fund balances as follows:

##### **Reserved:**

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

##### **Unreserved:**

**Undesignated** – portion of total fund balance available for appropriation which is uncommitted at year-end.

## **LINCOLN COUNTY, NORTH CAROLINA**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2008**

#### **F. Comparative Data/Reclassifications**

Comparative total data for the prior year has been presented in selected sections of the accompanying financial statements in order to provide an understanding of the changes in the County's financial position and operations. Comparative totals have not been included on the statements where their inclusion would not provide enhanced understanding of the County's financial position and operations or would cause the statements to be unduly complex or difficult to understand. Also, certain amounts in the prior year's data have been reclassified to be consistent with the current year's presentation.

#### **G. Other**

##### **Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

#### **2. Detail Notes on All Funds**

##### **A. Assets**

###### **1. Deposits**

All of the County's deposits are either insured or collateralized by using one of two methods. Under the Dedicated Method, all deposits exceeding the federal depository insurance coverage level are collateralized with securities held by the County's agent in the County's name. 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, these deposits are considered to be held by the County's agent in the entity's name. The amount of the pledged collateral is based on an approved averaging method for non-interest bearing deposits and the actual current balance for interest-bearing deposits. Depositories using the Pooling Method report to the State Treasurer the adequacy of their pooled collateral covering uninsured deposits. The State Treasurer does not confirm this information with the County, or with the escrow agent. Because of the inability to measure the exact amount of collateral pledged for the County, under the Pooling Method, the potential exists for undercollateralization, and this risk may increase in periods of high cash flows. However, the State Treasurer of North Carolina enforces strict standards of financial stability for each depository 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

## LINCOLN COUNTY, NORTH CAROLINA

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2008

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 a policy regarding custodial credit risk for deposits.

At June 30, 2008 the County's deposits had a carrying amount of \$6,721,401 and a bank balance of \$7,554,157. Of the bank balance, \$200,000 was covered by federal depository insurance, and \$7,354,157 by collateral held under the Pooling Method.

#### 2. Investments

At June 30, 2008 the County's investment balances were as follows:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Months</u>	<u>Less Than 6</u>	<u>6-12 Months</u>	<u>1-3 Years</u>
NC Capital Management Trust- Cash Portfolio	\$ 34,207,798	N/A	N/A	N/A	
NC Capital Management Trust- Term Portfolio	759,064	-	759,064		-
US Government Agencies	<u>215,001</u>	<u>215,001</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total investments	<u>\$ 35,181,863</u>	<u>\$ 215,001</u>	<u>\$ 759,064</u>	<u>\$ -</u>	

**Interest Rate Risk.** The County does not have a formal investment policy that specifically limits investment maturities as a means of managing its exposure to fair value losses arising from rising interest rates.

**Credit Risk.** State law limits investments in commercial paper to the top rating issued by nationally recognized statistical rating organizations (NRSROs); however, the County had no formal policy on specifically managing credit risk. As of June 30, 2008, the County's investments in the NC Capital Management Trust Cash Portfolio carried a credit rating of AAAm by Standard & Poor's as of June 30, 2008. The County's investment in the NC Capital Management 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 Statutes 159-30 as amended.

**Concentration of Credit Risk.** The County places no limit on the amount that the County may invest in any one issuer.

## **LINCOLN COUNTY, NORTH CAROLINA**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2008**

#### **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.

<b>Year</b>	<b>Levied</b>	<b>Tax</b>	<b>Interest</b>	<b>Total</b>
	2005	\$ 1,119,511	\$ 265,884	\$ 1,385,395
	2006	1,162,122	171,413	1,333,535
	2007	1,183,403	68,045	1,251,448
	2008	<u>1,684,086</u>	<u>-</u>	<u>1,684,086</u>
	Total	<u>\$ 5,149,122</u>	<u>\$ 505,342</u>	<u>\$ 3,970,378</u>

# LINCOLN COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2008

### 4. Receivables

Receivables at Exhibit A at June 30, 2008 were as follows:

	Accounts	Taxes	Due from other Governments	Total
<b>Governmental Activities:</b>				
General	\$ 2,241,700	\$ 1,968,608	\$ 4,065,274	\$ 8,275,582
Other Governmental	<u>52,695</u>	<u>163,471</u>	<u>205,350</u>	<u>421,516</u>
Total receivables	2,294,395	2,132,079	4,270,624	8,697,098
Allowance for doubtful accounts	<u>(1,104,445)</u>	<u>(782,327)</u>	<u>-</u>	<u>(1,886,772)</u>
Total governmental activities	<u><u>1,189,950</u></u>	<u><u>1,349,752</u></u>	<u><u>4,270,624</u></u>	<u><u>6,810,326</u></u>
<b>Business-type Activities:</b>				
Solid Waste	\$ 101,951	\$ 163,371	\$ 60,263	\$ 325,585
Water and Sewer	<u>145,820</u>	<u>53,661</u>	<u>93,576</u>	<u>293,057</u>
Total receivables	247,771	217,032	153,839	618,642
Allowance for doubtful accounts	<u>(90,930)</u>	<u>(93,667)</u>	<u>-</u>	<u>(184,597)</u>
Total business-type activities	<u><u>156,841</u></u>	<u><u>123,365</u></u>	<u><u>153,839</u></u>	<u><u>434,045</u></u>

Due from other governments consisted of the following:

Local option sales tax	\$ 2,904,519
Sales tax refund	546,276
Other Governmental agencies	973,668
	<u><u>\$ 4,424,463</u></u>

# LINCOLN COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2008

### 5. Capital Assets

A summary of changes in the County's governmental capital assets are as follows:

	<u>July 1, 2007</u>	<u>Additions</u>	<u>Retirements</u>	<u>June 30, 2008</u>
<b>By Asset Type:</b>				
<b>Nondepreciable Assets:</b>				
Land	\$ 1,647,900	\$ -	\$ -	\$ 1,647,900
Construction in progress	2,082,205	3,880,934	-	5,963,139
<b>Depreciable Assets:</b>				
Buildings	21,016,286	-	-	21,016,286
Other improvements	3,472,762	29,025	-	3,501,787
Equipment	6,358,694	457,021	(6,580)	6,809,135
Vehicles and other equipment	<u>5,468,995</u>	<u>836,682</u>	<u>(61,489)</u>	<u>6,244,188</u>
	<u>40,046,842</u>	<u>5,203,662</u>	<u>(68,069)</u>	<u>45,182,435</u>
<b>Less Accumulated Depreciation:</b>				
Buildings	(6,680,136)	(454,297)	-	(7,134,433)
Other improvements	(564,708)	(164,870)	-	(729,578)
Equipment	(3,394,350)	(503,827)	5,839	(3,892,338)
Vehicles and other equipment	<u>(3,655,935)</u>	<u>(713,564)</u>	<u>55,357</u>	<u>(4,314,142)</u>
Total accumulated depreciation	<u>(14,295,129)</u>	<u>\$ (1,836,558)</u>	<u>\$ 61,196</u>	<u>(16,070,491)</u>
Capital assets, net	<u><u>\$ 25,751,713</u></u>			<u><u>\$ 29,111,944</u></u>

# LINCOLN COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2008

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

**Governmental Activities:**

General government	\$ 420,519
Public safety	956,335
Economic and physical development	23,929
Human services	317,340
Cultural and recreational	118,435
Total	\$ 1,836,558

**Business-type Activities:**

Landfill	\$ 1,987,666
Water and Sewer	<u>1,782,888</u>
Total	\$ 3,770,554

### 6. Proprietary Capital Assets

The capital assets of the Landfill Fund at June 30, 2008 are as follows:

	<u>July 1, 2007</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers</u>	<u>June 30, 2008</u>
<b>By Asset Type:</b>					
<b>Nondepreciable Assets:</b>					
Land	\$ 400,367	\$ -	\$ -	\$ -	\$ 400,367
Construction in progress	-	-	-	-	-
<b>Depreciable Assets:</b>					
Buildings and structures	590,143	-	-	-	590,143
Improvements	11,706,683	179,730	-	-	11,886,413
Machinery, equipment and vehicles	<u>4,715,876</u>	<u>312,083</u>	<u>(78,509)</u>	<u>-</u>	<u>4,949,450</u>
	<u>17,413,069</u>	<u>491,813</u>	<u>(78,509)</u>	<u>-</u>	<u>17,826,373</u>
<b>Less Accumulated Depreciation:</b>					
Buildings and structures	(148,305)	(11,933)	-	-	(160,238)
Improvements	(6,482,568)	(1,682,234)	-	-	(8,164,802)
Machinery, equipment and vehicles	<u>(2,937,182)</u>	<u>(293,499)</u>	<u>78,509</u>	<u>-</u>	<u>(3,152,172)</u>
Total accumulated depreciation	<u>(9,568,055)</u>	<u>\$ (1,987,666)</u>	<u>\$ 78,509</u>	<u>\$ -</u>	<u>\$ (11,477,212)</u>
Capital assets, net	<u>\$ 7,845,014</u>				<u>\$ 6,349,161</u>

## LINCOLN COUNTY, NORTH CAROLINA

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2008

The capital assets of the Water and Sewer Fund at June 30, 2008 are as follows:

	<u>July 1, 2007</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers</u>	<u>June 30, 2008</u>
<b>By Asset Type:</b>					
<b>Nondepreciable Assets:</b>					
Land	\$ 10,000	\$ 5,000	\$ -	\$ 280,000	\$ 295,000
Construction in progress	2,817,715	2,393,602	(3,838,793)	4,468,488	5,841,012
<b>Depreciable Assets:</b>					
Buildings and structures	7,580,837	1,322,208	-	16,444,093	25,347,138
Improvements	97,835	-	-	141,195	239,030
Water and sewer lines	29,693,500	5,966,413	-	8,218,755	43,878,668
Machinery, equipment and vehicles	2,205,015	79,027	(4,001)	1,743,141	4,023,182
	<u>42,404,902</u>	<u>9,766,250</u>	<u>(3,842,794)</u>	<u>31,295,672</u>	<u>79,624,030</u>
<b>Less Accumulated Depreciation:</b>					
Buildings and structures	(2,280,316)	(481,155)	-	(3,526,734)	(6,288,205)
Improvements	(73,635)	(11,432)	-	(36,068)	(121,135)
Water and sewer lines	(7,646,771)	(1,065,226)	-	(1,170,767)	(9,882,764)
Machinery, equipment and vehicles	(1,794,014)	(225,075)	4,001	(970,791)	(2,985,879)
Total accumulated depreciation	<u>(11,794,736)</u>	<u>\$ (1,782,888)</u>	<u>\$ 4,001</u>	<u>\$ (5,704,360)</u>	<u>(19,277,983)</u>
Capital assets, net	<u>\$ 30,610,166</u>				<u>\$ 60,346,047</u>

# LINCOLN COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2008

The capital assets of the East Lincoln County Water and Sewer Fund at June 30, 2008 are as follows:

	<u>July 1, 2007</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers</u>	<u>June 30, 2008</u>
<b>By Asset Type:</b>					
<b>Nondepreciable Assets:</b>					
Land	\$ 280,000	\$ -	\$ -	\$ (280,000)	\$ -
Construction in progress	4,468,488	- -	- -	(4,468,488)	- -
<b>Depreciable Assets:</b>					
Buildings and structures	16,444,093	- -	- -	(16,444,093)	- -
Improvements	141,195	- -	- -	(141,195)	- -
Water lines	8,218,755	- -	- -	(8,218,755)	- -
Machinery, equipment and vehicles	1,743,141	- -	- -	(1,743,141)	- -
	<u>31,295,672</u>	<u>- -</u>	<u>- -</u>	<u>(31,295,672)</u>	<u>- -</u>
<b>Less Accumulated Depreciation:</b>					
Buildings and structures	(3,526,734)	- -	- -	3,526,734	- -
Improvements	(36,068)	- -	- -	36,068	- -
Water lines	(1,170,767)	- -	- -	1,170,767	- -
Machinery, equipment and vehicles	(970,791)	- -	- -	970,791	- -
Total accumulated depreciation	<u>(5,704,360)</u>	<u>\$ - -</u>	<u>\$ - -</u>	<u>5,704,360</u>	<u>\$ - -</u>
Capital assets, net	<u>\$ 25,591,312</u>				<u>\$ - -</u>

Effective July 1, 2007, all assets of the East Lincoln County Water and Sewer District Fund were transferred to the County's Water and Sewer Fund. The County will be responsible for all operations of what was formerly the East Lincoln County Water and Sewer District Fund. The East Lincoln County Water and Sewer District Fund will continue to exist for the purpose of levying taxes to service debt acquired prior to July 1, 2007.

# **LINCOLN COUNTY, NORTH CAROLINA**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2008**

### **B. Liabilities**

#### **1. Payables**

Payables at Exhibit A at June 30, 2008 were as follows:

	<b>Salaries and Accrued Interest</b>		<b>Total</b>
	<b>Vendors</b>	<b>Benefits</b>	
<b>Governmental Activities:</b>			
General	\$ 1,032,641	\$ 1,184,962	\$ 2,217,603
Other Governmental	<u>564,285</u>	<u>-</u>	<u>564,285</u>
Total governmental activities	<u>\$ 1,596,926</u>	<u>\$ 1,184,962</u>	<u>\$ 2,781,888</u>
<b>Business-type Activities:</b>			
Solid Waste	\$ 96,484	\$ 29,564	\$ 126,048
Water and Sewer	<u>1,223,824</u>	<u>34,675</u>	<u>48,525</u>
Total business-type activities	<u>\$ 1,320,308</u>	<u>\$ 64,239</u>	<u>\$ 1,433,072</u>

#### **2. Pension Plan Obligation**

##### **Local Governmental Employees' Retirement System**

###### **Plan Description**

Lincoln County contributes to 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 provides retirement and disability benefits to plan members and beneficiaries. Article 3 of G.S. Chapter 128 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The Local Governmental Employees' Retirement System is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes financial statements and required supplementary information for LGERS. 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.

# **LINCOLN COUNTY, NORTH CAROLINA**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2008**

### **Funding Policy**

Plan members are required to contribute six percent of their annual covered salary. The County is required to contribute at an actuarially determined rate. For the County, the current rate for employees not engaged in law enforcement and for law enforcement officers is 4.86% and 4.92%, respectively, of annual covered payroll. The contribution requirements of members and of Lincoln County are established and may be amended by the North Carolina General Assembly. The County's contributions to LGERS for the years ended June 30, 2008, 2007, and 2006 were \$1,066,891, \$954,919, and \$912,960, respectively. The contributions made by the County equaled the required contributions for each year.

### **Law Enforcement Officers' Special Separation Allowance**

#### **Plan Description**

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

All full-time County law enforcement officers are covered by the Separation Allowance. At December 31, 2007, the Separation Allowance's membership consisted of:

Retirees receiving benefits	6
Terminated plan members entitled to but not yet receiving benefits	-
Active plan members	<u>95</u>
Total	<u><u>101</u></u>

#### **Summary of Significant Accounting Policies**

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

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

## LINCOLN COUNTY, NORTH CAROLINA

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2008

#### **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. The County's obligation to contribute to this plan is established and may be amended by the North Carolina General Assembly. There were no contributions made by employees.

The annual required contribution for the current year was determined as part of the December 31, 2006 actuarial valuation using the projected unit, credit actuarial cost method. The actuarial assumptions included (a) 7.25% investment rate of return and (b) projected salary increases ranging from 4.5% to 12.3% per year. Both item (a) and (b) included an inflation component of 3.75%. The assumptions did not include postretirement benefit increases.

#### **Annual Pension Cost and Net Pension Obligation**

The County's annual pension cost and net pension obligation to the Separation Allowance for the current year were as follows:

Employer annual required contribution	\$ 86,445
Interest on net pension obligation	27,327
Adjustment to annual required contribution	<u>(23,162)</u>
Annual pension cost	90,610
Employer contributions made for fiscal year ending 6/30/08	<u>82,133</u>
Increase (decrease) in net pension obligation	8,477
Net pension obligation July 1	<u>376,927</u>
Net pension obligation June 30	<u>\$ 385,404</u>

#### **Three-Year Trend Information:**

<b>Fiscal Year Ended</b>	<b>Annual Pension Cost (APC)</b>	<b>Percentage of APC Contributed</b>	<b>Net Pension Obligation</b>
6/30/2006	78,612	62.22%	369,959
6/30/2007	79,636	91.25%	376,927
6/30/2008	90,610	90.64%	385,404

#### **Funded Status and Funding Progress**

As of December 31, 2006, the most recent actuarial valuation date, the plan was -0- percent funded. The actuarial accrued liability for benefits was \$757,181, and the actuarial value of assets was \$-0-, resulting in an unfunded actuarial accrued liability (UAAL) of \$757,181. The covered payroll (annual payroll of active employees covered by the plan) was \$3,484,225, and the ratio of the UAAL to the covered payroll was 21.73 percent.

The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits.

## **LINCOLN COUNTY, NORTH CAROLINA**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2008**

#### **Supplemental Retirement Income Plan for Law Enforcement Officers**

##### **Plan Description**

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

##### **Funding Policy**

Article 12E of G.S. Chapter 143 requires the County to contribute each month an amount equal to five percent of each officer's salary, and all amounts contributed are vested immediately. Also, the law enforcement officers may make voluntary contributions to the plan. Contributions for the year ended June 30, 2008 were \$215,536, which consisted of \$177,550 from the County and \$37,986 from the law enforcement officers.

#### **Registers of Deeds' Supplemental Pension Fund**

##### **Plan Description**

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

##### **Funding Policy**

On a monthly basis, the County remits to the Department of State Treasurer an amount equal to one and one-half percent (1.5%) of the monthly receipts collected pursuant to Article 1 of G.S. 161. Immediately following January 1 of each year, the Department of State Treasurer divides ninety-three percent (93%) of the amount in the Fund at the end of the preceding calendar year

## **LINCOLN COUNTY, NORTH CAROLINA**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2008**

into equal shares to be disbursed as monthly benefits. The remaining seven- percent (7%) of the Fund's assets may be used by the State Treasurer in administering the Fund. For the fiscal year ended June 30, 2008, the County's required and actual contributions were \$7,912.

#### **Other Post Employment Benefits**

According to a County resolution, Lincoln County provides post-retirement health care benefits to retirees of the County who participate in the North Carolina Local Governmental Employees' Retirement System (System) and have at least twenty years of creditable service with the County. The County pays the full cost of coverage for these benefits. Also, retirees can purchase coverage for their dependents at the County's group rates. Currently, 70 retirees are eligible for postretirement health benefits. For the fiscal year ended June 30, 2008, the County made payments for postretirement health benefit premiums of \$272,392. The County obtains health care coverage through private insurers.

#### **Other Employee 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. All death benefit payments are made from the Death Benefit Plan. The County has no liability beyond the payment of monthly contributions. Contributions are determined as a percentage of monthly payroll, based upon rates established annually by the State. Separate rates are set for employees not engaged in law enforcement and for law enforcement officers. Because the benefit payments are made by the Death Benefit Plan and not by the County, the County does not determine the number of eligible participants. For the fiscal year ended June 30, 2008, the County made contributions to the State for death benefits of \$26,802. The County's required contributions for employees not engaged in law enforcement and for law enforcement officers represented 0.12% and 0.14% of covered payroll, respectively. The contributions to the Death Benefit Plan cannot be separated between the postemployment benefit amount and the other benefit amount.

# **LINCOLN COUNTY, NORTH CAROLINA**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2008**

### **3. Closure and Postclosure Care Costs - Landfill Facility**

The County's new landfill consists of Phases I through VIII. Cells have been constructed in Phase I, II and III accordingly. State and federal laws and regulations require the County to place a final cover on its landfill facility when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the County reports a portion of these closure and postclosure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. The \$5,006,671 reported as landfill closure and postclosure care liability at June 30, 2008 represents a cumulative amount reported to-date based on the use of 67.1 percent of Phase I through III's estimated capacity. The County will recognize the remaining estimated cost of closure and postclosure care of \$2,454,836 as the remaining estimated capacity of Phase I through III is filled. These amounts are based on what it would cost to perform all closure and postclosure care in 2007. The County expects to close Phases I through III in the year 2016. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

The County has met the requirements of a local government financial test that is one option under State and federal laws and regulations that help determine if a unit is financially able to meet closure and postclosure care requirements.

