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WILKINSON CT SE
7953
2903
1870

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Comprehensive Annual Financial Report

for the year ended June 30, 2007

Cabarrus County, North Carolina

www.cabarruscounty.us



Cabarrus County

North Carolina

Comprehensive Annual Financial Report

For the year ended June 30, 2007

**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, 2007

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Introductory Section



Finance Department

October 31, 2007

To the County Manager, 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, 2007.

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 Potter and Company, 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, 2007, 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, 2007, are fairly presented in conformity 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 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 150,434. 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 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 and 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. 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 agriculture and 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 depletion of farmland and recent downturns in 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 purchased the majority of the assets of the bankrupt Pillowtex Corporation and has begun the re-development of the property. Pillowtex Corporation, which purchased Fieldcrest Cannon, Inc. and was headquartered in the County, was at one time a world leader in the household textiles market. Pillowtex announced on July 30, 2003 that it was shutting down its operations and filed for Chapter 11 bankruptcy protection. Castle & Cooke’s land holdings, which are managed by Atlantic American Properties, include Cannon Village and the Kannapolis Country Club. Castle & Cooke has begun to redevelop the Pillowtex properties as a major mixed use center and with construction of the North Carolina Research Campus. The first building under construction at the Research Campus is the Core Lab, which contains approximately 311,000 square feet and has an estimated cost of \$88,000,000. Additional buildings scheduled for construction on the Research Campus will house laboratory facilities for the University of North Carolina at Chapel Hill (underway), N.C. State University (underway), Duke University and Rowan-Cabarrus Community College, biotech research laboratories, office buildings and several retail buildings. The project also includes parking decks and other facilities. The total estimated cost of the proposed Research Campus project exceeds \$1 billion.

Philip Morris, USA.'s cigarette manufacturing plant, which is the largest industrial plant in the County and the largest of its type in the world, was built for an initial cost of over \$400 million, opened in 1983 and was expanded in 1997 at a cost of \$400 million. This plant exports a substantial portion of its products to foreign markets, and Philip Morris continues to improve productivity and otherwise develop this facility. Philip Morris employs approximately 2,900 employees and represents approximately \$1.1 billion in assessed valuation to the County. Phillip Morris has recently announced its intentions to close the Cabarrus County facility. The closure will take place gradually over a period of 3 years.

Corning, Inc. has a fiber optics facility in Midland that was "mothballed" but is poised to reopen if the optical fibers market improves. Company officials currently expect this may occur as soon as first quarter 2008. Finally, Krispy Kreme Donuts has a 125-employee manufacturing facility located in the County.

PreGel USA, headquartered in Reggio Emilia, Italy, is nearing completion on the development of a \$16.6 million dollar plant to produce Italian gelato and related products. This food manufacturer is diversifying the local economy both in terms of products and foreign investment.

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. New interchanges on the Charlotte Outerbelt, I-485, opened in 2004 that provide almost direct access from the outer belt to Cabarrus County in a number of areas. 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, the 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 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, has purchased 275 acres of vacant land in Kannapolis. This property is located at the interchange of I-85 and the Kannapolis Parkway and is being developed into a new complex with 2.5 million square feet of flex office, warehouse and distribution space. The plans also include 400,000 square feet of retail uses which are already being completed. 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 1,000,000 people annually. 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. In addition to the main Speedway, LMS developed "The Dirt Track" for World of Outlaws sprint car racing. LMS also developed an industrial park, aimed specifically at the motor sports industry, with physical plants operating for racing teams, performance parts developers, and racing journal publishers.

The City of Concord and Embassy Suites Hotels constructed a new \$60 million Convention Center and full service hotel on Speedway Boulevard. This complex is located an equal distance between LMS and the Concord Mills Mall and is expected to be opened in 2007. The complex has been so successful in its first nine months of operation that expansion plans are already being developed.

Motorsports. Cabarrus County can accurately be described as the epicenter of NASCAR and the motorsports industry. In addition to the facilities of the Lowe's Motor Speedway complex, the County is home to top NASCAR teams, including Hendrick Motorsports, Roush Fenway Racing, Chip Ganassi Racing, Hass CNC Racing and Wood Brothers Racing Motorsports. Automotive research is a major element, as well. A nearly completed development of a \$50 million wind tunnel by Wind Shear, Inc. is under construction that will include a rolling road capable of reaching 180 mile per hour, providing the most realistic aerodynamic testing possible. It is the only one of its kind in North America. Throughout the County businesses thrive that support the motorsports industry and NASCAR racing. Concord Regional Airport contributes significantly to the attractiveness of the County for motorsports businesses. While it is a general aviation facility without scheduled airline service, it is nonetheless the fourth busiest airport in North Carolina, surpassed only by the three large commercial airports, Charlotte-Douglas, Raleigh-Durham and Piedmont Triad.

Retail. During June 1997, the Mills Corporation and Simon-DeBartolo Company completed the acquisition of approximately 165 acres located in the southwest quadrant of the King's Grant interchange at I-85, and developed Concord Mills Mall, which opened its doors in September 1999. The 1.4 million square foot facility, which has over 200 stores, cost approximately \$240 million to complete and generates approximately \$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 will make the area a primary retail center for the entire MSA. One such announced project is the \$100 million Great Wolf Lodge which will be a family-oriented destination hotel with over 40 suites and amenities including an indoor water park.

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 areas 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 up to 500,000-square feet of office and retail space. The majority 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 focal 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 (developed by an arm of Lowe's Motor Speedway) is being expanded with a second road for further industrial development in the Town of Harrisburg.

King's Grant/Concord Mills. Development in King's Grant, a 1,700-acre business park in the southern portion of the County along I-85, began in 1992. The large size of the property has allowed rapid development to take place along adjacent roads, including the construction of facilities to fabricate racing transmissions and build bodies for race cars. Concord Mills Mall was built as part of the King's Grant development. Facilities constructed in King's Grant include professional office buildings, limited service hotels, fast food and full service restaurants, branch banking, convenience facilities and other office and retail operations. The Great Wolf Lodge recently announced the construction of its next facility in King's Grant.

Copperfield Business Park. Copperfield Business Park began development along I-85 in 1987. Firms that have built facilities in the Copperfield Business Park include an out-patient satellite facility for Carolinas Medical Center NorthEast, a commercial printer, numerous medical offices, a pharmacy and a shopping center. Copperfield Business Park opened a new interchange on I-85 and in 1994 completed a five-lane connector road to link the business park with the interchange. A 102-unit Hampton Inn and a Cracker Barrel Restaurant, along with other convenience-type developments, also have opened in the park. CT Communications occupies an 115,979 square foot office building that combines all of their existing facilities into one building. CTC was recently acquired by Windstream.

International Business Park. In early 1991, the Oiles America Corporation, a Japanese company, opened a manufacturing plant for self-lubricating bearings on approximately 25 acres in the County's International Business Park, which also is located near an interchange on I-85. Oiles America Corporation completed an expansion of its facilities in 1997 and currently employs 82 persons. In 1991, Pass & Seymour Legrand, a French company, opened a manufacturing plant at a cost exceeding \$20 million for electrical wiring devices on a 32 acre site in the park. Pass & Seymour Legrand currently employs approximately 425 persons at this site.

The owners of the International Business Park actively pursue private investment from around the world. Dai Nippon Printing Company Ltd. ("DNP") commenced operations in mid-1995 from a new 50,000 square foot facility in the Park that produces media (such as ribbons and tapes) and employs approximately 94 people. DNP acquired nine adjacent acres for expansion in 1996 and completed an expansion which more than doubled the size of its existing facility in 1997. DNP recently received approval for a Free Trade Sub-Zone on its facility. Federal Express also completed development of an approximately 48,000 square foot facility in the Park in 1997.

SYSCO Corporation of Houston, Texas, a food service provider, completed the construction of a new warehouse/distribution complex in the Park in 1997 and a 135,000 square foot expansion in June 2000. This 435,000 square foot facility serves nearly all of North and South Carolina, as well as parts of Georgia and Virginia. SYSCO employs 575 persons. In addition, the Minka Group, a lighting products company, has begun construction of a 365,000 square-foot facility which will serve as its east coast distribution center.

The owners of IBP completed a 76,000 square foot high end speculative building in 2004. This building has now been occupied by Connexions, Inc., a customer service contact

center which opened in 2006. Their growth has rapidly increased employment to approximately 600. Connexions clients include numerous Fortune 500 companies. Continued expansion is anticipated with work underway to prepare plans for another building to essentially double space for Connexions.

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 7,400 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 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. Construction of two 120,000 square foot mixed use office and light industrial buildings has been completed. These buildings are the Roush Fenway Racing World Headquarters.

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 40,000 square foot speculative building is available, as well as 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 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 new speculative industrial building in the Kannapolis Gateway Business Park. That building is now occupied by a distribution firm 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 is under construction. Haas CNC Racing has its NASCAR team facility in the 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 continues to experience rapid growth, as evidenced by building permit records of the County. Much of the growth is attributable to the County's position in the Charlotte metropolitan region. The County believes that its short-range and long-range planning has provided the necessary infrastructure to accommodate anticipated growth, and the City and the County cooperate 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 have recently approved a newly structured CEDC that will be administered by the Cabarrus Regional Chamber of Commerce. The new structure will greatly enhance efforts in business retention and expansion, entrepreneurship and new business recruitment. 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 following table lists the 10 largest manufacturing and nonmanufacturing employers in the County in 2007:

<u>Employer</u>	<u>Service</u>	<u>Number of Employees</u>
Carolinas Medical Center NorthEast	Medical Center	4,200
Cabarrus County Schools	Education	3,816
Philip Morris	Cigarettes	2,600
Wal-Mart	Retail Store	983
Cabarrus County	Governmental	904
City of Concord	Governmental	893
Kannapolis City Schools	Education	873
Rowan Cabarrus Community College	Education	830
Pass & Seymour Legrand	Electrical Wiring Devices	680
Shoe Show	Shoe Distributor	575

Source: Cabarrus County Economic Development Corporation, September 2007.

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, Tourism Fund and Fire District Fund) for the fiscal year ending June 30, 2008 totals \$183,204,805 with a tax rate of \$0.63 per \$100 of assessed value, based on a total valuation of \$16,137,325,000.

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.

Cash management policies and practices

Effective financial planning and cash management practices have aided in the efficient use of available resources. The County continues to have an aggressive cash management program designed to assure safety of principal, sufficient liquidity for current operations, and the attainment of market-average rate of return. Idle cash is invested using competitive bidding among all banks and savings and loans with investments awarded based on the highest yield. The County uses the bond trading areas of various brokers for pricing and yields on various securities that are purchased. Cabarrus County invests primarily in government agencies, commercial paper, certificates of deposit, and obligations of the US Treasury.

Risk Management

The liabilities and property insurance program is financed using a combination of self-funding and participation in the Carolina Governmental Alliance, Inc., a governmental corporation. The County retains the first \$50,000 in liability claims and claims expenses which are payable by the Carolina Governmental Alliance, Inc. Excess liability insurance above the \$50,000 retention is purchased up to a total limit of \$2,000,000 per occurrence. Excess property insurance above a \$5,000 deductible is purchased based on the replacement values, submitted to the excess property company each year.

Cabarrus County is self-funded for its Workers' Compensation Insurance and Health Insurance and the results are recorded in the Internal Service Fund presented in the CAFR.

Pension and other postemployment benefits

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 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, 2006, the Separation Allowance's membership consisted of:

Retirees receiving benefits	28
Terminated plan members entitled to but not yet receiving benefits	-
Active plan members	171
Total	<u>199</u>

The County has 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 County also provides pension benefits for all county employees through a statewide plan managed by the Department of State Treasurer, Retirement Division. The County has no obligation in connection with employee benefits offered through this plan beyond its annual contractual payment to the Retirement Division.

The County also provides post retirement health care benefits for certain retirees and their dependents. At the end of the current fiscal year, there were 88 retired employees receiving this benefit, which is financed on a pay-as-you-go basis. GAAP does not require governments to report a liability in the financial statements in connection with an employer's obligations to provide this benefit.

In addition, the County offers several benefits that are portable and require the employees to pay the cost related with maintaining these benefits.

Additional information on the County's pension arrangements and postemployment benefits can be found in Notes 4 in the notes to the financial statements.

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, 2006. This was the twenty-second 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, 2007. 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 ninth 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 Potter and Company, without whose dedicated assistance this report could not have been produced. Credit also must be given to the County Manager and 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,

A handwritten signature in black ink, appearing to read "Pamela S. Dubois". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

Pamela S. Dubois
Deputy County Manager for Administration

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, 2006

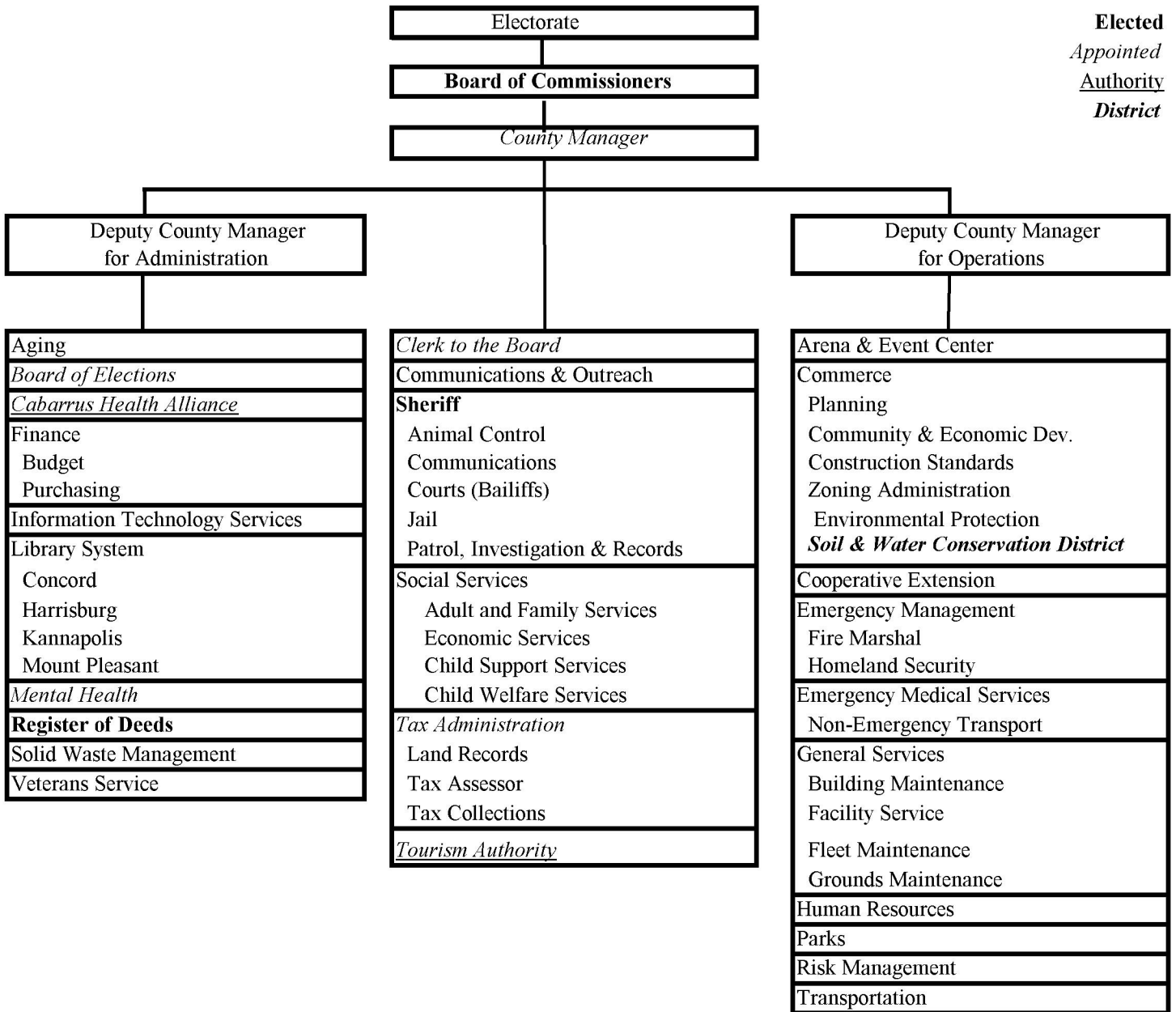
A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards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



President

Executive Director

Organization Chart



Board of County Commissioners

Chair Robert W. Carruth
Vice-Chair Joni D. Juba
Commissioner Grace M. Mynatt
Commissioner Coy C. Privette
Commissioner H. Jay White, Sr.

Other Elected Officials

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

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

Clerk to the Board 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 Steve L. Little
Social Services Interim, Sandy Russell
Solid Waste Management Richard A. Payne
SWCD-Watershed Dennis Testerman
Tax Administration Jeffery B. Weisner
Transportation Charles R. Bass
Veterans' Service Lewis M. Williams

Tourism Authority DeSales Wagster



Financial Section



POTTER & COMPANY, P.A.
CERTIFIED PUBLIC ACCOUNTANTS

The Board of Commissioners
Cabarrus County, North Carolina
Concord, North Carolina

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate 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, 2007, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express an opinion on these basic financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of **Cabarrus County, North Carolina** as of June 30, 2007, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison of 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 2, 2007 on our consideration of **Cabarrus County's** internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants and other matters. 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 and the Law Enforcement Officers' Special Separation Allowance Schedules of Funding Progress and Employer Contributions are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit this information and express no opinion on it.

Our audit was performed for the purpose of forming an opinion on the financial statements that collectively comprise the basic financial statements of **Cabarrus County, North Carolina**. The combining and individual nonmajor fund financial statements and schedules and the statistical tables, as well as the accompanying schedule of expenditures of federal and State awards as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the State Single Audit Implementation Act, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements and schedules and the accompanying schedule of expenditures 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, are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole. The introductory information and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

October 2, 2007
Monroe, North Carolina

Potts & Company

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, 2007. 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.

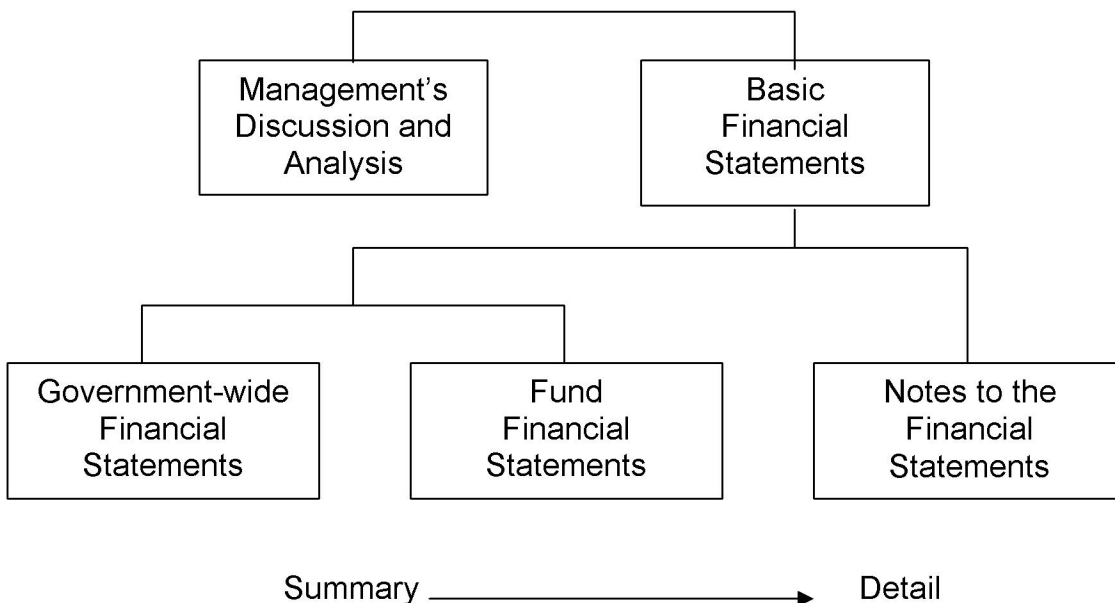
Financial Highlights

- The liabilities of Cabarrus County exceeded its assets at the close of the fiscal year by (\$37,622,469) (*net assets*).
- The total net assets of governmental activities was a deficit \$42,460,773 an increase of \$18,130,766 from the prior year's deficit amount of \$24,330,007, 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.
- At the end of the current fiscal year, unreserved fund balance for the General Fund was \$40,205,758 or 23.53 percent of total general fund expenditures for the fiscal year.
- Cabarrus County's total debt increased by \$83,507,653 (39.8%) during the current fiscal year. The key factor in this increase was the issuance of \$97,284,546 in new debt for the construction of a jail, Sheriff's Administration Building, schools and computer software.
- Cabarrus County maintained its AA bond rating for the 7th 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 are designed to enhance the reader's understanding of the financial condition of Cabarrus County.

Required Components of Annual Financial Report



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 5-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 39 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

	Governmental-type		Business-type		Total	
	Activities		Activities			
	2007	2006	2007	2006	2007	2006
Current and other assets	\$ 147,972,466	\$ 102,654,169	\$ 5,702,865	\$ 6,459,186	\$ 153,675,331	\$ 109,113,355
Capital assets	127,984,386	102,017,568	3,502,753	1,655,812	131,487,139	103,673,380
Total assets	275,956,852	204,671,737	9,205,618	8,114,998	285,162,470	212,786,735
Long-term liabilities outstanding	269,370,838	190,168,214	4,211,142	4,025,027	273,581,980	194,193,241
Other liabilities	49,046,787	38,833,530	156,172	161,593	49,202,959	38,995,123
Total liabilities	318,417,625	229,001,744	4,367,314	4,186,620	322,784,939	233,188,364
Net assets						
Invested in capital assets, net						
of related debt	59,636,476	82,805,711	3,502,753	1,655,812	63,139,229	84,461,523
Restricted	52,443,535	16,737,437	-	-	52,443,535	16,737,437
Unrestricted	(154,540,784)	(123,873,155)	1,335,551	2,272,566	(153,205,233)	(121,600,589)
Total net assets	\$ (42,460,773)	\$ (24,330,007)	\$ 4,838,304	\$ 3,928,378	\$ (37,622,469)	\$ (20,401,629)

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 Schools, Kannapolis City Schools and the Rowan-Cabarrus Community College. This debt, which totals \$220,305,416 at June 30, 2007 and totaled \$183,873,571 at June 30, 2006, 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 \$63,139,229 at June 30, 2007 and \$84,461,523 at June 30, 2006 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 \$52,443,535 at June 30, 2007 and \$16,737,437 at June 30, 2006 are reserved by law for specific purposes. The net increase in the deficit unrestricted net assets results from the issuance of debt and the decrease in County capital assets net of accumulated debt. Net assets do not present the County's position regarding spending, which 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 98.16%, higher than the statewide average of 96.63%.
- Increased charges for services revenue due to growth in the County.
- Continued low cost of debt due to the County's high bond rating and the prevailing interest rate environment.

Cabarrus County's Changes in Net Assets

	Governmental Activities		Business-type Activities		Total	
	2007	2006	2007	2006	2007	2006
Revenues:						
Program Revenues:						
Charges for services	\$ 20,063,136	\$ 19,673,130	\$1,516,013	\$2,868,132	\$ 21,579,149	\$ 22,541,262
Operating grants and contributions	21,240,350	19,049,613	-	-	21,240,350	19,049,613
Capital grants and contributions	-	269,915	-	-	-	269,915
General revenues:						
Property taxes	99,451,423	95,534,274	-	-	99,451,423	95,534,274
Other taxes	38,045,884	31,956,983	62,122	45,086	38,108,006	32,002,069
Grants and contributions not restricted to specific programs	3,011,479	1,971,309	-	-	3,011,479	1,971,309
Investment earnings	6,481,368	4,381,530	271,539	234,795	6,752,907	4,616,325
Other	242,136	204,148	283,714	-	525,850	204,148
Total revenues	188,535,776	173,040,902	2,133,388	3,148,013	190,669,164	176,188,915
Expenses:						
General government	15,788,662	13,908,538	-	-	15,788,662	13,908,538
Public safety	24,259,457	23,207,497	-	-	24,259,457	23,207,497
Economic and physical development	3,470,790	6,735,574	-	-	3,470,790	6,735,574
Environmental protection	239,353	222,730	-	-	239,353	222,730
Human services	39,793,446	39,736,894	-	-	39,793,446	39,736,894
Education	102,678,574	78,415,898	-	-	102,678,574	78,415,898
Cultural and recreation	7,357,984	5,650,717	-	-	7,357,984	5,650,717
Interest on long-term debt	13,078,276	9,511,646	-	-	13,078,276	9,511,646
Landfill	-	-	1,223,462	1,279,280	1,223,462	1,279,280
Total expenses	206,666,542	177,389,494	1,223,462	1,279,280	207,890,004	178,668,774
Increase (decrease) in net assets	(18,130,766)	(4,348,592)	909,926	1,868,733	(17,220,840)	(2,479,859)
Net assets, July 1	(24,330,007)	(19,981,415)	3,928,378	2,059,645	(20,401,629)	(17,921,770)
Net assets, June 30	<u><u>\$ (42,460,773)</u></u>	<u><u>\$ (24,330,007)</u></u>	<u><u>\$4,838,304</u></u>	<u><u>\$3,928,378</u></u>	<u><u>\$ (37,622,469)</u></u>	<u><u>\$ (20,401,629)</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 \$40,205,758, while total fund balance reached \$50,711,495. 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 23.53 percent of total General Fund expenditures, while total fund balance represents 29.67 percent of that same amount.

At June 30, 2007, the governmental funds of Cabarrus County reported a combined fund balance of \$116,158,124, a 58.7% increase or \$42,946,702 increase from last year. The primary reason for this increase

was the issuance of COPS in the amount of \$33,595,000 and \$15,000,000 installment financing for the construction of a Sheriff Administration facility and jail annex, respectively. These debt instruments have been issued, however the majority of expenditures for the projects will occur in future years.

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 were an increase of \$12,083,773.

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 of the County Finance, any undesignated fund balance above 15% will be transferred to the Capital Reserve Fund. -- \$11,349,787
- Capital Improvement Plan (CIP) – Christenbury Road Project – The developer of Christenbury Farms entered into an agreement with the County that stipulates that they will advance school adequacy through quarterly payments to aid in school construction and operation. The payments will be used to reimburse the Christenbury Family for contributions to a road project directly affecting safe access to the new Cox Mill Elementary School. -- \$400,000
- Contribution to the Capital Projects Fund – for budgetary and accounting purposes transfer the budget for receipt of lottery proceeds from the General Fund to the Public School Capital Project Fund. -- (\$4,181,192)
- General Fund contribution to the Capital Projects Fund – Justice Center – transfer funds for the construction of the Sheriff Administration Building and Jail Annex. -- net increase of \$1,492,242
- Sheriff – Increase revenue for funds received for the COPS 2006 Technology Grant (2006-CKWX-0212) from the US Department of Justice to purchase portable and mobile 800mhz radios. -- \$197,446
- DSS – Reduce CAP Program revenues and expenses due to the number of clients participating in the CAP/DA program being significantly lower than projections were at the time of budge preparation. -- (\$644,000)

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 \$1,335,551. This represents a decrease of \$937,015 over fiscal year 2006. The key factor in this decrease is attributable to the purchase of \$2,088,716 capital assets. The Landfill has been receiving the debris from the demolition of acres of property and buildings being cleared to make way for the construction of the North Carolina Bio Research Campus. This collection of debris was completed during FY 2007. 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, 2007, totals \$131,487,139 (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 15 new vehicles for the Sheriff's department and 2 ambulances for Emergency Medical Services
- Off-road equipment for the Landfill was purchased
- Purchased the Commerce Accela Software Program
- Continued renovations to Old School Administration Building
- Continued work for the construction of a Jail Annex and Sheriff's Administration Building

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

	Governmental Activities		Business-type Activities		Total	
	2007	2006	2007	2006	2007	2006
Land	\$ 20,277,523	\$ 16,873,149	\$ 490,447	\$ 490,447	\$ 20,767,970	\$ 17,363,596
Land Improvements	4,902,384	4,676,658	1,093,995	-	5,996,379	4,676,658
Buildings	38,829,705	40,105,589	687,197	390,799	39,516,902	40,496,388
Building Improvements	7,921,836	7,213,641	4,663	4,800	7,926,499	7,218,441
Equipment	3,032,354	1,569,748	19,288	3,810	3,051,642	1,573,558
Furniture and Fixtures	105,875	127,382	-	-	105,875	127,382
Vehicles	1,840,749	1,342,514	1,142,968	249,176	2,983,717	1,591,690
Reservoir	21,504,310	21,526,075	-	-	21,504,310	21,526,075
Construction in progress	29,569,650	8,582,812	64,195	516,780	29,633,845	9,099,592
Total	<u>\$ 127,984,386</u>	<u>\$ 102,017,568</u>	<u>\$ 3,502,753</u>	<u>\$ 1,655,812</u>	<u>\$ 131,487,139</u>	<u>\$ 103,673,380</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, 2007, Cabarrus County had total debt outstanding of \$286,256,423 of which General Obligation Bonds 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**

	Governmental Activities	
	2007	2006
General obligation bonds	\$ 133,980,000	\$ 91,845,000
Installment payment revenue bonds	18,000,000	19,500,000
Capital lease obligations	443,568	-
Certificate of participation	116,220,000	88,005,000
Installment financing	17,612,855	3,735,429
Total	<u>\$ 286,256,423</u>	<u>\$ 203,085,429</u>

As mentioned in the financial highlights section of this document, Cabarrus County maintained for the 7th consecutive year, its Aa2 bond rating from Moody's Investor Service and AA bond rating from Standard and Poor's Corporation and FitchRatings. This 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 \$940,528,055. Additional information regarding Cabarrus County's long-term obligations can be found in 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 MSA which has proved beneficial in that the County has continued to experience economic growth during national and state economic downturns of past years. The following key economic indicators reflect the growth and prosperity of the County.

Indicator	Cabarrus County	Rank (100 Counties)
Population, July 2006	150,434	13 th in NC
Population, 1990 Census	98,935	19 th in NC
Population Change 1990-2000	24.5%	10 th in NC (NC 21.4%)
Unemployment, Sept 06	4.0%	70 th in NC
Per Capita Personal Income, 2004	\$30,500	11 th in NC (NC \$30,553)
Poverty, 2003	10.2%	91 st in NC (NC 13.4%)

Source: N.C. Department of Commerce

Budget Highlights for the Upcoming Fiscal Year to End June 30, 2008

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, a slight increase from the FY 2007 rate. The total budgeted amount of \$101,047,434 represents an increase of 6.05% from the amended FY 2007 budget. Motor vehicle taxes have been budgeted at \$7,808,841, or 11.5% increase from FY 2007. Budgeted sales tax revenues are \$37.2 million, a 9.8% increase above FY 2007.

In accordance with the existing Cabarrus County Personnel Management Policy, wages were recommended to increase by 2.5%, based on the Consumer Price Index (CPI) as published for December 2006. The employee's health insurance contribution increased by 15%

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 \$73.3 million, which represents 40.44% of all budgeted FY 2008 spending. The funding level represents an increase of 12.90% above current year funding.

Other Debt Service funds principal and interest payments on debt for the acquisition and construction of capital assets. Funding of \$7.3 million represents 4.04% of the FY 2008 budget, and is a 104.10% increase from the amended FY 2007 budget.

Business-type Activities: The FY 2008 Solid Waste Management (Landfill) Fund budget totals \$1,579,556 which represents a decrease of 49.27% above FY 2007.

In FY 2008 Solid Waste franchise fees and disposal tax on white goods remain flat, as do tire disposal fees. Tipping fees are projected to decrease by 14.7% due to completion of demolition of the former Pillowtex site. Recycling revenue is projected to increase by 6.7%.

Operating expenses are budgeted to decrease 49.27% to \$1,579,556. Included in the FY 2008 budget is funding for a packer truck for school recycling, improvements at the scale house and entrance to the landfill, and equipment for the landfill, including a tractor, bush-hog and scrapers.

