

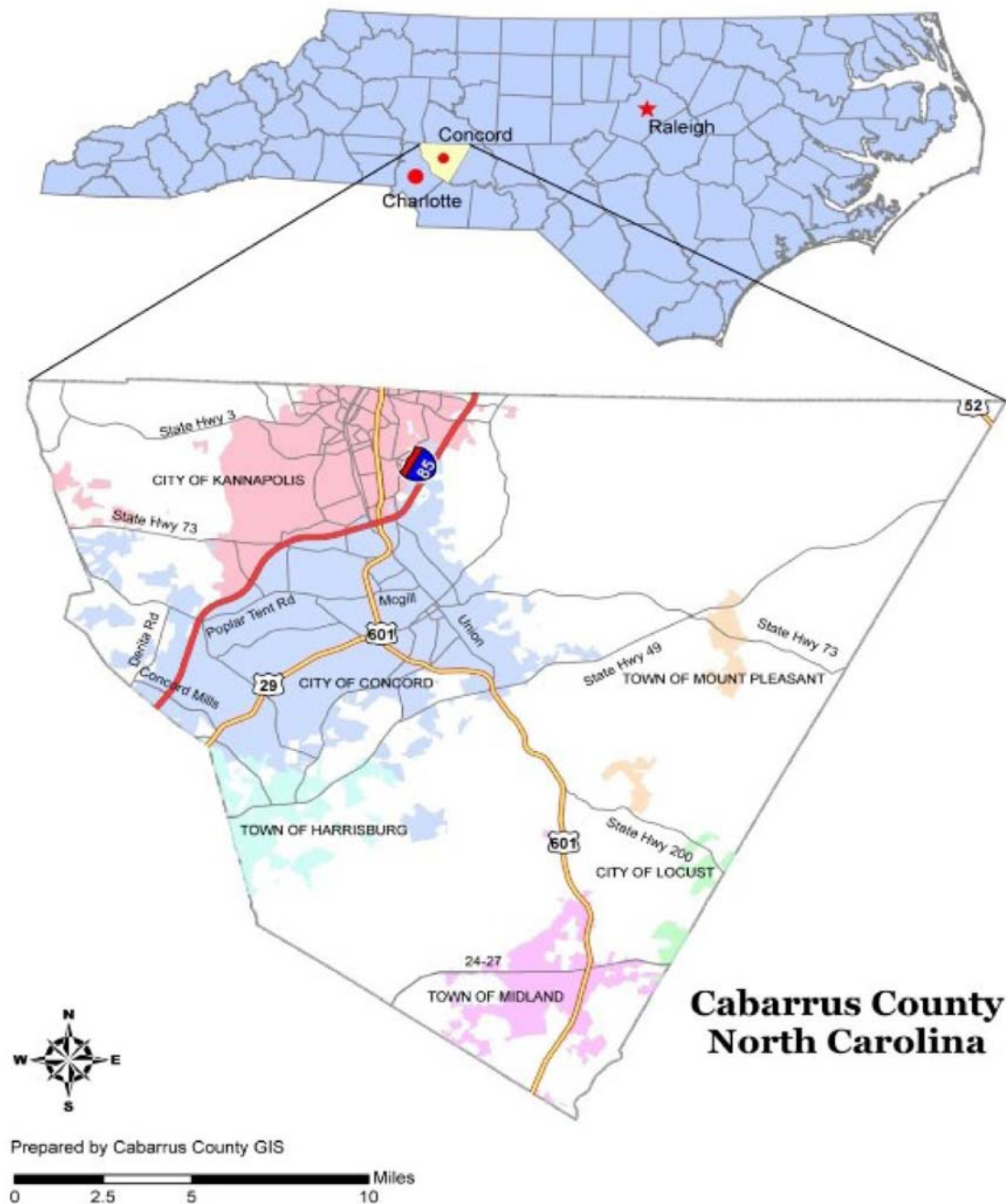
# Comprehensive Annual Financial Report

Cabarrus County, North Carolina

For the  
Year Ended  
June 30, 2014



# Building Cabarrus



In 2014, the U.S. Census released data ranking Cabarrus County as one of the top 100 fastest-growing counties in the nation. Building Cabarrus is reflective of this exciting time in our history that includes an upswing in economic trends; population; residential, commercial and industrial growth; and supporting infrastructure.



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# **Cabarrus County**

**North Carolina**

## **Comprehensive Annual Financial Report**

**For the year ended June 30, 2014**

**Prepared by  
Cabarrus County Finance**

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**Susan B. Fearrington  
Finance Director**



# Cabarrus County, North Carolina Comprehensive Annual Financial Report For the Year Ended June 30, 2014

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# Introductory Section





## Finance Department

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December 5, 2014

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

State law requires that all general-purpose local governments publish within four months of the close of each fiscal year a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States of America (GAAP) and audited in accordance with auditing standards generally accepted in the United States of America by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of the County of Cabarrus (the County) for the fiscal year ended June 30, 2014.

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

The County's financial statements have been audited by Martin Starnes & Associates, CPA, PA, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the County for the fiscal year ended June 30, 2014, 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, 2014, are presented fairly in all material respects with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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



## Profile of the County

The County, incorporated in 1792, is located in the Piedmont section of the State of North Carolina and is bordered on the north by Rowan and Iredell counties, on the east by Stanly County, on the south by Union county and on the west by Mecklenburg County; it comprises approximately 230,400 acres. There are six 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, and Locust are smaller municipalities in the County. The County serves a population of 187,226. 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 for, among other things, passing ordinances, adopting the budget, appointing committees, and hiring both the county's manager and attorney. The county manager serves as the chief executive and is responsible for carrying out the policies and ordinances of the governing board, for overseeing the day-to-day operations of the government, and for appointing the heads of the various departments. The board is elected on a partisan basis. Board members serve four-year staggered terms, with new members (two or three) elected every two years.

The annual budget serves as the foundation for the County's financial planning and control. All agencies of the County are required to submit requests for appropriation to the county manager on or before the end of February each year. The county manager uses these requests as the starting point for developing a proposed budget. The Board of Commissioners is required by law to adopt a final budget 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 finance director may transfer amounts between objects of expenditure within a function. The county manager may transfer amounts between objects of expenditures and revenues without limitation. The county manager may not transfer any amounts between funds or from any contingency appropriation within any fund without action of the Board of Commissioners except as specified in the budget ordinance related to budget shortfalls, and change orders. The county Manager may transfer amounts between contingency funds which are set aside for a specific project for budgetary shortfalls or upon the appropriate approval of a change order. The county manager is authorized to transfer from the General Fund or Capital Reserve Fund to the appropriate fund for projects approved within the Capital Improvements Plan for the current fiscal year. The manager and finance director 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. Upon notification of funding increases or decreases to existing grants or revenues, or the award of grants or revenues, the county manager or designee may adjust budgets to match, including grants that require a county match for which funds are available. The county manager, finance director, or designee may create debt financing amendments from estimated projections upon approval by the Board of Commissioners of the debt financing and adjust as needed upon closing. The county manager may reduce revenue projections consistent with prevailing economic conditions, and also reduce expenditures correspondingly. 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 10 counties located in the Charlotte-Gastonia-Concord, NC-SC Metropolitan Statistical Area (*Charlotte MSA*), which consists of Cabarrus, Gaston, Iredell, Lincoln, Mecklenburg, Rowan and Union counties in North Carolina and Chester, Lancaster and York counties in South Carolina. The Charlotte MSA, which is anchored by the City of Charlotte, is the economic center and the 23<sup>rd</sup> largest metropolitan area in the United States.



Consistent with its vision and goals, the Board of Commissioners seeks to engage the community to identify and understand a sustainable resilient and robust local economy, and develop strategies that lead to success through large business diversification and small business development.

The Board of Commissioners established the Cabarrus County Council for a Sustainable Local Economy (CSLE) and Food Policy Council (FPC). The purpose of these efforts was to take an active role in promoting small businesses, entrepreneurship, and local foods as part of the larger economy. The CSLE has promoted “buy local” campaigns and the promotion of small businesses, in addition to reviewing local ordinances to determine their effect on small businesses. The FPC, along with the NC Cooperative Extension, have promoted local foods by conducting an assessment of the local food economy, operating an incubator farm to train new farmers and expanding a private abattoir to support the locally grown meat products. While the CSLE is no longer a functioning council, the Cabarrus Regional Chamber has taken on some of their initiatives and moving forward. The FPC and the incubator farm have progressed to independent non-profit agencies and continue to promote their missions.

The County’s prior rapid growth, largely attributable to the County’s position in the Charlotte metropolitan region, slowed as a result of the global recession, but is expected to resume, albeit at a slower pace, as the global economy recovers. The County believes that its short-range and long-range planning has provided the necessary infrastructure to accommodate anticipated growth, and the County cooperates with its municipalities in economic recruiting and development efforts. The Cabarrus Economic Development Corporation (CEDC), which operates with a full-time staff, serves as the primary recruiting and marketing entity. The CEDC is administered by the Cabarrus Regional Chamber of Commerce; this structure greatly enhances efforts in business retention and expansion, entrepreneurship and new business recruitment. Given these changes, combined with the availability of sites within commercial and industrial parks with all municipal services available located near major highways and interstates, the County expects continued strong economic development in the area. The CEDC is accredited by the International Economic Development Council (IEDC) which is an independent body that verifies the status of the organization. The CEDC is one of only 36 economic development organizations worldwide accredited by the IEDC.

Historically, 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 biotechnology, healthcare, manufacturing, industrial and business parks, warehousing and distribution, entertainment and hospitality, motorsports, retail and aviation.

A summary of significant recent developments in these industries follows.

## **Biotechnology**

The former Pillwotex properties in Kannapolis are redeveloped as a major mixed-use development. The centerpiece of the development constituting the North Carolina Research Campus (Research Campus) for biotechnology and nutrition research, which includes facilities for eight major North Carolina universities. At the center of the Research Campus is the 311,000-square-foot David H. Murdock Core Laboratory, which houses the David H. Murdock Research Institute, a nonprofit contract research organization. Other campus facilities include NC State University Plants for Human Health Institute’s building and the UNC Chapel Hill Nutrition Research Institute Building. A 60,000 square foot medical office building opened in 2013 and Data Chambers began construction on a 50,000-square-foot research facility on the campus that is planned to open in late 2014.

To facilitate further development on the Research Campus and finance public improvements, the City of Kannapolis created the North Carolina Research Campus Financing District (Development District), pursuant to the State’s Project Development Financing Act. This district is comprised of approximately 863 acres within the County and Rowan County. The Development District was created to finance infrastructure within and around the Development District to support the Research Campus. The boundaries of the Development District were created to capture the area in which such infrastructure was needed. The Research Campus is approximately 240 acres within the Development District. The development plan for the Development District contemplates that, when completed, the Research Campus will include more than 2 million square feet of office and laboratory space, 600,000 square feet of new retail and commercial space, 400,000 square feet of academic and civic space and approximately 1,100 new residential units. The total estimated cost of the Research Campus project is expected to exceed \$1 billion.



The City of Kannapolis issued \$35 million in limited obligation bonds in 2011 (Kannapolis Bonds) to finance public infrastructure in the Development District. Pursuant to an Inter-local Agreement between the County and the City of Kannapolis executed in connection with the issuance of the Kannapolis limited obligation bonds, the County has agreed to pay a portion of its incremental ad valorem tax revenues actually collected in the Development District to the City to be used for the payment of not more than half of the annual payments of principal and interest due on the Kannapolis bonds. These payments began in FY 2013 and end in FY 2027, and range (subject to a Maximum County Contribution ceiling) from a low of \$1,421,804 in FY 2013 to a high of \$1,513,677 in FY 2021, and total \$22,523,021.

Cabarrus County has constructed a 66,000-square-foot building that is home to the Cabarrus Health Alliance. As part of their commitment, the City of Kannapolis will begin construction on a new 106,000-square-foot municipal building (City Hall / Police Department) on the campus in the fall of 2014.

## **Healthcare**

The County economy is emerging as a significant provider of healthcare services; the largest single employer in the County is Carolinas Medical Center (CMC) NorthEast. The hospital is located in Concord and has 457 active licensed beds. CMC NorthEast is the second largest hospital facility in the Carolinas Healthcare System (CHS) network of healthcare facilities, which is the largest healthcare system in North and South Carolina and is the second largest public, multi-hospital system in the United States. CMC NorthEast provides a full-range of tertiary and surgical services for residents of Cabarrus County and surrounding counties. It has a Level III Trauma Center, The Jeff Gordon Children's Hospital, The Hayes Family Center, The Batte Cancer Center, The Sanger Heart & Vascular Institute and a number of other specialized services and facilities.

There are two other health care providers of note in the county in addition to CMC NorthEast. The Cabarrus Health Alliance is a public health authority. It was created as the only authority of this type in the state and serves the public health needs of Cabarrus County. Cardinal Innovations is a regional behavioral healthcare organization. They provide coverage for a population of 2.4 million people in North Carolina through their several community operations center. Their corporate headquarters, as well as several community service centers, are located within Cabarrus County.

## **Manufacturing**

The principal products manufactured in the County include optical fiber, textiles, food, printing, and publishing, concrete products, lumber and wood, specialized coloring, fabricated metal and machinery products, transportation equipment, and corrugated packaging.

Corning, Inc.'s fiber optics facility in the southeastern part of the County had been mothballed, but reopened a few years ago. Since that time, the facility has undergone renovations to add manufacturing capacity and is in full operation. Philip Morris, Inc., which was the largest manufacturer in the County, closed its Concord facility at the end of July 2009. The facility encompasses over 2,100 acres and 2.4 million square feet. This facility was sold to Victory Industrial Park LLC in April of 2014. It is unknown at the present time what the future use of the property and its buildings will be.

Other manufacturers are described in the following entry for Industrial and Business Parks.

## **Industrial and Business Parks**

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

Z-Max Industrial Park in Harrisburg (developed by an arm of Charlotte Motor Speedway), is expanded with a second road for further industrial development. It is served by rail and all utilities.

Copperfield Business Park began development along I-85 in 1987. Firms that built facilities in the Copperfield Business Park include a nationwide periodical publisher, a commercial printer, several medical offices, a pharmacy and a shopping center. Northeast Outpatient Surgery Center opened in Copperfield



last year, and most recently Charlotte Eye Ear Nose and Throat has completed a new facility. 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 opened in the park.

ACN Communications moved its world headquarters to Concord December 2008. The telecommunications direct-sales company occupies a 140,000-square-foot office building that combines all of their existing facilities into one at a cost estimated to be approximately \$18 million.

The International Business Park (IBP) is located near an interchange on I-85. The owners of the International Business Park actively pursue private investment from around the world. In early 1991, the Oiles America Corporation, a Japanese company, opened a manufacturing plant for self-lubricating bearings on approximately 25 acres. They completed an expansion of the facilities in 1997 and currently employ 82 people.

In 1991, Legrand/Pass & Seymour, 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. In mid-1995, Dai Nippon Printing Company Ltd. (DNP) commenced operations in the Park from a new 50,000-square-foot facility that produces media (such as ribbons and tapes) and employs 175 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. They purchased an 88,527 square-foot speculative building, expandable to 144,000 square feet, in 2014 that is located in the IBP for future expansion. 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 distributor, 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 420 people.

Bonitz, a flooring contractor, opened a facility in the IBP in 2004. The Minka Group, a lighting products company, completed construction of a 365,000-square-foot facility which will serve as its east coast distribution center.

Walker Marketing, Inc., a Charlotte-area full-service marketing communications firm moved its headquarters to Concord in September 2006 to expand office space and offer new services to clients, including mediation and hosting focus groups. The new facility was designed by BJW Architecture, another firm of the International Business Park. The agency serves clients regionally and nationally in industries such as healthcare, real estate/economic development, food services, construction and government.

BJW Architecture, Inc. is a full service architectural firm that provides complete professional design services for the Charlotte region. BJW Architecture specializes in servicing clients of all sizes in areas, including commercial, financial, industrial, institutional, governmental, medical, multi-family housing, office space management, recreational, religious, restaurants and retail facilities. BJW Architecture occupies 1,500 square feet of the 10,000-square-foot building.

PreGel AMERICA is the U.S. division of PreGel, a global specialty dessert ingredient company headquartered in Italy. PreGel is the largest global manufacturer and distributor of ingredients for gelato, sorbetto, frozen yogurt, semifreddo, pastries and more, and has a presence on every continent. In May 2008, PreGel AMERICA opened its U.S. headquarters in Concord, housing Administrative Offices, Professional Training Center, Warehouse and Research & Development departments under one roof to accommodate customer's ongoing business needs. PreGel AMERICA recently opened an \$11.4 million expansion to the facility in 2013.

CBLPath opened a new commercial office at the IBP in September 2009. They are a leading provider of anatomic pathology and molecular diagnostic laboratory services that delivers advanced diagnostic, prognostic, and therapeutic testing to over 4,500 physician-clients across the nation.

Celgard, LLC, the largest supplier to the lithium battery industry, built a two-phase battery separator and research facility at the Park.



Four additional speculative buildings are being constructed in Cabarrus County. Childress Klein is constructing a 360,000-square-foot facility in the Afton Ridge Business Park (Kannapolis) that broke ground in spring of 2014. The Silverman Group began two speculative building, a 400,000-square-foot facility and a smaller building of 150,000 square feet at the Concord Airport Business Park. A fourth speculative building is being constructed by Trinity Partners at the corner of Poplar Tent Road and International Drive. Construction on this facility began in May in 2014.

The West Winds Industrial Park is located directly across from the airport entrance. The first phase, an 18,000-square-foot mixed office/industrial space, is been completed. Also completed in the Industrial Park is a 45,000-square-foot NASCAR Research and Development Center to research new safety methods. A 40,000-square-foot speculative building is available, as well as additional land development. The most recent announcement for West Winds is the redevelopment and new construction for a Cabarrus County legacy company – S&D Coffee & Tea. In November 2012, S&D announced a \$97 million expansion and the addition of 200 jobs, at an average wage of \$36,311. This new location will be fully operational in 2015. The expansion will boost its production of coffee, tea, and extracts.

The Midland Business Park and Intermodal Facility is a future business park to be built near NC Highway 24/27 and Highway 601. Aberdeen Carolina and Western Railway are working to develop the 70-acre business park to permit the relocation of an intermodal facility, as well as additional distribution facilities.

The Kannapolis Gateway Business Park is an 85-acre park located one mile from an interchange on I-85 and features approximately 753,000 square feet of industrial space and a 12-acre retail center. The City of Kannapolis and Mark Pierce Poole Properties, Inc., a Charlotte real estate development firm specializing in industrial, retail and office properties, partnered to construct a speculative industrial building there. It is currently occupied by Novant Health Logistics/Centera. HAAS Racing is currently expanding their facility to provide a home for their newest race team.

The University Research Park lies within five miles of the County limits. 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), fuels strong residential and commercial growth.

### **Warehouse and Distribution**

The distribution, warehousing, and shipping industry is another growing sector of the County's economy. The County continues to serve as 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. In addition, I-485 and I-77 interchanges with I-85 offer major interstate highway access in multiple directions. Cabarrus County is served by Norfolk Southern Railway connections and the nearest port is approximately 260 miles away in Charleston, South Carolina.

Examples of distribution centers include: Saddle Creek, a large Florida-based 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); 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; and Rug & Home, headquartered in Asheville, opened a 96,000-square-foot retail and distribution warehouse in Kannapolis April 2010, creating between 40 and 75 jobs. SP Richards, a business products distributor, built a 200,000-square-foot distribution facility in late 2012 and created 67 jobs. Distribution Technologies is located in a 60,000-square-foot distribution center. This facility, formerly plagued by vandals, is fully updated, which has resulted in nearly 100 jobs.

### **Entertainment and Hospitality**

Another example of the County's diverse economy is Charlotte Motor Speedway (CMS), a major sports and recreational facility which regularly hosts activities that draw over 1.1 million people annually. Each year, CMS hosts nine primary events, including three major NASCAR racing events that extend over a 10-day period for each event. Facilities at CMS include a seven-story office building and conference center, topped by a restaurant and private club. The zMAX Dragway is also located on CMS property. It opened in 2008, and hosts several events, including four NHRA-sanctioned events in a \$60 million drag strip facility.



The City of Concord and Embassy Suites Hotels constructed a Convention Center and full-service hotel on Bruton Smith Boulevard. This complex is located equidistant between CMS and the Concord Mills Mall. Other hotels have located in this area, including Great Wolf Lodge, which has the largest indoor water park in North Carolina. There are currently 1,774 hotel rooms available along Bruton Smith/Concord Mills Blvd. There are 2,791 rooms available county-wide.

## **Motorsports**

The County is home to CMS, NASCAR Research & Development, World Racing Group, the Dirt Track at CMS, Concord Motorsports Park, Motorsports Radio Network, zMax Drag way, four NASCAR driving schools, Hendrick Motorsports, Roush Fenway Racing, Earnhardt Ganassi Racing with Felix Sabates, Richard Petty Motorsports, Stewart-Haas Racing, Wood Brothers, and several other motorsports-related businesses.

Recent developments involving motorsports businesses include the building of a \$40 million wind tunnel by California-based Windshear. It is the only publicly available wind tunnel in North America using “rolling road” technology. This facility allows for full-scale testing of race cars at speeds of 180 miles per hour. Wood Brothers relocated its operations to a 123,000-square-foot building in Harrisburg. Stewart-Haas Racing opened a state-of-the-art, 140,000-square-foot racing facility, which doubles the size of its former facility. JHE Productions is located in the Harrisburg area, near the Saddle Creek facility and operates out of a 46,000-square-foot building. Lionel Trains/Motorsports relocated their headquarters from New York to Concord in April 2014.

## **Retail**

In 1997, The Mills Corporation and the Simon-DeBartolo Company acquired approximately 165 acres located in the southwest quadrant of the King’s Grant interchange at I-85, and developed Concord Mills Mall. It 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 is estimated to generate about \$250 million annually in retail sales. Concord Mills Mall is the State’s largest tourism draw, with \$17.5 million visitors each year and continues to create additional spin-off retail development on adjacent properties. Such development includes Wal-Mart, Lowe’s, and Academy Sports+Outdoors, which makes the area a primary retail center for the entire MSA.

The owner of Concord Mills, Simon Properties, partnered with Merlin Entertainment and opened a new \$10 million aquarium at Concord Mills in 2014. The aquarium is expected to generate 350,000 new guests to visit Concord Mill.

As a result of the population increase that has occurred, a number of new retail centers, have been developed or are under construction throughout the County as a result of the population increase that has occurred. Some of these are part of much larger mixed-use developments that also include services, employment and residential uses. For example, the Northlite Center, in the northern part of the county, is anchored by Sam’s Club, Wal-Mart, Kohl’s, and Hobby Lobby. Academy Sports opened two new outlets, including one adjacent to Northlite. Harrisburg Town Center is a 100-acre mixed use development on Highway 49, which includes a mix of residential units with 500,000-square-feet of office and retail 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. Afton Ridge Center retail area opened in the fall of 2006 and includes a Super Target, Marshall’s, Best Buy, Dick’s Sporting Goods and other retail stores and restaurants. This center is located at the intersection of I-85 (Exit 54) and Kannapolis Parkway. The business park section has added its first tenant, S.P. Richards, and a 414-unit apartment complex has recently opened its first phase. Ashton Properties are developing the Caldwell Crossing Center in Harrisburg. This center will include 85,000-square-feet of additional retail space and will be anchored by a Harris Teeter grocery store. Publix has announced that their first Cabarrus County location will be in the planned Willow Oaks Crossing retail center, which is planned for the intersection of Weddington Road and George Liles Parkway.

## **Aviation**

The City of Concord continues to develop and operate a general aviation reliever airport on approximately 750 acres adjacent to I-85 at exit 49. This facility, known as Concord Regional Airport, is operated as an



enterprise fund department of the City, has a 7,400 foot fully instrumented and strengthened runway that can accommodate all types of aircraft, up to a Boeing 737 size.

Concord Regional Airport facilities includes a 12,500-square-foot terminal building, maintenance facility, fuel farm, on-site fire station, 67 T-hangars, eight large conventional storage hangars, 11 privately leased or developed corporate hangars, and over 25 acres of aircraft parking ramp space.

The airport opened in the fall of 1994. The total initial cost for the airport was approximately \$27 million, which was paid for using City funds (4%) and State and Federal grant funds (16% and 80% respectively).

There are currently 170 aircraft based at the airport, with a combined taxable value of over \$120 million.

The airport is open 24/7/365 and, to enhance aviation traffic safety, the airport contracts air traffic control services 16 hours daily, with extended hours during race events and 24/7/365 specialized aircraft fire and rescue on site.

Numerous businesses operate at the airport, including a full-service aircraft maintenance facility, five flight schools, two aircraft charter services, three aircraft detailing services, air ambulance service providers, and a helicopter radio platform service. The airport is also home to many NASCAR corporate aviation flight departments including Hendrick Motorsports, Stewart Haas Racing, and Joe Gibbs Racing. In addition, many other NASCAR teams utilize large aircraft commercial charter flights that operate at the airport.

A 2012 economic impact analysis determined that the Concord Regional Airport has a \$175.8 million economic contribution, annually, supporting almost 2,000 jobs in the Cabarrus County region.

Additional development and growth is expected to continue at the airport. Facility improvements include vehicle parking enhancements, passenger processing facilities, new control tower, and additional hangars. These improvements will make it possible for additional revenues, based aircraft, and new services for the community ensuring Concord Regional Airport remains a critical economic generator and community asset for the City and Cabarrus County. Additional flights/destinations are already being discussed.

Three industrial and two commercial business parks are located adjacent to the west side of Concord Regional Airport and include various size lots and buildings, access roads, and utilities. Currently, there are over 14 buildings and additional land area for future development. Some major tenants in these business parks are the NASCAR Research and Development Center, Earnhardt Ganassi Racing Headquarters, Roush Fenway Racing Shops/Headquarters / Museum, Richard Petty Motorsports, DIRT Motorsports Headquarters, and Flyright Inc.

The following table lists the 10 largest employers in the County as of February 2014:

<u>Employer</u>	<u>Service</u>	<u>Approximate Number of Employees</u>
Carolinas Medical Ctr.-Northeast	Medical Center	4,500
Cabarrus County Schools	Education	3,800
North Carolina Research Campus	Research	1,000
Cabarrus County	Government	950
City of Concord	Government	901
Connexions	Business Solutions	900
Shoe Show	Shoe Distributor	800
State of North Carolina	Government	770
Kannapolis City Schools	Education	750
S & D Coffee and Tea	International Coffee and Tea Distributor	625

Source: Cabarrus County Economic Development Corporation (2014)

### **Long-term financial planning**



The County's operating budget (which is comprised of the General Fund, Cabarrus Arena and Events Center Fund, Landfill Operations Fund, 911 Emergency Telephone Fund, and Health Insurance Fund) for the fiscal year ending June 30, 2015 totals \$220,454,949 with a tax rate of \$0.70 per \$100 of assessed value, based on a total valuation of \$19,364,626,398. The valuation increased 2.3% from the prior year as the economy began to recover.

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

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

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

### **Relevant Financial Policies**

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

The County will maintain an undesignated fund balance that exceeds eight percent (8%) in accordance with North Carolina Local Government Commission's (LGC) recommendation. For Cabarrus County, a recommended target goal of fifteen percent (15%) is needed to meet our cash flow needs. These funds will be used to avoid cash-flow interruptions, generate interest income, and assist in maintaining an investment-grade bond rating. An additional assigned fund balance amount of \$5,000,000 is set aside to sustain operations during unanticipated emergencies and disasters.

In June 14, 2005 (Revised March 15, 2010), the Board of Commissioners adopted a resolution formalizing the following fiscal management policies to be incorporated into the County's budget document beginning with the 2006 fiscal year:

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

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

3. Upon completion of the annual audit of the County finances, any undesignated fund balance above 15% will be transferred to the Capital Reserve Fund, to reduce reliance on debt financing; or to the Self-Funded Hospitalization Fund, or to the Self-Funded Liability Insurance Fund as required to maintain the integrity of those funds.

4. Notwithstanding the requirements of items 1, 2, and 3 above, fund balance may be appropriated for any use in the general fund to overcome revenue shortfalls related to significant downturns in the economy.

### **Major initiatives**

On May 15, 2013, Cabarrus County issued \$ 62,360,000 of General Obligation, Series 2013 advance refunding bonds to provide resources to purchase U.S. Government securities that were placed into an



irrevocable trust for the purpose of making all future debt service payments on the callable Series 2005 and the callable Series 2006 General Obligation bonds. The refunded debt consists of a portion (\$31,500,000) of the County's Series 2005 General Obligation Bonds dated March 1, 2005 and maturing March 1, 2016 through March 1, 2025 and a portion (\$34,200,000) of the County's Series 2006 General Obligation Bonds dated September 1, 2006 and maturing March 1, 2017 through March 1, 2027. The refunding debt was issued at a net interest cost of 2.148626%. 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 position. The amount of defeased debt that remains outstanding as of June 30, 2013 is \$ 62,360,000. This refunding was undertaken to reduce total debt service payments over the following 14 years by \$ 6,205,125 and resulted in a present value cash flow savings of \$ 5,522,531.

The Board of Commissioners' initiative to create and maintain a viable community is the highest priority. The focus of our board and staff is to evaluate programs and services offered to our residents for their effectiveness and efficiencies to ensure proper use of county revenues. The county has implemented performance-based budgeting to facilitate the annual budget process and assist staff and our elected officials in making their budgetary recommendations for ensuing fiscal years.

The county has identified economic development, future capital needs of the county and our public schools as significant issues to address as we strive to enhance the viability of our county and its residents. Currently county staff, county/city elected officials, school boards, and the Chamber of Commerce/Economic Development Corporation are evaluating their policies and procedures in efforts to address these issues.

