

COMPREHENSIVE ANNUAL FINANCIAL REPORT

COUNTY OF MOORE

NORTH CAROLINA

FOR THE FISCAL YEAR ENDED

JUNE 30, 2007

FINANCIAL SERVICES

LISA L. HUGHES

FINANCE OFFICER

COUNTY OF MOORE, NORTH CAROLINA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
YEAR ENDED JUNE 30, 2007

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LARRY R. CADDELL
District I

COLIN W. MCKENZIE, JR.
District II

CYNTHIA R. MORGAN
District III

R. TIMOTHY LEA
District IV

JIMMY D. MELTON
District V

MISTY RANDALL LELAND
County Attorney

T. CARY McSWAIN
County Manager

LAURA M. WILLIAMS
Clerk to the Board

County of Moore

Board of Commissioners

December 1, 2007

To the Board of County Commissioners and Citizens of County of Moore, North Carolina:

State law requires that every general-purpose local government publish within six months of the close of the fiscal-year a complete set of audited financial statements. This report is published for the fiscal year ended June 30, 2007.

County management assumes full responsibility of the completeness and reliability of the information contained in the report, based upon a comprehensive framework of internal control that has been established for this purpose. 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.

Dixon-Hughes, P.L.L.C., Certified Public Accountants, have issued an unqualified opinion on the County of Moore's financial statements for the year ended June 30, 2007. The independent auditors' report is located at the front of the financial section of this report. Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complement this letter of transmittal and should be read in conjunction with it.

Profile of the Government

Moore County was established in 1784 and is located in the Sandhills region of North Carolina. It has a land area of 701 square miles and a population of 83,162. The County has a commissioner/manager form of government. The five members of the Board of Commissioners are elected from districts on a partisan basis and serve staggered four-year terms. Commissioners hold policy-making and legislative authority. They are also responsible for adopting the budget and appointing the County Manager. The Manager is responsible for implementing policies, managing daily operations, and appointing department heads.

The County provides its citizens with a wide range of services that include public safety, sanitation, health and social services, water and sewer, cultural and recreational activities, general administration, and others. This report includes all the County's activities in maintaining these services. The County also extends financial support to certain boards, agencies, and commissions to assist their efforts in serving citizens. Among these are the Moore County Board of Education and Sandhills Community College.

Local Economy

Moore County ranks as one of the most prestigious areas in the State. Our excellent location is just one reason the quality of life in Moore County is exceptional. We have a temperate climate, a good education system, quality transportation networks, exceptional health care, as well as various other activities. Although the County is pleased with its efforts in these respective areas, we are

constantly developing methods and policies that we feel will enhance our attractiveness as a long-term destination, and improve upon the quality of life.

There are four major sectors making up Moore County's economy. These are agriculture, tourism, retirement and manufacturing.

Agriculture

The agricultural community in Moore County is served by several groups including: Cooperative Extension, Farm Service Agency, Natural Resource Conservation Service and the Soil and Water Conservation District. The Farm Bureau and Carolina Farm Credit also serve the agricultural community. Poultry is the leading income producer for the County. The agencies mentioned continue to develop programs that will reduce our reliance on the tobacco market, which remains one of our top three crops. Efforts are being made in the areas of cooperative marketing and agritourism. Agritourism may also provide opportunities for generating additional income on farm land from the tourist market already present in Moore County.

Tourism

The suppliers of tourism assets and services in Moore County are well known and quite diverse, ranging from four-star self-contained golf resorts to independent restaurants and family owned motels. Supporting the destinations appeal are 44 golf courses, which are consistently ranked in the top echelon of golf courses within the state and country. The Convention and Visitors Bureau (CVB) serves as the destination marketing organization for the County, responsible for promoting the area for meetings and conventions, motorcoach tours, and individual leisure travelers. Visitors to the destination spent over \$ 346 million dollars in 2006, which generated \$ 28 million in state and local taxes.

The strong tourist economy, along with a community-wide effort including the CVB, helped the Pinehurst Resort and the County obtain the rights to host the 1994 U.S. Senior Open; the 2008 U.S. Amateur Open; the 1996, 2001 and 2007 U.S. Women's Open at Pine Needles; and the 1999 and 2005 U.S. Men's Open Championships. These tournaments have increased Moore County's exposure tremendously, and have improved upon an already strong tourism economy. The tourism industry continues to seek new ways to further diversify its business by adding family-friendly amenities and new initiatives and products such as agritourism to the mix.

Retirement

The County's retirement sector is very important to the local economy. Residential and Commercial constructions have increased compared to last year. The growth of this sector has a significant impact on the County's service economy (i.e., insurance, banking, retail and health services), which is evidenced by continued growth in those businesses.

Manufacturing

In 2002, the County entered into a contract with Partners In Progress, Inc. for economic development services. Partners in Progress brings public and private interests together to further develop the local economy. Over the past year, Partners has been active in increasing the number of jobs in Moore County through recruitment of new industries and expansion of existing industries.

Relevant Financial Policies

County management is responsible for the accounting system and for establishing and maintaining an internal control structure. The internal control structure is designed to provide reasonable, but not absolute, assurance regarding (1) the safeguarding of assets against loss from unauthorized use or disposition; (2) the reliability of financial records for preparing financial statements in conformity with accounting principles generally accepted in the United States of America and maintaining accountability for assets; and (3) compliance with applicable laws and regulations related to federal and state financial assistance programs. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived and (2) the evaluation of costs and benefits requires estimates and judgments by management.

The government's investment policy is to minimize credit and market risks while maintaining a competitive yield on its portfolio. Accordingly, all deposits were either insured by federal depository insurance or collateralized. All of the investments held by the government at June 30, 2007 are classified in the category of lowest credit risk as defined by the Governmental Accounting Standards Board.

Major Initiatives

During the year the County was involved in a number of major projects, some of which will not be completed until future years. Highlights of these projects are discussed in the paragraphs below.

Capital Improvements

The Senior Enrichment Center was completed and the Department of Aging transferred their offices to the new location in March 2007. The County Board of Commissioners authorized the planning stages for the construction of two new governmental facilities- one for general Government offices and one of Public Safety.

Moore County Public Utilities

During FY2004-2005 a 10-year Capital Improvement Plan (CIP) was initiated for the County's water and sewer system. Phase III was appropriated during the fiscal year for a total of \$4,755,000. The CIP includes upgrades to the water system, the wastewater system and the wastewater treatment plant.

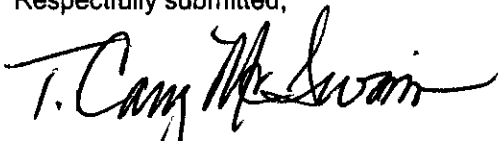
Awards and Acknowledgements

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Moore County for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2006. This was the 19th consecutive year that the government has received this prestigious award. In order to be awarded a Certificate of Achievement, the government had to publish an easily readable and efficient organized CAFR that satisfied 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 CAFR continues to meet the Certificate of Achievement Program's requirements and are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report would not have been possible without the efficient and dedicated service of the entire Financial Services staff. We wish to express appreciation to all members of the department who assisted and contributed to the preparation of this report. Credit also must be given to the Board of Commissioners for their support of the aforementioned projects.

Respectfully submitted,


T. Cary McSwain
County Manager


Lisa L. Hughes
Financial Services Director

Certificate of Achievement for Excellence in Financial Reporting

Presented to

County of Moore
North Carolina

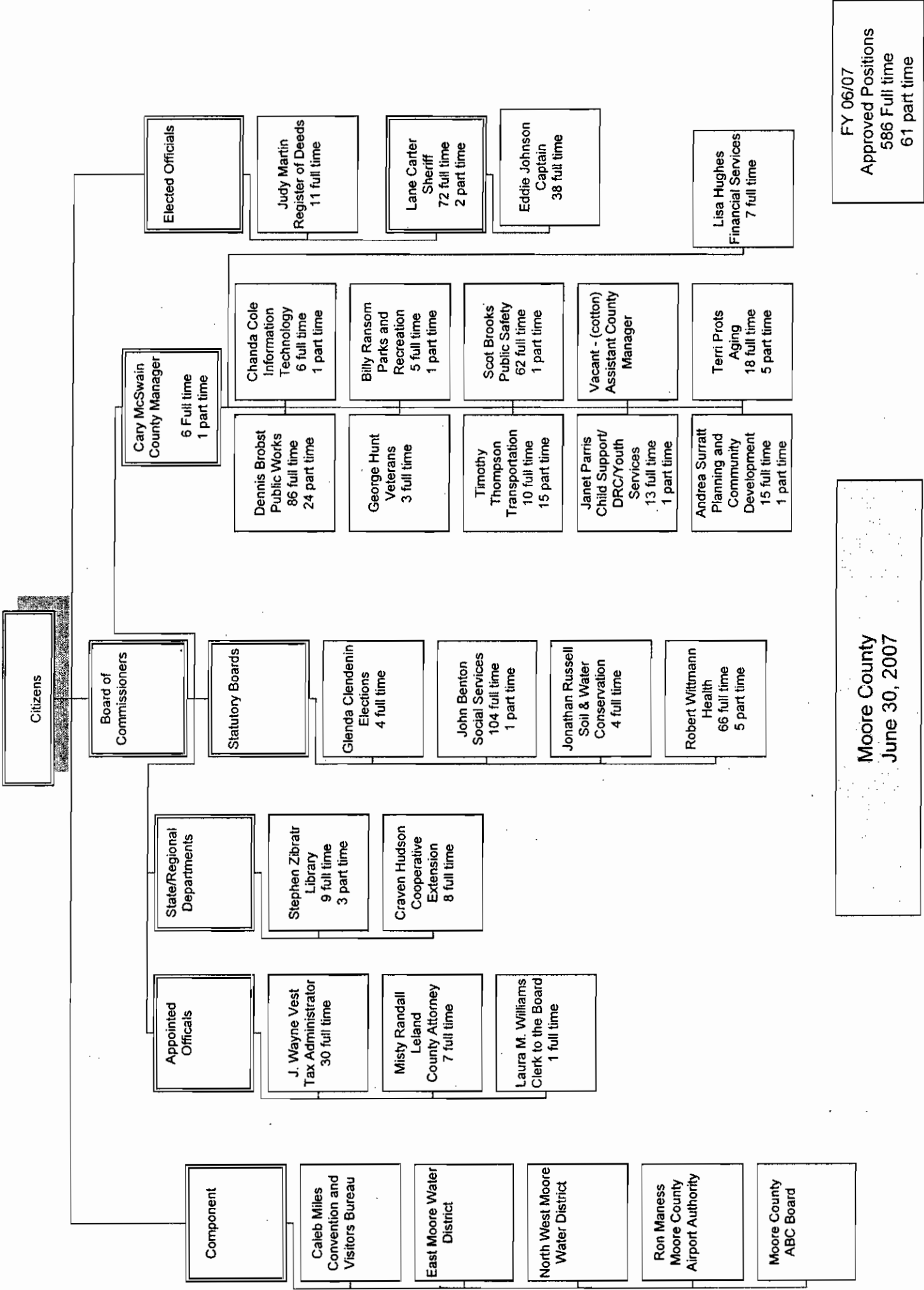
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2006

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



President

Executive Director



Moore County
June 30, 2007

FY 06/07
Approved Positions
586 Full time
61 part time

COUNTY OF MOORE, NORTH CAROLINA

LIST OF PRINCIPAL OFFICIALS

June 30, 2007

COMMISSIONERS

Colin W. McKenzie, Jr., Chairman	District 2
Larry R. Caddell, Vice Chairman	District 1
Cynthia R. Morgan	District 3
Jimmy D. Melton	District 5
R. Timothy Lea	District 4

COUNTY OFFICIALS

T. Cary McSwain	County Manager
Misty Randall Leland	Attorney
Laura M Williams	Clerk to the Board
E. Lane Carter	Sheriff
Judy D. Martin	Register of Deeds
J. Wayne Vest	Tax Administrator
Lisa L. Hughes	Financial Services Director
Caroline L. Xiong	Assistant Financial Services Director



DIXON HUGHES PLLC

Certified Public Accountants and Advisors

INDEPENDENT AUDITORS' REPORT

The Board of County Commissioners
County of Moore
Carthage, North Carolina

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Moore, North Carolina, as of and for the year ended June 30, 2007, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The financial statement of the Moore County ABC Board and the Moore County Airport Authority were not audited in accordance with *Government Auditing Standards*. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, based on our audit, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Moore, North Carolina, as of June 30, 2007 and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the general fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 13, 2007 on our consideration of the County of Moore'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. That report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

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

Our audit was performed for the purpose of forming an opinion on the financial statements that collectively comprise the basic financial statements of the County of Moore, North Carolina. The introductory information, combining and individual nonmajor fund financial statements and schedules and component unit information and other financial information and the statistical tables, as well as the accompanying schedule of expenditures of federal and State awards as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the State Single Audit Implementation Act are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements and schedules and component unit information and other financial information and the accompanying schedule of expenditures of federal and State awards has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, based on our audit report, are fairly stated in all material respects in relation to the basic statements taken as a whole.

The introductory information and statistical tables have not been subjected to the auditing procedures applied by us in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Dixon Hughes PLLC

November 13, 2007
Southern Pines, North Carolina

Management's Discussion and Analysis

As the management team of the County of Moore (the County), we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended June 30, 2007. We encourage readers to read the information presented here in conjunction with additional information that is furnished in the County's financial statements, which follow this narrative.

Financial Highlights

- The total assets of the County exceeded its liabilities at the close of the fiscal year by \$50,549,615 (*net assets*).
- The Government's total net assets increased by \$8,857,537 due to increased assets, as well as decreased liabilities in the Governmental Activities. The County did not issue any new debt while retiring \$4.87 million of debt in the Governmental Activities. Capital assets increased in both the Governmental and Business-type Activities as new software systems were purchased and capital projects completed.
- At the close of the fiscal year, the County's governmental funds reported combined ending fund balances of \$30,550,148, an increase of \$1,515,798 in comparison with the prior year. Approximately 66.6% of this total amount, or \$20,347,164, became available for spending at the Government's discretion (*unreserved fund balance*). The Emergency Medical Services special revenue fund changed its billing policies in FY2006 and is now billing third-parties insurance companies, as well as Medicaid and Medicare.
- At the end of the fiscal year, unreserved fund balance for the General Fund was \$17,996,937, or 24% of total general fund expenditures for the fiscal year. The 16.1% over the minimum recommended by the LGC is \$12,034,903. The County had appropriated \$7.1 million of fund balance in the General Fund for FY2006; these funds were not used and reverted back to unreserved fund balance. In addition, a minimal amount of fund balance was appropriated in FY2008.
- The County's total debt decreased by \$4,871,297 (9.7%) during the fiscal year. This was achieved by the planned retirement of general obligation bonds and notes payable.
- The County maintained its A1 and A+ bond ratings for the 21st consecutive year.

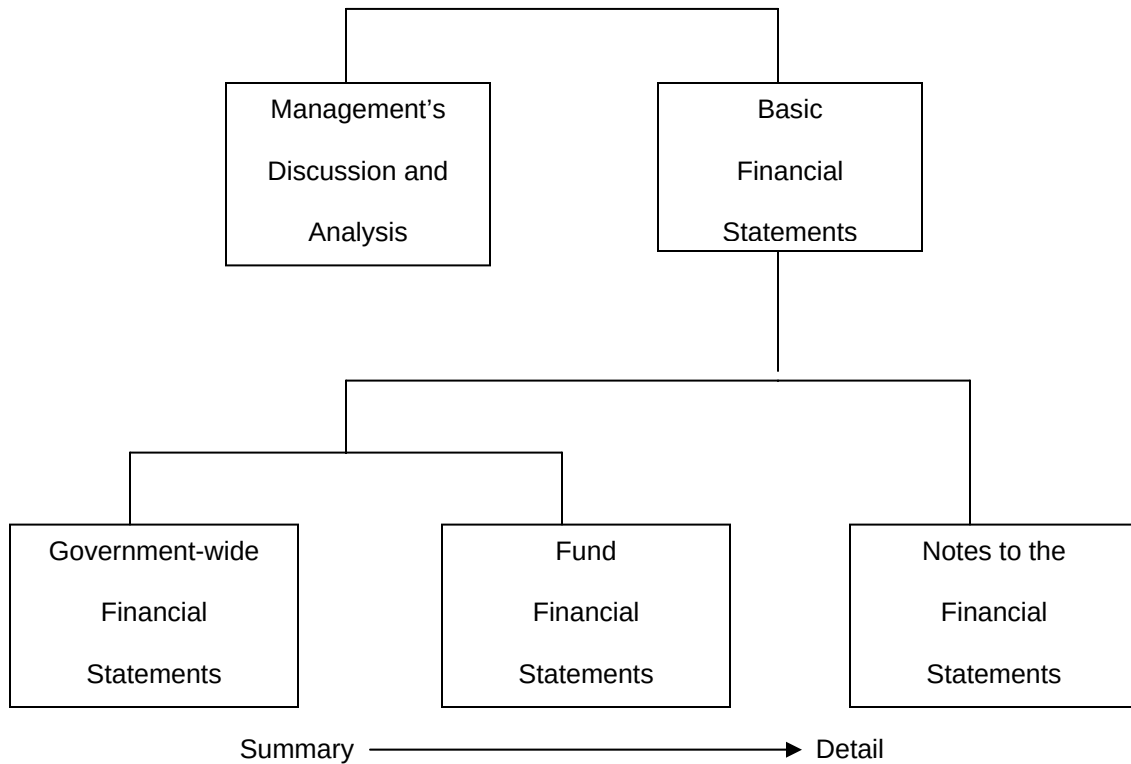
Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the 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 Moore County.

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Required Components of Annual Financial Report

Figure 1



Basic Financial Statements

The first two statements (Pages 13 and 14) 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 (Pages 15 through 23) are **Fund Financial Statements**. These statements focus on the activities of the individual parts of the County's government. These statements provide more detail than the government-wide statements. There are four parts to the Fund Financial Statements: 1) the governmental funds statements; 2) the budgetary comparison statements; 3) the proprietary fund statements; and 4) the fiduciary (agency) fund statements.

The next section of the basic financial statements is the **notes**. The notes to the financial statements explain in detail some of the data contained in those statements. After the notes, **supplemental information** is provided to show details about the County's non-major governmental funds and Internal Service Funds, all of which are added together in one column on the basic financial statements. Budgetary information required by the General Statutes 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, in a manner similar to a private-sector business. 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, environmental protection and community development, human services, cultural and recreational, education, and general government. Property taxes, sales taxes and state and federal grant funds finance most of these activities.

The business-type activities are those for which the County charges customers to provide. These include the wastewater treatment and public utilities services offered by the County, as well as the East Moore Water District.

The final category is the component units. The component units include the Convention and Visitors Bureau, which promotes the development of travel, tourism and conventions in the County; the Moore County Alcoholic Beverage Control (ABC) Board, which distributes a portion of its surpluses to the County; and the Moore County Airport Authority, which operates an airport facility owned by the County.

The government-wide financial statements are on Pages 13 and 14 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. Moore 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 Moore County can be divided into three categories: governmental, proprietary and fiduciary (agency) funds.

Governmental Funds – Governmental funds are used to account for those functions reported as governmental activities in the government-wide financial statements. Most of Moore County's basic services are accounted for in governmental funds. These funds focus on how assets can readily be converted into cash flow in and out, and what monies are left at year-end that will be available for spending in the next year. Governmental funds are reported using an accounting method called modified accrual accounting which provides a current financial resources focus. As a result, the governmental fund financial statements give the reader a detailed short-term view that helps 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.

Moore County adopts an annual budget for its General Fund as required by the N.C. 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 of Commissioners 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 Statement of Revenues, Expenditures and Changes in Fund Balance. The statement shows four

columns: 1) the original budget as adopted by the Board; 2) the final budget as amended by the Board of Commissioners; 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.

Proprietary Funds – Moore County has two kinds of proprietary funds; Enterprise and Internal Service Funds. Enterprise Funds are used to report the same functions presented as business-type activities in the government-wide financial statements. Moore County uses Enterprise Funds to account for its water and sewer activities. These funds are the same as those functions shown in the business-type activities in the Statement of Net Assets and the Statement of Activities. Internal Service Funds are an accounting device used to accumulate and allocate costs internally among the functions of the County. The County uses Internal Service Funds to account for three activities: the Management Information Systems Fund, the Risk Management Fund and the Property Management Fund. Because these operations benefit predominately governmental rather than business-type activities, the Internal Service Funds have been included within the governmental activities in the government-wide financial statements.

Fiduciary Funds – Agency funds are used to account for assets the County holds on behalf of others by contract, law or agent. The County has four agency funds: Social Services/Sheriff Accounts Fund, Special Tax Districts Fund, Cooperative Extension Agency Fund and Soil & Water Conservation District Fund.

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 are on pages 24-53 of this report.

Other Information – In addition to the basic financial statements and accompanying notes, this report includes certain required supplementary information concerning Moore County's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found beginning on page 54 of this report.

Government-Wide Financial Analysis

As noted earlier, net assets may serve over time as one useful indicator of a Government's financial condition. The assets of Moore County exceeded liabilities by \$50,549,615 as of June 30, 2007. The County's net assets increased by \$8,857,537 for the fiscal year ended June 30, 2007. One significant component of the County's net assets is its investment in capital assets (e.g. land, buildings, machinery, and equipment), less any related debt still outstanding that was issued to acquire those items. Moore County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although Moore 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. The reason for the deficit in unrestricted net assets in governmental activities is the funding of school construction projects with general obligation bonds. In North Carolina, counties issue these debts while the financed facilities are the property of the local Boards of Education.

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Moore County's Net Assets

Figure 2

	Governmental Activities		Business-type Activities		Total	
	2007	2006	2007	2006	2007	2006
Current and other assets	\$ 36,619,305	\$ 35,787,826	\$ 9,347,328	\$ 11,572,409	\$ 45,966,633	\$ 47,360,235
Capital assets	31,956,845	29,851,792	22,819,541	18,699,983	54,776,386	48,551,775
Total assets	68,576,150	65,639,618	32,166,869	30,272,392	100,743,019	95,912,010
Long-term liabilities outstanding	39,756,170	43,988,588	5,678,476	6,317,355	45,434,646	50,305,943
Other liabilities	3,640,971	3,332,977	1,117,787	581,012	4,758,758	3,913,989
Total liabilities	43,397,141	47,321,565	6,796,263	6,898,367	50,193,404	54,219,932
Net assets:						
Invested in capital assets, net of related debt	28,359,004	25,641,653	17,243,966	12,487,653	45,602,970	38,129,306
Restricted for Public Safety	657,918	629,480	-	-	657,918	629,480
Unrestricted	(3,837,913)	(7,953,080)	8,126,640	10,886,372	4,288,727	2,933,292
Total net assets	\$ 25,179,009	\$ 18,318,053	\$ 25,370,606	\$ 23,374,025	\$ 50,549,615	\$ 41,692,078

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

- Continued diligence in the collection of real property taxes by maintaining a collection percentage of 99.61%
- Conservative revenue projections for the 2006-2007 budget cycle
- Spending limitations encouraged by Management
- Continued low cost of debt due to the County's A1/A+ bond rating
- Debt service reduction
- Increase in EMS billing due to charging third party insurance companies

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Moore County Changes in Net Assets

Figure 3

	Governmental Activities		Business-type Activities		Total	
	2007	2006	2007	2006	2007	2006
Revenues:						
Program revenues:						
Charges for services	\$ 9,590,823	\$ 6,079,436	\$ 10,039,931	\$ 9,336,955	\$ 19,630,754	\$ 15,416,391
Operating grants and contributions	11,824,760	12,397,091	-	-	11,824,760	12,397,091
Capital grants and contributions	1,045,508	1,469,589	936,764	138,540	1,982,272	1,608,129
General revenues:						
Property taxes	41,692,820	40,423,776	-	-	41,692,820	40,423,776
Sales taxes	18,348,882	17,216,131	-	-	18,348,882	17,216,131
Other taxes and licenses	517,594	614,164	-	-	517,594	614,164
Grants and contributions not restricted to specific programs	318,332	270,563			318,332	270,563
Other	2,779,318	2,211,382	406,414	304,935	3,185,732	2,516,317
Total revenues	86,118,037	80,682,132	11,383,109	9,780,430	97,501,146	90,462,562
Expenses:						
General government	6,445,463	6,182,124	-	-	6,445,463	6,182,124
Public safety	15,237,755	12,866,949	-	-	15,237,755	12,866,949
Environmental protection and community development	3,645,711	3,587,581	-	-	3,645,711	3,587,581
Human services	22,011,600	20,561,927	-	-	22,011,600	20,561,927
Cultural and recreation	1,133,636	1,016,648	-	-	1,133,636	1,016,648
Education	27,414,347	25,554,115	-	-	27,414,347	25,554,115
Grants-other	1,568,351	1,342,002	-	-	1,568,351	1,342,002
Debt service - interest	1,800,218	1,984,968	-	-	1,800,218	1,984,968
Wastewater treatment	-	-	2,393,466	2,317,059	2,393,466	2,317,059
Public utilities	-	-	6,570,420	5,576,889	6,570,420	5,576,889
East Moore water district	-	-	422,642	393,099	422,642	393,099
Total expenses	79,257,081	73,096,314	9,386,528	8,287,047	88,643,609	81,383,361
Increase in net assets before	6,860,956	7,585,818	1,996,581	1,493,383	8,857,537	9,079,201
Transfers	-	2,000	-	-	-	2,000
Increase in net assets	6,860,956	7,587,818	1,996,581	1,493,383	8,857,537	9,081,201
Net assets, July 1	18,318,053	10,829,241	23,374,025	21,880,642	41,692,078	32,709,883
Net assets, June 30	\$ 25,179,009	\$ 18,318,053	\$ 25,370,606	\$ 23,374,025	\$ 50,549,615	\$ 41,692,078

Governmental activities: Governmental activities increased the County's net assets by \$6,860,956. Key elements of this increase are as follows:

- Several departments in the General Fund, including recreation, environmental health, building inspections and the Transportation special revenue fund increased their charges for services
- Increased sales taxes were received due to a better economy and area resorts hosting several national/international golf tournaments during the fiscal year
- Increased investment income by diversifying investments and increased yields
- Decreased total debt service due to some debts expiring and refinancing of one non-public interest rate on a notes payable as a public interest rate

Business-type activities: Business-type activities increased Moore County's net assets by \$1,996,581. Key elements of this increase are as follows:

- Increased charges for services for water and sewer services by 6% over fiscal year 2006, however the water rates for EMWD remained the same.
- WWTP received a capital contribution of \$287,734 from the Rural Development Center
- Public Utilities received a sewer pump capital contribution valued at \$649,000 from First Health

Financial Analysis of the County's Funds

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

Governmental Funds: The focus of Moore County's governmental funds is to provide information on near-term inflows, outflows, and balances of usable resources. Such information is useful in assessing Moore 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 Moore County. At the end of the fiscal year, unreserved fund balance of the General Fund was \$17,996,937 (of which \$12,034,903 is above the 8% LGC recommended threshold), while total fund balance reached \$25,557,692. 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 24% of total General Fund expenditures, while total fund balance represents 34.3% of that same amount.

On June 30, 2007, the governmental funds of Moore County reported a combined fund balance of \$30,550,148 a 5% increase over last year. The primary reason for this change was the increase in the General Fund's fund balance. The General Fund's fund balance increased by \$1.4 million, while Other Governmental Funds' fund balance increased by \$134,770.

General Fund Budgetary Highlights: Moore County employs conservative budgetary practices. Revenue estimates are based on conservative assumptions and projections. County departments are encouraged to provide a high level of service to the citizens of Moore County while working to conserve available resources. Actual revenues exceeded budget by \$6.4 million or 9.1% while actual expenditures were \$3.3 million or 4.3% under budget.

During the fiscal year, the County revised the budget on several occasions. Generally, budget amendments fall into one of three categories: 1) amendments made to adjust the estimates that are used to prepare the original budget ordinance once exact information is available; 2) amendments made to recognize new funding amounts from external sources, such as Federal

and State grants; and, 3) increases in appropriations that become necessary to maintain service levels. Total amendments to the General Fund increased revenues by \$1,617,531.

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Proprietary Funds: Moore 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 Wastewater Treatment Fund at the end of the fiscal year amounted to \$2,473,994; those for the Public Utilities Fund equaled \$5,621,158; and those for the East Moore Water District totaled \$31,488. The total growth in net assets for the funds was \$316,976; \$1,750,735; and (\$71,130), respectively.

Capital Asset and Debt Administration

Capital assets: Moore County's investment in capital assets for its governmental and business-type activities as of June 30, 2007, totals \$54,776,386 (net of accumulated depreciation). These assets include buildings, land, machinery and equipment, airport and park facilities, water and sewer systems, a wastewater treatment plant, and vehicles.

Major capital asset transactions during the year include:

- Appropriated additional funding for renovations to the building purchased for the Senior Enrichment Center and this project was completed during the fiscal year
- Continued implementation of the Public Utilities and Waste Water Treatment Plant's Capital Improvement Plan
- Purchase of new software and equipment for Emergency Medical Services and Transportation
- Replaced the telephone system, recording system and radio consoles in the Communications Center utilizing 911 Telephone special revenue fund
- Upgrading the County's motor fleet more aggressively than in the past

Moore County's Capital Assets (net of depreciation)

Figure 4

	Governmental Activities		Business-type Activities		Total	
	2007	2006	2007	2006	2007	2006
Land	\$ 13,701,660	\$ 12,998,075	\$ 499,811	\$ 499,811	\$ 14,201,471	\$ 13,497,886
Construction in progress	-	-	3,353,225	579,400	3,353,225	579,400
Buildings	14,378,220	14,109,536	3,317,063	3,482,599	17,695,283	17,592,135
Wastewater treatment plant	-	-	134,552	41,408	134,552	41,408
Wastewater treatment lines	-	-	3,823,955	4,341,436	3,823,955	4,341,436
Water and sewer systems	-	-	11,139,799	9,373,823	11,139,799	9,373,823
Equipment	1,458,775	688,392	479,571	355,551	1,938,346	1,043,943
Vehicles	2,418,190	2,055,789	71,565	25,955	2,489,755	2,081,744
Total	\$ 31,956,845	\$ 29,851,792	\$ 22,819,541	\$ 18,699,983	\$ 54,776,386	\$ 48,551,775

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

Long-term Debt: As of June 30, 2007, Moore County had total bonded debt outstanding of \$29,036,500 all of which is debt backed by the full faith and credit of the County.

