

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**COUNTY OF MOORE**

**NORTH CAROLINA**

**FOR THE FISCAL YEAR ENDED**

**JUNE 30, 2006**

**FINANCIAL SERVICES**

**LISA L. HUGHES**

**FINANCE OFFICER**

**COUNTY OF MOORE, NORTH CAROLINA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**YEAR ENDED JUNE 30, 2006**

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DAVID J. CUMMINGS  
District I

COLIN W. McKENZIE, JR.  
District II

VIRGINIA W. SAUNDERS  
District III

TIM LEA  
District IV

MICHAEL R. HOLDEN  
District V

LESLEY F. MOXLEY  
County Attorney

T. CARY McSWAIN  
Interim County Manager

CAROL T. THOMAS  
Clerk to the Board

## County of Moore

### Board of Commissioners

December 1, 2006

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

We are pleased to present the Comprehensive Annual Financial Report (CAFR) of Moore County for the fiscal year ended June 30, 2006. The basic financial statements contained herein have been audited by the independent, certified public accounting firm of Dixon-Hughes, P.L.L.C., and that firm's unqualified opinion is included in the Financial Section of this report.

The report itself, however, is presented by the County which is responsible for the accuracy of the data and for the completeness and fairness of its presentation including all disclosures. We believe the data as presented is accurate in all material aspects; that it is presented in a manner designed to set forth fairly the financial position and results of operations of the County as measured by the financial activity of its various funds; and that all disclosures necessary to enable the reader to gain the maximum understanding of the County's financial affairs have been included.

This report is divided into four sections: the Introductory, Financial, Statistical, and Compliance Sections. The Introductory Section, which is unaudited, contains this letter of transmittal, which provides a brief overview of the operations of the County, a list of principal officials, a copy of the Certificate of Achievement for Excellence in Financial Reporting and the County's organizational chart. The Financial Section is composed of the auditor's report, Management's Discussion and Analysis (MD&A), the basic financial statements, notes to the financial statements, and more detailed combined and individual fund financial statements and schedules and other supplementary financial data. The Statistical Section, which is unaudited, contains fiscal and economic data designed to provide a more complete understanding of the County. Many tables in this section present financial data for the past ten years. Finally, the Compliance Section presents reports and schedules required by the federal and state Single Audit Acts.

Accounting principles generally accepted in the United States of America (GAAP) now require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of the MD&A. The County's MD&A can be found immediately following the independent auditor's report. This transmittal letter is designed to complement the MD&A and should be read in conjunction with it.

The County is required to undergo an annual single audit in conformity with the provisions of the 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. Information related to this single audit, including the Schedule of Expenditures of Federal and State Awards, Schedule of Findings and Questioned Costs, Corrective Action Plan, Summary Schedule of Prior Audit Findings and independent auditor's compliance and internal control reports on the basic financial statements and major federal and state programs, are presented in the compliance section of this report.

The financial reporting entity includes all funds and account groups of the primary government (Moore County), as well as all of its component units. Component units are legally separate entities for which the primary government is financially accountable. Discretely presented component units are reported in separate columns in the basic financial statements to emphasize that they are legally separate from the primary government and to distinguish their financial positions, results of operations, and cash flows from those of the primary government. The County has eight reportable

component units that are included in these statements. Three component units are discretely presented in separate columns as described above and the fourth unit has no financial transactions or account balances and therefore does not appear in the statements. Three are blended and are reported as departments of the County. The three discretely presented component units are: Convention and Visitors Bureau, Moore County ABC Board and the Moore County Airport Authority.

### **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 80,738. 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 42 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 Pinehurst area for meetings and conventions, motorcoach tours, and individual leisure travelers.

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 2007 U.S. Amateur Open; the 1996, 2001 and 2007 U.S. Women's Open; 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 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 and expansion of existing industries.

### **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 County remodeled one of its rental facilities mid-year to move the Planning/Community Development Department from rented space to owned space.

## **Schools Capital Improvement Plan**

The Moore County Board of Education is continuing its 5-year capital improvement project, totaling \$36.5 million. The County's share of state bond funds is \$10.6 million, and covers the construction of an elementary school, replacing an existing campus. The funds also cover additional classrooms at two high schools, along with various renovation projects at elementary and middle school campuses, and technology improvements. The remaining \$25 million in projects is funded with two bond issues. The 1998 issue covered \$19 million; an additional \$6 million was issued in May 2003. Various other renovation projects, as well as technology improvements, constitute the balance of projects for the 1998 issue. The final \$6 million is allocated for additional middle school classrooms, renovations and improvements at high school campuses, and renovations to existing primary and elementary school campuses in southern Moore County.

## **Community College Capital Improvement**

Sandhills Community College's 5-year capital plan is made up of two components: \$6 million in 1998 and \$5.5 million in May 2003. The first issue covers extensive renovations at two instructional buildings, as well as minor renovations at four other buildings. The first issue also provided funds for constructing a new \$5 million student center that opened in FY 2005-2006. Both issues provide funds for parking improvements, roofing projects and replacement of outdated heating/air conditioning systems. The second \$5.5 million completed the student center that also opened in FY2005-2006 and provides funding for a new technology center.

## **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 II was appropriated during the fiscal year for a total of \$4,094,000. The CIP includes upgrades to the water system, the wastewater system and the wastewater treatment plant.

## **East Moore Water District**

During FY2003-2004, the Board of Commissioners authorized the design and permitting of additional lines that completed Phase I of the East Moore Water District. The EMWD Phase II application was submitted to USDA-RD for funding approval in October 2003 and obtained funding toward the end of FY2004-2005. The Phase II project is approximately an \$8 million project and sign-ups began in FY2005-2006.

### **North West Moore Water District**

On July 21, 2003, the Moore County Board of Commissioners, by resolution, formed the North West Moore Water District. This district was formed to provide public water service for a specified area in northwestern Moore County. In March of 2004, the Board adopted a plan to issue up to \$16 million in revenue bonds to construct the system. The voters supported the plan in a bond referendum held in May of 2004. The District has filed a United States Department of Agriculture – Rural Development section (USDA-RD) application for Phase I of the district.

### **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, 2006 are classified in the category of lowest credit risk as defined by the Governmental Accounting Standards Board.

### **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, 2005. This was the 18<sup>th</sup> 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.

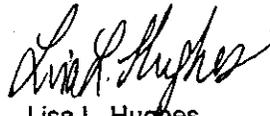
A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements and are submitting it to the GFOA to determine its eligibility for another certificate.

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. To the Board of Commissioners is credited the vision and progressive agenda to establish, maintain and accomplish the projects and services represented in this Financial Report.

Respectfully submitted,



T. Cary McSwain  
Interim County Manager  
(Effective October 9<sup>th</sup>, 2006)



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, 2005

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.

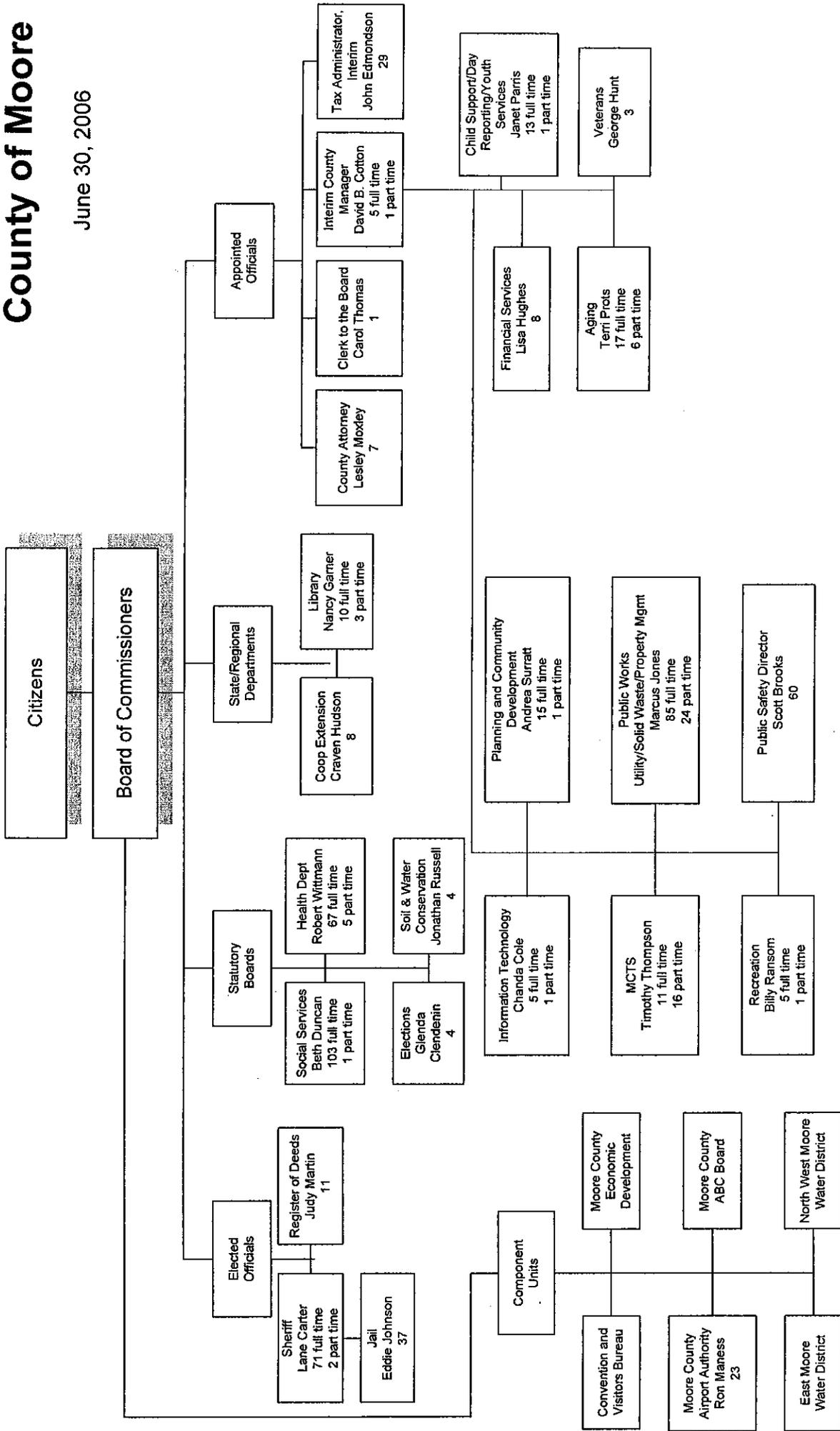


President

Executive Director

# County of Moore

June 30, 2006



**COUNTY OF MOORE, NORTH CAROLINA**

**LIST OF PRINCIPAL OFFICIALS**

**June 30, 2006**

**COMMISSIONERS**

David J. Cummings, Chairman	District 1
Virginia W. Saunders, Vice Chairman	District 3
Michael R. Holden	District 5
Colin W. McKenzie, Jr.	District 2
R. Timothy Lea	District 4

**COUNTY OFFICIALS**

David B. Cotton	Interim County Manager
Lesley F. Moxley	Attorney
Carol T. Thomas	Clerk to the Board
E. Lane Carter	Sheriff
Judy D. Martin	Register of Deeds
John W. Edmundson	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, 2006, 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. 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, 2006 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, 2006 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, 2006  
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, 2006. 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 \$41,692,078 (*net assets*).
- The Government's total net assets increased by \$8,982,195 due primarily to increased net assets in the Governmental Activities.
- At the close of the fiscal year, the County's governmental funds reported combined ending fund balances of \$29,034,350, an increase of \$2,691,174 in comparison with the prior year. Approximately 34% of this total amount, or \$9,894,386, became available for spending at the Government's discretion (*unreserved fund balance*).
- At the end of the fiscal year, unreserved fund balance for the General Fund was \$9,439,529, or 13.6% of total general fund expenditures for the fiscal year. The 5.6% over the minimum recommended by the LGC is \$3,877,384.
- The County's total debt decreased by \$4,610,320 (8%) during the fiscal year. This was achieved by the planned retirement of general obligation bonds and notes payable. Only one new note payable was issued for Solid Waste Department for \$160,128 during the year.
- The County maintained its A1 and A+ bond ratings for the 20th consecutive year.

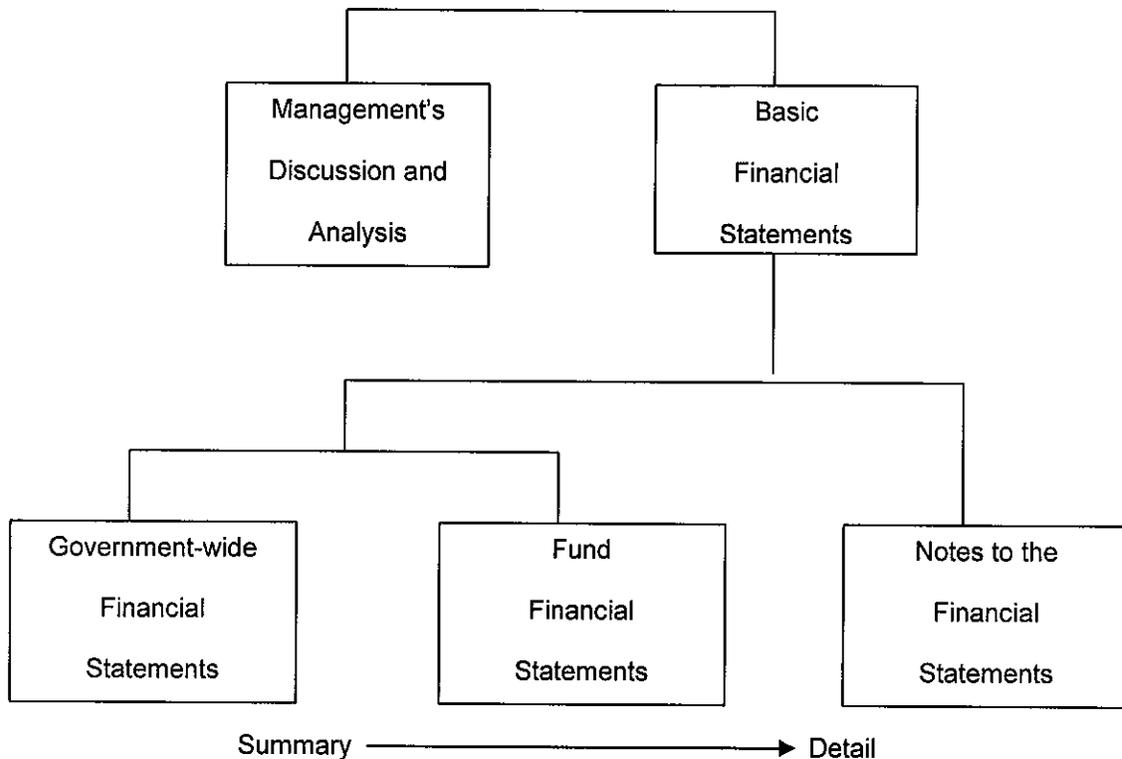
### Overview of the Financial Statements

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 government-wide statements provide short and long-term information about the County's financial status as a whole.

The two government-wide statements report the County's net assets and how they have changed. Net assets are the difference between the County's total assets and total liabilities. Measuring net assets is one way to gauge the County's financial condition.

The government-wide statements are divided into three categories:

- 1) Governmental activities;
- 2) Business-type activities; and,
- 3) Component units.

The governmental activities include most of the County's basic services such as public safety, 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, Community Agencies 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 \$41,692,078 as of June 30, 2006. The County's net assets increased by \$8,982,195 for the fiscal year ended June 30, 2006. 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 due to 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	
	2006	2005	2006	2005	2006	2005
Current and other assets	\$ 35,787,826	\$ 33,556,546	\$ 11,572,409	\$ 9,727,355	\$ 47,360,235	\$ 43,283,901
Capital assets	29,851,792	29,435,301	18,699,983	19,571,581	48,551,775	49,006,882
Total assets	<u>65,639,618</u>	<u>62,991,847</u>	<u>30,272,392</u>	<u>29,298,936</u>	<u>95,912,010</u>	<u>92,290,783</u>
Long-term liabilities outstanding	43,988,588	47,955,304	6,317,355	6,960,959	50,305,943	54,916,263
Other liabilities	3,332,977	4,207,302	581,012	457,335	3,913,989	4,664,637
Total liabilities	<u>47,321,565</u>	<u>52,162,606</u>	<u>6,898,367</u>	<u>7,418,294</u>	<u>54,219,932</u>	<u>59,580,900</u>
Net assets:						
Invested in capital assets, net of related debt	25,641,653	23,737,660	12,487,653	12,705,234	38,129,306	36,442,894
Unrestricted	(7,323,600)	(12,908,419)	10,886,372	9,175,408	3,562,772	(3,733,011)
Total net assets	<u>\$ 18,318,053</u>	<u>\$ 10,829,241</u>	<u>\$ 23,374,025</u>	<u>\$ 21,880,642</u>	<u>\$ 41,692,078</u>	<u>\$ 32,709,883</u>

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 99.64%
- Conservative revenue projections for the 2005-2006 budget cycle
- Spending limitations encouraged by Management
- Continued low cost of debt due to the County's A1/A+ bond rating

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## Moore County Changes in Net Assets

Figure 3

	Governmental Activities		Business-type Activities		Total	
	2006	2005	2006	2005	2006	2005
<b>Revenues:</b>						
Program revenues:						
Charges for services	\$ 6,079,436	\$ 5,213,927	\$ 9,336,955	\$ 8,223,902	\$ 15,416,391	\$ 13,437,829
Operating grants and contributions	12,397,091	12,427,461	-	-	12,397,091	12,427,461
Capital grants and contributions	1,469,589	2,304,367	-	-	1,469,589	2,304,367
General revenues:						
Property taxes	40,423,776	40,224,711	-	-	40,423,776	40,224,711
Sales taxes	17,216,131	15,820,235	-	-	17,216,131	15,820,235
Other licenses and fees	614,164	612,826	-	-	614,164	612,826
Grants and contributions not restricted to specific programs	270,563	414,644	138,540	-	409,103	414,644
Other	2,211,382	1,385,842	304,935	124,369	2,516,317	1,510,211
<b>Total revenues</b>	<b>80,682,132</b>	<b>78,404,013</b>	<b>9,780,430</b>	<b>8,348,271</b>	<b>90,462,562</b>	<b>86,752,284</b>
<b>Expenses:</b>						
General government	6,182,124	6,435,142	-	-	6,182,124	6,435,142
Public safety	12,866,949	12,326,563	-	-	12,866,949	12,326,563
Environmental protection and community development	3,587,581	3,051,963	-	-	3,587,581	3,051,963
Human services	20,561,927	19,283,995	-	-	20,561,927	19,283,995
Cultural and recreation	1,016,648	1,011,355	-	-	1,016,648	1,011,355
Education	25,554,115	23,892,218	-	-	25,554,115	23,892,218
Grants-other	1,342,002	1,023,769	-	-	1,342,002	1,023,769
Debt service - interest	1,984,968	2,214,606	-	-	1,984,968	2,214,606
Wastewater treatment	-	-	2,317,059	2,039,352	2,317,059	2,039,352
Public utilities	-	-	5,576,889	4,882,540	5,576,889	4,882,540
East Moore water district	-	-	393,099	324,325	393,099	324,325
<b>Total expenses</b>	<b>73,096,314</b>	<b>69,239,611</b>	<b>8,287,047</b>	<b>7,246,217</b>	<b>81,383,361</b>	<b>76,485,828</b>
Increase in net assets before transfers and special items	7,585,818	9,164,402	1,493,383	1,102,054	9,079,201	10,266,456
Transfers	2,000	(178,748)	-	148,748	2,000	(30,000)
Special Item - sale of capital assets	-	40,374	-	-	-	40,374
<b>Increase in net assets</b>	<b>7,587,818</b>	<b>9,026,028</b>	<b>1,493,383</b>	<b>1,250,802</b>	<b>9,081,201</b>	<b>10,276,830</b>
Net assets, July 1	10,829,241	12,833,369	21,880,642	20,467,881	32,709,883	33,301,250
Prior Period Adjustment	(99,006)	(11,030,156)	-	161,959	(99,006)	(10,868,197)
<b>Net assets, July 1 (restated)</b>	<b>10,730,235</b>	<b>1,803,213</b>	<b>21,880,642</b>	<b>20,629,840</b>	<b>32,610,877</b>	<b>22,433,053</b>
<b>Net assets, June 30</b>	<b>\$ 18,318,053</b>	<b>\$ 10,829,241</b>	<b>\$ 23,374,025</b>	<b>\$ 21,880,642</b>	<b>\$ 41,692,078</b>	<b>\$ 32,709,883</b>

**Governmental activities:** Governmental activities increased the County's net assets by \$7,488,812. Key elements of this increase are as follows:

- Increased charges for services
- Increased sales taxes received
- Increased investment income by diversifying investments and increased yields
- Decreased total debt service due to some debts expiring

**Business-type activities:** Business-type activities increased Moore County's net assets by \$1,493,383. Key elements of this increase are as follows:

- Increase in charges for services for water and sewer services
- East Moore Water District increased its customer base and usage by completion of Phase I and sign-ups for Phase II

### **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 \$9,439,529 (of which \$3,877,384 is above the 8% LGC recommended threshold), while total fund balance reached \$24,176,664. 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 13.6% of total General Fund expenditures, while total fund balance represents 34.8% of that same amount.

On June 30, 2006, the governmental funds of Moore County reported a combined fund balance of \$29,034,350 a 10.2% 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 \$3.8 million, while Other Governmental Funds' fund balance decreased by \$1.1 million.

**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 \$7.8 million or 11.7% while actual expenditures were \$2.3 million or 3.2% 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 \$1,236,022.

**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 \$3,874,796; those for the Public Utilities Fund equaled \$6,935,826; and those for the East Moore Water District totaled

\$75,750. The total growth in net assets for the funds was (\$27,723); \$1,450,147; and \$70,959, respectively. The Wastewater Treatment Fund had increased repair and maintenance costs at the plant largely due to a head pump breaking that had to be replaced. The change in net assets for the Public Utilities Fund is due to the increased charges for services and investment income. Interest rates continued to rise throughout the fiscal year, which yielded increased investment income. East Moore Water District also increased its charges for services that increased its overall revenues, in addition to other revenues that grew its net assets.