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, 2007

	Primary Government			
	Governmental Activities	Business-Type Activities	Total	Component Unit
<u>Assets</u>				
Cash and cash equivalents	\$ 76,160,153	\$ 5,509,547	\$ 81,669,700	\$ 3,554,858
Receivables (net of allowance for uncollectibles):				
Accounts receivable	3,322,949	2,985	3,325,934	1,037,476
Customers	1,306,170	116,497	1,422,667	1,580,267
Property taxes	2,898,608	-	2,898,608	-
Interest	360,962	16,818	377,780	-
Due from other governments	8,519,134	57,018	8,576,152	93,470
Inventories	2,847	-	2,847	-
Prepaid rent	56,690	-	56,690	-
Restricted cash and cash equivalents	49,868,842	-	49,868,842	-
Deferred charges	4,452,111	-	4,452,111	-
Notes Receivable	1,024,000	-	1,024,000	-
Capital Assets not being depreciated:				
Land and Land Improvements	25,179,907	1,584,441	26,764,348	677,273
Construction in Progress	29,569,650	64,195	29,633,845	
Capital Assets net of accumulated depreciation:				
Buildings and Building Improvements	46,751,541	691,861	47,443,402	-
Reservoir	21,504,310	-	21,504,310	-
Furniture and Fixtures	105,875	-	105,875	-
Equipment	3,032,354	19,288	3,051,642	121,708
Vehicles and Motorized Equip	1,840,749	1,142,968	2,983,717	45,923
Total assets	275,956,852	9,205,618	285,162,470	7,110,975
<u>Liabilities</u>				
Accounts payable and other current liabilities	13,405,341	127,566	13,532,907	645,707
Unearned revenues	478,805	-	478,805	-
Unamortized premium	6,066,036			
Accrued interest payable	4,176,167	-	4,176,167	-
Retainage payable	5,403,059	-	5,403,059	-
Unfunded pension cost	163,839	-	163,839	-
Long-term liabilities:				
Due within one year	19,353,540	28,606	19,382,146	526,207
Due in more than one year	269,370,838	4,211,142	273,581,980	10,739
Total long-term liabilities	288,724,378	4,239,748	292,964,126	536,946
Total liabilities	318,417,625	4,367,314	316,718,903	1,182,653
<u>Net Assets</u>				
Invested in Capital Assets, (net of related debt)	59,636,476	3,502,753	63,139,229	844,904
Restricted for :				
Capital Projects	52,443,535	-	52,443,535	-
Unrestricted	(154,540,784)	1,335,551	(153,205,233)	5,083,418
Total net assets	\$ (42,460,773)	\$ 4,838,304	\$ (37,622,469)	\$ 5,928,322

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

Cabarrus County, North Carolina
Statement of Activities
For the Year Ended June 30, 2007

Function/Program Activities	Net (Expense) Revenue and Changes in Net Assets					
	Program Revenues			Primary Government		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities
Primary Government:						
Governmental Activities:						
General government	\$ 15,788,662	\$ 4,442,084	\$ 773,179	\$ -	\$ (10,573,399)	\$ (10,573,399)
Public safety	24,259,457	9,079,190	1,527,390	-	(13,652,877)	(13,652,877)
Econ. & physical development	3,470,790	371,374	277,739	-	(2,821,677)	(2,821,677)
Environmental protection	239,353	139	45,969	-	(193,245)	(193,245)
Human services	39,793,446	3,718,235	15,317,430	-	(20,757,781)	(20,757,781)
Education	102,678,574	1,522,931	185,289	2,648,767	(98,321,587)	(98,321,587)
Culture and recreation	7,357,984	929,183	464,587	-	(5,964,214)	(5,964,214)
Interest on long-term debt	13,078,276	-	-	-	(13,078,276)	(13,078,276)
Total governmental activities	206,666,542	20,063,136	18,591,583	2,648,767	(165,363,056)	(165,363,056)
Business-Type Activities:						
Solid Waste	1,223,462	1,516,013	-	-	-	292,551
Total business-type activities	1,223,462	1,516,013	-	-	-	292,551
Total primary government	\$ 207,890,004	\$ 21,579,149	\$ 18,591,583	\$ 2,648,767	(165,363,056)	(165,070,505)
Component Unit:						
Cabarrus Health Alliance	\$ 16,594,547	\$ 9,704,379	\$ 7,056,193	\$ -	-	-
General Revenues:						
Property taxes					99,451,423	99,451,423
Sales taxes					36,438,842	36,438,842
ABC revenues					64,956	64,956
Gross receipts tax					102,456	102,456
Occupancy tax					1,504,586	1,504,586
White goods tax					62,122	62,122
Investment earnings					271,539	271,539
Donations					3,011,479	3,011,479
Insurance proceeds					43,954	43,954
Miscellaneous					283,714	416,940
Total general revenues, special items, and transfers					147,232,290	147,849,665
Changes in net assets					(18,130,766)	(17,220,840)
Net assets - July 1					(24,330,007)	(20,401,629)
Net assets - June 30					\$ (42,460,773)	\$ (37,622,469)

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

Cabarrus County, North Carolina
Governmental Funds
Balance Sheet
June 30, 2007

	Major			Non-Major	Total
	General	Justice Center Construction	\$98 Million School Bonds	Other Governmental Funds	Governmental Funds
<u>Assets</u>					
Cash and cash equivalents	\$ 46,853,838	\$ 4,375,263	\$ 788,590	\$ 20,104,065	\$ 72,121,756
Receivables (net of allowance for uncollectibles)					
Accounts receivable	3,003,828	-	-	319,121	3,322,949
Customers	1,306,170	-	-	-	1,306,170
Property taxes	2,898,608	-	-	-	2,898,608
Interest	308,373	-	-	37,722	346,095
Due from other governments	6,885,981	232,052	1,401,101	-	8,519,134
Prepaid rent	56,690	-	-	-	56,690
Notes receivable	124,000	-	-	900,000	1,024,000
Inventories	2,847	-	-	-	2,847
Restricted cash	11,522	34,891,982	14,885,574	79,764	49,868,842
Total assets	<u>\$ 61,451,857</u>	<u>\$ 39,499,297</u>	<u>\$ 17,075,265</u>	<u>\$ 21,440,672</u>	<u>\$ 139,467,091</u>
<u>Liabilities and Fund Balances</u>					
Liabilities:					
Accounts payable and accrued liabilities	\$ 6,056,778	\$ 2,561,836	\$ 2,598,100	\$ 2,005,610	\$ 13,222,324
Contract retainages	-	1,934,002	3,319,353	149,704	5,403,059
Deferred revenues	4,683,584	-	-	-	4,683,584
Total liabilities	<u>10,740,362</u>	<u>4,495,838</u>	<u>5,917,453</u>	<u>2,155,314</u>	<u>23,308,967</u>
Fund Balances:					
Reserved for:					
Inventories	2,847	-	-	-	2,847
State statute	10,378,871	-	-	-	10,378,871
Cooperative extension 4H program	124,019	-	-	-	124,019
Unreserved, designated for subsequent year's expenditures:					
Special Revenue	-	-	-	13,003,094	13,003,094
Capital Projects	-	35,003,459	11,157,812	6,282,264	52,443,535
Unreserved for General fund	40,205,758	-	-	-	40,205,758
Total fund balances	<u>50,711,495</u>	<u>35,003,459</u>	<u>11,157,812</u>	<u>19,285,358</u>	<u>116,158,124</u>
Total liabilities and fund balances	<u>\$ 61,451,857</u>	<u>\$ 39,499,297</u>	<u>\$ 17,075,265</u>	<u>\$ 21,440,672</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				153,216,210	
Less accumulated depreciation				(25,231,824)	127,984,386
Other assets used in governmental activities are not financial resources and, therefore are not reported in the governmental funds					
Deferred Revenue					4,204,779
Debt Issuance Costs				4,882,240	
Current Year Amortization				(430,129)	4,452,111
Premium on Debt Issuance				(6,498,424)	
Current Year Amortization				432,388	(6,066,036)
Internal service funds are used by management to charge the costs of workers' compensation and self-insured hospitalization to individual departments.					
					3,870,247
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.					
Bonds and Leases Payable				(286,256,423)	
Accrued Interest				(4,176,167)	
Compensated Absences				(2,467,955)	
LEO Pension Obligation				(163,839)	(293,064,384)
Net assets of governmental activities					<u>\$ (42,460,773)</u>

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

Cabarrus County, North Carolina
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2007

	Major			Non-Major	
	General	Justice Center Construction	\$98 Million School Bonds	Other Governmental Funds	Total Governmental Funds
Revenues:					
Ad valorem taxes	\$ 97,598,930	\$ -	\$ -	\$ 2,028,867	\$ 99,627,797
Other taxes and licenses	36,948,302	-	-	1,504,586	38,452,888
Intergovernmental revenues	17,531,822	-	-	3,021,652	20,553,474
Permits and fees	6,949,299	-	-	3,043,752	9,993,051
Sales and services	9,595,669	-	-	-	9,595,669
Investment earnings	3,462,874	862,609	1,175,624	614,418	6,115,525
Donations	-	-	-	761,471	761,471
Miscellaneous	877,147	-	-	54,094	931,241
Total revenues	172,964,043	862,609	1,175,624	11,028,840	186,031,116
Expenditures:					
Current:					
General government	14,862,133	-	-	213,546	15,075,679
Public safety	21,048,872	-	-	2,454,720	23,503,592
Economic & physical development	1,771,929	-	-	1,679,506	3,451,435
Environmental protection	203,049	-	-	-	203,049
Human services	39,343,438	-	-	-	39,343,438
Education	43,828,192	-	55,026,506	4,168,092	103,022,790
Culture and recreation	3,421,712	-	-	3,075,233	6,496,945
Capital outlay:					
Land and land improvements	217,482	1,195,705	-	14,444	1,427,631
Building and building improvements	580,965	-	-	42,018	622,983
Equipment and furniture	1,025,246	-	-	749,329	1,774,575
Vehicles and motorized equipment	689,919	-	-	-	689,919
Construction in progress	188,812	19,471,725	-	1,974,879	21,635,416
Debt service:					
Principal retirement	14,113,550	-	-	-	14,113,550
Interest and fees	10,489,591	-	-	-	10,489,591
Total expenditures	151,784,890	20,667,430	55,026,506	14,371,767	241,850,593
Excess (deficiency) of revenues over (under) expenditures	21,179,153	(19,804,821)	(53,850,882)	(3,342,927)	(55,819,477)
Other financing sources (uses):					
Transfers in	740,012	4,515,640	6,487,301	20,861,887	32,604,840
Transfers out	(19,802,850)	-	-	(12,801,990)	(32,604,840)
Capital Lease Obligation issued	689,546	-	-	-	689,546
General Obligation Bonds issued	-	-	48,000,000	-	48,000,000
Premium on General Obligation Bonds issued	-	-	562,851	-	562,851
Installment Financing issued	-	15,000,000	-	-	15,000,000
Certificates of Participation issued	-	33,595,000	-	-	33,595,000
Premium on Certificates of Participation issued	-	918,782	-	-	918,782
Total other financing sources (uses)	(18,373,292)	54,029,422	55,050,152	8,059,897	98,766,179
Net change in fund balances	2,805,861	34,224,601	1,199,270	4,716,970	42,946,702
Fund balance, July 1	47,905,634	778,858	9,958,542	14,568,388	73,211,422
Fund balance, June 30	\$ 50,711,495	\$ 35,003,459	\$ 11,157,812	\$ 19,285,358	\$ 116,158,124

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

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, 2007

Net change in fund balances-total governmental funds		\$ 42,946,702
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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	25,649,853	
Less current year depreciation	<u>(2,559,736)</u>	23,090,117

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

Ambulance	61,878	
Property Tax	(176,374)	
Building Inspections	<u>5,536</u>	(108,960)

The effect of various miscellaneous transactions involving capital assets.

Donation of capital assets	2,250,008	
Disposal of capital assets	<u>(62,853)</u>	2,187,155

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	(98,076,633)	
Debt costs	790,484	
Amortization of current year debt premium	432,388	
Principal payments	<u>14,113,550</u>	(82,740,211)

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	(216,165)	
LEO Pension Obligation	62,604	
Accrued Interest	(2,588,685)	
Amortization of current year debt costs	<u>(430,129)</u>	(3,172,375)

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>(333,194)</u>	<u>(333,194)</u>
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Changes in net assets of governmental activities

		<u><u>\$ (18,130,766)</u></u>
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The accompanying notes are an integral part of the financial statements.

Cabarrus County, North Carolina
General Fund
Statement of Revenues, Expenditures, and Changes in Fund Balances-Budget and Actual
For the Year Ended June 30, 2007

	<u>Budgeted Amounts</u>			
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
Revenues:				
Ad valorem taxes:				
Taxes	\$ 94,904,017	\$ 94,904,017	\$ 97,124,945	\$ 2,220,928
Interest	380,000	380,000	473,985	93,985
Other taxes and licenses	34,435,226	34,607,872	36,948,302	2,340,430
Intergovernmental revenues	20,730,323	18,417,849	17,531,822	(886,027)
Permits and fees	6,254,250	6,642,844	6,949,299	306,455
Sales and services	9,290,129	8,691,626	9,595,669	904,043
Investment earnings	1,033,524	1,726,091	3,462,874	1,736,783
Miscellaneous	65,040	663,521	877,147	213,626
	<u>167,092,509</u>	<u>166,033,820</u>	<u>172,964,043</u>	<u>6,930,223</u>
Expenditures:				
Current:				
General government	16,781,536	17,924,889	16,216,971	1,707,918
Public safety	21,432,946	22,836,439	21,820,915	1,015,524
Economic & physical development	2,022,880	2,576,460	1,771,929	804,531
Environmental protection	221,446	228,796	203,049	25,747
Human services	41,356,337	42,584,717	39,594,030	2,990,687
Education	43,763,046	43,838,046	43,828,192	9,854
Culture and recreation	3,679,848	3,996,068	3,746,663	249,405
Debt service:				
Principal retirement	13,613,550	14,113,550	14,113,550	-
Interest and fees	12,069,616	10,789,923	10,489,591	300,332
	<u>154,941,205</u>	<u>158,888,888</u>	<u>151,784,890</u>	<u>7,103,998</u>
Excess (deficiency) of revenues over (under) expenditures	<u>12,151,304</u>	<u>7,144,932</u>	<u>21,179,153</u>	<u>14,034,221</u>
Other financing sources (uses):				
Transfers in	56,849	82,591	740,012	657,421
Transfers out	(12,691,661)	(21,517,297)	(19,802,850)	1,714,447
Issuance of debt-Capital Lease Obligation	-	689,546	689,546	-
Fund balance appropriated	483,508	13,600,228	-	(13,600,228)
	<u>(12,151,304)</u>	<u>(7,144,932)</u>	<u>(18,373,292)</u>	<u>(11,228,360)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ -</u>	<u>2,805,861</u>	<u>\$ 2,805,861</u>
Fund balance, July 1			<u>47,905,634</u>	
Fund balance, June 30			<u>\$ 50,711,495</u>	

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

Cabarrus County, North Carolina
Statement of Net Assets
Proprietary Funds
June 30, 2007

	Business-type Activities- Landfill Enterprise Fund	Governmental Activities- Internal Service Funds
<u>Assets</u>		
Current assets:		
Cash and cash equivalents	\$ 5,509,547	\$ 4,038,397
Receivables (net):		
Accounts	2,985	1,297
Customers	116,497	-
Interest	16,818	13,570
Due from other governments	57,018	-
Total current assets	<u>5,702,865</u>	<u>4,053,264</u>
Capital assets:		
Land & land improvements	1,785,539	-
Construction in progress	64,195	-
Buildings & improvements	767,699	-
Vehicles and equipment	2,102,140	-
Less: Accumulated depreciation	(1,216,820)	-
Total capital assets (net)	<u>3,502,753</u>	<u>-</u>
Total assets	<u>9,205,618</u>	<u>4,053,264</u>
<u>Liabilities</u>		
Current liabilities:		
Accounts payable and accrued liabilities	127,566	183,017
Compensated absences payable	28,606	-
Total current liabilities	<u>156,172</u>	<u>183,017</u>
Noncurrent liabilities:		
Closure/postclosure costs payable	4,203,990	-
Compensated absences payable	7,152	-
Total noncurrent liabilities	<u>4,211,142</u>	<u>-</u>
Total liabilities	<u>4,367,314</u>	<u>183,017</u>
<u>Net Assets</u>		
Invested in capital assets	3,502,753	-
Unrestricted	<u>1,335,551</u>	<u>3,870,247</u>
Total net assets	<u>\$ 4,838,304</u>	<u>\$ 3,870,247</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, 2007

	Business-type Activities- Landfill Enterprise Fund	Governmental Activities- Internal Service Funds
Operating revenues:		
Charges for sales and services:		
Tipping fees	\$ 1,285,233	\$ -
Recycling revenue	60,559	-
Insurance premiums	-	4,706,864
Total charges for sales and services	<u>1,345,792</u>	<u>4,706,864</u>
Other operating revenues:		
Tire disposal fees	158,970	-
White goods disposal tax	62,122	-
Solid waste franchise fee	11,251	-
Total other operating revenues	<u>232,343</u>	<u>-</u>
Total operating revenues	<u>1,578,135</u>	<u>4,706,864</u>
Operating expenses:		
Administration:		
Salary and benefits:		
Salaries and wages	324,233	-
FICA	20,020	-
Medicare	4,681	-
Group hospital insurance	45,389	-
Retirement	15,803	-
Deferred compensation- 401K	16,191	-
Insurance and bonds	5,755	-
Total salaries and benefits	<u>432,072</u>	<u>-</u>
Operations:		
General and administrative:		
Administrative fees	-	932,813
Advertising	294	-
Bank Service charges	922	-
Dues and subscriptions	807	-
Engineers	17,966	-
Lights and power	7,592	-
Office supplies	2,143	-
Postage	31	-
Printing and binding	1,396	-
Telephone	5,886	-
Travel	7,132	-
Uniforms	5,175	-
Total general and administrative	<u>49,344</u>	<u>932,813</u>
Other operational expenses:		

Cabarrus County, North Carolina
Statement of Revenues, Expenses, And Changes in Fund Net Assets
Proprietary Funds
For the Year Ended June 30, 2007

	Business-type Activities- Landfill Enterprise Fund	Governmental Activities- Internal Service Funds
Auto and truck maintenance	12,120	-
Automotive supplies	17,020	-
Building and ground maintenance	8,379	-
Claims	-	4,329,866
Closure/postclosure costs	256,529	-
Depreciation	145,806	-
Fuel	57,417	-
Heavy equipment maintenance	39,943	-
Minor equipment maintenance	1,862	-
Minor office equipment	264	-
Other operating cost	2,211	-
Purchased service	23,847	-
Tire disposal	175,409	-
Tools and minor equipment	1,009	-
White goods expense	230	-
Total other operational expenses	<u>742,046</u>	<u>4,329,866</u>
 Total operating expenses	 <u>1,223,462</u>	 <u>5,262,679</u>
 Operating income	 <u>354,673</u>	 <u>(555,815)</u>
 Nonoperating revenues (expense):		
Investment earnings	271,539	222,621
Gain on sale of fixed assets	283,714	-
 Total nonoperating revenues	 <u>555,253</u>	 <u>222,621</u>
 Change in net assets	 909,926	 (333,194)
 Total net assets, July 1	 <u>3,928,378</u>	 <u>4,203,441</u>
 Total net assets, June 30	 <u>\$ 4,838,304</u>	 <u>\$ 3,870,247</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, 2007

	Business-type Activities- Landfill Enterprise Fund	Governmental Activities- Internal Service Funds
Cash flows from operating activities:		
Cash received from customers	\$ 1,621,211	\$ -
Cash received from departments	-	4,706,846
Cash paid to employees	(434,881)	-
Cash paid to suppliers for goods and services	(462,081)	(5,561,555)
Net cash provided by (used for) operating activities	<u>724,249</u>	<u>(854,709)</u>
Cash flows from capital and related financing activities:		
Acquisition of capital assets	(2,088,717)	-
Proceeds from sales of fixed assets	379,684	-
Net cash used for capital and related financing activities	<u>(1,709,033)</u>	<u>-</u>
Cash flows from investing activities:		
Interest on investments	259,751	212,995
Net cash provided by investing activities	<u>259,751</u>	<u>212,995</u>
Net decrease in cash and cash equivalents	(725,033)	(641,714)
Cash and cash equivalents, July 1	<u>6,234,580</u>	<u>4,680,111</u>
Cash and cash equivalents, June 30	<u>\$ 5,509,547</u>	<u>\$ 4,038,397</u>
Reconciliation of operating income to net cash provided by operating activities:		
Operating income (loss)	<u>\$ 354,673</u>	<u>\$ (555,815)</u>
Adjustments not affecting cash:		
Depreciation expense	145,806	-
Landfill closure and post closure care cost	186,867	-
Changes in assets and liabilities:		
Changes in assets and liabilities:		
(Increase) decrease in accounts receivable	(1,915)	-
(Increase) decrease in customers receivable	41,382	-
(Increase) decrease in prepaid rent	-	(18)
(Increase) decrease in due from other governments	3,609	-
Increase (decrease) in accounts payable and accrued liabilities	(2,399)	(298,876)
Increase (decrease) in compensated absences payable	(3,774)	-
Total adjustments	<u>369,576</u>	<u>(298,894)</u>
Net cash provided by operating activities	<u>\$ 724,249</u>	<u>\$ (854,709)</u>
Noncash operating activities:		
Closure/postclosure costs per Exhibit #7	\$ 256,529	\$ -
Cash paid to suppliers in operating activities	(69,662)	-
Total noncash change in landfill closure and postclosure	<u>\$ 186,867</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, 2007

	Private Purpose Trust Funds	Pension Trust Fund	Agency Funds
	<hr/>	<hr/>	<hr/>
<u>Assets</u>			
Cash and cash equivalents	\$ 21,553	\$ 185,568	\$ 928,178
Interest receivable	<hr/> -	<hr/> 686	<hr/> -
Total assets	<hr/> 21,553	<hr/> 186,254	<hr/> 928,178
<u>Liabilities</u>			
Accounts payable and accrued liabilities	-	7,467	29,664
Due to municipalities	-	-	552,502
Due to State of North Carolina	-	-	7,374
Due to jail inmates	-	-	6,028
Due to program participants	-	-	153,649
Due to schools	<hr/> -	<hr/> -	<hr/> 178,961
Total liabilities	<hr/> -	<hr/> 7,467	<hr/> 928,178
<u>Net Assets</u>			
Assets held in trust for pension benefits	-	178,787	-
Assets held in trust for other purposes	<hr/> 21,553	<hr/> -	<hr/> -
Total net assets	<hr/> \$ 21,553	<hr/> \$ 178,787	<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, 2007

	Private Purpose Trust Funds	Pension Trust Fund
	<hr/>	<hr/>
Additions:		
Contributions	\$ 450	\$ 392,503
Interest	1,073	13,899
	<hr/>	<hr/>
Total additions	1,523	406,402
	<hr/>	<hr/>
Deductions:		
Awards	1,500	-
Pension plan benefits	-	334,811
	<hr/>	<hr/>
Total deductions	1,500	334,811
	<hr/>	<hr/>
Change in net assets	23	71,591
Net assets, July 1	21,530	107,196
	<hr/>	<hr/>
Net assets, June 30	\$ 21,553	\$ 178,787
	<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
June 30, 2007

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 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 20th, 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 2006. The County funded the Alliance with \$3,626,248 or 25% of its total revenues for the fiscal year ended June 30, 2006. 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
June 30, 2007

B. Basis of Presentation

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

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

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

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. 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 and Sheriff's Administration Building.

The **98 Million School Bond Capital Project Fund**. This fund accounts for planning, design, construction and/or renovation of schools with General Obligation Bonds.

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
June 30, 2007

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 *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 moneys 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 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 moneys 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 *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).

C. Measurement Focus, Basis of Accounting and Basis of Presentation

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

Cabarrus County, North Carolina
Notes to the Financial Statements
June 30, 2007

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.

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

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

Governmental Fund Financial Statements – Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources. The County considers all revenues available if they are collected within 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 those motor vehicles registered under the staggered system, property taxes are due the first day of the fourth month after the vehicles are registered. The billed taxes are applicable to the fiscal year in which they become due. Therefore, taxes for vehicles registered from March 2006 through February 2007 apply to the fiscal year ended June 30, 2007. Uncollected taxes, which were billed during this period, are shown as a receivable on these financial statements and are offset by deferred revenues. In addition, as of January 1, 2006, State law implemented a staggered expiration date system for annually registered vehicles as part of the conversion into the staggered registration. Originally, annually registration expired December 31st each year with taxes due by May 1st of the following year. To transition from the staggered into the annual registration, the initial 2007 registration renewals will vary from 7 to 18 months after December 31, 2006. Once these initial renewals have expired, all vehicles that were previously annually registered will be in the staggered system.

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.

Cabarrus County, North Carolina
Notes to the Financial Statements
June 30, 2007

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 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 is hereby authorized to transfer appropriations within a fund as contained herein under the following conditions:

1. He may transfer amounts between objects of expenditures and revenues within a function without limitation.
2. He may transfer amounts up to \$100,000 between functions of the same fund.
3. He may not transfer any amounts between funds nor from any contingency appropriation within any fund without action of the Board of Commissioners.
4. Additional authority is granted to the manager 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.
5. He may enter into and execute change orders or amendments to construction contracts in amounts up to \$50,000 when the appropriate annual budget or capital project ordinance contains sufficient appropriated but unencumbered funds.
6. He 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.
7. He may execute contracts with outside agencies to properly document budgeted appropriations to such agencies where G.S. 15 A-248(b), 259, 449 and any similar statutes require such contracts.
8. He 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, 2007.

Cabarrus County, North Carolina
Notes to the Financial Statements
June 30, 2007

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.

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 Equivalents

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 moneys 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 and Installment Financings 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 debt was issued.

Cabarrus County, North Carolina
Notes to the Financial Statements
June 30, 2007

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, 2006. 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 2006/07 fiscal year was \$0.6289 per \$100 valuation.

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 installment purchase financing of acquisition and construction costs and to permit the County to receive refunds of sales tax paid for construction costs. Agreements between the County and the 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.

Cabarrus County, North Carolina
Notes to the Financial Statements
June 30, 2007

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
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

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/Fund Balances

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.

Cabarrus County, North Carolina
Notes to the Financial Statements
June 30, 2007

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 - portion of fund balance not available for appropriation because it represents the year-end balance of ending inventories, a component of net assets, 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.

Reserved for Cooperative Extension 4H programs – portion of fund balance available for appropriation in future years for 4H programs.

Reserved 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

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.

Note 2. Stewardship, Compliance and Responsibility

Excess of expenditures over appropriations

The legal level of budgetary control is the functional level. This is the level at which expenditures should not exceed appropriations. For the fiscal year ended June 30, 2007, the County's General Fund had no functions overexpended.

Cabarrus County, North Carolina
Notes to the Financial Statements
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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 mount 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 deposits are properly secured. The Cabarrus Health Alliance has no formal policy regarding custodial credit risk for deposits.

At June 30, 2007, the carrying amount of the County's bank deposits (including fiduciary funds) was \$7,042,353 and the bank balance was \$7,464,304. There was \$49,868,840 in an escrow account with a financial institution. Sufficient collateral was maintained at June 30, 2007 to secure the County's deposits. Of the bank balance, \$600,000 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, 2007, the County had \$6,440 of cash on hand.

At June 30, 2007, the carrying amount of the Alliance's bank deposits was \$1,060,825 and the bank balance was \$1,234,347. Of the bank balance, \$200,000 was covered by federal depository insurance or by collateral held by the Alliance's agent in the Alliance's name. At June 30, 2007, the Alliance had \$2,100 of cash on hand.

B. Investments

As of June 30, 2007 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>
Commercial Paper	\$ 24,315,390	\$ 4,893,010	\$ 19,422,380	\$ -
Municipal Bonds	5,000,000	5,000,000	-	-
NC Capital Management Trust - Cash Portfolio	46,340,709	N/A	N/A	N/A
	<u>\$ 75,656,099</u>	<u>\$ 9,893,010</u>	<u>\$ 19,422,380</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

Cabarrus County, North Carolina
Notes to the Financial Statements
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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. State law limits investments in commercial paper to the top rating issued by nationally recognized statistical rating organizations (NRSROs). As of June 30, 2007, the County's investments in commercial paper were rated P1 by Standard & Poor's, F1 by Fitch Ratings, and A1 by Moody's Investors Service. The County's investments in the NC Capital Management Trust Cash Portfolio carried a credit rating of AAAm by Standard & Poor's as of June 30, 2006. The County's investments in US Agencies (Federal Home Loan Bank) are rated AAA by Standard & Poor's and Aaa by Moody's Investors Service.

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.

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.

At June 30, 2007, the Cabarrus Health Alliance investments consisted of \$2,491,931 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.

NC Capital Management Trust -
Cash Portfolio

\$ 2,491,931	N/A	N/A	N/A
<u>\$ 2,491,931</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

During fiscal year 2007, the County and the Alliance did not have any net gains/losses from the sale of investments. The calculation of realized gains is independent of the calculation of the net increase in the fair value of investments. Realized gains and losses on investments that had been held in more than one fiscal year and sold in the current year may have been recognized as an increase or decrease in the fair value of the investments reported in the prior year. The net increase in the fair value of investments during fiscal year 2007 for the County was \$0. This amount takes into account all changes in fair value (including purchases and sales) that occurred during the year. The unrealized gain on investments held at year-end for the County was \$0. There were no unrealized gains/losses for the Alliance.

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.

Cabarrus County, North Carolina
Notes to the Financial Statements
June 30, 2007

<u>Year Levied</u>	<u>Tax</u>	<u>Interest</u>	<u>Total</u>
2002	1,602,291	524,750	2,127,041
2003	1,593,371	378,426	1,971,797
2004	3,003,992	443,089	3,447,081
2005	<u>3,780,855</u>	<u>217,399</u>	<u>3,998,254</u>
Total	<u>\$9,980,509</u>	<u>\$1,563,664</u>	<u>\$11,544,173</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, 2007 was \$124,000.

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, 2007 was \$900,000. The note receivable is being reported in the Capital Reserve Special Revenue Fund.

2. Receivables - Allowances for Doubtful Accounts

Receivables at the government-wide level for the Primary Government at June 30, 2007, 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	\$ 3,003,828	\$ 3,375,974	\$ 6,885,981	\$ 4,446,356	\$ 17,712,139
Justice Center	-	-	232,052	-	232,052
\$98 Million School Bonds	-	-	1,401,101	-	1,401,101
Other Governmental	319,121	-	-	37,722	356,843
Total Receivables	<u>3,322,949</u>	<u>3,375,974</u>	<u>8,519,134</u>	<u>4,484,078</u>	<u>19,702,135</u>
Allowance for doubtful accounts	<u>-</u>	<u>(2,069,804)</u>	<u>-</u>	<u>(1,224,508)</u>	<u>(3,294,312)</u>
Total-governmental activities	<u>\$ 3,322,949</u>	<u>\$ 1,306,170</u>	<u>\$ 8,519,134</u>	<u>\$ 3,259,570</u>	<u>\$ 16,407,823</u>
Business-type activities:					
Landfill	\$ 2,985	\$ 143,916	\$ 57,018	\$ 16,818	\$ 220,737
Allowance for doubtful accounts	<u>-</u>	<u>(27,419)</u>	<u>-</u>	<u>-</u>	<u>(27,419)</u>
Total-business-type activities	<u>\$ 2,985</u>	<u>\$ 116,497</u>	<u>\$ 57,018</u>	<u>\$ 16,818</u>	<u>\$ 193,318</u>

Cabarrus County, North Carolina
Notes to the Financial Statements
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The due from other governments that is owed to the County consists of the following:

	Governmental Activities	Business Type Activities
Local option sales	\$ 8,519,134	\$ 1,571
White goods disposal tax	-	14,853
Scrap tire tax	-	40,594
	<u>\$ 8,519,134</u>	<u>\$ 57,018</u>

3. Discretely presented component unit

Receivables at the government-wide level for the Cabarrus Health Alliance at June 30, 2007, were as follows:

	Accounts	Customers	Taxes	Total
Governmental Activities:				
General	<u>\$1,037,476</u>	<u>\$ 1,956,764</u>	<u>\$ 93,470</u>	<u>\$3,087,710</u>
Total Receivables	<u>\$1,037,476</u>	<u>\$ 1,956,764</u>	<u>\$ 93,470</u>	<u>\$3,087,710</u>
Allowance for doubtful accounts	<u>-</u>	<u>(376,497)</u>	<u>-</u>	<u>(376,497)</u>
Total-governmental activities	<u>\$1,037,476</u>	<u>\$ 1,580,267</u>	<u>\$ 93,470</u>	<u>\$2,711,213</u>

E. Capital Assets

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

1. Primary Government

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental activities:					
Capital Assets not being depreciated:					
Land	\$ 16,873,149	\$ 3,404,374	\$ -	\$ -	\$ 20,277,523
Land Improvements	4,676,658	231,926	(6,200)	-	4,902,384
Construction in Progress	<u>8,582,812</u>	<u>22,266,889</u>	<u>-</u>	<u>(1,280,051)</u>	<u>29,569,650</u>
Total capital assets not being depreciated	<u>30,132,619</u>	<u>25,903,189</u>	<u>(6,200)</u>	<u>(1,280,051)</u>	<u>54,749,557</u>
Capital Assets being depreciated:					
Buildings	51,036,713	-	-	-	51,036,713
Building Improvements	8,884,827	622,983	(18,115)	334,635	9,824,330
Equipment	7,615,989	1,022,294	(419,804)	945,416	9,163,895
Furniture and Fixtures	670,525	5,590	-	-	676,115
Vehicles	5,360,936	1,035,351	(374,417)	-	6,021,870
Reservoir	<u>21,743,730</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>21,743,730</u>
Total capital assets being depreciated	<u>95,312,720</u>	<u>2,686,218</u>	<u>(812,336)</u>	<u>1,280,051</u>	<u>98,466,653</u>

Cabarrus County, North Carolina
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	Beginning <u>Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	Ending <u>Balance</u>
Less accumulated depreciation for:					
Buildings	10,931,124	1,275,884	-	-	12,207,008
Building Improvements	1,671,186	233,949	(2,641)	-	1,902,494
Equipment	6,046,241	475,684	(390,384)	-	6,131,541
Furniture and Fixtures	543,143	27,097	-	-	570,240
Vehicles	4,018,422	525,357	(362,658)	-	4,181,121
Reservoir	217,655	21,765	-	-	239,420
Total accumulated depreciation	<u>23,427,771</u>	<u>2,559,736</u>	<u>(755,683)</u>	<u>-</u>	<u>25,231,824</u>
 Total Capital Assets, being depreciated, net	 <u>71,884,949</u>	 <u>126,482</u>	 <u>(56,653)</u>	 <u>1,280,051</u>	 <u>73,234,829</u>
 Governmental Capital Assets, net	 <u>\$ 102,017,568</u>	 <u>\$ 26,029,671</u>	 <u>\$ (62,853)</u>	 <u>\$ -</u>	 <u>\$ 127,984,386</u>

Depreciation expense was charged to function/programs of the governmental activities as follows:

Governmental activities:	
General Government	\$ 716,799
Public Safety	791,989
Environmental Protection	21,766
Economic & Physical Dev	537
Human Services	200,583
Culture & Recreation	<u>828,062</u>
Total depreciation expense - governmental activities	<u>\$ 2,559,736</u>

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

	Beginning <u>Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	Ending <u>Balance</u>
Business-type activities:					
Capital assets, not being depreciated:					
Land	\$ 490,447	\$ -	\$ -	\$ -	\$ 490,447
Construction in Progress	<u>516,780</u>	<u>955,906</u>	<u>-</u>	<u>(1,408,491)</u>	<u>64,195</u>
Total Capital assets, not being depreciated:	<u>1,007,227</u>	<u>955,906</u>	<u>-</u>	<u>(1,408,491)</u>	<u>554,642</u>

Cabarrus County, North Carolina
Notes to the Financial Statements
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Capital assets, being depreciated:

Land Improvements	194,987	-	-	1,100,105	1,295,092
Vehicles	1,451,609	1,172,278	(635,516)	-	1,988,371
Equipment	96,097	17,672	-	-	113,769
Buildings	453,813	-	-	308,386	762,199
Building Improvements	5,500	-	-	-	5,500
Total Capital assets, being depreciated:	<u>2,202,006</u>	<u>1,189,950</u>	<u>(635,516)</u>	<u>1,408,491</u>	<u>4,164,931</u>

Less accumulated depreciation for:

Land Improvements	194,986	6,111	-	-	201,097
Vehicles	1,253,048	125,376	(533,021)	-	845,403
Equipment	92,287	2,194	-	-	94,481
Buildings	63,014	11,988	-	-	75,002
Building Improvements	700	137	-	-	837
Total Accumulated Depreciation	<u>1,604,035</u>	<u>145,806</u>	<u>(533,021)</u>	<u>-</u>	<u>1,216,820</u>

Total Capital assets, being depreciated, net	<u>597,971</u>	<u>1,044,144</u>	<u>(102,495)</u>	<u>-</u>	<u>2,948,111</u>
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Proprietary Capital assets, net	<u>\$ 1,605,198</u>	<u>\$ 2,000,050</u>	<u>\$ (102,495)</u>	<u>\$ -</u>	<u>\$ 3,502,753</u>
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Business-type activities:

Solid Waste	<u>\$ 145,806</u>
Total depreciation expense - business-type activities	<u>\$ 145,806</u>

2. Construction commitments

The government has active construction projects as of June 30, 2007. The projects include the construction of the Sheriff's Office and Detention Center, construction and renovation of twelve schools, Parks construction and renovation project and Historic Courthouse renovation. At year-end, the government's commitments with contractors are as follows:

Project	Spent-To-Date	Remaining Commitment
Sheriff's Office and Detention Center	\$19,435,893	\$29,795,214
Schools	62,996,383	1,065,832
Parks Construction Renovation	1,757,836	830,515
Historic Courthouse Renovation	226,426	-
Total	<u>\$84,416,538</u>	<u>\$31,691,561</u>

Cabarrus County, North Carolina
Notes to the Financial Statements
June 30, 2007

3. Discretely presented component unit

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

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental Activities:				
Capital assets, being depreciated:				
Furniture and fixtures	\$ 153,928	\$ -	\$ -	\$ 153,928
Vehicles	503,200	14,304	(105,903)	411,601
Equipment	580,346	8,564	(73,816)	515,094
Land Improvements	807,736	21,246	-	828,982
Total capital assets being depreciated	<u>2,045,210</u>	<u>44,114</u>	<u>(179,719)</u>	<u>1,909,605</u>
Less accumulated depreciation:				
Furniture and fixtures	150,645	3,283	-	153,928
Vehicles	447,939	23,642	(105,903)	365,678
Equipment	402,078	65,124	(73,816)	393,386
Land Improvements	96,916	54,793	-	151,709
Total accumulated depreciation	<u>1,097,578</u>	<u>146,842</u>	<u>(179,719)</u>	<u>1,064,701</u>
Total governmental activities, being depreciated (net)	<u><u>\$ 947,632</u></u>	<u><u>\$ (102,728)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 844,904</u></u>

F. Payables

Payables at the government-wide level for the Primary Government at June 30, 2007, were as follows:

	<u>Vendors</u>	<u>Salaries and Benefits</u>	<u>Other</u>	<u>Total</u>
Governmental Activities:				
General	\$ 4,470,708	\$ 1,273,183	\$ 495,904	\$ 6,239,795
Justice Center Construction	2,561,836	-	-	2,561,836
\$98 Million School Bond	2,598,100	-	-	2,598,100
Other Governmental	1,889,168	16,442	100,000	2,005,610
Total-governmental activities	<u><u>\$ 11,519,812</u></u>	<u><u>\$ 1,289,625</u></u>	<u><u>\$ 595,904</u></u>	<u><u>\$ 13,405,341</u></u>
Business-type activities				
Landfill	\$ 118,072	\$ 9,494	\$ -	\$ 127,566
Total-business-type activities	<u><u>\$ 118,072</u></u>	<u><u>\$ 9,494</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 127,566</u></u>

Cabarrus County, North Carolina
Notes to the Financial Statements
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Payables at the government-wide level for the Cabarrus Health Alliance at June 30, 2007, were as follows:

	Vendors	Salaries and Benefits	Other	Total
Governmental Activities:				
General	\$ 210,391	\$ 435,316	\$ -	\$ 645,707
Total-governmental activities	<u>\$ 210,391</u>	<u>\$ 435,316</u>	<u>\$ -</u>	<u>\$ 645,707</u>

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

State and federal laws and regulations require Cabarrus County to place a final cover on its landfill facility when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the County reports a portion of these closure and postclosure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. The \$4,203,989 reported as landfill closure and postclosure care liability at June 30, 2007 represents a cumulative amount reported to-date based on 100 percent of the total Municipal Solid Waste estimated capacity and 100 percent of the total Commercial and Demolition estimated capacity and 15% of the C & D expansion area of the landfill. This amount is based on what it would cost to perform all closure and postclosure care in 2007. The change in closure/post closure liability from 2006 to 2007 resulted in a net increase of \$256,529. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

Cabarrus County also accepts construction and demolition (C & D) waste. As of June 30, 2007 the useful life of this landfill is closed. However, an expansion facility was opened to accept additional C & D waste. At this time, there is no requirement for closure/postclosure cost to be recorded for the C & D landfill portion.