### **4. Deferred / Unearned Revenues**

The balance in deferred revenues on the fund statements at June 30, 2008 is composed of the following elements:

	<b>Deferred Revenue</b>	<b>Unearned Revenue</b>
Prepaid taxes not yet earned (General)	\$ 153,529	\$ 153,529
Taxes receivable, net (General)	1,186,608	-
Other, (General)	107,819	
Taxes receivable, net (Special Revenue)	163,144	-
	<hr/>	<hr/>
	\$ 1,611,100	\$ 153,529

### **5. 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, including floods. The County participates in two self-funded risk financing pools administered by the North Carolina Association of County Commissioners. Through these pools, the County obtains property insurance coverage equal to replacement cost values of owned property subject to a pool limit of \$250 million for any one occurrence, general liability coverage of \$2 million per occurrence, and workers' compensation coverage up to statutory limits. The pools are reinsured through commercial companies for single occurrence losses in excess of \$500,000 up

## **LINCOLN COUNTY, NORTH CAROLINA**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2008**

to a \$2 million limit for general liability coverage, \$250 million each occurrence subject to the pool retention of aggregate annual losses in excess of \$750,000 per occurrence for property coverage, and single occurrence losses of \$750,000 for workers' compensation, up to \$2.5 million (excess carrier-County Re-Insurance). Safety National, reinsurer, takes the risk for any amount over \$2.5 million per occurrence, unlimited cap. There have been no significant reductions in insurance coverage from the prior year and settled claims have not exceeded coverage in any of the past three years.

The County does not purchase flood insurance coverage the NFIP.

The County has obtained blanket crime coverage of \$250,000 covering all County employees. In addition, the County provides fidelity bonding for the finance director, tax collector, sheriff, register of deeds, and the county manager in amounts exceeding those required by state statutes.

#### **6. Claims and Judgments**

At June 30, 2008, the County was a defendant to various lawsuits. In the opinion of the County's management and the County attorney, the ultimate effect of these legal matters will not have a material adverse effect on the County's financial position.

## **LINCOLN COUNTY, NORTH CAROLINA**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2008**

#### **7. Long-Term Obligations**

##### **General Obligation Indebtedness**

All general obligation bonds serviced by the County's General Fund and the Water and Sewer Fund are collateralized by the full faith, credit and taxing power of the County. East Lincoln County Water and Sewer District issued general obligation bonds to finance the acquisition and construction of a major sewer system. These bonds, which are recorded in the East Lincoln County Water and Sewer District Fund, are collateralized by the full faith, credit and taxing power of the District. Principal and interest requirements are appropriated when due.

The County's general obligation bonds at June 30, 2008 are comprised of the following individual issues:

##### **Governmental Activities:**

##### **Governmental Funds**

\$3,000,000 1998 School Building bonds due in annual installments of \$125,000 to \$400,000 through June 1, 2017; interest rates from 4.20% to 4.40%; interest payments due June 1 and December 1	\$ 1,875,000
\$8,510,000 1999 School Refunding bonds due in annual installments of \$285,000 to \$955,000 through June 1, 2013; interest rates from 3.50% to 4.30%; interest payments due June 1 and December 1	4,480,000
\$7,500,000 2000 School Building bonds due in annual installments of \$250,000 to \$1,000,000 through June 1, 2018; interest rates from 5.00% to 5.20%; interest payments due June 1 and December 1; Partially refunded October 1, 2005. Final payment due 2010; interest at 5.10%	500,000
\$19,500,000 2002 School Building bonds due in annual installments of \$600,000 to \$2,400,000 through June 1, 2020; interest rates from 4.25% to 4.75%; interest payments due June 1 and December 1	\$ 15,900,000

# **LINCOLN COUNTY, NORTH CAROLINA**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2008**

### **General Obligation Indebtedness (continued)**

#### **Governmental Activities:**

##### **Governmental Funds**

\$9,000,000 2002A School Building bonds due in annual installments of \$400,000 to \$1,050,000 through June 1, 2021; interest rates from 3.00% to 5.00%; interest payments due June 1 and December 1	\$ 7,000,000
\$5,107,034 2004 School Refunding bonds due in annual installments of \$370,751 to \$996,854 through June 1, 2011; interest rates from 3.00% to 5.00%; interest payments due June 1 and December 1	1,298,856
\$17,000,000 2004 School Building bonds due in annual installments of \$725,000 to \$2,100,000 through June 1, 2023; interest rates from 3.00% to 4.25%; interest payments due June 1 and December 1	14,825,000
\$9,795,000 2005 School Refunding bonds due in annual installments of \$205,000 to \$1,395,000 through June 1, 2018; interest rates from 4.00% to 5.00%; interest payments due June 1 and December 1	8,995,000
\$28,000,000 2005 School Building bonds due in annual installments of \$1,200,000 to \$3,250,000 through June 1, 2024; interest rates from 3.25% to 4.25%; interest payments due June 1 and December 1	<u>25,600,000</u>
Total serviced by governmental activities	<u>\$ 80,473,856</u>

# LINCOLN COUNTY, NORTH CAROLINA

# **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2008**

### **General Obligation Indebtedness (continued)**

## Business-type Activities:

## Proprietary Funds

## Water and Sewer Fund

\$1,590,000 2003A Water Refunding bonds due in annual installments of \$65,000 to \$220,000 through June 1, 2012; interest rates from 2.00% to 3.25%; interest payments due June 1 and December 1 \$ 590,000

\$5,292,966 2004 Water Refunding bonds due in annual installments of \$384,249 to \$1,033,146 through June 1, 2011; interest rates from 3.00% to 5.00%; interest payments due June 1 and December 1 1,346,144

East Lincoln County Water and Sewer District

\$1,600,000 1998 Sanitary Sewer bonds due in annual installments of \$25,000 to \$150,000 through June 1, 2019; interest rates from 4.60% to 4.75%; interest payments due June 1 and December 1 925,000

\$5,520,000 2004 Sanitary Sewer Refunding bonds due in annual installments of \$75,000 to \$540,000 through June 1, 2017; interest rates from 2.00% to 3.40%; interest payments due June 1 and December 1 4,030,000

Total serviced by business-type activities 6,891,144

Total general obligation bonds \$ 87,365,000

# LINCOLN COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2008

### **General Obligation Indebtedness (continued)**

Annual debt service requirements to maturity for the County's and the District's general obligation bonds are as follows:

#### **Governmental Activities:**

##### **Governmental Funds**

	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2009	\$ 5,207,622	\$ 3,469,637	\$ 8,677,259
2010	5,180,483	3,257,556	8,438,039
2011	5,140,751	3,048,234	8,188,985
2012	5,175,000	2,841,689	8,016,689
2013	5,165,000	2,635,587	7,800,587
2014-2018	25,880,000	9,875,295	35,755,295
2019-2023	25,875,000	4,149,533	30,024,533
2024	2,850,000	121,125	2,971,125
	<b><u>\$ 80,473,856</u></b>	<b><u>\$ 29,398,656</u></b>	<b><u>\$ 109,872,512</u></b>

#### **Business-type Activities:**

##### **Water and Sewer Fund**

	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2009	\$ 742,378	\$ 77,308	\$ 819,686
2010	574,517	44,239	618,756
2011	554,249	23,008	577,257
2012	65,000	2,113	67,113
	<b><u>\$ 1,936,144</u></b>	<b><u>\$ 146,668</u></b>	<b><u>\$ 2,082,812</u></b>

#### **Business-type Activities:**

##### **East Lincoln County Water and Sewer District**

	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2009	\$ 585,000	\$ 162,733	\$ 747,733
2010	575,000	146,420	721,420
2011	565,000	130,158	695,158
2012	555,000	113,320	668,320
2013	540,000	95,358	635,358
2014-2018	2,110,000	208,687	2,318,687
2019	25,000	1,188	26,188
	<b><u>\$ 4,955,000</u></b>	<b><u>\$ 857,864</u></b>	<b><u>\$ 5,812,864</u></b>
Total general obligation bonds	<b><u>\$ 87,365,000</u></b>	<b><u>\$ 30,403,188</u></b>	<b><u>\$ 117,768,188</u></b>

## **LINCOLN COUNTY, NORTH CAROLINA**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2008**

#### **\$5,000,000 State Clean Water Loan**

In August 1995, the East Lincoln County Water and Sewer District entered into a loan agreement with the State of North Carolina Department of Environment, Health and Natural Resources. The District was approved for a loan of \$5,000,000 from the Clean Water Direct Bond Loan Program which financed the cost of construction of wastewater sewers, pump stations, force mains and a wastewater treatment facility. The loan calls for 20 annual installments of \$250,000 due on May 1 with interest payments due May 1 and November 1. The loan is being carried in the East Lincoln County Water and Sewer District Fund. The balance of the loan at June 30, 2008 is \$2,250,000.

State Clean Water Direct Bond Loan debt service requirements to maturity are as follows:

#### **Business-type Activities:**

#### **East Lincoln Water and Sewer District**

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2009	\$ 250,000	\$ 77,175	\$ 327,175
2010	250,000	68,600	318,600
2011	250,000	60,025	310,025
2012	250,000	51,450	301,450
2013	250,000	42,875	292,875
2014-2017	1,000,000	85,750	1,085,750
	<u>\$ 2,250,000</u>	<u>\$ 385,875</u>	<u>\$ 2,635,875</u>

#### **Installment Purchases**

As authorized by State law (G.S. 160A-20 and 153A-158.1), the County financed various property and equipment acquisitions by installment purchases. Installment purchase contracts at June 30, 2008 are comprised of the following individual agreements:

## **LINCOLN COUNTY, NORTH CAROLINA**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2008**

#### **Governmental Activities:**

##### **General Fund:**

\$600,000 2001 contract for construction of economic development sewer line due in semi-annual installments of \$30,000 plus interest at 4.69% through May 11, 2011	\$ 180,000
\$12,199,719 2003 Certificates of Participation (COPS) issued to refund installment purchase contracts for jail, social services, and library buildings as well as \$2,700,000 additional funds for school construction; due in annual installments from \$164,552 to \$1,215,858 through May 15, 2018; interest rates from 2.00% to 4.50%; interest payments due November 15 and May 15	5,882,744
\$780,000 2005 contract for computer system for sheriff's department due in monthly installment payments of \$14,309 including interest at 3.21% through May 29, 2010	318,767
\$2,000,000 2005 Qualified Zone Academy installment purchase contract for school building improvements due September 15, 2021. The contract requires fifteen annual sinking fund installments of \$104,315 to be invested. If investment earnings do not result as projected, the County will pay the amount required for the total funds to equal \$2,000,000 on September 15, 2021.	2,000,000
\$19,645,000 2006 Certificates of Participation (COPS) issued to construct a new middle school; due in annual installments from \$980,000 to \$985,000 through June 1, 2027; interest rates from 4.00% to 5.00%; interest payments due December 1 and June 1	18,660,000
\$109,002 2007 contract for EMS equipment, due in five annual installment payments of \$24,055, including interest at 4.85% through September 1, 2011	85,410
Total governmental activities	<u>\$ 27,126,921</u>

## **LINCOLN COUNTY, NORTH CAROLINA**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2008**

#### **Business-type Activities:**

##### **Water and Sewer Fund:**

\$1,145,281 2003 Certificates of Participation (COPS) issued to refund installment purchase contract for water plant sludge de-watering project; due in annual installments from \$15,448 to \$128,732 through May 15, 2018; interest rates from 2.00% to 4.50% ; interest payments due November 15 and May 15	\$ 552,256
\$387,438 Federal Revolving Loan issued for water system improvements; due in annual installments of \$22,790 through May 1, 2022; interest at 2.66%; interest payments due November 1 and May 1	319,067
\$520,430 Federal Revolving Loan issued for water system improvements; due in annual installments of \$30,614 through May 1, 2022; interest at 2.66%; interest payments due November 1 and May 1	428,589
\$2,694,538 Federal Revolving Loan issued for water system improvements; due in annual installments of \$158,502 through May 1, 2024; interest at 2.66%; interest payments due November 1 and May 1	<u>2,160,063</u>
Total business-type activities	<u>3,459,975</u>
Total installment purchase contracts	<u>\$ 30,586,896</u>

# **LINCOLN COUNTY, NORTH CAROLINA**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2008**

The future minimum payments as of June 30, 2008 for the installment purchase contracts are as follows:

### **Governmental Activities:**

#### **Governmental Funds**

	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2009	\$ 2,563,403	\$ 1,127,213	\$ 3,690,616
2010	2,591,981	1,021,703	3,613,684
2011	1,971,880	921,114	2,892,994
2012	1,428,444	839,858	2,268,302
2013	1,405,522	774,231	2,179,753
2014-2018	6,345,691	2,941,368	9,287,059
2019-2023	6,900,000	1,592,500	8,492,500
2024-2027	<u>3,920,000</u>	<u>441,000</u>	<u>4,361,000</u>
	<u>\$ 27,126,921</u>	<u>\$ 9,658,987</u>	<u>\$ 36,785,908</u>

### **Business-type Activities:**

#### **Water and Sewer Fund**

	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2009	\$ 313,706	\$ 99,486	\$ 413,192
2010	317,139	89,127	406,266
2011	273,370	78,965	352,335
2012	227,885	70,556	298,441
2013	227,885	64,112	291,997
2014-2018	1,076,349	224,849	1,301,198
2019-2023	888,636	86,027	974,663
2024	<u>135,005</u>	<u>3,591</u>	<u>138,596</u>
	<u>\$ 3,459,975</u>	<u>\$ 716,713</u>	<u>\$ 4,176,688</u>

## LINCOLN COUNTY, NORTH CAROLINA

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2008

**A summary of changes in long-term obligations follows:**

	<u>July 1, 2007</u>	<u>Additions</u>	<u>Retirements</u>	<u>June 30, 2008</u>	<b>Current Portion</b>
<b>Governmental Activities:</b>					
General obligation bonds	\$ 85,687,229	\$ -	\$ 5,213,373	\$ 80,473,856	\$ 5,207,622
Installment purchases	29,547,914	109,002	2,529,995	27,126,921	2,563,403
Unfunded pension obligation	376,927	8,477	-	385,404	-
Compensated absences	<u>1,182,797</u>	<u>971,538</u>	<u>742,582</u>	<u>1,411,753</u>	<u>140,000</u>
<b>Total</b>	<b><u>\$ 116,794,867</u></b>	<b><u>\$ 1,089,017</u></b>	<b><u>\$ 8,485,950</u></b>	<b><u>\$ 109,397,934</u></b>	<b><u>\$ 7,911,025</u></b>
<b>Business-Type Activities:</b>					
General obligation bonds	\$ 8,617,771	\$ -	\$ 1,726,627	\$ 6,891,144	\$ 1,327,378
Premium on long-term debt	116,600	-	58,299	58,301	-
State Bond loan	2,500,000	-	250,000	2,250,000	250,000
Installment purchases	3,770,679	-	310,704	3,459,975	313,706
Compensated absences	137,031	86,484	62,452	161,063	16,100
Accrued landfill closure/ postclosure care costs	<u>4,450,850</u>	<u>555,821</u>	<u>-</u>	<u>5,006,671</u>	<u>-</u>
<b>Total</b>	<b><u>\$ 19,592,931</u></b>	<b><u>\$ 642,305</u></b>	<b><u>\$ 2,408,082</u></b>	<b><u>\$ 17,827,154</u></b>	<b><u>\$ 1,907,184</u></b>

Compensated absences typically have been liquidated in the general fund and are accounted for on a LIFO basis, assuming that employees are taking leave time as it is earned.

At June 30, 2008, Lincoln County had a legal debt margin of \$413,196,190.

#### **Conduit Debt Obligations**

Lincoln County Industrial Facility and Pollution Control Financing Authority has issued industrial revenue bonds to provide financial assistance to private businesses for economic development purposes. These bonds are secured by the properties financed as well as by letters of credit and are payable solely from payments received from the private businesses involved. Neither the County, the State, nor any political subdivision thereof is obligated in any manner for the repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of June 30, 2008, there were four series of industrial revenue bonds outstanding, with an aggregate principal amount payable of approximately \$7,445,000.

# LINCOLN COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2008

### C. Interfund Balances and Activity

<b>Due To / Due From:</b>	<b>Receivable</b>	<b>Payable</b>
General Fund	\$ 1,089,511	\$ -
Special Revenue Fund (Emergency Telephone)	-	42
Enterprise (Water and Sewer) Fund	-	1,088,905
Enterprise (Landfill) Fund	-	564
Special Revenue (Capital Reserve) Fund	571,284	-
Special Revenue Fund (Emergency Telephone)	1,075	-
Enterprise (Water and Sewer) Fund	1,219,514	-
Enterprise (Landfill) Fund	13,103	-
General Fund	-      1,804,976	
Enterprise (E. Lincoln Water and Sewer) Fund	110,312	-
Enterprise (Water and Sewer) Fund	-      110,312	
Totals	<u>\$ 3,004,799</u>	<u>\$ 3,004,799</u>

Amounts were primarily due to the allocation of activity between the governmental and business-type activities and resources utilized for capital outlay from the capital reserve funds.

	<b>Transfers</b>		
	<b>From</b>	<b>To</b>	<b>Purpose</b>
<b>Transfers From / To Other Funds:</b>			
Special Revenue (Capital Reserve) Fund	\$ 11,245,991	\$ -	Debt service transfer
General Fund	-      11,245,991		
General Fund	11,635,384	-	
Special Revenue (Capital Reserve) Fund	-      10,578,489		Local option sales tax transfer
Capital Project (General Capital) Fund	-      1,056,895		Resources for construction
Enterprise (E. Lincoln Water and Sewer) Fund	30,152,380	-	To consolidate operations
Enterprise (Water and Sewer) Fund	-      30,152,380		
Total transfers - intrafund	<u>\$ 53,033,755</u>	<u>\$ 53,033,755</u>	

# **LINCOLN COUNTY, NORTH CAROLINA**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2008**

### **3. 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. Based on prior experience, management believes such disallowances, if any, will be immaterial. No provision has been made in the accompanying financial statements for the refund of grant monies.

### **4. Related Organization**

#### **Lincoln Medical Center, Inc.**

Lincoln Medical Center, Inc. is a public hospital operated by a not-for-profit corporation. The County confirms the appointment of the board of trustees for the hospital; however, the County is not financially accountable for the hospital. The County has also issued revenue bonds for improvement of the hospital's facilities. The proceeds of the bonds were used to renovate existing hospital facilities, construct additional hospital facilities and purchase medical equipment. Since a reorganization of the hospital as a 501 c (3) organization, sufficient funds have been placed with an escrow agent to retire the existing revenue bonds as they become due. As part of the reorganization, the hospital obtained additional financing in order to renovate existing hospital facilities and to construct an addition to the hospital. If the hospital should default on the bonds, the County could assume operation of the hospital or contact with another party to manage the hospital. The County is in no way obligated for any debt issued by the hospital.

### **5. Joint Venture**

The County, in conjunction with Gaston and Cleveland Counties, participates in the Gaston/Lincoln/Cleveland Mental Health, Development Disabilities, and Substance Abuse Authority (dba Pathways). Pathways is governed by a 16-member board of directors (5 from Gaston County, 5 from Lincoln County and 6 from Cleveland County). The board of commissioners of each county appoints one of its own members to the Authority's board. Each of those board members in turn appoints the additional members of the Pathways' board and these appointees, in consultation with the other commissioners, appoint the balance of the members from his/her respective county. Pathways manages a comprehensive array of services to children, adolescents, and adults with mental health, substance abuse, and developmental disabilities needs. Service delivered is offered by numerous providers throughout the three county area. Pathways receives the majority of its financial support through State and Federal sources, as well as direct payments by clients and insurers for services rendered. The County has an ongoing financial responsibility to supplement these funds and for the year ended June 30, 2008 provided \$279,980 in support of Pathways' services. Additionally, the County remitted \$12,686 to Pathways from alcohol rehabilitation tax. The County does not have an equity interest in Pathways; therefore, no equity interest has been reflected in the financial statements at June 30, 2008. Complete financial statements for Pathways may be obtained from Pathways' administrative offices at 901 South New Hope Road, Gastonia, N.C. 28054.

# **LINCOLN COUNTY, NORTH CAROLINA**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2008**

### **6. Jointly Governed Organization**

The County, in conjunction with seven other counties and fifty municipalities, established the Centralina Council of Governments (the "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 \$18,773 to the Council during the fiscal year ended June 30, 2008.

The County's Board of Commissioners appoints two of the Gaston College trustees. The County provided funding of \$111,517 for operations for the year ended June 30, 2008.

The County's Board of Commissioners appoints one of the Lake Norman Commission Board of Directors. The County provided funding of \$25,500 for the year ended June 30, 2008.

The County's Board of Commissioners appoints one of the Mountain Island Lake Commission Board of Directors. The County provided funding of \$1,920 for the year ended June 30, 2008.