### 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, 2006, totals \$48,551,775 (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:

- Continued construction and renovation of various school and college facilities
- Appropriated funding for renovations to the building purchased for the Senior Enrichment Center
- East Moore Water District purchased land for a pumping station and an elevated tank
- Continued implementation of the Public Utilities and Waste Water Treatment Plant's Capital Improvement Plan

#### Moore County's Capital Assets (net of depreciation)

Figure 4

	Governmental Activities		Business-type Activities		Total	
	2006	2005	2006	2005	2006	2005
Land	\$ 12,998,075	\$ 12,997,019	\$ 499,811	\$ 543,225	\$ 13,497,886	\$ 13,540,244
Construction in progress	-	-	579,400	360,521	579,400	360,521
Buildings	14,109,536	14,321,505	3,482,599	3,481,183	17,592,135	17,802,688
Wastewater treatment plant	-	-	41,408	605,727	41,408	605,727
Wastewater treatment lines	-	-	4,341,436	4,310,636	4,341,436	4,310,636
Water and sewer systems	-	-	9,373,823	9,993,814	9,373,823	9,993,814
Equipment	688,392	421,671	355,551	215,463	1,043,943	637,134
Vehicles	2,055,789	1,695,106	25,955	61,012	2,081,744	1,756,118
<b>Total</b>	<b>\$ 29,851,792</b>	<b>\$ 29,435,301</b>	<b>\$ 18,699,983</b>	<b>\$ 19,571,581</b>	<b>\$ 48,551,775</b>	<b>\$ 49,006,882</b>

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, 2006, Moore County had total bonded debt outstanding of \$31,157,500 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	
	2006	2005	2006	2005	2006	2005
General obligation bonds	\$ 29,400,000	\$ 31,510,000	\$ 1,757,500	\$ 1,777,500	\$ 31,157,500	\$ 33,287,500
Certificates of participation	1,580,000	1,925,000	-	-	1,580,000	1,925,000
Notes payable	11,109,765	12,880,559	4,454,830	5,088,847	15,564,595	17,969,406
Accrued vacation benefits	1,363,163	1,176,461	105,025	94,612	1,468,188	1,271,073
Net pension obligation	535,660	463,284	-	-	535,660	463,284
	<u>\$ 43,988,588</u>	<u>\$ 47,955,304</u>	<u>\$ 6,317,355</u>	<u>\$ 6,960,959</u>	<u>\$ 50,305,943</u>	<u>\$ 54,916,263</u>

Moore County's total debt decreased by \$4,610,320 (8%) during the fiscal year, primarily due to the planned retirement of general obligation bonds and notes payable. One new note payable was issued for the Solid Waste Department for \$160,128 during the year.

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 \$582,745,052. 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 2004 was \$33,447 or 12.3% above the statewide average. 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 2006, our unemployment rate was 4.7%.

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, 2007**

**Governmental Activities:** The budget for fiscal year 2006-2007 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 2007 budget is to maintain its low valorem tax rate of 45.5 cents/\$100 and 4.0 cents/\$100 for the Emergency Medical Service Fund. This is achieved by increasing the General Fund's designated fund balance.

Issues to be addressed during the 2007 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 increased 5% in fiscal year 2006-2007. This was the second increase in two years. The increase in revenues generated will help fund Phase III and future phases of the Capital Improvement Plan. East Moore Water District did not increase its water rates during fiscal year 2006-2007, but its customer base did increase due to the completion of Phase I and sign-ups for Phase II.

### **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, 2006

	Governmental Activities	Business Type Activities	Total Primary Government	Component Units		
				Convention and Visitors Bureau	Moore County ABC Board	Moore County Airport Authority
<b>Assets</b>						
Cash	\$ 7,964,058	\$ 2,164,375	\$ 10,128,433	\$ 145,062	\$ 589,879	\$ 30,663
Investments	15,770,804	7,781,533	23,552,337	-	-	327,063
Receivables:						
Property taxes (net of allowances for uncollectible taxes of \$166,700)	836,681	-	836,681	-	-	-
Interest	278,474	-	278,474	-	-	-
Accounts receivable, (net)	193,712	1,145,387	1,339,099	115,674	103	373,505
Due from other agencies and governments	6,677,575	-	6,677,575	-	-	-
Due from other funds	25,000	-	25,000	-	-	-
Inventories	50,440	481,114	531,554	-	469,749	144,587
Prepaid expenses	-	-	-	-	41,309	-
Deferred charges	97,768	-	97,768	-	-	-
Restricted cash and investments	3,893,314	-	3,893,314	-	-	-
Capital assets, Depreciable, net of depreciation	16,853,717	17,620,772	34,474,489	1,320	647,374	163,583
Capital assets- Non-depreciable	12,998,075	1,079,211	14,077,286	-	108,051	142,052
<b>Total assets</b>	<b>65,639,618</b>	<b>30,272,392</b>	<b>95,912,010</b>	<b>262,056</b>	<b>1,856,465</b>	<b>1,181,453</b>
<b>Liabilities</b>						
Accounts payable and accrued liabilities	2,506,604	533,741	3,040,345	44,896	583,945	97,416
Accrued interest	242,550	22,271	264,821	-	-	-
Unearned revenues:						
Advance payments of taxes and licenses	267,327	-	267,327	-	-	-
Unearned grant proceeds	292,234	-	292,234	-	-	-
Unearned rent	-	-	-	-	-	20,945
Due to general fund	-	25,000	25,000	-	-	-
Payable from restricted assets	24,262	-	24,262	-	-	-
Long-term liabilities:						
Due within one year	5,215,541	637,643	5,853,184	-	-	-
Due in more than one year	38,773,047	5,679,712	44,452,759	27,416	-	37,699
<b>Total liabilities</b>	<b>47,321,565</b>	<b>6,898,367</b>	<b>54,219,932</b>	<b>72,312</b>	<b>583,945</b>	<b>156,060</b>
<b>Net assets</b>						
Invested in capital assets, net of related debt	25,641,653	12,487,653	38,129,306	1,320	755,425	305,635
Restricted for:						
Other purposes	-	-	-	-	216,430	-
Unrestricted (deficit)	(7,323,600)	10,886,372	3,562,772	188,424	300,665	719,758
<b>Total net assets</b>	<b>\$ 18,318,053</b>	<b>\$ 23,374,025</b>	<b>\$ 41,692,078</b>	<b>\$ 189,744</b>	<b>\$ 1,272,520</b>	<b>\$ 1,025,393</b>

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, 2006**

Functions/Programs	Program Revenues					Net (Expense) Revenue and Changes in Net Assets					Component Units			
	Expenses	Charges for Services	Operating		Capital Grants and Contributions	Primary Government		Convention and Visitors Bureau	Total	Moore County ABC Board	Moore County Airport Authority	Moore County		
			Grants and Contributions	Grants and Contributions		Governmental Activities	Business-type Activities					ABC Board	Airport Authority	
<b>Primary government:</b>														
General government:														
Public safety	\$ 6,182,124	\$ 3,161,314	\$ 76,405	\$ -	\$ -	\$ (2,944,405)	\$ -	\$ (2,944,405)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Environmental protection and community development	12,886,949	957,377	1,057,777	216,947		(10,634,848)		(10,634,848)						
Human services	3,587,581	1,800,224	13,035	1,252,642		(521,680)		(521,680)						
Cultural and recreational	20,561,927	-	10,620,934	-		(9,940,993)		(9,940,993)						
Education	1,016,648	160,521	14,500	-		(841,627)		(841,627)						
Grants-other	25,554,115	-	614,440	-		(24,939,675)		(24,939,675)						
Debt service - interest	1,342,002	-	-	-		(1,342,002)		(1,342,002)						
Total governmental activities	1,984,968	-	-	-		(1,984,968)		(1,984,968)						
	73,096,314	6,079,436	12,397,091	1,469,569		(53,150,198)		(53,150,198)						
<b>Business-type activities:</b>														
Wastewater treatment	2,317,059	2,183,292	-	-		(133,767)		(133,767)						
Public utilities	5,576,889	6,828,145	-	-		1,251,256		1,251,256						
East Moore water district	393,099	325,518	-	138,540		70,959		70,959						
Total business-type activities	8,287,047	9,336,955	-	138,540		1,188,448		1,188,448						
<b>Total primary government</b>	<b>\$ 81,383,361</b>	<b>\$ 15,416,391</b>	<b>\$ 12,397,091</b>	<b>\$ 1,608,129</b>		<b>(53,150,198)</b>		<b>(53,150,198)</b>						
<b>Component units:</b>														
Convention and Visitors Bureau	\$ 1,303,055	\$ 184,723	\$ -	\$ -		-		-						
Moore County ABC Board	5,596,890	5,626,297	-	-		-		(1,118,352)				29,407		
Moore County Airport Authority	3,181,952	3,493,401	-	-		-		-				-		311,449
<b>Total component units</b>	<b>\$ 10,081,897</b>	<b>\$ 9,304,421</b>	<b>\$ -</b>	<b>\$ -</b>		<b>\$ -</b>		<b>(1,118,352)</b>				<b>29,407</b>		<b>311,449</b>
<b>General revenues:</b>														
Property taxes						40,423,776		40,423,776						
Sales taxes						17,216,131		17,216,131						
Net room occupancy taxes						-		-						
Other licenses and fees						614,164		614,164						
Unrestricted intergovernmental revenues						270,563		270,563						
Donations						94,090		94,090						
Sales tax refunds						24,002		24,002						
Investment income						1,634,391		1,634,391						
Other revenues						(22)		(22)						11,366
Payments from component units						366,830		366,830						465
Gain on sale of capital assets						92,091		92,091						-
Transfers						2,000		2,000						-
<b>Total general revenues, special items, and transfers</b>						<b>60,738,016</b>		<b>61,042,951</b>				<b>18,840</b>		<b>11,366</b>
Change in net assets						7,587,818		7,587,818						322,815
Net assets - beginning						10,829,241		10,829,241						702,578
Prior period adjustment						(99,006)		(99,006)						-
Net assets - beginning, as restated						10,730,235		10,730,235						702,578
Net assets - ending						18,318,053		18,318,053						1,025,393

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

**COUNTY OF MOORE, NORTH CAROLINA**

**Balance Sheet  
Governmental Funds  
June 30, 2006**

	<u>General</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Assets</b>			
Cash	\$ 2,719,280	\$ 1,901,999	\$ 4,621,279
Investments	15,770,804	-	15,770,804
Receivables:			
Property taxes (net of allowance for uncollectible taxes of \$166,700 at June 30, 2006 and \$174,800 at June 30, 2005)	666,400	74,944	741,344
Interest	278,474	-	278,474
Accounts receivable	-	153,103	153,103
Due from other governments and agencies	6,615,129	35,460	6,650,589
Due from other funds	25,000	-	25,000
Inventories	4,105	-	4,105
Restricted cash and investments	621,966	3,271,348	3,893,314
Total assets	<u>\$ 26,701,158</u>	<u>\$ 5,436,854</u>	<u>\$ 32,138,012</u>
<b>Liabilities and fund balances</b>			
Liabilities:			
Accounts payable and accrued liabilities	\$ 1,604,708	\$ 173,787	\$ 1,778,495
Deferred revenues:			
Advance payments of taxes and licenses	253,386	13,941	267,327
Unearned grant proceeds	-	292,234	292,234
Uncollected property taxes	666,400	74,944	741,344
Accounts payable from restricted assets	-	24,262	24,262
Total liabilities	<u>2,524,494</u>	<u>579,168</u>	<u>3,103,662</u>
Fund balances:			
Reserved for:			
State statute	6,918,603	188,563	7,107,166
Wireless 911 expenditures	-	629,480	629,480
Financing agreement compliance	621,966	3,247,086	3,869,052
Inventories	4,105	-	4,105
Unreserved, designated for:			
General Fund - Subsequent year's expenditures	7,192,461	-	7,192,461
Special Revenue Funds - Subsequent year's expenditures	-	337,700	337,700
Unreserved, reported in:			
General fund	9,439,529	-	9,439,529
Special revenue funds	-	242,702	242,702
Capital project funds	-	212,155	212,155
Total fund balances	<u>24,176,664</u>	<u>4,857,686</u>	<u>29,034,350</u>
Total liabilities and fund balances	<u>\$ 26,701,158</u>	<u>\$ 5,436,854</u>	<u>\$ 32,138,012</u>

**COUNTY OF MOORE, NORTH CAROLINA**  
**Reconciliation of the Balance Sheet of Governmental Funds to the**  
**Statement of Net Assets**  
**June 30, 2006**

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

Ending fund balance - governmental funds	\$ 29,034,350
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	26,579,259
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	961,436
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.	5,895,275
Accrued interest payable on long-term debt is not a current expenditure and therefore is not reflected in the funds.	(242,550)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	<u>(43,909,717)</u>
Net assets of governmental activities	<u>\$ 18,318,053</u>

**COUNTY OF MOORE, NORTH CAROLINA**

**Statement of Revenues, Expenditures and Changes in Fund Balances  
Governmental Funds  
For the Fiscal Year Ended June 30, 2006**

	<u>General</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Revenues</b>			
Property taxes	\$ 37,231,186	\$ 3,232,950	\$ 40,464,136
Sales taxes	17,216,131	-	17,216,131
Other licenses and fees	174,081	440,083	614,164
Unrestricted intergovernmental revenues	270,563	-	270,563
Restricted intergovernmental revenues	12,307,289	1,917,189	14,224,478
Charges for services	5,145,267	641,306	5,786,573
Investment income	1,444,109	190,282	1,634,391
Sales tax refunds	-	24,002	24,002
Other revenues	-	(22)	(22)
Donations	93,112	978	94,090
Payments from component units	366,830	-	366,830
<b>Total revenues</b>	<u>74,248,568</u>	<u>6,446,768</u>	<u>80,695,336</u>
<b>Expenditures</b>			
Current:			
General government	5,623,163	-	5,623,163
Public safety	8,571,140	3,647,280	12,218,420
Environmental protection and community development	3,146,447	-	3,146,447
Human services	19,375,086	836,147	20,211,233
Cultural and recreational	1,025,928	-	1,025,928
Education	23,722,362	-	23,722,362
Grants - other	1,342,002	-	1,342,002
Capital outlay	357,480	3,601,148	3,958,628
Debt service:			
Principal	4,344,617	-	4,344,617
Interest	2,018,592	-	2,018,592
<b>Total expenditures</b>	<u>69,526,817</u>	<u>8,084,575</u>	<u>77,611,392</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>4,721,751</u>	<u>(1,637,807)</u>	<u>3,083,944</u>
<b>Other financing sources (uses)</b>			
Transfers from other funds	57,157	536,544	593,701
Transfers to other funds	(1,061,279)	(55,157)	(1,116,436)
Proceeds from sale of capital assets	-	36,996	36,996
Debt issued	160,128	-	160,128
<b>Total other financing sources (uses)</b>	<u>(843,994)</u>	<u>518,383</u>	<u>(325,611)</u>
<b>Net change in fund balances</b>	3,877,757	(1,119,424)	2,758,333
<b>Fund balance - beginning</b>	20,366,066	5,977,110	26,343,176
<b>Prior period adjustment</b>	<u>(67,159)</u>	-	<u>(67,159)</u>
<b>Fund balance - beginning, restated</b>	<u>20,298,907</u>	<u>5,977,110</u>	<u>26,276,017</u>
<b>Fund balance - ending</b>	<u>\$ 24,176,664</u>	<u>\$ 4,857,686</u>	<u>\$ 29,034,350</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, 2006**

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

Net change in fund balances - total governmental funds	\$ 2,758,333
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.	106,256
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(105,294)
Accrued interest payable on long-term debt is not a current expenditure and therefore is not reflected in the funds.	32,806
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.	3,913,908
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.	<u>881,809</u>
Change in net assets of governmental activities	<u>\$ 7,587,818</u>

**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, 2006**

	Original Budget	Final Budget	Actual	Variance With Final Positive (Negative)
<b>REVENUES</b>				
Property taxes	\$ 35,566,998	\$ 35,566,998	\$ 37,231,186	\$ 1,664,188
Sales taxes	14,228,900	14,228,900	17,216,131	2,987,231
Other licenses and fees	135,000	135,000	174,081	39,081
Unrestricted intergovernmental revenues	242,000	242,000	270,563	28,563
Restricted intergovernmental revenues	10,685,625	11,624,457	12,307,289	682,832
Investment income	313,000	300,000	1,444,109	1,144,109
Charges for services	3,687,500	3,958,371	5,145,267	1,186,896
Donations	44,490	75,309	93,112	17,803
Payments from component units	356,000	364,500	366,830	2,330
<b>Total revenues</b>	<u>65,259,513</u>	<u>66,495,535</u>	<u>74,248,568</u>	<u>7,753,033</u>
<b>EXPENDITURES</b>				
Current:				
General government	5,815,619	6,059,944	5,623,163	436,781
Public safety	8,198,327	8,755,143	8,571,140	184,003
Environmental protection and community development	3,116,367	3,189,653	3,146,447	43,206
Human services	19,852,457	20,436,542	19,375,086	1,061,456
Cultural and recreational	1,070,364	1,076,757	1,025,928	50,829
Education	23,565,331	23,743,748	23,722,362	21,386
Grants - other	1,354,223	1,402,578	1,342,002	60,576
Capital outlay	423,569	806,588	357,480	449,108
Debt service:				
Principal	4,493,000	4,350,900	4,344,617	6,283
Interest	2,039,000	2,027,100	2,018,592	8,508
<b>Total expenditures</b>	<u>69,928,257</u>	<u>71,848,953</u>	<u>69,526,817</u>	<u>2,322,136</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(4,668,744)</u>	<u>(5,353,418)</u>	<u>4,721,751</u>	<u>10,075,169</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from other funds	300,000	305,000	57,157	(247,843)
Transfers to other funds	(963,675)	(1,100,158)	(1,061,279)	38,879
Debt issued	-	160,128	160,128	-
Fund balance appropriated	5,332,419	5,988,448	-	(5,988,448)
<b>Total other financing sources (uses)</b>	<u>4,668,744</u>	<u>5,353,418</u>	<u>(843,994)</u>	<u>(6,197,412)</u>
<b>Net change in fund balances</b>	<u>\$ -</u>	<u>\$ -</u>	<u>3,877,757</u>	<u>\$ 3,877,757</u>
FUND BALANCE - BEGINNING			20,366,066	
PRIOR PERIOD ADJUSTMENT			<u>(67,159)</u>	
FUND BALANCE - BEGINNING, RESTATED			<u>20,298,907</u>	
FUND BALANCE - ENDING			<u>\$ 24,176,664</u>	

MOORE COUNTY, NORTH CAROLINA

Statement of Net Assets  
Proprietary Funds  
June 30, 2006

	Enterprise Funds				Internal Service Funds
	Wastewater Treatment Fund	Public Utilities Fund	East Moore Water District Fund	Total	
<b>Assets</b>					
Current assets					
Cash	\$ 849,538	\$ 1,310,392	\$ 4,445	\$ 2,164,375	\$ 3,342,779
Investments	2,676,974	5,104,559	-	7,781,533	-
Accounts receivable	324,481	741,010	79,896	1,145,387	40,608
Inventories	203,081	236,963	41,070	481,114	46,335
Total current assets	4,054,074	7,392,924	125,411	11,572,409	3,429,722
Noncurrent assets					
Capital assets					
Land and construction in progress	494,867	292,546	291,798	1,079,211	-
Other capital assets, net of depreciation	4,531,537	10,071,467	3,017,768	17,620,772	3,272,533
Total noncurrent assets	5,026,404	10,364,013	3,309,566	18,699,983	3,272,533
Total assets	9,080,478	17,756,937	3,434,977	30,272,392	6,702,255
<b>Liabilities</b>					
Current liabilities					
Accounts payable and accrued liabilities	144,311	371,053	18,377	533,741	455,389
Accrued interest	-	15,987	6,284	22,271	-
Insurance claims payable	-	-	-	-	272,720
Due to general fund	-	-	25,000	25,000	-
Current maturities of long-term debt	-	616,643	21,000	637,643	-
Total current liabilities	144,311	1,003,683	70,661	1,218,655	728,109
Noncurrent liabilities					
Notes payable	-	3,838,187	-	3,838,187	-
Bonds payable	-	-	1,736,500	1,736,500	-
Accrued vacation benefits	34,967	70,058	-	105,025	78,871
Total noncurrent liabilities	34,967	3,908,245	1,736,500	5,679,712	78,871
Total liabilities	179,278	4,911,928	1,807,161	6,898,367	806,980
<b>Net assets</b>					
Invested in capital assets, net of related debt	5,026,404	5,909,183	1,552,066	12,487,653	3,272,533
Unrestricted net assets	3,874,796	6,935,826	75,750	10,886,372	2,622,742
Total net assets	\$ 8,901,200	\$ 12,845,009	\$ 1,627,816	\$ 23,374,025	\$ 5,895,275

**MOORE COUNTY, NORTH CAROLINA**  
**Statement of Revenues, Expenses, and Changes in Fund Net Assets**  
**Proprietary Funds**  
**For the Fiscal Year Ended June 30, 2006**

