

Comprehensive Annual Financial Report

For the Year Ended June 30, 2009

**Cabarrus County
North Carolina**

Building A Sustainable Cabarrus

The commonly accepted definition of sustainability is “meeting the needs of the present without compromising the ability of future generations to meet their own needs.”

When people think about the term “sustainability,” they often think of the environment. The three R’s often come to mind: Reduce, Reuse, and Recycle. However, the environment is just one part of sustainability.

To achieve true sustainability, many organizations are employing the triple bottom line approach. The triple bottom line is comprised of:

1. **Social** – to recognize the needs of every person
2. **Economic** – to maintain stable levels of economic growth and employment
3. **Environment** – to use natural resources wisely and to protect the environment



An even balance between the circles is needed for sustainability. For example, outstanding economic performance at the cost of the community is not sustainable; neither is protecting the environment beyond reasonable means and consequently stunting any economic activities.

If every organization employs the standard of ethical responsibility demonstrated through the triple bottom line approach by modifying current behaviors and policies, it will become possible for future generations to enjoy a healthy, equitable, and prosperous community.

Cabarrus County, as a government and community member, is committed to following the principles of sustainability to ensure a well-run organization capable of meeting the needs of residents and business owners and, in turn, to provide a better quality of life for all who live and work in Cabarrus County.

Cabarrus County

North Carolina

Comprehensive Annual Financial Report

For the year ended June 30, 2009

Prepared by
Cabarrus County Finance

Pamela S. Dubois
Deputy County Manager



**Cabarrus County, North Carolina
Comprehensive Annual Financial Report
For the Year Ended June 30, 2009**

Table of Contents

Title Page	i
Table of Contents	iii

Introductory Section

Letter of Transmittal	1
GFOA Certificate of Achievement for Excellence in Financial Reporting	10
Organizational Chart	11
List of Principal Officials	12

Financial Section

Independent Auditor's Report	13
------------------------------------	----

Management's Discussion and Analysis	15
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Basic Financial Statements:

Government-wide Financial Statements:

Statement of Net Assets	
Exhibit 1	25
Statement of Activities	
Exhibit 2	26

Fund Financial Statements:

Balance Sheet – Governmental Funds	
Exhibit 3	27
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	
Exhibit 4	28
Reconciliation of the Statement of Revenues, Expenditures, and Changes In Fund Balances of Governmental Funds to the Statement of Activities	
Exhibit 4A	29
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – General Fund	
Exhibit 5	30
Statement of Net Assets –Proprietary Funds	
Exhibit 6	31
Statement of Revenues, Expenses, and Changes in Fund Net Assets – Proprietary Funds	
Exhibit 7	32
Statement of Cash Flows – Proprietary Fund	
Exhibit 8	34
Statement of Fiduciary Net Assets – Fiduciary Funds	
Exhibit 9	35
Statement of Changes in Fiduciary Net Assets – Fiduciary Funds	
Exhibit 10	36
Notes to the Financial Statements	37

Required Supplementary Information:

Schedule of Funding Progress – Special Separation Allowance	
Exhibit 11	72
Schedule of Employer Contribution – Special Separation Allowance	
Exhibit 12	73

**Cabarrus County, North Carolina
Comprehensive Annual Financial Report
For the Year Ended June 30, 2009**

Table of Contents

Schedule of Funding Progress – Other Post Employment Benefits (OPEB)	
Exhibit 13	74
Schedule of Employer Contribution – Other Post Employment Benefits (OPEB)	
Exhibit 14	75

Other Supplemental Information:

Combining and Individual Fund Statements and Schedules:	
Combining Balance Sheet – Nonmajor Governmental Funds	
Schedule 1	77
Combining Statement of Revenues, Expenditures and	
Changes in Fund Balances – Nonmajor Governmental Funds	
Schedule 2	78
Schedules of Revenues, Expenditures, and Changes in	
Fund Balances – Budget and Actual:	
Emergency Telephone System Special Revenue Fund	
Schedule 3	79
Community Development Block Grant Special Revenue Fund	
Schedule 4	80
Cabarrus Arena and Events Center Special Revenue Fund	
Schedule 5	81
Fire Districts Special Revenue Fund	
Schedule 6	82
Capital Reserve Special Revenue Fund	
Schedule 7	83
Capital Reserve Utility Special Revenue Fund	
Schedule 8	84
Small Projects Special Revenue Fund	
Schedule 9	85
Sheriff's Department Special Revenue Fund	
Schedule 10	86
Adequate Facilities Special Revenue Fund	
Schedule 11	87
Cabarrus County Tourism Authority Special Revenue Fund	
Schedule 12	88
Department of Aging Special Revenue Fund	
Schedule 13	89
Parks and Recreation Commission Special Revenue Fund	
Schedule 14	90
Cannon Memorial Library Special Revenue Fund	
Schedule 15	92
Public School Building Capital Projects Fund	
Schedule 16	92
Capital Projects Fund	
Schedule 17	93
Construction and Renovations Capital Projects Fund	
Schedule 18	94
\$98 Million School Bond Capital Projects Fund	
Schedule 19	95

**Cabarrus County, North Carolina
Comprehensive Annual Financial Report
For the Year Ended June 30, 2009**

Table of Contents

2009 School Construction Capital Projects Fund	
Schedule 20.....	96
Combining Statement of Changes in Assets and Liabilities – Agency Funds	
Schedule 21.....	97
Combining Statement of Net Assets – Private Purpose Trust Funds	
Schedule 22.....	98
Combining Statement of Changes in Net Assets – Private Purpose Trust Funds	
Schedule 23.....	99
Internal Service Funds:	
Statement of Net Assets	
Statement 24	101
Statement of Revenues, Expenses, and Changes in Fund Net Assets	
Statement 25	102
Statement of Cash Flows	
Statement 26	103
Other Schedules:	
Schedule of Ad Valorem Taxes Receivable	
Schedule 27	105
Analysis of Current Tax Levy	
Schedule 28	106
Schedules of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual - From Inception – Major Governmental Funds:	
General Fund	
Schedule 29.....	108
Justice Center Construction Capital Projects Fund	
Schedule 30.....	118
School Construction Capital Projects Fund	
Schedule 31.....	119
Schedule of Revenues and Expenditures – Budget and Actual (Non-GAAP Basis):	
Landfill Fund	
Schedule 32.....	120
Statistical Section (unaudited)	
Government-wide Information:	
Net Assets by Component	
TABLE 1	123
Changes in Net Assets	
TABLE 2	124
Fund Information:	
Fund Balances, Governmental Funds	
TABLE 3	126
Changes in Fund Balances, Governmental Funds	
TABLE 4	127
Assessed Value and Actual Value of Taxable Property - Last Ten Fiscal Years	
TABLE 5	128

Cabarrus County, North Carolina Comprehensive Annual Financial Report For the Year Ended June 30, 2009

Table of Contents

Direct and Overlapping Property Tax Rates – Last Ten Fiscal Years TABLE 6	129
Principal Property Tax Payers – Current Year and Nine Years Ago TABLE 7	130
Property Tax Levies and Collections TABLE 8	131
Ratio of Net General Obligation Bonded Debt to Outstanding - Last Ten Fiscal Years TABLE 9	132
Ratios of Outstanding Debt by Type – Last Ten Fiscal Years TABLE 10	133
Legal Debt Margin Information – Last Ten Fiscal Years TABLE 11	134
Demographic and Economic Statistics - Last Ten Fiscal Years TABLE 12	135
Principal Employers – Current Year and Nine Years Ago TABLE 13	136
Full-time Equivalent County Government Employees by Function – Last Ten Fiscal Years TABLE 14	137
Operating Indicators by Functional Area Fiscal Years 1997-2006 TABLE 15	138
Capital Asset Statistics by Function/Program – Last Ten Fiscal Years TABLE 16	139

Compliance Section

Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with <u>Government</u> <u>Auditing Standards</u>	141
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	143
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	145
Schedule of Findings and Questioned Costs	147
Summary Schedule of Prior Year Audit Findings	150
Schedule of Expenditures of Federal and State Awards	151

Introductory Section



Finance Department

October 31, 2009

To the, Members of the Board of Commissioners, and Citizens of Cabarrus County:

State law requires that all general-purpose local governments publish within four months of the close of each fiscal year a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States of America (GAAP) and audited in accordance with auditing standards generally accepted in the United States of America by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of the County of Cabarrus (the County) for the fiscal year ended June 30, 2009.

This report consists of management's representations concerning the finances of the County. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the County has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse, and to compile sufficient reliable information for the preparation of the County's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the County's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The County's financial statements have been audited by Martin Starnes & Associates, CPA, PA, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the County for the fiscal year ended June 30, 2009, are free of material misstatement. The independent audit involved 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; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the County's financial statements for the fiscal year ended June 30, 2009, are presented fairly in all material respects with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the County was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in the Comprehensive Annual Financial Report. GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statement in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The County's MD&A can be found immediately following the report of the independent auditors.

Profile of the County

The County, incorporated in 1792, is located in the Piedmont section of the State of North Carolina and is bordered on the North by Rowan and Iredell counties, on the East by Stanly County, on the South by Union county and on the West by Mecklenburg County; it comprises approximately 230,400 acres. There are seven municipalities in the County, the largest of which is the City of Concord, also the County seat. Concord is situated approximately 124 miles from the City of Raleigh, North Carolina and 18 miles northeast of the City of Charlotte, North Carolina. The second largest municipality is the City of Kannapolis. The Towns of Mount Pleasant, Harrisburg, Midland, Locust and Stanfield are smaller municipalities in the County. The County serves a population of 170,448. The County is empowered to levy a property tax on both real and personal properties located within its boundaries.

The County has operated under the Board of Commissioners/County Manager form of government since 1976. Policy-making and legislative authority are vested in a governing board consisting of five commissioners. The governing board is responsible, among other things, for passing ordinances, adopting the budget, appointing committees, and hiring both the county's manager and attorney. The county's manager serves as the chief executive and is responsible for carrying out the policies and ordinances of the governing board, for overseeing the day-to-day operations of the government, and for appointing the heads of the various departments. The board is elected on a partisan basis. Board members serve four-year staggered terms, with new members (two or three) elected every two years.

The annual budget serves as the foundation for the County's financial planning and control. All agencies of the County are required to submit requests for appropriation to the county's manager on or before the end of February each year. The county's manager uses these requests as the starting point for developing a proposed budget. The Board of Commissioners is required by law to adopt a final budget by no later than June 30, the close of the County's fiscal year. The appropriated budget is prepared by fund, function (e.g., public safety), and department (e.g., law enforcement). The county's manager may transfer amounts between objects of expenditures and revenues within a function without limitation. He may transfer amounts up to \$100,000 between functions of the same fund. He may not transfer any amounts between funds or from any contingency appropriation within any fund without action of the Board of Commissioners except as specified in the budget ordinance related to budget shortfalls and approved change orders. The manager may also transfer amounts within and between funds for the sole purpose of funding salary and benefits adjustments consistent with the Cabarrus County Personnel Management Policy and the Cabarrus County Personnel Ordinance. Any other changes require the special approval of the Board. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the general fund, this comparison is presented on Exhibit 5 as part of the basic financial statements for the governmental funds. Also included in the governmental fund subsection are project-length budget-to-actual comparisons for each governmental fund for which a project-length budget has been adopted (i.e., the special revenue funds and the capital projects funds).

Factors Affecting Financial Condition

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the County operates.

Local economy. The County is one of six counties located in the Charlotte-Gastonia-Concord, NC-SC Metropolitan Statistical Area (the "Charlotte MSA"), which consists of Anson, Cabarrus, Gaston, Mecklenburg and Union Counties in North Carolina and York in South Carolina. The Charlotte MSA, which is anchored by the City of Charlotte, is the economic center and the largest metropolitan area in the Carolinas and its population growth is one of the fastest in the Southeast.

Until fairly recently, the County's economy was primarily dependent on the textile industry, but the County's proximity to Charlotte and access to major interstate highways have helped diversify the County's economy through investments in manufacturing, retail, motorsports, warehousing & distribution and entertainment industries. These investments have helped to offset the virtual disappearance the textile industry.

A summary of significant recent developments in these industries follows.

Manufacturing. The principal products manufactured in the County now include optical fiber, textiles, food, cigarettes, printing and publishing, concrete products, lumber and wood, specialized coloring, fabricated metal and machinery products, mobile and modular home components, and corrugated packaging.

Castle & Cooke is currently redeveloping the former Pillowtex properties in Kannapolis as a mixed use development with the centerpiece of the development constituting the North Carolina Research Campus (the "*Research Campus*"). This is a multi-purpose campus expected to house state-of-the-art research equipment, research space and laboratory space and expected to lease or sell space to biotechnology companies. The Research Campus is intended to be a collaboration between public and private sectors. Public sector partners already include Appalachian State University, The University of North Carolina at Chapel Hill, North Carolina State University, the University of North Carolina at Charlotte, the University of North Carolina at Greensboro, North Carolina A&T University, and Rowan-Cabarrus Community College. The private sector partners already announced include the Dole Nutrition Institute, Angiogen, Anatomics, Bio-Marker group, Duke University, and RedHat. Carolinas Medical Center – Northeast (the County's largest employer) may also have a presence in the Research Campus.

To facilitate the development and finance public improvements needed, the City of Kannapolis created the North Carolina Research Campus Financing District (the "*Development District*"), pursuant to the State's project development financing act authorized in 2005. This district is comprised of approximately 863 acres within the County and Rowan County. The Development District was created to finance infrastructure within and around the Development District to support the Research Campus. The City of Kannapolis planned to issue up to \$168 million in bonds in the fall of 2008 to finance public infrastructure in the district. However, the global recession prevented the issue of those bonds and makes issuance in the foreseeable future unlikely. The boundaries of the Development District were created to capture the area in which such infrastructure is needed. The Research Campus is approximately 240 acres within the Development District. The development plan for the Development District contemplates that, when completed, the Research Campus will include more than two million square feet of office and laboratory space, 600,000 square feet of new retail and commercial space, 400,000 square feet of academic and civic space and approximately 1,100 new residential units.

Other manufacturing facilities produce a wide variety of goods for national and international distribution. The following are just a few examples of these industries. Corning, Inc.'s fiber optics facility in Midland, which had been "mothballed," has reopened and officials expect the facility to increase capacity as the fiber optic market improves globally. S&D Coffee is a major roaster and distributor of coffee products for institutional and restaurant use and is headquartered in Concord. The International Business Park includes a number of manufacturers, the most recent of which is PreGel USA, a producer of gelato products that has already announced a major expansion.

Philip Morris USA, which was the largest manufacturer in the County, closed its Concord facility in July, 2009. The facility encompasses over 2100 acres and 1.2 million square feet. Philip Morris has hired Jones Lang LaSalle to market the property. The County, the City of Concord and the Cabarrus Economic Development Corporation have partnered with Philip Morris USA and Jones Lang LaSalle to promote the site as a job creation center.

Warehousing and Distribution. The distribution, warehousing, and shipping industry is another growing sector of the County's economy, as the County continues to be a cost-effective alternative for Charlotte area distributors. This industry benefits from the County's proximity to the City of Charlotte (a regional trucking and manufacturing center with a major commercial international airport) and from access to I-85, which has seven existing interchanges in the County. One of the newest interchanges on the Charlotte Outer belt, I-485, opened in 2004, provide almost direct access to the County in a number of areas. Construction is scheduled to begin on the remaining northeast section of I-485 in 2009, further increasing accessibility to the County. In addition, I-77 interchanges with I-85 and three other major highways within 15 miles of the County. Examples of companies building or expanding distribution centers include: Saddle Creek, a large Florida logistics company, which opened a 350,000 square foot rail served distribution center in Harrisburg (from which it serves Wal-Mart, America's largest retailer); and has recently completed an expansion that more than doubled the size of the Harrisburg facility; and

Caffey Distributing, a Greensboro-based beer distributor, which in 2002 began operating a 130,000 square foot distribution center near I-85 and the Concord Regional Airport.

Childress Klein, a leading developer of warehouse and distribution properties is developing 275 acres of vacant land in Kannapolis. This property is located at the interchange of I-85 and the Kannapolis Parkway and includes a new complex with 2.5 million square feet of flex office, warehouse and distribution space. The development plans also included 400,000 square feet of retail use much of which is already open. The overall investment is expected to reach \$140 million and create 2,800 jobs over the next decade.

Entertainment. Another example of the County's diverse economy is Lowe's Motor Speedway ("LMS"), a major sports and recreational facility which regularly hosts activities that draw over 167,000 people. Each year, LMS hosts nine primary events, including three major NASCAR racing events that extend over a ten-day period for each event. Facilities at LMS include a seven-story office building and conference center topped by a restaurant and private club. Recent expansions include additions to grandstand seating, a new infield media center and the construction of condominium units. LMS has built a \$60 million drag strip facility that is located on LMS property and hosted its first event in the fall of 2008. LMS also plans to replace the suites and general admission seating as well as other improvements to the existing speedway to enhance the fan experience.

The City of Concord and Embassy Suites Hotels recently constructed a new Convention Center and full-service hotel on Speedway Boulevard. This complex is located equal distance between LMS and the Concord Mills Mall. The project has already been successful enough that a second hotel tower has been announced.

Motorsports. As ground zero for "NASCAR Valley," the County is home to LMS, NASCAR Research & Development, World Group Racing, the DIRT at LMS Concord Motorsports Park, four driving schools, Hendrick Motorsports, Roush Fenway Racing, Ganassi Earnhardt Racing, Racing, Stewart Haas Racing, ST/Wood Motorsports/JTG Racing and over 200 other motorsports-related businesses.

Recent developments involving the motorsports businesses include Windshear, a California based company, which has built a \$40 million wind tunnel, which is the only publicly available wind tunnel in North America using "rolling road" technology. This facility allows for full-scale testing of race cars at speeds of 180 miles per hour. ST/Wood Motorsports recently relocated its operations to a 123,000 square-foot building in Harrisburg. Stewart/Haas CNC Racing opened a state-of-the-art, 140,000 square feet racing facility which doubles the size of its former facility.

These businesses and other motorsports-related support businesses are important factors in the County's economy and the County constantly works to support and build the infrastructure needed to sustain, maintain and develop this important industry.

Retail. Concord Mills Mall, which is located on approximately 165 acres located in the southwest quadrant of the King's Grant interchange at I-85, opened its doors in September 1999. The 1.4 million square foot facility has over 200 stores, cost approximately \$240 million to complete and is generating an estimated \$300 million annually in retail sales. Concord Mills Mall is the State's largest tourism draw and continues to create additional spin-off retail development on adjacent properties. Additional projects have been built or announced that make the area a primary retail center for the entire MSA.

There are a number of new retail centers that have been constructed or are under construction throughout the County as a result of the population increase that has occurred. Some of these are part of much larger mixed-use developments that also include services, employment and residential uses. The Northlite Center, in the northern part of the County, is anchored by Sam's Club, Wal-Mart and Kohl's. Harrisburg Town Center is a 100-acre mixed-use development on Highway 49, which includes 400 residential units and up to 500,000 square feet of office and retail space. Approximately two-thirds of the residential units and four office/retail buildings are complete. Three additional office/retail buildings are permitted. Three new grocery-anchored shopping centers have recently been completed. One is part of a larger mixed-use development that will contain approximately 250,000 square feet of office/retail space, 400 residential units and up to 500,000 square feet of office/light industrial space. Moss Creek is a mixed-use project on 500 acres at Highway 73 and Odell School Road. Development includes 1,400 housing units, an elementary and middle school and 200,000 square feet of office/retail space.

Industrial and Business Parks. A variety of other industrial and business parks located throughout the County have provided additional focus points for economic development. For companies investigating new operations or expansions in the Charlotte area, these parks provide alternatives to sites in Charlotte or Mecklenburg County. Public utility service is widely available to these parks. Following are brief descriptions of several of these parks.

Z-Max Industrial Park. Z-Max Industrial Park offers a rail served site with excellent highway access. The site is served by major utilities and is already home to motorsports related businesses including 600 Racing.

International Business Park. The owners of the International Business Park actively pursue private investment from around the world. Among those companies with facilities in the Park are Oiles America Corporation, a Japanese company, opened a manufacturing plant for self-lubricating bearings in 1991; Pass & Seymour Legrand, a French company, which opened a manufacturing plant for electrical wiring devices in 1991; Dai Nippon Printing Company Ltd. ("DNP"), which began operations in 1995 and produces media (such as ribbons and tapes); Federal Express, which opened its facility in 1997; SYSCO Corporation, a Houston-based food service provider, which built a new warehouse/distribution complex in 1997 to serve nearly all of North and South Carolina, as well as parts of Georgia and Virginia; and the Minka Group, a lighting products company, which built a facility to serve as its east coast distribution center.

Recently, the owners of International Business Park completed a 76,000 square foot high-end speculative building in 2004. This building now is the workplace for over 1,200 persons, including employees of Connexions, a business solutions provider. Finally, PreGel America opened its \$20 million North American headquarters in the Park in 2008 with over 100 employees.

Concord Regional Airport/Airport Business Park. The City of Concord continues to develop a general aviation reliever airport on approximately 850 acres adjacent to I-85. This facility, known as Concord Regional Airport, has a 7,200 foot paved, fully instrumented runway with control tower, which can accommodate all corporate and commuter aircraft. Flight operations began at the airport in September 1994. The total cost for the airport was approximately \$27 million, which has been paid from City funds (4%) and State and Federal grant funds (16% and 80% respectively). The City has completed the construction of 67 T-hangars and 4 large conventional storage hangars at the airport since the summer of 1995. A waiting list of about 30 airplanes now exists for additional hangar space. The airport currently has 170 aircraft based at the airport with an estimated total value of \$100 million.

The City contracted for a full-time air traffic control tower in September of 1998 to enhance aviation traffic safety. The airport has a full aircraft maintenance facility, three flight schools, four aircraft charter services, a full-time medical examiner, aircraft detailing, four airfreight providers, and a helicopter radio platform service. The City proposes to construct additional conventional hangar space to accommodate the tremendous demand for aircraft basing at Concord Regional Airport. Additional basing will increase revenues from storage and fuel sales. The runway was recently lengthened to 7,200 ft.

The City has completed the construction of the Airport Business Park and access roads to service other revenue generating acreage adjacent to the airport on the west side. The Park is home to Roush Fenway Racing's headquarter and museum.

West Winds Industrial Park. The first phase of the West Winds Industrial Park, located directly across from the airport entrance, is complete, and an 18,000 square foot mixed office/industrial space has been completed. The West Winds Industrial Park includes a 45,000 square foot NASCAR R&D center to research new safety methods and a facility for National Tour, a NASCAR-related firm that builds and services haulers and product demonstration trailers. A 56,000 square foot speculative building has been occupied and there is additional land for development.

University Research Park. The County's close proximity to Charlotte and the University of North Carolina at Charlotte with its University Research Park, home to IBM, TIAA CREF and Verbatim, has fueled strong residential and commercial growth. The University and the University Research Park each lie within five miles of the County limits.

Kannapolis Gateway Park. The City of Kannapolis and Mark Pierce Poole Properties, Inc., a Charlotte real estate development firm specializing in industrial, retail and office properties, constructed a speculative industrial building in the Kannapolis Gateway Business Park. That building is now occupied by Novant Health taking advantage of the park's location between I-85 and I-77. The 85 acre park is located one mile from a new interchange on I-85 and will feature approximately 753,000 square feet of industrial space and a 12 acre retail center, which has recently completed construction. Stewart Haas Racing has its headquarters and shop facility in the Kannapolis Gateway Park.

The AAC Project. With the opening of the eastern leg of I-485 in 2004, AAC Realty announced and gained approval for a project at Rocky River Road and I-485. The AAC project includes 200,000 square feet of retail space that is substantially complete and 650,000 square feet of office and light industrial space. Adjacent residential construction has also begun.

The County's rapid growth, largely attributable to the County's position in the Charlotte metropolitan region, slowed as a result of the global recession, but is expected to resume, albeit at a slower pace, as the economy recovers. The County believes that its short-range and long-range planning has provided the necessary infrastructure to accommodate anticipated growth, and the County cooperates with its municipalities in economic recruiting and development efforts. The Cabarrus Economic Development Corporation ("CEDC"), which operates with a full-time staff, serves as the primary recruiting and marketing entity. Local jurisdictions approved a restructuring of the CEDC about five years ago that is administered by the Cabarrus Regional Chamber of Commerce. The structure greatly enhances efforts in business retention and expansion, entrepreneurship and new business recruitment. Given these changes, combined with the availability of sites within commercial and industrial parks with all municipal services available located near major highways and interstates, the County expects continued strong economic development in the area. The CEDC has been accredited by the International Economic Development Council (IEDC) which is an independent verification of the status of the organization. The CEDC is one of only 24 economic development organizations worldwide which have been accredited by the IEDC.

The following table lists the 10 largest manufacturing and non-manufacturing employers in the County as of 2009:

<u>Employer</u>	<u>Service</u>	<u>Approximate Number of Employees</u>
Carolinas Medical Center - Northeast	Medical Center	4,300
Cabarrus County Schools	Education	3,398
Phillip Morris USA	Cigarettes	1,384*
Connexions	Business Solutions	1,200
City of Concord	Governmental	925
Kannapolis City Schools	Education	900
Cabarrus County	Governmental	828
Shoe Show	Shoe Distributor	650
S&D Coffee, Inc.	Coffee Products	500
State of North Carolina	Governmental	500
Hendricks Motorsports	Automotive Racing	500

Source: Cabarrus County Economic Development Corporation (2009).

*Note: Phillip Morris closed this facility in July .

Long-term financial planning

The County's operating budget (which is comprised of the General Fund, Cabarrus Arena and Events Center Fund, Landfill Operations Fund, 911 Emergency Telephone Fund, Workers Compensation Fund, Health Insurance Fund and Fire District Fund) for the fiscal year ending June 30, 2010 totals \$207,939,726 with a tax rate of \$0.63 per \$100 of assessed value, based on a total valuation of \$20,991,109,000.

As part of the annual budget development process, the County re-examines and updates the Capital Improvements Plan (CIP). The CIP is a five-year plan which projects capital needs and expenditures. It details estimated costs, project descriptions and funding sources for capital projects. The CIP generally addresses capital assets with a value greater than \$100,000 and a useful life longer than one year. The CIP is readopted annually.

The County also develops a Five Year Financial Plan – a forecast of revenues and expenditures for a five year period beginning with the proposed budget for the upcoming fiscal year. The purpose of the Five Year Financial Plan is to ensure that the County's commitments, obligations and anticipated needs are met in a fiscally sound manner. The basis for the forecast is the then-current fiscal year. Forecasts for subsequent years rely on previous year expenditures and revenues as a starting point. Increases and decreases are itemized.

The County acknowledges pay-as-you-go financing as a significant capital financing source, but recognizes that debt issuance is sometimes the most appropriate financing structure for a capital project. Current debt obligations as well as planned debt issuance are also factored into the County's long term financial planning.

Relevant Financial Policies

In accordance with state statute, appropriated fund balance in any fund will not exceed the sum of cash and investments minus the sum of liabilities, encumbrances, and deferred revenues arising from cash receipts.

The County will maintain an undesignated fund balance that exceeds eight percent (8%) in accordance with North Carolina Local Government Commission's (LGC) recommendation. For a County our size, a recommended target goal of fifteen percent (15%) should be maintained. These funds will be used to avoid cash-flow interruptions, generate interest income, eliminate the need for short-term borrowing, assist in maintaining an investment-grade bond rating, and sustain operations during unanticipated emergencies and disasters.

In June 14, 2005, the board of Commissioners adopted a resolution formalizing the following fiscal management policies to be incorporated into the County's budget document beginning with the 2006 fiscal year:

1. Recurring, operational expenses of the County government will only be funded through recurring revenue sources:

2. The County will maintain an undesignated fund balance equal to 15% of general fund expenditures; and

3. Upon completion of the annual audit of the County finances, any undesignated fund balance above 15% will be transferred to the capital Reserve Fund, where it will be used to reduce reliance on debt financing for capital projects, thereby saving taxpayers money by reducing interest payments on financing instruments.

Major initiatives

On July 16, 2009, the County closed on \$85,170,000 certificates of participation deal for the financing of the construction of 4 new schools (two elementary, two middle) and the renovation/wing addition to AL Brown High School. The Board debated on moving forward with this financing due to the current economic conditions, but decided in favor of the transaction with the consideration of capitalizing interest

and deferring principal for two years in anticipation of the economy improving. The construction bids also came considerably under budget by approximately \$24.5 million.

The Board of Commissioners' initiative to build a sustainable community consists of many efforts. Among them are programs in the county organization and retrofits of county facilities to conserve energy and water. Other organization efforts include maximizing the prevalence of reusable products, minimizing the use of those that are disposable and purchasing products that contain recycled content when possible and feasible. The county's fleet of vehicles is much more fuel efficient and emits fewer emissions. These measures conserve natural resources and tax dollars.

The Board's sustainable community initiative also includes many outwardly-directed elements: One is a multifaceted approach to developing a more robust local food economy. Another is the use of land use plans and regulations that seek to direct development into the municipalities and encourage rural preservation in the unincorporated areas that lack infrastructure.

A new element to this initiative is recommended for FY2010: the establishment of a trust fund to support a local food economy and the purchase of conservation easements. Money will come from the payment of deferred taxes on property removed from the present-use value system, providing a rational nexus between the program and its funding source.

This period of economic contraction and hardship we are in offers additional opportunities to build upon what was already begun. In the absence of the immediate pressures resulting from growth and development, our local governments and businesses can collaborate to better position our community for a greener and more prosperous future, one that focuses on the triple bottom line (a healthy environment; a sound, conservative financial position; and social equity), is more independent and enjoys some insulation from the volatility and whims of globalization.

One such opportunity is a joint planning effort with the Town of Harrisburg (which follows a very similar and successful effort with Concord). This plan will be completed in FY2010 and is envisioned to be very broad in nature, planning for and implementing measures aimed at sustainable development patterns and economic development, the board of Commissioners hopes to engage each local government in the county in similar efforts.

Another opportunity is found in a newly formed sustainability council, housed at the Cabarrus Regional Chamber of Commerce. This effort provides a forum for business and government to share and collaborate along the path to realizing a positive triple bottom-line for the community we call home.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Cabarrus County for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2008. This was the twenty-fourth consecutive year that Cabarrus County has received this prestigious award. In order to be awarded a Certificate of Achievement, the County must publish an easily readable and efficiently organized Comprehensive Annual Financial Report whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current report continues to conform to the Certificate of Achievement Program requirements, and we are submitting it to the GFOA.

In addition, the County also received the GFOA's Distinguished Budget Presentation Award for its annual budget document for the fiscal year ended June 30, 2009. In order to qualify for the Distinguished Budget Presentation Award, the county's budget document was judged to be proficient in several categories, including as a policy document, a financial plan, an operations guide, and a communications device. This was the twelfth year that Cabarrus County has received this prestigious award.

In summary, this Comprehensive Annual Financial Report provides a source of information to citizens, the Board of Commissioners, other government agencies, and investors and creditors, all of whom rely upon it for decision making and the opportunity to learn more about Cabarrus County's financial condition.

Much appreciation is expressed to the Finance Department's staff and Martin Starnes & Associates, CPA, PA, without whose dedicated assistance this report could not have been produced. Credit also must be given to the Board of Commissioners for their continued interest and support for maintaining the highest standards of professionalism in the management of the County's finances.

Respectfully submitted,



John D. Day
County Manager



Pamela S. Dubois
Deputy County Manager/Finance Director

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Cabarrus County
North Carolina

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2008

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.



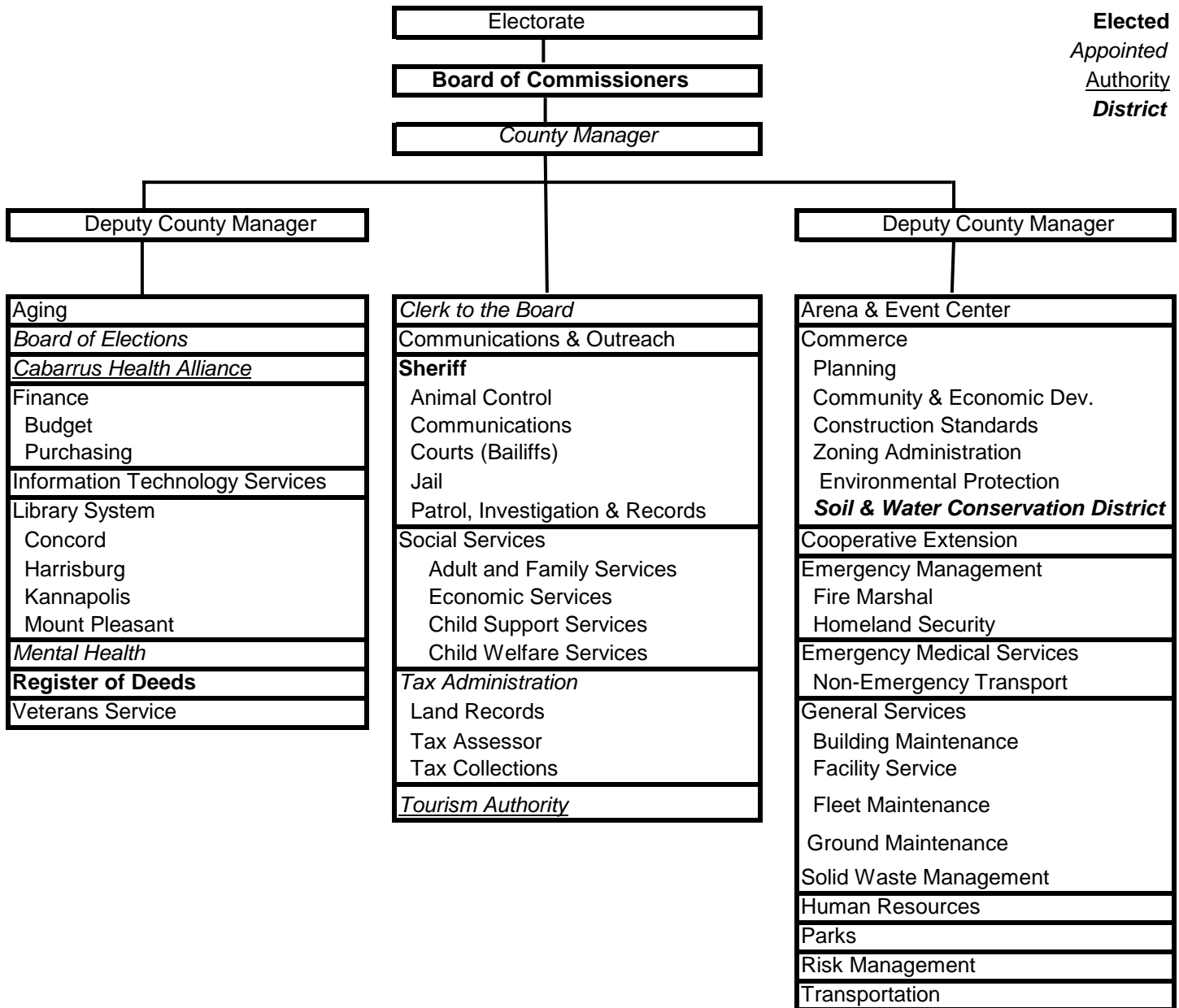
A handwritten signature in black ink, appearing to read "K. L. R.", is positioned above the title "President".

President

A handwritten signature in black ink, appearing to read "Jeffrey R. Emer", is positioned above the title "Executive Director".

Executive Director

Organization Chart



Board of County Commissioners

Chair H. Jay White, Sr.
Vice-Chair Grace M Mynatt
Commissioner Robert W. Carruth
Commissioner Elizabeth F Poole
Commissioner Coy C. Privette

Other Elected Officials

Sheriff D. Brad Riley
Register of Deeds Linda F. McAbee

County Manager John D. Day
Deputy County Manager Pamela S. Dubois
Deputy County Manager Michael K. Downs

Clerk to the Board G. Kay Honeycutt

County Department Heads

Aging Michael L. Murphy
Commerce Jonathan B. Marshall
Cooperative Extension Deborah G. Bost
Elections Director Linda C. Grist
Emergency Management Robert S. Smith
Emergency Medical Services J. David Hampton, Jr.
Finance Director Pamela S. Dubois
General Services Kyle D. Bilafer
Human Resources Donald C. Cummings
Information Technology Services Deborah A. Brannan
Libraries Thomas W. Dillard, Jr.
Parks and Recreation Londa A. Strong
Social Services William B. Rose
Solid Waste Management Richard A. Payne
SWCD-Watershed Dennis E. Testerman
Tax Administration Jeffery B. Weisner
Transportation Charles R. Bass
Veterans' Service Sharon L. Eury

Tourism Authority Chairman/Interim Director Terry L Crawford

Financial Section

MARTIN ♦ STARNES & ASSOCIATES, CPAs, P.A.

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

INDEPENDENT AUDITOR'S REPORT

Board of County Commissioners
Cabarrus County
Concord, North Carolina

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit each major fund, and the aggregate remaining fund information of Cabarrus County, North Carolina, as of and for the year ended June 30, 2009, which collectively comprise the County's basic financial statements, as listed in the table of contents. These financial statements are the responsibility of Cabarrus County, North Carolina's management. Our responsibility is to express opinion on these basic financial statements based on our audit. We did not audit the financial statements of the component unit, Cabarrus Health Alliance. Those financial statements were audited by other auditors whose reports thereon have been furnished to us; and our opinion, insofar as it relates to the amounts included for the Cabarrus Health Alliance is based solely on the reports of other auditors. The financial statements of Cabarrus Health Alliance were not audited in accordance with *Government Auditing Standards*.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, based upon 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, each major fund, and the aggregate remaining fund information of Cabarrus County, North Carolina as of June 30, 2009, 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 October 13, 2009 on our consideration of Cabarrus County, North Carolina's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Management's Discussion and Analysis, Law Enforcement Officers' Special Separation Allowance, Schedule of Funding Progress, Schedule of Employer Contributions and related notes, and the Other Post-Employment Benefit schedules are not required parts of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion thereon.

Our audit was performed for the purpose of forming an opinion on the financial statements that collectively comprise the basic financial statements of Cabarrus County, North Carolina. The introductory section, combining and individual fund financial statements and schedules, individual nonmajor fund financial statements and schedules, and 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 fund financial statements and schedules, and the accompanying schedule of federal and State awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects, in relation to the basic financial statements taken as a whole. The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion thereon.

Martin Starnes & Associates, CPAs, P.A.

Martin Starnes & Associates, CPAs, P.A.
Hickory, North Carolina
October 13, 2009

Management Discussion and Analysis

Management's Discussion and Analysis

As management of Cabarrus County, we offer readers of Cabarrus County's financial statements this narrative overview and analysis of the financial activities of Cabarrus County for the fiscal year ended June 30, 2009. We encourage readers to read the information presented here in conjunction with additional information that we have furnished in the County's financial statements, which follow this narrative.