During FY 2014, the Board of Commissioners placed two projects for vote by the public on a November 2014 bond referendum. The first project is the funding of \$9,000,000 for the construction of a South Campus Advanced Technology Center for the Rowan Cabarrus Community College. The second project is the funding of \$11,000,000 for the replacement of Royal Oaks Elementary School in the Cabarrus County School District.

The County also provided an additional \$16,000,000 in cash for the construction of a new Northwest Elementary School in the Odell area. The County had previously provided \$1,500,000 for the purchase of land for the site. An additional \$2,000,000 was provided to begin the design phase of the replacement of Mt. Pleasant Middle School. The Board also set aside \$11,486,500 in the capital reserve fund for the construction of Mt. Pleasant Middle School. The County also provided \$1,319,000 for the design of a New 7-8 grade Middle School for Kannapolis City Schools. The County also approved \$1,500,000 for Rowan Cabarrus Community College building improvements to the lease space in downtown Kannapolis NC for the cosmetology program. The renovations of the new leased space began on July 1, 2014.

Efforts to improve relationships with our many community partners have proven to be very successful. city/county managers meet on a regular basis to discuss current issues and search for ways to mutually address them to meet the needs of the respective jurisdictions. Mayors (Chairman) and Managers meetings have been renewed and now take place on a quarterly basis giving our elected officials and their managers the opportunity to update each other on their initiatives and to discuss opportunities to work together to achieve their goals.

### **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, 2013. This was the twenty-ninth 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.



## Awards and Acknowledgements

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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, 2014. In order to qualify for the Distinguished Budget Presentation Award, the county's budget document was judged to be proficient in several categories, including a policy document, a financial plan, an operations guide, and a communications device. This was the sixteenth 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, investors, and creditors, all of whom rely upon it for decision making and the opportunity to learn more about Cabarrus County's financial condition.

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

Respectfully submitted,



Michael K. Downs  
County Manager



Susan B. Fearrington  
Finance Director



Government Finance Officers Association

**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

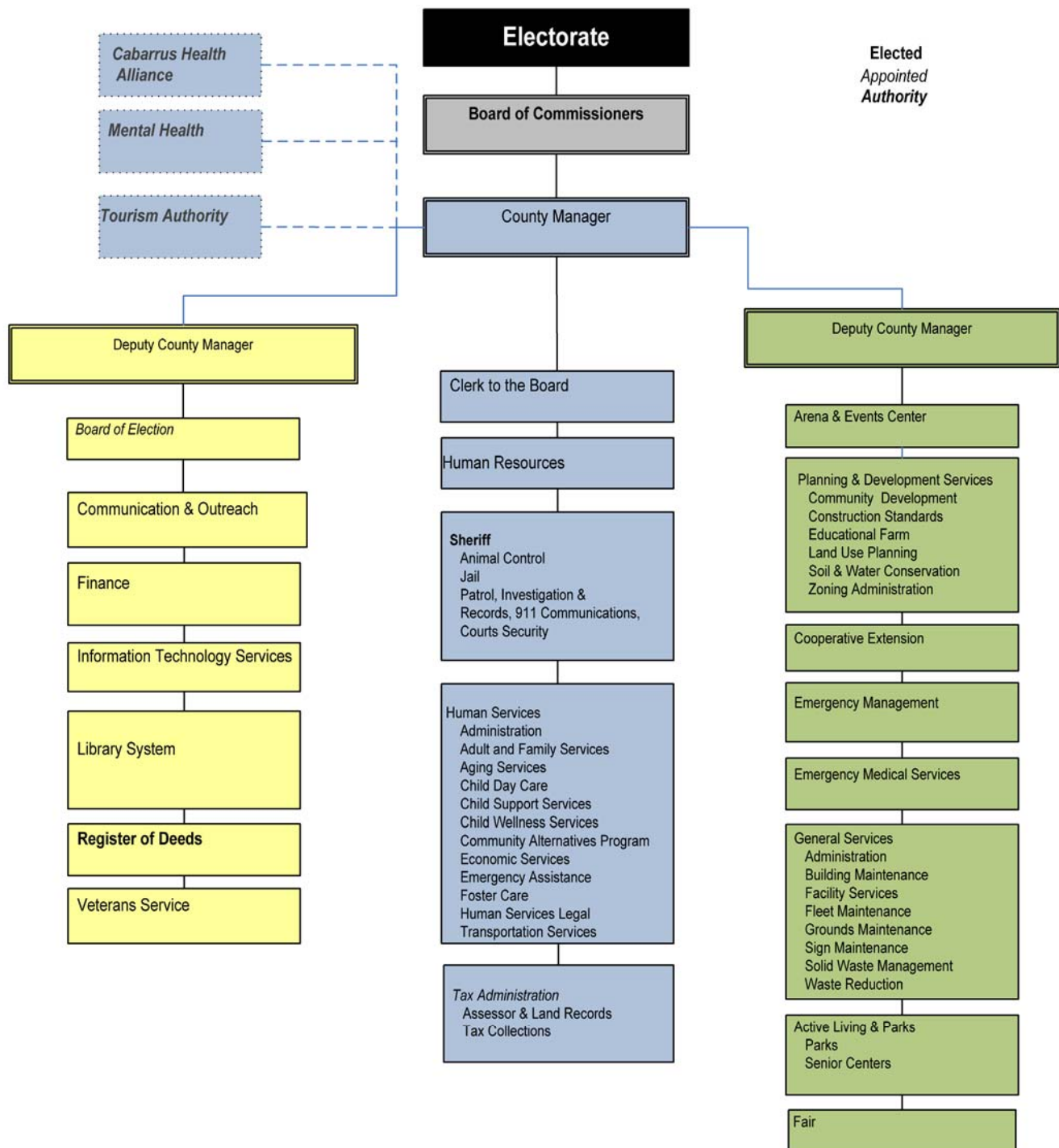
**June 30, 2013**



Executive Director/CEO



# Cabarrus County Organizational Chart



**Board of County Commissioners**

Chair ..... Elizabeth F. Poole  
Vice-Chair ..... Larry M. Burrage  
Commissioner ..... Jason A. Oesterreich  
Commissioner ..... Christopher A. Measmer  
Commissioner ..... Stephen M. Morris

**Other Elected Officials**

Sheriff ..... D. Brad Riley  
Register of Deeds ..... M. Wayne Nixon

**County Manager** ..... Michael K. Downs

Deputy County Manager ..... Pamela S. Dubois

Deputy County Manager ..... Jonathan B. Marshall

**Clerk to the Board** ..... Megan I. Smit

**County Department Heads**

Planning and Development ..... Kelly F. Sifford

Cooperative Extension ..... Robert B. Furr

Elections Director ..... Carol L. Soles

Emergency Management ..... Robert S. Smith

Emergency Medical Services ..... D. Alan Thompson

Fair ..... Kathleen P. Sharpe

Finance Director ..... Susan B. Fearrington

Infrastructure and Asset Services ..... (Interim) Michael A. Miller

Human Resources ..... Lundee L. Covington

Information Technology Services ..... Deborah A. Brannan

Libraries ..... Dana M. Eure

Parks ..... Londa A. Strong

Social Services ..... William B. Rose

Solid Waste Management ..... Kevin P. Grant

SWCD-Watershed ..... Dennis E. Testerman

Tax Administration ..... Jeffery B. Weisner

Transportation ..... Robert W. Bushey

Veterans' Service ..... Timothy J. Tereska

Tourism Authority, President/CEO ..... Donna Carpenter



# Financial Section

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

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

## INDEPENDENT AUDITOR'S REPORT

Board of County Commissioners  
Cabarrus County  
Concord, North Carolina

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Cabarrus County, North Carolina, as of and for the year ended June 30, 2014 and the related notes to the financial statements, which collectively comprise Cabarrus County's basic financial statements as listed in the table of contents.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditor's Responsibility*

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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13 South Center Street ♦ Taylorsville, North Carolina 28681 ♦ Phone 828-632-9025 ♦ Fax 828-632-9085  
Toll Free Both Locations 1-800-948-0585 ♦ Website: [www.martinstarnes.com](http://www.martinstarnes.com)



## ***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 discretely presented component unit, each major fund, and the aggregate remaining fund information of Cabarrus County, North Carolina as of June 30, 2014, and the respective changes in financial position, and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## ***Other Matters***

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis and the Law Enforcement Officers' and Other Post Employment Benefits Special Separation Allowance Schedules of Funding Progress and Employer Contributions, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consist of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary and Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Cabarrus County's basic financial statements. The introductory information, combining and individual fund financial statements, budgetary schedules, other schedules, statistical section 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 State and Local Governments, and Non-Profit Organizations* and the State Single Audit Implementation Act are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements, budgetary schedules, other schedules and the Schedule of Expenditures of Federal and State Awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures; including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements, budgetary schedules, other schedules and the Schedule of Expenditures of Federal and State Awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory information and the statistical section have not been subjected to the auditing procedures applied in the audit of basic financial statements, and accordingly, we do not express an opinion or provide assurance on them.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 5, 2014 on our consideration of Cabarrus County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Cabarrus County's internal control over financial reporting and compliance.

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

Martin Starnes & Associates, CPAs, P.A.  
Hickory, North Carolina  
December 5, 2014





# 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, 2014. 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.

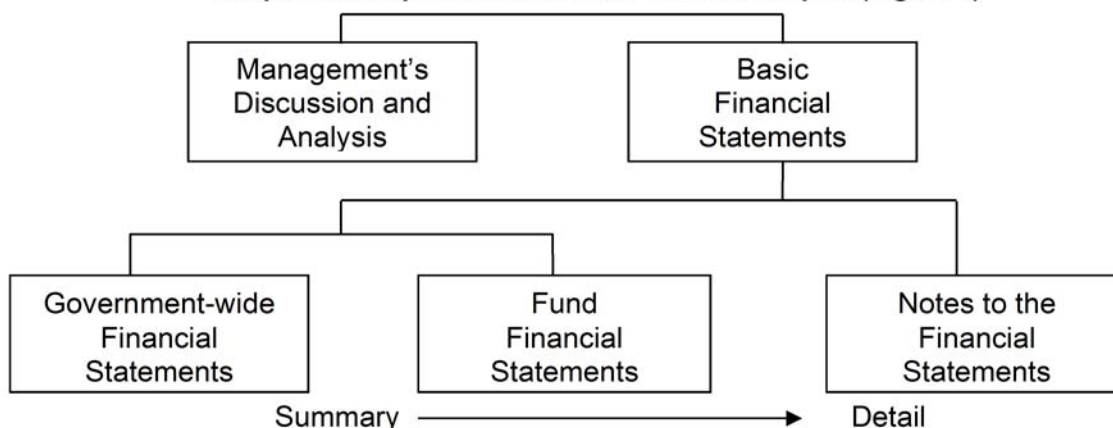
### Financial Highlights

- The liabilities and deferred inflows of resources of Cabarrus County exceeded its assets and deferred outflows of resources at the close of the fiscal year by (\$14,350,481) (*net position*).
- The total Net Position related to Governmental Activities (Exhibit 1) shows a deficit of \$18,094,453, a decrease of \$21,144,395 from the prior year's deficit of \$39,238,848. In accordance with North Carolina law, the County is financially responsible for funding school facilities and issuing any debt in connection with school facilities. These assets are not reflected in the County's financial statements as the law requires that school capital improvements are to be expensed on the books of the County; the capital asset is recorded by the school system. The effect of this accounting distorts the net position of the County creating a large deficit in unrestricted net position. The Statement of Net Position does not present the County's position regarding spending. This information is presented in the governmental fund statements (Exhibit 4).
- As of the close of the current fiscal year, Cabarrus County's governmental funds reported combined ending fund balances of \$112,282,569 after a net decrease in fund balance of \$3,976,733. Approximately 16.4 percent of this total amount or \$18,450,643 is restricted or non-spendable.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$37,717,055, or 15.4 percent of total general fund expenditures for the fiscal year.
- Cabarrus County's total debt decreased by \$28,786,747 or 7.8% during the current fiscal year. Through debt principal payments General Obligation debt decreased by \$7,995,000. COPS and LOBS debt decreased by \$18,700,000 and Capital leases decreased \$191,635.
- Cabarrus County has installment bond ratings of AA / Aa2 / AA and general obligation bond ratings of AA+ / Aa1 / AA+.

### Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to Cabarrus County's basic financial statements. The County's basic financial statements consist of three components; 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements (see Figure 1). The basic financial statements present two different views of the County through the use of government-wide statements and fund financial statements. In addition to the basic financial statements, this report contains other supplemental information that is designed to enhance the reader's understanding of the financial condition of Cabarrus County.

**Required Components of Annual Financial Report (Figure 1)**





## Basic Financial Statements

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

The next statements (Exhibits 3 through 10) are **Fund Financial Statements**. These statements focus on the activities of the individual parts of the County's government. These statements provide more detail than the government-wide statements. There are four parts to the Fund Financial Statements: 1) the governmental funds statements; 2) the budgetary comparison statements; 3) the proprietary fund statements; and 4) the fiduciary fund statements.

The next section of the basic financial statements is the **notes**. The notes to the financial statements explain in detail some of the data contained in those statements. After the notes, **supplemental information** is provided to show details about the County's general fund, non-major governmental funds and internal service funds, all of which are added together in one column on the basic financial statements. Budgetary information required by the General Statutes also can be found in this part of the statements.

Following the notes is the required supplemental information. This section contains funding information about the County's pension plans and other post employment benefits.

### 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 position and how it has changed. Net position is the difference between the County's total assets and deferred outflows of resources and total liabilities and deferred inflows of resources. Measuring net position 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. The only business-type activity fund is the Landfill operations. The only component unit the County has is the Cabarrus Health Alliance. Cabarrus Health Alliance was incorporated under the hospital authority act to provide public health care to the citizens and residents of the County. The Chairperson of the Board of Commissioners for Cabarrus County appoints the members of the board of the Health 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 NC 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, 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 Position 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 NC 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 landfill operations. This fund is the same as those functions shown in the business-type activities in the Statement of Net Position 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 an internal service fund to account for 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 seven fiduciary funds, one of which is a pension trust fund and six agency funds.

**Notes to the Financial Statements** – The notes to the financial statements explain in detail some of the data contained in those statements. After the notes, supplemental information is provided to show details about the County's 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 statement.

Following the notes is the required supplemental information. This section contains funding information about the County's pension plans and other post-employment benefits.

### **Government-Wide Financial Analysis**

While net position is often considered a useful indicator of a government's financial position, it does not adequately reflect the County's position. As noted above, the liabilities and deferred inflows of resources of Cabarrus County exceeded the assets and deferred outflows of resources by \$14,350,481 at June 30, 2014. In accordance with the North Carolina General Statutes, the County is the issuer and payer of debt for capital purposes for the Cabarrus County Schools, Kannapolis City Schools and the Rowan-Cabarrus Community College. This debt, which totals \$259,428,626 at June 30, 2014 and totaled \$282,052,310 at June 30, 2013, 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 distorts the net position of the County, creating a large deficit in unrestricted net position. The County's net position increased by \$21,324,908 for the fiscal year ended June 30, 2014. This is a result of revenues recognized in excess of budgeted amounts and expenses coming in under budget. One of the largest portions comprising the net position is the County's net investment in capital assets, \$131,622,064 (e.g. land, buildings, vehicles, equipment and other machinery used in providing services to residents). These assets are not available for future spending. Although the county's investment in its capital assets is reported net of the outstanding related debt, the resources needed to



repay that debt must be provided by other sources, since the capital assets cannot be used to liquidate these liabilities. An additional portion of the County's net position, \$18,219,118, represents resources which are reserved by law for specific purposes. Net position does not present the County's position regarding spending, this amount is presented in the governmental funds statements.

### Cabarrus County's Net Position

**Figure 2**

	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
Current and other assets	\$ 133,657,433	\$ 133,500,615	\$4,139,900	\$3,852,803	\$ 137,797,333	\$ 137,353,418
Capital assets	208,907,351	212,697,320	3,019,858	3,220,285	211,927,209	215,917,605
Total assets	<u>342,564,784</u>	<u>346,197,935</u>	<u>7,159,758</u>	<u>7,073,088</u>	<u>349,724,542</u>	<u>353,271,023</u>
Deferred outflows of resources	9,655,303	10,747,569	-	-	9,655,303	10,747,569
Long-term liabilities outstanding	327,233,028	353,595,403	3,134,833	3,252,018	330,367,861	356,847,421
Other liabilities	42,828,624	42,089,399	280,953	257,611	43,109,577	42,347,010
Total liabilities	<u>370,061,652</u>	<u>395,684,802</u>	<u>3,415,786</u>	<u>3,509,629</u>	<u>373,477,438</u>	<u>399,194,431</u>
Deferred inflows of resources	252,888	499,550	-	-	252,888	499,550
Net Position						
Net investment in						
capital assets	128,602,206	126,276,528	3,019,858	3,220,285	131,622,064	129,496,813
Restricted	17,269,347	21,526,048	-	-	17,269,347	21,526,048
Unrestricted	(163,966,006)	(187,041,424)	724,114	343,174	(163,241,892)	(186,698,250)
Total net position	<u>\$ (18,094,453)</u>	<u>\$ (39,238,848)</u>	<u>\$3,743,972</u>	<u>\$3,563,459</u>	<u>\$ (14,350,481)</u>	<u>\$ (35,675,389)</u>

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

- Continued low cost of debt due to the County's high bond rating and the prevailing low interest rate environment.
- General Fund County revenues at June 30, 2014 were \$3,366,784 over budget. This is higher than expected due to the following areas exceeding budgeted amounts: property tax (\$2,754,323) Register of Deeds fees (\$167,297) and Construction Standards fees (\$135,574).
- The General Fund received \$8,023,589 in other financing sources from several capital project funds for payment of debt service.
- The General Fund had budgeted fund balance appropriated amounting to \$42,565,463 and \$26,837,768 was used. The major component was the transfer of excess fund balance exceeding the County 15% policy which amounted to \$29,486,500.
- General Fund expenses at June 30, 2014 were \$12,158,600 under budget. Much of the under-spending related to the schools. There were \$2,183,672 in capital outlay and one-time projects funds allocated for Cabarrus County Schools (\$1,148,977) and Rowan Cabarrus Community College (\$1,034,696) that were not spent this year and were re-appropriated to FY2015. \$2,255,000 in economic incentive funds were also re-appropriated as the conditions for payment were not complete in FY2014. An additional \$1,288,432 was re-appropriated for various projects and grants that were not completed in FY2014. Thus a total of \$5,727,104 was re-appropriated



from the General Fund Balance to FY2015. County Departments were conservative in their spending resulting in an additional \$6,431,496 of savings. The largest areas of savings were in Human Services, \$2,190,326 under budget, due to reduced expenses in Economic Services and Child Welfare and County salary and fringe expenses of \$1,786,471 under budget, due to unfilled positions and turnover.

- The Landfill Enterprise Fund operating expenses were \$512,735 under budget and \$570,343 below FY 2013 expenses. The variance primarily resulted from not utilizing capital reserve funds set aside for closure/post-closure of the landfill and a reduction in engineering and tire disposal expenses. Engineering and tire disposal costs were re-appropriated to FY 2015. The engineering costs relate to the future mini-expansion of the existing Construction and Demolition (C&D) site. The tire disposal costs relate to normal project operations.

**Cabarrus County's Changes in Net Position**  
**Figure 3**

	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
Revenues:						
Program Revenues:						
Charges for services	\$ 17,674,122	\$ 17,209,732	\$ 691,618	\$ 674,272	\$ 18,365,740	\$ 17,884,004
Operating grants and contributions	19,896,106	21,281,605	-	-	19,896,106	21,281,605
Capital grants and contributions	5,269,068	7,637,084	-	-	5,269,068	7,637,084
General revenues:						
Property taxes	142,079,572	133,982,194	-	-	142,079,572	133,982,194
Local option sales tax	36,209,579	36,890,472	-	-	36,209,579	36,890,472
ABC revenues	155,755	90,926	-	-	155,755	90,926
Other taxes and licenses	754,194	760,314	300,666	313,218	1,054,860	1,073,532
Investment earnings	2,224,727	1,627,590	11,298	9,381	2,236,025	1,636,971
Total revenues	224,263,123	219,479,917	1,003,582	996,871	225,266,705	220,476,788
Expenses:						
General government	29,319,941	20,446,857	-	-	29,319,941	20,446,857
Public safety	42,377,716	39,553,136	-	-	42,377,716	39,553,136
Economic and physical development	4,132,476	4,073,657	-	-	4,132,476	4,073,657
Environmental protection	259,725	547,558	-	-	259,725	547,558
Human services	37,786,315	37,438,873	-	-	37,786,315	37,438,873
Education	65,435,585	63,146,646	-	-	65,435,585	63,146,646
Cultural and recreation	7,370,579	7,465,525	-	-	7,370,579	7,465,525
Interest on long-term debt	16,436,391	17,898,970	-	-	16,436,391	17,898,970
Landfill	-	-	823,069	957,890	823,069	957,890
Total expenses	203,118,728	190,571,222	823,069	957,890	203,941,797	191,529,112
Increase (decrease) in net position before transfers	21,144,395	28,908,695	180,513	38,981	21,324,908	28,947,676
Transfers	-	122,200	-	(122,200)	-	-
Increase (decrease) in net position	21,144,395	29,030,895	180,513	(83,219)	21,324,908	28,947,676
Net position, beginning, previously reported	(39,238,848)	(65,093,245)	3,563,459	3,646,678	(35,675,389)	(61,446,567)
Restatement	-	(3,176,498)	-	-	-	(3,176,498)
Net position, beginning, restated	(39,238,848)	(68,269,743)	3,563,459	3,646,678	(35,675,389)	(64,623,065)
Net position ending	\$ (18,094,453)	\$ (39,238,848)	\$ 3,743,972	\$ 3,563,459	\$ (14,350,481)	\$ (35,675,389)

#### Governmental activities

Governmental activities increased Cabarrus County's net position by \$21,144,395 or 54%. Key elements of this net increase are as follows:

**Revenues:**

Charges for services had a net increase of \$464,390 over FY2013. General Government increased by \$239,738 due to an increase in Register of Deeds fees for recording new property settlements for an improving economy and due to the Information Systems Department beginning to host server services for the City of Concord. Public Safety increased by \$631,651 due to a 38% increase in the number of building inspections performed indicating that the economy is improving. Human Services decreased by \$564,074 due to a FY13 catch up reimbursement of approximately four months of Medicaid Transportation reimbursements. Culture and Recreation increased \$138,038 due to an overall increase in citizen participation in all Active Living and Parks programs.

Operating grants and contributions experienced a net \$1,385,499 or 6.5% decrease from FY2013 to FY2014. This decrease is the result of several factors. Human Service programs had a reduced funding of \$1,099,755 from the federal and state government. There was a decrease of \$446,258 in the General Government revenue category. This decrease was primarily due to a large Medicaid Hold Harmless payment received in FY2013 and not in FY2014. There was an increase in School Resource Officer funding related to the Public Safety category in the amount of \$176,604.

Capital grants and contributions experienced a net decrease of \$2,368,016 which primarily relates to an appropriation of \$4,911,790 for Lottery Proceeds for the payment of debt service for School Construction in FY2014 versus appropriating \$7,307,518 in Lottery Proceeds in FY2013.

Property tax revenue increased from FY2013 levels by \$8,097,378 or 6%. Real property levy increased by \$3,812,038 due to increased new construction and real estate improvements indicating an improving economy. Due to a change made at the State level, motor vehicle taxes will now be collected by the State and remitted to the County monthly through a new tax and tag program. FY 2014 was the first year for the program and included twelve months of the new tax and tag collections plus four months of the old method of collection. This one time extra four months of revenue amounted to \$5,748,969. Delinquent tax collections decreased \$1,045,461 due to a one time large settlement recorded in FY 2013.

Local option sales tax decreased by \$680,893 or 1.8%. In November 2013 we received \$177,812 instead of the normal monthly \$3.2 million distribution. This decrease was due to large sales tax refunds issued by the State to non-profit entities in Cabarrus County.

Investment earnings increased \$597,137 over FY 2013. This increase was primarily due to recognizing a full year of refunding bond premium amortization as compared to only recognizing one month of amortization in FY2013 for the 2013 GO Refunding Bonds.

**Expenses:**

General Government expenses increased overall by \$8,873,084 or 43.4%. This large increase was primarily due to the FY2014 settlement and payment of \$5,260,929 in Adequate Public Facility lawsuits. On August 24, 2012, the County's Adequate Public Facilities Ordinance (APFO) was declared invalid by the North Carolina Supreme Court. APFO fees were collected from residential developers to help mitigate the cost of building schools. Also for FY2014, a large one time Worker's Compensation contribution of \$981,000 was made for stabilizing the fund in FY14 (\$521,000) and an additional \$460,000 to aid along with restarting the annual funding of the program through payroll processing. Other miscellaneous increases in the General Government category included \$603,254 in the Information Technology Services Department for the purchase of minor technology equipment and increased personnel costs.

Public Safety expenses increased \$2,824,580 or 7.1%. Several personnel positions were added in FY2014 to this category. Eleven Sheriff, three Building Inspectors and one new Emergency Management employee were added. Additional minor equipment and technology for \$325,000 was also purchased by the Sheriff Department.

Economic and Physical Development had a net increase of \$58,819 or 1.4%. Although the number of Community Development renovation and weatherization projects doubled from FY2013 to FY2014, the amount of incentive grants paid to qualifying tax payers decreased \$305,260 or 33%.



Environmental Protection had a net decrease of \$287,833 or 52.6%. One time storm water land improvements were made in FY2013 at a school that is not a County owned asset.

Human Services had a net increase of \$347,442 or 0.9%. One time funding of \$300,000 and a \$295,141 increase in School Health Nurse allocation was provided to the Cabarrus Health Alliance in FY2014. A \$295,820 decrease was realized in FY2014 for the Transportation Department due to new rider eligibility. The Economic Services Department had a \$481,729 increase due to increased workload qualifying people in the new State eligibility system NC FAST. A total of ten new positions were added to the Human Services Department in FY2014. A \$352,600 Low Income Energy Assistance Grant was received in FY2013 and not in FY2014.

Education had a net increase of \$2,288,939 or 3.6%. Qualified School Construction Bond projects ended in FY2014 and had a decrease in expenses of \$4,899,002 from the FY2013 expenses. A new school was started in FY2014 with \$756,642 in expenses. A new school road was built in FY2014. The County's contribution to that project was \$825,000 in FY2014. Overall current expense and capital funds given to the County's two school districts and one community college increased \$3,925,245 or 7% in FY2014.

Culture and Recreation had a slight decrease of \$94,946 or 1.3%. This small decrease was primarily due to a \$126,230 loss on disposal of assets recognized in FY2013 and not in FY2014 netted with small increases in the Culture and Recreation programs.

Interest on long term debt had a net decrease of \$1,462,579 or 8.2%. Prior to FY2014 the County had refinanced GO and COPS Debt issues for lower interest rates. FY2014 the County began to realize the interest savings.

### **Business-type activities**

The County's Business-type activity, the Landfill, experienced an \$180,513 (5.07%) increase in net position. The increase primarily resulted from operating revenues that were higher and operating expenses that were lower than FY2013. Tipping fees increased \$17,346 which was primarily the result of increased construction activity within the County. Operating expenses decreased \$105,568. This decrease primarily resulted from a decrease in depreciation expense of \$44,343 from assets becoming fully depreciated in prior years and a decrease in tire disposal expense of \$41,947 from decreased volume in disposed tires.

## **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. The County's only major fund, as defined by GAAP for the fiscal year ended June 30, 2014, was the *General Fund*.

**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, fund balance available for appropriation 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. As of June 30, 2014, Cabarrus County's total fund balance was \$68,901,762 of which \$55,508,040 was available for commitments, assignments and appropriations. The Governing Body of Cabarrus County has determined that the county should maintain an available fund balance of 15% of general fund expenditures in case of unforeseen needs or opportunities and to meet the cash flow needs of the County. The County currently has an available fund balance of 22.64% of general fund expenditures, while total fund balance represents 28.10% of that same amount. Of the \$55,508,040 available fund balance, the County has assigned \$16,089,311 (30%) for specific projects and obligations. Following the fund balance policy, \$31,446,513 (58%) of the available fund balance has been set aside for working capital. This leaves \$6,270,542 (12%) of fund balance remaining for appropriation, commitment or assignment.



At June 30, 2014, the governmental funds of Cabarrus County reported a combined fund balance of \$112,282,569, a \$3,976,733 decrease from last year.

The *General Fund* fund balance decreased \$26,837,768. Property taxes are the largest revenue source. The collection rate slightly decreased from the prior year's 96.67% to 96.337%. Current year tax collections experienced several large unfavorable tax appeal settlements; however were \$2,754,323 over budget. Delinquent property tax collections were \$ 202,495 under budget.

Cabarrus County is home to the number one tourist attraction in North Carolina, Concord Mills Mall. In FY2014, sales taxes of \$35,513,548 were collected; \$23,377 in excess of anticipated amounts

Permits and Fees are primarily collected by the Register of Deeds office for the recording and dissemination of records and by the Planning and Development Department for inspection fees related to construction standards. The economy is turning around as seen in the \$409,364 increase in revenues in these two areas which was \$302,871 over the budget.

**Major and Non-Major Funds.** The *School Construction Fund* (Major Fund) was created in FY2014 for the construction of non-debt financed schools. During FY2014, an \$18,000,000 transfer from the Capital Reserve Fund and a \$1,500,000 transfer from the General Fund were made to the fund to begin planning and construction of the two schools.