### **7. Benefit Payments Issued by the State**

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

	<b>Federal</b>	<b>State</b>
Food Stamp Program	\$ 7,538,115	\$ -
Medical Assistance	43,592,795	22,933,202
Temporary Assistance to Needy Families	370,702	-
Child Care TANF	246,644	-
Low Income Energy Assistance	117,058	-
State/County Domiciliary Care	-	518,515
Special Supplemental Food Program for Women, Infants, and Children	1,066,743	-
IV-E Foster Care	112,873	31,519
IV-E Adoption Subsidy	202,880	56,951
CWS Adoption Subsidy	-	184,692
State Foster Home	-	85,182
Totals	<u>\$ 53,247,810</u>	<u>\$ 23,810,061</u>

# **LINCOLN COUNTY, NORTH CAROLINA**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2008**

### **8. Stewardship, Compliance, and Accountability**

#### **Excess of Expenditures over Appropriations**

For the fiscal year ended June 30, 2008, expenditures exceeded the authorized appropriations made by the governing board as follows:

Landfill Fund-Total expenditures \$92,682

Water and Sewer Fund-Total Debt Service \$59,206

#### Corrective Action Plan

Management will more closely monitor budget to ensure that expenditures do not exceed authorized appropriations made by the governing board.

#### **Deficit Fund Balance or Net Assets of Individual Funds**

The following fund had deficit net assets at June 30, 2008:

East Lincoln County Water and Sewer Fund-\$6,880,859

#### Corrective Action Plan

Deficit will be eliminated with future revenues and payment of long-term debt. The fund is generating sufficient revenues to service debt. Operations have been consolidated with the County Water and Sewer fund effective July 1, 2007.

### **9. Special Item**

Effective July 1, 2007, assets of the East Lincoln County Water and Sewer District Fund were transferred to the County's Water and Sewer Fund. The County will be responsible for all operations of what was formerly accounted for in the East Lincoln County Water and Sewer District Fund. The East Lincoln County Water and Sewer District Fund will continue to exist for the purpose of levying taxes to service debt acquired prior to July 1, 2007. The effect of consolidating the operations is presented as a special item in the proprietary funds financial statements.

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**Schedule A-1**

**LINCOLN COUNTY, NORTH CAROLINA**

**REQUIRED SUPPLEMENTARY INFORMATION  
LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE  
FOR THE YEAR ENDED JUNE 30, 2008**

**Schedule of Funding Progress**

Actuarial Valuation Date	Actuarial Value of Assets (A)	Actuarial Liability (AAL) Projected Unit Credit (B)	Unfunded AAL (UAAL) (B-A)	Funded Ratio (A/B)	Covered Payroll (C)	UAAL as a Percent of Covered Payroll (B-A)/C
12/31/1998	\$ -	\$ 191,447	\$ 191,447	0.00%	\$ 1,813,610	10.56%
12/31/1999	-	220,986	220,986	0.00%	1,802,673	12.26%
12/31/2000*	-	398,302	398,302	0.00%	1,849,314	21.54%
12/31/2001	-	447,581	447,581	0.00%	1,992,579	22.46%
12/31/2002	-	475,846	475,846	0.00%	2,262,143	21.04%
12/31/2003	-	513,461	513,461	0.00%	2,352,389	21.83%
12/31/2004	-	588,436	588,436	0.00%	2,478,805	23.74%
12/31/2005	-	608,490	608,490	0.00%	2,811,077	21.65%
12/31/2006	-	715,478	715,478	0.00%	3,085,211	23.19%
12/31/2007	-	757,181	757,181	0.00%	3,484,225	21.73%

\*Reflects Changes in Actuarial Assumptions

**Schedule of Employer Contributions**

Fiscal Year Ending	Annual Required Contribution	Percentage Contributed	Net Pension Obligation End of Year
2000	\$ 33,926	0.00%	\$ 107,735
2001	37,089	0.00%	144,824
2002	56,002	7.45%	196,655
2003	60,937	18.21%	246,495
2004	66,340	23.88%	296,992
2005	71,493	39.48%	340,256
2006	78,612	62.22%	369,959
2007	79,636	91.25%	376,927
2008	90,610	90.64%	385,404

**Notes to the Required Schedules:**

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

Valuation date	12/31/06
Actuarial cost method	Projected unit credit
Amortization method	Level percent of pay closed
Remaining amortization period	24 years
Asset valuation method	Market value

**Actuarial Assumptions:**

Investment rate of return*	7.25%
Projected salary increases*	4.5% - 12.3%
*Includes inflation at	3.75%
Cost of living adjustments	N/A

**LINCOLN COUNTY, NORTH CAROLINA**

**GENERAL FUND**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2008  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2007**

	<b>2008</b>		<b>2007</b>	
	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Over / Under</b>	<b>Actual Prior Year</b>
<b>Revenues:</b>				
Ad Valorem Taxes:	\$ 39,005,350	\$ 39,560,720	\$ 555,370	\$ 37,089,449
Total	<u>39,005,350</u>	<u>39,560,720</u>	<u>555,370</u>	<u>37,089,449</u>
<b>Local Option Sales Taxes:</b>				
Article 39 one percent	5,500,000	5,694,697	194,697	5,589,081
Article 40 one-half of one percent	3,660,000	3,783,126	123,126	3,686,548
Article 42 one-half of one percent	3,720,000	3,758,262	38,262	3,662,198
Article 44 one-half of one percent	2,800,000	2,906,540	106,540	2,853,944
Medicaid hold harmless	<u>19,056</u>	<u>217,776</u>	<u>198,720</u>	<u>-</u>
Total	<u>15,699,056</u>	<u>16,360,401</u>	<u>661,345</u>	<u>15,791,771</u>
<b>Other Taxes and Licenses:</b>				
Real estate transfer tax	1,000,000	1,005,843	5,843	1,146,496
Local occupancy tax & car rental tax	78,000	81,973	3,973	87,308
Utility franchise tax	<u>270,351</u>	<u>318,899</u>	<u>48,548</u>	<u>274,422</u>
Total	<u>1,348,351</u>	<u>1,406,715</u>	<u>58,364</u>	<u>1,508,226</u>
<b>Unrestricted Intergovernmental Revenues:</b>				
Beer and wine tax	272,670	291,785	19,115	279,162
Tax refunds - sales and gasoline	<u>170,000</u>	<u>181,087</u>	<u>11,087</u>	<u>183,824</u>
Total	<u>442,670</u>	<u>472,872</u>	<u>30,202</u>	<u>462,986</u>
<b>Restricted Intergovernmental Revenues:</b>				
Federal and state grants	8,547,111	8,429,753	(117,358)	8,120,509
Court facilities fees	180,500	177,734	(2,766)	133,436
ABC revenue	<u>29,179</u>	<u>39,587</u>	<u>10,408</u>	<u>26,436</u>
Total	<u>8,756,790</u>	<u>8,647,074</u>	<u>(109,716)</u>	<u>8,280,381</u>
<b>Permits and Fees:</b>				
Inspection department	1,718,144	1,615,699	(102,445)	1,629,863
Sheriff department	127,078	146,363	19,285	118,191
Soil and Water conservation	21,000	23,350	2,350	7,300
Register of Deeds	<u>484,000</u>	<u>465,362</u>	<u>(18,638)</u>	<u>506,986</u>
Total	<u>2,350,222</u>	<u>2,250,774</u>	<u>(99,448)</u>	<u>2,262,340</u>

**LINCOLN COUNTY, NORTH CAROLINA**

**GENERAL FUND**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**

**IN FUND BALANCE - BUDGET AND ACTUAL**

**FOR THE YEAR ENDED JUNE 30, 2008**

**WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2007**

	<b>2008</b>		<b>2007</b>	
	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Over / Under</b>	<b>Actual</b> <b>Prior Year</b>
<b>Sales and Services:</b>				
Rents, concessions and fees	932,844	839,030	(93,814)	1,084,920
Ambulance fees	2,396,944	2,237,062	(159,882)	1,892,194
Animal control	24,415	34,989	10,574	16,426
Jail fees	125,000	122,534	(2,466)	130,196
Social Services	3,426,333	2,246,854	(1,179,479)	2,834,485
Health department	1,742,297	1,318,247	(424,050)	1,504,872
Collection fees - special tax districts and City of Lincolnton	280,050	239,193	(40,857)	228,903
Bioterrorism	51,923	51,535	(388)	71,997
Soil and Water conservation	62,500	86,650	24,150	33,200
<b>Total</b>	<b>9,042,306</b>	<b>7,176,094</b>	<b>(1,866,212)</b>	<b>7,797,193</b>
<b>Investment Earnings</b>				
	<b>1,200,000</b>	<b>1,040,938</b>	<b>(159,062)</b>	<b>1,271,139</b>
	<b>1,200,000</b>	<b>1,040,938</b>	<b>(159,062)</b>	<b>1,271,139</b>
<b>Miscellaneous:</b>				
Sale of property	45,000	6,679	(38,321)	303,977
Contributions	8,500	35,784	27,284	71,246
Other	674,683	819,698	145,015	321,480
<b>Total</b>	<b>728,183</b>	<b>862,161</b>	<b>133,978</b>	<b>696,703</b>
<b>Total revenues</b>	<b>78,572,928</b>	<b>77,777,749</b>	<b>(795,179)</b>	<b>75,160,188</b>
<b>Expenditures:</b>				
<b>General Government:</b>				
<b>Governing Body:</b>				
Salaries and employee benefits	82,929	83,055	(126)	78,094
Other operating expenditures	105,402	98,277	7,125	92,074
<b>Total</b>	<b>188,331</b>	<b>181,332</b>	<b>6,999</b>	<b>170,168</b>
<b>Administration and Finance:</b>				
Salaries and employee benefits	867,911	715,362	152,549	653,732
Other operating expenditures	159,321	115,882	43,439	94,444
Overhead allocated to other funds	(218,007)	(218,007)	-	-
<b>Total</b>	<b>809,225</b>	<b>613,237</b>	<b>195,988</b>	<b>748,176</b>
<b>Data Processing:</b>				
Salaries and employee benefits	328,152	322,895	5,257	286,778
Other operating expenditures	140,508	139,339	1,169	135,631
<b>Total</b>	<b>468,660</b>	<b>462,234</b>	<b>6,426</b>	<b>422,409</b>

**LINCOLN COUNTY, NORTH CAROLINA**

**GENERAL FUND**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2008  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2007**

	<b>2008</b>		<b>2007</b>	
	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Over / Under</b>	<b>Actual</b> <b>Prior Year</b>
<b>Elections:</b>				
Salaries and employee benefits	278,371	240,726	37,645	204,364
Special compensation	16,600	10,600	6,000	9,200
Other operating expenditures	138,249	103,479	34,770	85,858
<b>Total</b>	<b>433,220</b>	<b>354,805</b>	<b>78,415</b>	<b>299,422</b>
<b>Taxes:</b>				
Salaries and employee benefits	563,406	541,505	21,901	528,162
Other operating expenditures	334,314	307,955	26,359	286,874
Tax mapping	497,664	358,109	139,555	394,811
Tax revaluation	473,367	398,742	74,625	371,296
Capital outlay	6,010	25,458	(19,448)	-
<b>Total</b>	<b>1,874,761</b>	<b>1,631,769</b>	<b>242,992</b>	<b>1,581,143</b>
<b>Legal:</b>				
Other operating expenditures	142,200	139,330	2,870	152,365
<b>Total</b>	<b>142,200</b>	<b>139,330</b>	<b>2,870</b>	<b>152,365</b>
<b>Register of Deeds:</b>				
Salaries and employee benefits	454,621	396,525	58,096	430,724
Other operating expenditures	678,944	564,305	114,639	661,393
Capital outlay	287,432	67,462	219,970	23,557
<b>Total</b>	<b>1,420,997</b>	<b>1,028,292</b>	<b>392,705</b>	<b>1,115,674</b>
<b>Central Services:</b>				
Salaries and employee benefits	320,222	283,114	37,108	290,911
Other operating expenditures	182,909	148,508	34,401	175,520
<b>Total</b>	<b>503,131</b>	<b>431,622</b>	<b>71,509</b>	<b>466,431</b>
<b>Public Buildings:</b>				
Salaries and employee benefits	694,089	670,877	23,212	643,460
Other operating expenditures	941,728	855,066	86,662	735,504
<b>Total</b>	<b>1,635,817</b>	<b>1,525,943</b>	<b>109,874</b>	<b>1,378,964</b>
<b>Court Facilities:</b>				
Other operating expenditures	129,475	120,171	9,304	264,114
<b>Total</b>	<b>129,475</b>	<b>120,171</b>	<b>9,304</b>	<b>264,114</b>

**LINCOLN COUNTY, NORTH CAROLINA**

**GENERAL FUND**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**

**IN FUND BALANCE - BUDGET AND ACTUAL**

**FOR THE YEAR ENDED JUNE 30, 2008**

**WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2007**

	<b>2008</b>		<b>2007</b>	
	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Over / Under</b>	<b>Actual</b>
<b>Special Grants:</b>				
Mass transit	52,066	52,066	-	34,557
Forestry program	51,607	45,557	6,050	43,474
National Guard	3,000	3,000	-	3,000
Lake Norman Marine Commission	25,500	25,500	-	36,000
Lake Norman RPO	3,184	3,184	-	4,509
Regional Council of Government	18,773	18,773	-	16,337
West/East Lincoln Rescue Squads	164,600	145,703	18,897	150,498
Miscellaneous grants	56,400	51,200	5,200	65,330
Airport Authority	70,241	70,241	-	73,161
Council on Aging	-	(449)	449	24,597
Arts Council	7,800	7,800	-	7,800
Mainstreet Program	11,700	11,700	-	11,700
Cultural Development Center	32,400	32,400	-	27,400
Chamber of Commerce	16,000	16,000	-	16,000
Mountain Island Commission	1,920	1,920	-	2,029
<b>Total</b>	<b>515,191</b>	<b>484,595</b>	<b>30,596</b>	<b>516,392</b>
<b>Total general government</b>	<b>8,121,008</b>	<b>6,973,330</b>	<b>1,147,678</b>	<b>7,115,258</b>
<b>Public Safety:</b>				
<b>Sheriff Department:</b>				
Salaries and employee benefits	5,798,468	5,758,463	40,005	4,800,056
Other operating expenditures	1,088,889	1,067,603	21,286	1,028,290
Capital outlay	311,649	283,769	27,880	437,130
<b>Total</b>	<b>7,199,006</b>	<b>7,109,835</b>	<b>89,171</b>	<b>6,265,476</b>
<b>Jail:</b>				
Salaries and employee benefits	1,834,145	1,797,997	36,148	1,704,287
Other operating expenditures	960,077	862,524	97,553	857,334
Capital outlay	98,500	96,694	1,806	6,429
<b>Total</b>	<b>2,892,722</b>	<b>2,757,215</b>	<b>135,507</b>	<b>2,568,050</b>
<b>Communications:</b>				
Salaries and employee benefits	853,340	844,795	8,545	784,869
Other operating expenditures	237,193	214,530	22,663	217,744
<b>Total</b>	<b>1,090,533</b>	<b>1,059,325</b>	<b>31,208</b>	<b>1,002,613</b>
<b>Emergency Management:</b>				
Salaries and employee benefits	285,743	265,631	20,112	245,639
Other operating expenditures	136,402	133,839	2,563	234,328
Capital outlay	-	-	-	19,907
<b>Total</b>	<b>422,145</b>	<b>399,470</b>	<b>22,675</b>	<b>499,874</b>

**LINCOLN COUNTY, NORTH CAROLINA**

**GENERAL FUND**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2008  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2007**

	<b>2008</b>		<b>2007</b>	
	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Over / Under</b>	<b>Actual</b>
				<b>Prior Year</b>
<b>Ambulance Services:</b>				
Salaries and employee benefits	3,630,609	3,585,154	45,455	3,093,522
Other operating expenditures	1,024,800	1,025,875	(1,075)	954,347
Capital outlay	117,742	117,739	3	-
Total	4,773,151	4,728,768	44,383	4,047,869
<b>Assistance to local volunteer fire departments</b>	<b>93,800</b>	<b>96,002</b>	<b>(2,202)</b>	<b>91,569</b>
<b>Building and Land Development:</b>				
Salaries and employee benefits	1,298,577	1,293,099	5,478	1,077,425
Other operating expenditures	424,207	329,312	94,895	299,295
Capital outlay	42,366	38,669	3,697	38,495
Total	1,765,150	1,661,080	104,070	1,415,215
<b>Non-Department Expenditures:</b>				
<b>Medical Examiner:</b>				
Contracted services	32,500	31,100	1,400	38,531
Total	32,500	31,100	1,400	38,531
<b>Animal Control:</b>				
Salaries and employee benefits	356,307	354,620	1,687	293,006
Other operating expenditures	119,170	114,753	4,417	121,032
Total	475,477	469,373	6,104	414,038
<b>Total public safety</b>	<b>18,744,484</b>	<b>18,312,168</b>	<b>432,316</b>	<b>16,343,235</b>
<b>Economic and Physical Development:</b>				
<b>Cooperative extension:</b>				
Salaries and employee benefits	53,798	50,496	3,302	45,603
Other operating expenditures	36,143	28,084	8,059	27,897
Contracted services	173,700	165,370	8,330	174,177
Total	263,641	243,950	19,691	247,677
<b>Economic Development Commission/Projects:</b>				
Other operating expenditures	1,375,406	1,366,308	9,098	1,010,866
Total	1,375,406	1,366,308	9,098	1,010,866

**LINCOLN COUNTY, NORTH CAROLINA**

**GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2008**  
**WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2007**

	<b>2008</b>		<b>2007</b>	
	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Over / Under</b>	<b>Actual</b> <b>Prior Year</b>
<b>Soil and Water Conservation:</b>				
Salaries and employee benefits	232,121	199,804	32,317	125,515
Other operating expenditures	38,223	33,163	5,060	35,719
Capital outlay	26,000	23,536	2,464	21,009
Total	296,344	256,503	39,841	182,243
<b>Community Development Block Grant:</b>				
Contracted services-CDBG grant	30,000	24,540	5,460	15,550
Total	30,000	24,540	5,460	15,550
<b>Total economic and physical development</b>	<b>1,965,391</b>	<b>1,891,301</b>	<b>74,090</b>	<b>1,456,336</b>
<b>Human Services:</b>				
<b>Health:</b>				
<b>Administration:</b>				
Salaries and employee benefits	562,284	532,189	30,095	496,942
Special compensation	1,320	1,280	40	1,280
Other operating expenditures	260,940	207,454	53,486	212,673
Capital outlay	22,405	16,674	5,731	-
Total	846,949	757,597	89,352	710,895
<b>Immunization:</b>				
Salaries and employee benefits	52,822	51,325	1,497	51,540
Other operating expenditures	65,427	67,986	(2,559)	83,932
Total	118,249	119,311	(1,062)	135,472
<b>Adult Health:</b>				
Salaries and employee benefits	103,651	101,018	2,633	96,085
Other operating expenditures	4,955	1,464	3,491	2,258
Total	108,606	102,482	6,124	98,343
<b>BCCP-Health:</b>				
Salaries and employee benefits	16,179	14,959	1,220	14,288
Other operating expenditures	40,085	40,735	(650)	27,727
Total	56,264	55,694	570	42,015
<b>Wise Woman:</b>				
Salaries and employee benefits	15,822	14,958	864	14,286
Other operating expenditures	446	(142)	588	-
Total	16,268	14,816	1,452	14,286

**LINCOLN COUNTY, NORTH CAROLINA**

**GENERAL FUND**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2008  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2007**

	<b>2008</b>		<b>2007</b>	
	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Over / Under</b>	<b>Actual</b>
<b>Communicable Disease:</b>				
Salaries and employee benefits	52,498	51,708	790	47,481
Other operating expenditures	13,735	4,626	9,109	6,930
Total	66,233	56,334	9,899	54,411
<b>Lab:</b>				
Salaries and employee benefits	95,491	92,274	3,217	90,347
Other operating expenditures	111,885	88,956	22,929	99,616
Total	207,376	181,230	26,146	189,963
<b>Family Planning:</b>				
Salaries and employee benefits	93,434	120,655	(27,221)	75,802
Other operating expenditures	47,992	37,880	10,112	45,334
Capital outlay	13,255	13,225	30	-
Total	154,681	171,760	(17,079)	121,136
<b>Maternal Health:</b>				
Salaries and employee benefits	165,592	155,615	9,977	155,554
Other operating expenditures	70,785	32,914	37,871	47,950
Total	236,377	188,529	47,848	203,504
<b>Child Health:</b>				
Salaries and employee benefits	102,108	70,271	31,837	95,510
Other operating expenditures	16,013	9,517	6,496	8,399
Total	118,121	79,788	38,333	103,909
<b>Home Health Services:</b>				
Salaries and employee benefits	773,362	699,195	74,167	677,264
Contracted services	281,000	185,822	95,178	260,121
Other operating expenditures	220,531	181,767	38,764	205,208
Total	1,274,893	1,066,784	208,109	1,142,593
<b>Healthy Carolinians:</b>				
Other operating expenditures	12,048	6,445	5,603	-
Total	12,048	6,445	5,603	-
<b>Maternal Care Coordination:</b>				
Salaries and employee benefits	146,917	106,817	40,100	136,003
Other operating expenditures	7,745	6,955	790	5,856
Capital outlay	18,000	-	18,000	-
Total	172,662	113,772	58,890	141,859
<b>Child Service Coordination:</b>				