	Enterprise Funds			Total	Internal Service Funds
	Wastewater Treatment Fund	Public Utilities Fund	East Moore Water District Fund		
<b>Operating revenues</b>					
Charges for services	\$ 2,183,292	\$ 6,828,145	\$ 325,518	\$ 9,336,955	\$ 9,768,391
Total operating revenues	<u>2,183,292</u>	<u>6,828,145</u>	<u>325,518</u>	<u>9,336,955</u>	<u>9,768,391</u>
<b>Operating expenses</b>					
Salaries and fringe benefits	810,855	1,584,170	-	2,395,025	1,297,717
Operational expenses	613,326	2,604,146	153,163	3,370,635	2,523,970
Professional services	75,890	61,956	47,000	184,846	-
Repairs and maintenance	193,648	341,005	-	534,653	-
Depreciation	613,123	723,351	99,532	1,436,006	634,215
Administrative costs	-	-	-	-	163,596
Hospitalization benefits and insurance premiums	-	-	-	-	4,547,435
Wellness Clinic	-	-	-	-	133,244
Capital outlay	10,217	45,763	13,487	69,467	174,751
Total operating expenses	<u>2,317,059</u>	<u>5,360,391</u>	<u>313,182</u>	<u>7,990,632</u>	<u>9,474,928</u>
<b>Operating income (loss)</b>	<u>(133,767)</u>	<u>1,467,754</u>	<u>12,336</u>	<u>1,346,323</u>	<u>293,463</u>
<b>Nonoperating revenue (expense)</b>					
Investment income	106,044	195,317	-	301,361	-
Gain on disposal of capital assets	-	3,574	-	3,574	55,095
Interest	-	(216,498)	(79,917)	(296,415)	818
Total nonoperating revenue (expense)	<u>106,044</u>	<u>(17,607)</u>	<u>(79,917)</u>	<u>8,520</u>	<u>55,913</u>
<b>Income (loss) before contributions and transfers</b>	<u>(27,723)</u>	<u>1,450,147</u>	<u>(67,581)</u>	<u>1,354,843</u>	<u>349,376</u>
<b>Capital contributions</b>	-	-	138,540	138,540	7,698
<b>Transfer from other funds</b>	-	-	-	-	524,735
<b>Change in net assets</b>	<u>(27,723)</u>	<u>1,450,147</u>	<u>70,959</u>	<u>1,493,383</u>	<u>881,809</u>
<b>Total net assets - beginning</b>	8,928,923	11,394,862	1,556,857	21,880,642	5,013,466
<b>Total net assets - ending</b>	<u>\$ 8,901,200</u>	<u>\$ 12,845,009</u>	<u>\$ 1,627,816</u>	<u>\$ 23,374,025</u>	<u>\$ 5,895,275</u>

**MOORE COUNTY, NORTH CAROLINA**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Fiscal Year Ended June 30, 2006**

	Enterprise Funds				Internal Service Funds
	Wastewater Treatment Fund	Public Utilities Fund	East Moore Fund	Total	
<b>Cash flows from operating activities</b>					
Cash received from customers	\$ 2,085,844	\$ 6,746,648	\$ 309,051	\$ 9,141,543	\$ 9,737,717
Cash paid for goods and services	(888,950)	(3,034,299)	(232,635)	(4,155,884)	(7,281,790)
Cash paid to employees for services	(798,851)	(1,571,238)	-	(2,370,089)	(1,284,891)
<b>Net cash provided by operating activities</b>	<u>398,043</u>	<u>2,141,111</u>	<u>76,416</u>	<u>2,615,570</u>	<u>1,171,036</u>
<b>Cash flows from noncapital financing</b>					
Transfer from other funds	-	-	-	-	524,735
Due from General Fund	-	-	25,000	25,000	-
Grant proceeds	-	-	-	-	7,698
<b>Net cash provided by noncapital financing</b>	<u>-</u>	<u>-</u>	<u>25,000</u>	<u>25,000</u>	<u>532,433</u>
<b>Cash flows from capital and related financing activities</b>					
Capital contributions - federal grant	-	-	138,540	138,540	-
Proceeds from disposal of capital assets	-	3,574	-	3,574	55,095
Principal payments on long-term debt	-	(834,017)	(20,000)	(654,017)	(39,377)
Interest paid	-	(216,498)	(79,917)	(296,415)	818
Purchase of capital assets	(164,672)	(280,774)	(184,372)	(629,818)	(976,296)
<b>Net cash used by capital and related financing activities</b>	<u>(164,672)</u>	<u>(1,127,715)</u>	<u>(145,749)</u>	<u>(1,438,136)</u>	<u>(959,760)</u>
<b>Cash flows from investing activities</b>					
Investment income	106,044	195,317	-	301,361	-
<b>Net cash provided by investing activities</b>	<u>106,044</u>	<u>195,317</u>	<u>-</u>	<u>301,361</u>	<u>-</u>
<b>Net increase (decrease) in cash and cash equivalents/investments</b>	<u>339,415</u>	<u>1,208,713</u>	<u>(44,333)</u>	<u>1,503,795</u>	<u>743,709</u>
<b>Cash and cash equivalents/investments</b>					
Beginning of year	<u>3,187,097</u>	<u>5,206,238</u>	<u>48,778</u>	<u>8,442,113</u>	<u>2,599,070</u>
End of year	<u>\$ 3,526,512</u>	<u>\$ 6,414,951</u>	<u>\$ 4,445</u>	<u>\$ 9,945,908</u>	<u>\$ 3,342,779</u>
<b>Reconciliation of operating income (loss) to net cash provided by (used in) operating activities</b>					
Operating income (loss)	\$ (133,767)	\$ 1,467,754	\$ 12,336	\$ 1,346,323	\$ 293,463
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation	613,123	723,351	99,532	1,436,006	634,215
Change in assets and liabilities					
(Increase) decrease in receivables	(97,448)	(77,322)	(18,001)	(192,771)	(30,674)
(Increase) decrease in inventories	2,181	(64,450)	(20,809)	(83,078)	(12,298)
Increase (decrease) in accounts payable	6,445	93,049	1,824	101,318	280,572
Increase (decrease) in accrued vacation payable	7,509	2,904	-	10,413	5,758
Increase (decrease) in customer deposit	-	(4,175)	1,534	(2,641)	-
Total adjustments	<u>531,810</u>	<u>673,357</u>	<u>64,080</u>	<u>1,269,247</u>	<u>877,573</u>
<b>Net cash provided by operating activities</b>	<u>\$ 398,043</u>	<u>\$ 2,141,111</u>	<u>\$ 76,416</u>	<u>\$ 2,615,570</u>	<u>\$ 1,171,036</u>

**COUNTY OF MOORE, NORTH CAROLINA**

**Statement of Fiduciary Net Assets  
Fiduciary Funds  
June 30, 2006**

	<b>Agency Funds</b>
<b>Assets</b>	
Cash	\$ 369,671
Property taxes (net of allowance for uncollectible taxes of \$71,000)	281,664
Due from other agencies and governments	12,687
Total assets	<u>\$ 664,022</u>
<b>Liabilities</b>	
Miscellaneous liabilities	\$ 166,467
Intergovernmental payable	497,555
Total liabilities	<u>\$ 664,022</u>

**County of Moore, North Carolina**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended**  
**June 30, 2006**

**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 – Governmental Fund Types**

###### **Moore County Economic Development Corporation**

MCEDC was dissolved by the Board of Commissioners, effective 6:00 p.m., June 30, 2005.

MCEDC Fund Balance was transferred to the General Fund after the corporation was dissolved.

###### **Moore County Transportation Services**

The Moore County Transportation Services (MCTS) exists to provide transportation services for citizens and clients of county agencies. MCTS is funded through user fees, as well as federal and state grants. The Moore County Board of Commissioners serves as the governing board and appoints a fifteen-member Transportation Advisory Board.

##### **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, 2006. The district does not issue separate financial statements nor did the district have any transactions for the year ended June 30, 2006.

#### **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. 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.

**Moore County Transportation Services Fund** – Accounts for the revenues and expenditures of the County's transportation system.

**Moore County Economic Development Corporation Fund** – Accounted for economic development activities related to business recruitment and retention, but was dissolved at 6 p.m. on June 30, 2005.

**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.

**Hilcrest 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.

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); the Community Agencies Fund, which accounts for monies held on behalf of community agencies; 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 2005 through February 2006 apply to the fiscal year ended June 30, 2006. 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 31<sup>st</sup> each year with taxes due by May 1<sup>st</sup> of the following year. To transition from the staggered into the annual registration, the initial 2006 registration renewals will vary from 7 to 18 months after December 31, 2005. 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, 2006, because they are intended to finance the County's operations during the 2007 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 Data**

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.
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- 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 and the Airport Authority consider 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 \$461,669 are invested in repurchase agreements, (see note 3 B) for Jail debt reserve.

The unexpended proceeds of the Solid Waste trucks financing 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 \$160,297 are invested in a RBC Centura checking account.

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 \$2,606,171 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 \$129,688 are invested in a Branch Banking and Trust checking account.

The unexpended grant proceeds in the Airport Capital Project Fund are classified as restricted cash because their use is completely restricted to the airport project for which the grant was awarded. The funds which total \$535,489 are invested in the North Carolina Capital Management Trust.

#### **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, 2004. 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, 2006.

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, 2006, 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 2006-2007 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 (\$10,716,297) 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)

	\$ 38,261,771
Less accumulated depreciation	<u>(11,682,512)</u>

Net capital assets	26,579,259
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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	741,344
Accrued interest for taxes receivable	95,337
Accounts receivable, received 90+ days after year end	26,987
Deferred charges – refinancing costs	115,029
Less amortization expense	<u>(17,261)</u>

Total	961,436
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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.

Net assets of the internal service funds	5,895,275
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Accrued interest payable on long-term debt is not a current expenditure and therefore is not reflected in the funds

Accrued interest payable	(242,550)
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Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds

Bonds	(29,400,000)
Certificates of participation	(1,580,000)
Notes payable	(11,109,765)
Compensated absences	(1,284,292)
LEO separation allowance	<u>(535,660)</u>

Total long-term liabilities	<u>(43,909,717)</u>
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Total adjustment	<u>\$ (10,716,297)</u>
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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 \$4,829,485.

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	\$ 1,523,641
Depreciation expense	(1,417,385)
Deletions of capital assets	(454,442)
Accumulated depreciation on deletions of capital assets	<u>454,442</u>
Total	106,256

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	(91,921)
Grant revenues received 90+ days after year end	26,986
Accrued interest receivable	(3,575)
Deferred tax revenue	<u>(36,784)</u>
Total	(105,294)

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

Accrued interest	32,806
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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	2,110,000
Notes payable principal payments	2,234,617
Loan proceeds	(160,128)
Increase in LEO separation allowance	(72,376)
Increase in compensated absences	(180,944)
Amortization of debt issuance costs	<u>(17,261)</u>
Total	3,913,908

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	\$ 881,809
Total adjustment	<u>\$ 4,829,485</u>

**Note 2.**  
**Stewardship, Compliance, and Accountability**

There were no operating deficits recorded in any of the County's funds in the fiscal year 2005-2006.

**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, 2006**

	<u>Petty Cash</u>	<u>Carrying Amount Including Fiduciary Funds</u>	<u>Bank Balance</u>	<u>Bank Balance Covered By Federal Depository Insurance</u>	<u>Interest Bearing Deposits Covered By Collateral Held Under Pooling Method</u>
County of Moore	\$ 2,760	\$ 10,785,330	\$ 11,703,937	\$ 200,000	\$ 11,503,937
CVB	500	144,562	144,562	-	144,562
Moore County ABC Board	2,400	587,479	584,059	200,000	384,059
Airport Authority	<u>700</u>	<u>29,963</u>	<u>29,963</u>	<u>-</u>	<u>29,963</u>
Total	<u>\$ 6,360</u>	<u>\$ 11,547,334</u>	<u>\$ 12,462,521</u>	<u>\$ 400,000</u>	<u>\$ 12,062,521</u>

**B. Investments**

As of June 30, 2006, 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	\$ 461,669	\$ -	\$ -	\$ -	\$ 461,669
US Government Securities	3,946,340	-	-	3,946,340	-
US Government Agencies	5,912,000	-	3,922,000	-	1,990,000
NC Capital Management Trust-Cash Portfolio	10,971,899	10,971,899	N/A	N/A	N/A
Commercial Paper	5,863,757	5,863,757	-	-	-
<b>Total:</b>	<b>\$ 27,155,665</b>	<b>\$ 16,835,656</b>	<b>\$ 3,922,000</b>	<b>\$ 3,946,340</b>	<b>\$ 2,451,669</b>

*Interest Rate Risk.* As a means of limiting its exposure to fair value losses arising from rising interest rates, the County holds at least half 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, 2006, the County's investments in commercial paper were rated P1 by Standard & Poor's, F1 by Fitch Ratings, and A1 by Moody's Investors Service. 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, 2006.

*Concentration of Credit Risk.* The County places no limit on the amount that the County may invest in any one issuer. More than 5 percent of the County's total investments are in Federal Home Loan Bank securities, Federal Home Loan Mortgage Corporation, Amstel Funding Commercial Paper, Cooperative Assn Tractor Commercial Paper and White Pine Commercial Paper, with 7%, 14%, 7%, 7% and 7% respectively.

At June 30, 2006, CVB, the ABC Board and the Airport Authority had investments in the North Carolina Cash Management Trust of \$0, \$0 and \$327,063, 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, 2006</u>
General Fund, Property Taxes	\$ 166,700
Agency Fund, Property Taxes	<u>71,000</u>
Total	<u>\$ 237,700</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>
2003	\$ 1,440,795	\$ 385,171	\$ 1,825,966
2004	1,470,423	260,756	1,731,179
2005	1,483,307	129,537	1,612,844
2006	<u>1,550,166</u>	<u>-</u>	<u>1,550,166</u>
Total	<u>\$ 5,944,691</u>	<u>\$ 775,464</u>	<u>\$ 6,720,155</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>(34,522)</u>
Total:	<u>\$ 97,768</u>

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**Note 6.**  
**Capital Assets**

**A. Changes in Governmental Capital Assets**

Capital asset activity for the year ended June 30, 2006, was as follows:

	Balance July 1, 2005	Increases	Decreases	Transfers	Balance June 30, 2006
<b>Governmental activities:</b>					
Capital assets not being depreciated:					
Land	\$ 12,997,019	\$ 1,056	\$ -	\$ -	\$ 12,998,075
Total capital assets not being depreciated	<u>12,997,019</u>	<u>1,056</u>	<u>-</u>	<u>-</u>	<u>12,998,075</u>
Capital assets being depreciated:					
Buildings	29,515,860	974,654	-	-	30,490,514
Equipment	5,367,277	542,347	(285,221)	-	5,624,403
Vehicles	5,978,047	981,881	(1,031,616)	-	5,928,312
Total capital assets being depreciated	<u>40,861,184</u>	<u>2,498,882</u>	<u>(1,316,837)</u>	<u>-</u>	<u>42,043,229</u>
Less accumulated depreciation for:					
Buildings	(15,226,202)	(1,154,776)	-	-	(16,380,978)
Equipment	(4,945,606)	(275,626)	285,221	-	(4,936,011)
Vehicles	(4,282,941)	(621,198)	1,031,616	-	(3,872,523)
Total accumulated depreciation	<u>(24,454,749)</u>	<u>(2,051,600)</u>	<u>\$ 1,316,837</u>	<u>\$ -</u>	<u>(25,189,512)</u>
Total capital assets being depreciated, net	<u>16,406,435</u>				<u>16,853,717</u>
Governmental activity capital assets, net	<u>\$ 29,403,454</u>				<u>\$ 29,851,792</u>

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

General government	\$ 459,358
Public safety	504,794
Environmental protection and community Development	46,773
Human services	405,694
Cultural and recreational	766
Capital assets held by certain internal service funds are charged to the various governmental functions based on the usage of the funds.	<u>634,215</u>
Total depreciation expense	<u>\$ 2,051,600</u>

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## B. Changes in Business-type Capital Assets

	Balance July 1, 2005	Increases	Decreases	Transfers	Balance June 30, 2006
Business-type activities:					
<u>Wastewater Fund</u>					
Capital assets not being depreciated:					
Land	\$ 349,815	\$ -	\$ -	\$ -	\$ 349,815
Construction in progress	55,450	89,602	-	-	145,052
Total capital assets not being depreciated	<u>405,265</u>	<u>89,602</u>	<u>-</u>	<u>-</u>	<u>494,867</u>
Capital assets being depreciated:					
Wastewater treatment plant	9,369,283	-	-	-	9,369,283
Wastewater treatment lines	8,647,324	30,800	-	4,877	8,683,001
Equipment	614,986	44,270	-	-	659,256
Vehicle	49,980	-	-	-	49,980
Total capital assets being depreciated	<u>18,681,573</u>	<u>75,070</u>	<u>-</u>	<u>4,877</u>	<u>18,761,520</u>
Less accumulated depreciation for:					
Wastewater treatment plant	(8,763,556)	(564,319)	-	-	(9,327,875)
Wastewater treatment lines	(4,336,688)	-	-	(4,877)	(4,341,565)
Equipment	(494,873)	(37,262)	-	-	(532,135)
Vehicle	(16,866)	(11,542)	-	-	(28,408)
Total accumulated depreciation	<u>(13,611,983)</u>	<u>\$ (613,123)</u>	<u>\$ -</u>	<u>\$ (4,877)</u>	<u>(14,229,983)</u>
Total capital assets being depreciated, net	<u>5,069,590</u>				<u>4,531,537</u>
Wastewater fund capital assets, net	<u>\$ 5,474,855</u>				<u>\$ 5,026,404</u>

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	Balance July 1, 2005	Increases	Decreases	Transfers	Balance June 30, 2006
Business-type activities (continued):					
<u>Public Utilities Fund</u>					
Capital assets not being depreciated:					
Land	\$ 193,409	\$ -	\$ (65,411)	\$ -	\$ 127,998
Construction in progress	35,272	129,276	-	-	164,548
Total capital assets not being depreciated	<u>228,681</u>	<u>129,276</u>	<u>(65,411)</u>	<u>-</u>	<u>292,546</u>
Capital assets being depreciated:					
Buildings	917,009	-	-	-	917,009
Water and sewer system	14,470,232	2,700	-	(4,877)	14,468,055
Equipment	577,325	148,800	(5,353)	-	720,772
Vehicles	504,719	-	(38,892)	-	465,827
Total capital assets being depreciated	<u>16,469,285</u>	<u>151,500</u>	<u>(44,245)</u>	<u>(4,877)</u>	<u>16,571,663</u>
Less accumulated depreciation for:					
Buildings	(390,752)	(61,426)	-	-	(452,178)
Water and sewer system	(4,476,418)	(622,691)	-	4,877	(5,094,232)
Equipment	(481,975)	(15,720)	5,353	-	(492,342)
Vehicles	(476,821)	(23,515)	38,892	-	(461,444)
Total accumulated depreciation	<u>(5,825,966)</u>	<u>\$ (723,352)</u>	<u>\$ 44,245</u>	<u>\$ 4,877</u>	<u>(6,500,196)</u>
Total capital assets being depreciated, net	<u>10,643,319</u>				<u>10,071,467</u>
Public Utilities fund capital assets, net	<u>\$ 10,872,000</u>				<u>\$ 10,364,013</u>
<u>East Moore Water District</u>					
Capital assets not being depreciated:					
Land	\$ -	\$ 21,998	\$ -	\$ -	\$ 21,998
CIP	269,800	-	-	-	269,800
Total capital assets not being depreciated	<u>269,800</u>	<u>21,998</u>	<u>-</u>	<u>-</u>	<u>291,798</u>
Capital assets being depreciated:					
Buildings/Utilities	3,151,349	162,374	-	-	3,313,723
Total capital assets being depreciated	<u>3,151,349</u>	<u>162,374</u>	<u>-</u>	<u>-</u>	<u>3,313,723</u>
Less accumulated depreciation for:					
Buildings/Utilities	(196,423)	(99,532)	-	-	(295,955)
Total accumulated depreciation	<u>(196,423)</u>	<u>\$ (99,532)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(295,955)</u>
Total capital assets being depreciated, net	<u>2,954,926</u>				<u>3,017,768</u>
East Moore Water District fund capital assets, net	<u>\$ 3,224,726</u>				<u>\$ 3,309,566</u>
Business-type activities capital assets, net	<u>\$ 19,571,581</u>				<u>\$ 18,699,983</u>

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### C. Changes in Component Unit Capital Assets

	Balance July 1, 2005		Increases	Decreases	Balance June 30, 2006
<b>Discretely presented component units:</b>					
<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	(57,329)	(1,020)	-	-	(58,349)
Total accumulated depreciation	(57,329)	\$ (1,020)	\$ -	\$ -	(58,349)
Total capital assets being depreciated, net	2,340				1,320
Convention and Visitors Bureau Fund capital assets, net	\$ 2,340				\$ 1,320
<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	65,580	21,200	-	-	86,780
Furniture, fixtures and equipment	102,577	69,558	-	-	172,135
Vehicles	27,288	18,681	-	-	45,969
Total capital assets being depreciated	195,445	109,439	-	-	304,884
Less accumulated depreciation for:					
Buildings and improvements	(27,269)	(5,473)	-	-	(32,742)
Furniture, fixtures and equipment	(59,651)	(21,756)	-	-	(81,407)
Vehicles	(22,688)	(4,464)	-	-	(27,152)
Total accumulated depreciation	(109,608)	\$ (31,693)	\$ -	\$ -	(141,301)
Total capital assets being depreciated, net	85,837				163,583
Airport Authority capital assets, net	\$ 227,889				\$ 305,635
<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	221,072	-	(44,493)	-	176,579
Vehicles	98,235	-	(60,444)	-	37,791
Buildings and improvements	156,016	81,549	-	-	237,565
Total capital assets being depreciated	1,203,837	81,549	(104,937)	-	1,180,449
Less accumulated depreciation for:					
Buildings	(253,667)	(14,138)	-	-	(267,805)
Furniture, fixtures and equipment	(115,626)	-	9,997	-	(105,629)
Vehicles	(72,126)	-	34,335	-	(37,791)
Buildings and improvements	(135,615)	-	13,765	-	(121,850)
Total accumulated depreciation	(577,034)	\$ (14,138)	\$ 58,097	\$ -	(533,075)
Total capital assets being depreciated, net	626,803				647,374
ABC Board capital assets, net	\$ 734,854				\$ 755,425
Discretely presented component units capital assets, net	\$ 965,083				\$ 1,062,380

**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.

	<u>Actuarially Determined Rate 12/31/03</u>	<u>Contributions FY 2005-2006</u>	<u>Contributions FY 2004-2005</u>	<u>Contributions FY 2003-2004</u>
Moore County		\$ 947,395	\$ 900,775	\$ 828,945
Non Law	4.91			
Law Enf.	4.78			
CVB	4.91	14,640	15,087	14,032
ABC		20,685	25,030	25,304
Non Law	4.96			
Law Enf.	4.78			
Airport	4.99	23,138	19,688	18,384

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, 2005, the Separation Allowance's membership consisted of:

	<u>Moore County</u>	<u>ABC Board</u>
Retirees receiving benefits	5	1
Terminated plan members entitled to but not yet receiving benefits	-	-
Active plan members	<u>71</u>	<u>-</u>
Total	<u>76</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 \$26,516 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, 2005 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, 2005 was 25 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	\$ 91,913
Interest on net pension obligation	33,588
Adjustment to annual required contribution	<u>(26,609)</u>
Annual pension cost	98,892
Contributions made	<u>(26,516)</u>
Increase (decrease) in net pension obligation	72,376
Net pension obligation beginning of year	<u>463,284</u>
Net pension obligation end of year	<u>\$ 535,660</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>
6/30/04	\$82,819	29.63%	\$392,078
6/30/05	\$95,346	25.32%	\$463,284
6/30/06	\$98,892	26.81%	\$535,660

**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, 2006 were \$217,847, which consisted of \$131,834 from the County and \$86,013 from the law enforcement officers. The ABC Board's contributions for the year ended June 30, 2006 were \$3,674 which consisted of \$2,214 from the ABC Board and \$1,460 from the law enforcement officers.