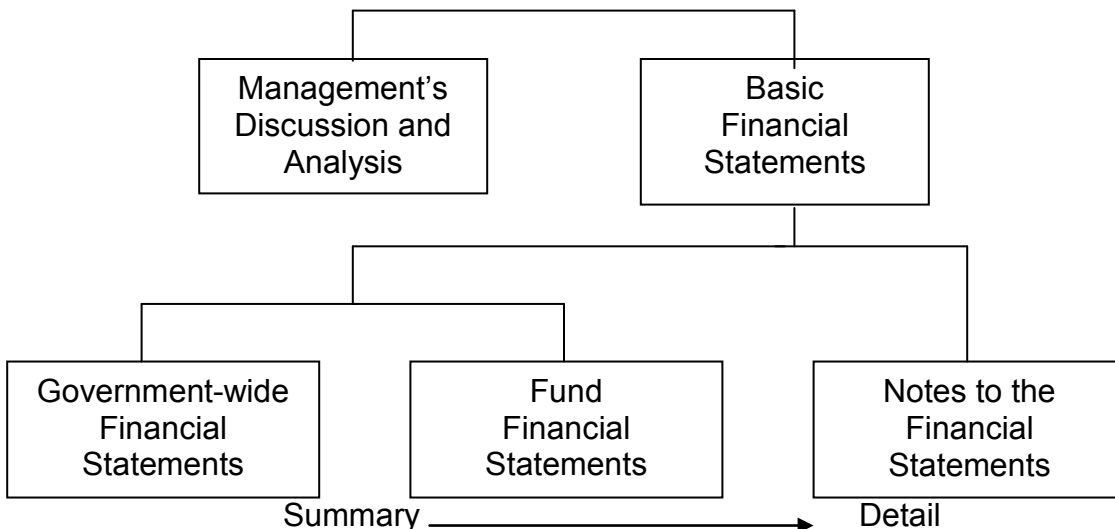
Financial Highlights

- The liabilities of Cabarrus County exceeded its assets at the close of the fiscal year by (\$43,642,935) (*net assets*).
- The total net assets of *governmental* activities was a deficit \$48,421,348 an increase of \$4,321,560 from the prior year's deficit amount of \$44,099,788, primarily due to school capital spending and the issuance of debt without a corresponding capital asset. In accordance with North Carolina law, the County is financially responsible for funding school facilities and issuing any debt in connection with school facilities; however, since assets are not reflected in the County's financial statements, school capital improvements are expensed. For fiscal year ended June 30, 2008, Cabarrus County implemented GASB Statement #45 regarding the accounting and reporting requirements for Other Post-employment Benefits (OPEB) which resulted in the County recording for *governmental* activities a \$1,326,024 unfunded OPEB liability for fiscal year 2008 and an additional \$1,554,197 unfunded OPEB liability for fiscal year 2009.
- At the end of the current fiscal year, unreserved fund balance for the General Fund was \$41,187,681 or 20.59 percent of total general fund expenditures for the fiscal year.
- Cabarrus County's total debt increased by \$44,123,261 (13.6%) during the current fiscal year. The key factor in this increase was the issuance of \$58,810,000 in new debt for the construction of a jail housing unit.
- Cabarrus County maintained its AA bond rating for the 9th consecutive year.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to Cabarrus 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 is designed to enhance the reader's understanding of the financial condition of Cabarrus County.

Required Components of Annual Financial Report (Figure 1)



Basic Financial Statements

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

The next statements (Exhibits 3 through 10) 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 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 general fund, 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, similar in format to a financial statement of a private-sector business. The government-wide statements provide short and long-term information about the County's financial status as a whole.

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

The government-wide statements are divided into three categories: 1) governmental activities; 2) business-type activities; and 3) component units. The governmental activities include most of the County's basic services such as public safety, parks and recreation, and general administration. Property taxes and State and federal grant funds finance most of these activities. The business-type activities are those that the County charges customers to provide. These include landfill services offered by Cabarrus County. The final category is the component units. Cabarrus Health Alliance was incorporated under the hospital authority act to provide public health care to the citizens and residents of the County. The Alliance has leased office space from the County for a five year term. The Chairperson of the Board of Commissioners for Cabarrus County appoints the members of the board of the Alliance.

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

Fund Financial Statements

The fund financial statements provide a more detailed look at the County's most significant activities. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Cabarrus 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 Cabarrus County can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

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

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

Proprietary Funds – Cabarrus County has two kinds of proprietary funds. *Enterprise Funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. Cabarrus County uses an enterprise fund to account for solid waste and recycling operations. This fund is 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 used to account for operations that provide services to other departments on a cost-reimbursement basis. Cabarrus County uses internal service funds to account for workers compensation and self-insured hospitalization activities.

Fiduciary Funds – Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Cabarrus County has nine fiduciary funds, one of which is a pension trust fund, two private purpose trust funds and six of which are agency funds.

Notes to the Financial Statements – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found beginning on page 37 of this report.

Other Information – In addition to the basic financial statements and accompanying notes, this report includes certain required supplementary information concerning Cabarrus County's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found beginning on page 72 of this report.

Government-Wide Financial Analysis

Cabarrus County's Net Assets

Figure 2

	Governmental Activities		Business-type Activities		Total	
	2009	2008	2009	2008	2009	2008
Current and other assets	\$ 153,931,615	\$151,973,399	\$ 5,554,390	\$ 5,809,134	\$ 159,486,005	\$ 157,782,533
Capital assets	191,822,673	154,870,423	4,174,313	3,856,424	195,996,986	158,726,847
Total assets	<u>345,754,288</u>	<u>306,843,822</u>	<u>9,728,703</u>	<u>9,665,558</u>	<u>355,482,991</u>	<u>316,509,380</u>
Long-term liabilities outstar	342,061,599	297,065,644	2,694,908	4,569,742	344,756,507	301,635,386
Other liabilities	52,114,037	53,877,966	2,255,382	282,043	54,369,419	54,160,009
Total liabilities	<u>394,175,636</u>	<u>350,943,610</u>	<u>4,950,290</u>	<u>4,851,785</u>	<u>399,125,926</u>	<u>355,795,395</u>
Net assets						
Invested in capital assets, net						
of related debt	108,046,560	91,564,956	4,174,313	3,856,424	112,220,873	95,421,380
Restricted	59,101,722	73,845,715	-	-	59,101,722	73,845,715
Unrestricted	<u>(215,569,630)</u>	<u>(209,510,459)</u>	<u>604,100</u>	<u>957,349</u>	<u>(214,965,530)</u>	<u>(208,553,110)</u>
Total net assets	<u>\$ (48,421,348)</u>	<u>\$ (44,099,788)</u>	<u>\$ 4,778,413</u>	<u>\$ 4,813,773</u>	<u>\$ (43,642,935)</u>	<u>\$ (39,286,015)</u>

While total net assets are often considered a useful indicator of a government's financial position, it does not adequately reflect the County's position. In accordance with the North Carolina General Statutes, the County is the issuer and payer of debt for capital purposes for the Cabarrus County Schools, Kannapolis City Schools and the Rowan-Cabarrus Community College. This debt, which totals \$239,638,170 at June 30, 2009 and totaled \$254,994,303 at June 30, 2008, is recorded in long-term liabilities with no offsetting capital assets recorded, as the assets are owned by the agencies. The agencies use the debt proceeds to acquire or construct capital assets. The effect of this accounting is to distort net assets of the County, creating a large deficit in unrestricted net assets. Net Assets of \$112,220,873 at June 30, 2009 and \$95,421,380 at June 30, 2008 are invested in capital assets, net of any related outstanding debt of those assets. Capital assets include land, buildings, vehicles, equipment and other machinery used in providing services to residents. Also, net assets of \$59,101,722 at June 30, 2009 and \$73,845,715 at June 30, 2008 are reserved by law for specific purposes. The net increase in the deficit unrestricted net assets, resulted from the issuance of debt and the decrease in County capital assets net of accumulated depreciation. Net assets do not present the County's position regarding spending, this amount is presented in the governmental funds statements.

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

- Continued diligence in the collection of property taxes by maintaining a collection percentage of 98.06%, higher than the statewide average of 97.64%.
- County property which had been for sale for numerous years was sold during fiscal year 2009 for approximately \$1 million.
- Continued low cost of debt due to the County's high bond rating and the prevailing interest rate environment.
- The State of North Carolina assumed 50% of the County's Medicaid Assistance payments and effective July 1, 2009; the state will assume 100%.

- Due to harsh economic times, a budget expenditure reduction of 2.9% was applied to all County Departments. County departments were conservative in their spending and General Fund expenditures at June 30, 2009 were \$8,283,543 under budget.

Cabarrus County's Changes in Net Assets

Figure 3

	Governmental Activities		Business-type Activities		Total	
	2009	2008	2009	2008	2009	2008
Revenues:						
Program Revenues:						
Charges for services	\$ 15,467,145	\$ 21,121,093	\$ 1,565,441	\$ 1,474,242	\$ 17,032,586	\$ 22,595,335
Operating grants and contributions	21,374,570	20,960,313	-	-	21,374,570	20,960,313
Capital grants and contributions	1,620,503	1,686,644	-	-	1,620,503	1,686,644
General revenues:						
Property taxes	134,629,314	105,322,403	-	-	134,629,314	105,322,403
Other taxes	32,338,929	39,940,999	34,405	31,096	32,373,334	39,972,095
Grants and contributions not restricted to specific programs	150,663	135,546	-	-	150,663	135,546
Investment earnings	2,657,376	6,672,098	74,925	212,399	2,732,301	6,884,497
Other	933,249	222,483	23,054	4,000	956,303	226,483
Total revenues	209,171,749	196,061,579	1,697,825	1,721,737	210,869,574	197,783,316
Expenses:						
General government	19,804,610	18,415,916	-	-	19,804,610	18,415,916
Public safety	29,872,453	27,859,820	-	-	29,872,453	27,859,820
Economic and physical development	3,546,315	5,120,325	-	-	3,546,315	5,120,325
Environmental protection	251,712	273,920	-	-	251,712	273,920
Human services	41,849,320	42,113,299	-	-	41,849,320	42,113,299
Education	96,464,947	80,456,701	-	-	96,464,947	80,456,701
Cultural and recreation	6,401,250	7,750,422	-	-	6,401,250	7,750,422
Interest on long-term debt	15,302,702	13,267,793	-	-	15,302,702	13,267,793
Landfill	-	-	1,733,185	1,746,268	1,733,185	1,746,268
Total expenses	213,493,309	195,258,196	1,733,185	1,746,268	215,226,494	197,004,464
Increase (decrease) in net assets	(4,321,560)	803,383	(35,360)	(24,531)	(4,356,920)	778,852
Net assets, July 1, restated	(44,099,788)	(44,903,171)	4,813,773	4,838,304	(39,286,015)	(40,064,867)
Net assets, June 30	<u><u>\$ (48,421,348)</u></u>	<u><u>\$ (44,099,788)</u></u>	<u><u>\$ 4,778,413</u></u>	<u><u>\$ 4,813,773</u></u>	<u><u>\$ (43,642,935)</u></u>	<u><u>\$ (39,286,015)</u></u>

Financial Analysis of the County's Funds

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

Governmental Funds. The focus of Cabarrus County's governmental funds is to provide information on near-term inflows, outflows, and balances of usable resources. Such information is useful in assessing Cabarrus 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 Cabarrus County. At the end of the current fiscal year, unreserved fund balance of the General Fund was \$41,187,681, while total fund balance reached \$51,338,793. 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

20.59 percent of total General Fund expenditures, while total fund balance represents 25.66 percent of that same amount.

At June 30, 2009, the governmental funds of Cabarrus County reported a combined fund balance of \$124,423,985, a 2.4% increase or \$2,953,648 increase from last year. There are two reasons for this net increase. One reason was the issuance of COPS in the amount of \$58,810,000 for the construction of a Jail Housing Unit. This debt instrument has been issued, however the majority of expenditures for the projects will occur in future years. The second reason for the net increase was the use of \$31,529,872 in COPS that were issued in a previous fiscal year.

General Fund Budgetary Highlights: During the fiscal year, the County revised the budget on several occasions. Generally, budget amendments fall into one of three categories: 1) amendments made to adjust the estimates that are used to prepare the original budget ordinance once exact information is available; 2) amendments made to recognize new funding amounts from external sources, such as Federal and State grants; and 3) increases in appropriations that become necessary to maintain services. Total amendments to the General Fund's budget amounted to a decrease of \$2,390,703.

Major budget increases (decreases) during the year include:

- Contribution to Capital Reserve Fund – transfer funds from the General Fund pursuant to County policy that upon completion of the annual audit, any undesignated fund balance above 15% will be transferred to the Capital Reserve Fund to be spent on future capital projects. -- \$12,203,646
- Contribution to the Capital Projects Fund – for budgetary and accounting purposes transferred funds from the General Fund for the following projects: 800 MHz Radios to purchase additional emergency radio equipment and transferred funds for park improvements at Frank Liske Park, and Camp Spencer Park. -- \$888,328
- Fund Balance Appropriated – funding for capital projects that were incomplete in the prior fiscal year (FY 2008) are brought into the new budget once the budget is closed by appropriating fund balance for the balance to be expended in the current fiscal year for capital projects. -- \$1,341,377
- Department of Social Services – due to economic conditions, we had an increase in revenue and expenses for funds received for Emergency Assistance to deal with citizen's emergency utility, food and medical needs. -- \$469,646
- Board of Commissioners – instituted as across the board 2.9% fiscal adjustment to the FY 2009 adopted budget to reflect reduced revenues in sales tax, Register of Deeds fees and Building Inspection fees as a result of the current economic conditions. -- \$6,081,308

At year-end, *actual* revenues and transfers in exceeded *final amended budget* numbers by .49%. Actual expenditures and transfers out were less than *final budgetary* figures by 4%, thus eliminating the need to draw upon existing fund balance.

Proprietary Funds. Cabarrus County's proprietary funds provide the same type of information found in the government-wide statements but in more detail. Unrestricted net assets of the Landfill Fund at the end of the fiscal year amounted to \$604,100. This represents a decrease of \$353,249 over fiscal year 2008. The key factor in this decrease is attributable to the replacement of a fuel service truck, a bulldozer, and an air compressor. Other factors concerning the finances of this fund have already been addressed in the discussion of Cabarrus County's business-type activities.

Capital Asset and Debt Administration

Capital assets. Cabarrus County's investment in capital assets for its governmental and business-type activities as of June 30, 2009, totals \$195,996,986 (net of accumulated depreciation). These assets

include buildings, building improvements, land, land improvements, reservoir, equipment, furniture and fixtures, vehicles, and construction in progress.

Major capital asset transactions during the year include:

- Purchased 13 new vehicles for the Sheriff's department, 3 vehicles for Animal Control, 3 vehicles for General Services, 20 new hybrid vehicles for the Department of Social Services, 11 vehicles for Transportation and 3 ambulances and 4 vehicles for Emergency Medical Services
- Continued work for the construction on the Justice Center Project
- Continued work for a comprehensive Law Enforcement package (OSSI E911), consisting of software and hardware
- Purchased land for a future park
- Completed a Scale House for the Landfill
- Purchased a dozer for the Landfill
- Renovations were completed for the Governmental Center, Historic Courthouse, Department of Social Services lobby and replaced the flooring in Gold Hall at the Arena

Cabarrus County's Capital Assets
(net of accumulated depreciation)

Figure 4

	Governmental Activities		Business-type Activities		Total	
	2009	2008	2009	2008	2009	2008
Land	\$ 24,013,499	\$ 20,464,368	\$ 490,447	\$ 490,447	\$ 24,503,946	\$ 20,954,815
Land Improvements	3,640,753	3,960,481	947,313	1,020,654	4,588,066	4,981,135
Buildings	36,150,309	37,359,163	1,189,923	668,142	37,340,232	38,027,305
Building Improvements	12,141,844	11,614,478	4,388	4,526	12,146,232	11,619,004
Equipment	3,239,784	3,775,705	90,756	82,996	3,330,540	3,858,701
Furniture and Fixtures	218,098	77,170	-	-	218,098	77,170
Vehicles	3,991,096	2,816,119	1,405,975	1,130,993	5,397,071	3,947,112
Reservoir	21,460,779	21,482,544	-	-	21,460,779	21,482,544
Construction in progress	86,966,511	53,320,395	45,511	458,666	87,012,022	53,779,061
Total	<u>\$ 191,822,673</u>	<u>\$ 154,870,423</u>	<u>\$ 4,174,313</u>	<u>\$ 3,856,424</u>	<u>\$ 195,996,986</u>	<u>\$ 158,726,847</u>

Additional information on the County's capital assets can be found in note 3 section E of the Basic Financial Statements.

Long-term Debt. As of June 30, 2009, Cabarrus County had total debt outstanding of \$358,546,029 of which includes General Obligation Bonds that are backed by the full faith and credit of the County and all other debt is covered by pledged collateral and is subject to appropriation.

Cabarrus County's Outstanding Debt
All Debt Funding Sources
Figure 5

	Governmental Activities	
	2009	2008
General obligation bonds	\$ 119,835,000	\$ 126,895,000
Capital lease obligations	3,458,315	331,964
Certificates of participation	220,885,000	173,165,000
Installment financing	14,367,714	15,990,284
Total	<u>\$ 358,546,029</u>	<u>\$ 316,382,248</u>

As mentioned in the financial highlights section of this document, Cabarrus County maintained for the 9th consecutive year, its Aa2 bond rating from Moody's Investor Service and AA bond rating from Fitch and the 1st year of an upgrade to AA+ from Standard and Poor's, after 8 consecutive years of a AA bond rating. These bond rating is a clear indication of the sound financial condition of Cabarrus County.

The State of North Carolina limits the amount of general obligation debt that a unit of government can issue to 8 percent of the total assessed value of taxable property located within that government's boundaries. The legal debt margin for Cabarrus County is \$1,311,211,509. Additional information regarding Cabarrus County's long-term obligations can be found beginning in note 3 section J of this report.

Economic Factors and Next Year's Budgets and Rates

Cabarrus County is a part of the Charlotte Metropolitan Statistical Area (MSA), which in the past before the current economic downturn, has proved beneficial in that the County has continued to experience economic growth during national and state economic downturns. As a direct result from current economic conditions, FY 2009 and FY 2010 have created fiscal challenges. Overall, the County has a fiscally strong bottom line, with a balanced diverse economy, and commitment to conservatism and strategic focus in its approach to evaluating both revenue and expenditures for fiscal solutions. The following key economic indicators reflect the current dynamics facing the County.

Indicator	Cabarrus County
Population, 2008	167,035
Population, 2000 Census	131,063
Population Change 2000 - 2008	28.7%
Unemployment, April 2009	11.3%
Per Capita Personal Income, 2008	\$28,001
Poverty, 2008	7.1%

Source: U.S. Census Bureau, N.C. Department of Commerce

Budget Highlights for the Upcoming Fiscal Year Ending June 30, 2010

Governmental Activities: Ad Valorem tax is the largest single revenue item. It is based on a tax rate of \$0.63 per \$100 of assessed valuation, the same rate in effect for fiscal year 2009. The total budgeted amount of \$122,409,805 represents an increase of 1.85% from the amended fiscal year 2009 budget. Motor vehicle taxes have been budgeted at \$7,532,629 or 3.05% increase from fiscal year 2009. Budgeted sales tax revenues are \$27.9 million, a 17.62% decrease above fiscal year 2009 due to current economic conditions.

In accordance with the existing Cabarrus County Personnel Management Policy, wage increases were not recommended based on a rounding of the Consumer Price Index (CPI) as published for December 2008. The Personnel Management Policy also provides merit pay raises based on performance. Due to the current economic conditions, the adopted budget departed from the policy and recommended the suspension of merit adjustments for fiscal year 2010.

Education / School Debt is the largest service area within the budget. This service area funds two public school systems and one community college. It also funds debt associated with the acquisition and construction of capital assets for the school systems and the community college. Total spending within this function is budgeted at \$81 million, which represents 39.44% of all budgeted fiscal year 2010 spending. The funding level represents a decrease of 1.69% below the past year's funding.

Other Debt Service funds principal and interest payments on debt for the acquisition and construction of capital assets. Total spending within this function is budgeted at \$10.04 million, which represents 4.89% of the fiscal year 2010 budget, and is an 18.49% increase from the amended fiscal year 2009 budget due to the issuance of Certificates of Participation for the construction of a Jail Housing Unit.

Business-type Activities: The fiscal year 2010 Solid Waste Management (Landfill) Fund budget totals \$1,595,914 which represents a decrease of 59.26% above fiscal year 2009 due to the postponement of the Construction and Demolition expansion.

In fiscal year 2010, the disposal tax on white goods remains flat, as do tire disposal fees. Tipping fees are projected to decrease by 28.75% due to economic conditions.

Included in the fiscal year 2010 Solid Waste Management Fund budget is funding for the purchase of two replacements and two new 40 yard roll-off containers.

Requests for Information

This report is designed to provide an overview of the County's finances for those with an interest in this area. Questions concerning any of the information found in this report or requests for additional information should be directed to the Assistant Director of Finance, Cabarrus County, 65 Church Street SE, Concord, NC 28027, (704) 920-2894.



Basic Financial Statements

Cabarrus County, North Carolina
Statement of Net Assets
June 30, 2009

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	
<u>Assets</u>				
Cash and cash equivalents	\$ 87,278,466	\$ 5,401,239	\$ 92,679,705	\$ 3,249,729
Receivables (net of allowance for uncollectibles):				
Accounts receivable	3,839,360	4,453	3,843,813	985,111
Customers	244,476	75,786	320,262	1,672,439
Property taxes	2,406,985	-	2,406,985	-
Due from other governments	6,005,289	72,912	6,078,201	109,187
Inventories	4,935	-	4,935	-
Prepaid expenses	55,134	-	55,134	-
Restricted cash and cash equivalents	47,094,340	-	47,094,340	-
Deferred charges	6,087,230	-	6,087,230	-
Notes Receivable	915,400	-	915,400	-
Capital Assets not being depreciated:				
Land	24,013,499	490,447	24,503,946	239,228
Construction in Progress	86,966,511	45,511	87,012,022	-
Capital Assets net of accumulated depreciation:				
Land Improvements	3,640,753	947,313	4,588,066	566,742
Buildings and Building Improvements	48,292,153	1,194,311	49,486,464	-
Reservoir	21,460,779	-	21,460,779	-
Furniture and Fixtures	218,098	-	218,098	10,433
Equipment	3,239,784	90,756	3,330,540	84,333
Vehicles and Motorized Equip	3,991,096	1,405,975	5,397,071	80,070
Total assets	345,754,288	9,728,703	355,482,991	6,997,272
<u>Liabilities</u>				
Accounts payable and other current liabilities	13,956,085	129,167	14,085,252	923,463
Unearned revenues	520,318	-	520,318	-
Unamortized bond premium	7,869,704	-	7,869,704	-
Accrued interest payable	4,092,176	-	4,092,176	-
Retainage payable	3,137,232	-	3,137,232	-
Long-term liabilities:				
Due within one year	22,538,522	2,126,215	24,664,737	611,356
Due in more than one year	342,061,599	2,694,908	344,756,507	214,550
Total long-term liabilities	<u>364,600,121</u>	<u>4,821,123</u>	<u>369,421,244</u>	<u>825,906</u>
Total liabilities	394,175,636	4,950,290	399,125,926	1,749,369
<u>Net Assets</u>				
Invested in Capital Assets, (net of related debt)	108,046,560	4,174,313	112,220,873	980,806
Restricted for :				
Special Revenue:				
Public Safety	869,944	-	869,944	-
Human Services	292,460	-	292,460	-
Education	4,210,747	-	4,210,747	-
Culture and recreation	763,922	-	763,922	-
Other purposes	331,693	-	331,693	-
Capital Projects	52,632,956	-	52,632,956	-
Unrestricted	(215,569,630)	604,100	(214,965,530)	4,267,097
Total net assets	\$ (48,421,348)	\$ 4,778,413	\$ (43,642,935)	\$ 5,247,903

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

Cabarrus County, North Carolina
Statement of Activities
For the Year Ended June 30, 2009

Function/Program Activities	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants and Contributions	Primary Government		
				Capital Grants and Contributions	Governmental Activities	Business-Type Activities
Primary Government:						
Governmental Activities:						
General government	\$ 19,804,610	\$ 2,764,580	\$ 337,714	\$ -	\$ (16,702,316)	\$ -
Public safety	29,872,453	7,227,219	974,186	-	(21,671,048)	-
Econ. & physical development	3,546,315	142,332	452,379	-	(2,951,604)	-
Environmental protection	251,712	647	38,813	-	(212,252)	-
Human services	41,849,320	3,501,902	18,827,015	663,564	(18,856,839)	-
Education	96,464,947	793,590	128,465	956,939	(94,585,953)	-
Culture and recreation	6,401,250	1,036,875	615,998	-	(4,748,377)	-
Interest on long-term debt	15,302,702	-	-	-	(15,302,702)	-
Total governmental activities	213,493,309	15,467,145	21,374,570	1,620,503	(175,031,091)	-
Business-Type Activities:						
Solid Waste	1,733,185	1,565,441	-	-	(167,744)	-
Total business-type activities	1,733,185	1,565,441	-	-	(167,744)	-
Total primary government	\$ 215,226,494	\$ 17,032,586	\$ 21,374,570	\$ 1,620,503	(175,031,091)	-
Component Unit:						
Cabarrus Health Alliance	\$ 19,945,407	\$ 10,182,604	\$ 9,285,721	\$ -	-	(477,082)
General Revenues:						
Property taxes					134,629,314	-
Sales taxes					31,568,865	-
Franchise taxes					671,060	-
ABC revenues					241,932	-
Gross receipts tax					99,004	-
White goods tax					34,405	-
Investment earnings					74,925	42,147
Donations					150,663	-
Miscellaneous					23,054	79,643
Total general revenues, special items, and transfers					132,384	121,790
Changes in net assets					(35,360)	(355,292)
Net assets - July 1					4,813,773	5,603,195
Net assets - June 30					\$ 4,778,413	\$ 5,247,903

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

Cabarrus County, North Carolina
Balance Sheet
Governmental Funds
June 30, 2009

	Major			Non-Major	
	General	Justice Center Construction	School Construction	Other Governmental Funds	Total Governmental Funds
Assets					
Cash and cash equivalents	\$ 47,604,516	\$ 3,936,342	\$ 2,881,181	\$ 28,341,592	\$ 82,763,631
Receivables (net of allowance for uncollectibles)					
Accounts receivable	3,708,062	1,395	484	581,421	4,291,362
Customers	244,476	-	-	-	244,476
Property taxes	2,406,985	-	-	-	2,406,985
Due from other governments	6,005,289	-	-	-	6,005,289
Prepaid expense	53,735	-	-	-	53,735
Notes receivable	90,400	-	-	825,000	915,400
Inventories	4,935	-	-	-	4,935
Restricted cash	1,602	38,182,922	8,786,382	123,434	47,094,340
Total assets	<u>\$ 60,120,000</u>	<u>\$42,120,659</u>	<u>\$ 11,668,047</u>	<u>\$ 29,871,447</u>	<u>\$ 143,780,153</u>
Liabilities and Fund Balances					
Liabilities:					
Accounts payable and accrued liabilities	\$ 5,609,427	\$ 4,364,330	\$ 1,757,063	\$ 1,316,336	\$ 13,047,156
Contract retainages	-	1,332,714	1,758,873	45,645	3,137,232
Deferred revenue	2,651,462	-	-	-	2,651,462
Unearned revenue	520,318	-	-	-	520,318
Total liabilities	<u>8,781,207</u>	<u>5,697,044</u>	<u>3,515,936</u>	<u>1,361,981</u>	<u>19,356,168</u>
Fund Balances:					
Reserved for:					
Inventories	4,935	-	-	-	4,935
Prepaid expenditures	53,735	-	-	-	53,735
State statute	9,803,750	-	-	-	9,803,750
Special Revenue:					
Public Safety	-	-	-	869,944	869,944
Human Services	-	-	-	292,460	292,460
Education	-	-	-	4,210,747	4,210,747
Culture and recreation	-	-	-	763,922	763,922
Other purposes	-	-	-	331,693	331,693
Capital Projects	-	36,423,615	8,152,111	8,057,230	52,632,956
Unreserved, designated for sustainability effort	288,692	-	-	-	288,692
Unreserved, designated for subsequent year's expenditures:					
Special Revenue	-	-	-	13,983,470	13,983,470
Unreserved, undesignated for General fund	41,187,681	-	-	-	41,187,681
Total fund balances	<u>51,338,793</u>	<u>36,423,615</u>	<u>8,152,111</u>	<u>28,509,466</u>	<u>124,423,985</u>
Total liabilities and fund balances	<u>\$ 60,120,000</u>	<u>\$42,120,659</u>	<u>\$ 11,668,047</u>	<u>\$ 29,871,447</u>	
Amounts reported for governmental activities in the statement of net assets are different because:					
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds					
Government capital assets				224,050,623	
Less accumulated depreciation				(32,227,950)	191,822,673
Other assets used in governmental activities are not financial resources and, therefore are not reported in the governmental funds					
Deferred Revenue					2,651,462
Debt Issuance Costs				6,664,032	
Current Year Amortization				(576,802)	6,087,230
Premium on Debt Issuance				(8,495,520)	
Current Year Amortization				625,816	(7,869,704)
Internal service funds are used by management to charge the costs of workers' compensation and self-insured hospitalization to individual departments.					
					3,155,301
Long-term liabilities, including bonds payable and other postemployment benefits, are not due and payable in the current period and therefore are not reported in the funds.					
Bonds and Other Debt Payable				(358,546,027)	
Accrued Interest				(4,092,176)	
Compensated Absences				(3,012,266)	
LEO Pension Obligation				(161,605)	
OPEB Obligation				(2,880,221)	(368,692,295)
Net assets of governmental activities					<u>\$ (48,421,348)</u>

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

Cabarrus County, North Carolina
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2009

	Major			Non-Major	
	General	Justice Center Construction	School Construction	Other Governmental Funds	Total Governmental Funds
Revenues:					
Ad valorem taxes	\$ 132,283,249	\$ -	\$ -	\$ 2,565,627	\$134,848,876
Other taxes and licenses	32,338,928	-	-	-	32,338,928
Intergovernmental revenues	21,557,404	-	-	1,550,068	23,107,472
Permits and fees	3,680,739	-	-	2,294,955	5,975,694
Sales and services	9,680,365	-	-	-	9,680,365
Investment earnings	1,319,518	357,734	378,939	299,852	2,356,043
Donations	-	-	-	286,433	286,433
Miscellaneous	1,940,847	-	-	8,745	1,949,592
Total revenues	202,801,050	357,734	378,939	7,005,680	210,543,403
Expenditures:					
Current:					
General government	18,338,165	-	-	112,739	18,450,904
Public safety	25,208,899	13,835	-	3,360,705	28,583,439
Economic & physical development	2,271,219	-	-	1,156,381	3,427,600
Environmental protection	216,827	-	-	557	217,384
Human services	40,976,846	-	-	100,320	41,077,166
Education	55,635,740	-	31,529,872	9,188,163	96,353,775
Culture and recreation	4,372,359	-	-	1,447,512	5,819,871
Capital outlay:					
Land and land improvements	19,078	127,736	-	3,432,525	3,579,339
Building and building improvements	284,813	-	-	128,620	413,433
Equipment and furniture	417,365	-	-	28,073	445,438
Vehicles and motorized equipment	2,059,253	-	-	24,974	2,084,227
Construction in progress	1,065,979	31,763,055	-	1,462,136	34,291,170
Debt service:					
Principal retirement	20,067,615	-	-	-	20,067,615
Interest and fees	15,371,972	-	-	-	15,371,972
Total expenditures	186,306,130	31,904,626	31,529,872	20,442,705	270,183,333
Excess (deficiency) of revenues over (under) expenditures	16,494,920	(31,546,892)	(31,150,933)	(13,437,025)	(59,639,930)
Other financing sources (uses):					
Transfers in	967,503	-	1,462,879	26,803,470	29,233,852
Transfers out	(13,748,252)	(407,409)	(2,241)	(15,075,950)	(29,233,852)
Lease Financing issued	-	-	-	3,421,394	3,421,394
Certificates of Participation issued	-	58,810,000	-	-	58,810,000
Premium on Certificates of Participation issued	-	362,184	-	-	362,184
Total other financing sources (uses)	(12,780,749)	58,764,775	1,460,638	15,148,914	62,593,578
Net change in fund balances	3,714,171	27,217,883	(29,690,295)	1,711,889	2,953,648
Fund balance, July 1	47,624,622	9,205,732	37,842,406	26,797,577	121,470,337
Fund balance, June 30	\$ 51,338,793	\$ 36,423,615	\$ 8,152,111	\$ 28,509,466	\$124,423,985

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

Cabarrus County, North Carolina
Reconciliation of the Statement of Revenues, Expenditures
And Changes in Fund Balance to the Statement of Activities of Governmental Funds
For the Year Ended June 30, 2009

Net change in fund balances-total governmental funds \$ 2,953,648

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is capitalized and depreciated over their estimated useful lives.

Expenditures for capital assets	40,813,607	
Less current year depreciation	<u>(3,345,224)</u>	37,468,383

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

Ambulance	(902,084)	
Property Tax	(219,562)	
Building Inspections	<u>(104,139)</u>	(1,225,785)

The effect of various miscellaneous transactions involving capital assets.

Donation of capital assets	50,663	
Disposal of capital assets, net book value	<u>(566,796)</u>	(516,133)

Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. This amount is the net effect of these differences in the treatment of

Debt proceeds	(62,593,578)	
Debt costs	587,008	
Amortization of current year debt premium	625,816	
Principal payments	<u>20,067,615</u>	(41,313,139)

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Compensated Absences	(207,218)	
LEO Pension Obligation	4,676	
OPEB Obligation	(1,554,197)	
Accrued Interest	69,270	
Amortization of current year debt costs	<u>(576,802)</u>	(2,264,271)

The purpose of this adjustment is to recognize the net change in "unavailable" revenues. Under the modified accrual basis of accounting, revenues are not recognized unless they are deemed "available" to finance the expenditures of the current period. Accrual-basis recognition is not limited by availability, so certain revenues need to be reduced by the amounts that were unavailable at the beginning of the year and increased by the amounts that were unavailable at the end of the year. This adjustment records a net decrease in revenues - unavailable revenues at the end of the year exceed beginning unavailable revenues by this amount.

Internal service funds are used by management to charge the cost of workers' compensation and self-insured hospitalization systems to individual departments.

	<u>575,737</u>	<u>575,737</u>
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Changes in net assets of governmental activities		<u>\$ (4,321,560)</u>
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The notes to the financial statements are an integral part of this statement.