Moore County's Outstanding Debt

Figure 5

	Governmental Activities		Business-type Activities		Total	
	2007	2006	2007	2006	2007	2006
General obligation bonds	\$ 27,300,000	\$ 29,400,000	\$ 1,736,500	\$ 1,757,500	\$ 29,036,500	\$ 31,157,500
Certificates of participation	1,215,000	1,580,000	-	-	1,215,000	1,580,000
Notes payable	9,221,277	11,109,765	3,839,075	4,454,830	13,060,352	15,564,595
Accrued vacation benefits	1,404,374	1,363,163	102,901	105,025	1,507,275	1,468,188
Net pension obligation	615,519	535,660	-	-	615,519	535,660
	<u>\$ 39,756,170</u>	<u>\$ 43,988,588</u>	<u>\$ 5,678,476</u>	<u>\$ 6,317,355</u>	<u>\$ 45,434,646</u>	<u>\$ 50,305,943</u>

Moore County's total debt decreased by \$4,871,297 (9.7%) during the fiscal year, primarily due to the planned retirement of general obligation bonds and notes payable.

As mentioned in the financial highlights section of this document, Moore County maintains its A1 bond ratings from Moody's Investor Service and A+ rating from Standard and Poor's Corporation. This bond rating is an indication of the sound financial condition of Moore County. Moore County's bond ratings are a primary factor in keeping interest costs low on the County's outstanding debt.

The State of North Carolina limits the amount of general obligation debt that a unit of government can issue to 8% of the total assessed value of taxable property located within that government's boundaries. The legal debt margin for Moore County is \$612,867,033. The East Moore Water District has authorized but unissued bonds of \$14,203,000. The North West Moore Water District has authorized, but unissued bonds of \$16,000,000.

Additional information regarding Moore County's long-term debt can be found in note 12 on pages 46-50 of this report.

Economic Factors and Next Year's Budgets and Rates

Moore County's economy remains strongly rooted in healthcare, tourism, retirement and agriculture.

Moore County's standard of living continues to be one of the highest in North Carolina on average. However, there remain large variances countywide. The per capita income for 2005 was \$35,575. Property values have increased overall due to market demand.

The services sector continues to provide more new jobs while traditional manufacturing, such as textiles, continue to decline. As of July 2007, our unemployment rate was 5.1%.

Overall we maintain a positive outlook regarding Moore County's economic condition and a commitment to work hard to improve it.

Budget Highlights for the Fiscal Ending June 30, 2008

Governmental Activities: The budget for fiscal year 2007-2008 represents the continued step toward fundamental change as the County moves from an entitlement mentality toward a performance/outcome-based budget system. The budget maintains the County's priorities of education, public safety, and human services, but takes a step toward a dynamic, systematic approach to solving community issues both today and tomorrow.

One of the primary objectives of the 2008 budget is to maintain its low valorem tax rate. This year was a revaluation year and the tax rate was reduced to 44.5 cents/\$100 and 3.0 cents/\$100 for the Emergency Medical Service Fund.

Issues to be addressed during the 2008 fiscal year include implementation of the County's facility plan beginning with designing the Government Center and the Public Safety Complex and the technology needs for Tax and Financial software.

Business-type Activities: Water and sewer rates did not increase in fiscal year FY2008. Construction of East Moore Water District Phase II will begin during the fiscal year.

Requests for Information

This report is designed to provide an overview of the Moore 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 Financial Services, Moore County, Post Office Box 905, 206 South Ray Street, Carthage, North Carolina, 28327.

COUNTY OF MOORE, NORTH CAROLINA

Statement of Net Assets

June 30, 2007

				Component Units		
	Governmental Activities	Business Type Activities	Total Primary Government	Convention and Visitors Bureau	Moore County ABC Board	Moore County Airport Authority
Assets						
Cash	\$ 13,661,967	\$ 103,676	\$ 13,765,643	\$ 249,331	\$ 829,109	\$ 452,848
Investments	12,676,403	7,135,294	19,811,697	-	-	87,459
Receivables:						
Property taxes (net of allowances for uncollectible taxes of \$173,000)	856,788	-	856,788	-	-	-
Interest	56,660	-	56,660	-	-	-
Accounts receivable, (net)	225,779	1,636,854	1,862,633	185,306	369	531,514
Due from other agencies and governments	6,849,075	2,652	6,851,727	-	-	-
Internal balances	40,000	(40,000)	-	-	-	-
Inventories	60,017	508,852	568,869	-	581,273	128,016
Prepaid expenses	-	-	-	-	41,330	-
Deferred charges	80,507	-	80,507	-	-	-
Restricted cash and investments	2,112,109	-	2,112,109	-	-	-
Capital assets, Depreciable, net of depreciation	18,255,185	18,966,505	37,221,690	299	615,605	189,747
Capital assets- Non-depreciable	13,701,660	3,853,036	17,554,696	-	108,051	142,052
Total assets	68,576,150	32,166,869	100,743,019	434,936	2,175,737	1,531,636
Liabilities						
Accounts payable and accrued liabilities	2,760,427	1,097,362	3,857,789	44,149	707,726	78,340
Accrued interest	212,467	20,425	232,892	-	-	-
Unearned revenues:						
Advance payments of taxes and licenses	269,972	-	269,972	-	-	-
Unearned rent	-	-	-	-	-	20,235
Payable from restricted assets	398,105	-	398,105	-	-	-
Long-term liabilities:						
Due within one year	5,219,743	668,929	5,888,672	-	-	-
Due in more than one year	34,536,427	5,009,547	39,545,974	27,150	-	45,318
Total liabilities	43,397,141	6,796,263	50,193,404	71,299	707,726	143,893
Net assets						
Invested in capital assets, net of related debt	28,359,004	17,243,966	45,602,970	299	723,656	331,799
Restricted for:						
Public safety	657,918	-	657,918	-	-	-
Other purposes	-	-	-	-	239,539	-
Unrestricted (deficit)	(3,837,913)	8,126,640	4,288,727	363,338	504,816	1,055,944
Total net assets	\$ 25,179,009	\$ 25,370,606	\$ 50,549,615	\$ 363,637	\$ 1,468,011	\$ 1,387,743

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

COUNTY OF MOORE, NORTH CAROLINA

**Statement of Activities
For the Fiscal Year Ended June 30, 2007**

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Assets					
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Component Units		
					Governmental Activities	Business-type Activities	Total	Convention and Visitors Bureau	Moore County ABC Board	Moore County Airport Authority
Primary government:										
Governmental activities:										
General government	\$ 6,445,463	\$ 3,004,097	\$ 140,480	\$ -	\$ (3,300,886)	\$ -	\$ (3,300,886)	\$ -	\$ -	\$ -
Public safety	15,237,755	3,696,800	760,698	-	(10,780,257)	-	(10,780,257)	-	-	-
Environmental protection and community development	3,645,711	2,072,214	12,407	989,880	(571,210)	-	(571,210)	-	-	-
Human services	22,011,600	619,689	10,590,163	55,628	(10,746,120)	-	(10,746,120)	-	-	-
Cultural and recreational	1,133,636	198,023	92,422	-	(843,191)	-	(843,191)	-	-	-
Education	27,414,347	-	228,590	-	(27,185,757)	-	(27,185,757)	-	-	-
Grants-other	1,568,351	-	-	-	(1,568,351)	-	(1,568,351)	-	-	-
Debt service - interest	1,800,218	-	-	-	(1,800,218)	-	(1,800,218)	-	-	-
Total governmental activities	79,257,081	9,590,823	11,824,760	1,045,508	(56,795,990)	-	(56,795,990)	-	-	-
Business-type activities:										
Wastewater treatment	2,393,466	2,287,134	-	287,764	-	181,432	181,432	-	-	-
Public utilities	6,570,420	7,401,285	-	649,000	-	1,479,865	1,479,865	-	-	-
East Moore water district	422,642	351,512	-	-	-	(71,130)	(71,130)	-	-	-
Total business-type activities	9,386,528	10,039,931	-	936,764	-	1,590,167	1,590,167	-	-	-
Total primary government	\$ 88,643,609	\$ 19,630,754	\$ 11,824,760	\$ 1,982,272	(56,795,990)	1,590,167	(55,205,823)	-	-	-
Component units:										
Convention and Visitors Bureau	\$ 1,457,695	\$ 234,851	\$ -	\$ -	-	-	-	(1,222,844)	-	-
Moore County ABC Board	5,872,834	6,035,666	-	-	-	-	-	-	162,832	-
Moore County Airport Authority	3,930,388	3,368,836	595,937	-	-	-	-	-	-	34,385
Total component units	\$ 11,260,917	\$ 9,639,353	\$ 595,937	\$ -	-	-	-	(1,222,844)	162,832	34,385
General revenues:										
Property taxes					41,692,820	-	41,692,820	-	-	-
Sales taxes					18,348,882	-	18,348,882	-	-	-
Net room occupancy taxes					-	-	-	1,396,737	-	-
Other taxes and licenses					517,594	-	517,594	-	-	-
Unrestricted intergovernmental revenues					318,332	-	318,332	-	-	-
Donations					116,310	-	116,310	-	-	-
Sales tax refunds					24,486	2,652	27,138	-	-	-
Investment income					2,027,191	403,762	2,430,953	-	28,858	10,287
Other revenues					131,171	-	131,171	-	3,801	317,678
Payments from component units					412,187	-	412,187	-	-	-
Gain on sale of capital assets					67,973	-	67,973	-	-	-
Total general revenues					63,656,946	406,414	64,063,360	1,396,737	32,659	327,965
Change in net assets					6,860,956	1,996,581	8,857,537	173,893	195,491	362,350
Net assets - beginning					18,318,053	23,374,025	41,692,078	189,744	1,272,520	1,025,393
Net assets - ending					\$ 25,179,009	\$ 25,370,606	\$ 50,549,615	\$ 363,637	\$ 1,468,011	\$ 1,387,743

COUNTY OF MOORE, NORTH CAROLINA

Balance Sheet Governmental Funds June 30, 2007

	General	Nonmajor Governmental Funds	Total Governmental Funds
Assets			
Cash	\$ 7,373,230	\$ 3,734,492	\$ 11,107,722
Investments	12,676,403	-	12,676,403
Receivables:			
Property taxes (net of allowance for uncollectible taxes of \$173,000 at June 30, 2007)	693,264	61,472	754,736
Interest	56,660	-	56,660
Accounts receivable	-	214,176	214,176
Due from other governments and agencies	6,636,921	212,154	6,849,075
Due from other funds	163,000	-	163,000
Inventories	3,569	-	3,569
Restricted cash and investments	461,658	1,650,451	2,112,109
Total assets	<u>\$ 28,064,705</u>	<u>\$ 5,872,745</u>	<u>\$ 33,937,450</u>
Liabilities and fund balances			
Liabilities:			
Accounts payable and accrued liabilities	\$ 1,561,102	\$ 401,387	\$ 1,962,489
Deferred revenues:			
Advance payments of taxes and licenses	252,647	17,325	269,972
Uncollected property taxes	693,264	61,472	754,736
Due to general fund	-	2,000	2,000
Accounts payable from restricted assets	-	398,105	398,105
Total liabilities	<u>2,507,013</u>	<u>880,289</u>	<u>3,387,302</u>
Fund balances:			
Reserved for:			
State statute	6,856,581	426,330	7,282,911
Wireless 911 expenditures	-	657,918	657,918
Financing agreement compliance	461,658	1,252,346	1,714,004
Inventories	3,569	-	3,569
Unreserved, designated for:			
General Fund - Subsequent year's expenditures	238,947	-	238,947
Special Revenue Funds - Subsequent year's	-	305,635	305,635
Unreserved, reported in:			
General fund	17,996,937	-	17,996,937
Special revenue funds	-	2,274,925	2,274,925
Capital project funds	-	75,302	75,302
Total fund balances	<u>25,557,692</u>	<u>4,992,456</u>	<u>30,550,148</u>
Total liabilities and fund balances	<u>\$ 28,064,705</u>	<u>\$ 5,872,745</u>	<u>\$ 33,937,450</u>

COUNTY OF MOORE, NORTH CAROLINA
Reconciliation of the Balance Sheet of Governmental Funds to the
Statement of Net Assets
June 30, 2007

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

Ending fund balance - governmental funds	\$ 30,550,148
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	28,326,599
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	937,296
Internal service funds are used by management to charge the costs of property management, management information services and risk management costs to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.	5,244,398
Accrued interest payable on long-term debt is not a current expenditure and therefore is not reflected in the funds.	(212,467)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	<u>(39,666,965)</u>
Net assets of governmental activities	<u><u>\$ 25,179,009</u></u>

COUNTY OF MOORE, NORTH CAROLINA

**Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2007**

	General	Nonmajor Governmental Funds	Total Governmental Funds
Revenues			
Property taxes	\$ 38,301,252	\$ 3,371,460	\$ 41,672,712
Sales taxes	18,348,882	-	18,348,882
Other taxes and licenses	83,701	433,893	517,594
Unrestricted intergovernmental revenues	318,332	-	318,332
Restricted intergovernmental revenues	11,677,572	1,577,851	13,255,423
Charges for services	5,270,180	3,962,475	9,232,655
Investment income	1,916,809	110,382	2,027,191
Sales tax refunds	-	24,486	24,486
Other revenues	-	94,882	94,882
Donations	87,210	29,100	116,310
Payments from component units	412,187	-	412,187
Total revenues	<u>76,416,125</u>	<u>9,604,529</u>	<u>86,020,654</u>
Expenditures			
Current:			
General government	5,796,465	-	5,796,465
Public safety	9,854,855	4,050,152	13,905,007
Environmental protection and community development	3,534,668	-	3,534,668
Human services	20,384,852	880,380	21,265,232
Cultural and recreational	1,101,870	-	1,101,870
Education	25,867,807	-	25,867,807
Grants - other	1,568,351	-	1,568,351
Capital outlay	550,455	4,750,499	5,300,954
Debt service:			
Principal	4,353,486	-	4,353,486
Interest	1,830,300	-	1,830,300
Total expenditures	<u>74,843,109</u>	<u>9,681,031</u>	<u>84,524,140</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,573,016</u>	<u>(76,502)</u>	<u>1,496,514</u>
Other financing sources (uses)			
Transfers from other funds	-	191,988	191,988
Transfers to other funds	(191,988)	-	(191,988)
Proceeds from sale of capital assets	-	19,284	19,284
Total other financing sources (uses)	<u>(191,988)</u>	<u>211,272</u>	<u>19,284</u>
Net change in fund balances	1,381,028	134,770	1,515,798
Fund balance - beginning	<u>24,176,664</u>	<u>4,857,686</u>	<u>29,034,350</u>
Fund balance - ending	<u>\$ 25,557,692</u>	<u>\$ 4,992,456</u>	<u>\$ 30,550,148</u>

COUNTY OF MOORE, NORTH CAROLINA
Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of Governmental Funds to the
Statement of Activities
For the Fiscal Year Ended June 30, 2007

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

Net change in fund balances - total governmental funds	\$	1,515,798
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Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay expense exceeds depreciation expense.		1,747,341
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Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		(6,879)
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Accrued interest payable on long-term debt is not a current expenditure and therefore is not reflected in the funds.		30,082
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The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.		4,225,491
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Internal service funds are used by management to charge the costs of property management, management information services and risk management costs to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.		(650,877)
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Change in net assets of governmental activities	\$	6,860,956
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COUNTY OF MOORE, NORTH CAROLINA

**Statement of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - General Fund
For the Fiscal Year Ended June 30, 2007**

	Original Budget	Final Budget	Actual	Variance With Final Positive Negative
REVENUES				
Property taxes	\$ 37,281,150	\$ 37,281,150	\$ 38,301,252	\$ 1,020,102
Sales taxes	14,798,056	14,798,056	18,348,882	3,550,826
Other taxes and licenses	130,000	130,000	83,701	(46,299)
Unrestricted intergovernmental revenues	267,000	267,000	318,332	51,332
Restricted intergovernmental revenues	10,962,925	12,250,107	11,677,572	(572,535)
Investment income	550,500	550,500	1,916,809	1,366,309
Charges for services	3,944,571	4,216,987	5,270,180	1,053,193
Donations	39,851	87,784	87,210	(574)
Payments from component units	364,500	374,500	412,187	37,687
Total revenues	<u>68,338,553</u>	<u>69,956,084</u>	<u>76,416,125</u>	<u>6,460,041</u>
EXPENDITURES				
Current:				
General government	6,000,987	6,508,025	5,796,465	711,560
Public safety	10,056,350	10,379,607	9,854,855	524,752
Environmental protection and community development	3,405,417	3,577,333	3,534,668	42,665
Human services	21,111,099	21,900,354	20,384,852	1,515,502
Cultural and recreational	1,116,821	1,121,254	1,101,870	19,384
Education	25,868,414	25,868,414	25,867,807	607
Grants - other	1,319,141	1,649,854	1,568,351	81,503
Capital outlay	269,140	970,551	550,455	420,096
Debt service:				
Principal	4,368,033	4,368,035	4,353,486	14,549
Interest	1,837,612	1,837,612	1,830,300	7,312
Total expenditures	<u>75,353,014</u>	<u>78,181,039</u>	<u>74,843,109</u>	<u>3,337,930</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(7,014,461)</u>	<u>(8,224,955)</u>	<u>1,573,016</u>	<u>9,797,971</u>
OTHER FINANCING SOURCES (USES)				
Transfers to other funds	(178,000)	(191,988)	(191,988)	-
Fund balance appropriated	7,192,461	8,416,943	-	(8,416,943)
Total other financing sources (uses)	<u>7,014,461</u>	<u>8,224,955</u>	<u>(191,988)</u>	<u>(8,416,943)</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>1,381,028</u>	<u>\$ 1,381,028</u>
FUND BALANCE - BEGINNING			<u>24,176,664</u>	
FUND BALANCE - ENDING			<u>\$ 25,557,692</u>	

MOORE COUNTY, NORTH CAROLINA

**Statement of Net Assets
Proprietary Funds
June 30, 2007**

	Enterprise Funds				Internal Service Funds
	Wastewater Treatment Fund	Public Utilities Fund	East Moore Water District Fund	Total	
Assets					
Current assets					
Cash	\$ 4,450	\$ 97,879	\$ 1,347	\$ 103,676	\$ 2,554,245
Investments	1,962,082	5,173,212	-	7,135,294	-
Accounts receivable	648,280	899,462	89,112	1,636,854	11,603
Due from other governments and agencies	435	2,217	-	2,652	-
Inventories	210,022	264,059	34,771	508,852	56,448
Total current assets	<u>2,825,269</u>	<u>6,436,829</u>	<u>125,230</u>	<u>9,387,328</u>	<u>2,622,296</u>
Noncurrent assets					
Capital assets					
Land and construction in progress	2,599,794	905,201	348,041	3,853,036	-
Other capital assets, net of depreciation	4,144,388	11,908,460	2,913,657	18,966,505	3,630,246
Total noncurrent assets	<u>6,744,182</u>	<u>12,813,661</u>	<u>3,261,698</u>	<u>22,819,541</u>	<u>3,630,246</u>
Total assets	<u>9,569,451</u>	<u>19,250,490</u>	<u>3,386,928</u>	<u>32,206,869</u>	<u>6,252,542</u>
Liabilities					
Current liabilities					
Accounts payable and accrued liabilities	287,484	732,345	77,533	1,097,362	343,406
Accrued interest	-	14,216	6,209	20,425	-
Insurance claims payable	-	-	-	-	454,533
Due to general fund	30,000	-	10,000	40,000	121,000
Current maturities of long-term debt	16,500	630,429	22,000	668,929	-
Total current liabilities	<u>333,984</u>	<u>1,376,990</u>	<u>115,742</u>	<u>1,826,716</u>	<u>918,939</u>
Noncurrent liabilities					
Notes payable	-	3,242,146	-	3,242,146	-
Bonds payable	-	-	1,714,500	1,714,500	-
Accrued vacation benefits	17,291	35,610	-	52,901	89,205
Total noncurrent liabilities	<u>17,291</u>	<u>3,277,756</u>	<u>1,714,500</u>	<u>5,009,547</u>	<u>89,205</u>
Total liabilities	<u>351,275</u>	<u>4,654,746</u>	<u>1,830,242</u>	<u>6,836,263</u>	<u>1,008,144</u>
Net assets					
Invested in capital assets, net of related debt	6,744,182	8,974,586	1,525,198	17,243,966	3,630,246
Unrestricted net assets	2,473,994	5,621,158	31,488	8,126,640	1,614,152
Total net assets	<u>\$ 9,218,176</u>	<u>\$ 14,595,744</u>	<u>\$ 1,556,686</u>	<u>\$ 25,370,606</u>	<u>\$ 5,244,398</u>

MOORE COUNTY, NORTH CAROLINA
Statement of Revenues, Expenses, and Changes in Fund Net Assets
Proprietary Funds
For the Fiscal Year Ended June 30, 2007

	Enterprise Funds			
	Wastewater Treatment Fund	Public Utilities Fund	East Moore Water District Fund	Internal Service Funds
Operating revenues			Total	
Charges for services	\$ 2,287,134	\$ 7,401,285	\$ 351,512	\$ 10,039,931
Total operating revenues	2,287,134	7,401,285	351,512	10,565,301
Operating expenses				
Salaries and fringe benefits	864,895	1,833,197	-	2,698,092
Operational expenses	715,515	3,269,877	192,518	4,177,910
Professional services	77,830	1,118	47,000	125,948
Repairs and maintenance	118,017	488,008	-	606,025
Depreciation	617,209	789,632	104,112	1,510,953
Administrative costs	-	-	-	-
Hospitalization benefits and insurance premiums	-	-	-	-
Wellness Clinic	-	-	-	-
Total operating expenses	2,393,466	6,381,832	343,630	9,118,928
Operating income (loss)	(106,332)	1,019,453	7,882	921,003
Nonoperating revenue (expense)				
Investment income	135,109	268,653	-	403,762
Sales tax refund	435	2,217	-	2,652
Gain on disposal of capital assets	-	-	-	-
Interest	-	(188,588)	(79,012)	(267,600)
Other nonoperating revenue	-	-	-	-
Total nonoperating revenue (expense)	135,544	82,282	(79,012)	138,814
Income (loss) before contributions and transfers	29,212	1,101,735	(71,130)	1,059,817
Capital contributions	287,764	649,000	-	936,764
Change in net assets	316,976	1,750,735	(71,130)	1,996,581
Total net assets - beginning	8,901,200	12,845,009	1,627,816	23,374,025
Total net assets - ending	\$ 9,218,176	\$ 14,595,744	\$ 1,556,686	\$ 25,370,606

MOORE COUNTY, NORTH CAROLINA
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2007

	Enterprise Funds				Internal Service Funds
	Wastewater Treatment Fund	Public Utilities Fund	East Moore Fund	Total	
Cash flows from operating activities					
Cash received from customers	\$ 1,962,900	\$ 7,244,866	\$ 343,941	\$ 9,551,707	\$ 10,594,306
Cash paid for goods and services	(776,048)	(3,428,318)	(175,708)	(4,380,074)	(9,115,952)
Cash paid to employees for services	(865,153)	(1,834,884)	-	(2,700,037)	(1,412,350)
Net cash provided by operating activities	321,699	1,981,664	168,233	2,471,596	66,004
Cash flows from (to) noncapital financing					
Sales tax refund	435	2,217	-	2,652	-
Other nonoperating revenue	-	-	-	-	36,289
Due to General Fund	-	-	(25,000)	(25,000)	-
Due from general fund	30,000	10,000	10,000	40,000	121,000
Net cash provided (used) by noncapital financing	30,435	2,217	(15,000)	17,652	157,289
Cash flows from capital and related financing activities					
Capital contributions	287,764	649,000	-	936,764	-
Proceeds from disposal of capital assets	-	-	-	-	59,787
Principal payments on long-term debt	-	(615,755)	(21,000)	(636,755)	-
Interest paid	-	(190,359)	(79,087)	(269,446)	-
Purchase of capital assets	(2,334,986)	(3,239,280)	(56,243)	(5,630,509)	(1,071,614)
Net cash used by capital and related financing activities	(2,047,222)	(3,396,394)	(156,330)	(5,599,946)	(1,011,827)
Cash flows from investing activities					
Investment income	135,109	268,653	-	403,762	-
Net cash provided by investing activities	135,109	268,653	-	403,762	-
Net increase (decrease) in cash and cash equivalents/investments	(1,559,979)	(1,143,860)	(3,097)	(2,706,936)	(788,534)
Cash and cash equivalents/investments					
Beginning of year	3,526,511	6,414,951	4,444	9,945,906	3,342,779
End of year	\$ 1,966,532	\$ 5,271,091	\$ 1,347	\$ 7,238,970	\$ 2,554,245
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities					
Operating income (loss)	\$ (106,332)	\$ 1,019,453	\$ 7,882	\$ 921,003	\$ (746,953)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation	617,209	789,632	104,112	1,510,953	713,901
Change in assets and liabilities					
(Increase) decrease in receivables	(324,234)	(160,669)	(9,216)	(494,119)	29,005
(Increase) decrease in inventories	(6,941)	(27,096)	6,299	(27,738)	(10,113)
Increase (decrease) in accounts payable	143,173	357,042	57,511	557,726	69,830
Increase (decrease) in accrued vacation payable	(1,176)	(948)	-	(2,124)	10,334
Increase (decrease) in customer deposit	-	4,250	1,645	5,895	-
Total adjustments	428,031	962,211	160,351	1,550,593	812,957
Net cash provided by operating activities	\$ 321,699	\$ 1,981,664	\$ 168,233	\$ 2,471,596	\$ 66,004

COUNTY OF MOORE, NORTH CAROLINA

**Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2007**

	Agency Funds
Assets	
Cash	\$ 569,701
Property taxes (net of allowance for uncollectible taxes of \$78,000)	309,192
Due from other agencies and governments	1,825
Total assets	<u>\$ 880,718</u>
Liabilities	
Miscellaneous liabilities	\$ 179,301
Intergovernmental payable - Towns	698,599
Intergovernmental payable - State of North Carolina	2,818
Total liabilities	<u>\$ 880,718</u>

County of Moore, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended
June 30, 2007

Note 1.

Summary of Significant Accounting Policies

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

A. Reporting Entity

The County, which is governed by a 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. One Component Unit of the County has no financial transactions or account balances; therefore, it does not appear in the financial statements. The blended Component Units, although they are legally separate entities, are, in substance, part of the County's operations. The three discretely presented component units below 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.

Discretely Presented Component Units:

Component Units – Governmental Fund Types

Convention and Visitors CVB

The Convention and Visitors Bureau (CVB) is a public authority with the purpose of promoting the development of travel, tourism and conventions in the County, through state, national and international advertising and promotion. This special revenue fund type is funded by a local occupancy tax. The CVB is directed by a nine-member Board of Directors appointed by the County Commissioners. The CVB does not issue separate financial statements.

Moore County Industrial Facility and Pollution Control Financing Authority

Moore County Industrial Facility and Pollution Control Financing Authority (Authority) exists to issue and serve 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 member of the Board with or without cause. The Authority has no financial transactions or account balances; therefore, it is not presented in the government-wide financial Statements. The Authority does not issue separate Financial Statements.

The Component Units – Governmental Fund types are accounted for by the County. All accounting and other administrative functions are administered by the County. These Units are audited in conjunction with the County.

Component Units – Proprietary Fund Types

Moore County ABC Board

The members of the Moore County ABC Board (ABC Board) are appointed by the County Commissioners. The ABC Board is required by state statute to distribute its surpluses to the County and the various municipalities within the County.

Moore County Airport Authority

Moore County Airport Authority (Airport Authority) was established by the North Carolina General Assembly. The five members of the Airport Authority are appointed by the County Commissioners. The Airport Authority operates a facility owned by the County.

Complete Financial Statements for the ABC Board and the Airport Authority may be obtained at their respective administrative offices listed below.

Moore County ABC Board
273 N. E. Broad Street
Southern Pines, NC 28387

Moore County Airport Authority
1761 Highway 22
Southern Pines, NC 28387

Blended Component Units:

Component Units – Proprietary Fund Types

East Moore Water District

On December 18, 2000 the Moore County Board of Commissioners, by resolution, formed the East Moore Water District (EMWD) to provide municipal water services for a specified district in eastern Moore County. The Board of County Commissioners serves as the EMWD board of directors. The district does not issue separate financial statements.

North West Moore Water District

On July 21, 2003 the Moore County Board of Commissioners, by resolution, formed the North West Moore Water District (NWMWD) to provide municipal water services for specified districts in the northern and western areas of Moore County. The Board of County Commissioners serves as the NWMWD Board of Directors. On May 25, 2004, \$16,000,000 bonds were authorized, no bonds were issued as of June 30, 2007. The district does not issue separate financial statements nor did the district have any transactions for the year ended June 30, 2007.

B. Basis of Presentation – Fund Accounting

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. Interfund services provided and used are not eliminated in the process of consolidation. These statements distinguish between the *governmental* and *business-type activities* of the County. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

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

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

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

The County reports the following major governmental funds:

General Fund – The General Fund is the general operating fund of the County. It is used to account for all financial resources except those required to be accounted for in another fund. The primary revenue sources are ad valorem taxes, sales taxes, Federal and State grants, and various other taxes and licenses. The primary expenditures are for public safety, planning, human services, cultural and recreational projects, education, and general government services.