#### **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, 2006, the County's required and actual contributions were \$34,894.

#### **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, 2006, for all permanent full-time employees, not involved in law enforcement, were \$423,610. Total voluntary contributions by covered employees were \$334,661. The County's contribution and employee's voluntary contributions represented 2.60 percent and 2 percent of the covered payroll, respectively.

The ABC Board has also elected to contribute each month an amount equal to two and a half percent of each full-time non-law enforcement employee. Also, the full-time employees may make voluntary contributions to the plan. Contributions for the year ended June 30, 2006 for non-law enforcement full-time employees were \$15,138 which consisted of \$9,438 from the Board and \$5,700 from the employees.

#### **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 22 retirees are eligible for postretirement health benefits. Under minimum qualifications, the retiree pays 100% of the premium, currently \$527 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.

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, 2006, the County made contributions to the State for death benefits of \$22,091. The County's required contributions for employees not engaged in law enforcement and for law enforcement officers represented 0.11% 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 County has contractual commitments of approximately \$237,507 for school and college construction. These projects are accounted for in the School Capital Projects Fund.

**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 2006, a total of \$4,891,674 was incurred for hospitalization benefits, insurance premiums and administrative 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 \$4,424,016. 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 \$272,720 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.

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The following is a schedule of changes in the funds liabilities for fiscal years 1996 through 2006:

	<u>Beginning Liability</u>	<u>Current-Year Claims and Changes Estimates</u>	<u>Claims Payments</u>	<u>Ending Liability</u>
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

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.

The NCACC Risk Management Liability & Property and Workers' Compensation Pools currently obtain reinsurance through County Reinsurance, Ltd., C.V. Starr Co, and Safety National. Excess Property Insurance is placed through Lexington Insurance Company, Westchester Surplus Lines Insurance Company, Landmark American Insurance Company, Continental Casualty Company.

The Property coverage (including Automobile Physical Damage up to \$5,000,000) is reinsured through the Excess Property Carriers for each loss excess of \$250,000 and a corridor deductible of \$750,000. The pool limit for property each occurrence is \$250,000,000. Flood and earthquake are insured to \$65,000,000 each occurrence and annual aggregate. Lexington Insurance Company provides the primary reinsurance layer up to \$25,000,000 each occurrence with a \$25,000,000 annual aggregate on Flood and Earthquake. The Excess Property carriers provide the remaining layers of reinsurance up to the total limits available.

The Liability and Property Pool is reinsured through County Reinsurance, Ltd. and C.V. Starr for single occurrence General Liability, Automobile Liability, and Professional Liability losses in excess of \$500,000 up to \$2,000,000 (umbrella options available up to \$6,000,000 total limit) with a corridor deductible of \$500,000. County Reinsurance provides the primary layer of \$1,500,000 excess of the Pool's retention of \$500,000 and C.V. Starr provides the umbrella layer (where purchased) up to \$4,000,000 excess \$2,000,000.

Workers' Compensation is reinsured by County Reinsurance, Ltd in excess of \$750,000 up to \$2,500,000. Safety National provides statutory limits excess of \$2,500,000.

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

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.

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**Note 10.****Accounts Payable**

Accounts payable at the government-wide level at June 30, 2006, were as follows:

	<u>Vendors</u>	<u>Salaries and Benefits</u>	<u>Other</u>	<u>Total</u>
Governmental Activities:				
General	\$ 1,233,629	\$ 371,079	\$ -	\$ 1,604,708
Non-major Governmental	120,092	53,695	-	173,787
Internal Service	432,475	22,914	272,720	728,109
Total-governmental activities	<u>\$ 1,786,196</u>	<u>\$ 447,688</u>	<u>\$ 272,720</u>	<u>\$ 2,506,604</u>
Business-type Activities				
Wastewater Treatment	\$ 130,354	\$ 13,957	\$ -	\$ 144,311
Public Utilities	310,907	29,946	30,200	371,053
East Moore Water District	14,052	-	4,325	18,377
Total - business-type activities	<u>\$ 455,313</u>	<u>\$ 43,903</u>	<u>\$ 34,525</u>	<u>\$ 533,741</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 2007.

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

2007	\$ 197,066
2008	65,887
2009	59,527
2010	44,250
2011	14,750
Thereafter	<u>-</u>
Total Future Minimum Rentals	<u>\$ 381,480</u>

Rent expense for the ABC Board was \$93,769 and \$56,250 for years ending June 30, 2006 and 2005, 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, 2006, 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%. \$ 19,100,000

\$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% 10,300,000

Total General Obligation Bonds serviced by the General Fund \$ 29,400,000

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%. \$ 1,757,500

Total General Obligation Bonds serviced by the EMWD Enterprise Fund \$ 1,757,500

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
2007	2,100,000	1,318,250	21,000	79,087	2,121,000	1,397,337
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
2012-2016	10,500,000	3,329,650	144,000	357,165	10,644,000	3,686,815
2017-2021	8,400,000	965,550	178,500	321,840	8,578,500	1,287,390
2022-2026	-	-	223,000	277,785	223,000	277,785
2027-2031	-	-	279,000	222,863	279,000	222,863
2032-2036	-	-	348,500	154,103	348,500	154,103
2037-2041	-	-	391,500	70,268	391,500	70,268
2042-2046	-	-	78,000	3,510	78,000	3,510
<b>Total</b>	<b>\$ 29,400,000</b>	<b>\$ 9,982,450</b>	<b>\$ 1,757,500</b>	<b>\$ 1,793,070</b>	<b>\$ 31,157,500</b>	<b>\$ 11,775,520</b>

**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% \$ 1,580,000

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>
2007	\$ 365,000	\$ 82,950
2008	385,000	63,788
2009	405,000	43,575
2010	425,000	22,312
Total	<u>\$ 1,580,000</u>	<u>\$ 212,625</u>

### C. Notes Payable

Serviced by the General Fund:

\$750,000 – 1992 note payable to BB&T in monthly payments of \$6,324 including interest at 5.9% through May 1, 1994, monthly payments of \$5,975, including interest of 4.97% from June 1, 1994 through May 1, 2002, monthly payments of \$6,139, including interest of 4.36% from June 1, 2002 through May 1, 2007, collateralized by a deed of trust on Airport facilities.	\$ 66,079
\$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.	38,718
\$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.	3,367,106
\$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.	4,365,897
\$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	206,938
\$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.	1,548,667
\$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.	766,927
\$361,000 – 2001 note payable to BB&T in semi-annual principal payments of \$12,033 plus interest at 7.50% through June 2016, and variable thereafter with a cap of 13.71%, collateralized by a deed of trust on the social services facility.	240,667
\$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.	353,500

\$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>\$ 155,266</u>
Total notes payable serviced by the General Fund	<u>\$ 11,109,765</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	\$ 2,868,616
\$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	518,569
\$1,135,000 – 1996 note payable to BB&T due in semi-annual installments of \$46,116, through December 2006 including interest of 3.29%; collateralized by a deed of trust on the Vass Water and Sewer System.	45,370
\$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.	343,464
\$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>678,811</u>
Total notes payable serviced by the Public Utilities Enterprise Fund	<u>\$ 4,454,830</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
2007	1,900,541	434,167	616,643	189,471	2,517,184	623,638
2008	1,883,384	358,264	596,970	163,028	2,480,354	521,292
2009	2,058,887	278,075	624,520	135,478	2,683,407	413,553
2010	1,965,008	196,966	619,342	107,163	2,584,350	304,129
2011	2,023,819	117,993	513,421	80,928	2,537,240	198,921
2012-2016	1,278,126	158,604	1,403,842	126,969	2,681,968	285,573
2017-2021	-	-	80,092	2,897	80,092	2,897
Total	<u>\$ 11,109,765</u>	<u>\$ 1,544,069</u>	<u>\$ 4,454,830</u>	<u>\$ 805,934</u>	<u>\$ 15,564,595</u>	<u>\$ 2,350,003</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, 2006, there were two series of industrial revenue bonds outstanding, with an aggregate principle amount payable of \$8,550,000.

**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, 2006.

By Type	Balances			Balances June 30, 2006	Current Portion
	June 30, 2005	Additions	Retirements		
<b>Governmental Activities:</b>					
General obligation bonds	\$ 31,510,000	\$ -	\$ 2,110,000	\$ 29,400,000	\$ 2,100,000
Certificates of participation	1,925,000	-	345,000	1,580,000	365,000
Notes payable	12,880,559	160,128	1,930,922	11,109,765	1,900,541
Accrued vacation benefits	1,176,461	1,184,970	998,268	1,363,163	850,000
Net pension obligation	463,284	72,376	-	535,660	-
<b>Total governmental activities</b>	<b>47,955,304</b>	<b>1,417,474</b>	<b>5,384,190</b>	<b>43,988,588</b>	<b>5,215,541</b>
<b>Business-Type Activities:</b>					
General obligation bonds	1,777,500	-	20,000	1,757,500	21,000
Notes payable	5,088,847	-	634,017	4,454,830	616,643
Accrued vacation benefits	94,612	97,964	87,551	105,025	-
<b>Total business-type activities</b>	<b>6,960,959</b>	<b>97,964</b>	<b>741,568</b>	<b>6,317,355</b>	<b>637,643</b>
<b>Total long-term liabilities</b>	<b>\$ 54,916,263</b>	<b>\$ 1,515,438</b>	<b>\$ 6,125,758</b>	<b>\$ 50,305,943</b>	<b>\$ 5,853,184</b>

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

At June 30, 2006, the County had a legal debt margin of \$582,745,052.

At June 30, 2006, the East Moore Water District had bonds authorized, but unissued of \$14,203,000.

At June 30, 2006, 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, 2006 of \$27,416, which was accrued vacation benefits.

**ABC Board**

The ABC Board had no long-term debt as of June 30, 2006.

**Airport Authority**

The Airport Authority had long-term debt as of June 30, 2006 of \$37,699, which was accrued vacation benefits.

The total interest expenditure/expense for the County and all its Component Units during the year ended June 30, 2006 totaled \$2,314,189.

**Note 13.**

**InterFund Balances and Activity**

The composition of interfund balances and Activities as of June 30, 2006 is as follows:

- a. Due to/from other Funds:

<u>Receivable Fund</u>	<u>Payable</u>	<u>Reason</u>	<u>Amount</u>
General Fund	East Moore Water District Fund	Operating expenses	\$25,000
	Fund		

b. Transfers between funds as of June 30, 2006 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	\$61,121
Property Management Fund	General Fund	Operating expenses	\$358,996
Risk Management Fund	General Fund	Operating expenses	\$154,179
Management Information Systems Fund	General Fund	Operating expenses	\$6,342
Property Management Fund	General Fund	Operating expenses	\$5,218
Emergency Medical Services Fund	General Fund	Operating expenses	\$45,423
General Fund	Emergency Medical Services	Operating expenses	\$3,000
Senior Center Capital Project Fund	General Fund	Operating capital	\$430,000
General Fund	Cooperative Extension Agency Trust Fund	Operating expenses	\$2,000
General Fund	Moore County Economic Development Corporation Fund	Fund balance transfer	\$52,157

**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)	\$ 253,386	\$ 253,386
Prepaid licenses not yet earned (Special Revenue)	13,941	13,941
Taxes receivable, net (General)	666,400	-
Taxes receivable, net (Special Revenue)	74,944	-
Grant proceeds not yet earned (Capital Project)	<u>292,234</u>	<u>292,234</u>
Total	<u>\$ 1,300,905</u>	<u>\$ 559,561</u>
Rental revenue not yet earned (Component Units)	<u>\$ -</u>	<u>\$ 20,945</u>

**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, \$9,510,088 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 \$3,442,349, \$153,000, and \$53,614 to the Community College for operating, capital purposes and the Westmoore Center, respectively, during the fiscal year ended June 30, 2006. In addition, the County made debt service payments of \$971,868 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, 2006. 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, 2006. In accordance with the intergovernmental agreement between the participating governments, the County appropriated \$7,020 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 Boards. 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, 2006. 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.**  
**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)	\$ 516,969	\$ -
Energy Assistance Payments	101,223	-
CWS Adoption Assistance	-	103,574
IV-E Adopt	223,306	54,209
Medicaid	39,419,454	19,261,742
Supplemental Food Program for Women, Infants and Children	1,331,082	-
Food Stamp Program	6,054,653	-
SC/SA Domiciliary Care Payments	-	762,571

**Note 19.**

**Prior period adjustment**

The County had the following prior period adjustments presented in their June 30, 2006 financial statements:

1. Overstatement of Airport Capital Projects in the amount of \$31,847 due to sales tax refund received in 2004-05. This adjustment was made due to overstatement of fixed assets Airport Buildings.
2. General Fund fixed assets was overstated by \$67,159 due to the sale of land for Public Utilities Fund during fiscal year 2004-05, and the receipt being recorded in the General Fund instead of Public Utilities Fund.

**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

\* 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 June 30</u>	<u>Annual Required Contributions</u>	<u>Percentage 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

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	12/31/2005
Actuarial cost method	Projected unit credit
Amortization method	Level percent of pay closed
Remaining amortization period	25 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  
Comparative Balance Sheets  
June 30, 2006 and 2005**

	<u>2006</u>	<u>2005</u>
<b>Assets</b>		
Cash	\$ 2,719,280	\$ 4,777,408
Investments	15,770,804	10,797,684
Receivables:		
Property taxes (net of allowance for uncollectible taxes of \$166,700 at June 30, 2006 and \$174,800 at June 30, 2005)	666,400	698,934
Asset	-	-
Interest	278,474	28,404
Due from other governments and agencies	6,615,129	5,911,579
Due from other funds	25,000	11,500
Due from component unit	-	361,178
Inventories	4,105	4,738
Restricted cash and investments	621,966	450,401
Total assets	<u>\$ 26,701,158</u>	<u>\$ 23,041,826</u>
 <b>Liabilities and fund balances</b>		
Liabilities:		
Accounts payable and accrued liabilities	\$ 1,604,708	\$ 1,547,632
Deferred revenues:		
Advance payments of taxes and licenses	253,386	429,194
Uncollected property taxes	666,400	698,934
Total liabilities	<u>2,524,494</u>	<u>2,675,760</u>
 Fund balances:		
Reserved for:		
State statute	6,918,603	6,312,661
Financing agreement compliance	621,966	450,401
Inventories	4,105	4,738
Unreserved, designated for:		
General Fund - Subsequent year's expenditures	7,192,461	5,332,419
Unreserved, undesignated	9,439,529	8,265,847
Total fund balances	<u>24,176,664</u>	<u>20,366,066</u>
 Total liabilities and fund balances	<u>\$ 26,701,158</u>	<u>\$ 23,041,826</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, 2006

With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2005

	2006		Variance Positive (Negative)	2005 Actual
	Budget	Actual		
<b>Revenues:</b>				
Property taxes:				
Current year	\$ 35,271,998	\$ 36,626,012	\$ 1,354,014	\$ 36,484,302
Prior years	120,000	277,617	157,617	329,156
Penalties and interest	175,000	327,557	152,557	333,610
Total property taxes	<u>35,566,998</u>	<u>37,231,186</u>	<u>1,664,188</u>	<u>37,147,068</u>
Sales taxes				
Local option sales tax	5,653,900	7,104,099	1,450,199	7,024,218
One-half cent local option sales tax	8,575,000	10,112,032	1,537,032	8,796,017
Total sales taxes	<u>14,228,900</u>	<u>17,216,131</u>	<u>2,987,231</u>	<u>15,820,235</u>
Other licenses and fees:				
Privilege licenses	55,000	55,566	566	55,838
Cable franchise fees	80,000	118,515	38,515	112,961
Total other taxes	<u>135,000</u>	<u>174,081</u>	<u>39,081</u>	<u>168,799</u>
Unrestricted intergovernmental revenues:				
State hold harmless funds	-	-	-	114,769
ABC funds	242,000	270,563	28,563	299,875
Total unrestricted intergovernmental revenues	<u>242,000</u>	<u>270,563</u>	<u>28,563</u>	<u>414,644</u>
Restricted intergovernmental revenues:				
Social services	6,307,234	6,642,509	335,275	6,132,305
Public health	2,299,504	2,533,770	234,266	2,029,578
Youth services	202,428	199,495	(2,933)	207,833
Older adults	807,125	753,965	(53,160)	744,667
Child support enforcement	666,223	714,074	47,851	639,004
Education	609,000	614,440	5,440	553,419
Public safety	478,487	490,895	12,408	537,839
Court facility fees	200,000	292,864	92,864	253,969
Other	54,456	65,277	10,821	112,555
Total restricted intergovernmental revenues	<u>11,624,457</u>	<u>12,307,289</u>	<u>682,832</u>	<u>11,211,169</u>
Investment income	<u>300,000</u>	<u>1,444,109</u>	<u>1,144,109</u>	<u>682,102</u>
User fees:				
Register of deeds fees	1,850,000	2,452,760	602,760	2,111,947
Code enforcement fees	414,000	630,145	216,145	439,851
Landfill fees	823,000	1,148,138	325,138	995,181
Law enforcement fees	279,664	316,071	36,407	167,418
Recreation fees	90,000	128,169	38,169	145,413
Office service fees	163,491	104,880	(58,611)	116,033
Tax collection fees	275,000	285,811	10,811	283,160
Cost reimbursement fees	55,716	54,293	(1,423)	54,523
Cell tower service fees	-	25,000	25,000	-
CDBG administration fees	7,500	-	(7,500)	7,500
Total user fees	<u>3,958,371</u>	<u>5,145,267</u>	<u>1,186,896</u>	<u>4,321,026</u>
Donations	<u>75,309</u>	<u>93,112</u>	<u>17,803</u>	<u>43,720</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, 2006

With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2005

	2006		Variance Positive (Negative)	2005 Actual
	Budget	Actual		
Payments from component units:				
ABC profit distribution	\$ 308,500	\$ 310,353	\$ 1,853	\$ 308,500
Airport Authority	56,000	56,477	477	56,477
Total payments from component units	<u>364,500</u>	<u>366,830</u>	<u>2,330</u>	<u>364,977</u>
Total revenues	<u>66,495,535</u>	<u>74,248,568</u>	<u>7,753,033</u>	<u>70,173,740</u>
<b>Expenditures:</b>				
General government:				
Governing body	231,347	214,477	16,870	221,876
Administration	336,483	323,815	12,668	291,308
General fund assessment	(349,200)	(289,200)	(60,000)	(354,000)
Personnel services	205,710	184,502	21,208	233,041
Volunteer center	69,083	68,998	85	52,012
Financial services	665,134	649,771	15,363	494,234
Legal	632,910	599,144	33,766	578,551
Tax	1,541,421	1,435,924	105,497	1,419,267
Revaluation	634,347	407,471	226,876	359,719
Elections	466,025	436,510	29,515	423,575
Register of deeds	1,626,684	1,591,751	34,933	1,373,523
Total general government	<u>6,059,944</u>	<u>5,623,163</u>	<u>436,781</u>	<u>5,093,106</u>
Public safety:				
Sheriff	4,920,133	4,910,150	9,983	4,358,298
Jail	2,436,787	2,478,702	(41,915)	2,271,749
Day reporting center	113,468	90,693	22,775	69,630
Youth Services	92,898	91,409	1,489	82,080
Emergency management/E911	1,191,857	1,000,186	191,671	1,056,379
Total public safety	<u>8,755,143</u>	<u>8,571,140</u>	<u>184,003</u>	<u>7,838,136</u>
Environmental protection and community development:				
Waste disposal	1,599,682	1,595,347	4,335	1,584,603
Planning	1,068,371	1,052,309	16,062	1,104,768
Cooperative extension service	294,087	274,416	19,671	357,256
Soil and water conservation	227,513	224,375	3,138	212,799
Total environmental protection and community development	<u>3,189,653</u>	<u>3,146,447</u>	<u>43,206</u>	<u>3,259,426</u>
Human services:				
Health	4,554,980	4,272,969	282,011	4,041,286
Social services	13,877,427	13,115,787	761,640	12,242,703
Child support enforcement	565,883	563,516	2,367	544,170
Veteran's services	162,458	150,553	11,905	123,738
Older adults	1,275,794	1,272,261	3,533	1,156,318
Total human services	<u>20,436,542</u>	<u>19,375,086</u>	<u>1,061,456</u>	<u>18,108,215</u>
Cultural and recreational:				
Library	514,453	499,285	15,168	463,885
Recreation and youth development	562,304	526,643	35,661	538,613
Total cultural and recreational	<u>1,076,757</u>	<u>1,025,928</u>	<u>50,829</u>	<u>1,002,498</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, 2006