Cabarrus County has met the requirements of a local government financial test that is one option under State and Federal laws and regulations that helps determine if a unit is financially able to meet closure and postclosure care requirements. Governments utilizing the local government financial test are 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)	\$ 478,805	\$ 478,805
Taxes receivable, net (General)	2,898,609	-
Ambulance receivable, net (General)	1,113,671	-
Building inspections receivable, net (General)	192,499	-
Total	<u>\$ 4,683,584</u>	<u>\$ 478,805</u>

Cabarrus County, North Carolina
Notes to the Financial Statements
June 30, 2007

I. Leases

1. Capital Leases

The County has entered into an agreement which qualifies as a capital lease 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 date.

The asset acquired through the capital lease is as follows:

	Governmental Activities
County owned Asset:	
Software (equipment)	\$ 689,546
Less: Accumulated depreciation	<u>-</u>
Total	<u>\$ 689,546</u>

The future minimum lease obligation and the net present value of these minimum lease payments as of June 30, 2007, were as follows:

<u>Year Ending June 30</u>	Governmental Activities
2008	\$ 122,472
2009	122,472
2010	122,472
2011	<u>122,469</u>
Total minimum lease payments	489,885
Less: amount representing interest	<u>(46,317)</u>
Present value of minimum lease payments	<u>\$ 443,568</u>

2. Operating Leases

The County leases building and office facilities under non-cancelable operating leases. Total costs for the leases were \$632,361 for the year ended June 30, 2007. The future minimum lease payments for this lease are as follows:

Year Ending, June 30	<u>Amount</u>
2008	\$ 702,442
2009	707,113
2010	692,494
2011	689,191
2012	<u>621,676</u>
Total	<u>\$ 3,412,916</u>

J. Long-term Obligations

1. Installment Payment Revenue Bonds

As authorized by State law (G.S. 160A-20 and 153A-158.1), the County financed various property acquisitions for use by Cabarrus County Board of Education during the fiscal year ended June 30, 1999 by installment purchase. The installment purchase was issued pursuant to a deed of trust that requires that legal title remain with the County as long as the debt is outstanding. The County has entered into a lease with Cabarrus County Board of Education that transfers the rights and responsibilities for maintenance and insurance of the property to the Board of Education. The lease calls for nominal annual lease payments and also contains a bargain purchase option. The lease term is the same as that of the installment purchase obligation. Due to economic substance of the transaction, the capital assets associated with the installment purchase obligation are recorded by the Board of Education.

On June 16, 1999 the Cabarrus County Development Corporation issued \$30,000,000 in Installment Payment Revenue Bonds (IPRB) to finance the construction and equipping of JM Robinson High School. These 20-year IPRB's have interest rates ranging from 4.60% to 5.30%. Debt service is financed by Cabarrus County property tax revenues. Annual payments of principal and interest range from approximately \$2,900,000 to \$1,600,000. Total principal and interest over a 20-year period will be \$46,045,354.

For Cabarrus County, the annual debt service payments as of June 30, 2007, including interest of \$6,133,500 are the following:

<u>Year Ending, June 30</u>	<u>Principal</u>	<u>Interest</u>
2008	\$ 1,500,000	\$ 930,750
2009	1,500,000	857,250
2010	1,500,000	783,000
2011	1,500,000	708,000
2012	1,500,000	631,500
2013	1,500,000	554,250
2014	1,500,000	476,250
2015	1,500,000	397,500
2016	1,500,000	318,000
Next 3 Years	<u>4,500,000</u>	<u>795,000</u>
Total	<u>\$ 18,000,000</u>	<u>\$ 6,133,500</u>

2. 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, 2007 are comprised of the following individual issues:

Serviced by the County's General Fund:

\$17,490,000 (August 1, 2003) Refunded Bonds due to 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). \$ 7,100,000
\$32,855,000 (March 15, 2004) Advanced Refunding Bonds due on August 1 and

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February 1 in installments through February 1, 2018; interest at 3.0 to 5.0 percent.	32,080,000
\$50,000,000 (March 1, 2005) School Serial Bonds due September 1 and March 1 in installments through March 1, 2025; interest at 3.00 to 5.00 percent.	46,800,000
\$48,000,000 (September 1, 2006) Public Improvement Bonds due September 1 and March 1 installments through March 1, 2007 interest at 4.00 to 5.00 percent.	<u>48,000,000</u>
	<u>\$133,980,000</u>

For Cabarrus County, the annual debt service payments to maturity as of June 30, 2007, for the County's general obligation bonds are as follows:

<u>Year Ending, June 30</u>	<u>Principal</u>	<u>Interest</u>
2008	\$ 7,085,000	\$ 5,715,758
2009	7,060,000	5,486,959
2010	7,270,000	5,232,759
2011	6,905,000	4,976,759
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
Next 5 years	34,695,000	10,103,000
To maturity	<u>26,500,000</u>	<u>2,994,550</u>
Total	<u>\$133,980,000</u>	<u>\$57,953,675</u>

At June 30, 2007, Cabarrus County had a legal debt margin of \$940,528,055.

3. 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 5.75%. Debt service is financed by Cabarrus County property tax revenues. Annual payments of principal and interest range from approximately \$2,250,000 to \$4,200,000. Total principal and interest over a 20-year period will be \$61,199,167. Total principal balance due at June 30, 2007 was \$28,000,000.

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 and 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 \$1,496,250 to \$2,388,980. Total principal and interest over a 20-year period will be \$38,718,154. Total principal balance due at June 30, 2007 was \$19,970,000.

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

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2.0% to 5.25%. Debt Service is financed by Cabarrus County property tax revenues. Annual payments of principal and interest range from approximately \$2,129,120 to \$3,813,963. Total principal and interest over a 20-year period will be \$62,189,703. Total principal balance due at June 30, 2007 was \$34,655,000.

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 4.00% 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, 2007 was \$33,595,000.

For Cabarrus County, the annual debt service payments to maturity as of June 30, 2007, for the County's Certificates of Participation are as follows:

<u>Year Ending, June 30</u>	<u>Principal</u>	<u>Interest</u>
2008	\$ 7,060,000	\$ 5,345,094
2009	7,050,000	5,178,559
2010	7,055,000	4,912,054
2011	7,045,000	4,601,928
2012	7,050,000	4,297,258
2013	7,050,000	3,961,084
2014	7,050,000	3,608,784
2015	7,050,000	3,280,158
2016	7,050,000	2,941,319
2017	7,050,000	2,581,857
Next 5 Years	33,245,000	7,649,969
To maturity	12,465,000	1,426,525
Total	<u>\$ 116,220,00</u>	<u>\$ 49,784,589</u>

4. Installment Financing

On April 12, 2005, Cabarrus County executed an installment financing contract with RBC Centura. The contract is for \$4.4 million for 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 \$317,000 to \$388,000 for seven years with the first payment due on October 12, 2005 and the final payment due on April 12, 2012. The annual interest rate is fixed at 3.54%. The principal balance due at June 30, 2007 was \$3,112,855. As of June 30, 2007 we have capitalized in Construction in Progress \$3,261,864 related to this debt.

On October 4, 2006 Cabarrus County executed a lease agreement with First Charter Bank. The lease agreement 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 rate is 4.31% the first year and 4.44% the next 14 years. The rate has recently been renegotiated to 4.19% over the term of the entire loan, subject to Local Government Commission approval in March 2007. Total principal balance due at June 30, 2007 was \$14,500,000.

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<u>Year Ending, June 30</u>	<u>Principal</u>	<u>Interest</u>
2008	\$ 1,622,572	\$ 729,231
2009	1,622,571	669,771
2010	1,622,571	604,537
2011	1,622,571	538,098
2012	1,622,572	472,563
2013	1,000,000	409,886
2014	1,000,000	366,331
2015	1,000,000	321,931
2016	1,000,000	278,073
2017	1,000,000	232,648
Next 5 Years	4,500,000	499,712
Total	<u>\$ 17,612,857</u>	<u>\$ 5,122,781</u>

5. 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, 2007:

	<u>Balance</u> <u>July 1, 2006</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>June 30, 2007</u>	<u>Due Within</u> <u>One Year</u>
Governmental activities:					
General Obligation Bonds	\$ 91,845,000	\$ 48,000,000	\$ 5,865,000	\$ 133,980,000	\$ 7,085,000
Installment Revenue Bonds	19,500,000	-	1,500,000	18,000,000	1,500,000
Capital Leases	-	689,546	245,978	443,568	111,604
Certificates of Participation	88,005,000	33,595,000	5,380,000	116,220,000	7,060,000
Installment Financing	3,735,429	15,000,000	1,122,574	17,612,855	1,622,572
Compensated Absences	2,251,790	1,915,718	1,699,553	2,467,955	1,974,364
Unfunded Pension Cost	226,443	329,899	392,503	163,839	-
Total governmental activities	<u>\$ 205,563,662</u>	<u>\$ 99,530,163</u>	<u>\$ 16,205,608</u>	<u>\$ 288,888,217</u>	<u>\$ 19,353,540</u>

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	Balance July 1, 2006	Increases	Decreases	Balance June 30, 2007	Due Within One Year
Business-type activities					
Compensated absences	\$ 39,531	\$ 29,361	\$ 33,134	\$ 35,758	\$ 28,606
Landfill Closure/Post-Closure	4,017,121	256,529	69,660	4,203,990	-
Total business-type activities	<u>\$ 4,056,652</u>	<u>\$ 285,890</u>	<u>\$ 102,794</u>	<u>\$ 4,239,748</u>	<u>\$ 28,606</u>
	Balance July 1, 2006	Increases	Decreases	Balance June 30, 2007	Due Within One Year
Discretely presented component unit:					
Compensated absences	\$ 496,839	\$ 536,224	\$ 496,117	\$ 536,946	\$ 526,207
Total discretely presented component unit	<u>\$ 496,839</u>	<u>\$ 536,224</u>	<u>\$ 496,117</u>	<u>\$ 536,946</u>	<u>\$ 526,207</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.

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 3.3605%. 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, 2007, is \$0. This advance refunding was undertaken to reduce total debt service payments over the following 15 years by \$182,000 and resulted in an economic loss of \$855,000. 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 \$3,756,747 and amortized as a component of interest expense over the remaining life of the refunding bonds. The unamortized deferred amount as of June 30, 2007 was \$2,856,926.

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, 2007, there were two series of industrial revenue bonds outstanding, with an aggregate principal amount of \$15,200,000.

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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, 2007 is as follows:

	Transfers In				Total Transfers Out
	Justice Center Construction	\$98 Million School Bonds	General	Non Major	
General	\$ 1,492,242	\$ 2,281,083	\$ -	\$ 16,029,525	\$ 19,802,850
Non-Major	3,023,398	4,206,218	740,012	4,832,362	12,801,990
Total	<u>\$ 4,515,640</u>	<u>\$ 6,487,301</u>	<u>\$ 740,012</u>	<u>\$ 20,861,887</u>	<u>\$ 32,604,840</u>

Transfers to/from other funds at June 30, 2007, consists of the following:

From the General Fund to the Community Development Special Revenue Fund for the County match of the Home Program	\$ 45,000
From the General Fund to the Cabarrus Arena and Events Center Fund for an operating transfer	694,000
From the General Fund to the Capital Reserve Fund to fulfill the 15% Fund Balance policy	11,349,787
From the General Fund to the Justice Center Construction Fund for expenditures related to the construction of a new Justice Center	1,492,242
From the General Fund to the Capital Projects Fund for construction at Spencer, Frank Liske and North Cabarrus Parks	346,479
From the General Fund to the \$98 Million School Bond Construction Fund for construction and renovation of schools	2,281,083

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From the General Fund to the Small Projects Fund for American Disability Act Maintenance	25,621
From the General Fund to the School Construction Fund for land and the construction of a Bus Garage	3,518,638
From the General Fund to the Construction and Renovation Fund for renovations at the Historic Courthouse	50,000
From the Capital Reserve Special Revenue Fund to the Justice Center Capital Projects Fund for expenditures related to the construction of a new Justice Center	3,023,398
From the Capital Reserve Special Revenue Fund to the School Construction Fund for the purchase of land and the construction of a Bus Garage and New High School	4,496,362
From the Emergency Telephone Special Revenue Fund to the General Fund for 911 addressing employee	56,849
From the Capital Reserve Special Revenue Fund to the \$98 Million School Bond Construction Fund for the construction and renovation of schools	125,802
From the Capital Reserve Special Revenue Fund to the Capital Projects Fund for the purchase of communication radios	336,000
From the Sheriff Department Special Revenue Fund to the General Fund for a GANG grant match	2,747
From the Adequate Facilities Special Revenue Fund to the \$98 Million School Bond Construction Fund for the construction and renovation of schools	1,224,237
From the Public School Building Capital Fund (Lottery Proceeds) to the \$98 Million School Bond Construction Fund for the construction and renovation of schools	2,648,767
From the Certificates of Participation III Construction Fund to the \$98 Million School Bond Construction Fund for the construction and renovation of schools	207,412
From the Certificates of Participation III Construction Fund to the General Fund for debt service payments	<u>680,416</u>
Total	<u>\$ 32,604,840</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, 2007, 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 Bond Act of 1996

The General Assembly passed the Public School Building Bond Act of 1996 to provide for the issuance of \$1.8 billion in State bonds to be used for making grants to counties for qualified public school capital outlay projects. The Department of Public Instruction is responsible for project approval and the distribution of funds. The principal amounts of bonds or notes issued by the State in any twelve-month period may not exceed \$450 million.

Of the total \$1.8 billion authorized, \$30 million will be allocated as grants to counties that have small county school systems, after considering whether the counties demonstrate both greater than average school construction needs and high property tax rates. The primary allocation of \$1.77 billion will be distributed to all counties based on the average daily membership, the ability to pay, and the growth rate of the school administrative units located within each county.

The distribution of the primary allocation is subject to the satisfaction of certain match requirements by the counties. Match requirements may be satisfied by non-State expenditures for public school facilities made on or after January 1, 1992. Cabarrus County's matching requirement of \$.50 for each dollar of allocated bond proceeds has been fulfilled.

Because the County has met its matching requirement, the County recognizes revenues equal to the liabilities incurred for approved project expenditures. Cabarrus County requests bond funds by project to be transferred to an account established by Cabarrus County Board of Education for payment of invoices. To date, the County has expended \$25,616,332 of their total allocation of \$25,616,332.

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, 2007 the balance of the County's ADM allocation account was \$3,892,845. The County must match this balance on the

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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, 2007 the County's disbursing account had a \$124,711 balance.

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

	<u>Federal</u>	<u>State</u>
Medical assistance	\$68,069,661	\$33,601,140
Temporary assistance to needy families	874,768	21
Special assistance to adults	-	1,226,878
Low income energy assistance payments	187,538	-
Refugee Assistance	2,101	-
Food stamp program	14,647,526	-
Adoption assistance	494,737	140,642
Total	<u>\$84,276,331</u>	<u>\$34,968,681</u>

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.

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, 2007, the workers compensation internal service fund had an unrestricted net asset balance of \$2,032,321 and the self-insured hospitalization internal service fund had an unrestricted net asset balance of \$1,837,926. 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 \$50,000 in liability claims and claims expenses which are payable by the Carolina Governmental Alliance, Inc. Excess liability insurance above the \$50,000 retention is purchased up to a total limit of \$2,000,000 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

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accident is \$250,000 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, 2007 is shown on the following page.

	<u>6/30/2007</u>	<u>6/30/2006</u>
Unpaid claims, beginning of fiscal year	\$ 409,169	\$ 175,031
Incurred claims	378,395	551,075
Claim payments	<u>(677,513)</u>	<u>(316,937)</u>
Unpaid claims, end of fiscal year	<u>\$110,051</u>	<u>\$ 409,169</u>

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 claims liability for fiscal year ended June 30, 2007 is shown at right.

	<u>Self-Insured Health Insurance</u>	
	<u>6/30/2007</u>	<u>6/30/2006</u>
Unpaid claims, beginning of fiscal year	\$ 72,723	\$ 43,612
Incurred claims	4,065,889	3,623,186
Claim payments	<u>(3,953,179)</u>	<u>(3,594,075)</u>
Unpaid claims, end of fiscal year	<u>\$ 185,433</u>	<u>\$ 72,723</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' compensations 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.

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At June 30, 2007, 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.

3. Joint Ventures

The County participates in a joint venture to operate Piedmont Area Mental Health (PAMH) with two other local governments. Each participating government appoints five board members to the fifteen-member board. The County has an ongoing financial responsibility for the joint venture because PAMH's continued existence depends on the participating governments' continued funding. None of the participating governments have any equity interest in PAMH, so no equity interest has been reflected in the financial statements at June 30, 2006. In accordance with the intergovernmental agreement between the participating governments, the County appropriated \$632,359 to PAMH to supplement its activities. Complete financial statements for PAMH can be obtained from PAMH's offices at 845 Church Street North, Suite 305, 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 for this purpose, \$343,019 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 \$3,112,857 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 \$1,570,473 to the community college for operating purposes during the fiscal year ended June 30, 2007. In addition, the County made debt service payments of \$115,679 during the fiscal year on general obligation bonds issued for community college capital facilities. The participating governments do not have any equity interest in the joint venture; therefore, no equity interest has been reflected in the County's financial statements at June 30, 2007. Complete financial statements 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 \$35,191 to the Council during the fiscal year ended June 30, 2007.

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 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, 2007, the County made contributions to the State for death benefits of \$28,346 and the Alliance made no contribution. The County's required contributions for employees not engaged in law enforcement and for law enforcement officers represented .08%, 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. Postemployment Benefits

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 County's contributions are financed on a pay-as-you-go basis. As of year-end, there were 88 retirees receiving insurance benefits. For the year ended June 30, 2007, the County paid \$460,659 in expenditures for retirees insurance. The following schedule became effective 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%

Cabarrus County, North Carolina
Notes to the Financial Statements
June 30, 2007

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).

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 4.88% and 4.78% respectively, of annual covered payroll. For the Alliance, the current rate for employees is 4.88% 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, 2007, 2006 and 2005 were \$1,467,622, \$1,397,664 and \$1,192,353, respectively. The Alliance's contributions to LGERS for the years ended June 30, 2006, 2005, and 2004, were \$364,602, \$312,718, and \$296,549 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 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, 2005, the Separation Allowance's membership consisted of:

Retirees receiving benefits	25
Terminated plan members entitled to but not yet receiving benefits	-
Active plan members	175
Total	<u>200</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

Cabarrus County, North Carolina
Notes to the Financial Statements
June 30, 2007

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. Deposits are reported at cost, which approximates fair value.

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 \$392,503 or 5.64% 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, 2005 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, 2005 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 the current year are as shown at right:

Annual required contribution	\$ 340,536
Interest on net pension obligation	16,417
Adjustment to annual required contribution	<u>(27,054)</u>
Annual pension cost	329,899
Contributions made	<u>392,503</u>
Increase in net pension obligation	(62,604)
Net pension obligation beginning of year	<u>226,443</u>
Net pension obligation end of year	<u><u>\$ 163,839</u></u>

3 Year Trend Information			
Fiscal Year	Annual Pension	Percentage of	Net Pension
<u>Ended</u>	<u>Cost (APC)</u>	<u>APC Contributed</u>	<u>Obligation</u>
6/30/2005	368,244	97.46%	221,747
6/30/2006	382,511	98.77%	226,443
6/30/2007	329,899	118.98%	163,839

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 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.

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.

Cabarrus County, North Carolina
Notes to the Financial Statements
June 30, 2007

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, 2007 were \$1,983,082 which consisted of \$1,511,345 from the County and \$471,737 from the employees. The Alliance's contributions for the year ended June 30, 2007 were \$444,540, which consisted of \$202,738 from the Alliance and \$241,802 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.

Funding Policy. On a monthly basis, the County remits to the Department of State Treasurer an amount equal to four and one-half percent (4.5%) of the monthly receipts collected pursuant to Article 1 of G.S. 161. Immediately following January 1 of each year, the Department of State Treasurer divides ninety-three percent (93%) of the amount in the Fund at the end of the preceding calendar year into equal shares to be disbursed as monthly benefits. The remaining seven percent (7%) of the Fund's assets may be used by the State Treasurer in administering the Fund. For the fiscal year ended June 30, 2007, the County's required and actual contributions were \$60,047.

Cabarrus County, North Carolina
Special Separation Allowance
Required Supplementary Information
Schedule of Funding Progress
June 30, 2007

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)
12/31/1997	269,482	1,347,738	1,078,256	20.00%	4,102,582	26.28%
12/31/1998	287,395	1,622,309	1,334,914	17.72%	4,095,259	32.60%
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%

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

Year Ended <u>June 30</u>	Annual Required <u>Contribution</u>	Actual <u>Contribution</u>	Percentage <u>Contributed</u>
1998	143,742	133,108	93%
1999	150,463	143,742	96%
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%

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	12/31/2005
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%



Supplemental Financial Data

	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	Capital Projects Fund	Construction & Renovation Fund	School Construction Fund	Subtotal	Total Nonmajor Governmental Funds
Assets																			
Cash and cash equivalents	\$ 2,261,571	\$ 14,488	\$ 822,178	\$ 36,420	\$ 5,284,096	\$ 543,710	\$ 441,813	\$ 315,062	\$ 1,559,955	\$ 968,137	\$ 81,484	\$ 12,433	\$ 239,935	\$ 13,576,971	\$ 2,325,835	\$ 446,213	\$ 5,091,653	\$ 7,732,163	\$ 20,104,065
Receivables:																			
Accounts receivable	64,036	-	5,375	-	-	-	-	-	-	197,936	-	-	-	267,347	45,620	6,154	-	51,774	319,121
Interest receivable	5,991	-	1,789	-	17,498	1,698	1,307	1,038	4,187	2,227	198	39	750	37,722	-	-	-	-	37,722
Notes receivable	-	-	-	-	900,000	-	-	-	-	-	-	-	-	900,000	-	-	-	-	900,000
Restricted cash	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	79,764	-	79,764	-
Total assets	\$ 2,332,598	\$ 14,488	\$ 829,342	\$ 36,420	\$ 6,201,594	\$ 543,710	\$ 441,813	\$ 315,062	\$ 1,559,955	\$ 968,137	\$ 81,484	\$ 12,433	\$ 239,935	\$ 13,576,971	\$ 2,325,835	\$ 446,213	\$ 5,091,653	\$ 7,863,701	\$ 21,440,672
Liabilities																			
Accounts payable and accrued liabilities	\$ -	\$ -	\$ 408,048	\$ 36,420	\$ -	\$ -	\$ 300	\$ -	\$ -	\$ 129,109	\$ -	\$ -	\$ -	\$ 573,877	\$ 688,517	\$ 300,331	\$ 442,885	\$ 1,431,733	\$ 2,005,610
Contract retentions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	127,061	22,543	-	149,704	149,704
Total liabilities	-	-	408,048	36,420	-	-	300	-	-	129,109	-	-	-	573,877	815,578	322,874	442,885	1,581,437	2,155,314
Fund balances																			
Unreserved, designated for subsequent year's expenditures	2,332,598	14,488	421,294	-	6,201,594	543,710	441,513	315,062	1,559,955	839,028	81,484	12,433	239,935	13,003,094	1,510,257	123,239	4,648,768	6,282,264	19,285,358
Total fund balances	2,332,598	14,488	421,294	-	6,201,594	543,710	441,513	315,062	1,559,955	839,028	81,484	12,433	239,935	13,003,094	1,510,257	123,239	4,648,768	6,282,264	19,285,358
Total liabilities and fund balances	\$ 2,332,598	\$ 14,488	\$ 829,342	\$ 36,420	\$ 6,201,594	\$ 543,710	\$ 441,813	\$ 315,062	\$ 1,559,955	\$ 968,137	\$ 81,484	\$ 12,433	\$ 239,935	\$ 13,576,971	\$ 2,325,835	\$ 446,213	\$ 5,091,653	\$ 7,863,701	\$ 21,440,672

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

	Special Revenue														Capital Projects								
	Emergency System Fund	Community Development Fund	Catawba Area and Center Fund	Fire District Fund	Capital Reserve Fund	Capital Reserve Fund	Small Projects Fund	Street Department Fund	Adequate Facilities Fund	Catawba Tourism Authority Fund	Department of Aging Fund	Parks and Recreation Commission Fund	Catawba Memorial Library Fund	Subtotal	Public School Buildings	Capital Projects Fund	Construction & Renovation Fund	Certificates of Participation III Fund	School Construction Fund	Subtotal	Total Nonmajor Governmental Funds		
Revenues:																							
Ad valorem taxes	-	-	-	\$ 2,028,867	-	-	-	-	-	-	-	-	-	\$ 2,028,867	-	-	-	-	-	-	\$ 2,028,867		
Occupancy tax	-	-	-	-	-	-	-	-	-	\$ 1,504,586	-	-	-	1,504,586	-	-	-	-	-	-	1,504,586		
Home consortium	-	129,485	-	-	-	-	-	-	-	-	-	-	-	129,485	-	-	-	-	-	-	129,485		
State grant/Self-help site rehabilitation	-	6,939	-	-	-	-	-	-	-	-	-	-	-	6,939	-	-	-	-	-	-	6,939		
Intergovernmental	-	-	-	-	-	-	-	51,172	-	-	-	-	-	51,172	185,289	-	-	-	-	185,289	236,461		
Intergovernmental - Lottery	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,648,767	-	-	-	-	2,648,767	2,648,767		
Program fees	-	6,692	593,882	-	-	-	134,602	745	1,522,931	4,740	-	-	-	2,263,902	-	-	-	-	-	-	2,263,902		
Advertising fees	-	-	-	-	-	-	-	-	-	25,863	-	-	-	25,863	-	-	-	-	-	-	25,863		
Telephone subscription fees	753,887	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Investment earnings	91,245	-	28,098	-	319,987	26,180	18,591	19,771	41,465	36,340	3,056	599	11,579	602,911	-	-	1,972	9,535	-	11,507	614,418		
Donations	-	-	-	-	-	-	1,000	-	-	-	18,555	345	-	119,900	-	-	512,071	129,500	-	641,471	761,471		
Miscellaneous	-	-	5,095	-	-	-	-	-	-	49,045	-	-	-	-	54,094	-	-	-	-	-	-	54,094	
Total revenues	851,232	143,116	727,022	2,028,867	319,987	26,180	154,693	71,628	1,564,396	1,620,574	21,611	944	11,579	7,541,706	2,834,056	512,071	131,472	9,535	-	3,487,134	11,028,840		
Expenditures:																							
General government	-	-	-	-	-	-	213,546	-	-	-	-	-	-	-	-	-	-	-	-	-	213,546		
Public safety	347,261	-	-	2,028,867	-	-	-	78,592	-	-	-	-	-	-	-	-	-	-	-	-	2,454,720		
Economic and physical development	-	184,757	-	-	-	-	-	-	-	1,494,749	-	-	-	-	1,679,506	-	-	-	-	-	1,679,506		
Education	-	-	-	-	-	-	-	-	-	71,568	-	-	-	-	185,289	-	501,388	43,615	3,366,232	4,096,524	4,168,092		
Culture and recreation	-	-	1,374,015	-	-	-	-	-	-	-	-	-	-	-	1,374,015	1,701,218	-	-	-	1,701,218	3,075,233		
Capital outlay	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Land and land improvements	-	-	14,444	-	-	-	-	-	-	-	-	-	-	-	14,444	-	-	-	-	-	14,444		
Building and building improvements	-	-	22,665	-	-	-	-	-	-	19,363	-	-	-	-	42,018	-	-	-	-	-	42,018		
Equipment and furniture	-	-	5,000	-	-	-	-	90,303	-	10,856	-	-	-	-	106,159	643,170	-	-	643,170	749,359			
Construction in progress	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,607,339	367,480	-	-	1,974,819			
Total expenditures	347,261	184,757	1,416,114	2,028,867	-	-	213,546	168,895	71,568	1,524,969	-	-	-	5,955,976	185,289	3,951,707	868,869	43,615	3,366,232	8,415,791	14,371,767		
Excess (deficiency) of revenues over (under) expenditures	503,971	(41,641)	(689,092)	-	319,987	26,180	(59,053)	(97,197)	1,492,828	95,606	21,611	944	11,579	1,585,730	2,648,767	(3,439,716)	(737,396)	(34,080)	(3,566,232)	(4,928,657)	(3,342,927)		
Other financing sources (uses):																							
Transfer in	-	45,000	694,000	-	11,349,787	-	25,621	-	-	-	-	-	-	12,114,408	-	682,479	50,000	-	8,015,000	8,747,479	20,861,887		
Transfer out	(56,849)	-	-	-	(7,081,562)	-	-	(2,747)	(1,224,237)	-	-	-	-	(9,265,395)	(2,648,767)	-	-	(887,828)	-	(3,536,595)	(12,801,990)		
Total other financing sources (uses):	(56,849)	45,000	694,000	-	3,368,225	-	25,621	(2,747)	(1,224,237)	-	-	-	-	2,849,013	(2,648,767)	682,479	50,000	(887,828)	8,015,000	5,210,884	8,059,897		
Net change in fund balances	447,122	3,359	4,915	-	3,686,212	26,180	(33,432)	(99,944)	268,591	95,606	21,611	944	11,579	4,434,743	-	(2,757,237)	(687,396)	(921,908)	4,648,768	282,227	4,716,970		
Fund balance, July 1	1,895,476	11,129	416,379	-	2,513,382	517,530	474,945	415,066	1,291,364	743,422	59,873	11,489	228,356	8,568,351	-	4,267,454	810,635	921,908	-	6,000,037	14,568,388		
Fund balance, June 30	\$ 2,342,598	\$ 14,488	\$ 421,294	\$ -	\$ 6,201,594	\$ 543,710	\$ 441,513	\$ 315,062	\$ 1,559,955	\$ 839,028	\$ 81,484	\$ 12,433	\$ 229,935	\$ 13,003,094	\$ -	\$ 1,510,227	\$ 123,239	\$ -	\$ 4,648,768	\$ 6,282,264	\$ 19,285,358		

Agency Funds

Combining Statement of Changes in Assets and Liabilities

For the Year Ended June 30, 2007

	Balance June 30, 2006	Additions	Deductions	Balance June 30, 2007
<u>Department of Social Services</u>				
<u>Assets</u>				
Cash and cash equivalents	\$ 139,386	\$ 1,328,606	\$ 1,319,870	\$ 148,122
<u>Liabilities</u>				
Accounts payable	728	786,432	778,482	8,678
Due to program participants	138,658	1,327,220	1,326,434	139,444
Total	\$ 139,386	\$ 2,113,652	\$ 2,104,916	\$ 148,122
<u>Work Over Welfare</u>				
<u>Assets</u>				
Cash and cash equivalents	\$ 8,294	\$ 4,981	\$ 784	\$ 12,491
<u>Liabilities</u>				
Accounts payable	-	1,175	784	391
Due to program participants	8,294	4,981	1,175	12,100
Total	\$ 8,294	\$ 6,156	\$ 1,959	\$ 12,491
<u>Charitable Campaign</u>				
<u>Assets</u>				
Cash and cash equivalents	\$ 23,971	\$ 49,841	\$ 51,112	\$ 22,700
<u>Liabilities</u>				
Accounts payable	-	70,564	49,969	20,595
Due to program participants	23,971	49,891	71,757	2,105
Total	\$ 23,971	\$ 120,455	\$ 121,726	\$ 22,700
<u>Undistributed Taxes</u>				
<u>Assets</u>				
Cash and cash equivalents	\$ 435,837	\$ 116,405,314	\$ 116,288,649	\$ 552,502
<u>Liabilities</u>				
Accounts payable	-	15,141,372	15,141,372	-
Intergovernmental payable - Municipalities	435,837	131,697,741	131,581,076	552,502
Total	\$ 435,837	\$ 146,839,113	\$ 146,722,448	\$ 552,502
<u>Fines & Forfeitures</u>				
<u>Assets</u>				
Cash and cash equivalents	\$ 131,546	\$ 2,084,780	\$ 2,029,991	\$ 186,335
<u>Liabilities</u>				
Due to Schools - Fine & Forfeitures	126,263	2,003,944	1,951,246	178,961
Intergovernmental payable - State of North Carolina	5,283	81,380	79,289	7,374
Total	\$ 131,546	\$ 2,085,324	\$ 2,030,535	\$ 186,335
<u>Jail Commissary</u>				
<u>Assets</u>				
Cash and cash equivalents	\$ -	\$ 625,071	\$ 619,043	\$ 6,028
<u>Liabilities</u>				
Due to jail inmates	\$ -	\$ 256,439	\$ 250,411	\$ 6,028
<u>Total All Agency Funds</u>				
<u>Assets</u>				
Cash and cash equivalents	\$ 739,034	\$ 120,498,593	\$ 120,309,449	\$ 928,178
<u>Liabilities</u>				
Accounts payable	728	15,999,543	15,970,607	29,664
Due to municipalities	435,837	131,697,741	131,581,076	552,502
Due to State of North Carolina	5,283	81,380	79,289	7,374
Due to jail inmates	-	256,439	250,411	6,028
Due to program participants	170,923	1,382,092	1,399,366	153,649
Due to schools	126,263	2,003,944	1,951,246	178,961
Total	\$ 739,034	\$ 151,421,139	\$ 151,231,995	\$ 928,178

Cabarrus County, North Carolina
Combining Statement of Net Assets
Private Purpose Trust Funds
June 30, 2006

	Kevin Pugh Fund	Foster Care Scholarship Fund	Total
	<hr/>	<hr/>	<hr/>
<u>Assets</u>			
Cash and cash equivalents	\$ 19,342	\$ 2,211	\$ 21,553
	<hr/>	<hr/>	<hr/>
Total assets	19,342	2,211	21,553
	<hr/>	<hr/>	<hr/>
<u>Net Assets</u>			
Assets held in trust for other purposes	19,342	2,211	21,553
	<hr/>	<hr/>	<hr/>
Total net assets	\$ 19,342	\$ 2,211	\$ 21,553
	<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, 2007