The *Capital Reserve Fund* (Major Fund) received \$29,486,500 in funds during FY2014 based on the County's 15% fund balance policy. As mentioned in the paragraph above, \$18,000,000 was transferred to the School Construction Fund. Another \$1,600,420 was transferred to the Construction and Renovation Fund (Non-major fund) for the Human Services building HVAC replacement (\$100,000), the Frank Liske Park tennis court light replacement (\$135,000), building renovations at Camp Spencer (\$990,420), and to share a building for a Harrisburg EMS Station (\$375,000).

**General Fund Budgetary Highlights:** During the fiscal year, the County revised the budget on several occasions. Generally, budget amendments fall into one of three categories: 1) amendments made to adjust the estimates that are used to prepare the original budget ordinance once exact information is available; 2) amendments made to recognize new funding amounts from external sources, such as Federal and State grants; and 3) increases in appropriations that become necessary to maintain services. Total amendments to the General Fund's budget amounted to an increase of \$44,035,030 with \$29,486,500 related to fund balance appropriated for the transfer of the 15% excess over fund balance.

At year-end, *actual* general fund revenues and transfers in exceeded *final amended budget* numbers by \$3,416,707 (.015%). Actual general fund expenditures and transfers out were more than *final budgetary* figures by \$12,310,988 (.047%), thus reducing the need of only \$26,837,768 on fund balance.

Major budget increases and decreases during the year include:

- **Budgeting of Fund Balance:** A total of \$42,565,463 of fund balance was budgeted in FY2014, although only \$26,837,768 was actually expended. \$5,727,104 in fund balance was re-appropriated from prior year for projects that were not completed in FY2013 and were on-going in FY2014. Fund balance was also appropriated for the following during the year: Transfer of excess fund balance \$29,486,500; Settlement of APFO lawsuit \$5,600,313; Funding of Workers Compensation \$981,000, and Kannapolis Middle School Architect and Engineering fees \$1,319,000.

**Proprietary Funds.** Cabarrus County's proprietary funds provide the same type of information found in the government-wide statements but in more detail. The Landfill Fund is the County's sole Enterprise fund. The Net position of the Landfill Fund increased \$180,513 during the fiscal year ended June 30, 2014. The increase primarily resulted from operating revenues that were higher and operating expenses that were lower than FY2013.

### 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, 2014, totals \$211,927,209 (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 22 vehicles for the Sheriff's department, five vehicles for Infrastructure and Asset Management, two vehicles for Construction Standards, one vehicle for Emergency Management, one vehicle and six ambulances for Emergency Medical Services, one vehicle of Soil & Water, one vehicle for Zoning and three vans for Transportation, for a total of 41 vehicles.
- Completed projects included the Human Services Building Renovation, Senior Center Renovation and Sheriff's P25 Radio System.
- Constructions in Progress at the end of the year were the Courthouse Annex, Courthouse Annex Parking Lot, Helms Hall Replacement and the Southeast Community Park.

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

**Figure 4**

	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
Land	\$ 21,801,111	\$ 21,801,111	\$ 490,447	\$ 490,447	\$ 22,291,558	\$ 22,291,558
Land Improvements	3,716,133	3,977,995	613,734	690,108	4,329,867	4,668,103
Buildings	136,148,857	141,029,181	1,005,571	1,059,507	137,154,428	142,088,688
Building Improvements	16,749,541	16,110,326	-	3,838	16,749,541	16,114,164
Equipment	3,083,829	3,640,120	-	1,612	3,083,829	3,641,732
Furniture and Fixtures	264,009	24,167	-	-	264,009	24,167
Vehicles	3,558,387	3,202,911	450,097	622,096	4,008,484	3,825,007
Reservoir	21,351,950	21,373,717	-	-	21,351,950	21,373,717
Construction in progress	2,233,534	1,537,792	460,009	352,677	2,693,543	1,890,469
Total	<u>\$ 208,907,351</u>	<u>\$ 212,697,320</u>	<u>\$ 3,019,858</u>	<u>\$ 3,220,285</u>	<u>\$ 211,927,209</u>	<u>\$ 215,917,605</u>

Additional information on the County's capital assets can be found in Note 2 section E of the Basic Financial Statements.

**Long-term Debt.** As of June 30, 2014, Cabarrus County had total debt outstanding of \$340,137,140 which includes General Obligation Bonds that are backed by the full faith and credit of the County and other debt that is covered by pledged collateral and is subject to appropriation.

**Cabarrus County's Outstanding Debt**  
**All Debt Funding Sources**

**Figure 5**

	Governmental Activities	
	2014	2013
General obligation bonds	\$ 91,115,506	\$ 100,138,753
Capital lease obligations	3,156,437	3,348,072
Certificates of participation	245,865,197	265,437,062
Total	<u>\$ 340,137,140</u>	<u>\$ 368,923,887</u>

As mentioned in the financial highlights section of this document, Cabarrus County maintained for the 4th consecutive year an Aa1 rating from Moody's and an AA+ rating from Fitch. For the 5th consecutive year,

a rating of AA+ from Standard and Poor's has been maintained. These bond ratings are 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 eight percent of the total assessed value of taxable property located within that government's boundaries. The legal debt margin for Cabarrus County is \$1,252,663,913 as of June 30, 2014. Additional information regarding Cabarrus County's long-term obligations can be found beginning in Note 2 section I of the Basic Financial Statements.

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

Cabarrus County is a part of the Charlotte Metropolitan Statistical Area (MSA), which before the current economic downturn, has proved beneficial in that the County has continued to experience economic growth during national and state economic downturns.

The following key indicators reflect the economic condition of the County:

- Unemployment for the County was 6% for June 2014, compared to 8.8% at June 30, 2013. Comparable rates for the State of North Carolina were 6.4% and 8.8% respectively.
- Population growth experienced an increase of approximately 780 from a year ago; the County population estimate is 187,226.
- A large diverse tax base with only 9.95% of assessed value attributed to the top ten taxpayers in the County.

These factors, as well as others, were considered when management prepared the County's budget ordinances for the 2015 fiscal year.

### **Budget Highlights for the Upcoming Fiscal Year Ending June 30, 2015**

**Governmental Activities:** The County's conservative financial management practices have positioned it to sustain services while keeping expenditures relatively flat over the next three years. In FY2016 and FY 17, the County plans to incur debt upon private placement of debt and voter approval to address the many capital needs of the County, the schools and Community College that arose during the recession. The County's five year financial plan ensures the County will maintain a healthy fund balance. In developing the FY2015 budget, the County was successful in keeping the tax rate from growing. The County adopted its FY2015 budget of \$220,454,949 at 17.2% less than the FY2014 amended budget dated April 2014. The County's 2015 budget is based on a tax rate of \$0.70 per \$100 valuation (the same as the rate in FY2014).

The real property tax base was estimated to increase 2.9% from FY2014 and the motor vehicle base by .1%. The collection percentages used were 97.29% for real property and 89.19% for motor vehicles (the prior year actual experience).

Total sales tax was budgeted at \$37,207,422, a 3% increase over the FY2014 budget. Two factors influence normal growth in sales tax. The first is growth in retail sales and the second is the value of non-profit refunds.

The County budgeted \$2,200,000 million in lottery proceeds in FY2015, down \$2,711,790 from the FY2014 budget of \$4,911,790. Expected revenues of \$2.2 million will be budgeted per year in the coming years for lottery funds due to the State's change in their funding.

Capitalized interest proceeds of the COPS issued in 2008 and 2009 of \$-0- were budgeted in FY2015, down from \$2,681,834 in FY2014. These are not included as revenues in future years of the five year plan.

Increases/decreases in FY2015 spending relate primarily in: decrease in health insurance funding (\$1,440,000), decrease in funded positions (\$606,359, 8.567 FTE's) increased school funding



(\$2,951,416), decrease in Health Alliance funding (\$300,000), decrease in operational expenditures (\$2,781,388) and increases to economic incentives approved by the Board of Commissioners (\$279,783).

The 2015 budget added the following approved positions: One permit clerk and one plan reviewer (offset by additional revenues from building permits) and Two Crew Chiefs and two paramedics (offset by revenues from ambulance fees) for the new station off Weddington Road co located with Concord Fire Department.

The County continues to be conservative and budgeted \$900,000 in contingency.

**Business-type Activities:** The Landfill budget decreased \$6,600 or 0.71% from FY2014 to FY2015 to \$919,400. For FY2015, tipping fees are split between Permits and Fees and Sales and Services. Tire disposal fees are projected to remain stable at FY2014 levels. Expenses for engineers are projected to decline \$32,879 or 29.0% from \$113,389 to \$80,510. The Board approved expansion of the area for disposal in the landfill in FY2013 which will extended the life of the landfill to June 2018.

### **Requests for Information**

This report is designed to provide an overview of the County's finances for those with an interest in this area. Questions concerning any of the information found in this report or requests for additional information should be directed to the Finance Department, Cabarrus County, 65 Church Street SE, Concord, NC 28027. You can also call 704-920-2104 or visit our website at [www.cabarruscounty.us](http://www.cabarruscounty.us).





# Basic Financial Statements

**Cabarrus County, North Carolina**  
**Statement of Net Position**  
**June 30, 2014**

	Primary Government			
	Governmental Activities	Business-Type Activities	Total	Component Unit
<b>Assets</b>				
Cash and cash equivalents	\$ 109,217,391	\$ 4,014,098	\$ 113,231,489	\$ 7,718,347
Receivables (net of allowance for uncollectibles):				
Accounts receivable	4,314,731	920	4,315,651	808,964
Customers	1,564,570	58,432	1,623,002	704,989
Interest	239,560	1,706	241,266	-
Property taxes	5,708,340	-	5,708,340	-
Due from other governments	8,711,232	64,744	8,775,976	91,374
Inventories	171,712	-	171,712	-
Prepaid items	333,422	-	333,422	91,092
Restricted cash and cash equivalents	2,820,475	-	2,820,475	-
Notes Receivable	576,000	-	576,000	-
Capital Assets not being depreciated:				
Land	21,801,111	490,447	22,291,558	-
Construction in Progress	2,233,534	460,009	2,693,543	-
Capital Assets net of accumulated depreciation:				
Land Improvements	3,716,133	613,734	4,329,867	218,064
Buildings and Building Improvements	152,898,398	1,005,571	153,903,969	-
Reservoir	21,351,950	-	21,351,950	-
Furniture and Fixtures	264,009	-	264,009	138,725
Equipment	3,083,829	-	3,083,829	352,417
Vehicles and Motorized Equip	3,558,387	450,097	4,008,484	62,326
Total assets	342,564,784	7,159,758	349,724,542	10,186,298
Deferred Outflows of Resources	9,655,303	-	9,655,303	-
<b>Liabilities</b>				
Accounts payable and other current liabilities	8,520,224	119,171	8,639,395	937,417
Liabilities to be paid from restricted assets	-	-	-	552,050
Accrued interest payable	4,401,080	-	4,401,080	-
Due to other Government	585,468	-	585,468	-
Retainage payable	87,044	-	87,044	-
Long-term liabilities:				
Due within one year	29,234,808	161,782	29,396,590	536,393
Due in more than one year	327,233,028	3,134,833	330,367,861	706,332
Total long-term liabilities	356,467,836	3,296,615	359,764,451	1,242,725
Total liabilities	370,061,652	3,415,786	373,477,438	2,732,192
Deferred Inflows of Resources	252,888	-	252,888	-
<b>Net Position</b>				
Net Investment in Capital Assets	128,602,206	3,019,858	131,622,064	771,532
Restricted for :				
Stabilization by State Statute	13,879,443	-	13,879,443	900,338
General Government	229,304	-	229,304	-
Public Safety	1,276,080	-	1,276,080	-
Economic & Physical Development	13,832	-	13,832	-
Education	1,701,661	-	1,701,661	-
Culture & Recreation	169,027	-	169,027	-
Unrestricted	(163,966,006)	724,114	(163,241,892)	5,782,236
Total net position	\$ (18,094,453)	\$ 3,743,972	\$ (14,350,481)	\$ 7,454,106

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



**Cabarrus County, North Carolina**  
**Statement of Activities**  
**For the Year Ended June 30, 2014**

Function/Program Activities	Program Revenues					Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions		Primary Government		Total	Component Unit
						Governmental Activities	Business-Type Activities		
<b>Primary Government:</b>									
Governmental Activities:									
General government	\$ 29,319,941	\$ 2,834,998	\$ 796,903	\$ -	\$ -	\$ (25,688,040)	\$ -	\$ (25,688,040)	\$ -
Public safety	42,377,716	10,662,877	1,039,695	-	-	(30,675,144)	-	(30,675,144)	-
Econ. & physical development	4,132,476	76,791	483,393	-	-	(3,572,292)	-	(3,572,292)	-
Environmental protection	259,725	63,757	7,373	-	-	(188,595)	-	(188,595)	-
Human services	37,786,315	2,612,401	15,598,848	357,278	-	(19,217,788)	-	(19,217,788)	-
Education	65,435,585	-	786,774	4,911,790	-	(59,737,021)	-	(59,737,021)	-
Culture and recreation	7,370,579	1,423,298	1,183,120	-	-	(4,764,161)	-	(4,764,161)	-
Interest on long-term debt	16,436,391	-	-	-	-	(16,436,391)	-	(16,436,391)	-
Total governmental activities	<u>203,118,728</u>	<u>17,674,122</u>	<u>19,896,106</u>	<u>5,269,068</u>		<u>(160,279,432)</u>	<u>-</u>	<u>(160,279,432)</u>	<u>-</u>
Business-Type Activities:									
Solid Waste	823,069	691,618	-	-	-	-	(131,451)	(131,451)	-
Total business-type activities	<u>823,069</u>	<u>691,618</u>	<u>-</u>	<u>-</u>		<u>-</u>	<u>(131,451)</u>	<u>(131,451)</u>	<u>-</u>
Total primary government	<u>\$ 203,941,797</u>	<u>\$ 18,365,740</u>	<u>\$ 19,896,106</u>	<u>\$ 5,269,068</u>		<u>(160,279,432)</u>	<u>(131,451)</u>	<u>(160,410,883)</u>	<u>-</u>
<b>Component Unit:</b>									
Cabarrus Health Alliance	<u>\$ 17,848,876</u>	<u>\$ 6,745,631</u>	<u>\$ 10,491,677</u>	<u>\$ -</u>		<u>-</u>	<u>-</u>	<u>-</u>	<u>(611,568)</u>
General Revenues:									
Property taxes						142,079,572	-	142,079,572	-
Local option sales tax						36,209,579	-	36,209,579	-
ABC revenues						155,755	-	155,755	-
Other taxes and licenses						754,194	300,666	1,054,860	-
Investment earnings						2,224,727	11,298	2,236,025	2,033
Miscellaneous						-	-	-	816,247
Total general revenues						<u>181,423,827</u>	<u>311,964</u>	<u>181,735,791</u>	<u>818,280</u>
Change in net position						21,144,395	180,513	21,324,908	206,712
Net position, beginning						(39,238,848)	3,563,459	(35,675,389)	7,247,394
Net position, ending						<u>\$ (18,094,453)</u>	<u>\$ 3,743,972</u>	<u>\$ (14,350,481)</u>	<u>\$ 7,454,106</u>

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

**Cabarrus County, North Carolina**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2014**

	Major			Non-Major	Total
	General	School Construction	Capital Reserve	Other Governmental Funds	Governmental Funds
<b>Assets</b>					
Cash and cash equivalents	\$ 61,428,664	\$ 18,763,175	\$ 12,577,520	\$ 11,014,570	\$ 103,783,929
Restricted cash	1,701,674	-	-	1,118,801	2,820,475
Receivables (net of allowance for uncollectibles)					
Accounts receivable	4,204,063	-	-	108,683	4,312,746
Customers	1,564,570	-	-	-	1,564,570
Property taxes	5,708,340	-	-	-	5,708,340
Interest	38,371	-	5,414	914	44,699
Due from other funds	-	-	-	26,232	26,232
Due from other governments	8,711,232	-	-	-	8,711,232
Prepaid items	59,810	-	-	-	59,810
Notes receivable	-	-	576,000	-	576,000
Inventories	171,712	-	-	-	171,712
Total assets	<u>\$ 83,588,436</u>	<u>\$ 18,763,175</u>	<u>\$ 13,158,934</u>	<u>\$ 12,269,200</u>	<u>\$ 127,779,745</u>
<b>Liabilities and Fund Balances</b>					
<b>Liabilities:</b>					
Accounts payable and accrued liabilities	\$ 6,542,154	\$ 19,817	\$ -	\$ 710,662	\$ 7,272,633
Due to other funds	26,232	-	-	-	26,232
Due to other governments	585,468	-	-	-	585,468
Contract retainages	7,021	-	-	80,023	87,044
Total liabilities	<u>7,160,875</u>	<u>19,817</u>	<u>-</u>	<u>790,685</u>	<u>7,971,377</u>
Deferred Inflows of Resources	<u>7,525,799</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,525,799</u>
<b>Fund Balances:</b>					
<b>Nonspendable:</b>					
Inventories	171,712	-	-	-	171,712
Prepaid items	59,810	-	-	-	59,810
<b>Restricted:</b>					
Stabilization by State Statute	13,162,200	-	581,414	135,829	13,879,443
General government	-	-	-	229,304	229,304
Public safety	13	-	-	1,276,067	1,276,080
Economic & physical development	-	-	-	13,832	13,832
Education	1,701,661	-	-	949,774	2,651,435
Culture & recreation	-	-	-	169,027	169,027
<b>Committed:</b>					
General government	-	-	343,977	293,037	637,014
Public safety	-	-	-	1,474,421	1,474,421
Economic & physical development	-	-	-	834,377	834,377
Human services	-	-	-	237,529	237,529
Education	-	18,743,358	11,736,500	1,319,000	31,798,858
Culture & recreation	-	-	497,043	3,822,460	4,319,503
<b>Assigned:</b>					
General government	10,856,109	-	-	-	10,856,109
Public safety	232,680	-	-	-	232,680
Economic & physical development	2,255,000	-	-	-	2,255,000
Environmental protection	170,118	-	-	-	170,118
Human services	197,316	-	-	-	197,316
Education	2,176,650	-	-	-	2,176,650
Culture & recreation	201,438	-	-	758,630	960,068
Unassigned	37,717,055	-	-	(34,772)	37,682,283
Total fund balances	<u>68,901,762</u>	<u>18,743,358</u>	<u>13,158,934</u>	<u>11,478,515</u>	<u>112,282,569</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 83,588,436</u>	<u>\$ 18,763,175</u>	<u>\$ 13,158,934</u>	<u>\$ 12,269,200</u>	
Amounts reported for governmental activities in the statement of net position are different because:					
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds					
Government capital assets				264,678,366	
Less accumulated depreciation				(55,771,015)	208,907,351
Charges related to advance refunding bond issue				10,747,569	
Less current year amortization				(1,092,266)	9,655,303
Other long-term assets are not available to pay for current-period expenditures and therefore are unavailable in the funds					
Deferred Inflows of resources for taxes and ambulance receivables					7,272,911
Premium on Debt Issuance				(21,450,815)	
Current Year Amortization				1,900,112	(19,550,703)
Internal service funds are used by management to charge the costs of self-insured hospitalization to individual departments.					
					4,463,597
Long-term liabilities, including bonds payable and other postemployment benefits, are not due and payable in the current period and therefore are not reported in the funds.					
Bonds and Other Debt Payable				(320,586,437)	
Accrued Interest				(4,208,348)	
Compensated Absences				(3,455,205)	
LEO Pension Obligation				(276,171)	
OPEB Obligation				(12,599,320)	(341,125,481)
Net position of governmental activities					<u>\$ (18,094,453)</u>



**Cabarrus County, North Carolina**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended June 30, 2014**

Exhibit 4  
Page 1 of 2

	<b>Major</b>			<b>Non-Major</b>	
	<b>General</b>	<b>School Construction</b>	<b>Capital Reserve</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>Revenues:</b>					
Ad valorem taxes	\$ 137,600,026	\$ -	\$ -	\$ 3,337,442	\$ 140,937,468
Other taxes and licenses	36,939,920	-	-	-	36,939,920
Intergovernmental revenues	19,318,388	-	-	5,085,436	24,403,824
Permits and fees	4,389,787	-	-	1,559,955	5,949,742
Sales and services	11,364,724	-	-	-	11,364,724
Investment earnings	234,523	-	32,183	11,065	277,771
Donations	-	-	217,820	432,033	649,853
Miscellaneous	476,329	-	-	10,761	487,090
<b>Total revenues</b>	<b>210,323,697</b>	<b>-</b>	<b>250,003</b>	<b>10,436,692</b>	<b>221,010,392</b>
<b>Expenditures:</b>					
Current:					
General government	26,296,343	-	-	2,042,588	28,338,931
Public safety	32,562,686	-	-	3,844,020	36,406,706
Economic & physical development	3,973,406	-	-	111,210	4,084,616
Environmental protection	214,943	-	-	7,185	222,128
Human services	37,018,130	-	-	18	37,018,148
Education	60,358,220	756,642	-	4,320,723	65,435,585
Culture and recreation	4,596,938	-	-	1,547,388	6,144,326
Capital outlay:					
Land and land improvements	70,521	-	-	125,154	195,675
Building and building improvements	70,113	-	-	442,158	512,271
Equipment and furniture	97,039	-	-	597,442	694,481
Vehicles and motorized equipment	1,737,549	-	-	7,565	1,745,114
Construction in progress	-	-	-	1,864,760	1,864,760
Debt service:					
Principal retirement	26,886,635	-	-	-	26,886,635
Interest and fees	15,437,749	-	-	-	15,437,749
<b>Total expenditures</b>	<b>209,320,272</b>	<b>756,642</b>	<b>-</b>	<b>14,910,211</b>	<b>224,987,125</b>
Excess (deficiency) of revenues over (under) expenditures	1,003,425	(756,642)	250,003	(4,473,519)	(3,976,733)
Other financing sources (uses):					
Transfers in	8,023,589	19,500,000	29,486,500	6,478,702	63,488,791
Transfers out	(35,864,782)	-	(19,658,838)	(7,965,171)	(63,488,791)
<b>Total other financing sources (uses)</b>	<b>(27,841,193)</b>	<b>19,500,000</b>	<b>9,827,662</b>	<b>(1,486,469)</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>(26,837,768)</b>	<b>18,743,358</b>	<b>10,077,665</b>	<b>(5,959,988)</b>	<b>(3,976,733)</b>
Fund balance, July 1	95,739,530	-	3,081,269	17,438,503	116,259,302
Fund balance, June 30	\$ 68,901,762	\$ 18,743,358	\$ 13,158,934	\$ 11,478,515	\$ 112,282,569

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

**Cabarrus County, North Carolina**  
**Reconciliation of the Statement of Revenues, Expenditures**  
**And Changes in Fund Balance to the Statement of Activities of Governmental Funds**  
**For the Year Ended June 30, 2014**

Exhibit 4A  
Page 2 of 2

Net change in fund balances-total governmental funds \$ (3,976,733)

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	5,012,301	
Less current year depreciation	<u>(7,825,812)</u>	(2,813,511)

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

Ambulance	184,467	
Property Tax	<u>1,142,104</u>	1,326,571

The effect of various miscellaneous transactions involving capital assets.

Donation of capital assets	217,513	
Disposal of capital assets, net book value	<u>(1,193,971)</u>	(976,458)

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

Amortization of current year debt premium	1,900,112	
Principal payments	26,886,635	
Deferred charge on refunding	<u>(1,092,266)</u>	27,694,481

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	(2,301)	
Law Enforcement Officers Pension Obligation	(62,967)	
Other Postemployment Benefit Obligations	(1,944,954)	
Accrued Interest	<u>126,953</u>	(1,883,269)

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 self-insured hospitalization systems to individual departments.

	<u>1,773,314</u>	<u>1,773,314</u>
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Changes in net position of governmental activities

		<u><u>\$ 21,144,395</u></u>
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The notes to the financial statements are an integral part of this statement.



**Cabarrus County, North Carolina  
General Fund**

Exhibit 5

**Statement of Revenues, Expenditures, and Changes in Fund Balances-Budget and Actual  
For the Year Ended June 30, 2014**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
<b>Revenues:</b>				
Ad Valorem Taxes:				
Taxes	\$ 133,031,345	\$ 134,085,948	\$ 136,639,969	\$ 2,554,021
Interest	660,947	665,934	960,057	294,123
Other Taxes and Licenses	36,859,331	36,949,831	36,939,920	(9,911)
Intergovernmental Revenues	19,529,241	19,630,046	19,318,388	(311,658)
Permits and Fees	4,050,800	4,050,800	4,389,787	338,987
Sales and Services	11,243,606	11,122,793	11,364,724	241,931
Investment Earnings	142,000	142,000	234,523	92,523
Miscellaneous	132,454	309,561	476,329	166,768
	<u>205,649,724</u>	<u>206,956,913</u>	<u>210,323,697</u>	<u>3,366,784</u>
<b>Total revenues</b>				
<b>Expenditures:</b>				
Current:				
General Government	24,025,758	29,334,058	26,536,026	2,798,032
Public Safety	34,027,903	35,409,931	34,068,084	1,341,847
Economic & Physical Development	5,717,765	6,372,901	3,996,361	2,376,540
Environmental Protection	251,735	312,334	214,943	97,391
Human Services	40,861,954	40,402,110	37,161,422	3,240,688
Education	59,858,792	62,450,228	60,358,220	2,092,008
Culture and Recreation	4,269,940	4,837,975	4,660,832	177,143
Debt service:				
Principal retirement	26,886,635	26,886,635	26,886,635	-
Interest and fees	15,472,700	15,472,700	15,437,749	34,951
	<u>211,373,182</u>	<u>221,478,872</u>	<u>209,320,272</u>	<u>12,158,600</u>
<b>Total expenditures</b>				
Excess (deficiency) of revenues over (under) expenditures	<u>(5,723,458)</u>	<u>(14,521,959)</u>	<u>1,003,425</u>	<u>15,525,384</u>
Other financing sources (uses):				
Transfers in	7,811,288	7,973,666	8,023,589	49,923
Transfers out	(2,087,830)	(36,017,170)	(35,864,782)	152,388
Fund balance appropriated	-	42,565,463	-	(42,565,463)
	<u>5,723,458</u>	<u>14,521,959</u>	<u>(27,841,193)</u>	<u>(42,363,152)</u>
<b>Total other financing sources (uses)</b>				
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>(26,837,768)</u>	<u>\$ (26,837,768)</u>
Fund balance, July 1			<u>95,739,530</u>	
Fund balance, June 30			<u>\$ 68,901,762</u>	

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

**Cabarrus County, North Carolina**  
**Statement of Net Position**  
**Proprietary Funds**  
**June 30, 2014**

	<b>Business-type Activities- Landfill Enterprise Fund</b>	<b>Governmental Activities- Internal Service Funds</b>
<b><u>Assets</u></b>		
Current assets:		
Cash and cash equivalents	\$ 4,014,098	\$ 5,433,462
Receivables (net):		
Accounts	920	1,985
Customers	58,432	-
Due from other governments	64,744	-
Interest	1,706	2,129
Prepaid expenses	-	273,612
Total current assets	<u>4,139,900</u>	<u>5,711,188</u>
Capital assets:		
Land & land improvements	1,831,050	-
Construction in progress	460,009	-
Buildings & improvements	1,256,544	-
Vehicles and equipment	2,383,169	-
Less: Accumulated depreciation	<u>(2,910,914)</u>	<u>-</u>
Total capital assets (net)	<u>3,019,858</u>	<u>-</u>
 Total assets	 <u>7,159,758</u>	 <u>5,711,188</u>
<b><u>Liabilities</u></b>		
Current liabilities:		
Accounts payable and accrued liabilities	119,171	141,898
Closure/postclosure costs payable	145,177	-
Compensated absences payable	16,605	-
Total current liabilities	<u>280,953</u>	<u>141,898</u>
Noncurrent liabilities:		
Amounts payable for future claims	-	1,105,693
Closure/postclosure costs payable	3,038,728	-
Compensated absences payable	4,151	-
Other postemployment benefits	91,954	-
Total noncurrent liabilities	<u>3,134,833</u>	<u>1,105,693</u>
 Total liabilities	 <u>3,415,786</u>	 <u>1,247,591</u>
<b><u>Net Position</u></b>		
Invested in capital assets	3,019,858	-
Unrestricted	<u>724,114</u>	<u>4,463,597</u>
 Total net position	 <u>\$ 3,743,972</u>	 <u>\$ 4,463,597</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 Position**  
**Proprietary Funds**  
**For the Year Ended June 30, 2014**

	<b>Business-type Activities- Landfill Enterprise Fund</b>	<b>Governmental Activities- Internal Service Funds</b>
<b>Operating revenues:</b>		
Charges for sales and services:		
Tipping fees	\$ 689,818	\$ -
Insurance premiums/refunds	-	9,186,101
Program fees	1,800	33,784
Total operating revenues	<u>691,618</u>	<u>9,219,885</u>
<b>Operating expenses:</b>		
Administration:		
Salary and benefits:		
Salaries and wages	196,422	-
FICA	6,841	-
Unemployment insurance	660	-
Medicare	1,600	-
Group hospital insurance	23,883	-
Vision care	53	-
Retirement	8,566	-
Deferred compensation- 401K	6,058	-
Insurance and bonds	2,116	-
Total salaries and benefits	<u>246,199</u>	<u>-</u>
Operations:		
General and administrative:		
Administrative fees	-	2,369,796
Bank Service charges	2,636	-
Dues and subscriptions	195	-
Lights and power	4,882	-
Office supplies	2,213	-
Other operating cost	320	-
Telephone	1,358	-
Travel	1,155	-
Uniforms	2,797	-
Total general and administrative	<u>15,556</u>	<u>2,369,796</u>
Other operational expenses:		
Auto and truck maintenance	5,215	-
Building and ground maintenance	10,186	-
Claims	-	5,090,290
Depreciation	282,064	-
Engineers	2,085	-
Fuel	61,938	-
Heavy equipment maintenance	39,978	-
Landfill disposal tax remittance	32,318	-
Minor equipment maintenance	407	-