With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2005

	2006		Variance Positive (Negative)	2005 Actual
	Budget	Actual		
Education:				
Moore County Schools:				
Current	\$ 19,116,449	\$ 19,116,449	\$ -	\$ 18,334,877
Capital outlay	956,950	956,950	-	1,262,700
	<u>20,073,399</u>	<u>20,073,399</u>	<u>-</u>	<u>19,597,577</u>
Sandhills Community College:				
Current	3,442,349	3,442,349	-	2,887,500
Westmoore Center	75,000	53,614	21,386	46,277
Capital outlay	153,000	153,000	-	153,000
	<u>3,670,349</u>	<u>3,648,963</u>	<u>21,386</u>	<u>3,086,777</u>
Total education	<u>23,743,748</u>	<u>23,722,362</u>	<u>21,386</u>	<u>22,684,354</u>
Grants - other	<u>1,402,578</u>	<u>1,342,002</u>	<u>60,576</u>	<u>1,023,769</u>
Capital outlay	<u>806,588</u>	<u>357,480</u>	<u>449,108</u>	<u>648,954</u>
Debt service:				
Principal	4,350,900	4,344,617	6,283	4,382,965
Interest	2,027,100	2,018,592	8,508	2,241,533
Total debt service	<u>6,378,000</u>	<u>6,363,209</u>	<u>14,791</u>	<u>6,624,498</u>
Total expenditures	<u>71,848,953</u>	<u>69,526,817</u>	<u>2,322,136</u>	<u>66,282,956</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(5,353,418)</u>	<u>4,721,751</u>	<u>10,075,169</u>	<u>3,890,784</u>
Other financing sources (uses):				
Transfers to other funds:				
Capital Project Funds	(530,000)	(491,121)	38,879	(100,000)
Internal Service Funds	(524,735)	(524,735)	-	(29,665)
Special Revenue Funds	(45,423)	(45,423)	-	-
Enterprise Funds	-	-	-	(300,000)
Total	<u>(1,100,158)</u>	<u>(1,061,279)</u>	<u>38,879</u>	<u>(429,665)</u>
Transfers from other funds:				
Internal Service Funds	-	-	-	4,300
Special Revenue Funds	3,000	55,157	52,157	40,822
Enterprise Funds	300,000	-	(300,000)	151,252
Agency Funds	2,000	2,000	-	-
Total	<u>305,000</u>	<u>57,157</u>	<u>(247,843)</u>	<u>196,374</u>
Debt issued	<u>160,128</u>	<u>160,128</u>	<u>-</u>	<u>132,289</u>
Total other financing sources (uses)	<u>(635,030)</u>	<u>(843,994)</u>	<u>(208,964)</u>	<u>(101,002)</u>
Fund balance appropriated	<u>5,988,448</u>	<u>-</u>	<u>(5,988,448)</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 3,877,757</u>	<u>\$ 3,877,757</u>	<u>\$ 3,789,782</u>
Fund balance - beginning		20,366,066		16,368,105
Prior period adjustment		<u>(67,159)</u>		<u>208,179</u>
Fund balance - beginning as restated		<u>20,298,907</u>		<u>16,576,284</u>
Fund balance - ending		<u>\$ 24,176,664</u>		<u>\$ 20,366,066</u>

**COUNTY OF MOORE, NORTH CAROLINA**

**Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2006**

	<u>Special Revenue Funds</u>	<u>Capital Project Funds</u>	<u>Total Nonmajor Governmental Funds</u>
<b>Assets</b>			
Cash	\$ 1,319,034	\$ 582,965	\$ 1,901,999
Receivables:			
Property taxes	74,944	-	74,944
Accounts receivable	153,103	-	153,103
Due from other governments and agencies	-	35,460	35,460
Restricted cash and investments	-	3,271,348	3,271,348
Total assets	<u>\$ 1,547,081</u>	<u>\$ 3,889,773</u>	<u>\$ 5,436,854</u>
<b>Liabilities and fund balances</b>			
Liabilities:			
Accounts payable and accrued liabilities	\$ 95,211	\$ 78,576	\$ 173,787
Deferred revenues:			
Advance payments of taxes and licenses	13,941	-	13,941
Unearned grant proceeds	-	292,234	292,234
Uncollected property taxes	74,944	-	74,944
Accounts payable from restricted assets	-	24,262	24,262
Total liabilities	<u>184,096</u>	<u>395,072</u>	<u>579,168</u>
Fund balances:			
Reserved for:			
State statute	153,103	35,460	188,563
Wireless 911 expenditures	629,480	-	629,480
Financing agreement compliance	-	3,247,086	3,247,086
Unreserved, designated for:			
Special Revenue Funds - Subsequent year's expenditures	337,700	-	337,700
Unreserved, undesignated	242,702	212,155	454,857
Total fund balances	<u>1,362,985</u>	<u>3,494,701</u>	<u>4,857,686</u>
Total liabilities and fund balances	<u>\$ 1,547,081</u>	<u>\$ 3,889,773</u>	<u>\$ 5,436,854</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, 2006**

	<b>Special Revenue Funds</b>	<b>Capital Project Funds</b>	<b>Total Nonmajor Governmental Funds</b>
<b>Revenues</b>			
Property taxes	\$ 3,232,950	\$ -	\$ 3,232,950
Other licenses and fees	440,083	-	440,083
Restricted intergovernmental revenues	664,547	1,252,642	1,917,189
Charges for services	641,306	-	641,306
Sales tax refunds	-	24,002	24,002
Other revenues	-	(22)	(22)
Investment income	-	190,282	190,282
Donations	978	-	978
<b>Total revenues</b>	<b>4,979,864</b>	<b>1,466,904</b>	<b>6,446,768</b>
<b>Expenditures</b>			
Current:			
Public safety	3,647,280	-	3,647,280
Human services	836,147	-	836,147
Capital outlay	453,940	3,147,208	3,601,148
<b>Total expenditures</b>	<b>4,937,367</b>	<b>3,147,208</b>	<b>8,084,575</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>42,497</b>	<b>(1,680,304)</b>	<b>(1,637,807)</b>
<b>Other financing sources (uses)</b>			
Transfers from other funds	45,423	491,121	536,544
Transfers to other funds	(55,157)	-	(55,157)
Proceeds from sale of capital assets	36,996	-	36,996
<b>Total other financing sources (uses)</b>	<b>27,262</b>	<b>491,121</b>	<b>518,383</b>
<b>Net change in fund balances</b>	<b>69,759</b>	<b>(1,189,183)</b>	<b>(1,119,424)</b>
<b>Fund balance - beginning</b>	<b>1,293,226</b>	<b>4,683,884</b>	<b>5,977,110</b>
<b>Fund balance - ending</b>	<b>\$ 1,362,985</b>	<b>\$ 3,494,701</b>	<b>\$ 4,857,686</b>

**COUNTY OF MOORE, NORTH CAROLINA**

**Combining Balance Sheet  
Nonmajor Special Revenue Funds  
June 30, 2006**

	<u>Emergency Medical Services Fund</u>	<u>Emergency Telephone Services Fund</u>	<u>Moore County Transportation Services Fund</u>	<u>Total Nonmajor Special Revenue Funds</u>
<b>Assets</b>				
Cash	\$ 71,952	\$ 1,021,177	\$ 225,905	\$ 1,319,034
Receivables:				
Property taxes	74,944	-	-	74,944
Accounts receivable	9,216	65,218	78,669	153,103
Total assets	<u>\$ 156,112</u>	<u>\$ 1,086,395</u>	<u>\$ 304,574</u>	<u>\$ 1,547,081</u>
<b>Liabilities and fund balances</b>				
Liabilities:				
Accounts payable and accrued liabilities	\$ 62,739	\$ 20,111	\$ 12,361	\$ 95,211
Deferred revenues:				
Advance payments of taxes and licenses	13,941	-	-	13,941
Uncollected property taxes	74,944	-	-	74,944
Total liabilities	<u>151,624</u>	<u>20,111</u>	<u>12,361</u>	<u>184,096</u>
Fund balances:				
Reserved for:				
State statute	9,216	65,218	78,669	153,103
Wireless 911 expenditures	-	629,480	-	629,480
Unreserved, designated for:				
Special Revenue Funds - Subsequent year's expenditures	280,000	-	57,700	337,700
Unreserved, undesignated (deficit)	(284,728)	371,586	155,844	242,702
Total fund balances	<u>4,488</u>	<u>1,066,284</u>	<u>292,213</u>	<u>1,362,985</u>
Total liabilities and fund balances	<u>\$ 156,112</u>	<u>\$ 1,086,395</u>	<u>\$ 304,574</u>	<u>\$ 1,547,081</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, 2006**

	<u>Emergency Medical Services Fund</u>	<u>Emergency Telephone Services Fund</u>	<u>Moore County Transportation Services Fund</u>	<u>Moore County Economic Development Corporation Fund</u>	<u>Total Nonmajor Special Revenue Funds</u>
<b>Revenues</b>					
Property taxes	\$ 3,232,950	\$ -	\$ -	\$ -	\$ 3,232,950
Other licenses and fees	-	440,083	-	-	440,083
Restricted intergovernmental revenues	31,887	178,513	454,147	-	664,547
Charges for services	46,692	-	594,614	-	641,306
Donations	978	-	-	-	978
Total revenues	<u>3,312,507</u>	<u>618,596</u>	<u>1,048,761</u>	<u>-</u>	<u>4,979,864</u>
<b>Expenditures</b>					
Current:					
Public safety	3,248,978	398,302	-	-	3,647,280
Human services	-	-	836,147	-	836,147
Capital outlay	192,664	10,863	250,413	-	453,940
Total expenditures	<u>3,441,642</u>	<u>409,165</u>	<u>1,086,560</u>	<u>-</u>	<u>4,937,367</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(129,135)</u>	<u>209,431</u>	<u>(37,799)</u>	<u>-</u>	<u>42,497</u>
<b>Other financing sources (uses)</b>					
Transfers from other funds	45,423	-	-	-	45,423
Transfers to other funds	(3,000)	-	-	(52,157)	(55,157)
Proceeds from sale of capital assets	-	-	36,996	-	36,996
Total other financing sources (uses)	<u>42,423</u>	<u>-</u>	<u>36,996</u>	<u>(52,157)</u>	<u>27,262</u>
<b>Net change in fund balances</b>	<u>(86,712)</u>	<u>209,431</u>	<u>(803)</u>	<u>(52,157)</u>	<u>69,759</u>
<b>Fund balance - beginning</b>	<u>91,200</u>	<u>856,853</u>	<u>293,016</u>	<u>52,157</u>	<u>1,293,226</u>
<b>Fund balance - ending</b>	<u>\$ 4,488</u>	<u>\$ 1,066,284</u>	<u>\$ 292,213</u>	<u>\$ -</u>	<u>\$ 1,362,985</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, 2006

With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2005

	2006		Variance Positive (Negative)	2005 Actual
	Budget	Actual		
<b>Revenues:</b>				
Property taxes	\$ 3,138,692	\$ 3,232,950	\$ 94,258	\$ 3,100,529
Charges for services	60,000	46,692	(13,308)	88,576
Donations	420	978	558	371
Restricted intergovernmental revenues	40,883	31,887	(8,996)	13,405
Total revenues	<u>3,239,995</u>	<u>3,312,507</u>	<u>72,512</u>	<u>3,202,881</u>
<b>Expenditures:</b>				
Current operating				
Public safety	3,337,480	3,248,978	88,502	3,326,656
Capital outlay	192,664	192,664	-	280,725
Total expenditures	<u>3,530,144</u>	<u>3,441,642</u>	<u>88,502</u>	<u>3,607,381</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(290,149)</u>	<u>(129,135)</u>	<u>161,014</u>	<u>(404,500)</u>
<b>Other financing sources (uses):</b>				
Transfer from general fund	45,423	45,423	-	-
Transfer to general fund	<u>(3,000)</u>	<u>(3,000)</u>	-	<u>(40,822)</u>
Total other financing sources (uses)	<u>42,423</u>	<u>42,423</u>	-	<u>(40,822)</u>
<b>Fund balance appropriated</b>	<u>247,726</u>	<u>-</u>	<u>(247,726)</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>(86,712)</u>	<u>(86,712)</u>	<u>(445,322)</u>
Fund balance - beginning		<u>91,200</u>		<u>536,522</u>
Fund balance - ending		<u>\$ 4,488</u>		<u>\$ 91,200</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, 2006  
 With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2005

	2006		Variance Positive (Negative)	2005 Actual
	Budget	Actual		
<b>Revenues:</b>				
Other taxes:				
911 system subscriber fees	\$ 440,000	\$ 440,083	\$ 83	\$ 444,027
Restricted intergovernmental:				
Wireless 911 funds	108,000	178,513	70,513	143,956
Total revenues	<u>548,000</u>	<u>618,596</u>	<u>70,596</u>	<u>587,983</u>
<b>Expenditures:</b>				
Public safety:				
Wireless 911	24,000	18,162	5,838	64,099
911 system subscriber fees	476,052	380,140	95,912	391,024
Total public safety	<u>500,052</u>	<u>398,302</u>	<u>101,750</u>	<u>455,123</u>
Capital outlay:				
Wireless 911	20,838	-	20,838	980
911 system subscriber fees	486,562	10,863	475,699	29,597
Total capital outlay	<u>507,400</u>	<u>10,863</u>	<u>496,537</u>	<u>30,577</u>
Total expenditures	<u>1,007,452</u>	<u>409,165</u>	<u>598,287</u>	<u>485,700</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(459,452)</u>	<u>209,431</u>	<u>668,883</u>	<u>102,283</u>
<b>Fund balance appropriated</b>	<u>459,452</u>	<u>-</u>	<u>(459,452)</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>209,431</u>	<u>\$ 209,431</u>	<u>102,283</u>
Fund balance - beginning		<u>856,853</u>		<u>754,570</u>
Fund balance - ending		<u>\$ 1,066,284</u>		<u>\$ 856,853</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, 2006

With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2005

	2006		Variance Positive (Negative)	2005 Actual
	Budget	Actual		
<b>Revenues:</b>				
Restricted intergovernmental revenues	\$ 518,468	\$ 454,147	\$ (64,321)	\$ 220,977
Charges for services	600,000	594,614	(5,386)	549,025
Total revenues	<u>1,118,468</u>	<u>1,048,761</u>	<u>(69,707)</u>	<u>770,002</u>
<b>Expenditures:</b>				
Current operating				
Human services	833,051	836,147	(3,096)	730,838
Capital outlay	303,604	250,413	53,191	-
Total expenditures	<u>1,136,655</u>	<u>1,086,560</u>	<u>50,095</u>	<u>730,838</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(18,187)</u>	<u>(37,799)</u>	<u>(19,612)</u>	<u>39,164</u>
<b>Other financing sources:</b>				
Proceeds from sale of capital assets	9,236	36,996	27,760	15,282
Total other financing sources:	<u>9,236</u>	<u>36,996</u>	<u>27,760</u>	<u>15,282</u>
<b>Fund balance appropriated:</b>	<u>8,951</u>	<u>-</u>	<u>(8,951)</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>(803)</u>	<u>\$ (803)</u>	<u>54,446</u>
Fund balance - beginning		<u>293,016</u>		<u>238,570</u>
Fund balance - ending		<u>\$ 292,213</u>		<u>\$ 293,016</u>

COUNTY OF MOORE, NORTH CAROLINA

SPECIAL REVENUE FUND  
 MOORE COUNTY ECONOMIC DEVELOPMENT CORPORATION  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
 For the Fiscal Year Ended June 30, 2006  
 With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2005

	2006		Variance Positive (Negative)	2005 Actual
	Budget	Actual		
<b>Revenues:</b>				
Investment income	\$ -	\$ -	\$ -	\$ 15,612
Other revenues	-	-	-	139,759
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>155,371</u>
<b>Expenditures:</b>				
Current operating				
General government - project expenditures	-	-	-	29,260
Debt service				
Principal	-	-	-	402,087
Interest	-	-	-	21,201
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>452,548</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>(297,177)</u>
<b>Other financing sources (uses):</b>				
Transfer to component units	-	-	-	(30,000)
Transfer to general fund	-	(52,157)	(52,157)	-
Gain on sale of capital assets	-	-	-	275,200
Total other financing sources (uses)	<u>-</u>	<u>(52,157)</u>	<u>(52,157)</u>	<u>245,200</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ (52,157)</u>	<u>\$ (52,157)</u>	<u>\$ (51,977)</u>
Fund balance - beginning		<u>52,157</u>		<u>104,134</u>
Fund balance - ending		<u>\$ -</u>		<u>\$ 52,157</u>

COUNTY OF MOORE, NORTH CAROLINA

Combining Balance Sheet  
Nonmajor Capital Project Funds  
June 30, 2006

	Airport Project	CDBG Project	Hillcrest Park Project	School/College Bond Project	Senior Center Project	Social Services Facility Project	Total Nonmajor Capital Project Funds
<b>Assets</b>							
Cash	\$ 22,782	\$ 15,629	\$ 181	\$ 4,780	\$ 539,593	\$ -	\$ 582,965
Due from other governments and agencies	11,458	-	-	24,002	-	-	35,460
Restricted cash and investments	535,489	-	-	2,606,171	-	129,688	3,271,348
Total assets	\$ 569,729	\$ 15,629	\$ 181	\$ 2,634,953	\$ 539,593	\$ 129,688	\$ 3,889,773
<b>Liabilities and fund balances</b>							
Liabilities:							
Accounts payable and accrued liabilities	\$ 78,365	\$ 211	\$ -	\$ -	\$ -	\$ -	\$ 78,576
Unearned grant proceeds	292,234	-	-	-	-	-	292,234
Accounts payable from restricted assets	-	-	-	24,262	-	-	24,262
Total liabilities	370,599	211	-	24,262	-	-	395,072
Fund balances:							
Reserved for:							
State statute	11,458	-	-	24,002	-	-	35,460
Financing agreement compliance	535,489	-	-	2,581,909	-	129,688	3,247,086
Unreserved, undesignated (deficit)	(347,817)	15,418	181	4,780	539,593	-	212,155
Total fund balances	199,130	15,418	181	2,610,691	539,593	129,688	3,494,701
Total liabilities and fund balances	\$ 569,729	\$ 15,629	\$ 181	\$ 2,634,953	\$ 539,593	\$ 129,688	\$ 3,889,773

**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, 2006**

	Airport Project	CDBG Project	Hillcrest Park Project	School/College Bond Project	Senior Center Project	Social Services Facility Project	Total Nonmajor Capital Project Funds
<b>Revenues</b>							
Restricted intergovernmental revenues	\$ 864,169	\$ 388,473	\$ -	\$ -	\$ -	\$ -	\$ 1,252,642
Sales tax refunds	-	-	-	24,002	-	-	24,002
Other revenues	(22)	-	-	-	-	-	(22)
Investment income	32,426	-	-	157,384	-	472	190,282
Total revenues	<u>896,573</u>	<u>388,473</u>	<u>-</u>	<u>181,386</u>	<u>-</u>	<u>472</u>	<u>1,466,904</u>
<b>Expenditures</b>							
Current:							
Capital outlay	909,653	373,055	-	1,817,482	41,418	5,600	3,147,208
Total expenditures	<u>909,653</u>	<u>373,055</u>	<u>-</u>	<u>1,817,482</u>	<u>41,418</u>	<u>5,600</u>	<u>3,147,208</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(13,080)</u>	<u>15,418</u>	<u>-</u>	<u>(1,636,096)</u>	<u>(41,418)</u>	<u>(5,128)</u>	<u>(1,680,304)</u>
<b>Other financing sources (uses)</b>							
Transfers from other funds	61,121	-	-	-	430,000	-	491,121
Total other financing sources (uses)	<u>61,121</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>430,000</u>	<u>-</u>	<u>491,121</u>
<b>Net change in fund balances</b>	48,041	15,418	-	(1,636,096)	388,582	(5,128)	(1,189,183)
<b>Fund balance - beginning</b>	151,089	-	181	4,246,787	151,011	134,816	4,683,884
<b>Fund balance - ending</b>	<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>\$ 3,494,701</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, 2006

	Project Authorization	Prior Years	Actual Current Year	Total	Variance Positive (Negative)
<b>Revenues:</b>					
Restricted intergovernmental revenues	11,125,517	\$ 5,278,793	\$ 864,169	\$ 6,142,962	\$ (4,982,555)
Investment income	-	22,628	32,426	55,054	55,054
Other revenues	-	2,542	(22)	2,520	2,520
Total revenues	<u>11,125,517</u>	<u>5,303,963</u>	<u>896,573</u>	<u>6,200,536</u>	<u>(4,924,981)</u>
<b>Expenditures:</b>					
Capital outlay	11,584,675	5,550,911	909,653	6,460,564	5,124,111
Total expenditures	<u>11,584,675</u>	<u>5,550,911</u>	<u>909,653</u>	<u>6,460,564</u>	<u>5,124,111</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(459,158)</u>	<u>(246,948)</u>	<u>(13,080)</u>	<u>(260,028)</u>	<u>199,130</u>
<b>Other financing sources (uses):</b>					
Transfers from other funds	459,158	398,037	61,121	459,158	-
Total other financing sources (uses)	<u>459,158</u>	<u>398,037</u>	<u>61,121</u>	<u>459,158</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 151,089</u>	<u>48,041</u>	<u>\$ 199,130</u>	<u>\$ 199,130</u>
Fund balance - beginning			<u>151,089</u>		
Fund balance - ending			<u>\$ 199,130</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, 2006

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Actual Current Year</u>	<u>Total</u>	<u>Variance Positive (Negative)</u>
<b>Revenues:</b>					
Restricted intergovernmental revenues:					
Moore County housing	\$ 400,000	\$ 11,527	\$ 388,473	\$ 400,000	\$ -
Total revenues	<u>400,000</u>	<u>11,527</u>	<u>388,473</u>	<u>400,000</u>	<u>-</u>
<b>Expenditures:</b>					
Capital outlay:					
Infrastructure hookup	-	-	-	-	-
Moore County housing	400,000	11,527	373,055	384,582	15,418
Total expenditures	<u>400,000</u>	<u>11,527</u>	<u>373,055</u>	<u>384,582</u>	<u>15,418</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	15,418	<u>\$ 15,418</u>	<u>\$ 15,418</u>
Fund balance - beginning			-		
Fund balance - ending			<u>\$ 15,418</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, 2006

	Project Authorization	Prior Years	Actual Current Year	Total	Variance Positive (Negative)
<b>Revenues:</b>					
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>
<b>Expenditures:</b>					
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>
<b>Other financing sources:</b>					
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, 2006

	Project Authorization	Prior Years	Actual Current Year	Total	Variance Positive (Negative)
<b>Revenues:</b>					
Restricted intergovernmental revenues	\$ 202,933	\$ 202,933	\$ -	\$ 202,933	\$ -
Investment income	2,500,000	2,822,853	157,384	2,980,237	480,237
Sales tax refunds	500,000	530,589	24,002	554,591	54,591
Total revenues	<u>3,202,933</u>	<u>3,556,375</u>	<u>181,386</u>	<u>3,737,761</u>	<u>534,828</u>
<b>Expenditures:</b>					
Capital outlay:					
College projects	11,500,000	9,160,085	1,709,690	10,869,772	630,228
School projects	25,702,933	24,149,503	107,792	24,257,298	1,445,635
Total expenditures	<u>37,202,933</u>	<u>33,309,588</u>	<u>1,817,482</u>	<u>35,127,070</u>	<u>2,075,863</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(34,000,000)</u>	<u>(29,753,213)</u>	<u>(1,636,096)</u>	<u>(31,389,309)</u>	<u>2,610,691</u>
<b>Other financing sources (uses):</b>					
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>\$ 4,246,787</u>	<u>(1,636,096)</u>	<u>\$ 2,610,691</u>	<u>\$ 2,610,691</u>
Fund balance - beginning			<u>4,246,787</u>		
Fund balance - ending			<u>\$ 2,610,691</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, 2006