	Kevin Pugh Fund	Foster Care Scholarship Fund	Total
	<hr/>	<hr/>	<hr/>
Additions:			
Contributions	\$ -	\$ 450	\$ 450
Interest	977	96	1,073
	<hr/>	<hr/>	<hr/>
Total additions	977	546	1,523
	<hr/>	<hr/>	<hr/>
Deductions:			
Awards	1,000	500	1,500
	<hr/>	<hr/>	<hr/>
Total deductions	1,000	500	1,500
	<hr/>	<hr/>	<hr/>
Change in net assets	(23)	46	23
	<hr/>	<hr/>	<hr/>
Net assets, July 1	19,365	2,165	21,530
	<hr/>	<hr/>	<hr/>
Net assets, June 30	\$ 19,342	\$ 2,211	\$ 21,553
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

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, 2007

	<u>Project</u>	<u>Actual</u>		
	<u>Authorization</u>	<u>Prior</u>	<u>Current</u>	<u>Total to</u>
		<u>Years</u>	<u>Year</u>	<u>Date</u>
Revenues:				
Telephone subscriber fees	\$4,939,590	\$ 4,563,650	\$ 358,770	\$ 4,922,420
Telephone subscriber fees-wireless	1,549,062	1,162,118	395,217	1,557,335
Investment earnings	431,873	362,981	72,934	435,915
Investment earnings-wireless	<u>93,707</u>	<u>70,789</u>	<u>24,311</u>	<u>95,100</u>
Total revenues	<u>7,014,232</u>	<u>6,159,538</u>	<u>851,232</u>	<u>7,010,770</u>
Expenditures:				
Public Safety:				
Purchased service	5,278,674	3,394,985	178,996	3,573,981
Purchased service-wireless	1,642,769	843,137	168,265	1,011,402
Capital Outlay:				
Equipment & furniture	<u>19,445</u>	<u>19,445</u>	<u>-</u>	<u>19,445</u>
Total expenditures	<u>6,940,888</u>	<u>4,257,567</u>	<u>347,261</u>	<u>4,604,828</u>
Excess (deficiency) of revenues over (under) expenditures	<u>73,344</u>	<u>1,901,971</u>	<u>503,971</u>	<u>2,405,942</u>
Other financing sources (uses):				
Transfer (out)-General Fund	<u>(73,344)</u>	<u>(16,495)</u>	<u>(56,849)</u>	<u>(73,344)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ 1,885,476</u>	447,122	<u>\$ 2,332,598</u>
Fund balance, July 1			<u>1,885,476</u>	
Fund balance, June 30			<u>\$2,332,598</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, 2007

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Actual Current Year</u>	<u>Total to Date</u>
Revenues:				
Economic recovery grant	\$ 180,000	\$ 180,000	\$ -	\$ 180,000
Home consortium	642,318	505,508	129,485	634,993
Scattered site rehabilitation	400,000	393,061	6,939	400,000
Home consortium program fees	6,692	-	6,692	6,692
Total revenues	<u>1,229,010</u>	<u>1,078,569</u>	<u>143,116</u>	<u>1,221,685</u>
Expenditures:				
Economic and physical development:				
Economic Recovery Grant:				
Economic recovery study	170,000	170,000	-	170,000
Administration fees	10,000	10,000	-	10,000
Total economic recovery	<u>180,000</u>	<u>180,000</u>	<u>-</u>	<u>180,000</u>
Home Consortium:				
Consultants	54,037	43,213	10,824	54,037
Sub-contractor construction	751,050	561,993	166,994	728,987
Total home consortium	<u>805,087</u>	<u>605,206</u>	<u>177,818</u>	<u>783,024</u>
Scattered site rehabilitation:				
Consultants	40,000	40,000	-	40,000
Sub-contractor construction	360,000	353,061	6,939	360,000
Total scattered site rehabilitation	<u>400,000</u>	<u>393,061</u>	<u>6,939</u>	<u>400,000</u>
Total expenditures	<u>1,385,087</u>	<u>1,178,267</u>	<u>184,757</u>	<u>1,363,024</u>
Revenues over (under) expenditures	<u>(156,077)</u>	<u>(99,698)</u>	<u>(41,641)</u>	<u>(141,339)</u>
Other financing sources:				
Transfer in - General Fund	156,077	111,077	45,000	156,077
Transfer (out) - General Fund	<u>-</u>	<u>(250)</u>	<u>-</u>	<u>(250)</u>
Total other financing sources	<u>156,077</u>	<u>110,827</u>	<u>45,000</u>	<u>155,827</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ 11,129</u>	3,359	<u>\$ 14,488</u>
Fund balance, July 1			<u>11,129</u>	
Fund balance, June 30			<u>\$ 14,488</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, 2007

	<u>Actual</u>		<u>Variance</u>
	<u>Budget</u>	<u>Actual</u>	<u>Favorable</u> <u>(Unfavorable)</u>
Revenues:			
Program fees	\$ 567,439	\$ 593,882	\$ 26,443
Interest	-	28,098	28,098
Donations	100,000	100,000	-
Miscellaneous	7,000	5,049	(1,951)
Total revenues	674,439	727,029	52,590
Expenditures:			
Cultural and recreational:			
Arena and Events Center:			
Other operating expenses	113,178	114,567	(1,389)
Capital outlay:			
Land and land improvements	14,444	14,444	-
Building and bldg improvements	29,846	22,655	7,191
Equipment	5,000	5,000	-
Management Company	921,848	794,648	127,200
Total arena and events center	1,084,316	951,314	133,002
County Fair:			
Salaries and employee benefits	107,716	105,492	2,224
Other operating expenses	453,322	359,308	94,014
Total county fair	561,038	464,800	96,238
Total expenditures	1,645,354	1,416,114	229,240
Revenues over (under) expenditures	(970,915)	(689,085)	281,830
Other financing sources:			
Transfer in - General Fund	808,447	694,000	114,447
Fund Balance Appropriated	162,468	-	162,468
Total other financing sources	970,915	694,000	276,915
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ -	4,915	\$ 4,915
Fund balance, July 1		416,379	
Fund balance, June 30		\$ 421,294	

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, 2007

	<u>Actual</u>		
	<u>Budget</u>	<u>Actual</u>	<u>Variance</u> <u>Favorable</u> <u>(Unfavorable)</u>
Revenues:			
Property tax collections	\$ 2,103,339	\$ 2,028,867	\$ (74,472)
Total revenues	<u>2,103,339</u>	<u>2,028,867</u>	<u>(74,472)</u>
Expenditures:			
Public Safety	<u>2,103,339</u>	<u>2,028,867</u>	<u>74,472</u>
Total expenditures	<u>2,103,339</u>	<u>2,028,867</u>	<u>74,472</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, 2007

	Project Authorization	Prior Years	Actual Current Year	Total to Date
Revenues:				
Adequate facilities fees	\$ 445,915	\$ 445,915	\$ -	\$ 445,915
Donations	120,383	120,383	-	120,383
Investment earnings	1,686,816	1,365,205	319,987	1,685,192
Total revenues	2,253,114	1,931,503	319,987	2,251,490
Expenditures:				
Education:				
Building and renovations	11,874,770	-	-	-
Total expenditures	11,874,770	-	-	-
Excess (deficiency) of revenues over (under) expenditures	(9,621,656)	1,931,503	319,987	2,251,490
Other financing sources (uses):				
Transfer in - General Fund	21,223,668	9,873,881	11,349,787	21,223,668
Transfer (out) - General Fund	(676,531)	(676,531)	-	(676,531)
Transfer (out) - Capital Project Fund	(9,617,946)	(4,659,782)	(4,958,164)	(9,617,946)
Transfer (out) - Justice Center Construction Fund	(6,383,172)	(3,359,774)	(3,023,398)	(6,383,172)
Transfer (out) - Special Revenue Fund	(595,915)	(595,915)	-	(595,915)
Fund balance appropriated	5,671,552	-	-	-
Total other financing sources (uses)	9,621,656	581,879	3,368,225	3,950,104
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ -	\$ 2,513,382	3,688,212	\$ 6,201,594
Fund balance, July 1			2,513,382	
Fund balance, June 30			\$ 6,201,594	

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, 2007

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Actual Current Year</u>	<u>Total to Date</u>
Revenues:				
Assessment fees	\$ 599,262	\$ 598,904	\$ -	\$ 598,904
Investment earnings	<u>64,628</u>	<u>39,009</u>	<u>26,180</u>	<u>65,189</u>
Total revenues	<u>663,890</u>	<u>637,913</u>	<u>26,180</u>	<u>664,093</u>
Expenditures:				
Water line improvements	<u>663,890</u>	<u>120,383</u>	<u>-</u>	<u>120,383</u>
Total expenditures	<u>663,890</u>	<u>120,383</u>	<u>-</u>	<u>120,383</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ -</u>	<u>\$ 517,530</u>	26,180	<u>\$ 543,710</u>
Fund balance, July 1			<u>517,530</u>	
Fund balance, June 30			<u>\$ 543,710</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, 2007

		<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 grant	\$ 174,649	\$ 134,073	\$ -	\$ 134,073
Interest on investments	20,152	11,045	8,970	20,015
Total Board of Elections	<u>194,801</u>	<u>145,118</u>	<u>8,970</u>	<u>154,088</u>
Register of Deeds:				
Automation & enhancement fees	379,450	254,496	134,763	389,259
Interest on investments	19,650	10,529	9,606	20,135
Total Register of Deeds	<u>399,100</u>	<u>265,025</u>	<u>144,369</u>	<u>409,394</u>
Soil & Water:				
Program fees	2,000	-	139	139
Contributions and donations	1,000	-	1,000	1,000
EEP contract	15,200	-	-	-
Interest on investments	-	-	15	15
Total Board of Elections	<u>18,200</u>	<u>-</u>	<u>1,154</u>	<u>1,154</u>
Total revenues	<u>612,101</u>	<u>410,143</u>	<u>154,493</u>	<u>564,636</u>
Expenditures:				
General Government:				
Board of Elections	838,073	4,056	134,073	138,129
Register of Deeds	331,504	158,646	79,473	238,119
Soil & Water	18,200	-	1,153	1,153
Total general government	<u>1,169,577</u>	<u>162,702</u>	<u>213,546</u>	<u>376,248</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(557,476)</u>	<u>247,441</u>	<u>(59,053)</u>	<u>188,388</u>
Other Financing Sources (Uses):				
Transfer in-General Fund	103,125	77,504	25,621	103,125
Transfer in-Capital Reserve Fund	<u>150,000</u>	<u>150,000</u>	<u>-</u>	<u>150,000</u>
Total other financing sources (uses)	<u>253,125</u>	<u>227,504</u>	<u>25,621</u>	<u>253,125</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ (304,351)</u>	<u>\$ 474,945</u>	<u>(33,432)</u>	<u>\$ 441,513</u>
Fund balance, July 1			<u>474,945</u>	
Fund balance, June 30			<u>\$ 441,513</u>	

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, 2007

	<u>Actual</u>			
	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>
Revenues:				
Federal Forfeiture Sharing	\$ 44,470	\$ 43,694	\$ 775	\$ 44,469
Federal Forfeiture Sharing -Treasury	106,953	93,917	13,036	106,953
NC Substance Control Tax	213,761	174,237	37,361	211,598
Firing Range fees	1,000	-	755	755
Interest -Federal Forfeiture sharing	10,684	6,107	4,545	10,652
Interest-NC Substance Control Tax	38,007	22,108	15,226	37,334
	<u>414,875</u>	<u>340,063</u>	<u>71,698</u>	<u>411,761</u>
Total revenues				
Expenditures:				
Public Safety	422,971	100,565	78,592	179,157
Capital Outlay:				
Equipment and furniture	230,544	88,875	90,303	179,178
	<u>653,515</u>	<u>189,440</u>	<u>168,895</u>	<u>358,335</u>
Total expenditures				
Excess (deficiency) of revenues over (under) expenditures	<u>(238,640)</u>	<u>150,623</u>	<u>(97,197)</u>	<u>53,426</u>
Other Financing Sources (Uses):				
Transfer in-General Fund	285,138	285,139	-	285,139
Transfer (out)-General Fund	<u>(46,498)</u>	<u>(20,756)</u>	<u>(2,747)</u>	<u>(23,503)</u>
	<u>238,640</u>	<u>264,383</u>	<u>(2,747)</u>	<u>261,636</u>
Total other financing sources (uses)				
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ 415,006</u>	<u>(99,944)</u>	<u>\$ 315,062</u>
Fund balance, July 1			<u>415,006</u>	
Fund balance, June 30			<u>\$ 315,062</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, 2007

			<u>Actual</u>	
	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>
Revenues:				
Adequate facilities fees	\$ 2,681,232	\$ 691,699	\$ 1,522,931	\$ 2,214,630
Interest on investments	89,703	56,000	41,465	97,465
	<u>2,770,935</u>	<u>747,699</u>	<u>1,564,396</u>	<u>2,312,095</u>
Total revenues				
	<u>2,770,935</u>	<u>747,699</u>	<u>1,564,396</u>	<u>2,312,095</u>
Expenditures:				
Education	2,090,363	-	71,568	71,568
	<u>2,090,363</u>	<u>-</u>	<u>71,568</u>	<u>71,568</u>
Excess (deficiency) of revenues over (under) expenditures	<u>680,572</u>	<u>747,699</u>	<u>1,492,828</u>	<u>2,240,527</u>
Other Financing Sources (Uses):				
Transfer in-General Fund	97,750	97,750	-	97,750
Transfer in-Capital Reserve	445,915	445,915	-	445,915
Transfer (out)-Capital Projects	(1,224,237)	-	(1,224,237)	(1,224,237)
	<u>(680,572)</u>	<u>543,665</u>	<u>(1,224,237)</u>	<u>(680,572)</u>
Total other financing sources (uses)				
	<u>(680,572)</u>	<u>543,665</u>	<u>(1,224,237)</u>	<u>(680,572)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ 1,291,364</u>	268,591	<u>\$ 1,559,955</u>
Fund balance, July 1			<u>1,291,364</u>	
Fund balance, June 30			<u>\$ 1,559,955</u>	

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, 2007

	<u>Actual</u>		<u>Variance</u>
	<u>Budget</u>	<u>Actual</u>	<u>Favorable</u> <u>(Unfavorable)</u>
Revenues:			
Advertising fees	\$ 20,000	\$ 25,863	\$ 5,863
Occupancy tax	1,030,590	1,504,586	473,996
Program fees	3,026	4,740	1,714
Interest	13,100	36,340	23,240
Miscellaneous	52,200	49,045	(3,155)
Total revenues	<u>1,118,916</u>	<u>1,620,574</u>	<u>501,658</u>
Expenditures:			
Economic & Physical Development	1,576,788	1,494,749	82,039
Capital outlay			
Building and building improvements	19,363	19,363	-
Equipment and furniture	30,637	10,856	19,781
Total expenditures	<u>1,626,788</u>	<u>1,524,968</u>	<u>101,820</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(507,872)</u>	<u>95,606</u>	<u>603,478</u>
Other Financing Sources (Uses):			
Fund Balance Appropriated	<u>507,872</u>	<u>-</u>	<u>(507,872)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>95,606</u>	<u>\$ 95,606</u>
Fund balance, July 1		<u>743,422</u>	
Fund balance, June 30		<u>\$ 839,028</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, 2007

		<u>Actual</u>		
	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>
Revenues:				
Contributions and donations	\$ 58,790	\$ 58,234	\$ 18,555	\$ 76,789
Interest	7,441	4,464	3,056	7,520
Total revenues	66,231	62,698	21,611	84,309
Expenditures:				
Special Projects	66,231	2,825	-	2,825
Total expenditures	66,231	2,825	-	2,825
Revenues over (under) expenditures	<u>\$ -</u>	<u>\$ 59,873</u>	21,611	<u>\$ 81,484</u>
Fund balance, July 1			<u>59,873</u>	
Fund balance, June 30			<u>\$ 81,484</u>	

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, 2007

		<u>Actual</u>		
	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>
Revenues:				
Contributions and donations	\$ 10,554	\$ 9,208	\$ 345	\$ 9,553
Interest	<u>1,881</u>	<u>2,281</u>	<u>599</u>	<u>2,880</u>
Total revenues	<u>12,435</u>	<u>11,489</u>	<u>944</u>	<u>12,433</u>
Expenditures:				
Special Projects	<u>12,435</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>12,435</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues over (under) expenditures	<u>\$ -</u>	<u>\$ 11,489</u>	944	<u>\$ 12,433</u>
Fund balance, July 1			<u>11,489</u>	
Fund balance, June 30			<u>\$ 12,433</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, 2007

		<u>Actual</u>		
	<u>Project Authorization</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Total to Date</u>
Revenues:				
Contributions and donations	\$ 218,403	\$ 218,403	\$ -	\$ 218,403
Interest	196,545	163,635	11,579	175,214
Total revenues	414,948	382,038	11,579	393,617
Expenditures:				
Cultural and recreation				
Special Projects	255,477	3,585	-	3,585
Total expenditures	255,477	3,585	-	3,585
Excess (deficiency) of revenues over (under) expenditures	159,471	378,453	11,579	390,032
Other Financing Sources (Uses):				
Fund Balance Appropriated	15,526	-	-	-
Transfer (out)-General Fund	(174,997)	(150,097)	-	(150,097)
Total other financing sources (uses)	(159,471)	(150,097)	-	(150,097)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ -	\$ 228,356	11,579	\$ 239,935
Fund balance, July 1			228,356	
Fund balance, June 30			\$ 239,935	

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, 2007

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Actual Current Year</u>	<u>Total to Date</u>
Revenues:				
Intergovernmental - State:				
Public School Funds	\$ 646,000	\$ 336,000	\$ 185,289	\$ 521,289
Lottery Proceeds	<u>3,292,540</u>	<u>-</u>	<u>2,648,767</u>	<u>2,648,767</u>
Total revenues	<u>3,938,540</u>	<u>336,000</u>	<u>2,834,056</u>	<u>3,170,056</u>
Expenditures:				
Capital outlay - education:				
Kannapolis City Schools	<u>646,000</u>	<u>336,000</u>	<u>185,289</u>	<u>521,289</u>
Total expenditures	<u>646,000</u>	<u>336,000</u>	<u>185,289</u>	<u>521,289</u>
Excess (deficiency) of revenues over (under) expenditures	<u>3,292,540</u>	<u>-</u>	<u>2,648,767</u>	<u>2,648,767</u>
Other financing sources (uses):				
Transfer (out) - Capital Projects Fund	<u>(3,292,540)</u>	<u>-</u>	<u>(2,648,767)</u>	<u>(2,648,767)</u>
Total other financing sources (uses)	<u>(3,292,540)</u>	<u>-</u>	<u>(2,648,767)</u>	<u>(2,648,767)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund balance, July 1			<u>-</u>	
Fund balance, June 30			<u>\$ -</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, 2007

		Actual		
	Project Authorization	Prior Years	Current Year	Total to Date
Revenues:				
Donations				
Local government	\$ 450,000	\$ 250,000	\$ 200,000	\$ 450,000
Intergovernmental	1,350,000	548,311	262,071	810,382
Private	301,500	252,722	50,000	302,722
Total revenues	2,101,500	1,051,033	512,071	1,563,104
Expenditures:				
Improvements:				
Parks	2,643,032	38,119	1,322,763	1,360,882
Communications	517,701	506,826	378,455	885,281
Capital outlay:				
Land and land improvements				
Communications	100,000	57,904	-	57,904
Equipment and furniture:				
Emergency Management	336,000	-	-	-
Communications	1,382,299	302,245	643,170	945,415
Construction in progress		-		
Parks	4,823,531	2,897,029	1,607,399	4,504,428
Total expenditures	9,802,563	3,802,123	3,951,787	7,753,910
Excess (deficiency) of revenues over (under) expenditures	(7,701,063)	(2,751,090)	(3,439,716)	(6,190,806)
Other financing sources:				
Transfer in - General Fund	2,989,781	2,643,302	346,479	2,989,781
Transfer in - Capital Reserve Fund	4,711,282	4,375,282	336,000	4,711,282
Total other financing sources	7,701,063	7,018,584	682,479	7,701,063
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ -	\$ 4,267,494	(2,757,237)	\$1,510,257
Fund balance, July 1			4,267,494	
Fund balance, June 30			\$ 1,510,257	

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, 2007

		Actual		
	<u>Project</u>	<u>Prior</u>	<u>Current</u>	<u>Total to</u>
	<u>Authorization</u>	<u>Years</u>	<u>Year</u>	<u>Date</u>
Revenues:				
Sales Tax	\$ -	\$ 55,464	\$ -	\$ 55,464
Investment Earnings	396	7,291	1,972	9,263
Donations	<u>754,500</u>	<u>625,000</u>	<u>129,500</u>	<u>754,500</u>
Total revenues	<u>754,896</u>	<u>687,755</u>	<u>131,472</u>	<u>819,227</u>
Expenditures:				
Education	1,502,888	976,156	501,388	1,477,544
Capital outlay				
Building and building improvements	186,600	186,600	-	186,600
Construction in progress	<u>3,662,908</u>	<u>3,261,864</u>	<u>367,480</u>	<u>3,629,344</u>
Total Capital outlay	3,849,508	3,448,464	367,480	3,815,944
Total expenditures	<u>5,352,396</u>	<u>4,424,620</u>	<u>868,868</u>	<u>5,293,488</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(4,597,500)</u>	<u>(3,736,865)</u>	<u>(737,396)</u>	<u>(4,474,261)</u>
Other financing sources (uses):				
Issuance of debt - Installment Financing	4,358,000	4,358,000	-	4,358,000
Transfer in - General Fund	<u>239,500</u>	<u>189,500</u>	<u>50,000</u>	<u>239,500</u>
Total other financing sources (uses)	<u>4,597,500</u>	<u>4,547,500</u>	<u>50,000</u>	<u>4,597,500</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ 810,635</u>	<u>(687,396)</u>	<u>\$ 123,239</u>
Fund balance, July 1			<u>810,635</u>	
Fund balance, June 30			<u>\$ 123,239</u>	

Cabarrus County, North Carolina
Certificates of Participation III Capital Projects Fund
Schedule of Revenues, Expenditures, and Changes in Fund
Balances - Budget and Actual
From Inception and for the Year Ended June 30, 2007

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Actual Current Year</u>	<u>Total to Date</u>
Revenues:				
Sales tax refund	\$ 645,957	\$ 645,957	\$ -	\$ 645,957
Investment earnings	574,260	564,725	9,535	574,260
Donations:				
Local government	4,131,754	4,131,754	-	4,131,754
Local school board	820,000	820,000	-	820,000
Total revenues	<u>6,171,971</u>	<u>6,162,436</u>	<u>9,535</u>	<u>6,171,971</u>
Expenditures:				
Capital outlay - education				
Engineers	386,517	386,516	-	386,516
Architects	1,777,171	1,777,171	-	1,777,171
Legal	768,108	768,109	-	768,109
Site Purchase	1,954,348	1,954,348	-	1,954,348
Site Development	1,689,810	1,672,266	17,544	1,689,810
Construction	36,284,155	36,258,086	26,071	36,284,157
Other Improvements	39,975	39,975	-	39,975
Furniture and equipment	3,564,919	3,564,917	-	3,564,917
Total expenditures	<u>46,465,003</u>	<u>46,421,388</u>	<u>43,615</u>	<u>46,465,003</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(40,293,032)</u>	<u>(40,258,952)</u>	<u>(34,080)</u>	<u>(40,293,032)</u>
Other financing sources (uses) :				
Issuance of Debt - Certificates of Participation	42,217,498	42,217,498	-	42,217,498
Transfer in-Capital Reserve Fund	34,500	34,500	-	34,500
Transfer (out)-General Fund	(1,651,554)	(971,138)	(680,416)	(1,651,554)
Transfer (out)-Capital Projects Fund	(307,412)	(100,000)	(207,412)	(307,412)
Total other financing sources (uses)	<u>40,293,032</u>	<u>41,180,860</u>	<u>(887,828)</u>	<u>40,293,032</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ 921,908</u>	<u>(921,908)</u>	<u>\$ -</u>
Fund balance, July 1			<u>921,908</u>	
Fund balance, June 30			<u>\$ -</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, 2007

	Project Authorization	Prior Years	Actual Current Year	Total to Date
Expenditures:				
Capital outlay - education				
Engineers	\$ 300,000	\$ -	\$ 80,075	\$ 80,075
Architects	2,061,000	-	846,711	846,711
Legal	235,000	-	-	-
Contingency	875,000	-	-	-
Site Purchase	7,110,000	-	2,427,470	2,427,470
Site Development	2,155,000	-	-	-
Construction	3,684,000		11,976	11,976
Total expenditures	16,420,000	-	3,366,232	3,366,232
Excess (deficiency) of revenues over (under) expenditures	(16,420,000)	-	(3,366,232)	(3,366,232)
Other financing sources (uses) :				
Issuance of Debt -Installment Financing	8,405,000	-	-	-
Transfer in-Capital Reserve Fund	4,496,362	-	4,496,362	4,496,362
Transfer in-General Fund	3,518,638	-	3,518,638	3,518,638
Total other financing sources (uses)	16,420,000	-	8,015,000	8,015,000
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ -	\$ -	4,648,768	\$ 4,648,768
Fund balance, July 1			-	
Fund balance, June 30			\$ 4,648,768	



Internal Service Funds

Cabarrus County, North Carolina
Internal Service Funds
Combining Statement of Net Assets
June 30, 2007

	Worker's Compensation Fund	Self-Insured Hospitalization Fund	Total
<u>Assets</u>			
Cash and cash equivalents	\$ 2,135,612	\$ 1,902,785	\$ 4,038,397
Prepaid rent	-	1,297	1,297
Interest receivable	6,760	6,810	13,570
	<hr/>	<hr/>	<hr/>
Total assets	2,142,372	1,910,892	4,053,264
	<hr/>	<hr/>	<hr/>
<u>Liabilities</u>			
Liabilities:			
Current liabilities:			
Accounts payable	110,051	72,966	183,017
	<hr/>	<hr/>	<hr/>
Total liabilities	110,051	72,966	183,017
	<hr/>	<hr/>	<hr/>
<u>Net assets</u>			
Unrestricted	\$ 2,032,321	\$ 1,837,926	\$ 3,870,247
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Cabarrus County, North Carolina
Internal Service Funds
Combining Statement of Revenues, Expenses and Changes in Fund Net Assets
For the Year Ended June 30, 2007

	Worker's Compensation Fund	Self-Insured Hospitalization Fund	Total
Operating revenues:			
Insurance premiums	\$ -	\$ 4,706,864	\$ 4,706,864
Total operating revenues	-	4,706,864	4,706,864
Operating expenses:			
General and administrative	70,697	862,116	932,813
Claims	376,687	3,953,179	4,329,866
Total operating expenses	447,384	4,815,295	5,262,679
Operating income (loss)	(447,384)	(108,431)	(555,815)
Nonoperating revenues:			
Investment earnings	120,143	102,478	222,621
Change in net assets	(327,241)	(5,953)	(333,194)
Net assets, July 1	2,359,562	1,843,879	4,203,441
Net assets, June 30	\$ 2,032,321	\$ 1,837,926	\$ 3,870,247

Cabarrus County, North Carolina
Internal Service Funds
Combining Statement of Cash Flows
For the Year Ended June 30, 2007

	Worker's Compensation Fund	Self-Insured Hospitalization Fund	Total
Cash flows from operating activities:			
Cash received from departments	\$ -	\$ 4,706,864	\$ 4,706,864
Cash paid to suppliers for goods and services	(746,503)	(4,815,070)	(5,561,573)
Net cash provided by operating activities	(746,503)	(108,206)	(854,709)
Cash flows from investing activities:			
Interest received on investments	115,667	97,328	212,995
Net cash provided by investing activities	115,667	97,328	212,995
Net decrease in cash and cash equivalents	(630,836)	(10,878)	(641,714)
Cash and cash equivalents - July 1	2,766,448	1,913,663	4,680,111
Cash and cash equivalents - June 30	<u>\$ 2,135,612</u>	<u>\$ 1,902,785</u>	<u>\$ 4,038,397</u>
Reconciliation of operating income to net cash provided by operating activities:			
Operating income (loss)	\$ (447,384)	\$ (108,431)	\$ (555,815)
Adjustments to reconcile operating income to net cash provided by operating activities:			
Changes in assets and liabilities:			
(Increase) in prepaid rent	-	(18)	(18)
Increase (Decrease) in accounts payable and accrued liabilities	(299,119)	243	(298,876)
Total adjustments	(299,119)	225	(298,894)
Net cash provided by operating activities	<u>\$ (746,503)</u>	<u>\$ (108,206)</u>	<u>\$ (854,709)</u>



*Capital Assets Used in the
Operation of Governmental
Funds*

Cabarrus County, North Carolina
Capital Assets Used in the Operation of Governmental Funds
Comparative Schedules by Source
June 30, 2007 and 2006

	<u>2007</u>	<u>2006</u>
Governmental funds capital assets:		
Land and land improvements	\$ 25,179,907	\$ 21,549,807
Buildings and building improvements	60,861,043	59,921,540
Equipment and furniture	9,840,010	8,286,514
Vehicles and motorized equipment	6,021,870	5,360,936
Construction in Progress	29,569,650	8,582,812
Reservoir	<u>21,743,730</u>	<u>21,743,730</u>
Total governmental funds capital assets	<u><u>\$ 153,216,210</u></u>	<u><u>\$ 125,445,339</u></u>
Investments in governmental funds capital assets by source:		
Prior years	\$ 5,783,910	\$ 5,727,255
General fund	64,983,728	41,645,116
Capital project funds	56,105,113	54,018,854
Enterprise funds	17,211,823	17,211,823
Donated	<u>9,131,636</u>	<u>6,842,291</u>
Total governmental funds capital assets	<u><u>\$ 153,216,210</u></u>	<u><u>\$ 125,445,339</u></u>

Cabarrus County, North Carolina
Capital Assets Used in the Operation of Governmental Funds
Schedule by Function and Activity
June 30, 2007

<u>Function and Activity</u>	<u>Land & Improvements</u>	<u>Buildings and Building Improvements</u>	<u>Equipment</u>	<u>Furniture</u>	<u>Vehicles & Motorized Equipment</u>	<u>Construction in Progress</u>	<u>Reservoir</u>	<u>Total</u>
General Government:								
County Administration	\$ 6,033,274	\$ 15,358,175	\$ 89,611	\$ -	\$ 44,461	\$ 3,629,345	\$ -	\$ 25,154,866
Tax Administration	-	56,310	47,289	97,142	-	-	-	200,741
Register of Deeds	-	16,683	11,508	-	-	-	-	28,191
Finance	-	-	-	8,098	-	-	-	8,098
Computer Administration	-	53,040	2,529,664	26,543	49,018	137,572	-	2,795,837
General Service Administration	40,357	1,500,696	120,124	-	875,114	-	-	2,536,291
Other	29,700	202,120	791,866	-	363,166	-	-	1,386,852
Total General Government	6,103,331	17,187,024	3,590,062	131,783	1,331,759	3,766,917	-	32,110,876
Public Safety:								
Law Enforcement	4,613,309	9,221,049	4,243,808	46,705	2,106,272	23,894,564	-	44,125,707
Emergency Services	34,234	729,456	456,149	-	1,317,835	189,306	-	2,726,980
Building Inspections	-	-	-	26,581	-	-	-	26,581
Animal Control	-	574,261	73,270	-	230,702	-	-	878,233
Total Public Safety	4,647,543	10,524,766	4,773,227	73,286	3,654,809	24,083,870	-	47,757,501
Environmental Protection	6,636,849	-	-	-	23,932	-	21,743,730	28,404,511
Economic & Physical Development	-	19,363	20,332	41,035	53,237	-	-	133,967
Human Services	1,547,445	5,556,635	31,813	376,659	605,034	-	-	8,117,586
Culture & Recreation	6,244,739	27,573,255	748,461	53,352	353,099	1,718,863	-	36,691,769
Total governmental funds capital assets	\$ 25,179,907	\$ 60,861,043	\$ 9,163,895	\$ 676,115	\$ 6,021,870	\$ 29,569,650	\$ 21,743,730	\$ 153,216,210

Cabarrus County, North Carolina
Capital Assets Used in the Operation of Governmental Funds
Schedule of Changes by Function and Activity
For the Year Ended June 30, 2007

<u>Function and Activity</u>	Governmental Funds Capital Assets <u>July 1, 2006</u>	<u>Additions</u>	<u>Deductions</u>	<u>Transfers</u>	Governmental Funds Capital Assets <u>June 30, 2007</u>
General Government:					
County Administration	\$ 22,209,471	\$ 2,924,570	\$ -	\$ 20,825	\$ 25,154,866
Tax Administration	232,182	-	31,441	-	200,741
Register of Deeds	28,191	-	-	-	28,191
Finance	15,053	-	6,955	-	8,098
Computer Administration	2,056,418	938,614	179,460	(19,735)	2,795,837
General Service Administration	2,187,349	67,804	28,225	309,363	2,536,291
Other	1,512,047	30,552	79,531	(76,216)	1,386,852
Total General Government	<u>28,240,711</u>	<u>3,961,540</u>	<u>325,612</u>	<u>234,237</u>	<u>32,110,876</u>
Public Safety:					
Law Enforcement	22,759,975	21,817,496	71,606	(380,158)	44,125,707
Emergency Services	2,579,654	396,284	270,182	21,224	2,726,980
Building Inspections	26,581	-	-	-	26,581
Animal Control	903,168	77,011	32,841	(69,105)	878,233
Total Public Safety	<u>26,269,378</u>	<u>22,290,791</u>	<u>374,629</u>	<u>(428,039)</u>	<u>47,757,501</u>
Environmental Protection	<u>28,404,511</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>28,404,511</u>
Economic & Physical Development	<u>89,065</u>	<u>30,219</u>	<u>6,142</u>	<u>20,825</u>	<u>133,967</u>
Human Services	<u>7,692,687</u>	<u>330,942</u>	<u>92,140</u>	<u>186,097</u>	<u>8,117,586</u>
Culture & Recreation	<u>34,748,987</u>	<u>1,975,915</u>	<u>20,013</u>	<u>(13,120)</u>	<u>36,691,769</u>
Total governmental funds capital assets	<u>\$ 125,445,339</u>	<u>\$ 28,589,407</u>	<u>\$ 818,536</u>	<u>\$ -</u>	<u>\$ 153,216,210</u>



Other Financial Data

Cabarrus County, North Carolina
Schedule of Ad Valorem Taxes Receivable
June 30, 2007

Fiscal Year Ended June 30	Uncollected Balance June 30, 2006	Additions	Collections and Credits	Uncollected Balance June 30, 2007
2007	\$ -	\$97,490,018	\$95,699,309	\$ 1,790,709
2006	1,980,674	-	1,394,826	585,848
2005	547,506	-	222,148	325,358
2004	966,607	-	66,739	899,868
2003	347,248	-	136,991	210,257
2002	109,865	-	13,943	95,922
2001	70,468	-	4,291	66,177
2000	67,820	-	2,561	65,259
1999	51,609	-	2,800	48,809
1998	36,696	-	1,787	34,909
1997	<u>26,750</u>	<u>-</u>	<u>26,750</u>	<u>-</u>
	<u>\$ 4,205,243</u>	<u>\$ 97,490,018</u>	<u>\$ 97,572,145</u>	<u>\$ 4,123,116</u>
Less: allowance for uncollectible accounts				<u>(1,224,508)</u>
Ad valorem taxes receivable - net				<u>\$ 2,898,608</u>
<u>Reconcilement with revenues:</u>				
Ad valorem taxes - General Fund				\$ 97,124,945
Interest collected on ad valorem taxes - General Fund				473,985
Reconciling items:				
Penalties collected on ad valorem taxes - General Fund				150,692
Taxes written off				130,858
Abatements				168,668
Collections of taxes over 10 years old				(3,018)
Collections of interest				<u>(473,985)</u>
Total collections and credits				<u>\$ 97,572,145</u>