Cabarrus County, North Carolina
General Fund
Statement of Revenues, Expenditures, and Changes in Fund Balances-Budget and Actual
For the Year Ended June 30, 2009

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
Revenues:				
Ad Valorem Taxes:				
Taxes	\$ 131,250,558	\$ 129,484,125	\$ 131,733,977	\$ 2,249,852
Interest	440,000	452,357	549,272	96,915
Other Taxes and Licenses	34,984,674	34,398,497	32,338,928	(2,059,569)
Intergovernmental Revenues	19,925,883	21,463,010	21,557,404	94,394
Permits and Fees	7,053,450	3,009,342	3,680,739	671,397
Sales and Services	9,148,415	9,324,934	9,680,365	355,431
Investment Earnings	2,004,000	2,004,000	1,319,518	(684,482)
Miscellaneous	406,309	546,980	1,940,847	1,393,867
Total revenues	<u>205,213,289</u>	<u>200,683,245</u>	<u>202,801,050</u>	<u>2,117,805</u>
Expenditures:				
Current:				
General Government	23,352,207	22,853,806	19,899,655	2,954,151
Public Safety	26,917,728	27,092,260	26,226,116	866,144
Economic & Physical Development	2,975,226	2,642,779	2,271,219	371,560
Environmental Protection	295,923	273,823	216,827	56,996
Human Services	44,832,742	45,866,138	42,191,258	3,674,880
Education	56,129,216	55,800,810	55,635,740	165,070
Culture and Recreation	4,332,672	4,591,559	4,425,728	165,831
Debt service:				
Principal retirement	20,842,617	20,067,617	20,067,615	2
Interest and fees	15,788,680	15,400,881	15,371,972	28,909
Total expenditures	<u>195,467,011</u>	<u>194,589,673</u>	<u>186,306,130</u>	<u>8,283,543</u>
Excess (deficiency) of revenues over (under) expenditures	<u>9,746,278</u>	<u>6,093,572</u>	<u>16,494,920</u>	<u>10,401,348</u>
Other financing sources (uses):				
Transfers in	1,222,223	2,089,164	967,503	(1,121,661)
Transfers out	(10,968,501)	(14,236,542)	(13,748,252)	488,290
Fund balance appropriated	<u>-</u>	<u>6,053,806</u>	<u>-</u>	<u>(6,053,806)</u>
Total other financing sources (uses)	<u>(9,746,278)</u>	<u>(6,093,572)</u>	<u>(12,780,749)</u>	<u>(6,687,177)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ -</u>	<u>3,714,171</u>	<u>\$ 3,714,171</u>
Fund balance, July 1			<u>47,624,622</u>	
Fund balance, June 30			<u>\$ 51,338,793</u>	

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

Cabarrus County, North Carolina
Statement of Net Assets
Proprietary Funds
June 30, 2009

	Business-type Activities- Landfill Enterprise Fund	Governmental Activities- Internal Service Funds
<u>Assets</u>		
Current assets:		
Cash and cash equivalents	\$ 5,401,239	\$ 4,514,835
Receivables (net):		
Accounts	4,453	2,706
Customers	75,786	-
Due from other governments	72,912	-
Total current assets	<u>5,554,390</u>	<u>4,517,541</u>
Capital assets:		
Land & land improvements	1,785,539	-
Construction in progress	45,511	-
Buildings & improvements	1,309,664	-
Vehicles and equipment	2,517,645	-
Less: Accumulated depreciation	(1,484,046)	-
Total capital assets (net)	<u>4,174,313</u>	<u>-</u>
Total assets	<u>9,728,703</u>	<u>4,517,541</u>
<u>Liabilities</u>		
Current liabilities:		
Accounts payable and accrued liabilities	129,167	465,824
Closure/postclosure costs payable	2,098,219	-
Compensated absences payable	27,996	-
Total current liabilities	<u>2,255,382</u>	<u>465,824</u>
Noncurrent liabilities:		
Amounts payable for future claims	-	896,416
Closure/postclosure costs payable	2,655,392	-
Compensated absences payable	7,000	-
Other postemployment benefits	32,516	-
Total noncurrent liabilities	<u>2,694,908</u>	<u>896,416</u>
Total liabilities	<u>4,950,290</u>	<u>1,362,240</u>
<u>Net Assets</u>		
Invested in capital assets	4,174,313	-
Unrestricted	604,100	3,155,301
Total net assets	<u>\$ 4,778,413</u>	<u>\$ 3,155,301</u>

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

Cabarrus County, North Carolina
Statement of Revenues, Expenses, And Changes in Fund Net Assets
Proprietary Funds
For the Year Ended June 30, 2009

	Business-type Activities- Landfill Enterprise Fund	Governmental Activities- Internal Service Funds
	<u>Fund</u>	<u>Funds</u>
Operating revenues:		
Charges for sales and services:		
Tipping fees	\$ 1,184,610	\$ -
Recycling revenue	54,280	-
Insurance premiums/refunds	-	7,245,809
Overages	631	-
Total charges for sales and services	<u>1,239,521</u>	<u>7,245,809</u>
Other operating revenues:		
Landfill disposal tax	86,994	-
Landfill state tax distribution	27,075	-
Recycling grant	17,000	-
Solid waste franchise fee	17,733	-
Tire disposal fees	177,118	-
White goods disposal tax	34,405	-
Total other operating revenues	<u>360,325</u>	<u>-</u>
Total operating revenues	<u>1,599,846</u>	<u>7,245,809</u>
Operating expenses:		
Administration:		
Salary and benefits:		
Salaries and wages	365,450	-
FICA	22,598	-
Medicare	5,285	-
Group hospital insurance	82,310	-
Retirement	18,195	-
Deferred compensation- 401K	18,606	-
Insurance and bonds	6,550	-
Total salaries and benefits	<u>518,994</u>	<u>-</u>
Operations:		
General and administrative:		
Administrative fees	-	1,238,941
Advertising	1,699	-
Bank Service charges	2,179	-
Dues and subscriptions	380	-
Lights and power	6,154	-
Office supplies	2,631	-
Postage	314	-
Printing and binding	873	-
Telephone	5,522	-
Travel	7,885	-
Uniforms	5,100	-
Total general and administrative	<u>32,737</u>	<u>1,238,941</u>

Cabarrus County, North Carolina
Statement of Revenues, Expenses, And Changes in Fund Net Assets
Proprietary Funds
For the Year Ended June 30, 2009

	Business-type Activities- Landfill Enterprise Fund	Governmental Activities- Internal Service Funds
Other operational expenses:		
Auto and truck maintenance	14,481	-
Building and ground maintenance	9,543	-
Claims	-	5,485,153
Closure/postclosure costs	328,595	-
Consultants	15,000	-
Depreciation	325,369	-
Engineers	99,122	-
Fuel	69,835	-
Heavy equipment maintenance	44,494	-
Landfill disposal tax remittance	86,994	-
Minor equipment maintenance	25,490	-
Minor office equipment	1,674	-
Other operating cost	2,176	-
Purchased service	25,324	-
Recycling program	7,716	-
Service contracts	2,587	-
Tire disposal	90,778	-
Tools and minor equipment	1,713	-
Waste disposal charges	1,108	-
White goods expense	29,455	-
Total other operational expenses	<u>1,181,454</u>	<u>5,485,153</u>
 Total operating expenses	 <u>1,733,185</u>	 <u>6,724,094</u>
 Operating income (loss)	 <u>(133,339)</u>	 <u>521,715</u>
 Nonoperating revenues:		
Investment earnings	74,925	54,022
Total nonoperating revenues	<u>74,925</u>	<u>54,022</u>
 Capital contributions:		
General fund transfer of motor vehicle	23,054	-
 Change in net assets	 (35,360)	 575,737
 Total net assets, July 1	 <u>4,813,773</u>	 <u>2,579,564</u>
 Total net assets, June 30	 <u>\$ 4,778,413</u>	 <u>\$ 3,155,301</u>

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

Cabarrus County, North Carolina
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2009

	Business-type Activities- Landfill Enterprise Fund	Governmental Activities- Internal Service Funds
Cash flows from operating activities:		
Cash received from customers	\$ 1,621,341	\$ -
Cash received from departments	-	7,245,118
Cash paid to employees	(507,626)	-
Cash paid to suppliers for goods and services	(801,684)	(6,729,295)
Net cash provided by (used for) operating activities	<u>312,031</u>	<u>515,823</u>
Cash flows from capital and related financing activities:		
Acquisition of capital assets	(620,205)	-
Net cash provided by (used for) capital and related financing activities	<u>(620,205)</u>	<u>-</u>
Cash flows from investing activities:		
Interest received on investments	78,680	56,879
Net cash provided by (used for) investing activities	<u>78,680</u>	<u>56,879</u>
Net increase (decrease) in cash and cash equivalents	(229,494)	572,702
Cash and cash equivalents, July 1	<u>5,630,733</u>	<u>3,942,133</u>
Cash and cash equivalents, June 30	<u>\$ 5,401,239</u>	<u>\$ 4,514,835</u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:		
Operating income (loss)	\$ (133,339)	\$ 521,715
Adjustments not affecting cash:		
Depreciation expense	325,369	-
Landfill closure and post closure care cost	192,241	-
Changes in assets and liabilities:		
(Increase) decrease in accounts receivable	3,719	(795)
(Increase) decrease in customers receivable	40,634	-
(Increase) decrease in prepaid rent	-	104
(Increase) decrease in due from other governments	(22,858)	-
Increase (decrease) in accounts payable and accrued liabilities	(62,196)	(5,201)
Increase (decrease) in OPEB payable	17,364	-
Increase (decrease) in retainage payable	(42,040)	-
Increase (decrease) in compensated absences payable	(6,864)	-
Total adjustments	<u>445,369</u>	<u>(5,892)</u>
Net cash provided by (used for) operating activities	<u>\$ 312,030</u>	<u>\$ 515,823</u>
Noncash operating activities:		
Closure/postclosure costs per Exhibit #7	\$ 328,595	\$ -
Cash paid to suppliers in operating activities	(136,354)	-
Total noncash change in landfill closure and postclosure	<u>\$ 192,241</u>	<u>\$ -</u>

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

Cabarrus County, North Carolina
Combining Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2009

	Private Purpose Trust Funds	Pension Trust Fund	Agency Funds
	<hr/>	<hr/>	<hr/>
<u>Assets</u>			
Cash and cash equivalents	\$ 19,888	\$ 245,453	\$ 951,002
Accounts receivable	-	-	4,831
	<hr/>	<hr/>	<hr/>
Total assets	19,888	245,453	955,833
	<hr/>	<hr/>	<hr/>
<u>Liabilities</u>			
Accounts payable and accrued liabilities	-	8,152	41,028
Due to jail inmates	-	-	18,838
Due to other organizations	-	-	582,560
Due to program participants	-	-	140,996
Due to schools	-	-	163,997
Due to State of North Carolina	-	-	8,414
	<hr/>	<hr/>	<hr/>
Total liabilities	-	8,152	955,833
	<hr/>	<hr/>	<hr/>
<u>Net Assets</u>			
Assets held in trust for pension benefits	-	237,301	-
Assets held in trust for other purposes	19,888	-	-
	<hr/>	<hr/>	<hr/>
Total net assets	\$ 19,888	\$ 237,301	\$ -
	<hr/>	<hr/>	<hr/>

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

Cabarrus County, North Carolina
Statement of Changes in Fiduciary Net Assets
Fiduciary Funds
For the Fiscal Year Ended June 30, 2009

	Private Purpose Trust Funds	Pension Trust Fund
	<hr/>	<hr/>
Additions:		
Contributions	\$ -	\$ 350,675
Investment earnings	363	1,195
	<hr/>	<hr/>
Total additions	363	351,870
	<hr/>	<hr/>
Deductions:		
Awards	2,000	-
Pension plan benefits	-	311,122
	<hr/>	<hr/>
Total deductions	2,000	311,122
	<hr/>	<hr/>
Change in net assets	(1,637)	40,748
Net assets, July 1	21,525	196,553
	<hr/>	<hr/>
Net assets, June 30	\$ 19,888	\$ 237,301
	<hr/> <hr/>	<hr/> <hr/>

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

Notes to the Financial Statements

**Cabarrus County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2009**

Note 1. Summary of Significant Accounting Policies

The accompanying financial statements and the following accounting policies of Cabarrus County, North Carolina (the "County") and its component units conform to accounting principles generally accepted in the United States of America as applicable to local governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. 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 one hundred counties established in North Carolina under North Carolina General Statute 153A-10. As required by accounting principles generally accepted in the United States of America, these financial statements present the County and its component units, legally separate entities, for which the County is financially accountable. The Cabarrus Development Corporation, blended component unit, and the Cabarrus County Industrial Facility and Pollution Control Financing Authority, a discretely presented component unit, described below, have no financial transactions or account balances; therefore, they do not appear in the financial statements. The Cabarrus County Development Corporation was organized and shall be operated exclusively for the purpose of providing debt financing for the County, to fulfill various statutory obligations involving but not limited to, purchase and sale, construction and/or lease of real estate improvements, facilities, and equipment. The Cabarrus County Industrial Facility and Pollution Control Financing Authority exists to issue and service revenue bond debt of private businesses for economic development purposes. The Public Health Authority of Cabarrus County, a discretely presented component unit described below, is reported in a separate column in the County's financial statements in order to emphasize that it is legally separate from the County.

Component Unit	Reporting Method	Criteria for Inclusion	Separate Financial Statements
Cabarrus Development Corporation	Blended	The Development Corporation is governed by a three-member board of directors who are established through the bylaws of the Articles of Incorporation.	None Issued
Cabarrus County Industrial Facility and Pollution Control Financing Authority	Discrete	The Authority is governed by a seven-member board of commissioners that is appointed by the county commissioners. The County can remove any commissioner of the Authority with or without cause.	None Issued
Public Health Authority of Cabarrus County d.b.a. Cabarrus Health Alliance	Discrete	Cabarrus Health Alliance (the "Alliance" was incorporated under the hospital authority act to provide public health care to the citizens and residents of the County. On April 20 th , 1998, the Cabarrus County Board by resolution authorized the transfer of powers, duties, and responsibilities to the Alliance for communicable disease control, environmental protection, and maintenance of vital records. The Alliance has leased office space from the County for a 10-year term. The members of the Board of Alliance are appointed by the Chairperson of the Board of Commissioners for Cabarrus County. The County provides funding to the Alliance on an established per capita rate of \$25.66 for FY 2009. The County funded the Alliance with \$4,028,961 or 21% of its total revenues for the fiscal year ended June 30, 2009. A financial benefit or burden relationship exists between the Alliance and the County.	Cabarrus Health Alliance 1307 South Cannon Blvd. Kannapolis, NC 28083

**Cabarrus County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2009**

B. Basis of Presentation, Basis of Accounting

Basis of Presentation, Measurement Focus – Basis of 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 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 non-major funds.

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

The County reports the following major governmental funds:

The **General Fund** is the general operating fund of the County. This fund accounts for all financial resources of the general government except those that are required to be accounted for in another fund.

The **Justice Center Construction Fund**. This fund accounts for the planning, design and construction of a Jail Annex Building, Sheriff's Administration Building, and a Jail Housing Unit.

The **School Construction Fund**. This fund accounts for planning, design, construction and/or renovation of schools with Certificates of Participation, Lottery proceeds and contributions from the General and Capital Reserve funds.

The County reports the following major proprietary fund:

The **Landfill Fund** is used to account for those operations that are financed and operated in a manner similar to private business or where the board has decided that the determination of revenues earned, costs incurred and/or net income is necessary for management accountability.

Additionally, the County reports the following fund types:

The **Internal Service Fund** accounts for operations that provide services to other departments or agencies of the government, or to other governments, on a cost-reimbursement basis. Cabarrus County has two internal service funds, the Workers Compensation Fund and Self-Insured Hospitalization Fund.

Cabarrus County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2009

The **Fiduciary Funds** account for assets held by the government in a trustee capacity or as an agent on behalf of others. Trust funds account for assets held by the government under the terms of a formal trust agreement. Fiduciary funds include the following fund types:

The *Private-Purpose Trust Fund* is used to account for resources legally held in trust for use by a not-for-profit organization. These funds are accounted for in essentially the same manner as the proprietary funds, using the same measurement focus and basis of accounting. The Kevin Pugh Fund and the Foster Care Scholarship Fund accounts for assets where the interest and principal can be spent. The Kevin Pugh Private Purpose Trust Fund is used to account for a donation given in memory of Sheriff Deputy Kevin Pugh. Disbursements are made to a rookie officer and a veteran officer each year. The Foster Care Scholarship Private Purpose Trust Fund is used for the purpose of collecting and disbursing contributions and private donations received for special programs for Foster Children.

The *Pension Trust Fund* is accounted for in essentially the same manner as the proprietary funds, using the same measurement focus and basis of accounting. The Special Separation Allowance Pension Trust Fund accounts for the Law Enforcement Officers' Special Separation Allowance, a single-employer, public employee retirement system.

The *Agency Fund* is custodial in nature and does not involve the measurement of operating results. Agency funds are accounted for using the accrual basis of accounting. This fund is used to account for assets that the government holds for others in an agency capacity. The County maintains six agency funds, the Department of Social Services Agency Fund, the Work Over Welfare Agency Fund, the Charitable Campaign Agency Fund, the Undistributed Taxes Agency Fund, the Fines and Forfeitures Agency Fund and the Jail Commissary Agency Fund. The Department of Social Services Agency Fund is used to account for money deposited with the County through the social services department under a program which manages the financial affairs of persons unable or incapable of managing them on their own. The Work Over Welfare Agency Fund accounts for monies held by the Department of Social Services as an agent for various individuals who are participating in a work program in lieu of receiving AFDC/Food Stamps. The Charitable Campaign Agency Fund is used to account for money County employees contribute through annual one time giving and through payroll deductions for the purpose of distribution to charitable non-profit agencies in our area. One hundred percent of the money collected is distributed to the charitable non-profit agencies. The Undistributed Taxes Agency Fund is used to accumulate collected property taxes before they are distributed to local municipalities. The Fines and Forfeitures Agency Fund is used to accumulate fines and forfeitures before they are distributed to the local School Boards. It is also used to accumulate the three percent interest on the first month of delinquent motor vehicle taxes that the County is required to remit to the North Carolina Department of Motor Vehicles. The Jail Commissary Agency Fund is used to account for an inmates money deposited with the County when an inmate is housed at the County Jail. The money can be used by the inmate to purchase commissary items. Any unused monies are returned to the inmate upon their release.

The **Special Revenue Funds** account for revenue sources that are legally restricted to expenditures for specific purposes (not including expendable trusts or major capital projects). The County maintains thirteen special revenue funds. Following are the Special Revenue Funds and their uses:

Emergency Telephone System – accounts for the receipt and disbursement of funds for the Cabarrus County Emergency 911 system.

Community Development Grant – accounts for the receipt and disbursement of grant funds from the Community Development Block Grant.

Cabarrus Arena and Events Center – accounts for the operations of the County owned Arena and Events Center and the annual Cabarrus County Fair.

Fire Districts – accounts for the receipt and disbursement of property taxes collected by Cabarrus County and then remitted to each fire department for the purpose of providing fire protection to a specific tax area.

Capital Reserve – maintains funds for future County and School capital projects.

Capital Reserve Utility – maintains funds for future County utility projects.

Cabarrus County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2009

Small Projects – collects and appropriates general fund revenues and federal and State grant funds received specifically for use by the appropriate Cabarrus County Department who has received the funds.

Sheriff's Department – collects and appropriates federal and State funds received specifically for the Cabarrus County Sheriff's Department.

Adequate Facilities – collects and appropriates adequate facility fees for school facilities, land, architect, improvements or furniture and fixtures at the direction of the Cabarrus County Board of Commissioners.

Cabarrus County Tourism – promotes tourism in Cabarrus County. This fund will no longer be in existence after June 30, 2009. After this date the Tourism Authority will maintain their accounting transactions and funds.

Department of Aging – collects and appropriates contributions and private donations received specifically for the Cabarrus County Department of Aging's Senior Citizen programs and projects.

Parks and Recreation Commission – collects and appropriates contributions and private donations received specifically for the Cabarrus County Parks and Recreation's programs and projects.

Cannon Memorial Library – collects and appropriates contributions and private donations received specifically for the Cabarrus County libraries to purchase books or to use on library programs and projects.

The **Capital Projects Funds** account for financial resources to be used for the acquisition of construction of major capital facilities (other than those financed by proprietary funds and trust funds). In addition to the two major governmental funds, Justice Center Construction Fund and School Construction Funds, reported above, the County maintains five additional non-major capital project funds. Following are the non-major capital project funds and their uses:

Public School Building – collects State public school funds and lottery proceeds and disbursing the funds for smaller non-debt school capital projects.

Capital Projects – constructs, renovates and equips smaller non-debt Capital projects for the County.

Construction and Renovations – constructs, renovates and equips larger Capital projects for the County through the use of debt and non-debt sources.

\$98 Million School Bond – accounts for the constructions and renovations of schools for the Cabarrus County, Kannapolis City, and the Rowan Cabarrus Community College school systems through the use of General Obligations Bonds.

2009 School Construction – accounts for the construction and renovation of schools for the Cabarrus County School system through the use of non-debt Capital Reserve funds.

C. Measurement Focus, Basis of Accounting

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

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

**Cabarrus County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2009**

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the County enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources. The County considers all revenues available if they are collected within 60 days after year-end, except for property taxes. Cabarrus County management evaluated converting revenue recognition to a 90 day period after year end due to the change in sales tax distribution in North Carolina. After careful evaluation, the conversion was immaterial in dollars and also would cause an interruption in the operations and business of meeting reporting deadlines within the County. Based on these two issues, Cabarrus County has elected to remain at the 60 day rule for all revenue recognition. Ad valorem taxes receivable 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, Cabarrus 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 registered motor vehicles, 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 2008 through February 2009 apply to the fiscal year ended June 30, 2009. Uncollected taxes, which were billed during this period, are shown as a receivable on these financial statements.

Sales taxes collected and held by the State at year-end on behalf of the County are recognized as revenue. Intergovernmental revenues, and sales and services are not susceptible to accrual because generally they are not measurable until received in cash. Expenditure driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been satisfied.

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

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

D. Budgetary Data

The County's budgets are adopted as required by the North Carolina General Statutes. An annual budget is adopted for the General Fund, the Landfill Enterprise Fund, the Cabarrus Arena and Events Center Special Revenue Fund, Tourism Authority Special Revenue Fund and the Fire District Special Revenue Fund. All annual

Cabarrus County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2009

appropriations lapse at the fiscal year-end. Project ordinances are adopted for the special revenue funds and the capital projects funds. All budgets are prepared using the modified accrual basis of accounting.

The County Manager and/or Finance Director is hereby authorized to transfer appropriations within or between funds as contained herein under the following conditions:

1. The Finance Director or designee may transfer amounts between objects of expenditure within a department.
2. The County Manager may transfer amounts between objects of expenditures or revenues within a function without limitation.
3. The County Manager may transfer amounts up to \$100,000 between functions of the same fund.
4. The County Manager may not transfer any amounts between funds nor from any contingency appropriation within any fund without action of the Board of Commissioners, except as specified below for the Capital Improvement Plan and Salary and Benefits adjustments.
5. The County Manager is authorized to transfer funds from the General Fund or Capital Reserve Fund to the appropriate fund for projects approved within the Capital Improvement Plan for the current fiscal year.
6. Additional authority is granted to the Finance Director to transfer amounts within and between funds for the sole purpose of funding salary and benefits adjustments consistent with the Cabarrus County Personnel Management Policy and the Cabarrus County Personnel Ordinance.
7. Upon notification of funding increases or decreases from State, federal or previously approved grant sources, the Manager or Finance Officer may adjust budgets to match.
8. The County Manager may enter into and execute change orders or amendments to construction contracts in amounts less than \$90,000 when the appropriate annual budget or capital project ordinance contains sufficient appropriated but unencumbered funds.
9. The County Manager may award and execute contracts which are not required to be bid or which G.S. 143-131 allows to be let on informal bids so long as the annual budget or appropriate capital project ordinance contains sufficient appropriated but unencumbered funds for such purposes.
10. The County Manager may execute contracts with outside agencies to properly document budgeted appropriations to such agencies where G.S. 153 A-248(b), 259, 449 and any similar statutes require such contracts.
11. The County Manager may reject formal bids when deemed appropriate and in the best interest of Cabarrus County pursuant to G.S. 143-129(a).

In instances where budget appropriations and estimated revenues have been revised during the year, budget data presented in the financial statements represent the final authorized amounts as of June 30, 2009.

Expenditures may not legally exceed budgeted appropriations at the functional level. During the year, several supplementary appropriations were necessary. The net effect of the budget amendments from the adopted budget to the final amended budget was immaterial. The budget ordinance must be adopted by July 1 of the fiscal year or the governing board must adopt an interim budget that covers the time until the annual ordinance can be adopted.

As required by General Statute (G.S.) 159-26(d), the County maintains encumbrance accounts, which are considered to be "budgetary accounts". Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrances are recognized during the year; however, all encumbrances are canceled at year-end and, therefore, do not constitute expenditures or liabilities of the current year. Encumbrances canceled at year-end may be reappropriated in the subsequent year.

**Cabarrus County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2009**

E. Assets, Liabilities and Fund Equity

1. 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 unit may establish time deposit accounts such as NOW and SuperNOW accounts, money market accounts, and certificates of deposit.

State law (G.S. 159-30(c)) authorizes the County and 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).

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

2. Cash and Cash Equivalent

A centralized cash account is maintained and may be used by all funds except the Public School Building Fund. Interest is allocated quarterly to the owning funds based on the average cash balances outstanding during the quarter. Public School Building Fund cash is held by the Department of State Treasurer, State of North Carolina in a separate account upon which manual checks may be issued and/or draw down of funds made.

The County and the Alliance pool monies from several funds to facilitate disbursement and investment and to maximize investment income. Therefore all cash and investments are essentially demand deposits and are considered cash and cash equivalents.

3. Restricted Assets

The unexpended amounts of Certificates of Participation, Bonds, Installment Financings, Cabarrus Arena Marketing funds, and Medicaid Hold Harmless funds are classified as restricted cash and cash equivalents on the Statement of Net Assets and the Governmental Balance Sheet. The amounts are considered restricted because their use is expressly prohibited except for the original purpose of which the funds were received.

4. Ad Valorem Taxes Receivable

In accordance with G.S. 105-347 and G.S. 159-13(a), ad valorem taxes on property other than motor vehicles are levied on July 1, the beginning of the fiscal year, and are due on September 1; however, interest does not accrue until the following January 6. The taxes are based on the assessed values as of January 1, 2008. The legal lien date is January 1.

The County is permitted by North Carolina general statutes to levy taxes up to \$1.50 per \$100 assessed valuation for general governmental services. This limitation does not apply to debt service, court and jail facilities, funding deficits, conducting elections, kindergarten to post secondary public education, social services or joint ventures with other political subdivisions in providing these functions, services or activities. The County's tax rate for the 2008/09 fiscal year was \$0.63 per \$100 valuation.

**Cabarrus County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2009**

5. Allowances for Doubtful Accounts

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

6. Inventories and Prepaid items

Inventory is valued at cost, which approximates market, using the first-in/first-out (FIFO) method. The costs of governmental fund-type inventories are recorded as expenditures when consumed rather than when purchased. The General Fund inventory reported on the Balance Sheet is offset by a fund balance reserve, which indicates that it does not constitute a resource available for appropriation even though it is a component of net current assets. The Alliance maintains no inventory.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

7. Capital Assets

Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Capital assets, which include property, plant and equipment are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation. The costs of normal maintenance and repair that do not add to the value of the assets or materially extend assets lives are not capitalized.

The County holds title to certain Cabarrus County and Kannapolis City Board of Education properties, which have not been included in capital assets. The properties have been deeded to the County to permit Certificates of Participation and installment 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 Boards of Education give the Boards 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 Boards 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 Cabarrus County and Kannapolis City Boards of Education.

Capital assets are depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	40
Building improvements	40
Land improvements	15
Furniture and equipment	5
Reservoir	999
Vehicles and motorized equipment	5

Capital assets of the Cabarrus Health Alliance are depreciated over their useful live on a straight-line basis as follows:

<u>Assets</u>	<u>Years</u>
Office equipment	5
Computer equipment	5
Vehicles	5
Leasehold Improvements	15

**Cabarrus County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2009**

8. Long-Term Obligations

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

9. Compensated Absences

All permanent and probationary County and Alliance employees who are scheduled to work at least 1,000 hours during the calendar year receive vacation and sick leave benefits. The County's vacation policy allows for an unlimited accumulation of earned leave during the calendar year with a maximum of 240 hours (336 hours for emergency services personnel) being carried over to January 1. Vacation exceeding 240 hours (336 hours for emergency services personnel) is converted into sick leave after January 1st. Vacation leave is fully vested when earned. The County budgets and funds the current portion of accumulated vacation leave during each fiscal year. Vacation leave is accrued when incurred in the government-wide, proprietary, and fiduciary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements. The County's and Alliance's sick leave policies also allow for unlimited accumulation of earned leave. Sick leave benefits do not vest but any unused leave accumulated at the time of retirement may be used in the determination of length of service for retirement benefit purposes. As there is not an obligation to pay sick leave until it is actually taken, no liability is recorded for these nonvested benefits.

10. Net Assets

Net assets in government-wide and proprietary 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 and 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 cannot be appropriated 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 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 for inventories and prepaid expenditures - portion of fund balance not available for appropriation because it represents the year-end balance of ending inventories and prepaid items, which are not expendable, available resources.

Reserved by State statute - portion of fund balance, in addition to reserves for inventory, which is not available for appropriation after remaining reserves not available for appropriation have been segregated under State law G.S. 159-8(a). This amount is usually comprised of accounts receivables and interfund receivables, which are not offset by deferred revenues.

**Cabarrus County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2009**

Unreserved

Designated for subsequent year's expenditures - portion of total fund balance available for appropriation, which has been designated for the next fiscal year's adopted budget ordinance.

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

F. Management Estimates

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

G. Other Resources

The General Fund provides the basis of local resources for other governmental funds. These transactions are recorded as "Transfers-out" in the General Fund and "Transfers-in" in the receiving fund.

H. Comparative Data/Reclassifications

Comparative data for the prior years have been presented for individual funds in the fund financial statements, the Management Discussion and Analysis report, the Notes to the Financial Statements and Capital Assets Used in the Operation of Government Funds, in order to provide an understanding of the changes in the financial position and operations of the County. Also, certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

Note 2. Stewardship, Compliance and Accountability

Excess of expenditures over appropriations

For the fiscal year ended June 30, 2009, the expenditures made in the Emergency Telephone System Fund exceeded the authorized appropriations made by the governing body by \$32,296. This over expenditure occurred because of an inaccurate budget estimate of public safety expenditures. Management and the Board will more closely review the budget reports to ensure compliance in future years.

Note 3. Detailed Notes on All Funds

A. Deposits

All of the County's and its component unit's deposits are either insured or collateralized by using one of two methods. Under the Dedicated Method, all deposits that exceed the federal depository insurance coverage level are collateralized with securities held by the County's agents in these unit's 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 State 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 name. The amount of 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 the escrow agent. Because of the inability to measure the exact amounts 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 of North Carolina enforces strict standards of financial stability for each depository that collateralizes public deposits under the Pooling Method. Cabarrus County has no formal policy regarding custodial credit risk for deposits, but relies on the State Treasurer to enforce standards of minimum capitalization for all pooling method financial institutions and to monitor them for compliance. The County complies with the provisions of G.S. 159-31 when designating official depositories and verifying that

Cabarrus County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2009

deposits are properly secured. The Cabarrus Health Alliance has no formal policy regarding custodial credit risk for deposits.

At June 30, 2009, the carrying amount of the County's bank deposits (including fiduciary funds) was \$1,795,540 and the bank balance was \$2,315,179. There was \$46,970,905 in an escrow account with a financial institution. Sufficient collateral was maintained at June 30, 2009 to secure the County's deposits. Of the bank balance, \$751,958 was covered by federal depository insurance, the balance was covered by collateral held by authorized escrow agents in the name of the County. At June 30, 2009, the County had \$6,940 of cash on hand.

At June 30, 2009, the carrying amount of the Alliance's bank deposits was \$699,263 and the bank balance was \$699,481. Of the bank balance, \$100,000 was covered by federal depository insurance or by collateral held by the Alliance's agent in the Alliance's name. At June 30, 2009, the Alliance had \$2,100 of cash on hand.

B. Investments

As of June 30, 2009 the County had the following investments and maturities

<u>Investment Type</u>	<u>Fair Value</u>	<u>Less Than 6 Months</u>	<u>6-12 Months</u>	<u>1-3 Years</u>
NC Capital Management Trust -				
Cash Portfolio	\$ 92,217,003	\$ -	\$ -	\$ -
	<u>\$ 92,217,003</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Interest Rate Risk. As a means of limiting its exposure to fair value losses arising from rising interest rates, the County's investment policy limits at least half of the County's investment portfolio to maturities of less than 12 months. Also, the County's investment policy requires purchases of securities to be laddered with staggered maturity dates and limits all securities to a final maturity of no more than three years.

Credit Risk. The County limits investments to the provisions of G.S. 159-30 and restricts the purchase of securities to the highest possible ratings whenever particular types of securities are rated. 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, 2009.

Custodial Credit Risk. For an investment, custodial credit risk is the risk that in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The County's formal policy indicates that the County shall utilize a third party custodial agent for book entry transactions, all of which shall be a trust department authorized to do trust work in North Carolina who has an account with the Federal Reserve. Certificated securities shall be in the custody of the designated investment officer.

Concentration of Credit Risk. With the exception of U.S. Treasury securities and agencies and authorized pools, Cabarrus County's investment policy does not allow for an investment in any one issuer in excess of 35% of the County's total investments.

At June 30, 2009, the Cabarrus Health Alliance investments consisted of \$2,548,366 in the North Carolina Capital Management Trust's Cash Portfolio, which carried a credit rating of AAAM by Standard and Poor's. The Alliance has no policy on credit risk or custodial credit risk.

Cabarrus County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2009

<u>Investment Type</u>	<u>Fair Value</u>	<u>Less Than 1 Year</u>	<u>2-3 Years</u>	<u>4-7 Years</u>
NC Capital Management Trust - Cash Portfolio	\$ 2,548,366	\$ -	\$ -	\$ -
	<u>\$ 2,548,366</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

In accordance with North Carolina general statutes, agriculture, horticulture, and forestland 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 amounts shown in the table are property taxes that could become due if present use-value eligibility is lost. These amounts have not been recorded in the financial statements.

<u>Year Levied</u>	<u>Tax</u>	<u>Interest</u>	<u>Total</u>
2005	\$ 3,780,855	\$1,238,230	\$ 5,019,085
2006	3,616,684	858,963	4,475,647
2007	3,623,763	534,505	4,158,268
2008	<u>6,863,263</u>	<u>394,638</u>	<u>7,257,901</u>
Total	<u>\$17,884,565</u>	<u>\$3,026,336</u>	<u>\$20,910,901</u>

D. Receivables

1. Notes Receivable

On September 27, 1999 Northeast Fire Department agreed to pay \$250,000 over a 10 year period at zero interest for the construction of a new fire station. The first payment was due on January 1, 2000 and payable each quarter of each calendar year through October 1, 2009 on the first day of the months of January, April, July and October, with a final balloon payment of \$82,000 due on January 1, 2010 for total payments of \$250,000. The unpaid balance of the note at June 30, 2009 was \$90,400.

On May 22, 2007 Midland Volunteer Fire and Rescue agreed to pay \$900,000 over a 10 year period at zero interest for the construction of a new fire station. The first payment of \$3,000 will be due on July 1, 2007 and payable each month through June 1, 2012. Beginning July 1, 2012 payments of \$6,000 will be payable each month through June 1, 2017. A final balloon payment of \$360,000 is due on July 1, 2017 for total payments of \$900,000. The unpaid balance of the note at June 30, 2009 was \$825,000. The note receivable is being reported in the Capital Reserve Special Revenue Fund.

Cabarrus County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2009

2. Receivables - Allowances for Doubtful Accounts

Receivables at the government-wide level for the Primary Government at June 30, 2009, were as follows:

	<u>Accounts</u>	<u>Customers</u>	<u>Due from other Governments</u>	<u>Taxes and Related Interest</u>	<u>Total</u>
Governmental Activities:					
General	\$ 3,709,369	\$ 1,807,911	\$ 6,005,289	\$ 4,049,995	\$ 15,572,564
Justice Center	1,395	-	-	-	1,395
School Construction	484	-	-	-	484
Other Governmental	128,112	-	-	-	128,112
Total Receivables	3,839,360	1,807,911	6,005,289	4,049,995	15,702,555
Allowance for doubtful accounts	-	(1,563,435)	-	(1,643,010)	(3,206,445)
Total-governmental activities	<u>\$ 3,839,360</u>	<u>\$ 244,476</u>	<u>\$ 6,005,289</u>	<u>\$ 2,406,985</u>	<u>\$ 12,496,110</u>
Business-type activities:					
Landfill	\$ 4,453	\$ 104,291	\$ 72,912	\$ -	\$ 181,656
Allowance for doubtful accounts	-	(28,505)	-	-	(28,505)
Total-business-type activities	<u>\$ 4,453</u>	<u>\$ 75,786</u>	<u>\$ 72,912</u>	<u>\$ -</u>	<u>\$ 153,151</u>

Due from other governments that is owed to the County consists of the following:

	<u>Governmental Activities</u>	<u>Business Type Activities</u>
Local option sales	\$ 6,005,289	\$ -
White goods disposal tax	-	11,613
Solid waste disposal tax	-	9,578
Recycling grant	-	7,000
Scrap tire tax	-	44,721
	<u>\$ 6,005,289</u>	<u>\$ 72,912</u>

3. Discretely presented component unit

Receivables at the government-wide level for the Cabarrus Health Alliance at June 30, 2009, were as follows:

	<u>Accounts</u>	<u>Customers</u>	<u>Taxes</u>	<u>Total</u>
Governmental Activities:				
General	\$ 985,111	\$ 2,033,567	\$ 109,187	\$ 3,127,865
Allowance for doubtful accounts	-	(361,128)	-	(361,128)
Total-governmental activities	<u>\$ 985,111</u>	<u>\$ 1,672,439</u>	<u>\$ 109,187</u>	<u>\$ 2,766,737</u>

Cabarrus County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2009

E. Capital Assets

Capital asset activity for the year ended June 30, 2009:

1. Primary Government

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental activities:					
Capital Assets not being depreciated:					
Land	\$ 20,464,368	\$ 3,549,131	\$ -	\$ -	\$ 24,013,499
Construction in Progress	53,320,395	34,291,170	-	(645,054)	86,966,511
Total capital assets not being depreciated	<u>73,784,763</u>	<u>37,840,301</u>	<u>-</u>	<u>(645,054)</u>	<u>110,980,010</u>
Capital Assets being depreciated:					
Buildings	51,399,791	-	(556,931)	-	50,842,860
Building Improvements	13,778,646	413,433	(46,658)	526,876	14,672,297
Equipment	10,613,492	258,626	(36,856)	118,178	10,953,440
Furniture and Fixtures	676,115	186,812	(41,035)	-	821,892
Land Improvements	5,956,255	30,208	-	-	5,986,463
Vehicles	7,147,239	2,134,890	(1,232,198)	-	8,049,931
Reservoir	21,743,730	-	-	-	21,743,730
Total capital assets being depreciated	<u>111,315,268</u>	<u>3,023,969</u>	<u>(1,913,678)</u>	<u>645,054</u>	<u>113,070,613</u>
Less accumulated depreciation for:					
Buildings	14,040,628	763,211	(111,288)	-	14,692,551
Building Improvements	2,164,168	367,532	(1,247)	-	2,530,453
Equipment	6,837,787	904,402	(28,533)	-	7,713,656
Furniture and Fixtures	598,945	45,884	(41,035)	-	603,794
Land Improvements	1,995,774	349,936	-	-	2,345,710
Vehicles	4,331,120	892,494	(1,164,779)	-	4,058,835
Reservoir	261,186	21,765	-	-	282,951
Total accumulated depreciation	<u>30,229,608</u>	<u>3,345,224</u>	<u>(1,346,882)</u>	<u>-</u>	<u>32,227,950</u>
Total Capital Assets, being depreciated, net	<u>81,085,660</u>	<u>(321,255)</u>	<u>(566,796)</u>	<u>645,054</u>	<u>80,842,663</u>
Governmental Capital Assets, net	<u>\$ 154,870,423</u>	<u>\$ 37,519,046</u>	<u>\$ (566,796)</u>	<u>\$ -</u>	<u>\$ 191,822,673</u>

Cabarrus County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2009

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

Governmental activities:	
General Government	\$ 1,083,297
Public Safety	1,226,265
Environmental Protection	27,044
Economic & Physical Dev	23,386
Human Services	408,064
Culture & Recreation	<u>577,168</u>
Total depreciation expense - governmental activities	<u>\$ 3,345,224</u>

Capital asset activity for the year ended June 30, 2009:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Business-type activities:					
Capital assets, not being depreciated:					
Land	\$ 490,447	\$ -	\$ -	\$ -	\$ 490,447
Construction in Progress	<u>458,666</u>	<u>128,810</u>	<u>-</u>	<u>(541,965)</u>	<u>45,511</u>
Total Capital assets, not being depreciated:	<u>949,113</u>	<u>128,810</u>	<u>-</u>	<u>(541,965)</u>	<u>535,958</u>
Capital assets, being depreciated:					
Land Improvements	1,295,092	-	-	-	1,295,092
Vehicles	2,143,212	486,063	(326,646)	-	2,302,629
Equipment	184,069	30,947	-	-	215,016
Buildings	762,199	-	-	541,965	1,304,164
Building Improvements	<u>5,500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,500</u>
Total Capital assets, being depreciated:	<u>4,390,072</u>	<u>517,010</u>	<u>(326,646)</u>	<u>541,965</u>	<u>5,122,401</u>
Less accumulated depreciation for:					
Land Improvements	274,438	73,341	-	-	347,779
Vehicles	1,012,219	211,081	(326,646)	-	896,654
Equipment	101,073	23,187	-	-	124,260
Buildings	94,057	20,184	-	-	114,241
Building Improvements	<u>974</u>	<u>138</u>	<u>-</u>	<u>-</u>	<u>1,112</u>
Total Accumulated Depreciation	<u>1,482,761</u>	<u>327,931</u>	<u>(326,646)</u>	<u>-</u>	<u>1,484,046</u>
Total Capital assets, being depreciated, net	<u>2,907,311</u>	<u>189,079</u>	<u>-</u>	<u>541,965</u>	<u>3,638,355</u>
Proprietary Capital assets, net	<u>\$ 3,856,424</u>	<u>\$ 317,889</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,174,313</u>

Business-type activities:	
Solid Waste	\$ 325,369
Accumulated Depreciation of asset transferred from Governmental Activities	<u>2,562</u>
Total depreciation expense - business-type activities	<u>\$ 327,931</u>

Cabarrus County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2009

2. Construction commitments

The government has active construction projects as of June 30, 2009. The projects include the construction of the Sheriff's Administration Building and Jail Housing Unit, construction of two schools, and construction of a school bus garage. At year-end, the government's commitments with contractors are as follows:

Project	Spent-To-Date	Remaining Commitment
Sheriff's Administrative Building	\$31,920,730	\$ 154,322
Jail Housing Unit	28,098,110	29,864,339
Schools	32,212,335	985,132
School Bus Garage	6,862,747	261,675
Total	<u>\$99,093,922</u>	<u>\$31,265,478</u>

3. Discretely presented component unit

Capital asset activity for Cabarrus Health Alliance for the year ended June 30, 2009, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital assets, not being depreciated:				
Land	<u>\$ 115,233</u>	<u>\$ 123,995</u>	<u>\$ -</u>	<u>\$ 239,228</u>
Capital assets, being depreciated:				
Furniture and fixtures	168,486	-	-	168,486
Vehicles	499,663	-	(12,119)	487,544
Equipment	583,810	17,508	-	601,318
Land Improvements	828,982	-	-	828,982
Total capital assets being depreciated	<u>2,080,941</u>	<u>17,508</u>	<u>(12,119)</u>	<u>2,086,330</u>
Less accumulated depreciation:				
Furniture and fixtures	155,141	2,912	-	158,053
Vehicles	384,709	34,884	(12,119)	407,474
Equipment	458,186	58,799	-	516,985
Land Improvements	206,975	55,265	-	262,240
Total accumulated depreciation	<u>1,205,011</u>	<u>151,860</u>	<u>(12,119)</u>	<u>1,344,752</u>
Total governmental activities, being depreciated (net)	<u>\$ 875,930</u>	<u>\$ (134,352)</u>	<u>\$ -</u>	<u>\$ 741,578</u>
Governmental Capital Assets, net	<u>\$ 991,163</u>	<u>\$ (10,357)</u>	<u>\$ -</u>	<u>\$ 980,806</u>

**Cabarrus County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2009**

F. Payables

Payables at the government-wide level for the Primary Government at June 30, 2009, were as follows:

	Vendors	Salaries and Benefits	Other	Total
Governmental Activities:				
General	\$ 4,864,733	\$ 1,715,949	\$ 390,983	\$ 6,971,665
Justice Center Construction	4,364,330	-	-	4,364,330
School Construction	1,757,063	-	-	1,757,063
Other Governmental	758,208	4,819	100,000	863,027
Total-governmental activities	<u>\$ 11,744,334</u>	<u>\$ 1,720,768</u>	<u>\$ 490,983</u>	<u>\$ 13,956,085</u>
Business-type activities				
Landfill	<u>\$ 116,294</u>	<u>\$ 12,873</u>	<u>\$ -</u>	<u>\$ 129,167</u>

Payables at the government-wide level for the Cabarrus Health Alliance at June 30, 2009, were as follows:

	Vendors	Salaries and Benefits	Total
Governmental Activities:			
General	<u>\$ 317,662</u>	<u>\$ 605,801</u>	<u>\$ 923,463</u>
Total-governmental activities	<u>\$ 317,662</u>	<u>\$ 605,801</u>	<u>\$ 923,463</u>

G. Closure and Postclosure Care Cost - Cabarrus County Landfill Facility

Federal and state laws and regulations require Cabarrus County to place a final cover on its landfill facility when it stops accepting waste and to perform certain monitoring functions at the site for thirty years after closure. Although closure and postclosure care costs are typically paid near or after the date that the landfill stops accepting waste, the County reports an annual capital reserve operating expense as an estimate of these closure and postclosure care costs. Actual Costs may be higher due to inflation, changes in technology, or changes in regulations. The \$4,753,611 reported as the landfill's closure and postclosure liability at June 30, 2009 represents a cumulative amount reported to-date. This amount is based on what it would cost to perform all closure and postclosure care in Fiscal Year 2009. The change in the closure/postclosure liability from FY 2008 to FY 2009 resulted in a net increase of \$192,241.