**LINCOLN COUNTY, NORTH CAROLINA**

**GENERAL FUND**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2008  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2007**

	<b>2008</b>		<b>2007</b>	
	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Over / Under</b>	<b>Actual</b>
			<b>Prior Year</b>	<b>2007</b>
Salaries and employee benefits	148,408	159,665	(11,257)	123,211
Other operating expenditures	8,517	7,914	603	4,563
<b>Total</b>	<b>156,925</b>	<b>167,579</b>	<b>(10,654)</b>	<b>127,774</b>
<b>School Health:</b>				
Salaries and employee benefits	369,965	366,378	3,587	294,780
Other operating expenditures	30,388	38,655	(8,267)	44,891
<b>Total</b>	<b>400,353</b>	<b>405,033</b>	<b>(4,680)</b>	<b>339,671</b>
<b>Dental Health:</b>				
Other operating expenditures	-	86	(86)	-
<b>Total</b>	<b>-</b>	<b>86</b>	<b>(86)</b>	<b>-</b>
<b>Women, Infants, and Children:</b>				
Salaries and employee benefits	167,883	153,771	14,112	136,107
Other operating expenditures	21,162	18,953	2,209	22,949
<b>Total</b>	<b>189,045</b>	<b>172,724</b>	<b>16,321</b>	<b>159,056</b>
<b>Day Care Grant:</b>				
Salaries and employee benefits	49,563	47,816	1,747	46,697
Other operating expenditures	5,865	4,229	1,636	5,438
<b>Total</b>	<b>55,428</b>	<b>52,045</b>	<b>3,383</b>	<b>52,135</b>
<b>Nutrition:</b>				
Salaries and employee benefits	86,936	94,625	(7,689)	80,102
Other operating expenditures	10,200	194	10,006	1,509
<b>Total</b>	<b>97,136</b>	<b>94,819</b>	<b>2,317</b>	<b>81,611</b>
<b>Environmental Health:</b>				
Salaries and employee benefits	556,316	483,883	72,433	408,730
Other operating expenditures	83,178	82,529	649	92,160
Capital outlay	44,776	18,920	25,856	2,850
<b>Total</b>	<b>684,270</b>	<b>585,332</b>	<b>98,938</b>	<b>503,740</b>
<b>School Health:</b>				
Other operating expenditures	-	-	-	119
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>119</b>

**LINCOLN COUNTY, NORTH CAROLINA**

**GENERAL FUND**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2008  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2007**

	<b>2008</b>		<b>2007</b>	
	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Over / Under</b>	<b>Actual</b> <b>Prior Year</b>
<b>Health Promotion:</b>				
Salaries and employee benefits	48,489	41,818	6,671	33,483
Other operating expenditures	7,993	7,762	231	13,971
Total	56,482	49,580	6,902	47,454
<b>Bioterrorism:</b>				
Salaries and employee benefits	53,944	51,281	2,663	41,637
Other operating expenditures	5,493	20,606	(15,113)	15,258
Capital outlay	-	-	-	6,200
Total	59,437	71,887	(12,450)	63,095
<b>Contracted Services:</b>				
Salaries and employee benefits	251,248	253,321	(2,073)	205,376
Other operating expenditures	271,994	223,384	48,610	236,423
Total	523,242	476,705	46,537	441,799
<b>Other Health Programs:</b>				
Helping Hands Clinic	-	-	-	33,343
Susan Komen	25,000	8,923	16,077	32,480
Total	25,000	8,923	16,077	65,823
<b>Total health</b>	<b>5,636,045</b>	<b>4,999,255</b>	<b>636,790</b>	<b>4,840,663</b>
<b>Mental Health:</b>				
Gaston-Lincoln Area program	293,480	292,666	814	292,776
<b>Social Services:</b>				
<b>Administration:</b>				
Salaries and employee benefits	763,420	750,077	13,343	716,120
Special compensation	1,200	880	320	820
Other operating expenditures	277,276	259,576	17,700	248,873
Capital outlay	41,459	40,353	1,106	-
Total	1,083,355	1,050,886	32,469	965,813
<b>Children's Services:</b>				
Salaries and employee benefits	1,837,535	1,826,254	11,281	1,617,107
Foster care	699,020	670,419	28,601	657,968
Other operating expenditures	154,541	110,772	43,769	121,429
Total	2,691,096	2,607,445	83,651	2,396,504

**LINCOLN COUNTY, NORTH CAROLINA**

**GENERAL FUND**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2008  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2007**

	<b>2008</b>		<b>2007</b>	
	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Over / Under</b>	<b>Actual Prior Year</b>
<b>Family Preservation:</b>				
Salaries and employee benefits	97,056	49,553	47,503	46,957
Other operating expenditures	11,892	7,491	4,401	5,500
Total	108,948	57,044	51,904	52,457
<b>Adult Services:</b>				
Salaries and employee benefits	476,020	446,196	29,824	465,383
Long term care, SD	542,999	518,515	24,484	507,062
Other operating expenditures	19,661	14,098	5,563	7,030
Total	1,038,680	978,809	59,871	979,475
<b>State In-Home Care:</b>				
Special compensation	12,750	9,534	3,216	14,694
Total	12,750	9,534	3,216	14,694
<b>Office on Aging - HCCBG:</b>				
Special contracted services	270,000	235,795	34,205	246,445
Total	270,000	235,795	34,205	246,445
<b>Child Support Enforcement:</b>				
Salaries and employee benefits	467,345	450,892	16,453	434,311
Legal retainer fees	-	-	-	(775)
Other operating expenditures	19,390	12,994	6,396	14,649
Total	486,735	463,886	22,849	448,185
<b>CAP - Children:</b>				
Special contracted services	22,756	-	22,756	-
Total	22,756	-	22,756	-
<b>CAP - Disabled Adults:</b>				
Special contracted services	2,687,939	1,935,225	752,714	1,976,969
Other operating expenditures	90,400	76,818	13,582	84,284
Total	2,778,339	2,012,043	766,296	2,061,253
<b>Work First:</b>				
Salaries and employee benefits	346,652	343,605	3,047	315,915
Client travel reimbursement	5,000	1,279	3,721	2,426
Other operating expenditures	47,702	30,908	16,794	33,264
Total	399,354	375,792	23,562	351,605

**LINCOLN COUNTY, NORTH CAROLINA**

**GENERAL FUND**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**

**IN FUND BALANCE - BUDGET AND ACTUAL**

**FOR THE YEAR ENDED JUNE 30, 2008**

**WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2007**

	<b>2008</b>		<b>2007</b>	
	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Over / Under</b>	<b>Actual</b>
				<b>Prior Year</b>
<b>TANF Program:</b>				
Salaries and employee benefits	410,304	406,222	4,082	377,224
TANF emergency assistance	58,100	37,028	21,072	58,089
Other operating expenditures	8,240	6,984	1,256	5,623
Total	476,644	450,234	26,410	440,936
<b>Title XIX Program:</b>				
Salaries and employee benefits	422,538	407,504	15,034	348,798
Client transportation	555,000	285,129	269,871	322,679
Medicaid, SD	3,391,742	2,614,461	777,281	2,946,595
Other operating expenditures	7,790	(14,223)	22,013	27,088
Total	4,377,070	3,292,871	1,084,199	3,645,160
<b>Food Stamp Program - Issuance:</b>				
Salaries and employee benefits	404,823	392,370	12,453	385,120
Other operating expenditures	164,891	107,074	57,817	118,119
Total	569,714	499,444	70,270	503,239
<b>Food Stamp Program - Fraud:</b>				
Special contracted services	41,930	41,279	651	39,361
Other operating expenditures	924	604	320	580
Total	42,854	41,883	971	39,941
<b>Emergency Assistance:</b>				
Other operating expenditures	-	-	-	5,566
Total	-	-	-	5,566
<b>Total Social Services</b>	<b>14,358,295</b>	<b>12,075,666</b>	<b>2,282,629</b>	<b>12,151,273</b>
<b>Assistance Programs:</b>				
Blind	7,722	3,291	4,431	3,101
Day care program	2,375,555	2,153,837	221,718	1,976,314
Communities in schools	50,000	50,000	-	50,000
Gaston skills	47,775	47,775	-	47,775
Total	2,481,052	2,254,903	226,149	2,077,190
<b>Veterans Service Office:</b>				
Special contracted services	77,196	75,034	2,162	58,692
Other operating expenditures	14,104	13,675	429	7,058
Total	91,300	88,709	2,591	65,750

**LINCOLN COUNTY, NORTH CAROLINA**

**GENERAL FUND**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**

**IN FUND BALANCE - BUDGET AND ACTUAL**

**FOR THE YEAR ENDED JUNE 30, 2008**

**WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2007**

	<b>2008</b>		<b>2007</b>	
	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Over / Under</b>	<b>Actual</b> <b>Prior Year</b>
<b>Community Based Alternatives:</b>				
Other operating expenditures	9,301	7,100	2,201	11,667
Total	9,301	7,100	2,201	11,667
<b>JCP Pathways MH/SA:</b>				
Other operating expenditures	6,000	6,000	-	-
<b>JCP - Communities In Schools:</b>				
Other operating expenditures	26,386	26,386	-	27,503
<b>Mediation</b>				
	11,319	12,319	(1,000)	11,798
<b>Equine Therapy:</b>				
Other operating expenditures	40,358	40,358	-	41,999
Total	40,358	40,358	-	41,999
<b>Gaston Skills:</b>				
Other operating expenditures	32,739	32,739	-	-
<b>Office on Aging:</b>				
Salaries and employee benefits	241,072	239,695	1,377	216,934
Other operating expenditures	229,368	221,276	8,092	124,134
Total	470,440	460,971	9,469	341,068
<b>Transportation TLC:</b>				
Salaries and employee benefits	388,139	370,767	17,372	230,951
Other operating expenditures	229,364	255,155	(25,791)	140,933
Capital outlay	99,123	107,963	(8,840)	-
Total	716,626	733,885	(17,259)	371,884
<b>Total human services</b>	<b>24,173,341</b>	<b>21,030,957</b>	<b>3,142,384</b>	<b>20,233,571</b>
<b>Cultural and Recreational:</b>				
<b>Recreation:</b>				
Salaries and employee benefits	503,763	391,739	112,024	429,902
Contracted services	27,000	8,748	18,252	5,317
Other operating expenditures	338,505	201,183	137,322	202,666
Capital outlay	51,500	17,500	34,000	-
Total	920,768	619,170	301,598	637,885

**LINCOLN COUNTY, NORTH CAROLINA**

**GENERAL FUND**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**

**IN FUND BALANCE - BUDGET AND ACTUAL**

**FOR THE YEAR ENDED JUNE 30, 2008**

**WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2007**

	<b>2008</b>		<b>2007</b>	
	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Over / Under</b>	<b>Actual</b> <b>Prior Year</b>
<b>Library:</b>				
Salaries and employee benefits	526,658	526,473	185	496,108
Other operating expenditures	221,982	203,205	18,777	145,961
Books and magazines	87,975	87,436	539	83,761
Capital outlay	47,634	26,190	21,444	24,930
<b>Total</b>	<b>884,249</b>	<b>843,304</b>	<b>40,945</b>	<b>750,760</b>
<b>Battle of Ramsour Mill:</b>				
Operating expenses	7,700	7,534	166	7,784
<b>Historical Properties:</b>				
Other operating expenditures	4,325	3,477	848	2,323
<b>Historical Association</b>	<b>33,000</b>	<b>33,000</b>	<b>-</b>	<b>33,000</b>
<b>Historical Coordinator:</b>				
Salaries and employee benefits	52,787	51,727	1,060	46,768
Other operating expenditures	8,986	9,104	(118)	9,166
<b>Total</b>	<b>61,773</b>	<b>60,831</b>	<b>942</b>	<b>55,934</b>
<b>Total cultural and recreational</b>	<b>1,911,815</b>	<b>1,567,316</b>	<b>344,499</b>	<b>1,487,686</b>
<b>Education:</b>				
Public schools - current expense	15,533,611	15,533,611	-	14,298,011
Public schools - capital outlay	1,464,500	1,464,500	-	1,271,500
Community college - current expense	111,517	111,517	-	101,840
<b>Total education</b>	<b>17,109,628</b>	<b>17,109,628</b>	<b>-</b>	<b>15,671,351</b>
<b>Debt Service:</b>				
Principal retirement	7,847,699	7,743,368	104,331	6,727,757
Interest and fees	4,921,972	4,907,326	14,646	5,045,425
<b>Total debt service</b>	<b>12,769,671</b>	<b>12,650,694</b>	<b>118,977</b>	<b>11,773,182</b>
<b>Total expenditures</b>	<b>84,795,338</b>	<b>79,535,394</b>	<b>5,259,944</b>	<b>74,080,619</b>
<b>Revenues over (under) expenditures</b>	<b>(6,222,410)</b>	<b>(1,757,645)</b>	<b>4,464,765</b>	<b>1,079,569</b>

**LINCOLN COUNTY, NORTH CAROLINA**

**GENERAL FUND**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**

**IN FUND BALANCE - BUDGET AND ACTUAL**

**FOR THE YEAR ENDED JUNE 30, 2008**

**WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2007**

	<b>2008</b>		<b>2007</b>	
	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Over / Under</b>	<b>Actual</b> <b>Prior Year</b>
<b>Other Financing Sources (Uses):</b>				
Long-term debt issued	109,002	109,002	-	-
Transfers out	(11,665,489)	(11,635,384)	30,105	(11,397,598)
Transfers in	11,657,265	11,245,991	(411,274)	10,418,697
Fund balance appropriated	6,121,632	-	(6,121,632)	-
Total other financing sources (uses)	6,222,410	(280,391)	(6,502,801)	(978,901)
<b>Revenues and other financing sources over (under) expenditures and other financing uses</b>				
	\$ -	(2,038,036)	\$ (2,038,036)	100,668
Fund balance, beginning of year		18,462,016		18,361,348
Fund balance, end of year		\$ 16,423,980		\$ 18,462,016

**LINCOLN COUNTY, NORTH CAROLINA**

**COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2008**

	<b>Capital Reserve Fund</b>	<b>Fire Districts Fund</b>	<b>Law Enforcement Fund</b>
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**Assets:**

Cash and cash equivalents	\$ 3,958,929	\$ 59,422	\$ 48,763
Taxes receivable, net	-	163,144	-
Accounts receivable, net	-	-	-
Due from other governments	-	-	619
Due from other funds	571,284	-	-
<b>Total assets</b>	<b>\$ 4,530,213</b>	<b>\$ 222,566</b>	<b>\$ 49,382</b>

**Liabilities and Fund Balances:**

**Liabilities:**

Accounts payable and other accrued liabilities	\$ -	\$ 59,422	\$ -
Due to other funds	-	-	-
Deferred revenue	-	163,144	-
<b>Total liabilities</b>	<b>-</b>	<b>222,566</b>	<b>-</b>

**Fund Balances:**

**Reserved:**

State statute	571,284	-	619
Undesignated	3,958,929	-	48,763
<b>Total fund balances</b>	<b>4,530,213</b>	<b>-</b>	<b>49,382</b>
<b>Total liabilities and fund balances</b>	<b>\$ 4,530,213</b>	<b>\$ 222,566</b>	<b>\$ 49,382</b>

**Schedule C-1**

<b>Federal Law Enforcement Fund</b>	<b>Emergency Telephone Systems Fund</b>	<b>General Capital Projects Fund</b>	<b>School Capital Projects Fund</b>	<b>Total Nonmajor Governmental Funds</b>
\$ 34,334	\$ 407,828	\$ 1,654,057	\$ 3,077,548	\$ 9,240,881
-	-	-	-	163,144
-	52,695	-	-	52,695
44	-	60,611	144,076	205,350
-	1,075	-	-	572,359
<b>\$ 34,378</b>	<b>\$ 461,598</b>	<b>\$ 1,714,668</b>	<b>\$ 3,221,624</b>	<b>\$ 10,234,429</b>
\$ -	\$ -	\$ 504,863	\$ -	\$ 564,285
-	42	-	-	42
-	-	-	-	163,144
-	42	504,863	-	727,471
44	53,770	-	-	625,717
34,334	407,786	1,209,805	3,221,624	8,881,241
<b>34,378</b>	<b>461,556</b>	<b>1,209,805</b>	<b>3,221,624</b>	<b>9,506,958</b>
<b>\$ 34,378</b>	<b>\$ 461,598</b>	<b>\$ 1,714,668</b>	<b>\$ 3,221,624</b>	<b>\$ 10,234,429</b>

**LINCOLN COUNTY, NORTH CAROLINA**

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

	<b>Capital Reserve Fund</b>	<b>Fire Districts Fund</b>	<b>Law Enforcement Fund</b>
<b>Revenues:</b>			
Ad valorem taxes	\$ -	\$ 4,271,148	\$ -
Other taxes and licenses	-	-	-
Restricted intergovernmental revenue	1,219,535	-	9,878
Miscellaneous	-	-	-
Investment earnings	186,093	-	2,264
Total revenues	<u>1,405,628</u>	<u>4,271,148</u>	<u>12,142</u>
<b>Expenditures:</b>			
<b>Current:</b>			
Public Safety	-	4,271,148	17,716
Capital outlay - general	-	-	-
Capital outlay - schools	-	-	-
Total expenditures	<u>-</u>	<u>4,271,148</u>	<u>17,716</u>
<b>Revenues over (under) expenditures</b>	<u>1,405,628</u>	<u>-</u>	<u>(5,574)</u>
<b>Other Financing Sources (Uses):</b>			
Transfers out	(11,245,991)	-	-
Transfers in	10,578,489	-	-
Total other financing sources (uses)	<u>(667,502)</u>	<u>-</u>	<u>-</u>
<b>Net change in fund balances</b>	738,126	-	(5,574)
Fund balance - beginning	<u>3,792,087</u>	<u>-</u>	<u>54,956</u>
Fund balance - ending	<u>\$ 4,530,213</u>	<u>\$ -</u>	<u>\$ 49,382</u>

**Schedule C-2**

<b>Federal Law Enforcement Fund</b>	<b>Emergency Telephone Systems Fund</b>	<b>General Capital Projects Fund</b>	<b>School Capital Projects Fund</b>	<b>Total Nonmajor Governmental Funds</b>
\$ -	\$ -	\$ -	\$ -	\$ 4,271,148
	412,697			412,697
	107,799	21,220		1,358,432
33,682	-	111,500		145,182
1,195	15,853	135,053	223,409	563,867
<u>34,877</u>	<u>536,349</u>	<u>267,773</u>	<u>223,409</u>	<u>6,751,326</u>
 18,138	 353,985	 -	 -	 4,660,987
-	-	4,772,830		4,772,830
-	-	-	3,750,289	3,750,289
<u>18,138</u>	<u>353,985</u>	<u>4,772,830</u>	<u>3,750,289</u>	<u>13,184,106</u>
 16,739	 182,364	 (4,505,057)	 (3,526,880)	 (6,432,780)
 -	 -	 -	 -	 (11,245,991)
-	-	1,056,895	-	11,635,384
-	-	1,056,895	-	389,393
 16,739	 182,364	 (3,448,162)	 (3,526,880)	 (6,043,387)
 17,639	 279,192	 4,657,967	 6,748,504	 15,550,345
 <u>\$ 34,378</u>	 <u>\$ 461,556</u>	 <u>\$ 1,209,805</u>	 <u>\$ 3,221,624</u>	 <u>\$ 9,506,958</u>

## LINCOLN COUNTY, NORTH CAROLINA

**SPECIAL REVENUE - CAPITAL RESERVE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2008**  
**WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2007**

	2008		2007	
	Budget	Actual	Variance Over / Under	Actual Prior Year
<b>Revenues:</b>				
<b>Restricted Intergovernmental:</b>				
Public School Building Capital Fund	\$ 494,699	\$ 495,157	\$ 458	\$ 900,000
Lottery proceeds	600,000	724,378	124,378	581,317
Investment earnings	100,000	186,093	86,093	152,903
Total revenues	<u>1,194,699</u>	<u>1,405,628</u>	<u>210,929</u>	<u>1,634,220</u>
<b>Other Financing Sources (Uses):</b>				
Transfers in	(11,257,265)	(11,245,991)	11,274	(10,418,697)
Transfers out	10,062,566	10,578,489	515,923	10,245,004
Total other financing sources (uses)	<u>(1,194,699)</u>	<u>(667,502)</u>	<u>527,197</u>	<u>(173,693)</u>
<b>Revenues and other financing sources over (under) expenditures and other uses</b>				
	\$ <u>-</u>	<u>738,126</u>	<u>\$ 738,126</u>	<u>1,460,527</u>
Fund balance, beginning of year		<u>3,792,087</u>		<u>2,331,560</u>
Fund balance, end of year		<u>\$ 4,530,213</u>		<u>\$ 3,792,087</u>