Cabarrus County, North Carolina
Analysis of Current Tax Levy
For the Year Ended June 30, 2007

	County-Wide			Total Levy	
	Property Valuation	Rate	Total Levy	Property excluding Registered Motor Vehicles	Registered Motor Vehicles
Original levy					
Property taxed at current year's rate	\$ 14,944,132,280	0.6289	\$93,986,160	\$88,400,381	\$5,585,779
Motor vehicles taxed at prior year's rate	474,170,461	0.63	2,991,926	-	2,991,926
Penalties	-		117,215	117,215	-
Total	15,418,302,741		97,095,301	88,517,596	8,577,705
Discoveries					
Current year taxes					
Current year's rate	43,425,362	0.6289	273,035	231,715	41,320
Prior year's rate	7,884,445		49,932	-	49,932
Prior year taxes	-		869,999	869,999	-
Penalties	-		57,277	57,277	-
Total	51,309,807		1,250,243	1,158,991	91,252
Abatements					
Current year's rate	(123,800,200)		(767,716)	(668,611)	(99,105)
Prior year's rate	(11,006,378)		(69,337)	-	(69,337)
Penalties	-		(18,473)	(18,473)	-
Total	(134,806,578)		(855,526)	(687,084)	(168,442)
Total property valuation	\$ 15,334,805,970				
Net levy			97,490,018	88,989,503	8,500,515
Uncollected taxes at June 30, 2007 (Schedule 30)			1,790,709	901,116	889,593
Current year's taxes collected (Schedule 30)			\$ 95,699,309	\$ 88,088,387	\$ 7,610,922
Current year collection percentage			98.16%	98.99%	89.53%

Cabarrus County, North Carolina
Analysis of Current Tax Levy
County-Wide Levy
For the Year Ended June 30, 2007

Secondary Market Disclosures:

Assessed Valuation:

Assessment Ratio ¹	100%
Real Property	\$ 12,162,097,563
Personal Property	2,912,297,937
Public Service Companies ²	<u>260,410,470</u>
Total Assessed Valuation	<u><u>\$ 15,334,805,970</u></u>
Tax Rate per \$100	.6289 per \$100
Levy ³	\$ 97,490,018

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, 2007:

Fire Protection Districts ⁴	\$ 1,826,944
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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, 2007

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
Revenues:				
Ad valorem taxes:				
Property tax current collections	\$ 86,490,005	\$ 86,490,005	\$ 87,942,426	\$ 1,452,421
Property tax prior collections	850,000	850,000	862,342	12,342
Vehicle tax current collections	7,002,962	7,002,962	7,610,922	607,960
Property tax collections over 10 years	50	50	(62)	(112)
Vehicle tax prior collections	560,000	560,000	706,237	146,237
Vehicle tax over 3 years	1,000	1,000	3,080	2,080
Tax penalty and interest	300,000	300,000	376,439	76,439
Vehicle tax penalty and interest	80,000	80,000	97,546	17,546
Total	95,284,017	95,284,017	97,598,930	2,314,913
Other taxes:				
Sales tax - one cent	14,968,833	14,968,833	15,667,217	698,384
Sales tax - half cent (40)	5,970,295	5,970,295	6,627,364	657,069
Sales tax - half cent (42)	5,910,486	5,910,486	6,548,987	638,501
Sales tax - half cent (44)	6,225,612	6,225,612	6,561,908	336,296
Sales tax fire districts	830,000	1,002,646	1,033,367	30,721
Vision cable franchise	450,000	450,000	407,003	(42,997)
Gross Receipts Tax	80,000	80,000	102,456	22,456
Total	34,435,226	34,607,872	36,948,302	2,340,430
Intergovernmental revenues:				
Veterans service grant	2,000	2,000	2,000	-
Aid to counties - DSS	71,709	71,709	71,709	-
Social services admin	7,531,417	7,697,960	7,773,187	75,227
Day care children	4,146,997	4,692,966	4,130,014	(562,952)
Foster care and boarding home	990,920	990,920	543,737	(447,183)
CBA - home based services	137,761	140,561	140,561	-
Child support incentive	194,740	194,740	202,964	8,224
Food stamp fraud collections	6,767	6,767	3,363	(3,404)
HCCBG/In home aide - CBG	119,415	119,415	120,084	669
AFDC reimbursement	-	-	280	280
Adoption assistance IV B	143,112	143,112	204,457	61,345
JCPC	-	204	204	-
Transportation grant	87,600	87,600	58,236	(29,364)
Congregate nutrition grant	150,850	150,850	156,672	5,822
In-Home services grant	26,708	26,708	45,089	18,381
Home improvement repair grant	34,181	38,181	35,110	(3,071)
Weatherization program grant	91,178	124,354	115,566	(8,788)
Special needs grant	-	132,000	132,000	-
Genesis	24,356	27,482	27,482	-
Project challenge	63,391	54,391	54,391	-
Caregiver grant	25,800	39,513	42,151	2,638
Child enforcement support	170,000	170,000	223,123	53,123
HARP grant	22,108	47,244	47,253	9
Work first grant	-	178,164	89,082	(89,082)
Individual living links	-	-	8,688	8,688
CBA teen court resolve program	46,458	49,328	49,328	-
Smart start day care grant	812,679	731,384	686,357	(45,027)
Title V revenue	80,000	72,547	59,174	(13,373)
Consumer directed services grant	38,884	38,884	36,423	(2,461)
Family friends grants revenue	25,000	-	-	-
HCCBG - adult day services	112,010	142,568	137,040	(5,528)
DJJDP-psychological svc.	41,379	41,379	41,379	-

Cabarrus County, North Carolina
General Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the year ended June 30, 2007

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Emergency management grant	-	50,213	24,831	(25,382)
ROAP/EDTAP	71,691	71,691	96,211	24,520
Section 18 transportation grant	197,273	197,273	192,749	(4,524)
Water quality grant	22,000	22,000	25,769	3,769
Soil conservation grant	4,000	4,000	4,000	-
4 H SOS grant	71,130	71,130	71,130	-
NC department of crime control	-	77,228	11,520	(65,708)
COPS in school grant	117,144	388,930	357,245	(31,685)
NC humanities council	-	1,000	1,000	-
State aid to library grant	192,407	202,647	202,647	-
Information and case asst. grant	56,643	56,643	53,602	(3,041)
Criminal justice part grant	120,390	124,449	124,449	-
ROAP grant	50,189	50,189	79,960	29,771
WFTAP	7,135	7,135	7,070	(65)
NC department of transportation	-	39,244	37,003	(2,241)
Senior center operations grant	11,709	36,611	41,944	5,333
Terrorism grant revenue	-	302,029	297,482	(4,547)
HRSA grant	-	-	405	405
HAVA Title I grant	-	-	40,576	40,576
Office of justice grants	-	25,675	22,500	(3,175)
Dept. of env. & nat. resource grants	-	-	5,348	5,348
Aging grants	-	31,831	21,411	(10,420)
Soil and water grants	-	500	1,000	500
ABC profits	50,000	50,000	64,956	14,956
District court facility fees	350,000	350,000	457,823	107,823
Civil license revocation	26,000	26,000	27,801	1,801
Contribution from local govt	-	14,500	9,500	(5,000)
Clerk of Court - NOW account	4,000	4,000	14,786	10,786
Lottery proceeds	4,181,192	-	-	-
Total	20,730,323	18,417,849	17,531,822	(886,027)
Permits and fees:				
Register of Deeds fees	3,040,900	3,048,003	3,049,511	1,508
Fire code permits	10,000	10,000	9,165	(835)
Subdivision fees	10,000	10,000	17,775	7,775
Rezoning fees	3,000	3,000	4,666	1,666
Inspection fees	3,000,000	3,381,491	3,605,474	223,983
Zoning fees	82,350	82,350	96,959	14,609
Civil penalties fees	1,000	1,000	-	(1,000)
Gun permit fees	20,000	20,000	31,830	11,830
Access fee	-	-	13,500	13,500
Soil erosion plan fees	80,000	80,000	105,274	25,274
Alarm ordinance fees	7,000	7,000	15,145	8,145
Total	6,254,250	6,642,844	6,949,299	306,455
Sales and services:				
Tax collection fees	208,000	208,000	258,794	50,794
Garnishment fees	47,000	47,000	86,334	39,334
Sale of maps and publications	5,500	5,500	5,010	(490)
Collection fees	98,500	98,500	120,878	22,378
Deputy reimbursement	690,000	705,366	703,825	(1,541)
Program fees	712,317	732,448	729,847	(2,601)
Service fees	48,000	48,000	59,595	11,595
Photocopy fees	13,000	13,000	41,437	28,437
Concession fees	120,000	120,000	99,113	(20,887)

Cabarrus County, North Carolina
General Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the year ended June 30, 2007

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Parking fees	17,000	17,000	16,218	(782)
Building rental fees	247,060	247,060	291,150	44,090
Ambulance fees	2,000,000	2,000,000	2,954,925	954,925
Rental fees	-	-	600	600
CAP admin	3,689,314	3,045,314	2,523,787	(521,527)
Northeast Medical Center	52,082	52,082	71,743	19,661
Medicaid case management	84,250	84,250	84,548	298
Nutrition client contributions	35,500	35,500	29,772	(5,728)
In-Home services client contributions	1,500	1,500	1,002	(498)
Home improvement program fees	1,000	1,000	1,029	29
Special revenue fees	38,000	38,000	26,678	(11,322)
Caregiver contribution	1,000	1,000	1,816	816
Community free clinic	12,100	12,100	6,168	(5,932)
Inmate co-payment fees	-	-	3,841	3,841
Special program	50,700	50,700	61,135	10,435
Athletic fees	30,000	30,000	32,025	2,025
Special population fees	5,500	5,500	5,950	450
Gasoline rebate	-	-	46,333	46,333
Medicaid reimbursement	300,000	300,000	510,277	210,277
Officers fees	220,000	220,000	271,937	51,937
Jail fees	75,000	75,000	77,126	2,126
Inmate confinement fee - state	40,000	40,000	77,060	37,060
Vehicle tax collection fees	60,000	60,000	75,641	15,641
Weatherization project income	1,000	1,000	-	(1,000)
Consignment revenues	100	100	76	(24)
Insurance Premiums	33,000	33,000	31,898	(1,102)
Cost sharing fee	100	100	40	(60)
Adult day services client contribution	-	-	732	732
Advertising fees	25,000	25,000	1,474	(23,526)
Facility services revenue	38,472	38,472	40,138	1,666
Personal care services	156,434	156,434	144,638	(11,796)
Lunch Plus Club revenue	50,000	50,000	23,629	(26,371)
Senior games revenue	15,000	15,000	14,040	(960)
Paddleboat rental	13,000	13,000	9,715	(3,285)
Shelter rental	23,700	23,700	35,905	12,205
Vending	21,000	21,000	8,828	(12,172)
Wildlife	3,000	3,000	4,368	1,368
MPCEC revenue	8,000	8,000	1,360	(6,640)
Title V program revenue	-	5,000	1,335	(3,665)
Consumer directed svcs client	-	5,000	1,899	(3,101)
Total	9,290,129	8,691,626	9,595,669	904,043
Investment earnings:				
Interest on investments	1,033,524	1,726,091	3,462,874	1,736,783
Total	1,033,524	1,726,091	3,462,874	1,736,783
Miscellaneous:				
Sale of fixed assets	-	-	2,064	2,064
Overages and shortages	-	-	89	89
Miscellaneous revenue	10,050	93,875	79,210	(14,665)
Insurance refunds	-	12,906	43,954	31,048
Contributions and private donations	-	401,750	404,610	2,860
Donations - Cannon Trust	-	-	143,000	143,000
Operation grant - Duke Power	12,500	12,500	12,500	-
Covering kids scholarship fund	3,000	3,000	1,000	(2,000)

Cabarrus County, North Carolina
General Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the year ended June 30, 2007

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Matching grants revenue	-	100,000	100,000	-
Hinson Memorial Trust	-	-	5,850	5,850
Philip Morris grant	-	-	25,000	25,000
Wellness aging contribution	12,900	12,900	14,994	2,094
Community access program grant	27,590	27,590	26,317	(1,273)
Soccer light reimbursement	(6,000)	(6,000)	2,590	8,590
Title V employer contribution	5,000	5,000	769	(4,231)
EEP contract	-	-	15,200	15,200
Total	65,040	663,521	877,147	213,626
Total revenues	167,092,509	166,033,820	172,964,043	6,930,223

Expenditures:

General Government

Board of Commissioners				
Salaries and wages	93,178	90,154	68,366	21,788
Per diem payments	56,607	56,607	56,721	(114)
Temporary personnel services	-	6,024	5,998	26
Social security	9,257	9,257	7,643	1,614
Medicare	2,168	2,168	1,788	380
Group hospital insurance	13,483	13,483	8,527	4,956
Retirement	4,548	4,548	3,336	1,212
Deferred compensation 401k	4,660	4,660	3,418	1,242
Office supplies	2,400	2,400	2,436	(36)
Printing & binding	1,500	1,500	167	1,333
Postage	800	800	150	650
Other operating cost	3,000	3,000	312	2,688
Special program supplies	2,000	2,000	1,964	36
Telephone	4,000	4,000	3,761	239
Transportation	33,600	33,600	33,600	-
Purchased services	6,500	6,500	4,000	2,500
Minor equipment maintenance	2,500	2,500	-	2,500
Advertising	4,000	4,000	4,062	(62)
Consultants	9,000	9,000	9,000	-
Travel	22,000	22,000	27,880	(5,880)
Dues and subscriptions	70,400	70,400	70,373	27
Insurance and bonds	2,626	2,626	2,188	438
Board directed expenses	13,000	13,000	10,422	2,578
Total	361,227	364,227	326,112	38,115

Legal Department

Salaries and wages	90,000	35,939	4,891	31,048
Temporary personnel services	-	-	54	(54)
Social security	5,580	5,946	293	5,653
Medicare	1,305	1,392	68	1,324
Group hospital insurance	5,393	6,293	225	6,068
Retirement	4,392	4,683	239	4,444
Deferred compensation 401k	4,500	4,798	244	4,554
County legal library	2,000	2,000	-	2,000
Printing & binding	500	500	-	500
Postage	100	100	-	100
Legal fees	200,000	260,000	212,591	47,409
Travel	2,000	2,000	-	2,000
Dues and subscriptions	1,500	1,500	-	1,500

Cabarrus County, North Carolina
General Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the year ended June 30, 2007

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Insurance and bonds	1,575	1,575	85	1,490
Total	318,845	326,726	218,690	108,036
County Manager				
Salaries and wages	278,514	285,214	284,299	915
Social security	13,585	13,585	13,929	(344)
Medicare	4,025	4,025	4,075	(50)
Group hospital insurance	13,482	13,494	13,493	1
Retirement	13,474	13,474	13,757	(283)
Deferred compensation 401k	13,927	13,927	14,215	(288)
Office supplies	3,000	3,000	3,053	(53)
Printing & binding	500	500	314	186
Postage	500	500	192	308
Minor office equip and furniture	2,000	16,000	620	15,380
Other operating cost	3,700	3,700	1,619	2,081
Telephone	2,016	2,016	2,006	10
Service contracts	9,000	9,000	4,948	4,052
Consultants	13,000	2,000	-	2,000
Travel	7,000	7,000	9,436	(2,436)
Dues and subscriptions	1,500	1,500	512	988
Insurance and bonds	4,875	4,875	4,967	(92)
Total	384,098	393,810	371,435	22,375
Communications & Outreach				
Salaries and wages	158,152	168,627	163,919	4,708
Social security	9,743	9,743	9,980	(237)
Medicare	2,280	2,280	2,334	(54)
Group hospital insurance	21,572	21,572	18,875	2,697
Retirement	7,720	7,720	7,970	(250)
Deferred compensation 401k	7,910	7,910	8,165	(255)
Office supplies	500	500	203	297
Printing & binding	29,500	12,800	12,798	2
Postage	22,000	15,500	15,507	(7)
Minor office equip and furniture	11,150	19,846	22,520	(2,674)
Fuel	-	350	270	80
Telephone	5,800	5,800	4,951	849
Purchased services	-	1,850	1,850	-
Event expense	4,000	3,000	2,156	844
Minor equipment maintenance	3,060	260	199	61
Service contracts	3,350	3,350	2,495	855
Advertising	9,500	9,500	8,726	774
Consultants	-	26,200	18,351	7,849
Travel	20,000	6,800	7,247	(447)
Dues and subscriptions	1,600	1,600	2,207	(607)
Consignment expense	10,000	5,000	4,988	12
Training and education	7,200	4,400	4,236	164
Insurance and bonds	2,769	2,769	2,838	(69)
Marketing activities	14,500	20,700	19,501	1,199
Equipment and furniture	22,000	66,404	62,701	3,703
Total	374,306	424,481	404,987	19,494
Risk Management				
Salaries and wages	78,154	87,939	86,345	1,594
Social security	4,832	4,832	5,158	(326)
Medicare	1,131	1,131	1,206	(75)

Cabarrus County, North Carolina
General Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the year ended June 30, 2007

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
Group hospital insurance	10,786	10,786	10,336	450
Retirement	3,814	3,814	4,214	(400)
Deferred compensation 401k	3,908	3,908	4,317	(409)
Office supplies	400	400	400	-
Printing & binding	2,025	2,025	1,642	383
Postage	741	741	220	521
Tools and minor equipment	11,100	9,900	9,863	37
Minor office equipment furniture	16,800	29,112	29,510	(398)
Fuel	-	525	480	45
Telephone	900	900	768	132
Travel	1,127	1,802	1,334	468
Dues and subscriptions	69	869	797	72
Training and education	2,595	2,595	1,924	671
Insurance and bonds	1,368	1,368	1,510	(142)
Wellness programs	36,910	32,207	31,568	639
Equipment and furniture	-	5,097	5,097	-
Total	176,660	199,951	196,689	3,262
Human Resources				
Salaries and wages	190,249	198,549	197,655	894
Temporary - part and full time	5,715	5,715	3,511	2,204
Social security	11,849	11,849	11,963	(114)
Medicare	2,772	2,772	2,798	(26)
Group hospital insurance	21,572	21,572	16,207	5,365
Retirement	9,286	9,286	9,646	(360)
Deferred compensation 401k	9,514	9,514	9,883	(369)
Office supplies	1,800	1,800	1,721	79
Printing & binding	2,500	2,500	422	2,078
Postage	2,000	2,000	1,242	758
Minor office equipment and furniture	500	500	107	393
Special projects	29,600	29,600	20,046	9,554
Telephone	600	600	419	181
Purchased services	27,000	27,000	23,264	3,736
Minor equipment maintenance	500	500	-	500
Service contracts	2,500	2,500	2,301	199
Advertising	15,000	15,000	17,097	(2,097)
Consultants	77,000	77,000	59,376	17,624
Legal fees	4,500	4,500	1,927	2,573
Travel	4,200	4,200	1,997	2,203
Dues and subscriptions	2,000	2,000	1,502	498
Training and education	11,000	11,000	199	10,801
Insurance and bonds	3,433	3,433	3,527	(94)
Total	435,090	443,390	386,810	56,580
Tax Collector				
Salaries and wages	322,462	322,462	298,580	23,882
Social security	19,795	19,795	18,214	1,581
Medicare	4,633	4,633	4,260	373
Group hospital insurance	53,930	53,930	44,090	9,840
Retirement	15,740	15,740	14,571	1,169
Deferred compensation 401k	16,127	16,127	14,929	1,198
Office supplies	6,050	6,050	4,902	1,148
Printing & binding	7,840	10,216	9,342	874
Postage	120,000	131,500	131,122	378
Minor office equip and furniture	1,000	1,000	749	251

Cabarrus County, North Carolina
General Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the year ended June 30, 2007

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
Bank service charges	61,000	94,500	93,400	1,100
Telephone	1,368	68	-	68
Purchased services	65,620	51,625	50,592	1,033
Minor equipment maintenance	500	500	80	420
Service contracts	3,700	3,700	3,677	23
Advertising	6,900	4,524	4,524	-
Legal fees	19,000	6,300	717	5,583
Travel	5,000	5,000	2,640	2,360
Dues and subscriptions	410	410	131	279
Training and education	4,900	4,900	5,068	(168)
Insurance and bonds	5,646	5,646	5,240	406
Equipment and furniture	-	7,995	7,541	454
Total	741,621	766,621	714,369	52,252
Tax Administration				
Salaries and wages	1,249,544	1,255,444	1,255,853	(409)
Temporary - part and full time	79,194	79,194	53,727	25,467
Per diem payments	2,000	2,000	680	1,320
Social security	80,708	80,708	78,355	2,353
Medicare	18,886	18,886	18,358	528
Group hospital insurance	158,104	158,104	149,501	8,603
Retirement	60,992	60,992	61,288	(296)
Deferred compensation 401k	62,490	62,490	62,793	(303)
Dental insurance - tax assessor	1,707	1,707	552	1,155
Office supplies	18,900	17,400	16,288	1,112
Printing & binding	4,900	4,900	2,119	2,781
Micrographic expense	60,000	60,000	5,389	54,611
Postage	41,126	41,126	36,156	4,970
Tools and minor equipment	-	4,800	4,822	(22)
Minor office equip and furniture	2,923	2,923	1,093	1,830
Telephone	9,129	9,129	8,463	666
Purchased services	79,700	59,700	57,606	2,094
Minor equipment maintenance	800	800	-	800
Service contracts	8,750	8,750	6,485	2,265
Advertising	5,060	5,060	3,190	1,870
Travel	16,090	12,980	12,765	215
Mileage	28,000	22,000	19,291	2,709
Dues and subscriptions	6,232	6,232	6,342	(110)
Training and education	22,315	27,925	26,816	1,109
Insurance and bonds	23,715	23,715	23,403	312
Board directed expenses	6,000	6,000	-	6,000
Total	2,047,265	2,032,965	1,911,335	121,630
Board of Elections				
Salaries and wages	181,873	191,373	190,919	454
Temporary - part and full time	40,803	40,803	20,505	20,298
Per diem payments	7,350	7,350	3,575	3,775
Supplemental personnel services	1,332	1,332	-	1,332
Social security	13,446	13,446	12,711	735
Medicare	3,152	3,152	2,973	179
Group hospital insurance	26,965	26,965	26,065	900
Retirement	8,877	8,877	9,317	(440)
Deferred compensation 401k	9,096	9,096	9,546	(450)
Office supplies	5,000	5,000	4,040	960
Printing & binding	8,500	8,500	3,551	4,949

Cabarrus County, North Carolina
General Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the year ended June 30, 2007

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
Postage	15,578	15,578	14,051	1,527
Minor office equipment and furniture	4,750	4,750	4,018	732
Telephone	-	-	-	-
Purchased services	25,000	25,000	-	25,000
Minor equipment maintenance	1,600	1,600	846	754
Service contracts	55,100	55,100	17,295	37,805
Advertising	6,150	6,150	3,170	2,980
Travel	10,188	10,188	9,313	875
Dues and subscriptions	1,040	1,040	270	770
Insurance and bonds	3,900	3,900	3,711	189
Elections expense	215,790	171,706	107,211	64,495
HAVA title I grant expense	-	-	40,576	(40,576)
Total	645,490	610,906	483,663	127,243
Register of Deeds				
Salaries and wages	303,329	323,293	322,560	733
Part time >1000 hours	18,899	18,899	8,315	10,584
Temporary - part and full time	10,904	10,904	10,938	(34)
Social security	20,505	20,734	20,908	(174)
Medicare	4,802	4,856	4,890	(34)
Group hospital insurance	48,537	51,233	49,883	1,350
Retirement	15,730	15,911	16,147	(236)
Deferred compensation 401k	16,117	16,302	16,544	(242)
Other benefits	63,000	63,000	60,047	2,953
Office supplies	13,000	13,000	12,024	976
Printing & binding	7,500	7,500	6,427	1,073
Postage	9,500	9,500	4,325	5,175
Minor equipment maintenance	600	600	-	600
Service contracts	11,455	11,455	10,276	1,179
Travel	3,985	3,985	1,774	2,211
ITS services	200,250	200,250	199,102	1,148
Dues and subscriptions	375	375	375	-
Insurance and bonds	5,946	6,011	6,117	(106)
Total	754,434	777,808	750,652	27,156
Finance				
Salaries and wages	488,412	506,932	504,392	2,540
Part time >1000 hours	98,283	90,027	77,954	12,073
Temporary personnel services	-	4,256	1,423	2,833
Supplemental personnel services	1,500	1,500	190	1,310
Social security	35,841	35,841	34,685	1,156
Medicare	8,386	8,386	8,112	274
Group hospital insurance	48,537	48,537	42,296	6,241
Retirement	28,520	28,520	28,303	217
Deferred compensation 401k	29,338	29,338	29,118	220
Office supplies	8,500	9,500	9,429	71
Printing & binding	11,500	9,500	7,837	1,663
Postage	10,500	10,500	9,402	1,098
Minor office equip and furniture	500	2,070	2,067	3
Bank service charges	9,000	15,500	15,601	(101)
Telephone	1,300	1,300	1,375	(75)
Purchased services	2,000	1,000	-	1,000
Minor equipment maintenance	1,500	1,500	914	586
Service contracts	4,000	6,000	5,831	169
Auditors	30,500	22,875	22,875	-

Cabarrus County, North Carolina
General Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the year ended June 30, 2007

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
Consultants	10,000	8,000	8,000	-
Travel	18,350	20,400	20,588	(188)
Dues and subscriptions	2,545	3,050	3,047	3
Training and education	-	2,300	2,258	42
Insurance and bonds	10,719	10,719	10,645	74
Total	859,731	877,551	846,342	31,209
Information Technology Services				
Salaries and wages	1,026,549	1,026,549	1,027,428	(879)
Social security	62,971	62,971	61,506	1,465
Medicare	14,736	14,736	14,384	352
Group hospital insurance	107,860	107,860	103,811	4,049
Retirement	50,102	50,102	50,141	(39)
Deferred compensation 401k	51,336	51,336	51,371	(35)
Office supplies	7,200	7,200	6,271	929
Printing & binding	-	-	55	(55)
Postage	1,225	1,225	599	626
Minor office equip and furniture	186,625	207,478	210,928	(3,450)
Fuel	2,800	2,800	2,804	(4)
Purchases for resale	-	-	54,956	(54,956)
Direct chargeback to depts	-	-	(47,454)	47,454
Telephone	179,560	179,560	160,169	19,391
Purchased services	116,700	116,700	95,501	21,199
Autos and trucks maintenance	3,000	3,000	1,509	1,491
Minor equipment maintenance	15,300	15,300	14,679	621
Service contracts	244,046	244,046	237,429	6,617
Consultants	28,000	58,000	52,057	5,943
Travel	15,920	15,920	14,422	1,498
Dues and subscriptions	1,150	1,150	1,024	126
Training and education	41,000	41,000	33,291	7,709
Insurance and bonds	17,975	17,975	18,003	(28)
Other improvements	100,000	129,645	119,109	10,536
Equipment and furniture	115,200	174,347	151,244	23,103
Total	2,389,255	2,528,900	2,435,237	93,663
Capital Improvement Projects				
Road construction	-	493,356	490,177	3,179
Building improvements	753,500	753,500	520,184	233,316
Equipment and furniture	250,000	878,246	775,565	102,681
Total	1,003,500	2,125,102	1,785,926	339,176
Grounds Maintenance				
Salaries and wages	250,086	261,686	243,358	18,328
Social security	15,249	15,249	14,935	314
Medicare	3,570	3,570	3,493	77
Group hospital insurance	48,537	48,537	46,064	2,473
Retirement	12,208	12,208	11,997	211
Deferred compensation 401k	12,509	12,509	12,292	217
Tools and minor equipment	7,753	13,253	7,858	5,395
Uniforms	6,300	6,300	5,176	1,124
Automotive supplies	8,100	8,100	6,260	1,840
Fuel	20,750	20,750	16,654	4,096
Building and equipment rentals	17,112	11,612	13,840	(2,228)
Lights and power	-	289	289	-
Telephone	-	660	310	350

Cabarrus County, North Carolina
General Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the year ended June 30, 2007

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Buildings and grounds maintenance	80,445	96,817	84,264	12,553
School building maintenance	91,000	91,000	89,219	1,781
Autos and trucks maintenance	12,000	12,000	11,184	816
Minor equipment maintenance	17,000	21,000	24,477	(3,477)
Service contracts	210,728	189,407	165,076	24,331
Travel	500	500	400	100
Training and education	3,520	3,520	2,035	1,485
Insurance and bonds	4,381	4,381	4,303	78
Total	821,748	833,348	763,484	69,864
General Services Administration				
Salaries and wages	148,950	148,950	139,465	9,485
Social security	9,100	9,100	8,501	599
Medicare	2,130	2,130	1,988	142
Group hospital insurance	16,179	16,179	15,055	1,124
Retirement	7,271	7,271	6,806	465
Deferred compensation 401k	7,449	7,449	6,973	476
Office supplies	4,893	4,893	3,688	1,205
Printing & binding	800	800	749	51
Postage	150	150	47	103
Minor office equipment and furniture	500	500	-	500
Automotive supplies	1,000	1,000	-	1,000
Fuel	1,000	1,000	937	63
Other operating cost	500	500	408	92
Building and equipment rentals	8,000	8,000	2,785	5,215
Heat	125,500	125,500	83,559	41,941
Lights and power	480,000	480,000	455,999	24,001
Telephone	28,598	28,598	24,185	4,413
Purchased services	2,400	2,400	-	2,400
Autos and trucks maintenance	1,000	1,000	73	927
Minor equipment maintenance	500	500	-	500
Service contracts	6,174	6,174	2,664	3,510
Consultants	500	500	-	500
Travel	2,300	2,300	-	2,300
Dues and subscriptions	400	400	-	400
Training and education	1,295	1,295	55	1,240
Insurance and bonds	2,608	2,608	2,445	163
Total	859,197	859,197	756,382	102,815
Street Sign Maintenance				
Salaries and wages	64,053	67,278	66,647	631
Supplemental personnel services	-	499	498	1
Social security	3,937	3,937	4,100	(163)
Medicare	921	921	959	(38)
Group hospital insurance	10,786	10,786	9,437	1,349
Retirement	3,126	3,126	3,257	(131)
Deferred compensation 401k	3,203	3,203	3,337	(134)
Office supplies	-	196	196	-
Tools and minor equipment	2,000	2,000	1,579	421
Uniforms	700	700	604	96
Automotive supplies	750	750	133	617
Fuel	2,500	3,500	3,779	(279)
Building and equipment rentals	300	300	-	300
School building maintenance	48,500	45,929	33,292	12,637
Autos and trucks maintenance	660	1,537	2,243	(706)

Cabarrus County, North Carolina
General Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the year ended June 30, 2007

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
Minor equipment maintenance	250	250	-	250
Travel	-	895	895	-
Training and education	1,000	104	-	104
Insurance and bonds	1,121	1,121	1,174	(53)
Total	143,807	147,032	132,130	14,902
Building Maintenance				
Salaries and wages	335,589	355,764	351,484	4,280
Supplemental personnel service	15,000	15,000	16,210	(1,210)
Social security	20,100	20,100	20,992	(892)
Medicare	4,704	4,704	4,910	(206)
Group hospital insurance	48,537	48,537	48,535	2
Retirement	16,382	16,382	17,263	(881)
Deferred compensation 401k	16,783	16,783	17,687	(904)
Tools and minor equipment	10,831	10,831	10,395	436
Uniforms	4,600	4,600	2,019	2,581
Automotive supplies	2,185	2,185	-	2,185
Fuel	17,500	19,005	21,430	(2,425)
Building and equipment rentals	21,000	18,500	18,326	174
Buildings and grounds maintenance	693,170	847,882	718,133	129,749
School building maintenance	85,000	106,000	114,970	(8,970)
Autos and trucks maintenance	7,500	7,500	8,076	(576)
Minor equipment maintenance	1,650	1,650	49	1,601
Service contracts	120,369	120,369	77,654	42,715
Consultants	11,150	3,150	658	2,492
Engineers	10,000	3,000	-	3,000
Architect	7,000	1,000	-	1,000
Travel	2,000	2,000	1,920	80
Training and education	6,410	4,905	4,905	-
Insurance and bonds	5,878	5,878	6,202	(324)
Other improvements	41,000	56,000	25,310	30,690
Equipment and furniture	45,000	79,700	79,609	91
Total	1,549,338	1,771,425	1,566,737	204,688
Facility Services				
Salaries and wages	426,834	426,834	421,431	5,403
Part time >1000 hours	209,607	209,607	210,159	(552)
Supplemental personnel services	6,000	6,000	3,768	2,232
Social security	38,915	38,915	38,223	692
Medicare	9,110	9,110	8,939	171
Group hospital insurance	91,681	91,681	88,513	3,168
Retirement	31,070	31,070	30,817	253
Deferred compensation 401k	31,835	31,835	31,572	263
Custodial tools and equipment	2,901	1,901	1,447	454
Minor office equipment and furniture	750	750	-	750
Uniforms	6,588	6,588	5,490	1,098
Automotive supplies	3,900	3,612	644	2,968
Fuel	7,500	5,500	2,962	2,538
Janitorial supplies	55,400	36,400	34,811	1,589
Building and equipment rentals	21,930	40,315	40,315	-
Buildings and grounds maintenance	24,980	27,268	27,268	-
School building maintenance	19,000	21,615	21,195	420
Autos and trucks maintenance	8,500	8,500	4,930	3,570
Minor equipment maintenance	800	1,011	1,083	(72)
Travel	400	189	-	189

Cabarrus County, North Carolina
General Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the year ended June 30, 2007

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
Training and education	1,350	350	-	350
Insurance and bonds	11,156	11,156	11,060	96
Total	1,010,207	1,010,207	984,627	25,580
Fleet Maintenance				
Salaries and wages	205,924	211,024	210,502	522
Social security	12,614	12,614	12,706	(92)
Medicare	2,953	2,953	2,971	(18)
Group hospital insurance	26,965	26,965	21,624	5,341
Retirement	10,050	10,050	10,273	(223)
Deferred compensation 401k	10,299	10,299	10,525	(226)
Office supplies	900	900	967	(67)
Printing & binding	1,000	1,000	343	657
Postage	18	18	-	18
Tools and minor equipment	5,000	5,000	4,293	707
Minor office equipment and furniture	1,200	1,200	966	234
Uniforms	2,944	2,944	2,345	599
Automotive supplies	1	1	160,861	(160,860)
Fuel	4,430	4,430	3,463	967
Direct chargeback to depts	-	-	(168,140)	168,140
Building and equipment rentals	1,100	1,100	826	274
Telephone	3,276	3,276	3,520	(244)
School building maintenance	1,000	1,000	639	361
Autos and trucks maintenance	1,600	1,600	616	984
Minor equipment maintenance	4,000	4,000	597	3,403
Service contracts	2,835	2,835	1,275	1,560
Travel	2,600	2,600	-	2,600
Insurance and bonds	3,606	3,606	3,684	(78)
Total	304,315	309,415	284,856	24,559
Other General Government				
Salary adjustments	350,000	-	-	-
Other benefits	538,320	514,695	460,659	54,036
Insurance services and settlements	-	-	1,642	(1,642)
Unemployment compensation	90,000	50,000	41,704	8,296
Contingency	230,579	68,313	-	68,313
Cont to pension trust fund	392,503	392,503	392,503	-
APFO reimbursement	-	96,316	-	96,316
Total	1,601,402	1,121,827	896,508	225,319
Total General Government	16,781,536	17,924,889	16,216,971	1,707,918
Public Safety				
County Sheriff				
Salaries and wages	4,681,724	4,762,209	4,757,858	4,351
Social security	285,351	286,057	285,312	745
Medicare	66,775	66,940	66,726	214
Group hospital insurance	587,890	589,688	585,927	3,761
Retirement	223,755	227,199	227,772	(573)
Deferred compensation 401k	234,137	237,556	238,057	(501)
Office supplies	77,000	81,800	75,778	6,022
Printing & binding	7,500	7,500	7,408	92
Micrographic expense	2,000	1,000	-	1,000
Postage	6,000	6,000	6,067	(67)
Minor office equip and furniture	63,753	52,753	52,074	679