The County's liability is set aside for the closure and postclosure of the following:

- The Municipal Solid Waste (MSW) reached capacity in 1997 and was covered in 1998.
- An expansion area that sits on the top of the MSW site was added in 1998 to accept construction and demolition waste (C&D). This expansion area has reached capacity and is set to be covered in 2010.
- An additional C&D expansion area was opened in Fiscal Year 2006 and is expected to reach full capacity next fiscal year.
- A new C&D expansion area was approved by the Board of Commissioners in September 2008 to continue to provide services to the community. This is set to begin construction in Fiscal Year 2010.

Cabarrus County has met the requirements of the local government financial assurance test that is one option under state and federal laws and regulations that aids in determining if a unit and secure and financially able to meet the necessary closure and postclosure care requirements as of each balance sheet date. Governments

Cabarrus County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2009

that utilize the local government financial assurance test allow them to remain exempt from a set contribution schedule.

H. Deferred / Unearned Revenues

The balance in deferred revenue on the fund statements and unearned revenues on the government-wide statements at year-end is composed of the following elements:

	Deferred Revenue	Unearned Revenue
Prepaid taxes not yet earned (General)	\$ -	\$ 510,318
Prepaid development fees not yet earned (General)	-	10,000
Taxes receivable, net (General)	2,406,985	-
Ambulance receivable, net (General)	243,928	-
Building inspections receivable, net (General)	549	-
Total	<u>\$ 2,651,462</u>	<u>\$ 520,318</u>

I. Leases

1. Capital Leases

The County has entered into agreements which qualify as capital leases under the provisions of Financial Accounting Standards Board Statement No. 13 "Accounting for Leases" and subsequent amendments.

On May 15, 2007 the County entered into a lease agreement as lessee for financing the acquisition of Accela Permitting, Licensing and Inspection Software with a down payment of \$250,000 inclusive of \$4,022 interest which has an effective rate of 2.99%. This lease agreement qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of their future minimum lease payments as of the date of inception.

On December 18, 2008, the County entered into a lease agreement as lessee for financing the acquisition of land for a park with a down payment of \$190,000 with an effective interest rate of 4.00%. This lease agreement qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of their future minimum lease payments as of the date of inception.

The assets acquired through a capital lease are as follows:

	Governmental Activities
County owned Asset:	
Software (equipment)	\$ 689,546
Land	3,421,394
Less: Accumulated depreciation	<u>(275,818)</u>
Total	<u>\$ 3,835,122</u>

The future minimum lease obligation and the net present value of these minimum lease payments as of June 30, 2009, were as follows:

<u>Year Ending June 30</u>	Governmental Activities
2010	\$ 312,472
2011	312,472
2012	190,000
2013	190,000

Cabarrus County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2009

2014	190,000
2014	190,000
2016	190,000
2017	190,000
2018	190,000
2019	190,000
Next 5 Years	950,000
To Maturity	<u>2,660,000</u>
Total minimum lease payments	5,754,944
Less: amount representing interest	<u>(2,296,629)</u>
Present value of minimum lease payments	<u><u>\$3,458,315</u></u>

2. Operating Leases

The County leases building and office facilities under non-cancelable operating leases. Total costs for the leases were \$726,127 for the year ended June 30, 2009. The future minimum lease payments for this lease are as follows:

Year Ending, June 30	Amount
2010	\$ 734,404
2011	728,048
2012	<u>621,676</u>
Total	<u><u>\$ 2,084,128</u></u>

J. Long-term Obligations

1. General Obligation Indebtedness

General obligation bonds are issued to provide funding for the construction of capital facilities used for general government activities. All general obligation bonds are collateralized by the full faith, credit, and taxing power of the County. Principal and interest requirements are provided by appropriation in the year in which they become due.

The County's general obligation bonds payable at June 30, 2009 are comprised of the following individual issues:

Serviced by the County's General Fund:

\$17,490,000 (August 1, 2003) Refunded Bonds due on March 1 and September 1 in installments through March 1, 2012; interest of 2.0 to 4.0 percent (part of this refunding financed the construction of the County owned reservoir).	\$ 2,575,000
\$32,855,000 (March 15, 2004) Advanced Refunding Bonds due on August 1 and February 1 in installments through February 1, 2018; interest at 3.0 to 5.0 percent .	28,260,000
\$50,000,000 (March 1, 2005) School Series Bonds due on September 1 and March 1 in installments through March 1, 2025: interest at 3.0 to 5.0 percent.	43,600,000
\$48,000,000 (September 1, 2006) Public Improvement Series Bonds due on March 1 and September 1 in installments through March 1, 2027; interest at 4.0 to 5.0 percent.	<u>45,400,000</u>
	<u><u>\$ 119,835,000</u></u>

**Cabarrus County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2009**

For Cabarrus County, the annual debt service payments to maturity as of June 30, 2009, for the County's general obligation bonds are as follows:

<u>Year Ending, June 30</u>	<u>Principal</u>	<u>Interest</u>
2010	7,270,000	5,232,759
2011	6,905,000	4,976,758
2012	6,965,000	4,715,390
2013	6,965,000	4,434,050
2014	7,655,000	4,118,550
2015	7,640,000	3,773,800
2016	7,630,000	3,391,800
2017	7,610,000	3,010,300
2018	7,495,000	2,629,800
2019	6,800,000	2,289,050
Next 5 years	34,000,000	7,205,450
To maturity	<u>12,900,000</u>	<u>973,250</u>
Total	<u>\$119,835,000</u>	<u>\$46,750,957</u>

At June 30, 2009 Cabarrus County had a legal debt margin of \$1,113,211,509.

2. Certificates of Participation

On March 1, 2001 the Cabarrus County Development Corporation issued \$40,000,000 in Certificates of Participation (COPS) Installment Contracts to finance the construction and equipping of two middle schools and one elementary school. These 20-year COPS have interest rates ranging from 4.0% to 5.0%. Debt service is financed by Cabarrus County property tax revenues. Annual payments of principal and interest range from approximately \$4,069,167 to \$2,100,000. Total principal and interest over a 20-year period will be \$61,199,167. Total principal balance due at June 30, 2009 was \$24,000,000.

On August 15, 2002, the Cabarrus County Development Corporation issued \$26,390,000 in Certificates of Participation (COPS) to finance the construction and equipping of the Cabarrus County Schools Administration Building, five school gymnasiums, and the County owned Cabarrus Arena & Events Center. The 20-year COPS have interest rates ranging from 3.0% to 5.25%. Debt service is financed by Cabarrus County property tax revenues. Annual payments of principal and interest range from approximately \$2,409,155 to \$1,396,500. Total principal and interest over the 20-year period will be \$38,718,153. Total principal balance due at June 30, 2009 was \$17,295,000

On July 15, 2003, the Cabarrus County Development Corporation issued \$40,770,000 in Certificates of Participation (COPS) Installment Contracts to finance the cost of acquiring real property, construction and equipping of two elementary schools, one middle school, expansion of two existing elementary school facilities and various real and personal property improvements. These 20-year COPS have interest rates ranging from 2.0% to 5.25%. Debt Service is financed by Cabarrus County property tax revenues. Annual payments of principal and interest range from approximately \$3,813,000 to \$2,129,000. Total principal and interest over a 20-year period will be \$61,223,879. Total principal balance due at June 30, 2009 was \$30,580,000.

On February 22, 2007, the Cabarrus County Development Corporation issued \$33,595,000 in Certificates of Participation (COPS) Installment contracts to finance the construction of a County owned sheriff administration facility. These 20-year COPS have interest rates ranging from 4.0% to 5.625%. Debt Service is financed by Cabarrus County property tax revenues. Annual payments of principal and interest range from approximately \$3,092,576 to \$1,744,093. Total principal and interest over a 20-year period will be \$49,537,033. Total principal balance due at June 30, 2009 was \$30,235,000.

**Cabarrus County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2009**

On January 25, 2008, the Cabarrus County Development Corporation issued \$46,920,000 (2008A) Certificates of Participation (COPS) Installment contracts to finance the construction of a new high school. These 20 year COPS have interest rates ranging from 3.25% to 5.0%. Debt Service is financed by Cabarrus County property tax revenues. Annual payments of principal and interest range from approximately \$4,400,704 to \$2,447,594. Total principal and interest over a 20-year period will be \$68,856,864. Total principal balance due at June 30, 2009 was \$44,570,000

On January 25, 2008, the Cabarrus County Development Corporation issued \$18,745,000 (2008B) Certificates of Participation (COPS) Installment contracts to refund the 1999 Installment Payment Revenue Bonds issued for the construction of JM Robinson High School. These 11 year COPS have interest rates ranging from 3.0% to 5.0%. Debt Service is financed by Cabarrus County property tax revenues. Annual payments of principal and interest range from approximately \$2,263,225 to \$1,485,750. Total principal and interest over an 11-year period will be \$20,655,550. Total principal balance due at June 30, 2009 was \$15,395,000.

On December 1, 2008, The Cabarrus County Development Corporation issued \$58,810,000 (2008C) Certificates of Participation (COPS) Installment contracts to provide funds to (a) pay the costs of construction of a residential tower to house County inmates and related improvements and (b) pay certain expenses incurred in connection with the execution and delivery of the 2008C Certificates. These 20 year COPS have interest rates ranging from 4.00% to 5.25%. Debt service is financed by Cabarrus County property tax revenues. Annual payments of principal and interest range from approximately \$5,941,494 to \$1,404,961. Total principal and interest over a 20 year period will be \$90,944,756. Total principal balance due at June 30, 2008 was \$58,810,000.

For Cabarrus County, the annual debt service payments to maturity as of June 30, 2009, for the County's Certificates of Participation are as follows:

<u>Year Ending, June 30</u>	<u>Principal</u>	<u>Interest</u>
2010	11,065,000	10,210,026
2011	14,135,000	9,740,201
2012	14,110,000	9,155,394
2013	14,085,000	8,534,769
2014	14,055,000	7,926,869
2015	14,015,000	7,326,731
2016	13,980,000	6,697,329
2017	13,960,000	6,071,391
2018	13,930,000	5,414,904
2019	13,905,000	4,754,166
Next 5 Years	53,775,000	14,582,623
To maturity	<u>29,870,000</u>	<u>3,864,775</u>
Total	<u>\$220,885,000</u>	<u>\$94,279,178</u>

3. Installment Financing

On April 12, 2005, Cabarrus County executed an installment financing contract with RBC Centura. The contract is for \$4.4 million for the construction of the County owned Rowan-Cabarrus Community College (RCCC) business center and the construction of a parking lot and design cost of Building 3000 which is owned by RCCC. The terms of the contract stipulate semi-annual payments of principal and interest from approximately \$388,000 to \$317,000 for seven years with the first payment due on October 12, 2005 and the final payment due on April 12, 2012. The

Cabarrus County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2009

annual interest rate is fixed at 3.54%. The principal balance due at June 30, 2009 was \$1,867,714. As of June 30, 2009 we have capitalized in Building Improvements \$3,349,234.

On October 4, 2006 Cabarrus County executed an installment financing contract with Fifth Third Bank (formerly First Charter). The contract is for \$15,000,000 for the construction of a County owned Jail Annex and site development work in the Justice Complex. The terms of the agreement stipulate semi-annual payments of \$500,000 for the first year starting in April 2007 and commencing October 2021. The fixed interest was 4.31% the first year and 4.44% the next 14 years. The rate was renegotiated in March 2007 to 4.19% over the term of the entire loan. Total principal balance due at June 30, 2009 was \$12,500,000.

For Cabarrus County, the annual debt service payments to maturity as of June 30, 2009 for the County's Installment Financing are as follows:

<u>Year Ending, June 30</u>	<u>Principal</u>	<u>Interest</u>
2010	1,622,572	573,911
2011	1,622,571	509,972
2012	1,622,571	446,886
2013	1,000,000	386,807
2014	1,000,000	345,704
2015	1,000,000	303,804
2016	1,000,000	262,416
2017	1,000,000	219,548
2018	1,000,000	178,104
2019	1,000,000	36,204
To maturity	<u>2,500,000</u>	<u>157,267</u>
Total	<u>\$14,367,714</u>	<u>\$3,520,623</u>

4. Long-Term Obligation Activity

The following is a summary of Changes in the County's long-term obligations for the fiscal year ended June 30, 2009:

	<u>Balance</u> <u>July 1, 2008</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>June 30, 2009</u>	<u>Due Within</u> <u>One Year</u>
Governmental activities:					
General Obligation Bonds	\$ 126,895,000	\$ -	\$ 7,060,000	\$ 119,835,000	\$ 7,270,000
Installment Revenue Bonds	-	-	-	-	-
Capital Leases	331,964	3,421,394	295,043	3,458,315	171,137
Certificates of Participation	173,165,000	58,810,000	11,090,000	220,885,000	11,065,000
Installment Financing	15,990,284	-	1,622,570	14,367,714	1,622,572
Compensated absences	2,805,048	2,080,892	1,873,674	3,012,266	2,409,813
Other postemployment benefits	1,326,024	2,139,480	585,283	2,880,221	-
Unfunded Pension Cost	166,281	345,999	350,675	161,605	-
Total governmental activities	<u>\$ 320,679,601</u>	<u>\$ 66,797,765</u>	<u>\$ 22,877,245</u>	<u>\$ 364,600,121</u>	<u>\$ 22,538,522</u>

Cabarrus County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2009

	Balance July 1, 2008	Increases	Decreases	Balance June 30, 2009	Due Within One Year
Business-type activities					
Compensated absences	\$ 41,860	\$ 24,826	\$ 31,690	\$ 34,996	\$ 27,996
Other postemployment benefits	15,152	17,364	-	32,516	-
Landfill Closure/Post-Closure	4,561,370	328,595	136,354	4,753,611	2,098,219
Total business-type activities	<u>\$ 4,618,382</u>	<u>\$ 370,785</u>	<u>\$ 168,044</u>	<u>\$ 4,821,123</u>	<u>\$ 2,126,215</u>
Discretely presented component unit:					
Compensated absences	\$ 547,913	\$ 610,819	\$ (571,747)	\$ 586,985	\$ 575,245
OPEB obligation	114,476	160,556	(36,111)	238,921	36,111
Total discretely presented component unit	<u>\$ 662,389</u>	<u>\$ 771,375</u>	<u>\$ (607,858)</u>	<u>\$ 825,906</u>	<u>\$ 611,356</u>

For Governmental activities, compensated absences and unfunded pension cost are liquidated by the general fund. For business-type activities, compensated absences are liquidated by the business-type activity and accounted for on the LIFO basis, assuming employees are taking leave time as it is earned.

5. Capital Assets, Net of Related Debt

Governmental Activity capital assets, net of related debt at June 30, 2009, are computed as follows:

Capital assets, net of accumulated depreciation	\$ 191,822,673
Less: capital debt	
Gross debt	358,546,029
Less:	
School debt related to assets to which the County does not capitalize	(238,200,030)
Unexpended debt proceeds	<u>(36,569,886)</u>
Net capital debt	<u>83,776,113</u>
Capital assets, net of related debt	<u>\$ 108,046,560</u>

6. Advance Refundings

On March 15, 2004, the County issued \$32,855,000 of general obligation advance refunding revenue bonds to provide resources to purchase U.S. government securities that were placed into an irrevocable trust for the purpose of generating resources for all future debt service payments of refunded debt. The refunded debt consists of the County's series 1997 School Bonds dated February 1, 1997 and stated to mature on February 1 in the years 2008 to 2018 inclusive. The refunding debt was issued at a net interest cost of 3.276524%. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the Governmental activities column of the statement of net assets. The amount of defeased debt that remains outstanding as of June 30, 2009, is \$0. This advance refunding was undertaken to reduce total debt service payments over the following 14 years by \$1,588,396 and resulted in an economic loss of \$436,981. As required by GASB Statement 23, the difference between the reacquisition price and the net carrying amount of the old (refunded) bonds was deferred by \$3,756,746 and amortized as a component of interest expense over the remaining life of the refunding bonds. The unamortized deferred amount as of June 30, 2009 was \$2,317,034.

On January 31, 2008, the Cabarrus County Development Corporation issued Refunding Certificates of Participation, Series 2008B in the aggregate principal amount of \$18,745,000. A portion of the proceeds of the

Cabarrus County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2009

2008B Certificates are to be applied to advance refund the Refunded Obligations. The refunded debt consists of the County's series 1999 Installment Payment Revenue Bonds dated June 16, 1999 and stated to mature on June 30, 2019. The refunding debt was issued at a net interest cost of 3.241996%. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the Governmental activities column of the statement of net assets. The amount of defeased debt that remains outstanding as of June 30, 2009 is \$0. This advance refunding was undertaken to reduce total debt service payments over the following 11 years by \$1,143,169 and resulted in an economic gain of \$428,256. As required by GASB Statement 23, the difference between the reacquisition price and the net carrying amount of the old (refunded) bonds was deferred by \$958,846 and amortized as a component of interest expense over the remaining life of the refunding bonds. The unamortized deferred amount as of June 30, 2009 was \$835,359.

K. Conduit Debt Obligations

Cabarrus County Industrial Facility and Pollution Control 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, 2009, there were two series of industrial revenue bonds outstanding, with an aggregate principal amount of \$14,600,000.

L. Interfund Balances and Activity

Transactions between funds are accounted for as follows:

- 1) Transactions which would be treated as revenues, expenditures, or expenses if they involved organizations external to the County are recorded as revenues, expenditures or expenses in the appropriate funds.
- 2) Transactions which are reimbursements to a fund for expenditures or expenses initially made from it that are properly applicable to another fund are recorded as expenditures or expenses in the reimbursing fund and as reductions of the expenditures or expenses in the appropriate funds.
- 3) All transactions other than those in 1) and 2) above are recorded as transfers.

The composition of interfund balances as of June 30, 2009 is as follows:

	Transfers In			Total Transfers Out
	School Construction	General	Non Major	
General	\$ -	\$ -	\$ 13,748,252	\$ 13,748,252
School Construction	-	2,241	-	2,241
Justice Center	-	407,409	-	407,409
Non-Major	1,462,879	557,853	13,055,218	15,075,950
Total	<u>\$ 1,462,879</u>	<u>\$ 967,503</u>	<u>\$ 26,803,470</u>	<u>\$ 29,233,852</u>

Transfers to/from other funds at June 30, 2009, consists of the following:

To the General Fund from the Sheriff's Department Special Revenue Fund for expenditures related to the Shield and Gang Grants	\$ 40,884
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Cabarrus County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2009

To the General Fund from the Cabarrus Tourism Authority Special Revenue Fund for the close out of the Tourism Fund	4,281
To the General Fund from the Capital Reserve Special Fund for the roof repair at a school.	226,815
To the General Fund from the Capital Reserve Special Revenue Fund for payment of debt on a piece of land for a park.	190,000
To the General Fund from the Capital Reserve Special Revenue Fund for a Courthouse renovation study.	23,650
To the General Fund from the 911 Emergency Special Revenue Fund for the salary and benefits of a GIS mapping employee.	72,223
To the General Fund from the Justice Center Capital Projects Fund for debt service payments	407,409
To the General Fund from the School Construction Capital Projects Fund for debt service payments.	2,241
To the School Construction Capital Projects Fund from the Public School Building (Lottery Proceeds) for the construction and renovation of school's.	906,690
To the School Construction Capital Projects Fund from the \$98 Million School Bond Capital Projects Fund for the construction of a Bus Garage.	356,189
To the School Construction Capital Projects Fund from the 2009 School Construction Capital Projects Fund for the construction of a Bus Garage.	200,000
To the Public School Building Capital Projects Fund from the General Fund for Medicaid HoldHarmless reimbursement.	37,656
To the Capital Projects Fund from the General Fund for the Frank Liske Park Project.	209,698
To the Capital Projects Fund from the General Fund for the Camp Spencer Park Project.	304,974
To the Capital Projects Fund from the Capital Reserve Special Revenue Fund for development of the Southeast Community Park	810,000
To the Capital Projects Fund from the General Fund for the purchase of communication radios	336,000
To the Construction and Renovation Capital Projects Fund from the Capital Reserve Special Revenue Fund for the construction of a new Governmental Office Complex.	4,500,000
To the 2009 School Construction Capital Projects Fund from the Capital Reserve Special Revenue Fund for the construction and renovations of schools.	7,345,218
To the Emergency Telephone System Special Revenue Fund from the General Fund for reimbursement of an overpayment of wire-line money.	11,278
To the Community Development Special Revenue Fund from the General Fund for Community Development projects.	45,000

Cabarrus County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2009

To the Cabarrus Arena and Events Center Special Revenue Fund from the General Fund for the operations of the facility.	600,000
To the Capital Reserve Special Revenue Fund from the General Fund for future school projects.	7,896,584
To the Capital Reserve Special Revenue Fund from the General Fund to fulfill the 15% Fund Balance policy.	4,307,062
To the Small Projects Special Revenue Fund from the Capital Reserve Special Revenue Fund for the development of an incubator farm.	<u>400,000</u>
Total	<u>\$ 29,233,852</u>

M. Supplemental and Additional Supplemental One-Half of One Percent Local Government Sales and Use Tax

State law (Chapter 105, Articles 40 and 42, of the North Carolina General Statutes) requires the County to use a portion of the proceeds of its supplemental and additional supplemental sales taxes, or local option sales taxes, for public school capital outlays or to retire public school indebtedness. During the fiscal year ended June 30, 2009, the County reported these local option sales taxes within its General Fund. The County expended the restricted portion of these taxes for public school capital outlays.

N. Public School Building Capital Fund

The Public School Building Capital Fund is funded using a portion of the corporate income taxes which are imposed on corporations doing business in the State. Each calendar quarter, the Department of Revenue shall remit to the State Treasurer for credit in the fund, an amount equal to the applicable fraction provided by the following table of the net collections of corporate income taxes received during the previous quarter minus \$2.5 million, which it deposits into the Critical School Facilities Needs Fund.

<u>Period</u>	<u>Fraction</u>
Prior to 10/1/97	Two thirty-first (2/31)
10/1/97 to 9/30/98	One-fifteenth (1/15)
10/1/98 to 9/30/99	Two twenty-ninths (2/29)
10/1/99 to 9/30/00	One fourteenth (1/14)
After 9/30/00	Five sixty-ninths (5/69)

The corporate income taxes deposited into the Fund are allocated to the County on the basis of its average daily membership (ADM) as determined by the North Carolina State Board of Education. The Office of State Budget and Management established and maintains an ADM allocation account for the County. At June 30, 2009 the balance of the County's ADM allocation account was \$2,935,785. The County must match this balance on the basis of one dollar for every three dollars of state funds for financing the school unit's facilities capital needs. The local school technology plan does not require a County match. After approving a school capital project authorized by the Act, the Office of State Budget and Management will transfer funds from the County's ADM allocation account to its disbursing account maintained with the State Treasurer. At that time, the ADM allocation transferred is considered to be "available" and is recognized in the Public School Building Capital Fund as intergovernmental revenue. At June 30, 2009 the County's disbursing account had a \$519,885 balance.

Cabarrus County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2009

O. Benefit payments Issued by the State

The following amounts listed under the columns labeled "Federal" and "State" were paid by the State of North Carolina from federal and state moneys directly to individual recipients on behalf of Cabarrus County and Cabarrus Health Alliance and are not included in the County's or the Alliance's financial statements since the County and the Alliance have no primary responsibilities beyond making eligibility determinations.

	<u>Federal</u>	<u>State</u>
Medical assistance	\$87,996,576	\$34,539,560
Temporary assistance to needy families	741,352	-
Special assistance to adults	-	1,355,844
Low income energy assistance payments	591,148	-
Refugee Assistance	5,058	-
Food stamp program	22,752,698	-
Adoption assistance	638,704	116,551
Total	<u>\$112,725,536</u>	<u>\$36,011,955</u>

P. Internal Service Fund

The County maintains two internal service funds for workers' compensation and self-insured hospitalization insurance. These funds accumulate premiums and pays all claims and related expenses for workers compensation and health insurance activities. At June 30, 2009, the workers compensation internal service fund had an unrestricted net asset balance of \$1,086,698 and the self-insured hospitalization internal service fund had an unrestricted net asset balance of \$2,068,603. In the basic financial statements, the net assets and activities have been allocated to all governmental fund types, and business types as applicable. This surplus is being retained for anticipated future catastrophic losses.

Note 4. Other Information

1. Risk Management

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County participates in a liability program which is financed using a combination of self-funding and participation in the Carolina Governmental Alliance, Inc., a governmental corporation. The County retains the first \$350,000 in liability claims and claims expenses which are payable by the Carolina Governmental Alliance, Inc. Excess liability insurance above the \$350,000 retention is purchased up to a total limit of \$2,500,000 per occurrence.

The property insurance program is financed using a combination of self-funding and participation in the Carolina Governmental Alliance, Inc., a governmental corporation. Excess property insurance above a \$5,000 deductible is purchased based on the replacement values, submitted to the Excess Property Company each year.

At July 1, 1994, the County chose to establish a Workers Compensation Fund (an internal service fund) for risk associated with the workers compensation plan. The Workers Compensation Fund is where assets are set aside for claim settlements. At this time the fund is no longer being funded annually. The uninsured risk retention per accident is \$350,000 for workers compensation. The County has purchased commercial insurance for claims in excess of that amount.

A liability for a claim is established if information indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss is reasonably estimable. The claims liability for fiscal year ended June 30, 2009 is shown at right.

	<u>Workers Compensation</u>	
	<u>6/30/2009</u>	<u>6/30/2008</u>
Unpaid claims, beginning of fiscal year	\$ 346,493	\$ 110,051
Incurred claim	506,342	650,333
Claim payments	<u>(545,203)</u>	<u>(413,891)</u>
Unpaid claims, end of fiscal year	<u>\$ 307,632</u>	<u>\$ 346,493</u>

Cabarrus County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2009

On July 1, 2004, the County chose to establish a Self-Insured Health Insurance Fund (an internal service fund) for risk associated with the health insurance plan. The Health Insurance Fund is where assets are set aside for claim settlements. A premium is charged to each fund that accounts for full-time employees plus this benefit is also offered to retired employees who meet specific criteria. The total charge to each fund is based on actual calculated cost which includes but not limited to fixed cost, mature claim cost, expected monthly liability and the number of projected employees who will be covered by insurance.

The uninsured risk retention per claim is \$100,000 with an aggregate stop loss of 125%. This coverage is for claims incurred and paid in 12 months. The benefits covered are medical MH/SA Pharmacy and Vision.

A liability for a claim is established if information indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss is reasonably estimable. The current claims liability for fiscal year ended June 30, 2009 is shown at right.

<u>Self-Insured Health Insurance</u>		
	<u>6/30/2009</u>	<u>6/30/2008</u>
Unpaid claims, beginning of fiscal year	\$ 145,397	\$ 185,433
Incurred claims	5,096,129	4,600,254
Claim payments	<u>(5,118,883)</u>	<u>(4,931,084)</u>
Unpaid claims, end of fiscal year	<u>\$ 122,643</u>	<u>\$ 145,397</u>

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

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

The Alliance is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, and natural disasters. The Alliance has property, general liability, auto liability, workers' compensation and medical malpractice liability coverage through an outside agent.

2. Contingent Liabilities

The County has received proceeds from several federal and state grants. Periodic audits of these grants are required and certain costs may be questioned as not being appropriate expenditures under the grant agreements. Such audits could result in the refund of grant moneys to the grantor agencies. The amount, if any, of such refunds cannot be determined at this time although management believes that such amounts would be immaterial. No provision has been made in the accompanying financial statements for the refund of grant funds.

At June 30, 2009, the County was a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the government's counsel that resolution of these matters will not have a material adverse effect on the financial condition of the government.

In the Fall of 2009, the City of Kannapolis plans to be issuing "project development financing" bonds in an amount not to exceed \$30,000,000 to provide funding for all or a portion of the costs of certain public infrastructure improvements related to the development of the North Carolina Research Campus. The North Carolina Research Campus is owned by Castle and Cooke. The County has agreed to consider providing assistance to this development project. By resolution adopted on November 19, 2007, the County authorized the execution and delivery of an interlocal agreement with the City of Kannapolis. That interlocal agreement has not been completed nor approved by the Board of Commissioners. Pursuant to a draft interlocal agreement, the County will agree to pledge a portion of the annual ad valorem property taxes received by the County on the incremental value of the property in the Development Financing District in support of the project development financing bonds issued by the City of Kannapolis, but not in excess of the "Maximum County Contribution Amount" in each year. The Maximum County Contribution Amount for a year is the lesser of (i) 100% of the net incremental ad valorem tax revenues collected on behalf of the County within the Development Financing District in such year and (ii) 50% of the net

Cabarrus County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2009

aggregate annual principal and interest requirements on the project development financing bonds in that year (with credit being given to the County for the amount of proceeds of the project development financing bonds being used to pay capitalized interest and investment earnings that are being used to pay principal or interest on the project development financing bonds).

3. Joint Ventures

The County participates in a joint venture to operate Piedmont Behavioral Health (PBH) with four other local governments. Each participating government appoints four board members to the twenty-member board. The County has an ongoing financial responsibility for the joint venture because PBH's continued existence depends on the participating governments' continued funding. None of the participating governments have any equity interest in PBH, so no equity interest has been reflected in the financial statements at June 30, 2009. In accordance with the intergovernmental agreement between the participating governments, the County appropriated \$614,021 to PBH to supplement its activities. Complete financial statements for PBH can be obtained from PBH's offices at 245 LePhillip Court, Concord, NC 28025.

The County, in conjunction with the State of North Carolina, Rowan Cabarrus Community College and Rowan County participates in a joint venture to operate the Rowan Cabarrus Community College. Each of the four participants, except the County who only appoints two members, appoints four members of the fifteen-member board of trustees of the community college. The president of the community college's student government serves as an ex-officio nonvoting member of the community college's board of trustees. The community college is included as a component unit of the State. The County has the basic responsibility for providing funding for 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 the facilities, the County periodically issues general obligation bonds to provide financing for new and restructured facilities. Of the 2003 Refunded general obligation bonds issued, \$124,461 in debt is still outstanding. Of the 2006 General Obligation bonds issued, \$2,932,083 in debt is still outstanding. In March 2005, the County issued installment financing for the up fit of the old school administration building which will house the new RCCC Business Center. The total financed cost of the up fit totaled \$4,358,000. The County has leased this facility to RCCC for \$1 per year. At fiscal year end \$1,867,714 in debt is still outstanding. The County has an ongoing financial responsibility for the community college because of the statutory responsibilities to provide funding for the community college's facilities. The County contributed \$1,798,496 to the community college for operating purposes during the fiscal year ended June 30, 2009. In addition, the County made debt service payments of \$1,037,620 during the fiscal year on general obligation bonds and installment financing 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, 2009. Complete financial statements for the community college may be obtained from the community college's administrative offices at I-85 at Jake Alexander Boulevard South, Salisbury, NC 28145.

4. Jointly Governed Organization

The County, in conjunction with eight other counties and fifty-four municipalities, established the Centralina Council of Governments (Council). The participating governments established the Council to coordinate various funding received from federal and state agencies. Each participating government appoints one member to the Council's governing board. The County paid membership fees of \$39,295 to the Council during the fiscal year ended June 30, 2009.

The County in conjunction with the Cities of Concord and Kannapolis and the Towns of Harrisburg and Mount Pleasant organized the Water and Sewer Authority of Cabarrus County in order to operate and maintain a regional interceptor sewer system and wastewater treatment system. Although not a user of the wastewater treatment services, the County is a related party by virtue of joint governance of the Water and Sewer Authority of Cabarrus County.

5. Other Employment Benefits

The County and the Alliance have elected to provide death benefits to employees through the Death Benefit Plan for members of the Local Governmental Employee's Retirement System (Death Benefit Plan), a State administered 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

Cabarrus County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2009

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 his/her death, but the benefit will be a minimum of \$25,000 and will not exceed \$50,000. Annually, the State sets the County's and the Alliance's monthly contribution rates for death benefits. 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 the County, the County and the Alliance do not determine the number of eligible participants. For the fiscal year ended June 30, 2009, the County made contributions to the State for death benefits of \$37,187 and the Alliance made no contribution. The County's required contributions for employees not engaged in law enforcement and for law enforcement officers represented .09%, and .14% of covered payroll. The contributions to the Death Benefit Plan cannot be separated between the postemployment benefit amount and the other benefit amount.

Effective July 1, 2004, pursuant to a new IRS regulation regarding Group Life Insurance benefits, the County is now required to include the amount of group life insurance coverage that exceeds \$50,000 as a taxable fringe benefit. As a full-time employee participating in the NC Local Government Retirement System, an employee is eligible for a death benefit of \$25,000 to \$50,000 and an additional \$20,000 the County provides for all employees who have been employed for at least one year. If an employee has purchased additional insurance through the County, this will also be included in the employees total life insurance fringe benefits. If this combined life insurance coverage exceeds the \$50,000 limit, the excess amount is multiplied by a premium cost factor per \$1,000 based on your age at December 31st provided by the IRS. This amount is then added to the employee's taxable wages on a calendar year basis.

6. Other Postemployment Benefits (OPEB) – Healthcare Benefits

Plan Description. Based on a 1997 County approved policy, the County will pay for basic medical insurance for all retirees that qualify based on years of service.

The following schedule became effective on July 1, 1997:

<u>Years of Service with Cabarrus County and Membership to LGERS</u>	<u>% of Retiree Health Insurance the County Pays</u>
Qualified retirement with 10 or more years of service with Cabarrus County	100%
Qualified retirement with less than 10 years of service with Cabarrus County	50%

Effective November 1, 2003, the ordinance was amended and reads as follows:

<u>Years of Service with Cabarrus County and Membership to LGERS</u>	<u>% of Retiree Health Insurance the County Pays</u>
Qualified retirement with 25 or more years of service with Cabarrus County	100%
Qualified retirement with less than 10 years of service with Cabarrus County	50%

This amendment applies to those employees coming to work on or after November 1, 2003. Current employees were grandfathered under the ten year requirement. The County's contribution will cease when the retiree becomes eligible for Medicare (or reaches the age where they would have had such benefits had they been qualified for Social Security). A separate audit report was not issued for the plan.

Cabarrus County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2009

Membership of the plan consisted of the following at December 31, 2007, the date of the latest actuarial valuation:

Retirees receiving benefits	87
Active Plan Members:	
General Employees	489
Law Enforcement	155
Total	<u>731</u>

Funding Policy. The County pays the full cost of coverage for the healthcare benefits paid to qualified retirees. Retirees are required to pay for dependent coverage. The County contributions are financed on a pay as you go basis. In the future, employees and retirees may be required to participate in premiums for basic group health and life insurance plans.

The current ARC rate is 8.51 % of annual covered payroll (5.59% normal cost and 2.92% accrued liability). The County contributed \$585,283 or 3% of annual covered payroll for the current fiscal year. The County is self insured for healthcare coverage. The County's required contributions for employees not engaged in law enforcement and for law enforcement officers represented 1.5% and .08% of covered payroll. Contributions of \$50 per month were made by employees and retirees who currently use tobacco products and have not signed a non use tobacco certification. These contributions were \$4,200 for the current year. There were no other contributions made by employees, except for dependent coverage in the amount of \$49,606.

Summary of Significant Accounting Policies. Postemployment expenditures for former employees not engaged in law enforcement are made from the General Fund. This fund is maintained on a modified accrual basis of accounting. No funds are set aside to pay benefits and administrative costs. These expenditures are paid as they come due.

Annual OPEB Cost and Net Pension Obligation. The County's annual OPEB cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the County's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the County's net OPEB obligation for the healthcare benefits:

Annual Required Contribution	\$ 2,156,844
Interest on Net OPEB Obligation	-
Adjustment to annual required contribution	-
Annual OPEB cost (expense)	<u>2,156,844</u>
Contributions made	<u>(585,283)</u>
Increase (decrease) in net OPEB obligation	1,571,561
Net OPEB obligation, beginning of year	<u>1,341,176</u>
Net OPEB obligation, end of year	<u>\$ 2,912,737</u>

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation were as follows:

For Year Ended June 30	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2008	\$1,850,169	28%	\$1,341,176
2009	\$2,156,844	27%	\$2,912,737

Cabarrus County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2009

Funded Status and Funding Progress. As of December 31, 2007, the most recent actuarial valuation date, the plan was not funded. The actuarial accrued liability for benefits and, thus the unfunded actuarial accrued liability (UAAL) was \$21,441,875. The covered payroll (annual payroll of active employees covered by the plan) was \$25,327,869 and the ratio of the UAAL to the covered payroll was 84.7%. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and healthcare trends. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions. Projections of benefits for financial reporting purposes are used on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members at this point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short term volatility in actuarial accrued liabilities and the actuarial value assets, consistent with the long term perspective of the calculations.

In the December 31, 2007 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 4.00% investment rate of return (net of administrative expenses), which is the expected long-term investment return on the employer's own investments calculated based on the funded level of the plan at the valuation date, and an annual medical cost trend increase of 11.00 to 5.00 percent annually. Both rates included a 3.75 percent inflation assumption. The actuarial value of assets, if any, was determined using techniques that spread the effects of short term volatility in the market value of investments over a five year period. The UAAL is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at December 31, 2007 was 30 years.