**Cabarrus County, North Carolina**  
**Statement of Revenues, Expenses, And Changes in Fund Net Position**  
**Proprietary Funds**  
**For the Year Ended June 30, 2014**

	<b>Business-type Activities- Landfill Enterprise Fund</b>	<b>Governmental Activities- Internal Service Funds</b>
Permitting fees	7,725	-
Service contracts	1,233	-
Tire disposal	87,250	-
Tools and minor equipment	2,026	-
Waste disposal charges	3,194	-
Total other operational expenses	<u>535,619</u>	<u>5,090,290</u>
 Total operating expenses	 <u>797,374</u>	 <u>7,460,086</u>
 Operating income (loss)	 <u>(105,756)</u>	 <u>1,759,799</u>
<b>Nonoperating revenues:</b>		
Landfill disposal tax	17,187	-
Landfill state tax distribution	36,852	-
Solid waste franchise fee	25,000	-
Tire disposal fees	221,627	-
Investment earnings	11,298	13,515
Total nonoperating revenues	<u>311,964</u>	<u>13,515</u>
 <b>Nonoperating expense - loss on disposal</b>	 <u>(25,695)</u>	 <u>-</u>
 Income or (loss) before transfers	 180,513	 1,773,314
 Change in net position	 <u>180,513</u>	 <u>1,773,314</u>
 Total net position, July 1	 <u>3,563,459</u>	 <u>2,690,283</u>
 Total net position, June 30	 <u><u>\$ 3,743,972</u></u>	 <u><u>\$ 4,463,597</u></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, 2014**

	<b>Business-type Activities- Landfill Enterprise Fund</b>	<b>Governmental Activities- Internal Service Funds</b>
<b>Cash flows from operating activities:</b>		
Cash received from customers	\$ 1,000,044	\$ -
Cash received from departments	-	9,155,696
Cash paid to employees	(239,989)	-
Cash paid to suppliers for goods and services	(369,163)	(7,761,241)
Net cash provided (used) for operating activities	<u>390,892</u>	<u>1,394,455</u>
<b>Cash flows from capital and related financing activities:</b>		
Acquisition and construction of capital assets	(107,332)	-
Net cash provided (used) by capital and related financing activities	<u>(107,332)</u>	<u>-</u>
<b>Cash flows from investing activities:</b>		
Interest received on investments	11,490	13,343
Net cash provided by investing activities	<u>11,490</u>	<u>13,343</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	295,050	1,407,798
Cash and cash equivalents, July 1	<u>3,719,048</u>	<u>4,025,664</u>
Cash and cash equivalents, June 30	<u>\$ 4,014,098</u>	<u>\$ 5,433,462</u>
<b>Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:</b>		
Operating income (loss)	\$ (105,756)	\$ 1,759,799
Depreciation expense	282,064	-
Other non-operating items	345,838	-
(Increase) decrease in accounts receivable	(18,762)	(64,189)
(Increase) decrease in customers receivable	(18,650)	-
Increase (decrease) in accounts payable and accrued liabilities	47,678	(301,155)
Increase (decrease) in landfill closure and post closure care cost	(145,178)	-
Increase (decrease) in OPEB payable	7,480	-
Increase (decrease) in compensated absences payable	(3,822)	-
Total adjustments	<u>496,648</u>	<u>(365,344)</u>
Net cash provided by (used for) operating activities	<u>\$ 390,892</u>	<u>\$ 1,394,455</u>
<b>Non-cash capital and related financing activities:</b>		
Nonoperating expense - loss on disposal	<u>\$ (25,695)</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 Position**  
**Fiduciary Funds**  
**June 30, 2014**

	<b>Pension Trust Fund</b>	<b>Agency Funds</b>
	<hr/>	<hr/>
<b><u>Assets</u></b>		
Cash and cash equivalents	\$ 1,224,190	\$ 520,940
Accounts receivable	-	6,003
Due from other Government	-	585,468
Interest receivable	536	-
	<hr/>	<hr/>
Total assets	1,224,726	1,112,411
	<hr/>	<hr/>
<b><u>Liabilities</u></b>		
Accounts payable	9,187	590,664
Due to courts	-	10,686
Due to jail inmates	-	55,573
Due to municipalities	-	224,901
Due to program participants	-	75,120
Due to schools	-	155,467
Due to State of North Carolina	-	-
	<hr/>	<hr/>
Total liabilities	9,187	1,112,411
	<hr/>	<hr/>
<b><u>Net Position</u></b>		
Assets held in trust for pension benefits	1,215,539	-
Assets held in trust for other purposes	-	-
	<hr/>	<hr/>
Total net position	\$ 1,215,539	\$ -
	<hr/>	<hr/>

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



**Cabarrus County, North Carolina**  
**Statement of Changes in Fiduciary Net Position**  
**Fiduciary Fund**  
**For the Fiscal Year Ended June 30, 2014**

	<b>Pension Trust Fund</b>
<b>Additions:</b>	
Contributions	\$ 457,220
Investment earnings	<u>3,669</u>
Total additions	<u>460,889</u>
<b>Deductions:</b>	
Pension plan benefits	<u>201,851</u>
Total deductions	<u>201,851</u>
Change in net position	259,038
Net position, July 1	<u>956,501</u>
Net position, June 30	<u><u>\$ 1,215,539</u></u>

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

# Notes to the Financial Statements



**Cabarrus County, North Carolina**  
**Notes to the Financial Statements**  
**For the Year Ended June 30, 2014**

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

The accompanying financial statements and the following accounting policies of Cabarrus County, North Carolina (the "County") and its component units conform to accounting principles generally accepted in the United States of America as applicable to local governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the more significant accounting policies:

**A. Reporting Entity**

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

Component Unit	Reporting Method	Criteria for Inclusion	Separate Financial Statements
Cabarrus Development Corporation	Blended	The Development Corporation is governed by a three-member board of directors who are established through the bylaws of the Articles of Incorporation. The Corporation exists to provide debt financing to the County.	None Issued
Cabarrus County Industrial Facility and Pollution Control Financing Authority	Discrete	The Authority is governed by a seven-member board of commissioners that is appointed by the county commissioners. The County can remove any commissioner of the Authority with or without cause.	None Issued
Public Health Authority of Cabarrus County d.b.a. Cabarrus Health Alliance	Discrete	Cabarrus Health Alliance (the "Alliance" was incorporated under the hospital authority act to provide public health care to the citizens and residents of the County. On April 20 <sup>th</sup> , 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 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. The County funded the Alliance with \$5,907,933 or 33% of its total revenues for the fiscal year ended June 30, 2014. A financial benefit or burden relationship exists between the Alliance and the County.	Cabarrus Health Alliance 300 Mooresville Road Kannapolis, NC 28081



**Cabarrus County, North Carolina  
Notes to the Financial Statements  
For the Year Ended June 30, 2014**

**B. Basis of Presentation, Basis of Accounting**

**Basis of Presentation, Measurement Focus – Basis of Accounting**

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

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

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

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

The County reports the following major governmental funds:

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 **School Construction Fund**— This fund accounts for planning, design, construction and/or renovation of schools through the use of non-debt General or Capital Reserve funds.

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

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 one internal service fund, the Self-Insured Hospitalization Fund.

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:



**Cabarrus County, North Carolina**  
**Notes to the Financial Statements**  
**For the Year Ended June 30, 2014**

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 Charitable Campaign Agency Fund, the Undistributed Taxes Agency Fund, the Intergovernmental Agency Fund, the Sheriff Civil 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 Charitable Campaign Agency Fund is used to account for money contributed by County employees 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 Intergovernmental Agency Fund is used to accumulate fines and forfeitures before they are distributed to the local School Boards; and accounts for the accumulation of Register of Deeds fees that the County is required to remit to the State of North Carolina. The Sheriff Civil Agency Fund is used to account for collections of civil writs from citizens prior to distribution to plaintiffs. The Jail Commissary Agency Fund is used to account for an inmate's money deposited with the County when an inmate is housed at the County Jail. The money can be used by the inmate to purchase commissary items. Any unused monies are returned to the inmate upon their release.

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

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

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

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

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

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

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

The **Capital Projects Funds** account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds and trust funds). The County maintains ten additional non-major capital project funds. Following are the capital project funds and their uses:

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

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

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



**Cabarrus County, North Carolina**  
**Notes to the Financial Statements**  
**For the Year Ended June 30, 2014**

*Certificates of Participation 2009* – This fund accounts for planning, design, construction and/or renovation of schools with Certificates of Participation, Lottery proceeds and contributions from the Special Revenue and Capital Reserve funds.

*Qualified School Construction Bond Fund* – This fund accounts for planning, design, renovations and repairs of schools with Certificates of Participation. An interest subsidy payment will be received from the federal government for a majority of the interest paid.

*School Construction Debt* – This fund accounts for planning, design, construction and/or renovation of schools through the use of debt and non-debt sources.

*Utility* – maintains funds for future County utility projects.

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

*Adequate Facilities* – through special legislative authority, collects and appropriates voluntary mitigation fees for school facilities, land, architect, improvements or furniture and fixtures at the direction of the Cabarrus County Board of Commissioners.

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

**C. Measurement Focus, Basis of Accounting**

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

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

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



**Cabarrus County, North Carolina**  
**Notes to the Financial Statements**  
**For the Year Ended June 30, 2014**

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 revenue because the amount is not susceptible to accrual. At June 30, taxes receivable for property other than motor vehicles are materially past due and are not considered to be an available resource to finance the operations of the current year. As of September 1, 2013, 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, the State of North Carolina is responsible for billing and collecting the property taxes on registered motor vehicles on behalf of all municipalities and special tax districts. Property taxes due when vehicles are registered. The billed taxes are applicable to the fiscal year in which they are received. Uncollected taxes that were billed in periods prior to September 1, 2013 and for limited registration plates are shown as a receivable in these financial statements and are offset by deferred inflows of resources.

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

Under the terms of grant agreements, the County funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants, and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net positions 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.

#### **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, the Fire District Special Revenue Fund, the Emergency Telephone Special Revenue Fund, and the Self-Insured Hospitalization Internal Service Fund. All annual appropriations lapse at the fiscal year-end. Project ordinances are adopted for the remaining special revenue funds and the capital projects funds. The County operates under a financial plan for the internal service fund and the Self-Insured Hospitalization Fund. The respective financial plans were adopted by the governing board at the time the County's budget ordinance was approved, as required by the General Statutes. All budgets are prepared using the modified accrual basis of accounting.

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

1. The Finance Director may transfer amounts between objects of expenditure within a function.
2. The County Manager may transfer amounts between objects of expenditures and revenues without limitation.
3. The County Manager may not transfer any amounts between funds or from any contingency appropriation within any fund without action of the Board of Commissioners, except as specified below for budget shortfalls and change orders.
4. The County Manager may transfer amounts between contingency funds which are set aside for a specific project for budgetary shortfalls or upon the appropriate approval of a change order.



**Cabarrus County, North Carolina**  
**Notes to the Financial Statements**  
**For the Year Ended June 30, 2014**

5. The County Manager is authorized to transfer funds from the General Fund or Capital Reserve Fund to the appropriate fund for projects approved within the Capital Improvement Plan for the current fiscal year.
6. Additional authority is granted to the Finance Director or designee to transfer amounts within and between funds for the sole purpose of funding salary and benefits adjustments consistent with the Cabarrus County Personnel Management Policy and the Cabarrus County Personnel Ordinance.
7. Upon notification of funding increases or decreases to existing grants or revenues, or the award of grants or revenues, the Manager or Designee may adjust budgets to match, including grants that require a County match for which funds are available.
8. The Manager, Finance Director, or designee may create debt financing amendments from estimated projections upon approval by the Board of Commissioners of the debt financing and adjust as needed upon closing.
9. The County Manager may enter into and execute change orders or amendments to construction contracts in amounts less than \$90,000 when the appropriate annual budget or capital project ordinance contains sufficient appropriated but unencumbered funds.
10. The County Manager may 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.
11. The County Manager may execute contracts with outside agencies to properly document budgeted appropriations to such agencies where G.S. 153 A-248(b), 259, 449 and any similar statutes require such contracts.
12. The County Manager may reject formal bids when deemed appropriate and in the best interest of Cabarrus County pursuant to G.S. 143-129(a).
13. The County Manager may reduce revenue projections consistent with prevailing economic conditions, and also reduce expenditures correspondingly.

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, 2014.

Expenditures may not legally exceed budgeted appropriations at the functional level for all annually budgeted funds, financial plans and multi-year funds. 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. Amounts outstanding at June 30, 2014 are \$208,535.

## **E. Assets, Liabilities, Deferred Inflows and Outflows 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.



**Cabarrus County, North Carolina**  
**Notes to the Financial Statements**  
**For the Year Ended June 30, 2014**

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

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

## **2. Cash and Cash Equivalent**

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

The County, as well as the Health Alliance, pools their monies from several funds to facilitate disbursement and investment and to maximize investment income. Therefore all cash and investments are essentially demand deposits and are considered cash and cash equivalents.

## **3. Restricted Assets**

The unexpended amounts of Certificates of Participation, Bonds and the Cabarrus Arena Marketing funds are classified as restricted cash and cash equivalents on the Statement of Net Position and the Governmental Balance Sheet. The amounts are considered restricted because their use is expressly prohibited except for the original purpose of which the funds were received. Money in the Certificates of Participation 2009 Capital Projects Fund is classified as restricted assets because its use is restricted per North Carolina General Statute 159-18 through 22.

### **Governmental Activities**

General Fund	Debt Payments held in Escrow by Agent	\$ 1,701,674
Certificates of Participaion 2009	Unexpended Certificates of Participation Proceeds	949,774
Cabarrus Arena and Events Center	Unexpended Escrow	51,617
Cannon Memorial Library	Unexpended Grant proceeds	117,410
Total Restricted Cash		<u>\$ 2,820,475</u>

## **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, penalties and interest does not accrue until the following January 6. The taxes are based on the assessed values as of January 1, 2013. 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 2013/14 fiscal year was \$0.70 per \$100 valuation.

## **5. Allowances for Doubtful Accounts**

Emergency Management Services and Landfill 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.



**Cabarrus County, North Carolina  
Notes to the Financial Statements  
For the Year Ended June 30, 2014**

**6. Inventories and Prepaid items**

Inventories are valued at cost using the first-in/first-out (FIFO) method and consist of expendable supplies and vehicle repair parts. The cost of such inventories is recorded as expenditures/expenses when consumed rather than when purchased. 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 and expensed as the items are used.

**7. Capital Assets**

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

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

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

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

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

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

**8. Deferred outflows/inflows of resources**

In addition to assets, the statement of financial position will sometimes reports a separate section for deferred outflow of resources. This separate financial statement element, *Deferred Outflows of Resources*, represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. The County has one item that meets this criterion – a charge on refunding that had previously been classified as an asset. In addition to liabilities, the statement of financial position can also report a separate section for deferred inflows of resources. This separate financial statement element, *Deferred Inflows of Resources*, represents an acquisition of net position that applies to a future period and so will not be



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recognized as revenue until then. The County has three items that meet this criterion for this category – prepaid taxes, property tax receivable and ambulance receivable.

## **9. 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 positions.

In fund financial statements for governmental fund types, the face of debt issued is reported as another financing source.

## **10. 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 non-vested benefits.

## **11. Net Position/Fund Balances**

### **Net Position**

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

### **Fund Balances**

In the governmental fund financial statements, fund balance is composed of five classifications designed to disclose the hierarchy of constraints placed on how fund balance can be spent.

The governmental fund types classify fund balances as follows:

#### **Non-spendable Fund Balance**

This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Inventories – portion of fund balance that is not an available resource because it represents the year-end balance of ending inventories, which are not spendable resources.

Prepaid items – portion of fund balance that is not an available resource because it represents the amount of payment of items that will be expensed in future fiscal years.

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**Restricted Fund Balance**

This classification includes amounts that are restricted to specific purposes externally imposed by creditors or imposed by law.

Stabilization by State statute – portion of fund balance that is not an available resource for appropriation in accordance with State law [G.S. 159-8(a)].

Restricted for General Government – portion of fund balance that is restricted by revenue source to pay for the computer equipment and imaging technology for the Register of Deeds office.

Restricted for Public Safety – portion of fund balance restricted by revenue source for public safety related activities such as sheriff, fire, EMS and E-911.

Restricted for Economic & Physical Development – portion of fund balance restricted by revenue source for soil and water projects.

Restricted for Education – portion of fund balance restricted by revenue source to be used to support public education.

Restricted for Culture and Recreational – portion of fund balance restricted by revenue source for use for parks, libraries, arts and other related activities.

Restricted fund balance at June 30, 2014 is as follows:

<b>Purpose</b>	<b>General Fund</b>	<b>Capital Reserve</b>	<b>Other Governmental Funds</b>
Stabilization by state statute	\$ 13,162,200	\$ 581,414	\$ 135,829
General government	-	-	229,304
Public safety	13	-	1,276,067
Economic & Physical Dev	-	-	13,832
Education	1,701,661	-	949,774
Culture & recreation	-	-	169,027
	<u>\$ 14,863,874</u>	<u>\$ 581,414</u>	<u>\$ 2,773,833</u>

Restricted net position on Exhibit 1 varies from restricted fund balance on Exhibit 3 by the amount of unspent debt proceeds of \$949,774 as of June 30, 2014.

**Committed Fund Balance**

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority. The Board of Commissioners is the highest level of decision-making authority for the government that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

Committed for General Government – portion of fund balance committed by the governing board for Board of Elections, and other general government projects.

Committed for Public Safety – portion of fund balance committed by the governing board for old jail facility and courthouse improvement projects and emergency telephone upgrades.



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Committed for Economic & Physical Development – portion of fund balance committed by the governing board for economic and agricultural, soil and water projects.

Committed for Human Services – portion of fund balance committed by the governing board for Aging and Social Service projects.

Committed for Education – portion of fund balance committed by the governing board for public education capital projects.

Committed for Culture & Recreation – portion of fund balance committed by the governing board for parks, library and arena capital improvements.

<b>Purpose</b>	<b>School Construction</b>	<b>Capital Reserve</b>	<b>Other Governmental Funds</b>
General government	\$ -	\$ 343,977	\$ 293,037
Public safety	-	-	1,474,421
Economic & physical development	-	-	834,377
Human services	-	-	237,529
Education	18,743,358	11,736,500	1,319,000
Culture & recreation	-	497,043	3,822,460
	<u>\$ 18,743,358</u>	<u>\$ 12,577,520</u>	<u>\$ 7,980,824</u>

**Assigned Fund Balance**

Assigned fund balance is the portion of fund balance that Cabarrus County intends to use for specific purposes. The County's governing body has the authority to assign fund balance. The Manager and Deputy County Managers, as granted in the officially adopted budget ordinance, have been granted limited authority to assign fund balance.

Assigned for General Government – portion of fund balance that is intended to be used for general government activities such as property tax appeals, potential litigation, funding of internal service funds and uncompleted prior year general government projects.

Assigned for Public Safety – portion of fund balance intended to be used for public safety related activities such as sheriff, fire and uncompleted prior year public safety projects.

Assigned for Economic and Physical Development – portion of fund balance intended to be used for uncompleted prior year economic development projects.

Assigned for Environmental Protection – portion of fund balance intended to be used for closure/post closure landfill expenditures.

Assigned for Human Services – portion of fund intended to be used for uncompleted prior year aging, social services and transportation projects.

Assigned for Education – portion of fund balance intended to be used to support public education capital projects.

Assigned for Culture and Recreational – portion of fund balance intended to be used for uncompleted prior year library and arena projects.

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Assigned fund balance at June 30, 2014 is as follows:

Purpose	General Fund	Other Governmental Funds
General government	\$ 10,856,109	\$ -
Public safety	232,680	-
Economic & physical development	2,255,000	-
Environmental protection	170,118	-
Human services	197,316	-
Education	2,176,650	-
Culture & recreation	201,438	758,630
	<u>\$ 16,089,311</u>	<u>\$ 758,630</u>

**Unassigned Fund Balance**

Unassigned fund balance represents the portion of fund balance that has not been assigned to another fund or is not restricted, committed, or assigned to specific purposes within the general fund.

Cabarrus County has revenue spending procedures that provide guidance for programs with multiple revenue sources. The Finance Director will use resources in the following order: bond/debt proceeds, federal funds, state funds, local funds, county funds. For purposes of fund balance classification, expenditures are to be spent from restricted fund balance first, followed in-order by committed fund balance, assigned fund balance, and lastly unassigned fund balance. The Finance Director has the authority to deviate from this policy if it is in the best interest of the County or when required by grant or other contractual agreements.

Cabarrus County has a Fund Balance Policy. On June 14, 2005 (revised March 15, 2010), the Board of Commissioners adopted a resolution formalizing the following fiscal management policies to be incorporated into the County's budget document beginning with the 2006 fiscal year:

1. Recurring, operational expenses of the County government will only be funded through recurring revenue sources.
2. The County will maintain an undesignated fund balance equal to 15% of general fund expenditures; and
3. Upon the completion of the annual audit of the County finances, any undesignated fund balance above 15% will be transferred to the Capital Reserve Fund, to reduce reliance on debt financing; or to the Self-Funded Hospitalization Fund, the Self-Funded Liability Fund or the Self-Funded Workers' Compensation Fund as required to maintain the integrity of those funds.
4. Notwithstanding the requirements of items 1, 2, and 3 above, fund balance may be appropriated for any use in the general fund to overcome revenue shortfalls related to significant downturns in the economy.

The following schedule provides management and citizens with information on the portion of General fund balance that is available for appropriation.

Total fund balance-General Fund	\$ 68,901,762
Less:	
Inventories	171,712
Prepaid items	59,810
Stabilization by state statute	13,162,200
Restricted for debt payments	1,701,674
Uncompleted FY 14 project assignments	5,650,296
General Government assignments	10,439,015
Working Capital/Fund Balance Policy	<u>31,446,513</u>
Fund Balance remaining for appropriation	<u>\$ 6,270,542</u>



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Outstanding encumbrances are amounts needed to pay any commitments related to purchase orders and contracts that remain unperformed at year-end. These amounts are included in the Stabilization by State Statute amount in restricted fund balance. Amounts outstanding at June 30, 2014 are as follows:

<b>General Fund</b>
<u>\$ 208,535</u>

**F. Management Estimates**

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

**G. Other Resources**

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

**H. Comparative Data/Reclassifications**

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

**Note 2. Detailed Notes on All Funds**

**A. Deposits**

All of the County's and its component unit's deposits are either insured or collateralized by using one of two methods. Under the Dedicated Method, all deposits that exceed the federal depository insurance coverage level are collateralized with securities held by the County's agents in these unit's names. Under the Pooling Method, which is a collateral pool, all uninsured deposits are collateralized with securities held by the State Treasurer's agent in the name of the State Treasurer. Since the State Treasurer is acting in a fiduciary capacity for the County and its component units, these deposits are considered to be held by their agents in the entities name. The amount of pledged collateral is based on an approved averaging method for non-interest bearing deposits and the actual current balance for interest bearing deposits. Depositories using the Pooling Method report to the State Treasurer the adequacy of their pooled collateral covering uninsured deposits. The State Treasurer does not confirm this information with the County, its component units or the escrow agent. Because of the inability to measure the exact amounts of collateral pledged for the County or its component units under the Pooling Method, the potential exists for under-collateralization, and this risk may increase in periods of high cash flows. However, the State Treasurer of North Carolina enforces strict standards of financial stability for each depository that collateralizes public deposits under the Pooling Method. Cabarrus County has no formal policy regarding custodial credit risk for deposits, but relies on the State Treasurer to enforce standards of minimum capitalization for all pooling method financial institutions and to monitor them for compliance. The County analyzes the financial soundness of any other financial institution used by the County. The County complies with the provisions of G.S. 159-31 when designating official depositories and verifying that deposits are properly secured. The Cabarrus Health Alliance has no formal policy regarding custodial credit risk for deposits.

At June 30, 2014 the carrying amount of the County's bank deposits (including fiduciary funds) was \$15,575,317 and the bank balance was \$16,526,658. There was \$2,820,475 held in financial institutions for restricted purposes. Sufficient collateral was maintained at June 30, 2014 to secure the County's deposits. Of the bank



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balance, \$310,061 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, 2014 the County had \$7,600 of cash on hand.

At June 30, 2014, the carrying amount of the Alliance's bank deposits was \$2,823,734 and the bank balance was \$2,914,393. Of the bank balance, \$250,000 was covered by federal depository insurance or by collateral held by the Alliance's agent in the Alliance's name. At June 30, 2014, the Alliance had \$3,600 of cash on hand.

**B. Investments**

As of June 30, 2014 the County had the following investments and maturities

<b>Investment Type</b>	<b>Fair Value</b>	<b>Less Than 6</b>		
		<b>Months</b>	<b>6-12 Months</b>	<b>1-3 Years</b>
US Government Agency	\$ 1,999,040	\$ 1,999,040	\$ -	\$ -
Commercial Paper	35,916,749	27,931,097	7,985,652	-
NC Capital Management Trust				
Cash Portfolio	3,256,418	-	-	-
Term*	1,071,116	1,071,116	-	-
Regions Sweep	57,150,379	-	-	-
	<u>\$ 99,393,702</u>	<u>\$ 31,001,253</u>	<u>\$ 7,985,652</u>	<u>\$ -</u>

\* Because the NC Capital Management Trust Term Portfolio had a duration of .23 years, it was presented as an investment with a maturity of less than 6 months.

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

*Credit Risk.* The County's investment policy 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, 2014, The County's investment in commercial paper were rated A-1+ by Standard & Poor's, F1+ by Fitch Ratings, and P-1 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, 2014. The County's investment in the NC Capital Management Trust Term Portfolio is unrated. The Term Portfolio is authorized to invest in obligations of the US government and agencies and in high grade money market instruments as permitted under North Carolina General Statutes 159-30 as amended. The County's investment in US Agencies (Federal Farm Credit Bank) are rated AA+ by Standard & Poor's and Aaa by Moody's Investors Service.

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

*Concentration of Credit Risk.* With the exception of U.S. Treasury securities and agencies and authorized pools, Cabarrus County's investment policy does not allow for an investment in any one issuer in excess of 35% of the County's total investments. More than 5% of the County's investments are in Abbey National North America, LLC's commercial paper. The investments accounts for 8% of the County's total investments.

At June 30, 2014, the Cabarrus Health Alliance investments consisted of \$4,891,013 in the North Carolina Capital Management Trust's Cash Portfolio, which carried a credit rating of AAA by Standard and Poor's.



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The Alliance has no policy on credit risk, custodial credit risk or interest rate risk.

<u>Investment Type</u>	<u>Fair Value</u>	<u>Less than 1 Year</u>	<u>2-3 years</u>	<u>4-7 Years</u>
NC Capital Management Trust - Cash Portfolio	\$ 4,891,013	\$ -	\$ -	\$ -
	<u>\$ 4,891,013</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

In accordance with North Carolina general statutes, agriculture, horticulture, and forestland may be taxed by the County at present-use value as opposed to market value. When the property loses its eligibility for use-value taxation, the property tax is recomputed at market value for the current year and the three preceding fiscal years along with accrued interest from the original due date. This tax is immediately due and payable. The amounts shown in the table are property taxes that could become due if present use-value eligibility is lost. These amounts have not been recorded in the financial statements.

**Property Tax-Use-Value Assessment on Certain Lands**

<u>Year Levied</u>	<u>Tax</u>	<u>Interest</u>	<u>Total</u>
2010	\$ 7,387,280	\$ 2,419,334	\$ 9,806,614
2011	7,627,445	1,811,518	9,438,963
2012	7,627,445	1,125,048	8,752,493
2013	6,926,227	398,258	7,324,485
Total	<u>\$ 29,568,397</u>	<u>\$ 5,754,158</u>	<u>\$ 35,322,555</u>

**D. Receivables**

**1. Notes Receivable**

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 was due on July 1, 2007 and payable each month through June 1, 2012. Beginning July 1, 2012 payments of \$6,000 are 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, 2014 was \$576,000. The note receivable is being reported in the Capital Reserve Capital Projects Fund.