Cabarrus County, North Carolina
General Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the year ended June 30, 2007

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Uniforms	85,000	83,028	86,643	(3,615)
Automotive supplies	10,000	20,000	18,999	1,001
Fuel	201,000	275,084	284,086	(9,002)
Office of justice program grant	-	25,675	23,625	2,050
Building and equipment rentals	15,500	15,500	12,362	3,138
Telephone	45,000	45,000	49,148	(4,148)
Transportation	-	-	(70)	70
DARE program expense	32,294	32,294	31,861	433
Purchased services	28,700	60,700	58,856	1,844
School resource officer grant	-	102,970	6,655	96,315
Buildings and grounds maintenance	-	480	480	-
Autos and trucks maintenance	100,000	115,000	126,607	(11,607)
Minor equipment maintenance	10,000	-	-	-
Service contracts	217,907	217,907	221,760	(3,853)
Advertising	400	400	316	84
Travel	40,000	43,498	45,771	(2,273)
Dues and subscriptions	15,000	15,000	14,153	847
Insurance and bonds	104,267	104,466	104,598	(132)
Medical consultants	6,500	9,100	9,786	(686)
COPS more grant expense	-	271,786	271,786	-
NC governors hwy safety program	-	39,244	38,400	844
Equipment and furniture	255,600	311,600	267,638	43,962
Total	7,403,053	8,107,434	7,976,439	130,995
Jail				
Salaries and wages	2,088,181	2,144,722	2,011,187	133,535
Part time <1000 hours	38,377	38,377	15,689	22,688
Social security	130,645	135,025	123,427	11,598
Medicare	30,571	31,595	28,866	2,729
Group hospital insurance	318,187	326,321	275,224	51,097
Retirement	99,878	103,255	96,167	7,088
Deferred compensation 401k	104,436	107,968	100,515	7,453
Office supplies	46,000	55,000	55,789	(789)
Printing & binding	2,500	2,500	2,419	81
Minor office equip and furniture	16,900	17,200	17,657	(457)
Food	511,081	459,751	448,517	11,234
Medical supplies	4,000	4,000	-	4,000
Purchases for resale	90,000	90,000	74,460	15,540
Telephone	10,000	10,000	5,290	4,710
Purchased services	867,000	835,000	725,510	109,490
Buildings and grounds maintenance	15,000	28,000	25,175	2,825
Service contracts	11,700	11,700	2,405	9,295
Dues and subscriptions	3,000	3,000	2,317	683
Insurance and bonds	46,654	47,890	44,469	3,421
Medical consultants	410,688	433,038	437,763	(4,725)
Medical treatment	20,000	20,000	883	19,117
Total	4,864,798	4,904,342	4,493,729	410,613
Animal Control				
Salaries and wages	394,500	405,470	405,068	402
Social security	24,111	24,111	24,230	(119)
Medicare	5,643	5,643	5,666	(23)
Group hospital insurance	53,930	53,930	52,593	1,337
Retirement	18,932	18,932	19,440	(508)
Deferred compensation 401k	19,730	19,730	20,253	(523)

Cabarrus County, North Carolina
General Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the year ended June 30, 2007

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Office supplies	4,000	4,000	2,791	1,209
Printing & binding	300	350	340	10
Postage	300	-	-	-
Tools and minor equipment	1,000	1,000	1,351	(351)
Minor office equip and furniture	5,600	4,600	4,582	18
Automotive supplies	1,500	1,500	504	996
Fuel	26,500	29,500	34,450	(4,950)
Other operating cost	10,000	10,700	11,703	(1,003)
Janitorial supplies	1,000	1,000	794	206
Telephone	3,000	3,000	1,446	1,554
Purchased services	3,000	3,000	3,000	-
Buildings and grounds maintenance	1,000	1,000	358	642
Autos and trucks maintenance	12,000	12,000	11,549	451
Service contracts	4,615	4,615	3,746	869
Consultants	5,500	5,500	3,750	1,750
Travel	500	500	279	221
Dues and subscriptions	200	200	125	75
Insurance and bonds	8,523	8,523	8,753	(230)
Equipment and furniture	84,000	84,000	77,012	6,988
Total	689,384	702,804	693,783	9,021
Courts				
Part time <1000 hours	28,366	28,366	19,573	8,793
Social security	1,760	1,760	1,214	546
Medicare	413	413	284	129
Office supplies	2,000	2,000	(929)	2,929
County legal library	5,000	5,000	1,258	3,742
Printing & binding	350	350	146	204
Custodial tools and equipment	1,275	1,275	-	1,275
Tools and minor equipment	-	361	360	1
Minor office equip and furniture	21,850	21,850	20,627	1,223
Custodial operational cost	6,500	6,500	2,775	3,725
Janitorial supplies	10,500	11,106	11,697	(591)
Building and equipment rentals	4,500	1,394	37	1,357
Heat	13,200	13,200	5,735	7,465
Lights and power	106,250	106,250	114,258	(8,008)
Telephone	2,000	2,000	1,356	644
Building and grounds maintenance	59,230	75,890	57,406	18,484
Schools building maintenance	10,000	15,500	17,774	(2,274)
Minor equipment maintenance	1,000	639	76	563
Service contracts	14,821	16,507	14,934	1,573
Insurance and bonds	625	625	431	194
Total	289,640	310,986	269,012	41,974
Construction Standards				
Salaries and wages	1,000,843	1,014,168	1,013,213	955
Social security	60,973	60,973	60,958	15
Medicare	14,268	14,268	14,256	12
Group hospital insurance	129,432	129,432	126,731	2,701
Retirement	48,851	48,851	49,431	(580)
Deferred compensation 401k	50,055	50,055	50,644	(589)
Office supplies	2,700	2,700	1,625	1,075
Printing & binding	5,900	5,900	5,368	532
Micrographic expense	4,000	500	-	500
Postage	2,310	2,310	1,129	1,181

Cabarrus County, North Carolina
General Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the year ended June 30, 2007

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Tools and minor equipment	9,000	5,200	4,879	321
Minor office equipment and furniture	3,100	600	-	600
Bank service charges	5,000	10,000	10,655	(655)
Telephone	43,000	19,000	15,971	3,029
Purchased services	2,800	800	333	467
Minor equipment maintenance	500	500	-	500
Service contracts	6,536	4,536	3,384	1,152
Travel	121,000	159,800	162,920	(3,120)
Dues and subscriptions	2,900	1,900	620	1,280
Insurance and bonds	17,525	17,525	17,732	(207)
Total	1,530,693	1,549,018	1,539,849	9,169
Emergency Management				
Salaries and wages	215,756	230,906	229,070	1,836
Social security	13,244	13,244	13,899	(655)
Medicare	3,099	3,099	3,251	(152)
Group hospital insurance	26,965	26,965	26,964	1
Retirement	10,531	10,531	11,179	(648)
Deferred compensation 401k	10,790	10,790	11,453	(663)
Office supplies	1,800	1,800	1,505	295
Printing & binding	1,200	1,200	756	444
Postage	1,500	1,500	1,255	245
Tools and minor equipment	3,500	3,500	3,550	(50)
Minor office equipment and furniture	1,600	1,600	762	838
Uniforms	2,000	2,000	2,612	(612)
Automotive supplies	1,000	1,000	672	328
Fuel	11,355	11,355	7,419	3,936
Other operating cost	12,500	12,500	12,499	1
Public education supplies	3,000	4,250	3,241	1,009
Terrorism grant expense	-	303,304	282,543	20,761
Telephone	6,000	6,000	3,433	2,567
Purchased services	5,150	5,150	2,652	2,498
Emergency planning grant	-	50,213	48,992	1,221
Autos and trucks maintenance	3,000	3,000	3,824	(824)
Minor equipment maintenance	1,500	1,500	1,641	(141)
Service contracts	7,742	7,742	5,896	1,846
Travel	5,000	5,000	5,396	(396)
Dues and subscriptions	1,500	1,500	1,829	(329)
Exercise and training	5,000	5,000	2,166	2,834
Insurance and bonds	3,778	3,778	4,010	(232)
Fire department staff grant	450,000	320,000	251,250	68,750
Mt Mitchell Fire District	1,450	1,450	1,450	-
Northeast Volunteer Fire Dept	1,067	1,067	1,067	-
Equipment and furniture	-	30,000	29,063	937
Technology	-	130,000	-	130,000
Total	811,027	1,210,944	975,299	235,645
Emergency Medical Services				
Salaries and wages	2,687,833	2,679,833	2,637,989	41,844
Part time >1000 hours	28,329	30,529	30,653	(124)
Part time <1000 hours	218,207	238,707	239,999	(1,292)
Social security	178,818	178,818	175,198	3,620
Medicare	41,846	41,846	40,973	873
Group hospital insurance	350,545	350,545	322,924	27,621
Retirement	132,615	132,615	130,753	1,862

Cabarrus County, North Carolina
General Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the year ended June 30, 2007

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Deferred compensation 401k	135,841	135,841	133,962	1,879
Office supplies	6,000	6,000	5,531	469
Printing & binding	10,000	10,000	7,764	2,236
Postage	12,000	12,000	10,536	1,464
Tools and minor equipment	11,500	23,257	21,630	1,627
Minor office equip and furniture	15,200	15,200	13,792	1,408
Uniforms	39,000	18,000	16,662	1,338
Automotive supplies	7,000	9,000	8,584	416
Fuel	60,000	84,000	82,235	1,765
Other operating cost	2,500	2,500	2,036	464
Medical supplies	100,000	100,000	97,876	2,124
Building and equipment rentals	15,600	19,300	18,200	1,100
Bank service charges	1,000	1,000	422	578
Lights and power	26,550	26,550	25,257	1,293
Telephone	26,108	26,108	24,857	1,251
Purchased services	4,000	4,000	1,858	2,142
Buildings and grounds maintenance	1,500	1,500	1,352	148
Autos and trucks maintenance	50,000	35,000	38,891	(3,891)
Minor equipment maintenance	4,000	6,500	6,336	164
Service contracts	17,412	17,912	17,586	326
Advertising	500	-	-	-
Travel	7,000	4,000	3,659	341
Dues and subscriptions	1,200	1,200	1,101	99
Training and education	14,000	14,000	13,251	749
Insurance and bonds	51,408	51,408	51,164	244
Vehicle insurance	61,000	55,500	55,446	54
Medical consultants	12,000	12,000	12,000	-
First responder	16,000	9,000	9,000	-
Cabarrus Rescue Squad	40,000	40,000	40,000	-
Equipment and furniture	166,200	183,500	181,833	1,667
Total	4,552,712	4,577,169	4,481,310	95,859
Non Emergency Transportation				
Salaries and wages	103,179	103,179	101,339	1,840
Part time <1000 hours	3,478	10,959	7,317	3,642
Social security	6,404	6,404	6,527	(123)
Medicare	1,499	1,499	1,526	(27)
Group hospital insurance	21,572	21,572	19,998	1,574
Retirement	5,037	5,037	4,928	109
Deferred compensation 401k	5,161	5,161	5,050	111
Uniforms	2,300	2,300	1,345	955
Automotive supplies	1,500	1,500	1,500	-
Fuel	8,000	8,000	7,068	932
Telephone	1,000	1,000	790	210
Autos and trucks maintenance	4,000	4,000	1,609	2,391
Insurance and bonds	1,870	1,870	1,898	(28)
Equipment and furniture	6,400	6,400	5,015	1,385
Total	171,400	178,881	165,910	12,971
Other Public Safety				
Teen court resolve program	46,458	49,328	49,328	-
Criminal justice part. expense	120,390	124,449	124,449	-
Medical examiner	60,000	63,843	56,700	7,143
JCPC certification revision	-	204	-	204
Project challenge	63,391	54,391	54,391	-

Cabarrus County, North Carolina
General Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the year ended June 30, 2007

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Fire district	830,000	1,002,646	940,716	61,930
Total	1,120,239	1,294,861	1,225,584	69,277
<i>Total Public Safety</i>	21,432,946	22,836,439	21,820,915	1,015,524
<i>Economic and Physical Develop</i>				
Commerce				
Salaries and wages	334,139	334,139	316,350	17,789
Temporary - part and full time	11,430	11,430	7,911	3,519
Per diem payments	6,000	5,500	4,430	1,070
Social security	21,321	21,321	18,942	2,379
Medicare	4,987	4,987	4,430	557
Group hospital insurance	37,751	37,751	34,604	3,147
Retirement	16,191	16,191	15,315	876
Deferred compensation 401k	16,711	16,711	15,811	900
Office supplies	5,700	4,700	3,383	1,317
Printing & binding	4,000	3,000	1,636	1,364
Postage	2,500	3,500	2,615	885
Telephone	2,600	2,900	2,481	419
Purchased services	7,000	11,800	10,667	1,133
Service contracts	5,800	5,800	4,369	1,431
Reservoir maintenance	-	-	1,889	(1,889)
Advertising	4,500	6,500	5,718	782
Consultants	21,560	66,500	58,020	8,480
Legal fees	6,000	15,500	10,997	4,503
Travel	11,500	11,500	11,172	328
Dues and subscriptions	3,500	4,500	3,493	1,007
Insurance and bonds	6,053	6,053	5,599	454
Total	529,243	590,283	539,832	50,451
Community Development				
Salaries and wages	131,756	134,481	134,642	(161)
Social security	8,061	8,061	8,022	39
Medicare	1,886	1,886	1,876	10
Group hospital insurance	13,483	13,707	13,707	-
Retirement	6,431	6,431	6,571	(140)
Deferred compensation 401k	6,590	6,590	6,732	(142)
Childhood lead expense	3,000	14,188	11,861	2,327
Printing & binding	-	-	204	(204)
Tools and minor equipment	1,600	6,312	4,488	1,824
Uniforms	500	500	511	(11)
Fuel	2,500	3,000	4,286	(1,286)
Materials	66,270	99,653	84,615	15,038
Telephone	500	500	484	16
Operations	10,500	17,700	15,630	2,070
Auto and trucks maintenance	3,000	5,000	2,477	2,523
Consultants	-	97,300	87,773	9,527
Travel	500	1,500	1,057	443
Training and education	2,000	4,329	1,936	2,393
Insurance and bonds	4,807	4,807	4,311	496
Total	263,384	425,945	391,183	34,762

Cabarrus County, North Carolina
General Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the year ended June 30, 2007

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
Environmental Protection				
Salaries and wages	117,968	119,068	119,078	(10)
Social security	7,206	7,206	7,154	52
Medicare	1,686	1,686	1,673	13
Group hospital insurance	13,482	13,482	13,257	225
Retirement	5,758	5,758	5,811	(53)
Deferred compensation 401k	5,899	5,899	5,954	(55)
Office supplies	1,100	1,300	1,155	145
Printing & binding	600	600	83	517
Postage	1,300	1,300	428	872
Tools and minor equipment	500	500	178	322
Telephone	1,600	1,600	1,414	186
Minor equipment maintenance	750	750	-	750
Consultants	30,000	18,800	-	18,800
Travel	12,000	14,500	13,967	533
Dues and subscriptions	700	700	203	497
Insurance and bonds	2,066	2,066	2,086	(20)
Total	202,615	195,215	172,441	22,774
Zoning Administration				
Salaries and wages	122,569	125,894	125,756	138
Social security	7,559	7,559	7,639	(80)
Medicare	1,770	1,770	1,787	(17)
Group hospital insurance	16,179	16,179	16,178	1
Retirement	5,982	5,982	6,131	(149)
Deferred compensation 401k	6,130	6,130	6,281	(151)
Office supplies	900	900	551	349
Printing & binding	700	700	198	502
Micrographic expense	1,000	1,000	1,000	-
Postage	750	750	395	355
Uniforms	-	500	342	158
Telephone	1,500	1,500	1,301	199
Legal fees	6,500	4,500	2,460	2,040
Travel	10,000	11,500	10,639	861
Dues and subscriptions	450	450	240	210
Insurance and bonds	2,147	2,147	2,205	(58)
Total	184,136	187,461	183,103	4,358
Economic Development Incentive				
Cont. to coddle creek	22,870	22,870	-	22,870
Concord city library	52,420	52,420	-	52,420
School building maintenance	10,300	10,300	-	10,300
Sabco racing incentive grant	55,730	157,190	-	157,190
National tour incentative grant	18,200	36,930	-	36,930
Perdue Farms	67,760	67,760	-	67,760
Stanley logistics	62,390	127,020	-	127,020
BOC Company	65,700	214,934	-	214,934
Total	355,370	689,424	-	689,424
Other Economic and Physical Development				
Forester	49,297	49,297	47,370	1,927
Economic development corp	438,835	438,835	438,000	835
Total	488,132	488,132	485,370	2,762
<i>Total Economic and Physical</i>	<i>2,022,880</i>	<i>2,576,460</i>	<i>1,771,929</i>	<i>804,531</i>
<i>Environmental Protection</i>				

Cabarrus County, North Carolina
General Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the year ended June 30, 2007

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
Soil & Water Conservation				
Salaries and wages	121,110	127,635	126,886	749
Social security	7,308	7,308	7,449	(141)
Medicare	1,710	1,710	1,742	(32)
Group hospital insurance	16,179	16,179	16,169	10
Retirement	5,911	5,911	6,192	(281)
Deferred compensation 401k	6,057	6,057	6,344	(287)
Office supplies	1,600	1,300	2,012	(712)
Printing & binding	2,000	1,600	1,439	161
Postage	1,400	618	317	301
Tools and minor equipment	400	1,100	1,033	67
Minor office equipment and furniture	-	2,695	1,941	754
Automotive supplies	500	500	38	462
Fuel	1,500	1,500	1,364	136
Soil and water grants	-	1,000	1,316	(316)
Telephone	1,500	2,000	1,950	50
Purchased services	4,000	3,300	3,099	201
Autos and trucks maintenance	850	350	148	202
Minor equipment maintenance	400	400	-	400
Service contracts	2,100	2,100	1,867	233
Travel	7,500	9,300	9,287	13
Dues and subscriptions	4,000	2,300	2,070	230
Insurance and bonds	2,121	2,121	2,228	(107)
Soil and water district activities	7,000	7,000	6,823	177
Total	195,146	203,984	201,714	2,270
Watershed Improvements				
Per diem payments	3,600	3,600	1,335	2,265
Purchased services	22,100	20,612	-	20,612
Travel	600	600	-	600
Total	26,300	24,812	1,335	23,477
<i>Total Environmental Protection</i>	<i>221,446</i>	<i>228,796</i>	<i>203,049</i>	<i>25,747</i>
Human Services				
Veterans Services				
Salaries and wages	132,090	140,840	135,875	4,965
Social security	8,127	8,127	8,375	(248)
Medicare	1,902	1,902	1,958	(56)
Group hospital insurance	16,179	16,179	16,178	1
Retirement	6,447	6,447	6,631	(184)
Deferred compensation 401k	6,606	6,606	6,794	(188)
Office supplies	2,500	2,500	2,272	228
Printing & binding	400	400	268	132
Postage	1,400	1,400	1,495	(95)
Minor office equipment and furniture	920	920	856	64
Telephone	200	200	-	200
Minor equipment maintenance	150	150	-	150
Service contracts	3,389	3,389	1,061	2,328
Travel	4,740	4,740	2,768	1,972
Dues and subscriptions	429	429	332	97
Insurance and bonds	2,313	2,313	2,392	(79)
Total	187,792	196,542	187,255	9,287

Cabarrus County, North Carolina
General Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the year ended June 30, 2007

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
Transportation				
Salaries and wages	570,061	570,061	567,274	2,787
Part time >1000 hours	132,376	132,376	90,183	42,193
Social security	43,021	43,021	39,766	3,255
Medicare	10,077	10,077	9,300	777
Group hospital insurance	113,200	119,075	119,073	2
Retirement	34,297	34,297	32,085	2,212
Deferred compensation 401k	35,129	35,129	32,873	2,256
Office supplies	10,000	10,000	8,595	1,405
Printing & binding	5,800	5,800	5,244	556
Postage	600	600	313	287
Minor office equipment and furniture	6,000	6,000	5,701	299
Uniforms	7,500	7,500	4,432	3,068
Automotive supplies	2,600	2,600	2,800	(200)
Fuel	155,040	155,040	153,720	1,320
Other operating costs	15,900	15,900	9,195	6,705
Building and equipment rentals	46,200	46,200	45,000	1,200
Lights and power	16,800	16,800	11,790	5,010
Telephone	9,660	9,660	9,449	211
Management information system	200	200	243	(43)
Purchased services	28,800	28,800	26,528	2,272
JOB client transportation	20,000	10,000	(525)	10,525
Transportation services	179,450	182,250	149,300	32,950
EHTAP (eld & handi transp asst)	10,000	10,000	9,122	878
Autos and trucks maintenance	110,400	110,400	101,191	9,209
Service contracts	7,290	10,290	6,873	3,417
Travel	5,040	7,240	4,901	2,339
Dues and subscriptions	3,550	3,550	1,058	2,492
Training and education	10,030	12,030	10,387	1,643
Insurance and bonds	12,309	12,309	11,520	789
Vehicle insurance	91,500	91,500	35,573	55,927
Matching grants	-	-	-	-
Total	1,692,830	1,698,705	1,502,964	195,741
Mental Health				
Building and equipment rentals	48,101	53,676	52,977	699
Mental health center	632,359	632,359	632,359	-
CBA psychological svcs jvn crt	41,379	41,379	26,007	15,372
Total	721,839	727,414	711,343	16,071
Cooperative Extension				
Salaries and wages	221,774	221,774	227,074	(5,300)
Social security	11,500	11,500	13,379	(1,879)
Medicare	3,000	3,000	3,129	(129)
Group hospital insurance	20,460	20,460	22,410	(1,950)
Retirement	10,261	13,561	14,283	(722)
Office supplies	11,312	11,312	10,139	1,173
Printing & binding	6,350	3,050	2,307	743
Postage	5,500	2,000	(368)	2,368
Tools and minor equipment	5,000	5,500	6,376	(876)
Automotive supplies	500	500	-	500
Fuel	1,500	1,500	1,363	137
Purchases for resale	400	6,281	5,881	400
Building and equipment rentals	3,425	-	-	-
Telephone	2,650	2,650	1,910	740

Cabarrus County, North Carolina
General Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the year ended June 30, 2007

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
Purchased services	6,000	17,425	15,628	1,797
Buildings and grounds maintenance	500	500	-	500
Autos and trucks maintenance	1,500	1,500	1,106	394
Minor equipment maintenance	2,000	-	-	-
Service contracts	17,803	13,803	13,727	76
Travel	4,750	2,750	2,414	336
Dues and subscriptions	2,500	2,500	1,459	1,041
Total	338,685	341,566	342,217	(651)
4 H Summer Fling				
Temporary - part and full time	6,510	6,510	6,182	328
Social security	404	404	383	21
Medicare	96	96	90	6
Office supplies	-	-	12	(12)
Special program supplies	14,866	14,866	19,933	(5,067)
Purchased services	-	-	1,723	(1,723)
Insurance and bonds	114	114	108	6
Total	21,990	21,990	28,431	(6,441)
Cooperative Extension 4 H SOS				
Salaries and wages	66,391	66,391	40,328	26,063
Temporary - part and full time	59,833	59,731	26,071	33,660
Social security	7,824	7,824	4,055	3,769
Medicare	1,834	1,834	948	886
Group hospital insurance	10,786	8,986	6,741	2,245
Retirement	3,240	3,240	1,968	1,272
Deferred compensation 401k	3,320	3,320	2,017	1,303
Office supplies	200	700	101	599
Printing and binding	50	50	-	50
Postage	150	150	22	128
Special program supplies	15,000	11,000	5,459	5,541
Purchased services	15,000	28,000	31,767	(3,767)
Travel	2,500	3,000	1,502	1,498
Staff development	2,372	2,372	452	1,920
Insurance and bonds	2,213	2,213	1,162	1,051
Total	190,713	198,811	122,593	76,218
DSS - Administration Operations				
Salaries and wages	720,924	663,715	570,563	93,152
Per diem payments	2,520	2,520	1,660	860
Contracted personnel services	231,971	321,971	353,929	(31,958)
Social security	42,538	42,370	33,617	8,753
Medicare	10,272	10,232	7,862	2,370
Group hospital insurance	80,895	80,445	65,216	15,229
Retirement	35,187	35,054	27,827	7,227
Deferred compensation 401k	36,054	35,918	28,511	7,407
Office supplies	70,500	83,000	77,190	5,810
Printing & binding	30,100	21,100	17,523	3,577
Micrographic expense	70,000	23,000	-	23,000
Postage	81,037	91,037	82,497	8,540
Minor office equip and furniture	175,792	175,792	167,700	8,092
Automotive supplies	3,030	2,680	1,423	1,257
Fuel	26,400	30,400	30,189	211
Building and equipment rentals	323,559	323,559	325,875	(2,316)
Heat	10,000	10,000	5,715	4,285

Cabarrus County, North Carolina
General Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the year ended June 30, 2007

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
Lights and power	52,000	52,000	48,896	3,104
Telephone	67,296	67,296	66,345	951
Purchased services	26,068	17,948	18,768	(820)
Buildings and grounds maintenance	500	500	330	170
Autos and trucks maintenance	27,892	15,892	14,384	1,508
Minor equipment maintenance	2,000	2,000	-	2,000
Service contracts	77,870	51,870	51,563	307
Advertising	9,600	10,600	10,392	208
Travel	10,893	6,893	5,865	1,028
Dues and subscriptions	5,125	15,975	13,902	2,073
Training and education	10,135	6,135	6,123	12
Insurance and bonds	12,626	12,626	9,972	2,654
Building improvements	8,600	28,644	10,558	18,086
Total	2,261,384	2,241,172	2,054,395	186,777
DSS - Public Assistance				
Special assistance to adults	1,257,165	1,273,665	1,338,055	(64,390)
Aid to families with dependent children	-	-	353	(353)
Medicaid assistance	6,074,972	6,194,972	5,940,392	254,580
Aid to the blind	11,470	11,470	9,533	1,937
Veterinarian services	12,000	12,000	12,710	(710)
Total	7,355,607	7,492,107	7,301,043	191,064
DSS - Child Welfare				
Salaries and wages	3,073,805	3,029,741	2,969,946	59,795
Temporary - part and full time	-	35,317	31,435	3,882
Temporary personnel services	-	32,986	32,981	5
Supplemental personnel services	25,000	61,065	49,694	11,371
Contracted personnel services	55,000	123,146	74,134	49,012
Social security	188,041	189,677	180,481	9,196
Medicare	43,999	44,382	42,209	2,173
Group hospital insurance	393,689	393,689	346,627	47,062
Retirement	150,035	150,035	144,934	5,101
Deferred compensation 401k	153,722	153,722	148,491	5,231
Family preservation part expense	1,575	1,575	133	1,442
Purchased services	142,636	122,636	95,777	26,859
Legal fees	1,600	2,200	1,797	403
Travel	84,000	91,050	89,230	1,820
Training and education	2,500	4,050	3,863	187
Insurance and bonds	53,824	54,286	52,327	1,959
Medical consultants	310,000	442,000	394,263	47,737
Total	4,679,426	4,931,557	4,658,322	273,235
DSS - Child Support Services				
Salaries and wages	801,134	786,761	764,556	22,205
Temporary personnel services	-	492	-	492
Contracted personnel services	-	10,651	10,651	-
Social security	48,900	48,702	46,016	2,686
Medicare	11,440	11,393	10,762	631
Group hospital insurance	102,467	102,017	97,546	4,471
Retirement	39,103	38,945	37,305	1,640
Deferred compensation 401k	40,067	39,905	38,221	1,684
Other operating cost	4,999	1,999	1,557	442
Purchased services	23,000	13,000	10,478	2,522
Legal fees	9,850	59,750	60,000	(250)

Cabarrus County, North Carolina
General Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the year ended June 30, 2007

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
Travel	10,503	13,503	13,019	484
Insurance and bonds	14,030	14,030	13,382	648
Medical consultants	8,000	500	234	266
Total	1,113,493	1,141,648	1,103,727	37,921
DSS - Economic Services				
Salaries and wages	2,293,804	2,256,813	2,200,802	56,011
Temporary personnel services	-	42,791	41,215	1,576
Contracted personnel services	52,500	52,500	20,048	32,452
Social security	140,378	140,378	131,793	8,585
Medicare	32,850	32,850	30,822	2,028
Group hospital insurance	377,510	377,510	331,326	46,184
Retirement	111,968	111,968	107,393	4,575
Deferred compensation 401k	114,723	114,723	110,027	4,696
Covering kids scholarship expense	7,000	7,000	4,600	2,400
Bank service charges	350	350	120	230
Purchased services	1,000	1,250	1,085	165
EBT administration	70,014	70,014	67,731	2,283
Food stamp employees and training	9,750	9,750	6,880	2,870
Travel	4,000	4,000	5,101	(1,101)
Training and education	4,600	4,600	4,496	104
Insurance and bonds	40,179	40,179	38,540	1,639
Total	3,260,626	3,266,676	3,101,979	164,697
DSS - CAP Program				
Salaries and wages	714,205	714,205	593,117	121,088
Part time >1000 hours	46,766	56,566	56,875	(309)
Contracted personnel services	2,552,060	1,997,060	1,904,595	92,465
Social security	46,326	46,326	38,515	7,811
Medicare	10,843	10,843	9,008	1,835
Group hospital insurance	97,074	97,074	81,566	15,508
Retirement	37,145	37,145	31,721	5,424
Deferred compensation 401k	38,058	38,058	32,500	5,558
Management information system	200	700	506	194
Consumer directed services grant	-	15,634	-	15,634
Community alternatives program	298,221	209,221	210,865	(1,644)
Travel	16,088	16,088	8,332	7,756
Insurance and bonds	13,326	13,326	11,381	1,945
Total	3,870,312	3,252,246	2,978,981	273,265
DSS - Adult and Family Services				
Salaries and wages	1,162,831	1,154,908	1,146,642	8,266
Supplemental personnel services	54,499	109,686	78,056	31,630
Contracted personnel services	105,355	105,355	83,634	21,721
Social security	70,690	70,690	67,500	3,190
Medicare	16,542	16,542	15,786	756
Group hospital insurance	145,611	145,611	145,381	230
Retirement	56,758	56,758	55,951	807
Deferred compensation 401k	58,156	58,156	57,324	832
Purchased services	-	250	250	-
Work first grant	-	130,900	72,905	57,995
JOBS participation expenditure	35,000	35,000	32,489	2,511
Travel	17,641	10,841	9,182	1,659
Insurance and bonds	20,363	20,363	20,071	292
Total	1,743,446	1,915,060	1,785,171	129,889

Cabarrus County, North Carolina
General Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the year ended June 30, 2007

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
DSS - Emergency Assistance				
General assistance	100,000	100,000	71,517	28,483
AFDC emergency assistance	200,000	200,000	197,077	2,923
Medical care	11,608	22,542	7,412	15,130
Crisis intervention program	136,390	280,540	280,499	41
Total	<u>447,998</u>	<u>603,082</u>	<u>556,505</u>	<u>46,577</u>
DSS - Foster care				
Special needs kids	-	239,971	70,016	169,955
AFDC child state foster care	2,227,550	2,167,550	2,057,470	110,080
Adoption assistance	489,850	549,850	559,447	(9,597)
JOB client transportation	150,000	65,000	21,929	43,071
Total	<u>2,867,400</u>	<u>3,022,371</u>	<u>2,708,862</u>	<u>313,509</u>
DSS - Child Day care				
Day care - children	4,959,676	5,596,019	4,816,008	780,011
Total	<u>4,959,676</u>	<u>5,596,019</u>	<u>4,816,008</u>	<u>780,011</u>
DSS - Adult Day care				
Adult day care	62,970	79,929	76,633	3,296
Total	<u>62,970</u>	<u>79,929</u>	<u>76,633</u>	<u>3,296</u>
Aging - Nutrition Title III				
Salaries and wages	30,612	36,612	31,856	4,756
Part time >1000 hours	63,981	80,262	80,269	(7)
Part time <1000 hours	5,969	5,969	6,833	(864)
Social security	6,238	6,238	7,353	(1,115)
Medicare	1,462	1,462	1,720	(258)
Group hospital insurance	5,393	5,393	5,393	-
Retirement	4,619	4,619	5,472	(853)
Deferred compensation 401k	4,732	4,732	5,606	(874)
Minor office equipment and furniture	3,600	3,600	2,106	1,494
Food	234,750	227,850	178,568	49,282
Special program supplies	5,000	5,000	2,519	2,481
Janitorial supplies	1,500	1,500	1,378	122
Lights and power	16,000	16,000	16,525	(525)
Telephone	2,700	4,200	3,586	614
Purchased services	26,000	26,000	15,987	10,013
Minor equipment maintenance	1,300	1,300	1,098	202
Advertising	-	-	41	(41)
Travel	3,150	3,150	1,818	1,332
Dues and subscriptions	300	300	63	237
Insurance and bonds	1,765	1,765	2,082	(317)
Total	<u>419,071</u>	<u>435,952</u>	<u>370,273</u>	<u>65,679</u>
Aging - Senior Services				
Salaries and wages	407,720	422,720	419,806	2,914
Part time <1000 hours	17,182	17,182	14,841	2,341
Temporary - part and full time	-	74,447	72,678	1,769
Contracted agent individuals	-	46,432	10,269	36,163
Social security	26,221	33,078	31,647	1,431
Medicare	6,137	7,740	7,402	338
Group hospital insurance	53,930	53,930	53,928	2
Retirement	19,903	19,903	20,481	(578)

Cabarrus County, North Carolina
General Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the year ended June 30, 2007

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
Deferred compensation 401k	20,389	20,389	20,984	(595)
Office supplies	9,000	9,000	9,194	(194)
Printing & binding	23,000	23,000	22,996	4
Postage	4,000	4,000	2,913	1,087
Minor office equipment and furniture	4,300	4,300	3,111	1,189
Food	18,000	18,000	14,907	3,093
Special events - seniors	33,000	32,723	26,145	6,578
Uniforms	1,000	1,000	507	493
Automotive supplies	500	500	-	500
Fuel	1,400	1,400	2,598	(1,198)
Special program supplies	17,500	23,500	20,931	2,569
Purchases for resale	1,500	1,500	-	1,500
Janitorial supplies	500	500	490	10
Building and equipment rentals	-	5,327	5,327	-
Bank service charges	100	100	192	(92)
Lights and power	26,000	26,000	20,897	5,103
Dept of aging grants	-	38,713	13,041	25,672
Telephone	7,700	9,100	6,491	2,609
Management information system	-	-	371	(371)
Purchased services	49,000	49,000	42,769	6,231
JOB client transportation	13,000	13,000	7,280	5,720
Consumer directed services grant	70,000	51,452	51,445	7
Family friend grant expense	10,000	46,862	3,068	43,794
Senior games expense	15,000	15,000	15,979	(979)
Senior Center operations expense	15,500	46,951	20,369	26,582
Buildings and grounds maintenance	-	2,975	2,975	-
Autos and trucks maintenance	1,500	1,500	1,522	(22)
Minor equipment maintenance	1,700	1,700	2,023	(323)
Service contracts	7,500	7,500	8,522	(1,022)
Advertising	4,700	4,700	652	4,048
Architect	35,000	35,000	-	35,000
Travel	11,000	15,000	14,123	877
Dues and subscriptions	1,700	1,700	2,302	(602)
Insurance and bonds	7,441	7,561	8,883	(1,322)
Title V expense	74,575	3,163	3,285	(122)
Total	1,016,598	1,197,548	987,344	210,204
Aging - In Home Aide Services				
Part time <1000 hours	47,862	47,862	29,341	18,521
Social security	2,969	2,969	1,819	1,150
Medicare	697	697	425	272
Other operating cost	1,500	1,500	425	1,075
Adult day services	116,100	146,658	146,657	1
Purchased services	4,300	4,300	2,778	1,522
Travel	1,600	1,600	400	1,200
Dues and subscriptions	300	300	30	270
Insurance and bonds	840	840	513	327
Total	176,168	206,726	182,388	24,338
Other human services				
David A Murdock senior center	-	20,000	20,000	-
Meals on wheels	30,000	-	-	-
Cabarrus Community Care Clinic	100,000	100,000	100,000	-