## LINCOLN COUNTY, NORTH CAROLINA

**SPECIAL REVENUE - FIRE DISTRICTS FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2008**  
**WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2007**

	2008		2007	
	Budget	Actual	Variance Over / Under	Actual Prior Year
<b>Revenues:</b>				
Ad valorem taxes	\$ 4,542,857	\$ 4,271,148	\$ (271,709)	\$ 3,183,964
<b>Expenditures:</b>				
Alexis Fire District	352,546	346,482	6,064	196,353
Boger City Fire District	441,523	442,286	(763)	300,889
Crouse Fire District	94,945	93,249	1,696	89,400
Denver Fire District	1,399,524	1,388,926	10,598	868,516
East Lincoln Fire District	1,185,216	942,652	242,564	878,783
High Shoals Fire District	100	34	66	23
Howard's Creek Fire District	107,496	103,015	4,481	99,102
Hughes Pond Fire District	100	5	95	24
North 321 Fire District	171,352	170,137	1,215	149,545
North Brook Fire District	167,788	167,061	727	138,351
Pumpkin Center Fire District	358,962	355,997	2,965	212,395
South Fork Fire District	118,875	118,267	608	113,349
Union Fire District	144,430	143,037	1,393	137,234
Total expenditures	<u>4,542,857</u>	<u>4,271,148</u>	<u>271,709</u>	<u>3,183,964</u>
<b>Revenues over (under) expenditures</b>	<u>\$ _____ -</u>	<u>-</u>	<u>\$ _____ -</u>	<u>-</u>
Fund balance, beginning of year				
Fund balance, end of year	\$ _____ -			\$ _____ -

## LINCOLN COUNTY, NORTH CAROLINA

**SPECIAL REVENUE - LAW ENFORCEMENT FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2008**  
**WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2007**

	<b>2008</b>		<b>Variance Over / Under</b>	<b>2007</b>  <b>Actual Prior Year</b>
	<b>Budget</b>	<b>Actual</b>		
<b>Revenues:</b>				
Restricted intergovernmental	\$ 7,000	\$ 9,878	\$ 2,878	\$ 43,176
Investment earnings	2,400	2,264	(136)	3,169
Total revenues	<u>9,400</u>	<u>12,142</u>	<u>2,742</u>	<u>46,345</u>
<b>Expenditures:</b>				
Public Safety	<u>25,300</u>	<u>17,716</u>	<u>7,584</u>	<u>40,082</u>
<b>Revenues over (under) expenditures</b>	<b><u>(15,900)</u></b>	<b><u>(5,574)</u></b>	<b><u>10,326</u></b>	<b><u>6,263</u></b>
<b>Other Financing Sources (Uses):</b>				
Fund balance appropriated	15,900	-	(15,900)	-
Total other financing sources (uses)	<u>15,900</u>	<u>-</u>	<u>(15,900)</u>	<u>-</u>
<b>Revenues and other financing sources over (under) expenditures and other uses</b>	<b><u>\$ -</u></b>	<b><u>(5,574)</u></b>	<b><u>\$ (5,574)</u></b>	<b><u>6,263</u></b>
Fund balance, beginning of year		<u>54,956</u>		<u>48,693</u>
Fund balance, end of year		<u>\$ 49,382</u>		<u>\$ 54,956</u>

## LINCOLN COUNTY, NORTH CAROLINA

**SPECIAL REVENUE - FEDERAL LAW ENFORCEMENT FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2008**  
**WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2007**

	2008		2007	
	Budget	Actual	Variance Over / Under	Actual Prior Year
<b>Revenues:</b>				
Investment earnings	\$ -	\$ 1,195	\$ 1,195	\$ 964
Miscellaneous	24,000	33,682	9,682	2,299
Total revenues	24,000	34,877	10,877	3,263
<b>Expenditures:</b>				
Public Safety	24,000	18,138	5,862	2,689
<b>Revenues over (under) expenditures</b>	<b>\$ -</b>	<b>16,739</b>	<b>\$ 16,739</b>	<b>574</b>
Fund balance, beginning of year		17,639		17,065
Fund balance, end of year	\$ 34,378		\$ 17,639	

## LINCOLN COUNTY, NORTH CAROLINA

**SPECIAL REVENUE - EMERGENCY TELEPHONE SYSTEM FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2008**  
**WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2007**

	<b>2008</b>			<b>2007</b>	
	<b>Budget</b>	<b>Actual</b>	<b>Variance Over / Under</b>		<b>Actual</b>
<b>Revenues:</b>					
<b>Other Taxes and Licenses:</b>					
911 system subscriber fees	\$ 383,000	\$ 412,697	\$ 29,697	\$ 389,316	
<b>Restricted Intergovernmental:</b>					
Wireless 911 funds	192,000	107,799	(84,201)	201,079	
Investment earnings	4,000	15,853	11,853	9,132	
Total revenues	<u>579,000</u>	<u>536,349</u>	<u>(42,651)</u>	<u>599,527</u>	
<b>Expenditures:</b>					
<b>Public Safety:</b>					
911 system subscriber fees	93,433	83,285	10,148	101,819	
Salaries and employee benefits	53,967	18,627	35,340	25,309	
Other operating expenditures	244,200	202,697	41,503	218,994	
Telephone	187,400	49,376	138,024	32,010	
Capital outlay					
Total expenditures	<u>579,000</u>	<u>353,985</u>	<u>225,015</u>	<u>378,132</u>	
<b>Revenues over (under) expenditures</b>	<u>\$ -</u>	<u>\$ 182,364</u>	<u>\$ 182,364</u>	<u>221,395</u>	
Fund balance, beginning of year		<u>279,192</u>			<u>57,797</u>
Fund balance, end of year		<u>\$ 461,556</u>			<u>\$ 279,192</u>

## LINCOLN COUNTY, NORTH CAROLINA

**CAPITAL PROJECT FUND**  
**GENERAL CAPITAL PROJECTS FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**  
**FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2008**

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Actual Current Year</u>	<u>Total to Date</u>
<b>Revenues:</b>				
Restricted intergovernmental				
Federal and State grants	\$ 1,178,432	\$ 1,246,424	\$ 21,220	\$ 1,267,644
Investment earnings	237,000	303,857	135,053	438,910
Miscellaneous	447,638	651,897	111,500	763,397
Total revenues	<u>1,863,070</u>	<u>2,202,178</u>	<u>267,773</u>	<u>2,469,951</u>
<b>Expenditures:</b>				
Capital outlay				
Land and buildings	4,680,755	1,352,059	2,374,422	3,726,481
Data Processing	191,332	60,202	111,575	171,777
Water/Sewer lines	6,214,806	3,634,496	1,725,563	5,360,059
Other improvements	303,087	-	88,334	88,334
Other equipment	653,824	25,453	472,936	498,389
Total expenditures	<u>12,043,804</u>	<u>5,072,210</u>	<u>4,772,830</u>	<u>9,845,040</u>
<b>Revenues over (under) expenditures</b>	(10,180,734)	(2,870,032)	(4,505,057)	(7,375,089)
<b>Other Financing Sources (Uses):</b>				
Transfer to General Fund	(21,300)	(21,300)	-	(21,300)
Transfer from General Fund	8,621,488	7,549,299	1,056,895	8,606,194
Fund balance appropriated	1,580,546	-	-	-
Total other financing sources (uses)	<u>10,180,734</u>	<u>7,527,999</u>	<u>1,056,895</u>	<u>8,584,894</u>
<b>Revenues and other financing sources over (under) expenditures and other uses</b>	<u>\$ -</u>	<u>\$ 4,657,967</u>	<u>(3,448,162)</u>	<u>\$ 1,209,805</u>
Fund balance, beginning of year			<u>4,657,967</u>	
Fund balance, end of year			<u>\$ 1,209,805</u>	

**LINCOLN COUNTY, NORTH CAROLINA**

**CAPITAL PROJECT FUND**  
**SCHOOL CAPITAL PROJECT FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**  
**FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2008**

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Actual Current Year</u>	<u>Total to Date</u>
<b>Revenues:</b>				
Investment earnings	\$ 150,000	\$ -	\$ 223,409	\$ 223,409
Total revenues	<u>150,000</u>	<u>-</u>	<u>223,409</u>	<u>223,409</u>
<b>Expenditures:</b>				
Education	<u>6,827,839</u>	<u>-</u>	<u>3,750,289</u>	<u>3,750,289</u>
<b>Revenues over (under) expenditures</b>	<b><u>(6,677,839)</u></b>	<b><u>-</u></b>	<b><u>(3,526,880)</u></b>	<b><u>(3,526,880)</u></b>
<b>Other Financing Sources (Uses):</b>				
Long-term debt issued	<u>6,677,839</u>	<u>6,748,504</u>	<u>-</u>	<u>6,748,504</u>
Total other financing sources (uses)	<u>6,677,839</u>	<u>6,748,504</u>	<u>-</u>	<u>6,748,504</u>
<b>Revenues and other financing sources over (under) expenditures and other uses</b>	<b><u>\$ -</u></b>	<b><u>\$ 6,748,504</u></b>	<b><u>(3,526,880)</u></b>	<b><u>\$ 3,221,624</u></b>
Fund balance, beginning of year			<u>6,748,504</u>	
Fund balance, end of year			<u>\$ 3,221,624</u>	

## LINCOLN COUNTY, NORTH CAROLINA

**ENTERPRISE FUND - LANDFILL FUND**  
**SCHEDULE OF REVENUES AND EXPENDITURES -**  
**BUDGET AND ACTUAL (NON-GAAP)**  
**FOR THE YEAR ENDED JUNE 30, 2008**  
**WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2007**

	2008		Variance Over / Under	2007		
	Budget	Actual		Actual	Actual	
<b>Revenues:</b>						
<b>Operating Revenues:</b>						
Solid waste charges/tipping fees	\$ 470,000	\$ 588,788	\$ 118,788	\$ 507,710		
Other	4,800	25,622	20,822	12,542		
Total operating revenues	474,800	614,410	139,610	520,252		
<b>Nonoperating Revenues:</b>						
Availability fees	2,281,623	2,204,939	(76,684)	2,151,528		
White goods disposal tax	26,000	27,473	1,473	28,802		
Tire disposal tax	60,000	80,109	20,109	73,716		
Sales and use tax refunds	40,000	54,936	14,936	54,382		
Miscellaneous	-	-	-	43,953		
Investment earnings	250,000	286,132	36,132	365,680		
Total nonoperating revenues	2,657,623	2,653,589	(4,034)	2,718,061		
Total revenues	3,132,423	3,267,999	135,576	3,238,313		
<b>Expenditures:</b>						
<b>Landfill Operations:</b>						
Salaries and employee benefits	1,466,079	1,489,471	(23,392)	1,276,077		
Other operating costs	1,215,622	1,256,471	(40,849)	1,174,450		
Capital outlay	574,722	603,163	(28,441)	934,217		
Total expenditures	3,256,423	3,349,105	(92,682)	3,384,744		
Revenues over (under) expenditures	(124,000)	(81,106)	42,894	(146,431)		
<b>Other Financing Sources (Uses):</b>						
Appropriated fund balance	124,000	-	(124,000)	-		
Revenues and other financing sources over (under) expenditures and other financing uses	\$ -	\$ (81,106)	\$ (81,106)	\$ (146,431)		
<b>Reconciliation of Budgetary Accrual Basis to Full Accrual Basis:</b>						
<b>Reconciling Items:</b>						
Capital outlay added to capital assets	\$ 491,813		\$ 874,673			
Depreciation	(1,987,666)		(470,868)			
Capital contributions	-		520,895			
(Increase) decrease in landfill closure and post closure costs	(555,821)		(619,539)			
Total reconciling items	(2,051,674)		305,161			
Change in net assets	\$ (2,132,780)		\$ 158,730			

**LINCOLN COUNTY, NORTH CAROLINA**

**ENTERPRISE FUND - WATER AND SEWER FUND**  
**SCHEDULE OF REVENUES AND EXPENDITURES -**  
**BUDGET AND ACTUAL (NON-GAAP)**  
**FOR THE YEAR ENDED JUNE 30, 2008**  
**WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2007**

	<b>2008</b>		<b>2007</b>	
	<b>Budget</b>	<b>Actual</b>	<b>Variance</b>	<b>Actual</b>
<b>Revenues:</b>			<b>Over / Under</b>	
<b>Operating Revenues:</b>				
Water and sewer charges/fees	\$ 7,880,000	\$ 7,945,933	\$ 65,933	\$ 6,554,518
Water and sewer taps	1,795,560	1,186,634	(608,926)	493,185
Other operating revenues	16,200	17,469	1,269	15,766
Total operating revenues	<u>9,691,760</u>	<u>9,150,036</u>	<u>(541,724)</u>	<u>7,063,469</u>
<b>Nonoperating Revenues:</b>				
Sales and use tax refunds	40,000	49,944	9,944	45,803
Investment income	125,000	196,421	71,421	142,574
Total nonoperating revenues	<u>165,000</u>	<u>246,365</u>	<u>81,365</u>	<u>188,377</u>
Total revenues	<u>9,856,760</u>	<u>9,396,401</u>	<u>(460,359)</u>	<u>7,251,846</u>
<b>Expenditures:</b>				
<b>Water System:</b>				
Salaries and employee benefits	689,097	698,175	(9,078)	570,945
Other operating costs	2,290,385	1,320,927	969,458	1,071,145
Capital outlay	516,500	60,763	455,737	132,286
Total water system	<u>3,495,982</u>	<u>2,079,865</u>	<u>1,416,117</u>	<u>1,774,376</u>
<b>Sewer System:</b>				
Salaries and employee benefits	827,240	792,235	35,005	-
Other operating costs	893,754	923,611	(29,857)	-
Capital outlay	1,525,791	18,263	1,507,528	-
Total sewer system	<u>3,246,785</u>	<u>1,734,109</u>	<u>1,512,676</u>	<u>-</u>
<b>Water Treatment Plant:</b>				
Salaries and employee benefits	484,102	449,291	34,811	433,837
Other operating costs	426,350	370,242	56,108	291,251
Capital outlay	237,000	-	237,000	-
Total water treatment plant	<u>1,147,452</u>	<u>819,533</u>	<u>327,919</u>	<u>725,088</u>
<b>Indian Creek Pumping Station:</b>				
Other operating costs	12,000	10,559	1,441	9,247
Total Indian Creek pumping station	<u>12,000</u>	<u>10,559</u>	<u>1,441</u>	<u>9,247</u>

**LINCOLN COUNTY, NORTH CAROLINA**

**ENTERPRISE FUND - WATER AND SEWER FUND**  
**SCHEDULE OF REVENUES AND EXPENDITURES -**  
**BUDGET AND ACTUAL (NON-GAAP)**  
**FOR THE YEAR ENDED JUNE 30, 2008**  
**WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2007**

	<b>2008</b>		<b>2007</b>	
	<b>Budget</b>	<b>Actual</b>	<b>Variance</b>	<b>Actual</b>
<b>Debt Service:</b>			<b>Over / Under</b>	
Principal	1,465,830	1,442,329	23,501	1,334,340
Interest	392,100	474,807	(82,707)	493,712
Total debt service	1,857,930	1,917,136	(59,206)	1,828,052
 Total expenditures	 9,760,149	 6,561,202	 3,198,947	 4,336,763
 <b>Revenues over (under) expenditures</b>	 96,611	 2,835,199	 2,738,588	 2,915,083
 <b>Other Financing Sources (Uses):</b>				
Fund balance appropriated	1,108,289	-	(1,108,289)	-
Transfers in (out)	2,490,355	3,772,104	1,281,749	(1,000,000)
Contingency	(3,695,255)	-	3,695,255	-
Total other financing sources (uses)	(96,611)	3,772,104	3,868,715	(1,000,000)
 <b>Revenues and other financing sources over (under) expenditures and other uses</b>	 \$ -	 \$ 6,607,303	 \$ 6,607,303	 \$ 1,915,083

**Reconciliation of Modified Accrual  
Basis to Full Accrual Basis:**

<b>Reconciling Items:</b>			
Debt principal	\$ 1,442,329	\$ 1,334,340	
Capital outlay capitalized	79,026	142,625	
Water and Sewer fund activity	899,640	1,074,759	
Capital contributions	3,449,828	1,114,045	
Transfers of non-current assets-East Lincoln	25,575,376		
Depreciation	(1,782,888)	(907,572)	
Change in accrued interest	187,736	10,220	
Amortization of bond premium (to interest expense)	58,299	58,299	
 Total reconciling items	 29,909,346	 2,826,716	
 Change in net assets	 \$ 36,516,649	 \$ 4,741,799	

## LINCOLN COUNTY, NORTH CAROLINA

**ENTERPRISE FUND - WATER AND SEWER CAPITAL FUND**  
**SCHEDULE OF REVENUES AND EXPENDITURES -**  
**BUDGET AND ACTUAL (NON-GAAP)**  
**FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2008**

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Actual Current Year</u>	<u>Total to Date</u>
<b>Revenues:</b>				
Investment earnings	\$ -	\$ 346,476	\$ 94,740	\$ 441,216
Miscellaneous	<u>-</u>	<u>173,044</u>	<u>-</u>	<u>173,044</u>
Total revenues	<u>-</u>	<u>519,520</u>	<u>94,740</u>	<u>614,260</u>
<b>Expenditures:</b>				
Capital outlay	<u>5,493,409</u>	<u>5,521,738</u>	<u>2,398,603</u>	<u>7,920,341</u>
Total expenditures	<u>5,493,409</u>	<u>5,521,738</u>	<u>2,398,603</u>	<u>7,920,341</u>
<b>Revenues over (under) expenditures</b>	<u>(5,493,409)</u>	<u>(5,002,218)</u>	<u>(2,303,863)</u>	<u>(7,306,081)</u>
<b>Other Financing Sources (Uses):</b>				
Long-term debt issued	<u>-</u>	<u>1,628,546</u>	<u>-</u>	<u>1,628,546</u>
Transfers in (out)	<u>4,551,884</u>	<u>5,939,124</u>	<u>804,900</u>	<u>6,744,024</u>
Fund balance appropriated	<u>941,525</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources	<u>5,493,409</u>	<u>7,567,670</u>	<u>804,900</u>	<u>8,372,570</u>
<b>Revenues and other financing sources over (under) expenditures and other uses</b>	<u>\$ -</u>	<u>\$ 2,565,452</u>	<u>\$ (1,498,963)</u>	<u>\$ 1,066,489</u>

**LINCOLN COUNTY, NORTH CAROLINA**

**ENTERPRISE FUND - EAST LINCOLN COUNTY  
WATER AND SEWER DISTRICT FUND  
SCHEDULE OF REVENUES AND EXPENDITURES -  
BUDGET AND ACTUAL (NON-GAAP)  
FOR THE YEAR ENDED JUNE 30, 2008  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2007**

	<b>2008</b>		<b>2007</b>	
	<b>Budget</b>	<b>Actual</b>	<b>Variance Over / Under</b>	<b>Actual</b>
<b>Revenues:</b>				
<b>Operating Revenues:</b>				
Water and sewer taps	\$ -	\$ -	\$ -	\$ 1,927,743
Sewer fees	-	-	-	1,440,658
Other operating revenues	-	-	-	29,119
Total operating revenues	-	-	-	<u>3,397,520</u>
<b>Nonoperating Revenues:</b>				
Ad valorem taxes	1,297,883	1,302,839	4,956	1,701,604
Investment earnings	-	134,863	134,863	126,350
Total non-operating revenues	<u>1,297,883</u>	<u>1,437,702</u>	<u>139,819</u>	<u>1,827,954</u>
Total revenues	<u>1,297,883</u>	<u>1,437,702</u>	<u>139,819</u>	<u>5,225,474</u>
<b>Expenditures:</b>				
Salaries and employee benefits	-	-	-	689,374
Other operating costs	1,180	2,938	(1,758)	578,466
Capital outlay	-	-	-	10,341
<b>Debt Service:</b>				
Principal	845,000	845,000	-	865,000
Interest	263,745	261,044	2,701	284,543
Total expenditures	<u>1,109,925</u>	<u>1,108,982</u>	<u>943</u>	<u>2,427,724</u>
<b>Revenues over (under) expenditures</b>	<u>187,958</u>	<u>328,720</u>	<u>140,762</u>	<u>2,797,750</u>
<b>Other Financing Sources (Uses):</b>				
Fund balance appropriated	4,577,006	-	(4,577,006)	-
Contingency	(187,958)	-	187,958	
Transfers in (out)	(4,577,006)	(4,577,004)	2	(1,000,000)
Total other financing sources (uses)	<u>(187,958)</u>	<u>(4,577,004)</u>	<u>(4,389,046)</u>	<u>(1,000,000)</u>
<b>Revenues and other financing sources over (under) expenditures and other uses</b>	<u>\$ -</u>	<u>\$ (4,248,284)</u>	<u>\$ (4,248,284)</u>	<u>\$ 1,797,750</u>