7. Pension Plan and Benefit Obligations

a. Local Governmental Employees' Retirement System

Plan Description. Cabarrus County and the Alliance 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 the Alliance are required to contribute at an actuarially determined rate. For the County, the current rate for employees not engaged in law enforcement and for law enforcement officers is 4.89% and 4.86% respectively, of annual covered payroll. For the Alliance, the current rate for employees is 4.86% of annual covered payroll. The contribution requirements of members and of Cabarrus County and the Alliance are established and may be amended by the North Carolina General Assembly. The County's contribution to LGERS for the years ended June 30, 2009, 2008, and 2007 were \$1,796,672, \$1,623,545 and \$1,467,622, respectively. The Alliance's contributions to LGERS for the years ended June 30, 2009, 2008, 2007, and 2006, were \$ 453,071, \$430,211, \$390,846, and \$364,602 respectively. The contributions made by the County and the Alliance equaled the required contributions for each year.

b. Law Enforcement Officers' Special Separation Allowance

Plan Description. Cabarrus County administers a public employee retirement system (the "Separation Allowance"); a single-employer defined benefit pension plan that provides retirement benefits to the County's qualified sworn law enforcement officers. The Separation Allowance is equal to .85 percent of the annual equivalent of the base rate of compensation most recently applicable to the officer for each year of creditable service. The retirement benefits are

Cabarrus County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2009

not subject to any increases in salary or retirement allowances that may be authorized by the General Assembly. Article 12D of G.S. Chapter 143 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The Separation Allowance is reported in the County's report as a pension trust fund. No stand-alone financial report exists.

All full-time County law enforcement officers are covered by the Separation Allowance. At December 31, 2008, the Separation Allowance's membership consisted of:

Retirees receiving benefits	21
Terminated plan members entitled to but not yet receiving benefits	-
Active plan members	192
Total	<u>213</u>

Summary of Significant Accounting Policies:

Basis of Accounting. Financial statements for the Separation Allowance are prepared using the accrual basis of accounting. Employer contributions to the plan are recognized when due and when the County has made a formal commitment to provide the contributions. Benefits are recognized when due and payable in accordance with the terms of the plan.

Method used to Value Investments. Investments are reported at fair value. Short-term money market debt instruments, deposits, and repurchase agreements, are reported at cost or amortized cost, which approximates fair value. Certain longer term United States Government and United States Agency securities are valued at the last reported sales price.

Contributions. The County is required by Article 12D of G.S. Chapter 143 to provide these retirement benefits and has chosen to fund the amounts necessary to cover the benefits earned by making contributions based on actuarial valuations. The County transfers the contribution in a subsequent year following notification by the actuary of the amount. For the current year, the County contributed \$350,675 or 4.37% of annual covered payroll. There were no contributions made by employees. The County's obligation to contribute to this plan is established and may be amended by the North Carolina General Assembly. Administration costs of the Separation Allowance are financed through investment earnings.

The annual required contribution for the current year was determined as part of the December 31, 2007 actuarial valuation using the projected unit credit actuarial cost method. The actuarial assumptions included (a) 7.25% investment rate of return (net of administrative expenses) and (b) projected salary increases ranging from 4.5% to 12.3% per year. Both (a) and (b) included an inflation component of 3.75%. The assumptions did not include postretirement benefit increases.

The actuarial value of assets was determined using the market value of investments. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at December 31, 2007 was 10 years.

Annual Pension Cost and Net Pension Obligation. The County's annual pension cost and net pension obligation to the Separation Allowance for fiscal year ending June 30, 2009 are shown at right:

Annual required contribution	\$ 353,811
Interest on net pension obligation	12,055
Adjustment to annual required contribution	<u>(19,867)</u>
Annual pension cost	345,999
Contributions made	350,675
Increase in net pension obligation	<u>(4,676)</u>
Net pension obligation beginning of year	166,281
Net pension obligation end of year	<u>\$ 161,605</u>

Cabarrus County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2009

3 Year Trend Information			
<u>Fiscal Year</u> <u>Ended</u>	<u>Annual Pension</u> <u>Cost (APC)</u>	<u>Percentage of</u> <u>APC Contributed</u>	<u>Net Pension</u> <u>Obligation</u>
6/30/2007	\$329,899	118.98%	\$163,839
6/30/2008	342,978	99.29%	166,281
6/30/2009	345,999	101.35%	161,605

Funded Status and Funding Progress. As of December 31, 2008, the most recent actuarial valuation date, the plan was 1.34 percent funded. The actuarial accrued liability for benefits was \$2,504,422, and the actuarial value of assets was \$33,566, resulting in an unfunded actuarial accrued liability (UAAL) of \$2,470,856. The covered payroll (annual payroll of active employees covered by the plan) was \$8,025,050 and the ratio of the UAAL to the covered payroll was 30.79 percent.

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

c. Supplemental Retirement Income Plan (401k)

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

Funding Policy. Article 12E of G.S. Chapter 143 requires the County to contribute each month an amount equal to five percent of each law enforcement officer's salary, and all amounts contributed are vested immediately. Also, the law enforcement officers may make voluntary contributions to the plan. The County and the Alliance have chosen to extend this benefit to all its full and part-time (who are eligible for North Carolina Local Governmental Employees' Retirement System) employees. Contributions by Cabarrus County for the year ended June 30, 2009 were \$2,457,904 which consisted of \$1,841,021 from the County and \$616,883 from the employees. The Alliance's contributions for the year ended June 30, 2009 were \$460,682, which consisted of \$109,696 from the Alliance and \$ 350,986 from the employees.

d. Register of Deeds' Supplemental Pension Fund

Plan Description. Cabarrus County also contributes to the Registers of Deeds' Supplemental Pension Fund (Fund), a noncontributory, defined contribution plan administered by the North Carolina Department of State Treasurer. The Fund provides supplemental pension benefits to any eligible county register of deeds who is retired under the Local Government Employees' Retirement System (LGERS) or an equivalent locally sponsored plan. Article 3 of G. S. Chapter 161 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The Register of Deeds' Supplemental Pension Fund is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes financial statements and required supplementary information for the Registers of Deeds' Supplemental Pension Fund. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454.

Funding Policy. On a monthly basis, the County remits to the Department of State Treasurer an amount equal to one and one-half percent (1.5%) of the monthly receipts collected pursuant to Article 3 of G.S. 161. Immediately following January 1 of each year, the Department of State Treasurer divides ninety-three percent (93%) of the

Cabarrus County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2009

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, 2009, the County's required and actual contributions were \$13,830.

8. Effects of Subsequent Events

The North Carolina State Education Assistance Agency instruments in the portfolio having final stated maturities ranging from 2015 to 2036; have been called effective July 24, 2008 resolving the matter of illiquid investments for the County.

On July 16, 2009, Cabarrus County issued \$85,170,000 of Certificates of Participation (COPS) to finance the construction and renovation of two elementary schools, two middle schools, and an addition to and renovation of an existing high school. The interest rate on the COPS range from 3% to 5% and the maturity date is January 1, 2029.

In July 2009, Philip Morris, Inc., closed its facility in Cabarrus County and moved all of their operations to Richmond, Virginia. Philip Morris was Cabarrus County's third largest employer as well as the largest tax payer and accounted for 5.33% (approximately \$1.1 million dollars in levy) of the total valuation of the County.

**Cabarrus County, North Carolina
Special Separation Allowance
Required Supplementary Information
Schedule of Funding Progress
June 30, 2009**

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 for Year Ending on Valuation Date (c)	UAAL as a % of Covered Payroll ((b-a)/c)
12/31/1999	\$ 280,222	\$ 1,656,225	\$ 1,376,003	16.92%	\$ 4,299,836	32.00%
12/31/2000	282,331	2,027,442	1,745,111	13.93%	4,540,272	38.44%
12/31/2001	232,210	2,210,604	1,978,394	10.50%	4,705,260	42.05%
12/31/2002	142,612	2,362,390	2,219,778	6.04%	5,076,155	43.73%
12/31/2003	56,515	2,403,560	2,347,045	2.35%	5,122,396	45.82%
12/31/2004	149,833	2,527,863	2,378,030	5.93%	5,690,981	41.79%
12/31/2005	265,718	2,275,330	2,009,612	11.68%	6,569,172	30.59%
12/31/2006	341,866	2,398,871	2,057,005	14.25%	6,715,791	30.63%
12/31/2007	377,233	2,436,234	2,059,001	15.48%	7,277,196	28.29%
12/31/2008	33,566	2,504,422	2,470,856	1.34%	8,025,050	30.79%

Cabarrus County, North Carolina
Special Separation Allowance
Required Supplementary Information
Schedule of Employer Contributions

Year Ended June 30	Annual Required Contribution	Actual Contribution	Percentage Contributed
2000	\$ 168,968	\$ 150,463	89%
2001	178,284	168,968	95%
2002	179,465	178,285	99%
2003	195,574	179,465	92%
2004	358,891	322,574	90%
2005	377,815	358,891	95%
2006	392,503	377,815	96%
2007	340,536	392,503	115%
2008	350,675	340,536	97%
2009	353,811	350,675	99%

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

Valuation date	12/31/2007
Actuarial cost method	Projected unit credit
Amortization method	Level percent of pay closed
Remaining amortization period	10 years
Asset valuation method	Market value
Actuarial assumptions:	
Investment rate of return*	7.25%
Projects salary increases*	4.5% to 12.3%
Cost-of-living adjustments	N/A

*Includes inflation at 3.75%

Cabarrus County, North Carolina
Other Post Employment Benefits (OPEB)
Required Supplementary Information
Schedule of Funding Progress
June 30, 2009

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 for Year Ending on Valuation Date (c)	UAAL as a % of Covered Payroll (b-a)/c
12/31/2005	\$ -	\$ 17,505,771	\$ 17,505,771	0.0%	\$ 21,611,231	81.0%
12/31/2007	-	21,441,875	21,441,875	0.0%	25,327,869	84.7%

Cabarrus County, North Carolina
Other Postemployment Benefits (OPEB)
Required Supplementary Information
Schedule of Employer Contributions

Year Ended <u>June 30</u>	<u>Annual Required Contribution</u>	<u>Actual Contribution</u>	<u>Percentage Contributed</u>
2008	\$ 1,850,169	\$ 508,993	28%
2009	2,156,844	585,283	27%

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

Valuation date	12/31/2007
Actuarial cost method	Projected unit credit
Amortization method	Level percentage of pay, open
Remaining amortization period	30 years
Asset valuation method	Market value of Assets
Actuarial assumptions:	
Investment rate of return*	4.00%
Medical cost trend rate	11.00%-5.00%
Year of Ultimate trend rate	2016

*Includes inflation at 3.75%



Other Supplemental Information

Cabarrus County, North Carolina
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2009

Schedule 1

	Special Revenue													Capital Projects							
	<i>Emergency Telephone System Fund</i>	<i>Community Development Grant Fund</i>	<i>Cabarrus Arena and Events Center Fund</i>	<i>Fire Districts Fund</i>	<i>Capital Reserve Capital Fund</i>	<i>Capital Reserve Utility Fund</i>	<i>Small Projects Fund</i>	<i>Sheriff Department Fund</i>	<i>Adequate Facilities Fund</i>	<i>Department of Aging Fund</i>	<i>Parks and Recreation Commission Fund</i>	<i>Cannon Memorial Library Fund</i>	<i>Subtotal</i>	<i>Public School Building Fund</i>	<i>Capital Projects Fund</i>	<i>Construction & Renovation Fund</i>	<i>\$98 Million School Bond Fund</i>	<i>2009 School Construction Fund</i>	<i>Subtotal</i>	<i>Total Nonmajor Governmental Funds</i>	
<u>Assets</u>																					
Cash and cash equivalents	\$ 437,078	\$ -	\$ 636,082	\$ 45,249	\$ 11,997,205	\$ 571,611	\$ 920,489	\$ 379,155	\$ 4,210,747	\$ 116,097	\$ 13,098	\$ 750,824	\$ 20,077,635	\$ -	\$ 2,924,614	\$ 4,441,562	\$ 895,893	\$ 1,888	\$ 8,263,957	\$ 28,341,592	
Accounts receivable	54,101	75,511	24,460	-	-	-	-	-	-	-	-	-	154,072	484	-	-	-	426,865	427,349	581,421	
Notes receivable	-	-	-	-	825,000	-	-	-	-	-	-	-	825,000	-	-	-	-	-	-	825,000	
Restricted cash	-	-	100,000	-	-	-	-	-	-	-	-	-	100,000	23,434	-	-	-	-	23,434	123,434	
Total assets	<u>\$ 491,179</u>	<u>\$ 75,511</u>	<u>\$ 760,542</u>	<u>\$ 45,249</u>	<u>\$ 12,822,205</u>	<u>\$ 571,611</u>	<u>\$ 920,489</u>	<u>\$ 379,155</u>	<u>\$ 4,210,747</u>	<u>\$ 116,097</u>	<u>\$ 13,098</u>	<u>\$ 750,824</u>	<u>\$ 21,156,707</u>	<u>\$ 23,918</u>	<u>\$ 2,924,614</u>	<u>\$ 4,441,562</u>	<u>\$ 895,893</u>	<u>\$ 428,753</u>	<u>\$ 8,714,740</u>	<u>\$ 29,871,447</u>	
<u>Liabilities</u>																					
Accounts payable and accrued liabilities	\$ 390	\$ 27,452	\$ 185,016	\$ 45,249	\$ 426,865	\$ -	\$ 19,499	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 704,471	\$ 484	\$ 131,457	\$ 61,610	\$ 37,094	\$ 381,220	\$ 611,865	\$ 1,316,336	
Contract retainages	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	45,645	45,645	45,645	
Total liabilities	<u>390</u>	<u>27,452</u>	<u>185,016</u>	<u>45,249</u>	<u>426,865</u>	<u>-</u>	<u>19,499</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>704,471</u>	<u>484</u>	<u>131,457</u>	<u>61,610</u>	<u>37,094</u>	<u>426,865</u>	<u>657,510</u>	<u>1,361,981</u>	
<u>Fund balances</u>																					
Reserved for Special Revenue:																					
Public Safety	490,789	-	-	-	-	-	-	379,155	-	-	-	-	869,944	-	-	-	-	-	-	869,944	
Human Services	-	-	-	-	-	-	176,363	-	-	116,097	-	-	292,460	-	-	-	-	-	-	292,460	
Education	-	-	-	-	-	-	-	-	4,210,747	-	-	-	4,210,747	-	-	-	-	-	-	4,210,747	
Culture and recreation	-	-	-	-	-	-	-	-	-	-	13,098	750,824	763,922	-	-	-	-	-	-	763,922	
Other purposes	-	48,059	-	-	-	-	283,634	-	-	-	-	-	331,693	-	-	-	-	-	-	331,693	
Capital Projects	-	-	-	-	-	-	-	-	-	-	-	-	-	23,434	2,793,157	4,379,952	858,799	1,888	8,057,230	8,057,230	
Unreserved, designated for subsequent year's expenditures	-	-	575,526	-	12,395,340	571,611	440,993	-	-	-	-	-	13,983,470	-	-	-	-	-	-	13,983,470	
Total fund balances	<u>490,789</u>	<u>48,059</u>	<u>575,526</u>	<u>-</u>	<u>12,395,340</u>	<u>571,611</u>	<u>900,990</u>	<u>379,155</u>	<u>4,210,747</u>	<u>116,097</u>	<u>13,098</u>	<u>750,824</u>	<u>20,452,236</u>	<u>23,434</u>	<u>2,793,157</u>	<u>4,379,952</u>	<u>858,799</u>	<u>1,888</u>	<u>8,057,230</u>	<u>28,509,466</u>	
Total liabilities and fund balances	<u>\$ 491,179</u>	<u>\$ 75,511</u>	<u>\$ 760,542</u>	<u>\$ 45,249</u>	<u>\$ 12,822,205</u>	<u>\$ 571,611</u>	<u>\$ 920,489</u>	<u>\$ 379,155</u>	<u>\$ 4,210,747</u>	<u>\$ 116,097</u>	<u>\$ 13,098</u>	<u>\$ 750,824</u>	<u>\$ 21,156,707</u>	<u>\$ 23,918</u>	<u>\$ 2,924,614</u>	<u>\$ 4,441,562</u>	<u>\$ 895,893</u>	<u>\$ 428,753</u>	<u>\$ 8,714,740</u>	<u>\$ 29,871,447</u>	

Cabarrus County, North Carolina
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2009

Schedule 2

	Special Revenue													Capital Projects							
	Emergency Telephone System Fund	Community Development Grant Fund	Cabarrus Arena and Events Center Fund	Fire Districts Fund	Capital Reserve Capital Fund	Capital Reserve Utility Fund	Small Projects Fund	Sheriff Department Fund	Adequate Facilities Fund	Cabarrus Tourism Authority Fund	Department of Aging Fund	Parks and Recreation Commission Fund	Canon Memorial Library Fund	Subtotal	Public School Building Fund	Capital Projects Fund	Construction & Renovation Fund	\$98 Million School Bond Fund	2009 School Construction Fund	Subtotal	Total Nonmajor Governmental Funds
Revenues:																					
Ad valorem taxes	\$ -	\$ -	\$ -	\$ 2,565,627	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,565,627	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,565,627
Home consortium	-	125,678	-	-	-	-	-	-	-	-	-	-	-	125,678	-	-	-	-	-	-	125,678
State grant-Scattered site rehabilitation	-	149,774	-	-	-	-	-	-	-	-	-	-	-	149,774	-	-	-	-	-	-	149,774
Intergovernmental	-	-	-	-	-	-	50,015	28,518	-	-	-	-	-	78,533	50,249	110,679	-	-	-	160,928	239,461
Intergovernmental - Lottery	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,035,155	-	-	-	-	1,035,155	1,035,155
Program fees	-	-	668,980	-	-	-	94,563	125	793,591	-	-	-	-	1,557,259	-	-	-	-	-	-	1,557,259
Telephone subscriber fees	737,696	-	-	-	-	-	-	-	-	-	-	-	-	737,696	-	-	-	-	-	-	737,696
Investment earnings	4,910	-	10,672	-	181,498	7,644	9,996	5,366	51,366	4,281	1,479	176	10,287	287,675	-	-	-	10,962	1,215	12,177	299,852
Donations	-	-	100,000	-	-	-	152,529	-	-	-	26,183	20	7,701	286,433	-	-	-	-	-	-	286,433
Miscellaneous	-	-	8,745	-	-	-	-	-	-	-	-	-	-	8,745	-	-	-	-	-	-	8,745
Total revenues	742,606	275,452	788,397	2,565,627	181,498	7,644	307,103	34,009	844,957	4,281	27,662	196	17,988	5,797,420	1,085,404	110,679	-	10,962	1,215	1,208,260	7,005,680
Expenditures:																					
General Government	-	-	-	-	-	-	112,739	-	-	-	-	-	-	112,739	-	-	-	-	-	-	112,739
Public Safety	740,979	-	-	2,565,627	-	-	-	5,614	-	-	-	-	-	3,312,220	-	48,485	-	-	-	48,485	3,360,705
Economic and Physical Development	-	302,009	-	-	-	-	-	-	-	854,372	-	-	-	1,156,381	-	-	-	-	-	-	1,156,381
Environmental Protection	-	-	-	-	-	280	277	-	-	-	-	-	-	557	-	-	-	-	-	-	557
Human Services	-	-	-	-	-	-	91,094	-	-	-	9,226	-	-	100,320	-	-	-	-	-	-	100,320
Education	-	-	-	-	-	-	-	-	42,336	-	-	-	-	42,336	880,048	-	-	910,561	7,355,218	9,145,827	9,188,163
Culture and Recreation	-	-	1,272,324	-	-	-	-	-	-	-	-	-	-	1,272,324	-	175,188	-	-	-	175,188	1,447,512
Capital outlay:																					
Land and Land Improvements	-	-	-	-	-	-	11,131	-	-	-	-	-	-	11,131	-	3,421,394	-	-	-	3,421,394	3,432,525
Building and Building Improvements	-	-	128,620	-	-	-	-	-	-	-	-	-	-	128,620	-	-	-	-	-	-	128,620
Equipment and Furniture	-	-	-	-	-	-	28,073	-	-	-	-	-	-	28,073	-	-	-	-	-	-	28,073
Vehicles and Motorized Equipment	-	-	-	-	-	-	24,974	-	-	-	-	-	-	24,974	-	-	-	-	-	-	24,974
Construction in Progress	42,303	-	35,319	-	-	-	-	-	-	-	-	-	-	77,622	-	1,264,466	120,048	-	-	1,384,514	1,462,136
Total expenditures	783,282	302,009	1,436,263	2,565,627	-	280	268,288	5,614	42,336	854,372	9,226	-	-	6,267,297	880,048	4,909,533	120,048	910,561	7,355,218	14,175,408	20,442,705
Excess (deficiency) of revenues over (under) expenditures	(40,676)	(26,557)	(647,866)	-	181,498	7,364	38,815	28,395	802,621	(850,091)	18,436	196	17,988	(469,877)	205,356	(4,798,854)	(120,048)	(899,599)	(7,354,003)	(12,967,148)	(13,437,025)
Other financing sources (uses):																					
Transfer in	11,278	45,000	600,000	-	12,203,646	-	400,000	-	-	-	-	-	-	13,259,924	37,656	1,660,672	4,500,000	-	7,345,218	13,543,546	26,803,470
Transfer (out)	(72,223)	-	-	-	(13,495,683)	-	-	(40,884)	-	(4,281)	-	-	-	(13,613,071)	(906,690)	-	-	(356,189)	(200,000)	(1,462,879)	(15,075,950)
Lease Financing issued	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,421,394	-	-	-	3,421,394	3,421,394
Total other financing sources (uses):	(60,945)	45,000	600,000	-	(1,292,037)	-	400,000	(40,884)	-	(4,281)	-	-	-	(353,147)	(869,034)	5,082,066	4,500,000	(356,189)	7,145,218	15,502,061	15,148,914
Net change in fund balances	(101,621)	18,443	(47,866)	-	(1,110,539)	7,364	438,815	(12,489)	802,621	(854,372)	18,436	196	17,988	(823,024)	(663,678)	283,212	4,379,952	(1,255,788)	(208,785)	2,534,913	1,711,889
Fund balance, July 1	592,410	29,616	623,392	-	13,505,879	564,247	462,175	391,644	3,408,126	854,372	97,661	12,902	732,836	21,275,260	687,112	2,509,945	-	2,114,587	210,673	5,522,317	26,797,577
Fund balance, June 30	\$ 490,789	\$ 48,059	\$ 575,526	\$ -	\$ 12,395,340	\$ 571,611	\$ 900,990	\$ 379,155	\$ 4,210,747	\$ -	\$ 116,097	\$ 13,098	\$ 750,824	\$ 20,452,236	\$ 23,434	\$ 2,793,157	\$ 4,379,952	\$ 858,799	\$ 1,888	\$ 8,057,230	\$ 28,509,466

Cabarrus County, North Carolina
Emergency Telephone System Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund
Balances - Budget and Actual
From Inception and for the Year Ended June 30, 2009

	<u>Actual</u>		
	<u>Budget</u>	<u>Actual</u>	Variable Favorable (Unfavorable)
Revenues:			
Telephone subscriber fees	\$ 683,566	\$ 737,696	\$ 54,130
Investment earnings	75,000	4,910	(70,090)
Total revenues	<u>758,566</u>	<u>742,606</u>	<u>(15,960)</u>
Expenditures:			
Public Safety:			
Operations	708,683	740,979	(32,296)
Capital Outlay:			
Construction in Progress	<u>42,303</u>	<u>42,303</u>	<u>-</u>
Total expenditures	<u>750,986</u>	<u>783,282</u>	<u>(32,296)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>7,580</u>	<u>(40,676)</u>	<u>(48,256)</u>
Other financing sources (uses):			
Transfer in-General Fund	-	11,278	11,278
Transfer (out)-General Fund	(72,223)	(72,223)	-
Fund Balance Appropriated	<u>64,643</u>	<u>-</u>	<u>(64,643)</u>
Total other financing sources (uses)	<u>(7,580)</u>	<u>(60,945)</u>	<u>(53,365)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>(101,621)</u>	<u>\$ (101,621)</u>
Fund balance, July 1		<u>592,410</u>	
Fund balance, June 30		<u>\$ 490,789</u>	

Cabarrus County, North Carolina
Community Development Block Grant Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund
Balances - Budget and Actual
From Inception and for the Fiscal Year Ended June 30, 2009

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Actual Current Year</u>	<u>Total to Date</u>
Revenues:				
Home consortium	\$ 406,896	\$ 192,825	\$ 125,678	\$ 318,503
Scattered site rehabilitation	400,000	14,501	149,774	164,275
Home consortium program fees	31,348	31,348	-	31,348
Total revenues	<u>838,244</u>	<u>238,674</u>	<u>275,452</u>	<u>514,126</u>
Expenditures:				
Economic and physical development:				
Home Consortium:				
Consultants	26,312	17,684	3,830	21,514
Sub-contractor construction	546,932	266,639	148,898	415,537
Total home consortium	<u>573,244</u>	<u>284,323</u>	<u>152,728</u>	<u>437,051</u>
Scattered site rehabilitation:				
Consultants	40,000	14,039	7,460	21,499
Sub-contractor construction	360,000	946	141,821	142,767
Total scattered site rehabilitation	<u>400,000</u>	<u>14,985</u>	<u>149,281</u>	<u>164,266</u>
Total expenditures	<u>973,244</u>	<u>299,308</u>	<u>302,009</u>	<u>601,317</u>
Revenues over (under) expenditures	<u>(135,000)</u>	<u>(60,634)</u>	<u>(26,557)</u>	<u>(87,191)</u>
Other financing sources:				
Transfer in - General Fund	<u>135,000</u>	<u>90,250</u>	<u>45,000</u>	<u>135,250</u>
Total other financing sources	<u>135,000</u>	<u>90,250</u>	<u>45,000</u>	<u>135,250</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ 29,616</u>	18,443	<u>\$ 48,059</u>
Fund balance, July 1			<u>29,616</u>	
Fund balance, June 30			<u>\$ 48,059</u>	

Cabarrus County, North Carolina
Cabarrus Arena and Events Center Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund
Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2009

	<u>Actual</u>		<u>Variance</u>
	<u>Budget</u>	<u>Actual</u>	<u>Favorable</u>
			<u>(Unfavorable)</u>
Revenues:			
County Fair:			
Program fees	\$ 645,500	\$ 668,980	\$ 23,480
Investment earnings	13,000	10,672	(2,328)
Donations - Tourism Authority	100,000	100,000	-
Miscellaneous	5,110	8,745	3,635
Total revenues	<u>763,610</u>	<u>788,397</u>	<u>24,787</u>
Expenditures:			
Cultural and recreational:			
Arena and Events Center:			
Management Company	874,494	575,540	298,954
Other operating expenses	255,711	121,793	133,918
Capital outlay			
Building Improvement	128,620	128,620	-
Construction in Progress	171,380	35,319	136,061
Total arena and events center	<u>1,430,205</u>	<u>861,272</u>	<u>568,933</u>
County Fair:			
Salaries and employee benefits	121,586	123,017	(1,431)
Other operating expenses	506,298	451,974	54,324
Total county fair	<u>627,884</u>	<u>574,991</u>	<u>52,893</u>
Total expenditures	<u>2,058,089</u>	<u>1,436,263</u>	<u>621,826</u>
Revenues over (under) expenditures	<u>(1,294,479)</u>	<u>(647,866)</u>	<u>646,613</u>
Other financing sources:			
Transfer in - General Fund	1,099,568	600,000	499,568
Fund Balance Appropriated	194,911	-	194,911
Total other financing sources	<u>1,294,479</u>	<u>600,000</u>	<u>694,479</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>(47,866)</u>	<u>\$ (47,866)</u>
Fund balance, July 1		<u>623,392</u>	
Fund balance, June 30		<u>\$ 575,526</u>	

Cabarrus County, North Carolina
Fire Districts Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund
Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2009

	<u>Actual</u>		<u>Variance</u>
	<u>Budget</u>	<u>Actual</u>	<u>Favorable</u> <u>(Unfavorable)</u>
Revenues:			
Property tax collections	\$ 2,577,491	\$ 2,565,627	\$ (11,864)
Total revenues	<u>2,577,491</u>	<u>2,565,627</u>	<u>(11,864)</u>
Expenditures:			
Public Safety	<u>2,577,491</u>	<u>2,565,627</u>	<u>11,864</u>
Total expenditures	<u>2,577,491</u>	<u>2,565,627</u>	<u>11,864</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
 Fund balance, July 1		<u>-</u>	
Fund balance, June 30		<u>\$ -</u>	

Cabarrus County, North Carolina
Capital Reserve Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund
Balances - Budget and Actual
From Inception and for the Year Ended June 30, 2009

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Actual Current Year</u>	<u>Total to Date</u>
Revenues:				
Adequate facilities fees	\$ 445,915	\$ 445,915	\$ -	\$ 445,915
Contributions and private donations	120,383	120,383	-	120,383
Investment earnings	2,001,589	2,044,090	181,498	2,225,588
Total revenues	<u>2,567,887</u>	<u>2,610,388</u>	<u>181,498</u>	<u>2,791,886</u>
Expenditures:				
Education:				
Building and renovations	<u>9,166,886</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>9,166,886</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(6,598,999)</u>	<u>2,610,388</u>	<u>181,498</u>	<u>2,791,886</u>
Other financing sources (uses):				
Transfer in - General Fund	44,708,301	32,504,655	12,203,646	44,708,301
Transfer (out) - General Fund	(1,493,346)	(676,531)	(440,465)	(1,116,996)
Transfer (out) - Capital Project Fund	(29,161,269)	(13,877,946)	(12,655,218)	(26,533,164)
Transfer (out) - Justice Center Construction Fund	(6,458,772)	(6,458,772)	-	(6,458,772)
Transfer (out) - Special Revenue Fund	<u>(995,915)</u>	<u>(595,915)</u>	<u>(400,000)</u>	<u>(995,915)</u>
Total other financing sources (uses)	<u>6,598,999</u>	<u>10,895,491</u>	<u>(1,292,037)</u>	<u>9,603,454</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ 13,505,879</u>	<u>(1,110,539)</u>	<u>\$ 12,395,340</u>
Fund balance, July 1			<u>13,505,879</u>	
Fund balance, June 30			<u>\$ 12,395,340</u>	

Cabarrus County, North Carolina
Capital Reserve Utility Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund
Balances - Budget and Actual
From Inception and for the Year Ended June 30, 2009

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Actual Current Year</u>	<u>Total to Date</u>
Revenues:				
Assessment fees	\$ 598,894	\$ 598,904	\$ -	\$ 598,904
Investment earnings	86,052	85,726	7,644	93,370
Total revenues	<u>684,946</u>	<u>684,630</u>	<u>7,644</u>	<u>692,274</u>
Expenditures:				
Environmental Protection:				
Water line improvements	<u>684,946</u>	<u>120,383</u>	<u>280</u>	<u>120,663</u>
Total expenditures	<u>684,946</u>	<u>120,383</u>	<u>280</u>	<u>120,663</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ -</u>	<u>\$ 564,247</u>	7,364	<u>\$ 571,611</u>
Fund balance, July 1			<u>564,247</u>	
Fund balance, June 30			<u>\$ 571,611</u>	

Cabarrus County, North Carolina
Small Projects Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund
Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2009

		<u>Actual</u>		
	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>
Revenues:				
Board of Elections:				
HAVA Title I grants	\$ 199,664	\$ 134,073	\$ 25,015	\$ 159,088
Investment earnings	26,006	27,022	2,562	29,584
Total Board of Elections	225,670	161,095	27,577	188,672
Cooperative Extension:				
State Agricultural Grant	675,000	-	25,000	25,000
Contributions and donations	172,529	-	152,529	152,529
Investment earnings	-	-	4,106	4,106
Total Cooperative Extension	847,529	-	181,635	181,635
Register of Deeds:				
Automation & enhancement fees	609,389	510,847	92,217	603,064
Investment earnings	36,655	31,778	2,812	34,590
Total Register of Deeds	646,044	542,625	95,029	637,654
Soil & Water:				
Clear Creek Grant	35,000	35,000	-	35,000
Program fees	2,000	1,807	646	2,453
Contributions and donations	1,000	1,000	-	1,000
EEP contract	16,900	-	1,700	1,700
Investment earnings	-	754	516	1,270
Total Board of Elections	54,900	38,561	2,862	41,423
Total revenues	1,774,143	742,281	307,103	1,049,384
Expenditures:				
Operations:				
General Govt -Board of Elections	401,291	145,306	10,770	156,076
General Govt-Register of Deeds	723,548	387,772	101,969	489,741
Environmental Protection-Soil & Water	54,900	153	277	430
Human Services -Cooperative Extension	1,167,325	-	91,094	91,094
Total Operations	2,347,064	533,231	204,110	737,341
Capital Outlay:				
Land and Land Improvements	11,130	-	11,131	11,131
Equipment and Furniture	44,100	-	28,073	28,073
Vehicles and Motorized Equipment	24,974	-	24,974	24,974
Total Capital Outlay	80,204	-	64,178	64,178
Total expenditures	2,427,268	533,231	268,288	801,519
Excess (deficiency) of revenues over (under) expenditures	(653,125)	209,050	38,815	247,865
Other Financing Sources (Uses):				
Transfer in-General Fund	103,125	103,125	-	103,125
Transfer in-Capital Reserve Fund	550,000	150,000	400,000	550,000
Total other financing sources (uses)	653,125	253,125	400,000	653,125
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ -	\$ 462,175	438,815	\$ 900,990
Fund balance, July 1			462,175	
Fund balance, June 30			\$ 900,990	

Cabarrus County, North Carolina
Sheriff's Department Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund
Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2009

			Actual	
	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>
Revenues:				
Federal Forfeiture Sharing	\$ 96,242	\$ 96,241	\$ -	\$ 96,241
Federal Forfeiture Sharing -Treasury	194,599	194,597	-	194,597
NC Substance Control Tax	262,104	237,415	28,518	265,933
Firing Range fees	3,281	2,805	125	2,930
Investment earnings:				
Federal Forfeiture sharing	12,912	13,842	2,114	15,956
NC Substance Control Tax	53,015	47,842	3,236	51,078
Firing Range	133	149	16	165
	<u>622,286</u>	<u>592,891</u>	<u>34,009</u>	<u>626,900</u>
Total revenues				
Expenditures:				
Public Safety	531,814	200,026	5,614	205,640
Capital Outlay:				
Equipment and furniture	284,474	236,108	-	236,108
	<u>816,288</u>	<u>436,134</u>	<u>5,614</u>	<u>441,748</u>
Total expenditures				
Excess (deficiency) of revenues over (under) expenditures	<u>(194,002)</u>	<u>156,757</u>	<u>28,395</u>	<u>185,152</u>
Other Financing Sources (Uses):				
Transfer in-General Fund	285,138	285,139	-	285,139
Transfer (out)-General Fund	<u>(91,136)</u>	<u>(50,252)</u>	<u>(40,884)</u>	<u>(91,136)</u>
	<u>194,002</u>	<u>234,887</u>	<u>(40,884)</u>	<u>194,003</u>
Total other financing sources (uses)				
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ 391,644</u>	<u>(12,489)</u>	<u>\$ 379,155</u>
Fund balance, July 1			<u>391,644</u>	
Fund balance, June 30			<u>\$ 379,155</u>	

Cabarrus County, North Carolina
Adequate Facilities Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund
Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2009

	<u>Actual</u>			
	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>
Revenues:				
Adequate facilities fees	\$ 6,166,744	\$ 5,068,758	\$ 793,591	\$ 5,862,349
Investment earnings	263,247	184,244	51,366	235,610
Total revenues	6,429,991	5,253,002	844,957	6,097,959
Expenditures:				
Education	4,749,419	164,304	42,336	206,640
Excess (deficiency) of revenues over (under) expenditures	1,680,572	5,088,698	802,621	5,891,319
Other Financing Sources (Uses):				
Transfer in-General Fund	97,750	97,750	-	97,750
Transfer in-Capital Reserve Fund	445,915	445,915	-	445,915
Transfer (out)-Capital Projects Fund	(2,224,237)	(2,224,237)	-	(2,224,237)
Total other financing sources (uses)	(1,680,572)	(1,680,572)	-	(1,680,572)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ -	\$ 3,408,126	802,621	\$ 4,210,747
Fund balance, July 1			3,408,126	
Fund balance, June 30			\$ 4,210,747	

Cabarrus County, North Carolina
Cabarrus County Tourism Authority Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund
Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2009

	<u>Actual</u>		<u>Variance</u>
	<u>Budget</u>	<u>Actual</u>	<u>Favorable</u> <u>(Unfavorable)</u>
Revenues:			
Investment earnings	<u>4,281</u>	<u>4,281</u>	<u>-</u>
Total revenues	<u>4,281</u>	<u>4,281</u>	<u>-</u>
Expenditures:			
Economic and Physical Development	<u>854,372</u>	<u>854,372</u>	<u>-</u>
Total expenditures	<u>854,372</u>	<u>854,372</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(850,091)</u>	<u>(850,091)</u>	<u>-</u>
Other Financing Sources (Uses):			
Transfer (out) - General Fund	<u>(4,281)</u>	<u>(4,281)</u>	<u>-</u>
Fund Balance Appropriated	<u>854,372</u>	<u>-</u>	<u>(854,372)</u>
Total other financing sources (uses)	<u>850,091</u>	<u>(4,281)</u>	<u>(854,372)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>(854,372)</u>	<u>\$ 854,372</u>
Fund balance, July 1		<u>854,372</u>	
Fund balance, June 30		<u>\$ -</u>	

Cabarrus County, North Carolina
Department of Aging Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund
Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2009

		<u>Actual</u>		
	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>
Revenues:				
Contributions and private donations	\$ 127,546	\$ 101,382	\$ 26,183	\$ 127,565
Investment earnings	13,375	11,038	1,479	12,517
Total revenues	140,921	112,420	27,662	140,082
Expenditures:				
Human Services:				
Special Projects	140,921	14,759	9,226	23,985
Total expenditures	140,921	14,759	9,226	23,985
Revenues over (under) expenditures	\$ -	\$ 97,661	18,436	\$ 116,097
Fund balance, July 1			97,661	
Fund balance, June 30			\$ 116,097	

Cabarrus County, North Carolina
Parks and Recreation Commission Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund
Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2009

		<u>Actual</u>		
	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>
Revenues:				
Contributions and private donations	\$ 9,553	\$ 9,553	\$ 20	\$ 9,573
Investment earnings	<u>3,386</u>	<u>3,349</u>	<u>176</u>	<u>3,525</u>
Total revenues	<u>12,939</u>	<u>12,902</u>	<u>196</u>	<u>13,098</u>
Expenditures:				
Culture and Recreation:				
Special Projects	<u>12,939</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>12,939</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues over (under) expenditures	<u>\$ -</u>	<u>\$ 12,902</u>	196	<u>\$ 13,098</u>
Fund balance, July 1			<u>12,902</u>	
Fund balance, June 30			<u>\$ 13,098</u>	

Cabarrus County, North Carolina
Cannon Memorial Library Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund
Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2009

		<u>Actual</u>		
	<u>Project Authorization</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Total to Date</u>
Revenues:				
Contributions and donations	\$ 709,915	\$ 702,212	\$ 7,701	\$ 709,913
Investment earnings	<u>196,545</u>	<u>184,306</u>	<u>10,287</u>	<u>194,593</u>
Total revenues	<u>906,460</u>	<u>886,518</u>	<u>17,988</u>	<u>904,506</u>
Expenditures:				
Cultural and Recreation:				
Special Projects	<u>731,463</u>	<u>3,585</u>	<u>-</u>	<u>3,585</u>
Total expenditures	<u>731,463</u>	<u>3,585</u>	<u>-</u>	<u>3,585</u>
Excess (deficiency) of revenues over (under) expenditures	174,997	882,933	17,988	900,921
Other Financing Sources (Uses):				
Transfer (out)-General Fund	<u>(174,997)</u>	<u>(150,097)</u>	<u>-</u>	<u>(150,097)</u>
Total other financing sources (uses)	<u>(174,997)</u>	<u>(150,097)</u>	<u>-</u>	<u>(150,097)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ 732,836</u>	17,988	<u>\$ 750,824</u>
Fund balance, July 1			<u>732,836</u>	
Fund balance, June 30			<u>\$ 750,824</u>	