The County reports the following non-major governmental funds:

Emergency Medical Services Fund – Accounts for emergency medical services development and operation costs funded by the advanced life support tax.

Emergency Telephone Services Fund – Accounts for the revenues and expenditures related to the County's emergency 911 telephone system.

Airport Project – Accounts for the costs to rehabilitate and expand the Moore County Airport.

Community Development Block Grant (CDBG) Project – Accounts for grant proceeds and local matching funds used for water and sewer capital improvements.

Moore County Transportation Services Fund (MCTS) – Accounts to provide transportation services for citizens and clients of county agencies funded by user fees, as well as federal and state grants.

Hillcrest Park Project – Accounts for the resources and costs associated with the construction and equipping of a centrally located park for the County.

School/College Bond Project – Accounts for the acquisition, construction and rehabilitation of facilities for Moore County Public Schools and Sandhills Community College.

Senior Center Project – Accounts for the resources and costs associated with the construction of a Senior Center.

Social Services Facility Project – Accounts for resources and costs associated with the purchase and renovation of a Social Services facility.

County Buildings Project – Accounts for resources and costs associated with the purchase and construction of a new Governmental Center and Public Safety Complex.

The County reports all of its enterprise funds as major:

Wastewater Treatment Fund – Accounts for the operation of the Moore County Water Pollution and Control Plant.

Public Utilities Fund – Accounts for the operation of the County's water distribution and sewer collection system.

East Moore Water District Fund - Accounts for the construction and operations of the East Moore Water District.

The County reports the following fund types:

Internal Service Funds – Internal Service Funds are used to account for operations that provide services to other departments or agencies for the government, on a cost-reimbursement basis. The County has three Internal Service Funds: the Management Information Systems Fund, the Risk Management Fund and the Property Management Fund.

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 four Agency Funds: the Social Services/Sheriff Account Fund, which accounts for monies

deposited with the Department of Social Services for the benefit of certain individuals and an account for monies held for individuals involved in civil court cases; the Special Tax Districts Fund, which accounts for the collection and disbursement for special taxing districts and municipalities for which the County acts as agent (taxes for registered motor vehicles are also accounted for in this fund) and the three percent interest on the first of month of delinquent motor vehicle taxes that the County is required to remit to the North Carolina of Motor Vehicles; the Cooperative Extension Agency Fund, which accounts for monies held on behalf of the Cooperative Extension Agency Fund; and, the Soil and Water Conservation District Fund, which accounts for monies held for the district.

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, except agency funds which do not have a measurement focus. The government-wide and proprietary fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the County gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

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

Proprietary funds distinguish operating revenues and expenses from 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. The County also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the water and sewer system. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Governmental Fund Financial Statements. Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

The County considers all revenues available if they are collected within 90 days after year-end, except for property taxes. Ad valorem property taxes are not accrued as a revenue because the amount is not susceptible to accrual. At June 30, taxes receivable are materially past due and are not considered to be an available resource to finance the operations of the current year. Also, as of January 1, 1993, State law altered the procedures for the assessment and collection of property taxes on registered motor vehicles in North Carolina. Effective with this change in the law, Moore 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 and for vehicles newly registered under the annual 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 2006 through February 2007 apply to the fiscal year ended June 30, 2007. Uncollected taxes that were billed during this period are shown as a receivable on these financial statements. In addition, as of January 1, 2006, State law implemented a staggered expiration date system for annually registered vehicles as part of the conversion into the staggered

registration. Originally, annually registration expired December 31st each year with taxes due by May 1st of the following year. To transition from the staggered into the annual registration, the initial 2007 registration renewals will vary from 7 to 18 months after December 31, 2006. Once these initial renewals have expired, all vehicles that were previously annually registered will be in the staggered system. The taxes for renewal vehicles registered annually that have already been collected as of year-end are also reflected as deferred revenues at June 30, 2007, because they are intended to finance the County's operations during the 2008 fiscal year.

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 pronouncement.

D. Budgetary Information

The County's budgets are adopted as required by the North Carolina General Statutes. An annual budget is adopted for the general, special revenue, enterprise, and internal service funds. All annual appropriations lapse at fiscal year-end. Project ordinances are adopted for the Capital Project Funds.

All budgets are prepared using the modified accrual basis of accounting. Expenditures may not legally exceed appropriations at the departmental level for the general, special revenue, enterprise and internal service funds, and the object level for the capital project funds. A function is a group of related activities aimed at accomplishing a major service, such as public safety; a department is a component of a function, such as sheriff and communications; an object is a component of a department, such as salaries. The County Manager is authorized by the budget ordinance to transfer amounts between objects of expenditures within a department without limitation and without a report being requested. The County Manager may also transfer appropriations within a fund up to \$50,000 and between funds up to \$50,000 with a monthly report on such transfers to the County Commissioners; however, any revisions that alter total expenditures of any fund or that change functional appropriations by more than \$50,000 must be approved by the County Commissioners. During the year several amendments to the original budget became necessary, the effects of which were not material.

A budget calendar is included in the North Carolina General Statutes that prescribes the last day on which certain steps of the budget procedures are to be performed. The following schedule lists the tasks to be performed and the date by which each is required to be completed:

April 30	Each department head will transmit to the budget officer the departmental budget requests and revenue estimates for the budget year.
June 1	The budget and the budget message shall be submitted to the County Commissioners. The public hearing on the budget should be scheduled at this time.
July 1	The budget ordinance shall be adopted by the County Commissioners.

E. Deposits and Investments

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

State law [G.S. 159-30c] authorizes the County and its Component Units 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 securities of the NCCMT cash portfolio, a SEC-Registered (2a-7) money market mutual fund, are valued at fair value, which is NCCMT's share price.

F. Cash and Cash Equivalents

The County, Airport, and CVB pool monies from several funds to facilitate disbursement and investment and maximize investment income. Therefore, all cash and investments are essentially demand deposits and are considered cash and cash equivalents. ABC Board considers demand deposits and investments purchased with an original maturity of three months or less, that are not limited as to use, to be cash and cash equivalents.

G. Restricted Assets

The unexpended proceeds of the Jail Construction Fund Certificates of Participation, issued by the County, are classified as restricted investments for the General Fund because their use is completely restricted to the purpose for which the obligation was originally issued. The funds which total \$461,658 are invested in repurchase agreements, (see note 3 B) for Jail debt reserve.

The unexpended proceeds of the School/College Bond Project general obligation bonds are classified as restricted cash for the Capital Project Fund because their use is completely restricted to the purpose for which the bonds were originally issued. The funds which total is \$1,577,476 are invested in the North Carolina Capital Management Trust.

There were also unexpended debt proceeds in the Capital Project Fund for the Social Services Facility project because the funds' use is restricted to the purpose for which the note was originally issued. The funds which total \$72,975 are invested in a Branch Banking and Trust checking account.

H. Ad Valorem Taxes Receivable and Deferred Revenues

In accordance with State law [G.S. 105-347 and 159-13(a)], the County levies ad valorem taxes, except for ad valorem taxes on certain vehicles, on July 1, the beginning of the fiscal year, and these taxes are due on September 1 (lien date); however, no interest or penalties are assessed until the following January 6. The taxes are based on the assessed values as of January 1, 2007. As allowed by State law, the County has established a schedule of discounts that apply to taxes that are paid prior to the due date. In the County's General Fund, ad valorem tax revenues are reported net of such discounts.

I. Allowances for Doubtful Accounts

The County and its Component Units provide credit, in the normal course of business to residents primarily located in Moore County, North Carolina. 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.

J. Inventory

The inventories of the County and its Component Units are valued at the lower of cost or market, using the first-in, first-out (FIFO) method except for inventory in the General Fund which is valued at cost using the average cost method.

The CVB had no inventory as of June 30, 2007.

The inventories of the County, the ABC Board and the Airport Authority consist of materials and supplies held for consumption or resale. In each case the cost is recorded as an expense when the inventory is consumed or sold.

K. Capital Assets

Minimum capitalization costs for the year ending June 30, 2007, were \$5,000 for all classes of assets. The County's purchased or constructed capital assets with an original cost of greater than \$5,000 are recorded at historical cost. Donated capital assets are listed at market value at the time of donation. General infrastructure assets acquired prior to July 1, 2002, consist of water and sewer system assets that were acquired or that received substantial improvements subsequent to July 1, 1980, and are reported at cost.

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

Capital assets of the County and CVB are depreciated over their useful lives on a straight-line basis as follows:

Buildings	10 – 50 years
Water and sewer systems	10 – 50 years
Furniture and equipment	3 – 5 years
Vehicles	5 years

Capital assets of the ABC Board are depreciated over their useful lives on a straight-line basis as follows:

Buildings	17 – 20 years
Furniture/equipment	3 – 7 years
Vehicles	3 – 5 years
Leasehold improvements	5 – 40 years

All assets acquired prior to July 1, 1994 including buildings, hangars, runways, and other capital assets used by the Airport Authority are owned by the County of Moore. Non-grant equipment and furnishings acquired after July 1, 1994 are recorded by the Airport Authority at original cost at the time of acquisition. The Airport Authority's equipment and furnishings are depreciated using the straight-line method over a five-year period and a fifteen-year period for building improvements.

L. Long-term Debt

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

M. Compensated Absences

The vacation policies of the County and its Component Units provide for the accumulation of up to thirty (30) days earned vacation leave with such leave being fully vested when earned. If a County employee has more than thirty (30) days vacation accumulated at December 31, the excess amount above thirty (30) days is converted into sick leave and added to the employee's sick leave accumulation. For the County's government-wide and proprietary funds, and the ABC Board, an expense and a liability for compensated absences and the salary-related payments are recorded as the leave is earned.

The sick leave policies of the County and its Component Units provide for an unlimited accumulation of earned sick leave. Sick leave does not vest, but any unused sick leave accumulated at the time of retirement may be used in the determination of length of service for retirement benefit purposes. Since

none of the entities has any obligation for accumulated sick leave until it is actually taken, no accrual for sick leave has been made by the County or its Component Units.

N. Net Assets/Fund Balances

Net Assets

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

Fund Balances

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

State law [G.S. 159-13(b)(16)] restricts the appropriation of fund balance to an amount not to exceed the sum of cash and investments minus the sum of liabilities, encumbrances, and deferred revenues arising from cash receipts as these 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, in addition to reserves for encumbrances and reserves for inventories, which is not available for appropriation under State law [G.S. 159-8(a)]. This amount is usually comprised of the accounts receivable and interfund receivables balances that are not offset by deferred revenues.

Reserved for wireless 911 expenditures – portion of fund balance available to pay for the acquisition and operation of wireless 911 services.

Reserved for financing agreement compliance – portion of fund balance available to pay principal and interest payments on certain financing agreements or assets that are otherwise restricted by financing agreements.

Reserved for inventories – portion of fund balance not available for appropriation because it represents the year-end fund balance of ending inventories, which are not expendable available resources.

Unreserved

Designated for subsequent year's expenditures – portion of total fund balance available for appropriation that has been designated for the adopted 2007-2008 budget ordinance.

Unreserved, undesignated – portion of total fund balance available for appropriation that is uncommitted at year-end.

O. Comparative Data/Reclassifications

Comparative total data for the prior year have 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.

P. Reconciliation of Government-wide and Fund Financial Statements

1. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net assets.

The governmental fund balance sheet includes a reconciliation between fund balance – total governmental funds and net assets – governmental activities as reported in the government-wide statements of net assets. The net adjustment of (\$5,371,139) consists of several elements as follows:

Capital assets used in governmental activities are not financial resources and are therefore not reported in the funds (total capital assets on government-wide statement in governmental activities column)	\$ 41,214,187
Less accumulated depreciation	<u>(12,887,588)</u>
Net capital assets	28,326,599
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds	
Deferred revenues – uncollected property taxes	754,736
Accrued interest for taxes receivable	102,053
Deferred charges – refinancing costs	97,768
Less amortization expense	<u>(17,261)</u>
Total	937,296
Internal service funds are used by management to charge the costs of property management, management information services and risk management costs to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.	
Net assets of the internal service funds	5,244,398
Accrued interest payable on long-term debt is not a current expenditure and therefore is not reflected in the funds	
Accrued interest payable	(212,467)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds	
Bonds	(27,300,000)
Certificates of participation	(1,215,000)
Notes payable	(9,221,277)
Compensated absences	(1,315,169)
LEO separation allowance	<u>(615,519)</u>
Total long-term liabilities	<u>(39,666,965)</u>
Total adjustment	<u>\$ (5,371,139)</u>

2. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balance and the government-wide statement of activities

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances – total governmental funds and changes in net assets of governmental activities as reported in the government-wide statement of activities. There are several elements of that total adjustment of \$5,345,158.

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay expense exceeds depreciation expense

Capital outlay	\$ 3,380,556
Depreciation expense	(1,622,117)
Deletions of capital assets	(428,139)
Accumulated depreciation on deletions of capital assets	<u>417,041</u>
Total	1,747,341

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds

Reverse prior year grant revenues received 90 ⁺ days after year end	(26,987)
Accrued interest receivable	6,716
Deferred tax revenue	<u>13,392</u>
Total	(6,879)

Accrued interest payable on long-term debt is not a current expenditure and therefore is not reflected in the funds

Accrued interest	30,082
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The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items

Bonds principal payments	2,100,000
Notes payable principal payments	2,253,488
Increase in LEO separation allowance	(79,859)
Increase in compensated absences	(30,877)
Amortization of debt issuance costs	<u>(17,261)</u>
Total	4,225,491

Internal service funds are used by management to charge the costs of property management, management information services and risk management costs to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets

Change in net assets for all internal service funds	<u>\$ (650,877)</u>
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Total adjustment	<u>\$ 5,345,158</u>
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Note 2.**Stewardship, Compliance, and Accountability****A. Deficit Fund Equity**

The Management Information System (MIS) internal service fund had a deficit in net assets of \$112,447 as of June 30, 2007. The deficit is due to projects paid by MIS for other departments that were not added to the respective departments IT Assessment that yields MIS' charges for services. The oversight was not realized until it was too late in the fiscal year to take corrective action. The government plans to assess the appropriate departments accordingly over the next two fiscal years.

B. Excess of Expenditures over Appropriations

For the year ended June 30, 2007 expenditures exceeded appropriations in the Register of Deeds, Cooperative Extension and Soil & Water Conservation departments of the general fund by \$9,379, 1,462 and \$170 respectively. These over-expenditures were funded by greater than anticipated revenues in the general fund. The East Moore Water District enterprise fund's expenditures exceeded appropriations by \$40,006. This over-expenditure was funded by available fund balance. The Risk Management internal service fund's expenditures exceeded appropriations by \$664,873. These over-expenditures were funded by greater than anticipated revenues, as well as available fund balance. All budgets will be analyzed more closely toward the end of the fiscal year to allow for unanticipated expenditures during the final month of the fiscal year.

Note 3.**Deposits and Investments****A. Deposits**

All of the County's and its Component Units' deposits are either insured or collateralized by using one of two methods. Under the Dedicated Method, all deposits exceeding the federal depository insurance coverage are collateralized with securities held by the County's and its Component Units' agents in these Units' names. 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 Treasurer is acting in a fiduciary capacity for the County and its Component Units, these deposits are considered to be held by their agents in the entities' names. The amount of the pledged collateral is based on an approved averaging method for non interest-bearing deposits and the actual current balance for interest-bearing deposits. Depositories using the Pooling Method report to the State Treasurer the adequacy of their pooled collateral covering uninsured deposits. The State Treasurer does not confirm this information with the County, its Component Units or with the Escrow Agent. Because of the inability to measure the exact amount of collateral pledged for the County or its Component Units under the Pooling Method, the potential exists for under-collateralization, and this risk may increase in periods of high cash flows. However, the State Treasurer enforces strict standards of financial stability for each depository that collateralizes public deposits under the Pooling Method. The County and its Component Units do not have policies regarding custodial credit risk for deposits.

DEPOSITS
June 30, 2007

	Petty Cash	Carrying Amount Including Fiduciary Funds	Bank Balance	Bank Balance Covered By Federal Depository Insurance	Interest Bearing Deposits Covered By Collateral Held Under Pooling Method
County of Moore	\$ 2,885	\$ 14,405,434	\$ 15,380,851	\$ 100,000	\$ 15,280,851
CVB	500	248,831	248,831	-	248,831
Moore County ABC Board	2,401	826,708	785,742	200,000	585,742
Airport Authority	700	452,148	452,148	-	452,148
Total	<u>\$ 6,486</u>	<u>\$ 15,933,121</u>	<u>\$ 16,867,572</u>	<u>\$ 300,000</u>	<u>\$ 16,567,572</u>

B. Investments

As of June 30, 2007, the County had the following investments and maturities.

Investment Type	Fair Value	Less Than 6 Months	6-12 Months	1-2 Years	2-5 Years
Repurchase Agreements	\$ 461,658	\$ -	\$ -	\$ -	\$ 461,658
US Government Securities	3,990,460	1,995,620	1,994,840	-	-
NC Capital Management Trust-Cash Portfolio	17,398,713	17,398,713	N/A	N/A	N/A
Total:	\$ 21,850,831	\$ 19,394,333	\$ 1,994,840	\$ -	\$ 461,658

Interest Rate Risk. As a means of limiting its exposure to fair value losses arising from rising interest rates, the County holds at least ninety percent the County's investment portfolio to maturities of less than 6 months. Also, the County invests in purchases of securities to be laddered with staggered maturity dates and limits all securities to a final maturity of no more than five years. The County does not have a formal investment policy.

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 managing credit risk. As of June 30, 2007, 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, 2007.

At June 30, 2007, CVB, the ABC Board and the Airport Authority had investments in the North Carolina Cash Management Trust of \$0, \$0 and \$87,459, respectively, which carried a credit rating of AAAm by Standard and Poor's. The Airport Authority has no policy on credit risk.

Note 4.**Receivables****A. Allowance for Doubtful Accounts**

For the County, the amounts shown for receivables in the Balance Sheet, are net of the following allowances for doubtful accounts:

<u>Funds</u>	<u>June 30, 2007</u>
General Fund, Property Taxes	\$ 173,000
Emergency Medical Service Fund, Property Taxes	16,000
Agency Fund, Property Taxes	<u>78,000</u>
Total	<u>\$ 267,000</u>

B. Use-Value Assessment on Certain Lands

In accordance with the General Statutes, agriculture, horticulture, and forest land may be taxed by the County at 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 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.

Use-Value Assessment on Certain Lands:

<u>Year Levied</u>	<u>Tax</u>	<u>Interest</u>	<u>Total</u>
2004	\$ 1,431,735	\$ 350,345	\$ 1,782,080
2005	1,445,643	223,616	1,669,259
2006	1,511,895	98,240	1,610,135
2007	<u>2,597,388</u>	<u>-</u>	<u>2,597,388</u>
Total	<u>\$ 6,986,661</u>	<u>\$ 672,201</u>	<u>\$ 7,658,862</u>

Note 5.

Deferred Charges

The amount showing as deferred charges on the Statement of Net Assets is the issuance costs of the debts refinanced in July 2004, less accumulated amortization as follows:

<u>Issuance Costs</u>	
1996 Middle School Debt	\$ 45,232
1997 Middle School Debt	54,646
2001 Carriage Oak Debt (Renovation)	18,400
2001 Carriage Oak Debt (Purchase)	9,112
2001 Animal Shelter Debt	<u>4,900</u>
	132,290
Less accumulated amortization	<u>(51,783)</u>
Total:	<u>\$ 80,507</u>

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Note 6.
Capital Assets

A. Changes in Governmental Capital Assets

Capital asset activity for the year ended June 30, 2007, was as follows:

	Balance July 1, 2006	Increases	Decreases	Transfers	Balance June 30, 2007
Governmental activities:					
Capital assets not being depreciated:					
Land	\$ 12,998,075	\$ 706,849	\$ (3,264)	\$ -	\$ 13,701,660
Total capital assets not being depreciated	12,998,075	706,849	(3,264)	-	13,701,660
Capital assets being depreciated:					
Buildings	30,490,514	1,483,486	(6,750)	-	31,967,250
Equipment	5,624,403	1,230,662	(1,073,991)	-	5,781,074
Vehicles	5,928,312	1,031,172	(615,980)	-	6,343,504
Total capital assets being depreciated	42,043,229	3,745,320	(1,696,721)	-	44,091,828
Less accumulated depreciation for:					
Buildings	(16,380,978)	(1,208,248)	196	-	(17,589,030)
Equipment	(4,936,011)	(458,999)	1,072,711	-	(4,322,299)
Vehicles	(3,872,523)	(668,771)	615,980	-	(3,925,314)
Total accumulated depreciation	(25,189,512)	\$ (2,336,018)	\$ 1,688,887	\$ -	(25,836,643)
Total capital assets being depreciated, net	16,853,717				18,255,185
Governmental activity capital assets, net	\$ 29,851,792				\$ 31,956,845

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

General government	\$ 481,282
Public safety	574,314
Environmental protection and community	
Development	107,893
Human services	457,091
Cultural and recreational	1,537
Capital assets held by certain internal service funds are charged to the various governmental functions based on the usage of the funds.	713,901
Total depreciation expense	\$ 2,336,018

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B. Changes in Business-type Capital Assets

	Balance July 1, 2006	Increases	Decreases	Transfers	Balance June 30, 2007
Business-type activities:					
<u>Wastewater Fund</u>					
Capital assets not being depreciated:					
Land	\$ 349,815	\$ -	\$ -	\$ -	\$ 349,815
Construction in progress	145,052	2,104,927	-	-	2,249,979
Total capital assets not being depreciated	494,867	2,104,927	-	-	2,599,794
Capital assets being depreciated:					
Wastewater treatment plant	9,369,283	106,338	-	-	9,475,621
Wastewater treatment lines	8,683,001	38,707	-	-	8,721,708
Equipment	659,256	85,015	-	11,630	755,901
Vehicle	49,980	-	-	(11,630)	38,350
Total capital assets being depreciated	18,761,520	230,060	-	-	18,991,580
Less accumulated depreciation for:					
Wastewater treatment plant	(9,327,875)	(13,194)	-	-	(9,341,069)
Wastewater treatment lines	(4,341,565)	(556,188)	-	-	(4,897,753)
Equipment	(532,135)	(40,161)	-	(11,630)	(583,926)
Vehicle	(28,408)	(7,666)	-	11,630	(24,444)
Total accumulated depreciation	(14,229,983)	\$ (617,209)	\$ -	\$ -	(14,847,192)
Total capital assets being depreciated, net	4,531,537				4,144,388
Wastewater fund capital assets, net	\$ 5,026,404				\$ 6,744,182

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	Balance July 1, 2006	Increases	Decreases	Transfers	Balance June 30, 2007
Business-type activities (continued):					
<u>Public Utilities Fund</u>					
Capital assets not being depreciated:					
Land	\$ 127,998	\$ -	\$ -	\$ -	\$ 127,998
Construction in progress	164,548	612,655	-	-	777,203
Total capital assets not being depreciated	292,546	612,655	-	-	905,201
Capital assets being depreciated:					
Buildings	917,009	-	-	-	917,009
Water and sewer system	14,468,055	2,457,458	(6,078)	-	16,919,435
Equipment	720,772	111,477	(11,993)	-	820,256
Vehicles	465,827	57,690	(64,150)	-	459,367
Total capital assets being depreciated	16,571,663	2,626,625	(82,221)	-	19,116,067
Less accumulated depreciation for:					
Buildings	(452,178)	(61,425)	-	-	(513,603)
Water and sewer system	(5,094,232)	(691,482)	6,078	-	(5,779,636)
Equipment	(492,342)	(32,311)	11,993	-	(512,660)
Vehicles	(461,444)	(4,414)	64,150	-	(401,708)
Total accumulated depreciation	(6,500,196)	\$ (789,632)	\$ 82,221	\$ -	(7,207,607)
Total capital assets being depreciated, net	10,071,467				11,908,460
Public Utilities fund capital assets, net	<u>\$ 10,364,013</u>				<u>\$ 12,813,661</u>
<u>East Moore Water District</u>					
Capital assets not being depreciated:					
Land	\$ 21,998	\$ -	\$ -	\$ -	\$ 21,998
CIP	269,800	56,243	-	-	326,043
Total capital assets not being depreciated	291,798	-	-	-	348,041
Capital assets being depreciated:					
Buildings/Utilities	3,313,723	-	-	-	3,313,723
Total capital assets being depreciated	3,313,723	-	-	-	3,313,723
Less accumulated depreciation for:					
Buildings/Utilities	(295,954)	(104,112)	-	-	(400,066)
Total accumulated depreciation	(295,954)	\$ (104,112)	\$ -	\$ -	(400,066)
Total capital assets being depreciated, net	3,017,769				2,913,657
East Moore Water District fund capital assets, net	<u>\$ 3,309,567</u>				<u>\$ 3,261,698</u>
Business-type activities capital assets, net	<u>\$ 18,699,984</u>				<u>\$ 22,819,541</u>

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C. Changes in Component Unit Capital Assets

	Balance July 1, 2006	Increases	Decreases	Balance June 30, 2007
Discretely presented component units:				
<u>Convention and Visitors Bureau Fund</u>				
Capital assets being depreciated:				
Furniture, fixtures and equipment	\$ 59,669	\$ -	\$ -	\$ 59,669
Total capital assets being depreciated	59,669	-	-	59,669
Less accumulated depreciation for:				
Furniture, fixtures and equipment	(58,349)	(1,021)	-	(59,370)
Total accumulated depreciation	(58,349)	\$ (1,021)	\$ -	(59,370)
Total capital assets being depreciated, net	1,320			299
Convention and Visitors Bureau Fund capital assets, net	<u>\$ 1,320</u>			<u>\$ 299</u>
<u>Airport Authority</u>				
Capital assets not being depreciated:				
Land	\$ 142,052	\$ -	\$ -	\$ 142,052
Total capital assets not being depreciated	142,052	-	-	142,052
Capital assets being depreciated:				
Buildings and improvements	86,780	70,278	-	157,058
Furniture, fixtures and equipment	172,135	-	-	172,135
Vehicles	45,969	-	-	45,969
Total capital assets being depreciated	304,884	70,278	-	375,162
Less accumulated depreciation for:				
Buildings and improvements	(32,742)	(7,688)	-	(40,430)
Furniture, fixtures and equipment	(81,407)	(30,693)	-	(112,100)
Vehicles	(27,152)	(5,733)	-	(32,885)
Total accumulated depreciation	(141,301)	\$ (44,114)	\$ -	(185,415)
Total capital assets being depreciated, net	163,583			189,747
Airport Authority capital assets, net	<u>\$ 305,635</u>			<u>\$ 331,799</u>
<u>ABC Board</u>				
Capital assets not being depreciated:				
Land	\$ 108,051	\$ -	\$ -	\$ 108,051
Total capital assets not being depreciated	108,051	-	-	108,051
Capital assets being depreciated:				
Buildings	728,514	-	-	728,514
Furniture, fixtures and equipment	176,579	2,354	-	178,933
Vehicles	37,791	8,914	-	46,705
Buildings and improvements	237,565	775	-	238,340
Total capital assets being depreciated	1,180,449	12,043	-	1,192,492
Less accumulated depreciation for:				
Buildings	(267,805)	(14,137)	-	(281,942)
Furniture, fixtures and equipment	(105,629)	(20,435)	-	(126,064)
Vehicles	(37,791)	10,987	-	(26,804)
Buildings and improvements	(121,850)	(20,227)	-	(142,077)
Total accumulated depreciation	(533,075)	\$ (43,812)	\$ -	(576,887)
Total capital assets being depreciated, net	647,374			615,605
ABC Board capital assets, net	<u>\$ 755,425</u>			<u>\$ 723,656</u>
Discretely presented component units capital assets, net	<u>\$ 1,062,380</u>			<u>\$ 1,055,754</u>

Note 7.**Pension Plan Obligations****A. Local Governmental Employees' Retirement System**

Plan Description. The County and all of its Component Units contribute 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.

Funding Policy. Plan members are required to contribute six percent of their annual covered salary. The County and all of its Component Units are required to contribute at an actuarially determined rate. The contribution made by the County and its Component Units equaled the required contributions for each year. The following table lists the current rates required for the County and its Component Units.

	Actuarially Determined <u>Rate 12/31/04</u>	Contributions <u>FY 2006-2007</u>	Contributions <u>FY 2005-2006</u>	Contributions <u>FY 2004-2005</u>
Moore County		\$ 1,057,726	\$ 947,395	\$ 900,775
Non Law	4.92			
Law Enf.	4.78			
CVB	4.92	15,764	14,640	15,087
ABC	4.97	18,128	20,685	25,030
Airport	5.04	26,523	23,138	19,688

The contribution requirements of plan members, including Moore County and its Component Units are established and may be amended by the North Carolina General Assembly.

B. Law Enforcement Officers' Special Separation Allowance**1. Plan Description**

Moore County and the ABC Board administer public employee retirement systems (the "Separation Allowance"), a single-employer defined benefit pension plan that provides retirement benefits to the County's and ABC Board's qualified sworn law enforcement officers. The Separation Allowance is equal to 0.85 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.

All full-time law enforcement officers are covered by the Separation Allowance. At December 31, 2006, the Separation Allowance's membership consisted of:

	<u>Moore County</u>	<u>ABC Board</u>
Retirees receiving benefits	4	1
Terminated plan members entitled to but not yet receiving benefits	-	-
Active plan members	<u>71</u>	<u>-</u>
Total	<u>75</u>	<u>1</u>

2. Summary of Significant Accounting Policies

Basis of Accounting. The County and the ABC Board have 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.

3. Contributions

The County and the ABC Board are required by Article 12D of G.S. Chapter 143 to provide these retirement benefits and have chosen to fund the benefit payments on a pay as you go basis through appropriations made in the General Fund. For the current year, the County and the ABC Board paid benefits of \$25,216 and \$8,409, respectively. There were no contributions made by employees. The County's and ABC Board's obligation to contribute to this plan is established and may be amended by the North Carolina General Assembly.