Cabarrus County, North Carolina
General Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the year ended June 30, 2007

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
Genesis	37,166	36,449	36,449	-
Cabarrus Health Alliance	3,801,147	3,861,147	3,861,147	-
Total	3,968,313	4,017,596	4,017,596	-
<i>Total Human Services</i>	41,356,337	42,584,717	39,594,030	2,990,687
<i>Education</i>				
Schools - Current Expense				
Cabarrus County Schools	27,270,641	27,270,641	27,270,641	-
Kannapolis City Schools	4,066,809	4,066,809	4,066,809	-
Rowan Cabarrus Community College	1,570,473	1,570,473	1,570,473	-
CCS building maintenance	4,858,273	4,858,273	4,858,273	-
KCS building maintenance	724,503	724,503	724,503	-
CCS ground maintenance	1,080,057	1,080,057	1,080,057	-
KCS ground maintenance	161,066	161,066	161,066	-
Total	39,731,822	39,731,822	39,731,822	-
Schools - Capital Outlay				
Cabarrus County schools	3,580,000	3,655,000	3,645,146	9,854
Kannapolis City schools	451,224	451,224	451,224	-
Total	4,031,224	4,106,224	4,096,370	9,854
<i>Total Education</i>	43,763,046	43,838,046	43,828,192	9,854
<i>Culture & Recreation</i>				
Parks Administration				
Salaries and wages	226,654	233,904	233,475	429
Per diem payments	4,440	4,440	2,370	2,070
Social security	13,875	13,875	13,931	(56)
Medicare	3,246	3,246	3,258	(12)
Group hospital insurance	21,572	21,572	21,571	1
Retirement	11,063	11,063	11,394	(331)
Deferred compensation 401k	11,336	11,336	11,674	(338)
Office supplies	3,000	3,000	2,333	667
Printing & binding	7,000	8,750	8,673	77
Postage	3,500	3,500	2,577	923
Minor office equipment and furniture	2,250	2,250	2,355	(105)
Uniforms	1,000	1,000	391	609
Automotive supplies	300	300	-	300
Fuel	1,000	1,000	849	151
Other operating cost	11,600	11,600	9,971	1,629
Special program supplies	21,050	21,050	18,927	2,123
Building and equipment rentals	4,000	4,000	3,180	820
Bank service charges	1,000	2,000	2,369	(369)
Telephone	4,200	4,200	3,759	441
Purchased services	59,325	51,575	49,353	2,222
Autos and trucks maintenance	1,400	3,400	2,707	693
Minor equipment maintenance	200	200	-	200
Service contracts	3,600	3,600	2,929	671
Advertising	2,500	2,500	2,140	360
Public awareness	51,000	51,000	39,099	11,901
Consultants	8,000	22,000	3,950	18,050
Engineers	2,000	-	-	-
Travel	7,490	7,990	7,071	919
Dues and subscriptions	1,243	1,243	785	458

Cabarrus County, North Carolina
General Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the year ended June 30, 2007

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
Insurance and bonds	3,969	3,969	4,088	(119)
Matching grants	100,000	217,792	184,185	33,607
Total	592,813	727,355	649,364	77,991
Park Operations				
Salaries and wages	145,676	151,386	151,559	(173)
Part time <1000 hours	85,936	85,936	68,778	17,158
Temporary - part and full time	32,754	32,754	25,132	7,622
Social security	16,380	16,380	15,181	1,199
Medicare	3,842	3,842	3,550	292
Group hospital insurance	21,572	21,572	10,887	10,685
Retirement	7,110	7,110	7,397	(287)
Deferred compensation 401k	7,286	7,286	7,578	(292)
Office supplies	1,600	1,600	1,277	323
Printing & binding	2,200	2,200	590	1,610
Tools and minor equipment	2,500	2,500	662	1,838
Uniforms	3,000	3,000	2,457	543
Automotive supplies	500	500	243	257
Fuel	5,200	5,200	5,815	(615)
Park operation supplies	9,500	9,500	9,090	410
Park concessions resales	15,000	15,000	10,463	4,537
Building and equipment rentals	1,500	2,400	1,832	568
Lights and power	77,012	77,012	68,861	8,151
Telephone	7,000	7,000	7,052	(52)
Purchased services	18,500	18,500	16,776	1,724
Buildings and grounds maintenance	35,500	34,600	32,999	1,601
Parks grounds maintenance	3,800	3,800	1,569	2,231
Autos and trucks maintenance	3,800	3,800	1,782	2,018
Minor equipment maintenance	600	600	66	534
Service contracts	900	900	856	44
Dues and subscriptions	200	200	155	45
Insurance and bonds	4,644	4,644	4,298	346
School turf/playgrounds	50,000	50,000	50,000	-
Equipment and furniture	22,000	22,000	21,594	406
Total	585,512	591,222	528,499	62,723
Kannapolis Library				
Salaries and wages	284,597	289,297	289,267	30
Part time >1000 hours	59,725	59,725	58,053	1,672
Part time <1000 hours	7,073	7,073	7,241	(168)
Social security	21,509	21,509	21,507	2
Medicare	5,036	5,036	5,030	6
Group hospital insurance	37,751	37,751	31,061	6,690
Retirement	16,808	16,808	16,950	(142)
Deferred compensation 401k	17,220	17,220	17,366	(146)
Office supplies	7,000	7,500	7,320	180
Circulation stock	63,000	103,000	101,447	1,553
Printing & binding	1,500	1,500	277	1,223
Postage	2,000	2,000	1,744	256
Minor office equip and furniture	700	1,400	870	530
Lights and power	20,000	21,600	22,712	(1,112)
Telephone	15,000	15,000	8,534	6,466
Purchased services	6,100	3,300	3,079	221
Minor equipment maintenance	1,200	1,200	-	1,200
Service contracts	7,300	7,300	6,456	844

Cabarrus County, North Carolina
General Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the year ended June 30, 2007

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Travel	500	500	213	287
Dues and subscriptions	450	450	105	345
Training and education	550	550	-	550
Insurance and bonds	6,156	6,156	6,204	(48)
Total	581,175	625,875	605,436	20,439
Mt Pleasant Library				
Salaries and wages	72,838	77,628	76,893	735
Part time >1000 hours	20,901	21,901	21,814	87
Part time <1000 hours	7,238	7,238	6,561	677
Social security	6,220	6,220	6,304	(84)
Medicare	1,456	1,456	1,475	(19)
Group hospital insurance	10,786	10,786	10,786	-
Retirement	4,575	4,575	4,817	(242)
Deferred compensation 401k	4,689	4,689	4,935	(246)
Office supplies	3,000	3,200	2,850	350
Circulation stock	23,000	33,000	32,313	687
Printing & binding	400	600	387	213
Postage	300	300	160	140
Minor office equipment and furniture	-	80	80	-
Other operating cost	-	-	17	(17)
Lights and power	8,000	7,000	6,421	579
Telephone	4,800	5,200	5,168	32
Purchased services	-	2,600	2,450	150
Buildings and grounds maintenance	-	500	423	77
Minor equipment maintenance	1,000	-	-	-
Service contracts	3,300	3,300	1,552	1,748
Architect	20,000	20,000	-	20,000
Travel	300	300	237	63
Dues and subscriptions	225	225	110	115
Training and education	400	-	-	-
Insurance and bonds	1,768	1,768	1,850	(82)
Equipment and furniture	11,000	9,420	5,590	3,830
Total	206,196	221,986	193,193	28,793
Harrisburg Library				
Salaries and wages	130,936	134,336	133,369	967
Part time >1000 hours	31,498	32,498	32,363	135
Part time <1000 hours	14,160	14,160	13,495	665
Social security	10,772	10,772	10,658	114
Medicare	2,523	2,523	2,492	31
Group hospital insurance	21,572	21,572	21,571	1
Retirement	7,929	7,929	8,088	(159)
Deferred compensation 401k	8,124	8,124	8,287	(163)
Office supplies	4,250	4,250	4,234	16
Circulation stock	33,725	43,725	43,037	688
Printing & binding	1,200	800	350	450
Postage	600	700	687	13
Minor office equip and furniture	950	14,950	2,017	12,933
Lights and power	15,984	15,984	15,795	189
Telephone	9,600	10,100	9,056	1,044
Purchased services	4,000	4,500	3,903	597
Buildings and grounds maintenance	-	450	-	450
Minor equipment maintenance	500	500	-	500
Service contracts	3,300	3,300	2,000	1,300

Cabarrus County, North Carolina
General Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the year ended June 30, 2007

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
Travel	400	400	190	210
Dues and subscriptions	225	225	100	125
Training and education	300	100	20	80
Insurance and bonds	3,092	3,092	3,137	(45)
Total	305,640	334,990	314,849	20,141
Concord Library				
Salaries and wages	682,524	709,724	705,340	4,384
Part time >1000 hours	88,457	88,457	84,873	3,584
Part time <1000 hours	5,046	5,046	-	5,046
Temporary - part and full time	14,253	17,253	16,887	366
Supplemental personnel service	-	2,625	2,239	386
Social security	47,908	47,908	48,636	(728)
Medicare	11,277	11,277	11,384	(107)
Group hospital insurance	91,681	91,681	91,678	3
Retirement	37,635	37,635	38,551	(916)
Deferred compensation 401k	38,561	38,561	39,497	(936)
Office supplies	39,000	44,500	44,307	193
Circulation stock	112,000	152,000	149,777	2,223
Printing & binding	3,500	3,700	3,555	145
Postage	3,600	3,600	3,748	(148)
Minor office equip and furniture	-	19,522	3,291	16,231
Automotive supplies	2,500	1,500	-	1,500
Fuel	4,500	4,500	5,124	(624)
Lights and power	45,000	38,900	37,068	1,832
Telephone	7,200	7,600	7,448	152
Purchased services	11,000	12,175	8,439	3,736
Autos and trucks maintenance	4,500	4,500	1,007	3,493
Minor equipment maintenance	2,000	3,000	3,572	(572)
Service contracts	9,120	9,120	8,673	447
Travel	2,000	1,500	1,548	(48)
ITS services	59,200	52,968	53,293	(325)
Dues and subscriptions	800	800	605	195
Training and education	2,000	200	90	110
Insurance and bonds	13,842	13,842	14,146	(304)
Total	1,339,104	1,424,094	1,384,776	39,318
Other culture and recreation				
Special Olympics	43,408	44,546	44,546	-
Cabarrus Arts Council	26,000	26,000	26,000	-
Total	69,408	70,546	70,546	-
Total Culture & Recreation	3,679,848	3,996,068	3,746,663	249,405
Debt Service				
Debt Service				
Bank service charges	100,000	69,494	11,100	58,394
GO bonds principal - schools	4,961,606	4,961,606	4,961,606	-
GO bonds principal - tech college	115,679	115,679	115,679	-
GO bonds principal - water and sewer	787,716	787,716	787,716	-
Lease principal - RCCC	622,571	622,571	622,571	-
Lease principal - Jail	-	500,000	500,000	-
Lease principal - equipment	245,978	245,978	245,978	-
GO bonds interest - schools	4,945,865	4,945,865	4,754,148	191,717
GO bonds interest - tech college	15,947	15,947	15,947	-

Cabarrus County, North Carolina
General Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the year ended June 30, 2007

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
GO bonds interest - water and sewer	108,589	108,589	108,589	-
Lease interest - RCCC	126,725	126,725	126,724	1
Lease interest - Jail	-	320,594	320,593	1
Lease interest - equipment	4,022	4,022	4,022	-
IPRB principal - schools	1,500,000	1,500,000	1,500,000	-
COPS principal - schools	4,368,300	4,368,300	4,368,300	-
COPS principal public buildings	1,011,700	1,011,700	1,011,700	-
IPRB interest schools	1,002,750	1,002,750	1,002,750	-
COPS interest - schools	3,433,560	3,433,560	3,433,560	-
COPS interest - public buildings	712,158	712,158	712,158	-
COPS interest - jail	1,620,000	50,219	-	50,219
Total	25,683,166	24,903,473	24,603,141	300,332
<i>Total Debt Service</i>	25,683,166	24,903,473	24,603,141	300,332
Total expenditures	154,941,205	158,888,888	151,784,890	7,103,998
Excess (deficiency) of revenues over (under) expenditures	12,151,304	7,144,932	21,179,153	14,034,221
Other financing sources (uses)				
Issuance of debt-Capital Lease Obligation	-	689,546	689,546	-
Transfer from other funds:				
Special Revenue Funds:				
Sheriff's Department Fund	-	25,742	2,747	(22,995)
Emergency Telephone System	56,849	56,849	56,849	-
Capital Projects Funds:				
Certificates of Participation III Fund	-	-	680,416	680,416
Transfer to other funds:				
Special Revenue Funds:				
Community Dev. Grant Fund	(45,000)	(45,000)	(45,000)	-
Cabarrus Arena & Events Center Fund	(808,447)	(808,447)	(694,000)	114,447
Small Projects Fund	-	(25,621)	(25,621)	-
Capital Reserve Fund	-	(11,349,787)	(11,349,787)	-
Capital Projects Funds:	-	-	-	-
Justice Center Construction Fund	-	(1,492,242)	(1,492,242)	-
Capital Projects Fund	(1,897,301)	(1,946,479)	(346,479)	1,600,000
\$98 Million School Bond Fund	(6,462,275)	(2,281,083)	(2,281,083)	-
School Construction Fund	(3,478,638)	(3,518,638)	(3,518,638)	-
Construction and Renovation Fund	-	(50,000)	(50,000)	-
Fund balance appropriated	483,508	13,600,228	-	(13,600,228)
Total other financing sources (uses)	(12,151,304)	(7,144,932)	(18,373,292)	(11,228,360)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ -	\$ -	2,805,861	\$ 2,805,861
Fund balance, July 1			47,905,634	
Fund balance, June 30			\$ 50,711,495	

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, 2007

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Actual Current Year</u>	<u>Total to Date</u>
Revenues:				
Investment Earnings	\$ 830,000	\$ -	\$ 862,609	\$ 862,609
Total revenues	<u>830,000</u>	<u>-</u>	<u>862,609</u>	<u>862,609</u>
Expenditures:				
Capital outlay				
Engineers	358,347	68,555	202,792	271,347
Architects	3,984,884	2,975,800	613,905	3,589,705
Consultants	58,000	-	9,260	9,260
Land	3,362,678	2,742,679	620,000	3,362,679
Legal	646,898	-	565,413	565,413
Construction Management	380,030	328,631	-	328,631
Site Development	367,363	184,412	62,522	246,934
Contingency	650,000	-	-	-
Equipment and Furniture	3,150,000	-	-	-
Construction	<u>49,845,597</u>	<u>865,440</u>	<u>18,593,538</u>	<u>19,458,978</u>
Total expenditures	<u>62,803,797</u>	<u>7,165,517</u>	<u>20,667,430</u>	<u>27,832,947</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(61,973,797)</u>	<u>(7,165,517)</u>	<u>(19,804,821)</u>	<u>(26,970,338)</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	33,595,000	-	33,595,000	33,595,000
Premium on issuance of Certificates of Participation	918,782	-	918,782	918,782
Transfer in - Capital Reserve Fund	6,383,172	3,359,774	3,023,398	6,383,172
Transfer in - General Fund	<u>6,076,843</u>	<u>4,584,601</u>	<u>1,492,242</u>	<u>6,076,843</u>
Total other financing sources (uses)	<u>61,973,797</u>	<u>7,944,375</u>	<u>54,029,422</u>	<u>61,973,797</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ 778,858</u>	<u>34,224,601</u>	<u>\$ 35,003,459</u>
Fund balance, July 1			<u>778,858</u>	
Fund balance, June 30			<u>\$ 35,003,459</u>	

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, 2007

	Project Authorization	Prior Years	Actual Current Year	Total to Date
Revenues:				
Sales tax refund	\$ 720	\$ 719	\$ -	\$ 719
Investment earnings	3,033,402	1,908,566	1,175,624	3,084,190
Total revenues	3,034,122	1,909,285	1,175,624	3,084,909
Expenditures:				
Capital outlay - education				
Engineers	634,655	423,593	154,354	577,947
Architects	4,672,343	4,115,899	451,421	4,567,320
Legal	293,175	99,963	72,921	172,884
Contingency	794,333	-	-	-
Site Purchase	4,886,468	4,778,792	32,500	4,811,292
Site Development	4,343,334	1,253,750	2,463,782	3,717,532
Construction	84,235,662	32,243,581	47,730,683	79,974,264
Construction (Lottery)	3,292,540	-	2,648,767	2,648,767
Furniture and equipment	4,945,737	90,177	1,084,352	1,174,529
Technology	766,949	10,988	387,726	398,714
Total expenditures	108,865,196	43,016,743	55,026,506	98,043,249
Excess (deficiency) of revenues over (under) expenditures	(105,831,074)	(41,107,458)	(53,850,882)	(94,958,340)
Other financing sources (uses) :				
Issuance of debt-General Obligation Bonds	98,000,000	50,366,000	48,000,000	98,366,000
Premium on issuance of General Obligation Bonds	-	-	562,851	562,851
Transfer in-Capital Projects Fund	3,599,952	100,000	2,856,179	2,956,179
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-Genenral Fund	2,881,083	600,000	2,281,083	2,881,083
Total other financing sources (uses)	105,831,074	51,066,000	55,050,152	106,116,152
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ -	\$ 9,958,542	1,199,270	\$ 11,157,812
Fund balance, July 1			9,958,542	
Fund balance, June 30			<u>\$ 11,157,812</u>	

Landfill Fund

Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP Basis)
For the Fiscal Year Ended June 30, 2007

	2007		Variance Favorable (Unfavorable)
	<u>Budget</u>	<u>Actual</u>	
Revenues:			
Operating revenues:			
Charges for sales and services:			
Tipping fees	\$ 1,535,832	\$ 1,285,233	\$ (250,599)
Recycling revenues	60,000	60,559	559
Total charges for sales and services	<u>1,595,832</u>	<u>1,345,792</u>	<u>(250,040)</u>
Other operating revenues:			
Tire disposal fees	115,000	158,970	43,970
White goods fees	55,000	62,122	7,122
Proceeds of fixed assets	311,184	379,685	68,501
Solid waste franchise fee	17,500	11,251	(6,249)
Total other operating revenues	<u>498,684</u>	<u>612,028</u>	<u>113,344</u>
Total operating revenues	<u>2,094,516</u>	<u>1,957,820</u>	<u>(136,696)</u>
Nonoperating revenues:			
Investment earnings	-	271,539	271,539
Total nonoperating revenues	<u>-</u>	<u>271,539</u>	<u>271,539</u>
Total revenues	<u>2,094,516</u>	<u>2,229,359</u>	<u>134,843</u>
Expenditures:			
Landfill Administration:			
Salaries and wages	332,350	320,050	12,300
Temporary - Part time and full time	25,683	4,184	21,499
FICA	21,985	20,020	1,965
Medicare	5,146	4,681	465
Group hospital insurance	48,537	45,389	3,148
Retirement	17,477	15,803	1,674
Workmen's compensation	995	-	995
Deferred compensation- 401K	17,908	16,191	1,717
Insurance and bonds	6,270	5,755	515
Total salaries and benefits	<u>476,351</u>	<u>432,073</u>	<u>44,278</u>
Landfill Operations:			
General and administrative:			
Advertising	1,500	294	1,206
Bank service charges	3,000	922	2,078
Dues and subscriptions	1,200	807	393
Engineers	-	-	-
Lights and power	6,000	7,592	(1,592)
Office supplies	2,550	2,143	407
Postage	500	31	469
Printing and binding	3,400	1,396	2,004
Service contracts	28	-	28
Telephone	6,750	5,886	864
Travel	7,375	7,132	243

Landfill Fund

Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP Basis)
For the Fiscal Year Ended June 30, 2007

	2007		Variance Favorable (Unfavorable)
	<u>Budget</u>	<u>Actual</u>	
Uniforms	5,000	5,175	(175)
Total general and administrative	<u>37,303</u>	<u>31,378</u>	<u>5,925</u>
Other operating expenditures:			
Auto and truck maintenance	13,200	12,120	1,080
Automotive supplies	17,350	17,020	330
Building and ground maintenance	13,000	8,379	4,621
Contingency	152,500	-	152,500
Fuel	60,800	57,417	3,383
Heavy equipment maintenance	41,500	39,943	1,557
Minor equipment maintenance	3,500	1,862	1,638
Minor office equipment	4,500	264	4,236
Other operating cost	3,550	2,211	1,339
Purchased service	25,000	23,847	1,153
Tire disposal	145,000	175,409	(30,409)
Tools and minor equipment	1,100	1,009	91
Total other operating expenditures	<u>481,000</u>	<u>339,481</u>	<u>141,519</u>
Capital outlay:			
Building improvements	-	-	-
Engineers	147,411	145,823	
Equipment and furniture	1,016,450	1,009,445	7,005
Other land improvements	829,927	828,051	1,876
White goods expense	125,000	123,594	1,406
Total capital outlay	<u>2,118,788</u>	<u>2,106,913</u>	<u>8,881</u>
Total expenditures	<u>3,113,442</u>	<u>2,909,845</u>	<u>200,603</u>
Revenues over (under) expenditures	<u>(1,018,926)</u>	<u>(680,486)</u>	<u>(1,699,412)</u>
Appropriated fund balance	<u>1,018,926</u>	<u>-</u>	<u>1,018,926</u>
Revenues and appropriated fund balance over expenditures	<u>\$ -</u>	<u>(680,486)</u>	<u>\$ (680,486)</u>
Reconciliation from budgetary basis (modified accrual)			
to full accrual:			
Reconciling items:			
Capital outlay		2,088,717	
Depreciation		(145,806)	
Closure/postclosure costs		(256,529)	
Net book value of assets disposed of		<u>(95,970)</u>	
Total reconciling items		<u>1,590,412</u>	
Net income		<u>\$ 909,926</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	Table 14
Employees by Function/Program	
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 Six Fiscal Years
 (accrual basis of accounting)

	Fiscal Year					
	2002	2003	2004	2005	2006	2007
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
Restricted	1,464,722	4,028,057	18,378,252	52,946,050	16,737,437	52,443,535
Unrestricted	(75,338,680)	(70,410,717)	(105,277,167)	(146,958,567)	(123,873,155)	(154,540,784)
Total governmental activities net assets	\$ 1,525,235	\$ (1,576,300)	\$ (18,042,869)	\$ (19,981,415)	\$ (24,330,007)	\$ (42,460,773)
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
Unrestricted	699,081	545,115	603,687	849,946	2,272,566	1,335,551
Total business-type activities net assets	\$ 1,694,916	\$ 1,815,708	\$ 1,794,603	\$ 2,059,645	\$ 3,928,378	\$ 4,838,304
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
Restricted	1,464,722	4,028,057	18,378,252	52,946,050	16,737,437	52,443,535
Unrestricted	(74,639,599)	(69,865,602)	(104,673,480)	(146,108,621)	(121,600,589)	(153,205,233)
Total primary government net assets	\$ 3,220,151	\$ 239,408	\$ (16,248,266)	\$ (17,921,770)	\$ (20,401,629)	\$ (37,622,469)
Component Unit						
Invested in capital assets, net of related debt	\$ 199,658	\$ 161,734	\$ 949,138	\$ 872,124	\$ 947,632	\$ 844,904
Unrestricted	2,637,530	4,655,140	3,786,122	4,300,572	4,624,630	5,083,418
Total component unit net assets	\$ 2,837,188	\$ 4,816,874	\$ 4,735,260	\$ 5,172,696	\$ 5,572,262	\$ 5,928,322

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 Six Fiscal Years
(accrual basis of accounting)

	Fiscal Year					
	2002	2003	2004	2005	2006	2007
Expenses						
Governmental activities:						
General government	\$ 11,977,990	\$ 12,762,198	\$ 12,564,092	\$ 12,976,891	\$ 13,908,538	\$ 15,788,662
Public safety	15,514,267	16,030,860	19,807,590	20,681,029	23,207,497	24,259,457
Economic and physical development	7,784,034	10,659,585	7,258,534	7,745,150	6,735,574	3,470,790
Environmental protection	205,811	204,931	219,513	192,211	222,730	239,353
Human Services	31,571,895	30,033,872	34,882,597	35,904,657	39,736,894	39,793,446
Education	61,257,808	40,328,224	61,013,168	57,069,508	78,415,898	102,678,574
Cultural and recreation	3,821,715	5,844,119	9,395,261	5,772,746	5,650,717	7,357,984
Interest on long term debt	9,177,011	6,973,760	8,104,861	7,611,271	9,511,646	13,078,276
Total governmental activities	141,310,531	122,837,549	153,245,616	147,953,463	177,389,494	206,666,542
Business-type activities:						
Solid Waste	1,086,844	1,181,335	981,479	783,288	1,279,280	1,223,462
Total primary government expenses	\$ 142,397,375	\$ 124,018,884	\$ 154,227,095	\$ 148,736,751	\$ 178,668,774	\$ 207,890,004
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
Public safety	4,615,721	5,053,837	6,386,306	6,890,180	9,175,195	9,079,190
Economic and physical development	236,693	430,931	259,266	314,608	310,922	371,374
Environmental protection	-	-	84,002	146,500	221,000	139
Human Services	5,303,365	3,317,505	3,994,034	4,746,262	4,039,973	3,718,235
Education	63,500	-	159,425	189,341	502,358	1,522,931
Cultural and recreation	144,743	290,026	2,003,983	1,891,717	826,679	929,183
Operating grants and contributions:						
General government	215,032	518,096	271,344	322,081	315,347	773,179
Public safety	809,292	1,298,131	911,270	1,262,641	1,614,568	1,527,390
Economic and physical development	5,731,955	1,077,441	212,556	85,095	547,291	277,739
Environmental protection	25,551	162,688	26,766	554,584	27,395	45,969
Human Services	6,108,194	11,825,031	14,221,389	15,121,257	15,792,994	15,317,430
Education	321,056	881,391	-	240,000	336,000	185,289
Cultural and recreation	256,735	1,619,139	367,508	333,393	416,018	464,587
Capital grants and contributions:						
General government	-	-	134,073	121,038	133,458	-
Public safety	-	-	-	95,413	136,457	-
Education	-	-	-	-	-	2,648,767
Total governmental activities program revenues	27,023,362	29,596,890	32,313,371	35,974,537	38,992,658	41,303,486
Business-type activities:						
Charges for Services:						
Solid Waste	910,241	1,150,748	811,043	890,124	2,868,132	1,516,013
Total business-type activities program revenues	910,241	1,150,748	811,043	890,124	2,868,132	1,516,013
Total primary government program revenues	\$ 27,933,603	\$ 30,747,638	\$ 33,124,414	\$ 36,864,661	\$ 41,860,790	\$ 42,819,499
Net (Expense)/Revenue						
Governmental activities	\$ (114,287,169)	\$ (93,240,659)	\$ (120,932,245)	\$ (111,978,926)	\$ (138,396,836)	\$ (165,363,056)
Business-type activities	(176,603)	(30,587)	(142,891)	107,236	1,588,852	292,551
Total primary government net (expense)/revenue	\$ (114,463,772)	\$ (93,271,246)	\$ (121,075,136)	\$ (111,871,690)	\$ (136,807,984)	\$ (165,070,505)

Cabarrus County, North Carolina

**Changes in Net Assets,
Last Six Fiscal Years**
(accrual basis of accounting)

	Fiscal Year					
	2002	2003	2004	2005	2006	2007
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
Local option sales tax	19,351,950	19,372,554	26,003,425	27,334,895	30,744,974	36,438,842
Motor Fuel tax	47,686	43,133	-	-	-	-
ABC revenues	22,430	74,235	45,333	51,417	58,183	64,956
Gross receipt tax	63,647	61,401	65,827	82,895	93,482	102,456
Occupancy tax	-	845,727	881,194	1,000,379	1,118,527	1,504,586
Cable franchise fees	449,337	356,284	392,977	-	-	-
Unrestricted investment earnings	2,367,695	1,444,301	1,229,112	1,952,130	4,381,530	6,481,368
Restricted investment earnings	864,061	-	-	-	-	-
Donations	1,740,320	1,020,215	7,241,902	2,226,102	1,971,309	3,011,479
Insurance Proceeds	47,836	4,807	2,207	2,651	21,671	43,954
State and local reimbursements	2,431,583	-	-	-	-	-
Miscellaneous	677,472	82,995	54,296	170,545	124,294	133,226
Transfers	(250,101)	-	-	-	-	-
Total governmental activities:	<u>90,541,156</u>	<u>88,598,320</u>	<u>104,465,676</u>	<u>110,040,380</u>	<u>134,048,244</u>	<u>147,232,290</u>
Business-type activities:						
White Goods tax	51,231	50,561	51,720	55,792	45,086	62,122
Unrestricted investment earnings	159,794	93,218	69,476	102,014	234,795	271,539
Donations	-	-	590	-	-	-
Miscellaneous	(3,438)	7,600	-	-	-	283,714
Total business-type activities	<u>207,587</u>	<u>151,379</u>	<u>121,786</u>	<u>157,806</u>	<u>279,881</u>	<u>617,375</u>
Total primary government	<u>\$ 90,748,743</u>	<u>\$ 88,749,699</u>	<u>\$ 104,587,462</u>	<u>\$ 110,198,186</u>	<u>\$ 134,328,125</u>	<u>\$ 147,849,665</u>
Change in Net Assets						
Governmental activities	\$ (23,746,013)	\$ (4,642,339)	\$ (16,466,569)	\$ (1,938,546)	\$ (4,348,592)	\$ (18,130,766)
Business-type activities	<u>30,984</u>	<u>120,792</u>	<u>(21,105)</u>	<u>265,042</u>	<u>1,868,733</u>	<u>909,926</u>
Total primary government	<u>\$ (23,715,029)</u>	<u>\$ (4,521,547)</u>	<u>\$ (16,487,674)</u>	<u>\$ (1,673,504)</u>	<u>\$ (2,479,859)</u>	<u>\$ (17,220,840)</u>
Component Unit						
Expenses						
Component Unit:						
Cabarrus Health Alliance	<u>\$ 11,945,595</u>	<u>\$ 11,906,631</u>	<u>\$ 12,748,740</u>	<u>\$ 14,046,391</u>	<u>\$ 15,597,483</u>	<u>\$ 16,594,547</u>
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
Operating grants and contributions	<u>5,857,345</u>	<u>6,773,673</u>	<u>6,536,489</u>	<u>6,383,107</u>	<u>6,913,912</u>	<u>7,056,193</u>
Total component unit	<u>\$ 11,790,926</u>	<u>\$ 13,739,548</u>	<u>\$ 12,505,187</u>	<u>\$ 14,372,253</u>	<u>\$ 15,835,935</u>	<u>\$ 16,760,572</u>
Net (Expense)/Revenue						
Component Unit:						
Net (Expense)/Revenue	\$ (154,669)	\$ 1,832,917	\$ (243,553)	\$ 325,862	\$ 238,452	\$ 166,025
Total component unit	<u>\$ (154,669)</u>	<u>\$ 1,832,917</u>	<u>\$ (243,553)</u>	<u>\$ 325,862</u>	<u>\$ 238,452</u>	<u>\$ 166,025</u>
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
Miscellaneous	49,475	40,925	133,168	51,779	41,197	35,856
Total component unit activities	<u>\$ 100,836</u>	<u>\$ 74,422</u>	<u>\$ 161,939</u>	<u>\$ 111,575</u>	<u>\$ 161,114</u>	<u>\$ 190,035</u>
Change in Net Assets						
Component Unit:						
Changes in Net Assets	\$ (53,833)	\$ 1,907,339	\$ (81,614)	\$ 437,437	\$ 399,566	\$ 356,060
Total component unit	<u>\$ (53,833)</u>	<u>\$ 1,907,339</u>	<u>\$ (81,614)</u>	<u>\$ 437,437</u>	<u>\$ 399,566</u>	<u>\$ 356,060</u>

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)

	Fiscal Year									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
General Fund										
Reserved for:										
Inventories	\$ 6,773	\$ 4,127	\$ 1,156	\$ 6,143	\$ 2,672	\$ 4,540	\$ 8,306	\$ 10,522	\$ 4,865	\$ 2,847
State statute	5,010,605	10,200,299	7,886,909	8,280,235	9,465,973	13,224,818	8,023,700	8,164,663	8,878,980	10,378,871
Cooperative Extension 4H Program	-	-	-	-	-	-	-	159,742	133,910	124,019
Wireless 911	-	-	154,710	-	-	-	-	-	-	-
Insurance Coverage	100,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	-	-
Total reserved	5,117,378	10,504,426	8,342,775	8,586,378	9,768,645	13,529,358	8,332,006	8,634,927	9,017,755	10,503,737
Unreserved										
Designated for										
subsequent year's expenditures	4,941,790	5,635,074	9,697,652	21,967,197	12,575,315	6,630,438	2,687,040	-	483,508	-
Undesignated	16,888,905	30,155,982	30,098,355	24,813,683	29,657,266	22,085,546	25,701,890	30,458,561	38,404,371	40,205,758
Total General Fund	\$ 26,948,073	\$ 46,295,482	\$ 48,138,782	\$ 55,367,258	\$ 52,001,226	\$ 42,245,342	\$ 36,720,936	\$ 39,093,488	\$ 47,905,634	\$ 50,711,495
All Other Governmental Funds										
Unreserved										
Designated for										
subsequent year's expenditures:										
Special revenues	\$ 632,468	\$ 2,114,253	\$ 6,214,366	\$ 7,200,446	\$ 1,377,499	\$ 9,711,950	\$ 10,257,675	\$ 8,846,005	\$ 8,568,351	\$ 13,003,094
Capital Projects	22,393,146	33,742,653	19,691,624	36,395,151	310,671	4,028,057	18,378,252	52,946,050	16,737,437	52,443,535
Total all other governmental funds	\$ 23,025,614	\$ 35,856,906	\$ 25,905,990	\$ 43,595,597	\$ 1,688,170	\$ 13,740,007	\$ 28,635,927	\$ 61,792,055	\$ 25,305,788	\$ 65,446,629