Cabarrus County, North Carolina
Public School Building Capital Project Fund
Schedule of Revenues, Expenditures, and Changes in Fund
Balances - Budget and Actual
From Inception and for the Year Ended June 30, 2009

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Actual Current Year</u>	<u>Total to Date</u>
Revenues:				
Intergovernmental - State:				
Public School Funds	\$ 300,000	\$ 230,486	\$ 50,249	\$ 280,735
Lottery Proceeds	5,474,955	4,037,360	906,690	4,944,050
Lottery Proceeds - Rowan County	268,500	104,035	128,465	232,500
Total revenues	<u>6,043,455</u>	<u>4,371,881</u>	<u>1,085,404</u>	<u>5,457,285</u>
Expenditures:				
Capital outlay - education:				
Cabarrus County Schools	620,619	-	620,619	620,619
Kannapolis City Schools	404,149	230,486	130,964	361,450
Rowan County	268,500	104,035	128,465	232,500
Total expenditures	<u>1,293,268</u>	<u>334,521</u>	<u>880,048</u>	<u>1,214,569</u>
Excess (deficiency) of revenues over (under) expenditures	<u>4,750,187</u>	<u>4,037,360</u>	<u>205,356</u>	<u>4,242,716</u>
Other financing sources (uses):				
Transfer in - General Fund	724,768	687,112	37,656	724,768
Transfer (out) - Capital Projects Fund	(5,474,955)	(4,037,360)	(906,690)	(4,944,050)
Total other financing sources (uses)	<u>(4,750,187)</u>	<u>(3,350,248)</u>	<u>(869,034)</u>	<u>(4,219,282)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ 687,112</u>	<u>(663,678)</u>	<u>\$ 23,434</u>
Fund balance, July 1			<u>687,112</u>	
Fund balance, June 30			<u>\$ 23,434</u>	

Cabarrus County, North Carolina
Capital Projects Fund
Schedule of Revenues, Expenditures and Changes in Fund
Balance - Budget and Actual
From Inception and for the Year Ended June 30, 2009

		Actual		
	Project Authorization	Prior Years	Current Year	Total to Date
Revenues:				
Donations				
Local government	\$ 450,000	\$ 450,000	\$ -	\$ 450,000
Intergovernmental	600,000	489,321	110,679	600,000
Private	301,500	302,722	-	302,722
Total revenues	1,351,500	1,242,043	110,679	1,352,722
Expenditures:				
Improvements:				
Parks	3,738,378	3,540,832	175,188	3,716,020
Emergency Management	327,740	126,881	48,485	175,366
Capital outlay:				
Land and land improvements				
Parks	5,388,690	1,807,632	3,421,394	5,229,026
Building and building improvements				
Parks	218,906	328,906	-	328,906
Equipment and furniture:				
Parks	32,790	82,015	-	82,015
Emergency Management	791,514	344,260	-	344,260
Construction in progress				
Parks	3,958,545	1,144,275	827,782	1,972,057
Emergency Management	1,779,119	1,159,412	436,684	1,596,096
Total expenditures	16,235,682	8,534,213	4,909,533	13,443,746
Excess (deficiency) of revenues over (under) expenditures	(14,884,182)	(7,292,170)	(4,798,854)	(12,091,024)
Other financing sources:				
Lease Financing issued	3,421,394	-	3,421,394	3,421,394
Transfer in - General Fund	6,280,252	5,429,580	850,672	6,280,252
Transfer in - Capital Reserve Fund	5,182,536	4,372,535	810,000	5,182,535
Total other financing sources	14,884,182	9,802,115	5,082,066	14,884,181
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ -	\$ 2,509,945	283,212	\$ 2,793,157
Fund balance, July 1			2,509,945	
Fund balance, June 30			\$ 2,793,157	

Cabarrus County, North Carolina
Construction and Renovations Capital Projects Fund
Schedule of Revenues, Expenditures and Changes in Fund
Balances - Budget and Actual
From Inception and for the Year Ended June 30, 2009

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Actual Current Year</u>	<u>Total to Date</u>
Revenues:				
	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-
Expenditures:				
Capital outlay				
Construction in Progress				
Governmental Office Complex	4,500,000	-	120,048	120,048
Total expenditures	4,500,000	-	120,048	120,048
Excess (deficiency) of revenues over (under) expenditures	(4,500,000)	-	(120,048)	(120,048)
Other financing sources (uses):				
Transfer in - Capital Reserve Fund	4,500,000	-	4,500,000	4,500,000
Total other financing sources (uses)	4,500,000	-	4,500,000	4,500,000
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ -	\$ -	4,379,952	\$ 4,379,952
Fund balance, July 1			-	
Fund balance, June 30			\$ 4,379,952	

Cabarrus County, North Carolina
\$98 Million School Bond Capital Projects Fund
Schedule of Revenues, Expenditures, and Changes in Fund
Balances - Budget and Actual
From Inception and for the Year Ended June 30, 2009

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Actual Current Year</u>	<u>Total to Date</u>
Revenues:				
Sales tax refund	\$ 720	\$ 719	\$ -	\$ 719
Investment earnings	3,654,126	3,664,899	10,962	3,675,861
Total revenues	3,654,846	3,665,618	10,962	3,676,580
Expenditures:				
Capital outlay - education				
Financing/Legal	145,501	145,501		145,501
Concord High Addition	2,430,640	2,243,551	107,909	2,351,460
Northwest High Addition	3,625,034	3,437,912	157,740	3,595,652
AT Allen Elementary Renovations	952,984	902,984		902,984
Hickory Ridge High	40,561,725	39,989,687	307,112	40,296,799
W.R. Odell Elementary	13,884,310	13,752,344	54,782	13,807,126
Charles E. Boger Elementary	14,526,465	14,428,396	70,897	14,499,293
Carl A. Furr Elementary	15,373,941	15,165,035	180,339	15,345,374
Forest Park Elementary Addition	701,396	700,785	-	700,785
Kannapolis Intermediate Renovations	281,910	281,909	-	281,909
Shady Brook Elementary Addition	6,958,343	6,958,343	-	6,958,343
A L Brown High Renovations	3,205,381	3,205,381	-	3,205,381
A L Brown Auditorium Renovations	893,134	893,134	-	893,134
Kannapolis Central Office Addition	1,274,153	1,274,153	-	1,274,153
RCCC Building 3000	3,665,141	3,353,317	31,782	3,385,099
Total expenditures	108,480,058	106,732,432	910,561	107,642,993
Excess (deficiency) of revenues over (under) expenditures	(104,825,212)	(103,066,814)	(899,599)	(103,966,413)
Other financing sources (uses) :				
Issuance of debt-General Obligation Bonds	98,366,000	98,366,000	-	98,366,000
Premium on issuance of General Obligation Bonds	562,851	562,851	-	562,851
Transfer in-Capital Projects Fund	3,599,952	3,599,952	-	3,599,952
Transfer in-Special Revenue Fund	1,224,237	1,224,237	-	1,224,237
Transfer in-Capital Reserve Fund	125,802	125,802	-	125,802
Transfer in-General Fund	2,881,083	2,881,083	-	2,881,083
Transfer (out)-General Fund	(845,000)	(845,000)	-	(845,000)
Transfer (out)-Capital Projects Fund	(1,089,713)	(733,524)	(356,189)	(1,089,713)
Total other financing sources (uses)	104,825,212	105,181,401	(356,189)	104,825,212
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ -	\$ 2,114,587	(1,255,788)	\$ 858,799
Fund balance, July 1			2,114,587	
Fund balance, June 30			\$ 858,799	

Cabarrus County, North Carolina
2009 School Construction Capital Projects Fund
Schedule of Revenues, Expenditures and Changes in Fund
Balances - Budget and Actual
From Inception and for the Year Ended June 30, 2009

	Project Authorization	Prior Years	Actual Current Year	Total to Date
Revenues:				
Investment earnings	\$ -	\$ 673	\$ 1,215	\$ 1,888
Total revenues	-	673	1,215	1,888
Expenditures:				
Education - Legal	123,710	-	177,422	177,422
Capital outlay - education				
AT Allen Elementary	1,012,605	-	974,932	974,932
Charles E. Boger Elementary Addition	10,000	-	2,731	2,731
Carl A. Furr Elementary Addition	1,908,000	-	1,022,089	1,022,089
Hickory Ridge Middle	532,500	-	475,821	475,821
Patriots Elementary	2,282,823	-	1,842,474	1,842,474
Mt. Pleasant Middle	53,685	-	53,685	53,685
Harold E. Winkler Middle	4,060,000	-	2,806,064	2,806,064
Total Capital outlay	9,859,613	-	7,177,796	7,177,796
Total expenditures	9,983,323	-	7,355,218	7,355,218
Excess (deficiency) of revenues over (under) expenditures	(9,983,323)	673	(7,354,003)	(7,353,330)
Other financing sources (uses):				
Transfer in - Capital Reserve Fund	10,183,323	210,000	7,345,218	7,555,218
Transfer (out) - Capital Project Fund	(200,000)	-	(200,000)	(200,000)
Total other financing sources (uses)	9,983,323	210,000	7,145,218	7,355,218
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ -	\$ 210,673	(208,785)	\$ 1,888
Fund balance, July 1			210,673	
Fund balance, June 30			\$ 1,888	

Cabarrus County, North Carolina
Agency Funds
Combining Statement of Changes in Assets and Liabilities
For the Year Ended June 30, 2009

Schedule 21

	<u>Balance</u> <u>June 30, 2008</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2009</u>
<u>Department of Social Services</u>				
<u>Assets:</u>				
Cash and cash equivalents	\$ 99,761	\$ 702,454	\$ 650,215	\$ 152,000
<u>Liabilities:</u>				
Accounts payable	22,813	636,768	647,454	12,127
Due to program participants	76,948	702,992	640,067	139,873
Total	<u>\$ 99,761</u>	<u>\$ 1,339,760</u>	<u>\$ 1,287,521</u>	<u>\$ 152,000</u>
<u>Work Over Welfare</u>				
<u>Assets:</u>				
Cash and cash equivalents	\$ 802	\$ 2,538	\$ 2,260	\$ 1,080
<u>Liabilities:</u>				
Accounts payable	35	2,507	2,104	438
Due to program participants	767	2,538	2,663	642
Total	<u>\$ 802</u>	<u>\$ 5,045</u>	<u>\$ 4,767</u>	<u>\$ 1,080</u>
<u>Charitable Campaign</u>				
<u>Assets:</u>				
Cash and cash equivalents	\$ 29,852	\$ 65,590	\$ 69,337	\$ 26,105
<u>Liabilities:</u>				
Accounts payable	(1,682)	96,615	69,309	25,624
Due to program participants	31,534	64,237	95,290	481
Total	<u>\$ 29,852</u>	<u>\$ 160,852</u>	<u>\$ 164,599</u>	<u>\$ 26,105</u>
<u>Undistributed Taxes</u>				
<u>Assets:</u>				
Cash and cash equivalents	\$ 564,824	\$ 166,707,101	\$ 166,689,365	\$ 582,560
<u>Liabilities:</u>				
Accounts payable	-	21,774,682	21,774,682	-
Intergovernmental payable - Municipalities	564,824	188,776,093	188,758,357	582,560
Total	<u>\$ 564,824</u>	<u>\$ 210,550,775</u>	<u>\$ 210,533,039</u>	<u>\$ 582,560</u>
<u>Fines & Forfeitures</u>				
<u>Assets:</u>				
Cash and cash equivalents	\$ 162,942	\$ 1,904,595	\$ 1,892,287	\$ 170,419
Accounts receivable	-	4,831	-	4,831
Total	<u>\$ 162,942</u>	<u>\$ 1,909,426</u>	<u>\$ 1,892,287</u>	<u>\$ 175,250</u>
<u>Liabilities:</u>				
Accounts payable	888	1,728,710	1,726,759	2,839
Due to other organizations - Sheriff's Office	-	230,032	230,032	-
Due to Schools - Fines & Forfeitures	152,528	1,786,297	1,774,828	163,997
Intergovernmental payable - State of North Carolina	9,526	113,467	114,579	8,414
Total	<u>\$ 162,942</u>	<u>\$ 3,858,506</u>	<u>\$ 3,846,198</u>	<u>\$ 175,250</u>
<u>Jail Commissary</u>				
<u>Assets:</u>				
Cash and cash equivalents	\$ 8,706	\$ 289,286	\$ 279,154	\$ 18,838
<u>Liabilities:</u>				
Accounts payable	-	17,383	735	16,648
Due to jail inmates	8,706	274,293	280,809	2,190
Total	<u>\$ 8,706</u>	<u>\$ 291,676</u>	<u>\$ 281,544</u>	<u>\$ 18,838</u>
<u>Total All Agency Funds</u>				
<u>Assets:</u>				
Cash and cash equivalents	\$ 866,887	\$ 169,671,564	\$ 169,582,618	\$ 951,002
Accounts receivable	-	4,831	-	4,831
Total	<u>866,887</u>	<u>169,676,395</u>	<u>169,582,618</u>	<u>955,833</u>
<u>Liabilities:</u>				
Accounts payable	22,054	24,239,282	24,220,308	41,028
Due to jail inmates	8,706	291,676	281,544	18,838
Due to municipalities	564,824	188,776,093	188,758,357	582,560
Due to other organizations	-	230,032	230,032	-
Due to program participants	109,249	769,767	738,020	140,996
Due to schools	152,528	1,786,297	1,774,828	163,997
Due to State of North Carolina	9,526	113,467	114,579	8,414
Total	<u>\$ 866,887</u>	<u>\$ 216,206,614</u>	<u>\$ 216,117,668</u>	<u>\$ 955,833</u>

Cabarrus County, North Carolina
Combining Statement of Net Assets
Private Purpose Trust Funds
June 30, 2009

	Kevin Pugh Fund	Foster Care Scholarship Fund	Total
	<hr/>	<hr/>	<hr/>
<u>Assets</u>			
Cash and cash equivalents	\$ 17,463	\$ 2,425	\$ 19,888
	<hr/>	<hr/>	<hr/>
Total assets	17,463	2,425	19,888
	<hr/>	<hr/>	<hr/>
<u>Net Assets</u>			
Assets held in trust for other purposes	17,463	2,425	19,888
	<hr/>	<hr/>	<hr/>
Total net assets	\$ 17,463	\$ 2,425	\$ 19,888
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Cabarrus County, North Carolina
Combining Statement of Changes in Net Assets
Private Purpose Trust Funds
For the Fiscal Year Ended June 30, 2009

	<u>Kevin Pugh Fund</u>	<u>Foster Care Scholarship Fund</u>	<u>Total</u>
Additions:			
Investment earnings	\$ 330	\$ 33	\$ 363
Total additions	<u>330</u>	<u>33</u>	<u>363</u>
Deductions:			
Awards	<u>2,000</u>	<u>-</u>	<u>2,000</u>
Total deductions	<u>2,000</u>	<u>-</u>	<u>2,000</u>
Change in net assets	(1,670)	33	(1,637)
Net assets, July 1	<u>19,133</u>	<u>2,392</u>	<u>21,525</u>
Net assets, June 30	<u>\$ 17,463</u>	<u>\$ 2,425</u>	<u>\$ 19,888</u>



Internal Service Funds

Cabarrus County, North Carolina
Internal Service Funds
Combining Statement of Net Assets
June 30, 2009

	Worker's Compensation Fund	Self-Insured Hospitalization Fund	Total
<u>Assets</u>			
Cash and cash equivalents	\$ 1,394,330	\$ 3,120,505	\$ 4,514,835
Accounts receivable	-	1,307	1,307
Prepaid rent	-	1,399	1,399
	<hr/>	<hr/>	<hr/>
Total assets	1,394,330	3,123,211	4,517,541
	<hr/>	<hr/>	<hr/>
<u>Liabilities</u>			
Liabilities:			
Current liabilities:			
Accounts payable	307,632	158,192	465,824
Long-Term liabilities:			
Amounts payable for future claims	-	896,416	896,416
	<hr/>	<hr/>	<hr/>
Total liabilities	307,632	1,054,608	1,362,240
	<hr/>	<hr/>	<hr/>
<u>Net assets</u>			
Unrestricted	1,086,698	2,068,603	3,155,301
	<hr/>	<hr/>	<hr/>
Total Net Assets	<u>\$ 1,086,698</u>	<u>\$ 2,068,603</u>	<u>\$ 3,155,301</u>

Cabarrus County, North Carolina
Internal Service Funds
Combining Statement of Revenues, Expenses and Changes in Fund Net Assets
For the Year Ended June 30, 2009

	Worker's Compensation Fund	Self-Insured Hospitalization Fund	Total
Operating revenues:			
Insurance premiums	\$ -	\$ 7,167,699	\$ 7,167,699
Insurance refunds	-	78,110	78,110
	<hr/>	<hr/>	<hr/>
Total operating revenues	-	7,245,809	7,245,809
	<hr/>	<hr/>	<hr/>
Operating expenses:			
General and administrative	78,370	1,160,571	1,238,941
Claims	291,113	5,194,040	5,485,153
	<hr/>	<hr/>	<hr/>
Total operating expenses	369,483	6,354,611	6,724,094
	<hr/>	<hr/>	<hr/>
Operating income (loss)	(369,483)	891,198	521,715
	<hr/>	<hr/>	<hr/>
Nonoperating revenues:			
Investment earnings	20,867	33,155	54,022
	<hr/>	<hr/>	<hr/>
Change in net assets	(348,616)	924,353	575,737
	<hr/>	<hr/>	<hr/>
Net assets, July 1	1,435,314	1,144,250	2,579,564
	<hr/>	<hr/>	<hr/>
Net assets, June 30	<u>\$ 1,086,698</u>	<u>\$ 2,068,603</u>	<u>\$ 3,155,301</u>

Cabarrus County, North Carolina
Internal Service Funds
Combining Statement of Cash Flows
For the Year Ended June 30, 2009

	Worker's Compensation Fund	Self-Insured Hospitalization Fund	Total
Cash flows from operating activities:			
Cash received from departments	\$ -	\$ 7,245,118	\$ 7,245,118
Cash paid to suppliers for goods and services	(408,344)	(6,320,951)	(6,729,295)
Net cash provided by operating activities	(408,344)	924,167	515,823
Cash flows from investing activities:			
Interest received on investments	22,061	34,818	56,879
Net cash provided by investing activities	22,061	34,818	56,879
Net increase (decrease) in cash and cash equivalents	(386,283)	958,985	572,702
Cash and cash equivalents - July 1	1,780,613	2,161,520	3,942,133
Cash and cash equivalents - June 30	<u>\$ 1,394,330</u>	<u>\$ 3,120,505</u>	<u>\$ 4,514,835</u>
Reconciliation of operating income to net cash provided by operating activities:			
Operating income (loss)	\$ (369,483)	\$ 891,198	\$ 521,715
Adjustments to reconcile operating income to net cash provided by operating activities:			
Changes in assets and liabilities:			
(Increase) in accounts receivable and prepaid rent	-	(691)	(691)
Increase(decrease) in accounts payable and accrued liabilities	(38,861)	33,660	(5,201)
Total adjustments	(38,861)	32,969	(5,892)
Net cash provided by operating activities	<u>\$ (408,344)</u>	<u>\$ 924,167</u>	<u>\$ 515,823</u>



Other Schedules

Cabarrus County, North Carolina
Schedule of Ad Valorem Taxes Receivable
June 30, 2009

Fiscal Year Ended June 30	Uncollected Balance June 30, 2008	Additions	Collections and Credits	Uncollected Balance June 30, 2009
2009	\$ -	\$132,819,077	\$130,244,108	2,574,969
2008	1,699,728	-	1,309,575	390,153
2007	433,811	-	150,460	283,351
2006	326,839	-	70,060	256,779
2005	218,223	-	123,038	95,185
2004	765,553	-	668,292	97,261
2003	185,832	-	16,244	169,588
2002	81,782	-	11,595	70,187
2001	56,626	-	3,093	53,533
2000	60,887	-	1,898	58,989
1999	45,952	-	45,952	-
	<u>\$ 3,875,233</u>	<u>\$ 132,819,077</u>	<u>\$ 132,644,315</u>	<u>\$ 4,049,995</u>
Less: allowance for uncollectible accounts				<u>(1,643,010)</u>
Ad valorem taxes receivable - net				<u>\$ 2,406,985</u>
<u>Reconcilement with revenues:</u>				
Ad valorem taxes - General Fund				\$ 131,733,977
Interest collected on ad valorem taxes - General Fund				549,272
Reconciling items:				
Penalties collected on ad valorem taxes - General Fund				272,860
Taxes written off				140,205
Abatements				499,756
Collections of taxes over 10 years old				(2,483)
Collections of interest				<u>(549,272)</u>
Total collections and credits				<u>\$ 132,644,315</u>

Cabarrus County, North Carolina
Analysis of Current Tax Levy
For the Year Ended June 30, 2009

	County-Wide			Total Levy	
	Property Valuation	Rate	Total Levy	Property excluding Registered Motor Vehicles	Registered Motor Vehicles
Original levy					
Property taxed at current year's rate	\$ 20,415,135,479	0.63	\$128,614,911	\$123,012,408	\$5,602,503
Motor vehicles taxed at prior year's rate	543,718,285	0.63	3,425,294	-	3,425,294
Penalties	-		140,180	140,180	-
Total	20,958,853,764		132,180,385	123,152,588	9,027,797
Discoveries					
Current year taxes					
Current year's rate	111,026,406	0.63	699,352	674,358	24,994
Prior year's rate	7,834,813		49,247	-	49,247
Prior year taxes	-		1,054,600	1,054,600	-
Penalties	-		151,111	151,111	-
Total	118,861,219		1,954,310	1,880,069	74,241
Abatements					
Current year's rate	(191,917,173)		(1,207,983)	(1,122,967)	(85,016)
Prior year's rate	(13,828,583)		(87,119)	-	(87,119)
Penalties	-		(20,516)	(20,516)	-
Total	(205,745,756)		(1,315,618)	(1,143,483)	(172,135)
Total property valuation	<u><u>\$ 20,871,969,227</u></u>				
Net levy			132,819,077	123,889,174	8,929,903
Uncollected taxes at June 30, 2009 (Schedule 27)			<u>2,574,969</u>	<u>1,752,807</u>	<u>822,162</u>
Current year's taxes collected (Schedule 27)			<u><u>\$ 130,244,108</u></u>	<u><u>\$ 122,136,367</u></u>	<u><u>\$ 8,107,741</u></u>
Current year collection percentage			98.06%	98.59%	90.79%

**Cabarrus County, North Carolina
Analysis of Current Tax Levy
County-Wide Levy
For the Year Ended June 30, 2009**

Secondary Market Disclosures:

Assessed Valuation:

Assessment Ratio ¹	100%
Real Property	\$ 17,454,001,994
Personal Property	3,137,459,615
Public Service Companies ²	<u>280,507,618</u>

Total Assessed Valuation	<u>\$ 20,871,969,227</u>
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Tax Rate per \$100	.63 per \$100
Levy ³	\$ 132,819,077

In addition to the County-wide rate, the following lists the levy by the County on behalf of fire protection districts for the fiscal year ended June 30, 2009:

Fire Protection Districts ⁴	\$ 2,408,472
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¹ Percentage of appraised value has been established by statute

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

³ The levy includes penalties

⁴ Excludes motor vehicle taxes

Cabarrus County, North Carolina
General Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the year ended June 30, 2009

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Ad Valorem Taxes:			
Taxes - Current	\$ 127,943,941	\$ 129,984,457	\$ 2,040,516
Taxes - Delinquent	1,540,184	1,749,520	209,336
Interest	452,357	549,272	96,915
Total	<u>129,936,482</u>	<u>132,283,249</u>	<u>2,346,767</u>
Local Option Sales Taxes:			
Sales tax - one cent	15,128,978	14,042,794	(1,086,184)
Sales tax - half cent (40)	6,845,400	6,447,453	(397,947)
Sales tax - half cent (42)	6,762,387	6,357,565	(404,822)
Sales tax - half cent (44)	4,383,509	4,112,256	(271,253)
Sales tax fire districts	729,400	608,797	(120,603)
Total	<u>33,849,674</u>	<u>31,568,865</u>	<u>(2,280,809)</u>
Other Taxes:			
Franchise fees	450,000	671,059	221,059
Gross receipts tax	98,823	94,759	(4,064)
Heavy equipment tax	-	4,245	4,245
Total	<u>548,823</u>	<u>770,063</u>	<u>221,240</u>
Intergovernmental Revenues:			
Federal grants	19,245,487	19,404,118	158,631
State grants	1,545,023	1,458,828	(86,195)
Court facilities fees	450,000	430,667	(19,333)
ABC profit distribution	194,000	241,932	47,932
Other intergovernmental	28,500	21,859	(6,641)
Total	<u>21,463,010</u>	<u>21,557,404</u>	<u>94,394</u>
Permits and Fees:			
Inspection fees	1,360,000	1,851,890	491,890
Register of deeds	1,449,500	1,592,808	143,308
Other permits	199,842	236,041	36,199
Total	<u>3,009,342</u>	<u>3,680,739</u>	<u>671,397</u>
Sales and Services:			
Rental fees	90,179	103,521	13,342
Ambulance fees	2,950,500	3,885,417	934,917
Jail fees	1,507,719	1,558,244	50,525
Library fees	108,000	118,978	10,978
Recreation fees	223,900	248,918	25,018
Social services	3,064,337	2,464,085	(600,252)
Tax collection fees	571,253	635,418	64,165
Other sales and services	809,046	665,784	(143,262)
Total	<u>9,324,934</u>	<u>9,680,365</u>	<u>355,431</u>
Investment Earnings:			
Interest on investments	2,004,000	1,319,518	(684,482)
Total	<u>2,004,000</u>	<u>1,319,518</u>	<u>(684,482)</u>

Cabarrus County, North Carolina
General Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the year ended June 30, 2009

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Miscellaneous:			
Private contributions and donations	228,863	378,053	149,190
Sale of materials and capital assets	30,000	1,140,586	1,110,586
Other	288,117	422,208	134,091
Total	<u>546,980</u>	<u>1,940,847</u>	<u>1,393,867</u>
Total revenues	<u>200,683,245</u>	<u>202,801,050</u>	<u>2,117,805</u>
Expenditures:			
General Government			
Board of Commissioners			
Personal services	216,791	215,418	1,373
Operations	141,268	106,732	34,536
Total	<u>358,059</u>	<u>322,150</u>	<u>35,909</u>
Legal Department			
Personal services	307,190	301,077	6,113
Operations	580,176	594,895	(14,719)
Total	<u>887,366</u>	<u>895,972</u>	<u>(8,606)</u>
County Manager			
Personal services	392,489	391,768	721
Operations	31,110	30,365	745
Total	<u>423,599</u>	<u>422,133</u>	<u>1,466</u>
Communications & Outreach			
Personal services	291,057	286,011	5,046
Operations	122,111	90,954	31,157
Capital outlay	8,500	8,500	-
Total	<u>421,668</u>	<u>385,465</u>	<u>36,203</u>
Risk Management			
Personal services	145,265	145,506	(241)
Operations	73,627	59,534	14,093
Capital outlay	5,180	5,179	1
Total	<u>224,072</u>	<u>210,219</u>	<u>13,853</u>
Human Resources			
Personal services	356,125	356,572	(447)
Operations	152,403	121,463	30,940
Total	<u>508,528</u>	<u>478,035</u>	<u>30,493</u>
Tax Collector			
Personal services	496,867	497,888	(1,021)
Operations	432,270	411,777	20,493
Total	<u>929,137</u>	<u>909,665</u>	<u>19,472</u>
Tax Administration			
Personal services	1,853,749	1,854,951	(1,202)
Operations	301,500	263,414	38,086
Total	<u>2,155,249</u>	<u>2,118,365</u>	<u>36,884</u>

Cabarrus County, North Carolina
General Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the year ended June 30, 2009

	Final Budget	Actual	Variance Positive (Negative)
Board of Elections			
Personal services	467,584	462,624	4,960
Operations	169,546	142,352	27,194
Total	<u>637,130</u>	<u>604,976</u>	<u>32,154</u>
Register of Deeds			
Personal services	520,362	519,600	762
Operations	231,113	186,079	45,034
Total	<u>751,475</u>	<u>705,679</u>	<u>45,796</u>
Finance			
Personal services	912,805	913,389	(584)
Operations	171,340	172,555	(1,215)
Capital outlay	39,261	39,261	-
Total	<u>1,123,406</u>	<u>1,125,205</u>	<u>(1,799)</u>
Information Technology Services			
Personal services	1,907,527	1,885,694	21,833
Operations	1,156,589	1,136,761	19,828
Capital outlay	51,700	51,699	1
Total	<u>3,115,816</u>	<u>3,074,154</u>	<u>41,662</u>
Capital Improvement Projects			
Operations	678,498	575,598	102,900
Capital outlay	2,062,621	501,015	1,561,606
Total	<u>2,741,119</u>	<u>1,076,613</u>	<u>1,664,506</u>
Grounds Maintenance			
Personal services	401,649	399,847	1,802
Operations	781,767	534,321	247,446
Capital outlay	72,500	20,452	52,048
Total	<u>1,255,916</u>	<u>954,620</u>	<u>301,296</u>
General Services Administration			
Personal services	275,644	276,279	(635)
Operations	932,782	891,178	41,604
Total	<u>1,208,426</u>	<u>1,167,457</u>	<u>40,969</u>
Street Sign Maintenance			
Personal services	106,095	105,428	667
Operations	51,188	48,989	2,199
Total	<u>157,283</u>	<u>154,417</u>	<u>2,866</u>
Building Maintenance			
Personal services	590,116	586,026	4,090
Operations	1,803,470	1,452,664	350,806
Capital outlay	34,780	20,330	14,450
Total	<u>2,428,366</u>	<u>2,059,020</u>	<u>369,346</u>
Facility Services			
Personal services	1,065,599	1,056,428	9,171
Operations	208,343	158,195	50,148
Total	<u>1,273,942</u>	<u>1,214,623</u>	<u>59,319</u>

Cabarrus County, North Carolina
General Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the year ended June 30, 2009

	Final Budget	Actual	Variance Positive (Negative)
Fleet Maintenance			
Personal services	311,022	311,323	(301)
Operations	47,844	35,990	11,854
Capital outlay	701,250	694,341	6,909
Total	<u>1,060,116</u>	<u>1,041,654</u>	<u>18,462</u>
Other General Government			
Other benefits	687,216	585,283	101,933
Insurance settlements	2,686	-	2,686
Unemployment compensation	43,275	43,275	-
Contingency	104,281	-	104,281
Contribution to Pension Trust Fund	350,675	350,675	-
APFO reimbursement	5,000	-	5,000
Total	<u>1,193,133</u>	<u>979,233</u>	<u>213,900</u>
Total General Government	<u>22,853,806</u>	<u>19,899,655</u>	<u>2,954,151</u>
Public Safety			
County Sheriff			
Personal services	7,867,941	7,843,612	24,329
Operations	1,667,801	1,477,960	189,841
Capital outlay	357,868	343,982	13,886
Total	<u>9,893,610</u>	<u>9,665,554</u>	<u>228,056</u>
Jail			
Personal services	4,158,774	4,117,555	41,219
Operations	1,563,459	1,537,198	26,261
Total	<u>5,722,233</u>	<u>5,654,753</u>	<u>67,480</u>
Animal Control			
Personal services	600,455	596,563	3,892
Operations	105,992	88,084	17,908
Capital outlay	88,169	88,167	2
Total	<u>794,616</u>	<u>772,814</u>	<u>21,802</u>
Courts			
Personal services	28,565	26,885	1,680
Operations	457,380	319,300	138,080
Capital outlay	111,388	111,355	33
Total	<u>597,333</u>	<u>457,540</u>	<u>139,793</u>
Construction Standards			
Personal services	1,551,707	1,539,329	12,378
Operations	285,868	236,719	49,149
Total	<u>1,837,575</u>	<u>1,776,048</u>	<u>61,527</u>
Emergency Management			
Personal services	410,201	410,553	(352)
Operations	603,022	534,641	68,381
Capital outlay	33,560	33,343	217
Total	<u>1,046,783</u>	<u>978,537</u>	<u>68,246</u>

Cabarrus County, North Carolina
General Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the year ended June 30, 2009

	Final Budget	Actual	Variance Positive (Negative)
Emergency Medical Services			
Personal services	4,658,000	4,632,461	25,539
Operations	897,482	800,235	97,247
Capital outlay	432,802	417,769	15,033
First Responder	8,000	7,948	52
Cabarrus Rescue	40,000	40,000	-
Total	<u>6,036,284</u>	<u>5,898,413</u>	<u>137,871</u>
Other Public Safety			
Teen Court Resolve Program	69,292	69,292	-
Criminal Justice Partnership	129,171	129,171	-
Medical Examiner	78,000	82,499	(4,499)
Forester	57,238	47,512	9,726
Genesis	38,602	38,602	-
Project Challenge	62,123	46,584	15,539
Fire District	729,400	608,797	120,603
Total	<u>1,163,826</u>	<u>1,022,457</u>	<u>141,369</u>
Total Public Safety	<u>27,092,260</u>	<u>26,226,116</u>	<u>866,144</u>
Economic and Physical Develop			
Commerce			
Personal services	503,018	500,713	2,305
Operations	122,000	72,359	49,641
Total	<u>625,018</u>	<u>573,072</u>	<u>51,946</u>
Community Development			
Personal services	195,108	196,185	(1,077)
Operations	142,798	134,324	8,474
Total	<u>337,906</u>	<u>330,509</u>	<u>7,397</u>
Environmental Protection			
Personal services	236,614	236,555	59
Operations	33,358	26,404	6,954
Total	<u>269,972</u>	<u>262,959</u>	<u>7,013</u>
Zoning Administration			
Personal services	186,649	186,902	(253)
Operations	23,667	19,898	3,769
Total	<u>210,316</u>	<u>206,800</u>	<u>3,516</u>
Economic Development Incentive			
Cabarrus Plastics	55,500	42,072	13,428
Connexions	33,282	33,282	-
ST Motorsports	47,060	-	47,060
Double O	12,714	12,714	-
Golden Gait	13,371	13,371	-
Motor Racing Network	9,639	13,333	(3,694)
Oiles America	76,260	47,984	28,276
Hendrick Motorsports	51,620	51,666	(46)
JHE production group	29,540	29,475	65
Bonitz Contracting	20,178	-	20,178
HAAS incentive grant	69,890	62,814	7,076
Sabco Racing incentive grant	138,060	137,977	83

Cabarrus County, North Carolina
General Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the year ended June 30, 2009

	Final Budget	Actual	Variance Positive (Negative)
Perdue Farms incentive grant	10,056	7,893	2,163
Stanley Logistics incentive grant	187,099	-	187,099
Total	<u>754,269</u>	<u>452,581</u>	<u>301,688</u>
Other Economic and Physical Development			
JHE Production Group (Nextel Cup Race)	20,000	20,000	-
Economic Development Corp	<u>425,298</u>	<u>425,298</u>	<u>-</u>
Total	<u>445,298</u>	<u>445,298</u>	<u>-</u>
Total Economic and Physical	<u>2,642,779</u>	<u>2,271,219</u>	<u>371,560</u>
Environmental Protection			
Soil & Water Conservation			
Personal services	181,696	178,501	3,195
Operations	67,127	38,326	28,801
Capital outlay	<u>25,000</u>	<u>-</u>	<u>25,000</u>
Total	<u>273,823</u>	<u>216,827</u>	<u>56,996</u>
Total Environmental Protection	<u>273,823</u>	<u>216,827</u>	<u>56,996</u>
Human Services			
Veterans Services			
Personal services	199,635	194,763	4,872
Operations	<u>19,390</u>	<u>16,358</u>	<u>3,032</u>
Total	<u>219,025</u>	<u>211,121</u>	<u>7,904</u>
Transportation			
Personal services	1,098,627	1,094,771	3,856
Operations	1,050,739	811,659	239,080
Capital outlay	<u>571,675</u>	<u>512,362</u>	<u>59,313</u>
Total	<u>2,721,041</u>	<u>2,418,792</u>	<u>302,249</u>
Cooperative Extension			
Personal services	312,027	306,300	5,727
Operations	<u>84,940</u>	<u>72,989</u>	<u>11,951</u>
Total	<u>396,967</u>	<u>379,289</u>	<u>17,678</u>
4 H Summer Fling			
Personal services	7,547	1,012	6,535
Operations	<u>17,138</u>	<u>2,957</u>	<u>14,181</u>
Total	<u>24,685</u>	<u>3,969</u>	<u>20,716</u>
DSS - Administration Operations			
Personal services	1,322,593	1,270,575	52,018
Operations	1,339,907	1,210,081	129,826
Capital outlay	<u>728,122</u>	<u>722,828</u>	<u>5,294</u>
Total	<u>3,390,622</u>	<u>3,203,484</u>	<u>187,138</u>
DSS - Public Assistance			
Special assistance to adults	1,453,993	1,364,065	89,928
Medicaid assistance	3,371,013	2,362,391	1,008,622
Aid to the blind	13,000	10,683	2,317
Veterinarian services	<u>21,000</u>	<u>17,630</u>	<u>3,370</u>
Total	<u>4,859,006</u>	<u>3,754,769</u>	<u>1,104,237</u>

Cabarrus County, North Carolina
General Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the year ended June 30, 2009

	Final Budget	Actual	Variance Positive (Negative)
DSS - Child Welfare			
Personal services	4,669,575	4,632,629	36,946
Operations	672,689	400,249	272,440
Total	<u>5,342,264</u>	<u>5,032,878</u>	<u>309,386</u>
DSS - Child Support Services			
Personal services	1,215,597	1,205,828	9,769
Operations	76,584	62,406	14,178
Total	<u>1,292,181</u>	<u>1,268,234</u>	<u>23,947</u>
DSS - Economic Services			
Personal services	4,107,821	4,076,969	30,852
Operations	113,182	103,582	9,600
Total	<u>4,221,003</u>	<u>4,180,551</u>	<u>40,452</u>
DSS - CAP Program			
Personal services	3,027,750	2,571,021	456,729
Operations	245,015	205,940	39,075
Total	<u>3,272,765</u>	<u>2,776,961</u>	<u>495,804</u>
DSS - Adult and Family Services			
Personal services	2,100,635	2,088,417	12,218
Operations	207,806	171,503	36,303
Total	<u>2,308,441</u>	<u>2,259,920</u>	<u>48,521</u>
DSS - Emergency Assistance			
General assistance	145,930	107,122	38,808
AFDC emergency assistance	430,000	394,313	35,687
TANF domestic violence	25,712	25,712	-
Crisis Intervention Program	653,882	627,650	26,232
Total	<u>1,255,524</u>	<u>1,154,797</u>	<u>100,727</u>
DSS - Foster care			
Special needs kids	126,761	24,652	102,109
AFDC child state foster care	1,589,000	1,178,083	410,917
Adoption assistance	802,066	696,651	105,415
IV-E waiver	131,733	58,991	72,742
Total	<u>2,649,560</u>	<u>1,958,377</u>	<u>691,183</u>
DSS - Child Day care			
Operations (Daycare - children)	6,732,699	6,649,964	82,735
Total	<u>6,732,699</u>	<u>6,649,964</u>	<u>82,735</u>
DSS - Adult Day care			
Operations (Daycare - adults)	91,168	90,535	633
Total	<u>91,168</u>	<u>90,535</u>	<u>633</u>
Aging - Nutrition Title III			
Personal services	191,534	185,686	5,848
Operations	341,576	309,372	32,204
Total	<u>533,110</u>	<u>495,058</u>	<u>38,052</u>