**2. Receivables - Allowances for Doubtful Accounts**

Receivables at the government-wide level for the Primary Government at June 30, 2014, were as follows:

	<u>Accounts</u>	<u>Customers</u>	<u>Due from other Governments</u>	<u>Taxes and Related Interest</u>	<u>Total</u>
<b>Governmental Activities:</b>					
General	\$ 4,206,048	\$ 1,583,552	\$ 8,711,232	\$ 9,402,423	\$ 23,903,255
Capital Reserve	-	-	-	5,414	5,414
Other Governmental	108,683	-	-	914	109,597
Total Receivables	4,314,731	1,583,552	8,711,232	9,408,751	24,018,266
Allowance for doubtful accounts	-	(18,982)	-	(3,460,851)	(3,479,833)
Total-governmental activities	<u>\$ 4,314,731</u>	<u>\$ 1,564,570</u>	<u>\$ 8,711,232</u>	<u>\$ 5,947,900</u>	<u>\$ 20,538,433</u>

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	<u>Accounts</u>	<u>Customers</u>	<u>Due from other Governments</u>	<u>Taxes and Related Interest</u>	<u>Total</u>
<b>Business-type activities:</b>					
Landfill	\$ 920	\$ 61,663	\$ 64,744	\$ 1,706	\$ 129,033
Allowance for doubtful accounts	-	(3,231)	-	-	(3,231)
Total-business-type activities	<u>\$ 920</u>	<u>\$ 58,432</u>	<u>\$ 64,744</u>	<u>\$ 1,706</u>	<u>\$ 125,802</u>

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

	<u>Governmental Activities</u>	<u>Business Type Activities</u>
Local option sales	\$ 7,140,218	\$ -
Motor Vehicle Tax	1,571,014	-
Solid waste disposal tax	-	8,463
Scrap tire tax	-	56,281
	<u>\$ 8,711,232</u>	<u>\$ 64,744</u>

**3. Discretely presented component unit CHA**

Receivables at the government-wide level for the Cabarrus Health Alliance at June 30, 2014, were as follows:

	<u>Accounts</u>	<u>Customers</u>	<u>Taxes</u>	<u>Total</u>
<b>Governmental Activities:</b>				
General	\$ 808,964	\$ 890,744	\$ 91,374	\$ 1,791,082
Allowance for doubtful accounts	-	(185,755)	-	(185,755)
Total Receivables	<u>\$ 808,964</u>	<u>\$ 704,989</u>	<u>\$ 91,374</u>	<u>\$ 1,605,327</u>
Total-governmental activities	<u>\$ 808,964</u>	<u>\$ 704,989</u>	<u>\$ 91,374</u>	<u>\$ 1,605,327</u>

**E. Capital Assets**

Capital asset activity for the year ended June 30, 2014:

**1. Primary Government**

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending Balance</u>
<b>Governmental activities:</b>					
Capital Assets not being depreciated:					
Land	\$ 21,801,111	\$ -	\$ -	\$ -	\$ 21,801,111
Construction in Progress	1,537,792	2,707,068	-	(2,011,326)	2,233,534
Total capital assets not being depreciated	<u>23,338,903</u>	<u>2,707,068</u>	<u>-</u>	<u>(2,011,326)</u>	<u>24,034,645</u>
Capital Assets being depreciated:					
Buildings	165,099,930	-	(1,903,270)	-	163,196,660
Building Improvements	20,195,064	137,954	(435,155)	1,271,905	21,169,768
Equipment	13,847,643	444,003	(569,195)	296,306	14,018,757
Furniture and Fixtures	827,792	-	(46,705)	443,115	1,224,202
Land Improvements	7,953,890	195,675	-	-	8,149,565
Vehicles	10,189,008	1,745,114	(793,083)	-	11,141,039
Reservoir	21,743,730	-	-	-	21,743,730
Total capital assets being depreciated	<u>239,857,057</u>	<u>2,522,746</u>	<u>(3,747,408)</u>	<u>2,011,326</u>	<u>240,643,721</u>



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	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Less accumulated depreciation for:					
Buildings	24,070,749	4,082,759	(1,105,705)	-	27,047,803
Building Improvements	4,084,738	499,580	(164,091)	-	4,420,227
Equipment	10,207,523	1,392,608	(569,195)	(96,008)	10,934,928
Furniture and Fixtures	803,625	107,265	(46,705)	96,008	960,193
Land Improvements	3,975,895	457,537	-	-	4,433,432
Vehicles	6,986,097	1,264,296	(667,741)	-	7,582,652
Reservoir	370,013	21,767	-	-	391,780
Total accumulated depreciation	<u>50,498,640</u>	<u>7,825,812</u>	<u>(2,553,437)</u>	<u>-</u>	<u>55,771,015</u>
Total Capital Assets, being depreciated, net	<u>189,358,417</u>	<u>(5,303,066)</u>	<u>(1,193,971)</u>	<u>2,011,326</u>	<u>184,872,706</u>
Governmental Capital Assets, net	<u>\$ 212,697,320</u>	<u>\$ (2,595,998)</u>	<u>\$ (1,193,971)</u>	<u>\$ -</u>	<u>\$ 208,907,351</u>

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

Governmental activities:

General Government	\$ 950,850
Public Safety	4,878,219
Environmental Protection	50,197
Economic & Physical Development	60,707
Human Services	659,743
Culture & Recreation	<u>1,226,096</u>
Total depreciation expense - governmental activities	<u>\$ 7,825,812</u>

Capital asset activity for the year ended June 30, 2014:

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 490,447	\$ -	\$ -	\$ 490,447
Construction in Progress	<u>352,677</u>	<u>107,332</u>	<u>-</u>	<u>460,009</u>
Total Capital assets, not being depreciated:	<u>843,124</u>	<u>107,332</u>	<u>-</u>	<u>950,456</u>
Capital assets, being depreciated:				
Land Improvements	1,340,603	-	-	1,340,603
Vehicles	2,263,289	-	(89,978)	2,173,311
Equipment	209,858	-	-	209,858
Buildings	1,304,164	-	(47,620)	1,256,544
Building Improvements	<u>5,500</u>	<u>-</u>	<u>(5,500)</u>	<u>-</u>
Total Capital assets, being depreciated:	<u>5,123,414</u>	<u>-</u>	<u>(143,098)</u>	<u>4,980,316</u>

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	Beginning Balance	Increases	Decreases	Ending Balance
Less accumulated depreciation for:				
Land Improvements	650,495	76,374	-	726,869
Vehicles	1,641,193	171,999	(89,978)	1,723,214
Equipment	208,246	1,612	-	209,858
Buildings	244,657	32,010	(25,694)	250,973
Building Improvements	1,662	69	(1,731)	-
Total Accumulated Depreciation	<u>2,746,253</u>	<u>282,064</u>	<u>(117,403)</u>	<u>2,910,914</u>
Total Capital assets, being depreciated, net	<u>2,377,161</u>	<u>(282,064)</u>	<u>(25,695)</u>	<u>2,069,402</u>
Proprietary Capital assets, net	<u>\$ 3,220,285</u>	<u>\$ (174,732)</u>	<u>\$ (25,695)</u>	<u>\$ 3,019,858</u>

2. Construction commitments

The government has active construction projects as of June 30, 2014. The projects include building maintenance at a school and at the County Government Center. At year-end, the government's commitments with contractors are as follows:

Project	Spent-To-Date	Remaining Commitment
Schools	\$ 140,428	\$ 49,680
Governmental Center Maintenance	100,211	34,901
	<u>\$ 240,639</u>	<u>\$ 84,581</u>

3. Discretely presented component unit

Capital asset activity for Cabarrus Health Alliance for the year ended June 30, 2014, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital assets, being depreciated:				
Furniture and fixtures	\$ 236,486	\$ 9,277	\$ -	\$ 245,763
Vehicles	461,148	51,873	(12,250)	500,771
Equipment	1,106,752	6,513	-	1,113,265
Land Improvements	600,505	-	-	600,505
Total capital assets being depreciated	<u>2,404,891</u>	<u>67,663</u>	<u>(12,250)</u>	<u>2,460,304</u>
Less accumulated depreciation:				
Furniture and fixtures	59,123	47,915	-	107,038
Vehicles	446,518	4,177	(12,250)	438,445
Equipment	597,703	163,145	-	760,848
Land Improvements	342,407	40,034	-	382,441
Total accumulated depreciation	<u>1,445,751</u>	<u>255,271</u>	<u>(12,250)</u>	<u>1,688,772</u>
Total governmental activities, being depreciated (net)	<u>\$ 959,140</u>	<u>\$ (187,608)</u>	<u>\$ -</u>	<u>\$ 771,532</u>
Governmental Capital Assets, net	<u>\$ 959,140</u>	<u>\$ (187,608)</u>	<u>\$ -</u>	<u>\$ 771,532</u>



**Cabarrus County, North Carolina  
Notes to the Financial Statements  
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**F. Payables**

Payables at the government-wide level for the Primary Government at June 30, 2014, were as follows:

	Vendors	Salaries and Benefits	Other	Total
Governmental Activities:				
General	\$ 4,795,201	\$ 2,358,329	\$ 636,215	\$ 7,789,745
School Construction	19,817	-	-	19,817
Other Governmental	656,837	3,825	50,000	710,662
Total-governmental activities	<u>\$ 5,471,855</u>	<u>\$ 2,362,154</u>	<u>\$ 686,215</u>	<u>\$ 8,520,224</u>
Business-type activities				
Landfill	<u>\$ 112,286</u>	<u>\$ 6,885</u>	<u>\$ -</u>	<u>\$ 119,171</u>

Payables at the government-wide level for the Cabarrus Health Alliance at June 30, 2014, were as follows:

	Vendors	Salaries and Benefits	Total
Governmental Activities:			
General	\$ 432,446	\$ 504,971	\$ 937,417
Total-governmental activities	<u>\$ 432,446</u>	<u>\$ 504,971</u>	<u>\$ 937,417</u>

**G. Closure and Post closure Care Cost - Cabarrus County Landfill Facility**

Federal and state laws and regulations require Cabarrus County to place a final cover on its landfill facility when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Although closure and post closure care costs are typically paid near or after the date that the landfill stops accepting waste, the County reports a portion of these closure and post closure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. The \$3,183,905 reported as landfill closure and post closure care liability at June 30, 2014 represents a cumulative amount reported to date based on the use of 81% of the total estimated capacity of the landfill. The County will recognize the remaining estimated cost of closure and post closure cost of \$2,117,129 as the remaining estimated capacity is filled. These amounts are based on what it cost to perform all closure and post closure care in 2014. Actual Costs may be higher due to inflation, changes in technology, or changes in regulations.

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

- The Municipal Solid Waste (MSW) reached capacity in 1997 and was covered in 1998.
- An expansion area that sits on the top of the MSW site was added in 1998 to accept construction and demolition waste (C&D). This expansion area has reached capacity and is in the process of being closed.
- An additional C&D expansion area was opened in Fiscal Year 2006 and is expected to reach full capacity in June 2018.

Cabarrus County has met the requirements of the local government financial assurance test that is one option under state and federal laws and regulations that aids in determining if a unit is secure and financially able to meet the necessary closure and post closure care requirements as of each balance sheet date. Governments that utilize the local government financial assurance test allow them to remain exempt from a set contribution schedule.

**Cabarrus County, North Carolina**  
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**H. Leases**

**1. Capital Leases**

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

On December 18, 2008, the County entered into a lease agreement as lessee for financing the acquisition of land for a park with a down payment of \$190,000 with an effective interest rate of 4.00%. This lease agreement qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of their future minimum lease payments as of the date of inception. Final payment on the lease will be due December 15, 2037.

On July 1, 2011 the County entered into a lease agreement as lessee for financing the acquisition of 911 Equipment. Payments consist of \$136,623 annually with an effective rate of 3.00%. This lease agreement qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of their future minimum lease payments as of the date of inception.

The assets acquired through a capital lease are as follows:

	Governmental Activities
County owned Asset:	
Equipment	\$ 603,312
Land	3,421,394
Less: Accumulated depreciation	(361,987)
Total	<u>\$ 3,662,719</u>

The future minimum lease obligation and the net present value of these minimum lease payments as of June 30, 2014, were as follows:

Year Ending, June 30	Governmental Activities
2015	\$ 326,623
2016	326,623
2017	190,000
2018	190,000
2019	190,000
2020	190,000
2021	190,000
2022	190,000
2023	190,000
Next 5 Years	950,000
To maturity	1,900,000
Total Minimum lease payments	<u>4,833,246</u>
Less: amount representing interest	(1,676,809)
Present value of minimum lease payments	<u>\$ 3,156,437</u>



**Cabarrus County, North Carolina**  
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**For the Year Ended June 30, 2014**

**2. Operating Leases**

The County leases building, equipment and office facilities under non-cancelable operating leases. Total costs for the leases were \$1,043,301 for the year ended June 30, 2014. The future minimum lease payments for this lease are as follows:

<u>Year Ending June 30</u>	<u>Amount</u>
2015	\$ 955,652
2016	921,551
2017	861,741
2018	203,827
2019	84,928
Total	<u>\$ 3,027,699</u>

**I. Long-term Obligations**

**1. General Obligation Indebtedness**

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

The County's general obligation bonds payable at June 30, 2014 are comprised of the following individual issues

<p>\$32,855,000 (March 15, 2004 Advanced Refunding Bonds due on August 1 and February 1 in installments through February 1, 2018; interest at 3.0 to 5.0 percent. The purpose of the debt is refunding prior debt for the construction of schools</p>	<p>\$ 12,075,000</p>
<p>\$50,000,000 (March 1, 2005) School Series Bonds due on September 1 and March 1 in installments through March 1, 2025; interest at 3.0 to 5.0 percent. The purpose of the debt is for constructing and improving school facilities.</p>	<p>2,300,000</p>
<p>\$48,000,000 (September 1, 2006) Public Improvement Series Bonds due on March 1 and September 1 in installments through March 1, 2027; interest at 4.0 to 5.0 percent. The purpose of the debt is for the construction and improving schools (\$44,640,000) and community college facilities (\$3,360,000).</p>	<p>4,000,000</p>
<p>\$62,360,000 (May 15, 2013) Advance Refunding Bonds due on March 1 and September 1 in installments through March 1, 2027; interest at 1.5 to 5.0 percent.</p>	<p><u>62,020,000</u></p>
	<p><u>\$ 80,395,000</u></p>

**Cabarrus County, North Carolina**  
**Notes to the Financial Statements**  
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For Cabarrus County, the annual debt service payments to maturity as of June 30, 2014, for the County's general obligation bonds are as follows:

Year Ending, June 30	Principal	Interest
2015	\$ 7,640,000	\$ 3,440,163
2016	7,535,000	3,058,162
2017	7,360,000	2,758,587
2018	7,190,000	2,431,088
2019	6,380,000	2,208,787
2020	6,425,000	1,889,788
2021	6,380,000	1,644,100
2022	6,410,000	1,325,100
2023	6,450,000	1,004,600
2024	6,475,000	682,100
To maturity	12,150,000	809,675
	\$ 80,395,000	\$ 21,252,150

At June 30, 2014 Cabarrus County had a legal debt margin of \$1,252,663,913.

## **2. Certificates of Participation/Limited Obligation Bonds**

On February 22, 2007, the Cabarrus County Development Corporation issued \$33,595,000 in Certificates of Participation (COPS) Installment contracts to finance the construction of a County owned sheriff administration facility. These 20-year COPS have interest rates ranging from 4.0% to 5.625%. Debt Service is financed by Cabarrus County property tax revenues. Annual payments of principal and interest range from approximately \$3,092,576 to \$1,744,093. Total principal and interest over a 20-year period will be \$49,537,033. Total principal balance due at June 30, 2014 was \$21,835,000.

On January 25, 2008, the Cabarrus County Development Corporation issued \$46,920,000 (2008A) Certificates of Participation (COPS) Installment contracts to finance the construction of a new high school. These 20 year COPS have interest rates ranging from 3.25% to 5.0%. Debt Service is financed by Cabarrus County property tax revenues. Annual payments of principal and interest range from approximately \$4,400,704 to \$2,447,594. Total principal and interest over a 20-year period will be \$68,856,864. Total principal balance due at June 30, 2014 was \$32,830,000.

On January 25, 2008, the Cabarrus County Development Corporation issued \$18,745,000 (2008B) Certificates of Participation (COPS) Installment contracts to refund the 1999 Installment Payment Revenue Bonds issued for the construction of JM Robinson High School. These 11 year COPS have interest rates ranging from 3.0% to 5.0%. Debt Service is financed by Cabarrus County property tax revenues. Annual payments of principal and interest range from approximately \$2,263,225 to \$1,485,750. Total principal and interest over an 11-year period will be \$20,655,550. Total principal balance due at June 30, 2014 was \$7,335,000.

On December 1, 2008, The Cabarrus County Development Corporation issued \$58,810,000 (2008C) Certificates of Participation (COPS) Installment contracts to provide funds to (a) pay the costs of construction of a residential tower to house County inmates and related improvements and (b) pay certain expenses incurred in connection with the execution and delivery of the 2008C Certificates. These 20 year COPS have interest rates ranging from 4.00% to 5.25%. Debt service is financed by Cabarrus County property tax revenues. Annual payments of principal and interest range from approximately \$5,941,494 to \$1,404,961. Total principal and interest over a 20 year period will be \$90,944,756. Total principal balance due at June 30, 2014 was \$46,410,000.



**Cabarrus County, North Carolina**  
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On July 16, 2009, The Cabarrus County Development Corporation issued \$85,170,000 (2009) Certificates of Participation (COPS) Installment contracts to provide funds (a) to pay a portion of the costs of (i) acquiring real property, (ii) constructing new public school facilities and expanding and renovating existing public school facilities, equipping the Facilities, and (iv) a portion of the interest to accrue under the Contract during the construction periods for the foregoing and thereafter, through January 1, 2012 and (b) pay certain expenses incurred in the connection and delivery of the 2009 Certificates. These 20 year COPS have interest rates ranging from 3.0% to 5.0%. Annual payments of principal and interest range from approximately \$8,702,669 to \$1,818,515. Total principal and interest over a 20 year period will be \$129,871,859. Total principal balance due at June 30, 2014 was \$70,965,000.

On September 22, 2010 the Cabarrus County Development Corporation issued \$18,920,000 (2010A) Certificates of Participation (COPS) contracts to refund the 2001 COPS issued for the construction and equipping of two middle schools and one elementary school. These 11 year COPS have interest rates ranging from 2.0% to 5.0%. Debt Service is financed by Cabarrus County property tax revenues. Annual payments of principal and interest range from approximately \$2,809,100 to \$518,150. Total principal and interest over an 11-year period will be \$23,761,150. Total principal balance due at June 30, 2014 was \$12,955,000.

On April 14, 2011 the Cabarrus County Development Corporation issued \$14,635,000 (2011A) certificates of Participation (COPS) contracts to fund the rehabilitating, repairing and equipping of approximately eighteen Cabarrus County and six Kannapolis City school facilities. These 15 year COPS are financed under 2 bullets using Qualified School Construction Bonds. The first bullet in the amount of, \$7,200,000, will mature in 2023, with an interest rate of 5.10 and the second bullet for \$7,435,000 will mature in 2026 with an interest rate of 5.50%. The Federal subsidy rate was 5.43%. The second bullet will have a net interest cost to the County of .07% while the County will have no interest cost in the first bullet. The principal on this debt is deferred for five years with the first principal payment due on 4/1/2016. The principal payments will be held in an interest bearing sinking fund until the bullet payments are due. Debt Service is financed by Cabarrus County property tax revenues. Annual payments of principal and interest range from approximately \$748,098 to \$2,106,225. Total principal and interest over a 15-year period will be \$25,147,248 less the federal subsidy of \$10,434,369, with the net cost to the County of \$14,712,880. Total principal balance due at June 30, 2014 was \$14,635,000.

On August 31, 2011 the Cabarrus County Development Corporation issued \$11,735,000 (2011B) Limited Obligation Bonds (LOBS) contracts to refund \$11,970,000 of the 2002 COPS issued for the construction and equipping of the Cabarrus County Schools Administration Building, five school gymnasiums, and the County owned Cabarrus Arena & Events Center. These 11 year LOBS have interest rates ranging from 2.0% to 5.0%. Debt Service is financed by Cabarrus County property tax revenues. Annual payments of principal and interest range from approximately \$202,256 to \$1,861,200. Total principal and interest over an 11-year period will be \$14,988,756. Total principal balance due at June 30, 2014 was \$10,305,000.

On August 31, 2011 the Cabarrus County Development Corporation issued \$21,780,000 (2011C) Limited Obligation Bonds (LOBS) contracts to refund \$22,425,000 of the 2003 COPS issued for 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 13 year LOBS have interest rates ranging from 2.0% to 5.0%. Debt Service is financed by Cabarrus County property tax revenues. Annual payments of principal and interest range from approximately \$480,934 to \$3,059,475. Total principal and interest over a 13-year period will be \$29,779,084. Total principal balance due at June 30, 2014 was \$19,765,000.

**Cabarrus County, North Carolina**  
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For Cabarrus County, the annual debt service payments to maturity as of June 30, 2014 for the County's Certificates of Participation/Limited Obligation Bonds are as follows:

Year Ending, June 30	Principal	Interest
2015	\$ 18,630,000	\$ 11,223,398
2016	19,895,000	10,432,660
2017	19,835,000	9,615,098
2018	19,755,000	8,784,985
2019	19,685,000	7,931,722
2020	18,225,000	7,042,522
2021	18,185,000	6,247,735
2022	16,385,000	5,430,129
2023	15,125,000	4,715,661
2024	15,130,000	3,683,644
Next 5 years	56,185,000	8,140,425
Total	\$ 237,035,000	\$ 83,247,979

**3. Long-Term Obligation Activity**

	Balance July 1, 2013	Increases	Decreases	Balance June 30, 2014	Due Within One Year
Governmental activities:					
General Obligation Bonds	\$ 88,390,000	\$ -	\$ 7,995,000	\$ 80,395,000	\$ 7,640,000
Plus: Premiums on issuance	11,748,753	-	1,028,247	10,720,506	-
Total General Obligation Bonds	100,138,753	-	9,023,247	91,115,506	7,640,000
Certificates of Participation/ Limited Obligation Bonds	255,735,000	-	18,700,000	237,035,000	18,630,000
Plus: Premiums on issuance	9,702,062	-	871,865	8,830,197	-
Total Certificates of Participation/ Limited Obligation Bonds	265,437,062	-	19,571,865	245,865,197	18,630,000
Capital Leases	3,348,072	-	191,635	3,156,437	200,644
Compensated absences	3,452,904	2,577,172	2,574,871	3,455,205	2,764,164
Other postemployment benefits	10,654,366	2,678,938	733,984	12,599,320	-
Unfunded Pension Cost	213,204	520,187	457,220	276,171	-
Total governmental activities	\$ 383,244,361	\$ 5,776,297	\$ 32,552,822	\$ 356,467,836	\$ 29,234,808

The following is a summary of changes in the County's long-term obligations for the fiscal year ended June 30, 2014:

	Balance July 1, 2013	Increases	Decreases	Balance June 30, 2014	Due Within One Year
Business-type activities					
Compensated absences	\$ 24,578	\$ 9,211	\$ 13,033	\$ 20,756	\$ 16,605
Other postemployment benefits	84,474	7,480	-	91,954	-
Landfill Closure/Post-Closure	3,329,083	-	145,178	3,183,905	145,177
Total business-type activities	\$ 3,438,135	\$ 16,691	\$ 158,211	\$ 3,296,615	\$ 161,782



**Cabarrus County, North Carolina**  
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**For the Year Ended June 30, 2014**

	Balance July 1, 2013	Increases	Decreases	Balance June 30, 2014	Due Within One Year
Discretely presented component unit:					
Compensated absences	\$ 533,402	\$ 526,794	\$ (512,856)	\$ 547,340	\$ 536,393
OPEB obligation	618,336	129,815	(52,766)	695,385	-
Total discretely presented component unit	<u>\$ 1,151,738</u>	<u>\$ 656,609</u>	<u>\$ (565,622)</u>	<u>\$ 1,242,725</u>	<u>\$ 536,393</u>

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

#### **4. Net Investment in Capital Assets**

Governmental Activity, net investment in capital assets at June 30, 2014, are computed as follows:

Capital assets, net of accumulated depreciation	\$ 208,907,351
Deferred outflows of resources	9,655,303
Less: capital debt	
Gross debt	(340,137,140)
School debt related to assets to which the County does not capitalize	259,428,626
Unspent debt proceeds, non school related debt	<u>-</u> (80,708,514)
Deferred outflows related to school debt	<u>(9,251,934)</u>
Net investment in capital assets	<u>\$ 128,602,206</u>

#### **5. Advance Refunding**

On August 31, 2011 the Cabarrus County Development Corporation issued \$21,780,000 of refunding Limited Obligation Bonds (LOBS) to provide resources to purchase U.S. government securities that were placed into an irrevocable trust of the purpose of generating resources for all future debt service payments of refunded debt. The refunded debt consists of a portion (\$22,425,000) of the County's series 2003 Certificates of Participation (COPS) dated July 15, 2003 and stated to mature on February 1, 2024. The refunding debt was issued at a net interest cost of 3.214133%. 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 position. The amount of defeased debt that remains outstanding as of June 30, 2014 is \$0. This refunding was undertaken to reduce total debt service payments over the following 13 years by \$1,006,031 resulted in a present value cash flow savings of \$846,417.

On May 15, 2013, Cabarrus County issued \$62,360,000 of General Obligation, Series 2013 advance refunding bonds to provide resources to purchase U.S. Government securities that were placed into an irrevocable trust for the purpose of making all future debt service payments on the callable Series 2005 and the callable Series 2006 General Obligation Bonds. The refunded debt consists of a portion (\$31,500,000) of the County's Series 2005 General Obligation Bonds dated March 1, 2005 and maturing March 1, 2016 through March 1, 2025 and a portion (\$34,200,000) of the County's Series 2006 General Obligation Bonds dated September 1, 2006 and maturing March 1, 2027. The refunding debt was issued at a net interest cost of 2.148626%. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the Governmental

**Cabarrus County, North Carolina**  
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activities column of the statement of net position. The amount of defeased debt that remains outstanding as of June 30, 2014 is \$65,700,000. This refunding was undertaken to reduce total debt service payments over the following 14 years by \$6,205,125 and resulted in a present value cash flow savings of \$5,522,531.

**Debt related to Capital Activities** – Of the total Governmental Activities debt listed only \$80,708,514 relates to assets for which the County holds title. There is no unspent restricted cash related to the debt amounts.

**J. 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, 2014, there were no industrial revenue bonds outstanding.

**K. 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, 2014 is as follows:**

	Transfers In			Total Transfers Out
	General	School Construction	Capital Reserve	Non Major
General	\$ -	\$ 1,500,000	\$ 29,486,500	\$ 4,878,282
Capital Reserve	58,418	18,000,000	-	1,600,420
Non-Major	7,965,171	-	-	-
Total	<u>\$ 8,023,589</u>	<u>\$ 19,500,000</u>	<u>\$ 29,486,500</u>	<u>\$ 6,478,702</u>
				<u>\$ 63,488,791</u>

Transfers to and from other funds at June 30, 2014 consists of the following:

To the General Fund from the Emergency Telephone System Special Revenue Fund for debt service payment.	\$ 136,623
To the General Fund from the Emergency Telephone System Special Revenue Fund for the salary and benefits of a GIS mapping employee.	81,041
To the General Fund from the Cabarrus Arena & Events Center Special Revenue Fund for reimbursement of ITS equipment.	600



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To the General Fund from the Small Projects Capital Projects Fund from completed projects.	49,815
To the General Fund from the Capital Reserve Fund for the renovation of a building at the Community College.	45,218
To the General Fund from the Capital Reserve Fund for Park improvement.	13,200
To the General Fund from the Cannon Memorial Library Capital Projects Fund for equipment, furniture and automation.	68,224
To the General Fund from the Public School Building Capital Projects Fund for debt service payments.	4,911,790
To the General Fund from the Justice Center Construction Capital Projects Fund for debt service payment.	528,136
To the General Fund from the Certificates of Participation 2009 Capital Projects Fund for debt service payments.	2,188,942
To the Construction and Renovation Capital Projects Fund from the General Fund for the Courthouse Annex & Parking Lot.	68,000
To the Construction and Renovation Capital Projects Fund from the General Fund for EMS co-location with the City of Concord.	375,000
To the Construction and Renovation Capital Projects Fund from the General Fund for emergency communications improvements.	520,000
To the Construction and Renovation Capital Projects Fund from the General Fund for JM Robinson High School Wetland Mitigation.	100,000
To the Construction and Renovation Capital Projects Fund from the General Fund for Cox Mill Elementary Parking Lot Renovations.	250,000
To the Construction and Renovation Capital Projects Fund from the General Fund for renovations to the Kannapolis Library	10,000
To the Construction and Renovation Capital Projects Fund from the General Fund for renovation of the Community College new	1,500,000
To the Construction and Renovation Capital Projects Fund from the General Fund for restoration of Historic Courthouse water fountain.	20,000
To the Construction and Renovation Capital Projects Fund from the Capital Reserve Fund for EMS co-location with Harrisburg Fire Station.	375,000
To the Construction and Renovation Capital Projects Fund from the Capital Reserve Fund for the Human Services building HVAC.	100,000
To the Construction and Renovation Capital Projects Fund from the Capital Reserve Fund for Frank Liske Park tennis court light	135,000
To the Construction and Renovation Capital Projects Fund from the Capital Reserve Fund for building improvements at Camp Spencer Park.	990,420
To the School Construction Capital Projects Fund from the General Fund for the purchase of land for a new Elementary School.	1,500,000
To the School Construction Capital Projects Fund from the Capital Reserve Fund for Architect and Engineering fees for Mt. Pleasant Middle	2,000,000

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To the School Construction Capital Projects Fund from the Capital Reserve Fund for the construction of a new Elementary School.	16,000,000
To the Qualified School Construction Bond Capital Projects Fund from the General Fund for an emergency generator for Kannapolis	20,317
To the School Construction Debt Capital Projects Fund from the General Fund for Architect and Engineering fees for a new Kannapolis School.	1,319,000
To the Community Development Special Revenue fund from the General Fund for Community Development projects.	25,000
To the Cabarrus Arena and Events Center Special Revenue Fund from the General Fund for the operations of the facility	545,965
To the Small Projects Capital Project Fund from the General Fund for conservation easements.	125,000
To the Capital Reserve Fund from the General Fund to fulfill the 15% Fund Balance policy.	29,486,500
<b>Total</b>	<b>\$ 63,488,791</b>

The Fire District Special Revenue Fund includes a Due from the General Fund amount of \$26,232 for the new State of North Carolina Motor Vehicle Tax earned in June 2014 but received in July 2014. A corresponding Due to Fire District Special Revenue Fund is included in the General Fund.

**L. 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, 2014 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.

**M. 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 maintain an ADM allocation account for the County. At June 30, 2014 the balance of the County's ADM allocation account was \$182. The County must match this balance on the basis of one dollar for every three dollars of state funds for financing the school unit's facilities capital needs. The local school technology plan does not require a County match. After approving a school capital project authorized by the Act, the Office of State Budget and Management will transfer funds from the County's ADM allocation account to its disbursing account maintained with the State Treasurer. At that time, the ADM allocation



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transferred is considered to be "available" and is recognized in the Public School Building Capital Fund as intergovernmental revenue. At June 30, 2014 the County's disbursing account had a \$0 balance.