For Moore County, 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 of 4.5% to 12.3% per year. Both (a) and (b) included an inflation component of 3.75%. The unfunded actuarial accrued liability is being amortized as a level percentage of pay on a closed basis. The remaining amortization period at December 31, 2006 was 24 years.

The ABC Board evaluated the impact of having an actuarial study done for the plan. It was determined the liability would be immaterial and would not justify the cost of the study.

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:

Annual required contribution	\$ 98,296
Interest on net pension obligation	38,835
Adjustment to annual required contribution	<u>(32,056)</u>
Annual pension cost	105,075
Contributions made	<u>(25,216)</u>
Increase (decrease) in net pension obligation	79,859
Net pension obligation beginning of year	<u>535,660</u>
Net pension obligation end of year	<u>\$ 615,519</u>

Three Year Trend Information

<u>Fiscal Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation End of Year</u>
6/30/05	\$95,346	25.32%	\$463,284
6/30/06	\$98,892	26.81%	\$535,660
6/30/07	\$105,075	24.00%	\$615,519

C. Supplemental Retirement Income Plan for Law Enforcement Officers

Plan Description. The County and the ABC Board contribute 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 and the ABC Board. Article 5 of G.S. Chapter 135 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly.

Funding Policy. Article 12E of G.S. Chapter 143 requires the County and the ABC Board 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. The County's contributions for the year ending June 30, 2007 were \$246,469, which consisted of \$154,678 from the County and \$91,791 from the law enforcement officers. The ABC Board's contributions for the year ended June 30, 2007 were \$0.

D. Registers of Deeds' Supplemental Pension Fund

Plan Description. Moore County also contributes to the Registers of Deeds' Supplemental Pension Fund (Fund), a non-contributory, 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.

Funding Policy. On a monthly basis, the County remits to the Department of State Treasurer an amount equal to four and one-half percent (4.5%) of the monthly receipts collected pursuant to Article 1 of G.S. 161. Immediately following January 1 of each year, the Department of State Treasurer divides ninety-three percent (93%) of the amount in the Fund at the end of the preceding calendar year into equal shares to be disbursed as monthly benefits. The 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, 2007, the County's required and actual contributions were \$34,338.

E. Supplemental Retirement Income Plan

The County administers a supplemental retirement benefit plan for all of its full-time employees that are not involved in law enforcement, through a defined contribution plan. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Effective January 1, 1991, the County began contributing to the plan an amount equal to 2.6 percent of each permanent full-time employee's salary each month. All contributed amounts plus investment earnings allocated to the employee's accounts are fully vested immediately. The County established the plan and may amend it at its discretion. The County contributions for the year ended June 30, 2007, for all permanent full-time employees, not involved in law enforcement, were \$467,050. Total voluntary contributions by covered employees were \$358,973. The County's contribution and employee's voluntary contributions represented 2.60 percent and 2 percent of the covered payroll, respectively.

According to a Board resolution, the ABC Board contributes 2.5% of a qualified employee's salary to a 401(k) profit sharing plan. Contributions charged to operations for the plan years ended June 30, 2007 and 2006 were \$9,119 and \$11,652, respectively.

F. Other Post-employment Benefits – Moore County

According to a County resolution, the County provides health care benefits to retirees of the County who participate in the North Carolina Local Governmental Employees' Retirement System (System) and have at least fifteen years of continuous service with the County. Currently 30 retirees are eligible for postretirement health benefits. Under minimum qualifications, the retiree pays 100% of the premium, currently \$659 per month. If the employee has 20 years of service with State retirement plan and the last 15 years are with Moore County, the retiree pays 50% of the premium. With 30 years of State retirement plan service, and the last 15 years with the County, the retiree pays 25% of the premium.

G. Other Employment Benefits

The County has elected to provide death benefits to employees through the Death Benefit Plan for members of the Local Governmental Employees' Retirement System (Death Benefit Plan), a multiple-employer, State-administered, cost-sharing plan funded on a one-year term cost basis. The beneficiaries of those employees who die in active service after one year of contributing membership in the system, or who die within 180 days after retirement or termination of service and have at least one year of contributing membership service in the system at the time of death are eligible for death benefits. Lump sum death benefit payments to beneficiaries are equal to the employee's 12 highest months salary in a row during the 24 months prior to the employee's death, but the benefit may not exceed \$50,000 with a minimum of \$25,000. 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, 2007, the County made contributions to the State for death benefits of \$26,531. 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 post-employment benefit amount and the other benefit amount.

Note 8.

Summary Disclosure of Significant Contingencies and Commitments

A. Litigation

The County is a defendant in various lawsuits, arising in the ordinary course of operations. Although the outcome of the various lawsuits is not presently determinable, it is the County's opinion, after discussion with legal counsel, that potential claims against the County, in excess of professional liability insurance coverage, resulting from such litigation will not materially affect the financial condition of the County. Accordingly, no provision has been made in the financial statements for such matters.

B. Construction

The Public Utilities enterprise fund has the following construction/maintenance contracts that were approved in FY2007 and continue into FY2008:

Project	Balance
Water Tank Maintenance	\$ 738,679 (over next 12 years)
Seven Lakes Interconnect	126,103
Hwy 15-501 Water Main & Booster Station	766,510
Hwy 211 Water Main	168,205
Lift Station 14-1 Upgrade	37,953
Pinehurst Lift Station Replacements	264,825
Lake Pinehurst Sewer Line Rehab Phase II	56,416
Moore County Water Source Evaluation	76,790
Pinehurst Tank	80,000
Total	<u>\$ 2,315,481</u>

The Wastewater Treatment Plant fund has the following construction/maintenance contracts that were approved in FY2007 and continue into FY2008:

Project	Balance
SP# 4 Replacement	\$ 1,303,733
Lime System	288,031
Raw Sewage Pump Station Upgrade	113,659
Total	<u>\$ 1,705,423</u>

C. Other

The County and its Component Units have elected to pay direct costs of employment securities benefits in lieu of employment security taxes on payroll. A liability for benefit payments could accrue in the year following discharge of employees.

The County has received Federal and State grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to a request for reimbursement to the grantor agency for expenditures disallowed under the terms of the grants. County management believes such disallowances, if any, would not be significant to the financial position or operations of the County. No provision has been made in the accompanying financial statements for the refund of grant monies.

Note 9.
Risk Management

The Risk Management Fund, an Internal Service Fund, is a limited risk management program for employees' health insurance, life insurance, workers compensation and professional liability. Premiums are paid into the fund by all other funds and are available to pay claims and administrative costs of the program. During fiscal year 2007, a total of \$6,340,424 was incurred for hospitalization benefits, insurance premiums, administrative costs, and the wellness clinic costs. An excess coverage insurance policy covers annual health benefits in excess of \$80,000 per employee and aggregate annual health claims in excess of approximately \$4,111,214. The excess coverage policy is limited to \$1,000,000 in annual benefits and to \$1,000,000 in individual lifetime benefits. Incurred but not reported health claims of \$454,533 have been accrued as a liability based upon an actuarial estimate. The estimate does not include non-incremental claims adjustment expenses. Interfund premiums are based primarily upon the insured funds' claims experience and are reported as interfund service transactions.

The following is a schedule of changes in the funds liabilities for fiscal years 1996 through 2007:

	Beginning Liability	Current-Year Claims and Changes Estimates	Claims Payments	Ending Liability
1995-1996	\$ 108,000	\$ 1,163,817	\$ (1,136,817)	\$ 135,000
1996-1997	135,000	1,240,939	(1,230,939)	145,000
1997-1998	145,000	1,317,270	(1,297,270)	165,000
1998-1999	165,000	1,630,781	(1,580,781)	215,000
1999-2000	215,000	2,205,078	(2,130,078)	290,000
2000-2001	290,000	2,042,700	(2,065,716)	266,984
2001-2002	266,984	2,454,015	(2,425,999)	295,000
2002-2003	295,000	2,332,283	(2,342,283)	285,000
2003-2004	285,000	3,146,505	(3,081,505)	350,000
2004-2005	350,000	3,622,924	(3,685,924)	287,000
2005-2006	287,000	3,553,945	(3,568,225)	272,720
2006-2007	272,720	4,394,983	(4,213,170)	454,533

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. The County participates in two self-funded risk financing pools administered by the North Carolina Association of County Commissioners.

Workers' Compensation: Pool retains \$750,000 of any occurrence, County Reinsurance Ltd (CRL) retains \$1,750,000 excess, Safety National excess of \$2,500,000 to statutory (unlimited)

Liability: Pool retains \$500,000 per occurrence with a \$500,000 aggregate, CRL retains \$1,500,000 excess.

Property: Pool retains \$250,000 of any occurrence with \$750,000 corridor, \$250,000 minimum wind deductible subject to 2% of covered claims. \$25,000,000 excess layer provided by Lexington Ins Co, \$25,000,000 excess layer provided 10% CAN, 10% ACE 20% Axia, 60% Lloyds, \$50,000,000 excess layer (wind limit) 10% Lancashire, 20% Swiss Re, 5% Hanover Re, 5% ACE, 5% CAN 10% RSUI, 10% Ariel 35% Lloyds, \$150,000,000 excess layer 10% Lancashire, 45% Lloyds, 45% RSUI

The pools are audited annually by certified public accountants, and the audited financial statements are available to the County upon request.

In accordance with G.S. 159-29, The County's employees that have access to \$100 or more at any given time of the County's funds are performance bonded through a commercial surety bond. The Director of Finance and tax collector are each individually bonded for \$250,000 each. The remaining employees that have access to funds are bonded under a blanket bond for \$250,000.

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

Note 10.

Accounts Payable

Accounts payable at the government-wide level at June 30, 2007, were as follows:

	Vendors	Salaries and Benefits	Other	Total
Governmental Activities:				
General	\$ 1,175,086	\$ 386,016	\$ -	\$ 1,561,102
Non-major Governmental	319,764	81,622	-	401,386
Internal Service	319,619	23,787	454,533	797,939
Total-governmental activities	<u>\$ 1,814,469</u>	<u>\$ 491,425</u>	<u>\$ 454,533</u>	<u>\$ 2,760,427</u>
Business-type Activities				
Wastewater Treatment	\$ 272,609	\$ 14,875	\$ -	\$ 287,484
Public Utilities	668,688	29,207	34,450	732,345
East Moore Water District	71,563	-	5,970	77,533
Total - business-type activities	<u>\$ 1,012,860</u>	<u>\$ 44,082</u>	<u>\$ 40,420</u>	<u>\$ 1,097,362</u>

Note 11.

Leases

Operating Leases

The ABC Board is obligated under operating leases for its Aberdeen and Carthage stores as well as an alcohol law enforcement contract with Moore County. The Aberdeen store is a five-year lease that expires in October of 2010 with an option for renewal. The ABC Board also leases its Carthage store under a three-year lease that expires in April of 2009, with an option for renewal at the end of the lease term. Under its alcohol law enforcement contract with Moore County, the Board is obligated through June 2008 with an option for renewal.

Minimum rentals required on the operating leases for the ensuing years ending June 30 are as follows:

2008	\$ 212,339
2009	59,527
2010	44,250
2011	<u>14,750</u>
Total Future Minimum Rentals	\$ <u>330,866</u>

Rent expense for the ABC Board was \$65,243 and \$93,769 for years ending June 30, 2007 and 2006, respectively.

Note 12.

Long-term Liabilities

Moore County

A. General Obligation Bonds

All general obligation bonds serviced by the County's General Fund are collateralized by the full faith, credit, and taxing power of the County. The East Moore Water District and the North West Moore Water District have authorized but unissued general obligation bonds of \$14,203,000 and \$16,000,000, respectively, to provide funds for the acquisition and construction of major water system capital improvements. These bonds, will be recorded in the East Moore Water District Fund and North West

Moore Water District, respectively, and collateralized by the full faith, credit, and taxing power of the Districts. Principal and interest payments are appropriated when due.

Bonds payable at June 30, 2007, are comprised of the following individual issues:

General Obligation Bonds

Serviced by the General Fund:

\$25,000,000 – 1998 Public Improvement bonds due in annual principal installments of \$400,000 to \$1,700,000 through June 1, 2018, plus interest at 4.4% to 5.1%. \$ 17,400,000

\$11,500,000 – 2003 Public Improvement bonds due in annual principal installments of \$400,000 to \$1,600,000 through June 1, 2021, plus interest at 3.0% to 5% 9,900,000

Total General Obligation Bonds serviced by the General Fund \$ 27,300,000

Serviced by the East Moore Water District Enterprise Fund:

\$1,797,000 – 2003 USDA Bonds due in annual principal installments of \$19,500 to \$79,500 through June 1, 2042, plus interest at 4.5%. \$ 1,736,500

Total General Obligation Bonds serviced by the EMWD Enterprise Fund \$ 1,736,500

Annual debt service requirements to maturity for general obligation bonds are as follows:

Year Ending June 30	Governmental Activities		Business-Type Activities		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2008	2,100,000	1,228,050	22,000	78,143	2,122,000	1,306,193
2009	2,100,000	1,137,850	23,000	77,152	2,123,000	1,215,002
2010	2,100,000	1,047,650	24,000	76,117	2,124,000	1,123,767
2011	2,100,000	955,450	25,000	75,037	2,125,000	1,030,487
2012	2,100,000	863,250	26,500	73,912	2,126,500	937,162
2013-2017	10,500,000	2,830,550	150,000	350,685	10,650,000	3,181,235
2018-2022	6,300,000	601,400	187,000	313,808	6,487,000	915,208
2023-2027	-	-	233,000	267,750	233,000	267,750
2028-2032	-	-	291,500	210,308	291,500	210,308
2033-2037	-	-	364,500	138,420	364,500	138,420
2038-2042	-	-	390,000	52,651	390,000	52,651
Total	\$ 27,300,000	\$ 8,664,200	\$ 1,736,500	\$ 1,713,983	\$ 29,036,500	\$ 10,378,183

B. Certificates of Participation

The County issued certificates of participation to provide funds for the acquisition and construction of a jail facility.

Serviced by the General Fund:

\$4,690,000 – 1994 Jail Certificates of Participation due in annual principal installments of \$230,000 to \$425,000 through February 1, 2010, plus interest at 3.3% to 5.25% \$ 1,215,000

Annual debt service requirements to maturity for certificates of participation are as follows:

<u>Year Ending June 30</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2008	\$ 385,000	\$ 63,788
2009	405,000	43,575
2010	<u>425,000</u>	<u>22,312</u>
Total	<u>\$ 1,215,000</u>	<u>\$ 129,675</u>

C. Notes Payable

Serviced by the General Fund:

\$270,000 – 1994 note payable to BB&T in monthly payments of \$2,224 including interest at 5.6% through May 1, 1994, monthly payments of \$2,149, including interest at 4.97% from June 1, 1994 through January 1, 2008, collateralized by a deed of trust on Airport hangars.	\$ 14,322
\$8,500,000 – 1996 note payable to BB&T in semi-annual installments of \$373,966 through May 2011, including interest of 3.91% collateralized by a deed of trust on school facilities.	2,744,804
\$9,900,000 – 1997 note payable to BB&T in semi-annual installments of \$484,897 through January 2011, including interest of 3.91%, collateralized by a deed of trust on school facilities.	3,558,999
\$450,000 – 1998 note payable to First Union National Bank in semi-annual installments of \$18,238 through December 2008, including interest at 5.87% collateralized by a deed of trust on Airport hangars	182,252
\$2,300,000 – 2001 note payable to BB&T in semi-annual principal payments of \$77,433 plus interest at 4.19% through June 2016, collateralized by a deed of trust on the social services facility.	1,393,800
\$1,139,000 – 2001 note payable to BB&T in semi-annual principal payments of \$38,346 plus interest at 4.19% through June 2016, collateralized by a deed of trust on the social services facility.	690,234
\$361,000 – 2001 note payable to BB&T in semi-annual principal payments of \$12,701.85 plus interest at 4.25% through February 2016, collateralized by a deed of trust on the social services facility.	228,633
\$700,000 – 2001 note payable to BB&T in semi-annual principal payments of \$35,350 plus interest at 3.93% through June 2011, collateralized by a deed of trust on the animal shelter facility.	282,800
\$160,128 – 2006 note payable to RBC Centura in monthly payments of \$2,935 plus interest at 3.8% through April 2011, collateralized by a deed of trust on the solid waste trucks.	<u>125,433</u>
Total notes payable serviced by the General Fund	<u>\$ 9,221,277</u>

Serviced by the Public Utilities Enterprise Fund:

\$5,900,000 – 1993 note to BB&T payable due in monthly installments ranging from \$37,294 to \$40,198, through January 2014 including interest ranging from 4.49% to 5.63%; collateralized by a deed of trust on the Pinehurst Water and Sewer System	\$ 2,541,314
\$1,550,000 – 1990 note payable to BB&T due in monthly installments of \$10,664, through December 2010 including interest at 4.57%; collateralized by a deed of trust on the Seven Lakes Water and Sewer System	412,427
\$900,000 – 1997 note payable to BB&T in monthly installments of \$8,373, through February 2010 including interest at 3.79% collateralized by a deed of trust on the Public Utilities administration building.	254,467
\$850,000 – 2002 note payable to Bank of America due in semi-annual installments of \$39,482, through October 2017 including interest of 4.58%; collateralized by a deed of trust on the water tower	<u>630,867</u>
Total notes payable serviced by the Public Utilities Enterprise Fund	<u>\$ 3,839,075</u>

Annual debt service requirements to maturity for notes payable are as follows:

Year Ending June 30	Governmental Activities		Business-Type Activities		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2008	1,884,743	351,655	596,929	163,069	2,481,672	514,724
2009	2,060,223	272,258	624,477	135,521	2,684,700	407,779
2010	1,966,344	191,900	619,296	107,209	2,585,640	299,109
2011	2,025,156	113,677	513,772	80,964	2,538,928	194,641
2012	256,963	51,214	472,500	59,055	729,463	110,269
2013-2017	1,027,848	97,039	1,012,101	71,020	2,039,949	168,059
Total	<u>\$ 9,221,277</u>	<u>\$ 1,077,743</u>	<u>\$ 3,839,075</u>	<u>\$ 616,838</u>	<u>\$ 13,060,352</u>	<u>\$ 1,694,581</u>

D. Conduit Debt Obligations

Moore 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. Ownership of the acquired facilities is in the name of the private business served by the bond issuance. Neither the County, the Authority, 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, 2007, there was one series of industrial revenue bonds outstanding, with an aggregate principle amount payable of \$5,350,000.

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E. Changes in Long-term Liabilities

The following is a summary of changes in the County's long-term debt for the year ended June 30, 2007.

By Type	Balances			Balances	Current
	June 30, 2006	Additions	Retirements	June 30, 2007	Portion
Governmental Activities:					
General obligation bonds	\$ 29,400,000	\$ -	\$ 2,100,000	\$ 27,300,000	\$ 2,100,000
Certificates of participation	1,580,000	-	365,000	1,215,000	385,000
Notes payable	11,109,765		1,888,488	9,221,277	1,884,743
Accrued vacation benefits	1,363,163	1,108,704	1,067,493	1,404,374	850,000
Net pension obligation	535,660	79,859	-	615,519	-
Total governmental activities	43,988,588	1,188,563	5,420,981	39,756,170	5,219,743
Business-Type Activities:					
General obligation bonds	1,757,500	-	21,000	1,736,500	22,000
Notes payable	4,454,830	-	615,755	3,839,075	596,929
Accrued vacation benefits	105,025	97,378	99,502	102,901	50,000
Total business-type activities	6,317,355	97,378	736,257	5,678,476	668,929
Total long-term liabilities	\$ 50,305,943	\$ 1,285,941	\$ 6,157,238	\$ 45,434,646	\$ 5,888,672

Governmental accrued vacation benefits and the net pension obligation typically have been liquidated in the General Fund.

At June 30, 2007, the County had a legal debt margin of \$612,867,033.

At June 30, 2007, the East Moore Water District had bonds authorized, but unissued of \$14,203,000.

At June 30, 2007, the North West Moore Water District had bonds authorized, but unissued of \$16,000,000.

CVB

CVB had long-term debt as of June 30, 2007 of \$27,150, which was accrued vacation benefits.

ABC Board

The ABC Board had no long-term debt as of June 30, 2007.

Airport Authority

The Airport Authority had long-term debt as of June 30, 2007 of \$45,318, which was accrued vacation benefits.

The total interest expenditure/expense for the County and all its Component Units during the year ended June 30, 2007 totaled \$2,097,900.

(Remainder of page left blank intentionally.)

Note 13.
InterFund Balances and Activity

The composition of interfund balances and Activities as of June 30, 2007 is as follows:

a. Due to/from other Funds:

<u>Receivable Fund</u>	<u>Payable</u>	<u>Reason</u>	<u>Amount</u>
General Fund	Wastewater Fund	Operating expenses	\$30,000
General Fund	East Moore Water District Fund	Operating expenses	\$10,000
General Fund	Management Information Syst. Fund	Operating expenses	\$121,000
General Fund	CDBG Fund	Operating expenses	\$2,000

b. Transfers between funds as of June 30, 2007 is as follows:

<u>Incoming Fund</u>	<u>Outgoing Fund</u>	<u>Reason</u>	<u>Amount</u>
Airport Capital Projects Fund	General Fund	Local match	\$100,000
Senior Center Project Fund	General Fund	Capital expenses	\$54,988
County Building Capital Project Fund	General Fund	Capital expenses	\$37,000

Note 14.
Deferred/Unearned Revenues

The balance in deferred revenues in the Fund Financial Statements and unearned revenue in the government-wide Financial Statements at year-end is composed of the following elements:

	<u>Deferred Revenue</u>	<u>Unearned Revenue</u>
Prepaid licenses not yet earned (General)	\$ 252,647	\$ 252,647
Prepaid licenses not yet earned (Special Revenue)	17,325	17,325
Taxes receivable, net (General)	693,264	-
Taxes receivable, net (Special Revenue)	<u>61,472</u>	<u>-</u>
Total	<u>\$ 1,024,708</u>	<u>\$ 269,972</u>
 Rental revenue not yet earned (Component Units)	 \$ -	 \$ 20,235

Note 15.
Related Organizations

The County Board of Commissioners organized and appointed the original members of the Board of the Moore Parks Foundation, Incorporated. The Corporation is a nonprofit organization which exists to raise funding to build a county-wide park for County residents. It is funded primarily with private donations. Until November 2002, the County provided resources to support the Corporation's fund-raising and financial activities.

The County Board of Commissioners organized and appointed the original members of the Board of the Moore Resources for Seniors Foundation, Incorporated. The Corporation is a nonprofit organization which exists to raise funding to build a Senior Center for County residents. It is funded primarily with private donations. The County provided resources to support the Corporation's fund-raising and financial activities.

Note 16.
Joint Ventures

The County, in conjunction with the State of North Carolina and the Moore County Board of Education, participates in a joint venture to operate Sandhills Community College. Each of the three participants appoints four members of the twelve-member Board of Trustees of the Community College. The Community College is included as a component unit of the State. The County has the basic responsibility for providing funding for the facilities of the Community College and also provides some financial support for the Community College's operations. In addition to providing annual appropriations for facilities, the County periodically issues general obligation bonds to provide financing for new and restructured facilities. Of the general obligation bonds issued for this purpose, \$8,910,784 in debt is still outstanding. The County has an ongoing financial responsibility for the Community College because of the statutory responsibility to provide funding for the Community College's facilities. The County contributed \$3,723,524, \$153,000, and \$49,393 to the Community College for operating, capital purposes and the Westmoore Center, respectively, during the fiscal year ended June 30, 2007. In addition, the County made debt service payments of \$1,013,074 during the fiscal year on general obligation bonds issued for Community College capital facilities. The participating governments do not have any equity interest in the joint venture; therefore, no equity interest has been reflected in the County's financial statements at June 30, 2007. Complete financial statements may be obtained from the Community College's Administrative Offices at 3395 Airport Road, Pinehurst, NC 28374.

Note 17.
Jointly Governed Organization

The County participates in the operations of the Sandhills Regional Library System (Library) with four other local governments. The Library is governed by a fifteen-member Board of Trustees. Each participating government appoints three Board members to the Board of Trustees. None of the participating governments have an equity interest in the Library, so no equity interest has been reflected in the financial statements at June 30, 2007. In accordance with the intergovernmental agreement between the participating governments, the County appropriated \$8,220 to the Library to supplement its activities. Complete financial statements for the Library may be obtained from the Library's offices at 219 E. Washington Street, PO Box 790, Rockingham, NC 28379-0790.

The County also participates in the Sandhills Center for Mental Health (Center) with seven other local governments. The Center is governed by a twenty-six member Area Board. A County Commissioner from each participating government sits on the Board, with the exception of Randolph County which has two Commissioner participants. The remaining seventeen members are allocated based on population in each county. The County Commissioners in each county then appoint these remaining members that are allotted to their county. None of the participating governments have an equity interest in the Center, so no equity interest has been reflected in the financial statements of June 30, 2007. The County appropriated \$587,265 to the Center to supplement its activities. Complete financial statements for the center may be obtained from the Center's offices at 1120 Seven Lakes Drive, PO Box 9, West End, NC 27376.

Note 18.**Related Party Transactions**

The County's utility enterprise and Sheriff's Department/Detention Center entered into annual software maintenance contracts with a local software company. The company's Chief Executive Officer is a member of the County's governing board. The contract was entered into prior to the board member taking office in December 2006. The total amount of the contracts for FY2006-2007 was \$17,965.

Note 19.**Benefit Payments Issued by the State**

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

	<u>Federal</u>	<u>State</u>
Temporary Assistance to Needy Families (TANF)	\$ 514,435	\$ -
Energy Assistance Payments	220,257	-
CWS Adoption Assistance	-	107,759
IV-E Adopt	240,738	67,951
Medicaid	41,561,513	20,593,426
Supplemental Food Program for Women, Infants and Children	1,425,988	-
Food Stamp Program	6,390,287	-
SC/SA Domiciliary Care Payments	-	850,458

Note 20.**Subsequent Events**

On July 3, 2007 the East Moore Water District sold \$7,661,000 of bond anticipation notes for Phase II construction.

On July 27, 2007, the Board of Commissioners approved a land purchase of 21 acres in the amount of \$1,500,000 to build a Governmental Center, Public Safety Complex and a Detention Center. The land was initially purchased using available fund balance, but was financed on October 9, 2007 with a maturity date of October 10, 2017.

On August 20, 2007, the Board of Commissioners adopted a resolution to hold a General Obligation Bond Referendum for education to be held on November 6, 2007. The Moore County Schools' request is \$54,000,000 and Sandhills Community College's request is \$15,500,000.

On September 4, 2007, the Board of Commissioners adopted a resolution calling an advisory referendum on November 6, 2007 concerning the levy of a land transfer tax. If approved by the voters, the proceeds will be used for capital needs in the following priorities: schools, college, county buildings and water/sewer.

Required Supplemental Financial Data
Law Enforcement Officers' Special Separation Allowance

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Projected Unit Credit (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a % of Covered Payroll (b-a)/c)
12/31/1999	-	291,593	291,593	-	1,781,675	16.4
12/31/2000*	-	507,637	507,637	-	1,876,161	27.1
12/31/2001	-	585,356	585,356	-	1,996,112	29.3
12/31/2002	-	660,860	660,860	-	1,883,181	35.1
12/31/2003	-	738,128	738,128	-	2,203,993	33.5
12/31/2004	-	769,304	769,304	-	2,249,890	34.2
12/31/2005	-	814,541	814,541	-	2,533,561	32.2
12/31/2006	-	970,507	970,507	-	3,075,645	31.6

* For the December 31, 2000 valuation date, several actuarial assumptions were revised. These revisions were due to an experience investigation prepared as of December 31, 1999 for the North Carolina Local Government Retirement System. Projected salary increases were increased from a range of 4.4%-8.5% to a range of 5.9%-9.8%. The remaining amortization period was also increased from 20 to 30 years. These changes in assumptions caused an increase in the cost of the Separation Allowance for Law Enforcement Officers.