**LINCOLN COUNTY, NORTH CAROLINA**

**ENTERPRISE FUND - EAST LINCOLN COUNTY  
WATER AND SEWER DISTRICT FUND  
SCHEDULE OF REVENUES AND EXPENDITURES -  
BUDGET AND ACTUAL (NON-GAAP)  
FOR THE YEAR ENDED JUNE 30, 2008  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2007**

	<b>2008</b>		<b>2007</b>
	<b>Budget</b>	<b>Actual</b>	<b>Variance Over / Under</b>
<b>Reconciliation of Modified Accrual Basis to Full Accrual Basis:</b>			
<b>Revenues and other financing sources over (under) expenditures and other uses</b>		\$ (4,248,284)	\$ 1,797,750
<b>Reconciling Items:</b>			
Debt principal	845,000		865,000
Transfers to capital projects fund	-		1,000,000
Capital project fund activities	-		190,892
Capital contributions	-		1,011,690
Transfers of non-current assets to Water and Sewer Fund	(25,575,376)		-
Depreciation		-	(679,710)
<b>Total reconciling items</b>	<b>(24,730,376)</b>		<b>2,387,872</b>
 Change in net assets	 \$ (28,978,660)		 \$ 4,185,622

## LINCOLN COUNTY, NORTH CAROLINA

**AGENCY FUNDS**  
**COMBINING BALANCE SHEET**  
**JUNE 30, 2008**

	<b>Social Services Fund</b>	<b>Tax Collector Fund</b>	<b>HB 1779 Interest Fund</b>	<b>Inmate Trust Fund</b>	<b>Miscellaneous Fund</b>	<b>Totals</b>
<b>Assets:</b>						
Cash and cash equivalents	\$ 37,756	\$ 71,222	\$ 3,001	\$ 28,158	\$ 202,307	\$ 342,444
Total assets	<u>\$ 37,756</u>	<u>\$ 71,222</u>	<u>\$ 3,001</u>	<u>\$ 28,158</u>	<u>\$ 202,307</u>	<u>\$ 342,444</u>
<b>Liabilities:</b>						
Intergovernmental payable	\$ 37,756	\$ 71,222	\$ 3,001	\$ 28,158	\$ 202,307	\$ 342,444
Total liabilities	<u>\$ 37,756</u>	<u>\$ 71,222</u>	<u>\$ 3,001</u>	<u>\$ 28,158</u>	<u>\$ 202,307</u>	<u>\$ 342,444</u>

**LINCOLN COUNTY, NORTH CAROLINA**

**AGENCY FUNDS**

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
FOR THE YEAR ENDED JUNE 30, 2008**

	<b>Balance</b>			<b>Balance</b>
	<b>July 1, 2007</b>	<b>Additions</b>	<b>Deductions</b>	<b>June 30, 2008</b>
<b>Social Services</b>				
<b>Assets:</b>				
Cash and cash equivalents	\$ 42,759	\$ 125,447	\$ 130,450	\$ 37,756
Total assets	<u>\$ 42,759</u>	<u>\$ 125,447</u>	<u>\$ 130,450</u>	<u>\$ 37,756</u>
<b>Liabilities:</b>				
Intergovernmental payable	\$ 42,759	\$ 125,447	\$ 130,450	\$ 37,756
Total liabilities	<u>\$ 42,759</u>	<u>\$ 125,447</u>	<u>\$ 130,450</u>	<u>\$ 37,756</u>
<b>Tax Collector Fund</b>				
<b>Assets:</b>				
Cash and cash equivalents	\$ 70,430	\$ 4,019,046	\$ 4,018,254	\$ 71,222
Total assets	<u>\$ 70,430</u>	<u>\$ 4,019,046</u>	<u>\$ 4,018,254</u>	<u>\$ 71,222</u>
<b>Liabilities:</b>				
Intergovernmental payable	\$ 70,430	\$ 4,019,046	\$ 4,018,254	\$ 71,222
Total liabilities	<u>\$ 70,430</u>	<u>\$ 4,019,046</u>	<u>\$ 4,018,254</u>	<u>\$ 71,222</u>
<b>HB 1779 Interest Fund</b>				
<b>Assets:</b>				
Cash and cash equivalents	\$ 3,229	\$ 39,917	\$ 40,145	\$ 3,001
Total assets	<u>\$ 3,229</u>	<u>\$ 39,917</u>	<u>\$ 40,145</u>	<u>\$ 3,001</u>
<b>Liabilities:</b>				
Intergovernmental payable	\$ 3,229	\$ 39,917	\$ 40,145	\$ 3,001
Total liabilities	<u>\$ 3,229</u>	<u>\$ 39,917</u>	<u>\$ 40,145</u>	<u>\$ 3,001</u>
<b>Inmate Trust Fund</b>				
<b>Assets:</b>				
Cash and cash equivalents	\$ 23,779	\$ 157,440	\$ 153,062	\$ 28,158
Total assets	<u>\$ 23,779</u>	<u>\$ 157,440</u>	<u>\$ 153,062</u>	<u>\$ 28,158</u>
<b>Liabilities:</b>				
Intergovernmental payable	\$ 23,779	\$ 157,440	\$ 153,062	\$ 28,158
Total liabilities	<u>\$ 23,779</u>	<u>\$ 157,440</u>	<u>\$ 153,062</u>	<u>\$ 28,158</u>
<b>Miscellaneous Fund</b>				
<b>Assets:</b>				
Cash and cash equivalents	\$ 320,894	\$ 302,641	\$ 421,228	\$ 202,307
Total assets	<u>\$ 320,894</u>	<u>\$ 302,641</u>	<u>\$ 421,228</u>	<u>\$ 202,307</u>
<b>Liabilities:</b>				
Intergovernmental payable	\$ 320,894	\$ 302,641	\$ 421,228	\$ 202,307
Total liabilities	<u>\$ 320,894</u>	<u>\$ 302,641</u>	<u>\$ 421,228</u>	<u>\$ 202,307</u>

**LINCOLN COUNTY, NORTH CAROLINA**

**AGENCY FUNDS**

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
FOR THE YEAR ENDED JUNE 30, 2008**

	<b>Balance July 1, 2007</b>	<b>Additions</b>	<b>Deductions</b>	<b>Balance June 30, 2008</b>
<b>Totals - All Agency Funds</b>				
<b>Assets:</b>				
Cash and investments	\$ 461,091	\$ 4,644,491	\$ 4,763,139	\$ 342,444
Total assets	<u>\$ 461,091</u>	<u>\$ 4,644,491</u>	<u>\$ 4,763,139</u>	<u>\$ 342,444</u>
<b>Liabilities:</b>				
Intergovernmental payable	\$ 461,091	\$ 4,644,491	\$ 4,763,139	\$ 342,444
Total liabilities	<u>\$ 461,091</u>	<u>\$ 4,644,491</u>	<u>\$ 4,763,139</u>	<u>\$ 342,444</u>

**LINCOLN COUNTY, NORTH CAROLINA****GENERAL FUND**  
**SCHEDULE OF AD VALOREM TAXES RECEIVABLE**  
**JUNE 30, 2008**

<b>Year</b>	<b>Uncollected Balance July 1, 2007</b>	<b>Additions</b>	<b>Collections and Credits</b>	<b>Uncollected Balance June 30, 2008</b>
2007	\$ -	\$ 39,760,736	\$ 38,888,268	\$ 872,468
2006	851,689	-	603,845	247,844
2005	261,113	-	83,189	177,924
2004	166,393	-	32,093	134,300
2003	144,158	-	16,680	127,478
2002	102,437	-	12,038	90,399
2001	83,096	-	7,383	75,713
2000	63,600	-	5,293	58,307
1999	54,409	-	2,575	51,834
1998	35,780	-	2,148	33,632
1997	104,491	-	5,782	98,709
	<b>\$ 1,867,166</b>	<b>\$ 39,760,736</b>	<b>\$ 39,659,294</b>	<b>1,968,608</b>

Less allowance for uncollectible ad valorem taxes receivable:

General Fund (782,000)**Ad Valorem Taxes Receivable, Net**General Fund \$ 1,186,608**Reconciliation of collections and credits with revenues:**Ad valorem taxes - General Fund \$ 39,560,720**Reconciling items:**

Interest and penalties	(287,343)
Discoveries related to prior years	(90,506)
Abatements related to prior years	66,295
2% Discount allowed	408,526
Miscellaneous adjustments	<u>1,602</u>

Total Collections and Credits \$ 39,659,294

## LINCOLN COUNTY, NORTH CAROLINA

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

	Total Levy				
	County-Wide		Property Excluding Registered	Registered Motor Vehicles	Registered Motor Vehicles
	Property Valuation	Rate	Amount of Levy		
<b>Original Levy:</b>					
<b>County Wide:</b>					
Property taxed at current year's rate	\$ 6,467,499,672	0.610	\$ 39,451,748	\$ 35,364,254	\$ 4,087,494
Late list penalties	-		43,849	43,849	-
Total original levy	<u>6,467,499,672</u>		<u>39,495,597</u>	<u>35,408,103</u>	<u>4,087,494</u>
<b>Discoveries:</b>					
Current year taxes	44,408,852		270,894	239,461	31,433
Prior year taxes	<u>18,627,165</u>		<u>115,496</u>	<u>115,437</u>	<u>59</u>
Total discoveries	<u>63,036,017</u>		<u>386,390</u>	<u>354,898</u>	<u>31,492</u>
Abatements and discounts	(20,573,607)		(121,251)	(53,064)	(68,187)
Total Property Valuation	<u>\$ 6,509,962,082</u>				
<b>Net Levy</b>			39,760,736	35,709,937	4,050,799
<b>Uncollected taxes at June 30, 2008</b>			<u>872,468</u>	<u>470,192</u>	<u>402,276</u>
<b>Current Year's Taxes Collected</b>			<u>\$ 38,888,268</u>	<u>\$ 35,239,745</u>	<u>\$ 3,648,523</u>
<b>Current Levy Collection Percentage</b>			<u>97.81%</u>	<u>98.68%</u>	<u>90.07%</u>

**LINCOLN COUNTY, NORTH CAROLINA****ANALYSIS OF CURRENT TAX LEVY  
COUNTY-WIDE LEVY  
FOR THE YEAR ENDED JUNE 30, 2008****Secondary Market Disclosures:****Assessed Valuation:**

Assessment Ratio (1)	100%
Real property	\$ 4,892,883,711
Personal property	596,207,091
Public service companies	356,817,245
Registered vehicles	<u>664,054,035</u>
<b>Total assessed valuation</b>	<b>\$ <u>6,509,962,082</u></b>
Tax rate per \$100 (2)	0.61
Levy (includes discoveries, releases and abatements)	\$ <u>39,760,736</u>
In addition to the County-wide rate, the County levies taxes on behalf of several fire districts	\$ <u>4,337,870</u>

(1) Percentage if appraised value has been established by statute

(2) Valuation of railroads, telephone companies and other utilities  
as determined by the North Carolina Property Tax Commission

(3) The levy includes interest and penalties.

**LINCOLN COUNTY, NORTH CAROLINA****ANALYSIS OF CURRENT TAX LEVY  
EAST LINCOLN WATER AND SEWER DISTRICT LEVY  
FOR THE YEAR ENDED JUNE 30, 2008****Secondary Market Disclosures:****Assessed Valuation:**

Assessment Ratio (1)	100%
Real property	\$ 1,540,772,757
Personal property	84,572,682
Public service companies	4,386,361
Registered vehicles	<u>142,335,722</u>
<b>Total Assessed Valuation</b>	<b><u>\$ 1,772,067,522</u></b>
Tax Rate per \$100 (2)	0.075
Levy (includes discoveries, releases and abatements)	<u>\$ 1,351,053</u>

(1) Percentage if appraised value has been established by statute

(2) Valuation of railroads, telephone companies and other utilities  
as determined by the North Carolina Property Tax Commission

(3) The levy includes late list penalties.

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## Statistical Section

This part of the Lincoln County comprehensive annual financial report presents detail information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the County's overall financial health.

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	Page
<b>Financial Trends</b> – These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time, tables 1 – 5.	102-107
<b>Revenue Capacity</b> – These schedules contain information to help the reader assess the factors affecting the County's ability to generate its property taxes, tables 6 – 8.	108-110
<b>Debt Capacity</b> – These schedules present information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future, tables 9 - 12.	111-114
<b>Demographic and Economic Information</b> – These schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place to help make comparisons over time and with other governments, tables 13 - 14.	115-116
<b>Operating Information</b> – These schedules contain information about the County's operations and resources to help the reader understand how the County's financial information relates to the services the County provides and the activities it performs, tables 15 - 17.	117-120

**Sources:** Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The County implemented GASB Statement 34 in fiscal year 2003; schedules presenting government-wide information include information beginning in that year.

**Schedule 1**  
**Lincoln County**  
**Net Assets by Component,**  
**Last Five Fiscal Years**  
 (accrual basis of accounting)

	<b>Fiscal Year</b>					
	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>
Governmental activities						
Invested in capital assets, net of related debt	\$ 24,405,655	\$ 17,058,349	\$ 18,771,801	\$ 19,783,230	19,429,598	23,939,226
Restricted						
Unrestricted		<u>(32,094,771)</u>	<u>(35,499,299)</u>	<u>(36,676,975)</u>	<u>(63,149,458)</u>	<u>(75,109,725)</u>
Total governmental activities net assets	\$ <u>(7,689,116)</u>	\$ <u>(18,440,950)</u>	\$ <u>(17,905,174)</u>	\$ <u>(43,366,228)</u>	<u>(55,680,127)</u>	<u>(52,897,481)</u>
Business-type activities						
Invested in capital assets, net of related debt	\$ 28,193,447	\$ 33,701,064	\$ 36,885,842	\$ 41,920,528	49,158,040	54,035,788
Unrestricted		<u>5,919,073</u>	<u>10,536,352</u>	<u>12,404,362</u>	<u>9,621,361</u>	<u>11,470,000</u>
Total business-type activities	\$ <u>34,112,520</u>	\$ <u>44,237,416</u>	\$ <u>49,290,204</u>	\$ <u>51,541,889</u>	<u>60,628,040</u>	<u>66,033,249</u>
Primary government						
Invested in capital assets, net of related debt	\$ 52,599,102	\$ 50,759,413	\$ 55,657,643	\$ 61,703,758	68,587,638	77,975,014
Restricted						
Unrestricted		<u>(26,175,698)</u>	<u>(24,962,947)</u>	<u>(24,272,613)</u>	<u>(53,528,097)</u>	<u>(63,639,725)</u>
Total primary government net assets	\$ <u>26,423,404</u>	\$ <u>25,796,466</u>	\$ <u>31,385,030</u>	\$ <u>8,175,661</u>	<u>4,947,913</u>	<u>13,135,768</u>

Note: Accrual-basis financial information for the county government as a whole is available back to 2003 only, the year GASB Statement 34 was implemented.

**Schedule 2**  
**Lincoln County**  
**Changes in Net Assets,**  
**Last Five Fiscal Years**  
 (accrual basis of accounting)

	<b>Fiscal Year</b>					
	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>
<b>Expenses</b>						
Governmental activities:						
General government	\$ 6,099,433	\$ 5,979,916	\$ 7,104,402	\$ 8,021,461	\$ 8,792,178	7,838,749
Public safety	14,144,467	14,518,385	16,173,103	17,514,812	20,408,731	23,430,338
Environmental protection	653,286	671,799	104,494	91,252		
Economic and physical development	682,364	855,719	1,266,878	1,138,483	1,456,144	1,892,385
Human services	15,623,350	17,349,741	17,870,817	19,037,216	20,527,745	21,226,794
Cultural and recreation	1,372,624	1,450,828	1,584,772	1,614,685	1,607,435	1,691,147
Education	32,732,273	18,665,458	22,437,377	49,001,212	34,525,949	20,859,917
Interest on long term debt	2,756,549	3,373,137	3,340,655	4,047,733	5,045,424	4,907,325
Total governmental activities	<u>74,064,346</u>	<u>62,864,983</u>	<u>69,882,498</u>	<u>100,466,854</u>	<u>92,363,606</u>	<u>81,846,655</u>
Business-type activities:						
Landfill	2,287,674	1,076,654	2,735,135	3,429,851	3,546,096	5,345,843
Water and Sewer	3,161,730	3,017,433	3,166,677	3,547,451	3,651,448	6,526,756
East Lincoln County water and sewer	2,300,153	2,688,491	2,142,314	2,214,001	2,242,434	263,982
Total business activities	<u>7,749,557</u>	<u>6,782,578</u>	<u>8,044,126</u>	<u>9,191,303</u>	<u>9,439,978</u>	<u>12,136,581</u>
Total primary government expenses	<u>\$ 81,813,903</u>	<u>\$ 69,647,561</u>	<u>\$ 77,926,624</u>	<u>\$ 109,658,157</u>	<u>101,803,584</u>	<u>93,983,236</u>
<b>Program Revenues</b>						
Governmental activities						
Charges for services:						
General government	\$ 1,566,541	\$ 2,732,965	\$ 895,388	\$ 926,068	1,048,260	1,114,334
Public safety	1,470,655	2,099,257	3,493,321	3,782,402	4,068,481	4,536,817
Economic and physical development						
Environmental protection						
Human services	2,661,208	3,310,684	4,065,761	3,971,525	4,818,526	3,881,436
Cultural and recreation	773,461	24	127,405	140,744	124,266	2,100
Education	0		0			
Operating grants and contributions:						
General government	419,365	153,133	325,191	877,850	730,421	1,033,216
Public safety	248,766	17,385	131,689	508,995	602,610	364,292
Economic and physical development						
Environmental protection	10,000			137,198	4,000	4,000
Human services	6,149,978	6,977,362	7,871,944	7,253,373	7,786,889	8,252,407
Cultural and recreation	0		0			
Education	562	0	691,737	886,900	1,481,317	1,219,535
Capital grants and contributions:						
General government		23,494	100,838	23,212		132,720
Public safety	145,243	133,950				
Economic and physical development		504,554				
Human services	24,100		0			162,635
Total governmental activities program revenues	<u>13,469,879</u>	<u>15,952,808</u>	<u>17,703,274</u>	<u>18,508,267</u>	<u>20,827,405</u>	<u>20,540,857</u>

	<b>Fiscal Year</b>					
	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>
<b>Business-type activities:</b>						
Landfill	606,605	2,736,183	2,793,556	2,711,745	2,818,251	2,926,931
Charge for service - Water and Sewer	5,348,120	4,674,117	5,036,157	5,765,962	7,061,869	9,150,036
Charge for service - East Lincoln Sewer District	2,065,900	1,592,919	2,087,237	2,330,721	3,397,520	
Capital grants and contributions - Landfill		15,758			520,895	
Capital grants and contributions - Water		4,145,790	553,730	686,465	1,114,045	3,449,828
Capital grants and contributions - Sewer District	233,985	477,480	677,198		1,142,295	
Total business-type activities program revenues	<u>8,020,625</u>	<u>13,398,752</u>	<u>10,948,160</u>	<u>9,460,346</u>	<u>13,236,624</u>	<u>15,526,795</u>
Total primary government program revenues	<u>\$ 21,490,504</u>	<u>\$ 29,351,560</u>	<u>\$ 28,651,434</u>	<u>\$ 27,968,613</u>	<u>34,064,029</u>	<u>36,067,652</u>
<b>Net (Expense)/Revenue</b>						
Governmental activities	\$ (60,594,467)	\$ (46,912,175)	\$ (52,179,224)	\$ (81,958,587)	\$ (71,536,201)	\$ (61,305,798)
Business-type activities	<u>271,068</u>	<u>6,616,174</u>	<u>2,904,034</u>	<u>2,950,788</u>	<u>6,614,897</u>	<u>3,390,214</u>
Total primary government net (expense)/revenue	<u>\$ (60,323,399)</u>	<u>\$ (40,296,001)</u>	<u>\$ (49,275,190)</u>	<u>\$ (79,007,799)</u>	<u>(64,921,304)</u>	<u>(57,915,584)</u>
<b>General Revenues and Other Changes in Net Assets</b>						
<b>Governmental activities:</b>						
Property taxes	\$ 30,069,280	\$ 31,778,884	\$ 36,774,263	\$ 38,185,874	\$ 40,282,791	\$ 43,830,954
Local option sales tax	9,265,641	11,818,791	13,184,746	14,312,428	15,791,771	16,360,401
Utility franchise tax	168,229	173,696	180,808	186,985	274,422	318,899
Real estate transfer tax	534,704	693,074	850,318	1,155,158	1,146,496	1,005,843
Other taxes and licenses	1,532,527	421,983	525,573	445,617	476,624	494,670
Unrestricted intergovernmental	286,096	378,105	427,161	446,783	462,986	472,872
Investment earnings	443,179	165,874	772,131	2,016,573	2,624,428	1,604,805
Miscellaneous	248,747				(251,884)	
Transfers						
Gain (loss) on disposal of capital assets					(1,837,216)	
Total governmental activities:	<u>42,548,403</u>	<u>45,430,407</u>	<u>52,715,000</u>	<u>56,497,534</u>	<u>59,222,302</u>	<u>64,088,444</u>
<b>Business-type activities:</b>						
Property taxes	1,529,428	1,604,298	1,806,680	1,547,152	1,701,604	1,302,839
Other taxes and licenses	2,051,000					
Unrestricted intergovernmental	20,068					
Investment earnings	159,517	113,335	342,074	704,796	769,650	712,156
Miscellaneous					251,884	
Transfers						
Total business-type activities	<u>3,760,013</u>	<u>1,717,633</u>	<u>2,148,754</u>	<u>2,503,832</u>	<u>2,471,254</u>	<u>2,014,995</u>
Total primary government	<u>\$ 46,308,416</u>	<u>\$ 47,148,040</u>	<u>\$ 54,863,754</u>	<u>\$ 59,001,366</u>	<u>61,693,556</u>	<u>66,103,439</u>
<b>Change in Net Assets</b>						
Governmental activities	\$ (18,046,064)	\$ (1,481,768)	\$ 535,776	\$ (25,461,053)	\$ (12,313,899)	\$ 2,782,646
Prior period adjustment			281,085			
Business-type activities	4,031,081	8,333,807	5,052,788	5,454,620	9,086,151	5,405,209
Prior period adjustment			(400,000)	(3,202,935)		
Total primary government	<u>\$ (14,014,983)</u>	<u>\$ 6,852,039</u>	<u>\$ 5,469,649</u>	<u>\$ (23,209,368)</u>	<u>(3,227,748)</u>	<u>8,187,855</u>

Note: Accrual-basis financial information for the county government as a whole is available back to 2003 only, the year GASB Statement 34 was implemented.