	Project Authorization	Prior Years	Actual Current Year	Total	Variance Positive (Negative)
<b>Revenues:</b>					
Restricted intergovernmental revenues	\$ 1,100,000	\$ 1,100,000	\$ -	\$ 1,100,000	\$ -
Donations	66,438	66,438	-	66,438	-
Investment income	3,499	3,499	-	3,499	-
Total revenues	<u>1,169,937</u>	<u>1,169,937</u>	<u>-</u>	<u>1,169,937</u>	<u>-</u>
<b>Expenditures:</b>					
Capital outlay	<u>1,599,937</u>	<u>1,018,926</u>	<u>41,418</u>	<u>1,060,344</u>	<u>539,593</u>
Total expenditures	<u>1,599,937</u>	<u>1,018,926</u>	<u>41,418</u>	<u>1,060,344</u>	<u>539,593</u>
<b>Other financing sources:</b>					
Transfer from other funds	<u>430,000</u>	<u>-</u>	<u>430,000</u>	<u>430,000</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 151,011</u>	<u>388,582</u>	<u>\$ 539,593</u>	<u>\$ 539,593</u>
Fund balance - beginning			<u>151,011</u>		
Fund balance - ending			<u>\$ 539,593</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, 2006

	Project Authorization	Prior Years	Actual Current Year	Total	Variance Positive (Negative)
<b>Revenues:</b>					
Investment income	\$ 10,000	\$ 21,923	\$ 472	\$ 22,395	\$ 12,395
Total revenues	<u>10,000</u>	<u>21,923</u>	<u>472</u>	<u>22,395</u>	<u>12,395</u>
<b>Expenditures:</b>					
Capital outlay	<u>2,325,628</u>	<u>2,202,735</u>	<u>5,600</u>	<u>2,208,335</u>	<u>117,293</u>
Total expenditures	<u>2,325,628</u>	<u>2,202,735</u>	<u>5,600</u>	<u>2,208,335</u>	<u>117,293</u>
Net change in fund balance	<u>(2,315,628)</u>	<u>(2,180,812)</u>	<u>(5,128)</u>	<u>(2,185,940)</u>	<u>129,688</u>
<b>Other financing sources:</b>					
Transfers from other funds	<u>2,315,628</u>	<u>2,315,628</u>	<u>-</u>	<u>2,315,628</u>	<u>-</u>
Total other financing sources	<u>2,315,628</u>	<u>2,315,628</u>	<u>-</u>	<u>2,315,628</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 134,816</u>	<u>(5,128)</u>	<u>\$ 129,688</u>	<u>\$ 129,688</u>
Fund balance - beginning			<u>134,816</u>		
Fund balance - ending			<u>\$ 129,688</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, 2006  
 With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2005

	2006		Variance Positive (Negative)	2005 Actual
	Budget	Actual		
<b>Operating revenues:</b>				
Charges for services	\$ 1,864,479	\$ 2,183,292	\$ 318,813	\$ 1,846,199
<b>Nonoperating revenues:</b>				
Restricted intergovernmental revenues	400,000	-	(400,000)	-
Investment income	-	106,044	106,044	51,737
Total nonoperating revenues	400,000	106,044	(293,956)	51,737
<b>Net assets appropriated</b>	2,519,736	-	(2,519,736)	-
Total revenues	\$ 4,784,215	\$ 2,289,336	\$ (2,494,879)	\$ 1,897,936
<b>Operating expenditures:</b>				
Salaries and fringe benefits	\$ 822,411	\$ 810,855	\$ 11,556	\$ 756,916
Operational expenditures	624,791	613,326	11,465	497,298
Professional services	76,700	75,890	810	75,787
Repairs and maintenance	235,479	193,648	41,831	59,587
Total operating expenditures	1,759,381	1,693,719	65,662	1,389,588
<b>Nonoperating expenditures:</b>				
Interest expense	45,036	-	45,036	-
<b>Budgetary appropriations:</b>				
Principal payments on long-term debt	71,568	-	71,568	-
Capital outlay	2,908,230	174,889	2,733,341	255,933
Total other expenditures	2,979,798	174,889	2,804,909	255,933
Total expenditures	\$ 4,784,215	\$ 1,868,608	\$ 2,915,607	\$ 1,645,521
<b>Reconciliation of modified accrual basis to full accrual basis:</b>				
Total revenues - modified accrual basis		\$ 2,289,336		\$ 1,897,936
Total expenditures - modified accrual basis		1,868,608		1,645,521
Excess of revenues over expenditures		420,728		252,415
<b>Adjustments to full accrual basis:</b>				
Depreciation		(613,123)		(595,577)
Capital outlay		174,889		255,933
Less amounts not capitalized		(10,217)		(54,187)
Change in Net Assets		\$ (27,723)		\$ (141,416)

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, 2006

With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2005

	2006		Variance Positive (Negative)	2005 Actual
	Budget	Actual		
<b>Operating revenues:</b>				
Charges for services	\$ 5,572,797	\$ 6,828,145	\$ 1,255,348	\$ 6,099,104
<b>Nonoperating revenues:</b>				
Restricted intergovernmental revenues	400,000	-	(400,000)	-
Investment income	35,000	195,317	160,317	72,632
Gain on disposal of capital assets	-	3,574	3,574	-
Total nonoperating revenues	435,000	198,891	(236,109)	72,632
<b>Net assets appropriated</b>	4,244,171	-	(4,244,171)	-
<b>Total revenues</b>	<b>\$ 10,251,968</b>	<b>\$ 7,027,036</b>	<b>\$ (3,224,932)</b>	<b>\$ 6,171,736</b>
<b>Operating expenditures:</b>				
Salaries and fringe benefits	\$ 1,666,581	\$ 1,584,170	\$ 82,411	\$ 1,338,231
Operational expenditures	2,556,180	2,604,146	(47,966)	2,167,716
Professional services	77,059	61,956	15,103	76,270
Repairs and maintenance	543,350	341,005	202,345	303,648
Total operating expenditures	4,843,170	4,591,277	251,893	3,885,865
<b>Nonoperating expenditures:</b>				
Interest expense	324,883	216,498	108,385	245,007
<b>Budgetary appropriations:</b>				
Principal payments on long-term debt	806,187	634,017	172,170	718,828
Capital outlay	4,277,728	326,537	3,951,191	48,474
Total other expenditures	5,083,915	960,554	4,123,361	767,302
<b>Transfer to general fund</b>	-	-	-	151,252
<b>Total expenditures</b>	<b>\$ 10,251,968</b>	<b>\$ 5,768,329</b>	<b>\$ 4,483,639</b>	<b>\$ 5,049,426</b>
<b>Reconciliation of modified accrual basis to full accrual basis:</b>				
Total revenues - modified accrual basis		\$ 7,027,036		\$ 6,171,736
Total expenditures - modified accrual basis		5,768,329		5,049,426
Excess of revenues over expenditures		1,258,707		1,122,310
<b>Adjustments to full accrual basis:</b>				
Depreciation		(723,351)		(738,466)
Principal payments on long-term debt		634,017		718,828
Capital outlay		326,537		48,474
Less amounts not capitalized		(45,763)		(13,202)
<b>Change in Net Assets</b>		<b>\$ 1,450,147</b>		<b>\$ 1,137,944</b>

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, 2006  
 With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2005

	2006		Variance Positive (Negative)	2005 Actual
	Budget	Actual		
<b>Operating revenues:</b>				
Charges for services	\$ 427,383	\$ 325,518	\$ (101,865)	\$ 278,599
<b>Nonoperating revenues:</b>				
Restricted intergovernmental revenues	2,844,011	138,540	(2,705,471)	-
<b>Bonds issued</b>	4,992,000	-	(4,992,000)	-
<b>Transfer from general fund</b>	-	-	-	300,000
<b>Net assets appropriated</b>	20,663	-	(20,663)	-
Total revenues	<u>\$ 8,284,057</u>	<u>\$ 464,058</u>	<u>\$ (7,819,999)</u>	<u>\$ 578,599</u>
<b>Operating expenditures:</b>				
Operational expenditures	\$ 140,000	\$ 153,163	\$ (13,163)	\$ 115,498
Professional services	47,000	47,000	-	47,300
Total operating expenditures	<u>\$ 187,000</u>	<u>\$ 200,163</u>	<u>\$ (13,163)</u>	<u>\$ 162,798</u>
<b>Nonoperating expenditures:</b>				
Interest expense	80,000	79,917	83	80,795
<b>Budgetary appropriations:</b>				
Principal payments on long-term debt	20,000	20,000	-	19,500
Capital outlay	7,697,057	197,859	7,499,198	270,825
Total other expenditures	<u>7,717,057</u>	<u>217,859</u>	<u>7,499,198</u>	<u>290,325</u>
<b>Transfer to general fund</b>	300,000	-	300,000	-
Total expenditures	<u>\$ 8,284,057</u>	<u>\$ 497,939</u>	<u>\$ 7,786,118</u>	<u>\$ 533,918</u>
<b>Reconciliation of modified accrual basis to full accrual basis:</b>				
Total revenues - modified accrual basis		\$ 464,058		\$ 578,599
Total expenditures - modified accrual basis		497,939		533,918
Excess (deficiency) of revenues over (under) expenditures		(33,881)		44,681
<b>Adjustments to full accrual basis:</b>				
Depreciation		(99,532)		(79,707)
Payment of debt principal		20,000		19,500
Capital outlay		197,859		270,825
Less amounts not capitalized		(13,487)		(1,025)
Change in Net Assets		<u>\$ 70,959</u>		<u>\$ 254,274</u>

**MOORE COUNTY, NORTH CAROLINA**

**Combining Statement of Net Assets  
Internal Service Funds  
June 30, 2006**

	<b>Management Information Systems Fund</b>	<b>Risk Management Fund</b>	<b>Property Management Fund</b>	<b>Total</b>
<b>Assets</b>				
Current assets				
Cash	\$ 84,987	\$ 2,454,659	\$ 803,133	\$ 3,342,779
Accounts receivable	26	38,179	2,403	40,608
Inventories	-	-	46,335	46,335
Total current assets	<u>85,013</u>	<u>2,492,838</u>	<u>851,871</u>	<u>3,429,722</u>
Noncurrent assets				
Capital assets	1,619,263	-	15,160,270	16,779,533
Accumulated depreciation	(1,532,653)	-	(11,974,347)	(13,507,000)
Total noncurrent assets	<u>86,610</u>	<u>-</u>	<u>3,185,923</u>	<u>3,272,533</u>
Total assets	<u>171,623</u>	<u>2,492,838</u>	<u>4,037,794</u>	<u>6,702,255</u>
<b>Liabilities</b>				
Current liabilities				
Accounts payable and accrued liabilities	73,749	944	380,696	455,389
Insurance claims payable	-	272,720	-	272,720
Total current liabilities	<u>73,749</u>	<u>273,664</u>	<u>380,696</u>	<u>728,109</u>
Noncurrent liabilities				
Accrued vacation benefits	20,626	-	58,245	78,871
Total liabilities	<u>94,375</u>	<u>273,664</u>	<u>438,941</u>	<u>806,980</u>
<b>Net assets</b>				
Invested in capital assets, net of related debt	86,610	-	3,185,923	3,272,533
Unrestricted net assets (deficit)	(9,362)	2,219,174	412,930	2,622,742
Total net assets	<u>\$ 77,248</u>	<u>\$ 2,219,174</u>	<u>\$ 3,598,853</u>	<u>\$ 5,895,275</u>

**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, 2006**

	<b>Management Information Systems Fund</b>	<b>Risk Management Fund</b>	<b>Property Management Fund</b>	<b>Total</b>
<b>Operating revenues</b>				
Charges for services	\$ 845,300	\$ 5,645,002	\$ 3,278,089	\$ 9,768,391
Total operating revenues	<u>845,300</u>	<u>5,645,002</u>	<u>3,278,089</u>	<u>9,768,391</u>
<b>Operating expenses</b>				
Salaries and fringe benefits	310,863	47,400	939,454	1,297,717
Operational expenses	499,484	-	2,024,486	2,523,970
Depreciation	24,364	-	609,851	634,215
Administrative costs	-	163,596	-	163,596
Hospitalization benefits and insurance premiums	-	4,547,435	-	4,547,435
Wellness Clinic	-	133,244	-	133,244
Capital outlay	123,060	-	51,691	174,751
Total operating expenses	<u>957,771</u>	<u>4,891,675</u>	<u>3,625,482</u>	<u>9,474,928</u>
<b>Operating income (loss)</b>	<u>(112,471)</u>	<u>753,327</u>	<u>(347,393)</u>	<u>293,463</u>
<b>Nonoperating revenue (expense)</b>				
Gain on disposal of capital assets	-	-	55,095	55,095
Restricted intergovernmental revenues	7,698	-	-	7,698
Interest	818	-	-	818
Total nonoperating revenue (expense)	<u>8,516</u>	<u>-</u>	<u>55,095</u>	<u>63,611</u>
<b>Income (loss) before transfers, contributions special items, and extraordinary items</b>	<u>(103,955)</u>	<u>753,327</u>	<u>(292,298)</u>	<u>357,074</u>
<b>Transfers from other funds</b>	<u>6,342</u>	<u>154,179</u>	<u>364,214</u>	<u>524,735</u>
<b>Change in net assets</b>	<u>(97,613)</u>	<u>907,506</u>	<u>71,916</u>	<u>881,809</u>
<b>Total net assets - beginning</b>	<u>174,861</u>	<u>1,311,668</u>	<u>3,526,937</u>	<u>5,013,466</u>
<b>Total net assets - ending</b>	<u>\$ 77,248</u>	<u>\$ 2,219,174</u>	<u>\$ 3,598,853</u>	<u>\$ 5,895,275</u>

**MOORE COUNTY, NORTH CAROLINA**  
**Combining Statement of Cash Flows**  
**Internal Service Funds**  
**For the Fiscal Year Ended June 30, 2006**

	<b>Management Information Systems Fund</b>	<b>Risk Management Fund</b>	<b>Property Management Fund</b>	<b>Total</b>
<b>Cash flows from operating activities</b>				
Cash received from customers	\$ 845,332	\$ 5,607,288	\$ 3,285,097	\$ 9,737,717
Cash paid for goods and services	(587,000)	(4,858,555)	(1,836,235)	(7,281,790)
Cash paid to employees for services	(305,706)	(46,456)	(932,729)	(1,284,891)
<b>Net cash provided by (used in) operating activities</b>	<u>(47,374)</u>	<u>702,277</u>	<u>516,133</u>	<u>1,171,036</u>
<b>Cash flows from noncapital financing</b>				
Transfer from other funds	6,342	154,179	364,214	524,735
Grant proceeds	7,698	-	-	7,698
<b>Net cash provided (used) by noncapital financing</b>	<u>14,040</u>	<u>154,179</u>	<u>364,214</u>	<u>532,433</u>
<b>Cash flows from capital and related financing activities</b>				
Proceeds from disposal of capital assets	-	-	55,095	55,095
Principal payments on long-term debt	(39,377)	-	-	(39,377)
Interest paid	818	-	-	818
Purchase of capital assets	(68,753)	-	(907,543)	(976,296)
<b>Net cash provided (used) by capital and related financing activities</b>	<u>(107,312)</u>	<u>-</u>	<u>(852,448)</u>	<u>(959,760)</u>
<b>Net increase (decrease) in cash and cash equivalents/investments</b>	<u>(140,646)</u>	<u>856,456</u>	<u>27,899</u>	<u>743,709</u>
<b>Cash and cash equivalents/investments</b>				
Beginning of year	<u>225,633</u>	<u>1,598,203</u>	<u>775,234</u>	<u>2,599,070</u>
End of year	<u>\$ 84,987</u>	<u>\$ 2,454,659</u>	<u>\$ 803,133</u>	<u>\$ 3,342,779</u>
<b>Reconciliation of operating income (loss) to net cash provided by (used in) operating activities</b>				
Operating income (loss)	\$ (112,471)	\$ 753,327	\$ (347,393)	\$ 293,463
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	24,364	-	609,851	634,215
Change in assets and liabilities				
(Increase) decrease in receivables	32	(37,714)	7,008	(30,674)
(Increase) decrease in inventories	-	-	(12,298)	(12,298)
Increase (decrease) in accounts payable	37,034	(13,336)	256,874	280,572
Increase (decrease) in accrued vacation payable	3,667	-	2,091	5,758
Total adjustments	<u>65,097</u>	<u>(51,050)</u>	<u>863,526</u>	<u>877,573</u>
<b>Net cash provided by (used in) operating activities</b>	<u>\$ (47,374)</u>	<u>\$ 702,277</u>	<u>\$ 516,133</u>	<u>\$ 1,171,036</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, 2006  
 With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2005

	2006		Variance Positive (Negative)	2005 Actual
	Budget	Actual		
<b>Operating revenues:</b>				
Charges for services	\$ 845,300	\$ 845,300	\$ -	\$ 832,538
<b>Nonoperating revenues:</b>				
Restricted intergovernmental revenues	10,548	7,698	(2,850)	4,298
Transfers from general fund	6,342	6,342	-	-
Net assets appropriated	248,463	-	(248,463)	-
Total revenues	<u>\$ 1,110,653</u>	<u>\$ 859,340</u>	<u>\$ (251,313)</u>	<u>\$ 836,836</u>
<b>Operating expenditures:</b>				
Salaries and fringe benefits	\$ 308,455	\$ 310,863	\$ (2,408)	\$ 253,346
Operational expenditures	566,340	499,484	66,856	429,812
Total operating expenditures	<u>874,795</u>	<u>810,347</u>	<u>64,448</u>	<u>683,158</u>
<b>Nonoperating expenditures:</b>				
Interest expense	2,000	(818)	2,818	5,544
<b>Budgetary appropriations:</b>				
Principal payments on long-term debt	42,000	39,377	2,623	75,431
Capital outlay	191,858	191,813	45	174,568
Total budgetary appropriations	<u>233,858</u>	<u>231,190</u>	<u>2,668</u>	<u>249,999</u>
Total expenditures	<u>\$ 1,110,653</u>	<u>\$ 1,040,719</u>	<u>\$ 69,934</u>	<u>\$ 938,701</u>
<b>Reconciliation of modified accrual basis to full accrual basis:</b>				
Total revenues - modified accrual basis		\$ 859,340		\$ 836,836
Total expenditures - modified accrual basis		1,040,719		938,701
Excess (deficiency) of revenues over (under) expenditures		<u>(181,379)</u>		<u>(101,865)</u>
<b>Adjustments to full accrual basis:</b>				
Depreciation		(24,364)		(23,837)
Principal payments on long-term debt		39,377		75,431
Capital outlay		191,813		174,568
Less amounts not capitalized		<u>(123,060)</u>		<u>(155,511)</u>
Change in net assets		<u>\$ (97,613)</u>		<u>\$ (31,214)</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, 2006

With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2005

	2006		Variance Positive (Negative)	2005 Actual
	Budget	Actual		
<b>Operating revenues:</b>				
Charges for services	\$ 5,077,494	\$ 5,645,002	\$ 567,508	\$ 4,988,706
<b>Tranfers from general fund</b>	154,179	154,179	-	-
Total revenues	<u>\$ 5,231,673</u>	<u>\$ 5,799,181</u>	<u>\$ 567,508</u>	<u>\$ 4,988,706</u>
<b>Operating expenditures:</b>				
Salaries and fringe benefits	\$ 53,943	\$ 47,400	\$ 6,543	\$ -
Administrative costs	170,000	163,596	6,404	164,899
Hospitalization benefits and insurance premiums	4,814,930	4,547,435	267,495	4,609,553
Wellness Clinic	192,800	133,244	59,556	9,585
Total operating expenditures	<u>\$ 5,231,673</u>	<u>\$ 4,891,675</u>	<u>\$ 339,998</u>	<u>\$ 4,784,037</u>
<b>Reconciliation of modified accrual basis to full accrual basis:</b>				
Total revenues - modified accrual basis		\$ 5,799,181		\$ 4,988,706
Total expenditures - modified accrual basis		<u>4,891,675</u>		<u>4,784,037</u>
Change in net assets		<u>\$ 907,506</u>		<u>\$ 204,669</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, 2006  
With Comparative Actual Amounts for the Fiscal Year Ended June 30, 2005

	2006		Variance Positive (Negative)	2005 Actual
	Budget	Actual		
<b>Operating revenues:</b>				
Charges for services	\$ 3,108,566	\$ 3,278,089	\$ 169,523	\$ 2,913,242
<b>Nonoperating revenues:</b>				
Gain on disposal of capital assets	-	55,095	55,095	25,092
<b>Tranfers from general fund</b>	364,214	364,214	-	29,665
<b>Net assets appropriated</b>	540,080	-	(540,080)	-
Total revenues	<u>\$ 4,012,860</u>	<u>\$ 3,697,398</u>	<u>\$ (315,462)</u>	<u>\$ 2,967,999</u>
<b>Operating expenditures:</b>				
Salaries and fringe benefits	\$ 964,096	\$ 939,454	\$ 24,642	\$ 926,428
Operational expenditures	2,053,498	2,024,486	29,012	1,659,137
Total operating expenditures	<u>3,017,594</u>	<u>2,963,940</u>	<u>53,654</u>	<u>2,585,565</u>
<b>Tranfers to general fund</b>	-	-	-	4,300
<b>Transfers to capital projects fund</b>	-	-	-	159
<b>Budgetary appropriations:</b>				
Capital outlay	<u>995,266</u>	<u>959,234</u>	<u>36,032</u>	<u>469,681</u>
Total expenditures	<u>\$ 4,012,860</u>	<u>\$ 3,923,174</u>	<u>\$ 89,686</u>	<u>\$ 3,059,705</u>
<b>Reconciliation of modified accrual basis to full accrual basis:</b>				
Total revenues - modified accrual basis		\$ 3,697,398		\$ 2,967,999
Total expenditures - modified accrual basis		<u>3,923,174</u>		<u>3,059,705</u>
Excess (deficiency) of revenues over (under) expenditures		(225,776)		(91,706)
<b>Adjustments to full accrual basis:</b>				
Depreciation		(609,851)		(595,044)
Capital outlay		959,234		469,681
Less amounts not capitalized		<u>(51,691)</u>		<u>(24,878)</u>
Change in net assets		<u>\$ 71,916</u>		<u>\$ (241,947)</u>