Cabarrus County, North Carolina
General Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the year ended June 30, 2009

	Final Budget	Actual	Variance Positive (Negative)
Aging - Senior Services			
Personal services	1,022,207	1,004,342	17,865
Operations	530,425	347,711	182,714
Total	1,552,632	1,352,053	200,579
Aging - In Home Aide Services			
Personal services	37,723	36,507	1,216
Operations	151,402	147,729	3,673
Total	189,125	184,236	4,889
Other Human Services			
Operations	45,696	47,946	(2,250)
Public Health Authority	4,028,961	4,028,961	-
Mental Health Center	614,021	614,021	-
DJJDP psychological serv PBHC	25,642	25,342	300
Cabarrus Community Care Clinic	100,000	100,000	-
Total	4,814,320	4,816,270	(1,950)
Total Human Services	45,866,138	42,191,258	3,674,880
Education			
Schools - Current Expense			
Cabarrus County Schools	43,687,646	43,687,646	-
Kannapolis City Schools	5,983,856	5,983,856	-
Rowan Cabarrus Community College	1,798,496	1,798,496	-
Total	51,469,998	51,469,998	-
Schools - Capital Outlay			
Cabarrus County Schools	3,400,927	3,400,927	-
Kannapolis City Schools	764,815	764,815	-
Rowan Cabarrus Community College	165,070	-	165,070
Total	4,330,812	4,165,742	165,070
Total Education	55,800,810	55,635,740	165,070
Culture & Recreation			
Park Operations			
Personal services	815,294	820,154	(4,860)
Operations	447,469	400,935	46,534
Capital outlay	359,114	340,353	18,761
Total	1,621,877	1,561,442	60,435
Kannapolis Library			
Personal services	524,611	521,824	2,787
Operations	156,470	139,908	16,562
Total	681,081	661,732	19,349
Mt Pleasant Library			
Personal services	159,991	160,665	(674)
Operations	74,133	47,366	26,767
Total	234,124	208,031	26,093

Cabarrus County, North Carolina
General Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the year ended June 30, 2009

	Final Budget	Actual	Variance Positive (Negative)
Harrisburg Library			
Personal services	297,312	293,934	3,378
Operations	86,650	75,847	10,803
Capital outlay	23,140	23,132	8
Total	<u>407,102</u>	<u>392,913</u>	<u>14,189</u>
Concord Library			
Personal services	1,206,982	1,190,237	16,745
Operations	342,204	325,384	16,820
Capital outlay	17,943	5,743	12,200
Total	<u>1,567,129</u>	<u>1,521,364</u>	<u>45,765</u>
Other Culture and Recreation			
Special Olympics	55,000	55,000	-
Cabarrus Arts Council	25,246	25,246	-
Total	<u>80,246</u>	<u>80,246</u>	<u>-</u>
Total Culture & Recreation	<u>4,591,559</u>	<u>4,425,728</u>	<u>165,831</u>
Debt Service			
Principle:			
Bonds			
Public schools	6,140,544	6,140,544	-
Community college	190,943	190,943	-
County- water and sewer	728,514	728,514	-
Certificates of Participation			
Public schools	8,402,075	8,402,075	-
County buildings	2,687,925	2,687,925	-
Installment Financing			
Community college	622,572	622,571	1
County buildings	1,000,000	1,000,000	-
Lease Financing			
Equipment	105,044	105,043	1
Land	190,000	190,000	-
Total	<u>20,067,617</u>	<u>20,067,615</u>	<u>2</u>
Interest and Fees:			
Bonds	5,486,960	5,486,959	1
Certificates of Participation	9,208,229	9,207,448	781
Installment Financing	636,713	636,712	1
Lease Financing	17,429	17,428	1
Bank service charges	51,550	23,425	28,125
Total	<u>15,400,881</u>	<u>15,371,972</u>	<u>28,909</u>
Total Debt Service	<u>35,468,498</u>	<u>35,439,587</u>	<u>28,911</u>
Total expenditures	<u>194,589,673</u>	<u>186,306,130</u>	<u>8,283,543</u>
Excess (deficiency) of revenues over (under) expenditures	<u>6,093,572</u>	<u>16,494,920</u>	<u>10,401,348</u>

Cabarrus County, North Carolina
General Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the year ended June 30, 2009

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Other financing sources (uses)			
Transfers in:			
From Sheriff's Department Fund	40,884	40,884	-
From Emergency Telephone Fund	72,223	72,223	-
From Cannon Memorial Library Fund	450,000	-	(450,000)
From Capital Reserve Fund	1,116,815	440,465	(676,350)
From Cabarrus Tourism Auth Fund	4,281	4,281	-
From School Construction Fund	-	2,241	2,241
From Justice Center Const. Fund	404,961	407,409	2,448
Total	<u>2,089,164</u>	<u>967,503</u>	<u>(1,121,661)</u>
Transfers (out):			
To Emergency Telephone Fund	-	(11,278)	(11,278)
To Community Dev Grant Fund	(45,000)	(45,000)	-
To Cabarrus Arena & Events Fund	(1,099,568)	(600,000)	499,568
To Capital Reserve Fund	(12,203,646)	(12,203,646)	-
To Capital Projects Fund	(850,672)	(850,672)	-
To Public School Building Fund	(37,656)	(37,656)	-
Total	<u>(14,236,542)</u>	<u>(13,748,252)</u>	<u>488,290</u>
Fund balance appropriated	<u>6,053,806</u>	<u>-</u>	<u>(6,053,806)</u>
Total other financing sources (uses)	<u>(6,093,572)</u>	<u>(12,780,749)</u>	<u>(6,687,177)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>3,714,171</u>	<u>\$ 3,714,171</u>
Fund balance, July 1		<u>47,624,622</u>	
Fund balance, June 30		<u>\$ 51,338,793</u>	

Cabarrus County, North Carolina
Justice Center Construction Capital Projects Fund
Schedule of Revenues, Expenditures and Changes in Fund
Balances - Budget and Actual
From Inception and for the Year Ended June 30, 2009

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Actual Current Year</u>	<u>Total to Date</u>
Revenues:				
Investment earnings	\$ 2,215,668	\$ 1,810,707	\$ 357,734	\$ 2,168,441
Total revenues	<u>2,215,668</u>	<u>1,810,707</u>	<u>357,734</u>	<u>2,168,441</u>
Expenditures:				
Public Safety	368,541	55,839	13,835	69,674
Capital outlay				
Land	4,260,291	4,125,229	127,736	4,252,965
Jail Annex	16,504,298	16,278,211	63,660	16,341,871
Sheriff's Administration Building	40,131,120	34,040,711	3,011,258	37,051,969
Jail Housing Unit	<u>61,765,018</u>	<u>153,810</u>	<u>28,688,137</u>	<u>28,841,947</u>
Total Capital outlay	<u>122,660,727</u>	<u>54,597,961</u>	<u>31,890,791</u>	<u>86,488,752</u>
Total expenditures	<u>123,029,268</u>	<u>54,653,800</u>	<u>31,904,626</u>	<u>86,558,426</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(120,813,600)</u>	<u>(52,843,093)</u>	<u>(31,546,892)</u>	<u>(84,389,985)</u>
Other financing sources (uses):				
Issuance of debt-Installment Financing	15,000,000	15,000,000	-	15,000,000
Issuance of debt-Certificates of Participation	92,405,000	33,595,000	58,810,000	92,405,000
Premium on issuance of Certificates of Participation	1,280,966	918,782	362,184	1,280,966
Transfer in - Capital Reserve Fund	6,458,772	6,458,772	-	6,458,772
Transfer in - General Fund	6,076,843	6,076,843	-	6,076,843
Transfer (out) - General Fund	<u>(407,981)</u>	<u>(572)</u>	<u>(407,409)</u>	<u>(407,981)</u>
Total other financing sources (uses)	<u>120,813,600</u>	<u>62,048,825</u>	<u>58,764,775</u>	<u>120,813,600</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ 9,205,732</u>	<u>27,217,883</u>	<u>\$ 36,423,615</u>
Fund balance, July 1			<u>9,205,732</u>	
Fund balance, June 30			<u>\$ 36,423,615</u>	

Cabarrus County, North Carolina
School Construction Capital Projects Fund
Schedule of Revenues, Expenditures and Changes in Fund
Balances - Budget and Actual
From Inception and for the Year Ended June 30, 2009

	Project Authorization	Prior Years	Actual Current Year	Total to Date
Revenues:				
Investment earnings	\$ 662,540	\$ 535,585	\$ 378,939	\$ 914,524
Total revenues	662,540	535,585	378,939	914,524
Expenditures:				
Cost of Debt Issuance	1,164,633	1,159,875	-	1,159,875
Capital outlay - education				
AT Allen Elementary Renovations	484,299	850	328,924	329,774
Cox Mill High	45,701,937	17,494,262	22,835,730	40,329,992
Bus Garage	8,789,713	431,316	7,078,392	7,509,708
Hickory Ridge Middle	4,016,850	2,848,500	638,010	3,486,510
Patriots Elementary	468,965	232,792	89,527	322,319
Northwest Elementary	700,764	-	-	-
Mt Pleasant Middle	-	53,685	(53,685)	-
A L Brown High Addition	973,143	142,635	604,390	747,025
New Kannapols School	2,902,000	2,875,244	8,584	2,883,828
Total Capital outlay	64,037,671	24,079,284	31,529,872	55,609,156
Total expenditures	65,202,304	25,239,159	31,529,872	56,769,031
Excess (deficiency) of revenues over (under) expenditures	(64,539,764)	(24,703,574)	(31,150,933)	(55,854,507)
Other financing sources (uses):				
Issuance of debt - Installment Financing	7,305,000	7,305,000	-	7,305,000
Issuance of debt - Certificates of Participation	65,665,000	65,665,000	-	65,665,000
Premium on issuance of Certificates of Participation	2,596,481	2,596,482	-	2,596,482
Transfer in - General Fund	3,518,638	3,518,638	-	3,518,638
Transfer in - Capital Projects Fund	3,472,128	1,478,344	1,462,879	2,941,223
Transfer in - Special Revenue Fund	1,000,000	1,000,000	-	1,000,000
Transfer in - Capital Reserve Fund	7,246,362	7,246,362	-	7,246,362
Transfer (out) - General Fund	-	-	(2,241)	(2,241)
Disbursement for Refunding Installment Financing	(7,305,000)	(7,305,000)	-	(7,305,000)
Disbursement to escrow agent	(18,958,845)	(18,958,846)	-	(18,958,846)
Total other financing sources (uses)	64,539,764	62,545,980	1,460,638	64,006,618
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ -	\$ 37,842,406	(29,690,295)	\$ 8,152,111
Fund balance, July 1			37,842,406	
Fund balance, June 30			\$ 8,152,111	

Cabarrus County, North Carolina
Landfill Fund
Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP Basis)
For the Fiscal Year Ended June 30, 2009

	2009		Variance
	<u>Budget</u>	<u>Actual</u>	<u>Favorable</u> <u>(Unfavorable)</u>
Revenues:			
Operating revenues:			
Charges for sales and services:			
Tipping fees	\$ 1,600,000	\$ 1,184,610	\$ (415,390)
Recycling revenues	65,000	54,280	(10,720)
Overages	-	631	631
Total charges for sales and services	<u>1,665,000</u>	<u>1,239,521</u>	<u>(425,479)</u>
Other operating revenues:			
Landfill disposal tax	106,000	86,994	(19,006)
Landfill state tax distribution	-	27,075	27,075
Recycling grant	17,000	17,000	-
Solid waste franchise fee	25,000	17,733	(7,267)
Tire disposal fees	115,000	177,118	62,118
White goods disposal tax	<u>55,000</u>	<u>34,405</u>	<u>(20,595)</u>
Total other operating revenues	<u>318,000</u>	<u>360,325</u>	<u>42,325</u>
Total operating revenues	<u>1,983,000</u>	<u>1,599,846</u>	<u>(383,154)</u>
Nonoperating revenues:			
Investment earnings	-	74,925	74,925
Total nonoperating revenues	<u>-</u>	<u>74,925</u>	<u>74,925</u>
Total revenues	<u>1,983,000</u>	<u>1,674,771</u>	<u>(308,229)</u>
Expenditures:			
Landfill Administration:			
Salaries and wages	369,906	358,585	11,321
FICA	22,660	22,598	62
Medicare	5,304	5,285	19
Group hospital insurance	63,117	64,946	(1,829)
Retirement	18,092	18,195	(103)
Deferred compensation- 401K	18,499	18,606	(107)
Insurance and bonds	<u>6,478</u>	<u>6,550</u>	<u>(72)</u>
Total salaries and benefits	<u>504,056</u>	<u>494,765</u>	<u>9,291</u>
Landfill Operations:			
General and administrative:			
Advertising	3,500	1,699	1,801
Bank service charges	1,500	2,179	(679)
Dues and subscriptions	800	380	420
Lights and power	7,000	6,154	846
Office supplies	4,000	2,631	1,369
Postage	750	314	436
Printing and binding	5,000	873	4,127
Telephone	7,100	5,522	1,578
Travel	8,200	7,885	315
Uniforms	<u>7,000</u>	<u>5,100</u>	<u>1,900</u>
Total general and administrative	<u>44,850</u>	<u>32,737</u>	<u>12,113</u>

Cabarrus County, North Carolina

Landfill Fund

Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP Basis)

For the Fiscal Year Ended June 30, 2009

	2009		Variance
	<u>Budget</u>	<u>Actual</u>	<u>Favorable (Unfavorable)</u>
Other operating expenditures:			
Auto and truck maintenance	22,000	14,481	7,519
Building and ground maintenance	27,000	9,543	17,457
Consultants	15,000	15,000	-
Engineers	370,000	99,122	270,878
Fuel	85,000	69,835	15,165
Heavy equipment maintenance	60,000	44,494	15,506
Landfill disposal tax remittance	106,000	86,994	19,006
Minor equipment maintenance	34,000	25,490	8,510
Minor office equipment	2,200	1,674	526
Other operating cost	4,200	2,176	2,024
Purchased service	60,000	25,324	34,676
Recycling program	13,100	7,716	5,384
Service contracts	5,428	2,587	2,841
Tire disposal	145,000	90,778	54,222
Tools and minor equipment	11,850	1,713	10,137
Waste disposal charges	3,500	1,108	2,392
White goods expense	35,000	29,455	5,545
Total other operating expenditures	<u>999,278</u>	<u>527,490</u>	<u>471,788</u>
Capital outlay:			
Building improvements	1,874,468	128,810	1,745,658
Equipment and furniture	466,400	466,100	300
Motor vehicles	28,000	25,295	2,705
Total capital outlay	<u>2,368,868</u>	<u>620,205</u>	<u>1,748,663</u>
Total expenditures	<u>3,917,052</u>	<u>1,675,197</u>	<u>2,241,855</u>
Revenues over (under) expenditures	<u>(1,934,052)</u>	<u>(426)</u>	<u>(1,934,478)</u>
Appropriated fund balance	<u>1,934,052</u>	<u>-</u>	<u>1,934,052</u>
Revenues and appropriated fund balance over expenditures	<u>\$ -</u>	<u>(426)</u>	<u>\$ (426)</u>
Reconciliation from budgetary basis (modified accrual) to full accrual:			
Reconciling items:			
Capital outlay		620,205	
Capital contribution		23,054	
Depreciation		(325,369)	
Closure/postclosure costs		(328,595)	
Increase in accrued vacation pay		(6,865)	
Increase in other postemployment benefits		(17,364)	
Total reconciling items		<u>(34,934)</u>	
Net income		<u>\$ (35,360)</u>	



Statistical Section

Statistical Section

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

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

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

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

Assessed Value of Taxable Property	Table 5
Direct and Overlapping Property Tax Rates	Table 6
Principal Property Taxpayers	Table 7
Property Tax Levies and Collections	Table 8

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

Ratios of General Bonded Debt Outstanding	Table 9
Ratios of Outstanding Debt by Type	Table 10
Legal Debt Margin Information	Table 11

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

Demographic and Economic Statistics	Table 12
Principal Employers	Table 13

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

Full-time Equivalent County Government Employees by Function/Program	Table 14
Operating Indicators by Functional Area	Table 15
Capital Asset Statistics by Function/Program	Table 16

Table 1

Cabarrus County, North Carolina
Net Assets by Component
First Eight Fiscal Years
(accrual basis of accounting)

	Fiscal Year							
	2002	2003	2004	2005	2006	2007	2008	2009
Governmental activities								
Invested in capital assets, net of related debt	\$ 75,399,193	\$ 64,806,360	\$ 68,856,046	\$ 74,031,102	\$ 82,805,711	\$ 59,636,476	\$ 91,564,956	\$ 108,046,560
Restricted	1,464,722	4,028,057	18,378,252	52,946,050	16,737,437	52,443,535	73,845,715	59,101,722
Unrestricted	(75,338,680)	(70,410,717)	(105,277,167)	(146,958,567)	(123,873,155)	(154,540,784)	(209,510,459)	(215,569,630)
Total governmental activities net assets	\$ 1,525,235	\$ (1,576,300)	\$ (18,042,869)	\$ (19,981,415)	\$ (24,330,007)	\$ (42,460,773)	\$ (44,099,788)	\$ (48,421,348)
Business-type activities								
Invested in capital assets, net of related debt	\$ 995,835	\$ 1,270,593	\$ 1,190,916	\$ 1,209,699	\$ 1,655,812	\$ 3,502,753	\$ 3,856,424	\$ 4,174,313
Unrestricted	699,081	545,115	603,687	849,946	2,272,566	1,335,551	957,349	604,100
Total business-type activities net assets	\$ 1,694,916	\$ 1,815,708	\$ 1,794,603	\$ 2,059,645	\$ 3,928,378	\$ 4,838,304	\$ 4,813,773	\$ 4,778,413
Primary government								
Invested in capital assets, net of related debt	\$ 76,395,028	\$ 66,076,953	\$ 70,046,962	\$ 75,240,801	\$ 84,461,523	\$ 63,139,229	\$ 95,421,380	\$ 112,220,873
Restricted	1,464,722	4,028,057	18,378,252	52,946,050	16,737,437	65,446,629	73,845,715	59,101,722
Unrestricted	(74,639,599)	(69,865,602)	(104,673,480)	(146,108,621)	(121,600,589)	(166,208,327)	(208,553,110)	(214,965,530)
Total primary government net assets	\$ 3,220,151	\$ 239,408	\$ (16,248,266)	\$ (17,921,770)	\$ (20,401,629)	\$ (37,622,469)	\$ (39,286,015)	\$ (43,642,935)
Component Unit								
Invested in capital assets, net of related debt	\$ 199,658	\$ 161,734	\$ 949,138	\$ 872,124	\$ 947,632	\$ 844,904	\$ 991,163	\$ 980,806
Unrestricted	2,637,530	4,655,140	3,786,122	4,300,572	4,624,630	5,083,418	4,726,508	4,267,097
Total component unit net assets	\$ 2,837,188	\$ 4,816,874	\$ 4,735,260	\$ 5,172,696	\$ 5,572,262	\$ 5,928,322	\$ 5,717,671	\$ 5,247,903

Note: The county began to report accrual information when it implemented GASB Statement 34 in fiscal year 2002.

Cabarrus County, North Carolina
Changes in Net Assets,
Last Eight Fiscal Years
(accrual basis of accounting)

	Fiscal Year							
	2002	2003	2004	2005	2006	2007	2008	2009
Expenses								
Governmental activities:								
General government	\$ 11,977,990	\$ 12,762,198	\$ 12,564,092	\$ 12,976,891	\$ 13,908,538	\$ 15,788,862	\$ 18,415,916	\$ 19,804,610
Public safety	15,514,267	16,030,860	19,807,590	20,681,029	23,207,497	24,259,457	27,859,820	29,872,453
Economic and physical development	7,784,034	10,659,585	7,258,534	7,745,150	6,735,574	3,470,790	5,120,325	3,546,315
Environmental protection	205,811	204,931	219,513	192,211	222,730	239,353	273,920	251,712
Human Services	31,571,895	30,033,872	34,882,597	35,904,657	39,736,894	39,793,446	42,113,299	41,849,320
Education	61,257,808	40,328,224	61,013,168	57,069,508	78,415,898	102,678,574	80,456,701	96,464,947
Cultural and recreation	3,821,715	5,844,119	9,395,261	5,772,746	5,650,717	7,357,984	7,750,422	6,401,250
Interest on long term debt	9,177,011	6,973,760	8,104,861	7,611,271	9,511,646	13,078,276	13,267,793	15,302,702
Total governmental activities	141,310,531	122,837,549	153,245,616	147,953,463	177,389,494	206,666,542	195,266,196	213,493,309
Business-type activities:								
Solid Waste	1,086,844	1,181,335	981,479	783,288	1,279,280	1,223,462	1,746,268	1,733,185
Total primary government expenses	\$ 142,397,375	\$ 124,018,884	\$ 154,227,095	\$ 148,736,751	\$ 178,668,774	\$ 207,890,004	\$ 197,004,464	\$ 215,226,494
Program Revenues								
Governmental activities								
Charges for services:								
General government	\$ 3,191,525	\$ 3,122,674	\$ 3,281,449	\$ 3,660,427	\$ 4,597,003	\$ 4,442,084	\$ 4,253,175	\$ 2,764,580
Public safety	4,615,721	5,053,837	6,386,306	6,890,180	9,175,195	9,079,190	9,009,527	7,227,219
Economic and physical development	236,693	430,931	259,266	314,608	310,922	371,374	361,302	142,332
Environmental protection	-	-	84,002	146,500	221,000	139	1,668	647
Human Services	5,303,365	3,317,505	3,994,034	4,746,262	4,039,973	3,718,235	3,627,327	3,501,902
Education	63,500	-	159,425	189,341	502,358	1,522,931	2,854,128	793,590
Cultural and recreation	144,743	290,026	2,003,983	1,891,717	826,679	929,183	1,015,966	1,036,875
Operating grants and contributions:								
General government	215,032	518,096	271,344	322,081	315,347	773,179	559,742	337,714
Public safety	809,292	1,298,131	911,270	1,262,641	1,614,568	1,527,390	1,227,341	974,186
Economic and physical development	5,731,955	1,077,441	212,556	547,291	547,291	277,739	186,901	452,379
Environmental protection	25,551	162,688	26,766	554,584	27,395	45,969	64,835	38,813
Human Services	6,108,194	11,825,031	14,221,389	15,121,257	15,792,994	15,317,430	17,305,815	18,827,015
Education	321,056	881,391	240,000	240,000	336,000	185,289	259,232	128,465
Cultural and recreation	256,735	1,619,139	367,508	333,393	416,018	464,587	1,356,447	615,998
Capital grants and contributions:								
General government	-	-	134,073	121,038	133,458	-	-	-
Public safety	-	-	-	95,413	136,457	-	-	-
Human Services	-	-	-	-	-	298,051	298,051	663,564
Education	-	-	-	-	-	2,648,767	1,388,593	956,939
Total governmental activities program revenues	27,023,362	29,596,890	32,313,371	35,974,537	38,992,658	41,303,486	43,768,050	38,462,218
Business-type activities:								
Charges for Services:								
Solid Waste	910,241	1,150,748	811,043	890,124	2,868,132	1,516,013	1,474,242	1,565,441
Total business-type activities program revenues	910,241	1,150,748	811,043	890,124	2,868,132	1,516,013	1,474,242	1,565,441
Total primary government program revenues	\$ 27,933,603	\$ 30,747,638	\$ 33,124,414	\$ 36,864,661	\$ 41,860,790	\$ 42,819,499	\$ 45,242,292	\$ 40,027,659
Net (Expense)/Revenue								
Governmental activities	\$ (114,287,169)	\$ (93,240,659)	\$ (120,932,245)	\$ (111,978,926)	\$ (138,396,836)	\$ (165,363,056)	\$ (151,490,146)	\$ (175,031,091)
Business-type activities	(176,603)	(30,587)	(142,891)	107,236	1,588,852	292,551	(272,026)	(167,744)
Total primary government net (expense)/revenue	\$ (114,463,772)	\$ (93,271,246)	\$ (121,075,136)	\$ (111,871,690)	\$ (136,807,984)	\$ (165,070,505)	\$ (151,762,172)	\$ (175,198,835)

Cabarrus County, North Carolina
**Changes in Net Assets,
Last Eight Fiscal Years**
(accrual basis of accounting)

	Fiscal Year							
	2002	2003	2004	2005	2006	2007	2008	2009
General Revenues and Other Changes in Net Assets								
Governmental activities:								
Property taxes	\$ 62,727,240	\$ 65,292,668	\$ 68,549,403	\$ 77,219,366	\$ 95,534,274	\$ 99,451,423	\$ 105,322,403	\$ 134,629,314
Local option sales tax	19,351,950	19,372,554	26,003,425	27,334,895	30,744,974	36,438,842	37,721,273	31,568,865
Motor Fuel tax	47,686	43,133	-	-	-	-	-	-
ABC revenues	22,430	74,235	45,333	51,417	58,183	64,956	69,902	241,932
Gross receipt tax	63,647	61,401	65,827	82,895	93,482	109,062	109,062	99,004
Occupancy tax	-	845,727	881,194	1,000,379	1,118,527	1,504,586	2,110,664	-
Cable franchise fees	449,337	356,284	392,977	-	-	-	-	671,060
Unrestricted investment earnings	2,367,695	1,444,301	1,228,112	1,952,130	4,361,530	6,481,368	6,672,098	2,657,376
Restricted investment earnings	864,061	-	-	2,226,102	-	-	-	-
Donations	1,740,320	1,020,215	7,241,902	1,971,309	1,971,309	3,011,479	135,546	150,663
Insurance Proceeds	47,836	4,807	2,207	2,651	21,671	43,954	118,826	-
State and local reimbursements	2,431,583	-	-	-	-	-	-	-
Miscellaneous	677,472	82,995	54,296	170,545	124,294	133,226	33,755	691,317
Transfers	(250,101)	-	-	-	-	-	-	-
Total governmental activities:	90,541,156	88,598,320	104,465,676	110,040,380	134,048,244	147,232,290	152,293,529	170,709,531
Business-type activities:								
White Goods tax	51,231	50,561	51,720	55,792	45,086	62,122	31,096	34,405
Unrestricted investment earnings	159,794	93,218	69,476	102,014	234,795	271,539	212,399	74,925
Donations	-	-	590	-	-	-	-	-
Miscellaneous	(3,438)	7,600	121,786	-	-	283,714	4,000	23,054
Total business-type activities	207,587	151,379	121,786	157,806	279,881	617,375	247,495	132,384
Total primary government	90,748,743	88,749,699	104,587,462	110,198,186	134,328,125	147,849,665	152,541,024	170,841,915
Change in Net Assets								
Governmental activities	\$ (23,746,013)	\$ (4,642,339)	\$ (16,466,569)	\$ (1,938,546)	\$ (4,348,592)	\$ (18,130,766)	\$ 803,383	\$ (4,321,560)
Business-type activities	30,984	120,792	(21,105)	265,042	1,868,733	909,926	(24,531)	(35,360)
Total primary government	\$ (23,715,029)	\$ (4,521,547)	\$ (16,487,674)	\$ (1,673,504)	\$ (2,479,859)	\$ (17,220,840)	\$ 778,852	\$ (4,356,920)
Component Unit								
Expenses								
Component Unit:								
Cabarrus Health Alliance	\$ 11,945,595	\$ 11,906,631	\$ 12,748,740	\$ 14,046,391	\$ 15,597,483	\$ 16,594,547	\$ 17,838,450	\$ 19,945,407
Program Revenues								
Component Unit:								
Charges for Services	\$ 5,933,581	\$ 6,965,875	\$ 5,968,698	\$ 7,989,146	\$ 8,922,023	\$ 9,704,379	\$ 9,562,940	\$ 10,182,604
Operating grants and contributions	5,857,345	6,773,673	6,536,489	6,383,107	6,913,912	7,056,193	7,886,241	9,285,721
Total component unit	\$ 11,790,926	\$ 13,739,548	\$ 12,505,187	\$ 14,372,253	\$ 15,835,935	\$ 16,760,572	\$ 17,449,181	\$ 19,468,325
Net (Expense)/Revenue								
Component Unit:								
Net (Expense)/Revenue	\$ (154,669)	\$ 1,832,917	\$ (243,553)	\$ 325,862	\$ 238,452	\$ 166,025	\$ (389,269)	\$ (477,082)
Total component unit	\$ (154,669)	\$ 1,832,917	\$ (243,553)	\$ 325,862	\$ 238,452	\$ 166,025	\$ (389,269)	\$ (477,082)
General Revenues and Other Changes in Net Assets								
Component Unit:								
General Revenues								
Local option sales tax	\$ 547	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted investment earnings	50,814	33,497	28,771	59,796	119,917	154,179	127,386	42,147
Miscellaneous	49,475	40,925	133,168	51,779	41,197	35,856	51,232	79,643
Total component unit activities	\$ 100,836	\$ 74,422	\$ 161,939	\$ 111,575	\$ 161,114	\$ 190,035	\$ 178,618	\$ 121,790
Change in Net Assets								
Component Unit:								
Changes in Net Assets	\$ (53,833)	\$ 1,907,339	\$ (81,614)	\$ 437,437	\$ 399,566	\$ 356,060	\$ (210,651)	\$ (355,292)
Total component unit	\$ (53,833)	\$ 1,907,339	\$ (81,614)	\$ 437,437	\$ 399,566	\$ 356,060	\$ (210,651)	\$ (355,292)

Note: Accrual-basis financial information for the county government as a whole is available back to 2002 only, the year GASB Statement 34 was implemented.

Table 3

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

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
General Fund										
Reserved for:										
Inventories	\$ 1,156	\$ 6,143	\$ 2,672	\$ 4,540	\$ 8,306	\$ 10,522	\$ 4,865	\$ 2,847	\$ 4,875	\$ 4,935
Prepaid expenditures	-	-	-	-	-	-	-	-	-	53,735
State statute	7,886,909	8,280,235	9,465,973	13,224,818	8,023,700	8,164,663	8,878,980	10,378,871	10,983,571	9,803,750
Cooperative Ext 4H Program	-	-	-	-	-	159,742	133,910	124,019	-	-
Wireless 911	154,710	-	-	-	-	-	-	-	-	-
Insurance Coverage	300,000	300,000	300,000	300,000	300,000	300,000	-	-	-	-
Total reserved	8,342,775	8,586,378	9,768,645	13,529,358	8,332,006	8,634,927	9,017,755	10,505,737	10,988,446	9,862,420
Unreserved										
Designated for										
sustainability efforts	-	-	-	-	-	-	-	-	-	288,692
subsequent year's expenditures	9,697,652	21,967,197	12,575,315	6,630,438	2,687,040	-	483,508	-	-	-
Undesignated	30,098,355	24,813,683	29,657,266	22,085,546	25,701,890	30,458,561	38,404,371	40,205,758	36,636,176	41,187,681
Total General Fund	<u>\$ 48,138,782</u>	<u>\$ 55,367,258</u>	<u>\$ 52,001,226</u>	<u>\$ 42,245,342</u>	<u>\$ 36,720,936</u>	<u>\$ 39,093,488</u>	<u>\$ 47,905,634</u>	<u>\$ 50,711,495</u>	<u>\$ 47,624,622</u>	<u>\$ 51,338,793</u>
All Other Governmental Funds										
Reserved for:										
Special Revenue:										
Public Safety	-	-	-	-	-	-	-	-	-	869,944
Human Services	-	-	-	-	-	-	-	-	-	292,460
Education	-	-	-	-	-	-	-	-	-	4,210,747
Culture and recreation	-	-	-	-	-	-	-	-	-	763,922
Other purposes	-	-	-	-	-	-	-	-	-	331,693
Capital Projects	-	-	-	-	-	-	-	-	-	52,632,956
Unreserved										
Designated for										
subsequent year's expenditures:										
Special revenues	\$ 6,214,366	\$ 7,200,446	\$ 1,377,499	\$ 9,711,950	\$ 10,257,675	\$ 8,846,005	\$ 8,568,351	\$ 13,003,094	\$ 21,275,260	13,983,470
Capital Projects	19,691,624	36,395,151	310,671	4,028,057	18,378,252	52,946,050	16,737,437	52,443,535	52,570,455	-
Total all other governmental funds	<u>\$ 25,905,990</u>	<u>\$ 43,595,597</u>	<u>\$ 1,688,170</u>	<u>\$ 13,740,007</u>	<u>\$ 28,635,927</u>	<u>\$ 61,792,055</u>	<u>\$ 25,305,788</u>	<u>\$ 65,446,629</u>	<u>\$ 73,845,715</u>	<u>\$ 73,085,192</u>

Table 4

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

	Fiscal Year									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Revenues										
Ad valorem taxes	\$ 57,527,711	\$ 57,543,890	\$ 64,270,131	\$ 65,166,610	\$ 67,659,707	\$ 77,285,740	\$ 95,211,029	\$ 99,627,797	\$ 105,594,464	\$ 134,848,876
Other taxes and licenses	18,723,002	19,851,870	19,818,880	20,396,110	26,116,355	30,084,437	32,433,678	38,452,888	40,552,308	32,338,928
Intergovernmental	24,270,530	18,565,564	15,748,077	15,144,163	15,401,818	17,679,696	19,054,779	20,695,684	21,592,591	23,107,472
Permits and fees	3,179,622	3,791,382	3,819,815	5,767,348	6,757,143	7,377,224	8,688,379	9,851,011	10,643,086	5,975,694
Sales and services	8,640,814	9,535,983	9,797,563	8,231,613	8,993,922	10,014,895	10,353,563	9,595,669	10,165,675	9,680,365
Investment earnings	5,358,573	5,513,802	3,153,789	2,026,545	1,080,669	1,750,899	4,062,175	6,131,009	6,330,248	2,356,043
Donations	-	-	41,500	1,020,215	3,625,914	2,192,353	1,224,022	744,972	643,402	286,433
Miscellaneous	1,514,136	3,858,957	944,963	660,822	865,910	951,030	503,786	932,086	537,043	1,949,592
Total Revenues	119,214,388	118,661,448	117,594,718	118,413,426	130,501,438	147,336,274	171,531,411	186,031,116	196,058,817	210,543,403
Expenditures										
General Government	12,449,687	12,675,232	11,215,166	11,999,137	11,719,519	12,362,680	13,258,206	15,075,679	16,845,197	18,450,904
Public Safety	12,806,661	13,793,493	14,526,709	14,891,070	18,647,725	20,233,673	22,481,393	23,503,592	25,580,475	28,583,439
Economic & Phy Dev	2,475,608	1,990,381	7,756,434	10,647,501	7,255,578	7,758,270	6,746,563	3,451,435	5,024,745	3,427,600
Environmental Prot.	178,261	142,743	181,077	186,441	191,748	194,450	200,993	203,049	200,561	217,384
Human Services	28,450,524	30,929,031	31,425,751	30,009,274	34,655,431	36,045,006	39,700,879	39,343,438	40,873,762	41,077,166
Culture and recreation	2,955,502	3,390,763	3,406,141	5,636,000	7,347,154	5,589,207	5,423,095	6,496,945	6,568,340	96,353,775
Education	27,206,286	32,889,377	61,473,544	40,370,249	61,333,173	57,161,753	78,415,898	103,022,790	81,520,236	5,819,871
Capital Outlay	25,847,918	24,142,928	16,475,852	9,852,799	2,711,692	5,490,401	8,068,026	26,150,524	32,614,235	40,813,607
Debt Service:										
Principal	9,010,065	8,758,873	10,601,306	11,590,073	11,715,965	13,897,112	15,259,056	14,113,550	17,539,175	20,067,615
Interest	5,948,560	5,579,825	7,244,266	7,129,965	8,113,282	7,799,042	9,651,423	10,489,591	13,282,514	15,371,972
Total Expenditures	127,329,072	134,292,646	164,306,246	142,312,509	163,691,267	166,531,594	199,205,532	241,850,593	240,049,240	270,183,333
Excess of revenues over (under) expenditures	(8,114,684)	(15,631,198)	(46,711,528)	(23,899,083)	(33,189,829)	(19,195,320)	(27,674,121)	(55,819,477)	(43,990,423)	(59,639,930)
Other Financing Sources (Uses)										
Transfers in	6,772,878	3,388,284	15,431,458	11,887,550	3,022,700	5,919,013	13,450,819	32,604,840	25,556,744	29,233,852
Transfers out	(6,588,918)	(3,221,339)	(15,431,458)	(11,887,550)	(3,022,700)	(5,919,013)	(13,450,819)	(32,604,840)	(25,556,744)	(29,233,852)
Component Unit - transfer out	-	-	-	-	-	-	-	-	-	-
Net transfer to Trust Funds	-	-	(250,101)	-	-	-	-	-	-	-
Issuance of Bonds	-	-	-	-	53,912,762	50,366,000	-	48,562,851	-	-
Disbursements for Bonds/Installment	-	-	-	-	(17,701,986)	-	-	-	(7,305,000)	-
Disbursements to Escrow Agent	-	-	-	-	(35,866,931)	-	-	-	(18,958,846)	-
Issuance of Certificates of Participation	-	40,000,000	-	26,390,000	42,217,498	-	-	34,513,782	68,261,482	59,172,184
Issuance of Installment Financings	-	-	-	-	-	4,358,000	-	15,000,000	7,305,000	-
Issuance of lease	-	-	-	-	-	-	-	689,546	-	3,421,394
Total other financing sources (uses)	183,960	40,166,945	(250,101)	26,390,000	42,561,343	54,724,000	-	98,766,179	49,302,636	62,593,578
Net change in fund balances	(7,930,724)	24,535,747	(46,961,629)	2,490,917	9,371,514	35,528,680	(27,674,121)	42,946,702	5,312,213	2,953,648
Debt service as a percentage of noncapital expenditures	12.66%	11.00%	11.45%	14.13%	12.32%	13.47%	13.03%	11.41%	14.86%	15.45%

Cabarrus County, North Carolina
Assessed Value and Actual Value of Taxable Property
Last Ten Years

Fiscal Year	<u>Real Property</u>	<u>Personal Property</u>	<u>Public Service Companies (2)</u>	<u>Total Assessed Value</u>	<u>Total Direct Tax Rate (3)</u>
2000 (1)	6,862,227,976	2,609,618,395	208,301,600	9,680,147,971	0.59
2001	7,408,393,734	2,717,488,677	221,065,230	10,346,947,641	0.56
2002	7,913,235,212	2,898,237,139	243,404,104	11,054,876,455	0.56
2003	8,290,673,831	2,960,367,957	237,380,457	11,488,422,245	0.56
2004	8,660,862,061	2,813,292,526	215,793,981	11,689,948,568	0.56
2005 (1)	10,969,232,437	2,788,181,358	237,231,648	13,994,645,443	0.53
2006	11,554,183,728	2,946,103,615	237,558,497	14,737,845,840	0.63
2007	12,162,097,563	2,912,297,937	260,410,470	15,334,805,970	0.6289
2008	12,931,725,951	3,074,778,582	261,754,744	16,268,259,277	0.63
2009 (1)	17,454,001,994	3,137,459,615	280,507,618	20,871,969,227	0.63

(1) Increase due to revaluation. Cabarrus County typically reassessed property every four years.