Required Supplemental Financial Data
Law Enforcement Officer's Special Separation Allowance

Schedule of Employer Contributions

<u>Year Ended</u> <u>June 30</u>	<u>Annual Required</u> <u>Contributions</u>	<u>Percentage</u> <u>Contributed</u>
1999	36,012	0
2000	40,470	16
2001	48,644	13
2002	64,986	10
2003	73,004	34
2004	76,932	32
2005	88,915	27
2006	91,913	28
2007	98,296	26

Notes to the Required Schedules:

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

Valuation date	12/31/2006
Actuarial cost method	Projected unit credit
Amortization method	Level percent of pay closed
Remaining amortization period	24 years
Asset valuation method	Market value
Actuarial assumptions:	
Investment rate of return*	7.25%
Projected salary increases*	4.5 – 12.3%
*Includes inflation at	3.75%

COUNTY OF MOORE, NORTH CAROLINA

General Fund Balance Sheet June 30, 2007

Assets

Cash	\$ 7,373,230
Investments	12,676,403
Receivables:	
Property taxes (net of allowance for uncollectible taxes of \$173,000 at June 30, 2007)	693,264
Interest	56,660
Due from other governments and agencies	6,636,921
Due from other funds	163,000
Inventories	3,569
Restricted cash and investments	461,658
Total assets	<u>\$ 28,064,705</u>

Liabilities and fund balances

Liabilities:	
Accounts payable and accrued liabilities	\$ 1,561,102
Deferred revenues:	
Advance payments of taxes and licenses	252,647
Uncollected property taxes	693,264
Total liabilities	<u>2,507,013</u>

Fund balances:

Reserved for:	
State statute	6,856,581
Financing agreement compliance	461,658
Inventories	3,569
Unreserved, designated for:	
General Fund - Subsequent year's expenditures	238,947
Unreserved, undesignated	17,996,937
Total fund balances	<u>25,557,692</u>

Total liabilities and fund balances	<u>\$ 28,064,705</u>
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COUNTY OF MOORE, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2007

	2007		Variance
	Budget	Actual	Positive (Negative)
Revenues:			
Property taxes:			
Current year	\$ 36,921,150	\$ 38,019,080	\$ 1,097,930
Prior years	160,000	241,110	81,110
Penalties and interest	200,000	41,062	(158,938)
Total property taxes	<u>37,281,150</u>	<u>38,301,252</u>	<u>1,020,102</u>
Sales taxes:			
Local option sales tax	5,880,056	7,284,220	1,404,164
One-half cent local option sales tax	<u>8,918,000</u>	<u>11,064,662</u>	<u>2,146,662</u>
Total sales taxes	<u>14,798,056</u>	<u>18,348,882</u>	<u>3,550,826</u>
Other taxes and licenses:			
Privilege licenses	50,000	59,168	9,168
Cable franchise fees	<u>80,000</u>	<u>24,533</u>	<u>(55,467)</u>
Total other taxes and licenses	<u>130,000</u>	<u>83,701</u>	<u>(46,299)</u>
Unrestricted intergovernmental revenues:			
Utilities - video franchising taxes	-	6,275	6,275
ABC funds	<u>267,000</u>	<u>312,057</u>	<u>45,057</u>
Total unrestricted intergovernmental revenues	<u>267,000</u>	<u>318,332</u>	<u>51,332</u>
Restricted intergovernmental revenues:			
Social services	7,176,494	6,589,827	(586,667)
Public health	2,198,785	2,130,754	(68,031)
Youth services	277,728	276,746	(982)
Older adults	790,420	808,628	18,208
Child support enforcement	705,534	736,018	30,484
Education	223,577	228,590	5,013
Public safety	597,439	511,864	(85,575)
Court facility fees	210,000	358,168	148,168
Other	<u>70,130</u>	<u>36,977</u>	<u>(33,153)</u>
Total restricted intergovernmental revenues	<u>12,250,107</u>	<u>11,677,572</u>	<u>(572,535)</u>
Investment income	<u>550,500</u>	<u>1,916,809</u>	<u>1,366,309</u>
Charges for services			
Register of deeds fees	1,950,000	2,304,772	354,772
Code enforcement fees	450,000	523,409	73,409
Fire inspection fees	-	24,318	24,318
Zoning/ord fees	-	6,801	6,801
Aerator Rental	-	373	373
Election fees	500	346	(154)
Aging fitness fees	-	2,800	2,800
Landfill fees	830,000	1,477,598	647,598
Law enforcement fees	339,429	351,214	11,785
Recreation fees	108,700	164,514	55,814
Office service fees	152,735	35,815	(116,920)
Tax collection fees	325,000	303,998	(21,002)
Cost reimbursement fees	53,123	59,044	5,921
Cell tower service fees	-	1,000	1,000
CDBG administration fees	<u>7,500</u>	<u>14,178</u>	<u>6,678</u>
Total user fees	<u>4,216,987</u>	<u>5,270,180</u>	<u>1,053,193</u>
Donations	<u>87,784</u>	<u>87,210</u>	<u>(574)</u>

COUNTY OF MOORE, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2007

	2007		Variance
	Budget	Actual	Positive (Negative)
Payments from component units:			
ABC profit distribution	\$ 318,500	\$ 355,710	\$ 37,210
Airport Authority	56,000	56,477	477
Total payments from component units	374,500	412,187	37,687
Total revenues	69,956,084	76,416,125	6,460,041
Expenditures:			
General government:			
Governing body	256,519	233,678	22,841
Administration	423,995	394,598	29,397
General fund assessment	(363,000)	(363,000)	-
Personnel services	192,202	147,929	44,273
Volunteer center	88,554	78,537	10,017
Financial services	572,434	558,884	13,550
Legal	678,336	598,750	79,586
Tax	1,761,270	1,611,011	150,259
Revaluation	902,705	584,077	318,628
Elections	456,292	403,904	52,388
Register of deeds	1,538,718	1,548,097	(9,379)
Total general government	6,508,025	5,796,465	711,560
Public safety:			
Sheriff	6,003,675	5,695,124	308,551
Jail	2,860,746	2,849,838	10,908
Day reporting center	135,260	100,872	34,388
Youth Services	89,905	82,275	7,630
Emergency management/E911	1,290,021	1,126,746	163,275
Total public safety	10,379,607	9,854,855	524,752
Environmental protection and community development:			
Waste disposal	1,714,240	1,709,649	4,591
Planning	1,231,551	1,191,845	39,706
Cooperative extension service	387,376	388,838	(1,462)
Soil and water conservation	244,166	244,336	(170)
Total environmental protection and community development	3,577,333	3,534,668	42,665
Human services:			
Health	4,901,431	4,512,321	389,110
Social services	14,831,927	13,774,487	1,057,440
Child support enforcement	598,311	588,140	10,171
Veteran's services	209,153	208,200	953
Older adults	1,359,532	1,301,704	57,828
Total human services	21,900,354	20,384,852	1,515,502
Cultural and recreational:			
Library	528,177	519,369	8,808
Recreation and youth development	593,077	582,501	10,576
Total cultural and recreational	1,121,254	1,101,870	19,384

COUNTY OF MOORE, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2007

	2007		Variance
	Budget	Actual	Positive (Negative)
Education:			
Moore County Schools:			
Current	\$ 20,807,940	\$ 20,807,940	\$ -
Capital outlay	1,133,950	1,133,950	-
	<u>21,941,890</u>	<u>21,941,890</u>	<u>-</u>
Sandhills Community College:			
Current	3,723,524	3,723,524	-
Westmoore Center	50,000	49,393	607
Capital outlay	153,000	153,000	-
	<u>3,926,524</u>	<u>3,925,917</u>	<u>607</u>
Total education	<u>25,868,414</u>	<u>25,867,807</u>	<u>607</u>
Grants - other	<u>1,649,854</u>	<u>1,568,351</u>	<u>81,503</u>
Capital outlay	<u>970,551</u>	<u>550,455</u>	<u>420,096</u>
Debt service:			
Principal	4,368,035	4,353,486	14,549
Interest	1,837,612	1,830,300	7,312
Total debt service	<u>6,205,647</u>	<u>6,183,786</u>	<u>21,861</u>
Total expenditures	<u>78,181,039</u>	<u>74,843,109</u>	<u>3,337,930</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(8,224,955)</u>	<u>1,573,016</u>	<u>9,797,971</u>
Other financing sources (uses):			
Transfers to other funds:			
Capital Project Funds	<u>(191,988)</u>	<u>(191,988)</u>	<u>-</u>
Total	<u>(191,988)</u>	<u>(191,988)</u>	<u>-</u>
Total other financing sources (uses)	<u>(191,988)</u>	<u>(191,988)</u>	<u>-</u>
Fund balance appropriated	<u>8,416,943</u>	<u>-</u>	<u>(8,416,943)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 1,381,028</u>	<u>\$ 1,381,028</u>
Fund balance - beginning		<u>24,176,664</u>	
Fund balance - ending		<u>\$ 25,557,692</u>	

COUNTY OF MOORE, NORTH CAROLINA

Combining Balance Sheet Nonmajor Governmental Funds June 30, 2007

	Special Revenue Funds	Capital Project Funds	Total Nonmajor Governmental Funds
Assets			
Cash	\$ 3,461,921	\$ 272,571	\$ 3,734,492
Receivables:			
Property taxes	61,472	-	61,472
Accounts receivable	212,706	1,470	214,176
Due from other governments and agencies	-	212,154	212,154
Restricted cash and investments	-	1,650,451	1,650,451
Total assets	<u>\$ 3,736,099</u>	<u>\$ 2,136,646</u>	<u>\$ 5,872,745</u>
Liabilities and fund balances			
Liabilities:			
Accounts payable and accrued liabilities	\$ 206,118	\$ 195,269	\$ 401,387
Deferred revenues:			
Advance payments of taxes and licenses	17,325	-	17,325
Uncollected property taxes	61,472	-	61,472
Due to general fund	-	2,000	2,000
Accounts payable from restricted assets	-	398,105	398,105
Total liabilities	<u>284,915</u>	<u>595,374</u>	<u>880,289</u>
Fund balances:			
Reserved for:			
State statute	212,706	213,624	426,330
Wireless 911 expenditures	657,918	-	657,918
Financing agreement compliance	-	1,252,346	1,252,346
Unreserved, designated for:			
Special Revenue Funds - Subsequent year's expenditures	305,635	-	305,635
Unreserved, undesignated	2,274,925	75,302	2,350,227
Total fund balances	<u>3,451,184</u>	<u>1,541,272</u>	<u>4,992,456</u>
Total liabilities and fund balances	<u>\$ 3,736,099</u>	<u>\$ 2,136,646</u>	<u>\$ 5,872,745</u>

COUNTY OF MOORE, NORTH CAROLINA

Combining Statement of Revenues, Expenditures and Changes in Fund Balances Nonmajor Governmental Funds For the Fiscal Year Ended June 30, 2007

	Special Revenue Funds	Capital Project Funds	Total Nonmajor Governmental Funds
Revenues			
Property taxes	\$ 3,371,460	\$ -	\$ 3,371,460
Other taxes and licenses	433,893	-	433,893
Restricted intergovernmental revenues	587,971	989,880	1,577,851
Charges for services	3,962,475	-	3,962,475
Sales tax refunds	-	24,486	24,486
Investment income	-	110,382	110,382
Other revenues	-	94,882	94,882
Donations	19,100	10,000	29,100
Total revenues	<u>8,374,899</u>	<u>1,229,630</u>	<u>9,604,529</u>
Expenditures			
Current:			
Public safety	4,050,152	-	4,050,152
Human services	880,380	-	880,380
Capital outlay	1,375,452	3,375,047	4,750,499
Total expenditures	<u>6,305,984</u>	<u>3,375,047</u>	<u>9,681,031</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,068,915</u>	<u>(2,145,417)</u>	<u>(76,502)</u>
Other financing sources (uses)			
Transfers from other funds	-	191,988	191,988
Proceeds from sale of capital assets	19,284	-	19,284
Total other financing sources (uses)	<u>19,284</u>	<u>191,988</u>	<u>211,272</u>
Net change in fund balances	2,088,199	(1,953,429)	134,770
Fund balance - beginning	<u>1,362,985</u>	<u>3,494,701</u>	<u>4,857,686</u>
Fund balance - ending	<u>\$ 3,451,184</u>	<u>\$ 1,541,272</u>	<u>\$ 4,992,456</u>

COUNTY OF MOORE, NORTH CAROLINA

Combining Balance Sheet Nonmajor Special Revenue Funds June 30, 2007

	Emergency Medical Services Fund	Emergency Telephone Services Fund	Moore County Transportation Services Fund	Total Nonmajor Special Revenue Funds
Assets				
Cash	\$ 2,511,036	\$ 756,121	\$ 194,764	\$ 3,461,921
Receivables:				
Property taxes (net of allowance for uncollectible taxes of \$16,000 at June 30, 2007)	61,472	-	-	61,472
Accounts receivable	21,564	69,334	121,808	212,706
Total assets	<u>\$ 2,594,072</u>	<u>\$ 825,455</u>	<u>\$ 316,572</u>	<u>\$ 3,736,099</u>
Liabilities and fund balances				
Liabilities:				
Accounts payable and accrued liabilities	\$ 124,433	\$ 65,655	\$ 16,030	\$ 206,118
Deferred revenues:				
Advance payments of taxes and licenses	17,325	-	-	17,325
Uncollected property taxes	61,472	-	-	61,472
Total liabilities	<u>203,230</u>	<u>65,655</u>	<u>16,030</u>	<u>284,915</u>
Fund balances:				
Reserved for:				
State statute	21,564	69,334	121,808	212,706
Wireless 911 expenditures	-	657,918	-	657,918
Unreserved, designated for:				
Special Revenue Funds - Subsequent year's expenditures	-	305,635	-	305,635
Unreserved, undesignated (deficit)	2,369,278	(273,087)	178,734	2,274,925
Total fund balances	<u>2,390,842</u>	<u>759,800</u>	<u>300,542</u>	<u>3,451,184</u>
Total liabilities and fund balances	<u>\$ 2,594,072</u>	<u>\$ 825,455</u>	<u>\$ 316,572</u>	<u>\$ 3,736,099</u>

COUNTY OF MOORE, NORTH CAROLINA

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2007**

	Emergency Medical Services Fund	Emergency Telephone Services Fund	Moore County Transportation Services Fund	Total Nonmajor Special Revenue Funds
Revenues				
Property taxes	\$ 3,371,460	\$ -	\$ -	\$ 3,371,460
Other taxes and licenses	-	433,893	-	433,893
Restricted intergovernmental revenues	8,946	198,461	380,564	587,971
Charges for services	3,345,586	-	616,889	3,962,475
Donations	19,100	-	-	19,100
Total revenues	<u>6,745,092</u>	<u>632,354</u>	<u>997,453</u>	<u>8,374,899</u>
Expenditures				
Current:				
Public safety	3,762,068	288,084	-	4,050,152
Human services	-	-	880,380	880,380
Capital outlay	596,670	650,754	128,028	1,375,452
Total expenditures	<u>4,358,738</u>	<u>938,838</u>	<u>1,008,408</u>	<u>6,305,984</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,386,354</u>	<u>(306,484)</u>	<u>(10,955)</u>	<u>2,068,915</u>
Other financing sources (uses)				
Proceeds from sale of capital assets	-	-	19,284	19,284
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>19,284</u>	<u>19,284</u>
Net change in fund balances	<u>2,386,354</u>	<u>(306,484)</u>	<u>8,329</u>	<u>2,088,199</u>
Fund balance - beginning	<u>4,488</u>	<u>1,066,284</u>	<u>292,213</u>	<u>1,362,985</u>
Fund balance - ending	<u>\$ 2,390,842</u>	<u>\$ 759,800</u>	<u>\$ 300,542</u>	<u>\$ 3,451,184</u>

COUNTY OF MOORE, NORTH CAROLINA

SPECIAL REVENUE FUND
EMERGENCY MEDICAL SERVICES

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2007

	2007		Variance
	Budget	Actual	Positive (Negative)
Revenues:			
Property taxes	\$ 3,262,727	\$ 3,371,460	\$ 108,733
Charges for services	1,014,097	3,345,586	2,331,489
Donations	125	19,100	18,975
Restricted intergovernmental revenues	8,946	8,946	-
Total revenues	<u>4,285,895</u>	<u>6,745,092</u>	<u>2,459,197</u>
Expenditures:			
Current operating:			
Public safety	3,952,194	3,762,068	190,126
Capital outlay	<u>630,538</u>	<u>596,670</u>	<u>33,868</u>
Total expenditures	<u>4,582,732</u>	<u>4,358,738</u>	<u>223,994</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(296,837)</u>	<u>2,386,354</u>	<u>2,683,191</u>
Fund balance appropriated	<u>296,837</u>	<u>-</u>	<u>(296,837)</u>
Net change in fund balance	<u>\$ -</u>	<u>2,386,354</u>	<u>\$ 2,386,354</u>
Fund balance - beginning		<u>4,488</u>	
Fund balance - ending		<u>\$ 2,390,842</u>	

COUNTY OF MOORE, NORTH CAROLINA

SPECIAL REVENUE FUND
EMERGENCY TELEPHONE SERVICES

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2007

	2007		Variance
	Budget	Actual	Positive (Negative)
Revenues:			
Other fees:			
911 system subscriber fees	\$ 440,456	\$ 433,893	\$ (6,563)
Restricted intergovernmental:			
Wireless 911 funds	131,756	198,461	66,705
Total revenues	<u>572,212</u>	<u>632,354</u>	<u>60,142</u>
Expenditures:			
Public safety:			
Wireless 911	24,000	1,931	22,069
911 system subscriber fees	420,212	286,153	134,059
Total public safety	<u>444,212</u>	<u>288,084</u>	<u>156,128</u>
Capital outlay:			
Wireless 911	176,182	176,182	-
911 system subscriber fees	906,420	474,572	431,848
Total capital outlay	<u>1,082,602</u>	<u>650,754</u>	<u>431,848</u>
Total expenditures	<u>1,526,814</u>	<u>938,838</u>	<u>587,976</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(954,602)</u>	<u>(306,484)</u>	<u>648,118</u>
Fund balance appropriated	<u>954,602</u>	<u>-</u>	<u>(954,602)</u>
Net change in fund balance	<u>\$ -</u>	<u>(306,484)</u>	<u>\$ (306,484)</u>
Fund balance - beginning		<u>1,066,284</u>	
Fund balance - ending		<u>\$ 759,800</u>	

COUNTY OF MOORE, NORTH CAROLINA

SPECIAL REVENUE FUND

MOORE COUNTY TRANSPORTATION SERVICES

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

For the Fiscal Year Ended June 30, 2007

	2007		Variance
	Budget	Actual	Positive (Negative)
Revenues:			
Restricted intergovernmental revenues	\$ 389,339	\$ 380,564	\$ (8,775)
Charges for services	622,000	616,889	(5,111)
Total revenues	<u>1,011,339</u>	<u>997,453</u>	<u>(13,886)</u>
Expenditures:			
Current operating:			
Human services	956,456	880,380	76,076
Capital outlay	128,029	128,028	1
Total expenditures	<u>1,084,485</u>	<u>1,008,408</u>	<u>76,077</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(73,146)</u>	<u>(10,955)</u>	<u>62,191</u>
Other financing sources:			
Proceeds from sale of capital assets	14,989	19,284	4,295
Total other financing sources:	<u>14,989</u>	<u>19,284</u>	<u>4,295</u>
Fund balance appropriated:	<u>58,157</u>	<u>-</u>	<u>(58,157)</u>
Net change in fund balance	<u>\$ -</u>	8,329	<u>\$ 8,329</u>
Fund balance - beginning		<u>292,213</u>	
Fund balance - ending		<u>\$ 300,542</u>	

COUNTY OF MOORE, NORTH CAROLINA

**Combining Balance Sheet
Nonmajor Capital Project Funds
June 30, 2007**

	Airport Project	CDBG Project	Hillcrest Park Project	School/College Bond Project	Senior Center Project	Social Services Facility Project	County Buildings Project	Total Nonmajor Capital Project Funds
Assets								
Cash	\$ 200,705	\$ 530	\$ 181	\$ 5,352	\$ 55,201	\$ -	\$ 10,602	\$ 272,571
Due from other governments and agencies	187,668	-	-	866	23,620	-	-	212,154
Accounts receivable	-	1,470	-	-	-	-	-	1,470
Restricted cash and investments	-	-	-	1,577,476	-	72,975	-	1,650,451
Total assets	<u>\$ 388,373</u>	<u>\$ 2,000</u>	<u>\$ 181</u>	<u>\$ 1,583,694</u>	<u>\$ 78,821</u>	<u>\$ 72,975</u>	<u>\$ 10,602</u>	<u>\$ 2,136,646</u>
Liabilities and fund balances								
Liabilities:								
Accounts payable and accrued liabilities	\$ 193,767	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,502	\$ 195,269
Due to general fund	-	2,000	-	-	-	-	-	2,000
Accounts payable from restricted assets	-	-	-	398,105	-	-	-	398,105
Total liabilities	<u>193,767</u>	<u>2,000</u>	<u>-</u>	<u>398,105</u>	<u>-</u>	<u>-</u>	<u>1,502</u>	<u>595,374</u>
Fund balances:								
Reserved for:								
State statute	187,668	1,470	-	866	23,620	-	-	213,624
Financing agreement compliance	-	-	-	1,179,371	-	72,975	-	1,252,346
Unreserved, undesignated (deficit)	6,938	(1,470)	181	5,352	55,201	-	9,100	75,302
Total fund balances	<u>194,606</u>	<u>-</u>	<u>181</u>	<u>1,185,589</u>	<u>78,821</u>	<u>72,975</u>	<u>9,100</u>	<u>1,541,272</u>
Total liabilities and fund balances	<u>\$ 388,373</u>	<u>\$ 2,000</u>	<u>\$ 181</u>	<u>\$ 1,583,694</u>	<u>\$ 78,821</u>	<u>\$ 72,975</u>	<u>\$ 10,602</u>	<u>\$ 2,136,646</u>

COUNTY OF MOORE, NORTH CAROLINA

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Capital Project Funds
For the Fiscal Year Ended June 30, 2007**

	Airport Project	CDBG Project	Hillcrest Park Project	School/College Bond Project	Senior Center Project	Social Services Facility Project	County Buildings Project	Total Nonmajor Capital Project Funds
Revenues								
Restricted intergovernmental revenues	\$ 988,410	\$ 1,470	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 989,880
Donations	-	-	-	-	10,000	-	-	10,000
Sales tax refunds	-	-	-	865	23,621	-	-	24,486
Investment income	3,790	-	-	106,305	-	287	-	110,382
Other revenues	74,882	-	-	-	20,000	-	-	94,882
Total revenues	<u>1,067,082</u>	<u>1,470</u>	<u>-</u>	<u>107,170</u>	<u>53,621</u>	<u>287</u>	<u>-</u>	<u>1,229,630</u>
Expenditures								
Capital outlay	<u>1,171,606</u>	<u>16,888</u>	<u>-</u>	<u>1,532,272</u>	<u>569,381</u>	<u>57,000</u>	<u>27,900</u>	<u>3,375,047</u>
Total expenditures	<u>1,171,606</u>	<u>16,888</u>	<u>-</u>	<u>1,532,272</u>	<u>569,381</u>	<u>57,000</u>	<u>27,900</u>	<u>3,375,047</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(104,524)</u>	<u>(15,418)</u>	<u>-</u>	<u>(1,425,102)</u>	<u>(515,760)</u>	<u>(56,713)</u>	<u>(27,900)</u>	<u>(2,145,417)</u>
Other financing sources (uses)								
Transfers from other funds	<u>100,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>54,988</u>	<u>-</u>	<u>37,000</u>	<u>191,988</u>
Total other financing sources (uses)	<u>100,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>54,988</u>	<u>-</u>	<u>37,000</u>	<u>191,988</u>
Net change in fund balances	<u>(4,524)</u>	<u>(15,418)</u>	<u>-</u>	<u>(1,425,102)</u>	<u>(460,772)</u>	<u>(56,713)</u>	<u>9,100</u>	<u>(1,953,429)</u>
Fund balance - beginning	<u>199,130</u>	<u>15,418</u>	<u>181</u>	<u>2,610,691</u>	<u>539,593</u>	<u>129,688</u>	<u>-</u>	<u>3,494,701</u>
Fund balance - ending	<u>\$ 194,606</u>	<u>\$ -</u>	<u>\$ 181</u>	<u>\$ 1,185,589</u>	<u>\$ 78,821</u>	<u>\$ 72,975</u>	<u>\$ 9,100</u>	<u>\$ 1,541,272</u>

COUNTY OF MOORE, NORTH CAROLINA

AIRPORT CAPITAL PROJECT FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

From Inception and for the Fiscal Year Ended June 30, 2007

	Project Authorization	Prior Years	Current Year	Actual Closed Projects	Total	Variance Positive (Negative)
Revenues:						
Restricted intergovernmental revenues	\$ 9,638,004	\$ 6,142,962	\$ 988,410	\$ 1,487,250	\$ 5,644,122	\$ (3,993,882)
Investment income	58,844	55,054	3,790	-	58,844	-
Other revenues	-	2,520	74,882	-	77,402	77,402
Total revenues	<u>9,696,848</u>	<u>6,200,536</u>	<u>1,067,082</u>	<u>1,487,250</u>	<u>5,780,368</u>	<u>(3,916,480)</u>
Expenditures:						
Capital outlay	<u>10,083,256</u>	<u>6,460,564</u>	<u>1,171,606</u>	<u>1,560,000</u>	<u>6,072,170</u>	<u>4,011,086</u>
Total expenditures	<u>10,083,256</u>	<u>6,460,564</u>	<u>1,171,606</u>	<u>1,560,000</u>	<u>6,072,170</u>	<u>4,011,086</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(386,408)</u>	<u>(260,028)</u>	<u>(104,524)</u>	<u>(72,750)</u>	<u>(291,802)</u>	<u>94,606</u>
Other financing sources (uses):						
Transfers from other funds	<u>386,408</u>	<u>459,158</u>	<u>100,000</u>	<u>72,750</u>	<u>486,408</u>	<u>100,000</u>
Total other financing sources (uses)	<u>386,408</u>	<u>459,158</u>	<u>100,000</u>	<u>72,750</u>	<u>486,408</u>	<u>100,000</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 199,130</u>	<u>(4,524)</u>	<u>\$ -</u>	<u>\$ 194,606</u>	<u>\$ 194,606</u>
Fund balance - beginning			<u>199,130</u>			
Fund balance - ending			<u>\$ 194,606</u>			

COUNTY OF MOORE, NORTH CAROLINA

CDBG CAPITAL PROJECT FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

From Inception and for the Fiscal Year Ended June 30, 2007

	Project Authorization	Prior Years	Actual Current Year	Total	Variance Positive (Negative)
Revenues:					
Restricted intergovernmental revenues:					
Moore County housing	\$ 800,000	\$ 400,000	\$ 1,470	\$ 401,470	\$ (398,530)
Total revenues	<u>800,000</u>	<u>400,000</u>	<u>1,470</u>	<u>401,470</u>	<u>(398,530)</u>
Expenditures:					
Capital outlay:					
Moore County housing	400,000	384,582	15,418	400,000	-
Scattered Site 2006	<u>400,000</u>	<u>-</u>	<u>1,470</u>	<u>1,470</u>	<u>398,530</u>
Total expenditures	<u>800,000</u>	<u>384,582</u>	<u>16,888</u>	<u>401,470</u>	<u>398,530</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 15,418</u>	<u>(15,418)</u>	<u>\$ -</u>	<u>\$ -</u>
Fund balance - beginning			<u>15,418</u>		
Fund balance - ending			<u>\$ -</u>		

COUNTY OF MOORE, NORTH CAROLINA

HILLCREST PARK CAPITAL PROJECT FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

From Inception and for the Fiscal Year Ended June 30, 2007

	Project Authorization	Prior Years	Actual Current Year	Total	Variance Positive (Negative)
Revenues:					
Restricted intergovernmental revenues	\$ 291,900	\$ 291,913	\$ -	\$ 291,913	\$ 13
Donations	618,344	618,141	-	618,141	(203)
Investment income	61,100	61,470	-	61,470	370
Total revenues	<u>971,344</u>	<u>971,524</u>	<u>-</u>	<u>971,524</u>	<u>180</u>
Expenditures:					
Capital outlay	<u>1,226,203</u>	<u>1,226,202</u>	<u>-</u>	<u>1,226,202</u>	<u>1</u>
Total expenditures	<u>1,226,203</u>	<u>1,226,202</u>	<u>-</u>	<u>1,226,202</u>	<u>1</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(254,859)</u>	<u>(254,678)</u>	<u>-</u>	<u>(254,678)</u>	<u>181</u>
Other financing sources:					
Transfers from other funds	<u>254,859</u>	<u>254,859</u>	<u>-</u>	<u>254,859</u>	<u>-</u>
Total other financing sources	<u>254,859</u>	<u>254,859</u>	<u>-</u>	<u>254,859</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 181</u>	<u>-</u>	<u>\$ 181</u>	<u>\$ 181</u>
Fund balance - beginning			<u>181</u>		
Fund balance - ending			<u>\$ 181</u>		

COUNTY OF MOORE, NORTH CAROLINA

SCHOOL/COLLEGE BOND CAPITAL PROJECT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

From Inception and for the Fiscal Year Ended June 30, 2007

	Project Authorization	Prior Years	Actual Current Year	Total	Variance Positive (Negative)
Revenues:					
Restricted intergovernmental revenues	\$ 202,933	\$ 202,933	\$ -	\$ 202,933	\$ -
Investment income	2,500,000	2,980,237	106,305	3,086,542	586,542
Sales tax refunds	500,000	554,591	865	555,456	55,456
Total revenues	<u>3,202,933</u>	<u>3,737,761</u>	<u>107,170</u>	<u>3,844,931</u>	<u>641,998</u>
Expenditures:					
Capital outlay:					
College projects	11,500,000	10,869,772	382,428	11,252,200	247,800
School projects	25,702,933	24,257,298	1,149,844	25,407,142	295,791
Total expenditures	<u>37,202,933</u>	<u>35,127,070</u>	<u>1,532,272</u>	<u>36,659,342</u>	<u>543,591</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(34,000,000)</u>	<u>(31,389,309)</u>	<u>(1,425,102)</u>	<u>(32,814,411)</u>	<u>1,185,589</u>
Other financing sources (uses):					
Bonds	36,500,000	36,500,000	-	36,500,000	-
Transfer to general fund	(2,500,000)	(2,500,000)	-	(2,500,000)	-
Total other financing sources	<u>34,000,000</u>	<u>34,000,000</u>	<u>-</u>	<u>34,000,000</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 2,610,691</u>	<u>(1,425,102)</u>	<u>\$ 1,185,589</u>	<u>\$ 1,185,589</u>
Fund balance - beginning			<u>2,610,691</u>		
Fund balance - ending			<u>\$ 1,185,589</u>		

COUNTY OF MOORE, NORTH CAROLINA

SENIOR CENTER CAPITAL PROJECT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

From Inception and for the Fiscal Year Ended June 30, 2007

	Project Authorization	Prior Years	Actual Current Year	Total	Variance Positive (Negative)
Revenues:					
Restricted intergovernmental revenues	\$ 1,100,000	\$ 1,100,000	\$ -	\$ 1,100,000	\$ -
Donations	76,438	66,438	10,000	76,438	-
First Health Lease	20,000	-	20,000	20,000	-
Sales Tax Refund	-	-	23,621	23,621	23,621
Investment income	3,499	3,499	-	3,499	-
Total revenues	<u>1,199,937</u>	<u>1,169,937</u>	<u>53,621</u>	<u>1,223,558</u>	<u>23,621</u>
Expenditures:					
Capital outlay	<u>1,684,925</u>	<u>1,060,344</u>	<u>569,381</u>	<u>1,629,725</u>	<u>55,200</u>
Total expenditures	<u>1,684,925</u>	<u>1,060,344</u>	<u>569,381</u>	<u>1,629,725</u>	<u>55,200</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(484,988)</u>	<u>109,593</u>	<u>(515,760)</u>	<u>(406,167)</u>	<u>78,821</u>
Other financing sources:					
Transfer from other funds	<u>484,988</u>	<u>430,000</u>	<u>54,988</u>	<u>484,988</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 539,593</u>	<u>\$ (460,772)</u>	<u>\$ 78,821</u>	<u>\$ 78,821</u>
Fund balance - beginning			<u>539,593</u>		
Fund balance - ending			<u>\$ 78,821</u>		