**N. Benefit payments Issued by the State**

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

	<b>Federal</b>	<b>State</b>
Temporary assistance to needy families	\$ 663,129	\$ -
Refugee	8,719	-
LINKS	21,176	-
Foster Care	142,479	46,630
Adoption assistance	524,302	1,189,143
Medical assistance	106,112,671	57,129,769
State Children's Health Insurance	3,165,702	998,704
Special assistance to adults	-	1,025,630
Total	<u>\$ 110,638,178</u>	<u>\$ 60,389,876</u>

**O. Internal Service**

The County has one internal service fund for self-insured hospitalization insurance. The self-insured hospitalization insurance fund accumulates premiums and pays all claims and related expenses for health insurance activities. At June 30, 2014 the self-insured hospitalization internal service fund had an unrestricted net position of \$4,463,597. 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.

**P. Deferred Outflows and Inflows of Resources**

The amount of deferred outflows of resources is a charge on refunding of debt of \$9,655,303.

	<b>Unavailable Revenue</b>	<b>Unearned Revenue</b>
Prepaid taxes not yet earned (General)	\$ -	\$ 252,888
Taxes receivable, net (General)	5,708,340	-
Ambulance receivable, net (General)	1,564,571	-
Total	<u>\$ 7,272,911</u>	<u>\$ 252,888</u>

**Note 3. Other Information**

**1. Risk Management**

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County participates in a liability program which is financed using a combination of self-funding and participation in the Carolina Governmental Alliance, Inc., a governmental corporation. The County retains the first \$350,000 in liability claims and claims expenses which are payable by the Carolina Governmental Alliance, Inc. Excess liability insurance above the \$350,000 retention is purchased up to a total limit of \$2,500,000 per occurrence and \$5,000,000 aggregate.

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 \$25,000 deductible is purchased based on estimated replacement values, submitted to the Excess Property Company each year. Special deductibles apply for certain perils such as flood, earth movement, boiler and machinery and the Stough Road location.



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The County purchases primary policies for Emergency Medical Services (EMS). The policies provide coverage for physical damage for EMS units, equipment and automobile, general and medical professional liability exposures. In addition, an underlying policy is purchased for the Transportation services of Cabarrus County.

Fidelity exposures are covered through the purchase of Bonds. The Carolina Governmental Alliance, Inc. secures the purchase of these Bonds on behalf of the County.

The workers' compensation insurance program is financed using a combination of self-funding and participation in the Carolina Governmental Alliance, Inc., a governmental corporation. The County has purchased excess workers compensation insurance for claims in excess of that amount. The self-insured retention for Workers' Compensation is as follows: \$600,000 occurrence Police & Drivers, Fire and EMS (EMS occurrences resulting in an injury to any employee in, upon, entering, or alighting from any employer owned or non-owned ambulance) and \$500,000 for all other occurrence. A primary workers' compensation policy is purchased for all Title V employees.

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 is not limited to fixed cost, mature claim cost, expected monthly liability and the number of projected employees who will be covered by insurance.

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

A liability for a claim is established if information indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss is reasonably estimable. The current claims liability for fiscal year ended June 30, 2014 is shown.

Self-Insured Health Insurance

	<u>6/30/2013</u>	<u>6/30/2014</u>
Unpaid claims, beginning of fiscal year	\$ 1,886,378	\$ 1,452,779
Incurred claims	6,165,264	5,709,872
Claims payments	(6,598,863)	(6,056,958)
Unpaid claims, end of fiscal year	<u>\$ 1,452,779</u>	<u>\$ 1,105,693</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 \$200,000.

The County carries commercial coverage for all other risks of loss including flood loss. Flood coverage was reduced from \$100,000,000 to \$50,000,000. 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, employer liability, work-related injuries, theft of, damage to, and destruction of assets, errors and omissions, and natural disasters. The Alliance has property, general liability, auto liability, workers' compensation and medical malpractice liability coverage through an outside agent.

Cabarrus County has organized the Carolina Governmental Alliance (CGA) to establish an excess liability, property and workers compensation deductible fund for member agencies and administer funds to pay any excess liability claims and deductible amounts that the member agencies may legally be required to pay based on the coverage provisions of the fund and to do all things necessary to carry out these purposes. Currently Cabarrus County is the sole member.



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## **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.

As of June 30, 2014, the County was a defendant in several lawsuits. Although the outcome of these lawsuits is not presently determinable, it is the opinion of counsel for the County that resolution of these matters will not have a material adverse impact on the financial condition of the County. The two larger litigation matters are described below.

*Charlotte Motor Speedway, LLC and Speedway Motorsports, Inc. vs. City of Concord and County of Cabarrus.* In *Charlotte Motor Speedway*, the plaintiffs originally filed suit in September, 2009 against the City of Concord and the County alleging that the City of Concord and the County had entered into an economic development agreement in November 2007 to provide \$80 million for the financing, design and construction of road, pedestrian, utility and noise attenuation projects, and that the plaintiffs had relied upon that agreement in undertaking certain construction projects. The plaintiffs requested, among other things, specific performance of the agreement or damages in an unspecified amount caused by the misrepresentation by the City and County of their ability to fund the \$80 million in economic incentives.

The City and the County filed motions to dismiss this lawsuit, based primarily on the position that no agreement compliant with the mandatory economic development statutes was ever effectuated. Shortly before a scheduled hearing on these motions in June 2010, this lawsuit was voluntarily dismissed without prejudice by the plaintiffs. By voluntarily dismissing the lawsuit, the plaintiffs preserved their ability to re-file the lawsuit within one year of such dismissal. Shortly before the expiration of the re-filing deadline, the plaintiffs once again filed suit against the City and the County in May 2011. In late June 2011, the City and the plaintiffs settled the lawsuit as to each other at a cost estimated to be worth \$2.8 million. The plaintiffs then amended their complaint, maintaining the same allegations and requests for relief, and simply deleting the City as a defendant. The County filed another motion to dismiss, which was granted on March 21, 2012. The plaintiffs appealed to the North Carolina Court of Appeals, which affirmed the dismissal. The plaintiffs appealed to the Supreme Court. A decision from that court is pending. The County believes that it has meritorious defenses to this lawsuit, and intends to continue to defend itself vigorously. If it is found liable for all or a portion of the alleged damages or determines that it would be to its advantage to engage in settlement negotiations, the County could use a portion of its current undesignated fund balance to pay at least a portion of such damages or settlement. The County can also bring the City back into the lawsuit for indemnity or contribution.

On August 24, 2012, the County's Adequate Public Facilities Ordinance (APFO) was declared invalid by the North Carolina Supreme Court. APFO fees were collected from residential developers to help mitigate the cost of building schools. In several lawsuits currently pending in Cabarrus County Superior Court, some of the developers demanded that these fees be refunded. Pursuant to a neutral evaluation agreed to by the parties, the cases were settled for an amount less than the County's potential exposure. Most of the settlement funds have been paid out, with more than enough remaining in the Assigned Fund Balance to pay the remaining settled claims. Because of the passage of time and the potential impact of the applicable statutes of limitation/statutes of repose, it is unlikely that additional similar claims will be filed.

## **3. Joint Ventures**

The County participates in a joint venture to operate Cardinal Innovations Healthcare Solution with four other local governments. Each participating government appoints four board members to the twenty-member board. The County has an ongoing financial responsibility for the joint venture because Cardinal Innovations Healthcare Solution's continued existence depends on the participating governments' continued funding. None of the participating governments have any equity interest in Cardinal Innovations Healthcare Solution, so no equity interest has been reflected in the financial statements at June 30, 2014. In accordance with the intergovernmental agreement between the participating governments, the County appropriated \$614,021 to Cardinal Innovations Healthcare Solution to supplement its activities. Complete financial statements for Cardinal



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Innovations Healthcare Solution can be obtained from Cardinal Innovations Healthcare Solution's offices at 245 LePhillip Court, Concord, NC 28025.

The County, in conjunction with the State of North Carolina, Rowan Cabarrus Community College and Rowan County participates in a joint venture to operate the Rowan Cabarrus Community College. Each of the four participants, except the County who only appoints two members, appoints four members of the fifteen-member board of trustees of the community college. The president of the community college's student government serves as an ex-officio nonvoting member of the community college's board of trustees. The community college is included as a component unit of the State. The County has the basic responsibility for providing funding for the facilities of the community college and also provides some financial support for the community college's operations. In addition to providing annual appropriations for the facilities, the County periodically issues general obligation bonds to provide financing for new and restructured facilities. Of the 2006 General Obligation bonds issued, \$258,333 in debt is still outstanding of the 2013 Refunding General Obligation bonds issued, \$2,116,073 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 \$1,932,829 to the community college for operating purposes and \$243,130 for capital outlay during the fiscal year ended June 30, 2014. In addition, the County made debt service payments of \$230,569 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, 2014. 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 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. Because all death benefit payments are made from the Death Benefit Plan and not by the County, the County does not determine the number of eligible participants. The County has no liability beyond the payment of monthly contributions. The contributions to the Death Benefit Plan cannot be separated between the postemployment benefit amount and the other benefit amount. Contributions are determined as a percentage of monthly payroll based upon rates established annually by the State. Separate rates are set for employees not engaged in law enforcement and for law enforcement officers. The County considers the contributions immaterial.

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 age at December 31<sup>st</sup> provided by the IRS. This amount is then added to the employee's taxable wages on a calendar year basis.



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**6. Other Postemployment Benefits (OPEB) – Healthcare Benefits**

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

The following schedule became effective on July 1, 1997:

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

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

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

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

Membership of the plan consisted of the following at December 31, 2013 the date of the latest actuarial valuation:

Retirees receiving benefits	87
Active Plan Members:	
General Employees	679
Law Enforcement	193
Total	<u>959</u>

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

The current Annual Required Contribution rate is 8.58% of annual covered payroll (5.45% normal costs and 3.13% accrued liability). The County contributed \$1,148,893 or 2.00% of annual covered payroll for the current fiscal year. The County is self-insured for healthcare coverage. The County's required contributions for employees not engaged in law enforcement and for law enforcement officers represented 8.6% and 6.3% of covered payroll respectively. Employees and retirees who currently use tobacco products and have not signed a non-use tobacco certification forfeit a \$50 monthly premium discount. Employees that have decided not to participate in the County's Accountability Improvement Measures (AIM) program also forfeit a \$50 monthly premium discount. Total contributions from the employees or retirees that forfeit the tobacco or AIM totaled \$51,425 and \$1,800, respectively, for the current year. There were no other contributions made by employees, except for dependent coverage in the amount of \$755,663.

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*Summary of Significant Accounting Policies.* Postemployment expenditures for former employees are made from the General Fund. This fund is maintained on a modified accrual basis of accounting. No funds are set aside to pay benefits and administrative costs. These expenditures are paid as they come due.

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

	2014
Annual Required Contribution	\$ 3,082,130
Interest on Net OPEB Obligation	429,554
Adjustment to annual required contribution	(410,357)
Annual OPEB cost (expense)	3,101,327
Contributions made	(1,148,893)
Increase (decrease) in net OPEB obligation	1,952,434
Net OPEB obligation, beginning of year	10,738,840
Net OPEB obligation, end of year	<u>\$ 12,691,274</u>

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2014 were as follows:

For Year Ended June 30	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2012	\$ 3,072,279	45%	\$ 8,335,071
2013	3,075,320	22%	10,738,840
2014	3,101,327	37%	12,691,274

*Funded Status and Funding Progress.* As of December 31, 2013 the most recent actuarial valuation date, the plan was not funded. The actuarial accrued liability for benefits and, thus the unfunded actuarial accrued liability (UAAL) was \$29,435,762. The covered payroll (annual payroll of active employees covered by the plan) was \$35,882,634 and the ratio of the UAAL to the covered payroll was 82.0%. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and healthcare trends. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

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



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In the December 31, 2013 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 4.00% investment rate of return (net of administrative expenses), which is the expected long-term investment return on the employer's own investments calculated based on the funded level of the plan at the valuation date, and an annual medical cost trend increase of 7.75 to 5.00 percent annually. Both rates included a 3.00 percent inflation assumption. The actuarial value of assets, if any, was determined using techniques that spread the effects of short term volatility in the market value of investments over a five year period. The UAAL is being amortized as a level percentage of projected payrolls on an open basis. The remaining amortization period at December 31, 2013 was 30 years.

**7. Pension Plan and Benefit Obligations**

**a. Local Governmental Employees' Retirement System**

*Plan Description.* Cabarrus County and the Health 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 7.07% and 7.28% respectively, of annual covered payroll. For the Alliance, the current rate for employees is 7.07% 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, 2014, 2013 and 2012 were \$2,836,422, \$2,583,039 and \$2,737,358, respectively. The Alliance's contributions to LGERS for the years ended June 30, 2014, 2013 and 2012, were \$629,003, \$574,529 and \$548,773 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. A separate audit report was not issued for the plan.

All full-time County law enforcement officers are covered by the Separation Allowance. At December 31, 2013, the Separation Allowance's membership consisted of:

Retirees receiving benefits	10
Terminated plan members entitled to but not yet receiving benefits	-
Active plan members	194
Total	<u>204</u>



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Summary of Significant Accounting Policies:

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

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

**Contributions.** The County is required by Article 12D of G.S. Chapter 143 to provide these retirement benefits and has chosen to fund the amounts necessary to cover the benefits earned by making contributions based on actuarial valuations. The County transfers the contribution in a subsequent year following notification by the actuary of the amount. For the current year, the County contributed \$457,220 or 5.39% 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 fiscal year ended June 30, 2014 was determined as part of the December 31, 2012 actuarial valuation using the projected unit credit actuarial cost method. The actuarial assumptions included (a) 5.00% investment rate of return (net of administrative expenses) and (b) projected salary increases ranging from 4.25% to 7.85% per year. Both (a) and (b) included an inflation component of 3.00%. 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 dollar open basis. The remaining amortization period at December 31, 2012 was 10 years.

**Annual Pension Cost and Net Pension Obligation.** The County's annual pension cost and net pension obligation to the Separation Allowance for fiscal year ending June 30, 2014 are shown:

Annual required contribution	\$ 535,823
Interest on net pension obligation	10,660
Adjustment to annual required contribution	<u>(26,296)</u>
Annual pension cost	520,187
Contributions made	<u>(457,220)</u>
Increase in net pension obligation	62,967
Net pension obligation beginning of year	<u>213,204</u>
Net pension obligation end of year	<u><u>\$ 276,171</u></u>

**3 Year Trend Information**

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/2012	\$ 431,594	127.79%	\$ 220,616
6/30/2013	444,232	101.67%	213,204
6/30/2014	520,187	87.90%	276,171

**Funded Status and Funding Progress.** As of December 31, 2013, the most recent actuarial valuation date, the plan was 36.85 percent funded. The actuarial accrued liability for benefits was \$3,575,604, and the actuarial value of assets was \$1,317,523, resulting in an unfunded actuarial accrued liability (UAAL) of \$2,258,081. The



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covered payroll (annual payroll of active employees covered by the plan) was \$8,494,577 and the ratio of the UAAL to the covered payroll was 26.58 percent.

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

**c. Supplemental Retirement Income Plan (401k)**

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

*Funding Policy.* Article 12E of G.S. Chapter 143 requires the County to contribute each month an amount equal to five percent of each law enforcement officer's salary, and all amounts contributed are vested immediately. Also, the law enforcement officers may make voluntary contributions to the plan. The County has 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, 2014 were \$2,691,201 which consisted of \$1,998,861 from the County and \$692,340 from the employees. In February 2009, the Alliance decided to discontinue the employer's contribution to the 401(k) plan. Participating Alliance employees made contributions of \$249,845 for the year ended June 30, 2014.

**d. Register of Deeds' Supplemental Pension Fund**

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

*Funding Policy.* On a monthly basis, the County remits to the Department of State Treasurer an amount equal to one and one-half percent (1.5%) of the monthly receipts collected pursuant to Article 3 of G.S. 161. Immediately following January 1 of each year, the Department of State Treasurer divides ninety-three percent (93%) of the 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, 2014, the County's required and actual contributions were \$14,495.





# Required Supplemental Financial Data

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This section contains additional information on the Law Enforcement Officer's Special Separation Allowance and the Other Post-Employment Benefits-Retiree Health Plan as of June 30, 2014.

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**Cabarrus County, North Carolina  
Special Separation Allowance  
Required Supplementary Information  
Schedule of Funding Progress  
June 30, 2014**

<b>Actuarial Valuation Date</b>	<b>Actuarial Value of Assets (a)</b>	<b>Actuarial Accrued Liability (AAL) -Projected Unit Credit (b)</b>	<b>Unfunded AAL (UAAL) (b-a)</b>	<b>Funded Ratio (a/b)</b>	<b>Covered Payroll for Year Ending on Valuation Date (c)</b>	<b>UAAL as a % of Covered Payroll ((b-a)/c)</b>
12/31/2004	\$ 149,833	\$ 2,527,863	\$ 2,378,030	5.93%	\$ 5,690,981	41.79%
12/31/2005	265,718	2,275,330	2,009,612	11.68%	6,569,172	30.59%
12/31/2006	341,866	2,398,871	2,057,005	14.25%	6,715,791	30.63%
12/31/2007	377,233	2,436,234	2,059,001	15.48%	7,277,196	28.29%
12/31/2008	33,566	2,504,422	2,470,856	1.34%	8,025,050	30.79%
12/31/2009	106,199	3,494,890	3,388,691	3.04%	8,217,096	41.24%
12/31/2010	588,157	3,178,770	2,590,613	18.50%	8,514,139	30.43%
12/31/2011	870,274	3,402,919	2,532,645	25.57%	8,788,658	28.82%
12/31/2012	631,437	3,495,489	2,864,052	18.06%	8,713,365	32.87%
12/31/2013	1,317,523	3,575,604	2,258,081	36.85%	8,494,577	26.58%



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

<b><u>Year Ended</u></b> <b><u>June 30</u></b>	<b><u>Annual Required</u></b> <b><u>Contribution</u></b>	<b><u>Actual</u></b> <b><u>Contribution</u></b>	<b><u>Percentage</u></b> <b><u>Contributed</u></b>
2005	\$ 377,815	\$ 358,891	95%
2006	392,503	377,815	96%
2007	340,536	392,503	115%
2008	350,675	340,536	97%
2009	353,811	350,675	99%
2010	412,065	353,811	86%
2011	551,536	412,065	75%
2012	451,644	551,536	122%
2013	457,220	451,644	99%
2014	535,823	457,220	85%

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	12/31/2013
Actuarial cost method	Projected unit credit
Amortization method	Level dollar open basis
Remaining amortization period	10 years
Asset valuation method	Market value
Actuarial assumptions:	
Investment rate of return*	5.00%
Projected salary increases*	4.25% to 7.85%
Cost-of-living adjustments	N/A

\*Includes inflation at 3.00%

Cabarrus County, North Carolina  
Other Post Employment Benefits (OPEB)  
Required Supplementary Information  
Schedule of Funding Progress  
June 30, 2014

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) -Projected Unit Credit (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll for Year Ending on Valuation Date (c)	UAAL as a % of Covered Payroll ((b-a)/c)
12/31/2005	\$ -	\$ 17,505,771	\$ 17,505,771	0.0%	\$ 21,611,231	81.0%
12/31/2007	-	21,441,875	21,441,875	0.0%	25,327,869	84.7%
12/31/2008	-	25,198,592	25,198,592	0.0%	31,224,203	80.7%
12/31/2011	-	27,978,569	27,978,569	0.0%	34,588,322	80.9%
12/31/2013	-	29,435,762	29,435,762	0.0%	35,882,634	82.0%



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

<b>Year Ended June 30</b>	<b>Annual Required Contribution</b>	<b>Actual Contribution</b>	<b>Percentage Contributed</b>
2008	\$ 1,850,169	\$ 508,993	27.5%
2009	2,156,844	585,283	27.1%
2010	2,513,177	676,712	26.9%
2011	2,513,177	656,130	26.1%
2012	3,060,420	1,371,402	44.8%
2013	3,060,420	671,551	21.9%
2014	3,082,130	1,148,893	37.3%

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	12/31/2013
Actuarial cost method	Projected unit credit
Amortization method	Level percentage of pay, open
Remaining amortization period	30 years
Asset valuation method	Market value of Assets
Actuarial assumptions:	
Investment rate of return*	4.00%
Medical cost trend rate	7.75% - 5.00%
Year of Ultimate trend rate	2019

\*Includes inflation at 3.00%

# Other Supplemental Information

**Combining Statements for Non-Major Funds**

**Special Revenue Funds**

**Capital Projects Funds**

**Fiduciary Funds**



Cabarrus County, North Carolina  
Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2014

Schedule 1

	Special Revenue					Capital Projects										
	Emergency Telephone System Fund	Community Development Grant Fund	Cabarrus Arena and Events Center Fund	Fire Districts Fund	Sheriff Department Fund	Department of Aging	Subtotal	Justice Center Fund	Construction & Renovation Fund	Certificates of Participation 2009 Fund	School Construction Debt	Utility Fund	Small Projects Fund	Canon Memorial Library Fund	Subtotal	Total Nonmajor Governmental Funds
<b>Assets</b>																
Cash and cash equivalents	\$ 660,802	\$ 39,479	\$ 888,621	\$ 16,281	\$ 228,011	\$ 122,933	\$ 1,956,127	\$ 410,703	\$ 6,203,003	\$ -	\$ 1,319,000	\$ 17,631	\$ 1,108,106	\$ -	\$ 9,058,443	\$ 11,014,570
Accounts receivable	62,852	20,803	4,035	-	-	-	87,690	-	-	-	-	-	20,993	-	20,993	108,683
Interest receivable	273	-	423	-	98	53	847	-	-	-	-	8	-	59	67	914
Due from other funds	-	-	-	26,232	-	-	26,232	-	-	-	-	-	-	-	-	26,232
Restricted cash	-	-	51,617	-	-	-	51,617	-	-	949,774	-	-	-	117,410	1,067,184	1,118,801
Total assets	\$ 723,927	\$ 60,282	\$ 944,696	\$ 42,513	\$ 228,109	\$ 122,986	\$ 2,122,513	\$ 410,703	\$ 6,203,003	\$ 949,774	\$ 1,319,000	\$ 17,639	\$ 1,129,099	\$ 117,469	\$ 10,146,687	\$ 12,269,200
<b>Liabilities</b>																
Accounts payable and accrued liabilities	\$ 23,449	\$ 6	\$ 129,991	\$ 42,513	\$ -	\$ -	\$ 195,959	\$ -	\$ 474,259	\$ 8,540	\$ -	\$ -	\$ 31,904	\$ -	\$ 514,703	\$ 710,662
Contract retainages	-	-	-	-	-	-	-	-	80,023	-	-	-	-	-	80,023	80,023
Total liabilities	23,449	6	129,991	42,513	-	-	195,959	-	554,282	8,540	-	-	31,904	-	594,726	790,685
<b>Fund balances:</b>																
Restricted:																
Stabilization by State Statute	63,125	20,803	4,458	26,232	98	53	114,769	-	-	-	-	8	20,993	59	21,060	135,829
General Government	-	-	-	-	-	-	-	-	-	-	-	-	229,304	-	229,304	229,304
Public safety	637,353	-	-	-	228,011	-	865,364	410,703	-	-	-	-	-	-	410,703	1,276,067
Economic & ply dev	-	-	-	-	-	-	-	-	-	-	-	-	13,832	-	13,832	13,832
Education	-	-	-	-	-	-	-	-	-	949,774	-	-	-	-	949,774	949,774
Culture & recreation	-	-	51,617	-	-	-	51,617	-	-	-	-	-	-	117,410	117,410	169,027
Committed:																
General government	-	-	-	-	-	-	-	-	137,244	-	-	-	155,793	-	293,037	293,037
Public safety	-	-	-	-	-	-	-	-	1,474,421	-	-	-	-	-	1,474,421	1,474,421
Economic & ply dev	-	39,473	-	-	-	-	39,473	-	100,000	-	-	17,631	677,273	-	794,904	834,377
Human services	-	-	-	-	-	122,933	122,933	-	114,596	-	-	-	-	-	114,596	237,529
Education	-	-	-	-	-	-	-	-	-	-	1,319,000	-	-	-	1,319,000	1,319,000
Culture & recreation	-	-	-	-	-	-	-	-	3,822,460	-	-	-	-	-	3,822,460	3,822,460
Assigned:																
Culture & recreation	-	-	758,630	(26,232)	-	-	758,630	-	-	(8,540)	-	-	-	-	-	758,630
Unassigned	-	-	-	-	-	-	(26,232)	-	-	-	-	-	-	-	(8,540)	(34,772)
Total fund balances	700,478	60,276	814,705	-	228,109	122,986	1,936,354	410,703	5,648,721	941,234	1,319,000	17,639	1,097,195	117,469	9,551,961	11,478,515
Total liabilities and fund balances	\$ 723,927	\$ 60,282	\$ 944,696	\$ 42,513	\$ 228,109	\$ 122,986	\$ 2,122,513	\$ 410,703	\$ 6,203,003	\$ 949,774	\$ 1,319,000	\$ 17,639	\$ 1,129,099	\$ 117,469	\$ 10,146,687	\$ 12,269,200

**Catawbee County, North Carolina**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Major Governmental Funds**  
**For the Year Ended June 30, 2014**

	Special Revenues										Capital Projects									
	Emergency System Fund	Community Development Fund	Catawba Area and Environs Fund	Fire Districts Fund	Street Department Fund	Department of Aging Fund	Subtotal	Public School Building Fund	Justice Center Fund	Construction & Renovation Fund	Certificates of Participation 2009	Qualified School Construction Fund	School Construction Debt	Lullay Fund	Small Projects Fund	Adequate Facilities Fund	Canon Memorial Library Fund	Subtotal	Total Major Governmental Funds	
<b>Revenues:</b>																				
Ad valorem taxes	\$ -	\$ -	\$ -	\$ 3,146,570	\$ -	\$ -	\$ 3,146,570	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 190,872	\$ -	\$ -	\$ 3,337,442	
Home consortium	-	40,835	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	40,835	
State grant-Scattered site rehabilitation	-	6,160	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	6,160	
Intergovernmental	-	-	-	-	22,052	-	-	-	-	-	-	-	-	-	-	-	-	-	126,651	
Intergovernmental - Lottery	-	-	-	-	-	-	-	4,911,790	-	-	-	-	-	-	-	104,599	-	-	4,911,790	
Program fees	-	26,290	691,257	-	4,325	-	721,872	-	82,933	-	-	-	-	-	926	-	-	-	805,731	
Telephone subscriber fees	754,224	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	620	-	754,224	
Investment earnings	1,788	-	4,402	-	658	352	7,200	-	-	-	241	99	-	-	2,852	-	-	3,865	11,065	
Donations	-	-	217,820	-	-	-	-	219,268	-	107,035	3,230	-	-	-	2,500	-	100,000	432,033	432,033	
Miscellaneous	-	-	10,761	-	-	-	-	10,761	-	-	-	-	-	-	-	-	-	-	10,761	
Total revenues	756,012	73,285	924,240	3,146,570	27,035	1,800	4,528,942	4,911,790	-	189,968	3,471	99	-	53	301,740	-	100,620	5,507,750	10,436,692	
<b>Expenditures:</b>																				
General Government	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,042,588	
Public Safety	482,712	-	-	3,146,570	53,724	-	3,683,006	-	161,014	-	-	-	-	-	-	88,859	-	-	3,844,020	
Economic and Physical Development	-	94,454	-	-	-	-	94,454	-	-	-	-	-	-	-	16,756	-	-	-	161,014	
Environmental Protection	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5,793	-	-	-	16,756	
Human Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,392	-	-	-	7,185	
Education	-	-	-	-	-	-	-	-	-	-	-	-	-	-	18	-	-	-	18	
Culture and Recreation	-	-	1,302,639	-	-	-	-	-	-	-	844,082	1,976,641	-	-	-	-	166	-	4,320,723	
Capital outlay	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,547,388	
Land and Land Improvements	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	244,449	
Building and Building Improvements	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	125,154	
Equipment and Furniture	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	442,158	
Vehicles and Motorized Equipment	-	-	20,040	-	-	-	20,040	-	577,402	-	-	-	-	-	-	-	-	-	577,402	
Construction in Progress	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	7,565	
Total expenditures	482,712	94,454	1,322,679	3,146,570	53,724	-	5,106,139	-	-	5,654,724	844,082	1,976,641	-	1,392	118,591	-	166	9,810,072	14,010,211	
Excess (deficiency) of revenues over (under) expenditures	273,300	(21,169)	(398,439)	-	(26,689)	1,800	(171,197)	4,911,790	-	(4,864,756)	(836,611)	(1,976,542)	-	(1,339)	182,758	-	100,454	(4,302,322)	(4,273,519)	
<b>Other financing sources (uses):</b>																				
Transfer in	-	25,000	545,965	-	-	-	570,965	-	-	4,441,420	-	20,317	-	-	125,000	-	-	5,907,337	6,478,302	
Transfer (out)	(217,664)	-	(690)	-	-	-	(218,264)	(4,911,790)	(528,136)	-	(2,188,942)	-	-	-	(49,815)	-	-	(7,965,087)	(1,866,469)	
Total other financing sources (uses)	(217,664)	25,000	545,965	-	-	-	352,701	(4,911,790)	(528,136)	4,441,420	(2,188,942)	20,317	-	-	75,185	-	(68,224)	(1,839,750)	(1,866,469)	
Net change in fund balance	55,636	3,831	146,526	-	(26,689)	1,800	181,504	-	(528,136)	(421,336)	(3,026,553)	(1,956,225)	-	(1,339)	257,943	-	(1,814,076)	32,240	(6,141,492)	
Fund balance, July 1	644,842	56,445	667,779	-	254,798	121,186	1,745,050	-	988,839	6,070,957	3,979,787	1,956,225	-	18,978	839,252	-	1,814,076	85,239	17,038,903	
Fund balance, June 30	\$ 700,478	\$ 60,276	\$ 814,705	\$ -	\$ 228,109	\$ 122,986	\$ 1,926,554	\$ -	\$ 410,703	\$ 5,648,721	\$ 941,234	\$ -	\$ -	\$ 1,319,900	\$ 1,097,195	\$ -	\$ 117,469	\$ 9,551,961	\$ 11,478,515	