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

(3) Per \$100 of value.

Table 6

**Cabarrus County, North Carolina
Direct and Overlapping Property Tax Rates,
Last Ten Fiscal Years**

		Year Taxes Are Payable								
	2000 (1)	2001	2002	2003	2004	2005 (1)	2006	2007	2008	2009 (1)
Cabarrus County	0.59	0.56	0.56	0.56	0.56	0.53	0.63	0.6289	0.63	0.63
Municipality Rates:										
Concord	0.42	0.45	0.45	0.45	0.45	0.43	0.43	0.4475	0.4475	0.42
Kannapolis	0.47	0.49	0.49	0.53	0.53	0.50	0.497	0.497	0.497	0.49
Harrisburg	0.10	0.10	0.135	0.135	0.135	0.135	0.135	0.135	0.135	0.125
Mt. Pleasant	0.42	0.42	0.42	0.42	0.42	0.42	0.44	0.44	0.44	0.44
Midland	-	0.05	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.14
Locust	-	-	-	0.36	0.36	0.36	0.36	0.36	0.36	0.36
Stanfield	-	-	-	0.38	0.38	0.38	(2) N/A	(2) N/A	(2) N/A	(2) N/A
Fire Districts:										
Kannapolis Rural	0.035	0.035	0.035	0.035	0.035	0.035	0.035	0.035	0.035	0.035
Jackson Park	0.045	0.045	0.045	0.045	0.045	0.045	0.045	0.05	0.05	0.05
Cold Water	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05
Allen	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.04
Midland	0.055	0.055	0.055	0.055	0.055	0.05	0.055	0.055	0.055	0.055
Poplar Tent	0.05	0.05	-	-	-	-	-	-	-	-
Harrisburg Rural	0.05	0.055	0.055	0.055	0.055	0.055	0.075	0.075	0.075	0.075
Rimer	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.06
Mt. Mitchell	0.04	0.04	0.06	0.05	0.05	0.05	0.05	0.05	0.05	0.05
Odell	0.035	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03
Enochville	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.06	0.06	0.06
Georgeville	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.06
Flowers' Store	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.04
Northeast	0.06	0.06	0.07	0.07	0.07	0.07	0.06	0.06	0.06	0.05
Mt. Pleasant Rural	0.04	0.04	0.045	0.045	0.045	0.045	0.045	0.055	0.055	0.055
Gold Hill	0.05	0.05	0.05	0.05	0.05	0.05	0.06	0.06	0.06	0.06
Richfield-Misenheimer	0.07	0.07	0.07	0.07	0.07	0.07	0.07	0.07	0.07	0.07
Harrisburg Inside City	-	-	-	-	-	-	-	0.075	0.075	0.075

Note: (1) Real property was revalued on January 1.

(2) The State reversed annexation of this municipality.

Table 7

**Cabarrus County, North Carolina
Principal Property Tax Payers,
Current Year and Nine Years Ago**

<u>Taxpayer</u>	<u>Type of Business</u>	<u>Fiscal Year 2009</u>			<u>Fiscal Year 2000</u>		
		<u>Assessed Valuation</u>	<u>Rank</u>	<u>Percentage of Total Assessed Valuation</u>	<u>Assessed Valuation</u>	<u>Rank</u>	<u>Percentage of Total Assessed Valuation</u>
Philip Morris, Inc	Cigarette Mfg.	\$ 1,089,951,879	1	5.22%	\$ 1,123,090,490	1	11.60%
Charlotte Motor Speedway, Inc	Auto Racing	278,292,078	2	1.33%	97,095,860	4	1.00%
Castle & Cooke NC, LLC	Land Developer	261,143,872	3	1.25%	-	-	-
Concord Mills LTD Partnership	Shopping Center	240,996,626	4	1.15%	48,086,860	8	0.50%
Hendricks Motorsports, Inc.	Auto Racing	150,541,537	5	0.72%	-	-	-
Corning, Inc	Fiber Optics Mfg.	111,424,314	6	0.53%	232,956,690	2	2.41%
Duke Energy Corp	Public Service Co.	89,750,799	7	0.43%	59,004,830	6	0.61%
Christenbury Farms Inc	Land Developer	81,422,634	8	0.39%	-	-	-
JQH-Concord Development, LLC	Hotel	64,796,968	9	0.31%	-	-	-
Concord Telephone Company	Public Service Co.	59,889,132	10	0.29%	62,905,715	5	0.65%
Pass & Seymour/Legrand	Electronics	-	-	0.00%	48,370,630	7	0.50%
Fieldcrest/Cannon, Inc	Textiles	-	-	-	193,918,840	3	2.00%
Carolina Mall LLC	Shopping Center	-	-	-	35,972,920	9	0.37%
Stanley Works, The	Tool Warehouse	-	-	-	30,183,040	10	0.31%
Totals		<u>\$ 2,428,209,839</u>		11.63%	<u>\$ 1,931,585,875</u>		19.95%

Source: Cabarrus County Tax Department

Table 8

**Cabarrus County, North Carolina
Property Tax Levies and Collections
Last Ten Fiscal Years**

Fiscal Year	Taxes Levied for the Fiscal Year (Original Levy)	Collected within the Fiscal Year of the Levy					Collections in Subsequent Years	Total Collections to Date	
		Discoveries	Abatements	Total Adjusted Levy	Percentage of Original Levy			Amount	Percentage of Adjusted Levy
					Amount				
2000	\$ 57,785,131	\$ 595,612	\$ (522,167)	\$ 57,858,576	\$ 56,048,119	96.87%	\$ 1,751,469	\$ 57,799,588	99.90%
2001	57,220,552	2,298,721	(1,058,244)	58,461,029	55,770,386	95.40%	2,637,110	58,407,496	99.91%
2002	62,084,785	1,069,164	(386,548)	62,767,401	61,184,935	97.48%	1,512,279	62,697,214	99.89%
2003	64,433,348	2,331,839	(1,546,291)	65,218,896	63,501,156	97.37%	1,548,152	65,049,308	99.74%
2004	66,077,761	1,185,407	(803,896)	66,459,272	64,155,827	96.53%	2,206,184	66,362,011	99.85%
2005	74,893,721	724,786	(898,376)	74,720,131	73,001,727	97.70%	1,623,219	74,624,946	99.87%
2006	92,892,138	762,582	(849,390)	92,805,330	90,824,656	97.87%	1,394,826	92,219,482	99.37%
2007	97,095,301	1,250,243	(855,526)	97,490,018	95,699,309	98.16%	1,507,358	97,206,667	99.71%
2008	102,936,378	929,435	(605,617)	103,260,196	101,560,468	98.35%	1,309,575	102,870,043	99.62%
2009	132,180,385	1,954,310	(1,315,618)	132,819,077	130,244,108	98.06%	-	130,244,108	98.06%

Source: Cabarrus County Finance Department

Table 9

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

Fiscal Year		General Obligation Bonds	Percentage of Actual Taxable Value of Property(2)	Per Capita(1)
2000	\$	69,140,000	0.71%	548
2001		64,700,000	0.63%	489
2002		60,400,000	0.55%	443
2003		56,145,000	0.49%	402
2004		52,495,000	0.45%	367
2005		97,805,000	0.70%	670
2006		91,845,000	0.62%	612
2007		133,980,000	0.87%	854
2008		126,895,000	0.78%	772
2009		119,835,000	0.57%	703

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

(1) See Table 12 for population data.

(2) See Table 5 for total assessed value of property.

Table 10

Cabarrus County, North Carolina
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year	Governmental Activities							Percentage of Personal Income (1)
	General Obligation Bonds	Certificates Of Participation	Installment Payment Revenue Bonds	Installment Financing	Capital Leases	Total Primary Government	Per Capita (1)	
2000	69,140,000	-	28,500,000	-	14,756,923	112,396,923	876	3.17%
2001	64,700,000	40,000,000	27,000,000	-	11,938,050	143,638,050	1,087	3.71%
2002	60,400,000	38,000,000	25,500,000	-	9,136,605	133,036,605	976	3.30%
2003	56,145,000	61,340,000	24,000,000	-	6,344,560	147,829,560	1,057	3.59%
2004	52,495,000	98,765,000	22,500,000	-	4,123,595	177,883,595	1,242	4.24%
2005	97,805,000	93,380,000	21,000,000	4,358,000	1,801,483	218,344,483	1,495	4.90%
2006	91,845,000	88,005,000	19,500,000	3,735,427	-	203,085,427	1,354	4.23%
2007	133,980,000	116,220,000	18,000,000	17,612,855	443,568	286,256,423	1,825	5.55%
2008	126,895,000	173,165,000	-	15,990,286	331,964	316,382,250	1,925	5.70%
2009	119,835,000	220,885,000	-	14,367,714	3,458,315	358,546,029	2,104	*

* Information not yet available

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

(1) See Table 12 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year. Calendar 2008 personal income not available to calculate fiscal year 2009.

Table 11

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

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Assessed Value of Property	\$ 9,680,147,971	\$ 10,346,947,641	\$ 11,054,876,455	\$ 11,488,422,245	\$ 11,689,948,568	\$ 13,994,645,443	\$ 14,737,845,840	\$ 15,334,805,970	\$ 16,268,259,277	\$ 20,871,969,227
Debt Limit, 8% of Assessed Value (Statutory Limitation)	774,411,838	827,755,811	884,390,116	919,073,780	935,195,885	1,119,571,635	1,179,027,667	1,226,784,478	1,301,460,742	1,669,757,538
Debt applicable to debt limitations:										
Total bonded Debt	69,140,000	64,700,000	60,400,000	56,145,000	52,495,000	97,805,000	91,845,000	133,980,000	126,895,000	119,835,000
Total installment payment revenue bonds	28,500,000	27,000,000	25,500,000	24,000,000	22,500,000	21,000,000	19,500,000	18,000,000	-	-
Total capital leases	14,756,923	11,938,050	9,136,605	6,344,560	4,123,595	1,801,483	-	443,568	331,964	3,458,315
Total installment financing	-	-	-	-	-	4,358,000	3,735,427	17,612,855	15,990,284	14,367,714
Total Certificates of Participation	-	40,000,000	38,000,000	61,340,000	98,765,000	93,380,000	88,005,000	116,220,000	173,165,000	220,885,000
Total debt applicable to limitations	112,396,923	143,638,050	133,036,605	147,829,560	177,883,595	218,344,483	203,085,427	286,256,423	316,382,248	358,546,029
Legal debt limit	\$ 662,014,915	\$ 694,117,761	\$ 751,353,511	\$ 771,244,220	\$ 757,312,290	\$ 901,227,152	\$ 975,942,240	\$ 940,528,055	\$ 985,078,494	\$ 1,311,211,509
Total net debt applicable to the limit as a percentage of debt limit	14.51%	17.35%	15.04%	16.08%	19.02%	19.50%	17.22%	23.33%	24.31%	21.47%

Note: NC Statute GS159-55 limits the county's outstanding debt to 8% of the appraised value of property subject to taxation. The following deductions are made from gross debt to arrive at net debt applicable to the limit: money held for payment of principal; debt incurred for water, sewer, gas, or electric power purposes; uncollected special assessments, funding and refunding bonds not yet issued; and revenue bonds.

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

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

Table 12

<u>Year</u>	<u>Population(1)</u>	<u>Personal Income (2)</u>	<u>Per Capita Personal Income (2)</u>	<u>Public School Enrollment(3)</u>	<u>Unemployment Rate(4)</u>	<u>Number of Building Inspections Performed(5)</u>
2000	128,263	3,545,395	27,736	21,602	2.00%	39,584
2001	132,178	3,871,172	29,279	22,428	3.00%	41,027
2002	136,338	4,029,671	29,579	23,140	4.90%	40,989
2003	139,794	4,116,291	29,499	24,328	5.50%	46,325
2004	143,210	4,199,579	29,431	26,229	7.40%	48,795
2005	146,061	4,441,339	30,752	27,138	6.20%	51,464
2006	150,032	4,752,216	31,871	28,582	4.60%	65,340
2007	156,863	5,157,773	33,161	30,507	4.10%	68,755
2008	164,384	5,551,258	34,099	32,219	4.40%	57,339
2009	170,448	*	*	32,781	5.90%	16,529

* Information not yet available.

Notes:

- (1) Office of State Budget and Management. Estimates are as of beginning of fiscal year.
- (2) Bureau of Economic Analysis, U. S. Department of Commerce. Figures are for the prior calendar year
- (3) Cabarrus County Schools and Kannapolis City Schools reported the County Official Statements
- (4) N. C. Employment Security Commission, Annual Average for prior calendar year.
- (5) Total number of inspections performed by Cabarrus County Inspections Department. Does not include inspections by municipalities.

Table 13

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

<u>Employer</u>	<u>2009</u>			<u>2000</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>
Carolinas Medical Ctr - Northeast	4,300	1	5.86%	2,500	2	3.56%
Cabarrus County Schools	3,398	2	4.63%	2,000	3	2.85%
Philip Morris	1,384	3	1.89%	1,802	4	2.56%
Connexions	1,200	4	1.63%			
City of Concord	925	5	1.26%	720	7	1.02%
Kannapolis City Schools	900	6	1.23%	-	-	-
Cabarrus County	828	7	1.13%	819	5	1.17%
Shoe Show	650	8	0.89%	-	-	-
S&D Coffee, Inc	500	9	0.68%			
State of North Carolina	500	10	0.68%	-	-	-
Fieldcrest Cannon, Inc.	-	-	-	6,860	1	9.76%
PMI (Plastics Manufacture, Inc.)	-	-	-	817	6	1.16%
Terry Products	-	-	-	530	8	0.75%
Bangle Brothers	-	-	-	370	10	0.53%
Total	<u>14,585</u>		<u>19.87%</u>	<u>16,418</u>		<u>23.36%</u>

Source: Cabarus County Economic Development Corporation, City of Concord and the 1999 Cabarrus County Official Statement

Table 14

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

Function/Program	Full-time Equivalent Employees as of June 30									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
General Government	141	152	157	160	160	153	156	162	173	178
Cultural and Recreation	56	55	62	76	77	79	57	59	64	65
Public Safety	229	229	237	237	241	272	274	297	314	347
Economic & Phy. Development	11	12	14	18	15	15	16	16	17	17
Human Services	384	401	355	205	227	246	267	289	303	310
Environmental Protection	10	11	11	11	11	11	11	12	12	12
Total	831	860	836	707	731	776	781	835	883	929

Source: County Finance Department

Note: This schedule represents number of persons employed as of March 31 of each year. Vacant positions are included in the above numbers. Full time personnel work 2,080 hours per year (less vacation and sick leave).

Cabarrus County, North Carolina
Operating Indicators by Functional Area
Last Ten Fiscal Years

Table 15

<u>Functional Area</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
General Government										
Tax Collection Rate	96.87%	95.40%	97.48%	97.37%	96.53%	97.70%	97.87%	98.16%	98.35%	98.06%
Land Records Recorded ¹	31,797	39,744	42,914	53,611	43,283	45,742	48,762	46,376	37,329	40,000 *
Culture & Recreation										
Circulation of Library Materials-All Branches	499,899	487,642	538,624	559,599	615,167	692,244	748,537	789,453	781,606	843,107 *
Acres of Park Land-Developed/Undeveloped	372	372/67.4	411/67	411/67	411/67	411/67	411/67	411/67	411/67	329/252
Public Safety										
Sheriff Response Time (Emergency Calls)	5.46	6.49	6.54	7.07	6.58	7.53	7.00	8.20	8.00	8.50
Detention Center Average Daily Population	150	154	171	195	202.3	212	216	220	220	275
Animals Picked Up	5,436	5,132	4,926	5,020	5,259	4,946	4,980	4,513	4,500	4,200 *
Building Inspections Completed	39,584	41,027	40,989	46,325	48,795	51,464	65,340	68,755	57,339	16,529
EMS Average Response Time Countywide	6.53	7.18	7.31	7.37	7.49	7.69	7.20	7.03	7.03	7.03 *
Economic & Physical Development										
Final Subdivision Plats Processed	NA	NA	NA	NA	NA	39	23	25	16	7
Sedimentation & Erosion Control Plans Reviewed	NA	NA	93	80	95	172	145	220	230	200
Human Services										
Veteran /Dependent Contacts	7,157	8,910	8,262	7,094	8,978	7,205	7,802	9,132	9,950	10,750 *
Human Service Transportation Trips ²	10,656	NA	NA	90,120	112,286	116,818	85,713	85,721	96,696	99,914
Family Medicaid Cases	4,475	5,809	6,868	6,836	8,355	8,969	10,049	10,779	11,794	13,727
Adult Medicaid Cases ³	2,190	4,012	4,112	4,219	4,379	4,746	4,858	5,045	5,216	5,380
WFFA (formerly AFDC)	374	344	370	385	534	487	316	315	289	277
Child Protective Service Reports Investigated	981	1,077	1,238	1,202	1,212	1,426	1,897	1,697	1,602	1,476
Adoptions Completed	19	33	9	20	0	59	0	15	43	18
Food Stamp Cases	1,838	2,152	2,619	3,346	4,350	4,950	5,358	5,456	5,890	7,290
Adult Protective Services Reports	160	155	131	160	135	114	131	170	232	192
Environmental Protection										
Tons of MSW and C&D Waste Managed	26,292	32,294	29,666	31,622	25,570	32,049	159,106	68,950	54,488	45,848
Tons of Recyclable Materials Collected	1,456	2,016	1,631	1,526	2,275	2,007	1,710	1,687	1,800	2,500 *
Education										
Per Pupil Current Expense Funding	NA	\$1,133.31	\$1,186.78	\$1,186.78	\$1,186.78	\$1,204.58	\$1,292.01	\$1,328.78	\$1,443.91	\$1,541.14
Per Pupil Capital Outlay Funding	NA	\$66.88	\$64.33	\$0.00	\$52.95	\$56.78	\$89.74	\$140.36	\$127.23	\$124.36
Per Pupil Debt Service Funding	NA	\$734.49	\$682.56	\$691.78	\$620.53	\$717.20	\$796.37	\$683.18	\$705.68	\$845.19

Source: County Departments

Notes:

¹ Data is Calendar Year

² County Department Starting in 2004, previously under DSS and private contractor

³ Social Security began managing SSI medicaid cases in 1998; Medicaid income limits changed to 100% of poverty 2001

NA - Data Not Available

* - Estimate

Table 16

Cabarrus County, North Carolina
Capital Asset Statistics by Function/Program
Last Ten Fiscal Years

Function/Program	Fiscal Year									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Parks and recreation										
Park facility	1	3	3	4	4	4	4	4	4	5
Tennis courts	6	6	6	6	6	6	6	6	6	6
Picnic shelters	11	16	18	18	20	20	20	20	21	21
Softball fields	4	10	8	8	8	8	8	8	8	8
Playgrounds	5	7	7	7	7	7	7	7	8	8
Soccer Fields	-	-	12	12	12	12	12	12	12	11
Camping cabins	-	-	-	-	4	4	4	4	6	6
Tent sites	-	-	-	-	7	7	7	7	6	6
Bathhouse for campgrounds	-	-	-	-	1	1	1	1	1	1
Swimming Pool	-	-	-	-	-	-	-	-	-	1
Pool Bathhouse	-	-	-	-	-	-	-	-	-	1
Fire protection										
Stations	14	14	14	14	14	14	14	14	11	(1)
Sheriff										
Stations	1	1	1	1	1	1	1	1	1	1
Substations	-	3	3	3	4	4	4	5	5	5
Patrol units	66	74	93	104	65	65	65	65	94	113 (2)

(1) Three stations have become municipal departments and are not under the control of the County.

(2) Prior to 2004 the number of patrol units reported above was the total number of vehicles owned by the Sheriff's Department. It was then decided in 2008 to begin counting all vehicles that could be



Compliance Section

MARTIN ♦ STARNES & ASSOCIATES, CPAs, P.A.

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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Commissioners
Cabarrus County, North Carolina

We have audited the accompanying basic financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of Cabarrus County, North Carolina, as of and for the year ended June 30, 2009, which collectively comprise the County's basic financial statements, and have issued our report thereon dated October 13, 2009. 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 Cabarrus County's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing our opinions on the effectiveness of the County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over financial reporting.

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

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

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

730 13th Avenue Drive SE ♦ Hickory, North Carolina 28602 ♦ Phone 828-327-2727 ♦ Fax 828-328-2324
13 South Center Street ♦ Taylorsville, North Carolina 28681 ♦ Phone 828-632-9025 ♦ Fax 828-632-9085
Toll Free Both Locations 1-800-948-0585 ♦ Website: www.martinstarnes.com

Compliance and Other Matters

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

We noted certain matters that we reported to management of Cabarrus County in a separate letter dated October 13, 2009.

This report is intended solely for the information and use of management, members of the Board of Commissioners, 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.

Martin Starnes & Associates, CPAs, P.A.

Martin Starnes & Associates, CPAs, P.A.
October 13, 2009

MARTIN ♦ STARNES & ASSOCIATES, CPAs, P.A.

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

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

To the Board of Commissioners
Cabarrus County, North Carolina

Compliance

We have audited the compliance of Cabarrus 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, 2009. Cabarrus County's major federal programs are identified in the summary of auditors' results section of the accompanying Schedule of Findings, Responses, 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 Cabarrus County's management. Our responsibility is to express an opinion on Cabarrus 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 States, Local Governments, and Non-Profit Organizations*, 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 Cabarrus 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 of Cabarrus County's compliance with those requirements.

In our opinion, Cabarrus County 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, 2009.

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Internal Control Over Compliance

The management of Cabarrus County is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Cabarrus 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, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

A control deficiency in a County's internal control over compliance exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the County's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

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

Schedule of Expenditures of Federal and State Awards

We have audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of Cabarrus County, North Carolina, as of and for the year ended June 30, 2009, which collectively comprise Cabarrus County's basic financial statements, and have issued our report thereon dated October 13, 2009. Our audit was performed for the purpose of forming an opinion on the financial statements that collectively comprise Cabarrus County's basic financial statements. The accompanying Schedule of Expenditures of Federal and State Awards is presented for the purposes of additional analysis as required by OMB Circular A-133 and the State Single Audit Implementation Act and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended solely for the information and use of management, members of the Board of Commissioners, 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.

Martin Starnes & Associates, CPAs, P.A.

Martin Starnes & Associates, CPAs, P.A.
October 13, 2009

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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

To the Board of Commissioners
Cabarrus, North Carolina

Compliance

We have audited the compliance of Cabarrus 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, 2009. Cabarrus County's major State programs are identified in the summary of auditors' results section of the accompanying Schedule of Findings, Responses, 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 Cabarrus County's management. Our responsibility is to express an opinion on Cabarrus County, North Carolina'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; 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 Cabarrus 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 of Cabarrus County's compliance with those requirements.

In our opinion, Cabarrus 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, 2009

Internal Control Over Compliance

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This report is intended solely for the information and use of management, members of the Board of Commissioners, 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.

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

Martin Starnes & Associates, CPAs, P.A.
October 13, 2009

CABARRUS COUNTY, NORTH CAROLINA
SCHEDULE OF FINDINGS, RESPONSES, AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2009

1. Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: Unqualified

Internal control over financial reporting:

- Material weakness identified? No
- Significant deficiency identified that is not considered to be a material weakness? No

Noncompliance material to financial statements noted? No

Federal Awards

Internal control over major federal programs:

- Material weakness identified? No
- Significant deficiency identified that are not considered to be material weakness? No

Type of auditors' 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

CABARRUS COUNTY, NORTH CAROLINA

SCHEDULE OF FINDINGS, RESPONSES, AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2009

Identification of major federal programs:

<u>Program Name</u>	<u>CFDA#</u>
<u>Federal Program/Cluster Name</u>	<u>CFDA Number</u>
Subsidized Child Care Program (cluster)	93.575, 93.596, 93.667, 93.558
Medicaid	93.778
Food Stamp Program	10.561
TANF	93.558
Aging Cluster	93.044, 93.045
Foster Care and Adoption Cluster	93.658. 93.659

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

\$3,000,000

Auditee qualified as low-risk auditee?

No

State Awards

Internal control over major State programs:

- Material weakness identified? No
- Significant deficiency identified that are not considered to be material weakness? No

Type of auditors' 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

CABARRUS COUNTY, NORTH CAROLINA
SCHEDULE OF FINDINGS, RESPONSES, AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2009

Identification of major State programs:

Program Name

Foster Care & Adoption Cluster
Child Protective Services Expansion
Child Welfare Adoption Subsidy
Medicaid Cluster
TANF
Subsidized Child Care Cluster
State/County Special Assistance for Adults
Aging Cluster
N.C. Department of Transportation
 Community Transportation Program
 Administrative and Capital Grant Section 5311
NC Lottery Fund

Section II - Financial Statements Findings

None reported

Section III - Federal and State Award Findings and Questioned Costs

None reported

CABARRUS COUNTY, NORTH CAROLINA
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2009

There were no prior year findings.

CABARRUS COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For the Year Ended June 30, 2009

Grantor/Pass Through Grantor/Program Title	Federal CFDA Number	State/Pass Through Grantor's Number	Federal Direct and Pass Through Expenditures	State Expenditures	Local Expenditures
Federal Awards:					
<u>U.S. Department of Agriculture</u>					
Passed Through N.C. Department of Health and Human Services:					
Division of Social Services:					
Administration:					
Food Stamp Cluster:					
Food Stamp Program - Noncash	10.551		\$ 22,752,698	\$ -	\$ -
State Administrative Matching Grants for Food Stamp Program	10.561		1,009,247	-	962,762
Total Food Stamp Cluster			23,761,945	-	962,762
Passed through Centralina Council of Governments:					
Food Distribution Elderly Nutrition Program - USDA Supplement	10.570		32,487	-	-
Total U.S. Department of Agriculture			23,794,432	-	962,762
<u>U.S. Department of Health and Human Services</u>					
Administration on Aging:					
Passed through Centralina Council of Governments:					
Title III-E Caregiver Grant	93.052		43,329	-	-
Aging Cluster:					
Nutrition Project for the Elderly Title III-C1					
Title III-B (Access):	93.045		138,446	32,847	-
Transportation Grant					
Information case Assistant	93.044		38,709	63,156	-
Title III-B (In-Home):	93.044		21,306	34,762	-
Adult Day Services					
In-Home Aide I & II	93.044		26,890	114,636	-
In- Home Services	93.044		35,522	86,966	-
Housing/Home Improvement	93.044		5,032	21,451	-
Senior Center Operations Grant	93.044		8,314	35,446	-
Consumer Directed Services Grant	93.044		6,956	29,655	-
Total Aging Cluster			7,799	33,250	-
			288,974	452,169	-
Total Administration on Aging			332,303	452,169	-
Passed Through N.C. Department of Health and Human Services:					
Division of Social Services:					
Administration:					
Temporary Assistance Needy Families (WorkFirst)	93.558		266,494	-	260,911
Services:					
Temporary Assistance Needy Families (WorkFirst)	93.558		1,489,690	-	1,781,998

CABARRUS COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For the Year Ended June 30, 2009

Grantor/Pass Through Grantor/Program Title	Federal CFDA Number	State/Pass Through Grantor's Number	Federal Direct and Pass Through Expenditures	State Expenditures	Local Expenditures
Direct Benefit Payments:					
Temporary Assistance Needed Families	93.558		741,352	-	-
Energy Assistance	93.558		591,148	-	-
Refugee Assistance	93.566		5,058	-	-
AFDC Payments and Penalties	93.560		(1,676)	(372)	(372)
Family Preservation	93.556		1,924	-	-
TANF - Domestic Violence	93.558		25,160	-	577
Work First Demonstration Grant	93.558		86,031	-	-
Work First Functional Access	93.558		4,425	-	-
Child Support Enforcement	93.563		1,285,396	667,695	(5,522)
Child Support Incentive Recovery	93.563		63,136	(667,695)	700,220
Crisis Intervention Program	93.568		627,650	-	-
Low Income Energy Assistance	93.568		73,737	-	-
Permanency Planning - Child Welfare Services	93.645		47,035	12,089	3,589
Independent Living Initiative/LINKS	93.674		47,526	7,028	-
Adult Day Care	93.667		33,074	40,126	10,457
In-Home Services	93.667		79,459	-	11,351
Social Services Block Grant Administration	93.667		372,063	40,048	137,370
			<u>5,838,682</u>	<u>98,919</u>	<u>2,900,579</u>
Total Division of Social Services - Other Programs					
Passed Through N.C. Department of Health and Human Services:					
Division of Social Services:					
Foster Care and Adoption Cluster:					
Title IV - E Administration	93.658		21,926	-	21,926
Title IV - E Child Protective Services	93.658		431,453	158,131	273,321
Title IV - E Foster Care	93.658		235,128	-	235,128
Title IV - E Optional Training 50%	93.659		13,429	-	13,429
Title IV - E Foster Care Optional	93.659		(452)	-	(452)
Public Assistance:					
Title IV - E Foster Care	93.658		135,653	22,776	55,409
Adoption/Foster Care	93.658		233,822	-	12,071
Adoption Assistance - Direct Benefit	93.659		638,704	116,551	164,355
			<u>1,709,663</u>	<u>297,458</u>	<u>775,187</u>
Total Foster Care and Adoption Cluster (Note 2)					
Passed Through N.C. Department of Health and Human Services:					
Subsidized Child Care (Note 4):					
Child Care Development Fund Cluster:					
Division of Social Services:					
Child Care Development Fund Administration	93.596		237,146	-	-
Division of Child Development:					
Child Care Development Fund Discretionary	93.575		2,746,551	-	-

**CABARRUS COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For the Year Ended June 30, 2009**

Grantor/Pass Through Grantor/Program Title	Federal CFDA Number	State/Pass Through Grantor's Number	Federal Direct and Pass Through Expenditures	State Expenditures	Local Expenditures
Child Care Development Fund Mandatory	93.596		1,160,161	-	-
Child Care Development Fund Match	93.596		447,476	246,058	-
Total Child Care Development Fund Cluster			4,591,334	246,058	-
Social Services Block Grant	93.667		31,890	-	-
Temporary Assistance for Needy Families	93.558		1,089,538	-	-
Smart Start	N/A		-	136,340	-
State Funding Appropriations	N/A		-	272,082	-
Smart Start TANF Maintenance of Effort	N/A		-	519,093	-
Total Subsidized Child Care (Note 2)			5,712,762	1,173,573	-
Division of Social Services:					
Title XIX - Medicaid	93.778		1,924,883	19,028	1,905,856
Adult Care Home Case Management	93.778		110,964	43,412	67,552
N.C. Health Choice (Child Health Insurance Program)	93.767		144,238	8,301	39,426
Division of Medical Assistance:					
Direct Benefit Payments:					
Title XIX - Medicaid	93.778		87,996,567	34,539,560	2,368,537
Total U.S. Department of Health and Human Services			127,564,494	36,632,420	9,019,899
U.S. Department of Energy					
Passed Through N.C. Department of Health and Human Services:					
Office of Economic Opportunities:					
Weatherization Assistance Program	81.042	90-1441-50	119,730	-	-
Heating and Air Conditioning Repair Program (HARP)	81.042		33,814	-	-
Total U.S. Department of Energy			153,544	-	-
U.S. Department of Housing and Urban Development					
Passed through N.C. Department of Commerce:					
Community Development Block Grant - State Programs	14.228	07-C-1653	149,774	-	-
Total U.S. Department of Housing and Urban Development			149,774	-	-
Federal Emergency Management Agency					
Passed through N.C. Department of Crime Control and Public Safety:					
Division of Emergency Management:					
Emergency Management Performance Grant		EMPG-2008-37025	35,933	-	35,933
Total Federal Emergency Management Agency			35,933	-	35,933

**CABARRUS COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For the Year Ended June 30, 2009**

Grantor/Pass Through Grantor/Program Title	Federal CFDA Number	State/Pass Through Grantor's Number	Federal Direct and Pass Through Expenditures	State Expenditures	Local Expenditures
<u>US Department of Justice</u>					
Passed through Office of Justice Programs:					
State Criminal Alien Assistance Program Grant			52,845	-	-
Passed through NC Department of Correction:					
Criminal Justice Partnership Program	16.ukn		-	129,171	-
Total US Department of Justice			52,845	129,171	-
<u>US Election Assistance Commission</u>					
N.C. State Board of Elections					
HAVA Funds - 2008 HAVA General One-Stop Grant	90.401		-	24,315	2,296
Total US Election Assistance Commission			-	24,315	2,296
<u>National Endowment for the Humanities</u>					
Passed through NC Humanities Council:					
NC Humanities Council Library Grant	45.129		-	1,000	2,415
Total Federal Awards			127,956,590	36,786,906	9,060,543
<u>State Awards:</u>					
<u>N. C. Department of Health and Human Services</u>					
Division of Social Services:					
Adult Protective Services	N/A		-	28,455	-
Child Protective Services Expansion	N/A		-	330,704	-
DCD-Smart Start	N/A		-	117,154	-
State Aid to Counties	N/A		-	71,709	-
State Foster Home	N/A		-	140,132	140,132
Foster Care At-Risk Maximization	N/A		-	959	526
Foster Care Special Provision	N/A		-	35,448	-
SFHF Maximization	N/A		-	88,084	88,084
AFDC Incentives	N/A		-	216	-
TANF Incentives	N/A		-	2,112	-
Direct Benefit Payments:					
Child Welfare Adoption Subsidy	N/A		-	936,746	281,191
Total Division of Social Services			-	1,751,719	509,933
<u>Division of Aging:</u>					
Senior Center General Purpose	N/A		-	18,320	-
Title V Grant Revenues	N/A		-	213,605	-

CABARRUS COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For the Year Ended June 30, 2009

Grantor/Pass Through Grantor/Program Title	Federal CFDA Number	State/Pass Through Grantor's Number	Federal Direct and Pass Through Expenditures	State Expenditures	Local Expenditures
Direct Benefit Payments:					
State/County Special Assistance for Adults	N/A		-	1,366,844	1,366,844
Total Division of Aging			-	1,598,769	1,366,844
Office of Emergency Medical Services:					
State Medical Assistance Team (SMAT) III Equipment Grant	N/A	HP-08-1597	-	105,601	-
2008 EMS Toolkit Grant	N/A	AD-09-1716	-	31,000	-
EMS SMAT III Pharmaceutical Maintenance Level 2 Grant	N/A		-	4,689	-
EMS SMAT III Sustainment Level 2 Grant	N/A		-	7,993	-
Total Office of Emergency Medical Services			-	149,283	-
NC Council on Developmental Disabilities:					
Healthy Lives Healthy Futures Grant	N/A		-	19,604	-
Total NC Council on Developmental Disabilities					
Total N. C. Department of Health and Human Services			-	3,519,375	1,876,777
<u>N. C. Department of Environmental and Natural Resources</u>					
Division of Soil and Water Conservation:		13-08-501-16			
NC Community Conservation Assistance Program	N/A		-	2,100	3,172
Soil and Water Conservation			-	4,000	146,601
Soil and Water Conservation - Water Quality Cost Share Grant	N/A		-	33,113	33,113
Total Division of Soil and Water Conservation			-	39,213	182,886
Division of Pollution Prevention & Environmental Assistance:					
2008 Community Waste Reduction and Recycling Grant	N/A	1243	-	7,000	-
2005 Community Waste Reduction and Recycling Grant	N/A		-	10,000	1,000
Total Division of Pollution Prevention & Environmental Assistance			-	17,000	1,000
Total N. C. Department of Environmental and Natural Resources			-	56,213	183,886
<u>N.C. Department of Crime Control and Public Safety:</u>					
Division of Governor's Crime Commission:					
Comprehensive Gang Initiative Grant	N/A	013-1-06-001-BN-013	-	23,722	-
Cabarrus County Shield Program Grant	N/A	013-1-07-001-BN-414	-	44,783	-
Department of Juvenile Justice & Delinquency Prevention:					
Juvenile Crime Prevention Programs (JCPP):					
JCPC Certification	N/A	313000	-	15,500	-

CABARRUS COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For the Year Ended June 30, 2009

Grantor/Pass Through Grantor/Program Title	Federal CFDA Number	State/Pass Through Grantor's Number	Federal Direct and Pass Through Expenditures	State Expenditures	Local Expenditures
Home Based Services	N/A	313005	-	124,800	-
Total N.C. Department of Crime Control and Public Safety			-	208,805	-
<u>N.C. Department of Administration</u>					
N.C. Substance Control Tax	N/A		-	28,518	-
Division of Veteran's Affairs:					
Veteran's Service Grant	N/A		-	2,000	209,120
Total N.C. Department of Administration			-	30,518	209,120
<u>N.C. Department of Agriculture and Consumer Services</u>					
NC Agricultural Development & Farmland Preservation Trust Fund:					
2008 Agricultural development & Farmland Preservation Grant	N/A	ADM-ADFP-08-013	-	25,000	-
Total N.C. Rural Department of Insurance			-	25,000	-
<u>N.C. Rural Department of Insurance</u>					
Division of Seniors Health Insurance Information Program					
SHIP Grant	N/A		-	4,200	-
Total N.C. Rural Department of Insurance			-	4,200	-
<u>N.C. Department of Cultural Resources</u>					
Passed through State Library of N.C.:					
State Aid to Libraries	N/A	DCR-4	-	188,793	2,137,932
Total N.C. Department of Cultural Resources			-	188,793	2,137,932
<u>N.C. Department of Transportation</u>					
Public Transportation Division:					
Rural Operating Assistance Program:					
Elderly and Disabled Assistance Transportation Program	N/A	DOT-16CL	-	121,697	-
Work First/ Employment Transportation Program	N/A	DOT-16CL	-	17,916	-
Rural General Public Transportation Program	N/A	DOT-16CL	-	88,107	-
Community Transportation Program:					
Administrative Grant - Section 5311	N/A	09-US-042	-	233,686	896,718
Capital Grant - Section 5311	N/A	09-SC-042	-	429,878	48,264
Total N.C. Department of Transportation			-	891,284	944,982
<u>N.C. Department of Public Instruction</u>					
N. C. Lottery Fund	N/A		-	1,035,155	-

CABARRUS COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For the Year Ended June 30, 2009

Grantor/Pass Through Grantor/Program Title	Federal CFDA Number	State/Pass Through Grantor's Number	Federal Direct and Pass Through Expenditures	State Expenditures	Local Expenditures
Public School Building Capital Fund	N/A		-	50,249	-
Total N.C. Department of Public Instruction			-	1,085,404	-
Total State Awards			\$ -	\$ 6,065,805	\$ 5,536,583
Total Federal and State Awards			\$ 127,956,590	\$ 42,852,711	\$ 14,597,126

Notes to the Schedule of Expenditures of Federal and State Awards:

1. Basis of Presentation

The accompanying schedule of expenditures of federal and State awards includes the federal and State grant activity of Cabarrus County 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, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the general purpose financial statements. Benefit payments are paid directly to recipients and are not included in the county's general purpose financial statements. However, due to the county's involvement in determining eligibility, they are considered federal awards to the county and are included on this schedule.

2. The following are clustered by NC Department of Health and Human Services and are treated separately for state audit requirement purposes: Subsidized Child Care, Foster Care and Adoption.

3. Of the federal and state expenditures presented in this schedule, Cabarrus County provided awards to sub recipients as follows:

Project Challenge	N/A	313024	-	46,584	-
Psychological Services	N/A	313012	-	25,342	-
Teen Court	N/A	313015	-	69,292	-
Genesis/Juvenile Sex Offender Counseling	N/A	313026	-	29,302	9,300
			-	170,520	9,300



**For Information:
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