**Schedule 3**  
**Lincoln County**  
**Fund Balances, Governmental Funds**  
**Last Five Fiscal Years**  
(modified accrual basis of accounting)

	<b>Fiscal Year</b>					
	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>
General Fund						
Reserved for:						
State statute	\$ 7,103,522	6,207,162	6,300,551	6,142,499	7,325,570	6,184,221
Unreserved						
Undesignated	<u>9,374,194</u>	<u>10,808,036</u>	<u>14,040,465</u>	<u>12,218,849</u>	<u>11,136,446</u>	<u>10,239,759</u>
Total General Fund	\$ <u>16,477,716</u>	<u>17,015,198</u>	<u>20,341,016</u>	<u>18,361,348</u>	<u>18,462,016</u>	<u>16,423,980</u>
All Other Governmental Funds						
Reserved for:						
State statute	\$ 741,305	738,349	472,524	546,305	614,753	625,717
Unreserved, reported in:						
Capital projects funds	5,591,234	1,422,207	9,473,672	30,550,999	11,406,471	4,431,429
Special revenue funds	868,004	681,614	1,443,006	1,918,943	3,529,121	4,449,812
Total all other governmental funds	\$ <u>7,200,543</u>	<u>2,842,170</u>	<u>11,389,202</u>	<u>33,016,247</u>	<u>15,550,345</u>	<u>9,506,958</u>

Notes: Due to changes in the county's fund structure connected with the implementation of GASB Statement 34, fund balance information is available back to 2003 only.

**Schedule 4**  
**Lincoln County**  
**Changes in fund Balances, Governmental Funds**  
**Last Ten Fiscal Years**  
(modified accrual basis of accounting)

	<b>1998</b>	<b>1999</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>
<b>Revenues</b>											
Ad valorem taxes	\$ 20,066,855	\$ 20,960,354	\$ 21,842,724	\$ 22,710,919	\$ 28,499,531	\$ 29,877,029	\$ 31,720,911	\$ 36,512,355	\$ 38,564,953	\$ 40,273,413	\$ 43,831,868
Local option sales taxes	7,467,171	8,176,993	8,856,644	9,088,378	9,381,802	10,344,449	11,818,791	13,184,746	14,312,428	15,791,771	16,360,401
Other taxes and licenses	452,357	550,140	1,118,951	1,024,660	1,059,793	1,156,652	1,288,753	1,556,659	1,787,780	1,897,542	1,819,412
Unrestricted intergovernmental revenues	1,793,534	1,693,913	1,686,603	1,700,408	1,154,447	286,096	378,105	427,161	446,783	462,986	472,872
Restricted intergovernmental revenues	11,203,850	13,148,786	5,809,303	7,667,406	8,104,789	6,998,014	7,720,774	8,887,514	9,334,631	10,005,953	10,005,506
Permits and fees	1,032,090	1,304,307	938,556	973,216	1,500,223	1,412,239	1,546,249	1,722,771	1,816,283	2,262,340	2,262,774
Sales, service and rents	2,010,014	2,673,230	3,670,297	4,663,316	5,381,785	5,059,626	6,423,446	6,853,660	7,004,456	7,797,183	7,176,094
Investment earnings	906,951	929,346	502,794	1,241,056	710,526	443,179	165,874	772,131	2,016,573	2,624,428	1,604,805
Miscellaneous	299,915	400,541	989,898	886,537	581,516	278,847	262,369	435,690	528,126	903,261	1,007,343
Total Revenues	<u>45,232,737</u>	<u>49,837,610</u>	<u>45,427,770</u>	<u>49,915,896</u>	<u>56,414,412</u>	<u>55,856,131</u>	<u>61,325,242</u>	<u>70,352,727</u>	<u>75,811,953</u>	<u>82,018,887</u>	<u>84,529,075</u>
<b>Expenditures</b>											
General Government	3,852,479	4,363,439	4,284,523	4,664,414	4,831,980	5,420,276	5,587,042	6,689,600	7,180,315	7,115,181	6,973,330
Public Safety	7,424,717	7,441,940	9,217,599	10,754,883	12,102,993	13,489,640	14,107,357	16,243,710	17,291,813	19,948,102	22,973,155
Environmental Protection	584,410	600,973	778,291	1,034,964	565,526	537,466	563,632	678,381	855,719	1,284,830	1,121,760
Economic and physical development	505,551	416,592	460,301	1,344,795	953,514	15,410,129	16,119,413	17,592,440	18,751,492	20,233,571	21,030,951
Human services	9,755,980	10,534,240	12,669,908	15,031,120	1,151,385	1,211,763	1,352,872	1,429,794	1,518,568	1,487,686	1,567,316
Culture and Recreation	992,929	1,041,968	1,010,962	1,205,228	21,611,475	32,732,273	12,681,353	13,464,100	15,671,351	17,109,628	8,523,119
Education	7,489,016	7,931,555	8,782,924	10,011,061	1,791,577	4,722,622	7,012,641	10,810,331	36,797,703	21,698,635	
Capital Outlay	12,967,395	16,270,839	2,570,173	3,661,396							
Debt Service:											
Principal	2,545,978	2,614,426	2,795,133	3,125,639	4,229,290	4,663,402	3,601,883	4,658,421	5,724,576	6,727,757	7,743,388
Interest	2,016,124	2,003,147	1,915,923	2,048,918	1,638,363	2,725,299	3,387,510	3,319,680	4,021,663	5,045,125	4,907,326
Total Expenditures	<u>48,134,579</u>	<u>53,219,119</u>	<u>44,485,737</u>	<u>52,882,508</u>	<u>64,985,516</u>	<u>81,591,251</u>	<u>65,642,983</u>	<u>75,492,916</u>	<u>106,783,392</u>	<u>99,384,121</u>	<u>92,719,500</u>
Excess of revenues over (under) expenditures	<u>(2,901,842)</u>	<u>(3,381,509)</u>	<u>#</u>	<u>942,033</u>	<u>#</u>	<u>(2,986,612)</u>	<u>#</u>	<u>(8,581,104)</u>	<u>#</u>	<u>(25,735,120)</u>	<u>#</u>
<b>Other Financing Sources (Uses)</b>											
Transfers in	7,525,506	6,965,076	6,864,816	7,422,980	(7,422,980)	10,347,464	10,771,009	6,550,828	21,737,558	21,816,295	22,881,375
Transfers out	(7,525,506)	(6,853,205)	(6,864,815)	(11,421,067)	(19,662,064)	(10,347,464)	(10,771,009)	(6,550,828)	(21,816,295)	(21,816,295)	(22,881,375)
Bonds & installment financing issued	4,350,000	3,000,000	376,065	12,185,550	9,588,275			17,000,000	60,220,000	109,002	
Bond premium											
Advance refunding of long-term debt											
Advance refunding payments to trustee											
Debt issuance costs											
Prior period adjustment											
Miscellaneous other financing uses											
Total other financing sources (uses)	<u>4,350,000</u>	<u>3,076,081</u>	<u>#</u>	<u>376,066</u>	<u>12,185,550</u>	<u>9,588,275</u>	<u>(344,321)</u>	<u>17,013,039</u>	<u>50,618,776</u>	<u>0</u>	<u>109,002</u>
Net change in fund balances	<u>\$ 1,448,158</u>	<u>\$ (305,428)</u>	<u>#</u>	<u>1,318,099</u>	<u>\$ 9,218,938</u>	<u>\$ 8,098,985</u>	<u>\$ (16,146,845)</u>	<u>\$ (4,562,062)</u>	<u>\$ 11,872,850</u>	<u>\$ 19,647,377</u>	<u>(17,365,234)</u>
Debt service as a percentage of noncapital expenditures	12.97%	12.50%	11.24%	10.51%	9.28%	9.49%	10.85%	10.97%	9.35%	12.12%	14.46%

(Debt Service percentage is total debt service divided by total expenditures less capitalized portion of capital outlay from page 19 in 06 CAAFR)  
FY06 (5,724,576 + 4,021,663) / (106,783,392 - 2,518,34)

**Schedule 5**  
**Lincoln County**  
**Assessed Value and Actual Value of Taxable Property**  
**Last Ten Fiscal Years**

Fiscal Year	Real Property			Less (1)		Personal Property		Public Service Companies (2)	Total Taxable Assessed Value	Direct Tax Rate (3)	Estimated Actual Taxable Value (4)	Assessed Value as a Percentage of Actual Value
	Residential Property	Commercial Property	Industrial Property	Tax Exempt Real Property	Registered Vehicles	Other						
1998	1,668,155,647	194,889,482	114,664,474	109,366,444	382,563,415	263,509,180	369,110,260	3,102,258,902	0.615	3,317,923,959	0.615	93.50%
1999	1,772,527,899	202,916,335	116,404,842	110,442,111	408,701,463	265,187,211	371,646,347	3,247,826,208	0.615	3,698,697,424	0.615	87.81%
2000	1,841,861,718	210,883,030	119,748,145	109,963,975	464,824,878	305,498,028	372,535,990	3,425,315,764	0.615	4,095,308,183	0.615	83.64%
2001 (5)	2,338,948,890	305,622,932	150,674,813	164,570,337	496,120,487	323,359,671	361,775,485	4,141,072,615	0.510	4,244,641,877	0.510	97.56%
2002	2,479,096,275	337,235,202	157,743,165	159,801,617	522,855,670	385,607,364	363,651,567	4,401,990,860	0.620	4,677,992,412	0.620	94.10%
2003	2,636,232,850	163,376,431	163,157,601	524,431,990	370,129,854	360,598,730	4,558,374,257	0.620	5,082,932,936	0.620	89.68%	
2004	2,762,752,473	167,382,296	164,199,294	530,303,836	409,492,585	377,825,148	4,772,772,479	0.620	5,538,786,676	0.620	86.17%	
2005 (5)	3,360,267,358	444,490,729	221,215,557	546,104,374	504,857,009	372,177,382	5,627,334,843	0.620	5,691,106,121	0.620	98.89%	
2006	3,450,576,768	457,076,482	188,530,612	229,539,273	642,566,748	470,754,443	372,386,636	5,811,430,962	0.610	6,056,097,293	0.610	95.96%
2007	3,700,950,371	468,304,685	212,965,670	231,632,628	612,030,406	521,418,972	367,689,163	6,114,991,895	0.610	6,789,154,985	0.610	90.07%
2008	3,934,165,611	486,377,033	238,927,010	233,414,057	664,054,035	596,207,091	356,817,245	6,509,962,082	0.610	7,743,501,941	0.610	84.07%

Source: Annual County Report of Valuation and Property Tax Levies

Notes:

(1) Included as tax exempt includes property excluded as "Senior Citizens and Disabled Persons Exclusion" G.S. 105-277.1. Property listed at "present-use value" G.S. 105-277.4, and property listed as historic property G.S. 105-278. Present use value property is agricultural, horticultural and forestland for which the owner has applied for the property to be taxed at its present use. The difference in taxes on the present use basis and the taxes that would have been payable are a lien on the property and are deferred. The taxes become due if the property ceases to qualify for present use value. The preceding three fiscal years taxes are then required to be paid.

(2) Public service companies valuations are provided to the County by the North Carolina Department of Revenue. These amounts include both real and personal property.

(3) Per \$100 of value.

(4) The estimated market value is calculated by dividing the assessed value by an assessment-to-sales ratio determined by the State Department of Revenue. The ratio is based on actual property sales which took place during the fiscal year. The ratio for the most recent year is not yet available.

(5) Years revaluation of property increased tax values, Lincoln County is reassessed every 4 years. The last reassessment was on January 1, 2004 and was the basis for fiscal 2005 taxes.

**Schedule 6**  
**Lincoln County**  
**Direct and Overlapping Property Tax Rates,**  
**Last Ten Fiscal Years**

	Year Taxes Are Payable									
	1999	2000	2001(1)	2002	2003	2004	2005(1)	2006	2007	2008
Lincoln County	0.6150	0.6150	0.5100	0.6200	0.6200	0.6200	0.6200	0.6100	0.6100	0.6100
<u>Municipality Rates:</u>										
Lincolnton	0.6000	0.6000	0.5600	0.5600	0.5600	0.5600	0.5600	0.5600	0.5600	0.5600
<u>Special District</u>										
East Lincoln Water and Sewer District	0.2800	0.2800	0.1500	0.1500	0.1500	0.1500	0.1300	0.1100	0.1100	0.0750
<u>Fire Districts</u>										
Alexis	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0650	0.0850	0.1450
Boger City	0.0300	0.0300	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0700
Crouse	0.0400	0.0400	0.0400	0.0400	0.0500	0.0500	0.0500	0.0500	0.0600	0.0600
Denver	0.0400	0.0400	0.0400	0.0400	0.0500	0.0500	0.0450	0.0500	0.0790	0.1150
East Lincoln	0.0300	0.0300	0.0300	0.0500	0.0500	0.0500	0.0450	0.0600	0.0650	0.0650
Howards Creek	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500
Hughes Pond	0.0550	0.0500	0.0500	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
High Shoals	0.0540	0.0540	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
North Brook	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0600
North 321	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350	0.0350
Pumpkin Center	0.0400	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0650	0.1000
South Fork	0.0400	0.0400	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500
Union	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0650	0.0650

Note: (1) Real property was revalued on January 1, 2000 and 2004  
these revaluations are reflected in the following fiscal year.

**Schedule 7**  
**Lincoln County**  
**Principal Property Tax Payers,**  
**Current Year and Nine Years Ago**

<b>Taxpayer</b>	<b>Type of Business</b>	<b>Fiscal Year 2008</b>			<b>Fiscal Year 1999</b>		
		<b>Assessed Valuation</b>	<b>Rank</b>	<b>Percentage of Total Assessed Valuation</b>	<b>Assessed Valuation</b>	<b>Rank</b>	<b>Percentage of Total Assessed Valuation</b>
Duke Power	Utility	\$ 271,081,273	1	4.16%	\$ 303,091,369	1	9.33%
The Timken Company	Bearing manufacturer	125,924,772	2	1.93%	58,592,208	2	1.80%
Julius Blum, Inc.	Furniture hardware manufacturer	66,905,895	3	1.03%	36,658,532	3	1.13%
Cataler North America Corp.	Auto parts manufacturer	41,256,280	4	0.63%			
Actavis Mid Atlantic	Pharmaceuticals	27,898,194	5	0.43%			
BellSouth Corp.	Utility	27,729,305	6	0.43%	32,798,327	4	1.01%
Rutherford Electric Membership	Utility	25,970,467	7	0.40%	18,996,816	6	0.58%
RSI Home Products	Manufacturing	21,862,447	8	0.34%			
Robert Bosch	Tool manufacturer	21,203,424	9	0.33%	17,139,337	7	0.53%
Alpharma USPD Inc.	Pharmaceuticals	16,456,995	10	0.25%			
Mohican Mills, Inc.	Textile manufacturer				21,198,028	5	0.65%
Cochrane Furniture Co., Inc.	Furniture manufacturer				14,102,519	8	0.43%
Carolina Centers, LLC					13,228,117	9	0.41%
Carolina Mills, Inc.	Textile manufacturer				9,539,708	10	0.29%
<b>Totals</b>		<b>\$ 646,289,052</b>		<b>9.93%</b>	<b>\$ 525,344,961</b>		<b>16.18%</b>

Source: Lincoln County Tax Department

**Schedule 8**  
**Lincoln County**  
**Property Tax Levies and Collections**  
**Last Ten Fiscal Years**

<b>Fiscal Year</b>	<b>Taxes Levied for the Fiscal Year (Original Levy)</b>		<b>Collected within the Fiscal Year of the Levy</b>		<b>Collected in Subsequent Years</b>		<b>Total Collections to Date</b>	
	<b>Adjustments</b>	<b>Total Adjusted Levy</b>	<b>Amount</b>	<b>Percentage of Original Levy</b>	<b>Amount</b>	<b>Percentage of Adjusted Levy</b>	<b>Amount</b>	<b>Percentage of Adjusted Levy</b>
1999	20,139,646	(117,261)	20,022,385	19,483,324	97.31%	505,429	19,988,753	99.83%
2000	21,009,410	89,651	21,099,061	20,371,944	96.55%	675,283	21,047,227	99.75%
2001	21,340,359	94,112	21,434,471	20,772,953	96.91%	603,211	21,376,164	99.73%
2002	26,872,932	192,066	27,064,998	26,260,324	97.03%	728,962	26,989,286	99.72%
2003	28,162,134	156,030	28,318,164	27,283,688	96.35%	944,077	28,227,765	99.68%
2004	29,507,590	155,770	29,663,360	28,841,912	97.23%	693,970	29,535,882	99.57%
2005	34,643,901	49,123	34,693,024	33,537,294	96.67%	1,021,430	34,558,724	99.61%
2006	35,554,969	(14,335)	35,540,634	34,697,002	97.63%	665,708	35,362,710	99.50%
2007	37,196,591	154,642	37,351,233	36,499,544	97.72%	603,845	37,103,389	99.34%
2008	39,495,597	260,891	39,756,488	38,884,020	97.81%	38,884,020		97.81%

Source: Lincoln County Tax Department

**Schedule 9**  
**Lincoln County**  
**Ratios of Outstanding Debt by Type,**  
**Last Ten Fiscal Years**

Fiscal Year	Governmental Activities				Business-type Activities				Per Capita (1)	Percentage of Personal Income (1)		
	General Obligation Bonds		Capital Leases		General Obligation Bonds		State Clean Water Loan					
	General Obligation Bonds	Installment Loans	Capital Leases	General Obligation Bonds	State Clean Water Loan	Installment Loans	Total Primary Government	Per Capita (1)				
1999	28,197,205	9,836,972		22,917,139	4,500,000	155,051	65,606,367	1,046	4.95%			
2000	27,743,645	9,356,586		20,962,652	4,250,000	1,381,849	63,694,732	994	4.58%			
2001	33,266,744	12,893,397		19,041,156	4,000,000	1,330,180	70,531,477	1,078	4.72%			
2002	50,457,792	11,623,802		17,212,308	3,750,000	1,249,226	84,293,128	1,271	5.51%			
2003	56,536,445	11,121,128		15,386,428	3,500,000	1,163,327	87,707,328	1,301	5.59%			
2004	53,122,034	11,403,864		14,057,966	3,250,000	1,031,136	82,8865,000	1,216	5.21%			
2005	66,785,180	10,082,297		12,204,820	3,000,000	912,702	92,984,999	1,337	5.53%			
2006	90,935,156	31,027,745		10,394,844	2,750,000	3,942,943	139,050,688	1,961	7.44%			
2007	85,687,229	29,547,914		8,617,771	2,500,000	3,770,679	130,123,593	1,780	6.36%			
2008	80,473,856	27,126,921		6,891,144	2,250,000	3,459,975	120,201,896	1,616	*			

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

(1) See Schedule 13 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year. Calendar 2006 personal income not available to calculate fiscal year 2007.