# Special Revenue Funds

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Special Revenue Funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes

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

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

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

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

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

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

**Cabarrus County, North Carolina**  
**Emergency Telephone System Special Revenue Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund**  
**Balances - Budget and Actual**  
**For the Fiscal Year Ended June 30, 2014**

	<u>Actual</u>		
	<u>Budget</u>	<u>Actual</u>	<u>Variable Favorable (Unfavorable)</u>
<b>Revenues:</b>			
Telephone subscriber fees	\$ 754,224	\$ 754,224	\$ -
Investment earnings	1,500	1,788	288
Total revenues	<u>755,724</u>	<u>756,012</u>	<u>288</u>
<b>Expenditures:</b>			
Public Safety:			
Telephone	434,137	389,479	44,658
Software maintenance	88,834	79,696	9,138
Hardware maintenance	10,530	9,447	1,083
Training	4,559	4,090	469
Total expenditures	<u>538,060</u>	<u>482,712</u>	<u>55,348</u>
Excess (deficiency) of revenues over (under) expenditures	<u>217,664</u>	<u>273,300</u>	<u>55,636</u>
<b>Other financing sources (uses):</b>			
Transfer (out)-General Fund	<u>(217,664)</u>	<u>(217,664)</u>	<u>-</u>
Total other financing sources (uses)	<u>(217,664)</u>	<u>(217,664)</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	55,636	<u>\$ 55,636</u>
Fund balance, July 1		<u>644,842</u>	
Fund balance, June 30		<u>\$ 700,478</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, 2014**

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Actual Current Year</u>	<u>Total to Date</u>
<b>Revenues:</b>				
Home consortium	\$ 454,901	\$ 169,153	\$ 40,835	\$ 209,988
Home program revenues	26,290	-	26,290	26,290
Scattered site rehabilitation 10-C	400,000	239,130	6,160	245,290
Scattered site program revenues	<u>10,000</u>	<u>10,000</u>	<u>-</u>	<u>10,000</u>
Total revenues	<u>891,191</u>	<u>418,283</u>	<u>73,285</u>	<u>491,568</u>
<b>Expenditures:</b>				
Economic and physical development:				
Home Consortium:				
Consultants	26,749	11,034	3,273	14,307
Sub-contractor construction	<u>574,442</u>	<u>196,924</u>	<u>85,021</u>	<u>281,945</u>
Total home consortium	<u>601,191</u>	<u>207,958</u>	<u>88,294</u>	<u>296,252</u>
Scattered site rehabilitation:				
Consultants	50,000	25,205	1,000	26,205
Sub-contractor construction	320,000	191,675	-	191,675
Urgent repair	<u>40,000</u>	<u>32,250</u>	<u>5,160</u>	<u>37,410</u>
Total scattered site rehabilitation	<u>410,000</u>	<u>249,130</u>	<u>6,160</u>	<u>255,290</u>
Total expenditures	<u>1,011,191</u>	<u>457,088</u>	<u>94,454</u>	<u>551,542</u>
Revenues over (under) expenditures	<u>(120,000)</u>	<u>(38,805)</u>	<u>(21,169)</u>	<u>(59,974)</u>
<b>Other financing sources:</b>				
Transfer in - General Fund	<u>120,000</u>	<u>95,250</u>	<u>25,000</u>	<u>120,250</u>
Total other financing sources	<u>120,000</u>	<u>95,250</u>	<u>25,000</u>	<u>120,250</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 56,445</u>	3,831	<u>\$ 60,276</u>
Fund balance, July 1			<u>56,445</u>	
Fund balance, June 30			<u>\$ 60,276</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, 2014

	<u>Actual</u>		<u>Variance</u>
	<u>Budget</u>	<u>Actual</u>	<u>Favorable</u> <u>(Unfavorable)</u>
<b>Revenues:</b>			
<b>Arena and Events Center:</b>			
Donations - Cabarrus Visitors Bureau	\$ 185,000	\$ 207,820	\$ 22,820
Investment earnings	-	1,617	1,617
Total Arena and Events Center	185,000	209,437	24,437
<b>County Fair:</b>			
Program fees	616,500	691,257	74,757
Investment earnings	1,000	2,785	1,785
Miscellaneous	10,500	10,761	261
Total County Fair	628,000	704,803	76,803
<b>Visitor Related Events:</b>			
Donations - Cabarrus Visitors Bureau	10,000	10,000	-
Total revenues	823,000	924,240	101,240
<b>Expenditures:</b>			
Cultural and recreational:			
<b>Arena and Events Center</b>			
Management Company	667,338	545,965	121,373
Other operating expenses	321,948	187,057	134,891
Total Arena & Events Center operations	989,286	733,022	256,264
Capital Outlay-Equipment	20,040	20,040	-
Total Arena and Events Center	1,009,326	753,062	256,264
<b>County Fair:</b>			
Salaries and employee benefits	117,340	107,524	9,816
Other operating expenses	479,552	457,093	22,459
Total county fair	596,892	564,617	32,275
<b>Visitor Related Events:</b>			
Event expense	10,000	5,000	5,000
Total expenditures	1,616,218	1,322,679	293,539
Revenues over (under) expenditures	(793,218)	(398,439)	394,779
<b>Other financing sources:</b>			
Transfer in - General Fund	692,830	545,965	146,865
Transfer out - General Fund	(600)	(600)	-
Fund Balance Appropriated	100,988	-	100,988
Total other financing sources	793,218	545,365	247,853
Net change in fund balance	\$ -	146,926	\$ 146,926
Fund balance, July 1		667,779	
Fund balance, June 30		\$ 814,705	



**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, 2014**

	<u>Actual</u>		<u>Variance</u>
	<u>Budget</u>	<u>Actual</u>	<u>Favorable</u>
			<u>(Unfavorable)</u>
<b>Revenues:</b>			
Property tax collections	\$ 3,189,060	\$ 3,146,570	\$ (42,490)
Total revenues	<u>3,189,060</u>	<u>3,146,570</u>	<u>(42,490)</u>
<b>Expenditures:</b>			
Public Safety	<u>3,189,060</u>	<u>3,146,570</u>	<u>42,490</u>
Total expenditures	<u>3,189,060</u>	<u>3,146,570</u>	<u>42,490</u>
Net change in fund balance	<u>\$ -</u>	-	<u>\$ -</u>
Fund balance, July 1		-	
Fund balance, June 30		<u>\$ -</u>	

**Cabarrus County, North Carolina**  
**Sheriff's Department 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, 2014**

			<u>Actual</u>	
	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>
<b>Revenues:</b>				
Federal Forfeiture Sharing	\$ 96,242	\$ 96,242	\$ -	\$ 96,242
Federal Forfeiture Sharing -Treasury	257,611	257,611	-	257,611
NC Substance Control Tax	337,193	320,722	22,052	342,774
Firing Range fees	16,000	12,157	4,325	16,482
Investment earnings:				
Federal Forfeiture sharing	6,800	6,817	52	6,869
Federal Forf sharing-Treasury	10,200	10,129	382	10,511
NC Substance Control Tax	55,015	53,232	211	53,443
Firing Range	425	194	13	207
Total revenues	<u>779,486</u>	<u>757,104</u>	<u>27,035</u>	<u>784,139</u>
<b>Expenditures:</b>				
Public Safety	770,573	385,706	53,724	439,430
Capital Outlay:				
Equipment	98,468	98,468		98,468
Vehicles	195,583	195,583	-	195,583
Total expenditures	<u>1,064,624</u>	<u>679,757</u>	<u>53,724</u>	<u>733,481</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(285,138)</u>	<u>77,347</u>	<u>(26,689)</u>	<u>50,658</u>
<b>Other financing sources (uses):</b>				
Transfer in-General Fund	285,138	285,138	-	285,138
Transfer (out)-General Fund	<u>-</u>	<u>(107,687)</u>	<u>-</u>	<u>(107,687)</u>
Total other financing sources (uses)	<u>285,138</u>	<u>177,451</u>	<u>-</u>	<u>177,451</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 254,798</u>	<u>(26,689)</u>	<u>\$ 228,109</u>
Fund balance, July 1			<u>254,798</u>	
Fund balance, June 30			<u>\$ 228,109</u>	



**Cabarrus County, North Carolina**  
**Department of Aging 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, 2014**

		<u>Actual</u>		
	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>
<b>Revenues:</b>				
Contributions and private donations	\$ 177,996	\$ 176,415	\$ 1,448	\$ 177,863
Investment earnings	<u>14,500</u>	<u>13,616</u>	<u>352</u>	<u>13,968</u>
Total revenues	<u>192,496</u>	<u>190,031</u>	<u>1,800</u>	<u>191,831</u>
<b>Expenditures:</b>				
Human Services:				
Special Projects	<u>192,496</u>	<u>68,845</u>	<u>-</u>	<u>68,845</u>
Total expenditures	<u>192,496</u>	<u>68,845</u>	<u>-</u>	<u>68,845</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 121,186</u>	1,800	<u>\$ 122,986</u>
Fund balance, July 1			<u>121,186</u>	
Fund balance, June 30			<u>\$ 122,986</u>	

# Capital Projects Funds

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The Capital Projects Funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds and trust funds

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

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

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

**Certificates of Participation 2009 Capital Projects Fund** – This fund accounts for planning, design, construction and/or renovation of schools with Certificate of Participation, Lottery proceeds and contributions from the Special Revenue and Capital Reserve funds.

**Qualified School Construction Bond Fund** – This fund accounts for planning, design, renovations and repairs of schools with Certificates of Participation. An interest subsidy payment will be received from the federal government for a majority of the interest paid.

**School Construction Debt** – This fund accounts for planning, design, construction and/or renovation of schools through the use of debt and non-debt sources.

**Utility** – maintains funds for future County utility projects.

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

**Adequate Facilities** – through special legislative authority, collects and appropriates voluntary mitigation fees for school facilities, land, architect, improvements or furniture and fixtures at the direction of the Cabarrus County Board of Commissioners.

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



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, 2014

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Actual Current Year</u>	<u>Total to Date</u>
<b>Revenues:</b>				
Intergovernmental - State:				
Lottery Proceeds	\$ 12,219,308	\$ 7,307,518	\$ 4,911,790	\$ 12,219,308
Total revenues	12,219,308	7,307,518	4,911,790	12,219,308
<b>Expenditures:</b>				
Capital outlay - education:	-	-	-	-
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures	12,219,308	7,307,518	4,911,790	12,219,308
<b>Other financing sources (uses):</b>				
Transfer (out) - General Fund	(12,219,308)	(7,307,518)	(4,911,790)	(12,219,308)
Total other financing sources (uses)	(12,219,308)	(7,307,518)	(4,911,790)	(12,219,308)
Net change in fund balance	\$ -	\$ -	-	\$ -
Fund balance, July 1			-	
Fund balance, June 30			\$ -	

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, 2014

		<u>Actual</u>		
	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>
<b>Revenues:</b>				
Investment earnings	\$ 2,220,193	\$ 2,220,191	\$ -	\$ 2,220,191
Total revenues	<u>2,220,193</u>	<u>2,220,191</u>	<u>-</u>	<u>2,220,191</u>
<b>Expenditures:</b>				
Public Safety	143,346	143,344	-	143,344
Arbitrage	131,722	131,722	-	131,722
Capital outlay				
Land	4,252,965	4,252,965	-	4,252,965
Jail Annex	16,341,871	16,341,871	-	16,341,871
Sheriff's Administration Building	37,102,007	37,102,007	-	37,102,007
Jail Housing Unit	58,747,228	58,747,228	-	58,747,228
7th Floor Sheriff's Admin Renovation	<u>1,751,031</u>	<u>1,739,031</u>	<u>-</u>	<u>1,739,031</u>
Total Capital outlay	<u>118,195,102</u>	<u>118,183,102</u>	<u>-</u>	<u>118,183,102</u>
Total expenditures	<u>118,470,170</u>	<u>118,458,168</u>	<u>-</u>	<u>118,458,168</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(116,249,977)</u>	<u>(116,237,977)</u>	<u>-</u>	<u>(116,237,977)</u>
<b>Other financing sources (uses):</b>				
Issuance of debt-Installment Financing	15,000,000	15,000,000	-	15,000,000
Issuance of debt-Certificates of Participation	93,323,782	92,405,000	-	92,405,000
Premium on issuance of Certificates of Participation	362,184	1,280,966	-	1,280,966
Transfer in - Capital Reserve Fund	6,458,772	6,458,772	-	6,458,772
Transfer in - General Fund	6,076,843	6,076,843	-	6,076,843
Transfer (out) - Capital Reserve Fund	(1,649,458)	(1,649,458)	-	(1,649,458)
Transfer (out) - General Fund	<u>(3,322,146)</u>	<u>(2,395,307)</u>	<u>(528,136)</u>	<u>(2,923,443)</u>
Total other financing sources (uses)	<u>116,249,977</u>	<u>117,176,816</u>	<u>(528,136)</u>	<u>116,648,680</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 938,839</u>	<u>(528,136)</u>	<u>\$ 410,703</u>
Fund balance, July 1			<u>938,839</u>	
Fund balance, June 30			<u>\$ 410,703</u>	



**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, 2014**

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Actual Current Year</u>	<u>Total to Date</u>
<b>Revenues:</b>				
PARTF Grant	\$ 350,000	\$ -	\$ -	\$ -
Contributions and private donations	220,000	150,000	107,035	257,035
Rental Fees	418,137	330,035	82,933	412,968
Sale of capital assets	20,000	20,000	-	20,000
Total revenues	<u>1,008,137</u>	<u>500,035</u>	<u>189,968</u>	<u>690,003</u>
<b>Expenditures:</b>				
<b>Improvement</b>				
General Government	366,847	89,946	139,653	229,599
Public Safety	1,741,191	462,803	161,014	623,817
Economic & Physical Development	100,000	-	-	-
Human Services	114,596	-	-	-
Education	1,500,000	-	1,500,000	1,500,000
Culture & Recreation	2,592,519	294,427	244,583	539,010
Total Improvements	<u>6,415,153</u>	<u>847,176</u>	<u>2,045,250</u>	<u>2,892,426</u>
<b>Capital Outlay:</b>				
<b>Land and Land Improvements</b>				
General Government	265,000	265,004	-	265,004
Human Services	99,000	99,000	-	99,000
Culture & Recreation	3,546,548	3,421,394	125,154	3,546,548
<b>Building and Building Improvements</b>				
Public Safety	218,728	218,728	-	218,728
Human Services	907,992	876,543	31,449	907,992
Culture & Recreation	431,753	21,044	410,709	431,753
<b>Equipment and Furniture</b>				
Public Safety	1,033,526	456,124	577,402	1,033,526
Human Services	45,399	45,399	-	45,399
<b>Construction in Progress</b>				
Public Safety	2,189,092	32,345	1,811,566	1,843,911
Culture & Recreation	2,528,573	336,428	53,194	389,622
Total Capital Outlay	<u>11,265,611</u>	<u>5,772,009</u>	<u>3,009,474</u>	<u>8,781,483</u>
Total expenditures	<u>17,680,764</u>	<u>6,619,185</u>	<u>5,054,724</u>	<u>11,673,909</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(16,672,627)</u>	<u>(6,119,150)</u>	<u>(4,864,756)</u>	<u>(10,983,906)</u>
<b>Other financing sources (uses):</b>				
Lease Financing issued	3,421,394	3,421,394	-	3,421,394
Transfer in - General Fund	4,098,134	1,215,134	2,843,000	4,058,134
Transfer in - Capital Reserve Fund	9,153,099	7,552,679	1,600,420	9,153,099
Transfer out - General Fund	-	-	-	-
Total other financing sources (uses)	<u>16,672,627</u>	<u>12,189,207</u>	<u>4,443,420</u>	<u>16,632,627</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 6,070,057</u>	<u>(421,336)</u>	<u>\$ 5,648,721</u>
Fund balance, July 1			<u>6,070,057</u>	
Fund balance, June 30			<u>\$ 5,648,721</u>	

**Cabarrus County, North Carolina**  
**Certificates of Participation 2009 Capital Projects Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund**  
**Balances - Budget and Actual**  
**From Inception and for the Year Ended June 30, 2014**

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Actual Current Year</u>	<u>Total to Date</u>
<b>Revenues:</b>				
Contribution and private donations	\$ -	\$ -	\$ 3,230	\$ 3,230
Investment earnings	165,576	170,344	241	170,585
Total revenues	165,576	170,344	3,471	173,815
<b>Expenditures:</b>				
Cost of Debt Issuance	576,148	576,148	-	576,148
Education				
AT Allen Elementary	13,816,599	13,816,599	-	13,816,599
Hickory Ridge Middle	21,357,637	21,357,637	-	21,357,637
Patriots Elementary	12,569,278	12,569,278	-	12,569,278
Harold E. Winkler Middle	23,171,817	23,171,817	-	23,171,817
Raging Ridge Road	1,679,600	47,444	844,082	891,526
A L Brown High Addition/Renovation	9,723,664	9,723,664	-	9,723,664
Total Education	82,318,595	80,686,439	844,082	81,530,521
Total expenditures	82,894,743	81,262,587	844,082	82,106,669
Excess (deficiency) of revenues over (under) expenditures	(82,729,167)	(81,092,243)	(840,611)	(81,932,854)
<b>Other financing sources (uses):</b>				
Issuance of debt - Certificates of Participation	85,170,000	85,170,000	-	85,170,000
Premium on issuance of Certificates of Participation	2,292,583	2,292,584	-	2,292,584
Transfer in - Capital Projects Fund	5,639,943	5,639,943	-	5,639,943
Transfer in - Special Revenue Fund	5,115,855	5,115,855	-	5,115,855
Transfer in - Capital Reserve Fund	423,920	423,920	-	423,920
Transfer (out) - General Fund	(15,913,134)	(13,579,272)	(2,188,942)	(15,768,214)
Total other financing sources (uses)	82,729,167	85,063,030	(2,188,942)	82,874,088
Net change in fund balance	\$ -	\$ 3,970,787	(3,029,553)	\$ 941,234
Fund balance, July 1			3,970,787	
Fund balance, June 30			\$ 941,234	



**Cabarrus County, North Carolina**  
**Qualified School Construction 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, 2014**

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Actual Current Year</u>	<u>Total to Date</u>
<b>Revenues:</b>				
Investment earnings	\$ 12,334	\$ 12,236	\$ 99	\$ 12,335
Total revenues	12,334	12,236	99	12,335
<b>Expenditures:</b>				
Education				
Concord Middle	195,826	195,826	-	195,826
Winecoff Elementary	145,555	145,555	-	145,555
Concord High	2,004,651	1,660,720	343,931	2,004,651
Central Cabarrus High	1,994,895	1,983,719	11,175	1,994,894
Northwest High	3,620,656	2,554,522	1,066,134	3,620,656
Mt. Pleasant Elementary	701,338	701,338	-	701,338
Northwest Middle	368,085	368,085	-	368,085
J M Robinson High	302,666	302,666	-	302,666
Mt. Pleasant Middle	241,000	241,001	-	241,001
Beverly Hills Elementary	168,199	168,200	-	168,200
Coltrane Webb Elementary	85,156	85,156	-	85,156
Mt. Pleasant High	163,305	5,080	158,226	163,306
JN Fries Middle	554,158	288,913	265,244	554,157
R Brown McAllister Elementary	71,905	71,905	-	71,905
Performance Learning Center	197,394	197,394	-	197,394
Various Cabarrus County Schools	288,104	278,257	9,846	288,103
Forest Park Elementary	5,200	5,200	-	5,200
Kannapolis Intermediate	3,044,277	2,993,873	44,882	3,038,755
Fred L. Wilson Elementary	6,500	6,500	-	6,500
A L Brown High	212,545	212,545	-	212,545
Jackson Park Elementary	156,956	156,956	-	156,956
Woodrow Wilson Elementary	146,960	146,960	-	146,960
Contra Expense - Sales Tax	-	(77,203)	77,203	-
Total expenditures	14,675,331	12,693,168	1,976,641	14,669,809
Excess (deficiency) of revenues over (under) expenditures	(14,662,997)	(12,680,932)	(1,976,542)	(14,657,474)
<b>Other financing sources (uses):</b>				
Issuance of debt - Certificates of Participation	14,635,000	14,635,000	-	14,635,000
Premium on issuance of Certificates of Participation	2,157	2,157	-	2,157
Transfer in - General Fund	25,840	-	20,317	20,317
Total other financing sources (uses)	14,662,997	14,637,157	20,317	14,657,474
Net change in fund balance	\$ -	\$ 1,956,225	(1,956,225)	\$ -
Fund balance, July 1			1,956,225	
Fund balance, June 30			\$ -	

Cabarrus County, North Carolina  
 School Construction Debt Capital Projects Fund  
 Schedule of Revenues, Expenditures and Changes in Fund  
 Balances - Budget and Actual  
 From Inception and for the Year Ended June 30, 2014

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Actual Current Year</u>	<u>Total to Date</u>
<b>Revenues:</b>				
Total revenues	\$ -	\$ -	\$ -	\$ -
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Expenditures:</b>				
Education				
Kannapolis Middle School	1,319,000	-	-	-
Total expenditures	1,319,000	-	-	-
	<u>1,319,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	(1,319,000)	-	-	-
	<u>(1,319,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Other financing sources (uses):</b>				
Transfer in - General Fund	1,319,000	-	1,319,000	1,319,000
Total other financing sources (uses)	1,319,000	-	1,319,000	1,319,000
	<u>1,319,000</u>	<u>-</u>	<u>1,319,000</u>	<u>1,319,000</u>
Net change in fund balance	\$ -	\$ -	1,319,000	\$ 1,319,000
	<u>\$ -</u>	<u>\$ -</u>	<u>1,319,000</u>	<u>\$ 1,319,000</u>
Fund balance, July 1			-	
			<u>-</u>	
Fund balance, June 30			\$ 1,319,000	
			<u>\$ 1,319,000</u>	



**Cabarrus County, North Carolina**  
**Utility Capital Projects Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund**  
**Balances - Budget and Actual**  
**From Inception and for the Fiscal Year Ended June 30, 2014**

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Actual Current Year</u>	<u>Total to Date</u>
<b>Revenues:</b>				
Assessment fees	\$ 598,904	\$ 598,904	\$ -	\$ 598,904
Investment earnings	95,199	95,117	53	95,170
Total revenues	<u>694,103</u>	<u>694,021</u>	<u>53</u>	<u>694,074</u>
<b>Expenditures:</b>				
Environmental Protection:				
Urgent Repair	73,983	69,903	1,392	71,295
Water line improvements	<u>620,120</u>	<u>605,140</u>	<u>-</u>	<u>605,140</u>
Total expenditures	<u>694,103</u>	<u>675,043</u>	<u>1,392</u>	<u>676,435</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 18,978</u>	(1,339)	<u>\$ 17,639</u>
Fund balance, July 1			<u>18,978</u>	
Fund balance, June 30			<u>\$ 17,639</u>	

Cabarrus County, North Carolina  
 Small Projects Capital Projects Fund  
 Schedule of Revenues, Expenditures, and Changes in Fund  
 Balances - Budget and Actual  
 From Inception and for the Fiscal Year Ended June 30, 2014

		Actual		
	Project Authorization	Prior Years	Current Year	Total to Date
Revenues:				
Board of Elections:				
Investment earnings	\$ 33,200	\$ 31,333	\$ 1,743	\$ 33,076
Total Board of Elections	33,200	31,333	1,743	33,076
Commerce:				
NC Tobacco Trust Grant	75,000	17,598	-	17,598
Total Commerce	75,000	17,598	-	17,598
Cooperative Extension:				
State Agricultural Grant	675,000	675,000	-	675,000
Contribution and donations	-	-	-	-
Investment earnings	342	359	-	359
Total Cooperative Extension	675,342	675,359	-	675,359
Elma Lomax Incubator Farm:				
Deferred tax collections	82,498	82,498	-	82,498
Program fees	7,301	7,281	20	7,301
Contribution and donations	152,600	152,600	-	152,600
Investment earnings	7,837	8,051	-	8,051
Total Lomax Incubator Farm	250,236	250,430	20	250,450
Register of Deeds:				
Automation & enhancement fees	1,108,643	1,005,726	104,599	1,110,325
Investment earnings	37,303	36,771	230	37,001
Total Register of Deeds	1,145,946	1,042,497	104,829	1,147,326
Soil & Water:				
NC Clean Water Management Grant	521,833	521,833	-	521,833
USDA - Porter	350,000	-	-	-
Farm Land Protection - Porter	175,000	-	-	-
Clear Creek Grant	35,000	35,000	-	35,000
EEP contract	16,900	3,225	-	3,225
Soil and Water Grant-ADFP	89,600	-	-	-
Deferred tax collections	125,000	-	-	-
Program fees	5,975	6,526	906	7,432
Contribution and donations	2,550	4,550	2,500	7,050
Investment earnings	1,700	1,507	186	1,693
Total Soil & Water	1,323,558	572,641	3,592	576,233
Local Agriculture Preservation:				
Deferred tax collections	475,000	360,178	190,872	551,050
Investment earnings	1,500	-	693	693
Total Soil & Water	476,500	360,178	191,565	551,743
Total revenues	3,979,782	2,950,036	301,749	3,251,785
Expenditures:				
Operations:				
General Govt - Board of Elections	208,821	38,632	14,271	52,903
General Govt - Register of Deeds	1,223,450	920,939	74,588	995,527
Economic Development - Commerce	75,000	17,567	-	17,567
Economic Development - Elma Lomax	357,085	331,322	16,756	348,078
Environmental Protection - Soil & Water	1,436,566	532,345	5,793	538,138
Environ Protect - Local Agric Preservat	476,500	-	-	-
Human Services - Cooperative Extension	1,636,705	1,636,705	18	1,636,723
Total Operations	5,414,127	3,477,510	111,426	3,588,936
Capital Outlay:				
Land and Land Improvements	37,922	37,922	-	37,922
Equipment and Furniture	46,711	46,711	-	46,711
Vehicles and Motorized Equipment	32,539	24,974	7,565	32,539
Total Capital Outlay	117,172	109,607	7,565	117,172
Total expenditures	5,531,299	3,587,117	118,991	3,706,108
Excess (deficiency) of revenues over (under) expenditures	(1,551,517)	(637,081)	182,758	(454,323)
Other Financing Sources (Uses):				
Transfer in-General Fund	1,051,332	926,333	125,000	1,051,333
Transfer out-General Fund	(49,815)	-	(49,815)	(49,815)
Transfer in-Capital Reserve Fund	550,000	550,000	-	550,000
Total other financing sources (uses)	1,551,517	1,476,333	75,185	1,551,518
Net change in fund balance	\$ -	\$ 839,252	257,943	\$ 1,097,195
Fund balance, July 1			839,252	
Fund balance, June 30			\$ 1,097,195	



**Cabarrus County, North Carolina**  
**Adequate Facilities Capital Projects Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund**  
**Balances - Budget and Actual**  
**From Inception and for the Fiscal Year Ended June 30, 2014**

	<b>Actual</b>			
	<b><u>Project Authorization</u></b>	<b><u>Prior Years</u></b>	<b><u>Current Year</u></b>	<b><u>Total to Date</u></b>
<b>Revenues:</b>				
Adequate facilities fees	\$ 7,921,285	\$ 7,921,285	\$ -	\$ 7,921,285
Investment earnings	250,156	250,534	-	250,534
Total revenues	8,171,441	8,171,819	-	8,171,819
<b>Expenditures:</b>				
General Government	1,813,698	-	1,814,076	1,814,076
Education	262,080	262,080	-	262,080
Total expenditures	2,075,778	262,080	1,814,076	2,076,156
Excess (deficiency) of revenues over (under) expenditures	6,095,663	7,909,739	(1,814,076)	6,095,663
<b>Other financing sources (uses):</b>				
Transfer in-General Fund	97,750	97,750	-	97,750
Transfer in-Capital Projects Fund	700,764	700,764	-	700,764
Transfer in-Capital Reserve Fund	445,915	445,915	-	445,915
Transfer (out)-Capital Projects Fund	(7,340,092)	(7,340,092)	-	(7,340,092)
Total other financing sources (uses)	(6,095,663)	(6,095,663)	-	(6,095,663)
Net change in fund balance	\$ -	\$ 1,814,076	(1,814,076)	\$ -
Fund balance, July 1			1,814,076	
Fund balance, June 30			\$ -	

**Cabarrus County, North Carolina**  
**Cannon Memorial Library Capital Projects Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund**  
**Balances - Budget and Actual**  
**From Inception and for the Fiscal Year Ended June 30, 2014**

		<u>Actual</u>		
	<u>Project Authorization</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Total to Date</u>
<b>Revenues:</b>				
Contributions and donations	\$ 835,088	\$ 835,089	\$ 100,000	\$ 935,089
Investment earnings	198,187	197,837	620	198,457
Total revenues	1,033,275	1,032,926	100,620	1,133,546
<b>Expenditures:</b>				
Cultural and Recreation:				
Special Projects	13,325	3,420	166	3,586
Total expenditures	13,325	3,420	166	3,586
Excess (deficiency) of revenues over (under) expenditures	1,019,950	1,029,506	100,454	1,129,960
<b>Other financing sources (uses):</b>				
Transfer in-General Fund	9,740	9,740	-	9,740
Transfer (out)-General Fund	(1,029,690)	(954,007)	(68,224)	(1,022,231)
Total other financing sources (uses)	(1,019,950)	(944,267)	(68,224)	(1,012,491)
Net change in fund balance	\$ -	\$ 85,239	32,230	\$ 117,469
Fund balance, July 1			85,239	
Fund balance, June 30			\$ 117,469	



# Fiduciary Funds

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Agency Funds are used to account for assets held by the County as an agent for individuals, private organizations, other governments, and/or other funds

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**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.