COUNTY OF MOORE, NORTH CAROLINA

SOCIAL SERVICES FACILITY CAPITAL PROJECT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

From Inception and for the Fiscal Year Ended June 30, 2007

	Project Authorization	Prior Years	Actual Current Year	Total	Variance Positive (Negative)
Revenues:					
Investment income	\$ 10,000	\$ 22,395	\$ 287	\$ 22,682	\$ 12,682
Total revenues	10,000	22,395	287	22,682	12,682
Expenditures:					
Capital outlay	2,325,628	2,208,335	57,000	2,265,335	60,293
Total expenditures	2,325,628	2,208,335	57,000	2,265,335	60,293
Excess (deficiency) of revenues over (under) expenditures	(2,315,628)	(2,185,940)	(56,713)	(2,242,653)	72,975
Other financing sources:					
Transfers from other funds	2,315,628	2,315,628	-	2,315,628	-
Total other financing sources	2,315,628	2,315,628	-	2,315,628	-
Net change in fund balance	\$ -	\$ 129,688	(56,713)	\$ 72,975	\$ 72,975
Fund balance - beginning			129,688		
Fund balance - ending			\$ 72,975		

COUNTY OF MOORE, NORTH CAROLINA

COUNTY BUILDINGS CAPITAL PROJECT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

From Inception and for the Fiscal Year Ended June 30, 2007

	Project Authorization	Prior Years	Actual Current Year	Total	Variance Positive (Negative)
Expenditures:					
Capital outlay	\$ 37,000	\$ -	\$ 27,900	\$ 27,900	\$ 9,100
Total expenditures	<u>37,000</u>	<u>-</u>	<u>27,900</u>	<u>27,900</u>	<u>9,100</u>
Other financing sources:					
Transfer from General Fund	37,000	-	37,000	37,000	-
Total revenues	<u>37,000</u>	<u>-</u>	<u>37,000</u>	<u>37,000</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	9,100	<u>\$ 9,100</u>	<u>\$ 9,100</u>
Fund balance - beginning			<u>-</u>		
Fund balance - ending			<u>\$ 9,100</u>		

COUNTY OF MOORE, NORTH CAROLINA

ENTERPRISE FUND
WASTEWATER TREATMENT
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)
For the Fiscal Year Ended June 30, 2007

	2007		Variance Positive (Negative)
	Budget	Actual	
Operating revenues:			
Charges for services	\$ 1,905,000	\$ 2,287,134	\$ 382,134
Nonoperating revenues:			
Restricted intergovernmental revenues	-	287,764	287,764
Sales tax refund	-	435	435
Investment income	-	135,109	135,109
Total nonoperating revenues	-	423,308	423,308
Net assets appropriated	4,277,397	-	(4,277,397)
Total revenues	<u>\$ 6,182,397</u>	<u>\$ 2,710,442</u>	<u>\$ (3,471,955)</u>
Operating expenditures:			
Salaries and fringe benefits	\$ 904,152	\$ 864,895	\$ 39,257
Operational expenditures	745,664	702,766	42,898
Professional services	78,000	77,830	170
Repairs and maintenance	125,500	118,017	7,483
Total operating expenditures	<u>1,853,316</u>	<u>1,763,508</u>	<u>89,808</u>
Nonoperating expenditures:			
Interest expense	<u>57,960</u>	<u>-</u>	<u>57,960</u>
Budgetary appropriations:			
Principal payments on long-term debt	75,241	-	75,241
Capital outlay	4,195,880	2,347,735	1,848,145
Total other expenditures	<u>4,271,121</u>	<u>2,347,735</u>	<u>1,923,386</u>
Total expenditures	<u>\$ 6,182,397</u>	<u>\$ 4,111,243</u>	<u>\$ 2,071,154</u>
Reconciliation of modified accrual basis to full accrual basis:			
Total revenues - modified accrual basis		\$ 2,710,442	
Total expenditures - modified accrual basis		<u>4,111,243</u>	
Excess (deficiency) of revenues over (under) expenditures		(1,400,801)	
Adjustments to full accrual basis:			
Depreciation		(617,209)	
Capital outlay		2,347,735	
Less amounts not capitalized		<u>(12,749)</u>	
Change in Net Assets		<u>\$ 316,976</u>	

COUNTY OF MOORE, NORTH CAROLINA

ENTERPRISE FUND
PUBLIC UTILITIES

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)
For the Fiscal Year Ended June 30, 2007

	2007		Variance Positive (Negative)
	Budget	Actual	
Operating revenues:			
Charges for services	\$ 6,666,278	\$ 7,401,285	\$ 735,007
Nonoperating revenues:			
Investment income	-	268,653	268,653
Sales tax refund	-	2,217	2,217
Capital contributions	-	649,000	649,000
Total nonoperating revenues	-	919,870	919,870
Net assets appropriated	6,033,297	-	(6,033,297)
Total revenues	<u>\$ 12,699,575</u>	<u>\$ 8,321,155</u>	<u>\$ (4,378,420)</u>
Operating expenditures:			
Salaries and fringe benefits	\$ 1,909,544	\$ 1,833,197	\$ 76,347
Operational expenditures	3,024,729	3,015,512	9,217
Professional services	3,500	1,118	2,382
Repairs and maintenance	690,875	488,008	202,867
Total operating expenditures	<u>5,628,648</u>	<u>5,337,835</u>	<u>290,813</u>
Nonoperating expenditures:			
Interest expense	<u>411,383</u>	<u>188,588</u>	<u>222,795</u>
Budgetary appropriations:			
Principal payments on long-term debt	619,000	615,755	3,245
Capital outlay	6,040,544	3,493,645	2,546,899
Total other expenditures	<u>6,659,544</u>	<u>4,109,400</u>	<u>2,550,144</u>
Total expenditures	<u>\$ 12,699,575</u>	<u>\$ 9,635,823</u>	<u>\$ 3,063,752</u>
Reconciliation of modified accrual basis to full accrual basis:			
Total revenues - modified accrual basis		\$ 8,321,155	
Total expenditures - modified accrual basis		<u>9,635,823</u>	
Excess (deficiency) of revenues over (under) expenditures		(1,314,668)	
Adjustments to full accrual basis:			
Depreciation		(789,632)	
Principal payments on long-term debt		615,755	
Capital outlay		3,493,645	
Less amounts not capitalized		<u>(254,365)</u>	
Change in Net Assets		<u>\$ 1,750,735</u>	

COUNTY OF MOORE, NORTH CAROLINA

EAST MOORE WATER DISTRICT
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)
For the Fiscal Year Ended June 30, 2007

	2007		Variance Positive (Negative)
	Budget	Actual	
Operating revenues:			
Charges for services	\$ 426,883	\$ 351,512	\$ (75,371)
Nonoperating revenues:			
Restricted intergovernmental revenues	2,736,648	-	(2,736,648)
Bonds issued	4,992,000	-	(4,992,000)
Total revenues	<u>\$ 8,155,531</u>	<u>\$ 351,512</u>	<u>\$ (7,804,019)</u>
Operating expenditures:			
Operational expenditures	\$ 140,000	\$ 179,006	\$ (39,006)
Professional services	47,000	47,000	-
Total operating expenditures	<u>187,000</u>	<u>226,006</u>	<u>(39,006)</u>
Nonoperating expenditures:			
Interest expense	<u>80,000</u>	<u>79,012</u>	<u>988</u>
Budgetary appropriations:			
Principal payments on long-term debt	20,000	21,000	(1,000)
Capital outlay	<u>7,868,531</u>	<u>69,755</u>	<u>7,798,776</u>
Total other expenditures	<u>7,888,531</u>	<u>90,755</u>	<u>7,797,776</u>
Total expenditures	<u>\$ 8,155,531</u>	<u>\$ 395,773</u>	<u>\$ 7,759,758</u>
Reconciliation of modified accrual basis to full accrual basis:			
Total revenues - modified accrual basis		\$ 351,512	
Total expenditures - modified accrual basis		<u>395,773</u>	
Excess (deficiency) of revenues over (under) expenditures		(44,261)	
Adjustments to full accrual basis:			
Depreciation		(104,112)	
Payment of debt principal		21,000	
Capital outlay		69,755	
Less amounts not capitalized		<u>(13,512)</u>	
Change in Net Assets		<u>\$ (71,130)</u>	

MOORE COUNTY, NORTH CAROLINA

**Combining Statement of Net Assets
Internal Service Funds
June 30, 2007**

	Management Information Systems Fund	Risk Management Fund	Property Management Fund	Total
Assets				
Current assets				
Cash	\$ 52,774	\$ 2,449,726	\$ 51,745	\$ 2,554,245
Accounts receivable	3	6,820	4,780	11,603
Inventories	-	-	56,448	56,448
Total current assets	52,777	2,456,546	112,973	2,622,296
Noncurrent assets				
Capital assets	806,629	-	15,772,672	16,579,301
Accumulated depreciation	(735,858)	-	(12,213,197)	(12,949,055)
Total noncurrent assets	70,771	-	3,559,475	3,630,246
Total assets	123,548	2,456,546	3,672,448	6,252,542
Liabilities				
Current liabilities				
Accounts payable and accrued liabilities	90,498	967	251,941	343,406
Insurance claims payable	-	454,533	-	454,533
Due to general fund	121,000	-	-	121,000
Total current liabilities	211,498	455,500	251,941	918,939
Noncurrent liabilities				
Accrued vacation benefits	24,497	-	64,708	89,205
Total liabilities	235,995	455,500	316,649	1,008,144
Net assets				
Invested in capital assets, net of related debt	70,771	-	3,559,475	3,630,246
Unrestricted net assets (deficit)	(183,218)	2,001,046	(203,676)	1,614,152
Total net assets	\$ (112,447)	\$ 2,001,046	\$ 3,355,799	\$ 5,244,398

MOORE COUNTY, NORTH CAROLINA

**Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets
Internal Service Funds
For the Fiscal Year Ended June 30, 2007**

	Management Information Systems Fund	Risk Management Fund	Property Management Fund	Total
Operating revenues				
Charges for services	\$ 885,886	\$ 6,122,296	\$ 3,557,119	\$ 10,565,301
Total operating revenues	<u>885,886</u>	<u>6,122,296</u>	<u>3,557,119</u>	<u>10,565,301</u>
Operating expenses				
Salaries and fringe benefits	382,273	57,898	983,385	1,423,556
Operational expenses	690,999	189	2,201,272	2,892,460
Depreciation	38,598	-	675,303	713,901
Administrative costs	-	158,032	-	158,032
Hospitalization benefits and insurance premiums	-	5,947,250	-	5,947,250
Wellness Clinic	-	177,055	-	177,055
Total operating expenses	<u>1,111,870</u>	<u>6,340,424</u>	<u>3,859,960</u>	<u>11,312,254</u>
Operating income (loss)	<u>(225,984)</u>	<u>(218,128)</u>	<u>(302,841)</u>	<u>(746,953)</u>
Nonoperating revenue (expense)				
Gain on disposal of capital assets	-	-	59,787	59,787
Other nonoperating revenue	36,289	-	-	36,289
Total nonoperating revenue (expense)	<u>36,289</u>	<u>-</u>	<u>59,787</u>	<u>96,076</u>
Change in net assets	<u>(189,695)</u>	<u>(218,128)</u>	<u>(243,054)</u>	<u>(650,877)</u>
Total net assets - beginning	<u>77,248</u>	<u>2,219,174</u>	<u>3,598,853</u>	<u>5,895,275</u>
Total net assets - ending	<u>\$ (112,447)</u>	<u>\$ 2,001,046</u>	<u>\$ 3,355,799</u>	<u>\$ 5,244,398</u>

MOORE COUNTY, NORTH CAROLINA
Combining Statement of Cash Flows
Internal Service Funds
For the Fiscal Year Ended June 30, 2007

	Management Information Systems Fund	Risk Management Fund	Property Management Fund	Total
Cash flows from operating activities				
Cash received from customers	\$ 885,909	\$ 6,153,655	\$ 3,554,742	\$ 10,594,306
Cash paid for goods and services	(676,439)	(6,100,713)	(2,338,800)	(9,115,952)
Cash paid to employees for services	(376,213)	(57,875)	(978,262)	(1,412,350)
Net cash provided by (used in) operating activities	<u>(166,743)</u>	<u>(4,933)</u>	<u>237,680</u>	<u>66,004</u>
Cash flows from noncapital financing				
Due from General Fund	121,000	-	-	121,000
Other nonoperating revenue	36,289	-	-	36,289
Net cash provided (used) by noncapital financing	<u>157,289</u>	<u>-</u>	<u>-</u>	<u>157,289</u>
Cash flows from capital and related financing activities				
Proceeds from disposal of capital assets	-	-	59,787	59,787
Purchase of capital assets	(22,759)	-	(1,048,855)	(1,071,614)
Net cash provided (used) by capital and related financing activities	<u>(22,759)</u>	<u>-</u>	<u>(989,068)</u>	<u>(1,011,827)</u>
Net increase (decrease) in cash and cash equivalents/investments	(32,213)	(4,933)	(751,388)	(788,534)
Cash and cash equivalents/investments				
Beginning of year	<u>84,987</u>	<u>2,454,659</u>	<u>803,133</u>	<u>3,342,779</u>
End of year	<u>\$ 52,774</u>	<u>\$ 2,449,726</u>	<u>\$ 51,745</u>	<u>\$ 2,554,245</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities				
Operating income (loss)	\$ (225,984)	\$ (218,128)	\$ (302,841)	\$ (746,953)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	38,598	-	675,303	713,901
Change in assets and liabilities				
(Increase) decrease in receivables	23	31,359	(2,377)	29,005
(Increase) decrease in inventories	-	-	(10,113)	(10,113)
Increase (decrease) in accounts payable	16,749	181,836	(128,755)	69,830
Increase (decrease) in accrued vacation payable	3,871	-	6,463	10,334
Total adjustments	<u>59,241</u>	<u>213,195</u>	<u>540,521</u>	<u>812,957</u>
Net cash provided by (used in) operating activities	<u>\$ (166,743)</u>	<u>\$ (4,933)</u>	<u>\$ 237,680</u>	<u>\$ 66,004</u>

COUNTY OF MOORE, NORTH CAROLINA

INTERNAL SERVICE FUND
MANAGEMENT INFORMATION SYSTEMS
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)
For the Fiscal Year Ended June 30, 2007

	2007		Variance Positive (Negative)
	Budget	Actual	
Operating revenues:			
Charges for services	\$ 1,041,200	\$ 885,886	\$ (155,314)
Nonoperating revenues:			
Other nonoperating revenue	15,330	36,289	20,959
Net assets appropriated	170,853	-	(170,853)
Total revenues	<u>\$ 1,227,383</u>	<u>\$ 922,175</u>	<u>\$ (305,208)</u>
Operating expenditures:			
Salaries and fringe benefits	\$ 380,378	\$ 382,273	\$ (1,895)
Operational expenditures	559,504	489,798	69,706
Total operating expenditures	<u>939,882</u>	<u>872,071</u>	<u>67,811</u>
Nonoperating expenditures:			
Interest expense	12,951	-	12,951
Budgetary appropriations:			
Capital outlay	274,550	223,960	50,590
Total budgetary appropriations	<u>274,550</u>	<u>223,960</u>	<u>50,590</u>
Total expenditures	<u>\$ 1,227,383</u>	<u>\$ 1,096,031</u>	<u>\$ 131,352</u>
Reconciliation of modified accrual basis to full accrual basis:			
Total revenues - modified accrual basis		\$ 922,175	
Total expenditures - modified accrual basis		<u>1,096,031</u>	
Excess (deficiency) of revenues over (under) expenditures		(173,856)	
Adjustments to full accrual basis:			
Depreciation		(38,598)	
Capital outlay		223,960	
Less amounts not capitalized		<u>(201,201)</u>	
Change in net assets		<u>\$ (189,695)</u>	

COUNTY OF MOORE, NORTH CAROLINA

INTERNAL SERVICE FUND
RISK MANAGEMENT

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)
For the Fiscal Year Ended June 30, 2007

	2007		Variance Positive (Negative)
	Budget	Actual	
Operating revenues:			
Charges for services	\$ 5,564,649	\$ 6,122,296	\$ 557,647
Net assets appropriated	110,902	-	(110,902)
Total revenues	<u>\$ 5,675,551</u>	<u>\$ 6,122,296</u>	<u>\$ 446,745</u>
Operating expenditures:			
Salaries and fringe benefits	\$ 55,176	\$ 57,898	\$ (2,722)
Administrative costs	179,000	158,032	20,968
Hospitalization benefits and insurance premiums	5,242,225	5,947,250	(705,025)
Operational expenditures	1,000	189	811
Wellness Clinic	198,150	177,055	21,095
Total operating expenditures	<u>\$ 5,675,551</u>	<u>\$ 6,340,424</u>	<u>\$ (664,873)</u>
Reconciliation of modified accrual basis to full accrual basis:			
Total revenues - modified accrual basis		\$ 6,122,296	
Total expenditures - modified accrual basis		<u>6,340,424</u>	
Change in net assets		<u>\$ (218,128)</u>	

COUNTY OF MOORE, NORTH CAROLINA

INTERNAL SERVICE FUND
PROPERTY MANAGEMENT

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)
For the Fiscal Year Ended June 30, 2007

	2007		Variance Positive (Negative)
	Budget	Actual	
Operating revenues:			
Charges for services	\$ 3,610,440	\$ 3,557,119	\$ (53,321)
Nonoperating revenues:			
Gain on disposal of capital assets	28,325	59,787	31,462
Net assets appropriated	912,372	-	(912,372)
Total revenues	<u>\$ 4,551,137</u>	<u>\$ 3,616,906</u>	<u>\$ (934,231)</u>
Operating expenditures:			
Salaries and fringe benefits	\$ 1,000,914	\$ 983,385	\$ 17,529
Operational expenditures	2,407,420	2,156,042	251,378
Total operating expenditures	<u>3,408,334</u>	<u>3,139,427</u>	<u>268,907</u>
Budgetary appropriations:			
Capital outlay	1,142,803	1,094,085	48,718
Total expenditures	<u>\$ 4,551,137</u>	<u>\$ 4,233,512</u>	<u>\$ 317,625</u>
Reconciliation of modified accrual basis to full accrual basis:			
Total revenues - modified accrual basis		\$ 3,616,906	
Total expenditures - modified accrual basis		4,233,512	
Excess (deficiency) of revenues over (under) expenditures		(616,606)	
Adjustments to full accrual basis:			
Depreciation		(675,303)	
Capital outlay		1,094,085	
Less amounts not capitalized		(45,230)	
Change in net assets		<u>\$ (243,054)</u>	

COUNTY OF MOORE, NORTH CAROLINA

**Combining Statement of Assets and Liabilities
Agency Funds
June 30, 2007**

	Social Services/ Sheriff Accounts Fund	Special Tax Districts Fund	Cooperative Extension Agency Fund	Soil & Water Conservation District Fund	Totals
Assets					
Cash	\$ 121,639	\$ 391,520	\$ 17,867	\$ 38,675	\$ 569,701
Property taxes (net of allowance for uncollectible taxes of \$78,000)	-	309,192	-	-	309,192
Due from other agencies and governments	-	705	1,120	-	1,825
Total assets	<u>\$ 121,639</u>	<u>\$ 701,417</u>	<u>\$ 18,987</u>	<u>\$ 38,675</u>	<u>\$ 880,718</u>
Liabilities					
Miscellaneous liabilities	\$ 121,639	\$ -	\$ 18,987	\$ 38,675	\$ 179,301
Intergovernmental payable - Towns	-	698,599	-	-	698,599
Intergovernmental payable - State of North Carolina	-	2,818	-	-	2,818
Total liabilities	<u>\$ 121,639</u>	<u>\$ 701,417</u>	<u>\$ 18,987</u>	<u>\$ 38,675</u>	<u>\$ 880,718</u>

COUNTY OF MOORE, NORTH CAROLINA

**Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Fiscal Year Ended June 30, 2007**

	<u>July 1, 2006</u>	<u>Additions</u>	<u>Deductions</u>	<u>June 30, 2007</u>
<u>Social Services/Sheriff Accounts Fund</u>				
Assets				
Cash	\$ 123,434	\$ 132,604	\$ 134,399	\$ 121,639
Total assets	<u>\$ 123,434</u>	<u>\$ 132,604</u>	<u>\$ 134,399</u>	<u>\$ 121,639</u>
Liabilities				
Miscellaneous liabilities	\$ 123,434	\$ 132,604	\$ 134,399	\$ 121,639
Total liabilities	<u>\$ 123,434</u>	<u>\$ 132,604</u>	<u>\$ 134,399</u>	<u>\$ 121,639</u>
<u>Special Tax Districts Fund</u>				
Assets				
Cash	\$ 204,510	\$ 23,074,126	\$ 22,887,116	\$ 391,520
Property taxes (net of allowance for uncollectible taxes of \$78,000 at June 30, 2007 and \$71,000 at June 30, 2006)	281,664	23,513,173	23,485,645	309,192
Due from other agencies and governments	11,381	705	11,381	705
Total assets	<u>\$ 497,555</u>	<u>\$ 46,588,004</u>	<u>\$ 46,384,142</u>	<u>\$ 701,417</u>
Liabilities				
Intergovernmental payable - Towns	\$ 494,245	\$ 46,585,186	\$ 46,380,832	\$ 698,599
Intergovernmental payable - State of North Carolina	3,310	2,818	3,310	2,818
Total liabilities	<u>\$ 497,555</u>	<u>\$ 46,588,004</u>	<u>\$ 46,384,142</u>	<u>\$ 701,417</u>
<u>Cooperative Extension Agency Fund</u>				
Assets				
Cash	\$ 11,079	\$ 40,165	\$ 33,377	\$ 17,867
Due from other agencies and governments	1,306	1,120	1,306	1,120
Total assets	<u>\$ 12,385</u>	<u>\$ 41,285</u>	<u>\$ 34,683</u>	<u>\$ 18,987</u>
Liabilities				
Miscellaneous liabilities	\$ 12,385	\$ 41,285	\$ 34,683	\$ 18,987
Total liabilities	<u>\$ 12,385</u>	<u>\$ 41,285</u>	<u>\$ 34,683</u>	<u>\$ 18,987</u>
<u>Soil & Water Conservation District Fund</u>				
Assets				
Cash	\$ 30,648	\$ 43,369	\$ 35,342	\$ 38,675
Total assets	<u>\$ 30,648</u>	<u>\$ 43,369</u>	<u>\$ 35,342</u>	<u>\$ 38,675</u>
Liabilities				
Miscellaneous liabilities	\$ 30,648	\$ 43,369	\$ 35,342	\$ 38,675
Total liabilities	<u>\$ 30,648</u>	<u>\$ 43,369</u>	<u>\$ 35,342</u>	<u>\$ 38,675</u>
<u>Total All Agency Funds</u>				
Assets				
Cash	\$ 369,671	\$ 23,290,264	\$ 23,090,234	\$ 569,701
Property taxes (net of allowance for uncollectible taxes of \$78,000 at June 30, 2007 and \$71,000 at June 30, 2006)	281,664	23,513,173	23,485,645	309,192
Due from other agencies and governments	12,687	1,825	12,687	1,825
Total assets	<u>\$ 664,022</u>	<u>\$ 46,805,262</u>	<u>\$ 46,588,566</u>	<u>\$ 880,718</u>
Liabilities				
Miscellaneous liabilities	\$ 166,467	\$ 217,258	\$ 204,424	\$ 179,301
Intergovernmental payable - Towns	494,245	46,585,186	46,380,832	698,599
Intergovernmental payable - State of North Carolina	3,310	2,818	3,310	2,818
Total liabilities	<u>\$ 664,022</u>	<u>\$ 46,805,262</u>	<u>\$ 46,588,566</u>	<u>\$ 880,718</u>

COUNTY OF MOORE, NORTH CAROLINA

**Statement of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Discretely Presented Component Unit -
Convention and Visitors Bureau
For the Fiscal Year Ended June 30, 2007**

	Final Budget	Actual	Variance With Final Positive (Negative)
Revenues:			
Net room occupancy tax	\$ 1,160,000	\$ 1,396,737	\$ 236,737
Charges for services	317,770	234,851	(82,919)
Total revenues	<u>1,477,770</u>	<u>1,631,588</u>	<u>153,818</u>
Expenditures:			
Salaries and benefits	254,700	299,017	(44,317)
Operating	1,223,070	1,145,395	77,675
Capital outlay	15,000	12,263	2,737
Total expenditures	<u>1,492,770</u>	<u>1,456,675</u>	<u>36,095</u>
Fund balance appropriated	15,000	-	(15,000)
Net change in fund balances	<u>\$ -</u>	<u>\$ 174,913</u>	<u>\$ 174,913</u>
Reconciliation of modified accrual basis to full accrual basis:			
Total revenues - modified accrual basis		\$ 1,631,588	
Total expenditures - modified accrual basis		<u>1,456,675</u>	
Excess of revenues over expenditures		174,913	
Adjustments to full accrual basis:			
Depreciation		<u>(1,020)</u>	
Change in net assets		<u>\$ 173,893</u>	

COUNTY OF MOORE, NORTH CAROLINA

SCHEDULE OF ANALYSIS OF CURRENT TAX LEVY
June 30, 2007

	County Wide			Total Levy	
	Property Valuation	Rate	Total Levy*	Property excluding Registered Motor Vehicles	Registered Motor Vehicles
Original levy:					
Property taxed at current year's rate	\$ 8,518,184,802	0.455	\$ 38,759,952	\$ 35,355,430	\$ 3,404,522
Registered motor vehicles taxed	6,382,774	0.455	28,274	-	28,274
at prior year's rates	69,000	0.475	33	-	33
Penalties			31,305	31,305	-
	<u>8,524,636,576</u>		<u>38,819,564</u>	<u>35,386,735</u>	<u>3,432,829</u>
Discoveries:					
Current year taxes	20,362,171	0.455	91,707	91,707	-
Prior year taxes	3,459,534	0.545	18,854	18,854	-
	70,177	0.530	372	372	-
	16,494,377	0.475	78,348	78,348	-
Penalties			16,349	16,349	-
Abatements	<u>(54,943,956)</u>		<u>(249,995)</u>	<u>(114,482)</u>	<u>(135,513)</u>
Total property valuation	<u><u>\$8,510,078,879</u></u>				
Net Levy			38,775,199	35,477,883	3,297,316
Uncollected taxes at 6/30/07			<u>332,939</u>	<u>137,655</u>	<u>195,284</u>
Current year's taxes collected			<u><u>\$38,442,260</u></u>	<u><u>\$35,340,228</u></u>	<u><u>\$3,102,032</u></u>
Current levy collection percentage			<u>99.14%</u>	<u>99.61%</u>	<u>94.08%</u>

* Billings are prorated according to the number of months in the billing cycle. Property is at full value but levy may vary.