\* Information not yet available.

**Schedule 10**  
**Lincoln County**  
**Ratios of Net General Bonded Debt Outstanding,**  
**Last Ten Fiscal Years**

<b>Fiscal Year</b>	<b>General Bonded Debt Outstanding</b>			<b>Percentage of Personal Income(1)</b>	<b>Percentage of Actual Taxable Value of Property(2)</b>	<b>Per Capita(1)</b>
	<b>General Obligation Bonds</b>	<b>Total</b>	<b>Percentage of Personal Income(1)</b>			
1999	51,114,344	51,114,344	3.86%	1.57%	815	
2000	48,706,297	48,706,297	3.50%	1.42%	760	
2001	52,307,900	52,307,900	3.50%	1.26%	799	
2002	67,670,100	67,670,100	4.42%	1.54%	1,020	
2003	71,922,873	71,922,873	4.58%	1.58%	1,067	
2004	67,180,000	67,180,000	4.22%	1.41%	986	
2005	78,990,000	78,990,000	4.70%	1.40%	1,136	
2006	101,330,000	101,330,000	5.42%	1.74%	1,429	
2007	94,305,000	94,305,000	4.61%	1.54%	1,290	
2008	87,365,000	87,365,000	*	1.34%	1,174	

Notes: Details regarding the County's outstanding debt can be found in the notes to the Financial Statements.

- (1) See Schedule 13 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.
- (2) See schedule 5 for property value data.

\* Information not yet available.

**Schedule 11**  
**Lincoln County**  
**Legal Debt Margin Information,**  
**Last Ten Fiscal Years**  
(dollars in thousands)

	Fiscal Year									
	<b>1999</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>
Assessed Value of Property	\$ 3,247,826	\$ 3,425,316	\$ 4,141,073	\$ 4,401,991	\$ 4,558,374	\$ 4,772,772	\$ 5,627,935	\$ 5,811,431	\$ 6,114,392	\$ 6,509,962
Debt Limit, 8% of Assessed Value (Statutory Limitation)	259,326	274,025	331,286	352,159	364,670	381,822	450,235	464,914	489,199	520,797
Amount of Debt Applicable to Limit										
Gross debt	65,606	63,695	70,531	84,293	87,707	82,865	92,985	139,051	130,124	120,202
Less: Amount available for repayment of general obligation bonds	0	0	0	0	0	0	0	0	0	0
Debt outstanding for water and sewer purposes	27,572	26,595	24,371	22,212	20,050	18,339	16,118	17,038	14,888	12,601
Total net debt applicable to limit	38,034	37,100	46,160	62,082	67,658	64,526	76,867	121,963	115,235	107,601
Legal Debt Margin	\$ 221,792	\$ 236,925	\$ 285,126	\$ 290,078	\$ 297,012	\$ 317,296	\$ 373,367	\$ 342,952	\$ 373,964	\$ 413,196

Total net debt applicable to the limit as a percentage of debt limit

14.64% 13.54% 13.93% 17.63% 18.55% 16.90% 17.07% 26.23% 23.56% 20.66%

Note: NC Statute GS 159-55 limits the county's outstanding debt to 8% of the appraised value of property subject to taxation. The following deductions are made from gross debt to arrive at net debt applicable to the limit: money held for payment of principal; debt incurred for water, sewer, gas, or electric power purposes; uncollected special assessments, funding and refunding bonds not yet issued; and revenue bonds.

The legal debt margin is the difference between the debt limit and the county's net debt outstanding applicable to the limit, and represents the county's legal borrowing authority.

**Schedule 12**  
 Lincoln County  
 Direct and Overlapping Governmental Activities Debt  
 As of June 30, 2008

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Direct and Overlapping Debt</u>
<b>Cities:</b>			
City of Lincolnton (1)	\$ <u>0</u>	100.00%	\$ 0
Direct - Lincoln County			<u>80,473,856</u>
Total direct and overlapping debt			<u><u>\$ 80,473,856</u></u>

(1) Source: City of Lincolnton Finance Department

**Schedule 13**  
**Lincoln County**  
**Demographic and Economic Statistics**  
**Last Ten Fiscal Years**

Year	Population(1)	Personal Income (2) (thousands of dollars)	Per Capita Personal Income (2)	Public School Enrollment(3)	Unemployment Rate(4)	Number of Building Inspections Performed(5)
1999	62,734	1,325,373	21,490	10,231	3.40%	23,273
2000	64,059	1,391,333	22,100	10,495	2.90%	23,891
2001	65,450	1,493,165	23,313	10,594	3.80%	22,685
2002	66,318	1,530,265	23,510	10,826	6.80%	22,762
2003	67,390	1,568,971	23,688	11,050	7.10%	21,277
2004	68,118	1,590,737	23,635	11,274	7.10%	22,710
2005	69,532	1,681,231	24,692	11,480	6.10%	30,578
2006	70,914	1,868,000	26,785	11,666	5.70%	31,356
2007	73,107	2,044,532	27,966	12,056	5.00%	34,693
2008	74,405	*	*	12,193	4.80%	*

\* Information not yet available.

Notes:

- (1) N.C. State Data Center. Estimates are as of beginning of fiscal year.
- (2) Bureau of Economic Analysis, U. S. Department of Commerce. Figures are for the prior calendar year
- (3) Lincoln County School Administrative Unit.
- (4) N.C. Employment Security Commission, Annual Average for prior calendar year.
- (5) Lincoln County Building and Land Development Department. Inspections are for entire County figures are for prior calendar year.

**Schedule 14**  
**Lincoln County**  
**Principal Employers**  
**Current Year and Nine Years Ago**

Employer	Product or Service	2008			1999		
		Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Lincoln County Schools	Education	1,703	1	4.16%	1,206	1	3.73%
RSI Home Products	Vanities and Marble Counter Tops	1,050	2	2.57%	217	18	0.67%
The Timken Company	Tapered Roller Bearings	950	3	2.32%	600	5	1.85%
Lincoln Medical Center	Medical Care	697	4	1.70%	604	4	1.87%
Lincoln County Government	County Government	682	5	1.67%	489	7	1.51%
Wal-Mart Stores, Inc.	Discount Stores	646	6	1.58%	277	14	0.86%
Robert Bosch Tool Corporation	Tools Manufacturer and Distributor	482	7	1.18%	510	6	1.58%
Julius Blum, Inc.	Cabinet and Furniture Hardware	480	8	1.17%	350	11	1.08%
Mohican Mills	Lace and Tricot Goods	300	9	0.73%	625	3	1.93%
VT LeeBoy, Inc.	Asphalt Paving Equipment	265	10	0.65%	160	22	0.49%
McMurray Fabrics, Inc.	Specialty Fabrics	260	11	0.64%	100	34	0.31%
Cochrane Furniture Co., Inc.	Furniture	241	12	0.59%	700	2	2.16%
Actavis Corp.	Pharmaceuticals	220	13	0.54%	175	21	0.54%
GE Security	Security Devices	220	14	0.54%			
Cataler North America	Automobile Components	190	15	0.46%			
Wireway Husky Corp.	Wire Partitions, Racks, and Gates	185	16	0.45%	300	13	0.93%
Total Civilian Labor Force for the County		40,895			32,375		

Sources: Lincoln Economic Development Association  
 North Carolina Employment Security Commission  
 Telephone survey Finance Department

**Schedule 15**  
**Lincoln County**  
**Full-time Equivalent County Government Employees by Function,**  
**Last Ten Fiscal Years**

Function/Program	Full-time Equivalent Employees as of June 30										
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	
General government											
Governing body	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	
Administration and Finance	8.0	11.5	11.0	10.0	10.0	11.0	11.5	10.5	11.0	12.0	
Management Information Systems	4.0	5.0	4.0	5.0	6.0	6.0	5.0	6.0	6.0	6.0	
Elections	3.0	4.0	4.0	4.0	3.0	3.0	3.0	2.0	3.0	3.0	
Tax	18.5	16.0	14.5	19.5	19.5	21.5	22.5	22.5	20.0	24.5	
Register of Deeds	8.0	9.5	10.0	9.5	8.5	10.5	10.0	9.5	9.5	9.5	
Public Buildings	15.5	18.0	16.5	16.5	15.5	15.5	16.5	17.5	17.5	17.5	
Public safety											
Sheriff	56.5	61.0	71.5	78.5	82.5	84.0	91.0	103.0	100.0	117.0	
Communications	10.5	13.0	13.5	14.5	16.5	17.5	21.5	22.0	22.0	21.5	
Jail	20.5	29.0	33.0	34.0	34.5	35.0	35.5	40.5	41.0	41.0	
Emergency Management	4.0	4.0	3.0	3.0	3.0	3.0	3.0	4.0	6.0	6.0	
Ambulance Services	(1)	0	25.5	36.0	42.5	44.5	52.5	58.0	61.5	64.0	65.0
Fire Marshall	(2)	2.0	1.0	1.0	1.0	2.0	1.0	0.0	0.0	0.0	0.0
Building and Land Development	14.5	16.5	17.0	17.0	16.0	16.0	16.0	20.0	23.0	24.0	
Animal Control	2.0	3.0	3.0	5.0	5.0	5.0	6.0	6.5	7.0	7.0	
Economic and physical development											
Sanitation	(3)	11.0	12.0	14.0	16.0	7.0	7.0	0.0	0.0	0.0	
Cooperative Extension		1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	
Soil and Water Conservation		2.0	2.0	2.0	2.0	2.0	2.0	2.0	4.0	4.0	
Human services											
Health	56.0	55.0	63.0	61.0	61.5	65.5	69.5	67.5	72.0	75.0	
Social Services	70.0	85.0	86.0	91.0	89.5	95.0	99.0	106.0	111.0	111.0	
Veterans Service	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.5	1.5	
Juvenile Crime Prevention	3.0	4.0	3.5	3.5	2.5	1.0	0.0	0.0	0.0	0.0	
Office on Aging	(4)	6.0	6.0	7.0	7.0	6.0	7.0	8.5	12.0	6.0	
Transportation									10.5	11.5	
Cultural and recreation											
Recreation	16.0	18.5	19.0	19.0	18.5	16.0	17.0	18.0	11.0	15.0	
Library	9.5	11.5	11.5	13.5	14.5	15.5	16.5	16.0	14.0	17.5	
Historical Coordinator	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	
Water/Sewer (Business activity)											
Water Fund	14.0	17.0	16.5	20.5	23.0	25.0	27.0	28.0	34.0	34.0	
East Lincoln Sewer District	8.0	7.0	8.0	8.0	7.0	7.0	7.0	8.0	8.0	8.0	
Landfill	(3)	9.0	10.0	10.0	11.0	22.5	24.5	29.5	30.5	39.0	41.0
Total		376.0	449.5	483.0	517.0	525.0	551.5	580.0	618.0	644.5	681.5

Source: County Personnel Office

Note: This schedule represents number of persons employed as of June 30 of each year. Vacant positions are not included in the above numbers. Full time personnel work 2,088 hours per year (less vacation and sick leave). For purposes of this schedule the number of part time employees has been divided by 2.5 to arrive at the full time equivalents.

(1) County began operation of Ambulance Services in FY 2000, previously County had contracted with Lincoln Medical Center for services.

(2) Fire Marshal was consolidated into Emergency Management in FY 2005.

(3) Sanitation was combined into Landfill Fund in FY 2005.

(4) Transportation moved from Senior Services in FY 2007.

**Schedule 16**  
**Lincoln County**  
**Operating Indicators by Function**  
**Last Ten Fiscal Years**

Function/Program	1999	2000	2001	2002	Fiscal Year 2003	2004	2005	2006	2007	2008
General government										
Management Information Systems										
Work orders										
Elections										
Registered voters	38,621	41,448	39,719	40,869	41,378	41,174	42,923	43,955	44,471	47,306
Votes cast in general elections (votes odd years city even county wide)	760	25,286	271	20,864	926	30,207	189	18,700	877	
Tax										
Number of land records created	941	1,382	1,649	1,202	1,314	986	930	1,081	959	936
Number of ownership transfers - real estate/mfg. homes	5,004	4,797	4,563	5,011	5,248	6,066	5,947	7,114	6,489	6,679
Number of tax bills created - real/personal	52,804	54,045	56,237	58,383	60,656	60,153	62,476	65,243	67,167	66,168
Number of tax bills created - registered vehicles	69,355	70,995	74,624	76,787	78,325	80,864	83,135	89,016	85,866	89,394
Register of Deeds										
Total documents recorded	19,244	16,720	17,708	21,031	21,727	23,171	20,125	21,414	20,645	19,179
Deeds recorded	3,635	3,524	3,563	3,643	3,615	4,130	4,252	4,714	4,489	3,905
Marriage licenses issued	492	465	455	491	459	422	473	492	484	488
Births occurring	*	531	546	468	512	466	375	455	481	485
Deaths occurring	*	446	469	473	467	460	486	443	475	518
Certified copies issued	*	6,058	6,263	6,474	5,886	4,848	5,119	5,220	5,211	5,344
Public safety										
Arrests	*	3,022	3,191	3,257	1,882	2,053	2,154	2,869	3,618	3,265
Civil papers served	*	8,799	10,183	11,134	9,872	9,205	9,404	11,058	11,753	13,036
Jail bookings	993	1,834	2,189	2,379	2,398	2,426	6,150	4,805	3,750	3,942
Average daily jail population	51	46	66	65	77	76	100	117	112	110
Communications total calls	*	54,403	46,067	50,825	54,818	57,794	63,261	49,261	81,234	87,361
Building permits issued	*	2,494	2,455	2,543	2,199	2,003	2,179	2,336	2,512	2,560
Building inspections conducted	*	23,273	23,891	22,685	22,752	21,277	22,710	30,578	31,356	34,693
Emergency medical calls answered	*	5,374	6,270	6,800	7,239	8,164	8,889	9,635	12,020	14,331
Emergency patients transported	*	3,896	4,083	4,202	4,672	5,002	5,089	5,436	7,194	7,249
Number of firemen and officers	400	400	400	400	400	400	400	400	450	476
Number of fire calls answered	1,700	1,700	1,800	1,800	1,800	1,800	1,900	1,900	2,486	2,955
Number of firemarshal inspections	400	400	350	400	350	350	300	450	400	1,250
Animals entering shelter	*	7,183	3,934	3,905	3,821	3,105	3,262	3,512	3,240	3,969
Animals euthanized	*	3,389	2,237	3,183	3,119	2,866	2,824	2,772	2,445	2,577
Economic and physical development										
Cooperative Extension client contacts										
Soil and Water Conservation										
Clients assisted	2,141	2,258	2,447	2,547	2,319	2,372	2,320	2,435	2,700	31,950
Funds landowners received from fed & state programs	77,013	82,912	35,756	59,500	189,284	295,000	253,463	581,611	226,815	32,166
Human services										
Health Department patient visits										
Adult & Health	658	608	381	595	594	705	885	1,007	4,108	4,972
Child & Health	478	392	434	421	336	280	249	1,189	1,219	
Family Planning	1,201	1,058	1,182	1,200	1,278	1,089	1,075	1,025	4,586	4,932
Immunizations/Flu	1,742	1,372	1,257	1,742	3,431	3,460	4,611	4,372	4,719	2,961
Mental Health	585	437	479	521	540	732	718	506	2,012	2,026
Primary Care	436	216	117	436	308	287	225	6,109	7,192	7,251
Sexually transmitted diseases	154	159	77	154	155	155	131	203	2,241	2,342
Tuberculosis	2,599	2,336	2,155	2,794	2,580	2,421	2,216	2,946	2,946	1,972

**Schedule 16**  
**Lincoln County**  
**Operating Indicators by Function**  
**Last Ten Fiscal Years**

Function/Program	Fiscal Year									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Lab services (in-house) (referred)	8,555	10,421	9,436	9,603	17,513	12,663	12,786	12,750	12,375	
WIC (women infants and children)	3,655	3,987	4,467	4,653	4,750	4,748	4,224	4,679	5,063	
Home Health (unduplicated patients)	13,515	13,085	15,785	13,085	14,605	20,074	20,684	22,749	23,269	
Environmental Health	443	438	250	340	357	445	358	358	380	6,809
Food & Lodging permits										
Food, Lodging & Institutional Inspections										
Sewage system permits										
Sewage system finals										
Water samples										
New well permits (began 7/1/07)										
Wells Inspected (Water for sampling)										
New well stings (discontinued 7/1/07)										
Swimming pools										
Lead investigations										
Complaint investigations										
Social Services cases (may contain duplicates)										
Child & adult protective services	95	70	63	83	90	85	116	133	126	
Children in foster care	64	81	56	44	49	58	71	109	97	
Work first cases	319	262	218	252	266	188	182	161	150	
NC health choice cases										
Medicaid cases	4,139	3,08	218	387	444	557	623	566	617	
Food stamp cases	4,126	4,335	4,844	5,299	5,769	6,244	6,814	7,104	7,437	
Child support cases	1,025	964	1,082	1,280	1,452	1,861	2,186	2,732	2,487	
2,739	2,595	2,558	2,558	2,476	2,542	2,516	2,599	2,733	2,809	
Transportation clients served										
Cultural and recreation										
Recreation										
Library volumes in collection	91,726	95,983	96,900	98,712	102,204	106,855	109,413	128,856	126,319	
Library circulation	252,727	246,258	246,734	275,994	301,116	304,599	321,761	315,578	325,699	
Water/Sewer (Business activity)										
Number of water customers	5,440	5,947	6,515	6,898	7,756	8,075	8,657	9,169	9,583	
Average daily water production	1,907,033	2,346,000	2,084,000	2,150,000	2,150,000	2,200,000	2,300,000	2,460,000	2,640,000	
Number of sewer customers	825	1,041	1,376	1,611	2,234	2,502	2,879	3,220	3,538	
Average daily sewage treatment	115,000	165,000	216,000	284,000	393,000	463,000	523,000	548,000	610,333	
Landfill										
Tons of waste sanitary landfill	38,323	40,065	38,481	41,231	44,125	45,558	52,013	45,435	45,091	
Tons of waste demolition landfill	6,874	11,404	14,635	18,730	16,097	16,337	10,351	10,787	7,809	
Tons of recyclables	1,154	1,252	1,218	1,279	1,288	1,337	1,424	1,440	1,678	
Tons of whitegoods	741	1,142	1,162	1,408	1,310	1,508	1,583	1,502	1,872	
Tons of tires	900	1,042	1,118	1,241	1,290	1,117	1,310	1,267	1,371	

\* Reported on calendar year basis

Source: Various County Departments

**Schedule 17**  
**Lincoln County**  
**Capital Asset Statistics by Function**  
**Last Ten Fiscal Years**

Function/Program	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
	General government	15	18	19	19	19	20	22	22	22
Buildings										
Public safety										
Law enforcement stations	3	3	3	3	3	3	3	3	3	3
Patrol units	30	30	37	43	53	53	53	53	67	71
Jail capacity	168	168	168	168	168	168	168	168	168	168
Emergency medical stations	2	2	2	2	3	3	3	3	3	3
Emergency medical apparatus	9	10	14	18	20	18	17	17	18	20
Fire department stations	11	11	11	11	11	11	12			
Economic and physical development										
Human services										
Number of transportation vehicles										
Cultural and recreation										
Number of libraries										
Number of county parks										
Developed	2	2	2	2	2	2	2	2	2	2
Undeveloped	0	0	1	1	1	1	2	2	2	2
Park acreage:										
Developed	37	37	37	37	37	37	37	37	37	37
Undeveloped	0	0	54	54	54	54	54	54	54	54
Number of community centers	2	2	2	2	2	2	2	2	2	2
Number of gyms/centers	1	1	2	2	2	2	2	2	2	2
Water/Sewer (Business activity)										
Number of water plants	1	1	1	1	1	1	1	1	1	1
Miles of water mains	240	245	250	255	258	260	265	270	279	285
Number of wastewater plants	2	2	2	1	1	1	1	1	1	1
Miles of sanitary sewer	62	65	68	70	72	75	78	82	86	90
Landfill										
Number of sanitary landfills	1	1	1	1	1	1	1	1	1	1
Number of demolition landfills	1	1	1	1	1	1	1	1	1	1
Number of convenience sites	7	7	7	7	7	7	7	7	7	7

Source: Various County Departments

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