**COUNTY OF MOORE, NORTH CAROLINA**

**Combining Statement of Assets and Liabilities  
Agency Funds  
June 30, 2006**

	<b>Social Services/ Sheriff Accounts Fund</b>	<b>Special Tax Districts Fund</b>	<b>Community Agencies Fund</b>	<b>Soil &amp; Water Conservation District Fund</b>	<b>Totals</b>
<b>Assets</b>					
Cash	\$ 123,434	\$ 204,510	\$ 11,079	\$ 30,648	\$ 369,671
Property taxes (net of allowance for uncollectible taxes of \$71,000)	-	281,664	-	-	281,664
Due from other agencies and governments	-	11,381	1,306	-	12,687
<b>Total assets</b>	<b>\$ 123,434</b>	<b>\$ 497,555</b>	<b>\$ 12,385</b>	<b>\$ 30,648</b>	<b>\$ 664,022</b>
<b>Liabilities</b>					
Miscellaneous liabilities	\$ 123,434	\$ -	\$ 12,385	\$ 30,648	\$ 166,467
Intergovernmental payable	-	497,555	-	-	497,555
<b>Total liabilities</b>	<b>\$ 123,434</b>	<b>\$ 497,555</b>	<b>\$ 12,385</b>	<b>\$ 30,648</b>	<b>\$ 664,022</b>

**COUNTY OF MOORE, NORTH CAROLINA**

**Combining Statement of Changes in Assets and Liabilities  
Agency Funds  
For the Fiscal Year Ended June 30, 2006**

	<u>July 1, 2005</u>	<u>Additions</u>	<u>Deductions</u>	<u>June 30, 2006</u>
<b><u>Social Services/Sheriff Accounts Fund</u></b>				
<b>Assets</b>				
Cash	\$ 104,355	\$ 89,996	\$ 70,917	\$ 123,434
Total assets	<u>\$ 104,355</u>	<u>\$ 89,996</u>	<u>\$ 70,917</u>	<u>\$ 123,434</u>
<b>Liabilities</b>				
Miscellaneous liabilities	\$ 104,355	\$ 89,996	\$ 70,917	\$ 123,434
Total liabilities	<u>\$ 104,355</u>	<u>\$ 89,996</u>	<u>\$ 70,917</u>	<u>\$ 123,434</u>
<b><u>Special Tax Districts Fund</u></b>				
<b>Assets</b>				
Cash	\$ 383,753	\$ 21,518,113	\$ 21,697,356	\$ 204,510
Property taxes (net of allowance for uncollectible taxes of \$71,000 at June 30, 2006 and \$74,000 at June 30, 2005)	294,682	22,245,916	22,258,934	281,664
Due from other agencies and governments	10,687	11,381	10,687	11,381
Total assets	<u>\$ 689,122</u>	<u>\$ 43,775,410</u>	<u>\$ 43,966,977</u>	<u>\$ 497,555</u>
<b>Liabilities</b>				
Intergovernmental payable	\$ 689,122	\$ 43,775,410	\$ 43,966,977	\$ 497,555
Total liabilities	<u>\$ 689,122</u>	<u>\$ 43,775,410</u>	<u>\$ 43,966,977</u>	<u>\$ 497,555</u>
<b><u>Community Agencies Fund</u></b>				
<b>Assets</b>				
Cash	\$ 6,640	\$ 27,724	\$ 23,285	\$ 11,079
Due from other agencies and governments	-	1,306	-	1,306
Total assets	<u>\$ 6,640</u>	<u>\$ 29,030</u>	<u>\$ 23,285</u>	<u>\$ 12,385</u>
<b>Liabilities</b>				
Miscellaneous liabilities	\$ 6,640	\$ 29,030	\$ 23,285	\$ 12,385
Total liabilities	<u>\$ 6,640</u>	<u>\$ 29,030</u>	<u>\$ 23,285</u>	<u>\$ 12,385</u>
<b><u>Soil &amp; Water Conservation District Fund</u></b>				
<b>Assets</b>				
Cash	\$ 25,308	\$ 20,796	\$ 15,456	\$ 30,648
Total assets	<u>\$ 25,308</u>	<u>\$ 20,796</u>	<u>\$ 15,456</u>	<u>\$ 30,648</u>
<b>Liabilities</b>				
Miscellaneous liabilities	\$ 25,308	\$ 20,796	\$ 15,456	\$ 30,648
Total liabilities	<u>\$ 25,308</u>	<u>\$ 20,796</u>	<u>\$ 15,456</u>	<u>\$ 30,648</u>
<b><u>Total All Agency Funds</u></b>				
<b>Assets</b>				
Cash	\$ 520,056	\$ 21,656,629	\$ 21,807,014	\$ 369,671
Property taxes (net of allowance for uncollectible taxes of \$71,000 at June 30, 2006 and \$74,000 at June 30, 2005)	294,682	22,245,916	22,258,934	281,664
Due from other agencies and governments	10,687	12,687	10,687	12,687
Total assets	<u>\$ 825,425</u>	<u>\$ 43,915,232</u>	<u>\$ 44,076,635</u>	<u>\$ 664,022</u>
<b>Liabilities</b>				
Miscellaneous liabilities	\$ 136,303	\$ 139,822	\$ 109,658	\$ 166,467
Intergovernmental payable	689,122	43,775,410	43,966,977	497,555
Total liabilities	<u>\$ 825,425</u>	<u>\$ 43,915,232</u>	<u>\$ 44,076,635</u>	<u>\$ 664,022</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, 2006**

	Final Budget	Actual	Variance With Final Positive (Negative)
<b>Revenues:</b>			
Net room occupancy tax	\$ 1,110,000	\$ 1,222,560	\$ 112,560
Charges for services	248,270	184,723	(63,547)
Total revenues	<u>1,358,270</u>	<u>1,407,283</u>	<u>49,013</u>
<b>Expenditures:</b>			
Salaries and benefits	242,420	238,317	4,103
Operating	1,104,850	1,054,767	50,083
Capital outlay	11,000	8,951	2,049
Total expenditures	<u>1,358,270</u>	<u>1,302,035</u>	<u>56,235</u>
<b>Net change in fund balances</b>	<u>\$ -</u>	<u>\$ 105,248</u>	<u>\$ 105,248</u>
Reconciliation of modified accrual basis to full accrual basis:			
Total revenues - modified accrual basis		\$ 1,407,283	
Total expenditures - modified accrual basis		<u>1,302,035</u>	
Excess of revenues over expenditures		105,248	
Adjustments to full accrual basis:			
Depreciation		<u>(1,020)</u>	
Change in net assets		<u>\$ 104,228</u>	

COUNTY OF MOORE, NORTH CAROLINA

SCHEDULE OF ANALYSIS OF CURRENT TAX LEVY  
June 30, 2006

	County Wide		Total Levy*	Total Levy	
	Property Valuation	Rate		Property excluding Registered Motor Vehicles	Registered Motor Vehicles
Original levy:					
Property taxed at current year's rate	\$ 8,173,537,328	0.455	\$ 37,236,693	\$ 33,675,587	\$ 3,561,106
Registered motor vehicles taxed at prior year's rates	7,276,598 70,130 780	0.475 0.545 0.530	31,986 382 4	- - -	31,986 382 4
Penalties	8,180,884,836		26,341	26,341	-
			37,295,406	33,701,928	3,593,478
Discoveries:					
Current year taxes	49,844,209	0.455	230,317	230,317	-
Prior year taxes	4,767,444 971,204 1,362,818	0.545 0.530 0.490	25,984 5,148 6,680	25,984 5,148 6,680	- - -
Penalties			16,480	16,480	-
Abatements	(49,857,802)		(226,853)	(101,129)	(125,725)
Total property valuation	\$8,187,972,709				
Net Levy			37,353,162	33,885,408	3,467,753
Uncollected taxes at 6/30/06			328,063	122,795	205,268
Current year's taxes collected			\$37,025,099	\$33,762,613	\$3,262,485
Current levy collection percentage			99.12%	99.64%	94.08%

\* 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, 2006

<u>Tax Levy</u>	<u>Uncollected Balance June 30, 2005</u>	<u>Gross Levy</u>	<u>Collections</u>	<u>Other Reductions</u>	<u>Uncollected Balance June 30, 2006</u>
2001 and back	\$ 309,814	-	\$ 22,724	\$ (52,277)	\$ 234,813
2002	127,559	-	26,058	(7,851)	93,650
2003	113,320	-	32,227	(1,376)	79,717
2004	323,041	-	217,571	(8,613)	96,857
2005	<u>-</u>	<u>37,580,016</u>	<u>37,025,099</u>	<u>\$ (226,854)</u>	<u>328,063</u>
<b>Total</b>	<b>873,734</b>	<b><u>\$ 37,580,016</u></b>	<b><u>\$ 37,323,679</u></b>	<b><u>\$ (296,971)</u></b>	<b>833,100</b>
Less allowance for uncollectible taxes (20%)					<u>(166,700)</u>
<b>Taxes receivable, net</b>	<b><u>\$ 698,934</u></b>				<b><u>\$ 666,400</u></b>
Reconciliation to property tax revenue:					
Collections per above					\$ 37,323,679
Penalties and interest					327,557
Discounts					(389,680)
Relief/refunds					<u>(30,370)</u>
<b>Property tax revenue per combined financial statements</b>					<b><u>\$ 37,231,186</u></b>

COUNTY OF MOORE, NORTH CAROLINA

SCHEDULE OF CAPITAL ASSETS - BY FUNCTION AND ACTIVITY  
June 30, 2006

Function and activity:	Land	Buildings	Equipment	Total
General government:				
Airport	\$ 10,711,009	\$ 7,566,056	\$ 505,577	\$ 18,782,642
Wellness Center	-	73,274	-	73,274
Finance	-	-	5,259	5,259
Tax	3,264	-	54,700	57,964
Elections	-	262,241	40,448	302,689
Register of deeds	-	1,252,082	111,860	1,363,942
Total general government	10,714,273	9,153,653	717,844	20,585,770
Public safety:				
Sheriff	-	-	388,673	388,673
Jail	-	5,042,039	63,466	5,105,505
Day reporting center	-	88,734	5,609	94,343
Emergency management	-	-	509,857	509,857
Emergency medical services	-	30,878	732,747	763,625
E911 communications	-	29,002	648,465	677,467
Total public safety	-	5,190,653	2,348,817	7,539,470
Environmental protection and community development:				
Waste disposal	289,600	669,892	566,993	1,526,485
Planning and community development	-	-	50,713	50,713
Cooperative extension service	-	-	17,021	17,021
Soil and water conservation/District	-	-	38,608	38,608
Economic development	675,000	-	-	675,000
Total environmental protection and community development	964,600	669,892	673,335	2,307,827
Human services:				
Health	-	738,975	156,364	895,339
Social services/Child support	-	3,231,623	393,720	3,625,343
Older adults	44,000	1,060,344	33,716	1,138,060
Transportation services	-	-	861,500	861,500
Total human services	44,000	5,030,942	1,445,300	6,520,242
Cultural and recreational:				
Library	-	-	12,985	12,985
Recreation	1,275,202	-	20,274	1,295,476
Total cultural and recreational	1,275,202	-	33,259	1,308,461
Total general capital assets	\$ 12,998,075	\$ 20,045,140	\$ 5,218,555	\$ 38,261,770

COUNTY OF MOORE, NORTH CAROLINA

SCHEDULE OF CHANGES IN CAPITAL ASSETS - BY FUNCTION AND ACTIVITY  
for the year ended June 30, 2006

Function and activity:	General fixed assets 7/1/05	Additions	Transfers and Deductions	General fixed assets 6/30/06
General government:				
Airport	17,893,014	909,651	(20,023)	18,782,642
Wellness Clinic	73,274	-	-	73,274
Finance	-	5,259	-	5,259
Tax	57,964	-	-	57,964
Elections	411,125	6,750	(115,186)	302,689
Register of deeds	1,358,750	5,192	-	1,363,942
Surplus	-	-	-	-
Total general government	<u>19,794,127</u>	<u>926,852</u>	<u>(135,209)</u>	<u>20,585,770</u>
Public safety:				
Sheriff	374,673	39,741	(25,741)	388,673
Jail	5,105,505	-	-	5,105,505
Day reporting center	94,343	-	-	94,343
Emergency management	509,857	-	-	509,857
Emergency medical services	562,558	201,067	-	763,625
E911 communications	671,000	6,467	-	677,467
Total public safety	<u>7,317,936</u>	<u>247,275</u>	<u>(25,741)</u>	<u>7,539,470</u>
Environmental protection and community development:				
Waste disposal	1,560,412	6,865	(40,792)	1,526,485
Planning and community development	50,713	-	-	50,713
Cooperative extension service	17,021	-	-	17,021
Soil and water conservation	38,608	-	-	38,608
Economic development	675,000	-	-	675,000
Total environmental protection and community development	<u>2,341,754</u>	<u>6,865</u>	<u>(40,792)</u>	<u>2,307,827</u>
Human services:				
Health	892,610	13,152	(10,423)	895,339
Social services/Child support	3,597,960	33,168	(5,785)	3,625,343
Older adults	1,070,901	41,418	25,741	1,138,060
Transportation services	867,850	248,284	(254,634)	861,500
Total human services	<u>6,429,321</u>	<u>336,022</u>	<u>(245,101)</u>	<u>6,520,242</u>
Cultural and recreational:				
Library	12,985	-	-	12,985
Recreation	1,296,447	6,629	(7,600)	1,295,476
Total cultural and recreational	<u>1,309,432</u>	<u>6,629</u>	<u>(7,600)</u>	<u>1,308,461</u>
Total general capital assets	<u>\$ 37,192,570</u>	<u>\$ 1,523,643</u>	<u>\$ (454,443)</u>	<u>\$ 38,261,770</u>

COUNTY OF MOORE, NORTH CAROLINA

SCHEDULE OF GENERAL OBLIGATION BOND MATURITIES  
June 30, 2006

Issue Date Description	Amount Issued	Maturities		Interest		Redeemed	Balance June 30, 2006	2006-2007 Requirements		
		Amount	Year	Rate	Due Date			Principal	Interest	Total
12/1/91	\$ 150,000	\$ 50,000	6/1/93-95	5.90%	12/1 & 6/1	\$ 150,000				
Public Improvement	500,000	50,000	6/1/96-05	6.00%	12/1 & 6/1	500,000				
	115,000	115,000	6/1/06	6.00%	12/1 & 6/1	115,000	\$ -	\$ -	\$ -	\$ -
	<u>765,000</u>					<u>765,000</u>	-	-	-	-
11/1/93	930,000	320,000	6/1/95-96	4.70%	12/1 & 6/1	930,000				
Refunding	325,000	325,000	6/1/97	4.70%	12/1 & 6/1	325,000				
	825,000	825,000	6/1/98	4.70%	12/1 & 6/1	825,000				
	810,000	810,000	6/1/99	4.75%	12/1 & 6/1	810,000				
	1,000,000	1,000,000	6/1/00	4.75%	12/1 & 6/1	1,000,000				
	985,000	985,000	6/1/01	4.75%	12/1 & 6/1	985,000				
	970,000	970,000	6/1/02	4.75%	12/1 & 6/1	970,000				
	950,000	950,000	6/1/03	4.75%	12/1 & 6/1	950,000				
	930,000	930,000	6/1/04	4.75%	12/1 & 6/1	930,000				
	915,000	915,000	6/1/05	4.75%	12/1 & 6/1	915,000				
	795,000	795,000	6/1/06	4.80%	12/1 & 6/1	795,000	-	-	-	-
	<u>9,435,000</u>					<u>9,435,000</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	-	10,200,000	1,700,000	469,200	2,169,200
	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>5,900,000</u>	<u>19,100,000</u>	<u>1,700,000</u>	<u>909,500</u>	<u>2,609,500</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	400,000	1,200,000	400,000	36,000	436,000
	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>1,200,000</u>	<u>10,300,000</u>	<u>400,000</u>	<u>408,750</u>	<u>808,750</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	21,000	945	21,945
	22,000	22,000	6/1/08	4.50%	6/1	-	22,000	-	990	990
	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>39,500</u>	<u>1,757,500</u>	<u>21,000</u>	<u>79,087</u>	<u>100,087</u>
	<u>\$ 48,497,000</u>					<u>\$ 17,339,500</u>	<u>\$ 31,157,500</u>	<u>\$ 2,121,000</u>	<u>\$ 1,397,337</u>	<u>\$ 3,518,337</u>

## Schedule 1

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

	Fiscal Year			
	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
<b>Governmental activities</b>				
Invested in capital assets, net of related debt	\$ 19,990	\$ 30,180	\$ 23,738	\$ 25,642
Unrestricted	(12,250)	(17,347)	(12,908)	(7,324)
Total governmental activities net assets	<u>\$ 7,740</u>	<u>\$ 12,833</u>	<u>\$ 10,830</u>	<u>\$ 18,318</u>
<b>Business-type activities</b>				
Invested in capital assets, net of related debt	\$ 13,423	\$ 12,874	\$ 12,705	\$ 12,488
Unrestricted	6,477	7,594	9,175	10,886
Total business-type activities net assets	<u>\$ 19,900</u>	<u>\$ 20,468</u>	<u>\$ 21,880</u>	<u>\$ 23,374</u>
<b>Primary government</b>				
Invested in capital assets, net of related debt	\$ 33,413	\$ 43,054	\$ 36,443	\$ 38,130
Unrestricted	(5,773)	(9,753)	(3,733)	3,562
Total primary government net assets	<u>\$ 27,640</u>	<u>\$ 33,301</u>	<u>\$ 32,710</u>	<u>\$ 41,692</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 Four Fiscal Years**  
**(accrual basis of accounting)**  
**(amounts expressed in thousands)**

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

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

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

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

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

**County of Moore**  
**Fund Balances of Governmental Funds**  
**Last Four 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>
General fund				
Reserved for:				
State statute	\$ 4,626	\$ 5,670	\$ 6,313	\$ 6,919
Financing agreement compliance	462	462	450	622
Inventories	4	4	5	4
Unreserved, designated for:				
General Fund - Subsequent year's expenditures	944	1,262	5,332	7,192
Unreserved, undesignated	5,180	8,970	8,266	9,440
Total general fund	<u>\$ 11,216</u>	<u>\$ 16,368</u>	<u>\$ 20,366</u>	<u>\$ 24,177</u>
All other governmental funds				
Reserved for:				
State statute	\$ 418	\$ 896	\$ 413	\$ 189
Wireless 911 expenditures	256	353	468	629
Financing agreement compliance	9,495	5,498	4,313	3,247
Unreserved, designated for:				
Subsequent year's expenditures	468	426	411	338
Unreserved, undesignated				
Special revenue funds	676	679	270	243
Capital projects funds	(43)	(383)	102	212
Total all other governmental funds	<u>\$ 11,270</u>	<u>\$ 7,469</u>	<u>\$ 5,977</u>	<u>\$ 4,858</u>

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

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

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

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.

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

Fiscal Year	Real Property			Personal Property		Less: Tax Exempt Real Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
	Residential Property	Commercial Property	Motor Vehicles	Utilities/ Other	Motor Vehicles					
2003	\$ 347,527	\$ 5,041,510	\$ 702,798	\$ 107,391	\$ 563,952	\$ 5,635,274	\$ 0.475	\$ 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	0.455	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%	

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

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
<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	0.4800	0.4300	0.4300	0.4300	0.4500
Cameron	0.5100	0.5100	0.5100	0.5100	0.5100	0.5100	0.4900	0.4900	0.4900	0.5600
Carthage	0.4700	0.4700	0.4700	0.4700	0.4700	0.4700	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	0.4700	0.4400	0.4400	0.4200	0.4200
Pinehurst	0.3500	0.3300	0.3100	0.3000	0.3000	0.3500	0.2900	0.3100	0.3100	0.3100
Robbins	0.6800	0.6800	0.6800	0.6800	0.6800	0.6800	0.6600	0.6600	0.6600	0.6600
Southern Pines	0.5000	0.5000	0.5000	0.5000	0.5000	0.5000	0.3900	0.3900	0.3900	0.4000
Taylorstown	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	0.6175	0.5875	0.5875	0.5875	0.5300	0.5300	0.5300	0.5300
Whispering Pines	0.3400	0.3400	0.3400	0.3600	0.3600	0.3900	0.3400	0.3400	0.3400	0.3400
<u>Fire Districts</u>										
Crestline	0.1200	0.1200	0.1200	0.1200	0.1200	0.1200	0.0900	0.0900	0.0900	0.0900
Seven Lakes	0.0600	0.0600	0.0600	0.0600	0.0600	0.0500	0.0425	0.0425	0.0425	0.0425
West End	0.0800	0.0800	0.0800	0.0800	0.0800	0.0800	0.0550	0.0500	0.0600	0.0600
Eastwood	0.1100	0.1100	0.1100	0.1100	0.1100	0.1100	0.0775	0.0775	0.0775	0.0775
Hightfalls	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.0650	0.0650	0.0650	0.0650
Eagle Springs	0.0700	0.0700	0.0700	0.0700	0.0700	0.0700	0.0550	0.0550	0.0750	0.0750
Crains Creek	0.1300	0.1300	0.1300	0.1300	0.1300	0.1300	0.1150	0.1150	0.1150	0.1150
Westmoore	0.0800	0.0800	0.0800	0.0800	0.0800	0.0800	0.0600	0.0600	0.0600	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	2006			1997		
	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)	\$ 133,310,677	1	1.63%	\$ 55,270,156	1	1.28%
Carolina Power & Light	61,810,826	2	0.75%	51,938,458	2	1.20%
Forest Creek Holding Co. LLC	32,907,343	3	0.40%			
Carolina Telephone & Telegraph	25,846,384	4	0.32%	23,151,016	4	0.54%
James R. Kirkpatrick - Pinecrest Plaza	22,501,935	5	0.27%	17,782,338	6	0.41%
Seymour Land Trust (Note 2)	20,312,280	6	0.25%	14,033,830	8	0.32%
Country Club of North Carolina (Note 3)	19,751,894	7	0.24%	13,359,251	9	0.31%
Pine Needles (Note 4)	19,143,633	8	0.23%			
The National Golf Club (Note 5)	15,391,039	9	0.19%			
Pinewild	14,994,500	10	0.18%			
Woodlake				23,235,177	3	0.54%
U S Golf				18,736,872	5	0.43%
Gulistan Carpet, Inc.				17,262,817	7	0.40%
				13,262,275	10	0.31%
Total assessed valuation of top 10 taxpayers	365,970,511		4.46%	248,032,190		5.74%
Balance of assessed valuation	7,822,002,198		95.54%	4,076,651,124		94.26%
Total assessed valuation	\$ 8,187,972,709		100.00%	\$ 4,324,683,314		100.00%

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 National Golf Corporation, National Golf Club, Inc., PNGC, Inc.