COUNTY OF MOORE, NORTH CAROLINA

SCHEDULE OF TAXES RECEIVABLE

June 30, 2007

<u>Tax Levy</u>	<u>Uncollected Balance June 30, 2006</u>	<u>Gross Levy</u>	<u>Collections</u>	<u>Other Reductions</u>	<u>Uncollected Balance June 30, 2007</u>
2002 and back	\$ 328,463	\$ -	\$ 24,918	\$ (7,106)	\$ 296,439
2003	79,717	-	13,275	(963)	65,479
2004	96,857	-	25,847	(1,662)	69,348
2005	328,063	-	213,915	\$ (12,089)	102,059
2006	<u>-</u>	<u>39,025,287</u>	<u>38,442,260</u>	<u>\$ (250,088)</u>	<u>332,939</u>
Total	833,100	<u><u>\$ 39,025,287</u></u>	<u><u>\$ 38,720,215</u></u>	<u><u>\$ (271,908)</u></u>	866,264
Less allowance for uncollectible taxes (20%)	<u>(166,700)</u>				<u>(173,000)</u>
Taxes receivable, net	<u><u>\$ 666,400</u></u>				<u><u>\$ 693,264</u></u>
Reconciliation to property tax revenue:					
Collections per above					\$ 38,720,215
Penalties and interest					41,062
Discounts					(408,830)
Relief/refunds					<u>(51,195)</u>
Property tax revenue per combined financial statements					<u><u>\$ 38,301,252</u></u>

COUNTY OF MOORE, NORTH CAROLINA

SCHEDULE OF CAPITAL ASSETS - BY FUNCTION AND ACTIVITY
June 30, 2007

<u>Function and activity</u>	<u>Land</u>	<u>Buildings</u>	<u>Equipment</u>	<u>Total</u>
General government				
Airport	\$ 11,417,858	\$ 8,030,816	\$ 479,484	\$ 19,928,158
Government Center	-	27,900	-	27,900
Wellness Center	-	73,274	-	73,274
Finance	-	-	5,259	5,259
Tax	-	-	45,989	45,989
Elections	-	255,491	16,472	271,963
Register of deeds	-	1,252,082	105,360	1,357,442
Total general government	11,417,858	9,639,563	652,564	21,709,985
Public safety:				
Sheriff	-	-	418,756	418,756
Jail	-	5,042,039	56,071	5,098,110
Day reporting center	-	88,735	5,608	94,343
Emergency management	-	-	522,694	522,694
Emergency medical services	-	30,878	1,005,011	1,035,889
Emergency communications	-	29,002	1,206,790	1,235,792
Total public safety	-	5,190,654	3,214,930	8,405,584
Environmental protection and community development				
Waste disposal	289,600	675,592	811,078	1,776,270
Planning and community development	-	-	70,266	70,266
Cooperative extension service	-	-	17,021	17,021
Soil and water conservation/District	-	-	55,028	55,028
Economic development	675,000	-	-	675,000
Total environmental protection and community development	964,600	675,592	953,393	2,593,585
Human services:				
Health	-	738,975	136,757	875,732
Social services/Child support	-	3,288,623	432,118	3,720,741
Veterans	-	35,000	-	35,000
Older adults	44,000	1,629,724	18,882	1,692,606
Transportation services	-	-	855,453	855,453
Total human services	44,000	5,692,322	1,443,210	7,179,532
Cultural and recreational				
Library	-	-	12,985	12,985
Recreation	1,275,202	17,040	20,274	1,312,516
Total cultural and recreational	1,275,202	17,040	33,259	1,325,501
Total general capital assets	\$ 13,701,660	\$ 21,215,171	\$ 6,297,356	\$ 41,214,187

COUNTY OF MOORE, NORTH CAROLINA

SCHEDULE OF CHANGES IN CAPITAL ASSETS - BY FUNCTION AND ACTIVITY
for the year ended June 30, 2007

<u>Function and activity</u>	<u>General capita assets 7/1/06</u>	<u>Additions</u>	<u>Transfers and Deductions</u>	<u>General capita assets 6/30/07</u>
General government				
Airport	\$ 18,782,642	\$ 1,171,608	\$ (26,091)	\$ 19,928,159
Government Center	-	27,900	-	27,900
Wellness Clinic	73,274	-	-	73,274
Finance	5,259	-	-	5,259
Tax	57,964	-	(11,975)	45,989
Elections	302,689	5,410	(36,136)	271,963
Register of deeds	1,363,942	-	(6,500)	1,357,442
Total general government	<u>20,585,770</u>	<u>1,204,918</u>	<u>(80,702)</u>	<u>21,709,986</u>
Public safety:				
Sheriff	388,673	36,583	(6,500)	418,756
Jail	5,105,505	-	(7,395)	5,098,110
Day reporting center	94,343	-	-	94,343
Emergency management	509,857	12,837	-	522,694
Emergency medical services	763,625	417,174	(144,911)	1,035,888
E911 communications	677,467	558,325	-	1,235,792
Total public safety	<u>7,539,470</u>	<u>1,024,919</u>	<u>(158,806)</u>	<u>8,405,583</u>
Environmental protection and community development				
Waste disposal	1,526,485	249,785	-	1,776,270
Planning and community development	50,713	19,553	-	70,266
Cooperative extension service	17,021	-	-	17,021
Soil and water conservation	38,608	25,420	(9,000)	55,028
Economic development	675,000	-	-	675,000
Total environmental protection and community development	<u>2,307,827</u>	<u>294,758</u>	<u>(9,000)</u>	<u>2,593,585</u>
Human services:				
Health	895,339	-	(19,607)	875,732
Social services/Child support	3,625,343	100,477	(5,079)	3,720,741
Veterans	-	35,000	-	35,000
Older adults	1,138,060	580,288	(25,742)	1,692,606
Transportation services	861,500	123,156	(129,203)	855,453
Total human services	<u>6,520,242</u>	<u>838,921</u>	<u>(179,631)</u>	<u>7,179,532</u>
Cultural and recreational				
Library	12,985	-	-	12,985
Recreation	1,295,476	17,040	-	1,312,516
Total cultural and recreational	<u>1,308,461</u>	<u>17,040</u>	<u>-</u>	<u>1,325,501</u>
Total general capital assets	<u>\$ 38,261,770</u>	<u>\$ 3,380,556</u>	<u>\$ (428,139)</u>	<u>\$ 41,214,187</u>

COUNTY OF MOORE, NORTH CAROLINA

SCHEDULE OF GENERAL OBLIGATION BOND MATURITIES
June 30, 2007

<u>Issue Date</u> <u>Description</u>	<u>Amount</u> <u>Issued</u>	<u>Maturities</u>		<u>Interest</u>		<u>Redeemed</u>	<u>Balance</u> <u>June 30, 2007</u>	<u>2007-2008 Requirements</u>		
		<u>Amount</u>	<u>Year</u>	<u>Rate</u>	<u>Due Date</u>			<u>Principal</u>	<u>Interest</u>	<u>Total</u>
6/1/98	\$ 1,400,000	\$ 700,000	6/1/99-00	4.40%	12/1 & 6/1	\$ 1,400,000				
Public Improvement	700,000	700,000	6/1/01	4.50%	12/1 & 6/1	700,000				
	3,000,000	750,000	6/1/02-05	4.60%	12/1 & 6/1	3,000,000				
	800,000	800,000	6/1/06	4.60%	12/1 & 6/1	800,000				
	10,200,000	1,700,000	6/1/07-12	4.60%	12/1 & 6/1	1,700,000	\$ 8,500,000	\$ 1,700,000	\$ 391,000	\$ 2,091,000
	5,100,000	1,700,000	6/1/13-15	4.90%	12/1 & 6/1	-	5,100,000	-	249,900	249,900
	3,400,000	1,700,000	6/1/16-17	5.00%	12/1 & 6/1	-	3,400,000	-	170,000	170,000
	400,000	400,000	6/1/18	5.10%	12/1 & 6/1	-	400,000	-	20,400	20,400
	<u>25,000,000</u>					<u>7,600,000</u>	<u>17,400,000</u>	<u>1,700,000</u>	<u>831,300</u>	<u>2,531,300</u>
5/1/03	800,000	400,000	6/1/04-05	5.00%	12/1 & 6/1	800,000				
Public Improvement	1,600,000	400,000	6/1/06-09	3.00%	12/1 & 6/1	800,000	800,000	400,000	24,000	424,000
	800,000	400,000	6/1/10-11	3.50%	12/1 & 6/1	-	800,000	-	28,000	28,000
	400,000	400,000	6/1/12	3.625%	12/1 & 6/1	-	400,000	-	14,500	14,500
	800,000	400,000	6/1/13-14	5.00%	12/1 & 6/1	-	800,000	-	40,000	40,000
	400,000	400,000	6/1/15	4.00%	12/1 & 6/1	-	400,000	-	16,000	16,000
	400,000	400,000	6/1/16	3.875%	12/1 & 6/1	-	400,000	-	15,500	15,500
	2,000,000	2,000,000	6/1/17-18	4.00%	12/1 & 6/1	-	2,000,000	-	80,000	80,000
	3,200,000	1,600,000	6/1/19-20	4.125%	12/1 & 6/1	-	3,200,000	-	132,000	132,000
	1,100,000	1,100,000	6/1/21	4.25%	12/1 & 6/1	-	1,100,000	-	46,750	46,750
	<u>11,500,000</u>					<u>1,600,000</u>	<u>9,900,000</u>	<u>400,000</u>	<u>396,750</u>	<u>796,750</u>
5/12/03			6/1/03	4.50%	6/1					
Water			6/1/04	4.50%	6/1					
	19,500	19,500	6/1/05	4.50%	6/1	19,500				
	20,000	20,000	6/1/06	4.50%	6/1	20,000				
	21,000	21,000	6/1/07	4.50%	6/1	21,000				
	22,000	22,000	6/1/08	4.50%	6/1	-	22,000	22,000	991	22,991
	23,000	23,000	6/1/09	4.50%	6/1	-	23,000	-	1,035	1,035
	24,000	24,000	6/1/10	4.50%	6/1	-	24,000	-	1,080	1,080
	25,000	25,000	6/1/11	4.50%	6/1	-	25,000	-	1,125	1,125
	26,500	26,500	6/1/12	4.50%	6/1	-	26,500	-	1,192	1,192
	27,500	27,500	6/1/13	4.50%	6/1	-	27,500	-	1,238	1,238
	28,500	28,500	6/1/14	4.50%	6/1	-	28,500	-	1,282	1,282
	30,000	30,000	6/1/15	4.50%	6/1	-	30,000	-	1,350	1,350
	31,500	31,500	6/1/16	4.50%	6/1	-	31,500	-	1,418	1,418
	32,500	32,500	6/1/17	4.50%	6/1	-	32,500	-	1,462	1,462
	34,000	34,000	6/1/18	4.50%	6/1	-	34,000	-	1,530	1,530
	35,500	35,500	6/1/19	4.50%	6/1	-	35,500	-	1,598	1,598
	37,500	37,500	6/1/20	4.50%	6/1	-	37,500	-	1,687	1,687
	39,000	39,000	6/1/21	4.50%	6/1	-	39,000	-	1,755	1,755
	41,000	41,000	6/1/22	4.50%	6/1	-	41,000	-	1,845	1,845
	42,500	42,500	6/1/23	4.50%	6/1	-	42,500	-	1,913	1,913
	44,500	44,500	6/1/24	4.50%	6/1	-	44,500	-	2,002	2,002
	46,500	46,500	6/1/25	4.50%	6/1	-	46,500	-	2,093	2,093
	48,500	48,500	6/1/26	4.50%	6/1	-	48,500	-	2,182	2,182
	51,000	51,000	6/1/27	4.50%	6/1	-	51,000	-	2,295	2,295
	53,000	53,000	6/1/28	4.50%	6/1	-	53,000	-	2,385	2,385
	55,500	55,500	6/1/29	4.50%	6/1	-	55,500	-	2,498	2,498
	58,500	58,500	6/1/30	4.50%	6/1	-	58,500	-	2,632	2,632
	61,000	61,000	6/1/31	4.50%	6/1	-	61,000	-	2,745	2,745
	63,500	63,500	6/1/32	4.50%	6/1	-	63,500	-	2,858	2,858
	66,500	66,500	6/1/33	4.50%	6/1	-	66,500	-	2,992	2,992
	69,500	69,500	6/1/34	4.50%	6/1	-	69,500	-	3,128	3,128
	73,000	73,000	6/1/35	4.50%	6/1	-	73,000	-	3,285	3,285
	76,000	76,000	6/1/36	4.50%	6/1	-	76,000	-	3,420	3,420
	79,500	79,500	6/1/37	4.50%	6/1	-	79,500	-	3,577	3,577
	390,000	78,000	6/1/38-42	4.50%	6/1	-	390,000	-	17,550	17,550
	<u>1,797,000</u>					<u>60,500</u>	<u>1,736,500</u>	<u>22,000</u>	<u>78,143</u>	<u>100,143</u>
	<u>\$ 38,297,000</u>					<u>\$ 9,260,500</u>	<u>\$ 29,036,500</u>	<u>\$ 2,122,000</u>	<u>\$ 1,306,193</u>	<u>\$ 3,428,193</u>

STATISTICAL SECTION

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

Contents	Page
Financial Trends <i>These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.</i>	94
Revenue Capacity <i>These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.</i>	99
Debt Capacity <i>These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.</i>	103
Demographic and Economic Information <i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.</i>	106
Operating Information <i>These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.</i>	108

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

Schedule 1

**County of Moore
Net Assets by Component
Last Five Fiscal Years
(accrual basis of accounting)
(amounts expressed in thousands)**

	Fiscal Year				
	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Governmental activities					
Invested in capital assets, net of related debt	\$ 19,990	\$ 30,180	\$ 23,738	\$ 25,642	\$ 28,359
Restricted	-	-	-	-	658
Unrestricted	(12,250)	(17,347)	(12,908)	(7,324)	(3,838)
Total governmental activities net assets	<u>\$ 7,740</u>	<u>\$ 12,833</u>	<u>\$ 10,830</u>	<u>\$ 18,318</u>	<u>\$ 25,179</u>
Business-type activities					
Invested in capital assets, net of related debt	\$ 13,423	\$ 12,874	\$ 12,705	\$ 12,488	\$ 17,244
Unrestricted	6,477	7,594	9,175	10,886	8,127
Total business-type activities net assets	<u>\$ 19,900</u>	<u>\$ 20,468</u>	<u>\$ 21,880</u>	<u>\$ 23,374</u>	<u>\$ 25,371</u>
Primary government					
Invested in capital assets, net of related debt	\$ 33,413	\$ 43,054	\$ 36,443	\$ 38,130	\$ 45,603
Restricted	-	-	-	-	658
Unrestricted	(5,773)	(9,753)	(3,733)	3,562	4,289
Total primary government net assets	<u>\$ 27,640</u>	<u>\$ 33,301</u>	<u>\$ 32,710</u>	<u>\$ 41,692</u>	<u>\$ 50,550</u>

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

Schedule 2

County of Moore
Changes in Net Assets
Last Five Fiscal Years
(accrual basis of accounting)
(amounts expressed in thousands)

	Fiscal Year				
	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Expenses					
Governmental activities:					
General government	\$ 6,435	\$ 6,643	\$ 6,435	\$ 6,182	\$ 6,445
Public Safety	9,811	11,065	12,327	12,867	15,238
Environmental protection and community development	3,440	2,931	3,052	3,587	3,646
Human services	17,600	17,859	19,284	20,562	22,012
Culture and recreational	1,059	915	1,011	1,017	1,134
Education	22,825	26,058	23,892	25,554	27,414
Grants-other	726	997	1,024	1,342	1,568
Debt service-interest	2,654	2,531	2,215	1,985	1,800
Total governmental activities expenses	<u>64,550</u>	<u>68,999</u>	<u>69,240</u>	<u>73,096</u>	<u>79,257</u>
Business-type activities:					
Wastewater treatment	1,869	2,167	2,039	2,317	2,394
Public utilities	5,066	5,266	4,883	5,577	6,570
East Moore water district	118	397	324	393	423
Total business-type activities expenses	<u>7,053</u>	<u>7,830</u>	<u>7,246</u>	<u>8,287</u>	<u>9,387</u>
Total primary government expenses	<u>\$ 71,603</u>	<u>\$ 76,829</u>	<u>\$ 76,486</u>	<u>\$ 81,383</u>	<u>\$ 88,644</u>
Program Revenues					
Governmental Activities:					
Charges for services:					
General government	\$ 2,039	\$ 2,273	\$ 2,765	\$ 3,161	\$ 3,004
Public safety	954	1,146	805	957	3,697
Environmental protection and community development	1,292	1,257	1,465	1,800	2,072
Human services	-	-	-	-	620
Cultural and recreational	144	145	179	161	198
Operating grants and contributions:					
General government	1,902	1,895	2,242	76	140
Public safety	320	355	447	1,058	761
Environmental protection and community development	-	-	9,185	13	12
Human services	7,579	8,111	-	10,621	10,590
Cultural and recreational	-	-	-	15	92
Education	905	722	554	614	229
Capital grants and contributions:					
Public safety	55	119	-	217	-
Environmental protection and community development	883	1,037	2,304	1,253	990
Human services	-	-	-	-	56
Education	-	203	-	-	-
Total Government activities program revenues	<u>16,073</u>	<u>17,263</u>	<u>19,946</u>	<u>19,946</u>	<u>22,461</u>
Business-type activities:					
Charges for services:					
Wastewater treatment	2,179	2,162	1,846	2,183	2,287
Public utilities	5,212	5,829	6,099	6,828	7,401
East Moore water district	178	276	279	325	352
Operating grants and contributions:					
Wastewater treatment	-	-	-	-	288
Public utilities	2,205	-	-	-	649
East Moore water district	1,215	77	-	139	-
Total business-type activities program revenues	<u>10,989</u>	<u>8,344</u>	<u>8,224</u>	<u>9,475</u>	<u>10,977</u>
Total primary government program revenues	<u>\$ 27,062</u>	<u>\$ 25,607</u>	<u>\$ 28,170</u>	<u>\$ 29,421</u>	<u>\$ 33,438</u>

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

Schedule 2 continued

County of Moore
Changes in Net Assets Cont.
Last Five Fiscal Years
(accrual basis of accounting)
(amounts expressed in thousands)

	Fiscal Year				
	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Net (expenses)/revenue					
Governmental activities	\$ (48,477)	\$ (51,736)	\$ (49,294)	\$ (53,150)	\$ (56,796)
Business-type activities	3,936	514	978	1,188	1,590
Total primary government net expense	<u>\$ (44,541)</u>	<u>\$ (51,222)</u>	<u>\$ (48,316)</u>	<u>\$ (51,962)</u>	<u>\$ (55,206)</u>
General Revenues and Other Changes in Net Assets					
Governmental activities:					
Taxes					
Property taxes	\$ 33,416	\$ 39,313	\$ 40,225	\$ 40,424	\$ 41,693
Sales taxes	11,240	14,493	15,820	17,216	18,349
Other licenses and fees	600	695	613	614	518
Unrestricted intergovernmental revenues	273	282	415	271	318
Donations	74	39	43	94	116
Sales tax refunds	22	57	23	24	25
Investment income	475	324	813	1,634	2,027
Other revenues	124	483	142	-	131
Payments from component units	366	365	365	367	412
Gain on sale of capital assets	-	-	40	92	68
Transfers	-	4	(179)	2	-
Total government activities	<u>46,590</u>	<u>56,055</u>	<u>58,320</u>	<u>60,738</u>	<u>63,657</u>
Business-type activities:					
Sales tax refunds	58	3	-	-	3
Investment income	57	50	124	301	404
Gain on sale of capital assets	21	-	-	4	-
Transfers	-	-	149	-	-
Total business-type activities	<u>136</u>	<u>53</u>	<u>273</u>	<u>305</u>	<u>407</u>
Total primary government	<u>\$ 46,726</u>	<u>\$ 56,108</u>	<u>\$ 58,593</u>	<u>\$ 61,043</u>	<u>\$ 64,064</u>
Change in Net Assets					
Governmental activities	\$ (1,887)	\$ 4,319	\$ 9,026	\$ 7,588	\$ 6,861
Business-type activities	4,072	567	1,251	1,493	1,997
Total primary government	<u>\$ 2,185</u>	<u>\$ 4,886</u>	<u>\$ 10,277</u>	<u>\$ 9,081</u>	<u>\$ 8,858</u>

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

Schedule 3

County of Moore
Fund Balances of Governmental Funds
Last Five Fiscal Years
(Modified accrual basis of accounting)
(amounts expressed in thousands)

	Fiscal Year				
	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
General fund					
Reserved for:					
State statute	\$ 4,626	\$ 5,670	\$ 6,313	\$ 6,919	\$ 6,857
Financing agreement compliance	462	462	450	622	462
Inventories	4	4	5	4	3
Unreserved, designated for:					
General Fund - Subsequent year's expenditures	944	1,262	5,332	7,192	239
Unreserved, undesignated	5,180	8,970	8,266	9,440	17,997
Total general fund	<u>\$ 11,216</u>	<u>\$ 16,368</u>	<u>\$ 20,366</u>	<u>\$ 24,177</u>	<u>\$ 25,558</u>
All other governmental funds					
Reserved for:					
State statute	\$ 418	\$ 896	\$ 413	\$ 189	\$ 426
Wireless 911 expenditures	256	353	468	629	658
Financing agreement compliance	9,495	5,498	4,313	3,247	1,252
Unreserved, designated for:					
Subsequent year's expenditures	468	426	411	338	306
Unreserved, undesignated					
Special revenue funds	676	679	270	243	2,275
Capital projects funds	(43)	(383)	102	212	75
Total all other governmental funds	<u>\$ 11,270</u>	<u>\$ 7,469</u>	<u>\$ 5,977</u>	<u>\$ 4,858</u>	<u>\$ 4,992</u>

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

Schedule 4

County of Moore
Changes in Fund Balances of Governmental Funds
Last Five Fiscal Years
(modified accrual basis of accounting)
(amounts expressed in thousands)

	Fiscal Year				
	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Revenues					
Property taxes	\$ 33,207	\$ 39,345	\$ 40,247	\$ 40,464	\$ 41,673
Sales taxes	11,240	14,493	15,820	17,216	18,349
Other licenses and fees	600	695	613	614	518
Unrestricted intergovernmental revenues	273	282	415	271	318
Restricted intergovernmental revenues	11,644	12,787	14,894	14,224	13,256
Charges for services	4,429	4,821	4,960	5,787	9,233
Investment income	475	323	813	1,634	2,027
Sales tax refunds	22	57	23	24	24
Other revenues	124	234	142	-	95
Donations	74	39	43	94	116
Payments from component units	366	365	365	367	412
Total revenues	<u>62,454</u>	<u>73,441</u>	<u>78,335</u>	<u>80,695</u>	<u>86,021</u>
Expenditures					
Current:					
General government	4,817	4,762	5,125	5,623	5,796
Public safety	9,223	10,655	11,620	12,218	13,905
Environmental protection and community development	2,941	2,945	3,259	3,146	3,535
Human services	16,909	17,700	18,839	20,211	21,265
Cultural and recreational	992	968	1,003	1,026	1,102
Education	20,476	21,992	22,684	23,722	25,868
Grants - other	726	997	1,024	1,342	1,568
Capital outlay	5,147	5,838	5,654	3,959	5,301
Debt service:					
Principal	3,924	4,446	4,785	4,345	4,354
Interest	2,259	2,571	2,263	2,019	1,830
Total expenditures	<u>67,414</u>	<u>72,874</u>	<u>76,256</u>	<u>77,611</u>	<u>84,524</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(4,960)</u>	<u>567</u>	<u>2,079</u>	<u>3,084</u>	<u>1,497</u>
Other financing sources (uses)					
Transfers in	2,269	431	297	594	192
Transfers out	(2,269)	(427)	(500)	(1,116)	(192)
Proceeds from sale of capital assets	11	4	290	37	19
Bonds	11,500	-	-	-	-
Debt issued	-	-	132	160	-
Total other financing sources (uses)	<u>11,511</u>	<u>8</u>	<u>219</u>	<u>(325)</u>	<u>19</u>
Net change in fund balances	<u>\$ 6,551</u>	<u>\$ 575</u>	<u>\$ 2,298</u>	<u>\$ 2,759</u>	<u>\$ 1,516</u>
Debt service as a percentage of noncapital expenditures (1)	9.42%	9.83%	9.82%	8.36%	7.62%

Notes: The County of Moore began to report accrual information when it implemented GASB Statement 34 in fiscal year 2003.

- (1) Total debt service is shown as a percentage of total noncapital expenditures. Noncapital expenditures are total expenditures less capital outlay (to the extent capitalized for the government-wide statement of net assets) and expenditures for capitalized assets included within the functional expenditure categories.

Schedule 5

County of Moore
Assessed Value and Estimated Actual Value of Taxable Property
Last Five Fiscal Years
(in thousands of dollars)

Fiscal Year	Real Property		Personal Property		Less:	Total Taxable	Total	Estimated	Assessed
	Residential Property	Commercial Property	Motor Vehicles	Utilities/ Other	Tax Exempt Real Property	Assessed Value	Direct Tax Rate	Actual Taxable Value	Value as a Percentage of Actual Value
2003	\$ 347,527	\$ 5,041,510	\$ 702,798	\$ 107,391	\$ 563,952	\$ 5,635,274	\$ 0.545	\$ 7,151,174	78.8%
2004	306,496	7,110,320	642,670	208,635	575,359	7,692,762	0.475	7,692,762	100.0%
2005	288,282	7,464,658	678,352	138,553	747,286	7,822,559	0.475	8,351,919	93.7%
2006	286,889	7,763,537	779,662	135,636	777,751	8,187,973	0.455	8,300,000	98.7%
2007	313,506	8,024,302	754,217	144,524	726,470	8,510,079	0.455	8,510,079	100.0%

Source: Moore County Tax Department

Notes: The County of Moore began to report accrual information when it implemented GASB Statement 34 in fiscal year 2003.

Property in the county is reassessed every four years. The County assesses property at 100 percent of actual value for personal property and 88 percent for real property. Estimated actual taxable value is calculated by dividing assessed value by those percentages. Tax rates are per \$100 of assessed value.

N/A - not available

Schedule 6

County of Moore
Property Tax Rates
Direct and Overlapping Governments
Last Ten Fiscal Years

	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
<u>Direct Rates</u>										
County General	\$0.4500	\$0.4900	\$0.4900	\$0.5300	\$0.5450	\$0.5450	\$0.4750	\$0.4750	\$0.4550	\$0.4550
Advanced Life Support (ALS)	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0400	0.0400	0.0400	0.0400
<u>Municipalities</u>										
Aberdeen	0.5000	0.4800	0.4800	0.4800	0.4800	0.4300	0.4300	0.4300	0.4500	0.4500
Cameron	0.5100	0.5100	0.5100	0.5100	0.5100	0.4900	0.4900	0.4900	0.5600	0.5600
Carthage	0.4700	0.4700	0.4700	0.4700	0.4700	0.4200	0.4200	0.4200	0.4200	0.4200
Foxfire	0.2700	0.2700	0.2700	0.2700	0.2700	0.2700	0.3200	0.3200	0.3200	0.3200
Pinebluff	0.4700	0.4700	0.4700	0.4700	0.4700	0.4400	0.4400	0.4200	0.4200	0.4200
Pinehurst	0.3500	0.3300	0.3000	0.3000	0.3500	0.2900	0.3100	0.3100	0.3100	0.3100
Robbins	0.6800	0.6800	0.6800	0.6800	0.6800	0.6600	0.6600	0.6600	0.6600	0.6600
Southern Pines	0.5000	0.5000	0.5000	0.5000	0.5000	0.3900	0.3900	0.3900	0.4000	0.4000
Taylortown	0.4000	0.4000	0.4000	0.4000	0.4000	0.4000	0.4000	0.4000	0.4000	0.4000
Vass	0.5925	0.5925	0.5875	0.5875	0.5875	0.5300	0.5300	0.5300	0.5300	0.5300
Whispering Pines	0.3400	0.3400	0.3600	0.3600	0.3900	0.3400	0.3400	0.3400	0.3400	0.3400
<u>Fire Districts</u>										
Crestline	0.1200	0.1200	0.1200	0.1200	0.1200	0.0900	0.0900	0.0900	0.0900	0.1000
Seven Lakes	0.0600	0.0600	0.0600	0.0600	0.0500	0.0425	0.0425	0.0425	0.0425	0.0900
West End	0.0800	0.0800	0.0800	0.0800	0.0800	0.0550	0.0500	0.0600	0.0600	0.0850
Eastwood	0.1100	0.1100	0.1100	0.1100	0.1100	0.0775	0.0775	0.0775	0.0775	0.1000
Highfalls	0.1000	0.1000	0.1000	0.1000	0.1000	0.0650	0.0650	0.0650	0.0650	0.0425
Eagle Springs	0.0700	0.0700	0.0700	0.0700	0.0700	0.0550	0.0550	0.0750	0.0750	0.0600
Crains Creek	0.1300	0.1300	0.1300	0.1300	0.1300	0.1150	0.1150	0.1150	0.1150	0.1150
Westmoore	0.0800	0.0800	0.0800	0.0800	0.0800	0.0600	0.0600	0.0600	0.0700	0.0700

Source: Moore County Tax Department

Notes: The County of Moore began to report accrual information when it implemented GASB Statement 34 in fiscal year 2003.

Property in the county is reassessed every four years. Tax rates are per \$100 of assessed value.

Schedule 7

County of Moore
Principal Property Taxpayers
Current Year and Nine Years Ago

Taxpayer	2007			1998		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Resorts of Pinehurst (Note 1)	\$ 128,784,368	1	1.51%	\$ 58,276,606	1	1.30%
Carolina Power & Light	69,416,273	2	0.81%	50,783,931	2	1.13%
Forest Creek Holding Co. LLC	30,031,932	3	0.35%			
Carolina Telephone & Telegraph	25,110,509	4	0.30%	23,076,402	3	0.51%
Seymour Land Trust (Note 2)	24,009,730	5	0.28%	13,573,020	8	0.30%
James R. Kirkpatrick - Pinecrest Plaza	22,810,702	6	0.27%	17,130,188	6	0.38%
Country Club of North Carolina (Note 3)	18,346,660	7	0.22%	13,549,840	9	0.30%
Pine Needles (Note 4)	16,880,295	8	0.20%			
Pinehurst Surgical	15,426,194	9	0.18%			
Wal-mart	14,930,481	10	0.18%			
Pinewild (Note 5)				21,206,608	4	0.47%
Woodlake (Note 6)				18,808,331	5	0.42%
The National Golf Club (Note 7)				15,879,187	7	0.35%
Gulistan Carpet, Inc.				13,450,054	10	0.30%
Total assessed valuation of top 10 taxpayers	365,747,144		4.30%	245,734,167		5.46%
Balance of assessed valuation	8,144,331,735		95.70%	4,249,874,699		94.54%
Total assessed valuation	<u>\$ 8,510,078,879</u>		<u>100.00%</u>	<u>\$ 4,495,608,866</u>		<u>100.00%</u>

Source - Moore County Tax Department

Notes: The County of Moore began to report accrual information when it implemented GASB Statement 34 in fiscal year 2003.