Table 4

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

	Fiscal Year									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Revenues										
Ad valorem taxes	\$ 43,975,587	\$ 64,510,237	\$ 57,527,711	\$ 57,543,890	\$ 64,270,131	\$ 65,166,610	\$ 67,659,707	\$ 77,285,740	\$ 95,211,029	\$ 99,627,797
Other taxes and licenses	14,574,495	16,065,233	18,723,002	19,851,870	19,818,880	20,396,110	26,116,355	30,084,437	32,433,678	38,452,888
Intergovernmental	20,229,411	27,985,411	24,270,530	18,565,564	15,748,077	15,144,163	15,401,818	19,054,779	20,695,684	20,695,684
Permits and fees	2,675,309	3,537,894	3,179,622	3,791,382	3,819,815	5,767,348	6,757,143	7,377,224	8,688,379	9,851,011
Sales and services	6,963,378	8,360,235	8,640,814	9,535,983	9,797,563	8,231,613	8,993,922	10,014,895	10,353,563	9,595,669
Investment earnings	3,877,630	2,513,854	5,358,573	5,513,802	3,153,789	2,026,545	1,080,669	1,750,899	4,062,175	6,131,009
Donations	59,484	32,407	-	-	41,500	1,020,215	3,625,914	2,192,353	1,224,022	744,972
Miscellaneous	2,116,236	903,252	1,514,136	3,858,957	944,963	660,822	865,910	951,030	503,786	932,086
Total Revenues	94,471,530	123,908,523	119,214,388	118,661,448	117,594,718	118,413,426	130,501,438	147,336,274	171,531,411	186,031,116
Expenditures										
General Government	10,428,043	9,345,199	12,449,687	12,675,232	11,215,166	11,999,137	11,719,519	12,362,680	13,258,206	15,075,679
Public Safety	12,587,084	13,284,240	12,806,661	13,793,493	14,526,709	14,891,070	18,647,725	20,233,673	22,481,393	23,503,592
Economic & Phy Dev	133,346	153,664	2,475,608	1,990,381	7,756,434	10,647,501	7,255,578	7,758,270	6,746,563	3,451,435
Environmental Prot.	1,254,916	1,443,881	178,261	142,743	181,077	186,441	191,748	194,450	200,993	203,049
Human Services	25,297,209	25,754,686	28,450,524	30,929,031	31,425,751	30,009,274	34,655,431	36,045,006	39,700,879	39,343,438
Culture and recreation	2,475,915	3,994,709	2,955,502	3,390,763	3,406,141	5,636,000	7,347,154	5,589,207	5,423,095	6,496,945
Education	20,816,271	21,946,811	27,206,286	32,889,377	61,473,544	40,370,249	61,333,173	57,161,753	78,415,898	103,022,790
Capital Outlay	37,437,670	32,792,545	25,847,918	24,142,928	16,475,852	9,852,799	2,711,692	5,490,401	8,068,026	26,150,524
Debt Service:										
Principal	7,584,278	7,665,922	9,010,065	8,758,873	10,601,306	11,590,073	11,715,965	13,897,112	15,259,056	14,113,550
Interest	5,179,468	4,900,837	5,948,560	5,579,825	7,244,266	7,129,965	8,113,282	7,799,042	9,651,423	10,489,591
Total Expenditures	123,194,200	121,282,494	127,329,072	134,292,646	164,306,246	142,312,509	163,691,267	166,531,594	199,205,532	241,850,593
Excess of revenues over (under) expenditures	(28,722,670)	2,626,029	(8,114,684)	(15,631,198)	(46,711,528)	(23,899,083)	(33,189,829)	(19,195,320)	(27,674,121)	(55,819,477)
Other Financing Sources (Uses)										
Transfers in	791,074	1,606,637	6,772,878	3,388,284	15,431,458	11,887,550	3,022,700	5,919,013	13,450,819	32,604,840
Transfers out	(791,074)	(2,053,965)	(6,588,918)	(3,221,339)	(15,431,458)	(11,887,550)	(3,022,700)	(5,919,013)	(13,450,819)	(32,604,840)
Component Unit - transfer out	-	-	-	-	-	-	-	-	-	-
Net transfer to Trust Funds	-	-	-	-	(250,101)	-	-	-	-	-
Issuance of Bonds	-	30,000,000	-	-	-	-	53,912,762	50,366,000	-	48,562,851
Disbursements for Bonds	-	-	-	-	-	-	(17,701,986)	-	-	-
Disbursements to Escrow Agent	-	-	-	-	-	-	(35,866,931)	-	-	-
Issuance of Certificates of Participation	-	-	-	40,000,000	-	26,390,000	42,217,498	-	-	34,513,782
Issuance of Installment Financings	-	-	-	-	-	-	-	4,358,000	-	15,000,000
Issuance of lease	3,100,000	-	-	-	-	-	-	-	-	689,546
Total other financing sources (uses)	3,100,000	29,552,672	183,960	40,166,945	(250,101)	26,390,000	42,561,343	54,724,000	-	98,766,179
Net change in fund balances	\$ (25,622,670)	\$ 32,178,701	\$ (7,930,724)	\$ 24,535,747	\$ (46,961,629)	\$ 2,490,917	\$ 9,371,514	\$ 35,528,680	\$ (27,674,121)	\$ 42,946,702
Debt service as a percentage of noncapital expenditures	11.21%	11.21%	12.12%	11.39%	12.07%	14.13%	12.32%	13.47%	13.03%	11.41%

Table 5

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>
1998	\$4,612,615,940	\$ 1,910,219,236	\$ 179,256,456	\$ 6,702,091,632	0.66
1999	5,385,947,414	2,205,354,395	198,622,469	7,789,924,278	0.70
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

(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									
	1998	1999	2000 (1)	2001	2002	2003	2004	2005 (1)	2006	2007
Cabarrus County	0.66	0.70	0.59	0.56	0.56	0.56	0.56	0.53	0.63	0.6289
Municipality Rates:										
Concord	0.46	0.46	0.42	0.45	0.45	0.45	0.45	0.43	0.43	0.4475
Kannapolis	0.49	0.49	0.47	0.49	0.49	0.53	0.53	0.50	0.497	0.497
Harrisburg	0.11	0.11	0.10	0.10	0.135	0.135	0.135	0.135	0.135	0.135
Mt. Pleasant	0.39	0.42	0.42	0.42	0.42	0.42	0.42	0.42	0.44	0.44
Midland	-	-	-	0.05	0.15	0.15	0.15	0.15	0.15	0.15
Locust	-	-	-	-	-	0.36	0.36	0.36	0.36	0.36
Stanfield	-	-	-	-	-	0.38	0.38	0.38	(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	0.04	0.045	0.045	0.045	0.045	0.045	0.045	0.045	0.045	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	0.055	0.055	0.05	0.055	0.055
Poplar Tent	0.05	0.05	0.05	0.05	-	-	-	-	-	-
Harrisburg Rural	0.05	0.05	0.05	0.055	0.055	0.055	0.055	0.055	0.075	0.075
Rimer	0.05	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.06
Mt. Mitchell	0.04	0.04	0.04	0.04	0.06	0.05	0.05	0.05	0.05	0.05
Odell	0.03	0.04	0.035	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	0.04	0.04	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	0.06	0.06	0.07	0.07	0.07	0.07	0.06	0.06
Mt. Pleasant Rural	0.04	0.04	0.04	0.04	0.045	0.045	0.045	0.045	0.045	0.055
Gold Hill	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	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

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

Taxpayer	Type of Business	Fiscal Year 2007			Fiscal Year 1998		
		Assessed Valuation	Rank	Percentage of Total Assessed Valuation	Assessed Valuation	Rank	Percentage of Total Assessed Valuation
Philip Morris, Inc	Cigarette Mfg.	\$ 1,107,455,258	1	7.22%	\$ 1,174,607,520	1	17.53%
Concord Mills LTD Partnership	Shopping Center	206,066,012	2	1.34%	-	-	-
Charlotte Motor Speedway, Inc	Auto Racing	171,998,164	3	1.12%	54,971,710	4	0.82%
Corning, Inc	Fiber Optics Mfg.	171,287,524	4	1.12%	-	-	-
Duke Energy Corp	Public Service Co.	85,641,505	5	0.56%	55,593,043	3	0.83%
Concord Telephone Company	Public Service Co.	74,576,809	6	0.49%	54,874,753	5	0.82%
Pass & Seymour/Legrand	Electronics	44,462,147	7	0.29%	16,249,190	10	0.24%
Public Service of North Carolina	Public Service Co.	38,933,571	8	0.25%	24,383,758	7	0.36%
Citicorp North America, Inc	Leasing Co.	32,351,750	9	0.21%	-	-	-
S&D Coffee	Coffee Manufacturer	29,488,548	10	0.19%	-	-	-
Fieldcrest/Cannon, Inc	Textiles	-	-	-	118,492,160	2	1.77%
Stanley Works, The	Tool Warehouse	-	-	-	27,283,690	6	0.41%
North Hills Properties, Inc.	Shopping Center	-	-	-	20,917,720	8	0.31%
Atlantic American Properties	Realty Company	-	-	-	19,342,070	9	0.29%
Totals		<u>\$ 1,962,261,288</u>		12.80%	<u>\$ 1,566,715,614</u>		23.38%

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)		Discoveries	Abatements	Total Adjusted Levy	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
						Amount	Percentage of Original Levy		Amount	Percentage of Adjusted Levy
1998	\$	44,337,547	\$	387,384	\$	44,047,896		\$	42,870,605	97.33%
1999		52,849,250		12,407,481		63,851,333			62,312,665	97.59%
2000		57,785,131		595,612		57,858,576			56,048,119	96.87%
2001		57,220,552		2,298,721		58,461,029			55,770,386	95.40%
2002		62,084,785		1,069,164		62,767,401			61,184,935	97.48%
2003		64,433,348		2,331,839		65,218,896			63,501,156	97.37%
2004		66,077,761		1,185,407		66,459,272			64,155,827	96.53%
2005		74,893,721		724,786		74,720,131			73,001,727	97.70%
2006		92,892,138		762,582		92,805,330			90,824,656	97.87%
2007		97,095,301		1,250,243		97,490,018		-	95,699,309	98.16%

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)
1998	\$	78,180,000	1.17%	655
1999		73,810,000	0.95%	595
2000		69,140,000	0.71%	538
2001		64,700,000	0.63%	490
2002		60,400,000	0.55%	443
2003		56,145,000	0.49%	401
2004		52,495,000	0.45%	366
2005		97,805,000	0.70%	669
2006		91,845,000	0.62%	611
2007		133,980,000	0.87%	852

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						
	General Obligation Bonds	Certificates Of Participation	Installment Payment Revenue Bonds	Installment Financing	Capital Leases	Total Primary Government	Percentage of Personal Income (1)
1998	\$ 78,180,000	\$ -	\$ -	\$ -	\$ 20,892,909	\$ 99,072,909	831 3.34%
1999	73,810,000	-	30,000,000	-	17,596,987	121,406,987	979 3.67%
2000	69,140,000	-	28,500,000	-	14,756,923	112,396,923	874 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	-	9,136,744	133,036,744	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	1,241 4.24%
2005	97,805,000	93,380,000	21,000,000	4,358,000	1,801,483	218,344,483	1,494 4.90%
2006	91,845,000	88,005,000	19,500,000	3,735,427	-	203,085,427	1,352 4.23%
2007	133,980,000	116,220,000	18,000,000	17,612,855	443,568	286,256,423	1,821 *

* 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 2006 personal income not available to calculate fiscal year 2007.

Table 11

Cabarrus County, North Carolina
Legal Debt Margin Information,
Last Ten Fiscal Years
 (dollars in thousands)

	Fiscal Year									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Assessed Value of Property	\$ 6,702,091,632	\$ 7,789,924,278	\$ 9,680,147,971	\$ 10,346,947,641	\$ 11,054,876,455	\$ 11,488,422,245	\$ 11,689,948,588	\$ 13,994,645,443	\$ 14,737,845,840	\$ 15,334,805,970
Debt Limit, 8% of Assessed Value (Statutory Limitation)	536,167,331	623,193,942	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
Debt applicable to debt limitations:										
Total bonded Debt	78,180,000	73,810,000	89,140,000	64,700,000	60,400,000	56,145,000	52,496,000	97,805,000	91,845,000	133,980,000
Total installment payment revenue bonds	-	30,000,000	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	20,892,909	17,596,987	14,756,923	11,938,050	9,136,605	6,344,560	4,123,595	1,801,483	-	443,568
Total installment financing	-	-	-	-	-	-	-	4,358,000	3,735,427	17,612,855
Total Certificates of Participation	-	-	-	40,000,000	38,000,000	81,340,000	98,785,000	93,380,000	88,005,000	116,220,000
Total debt applicable to limitations	99,072,909	121,406,987	112,396,923	143,638,050	133,036,605	147,829,560	177,863,595	216,344,483	203,085,427	286,256,423
Legal debt limit	\$ 437,094,422	\$ 501,786,955	\$ 662,014,915	\$ 684,117,761	\$ 751,353,511	\$ 771,244,220	\$ 757,312,290	\$ 901,227,152	\$ 975,942,240	\$ 940,528,055
Total net debt applicable to the limit as a percentage of debt limit	18.48%	19.48%	14.51%	17.35%	15.04%	16.08%	19.02%	19.50%	17.22%	23.33%

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

Year	Population(1)	Personal Income (2) (thousands of dollars)	Per Capita Personal Income (2)	Public School Enrollment(3)	Unemployment Rate(4)	Number of Building Inspections Performed(5)
1998	119,279	\$ 2,967,524	\$ 25,039	20,156	2.40%	N/A
1999	123,949	3,310,044	26,910	20,948	2.00%	16,358
2000	128,613	3,545,395	27,736	21,602	2.60%	39,584
2001	132,146	3,871,172	29,273	22,428	4.80%	41,027
2002	136,316	4,029,671	29,567	23,140	5.70%	40,989
2003	139,878	4,116,291	29,445	24,328	6.50%	46,325
2004	143,340	4,194,646	29,302	25,044	7.60%	48,795
2005	146,168	4,453,542	30,500	26,202	6.00%	51,464
2006	150,228	4,803,337	32,111	28,719	4.10%	65,340
2007	157,179	*	*	30,507	4.00%	68,755

* Information not yet available.

Notes:

- (1) North Carolina State Demographics. 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
- (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>2007</u>			<u>1998</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>
Northeast Medical Center	4,116	1	6.21%	2,500	2	4.95%
Philip Morris	2,600	2	3.93%	1,900	3	3.76%
Cabarrus County Schools	2,476	3	3.74%	1,900	4	3.76%
McGee Brothers Company	1,300	4	1.96%	-	-	-
Wal-Mart	983	5	1.48%	-	-	-
Cabarrus County	875	6	1.32%	953	5	1.89%
City of Concord	857	7	1.29%	600	8	1.19%
Pass & Seymour Legrand	692	8	1.04%	505	9	1.00%
CT Communications	631	9	0.95%	-	-	-
Shoe Show	575	10	0.87%	-	-	-
Fieldcrest Cannon, Inc.	-	-	-	7,500	1	14.84%
Showell Farms	-	-	-	850	6	1.68%
PMI (Plastics Manufacture, Inc.)	-	-	-	840	7	1.66%
S & D Coffee	-	-	-	450	10	0.89%
	<hr/>		<hr/>	<hr/>		<hr/>
Total	<u>15,105</u>		<u>22.81%</u>	<u>17,998</u>		<u>35.62%</u>

Source: Cabarus County Economic Development Corporation, October 2006 and January 1996, respectively.

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									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
General Government	128	136	141	152	157	160	160	153	156	162
Cultural and Recreation	32	54	56	55	62	76	77	79	57	59
Public Safety	228	232	229	229	237	237	241	272	274	297
Economic & Phy. Development	10	11	11	12	14	18	15	15	16	16
Human Services	372	376	384	401	355	205	227	246	267	289
Environmental Protection	10	10	10	11	11	11	11	11	11	12
Total	780	819	831	860	836	707	731	776	781	835

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

Functional Area	Fiscal Year									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
General Government										
Tax Collection Rate	97.33%	97.59%	96.87%	95.40%	97.48%	97.37%	96.53%	97.70%	97.87%	98.00%
Land Records Recorded ¹	36,573	36,417	31,797	39,744	42,914	53,611	43,283	45,742	48,762	52,000
Culture & Recreation										
Circulation of Library Materials-All Branches	490,917	485,922	499,899	487,642	538,624	559,599	615,167	692,244	748,537	789,453
Acres of Park Land-Developed/Undeveloped ²	243	333	372	372	422,67.4	422,67.4	422,67.4	422,67.4	422,67.4	422,67.4
Public Safety										
Sheriff Response Time (Emergency Calls)	7.38	6.68	5.46	6.49	6.54	7.07	6.58	7.53	7.00	7.00 *
Detention Center Average Daily Population	142	143	150	154	171	195	202.3	212	216	207 *
Animals Picked Up	5,527	5,573	5,436	5,132	4,926	5,020	5,259	4,946	4,980	4,900 *
Building Inspections Completed	NA	16,358	39,584	41,027	40,989	46,325	48,795	51,464	68,087	78,300 *
EMS Average Response Time Countywide	5.13	5.80	6.53	7.18	7.31	7.37	7.49	7.69	7.20	7.50 *
Economic & Physical Development										
Final Subdivision Plans Processed	NA	NA	NA	NA	NA	NA	NA	39	23	25
Sedimentation & Erosion Control Plans Reviewed	NA	NA	NA	NA	93	80	95	172	145	155
Human Services										
Veteran /Dependent Contacts	10,373	8,270	7,157	8,910	8,262	7,094	8,978	7,205	7,802	8,000 *
Human Service Transportation Trips ³	8,500	12,618	10,656	NA	NA	90,120	112,286	116,818	85,713	100,056
Family Medicaid Cases	3,497	4,041	4,475	5,809	6,868	6,836	8,355	8,969	10,049	10,765
Adult Medicaid Cases ⁴	2,060	2,080	2,190	4,012	4,112	4,219	4,379	4,746	4,858	5,014
WFFA (formerly AFDC)	632	518	374	344	370	385	534	487	316	315
Child Protective Service Reports Investigated	1,108	1,033	981	1,077	1,238	1,202	1,212	1,426	1,897	1,697
Adoptions Completed	10	14	19	33	9	20	0	59	0	15
Food Stamp Cases	1,911	1,776	1,838	2,152	2,619	3,346	4,350	4,950	5,358	5,447
Adult Protective Services Reports	121	127	160	155	131	160	135	114	131	170
Environmental Protection										
Tons of MSW and C&D Waste Managed	26,756	19,236	26,292	32,294	29,666	31,622	25,570	32,049	159,106	68,950
Tons of Recyclable Materials Collected	1,642	1,189	1,456	2,016	1,631	1,526	2,275	2,007	1,710	1,650
Education										
Per Pupil Current Expense Funding	NA	NA	NA	\$1,133.31	\$1,186.78	\$1,186.78	\$1,186.78	\$1,204.58	\$1,292.01	\$1,328.78
Per Pupil Capital Outlay Funding	NA	NA	NA	\$66.88	\$64.33	\$0.00	\$52.95	\$56.78	\$89.74	\$140.36
Per Pupil Debt Service Funding	NA	NA	NA	\$734.49	\$682.56	\$691.78	\$620.53	\$717.20	\$796.37	\$683.18

Source: County Departments

Notes:

¹Data is Calendar Year

²FY 2001-2006, 37.4 of 67.4 undeveloped parkland is in progress.

³County Department Starting in 2004, previously under DSS and private contractor

⁴Social 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									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Parks and recreation										
Park facility	2	1	1	3	3	4	4	4	4	4
Tennis courts	10	6	6	6	6	6	6	6	6	6
Picnic shelters	14	9	11	16	18	18	20	20	20	20
Softball fields	5	4	4	10	8	8	8	8	8	8
Playgrounds	6	4	5	7	7	7	7	7	7	7
Soccer Fields	-	-	-	-	12	12	12	12	12	12
Camping cabins	-	-	-	-	-	-	4	4	4	4
Tent sites	-	-	-	-	-	-	7	7	7	7
Bathhouse for campgrounds	-	-	-	-	-	-	1	1	1	1
Fire protection										
Stations	14	14	14	14	14	14	14	15	15	15
Sheriff										
Stations	1	1	1	1	1	1	1	1	1	1
Substations	-	-	-	3	3	3	4	4	4	5
Patrol units	65	66	66	74	93	104	65	65	65	65

Note: Prior to 2004 the number of patrol units reported above was really the total number of vehicles owned by the Sheriff's Department.



Compliance Section



POTTER & COMPANY, P.A.
CERTIFIED PUBLIC ACCOUNTANTS

**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
Concord, North Carolina

We have audited the accompanying financial statements of the governmental activities, the business type activities, the aggregate discretely presented component unit, each major fund, and the aggregated remaining fund information of **Cabarrus County, North Carolina**, as of and for the year ended June 30, 2007, which collectively comprise the County's basic financial statements, and have issued our report thereon dated October 2, 2007. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Cabarrus 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 internal control over financial reporting that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

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

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

October 2, 2007
Monroe, North Carolina

Potter & Company



POTTER & COMPANY, P.A.
CERTIFIED PUBLIC ACCOUNTANTS

**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
Concord, 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, 2007. **Cabarrus County's** major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of **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 on **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, 2007.

Internal Control Over Compliance

The management of **Cabarrus County** is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered **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 an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by 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 County's internal control.

Our consideration of 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 internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

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

October 2, 2007
Monroe, North Carolina

Potter & Company



POTTER & COMPANY, P.A.
CERTIFIED PUBLIC ACCOUNTANTS

**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 County, North Carolina
Concord, 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, 2007. **Cabarrus County's** major State programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major State programs is the responsibility of **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 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 on **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, 2007.

Internal Control Over Compliance

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

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

Our consideration of 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 internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

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

October 2, 2007
Monroe, North Carolina

Potter & Company

CABARRUS COUNTY, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2007

Page 1 of 2

Section I. Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: Unqualified

Internal control over financial reporting:

- Material weakness(es) identified? yes X no
- Significant deficiency(s) identified that are not
considered to be material weaknesses yes X none reported

Noncompliance material to financial
statements noted

 yes X no

Federal Awards

Internal control over major federal programs:

- Material weakness(es) identified? yes X no
- Significant deficiency(s) identified that are not
considered to be material weaknesses yes X none reported

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
Circular A-133

 yes X no

Identification of major federal programs:

<u>CFDA Numbers</u>	<u>Name of Federal Program</u>
93.778	Title XIX – Medicaid
93.558	Temporary Assistance for Needy Families (WorkFirst)
93.658	Foster Care and Adoption Cluster
93.659	
93.767	State Children's Insurance Program
93.044	Aging Cluster
93.045	

Federal programs that did not meet the criteria for a major program using the criteria discussed in OMB Circular No. A-133 Section .520 but were tested as a major program because the State awards met the threshold for a major State program are included in the list of major federal programs (Aging Cluster).

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

\$ 2,898,789

Auditee qualified as low-risk auditee?

 X yes no

CABARRUS COUNTY, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2007

Page 2 of 2

State Awards

Internal control over major State programs:

- Material weakness(es) identified? yes X no
- Significant deficiency(s) identified that are not
 considered to be material weaknesses yes X none reported

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

 yes X no

Identification of major State programs:

Child Protective Services Expansion

The only major State programs for Cabarrus County are Title XIX – Medicaid, Title III-B (part of the Aging Cluster), and Title IV – Foster Care (part of the Foster Care and Adoption Cluster). Therefore, these programs have been included in the list of major federal programs above.

Section II - Financial Statement Findings

None reported.

Section III - Federal Award Findings and Questioned Costs

None reported.

Section IV - State Awards Findings and Questioned Costs

None reported.

CABARRUS COUNTY, NORTH CAROLINA
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
For the Year Ended June 30, 2007

Finding: 06 - 1

Status: There were no findings in the prior year.

**CABARRUS COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For the Year Ended June 30, 2007**

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		\$ 14,647,526	\$ -	\$ -
State Administrative Matching Grants for Food Stamp Program	10.561		677,010	-	671,915
Total Food Stamp Cluster			15,324,536	-	671,915
Passed through Centralina Council of Governments:					
Food Distribution Elderly Nutrition Program - USDA Supplement	10.570		14,706	-	-
Total U.S. Department of Agriculture			15,339,242	-	671,915
<u>U. S. Department of Health and Human Services</u>					
Administration on Aging:					
Passed through Centralina Council of Governments:					
Aging Services DP/HP Grant	93.043		5,474	2,346	-
Title III-E Caregiver Grant	93.052		42,151	-	-
Aging Cluster:					
Nutrition Project for the Elderly Title III-C1	93.045		97,957	44,009	-
Title III-B (Access):					
Transportation Grant	93.044		20,965	37,271	-
Information case Assistant	93.044		19,297	34,305	-
Title III-B (In-Home):					
Adult Day Services	93.044		38,371	98,669	-
In-Home Aide I & II	93.044		33,624	86,460	-
In- Home Services	93.044		12,625	32,464	-
Housing/Home Improvement	93.044		9,831	25,279	-
Senior Center Operations Grant	93.044		10,251	26,360	-
Consumer Directed Services Grant			36,423	-	-
Total Aging Cluster			279,344	384,817	-
Total Administration on Aging			326,969	387,163	-
Passed Through N.C. Department of Health and Human Services:					
Division of Social Services:					
Administration:					
Temporary Assistance Needy Families (WorkFirst)	93.558		234,871	(49,918)	238,865
Services:					
Temporary Assistance Needy Families (WorkFirst)	93.558		1,574,091	-	1,544,715
Direct Benefit Payments:					
Temporary Assistance Needy Families	93.558		874,768	21	21

**CABARRUS COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For the Year Ended June 30, 2007**

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
Energy Assistance	93.558		187,538	-	-
Refugee Assistance	93.566		2,101	-	-
AFDC Payments and Penalties	93.560		(851)	(233)	(233)
AFDC Unemployed Parents Assistance	93.560		(83)	(23)	(23)
TANF - Domestic Violence	93.558		8,200	-	-
Work First Demonstration Grant	93.558		9,365	(1,535)	-
Child Support Enforcement	93.563		1,154,884	-	594,940
Crisis Intervention Program	93.568		277,222	-	-
Low Income Energy Assistance	93.568		29,674	-	-
Permanency Planning - Child Welfare Services	93.645		43,490	11,178	3,318
Independent Living Initiative/LINKS	93.674		44,191	8,430	-
Adult Day Care	93.667		36,413	35,705	10,303
In-Home Services	93.667		91,940	-	13,134
Social Services Block Grant Administration	93.667		328,796	40,048	122,948
Total Division of Social Services - Other Programs			4,896,610	43,673	2,527,988
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		23,361	-	23,361
Title IV - E Child Protective Services	93.658		469,139	201,092	268,046
Title IV - E Foster Care	93.658		218,993	-	218,993
Title IV - E Foster Care Waiver	93.658		17,009	8,227	8,782
Title IV - E Foster Care Optional	93.659		6,288	-	6,288
Public Assistance:					
Title IV - E Foster Care	93.658		304,750	55,017	135,351
Adoption/Foster Care	93.658		216,504	(19,167)	325
Adoption Assistance - Direct Benefit	93.659		494,737	140,642	140,642
Total Foster Care and Adoption Cluster (Note 2)			1,730,781	385,811	801,788
Passed Through N.C. Department of Health and Human Services:					
Subsidized Child Care (Note 2):					
Child Care Development Fund Cluster:					
Division of Social Services:					
Child Care Development Fund Administration	93.596		146,007	-	-
Division of Child Development:					
Child Care Development Fund (Discretionary)- FY 2006	93.575		100,337	-	-
Child Care Development Fund (Discretionary)- FY 2007	93.575		477,661	-	-
TANF to CCDF (Discretionary)	93.575		980,714	-	-
Child Care Development Fund (Mandatory)- FY 2006	93.596		70,563	-	-
Child Care Development Fund (Mandatory)- FY 2007	93.596		532,157	-	-
Child Care and Development Matching Funds - FY 2006	93.596		166,822	-	-
Child Care and Development Matching Funds - FY 2007	93.596		394,608	-	-
Total Child Care Development Fund Cluster			2,868,869	-	-

CABARRUS COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For the Year Ended June 30, 2007

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
Social Services Block Grant	93.667		47,749	-	-
Katrina Funds	93.667		8,329	-	-
TANF Child Care-100%	93.558		552,865	-	-
State Funding Appropriation	N/A		-	319,551	-
Smart Start	N/A		-	102,800	-
Smart Start TANF Maintenance of Effort	N/A		-	361,878	-
Smart Start State Match - FY 2005	N/A		-	84,847	-
Smart Start State Match - FY 2007	N/A		-	136,831	-
CCDF State Match - FY 2006	N/A		-	11,084	-
CCDF State Match - FY 2007	N/A		-	80,166	-
Child Care TANF Maintenance of Effort	N/A		-	387,407	-
Total Subsidized Child Care (Note 2)			3,477,812	1,484,564	-
Division of Social Services:					
Title XIX - Medicaid	93.778		1,414,785	18,662	1,396,124
Adult Care Home Case Management	93.778		102,851	48,880	53,971
N.C. Health Choice (Child Health Insurance Program)	93.767		92,841	6,464	24,384
Division of Medical Assistance:					
Direct Benefit Payments:					
Title XIX - Medicaid	93.778		68,069,661	33,601,140	6,021,936
Division of Facility Services:					
Office of Emergency Medical Services:					
Health Resources and Services Administration Grant (HRSA):		BT-06-0820	405	-	-
Bioterrorism Hospital Preparation 2006	93.889				
Total Division of Facility Services			405	-	-
Total U.S. Department of Health and Human Services			95,471,957	35,976,357	11,498,106
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	115,566	-	-
Heating and Air Conditioning Repair Program (HARP)	81.042		47,253	-	-
Total U.S. Department of Energy			162,819	-	-
U.S. Department of Housing and Urban Development					
Passed through N.C. Department of Commerce:					
CDBG - State Programs	14.228	04-C-1224	6,939	-	-
Total U.S. Department of Housing and Urban Development			6,939	-	-

**CABARRUS COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For the Year Ended June 30, 2007**

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 Emergency Management Agency					
Passed through N.C. Department of Crime Control and Public Safety:					
Division of Emergency Management:					
Emergency Management Performance Grant		EMPG-2005-37025	25,382	-	-
Emergency Management Performance Grant		EMPG-2006-37025	23,610	-	-
Homeland Security Grant - Buffer Zone Protection Grant	97.078	2005-GR-T5-0021-5013	95,650	-	-
Homeland Security Grant - Communications	97.004	2004-GE-T4-0014-4013	85,446	-	324
Homeland Security Grant 2003	16.607	HS-TE-03-1013/HS-MU-03-2013	6,611	-	-
Homeland Security Grant - Radio Tower Grant	97.004	2004-GE-T4-0014-2001	1,543	-	3,133
Homeland Security Grant - Critical Infrastructure Protection Plan	97.004	HS-MU-03-2013	99,885	-	-
Total Federal Emergency Management Agency			338,127	-	3,457
US Department of Justice					
Federal Forfeiture Asset Sharing	16.040		13,811		
Passed through Office of Justice Programs:					
COPS In Schools Grant	16.ukn	2004-SHWX-0108	85,460	-	-
COPS Technology Program Grant	16.710	2004-CKWX-0115	74,340	-	-
COPS Technology Initiative Grant	16.710	2006-CKWX-0212	197,446	-	-
Justice Assistance Grant	16.592	2006-DJBX-0974	22,500	-	-
Passed through NC Department of Correction:					
Criminal Justice Partnership Program	16.ukn		124,449	-	-
Total US Department of Justice			518,006	-	-
US Election Assistance Commission					
N.C. State Board of Elections					
Help America Vote Act Requirements Payments	90.401		550,416		
National Endowment for the Humanities					
Passed through NC Humanities Council:					
NC Humanities Council Library Grant	45.129		1,000	-	2,273
Total Federal Awards			97,049,264	35,976,357	11,503,836

State Awards:

N.C. Department of Health and Human Services					
Division of Social Services:					
Adult Protective Services	N/A		-	33,167	-
Child Protective Services Expansion	N/A		-	336,150	-
DCD-Smart Start	N/A		-	40,140	-
State Aid to Counties	N/A		-	71,709	-
State Foster Home	N/A		-	207,611	207,611

CABARRUS COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For the Year Ended June 30, 2007

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
Foster Care At-Risk Maximization	N/A		-	662	381
AFDC Incentives	N/A		-	129	-
TANF Incentives	N/A		-	629	-
Special Needs Grant	N/A		-	132,000	-
Work First Demonstration Grant	N/A		-	89,082	-
Direct Benefit Payments:					
Child Welfare Adoption Subsidy	N/A		-	596,733	174,951
Total Division of Social Services			-	1,508,012	382,943
Division of Aging:					
Senior Center General Purpose	N/A		-	10,246	-
Senior Center Outreach	N/A		-	653	-
Direct Benefit Payments:					
State/County Special Assistance for Adults	N/A		-	1,235,390	1,237,068
Total Division of Aging			-	1,245,636	1,237,068
Total N. C. Department of Health and Human Services			-	2,753,648	1,620,011
N.C. Department of Environment, Health and Natural Resources					
Division of Soil and Water Conservation:					
Aerial Photography	N/A	AZ050005	-	5,348	113,761
Soil and Water Conservation	N/A		-	4,000	129,628
Soil and Water Conservation - Water Quality Cost Share Grant	N/A		-	25,769	25,769
Total Division of Soil and Water Conservation			-	35,117	269,158
Division of Parks and Recreation:					
Parks and Recreation Trust Fund	N/A		-	157,937	341,434
Land and Water Conservation Trust Fund	N/A		-	102,592	152,982
Total Division of Parks and Recreation			-	260,529	494,416
Total N. C. Department of Environment, Health and Natural Resources			-	295,646	763,574
N.C. Department of Crime Control and Public Safety:					
Division of Governor's Crime Commission:					
Comprehensive Gang Initiative Grant	N/A	013-1-06-001-BN-013		4,991	1,664
Gang Investigations Grant	N/A	013-1-06-001-BH-388	-	6,529	2,176
Department of Juvenile Justice & Delinquency Prevention:					
Juvenile Crime Prevention Programs (JCPP):					
Home Based Services	N/A	313005	-	140,561	1,077,427
Total N.C. Department of Crime Control and Public Safety			-	152,081	1,081,267

CABARRUS COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For the Year Ended June 30, 2007

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>N.C. Department of Juvenile Justice and Delinquency Prevention:</u> Support Our Students (SOS)	N/A		-	71,130	5,359
<u>N.C. Department of Administration</u> N.C. Substance Control Tax Division of Veteran's Affairs: Veteran's Service Grant	N/A N/A N/A		- - -	37,361 2,000	- 185,255
Total N.C. Department of Administration			-	39,361	185,255
<u>N.C. Department of Cultural Resources</u> Passed through State Library of N.C.: State Aid to Libraries	N/A	DCR-4	-	202,647	2,032,080
Total N.C. Department of Cultural Resources			-	202,647	2,032,080
<u>N.C. Department of Transportation</u> Governor's Highway Safety Program Public Transportation Division: Rural Operating Assistance Program: Elderly and Disabled Assistance Transportation Program Work First/ Employment Transportation Program Rural General Public Transportation Program Community Transportation Program: Administrative Grant	N/A N/A N/A N/A N/A N/A N/A		- - - - - -	37,003 96,211 7,070 79,960 192,750	1,397 - - 8,884 440,002
Total N.C. Department of Transportation			-	412,994	450,283
<u>N.C. Office of the State Treasurer</u> N. C. Lottery Fund Public School Building Capital Fund	N/A N/A		- -	2,648,767 185,289	- -
Total N.C. Office of the State Treasurer			-	2,834,056	-
Total State Awards			\$ -	\$ 6,761,563	\$ 6,137,829
Total Federal and State Awards			\$ 97,049,264	\$ 42,737,920	\$ 17,641,665

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

- 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

**CABARRUS COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For the Year Ended June 30, 2007**

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
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 subrecipients as follows:					
Project Challenge	N/A	313024	\$ -	\$ 54,391	\$ -
Psychological Services	N/A	313012	-	27,876	-
Teen Court	N/A	313015	-	49,328	-
Genesis/Juvenile Sex Offender Counseling	N/A	313026	-	27,482	8,967
				<u>\$ 159,077.00</u>	<u>\$ 8,967.00</u>

*For Information:
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