**County of Moore**  
**Property Tax Levies and Collections**  
**Last Four 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%

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 Four 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	Participation	Notes Payable	USDA Bonds	Notes Payable				
2003	\$ 35,755	\$ 2,570	\$ 17,234	\$ 1,797	\$ 6,550	\$ 63,906	2.58%	\$ 825	
2004	33,625	2,255	15,164	1,797	5,808	58,649	2.24%	750	
2005	31,510	1,925	12,881	1,778	5,089	53,183	N/A	670	
2006	29,400	1,580	11,110	1,758	4,455	48,303	N/A	598	

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

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

(1) See the Demographic and Economic Statistics on Schedule 13 for personal income and population data.

N/A - not available

**County of Moore**  
**Ratios of General Bonded Debt Outstanding**  
**Last Four 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

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 13).

**County of Moore**  
**Direct and Overlapping Governmental Activities Debt**  
**As of June 30, 2006**  
**(amounts expressed in thousands)**

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable (1)</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes:			
Town of Aberdeen	-	100%	\$ -
Town of Carthage	-	100%	-
Town of Pinehurst	-	100%	-
Town of Southern Pines	-	100%	-
Subtotal, overlapping debt			-
Moore County direct debt			<u>29,400</u>
Total direct and overlapping debt			<u>\$ 29,400</u>

Sources: Assessed value data used to estimate applicable percentages provided by the Moore County Tax Office. Debt outstanding data provided by each governmental unit.

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

Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the County. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Moore County. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

(1) The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable assessed value that is within the County's boundaries and dividing it by each unit's total taxable assessed value.

**County of Moore**  
**Legal Debt Margin Information**  
**Last Four Fiscal Years**

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

**Legal Debt Margin Calculation for Fiscal Year 2006**

Appraised valuation - June 30, 2006	<u>\$8,187,972,709</u>
Debt limit - eight percent (8%) of appraised valuation	<u>655,037,817</u>
<u>Gross Debt</u>	
Total bonded debt	31,157,500
Authorized and unissued bonds	30,203,000
Notes payable	15,564,595
Certificates of participation	<u>1,580,000</u>
Gross debt	<u>78,505,095</u>
<u>Statutory Deductions</u>	<u>(6,212,330)</u>
Net debt	<u>72,292,765</u>
Legal debt margin	<u>\$ 582,745,052</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 13

County of Moore  
Demographic and Economic Statistics  
Last Four 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	7.1%
2004	78,226	2,677,962	33,447	43.04	11,711	5.7%
2005	79,342	N/A	N/A	43.32	11,937	5.2%
2006	80,738	N/A	N/A	N/A	12,014	4.4%

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

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

Employer	2006			2000 - (Note 2)		
	Employees	Rank	Percentage of Total County Employment	Employees (Note 3)	Rank	Percentage of Total City Employment
First Health of the Carolinas, Inc.	3,848	1	12.50%	1,000 & over	1	N/A
Moore County Schools	2,164	2	7.03%	1,000 & over	2	N/A
Pinehurst, Inc.	1,353	3	4.39%			
County of Moore	714	4	2.32%			
Sandhills Community College	570	5	1.85%			
Wal-mart Associates, Inc. (Note 1)	-	6	0.00%	250 - 499	6	N/A
Lee Electrical Construction, Inc.	542	7	1.76%	100 - 249	9	N/A
St. Joseph of the Pines Hospital, Inc.	328	8	1.07%	250 - 499	7	N/A
Pinehurst Surgical Clinic, PA	318	9	1.03%			
Pinehurst Medical Clinic, Inc.	324	10	1.05%			
Gulistan Carpet Inc.				250 - 499	3	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
<b>Total</b>	<b>10,161</b>		<b>33.00%</b>	<b>N/A</b>		<b>N/A</b>

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. An accurate total for the Wal-mart located in Moore County is not available per our local NC Employment Security Commission office. Wal-mart reports their statistics regionally.
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.
3. Per the NC Employment Security Commission, Labor Market Division Employee figures were compiled for statistical purposes on a range basis only.

N/A - not available

**County of Moore**  
**Full-time Equivalent County Employees by Function**  
**Last Four Fiscal Years**

Function	Full-time Equivalent Employees as of June 30			
	2003	2004	2005	2006
General government	90	92	117	94
Public safety:				
Law enforcement	72	71	69	72
Other (Jail, communications, EMS and emergency management)	100	97	97	100.5
Environmental protection and community development	62	61	26	48.5
Human services	228	229	210	225
Cultural and recreational	20	20	16	17
Public utilities	54	54	76	53
Total employees	626	624	611	610

Source: Moore County Personnel Department

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

**County of Moore**  
**Operating Indicators by Function**  
**Last Four Fiscal Years**

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

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

**County of Moore  
Capital Asset Statistics by Function  
Last Four Fiscal Years**

Function	Fiscal Year			
	2003	2004	2005	2006
Airport	1	1	1	1
Airport acreage	310.65	370.52	380.94	380.94
County vehicles	246	263	269	259
Recreation				
Parks acreage	60.36	60.36	60.36	60.36
Parks	3	3	3	3
Sanitation				
Collection sites	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, 2006, which collectively comprise the County of Moore, North Carolina's basic financial statements and have issued our report thereon dated November 13, 2006. 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.

*Internal Control Over Financial Reporting*

In planning and performing our audit, we considered Moore County's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

*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*.

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, 2006  
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, 2006. 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, 2006. 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 2006-1.

### *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 and to test and report on internal control over compliance in accordance with OMB Circular A-133 and the State Single Audit Implementation Act.

We noted certain matters involving the internal control over compliance and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over compliance that, in our judgment, could adversely affect Moore County's ability to administer a major federal program in accordance with applicable requirements of laws, regulations, contracts and grants. The reportable condition is described in the accompanying schedule of findings and questioned costs as item 2006-1.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe that the reportable condition described above is not a material weakness.

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, 2006  
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, 2006. 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, 2006.

*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 and to test and report on internal control over compliance in accordance with applicable sections of OMB Circular A-133 and the State Single Audit Implementation Act.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants caused by error or fraud that would be material in relation to a major State program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

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, 2006  
Southern Pines, North Carolina*

**COUNTY OF MOORE, NORTH CAROLINA**  
**Schedule of Findings and Questioned Costs**  
**June 30, 2006**

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**Section I - Summary of Auditors' Results**

**Financial Statements**

Type of auditors' report issued	Unqualified
Internal control over financial reporting:	
• Material weakness(es) identified	No
• Reportable condition(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
• Reportable condition(s) identified that are not considered to be material weaknesses	Yes, 2006-1
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	No

Identification of major federal programs:

CFDA Numbers

93.778  
93.658  
93.575, 93.596, 93.667, 93.558  
93.043, 93.044, 93.667, 93.045  
14.228

Name of Federal Program or Cluster

Medicaid Cluster  
Foster Care – Title IV-E  
Subsidized Child Care Cluster  
Aging Cluster  
Community Development Block Grant

Dollar threshold used to distinguish between Type A and Type B Programs	<u>\$1,688,450</u>
Auditee qualified as low-risk auditee?	Yes

**State Awards**

Internal control over major State programs:	
• Material weakness(es) identified	No
• Reportable condition(s) identified that are not considered to be material weaknesses	None reported
Noncompliance material to State awards	No

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

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**Section I - Summary of Auditors' Results (Continued)**

**State Awards (Continued)**

Type of auditor's report issued on compliance for major State programs Unqualified

Any audit findings disclosed that are required to be reported in accordance with the State Single Audit Implementation Act No

Identification of major State programs:

Program Name

Medicaid Cluster  
Subsidized Child Care Cluster  
Aging Cluster  
State/County Special Assistance for Adults  
Public School Building Capital Fund  
Foster Care – Title IV-E

**Section II - Financial Statements Findings**

None reported.

**Section III - Federal Award Findings and Questioned Costs**

2006-1: Reportable Condition

Department of Housing and Urban Development  
Passed through N.C. Department of Commerce  
Program Name: Community Development Block Grant (CDBG)

Criteria: The County's management is responsible for disbursing CDBG funds within 3 banking days of receipt of the funds.

Condition: During our testing, we noted funds remained in the CDBG cash account at 6/30/06 that were received in October 2005.

Effect: The County did not disburse CDBG funds within 3 business days of receipt of funds.

Cause: The administrative expenses related to the grant were being paid out of the general fund and not being reimbursed when CDBG funds were received.

Recommendation: We suggest that cash accounts be reviewed in a timely manner and funds be disbursed within the specified time frame.

The following sections are to be completed by management.

Management Response: All grants and grant reimbursement requests are to be reviewed by the Grants Manager (currently Caroline Xiong, Assistant Finance Director) prior to submission any request or draw downs of grant funds.

Name of Contact Person: Caroline Xiong

Corrective Actions: In November 2006, the administrative fees were calculated and charged to CDBG, and the general fund was reimbursed. All County departments have been advised that all grants and grant reimbursement requests are to be reviewed by the Grants Manager prior to submission of any reimbursement request or draw down of grant funds.

Proposed Completion Date: This corrective action is effective November 1, 2006.

**Section IV - State Award Findings and Questioned Costs**

None reported.

**COUNTY OF MOORE, NORTH CAROLINA**  
**Summary Schedule of Prior Year Audit Findings**  
**For the Year Ended June 30, 2006**

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There were no prior year findings.

**COUNTY OF MOORE, NORTH CAROLINA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**  
**For the fiscal year ended June 30, 2006**

Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Pass-through Grantor's Number	Federal (Direct & Pass-through) Expenditures	State Expenditures
<b>Federal Grants:</b>				
<b>Cash Programs:</b>				
<u>U.S. Dept. of Health &amp; Human Services</u>				
Passed-through Office of the Surgeon General				
Medical Reserve Corps Grant	93.008		\$ 26,209	\$ -
Passed-through Triangle J Council of Governments:				
Special Programs for the Aging - Title III E				
National Family Caregiver Support Program	93.052		29,288	1,969
Aging Cluster:				
Special Programs for the Aging				
Preventative Health	93.043		8,810	523
Special Programs for the Aging - Title III B				
Grants for Supportive Services and Senior Centers	93.044		133,582	254,473
Social Services Block Grant				
In-Home Services	93.667		31,813	46,366
Special Programs for the Aging - Title III C				
Nutritional Services	93.045		122,730	38,969
Total Aging Cluster			<u>296,935</u>	<u>340,331</u>
Total Triangle J Council of Governments			<u>326,223</u>	<u>342,300</u>
Division of Social Services:				
Administration:				
Temporary Assistance to Needy Families	93.558		581,211	3,822
Child Support Enforcement	93.563		564,526	-
Child Support Enforcement Reallocation	93.563		6,246	-
Permanency Planning: Child Welfare Services	93.645		18,114	6,495
Low-Income Home Energy Assistance Block Grant	93.568		15,677	-
Direct Benefit Payments:				
Temporary Assistance to Needy Families	93.558		516,969	-
Low-Income Home Energy Assistance Block Grant	93.568		101,223	-
IV-E Adopt	93.659		223,306	54,209
IV-E CPS	93.658		99,982	52,376
Crisis Intervention	93.568		123,053	27,920
Social Services Block Grant	93.667		248,227	23,420
LINKS Trust/Scholarship	93.674		26,259	1,997
Independent Living Grant	93.674		13,903	3,559
Total Nonclustered			<u>2,538,696</u>	<u>173,798</u>
Foster Care and Adoption Cluster:				
IV-E Foster Care	93.658		92,604	26,002
IV-E Foster Care In-excess	93.658		23,573	-
IV-E Optional Adoption Assistance	93.659		281,472	57,865
Total Foster Care and Adoption Cluster			<u>397,649</u>	<u>83,867</u>
Total Division of Social Services			<u>2,936,345</u>	<u>257,665</u>
Passed-through N.C. State Board of Elections				
Postage Grant	39.011		129	-
Help America Vote Act-Technology Grant	39.011		-	-
Help America Vote Act-Accessibility Grant	93.617		-	-
2005 Public WorkStation Grant	39.011		1,292	-
2005 Supplemental Technology Grant	39.011		7,268	-
Total N.C. State Board of Elections			<u>8,689</u>	<u>-</u>
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 Social Services				
Child Care Development Fund-Administration	93.596		108,564	-
Division of Child Development				
Child Care Development Fund-Discretionary	93.575		941,783	-
Child Care Development Fund-Mandatory	93.596		443,695	-
Child Care Development Fund-Match	93.596		358,261	205,854
Total Child Care Fund Cluster			<u>1,852,303</u>	<u>205,854</u>
Social Services Block Grant	93.667		9,026	-
Temporary Assistance to Needy Families	93.558		297,140	-
Smart Start			-	14,516
State Appropriations			-	128,146
Temporary Assistance to Needy Families-MOE			-	484,585
Total Subsidized Child Care Cluster			<u>2,150,469</u>	<u>833,101</u>

**COUNTY OF MOORE, NORTH CAROLINA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**  
**For the fiscal year ended June 30, 2006**

Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Pass-through Grantor's Number	Federal (Direct & Pass-through) Expenditures	State Expenditures
<u>Division of Medical Assistance:</u>				
Administration:				
Title XIX - Medicaid	93.778		\$ 811,067	\$ 37,597
Medicaid Transportation	93.778		252,966	116,754
NC Health Choice	93.767		33,144	3,611
Direct Benefit Payments:				
Title XIX - Medicaid	93.778		39,419,454	19,261,742
Total Division of Medical Assistance			<u>40,516,631</u>	<u>19,419,704</u>
 <u>Division of Facility Services</u>				
Office of Emergency Medical Services:				
Health Resources and Services Administration 2005	93.889		22,549	-
Health Resources and Services Administration 2006	93.889		9,054	-
Total Division of Facility Services			<u>31,603</u>	<u>-</u>
 Passed-through the N.C. Dept. of Insurance				
Division of Seniors' Health Insurance				
Seniors' Health Insurance Information Program	93.779		1,000	-
 <u>Division of Public Health:</u>				
Bioterrorism Grant	93.283		68,397	-
Centers for Disease Control & Prevention Investigations and Technical Assistance	93.283		25,050	-
Family Planning Services	93.217		35,251	-
Immunization Program/Aid to County Funding	93.268		18,156	-
Temporary Assistance for Needy Families	93.558		8,205	-
Breast and Cervical Cancer Control Grant	93.919		12,653	-
Statewide Health Promotion Program	93.991		3,225	-
Maternal and Child Health Services Block Grant	93.994		257,233	-
Cardiovascular Health Program	93.945		500	-
HIV Care- Ryan White	93.917		210,200	-
Total Division of Public Health			<u>638,870</u>	<u>-</u>
Total U.S. Dept. of Health and Human Services			<u>46,644,039</u>	<u>20,852,770</u>
 <u>Corporation for National and Community Service</u>				
Direct Program:				
Retired Senior Volunteer Program	94.002		36,522	-
 <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		273,043	-
Food Stamp Program - Noncash	10.551		6,054,653	-
Total Food Stamp Cluster			<u>6,327,696</u>	<u>-</u>
Division of Public Health:				
Administration:				
Special Supplemental Food Program for Women, Infants, & Children	10.557		305,495	-
Direct Benefit Payments:				
Special Supplemental Food Program for Women, Infants, & Children	10.557		1,331,082	-
Passed-through Triangle J Council of Governments:				
USDA Meals	10.570		23,737	-
Total U.S. Dept. of Agriculture			<u>7,988,010</u>	<u>-</u>
 <u>U.S. Dept. of Justice</u>				
Direct Program:				
State Criminal Alien Assistance Program	16.606		12,022	-
Bulletproof Vest Partnership Program	16.607		775	-
Total U.S. Dept. of Justice			<u>12,797</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	815,770	45,321
Airport Improvement Program 3-37-0069-19	20.106	36244.57.4.1	1,966	109
Airport Improvement Program 3-37-0069-20	20.106	36244.57.5.1	951	53
Total Federal Aviation Administration Cluster			<u>818,687</u>	<u>45,483</u>

**COUNTY OF MOORE, NORTH CAROLINA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**  
For the fiscal year ended June 30, 2006

Grantor/Pass-through Grantor/Program Title	Federal CFDA Number		Pass-through Grantor's Number	Federal (Direct & Pass-through) Expenditures	State Expenditures
<u>Passed-through N.C. Dept. of Transportation</u>					
Federal Transit Administration Cluster:					
Section 5311 - Rural Public Transportation Program	20.509	Ad	36233.74.4.1	\$ 106,786	\$ 6,674
Section 5311 - Rural Public Transportation Program	20.509	Cp	36226.71.3.3	-	216,947
Total Federal Transit Administration Cluster				<u>106,786</u>	<u>223,621</u>
Governor's Highway Safety Program -Traffic Enforcement Team	20.600		PT-05-04-05-19	29,277	-
Governor's Highway Safety Program -Traffic Enforcement Team	20.600		PT-06-04-05-13	51,987	-
				<u>81,264</u>	<u>-</u>
Total U.S. Dept. of Transportation				<u>1,006,737</u>	<u>269,104</u>
<u>Federal Emergency Management Agency</u>					
Passed-through N.C. Dept. of Crime Control and Public Safety:					
Hazardous Mitigation Planning	97.047			9,844	-
Citizen Corps Council Grant	97.004			2,551	-
Community Emergency Response Team	97.054			1,898	-
Get Alarmed NC Grant	93.136			474	-
Emergency Performance Grant and Supplement	97.042			9,347	-
State Homeland Security Grant Part I	16.607			5,204	-
State Homeland Security Grant	97.004			26,358	-
State Homeland Security Grant 2004	97.004			68,647	-
Sheriff Mobile Data Terminals	16.579		063-1-05-006-BH-102	52,500	-
Juvenile Accountability Incentive Block Grant	16.523			43,682	-
Total Federal Emergency Management Agency				<u>220,505</u>	<u>-</u>
<u>Department of Housing and Urban Development</u>					
Passed-through N.C. Dept. of Commerce:					
Community Development				373,055	-
Scattered Site Housing	14.228			-	-
Total Department of Housing and Urban Development				<u>373,055</u>	<u>-</u>
Total federal assistance				<u>56,281,665</u>	<u>21,121,874</u>
<b>State Grants:</b>					
<b>Cash Programs:</b>					
<u>N.C. Dept. of Health and Human Services</u>					
Smart Start Cluster:					
Passed-through Moore County Partnership for Children and Families:					
Parent Education				-	14,500
Total Smart Start Cluster				<u>-</u>	<u>14,500</u>
Division of Social Services:					
Administration:					
CPS Expansion State				-	49,559
State Aid to Counties				-	45,407
Smart Start Daycare - Administration				-	45,549
F/C At Risk Maximization				-	17,796
Foster Care At Risk				-	1,086
State Adult Protective Services-FACES				-	20,141
Direct Benefit Payments:					
CWS Adoption Assistance				-	103,574
State/County Special Assistance for Adults				-	762,571
CP&L Energy Program				-	24,196
State Foster Care Benefits Program				-	55,358
Total Division of Social Services				<u>-</u>	<u>1,125,237</u>
Division of Aging:					
Passed-through Triangle J Council of Governments:					
Heat Relief Fans				-	610
Division of Medical Assistance					
Health Check Grant				-	30,736
Division of Occupational & Environmental Epidemiology					
Veterinary Public Health					
Mcsnap Grant				-	25
Division of Public Health:					
General Health Grant				-	49,270
Public Health Nurse Training				-	400
Communicable Disease				-	1,938

**COUNTY OF MOORE, NORTH CAROLINA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**  
**For the fiscal year ended June 30, 2006**

Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Pass-through Grantor's Number	Federal (Direct & Pass-through) Expenditures	State Expenditures
Tuberculosis			\$ -	\$ 21,115
AIDS-State			-	500
Maternal Health			-	84,804
Maternal Care Cordinator			-	28,273
Women's Preventative Health			-	14,000
Children's Special Health Services			-	5,020
Risk Reduction/Health Promotion			-	102
TB Medical Services			-	2,279
Total Division of Public Health			-	207,701
Total N.C. Dept. of Health and Human Services			-	1,378,809
<u>Office of the Governor</u>				
Office of Juvenile Justice - Juvenile Crime Prevention Program			-	184,995
Tornado Disaster Relief Fund			-	-
Public School Building Capital Fund			-	609,000
Total Office of the Governor			-	793,995
<u>N.C. Dept. of Correction</u>				
Criminal Justice Partnership Program			-	83,433
<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			-	5,454
Adult Services			-	41,418
Total N.C. Division of Aging and Adult Services			-	46,872
<u>N.C. Rural Economic Development Center</u>				
Local E-Government Utilization Project			-	7,698
Rural Internet Access Grant			-	-
Total NC. Rural Economic Development Center			-	7,698
<u>N.C. Dept. of Transportation</u>				
Rural Operating Assistance Program			-	133,143
<u>N.C. Dept. of Environment and Natural Resources</u>				
White Goods Management Grant			-	13,035
Environmental Health Grant			-	27,552
Soil and Water Technical Assistance Grant			-	21,941
Total N.C. Dept. of Environment and Natural Resources			-	62,528
Total state cash assistance			-	2,508,478
Total assistance			\$ 56,281,665	\$ 23,630,352

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.