1. Includes Pinehurst Hotel, Inc., Resorts of Pinehurst, Resorts for Pinehurst Inc., Pinehurst Acquisition Corp., PCC Realty Corp, Pinehurst Enterprises Inc., Yadco of Pinehurst, Pinehurst Inc., Pinehurst Resorts Co.
2. Includes Seymour Land Development, Seymour Prop Inc., Seymour Properties, Inc., Seymour Trust, Seymour Trust T/A SWF Assoc., Seymour Family, LLC.
3. Includes Country Club of NC Inc., Country Club of NC, The
4. Includes Mid-Pines Inn & Golf Club, Mid-Pines Development Group, Pineneedles Co Club, Inc., Pine Needles Properties, Pine Needles Country Club
5. Includes Country Club of Pinewild Mgmt., Pinewild Development, Pinewild Maintenance Corp., Pinewild Project Lmted. Partnership
6. Includes Woodlake Partners, Woodlake Partners Limited, Woodlake Properties
7. Includes The Plantation and The National Golf Club

Schedule 8

County of Moore
Property Tax Levies and Collections
Last Five Fiscal Years
(amounts expressed in thousands)

Fiscal Year Ended June 30	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2003	\$ 30,771	\$ 30,225	98.2%	\$ 289	\$ 30,514	99.1%
2004	36,416	36,019	98.9%	431	36,450	100.1%
2005	37,215	36,892	99.1%	351	37,243	100.1%
2006	37,353	37,025	99.1%	299	37,324	100.0%
2007	38,775	38,442	99.1%	278	38,720	99.9%

Sources: Moore County Tax Department and Moore County Finance Department

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

Schedule 9

County of Moore
Ratios of Outstanding Debt by Type
Last Five Fiscal Years
(amounts expressed in thousands, except per capita amount)

Fiscal Year	Governmental Activities			Business-Type Activities		Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
	General Obligation Bonds	Certificates of Participation	Notes Payable	USDA Bonds	Notes Payable			
2003	\$ 35,755	\$ 2,570	\$ 17,234	\$ 1,797	\$ 6,550	63,906	25.58%	\$ 825
2004	33,625	2,255	15,164	1,797	5,808	58,649	21.90%	750
2005	31,510	1,925	12,881	1,778	5,089	53,183	18.38%	670
2006	29,400	1,580	11,110	1,758	4,455	48,303	N/A	597
2007	27,300	1,215	9,221	1,737	3,839	43,312	N/A	516

Notes: The County of Moore began to report accrual information when it implemented GASB Statement 34 in fiscal year 2003.

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

(1) See the Demographic and Economic Statistics on Schedule 12 for personal income and population data.

N/A - not available

Schedule 10

County of Moore
Ratios of General Bonded Debt Outstanding
Last Five Fiscal Years
(amounts expressed in thousands, except per capita amount)

<u>Fiscal Year</u>	<u>General Obligation Bonds</u>	<u>Percentage of Estimated Actual Taxable Value of Property (a)</u>	<u>Per Capita (b)</u>
2003	\$ 37,552	0.52%	\$ 485
2004	35,422	0.46%	453
2005	33,288	0.40%	420
2006	31,158	0.38%	386
2007	29,037	0.34%	346

Notes: The County of Moore began to report accrual information when it implemented GASB Statement 34 in fiscal year 2003.

Details regarding the County's outstanding debt can be found in the notes of the financial statements.

- a. See the schedule of Assessed Value and Estimated Actual Value of Taxable Property (Schedule 5) for property value data.
- b. Population data can be found in the schedule of Demographic and Economic Statistics (Schedule 12).

Schedule 11

County of Moore
Legal Debt Margin Information
Last Five Fiscal Years

	Fiscal Year				
	2003	2004	2005	2006	2007
Debt limit	\$ 450,821,938	\$ 615,420,929	\$ 625,804,704	\$ 655,037,817	\$ 680,806,310
Total net debt applicable to limit	69,761,623	81,246,752	76,518,559	72,292,765	67,939,277
Legal debt margin	<u>\$ 381,060,315</u>	<u>\$ 534,174,177</u>	<u>\$ 549,286,145</u>	<u>\$ 582,745,052</u>	<u>\$ 612,867,033</u>
Total net debt applicable to the limit as a percentage of debt limit	15.5%	13.2%	12.2%	11.0%	10.0%

Legal Debt Margin Calculation for Fiscal Year 2006

Appraised valuation - June 30, 2006	<u>\$8,510,078,879</u>
Debt limit - eight percent (8%) of appraised valuation	<u>680,806,310</u>
<u>Gross Debt</u>	
Total bonded debt	29,036,500
Authorized and unissued bonds	30,203,000
Notes payable	13,060,352
Certificates of participation	<u>1,215,000</u>
Gross debt	<u>73,514,852</u>
<u>Statutory Deductions</u>	<u>(5,575,575)</u>
Net debt	<u>67,939,277</u>
Legal debt margin	<u>\$ 612,867,033</u>

Notes: The County of Moore began to report accrual information when it implemented GASB Statement 34 in fiscal year 2003.

NC Statute GS159-55 limits the County's outstanding debt to 8% of the appraised value of property subject to taxation.

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

**County of Moore
Demographic and Economic Statistics
Last Five Fiscal Years**

Fiscal Year	Population (1)	Personal Income (2)	Per Capita Personal Income (2)	Median Age (3)	School Enrollment (4)	Unemployment Rate (5) (6)
2003	77,424	\$ 2,498,623	\$ 31,655	42.76	11,331	7.2%
2004	78,226	2,677,962	33,447	43.04	11,711	5.9%
2005	79,342	2,893,745	35,575	43.32	11,937	5.4%
2006	80,867	N/A	N/A	43.52	12,014	4.8%
2007	83,933	N/A	N/A	N/A	12,294	4.8%

Sources: (1) NC Association of County Commissioners
 (2) Bureau of Economic Analysis
 (3) NC Department of Demographics
 (4) NC Public School Statistical Profile Manual
 (5) NC Employment Security Commission
 (6) Moore County Partners in Progress

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

N/A - not available

Schedule 13

**County of Moore
Principal Employers
Current Year and Seven Years Ago**

Employer	2007			2000 - (Note 2)		
	Employees (Note 1)	Rank	Percentage of Total County Employment	Employees (Note 3)	Rank	Percentage of Total City Employment
First Health of the Carolinas, Inc.	1,000 & over	1	N/A	1,000 & over	1	N/A
Moore County Schools	1,000 & over	2	N/A			
Pinehurst, Inc.	1,000 & over	3	N/A	1,000 & over	2	N/A
County of Moore	500 - 999	4	N/A			
Sandhills Community College	500 - 999	5	N/A			
Wal-mart Associates, Inc.	250 - 499	6	N/A	250 - 499	6	N/A
Lee Electrical Construction, Inc.	250 - 499	7	N/A	100 - 249	9	N/A
Gulistan Carpet Inc.	250 - 499	8	N/A	250 - 499	3	N/A
St. Joseph of the Pines Hospital, Inc.	250 - 499	9	N/A	250 - 499	7	N/A
Pinehurst Medical Clinic, Inc.	250 - 499	10	N/A			
Perdue Farms Inc				250 - 499	4	N/A
Stanley Furniture Co Inc.				250 - 499	5	N/A
Food Lion				250 - 499	8	N/A
Klaussner Furniture Industries Inc.				100 - 249	10	N/A
Total	N/A		N/A	N/A		N/A

Source: NC Employment Security Commission Website

Notes: The County of Moore began to report accrual information when it implemented GASB Statement 34 in fiscal year 2003.

1. Per the NC Employment Security Commission, Labor Market Division Employee figures were compiled for statistical purposes on a range basis only.
2. Per the NC Employment Security Commission, Labor Market Division Principal Employers Data only goes back as far as 2000. This information has been included for comparison purposes.

N/A - not available

Schedule 14**County of Moore
Full-time Equivalent County Employees by Function
Last Five Fiscal Years**

Function	Full-time Equivalent Employees as of June 30				
	2003	2004	2005	2006	2007
General government	90	92	117	94	97.00
Public safety:					
Law enforcement	72	71	69	72	73
Other (Jail, communications, EMS and emergency management	100	97	97	100.50	100.50
Environmental protection and community development	62	61	26	48.50	49.5
Human services	228	229	210	225	227.50
Cultural and recreational	20	20	16	17	16
Public utilities	54	54	76	53	53
Total employees	626	624	611	610	616.50

Source: Moore County Human Resources Department

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

Schedule 15

County of Moore
Operating Indicators by Function
Last Five Fiscal Years

Function	Fiscal Year				
	2003	2004	2005	2006	2007
Planning					
Permits issued	653	607	658	664	577
Sheriff					
Physical arrests	N/A	3,895	2,375	2,708	2,692
Civil Papers Served	N/A	4,349	4,374	4,098	4,459
Traffic violations	N/A	N/A	3,276	4,874	1,077
EMS					
Number of calls answered	9,632	10,618	10,841	11,341	12,750
Fire					
Inspections	211	438	411	521	1,189
Sanitation					
Garbage collected (tons/day)	12,713	13,418	13,755	14,419	14,376
Landfill collections (tons/day)	24,808	26,237	29,823	36,406	36,125
Recyclables collected (tons/day)	2,093	2,152	2,306	1,983	1,724
Culture and recreation					
Athletic activities participants	1,894	1,986	2,213	2,443	4,333
Water					
New connections	675	644	478	450	343
Water mains breaks	N/A	N/A	6	8	27
Average daily consumption (thousands of gallons-based on meter readings)	1,807,065	1,772,759	2,027,619	2,531,935	2,335,563
Wastewater					
Average daily sewage treatment (thousands of gallons)	4.58	4.96	4.74	4.79	5.11

Sources: Various county governmental departments

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

N/A - not available

Schedule 16

County of Moore
Capital Asset Statistics by Function
Last Five Fiscal Years

Function	Fiscal Year				
	2003	2004	2005	2006	2007
Airport	1	1	1	1	1
Airport acreage	310.65	370.52	380.94	380.94	380.94
County vehicles	246	263	269	259	267
Recreation					
Parks acreage	60.36	60.36	60.36	60.36	60.36
Parks	3	3	3	3	3
Sanitation					
Collection sites	7	7	7	7	7

Sources: Various county governmental departments

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



DIXON HUGHES PLLC

Certified Public Accountants and Advisors

**Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on
an Audit of Financial Statements Performed in Accordance
with Government Auditing Standards**

The Board of County Commissioners
County of Moore
Carthage, North Carolina

We have audited the basic financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the County of Moore, North Carolina, as of and for the year ended June 30, 2007, which collectively comprise the County of Moore, North Carolina's basic financial statements and have issued our report thereon dated November 13, 2007. 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. The financial statements of the Moore County ABC Board were not audited in accordance with *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Moore County's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Moore County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Moore County's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects Moore County's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of Moore County's financial statements that is more than inconsequential will not be prevented or detected by Moore County's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by Moore County's internal control.

Our consideration of the internal control over financial reporting was for limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Moore County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to the management of Moore County, in a separate letter dated November 13, 2007.

This report is intended solely for the information and use of the audit committee, management, and federal and State awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Dixon Hughes PLLC

November 13, 2007

Southern Pines, North Carolina



DIXON HUGHES PLLC

Certified Public Accountants and Advisors

**Report on Compliance with Requirements Applicable to Each
Major Federal Program and Internal Control Over Compliance in Accordance with
OMB Circular A-133 and the State Single Audit Implementation Act**

The Board of County Commissioners
County of Moore
Carthage, North Carolina

Compliance

We have audited the compliance of Moore County, North Carolina with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* and the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that are applicable to each of its major federal programs for the year ended June 30, 2007. Moore County's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Moore County's management. Our responsibility is to express an opinion on Moore County's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of State, Local Governments, and Non-Profit Organization*, and the State Single Audit Implementation Act. Those standards, OMB Circular A-133, and the State Single Audit Implementation Act require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Moore County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Moore County's compliance with those requirements.

In our opinion, Moore County, North Carolina complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2007. However, the results of our auditing procedures disclosed an instance of noncompliance with those requirements that is required to be reported in accordance with OMB A-133, and the State Single Audit Implementation Act, and which is described in the accompanying schedule of findings and questioned costs as item 2007-1.

Internal Control Over Compliance

The management of Moore County is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Moore County's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Moore County's internal control over compliance.

Our consideration of the internal control over compliance was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses as defined below. However, as we discussed below, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

A control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by Moore County's internal control. We consider the deficiency in internal control over compliance described in the accompany schedule of findings and questioned costs as item 2007-1 to be a significant deficiency.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by Moore County's internal control. We did not consider the deficiency described in the accompanying schedule of findings and questioned costs to be a material weakness.

Moore County's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit the County's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the audit committee, management, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Dixon Hughes PLLC

November 13, 2007
Southern Pines, North Carolina



DIXON HUGHES PLLC

Certified Public Accountants and Advisors

**Report on Compliance with Requirements Applicable to Each
Major State Program and Internal Control Over Compliance in Accordance
with Applicable Sections of OMB Circular A-133 and the
State Single Audit Implementation Act**

The Board of County Commissioners
County of Moore
Carthage, North Carolina

Compliance

We have audited the compliance of Moore County, North Carolina with the types of compliance requirements described in the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that are applicable to each of its major State programs for the year ended June 30, 2007. Moore County's major State programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major State programs is the responsibility of Moore County's management. Our responsibility is to express an opinion on Moore County's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and applicable sections of OMB Circular A-133, as described in the *Audit Manual for Governmental Auditors in North Carolina*, and the State Single Audit Implementation Act. Those standards, applicable sections of OMB Circular A-133, and the State Single Audit Implementation Act require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major State program occurred. An audit includes examining, on a test basis, evidence about Moore County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Moore County's compliance with those requirements.

In our opinion, Moore County complied, in all material respects, with the requirements referred to above that are applicable to each of its major State programs for the year ended June 30, 2007.

Internal Control Over Compliance

The management of Moore County is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to State programs. In planning and performing our audit, we considered Moore County's internal control over compliance with requirements that could have a direct and material effect on a major State program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliances. Accordingly, we do not express an opinion on the effectiveness of Moore County's internal control over compliance.

Our consideration of the internal control over compliance was not for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses as defined below. However, as we discussed below, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

A control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a State program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a State program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a State program that is more than inconsequential will not be prevented or detected by Moore County's internal control. We consider the deficiency in internal control over compliance described in the accompany schedule of findings and questioned costs as item 2007-1 to be a significant deficiency.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a State program will not be prevented or detected by Moore County's internal control. We did not consider the deficiency described in the accompanying schedule of findings and questioned costs to be a material weakness.

Moore County's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit the County's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the audit committee, management, and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Dixon Hughes PLLC

November 13, 2007
Southern Pines, North Carolina

COUNTY OF MOORE, NORTH CAROLINA
Schedule of Findings and Questioned Costs
June 30, 2007

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued	Unqualified
Internal control over financial reporting:	
• Material weakness(es) identified	No
• Significant Deficiency(s) identified that are not considered to be material weaknesses	No
Noncompliance material to financial statements noted	No

Federal Awards

Internal control over major federal programs:	
• Material weakness(es) identified	No
• Significant Deficiency(s) identified that are not considered to be material weaknesses	Yes, 2007-1
Noncompliance material to federal awards	No
Type of auditor's report issued on compliance for major federal programs	Unqualified
Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of OMB Circular A-133	Yes
Identification of major federal programs:	

CFDA Numbers

Name of Federal Program or Cluster

93.778

Medicaid Cluster

Dollar threshold used to distinguish between Type A and Type B Programs	<u>\$1,758,627</u>
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Auditee qualified as low-risk auditee?	No
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State Awards

Internal control over major State programs:	
• Material weakness(es) identified	No
• Significant deficiency(s) identified that are not considered to be material weaknesses	Yes, 2007-1
Noncompliance material to State awards	No

COUNTY OF MOORE, NORTH CAROLINA
Schedule of Findings and Questioned Costs (Continued)

Section I - Summary of Auditors' Results (Continued)

State Awards (Continued)

Type of auditor's report issued on compliance for major State programs	Unqualified
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Any audit findings disclosed that are required to be reported in accordance with the State Single Audit Implementation Act	Yes
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Identification of major State programs:

Program Name

Medicaid Cluster

Section II - Financial Statements Findings

None reported.

COUNTY OF MOORE, NORTH CAROLINA
Schedule of Findings and Questioned Costs (Continued)

Section III - Federal Award Findings and Questioned Costs

U.S. Department of Health and Human Services
Division of Social Services
Program Name: Crosscutting

Finding: 2007-1

REPORTABLE CONDITION
Day Sheet Reporting

Criteria: Employees are required to record time worked on day sheets which are summarized and reported on the DSS -1571 for eligible funding.

Condition: Six day sheet summaries were incorrectly reported on the DSS -1571.

Questioned Costs: The County's revenue generated from the misreported day sheets is received from funding sources which are capped. Therefore, the County did not receive an excess or shortage of funds thus, no questioned costs are applicable.

Context: We examined day sheet summaries for 25 employees for the month of November 2007. For the 25 employees, there were 47 DSS 1571 entries to eligible funding sources of which 6 were incorrectly reported.

Effect: The County could receive misstated revenue.

Cause: Human error in the summarization and keying of day sheets into the DSS 1571 report.

Recommendation: We recommend implementation of more detail reviews of day sheet summarizations and entries into the DSS 1571 report in order to reduce mistakes made by human error.

The following sections are to be completed by management.

Management Response: Management agrees with the finding and has implemented corrective measures to ensure accuracy of day sheet reporting.

Name of Contact Person: Peggy Morris, Deputy Director

Corrective Actions: The agency has obtained an automated day sheet system utilized in other North Carolina counties which has been effective in reducing errors with day sheet reporting. Until the automated day sheet program is fully operational, other internal controls have been strengthened to ensure accurate reporting of time from the day sheets.

Proposed Completion Date: Internal controls for the existing manual process are currently in place. The automated day sheet system is estimated to be fully operational by January 1, 2008.

COUNTY OF MOORE, NORTH CAROLINA
Schedule of Findings and Questioned Costs (Continued)

Section IV - State Award Findings and Questioned Costs

U. S. Department of Health and Human Services
Division of Social Services
Program Name: Crosscutting

Finding 2007-1

REPORTABLE CONDITION
Day Sheet Reporting

See detailed reporting of finding in Section III – Federal Award Findings and Questioned Costs

COUNTY OF MOORE, NORTH CAROLINA
Summary Schedule of Prior Year Audit Findings
For the Year Ended June 30, 2007

Finding 2006-1

Status: Corrected

COUNTY OF MOORE, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For the fiscal year ended June 30, 2007

<u>Grantor/Pass-through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-through Grantor's Number</u>	<u>Federal (Direct & Pass-through) Expenditures</u>	<u>State Expenditures</u>
Federal Grants:				
Cash Programs:				
<u>U.S. Dept. of Health & Human Services</u>				
Passed-through Office of the Surgeon General				
Medical Reserve Corps Grant	93.008		\$ 44,609	\$ -
Passed-through Triangle J Council of Governments:				
Special Programs for the Aging - Title III E				
National Family Caregiver Support Program	93.052		36,034	2,300
Aging Cluster:				
Special Programs for the Aging				
Preventative Health	93.043		8,662	553
Special Programs for the Aging - Title III B				
Grants for Supportive Services and Senior Centers	93.044		103,115	382,469
Social Services Block Grant				
In-Home Services	93.667		16,682	47,606
Special Programs for the Aging - Title III C				
Nutritional Services	93.045		79,008	59,988
Total Aging Cluster			207,467	490,616
Total Triangle J Council of Governments			243,501	492,916
Division of Social Services:				
Administration:				
Temporary Assistance to Needy Families	93.558		738,889	2,706
Child Support Enforcement	93.563		589,407	-
Child Support Enforcement Reallocation	93.563		3,387	-
Child Care Administration	93.596		99,384	-
Permanency Planning: Child Welfare Services	93.645		23,886	6,577
Low-Income Home Energy Assistance Block Grant	93.568		16,241	-
Direct Benefit Payments:				
Temporary Assistance to Needy Families	93.558		514,435	-
Low-Income Home Energy Assistance Block Grant	93.568		220,257	-
IV-E Adopt	93.659		240,738	67,951
IV-E CPS	93.658		87,467	44,252
Social Services Block Grant	93.667		218,745	23,191
Through N.C. Dept. of Juvenile Justice and Delinquency Prevention				
Support Our Students Program	93.558		74,300	-
LINKS Trust/Scholarship	93.674		9,151	1,604
Independent Living Grant	93.674		14,263	3,580
Total Nonclustered			2,850,550	149,861
Foster Care and Adoption Cluster:				
IV-E Admin Co. Paid to CCI	93.658		1,042	-
IV-E Foster Care	93.658		118,847	33,573
IV-E Foster Care In-excess	93.658		23,696	-
IV-E Optional Adoption Assistance	93.658		286,371	67,986
Total Foster Care and Adoption Cluster			429,956	101,559
Total Division of Social Services			3,280,506	251,420
Passed-through N.C. State Board of Elections				
Title II Help America Vote Act (HAVA)	90.401		81,048	-
Administration for Children and Families				
Passed-through the N.C. Dept. of Health and Human Services				
Subsidized Child Care (3)				
Child Care Development Fund Cluster				
Division of Child Development:				
Child Care Development Fund-Discretionary	93.575		942,267	-
Child Care Development Fund-Mandatory	93.596		391,151	-
Child Care Development Fund-Match	93.596		339,820	188,779
Social Services Block Grant	93.667		3,744	-
Temporary Assistance to Needy Families	93.558		358,073	-
Smart Start			-	18,192
State Appropriations			-	59,993
Temporary Assistance to Needy Families-MOE			-	462,958
Total Subsidized Child Care Cluster			2,035,055	729,922

COUNTY OF MOORE, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For the fiscal year ended June 30, 2007

Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Pass-through Grantor's Number	Federal (Direct & Pass-through) Expenditures	State Expenditures
Division of Medical Assistance:				
Administration:				
Title XIX - Medicaid	93.778		\$ 871,058	\$ 42,085
Medicaid Transportation	93.778		214,533	98,380
NC Health Choice	93.767		30,483	3,434
Direct Benefit Payments:				
Title XIX - Medicaid	93.778		41,561,513	20,593,426
Total Division of Medical Assistance			<u>42,677,587</u>	<u>20,737,325</u>
Division of Facility Services				
Office of Emergency Medical Services:				
Health Resources and Services Administration 2005	93.889		323	-
Health Resources and Services Administration 2006	93.889		8,946	-
Total Division of Facility Services			<u>9,269</u>	<u>-</u>
Passed-through the N.C. Dept. of Insurance				
Division of Seniors' Health Insurance				
Seniors'Health Insurance Information Program	93.779		<u>3,100</u>	<u>-</u>
Division of Public Health:				
State Planning Grant	93.256		58,335	-
Bioterrorism Grant	93.283		61,029	-
Centers for Disease Control & Prevention Investigations and Technical Assistance	93.283		13,876	-
Family Planning Services	93.217		64,752	-
Immunization Program/Aid to County Funding	93.268		16,527	-
Temporary Assistance for Needy Families	93.558		8,205	-
Breast and Cervical Cancer Control Grant	93.919		10,991	-
Maternal and Child Health Services Block Grant	93.994		80,366	-
Total Division of Public Health			<u>314,081</u>	<u>-</u>
Total U.S. Dept. of Health and Human Services			<u>48,688,756</u>	<u>22,211,583</u>
<u>Corporation for National and Community Service</u>				
Direct Program:				
Retired Senior Volunteer Program	94.002		<u>37,015</u>	<u>-</u>
<u>U.S. Dept. of Agriculture</u>				
Passed-through N.C. Dept. of Health & Human Services:				
Division of Social Services:				
Food Stamp Cluster:				
State Administrative Matching Grants for the Food Stamp Program	10.561		347,808	-
Food Stamp Program - Noncash	10.551		6,390,287	-
Total Food Stamp Cluster			<u>6,738,095</u>	<u>-</u>
Division of Public Health:				
Administration:				
Special Supplemental Food Program for Women, Infants, & Children	10.557		317,106	-
Direct Benefit Payments:				
Special Supplemental Food Program for Women, Infants, & Children	10.557		1,425,988	-
Passed-through Triangle J Council of Governments:				
USDA Meals	10.570		<u>19,200</u>	<u>-</u>
Total U.S. Dept. of Agriculture			<u>8,500,389</u>	<u>-</u>
<u>U.S. Dept. of Justice</u>				
Direct Program:				
State Criminal Alien Assistance Program	16.606		13,602	-
Bulletproof Vest Partnership Program	16.607		2,475	-
Total U.S. Dept. of Justice			<u>16,077</u>	<u>-</u>
<u>U.S. Dept. of Transportation</u>				
Federal Aviation Administration Cluster (2):				
Airport Improvement Program 3-37-0069-17	20.106	36244.57.3.2	296,024	16,235
Airport Improvement Program 3-37-0069-20	20.106	36244.57.5.1	145,505	8,084
Airport Improvement Program 3-37-0069-21	20.106	36244.57.5.2	510,984	13,447
Total Federal Aviation Administration Cluster			<u>952,513</u>	<u>37,766</u>

COUNTY OF MOORE, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For the fiscal year ended June 30, 2007

Grantor/Pass-through Grantor/Program Title	Federal CFDA Number		Pass-through Grantor's Number	Federal (Direct & Pass-through) Expenditures	State Expenditures
Passed-through N.C. Dept. of Transportation					
Federal Transit Administration Cluster:					
Section 5311 - Rural Public Transportation Program	20.509	Ad	36233.74.4.1	\$ 138,683	\$ 8,667
Section 5311 - Rural Public Transportation Program	20.509	Cp	36226.71.3.3	-	55,628
Total Federal Transit Administration Cluster				<u>138,683</u>	<u>64,295</u>
Governor's Highway Safety Program -Traffic Enforcement Team	20.600		PT-06-04-05-13	12,519	-
Governor's Highway Safety Program	20.601		K8-07-03-16	2,200	-
Governor's Highway Safety Program	20.604		K4-07-05-16	185,505	-
				<u>200,224</u>	<u>-</u>
Total U.S. Dept. of Transportation				<u>1,291,420</u>	<u>102,061</u>
<u>Department of Homeland Security</u>					
Passed-through N.C. Dept. of Crime Control and Public Safety:					
Community Emergency Response Team	97.054			5,338	-
Emergency Performance Grant and Supplement	97.042			21,685	-
State Homeland Security Grant Part I	16.607			1,654	-
State Homeland Security Grant	97.004			18,835	-
State Homeland Security Grant 2004	97.004			11,650	-
FY2003 State Homeland Security Grant	97.004		HS-TE-03-6013	12,065	-
Emergency Management Performance Grant 2006	97.042		EMPG-2006-37125	14,544	-
Total Federal Emergency Management Agency				<u>85,771</u>	<u>-</u>
<u>Department of Housing and Urban Development</u>					
Passed-through N.C. Dept. of Commerce:					
Community Development					
Scattered Site Housing FY06	14.228			1,470	-
Total Department of Housing and Urban Development				<u>1,470</u>	<u>-</u>
Total federal assistance				<u>58,620,898</u>	<u>22,313,644</u>
State Grants:					
Cash Programs:					
<u>N.C. Dept. of Health and Human Services</u>					
Smart Start Cluster:					
Passed-through Moore County Partnership for Children and Families:					
Parent Education				-	18,122
Total Smart Start Cluster				<u>-</u>	<u>18,122</u>
Division of Social Services:					
Administration:					
CPS Expansion State				-	36,694
State Aid to Counties				-	45,407
Smart Start Daycare - Administration				-	37,303
F/C At Risk Maximization				-	9,726
State Adult Protective Services-FACES				-	13,813
Direct Benefit Payments:					
CWS Adoption Assistance				-	107,759
State/County Special Assistance for Adults				-	850,458
CP&L Energy Program				-	12,413
State Foster Care Benefits Program				-	61,709
Total Division of Social Services				<u>-</u>	<u>1,175,282</u>
Division of Aging:					
Passed-through Triangle J Council of Governments:					
Heat Relief Fans				-	610
Division of Medical Assistance					
Health Check Grant				-	33,451
Division of Public Health:					
Communicable Disease				-	3,526
Tuberculosis				-	21,768
AIDS-State				-	500
Maternal Health				-	35,782
Maternal Care Coordinator				-	24,025
Women's Preventative Health				-	1,895
Children's Special Health Services				-	5,059
Cancer Control				-	5,461
TB Medical Services				-	561
Total Division of Public Health				<u>-</u>	<u>98,577</u>
Total N.C. Dept. of Health and Human Services				<u>-</u>	<u>1,326,042</u>

COUNTY OF MOORE, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For the fiscal year ended June 30, 2007

Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Pass-through Grantor's Number	Federal (Direct & Pass-through) Expenditures	State Expenditures
<u>Office of the Governor</u>				
Office of Juvenile Justice - Juvenile Crime Prevention Program			\$ -	\$ 184,324
Public School Building Capital Fund			-	223,577
Total Office of the Governor			-	407,901
<u>N.C. Dept. of Correction</u>				
Criminal Justice Partnership Program			-	90,888
<u>N.C. Division of Veterans Affairs</u>				
Veterans Services			-	2,000
<u>N.C. Division of Aging and Adult Services</u>				
Passed-through Triangle J Council of Governments:				
Senior Center General Purpose Funding			-	5,123
Adult Services			-	51,990
Total N.C. Division of Aging and Adult Services			-	57,113
<u>N.C. Rural Economic Development Center</u>				
Infrastructure Improvements to the Moore County WWTP Facility			-	287,734
<u>N.C. Dept. of Transportation</u>				
Rural Operating Assistance Program			-	186,236
<u>N.C. Dept. of Environment and Natural Resources</u>				
White Goods Management Grant			-	12,407
Environmental Health Grant			-	22,268
Soil and Water Technical Assistance Grant			-	25,535
Total N.C. Dept. of Environment and Natural Resources			-	60,210
Total state cash assistance			-	2,418,124
Total assistance			\$ 58,620,898	\$ 24,731,768

Notes to Schedule of Expenditures of Federal and State Awards:

(1) The accompanying schedule of expenditures of Federal and State awards includes the Federal and State grant activity of the County of Moore and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, Non-Profit Organizations, and State Single Audit Implementation Act. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the accompanying financial statements.

(2) Federal funding for Airport Improvement Program grants is received directly from the Federal Aviation Administration. The State match is received from the North Carolina Department of Transportation as State Aid to Airports grants. Federal grant numbers are shown as part of the name of the grant; state grant numbers are shown in the Grantor Number column. These grants are presented together to illustrate the local matching funds for the federal grants.

(3) The following are clustered by the NC Department of Health and Human Services and are treated separately for state audit requirement purposes: Subsidized Child Care, Foster Care and Adoption, Mental Health Services, Developmental Disability Waiting List Services, Substance Abuse Services, and Infants and Toddlers with Disabilities.