**Charitable Campaign Agency Fund** is used to account for money County employees contribute through annual one time giving and through payroll deductions for the purpose of distribution to charitable non-profit agencies in our area. One hundred percent of the money collected is distributed to the charitable non-profit agencies.

**Undistributed Taxes Agency Fund** is used to accumulate collected property taxes before they are distributed to local municipalities.

**Intergovernmental Agency Fund** is used to accumulate fines and forfeitures before they are distributed to the local School Boards; accounts for the accumulation of 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; and accounts for the accumulation of Register of Deeds fees that the County is required to remit to the State of North Carolina.

**Sheriff Civil Agency Fund** is used to account for collections of civil writs from citizens prior to distribution to plaintiff.

**Jail Commissary Agency Fund** is used to account for an inmate's money deposited with the County when an inmate is housed at the County Jail. The money can be used by the inmate to purchase commissary items. Any unused monies are returned to the inmate upon their release.

**Cabarrus County, North Carolina**  
**Agency Funds**  
**Combining Statement of Changes in Assets and Liabilities**  
**For the Year Ended June 30, 2014**

	Balance June 30, 2013	Additions	Deductions	Balance June 30, 2014
<b><u>Department of Social Services</u></b>				
<b><u>Assets:</u></b>				
Cash and cash equivalents	\$ 70,322	\$ 222,002	\$ 216,610	\$ 75,714
Total	<u>\$ 70,322</u>	<u>\$ 222,002</u>	<u>\$ 216,610</u>	<u>\$ 75,714</u>
<b><u>Liabilities:</u></b>				
Accounts payable	\$ 5,282	\$ 190,995	\$ 191,081	\$ 5,196
Due to program participants	65,040	222,269	216,791	70,518
Total	<u>\$ 70,322</u>	<u>\$ 413,264</u>	<u>\$ 407,872</u>	<u>\$ 75,714</u>
<b><u>Charitable Campaign</u></b>				
<b><u>Assets:</u></b>				
Cash and cash equivalents	\$ 5,313	\$ 53,501	\$ 56,106	\$ 2,708
Accounts receivable	1,641	1,894	1,641	1,894
Total	<u>\$ 6,954</u>	<u>\$ 55,395</u>	<u>\$ 57,747</u>	<u>\$ 4,602</u>
<b><u>Liabilities:</u></b>				
Accounts payable	\$ -	\$ 63,915	\$ 63,915	\$ -
Due to program participants	6,954	51,890	54,242	4,602
Total	<u>\$ 6,954</u>	<u>\$ 115,805</u>	<u>\$ 118,157</u>	<u>\$ 4,602</u>
<b><u>Undistributed Taxes</u></b>				
<b><u>Assets:</u></b>				
Cash and cash equivalents	\$ 607,610	\$ 168,758,471	\$ 169,141,180	\$ 224,901
Due from State DOT	-	585,468	-	585,468
Total	<u>\$ 607,610</u>	<u>\$ 169,343,939</u>	<u>\$ 169,141,180</u>	<u>\$ 810,369</u>
<b><u>Liabilities:</u></b>				
Accounts payable	\$ -	\$ 26,223,243	\$ 25,637,775	\$ 585,468
Intergovernmental payable - Municipalities	607,610	190,065,918	190,448,627	224,901
Total	<u>\$ 607,610</u>	<u>\$ 216,289,161</u>	<u>\$ 216,086,402</u>	<u>\$ 810,369</u>
<b><u>Intergovernmental</u></b>				
<b><u>Assets:</u></b>				
Cash and cash equivalents	\$ 109,900	\$ 1,670,769	\$ 1,629,311	\$ 151,358
Accounts receivable	11,016	4,109	11,016	4,109
Total	<u>\$ 120,916</u>	<u>\$ 1,674,878</u>	<u>\$ 1,640,327</u>	<u>\$ 155,467</u>
<b><u>Liabilities:</u></b>				
Accounts payable	\$ -	\$ 1,800,304	\$ 1,800,304	\$ -
Due to Schools - Fines & Forfeitures	111,035	1,666,097	1,621,665	155,467
Due to State of NC Department of Motor Vehicles	9,881	-	9,881	-
Total	<u>\$ 120,916</u>	<u>\$ 3,466,401</u>	<u>\$ 3,431,850</u>	<u>\$ 155,467</u>
<b><u>Sheriff Civil Records</u></b>				
<b><u>Assets:</u></b>				
Cash and cash equivalents	\$ 12,685	\$ 350,854	\$ 352,853	\$ 10,686
<b><u>Liabilities:</u></b>				
Accounts payable	\$ -	\$ 353,983	\$ 353,983	\$ -
Due to courts	12,685	351,504	353,503	10,686
Total	<u>\$ 12,685</u>	<u>\$ 705,487</u>	<u>\$ 707,486</u>	<u>\$ 10,686</u>
<b><u>Jail Commissary</u></b>				
<b><u>Assets:</u></b>				
Cash and cash equivalents	\$ 54,155	\$ 590,756	\$ 589,338	\$ 55,573
<b><u>Liabilities:</u></b>				
Due to jail inmates	54,155	590,756	589,338	55,573
Total	<u>\$ 54,155</u>	<u>\$ 590,756</u>	<u>\$ 589,338</u>	<u>\$ 55,573</u>
<b><u>Total All Agency Funds</u></b>				
<b><u>Assets:</u></b>				
Cash and cash equivalents	\$ 859,985	\$ 172,231,821	\$ 171,985,398	\$ 520,940
Accounts receivable	12,657	6,003	12,657	6,003
Due from State DOT	-	585,468	-	585,468
Total	<u>\$ 872,642</u>	<u>\$ 172,823,292</u>	<u>\$ 171,998,055</u>	<u>\$ 1,112,411</u>
<b><u>Liabilities:</u></b>				
Accounts payable	\$ 5,282	\$ 28,632,440	\$ 28,047,058	\$ 590,664
Due to courts	12,685	351,504	353,503	10,686
Due to jail inmates	54,155	590,756	589,338	55,573
Due to municipalities	607,610	190,065,918	190,448,627	224,901
Due to program participants	71,994	274,159	271,033	75,120
Due to schools	111,035	1,666,097	1,621,665	155,467
Due to State of NC Department of Motor Vehicles	9,881	-	9,881	-
Total	<u>\$ 872,642</u>	<u>\$ 221,580,874</u>	<u>\$ 221,341,105</u>	<u>\$ 1,112,411</u>





# Internal Service Funds

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Internal Service Funds are used to account for the financing of goods and services provided by one department or agency to other department or agencies of the County on a cost reimbursement basis

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**Self-Insured Hospitalization Fund** was established as a self-insurance fund for employee health insurance coverage. The employee's premium and the County's contribution are deposited in this fund. Payments for health coverage are made to a third-party administrator for the statement of claims plus administrative expenses.



**Cabarrus County, North Carolina**  
**Self Insured Hospitalization Internal Service Fund**  
**Schedule of Revenues and Expenditures - Financial Plan and Actual (Non-GAAP Basis)**  
**For the Fiscal Year Ended June 30, 2014**

	<b>2014</b>		
	<b>Financial Plan</b>	<b>Actual</b>	<b>Variance Favorable (Unfavorable)</b>
<b>Revenues:</b>			
Operating revenues:			
Insurance premiums	\$ 9,241,849	\$ 9,091,490	\$ (150,359)
Insurance refunds	110,000	94,611	(15,389)
Program fees	26,880	33,784	6,904
Total operating revenues	<u>9,378,729</u>	<u>9,219,885</u>	<u>(158,844)</u>
Nonoperating revenues:			
Investment earnings	<u>6,500</u>	<u>13,515</u>	<u>7,015</u>
Total nonoperating revenues	<u>6,500</u>	<u>13,515</u>	<u>7,015</u>
Total revenues	<u>9,385,229</u>	<u>9,233,400</u>	<u>(151,829)</u>
<b>Expenditures:</b>			
General and administrative	2,491,957	2,369,796	122,161
Claims	<u>6,893,272</u>	<u>5,090,290</u>	<u>1,802,982</u>
Total expenditures	<u>9,385,229</u>	<u>7,460,086</u>	<u>1,925,143</u>
Revenues over (under) expenditures	<u>\$ -</u>	<u>1,773,314</u>	<u>\$ 1,773,314</u>
Change in net position		<u>\$ 1,773,314</u>	





# Other Schedules

**Tax Receivable and Tax Levy** schedules report the balance of the past ten years of tax levies and provides detailed information concerning the current tax assessment and levy.

**General Fund** accounts for resources traditionally associated with government that are not required legally or by sound financial management to be accounted for in other funds.

**School Construction Fund** is a major fund that accounts for the planning, design, construction and/or renovation of schools through the use of non-debt General or Capital Reserve funds.

**Capital Reserve Fund** is a major fund that maintains funds for future County and School capital projects.

**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. The schedule presents the results of operation for the Landfill on the modified accrual basis for comparison to the legally adopted budget. A reconciliation of the modified accrual basis to the full accrual basis (per generally accepted accounting principles) follows the schedule.

**Cabarrus County, North Carolina**  
**Schedule of Ad Valorem Taxes Receivable**  
**June 30, 2014**

<b>Fiscal Year Ended June 30</b>	<b>Uncollected Balance June 30, 2013</b>	<b>Additions</b>	<b>Collections and Credits</b>	<b>Uncollected Balance June 30, 2014</b>
2014	\$ -	\$ 139,447,859	\$ 134,327,532	\$ 5,120,327
2013	4,370,598	-	2,486,130	1,884,468
2012	1,219,299	-	403,384	815,915
2011	729,953	-	136,578	593,375
2010	468,300	-	214,501	253,799
2009	188,077	-	32,192	155,885
2008	108,925	-	9,264	99,661
2007	98,639	-	5,569	93,070
2006	92,939	-	5,282	87,657
2005	67,889	-	2,855	65,034
2004	81,691	-	81,691	-
	<u>\$ 7,426,310</u>	<u>\$ 139,447,859</u>	<u>\$ 137,704,978</u>	<u>\$ 9,169,191</u>
Less: allowance for uncollectible accounts:				
General Fund				<u>(3,460,851)</u>
Ad valorem taxes receivable - net:				
General Fund				<u>\$ 5,708,340</u>
<u>Reconcilement with revenues:</u>				
Ad valorem taxes - General Fund				\$ 136,639,969
Penalties collected on ad valorem taxes - Agency Fund				193,870
Reconciling items:				
Taxes written off				223,161
Abatements				248,865
Collections of taxes over 10 years old				(4,205)
NCVTS Refunds				22,646
Miscellaneous				212,590
Deferred Taxes				168,082
Total reconciling items				<u>871,139</u>
Total collections and credits				<u>\$ 137,704,978</u>



**Cabarrus County, North Carolina**  
**Analysis of Current Tax Levy**  
**For the Year Ended June 30, 2014**

	<u>County-Wide</u>			<u>Total Levy</u>	
	<u>Property Valuation</u>	<u>Rate</u>	<u>Total Levy</u>	<u>Property excluding Registered Motor Vehicles</u>	<u>Registered Motor Vehicles</u>
Original levy					
Property taxed at current year's rate	\$ 19,150,155,331	0.70	\$134,264,478	\$124,008,818	\$10,255,660
Motor vehicles taxed at prior year's rate	583,643,786	0.70	4,083,934	-	4,083,934
Penalties	-		148,440	148,440	-
<b>Total</b>	<b>19,733,799,117</b>		<b>138,496,852</b>	<b>124,157,258</b>	<b>14,339,594</b>
Discoveries					
Current year taxes					
Current year's rate	19,818,849	0.70	138,739	111,813	26,926
Prior year's rate	5,735,181		39,493	-	39,493
Prior year taxes	-		1,168,806	1,168,806	-
Penalties	-		277,825	277,825	-
<b>Total</b>	<b>25,554,030</b>		<b>1,624,863</b>	<b>1,558,444</b>	<b>66,419</b>
Abatements					
Current year's rate	(82,569,194)		(576,082)	(538,255)	(37,827)
Prior year's rate	(11,154,578)		(78,075)	-	(78,075)
Penalties	-		(19,699)	(19,699)	-
<b>Total</b>	<b>(93,723,772)</b>		<b>(673,856)</b>	<b>(557,954)</b>	<b>(115,902)</b>
Total property valuation	<u><u>\$ 19,665,629,375</u></u>				
Net levy			139,447,859	125,157,748	14,290,111
Uncollected taxes at June 30, 2014 (Schedule 21)			5,120,327	4,687,231	433,096
Current year's taxes collected (Schedule 21)			<u><u>\$ 134,327,532</u></u>	<u><u>\$ 120,470,517</u></u>	<u><u>\$ 13,857,015</u></u>
Current year collection percentage			96.33%	96.25%	96.97%

**Cabarrus County, North Carolina  
Analysis of Current Tax Levy  
County-Wide Levy  
For the Year Ended June 30, 2014**

Secondary Market Disclosures:

Assessed Valuation:

Assessment Ratio <sup>1</sup>	100%
Real Property	\$ 15,779,588,588
Personal Property	3,581,199,304
Public Service Companies <sup>2</sup>	<u>304,841,483</u>

Total Assessed Valuation	<u><u>\$ 19,665,629,375</u></u>
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Tax Rate per \$100	0.70
Levy <sup>3</sup>	\$ 139,447,859

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, 2014:

Fire Protection Districts <sup>4</sup>	\$ 2,885,894
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<sup>1</sup> Percentage of appraised value has been established by statute

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

<sup>3</sup> The levy includes penalties

<sup>4</sup> 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, 2014**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>Revenues:</b>			
<b>Ad Valorem Taxes:</b>			
Taxes - Current	\$ 130,991,433	\$ 133,745,756	\$ 2,754,323
Taxes - Delinquent	3,094,515	2,894,213	(200,302)
Interest	665,934	960,057	294,123
Total	<u>134,751,882</u>	<u>137,600,026</u>	<u>2,848,144</u>
<b>Local Option Sales Taxes:</b>			
Sales tax - one cent	13,942,926	13,741,268	(201,658)
Sales tax - half cent (40)	7,237,960	7,491,258	253,298
Sales tax - half cent (42)	8,415,842	8,459,913	44,071
Sales tax - half cent (44)	-	8,787	8,787
Sales tax - half cent (46)	5,940,197	5,812,323	(127,874)
Sales tax fire districts	677,285	672,177	(5,108)
Total	<u>36,214,210</u>	<u>36,185,726</u>	<u>(28,484)</u>
<b>Other Taxes:</b>			
Franchise fees	541,750	544,809	3,059
Gross receipts tax	128,871	141,228	12,357
Heavy equipment tax	10,000	24,272	14,272
Disposal Tax on White Goods	55,000	43,885	(11,115)
Total	<u>735,621</u>	<u>754,194</u>	<u>18,573</u>
<b>Intergovernmental Revenues:</b>			
Federal and state grants	18,807,261	18,289,451	(517,810)
Court facilities fees	293,000	319,127	26,127
ABC profit distribution	66,000	155,755	89,755
Other intergovernmental	463,785	554,055	90,270
Total	<u>19,630,046</u>	<u>19,318,388</u>	<u>(311,658)</u>
<b>Permits and Fees:</b>			
Inspection fees	2,113,000	2,248,574	135,574
Register of deeds	1,748,000	1,915,297	167,297
Other permits	189,800	225,916	36,116
Total	<u>4,050,800</u>	<u>4,389,787</u>	<u>338,987</u>
<b>Sales and Services:</b>			
Rental fees	35,100	36,932	1,832
Ambulance fees	4,610,305	4,588,261	(22,044)
Jail fees	731,500	888,432	156,932
Library fees	142,909	145,717	2,808
Recreation fees	411,100	481,724	70,624
Human services	1,580,196	1,469,640	(110,556)
Tax collection fees	285,227	320,135	34,908
Other sales and services	3,326,456	3,433,883	107,427
Total	<u>11,122,793</u>	<u>11,364,724</u>	<u>241,931</u>



**Cabarrus County, North Carolina**  
**General Fund**  
**Schedule of Revenues, Expenditures and**  
**Changes in Fund Balance - Budget and Actual**  
**For the Year Ended June 30, 2014**

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Positive (Negative)</b>
<b>Investment Earnings:</b>			
Interest on investments	142,000	234,523	92,523
Total	142,000	234,523	92,523
<b>Miscellaneous:</b>			
Private contributions and donations	227,038	378,281	151,243
Sale of materials and capital assets	30,000	53,725	23,725
Gain (Loss) on Foreclosures	-	(19,433)	(19,433)
Other	52,523	63,756	11,233
Total	309,561	476,329	166,768
<b>Total revenues</b>	<b>206,956,913</b>	<b>210,323,697</b>	<b>3,366,784</b>
<b>Expenditures:</b>			
<b>General Government</b>			
Board of Commissioners			
Personal services	268,723	267,367	1,356
Operations	718,765	583,581	135,184
Total	987,488	850,948	136,540
County Manager			
Personal services	677,160	677,978	(818)
Operations	53,736	46,994	6,742
Total	730,896	724,972	5,924
Communications & Outreach			
Personal services	270,919	265,094	5,825
Operations	77,525	69,056	8,469
Capital Outlay	5,700	5,365	335
Total	354,144	339,515	14,629
Human Resources			
Personal services	471,819	461,049	10,770
Operations	165,497	139,358	26,139
Total	637,316	600,406	36,910
Tax Collector			
Personal services	523,135	511,377	11,758
Operations	542,751	499,234	43,517
Total	1,065,886	1,010,611	55,275
Tax Administration			
Personal services	1,788,259	1,768,582	19,677
Operations	275,441	188,213	87,228
Total	2,063,700	1,956,795	106,905

**Cabarrus County, North Carolina**  
**General Fund**  
**Schedule of Revenues, Expenditures and**  
**Changes in Fund Balance - Budget and Actual**  
**For the Year Ended June 30, 2014**

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Positive (Negative)</b>
Board of Elections			
Personal services	552,667	421,064	131,603
Operations	312,393	238,991	73,402
Total	<u>865,060</u>	<u>660,055</u>	<u>205,005</u>
Register of Deeds			
Personal services	452,856	453,566	(710)
Operations	101,645	96,044	5,601
Total	<u>554,501</u>	<u>549,610</u>	<u>4,891</u>
Finance			
Personal services	852,289	849,551	2,738
Operations	140,200	111,281	28,919
Total	<u>992,489</u>	<u>960,832</u>	<u>31,657</u>
Information Technology Services			
Personal services	1,866,111	1,802,801	63,310
Operations	2,477,817	2,432,451	45,366
Capital outlay	72,000	70,209	1,791
Total	<u>4,415,928</u>	<u>4,305,461</u>	<u>110,467</u>
Grounds Maintenance			
Personal services	425,641	426,761	(1,120)
Operations	752,046	590,197	161,849
Capital outlay	53,121	53,121	-
Total	<u>1,230,808</u>	<u>1,070,079</u>	<u>160,729</u>
Infrastructure and Asset Management			
Personal services	494,281	474,543	19,738
Operations	1,587,736	1,114,780	472,956
Total	<u>2,082,017</u>	<u>1,589,323</u>	<u>492,694</u>
Street Sign Maintenance			
Personal services	120,427	119,197	1,230
Operations	54,363	47,612	6,751
Total	<u>174,790</u>	<u>166,809</u>	<u>7,981</u>
Building Maintenance			
Personal services	663,057	611,332	51,725
Operations	1,999,613	1,582,026	417,587
Total	<u>2,662,670</u>	<u>2,193,358</u>	<u>469,312</u>
Facility Services			
Personal services	1,025,068	1,016,083	8,985
Operations	354,179	250,032	104,147
Total	<u>1,379,247</u>	<u>1,266,115</u>	<u>113,132</u>

**Cabarrus County, North Carolina**  
**General Fund**  
**Schedule of Revenues, Expenditures and**  
**Changes in Fund Balance - Budget and Actual**  
**For the Year Ended June 30, 2014**

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Positive (Negative)</b>
<b>Fleet Maintenance</b>			
Personal services	360,186	357,762	2,424
Operations	44,498	37,197	7,301
Capital outlay	279,271	256,595	22,676
Total	683,955	651,554	32,401
<b>Other General Government</b>			
Salary Adjustments	56,714	-	56,714
Workers Compensation	981,000	981,000	-
Other benefits	716,490	716,489	1
Insurance settlements	37,000	-	37,000
Unemployment compensation	110,110	107,802	2,308
Contingency	259,561	-	259,561
Contribution to Pension Trust Fund	457,220	457,220	-
Board Directed Expenses	5,600,313	5,260,929	339,384
Other Operations	234,755	116,143	118,612
Total	8,453,163	7,639,583	756,866
<b>Total General Government</b>	29,334,058	26,536,026	2,798,032
<b>Public Safety</b>			
County Sheriff			
Personal services	9,785,668	9,583,338	202,330
Operations	2,233,538	2,028,291	205,247
Capital outlay	557,941	531,713	26,228
Total	12,577,147	12,143,342	433,805
Jail			
Personal services	8,463,704	8,271,954	191,750
Operations	2,095,964	1,873,803	222,161
Capital Outlay	151,638	491	151,147
Total	10,711,306	10,146,248	565,058
Animal Control			
Personal services	644,155	636,851	7,304
Operations	186,581	161,931	24,650
Capital Outlay	62,200	52,899	9,301
Total	892,936	851,681	41,255
Courts			
Personal services	32,124	26,586	5,538
Operations	559,611	419,125	140,486
Total	591,735	445,711	146,024
Construction Standards			
Personal services	1,153,481	1,157,020	(3,539)
Operations	145,703	126,800	18,903
Total	1,299,184	1,283,820	15,364



**Cabarrus County, North Carolina**  
**General Fund**  
**Schedule of Revenues, Expenditures and**  
**Changes in Fund Balance - Budget and Actual**  
**For the Year Ended June 30, 2014**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Emergency Management			
Personal services	426,046	426,683	(637)
Operations	595,182	565,428	29,754
Total	<u>1,021,228</u>	<u>992,111</u>	<u>29,117</u>
Emergency Medical Services			
Personal services	5,158,694	5,133,336	25,358
Operations	1,087,553	1,016,112	71,441
Capital outlay	862,315	862,315	-
Total	<u>7,108,562</u>	<u>7,011,763</u>	<u>96,799</u>
Other Public Safety			
Juvenile Crime Prevention Council	351,720	351,720	-
Medical Examiner	92,649	97,150	(4,501)
Forester	86,179	72,361	13,818
Fire District	677,285	672,177	5,108
Total	<u>1,207,833</u>	<u>1,193,408</u>	<u>14,425</u>
<b>Total Public Safety</b>	<u>35,409,931</u>	<u>34,068,084</u>	<u>1,341,847</u>
<b>Economic and Physical Develop</b>			
Planning and Development Services			
Personal services	462,625	434,381	28,244
Operations	46,747	35,886	10,861
Total	<u>509,372</u>	<u>470,267</u>	<u>39,105</u>
Community Development			
Personal services	176,426	177,446	(1,020)
Operations	382,818	359,656	23,162
Total	<u>559,244</u>	<u>537,102</u>	<u>22,142</u>
Soil & Water Conservation			
Personal services	197,018	188,563	8,455
Operations	45,560	44,323	1,237
Total	<u>242,578</u>	<u>232,886</u>	<u>9,692</u>
Zoning Administration			
Personal services	204,745	181,846	22,899
Operations	16,714	8,454	8,260
Total	<u>221,459</u>	<u>190,300</u>	<u>31,159</u>

**Cabarrus County, North Carolina**  
**General Fund**  
**Schedule of Revenues, Expenditures and**  
**Changes in Fund Balance - Budget and Actual**  
**For the Year Ended June 30, 2014**

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Positive (Negative)</b>
<b>Economic Development Incentive</b>			
ACN	13,217	13,217	-
PreGel	72,000	-	72,000
Shoe Show	63,000	55,239	7,761
Concord Creamery	10,328	10,328	-
Great Wolf Lodge	514,000	505,332	8,668
JRH Vehicle Investments	41,672	40,223	1,449
Celgard LLC	1,070,000	-	1,070,000
DNP IMP America	283,000	-	283,000
SP Richards	73,000	-	73,000
Corning Industries	757,000	-	757,000
<b>Total</b>	<b>2,897,217</b>	<b>624,339</b>	<b>2,272,878</b>
<b>Education Farming -Lomaz</b>			
Personal services	101,600	101,743	(143)
Operations	39,877	38,986	891
Capital outlay	3,750	2,934	816
<b>Total</b>	<b>145,227</b>	<b>143,663</b>	<b>1,564</b>
<b>Other Economic and Physical Development</b>			
Economic Development Corp	332,000	332,000	-
City of Kannapolis - Obligation bonds	1,465,804	1,465,804	-
<b>Total</b>	<b>1,797,804</b>	<b>1,797,804</b>	<b>-</b>
<b>Total Economic and Physical</b>	<b>6,372,901</b>	<b>3,996,361</b>	<b>2,376,540</b>
<b>Environmental Protection</b>			
Waste Reduction/Recycling			
Personal services	90,288	89,013	1,275
Operations	222,046	125,930	96,116
<b>Total</b>	<b>312,334</b>	<b>214,943</b>	<b>97,391</b>
<b>Total Environmental Protection</b>	<b>312,334</b>	<b>214,943</b>	<b>97,391</b>
<b>Human Services</b>			
Veterans Services			
Personal services	229,346	230,505	(1,159)
Operations	13,034	12,354	680
<b>Total</b>	<b>242,380</b>	<b>242,859</b>	<b>(479)</b>
<b>Transportation</b>			
Personal services	1,415,369	1,335,832	79,537
Operations	1,176,833	965,817	211,016
Capital outlay	210,510	143,696	66,814
<b>Total</b>	<b>2,802,712</b>	<b>2,445,345</b>	<b>357,367</b>

**Cabarrus County, North Carolina**  
**General Fund**  
**Schedule of Revenues, Expenditures and**  
**Changes in Fund Balance - Budget and Actual**  
**For the Year Ended June 30, 2014**

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Positive (Negative)</b>
Cooperative Extension			
Personal services	328,203	293,852	34,351
Operations	112,818	93,320	19,498
Total	<u>441,021</u>	<u>387,172</u>	<u>53,849</u>
HS - Administration Operations			
Personal services	752,253	635,665	116,588
Operations	2,030,332	1,904,621	125,711
Total	<u>2,782,585</u>	<u>2,540,286</u>	<u>242,299</u>
HS - Child Welfare			
Personal services	4,986,032	4,710,556	275,476
Operations	2,641,994	2,211,915	430,079
Total	<u>7,628,026</u>	<u>6,922,471</u>	<u>705,555</u>
HS - Child Support Services			
Personal services	1,248,054	1,257,472	(9,418)
Operations	219,156	99,500	119,656
Total	<u>1,467,210</u>	<u>1,356,972</u>	<u>110,238</u>
HS - Economic Services			
Personal services	6,378,077	6,000,908	377,169
Operations	7,255,932	6,148,330	1,107,602
Total	<u>13,634,009</u>	<u>12,149,238</u>	<u>1,484,771</u>
HS - CAP Program			
Personal services	1,149,353	1,207,052	(57,699)
Operations	203,735	177,514	26,221
Total	<u>1,353,088</u>	<u>1,384,566</u>	<u>(31,478)</u>
HS - Adult and Family Services			
Personal services	1,813,635	1,816,952	(3,317)
Operations	401,504	298,676	102,828
Total	<u>2,215,139</u>	<u>2,115,628</u>	<u>99,511</u>
HS Aging - Nutrition Title III			
Personal services	167,319	170,062	(2,743)
Operations	307,017	277,492	29,525
Total	<u>474,336</u>	<u>447,554</u>	<u>26,782</u>
HS Aging - Senior Services			
Personal services	499,881	437,606	62,275
Operations	288,674	159,108	129,566
Total	<u>788,555</u>	<u>596,714</u>	<u>191,841</u>



**Cabarrus County, North Carolina**  
**General Fund**  
**Schedule of Revenues, Expenditures and**  
**Changes in Fund Balance - Budget and Actual**  
**For the Year Ended June 30, 2014**

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Positive (Negative)</b>
Other Human Services			
Operations	51,095	50,663	432
Public Health Authority	5,907,933	5,907,933	-
Mental Health Center	614,021	614,021	-
Total	<u>6,573,049</u>	<u>6,572,617</u>	<u>432</u>
<b>Total Human Services</b>	<u>40,402,110</u>	<u>37,161,422</u>	<u>3,240,688</u>
<b>Education</b>			
Schools - Current Expense			
Cabarrus County Schools	49,233,175	49,233,175	-
Kannapolis City Schools	6,508,266	6,508,266	-
Rowan Cabarrus Community College	1,932,829	1,932,829	-
Total	<u>57,674,270</u>	<u>57,674,270</u>	<u>-</u>
Schools - Capital Outlay			
Cabarrus County Schools	2,900,770	1,865,026	1,035,744
Kannapolis City Schools	491,432	469,864	21,568
Rowan Cabarrus Community College	1,277,826	243,130	1,034,696
Total	<u>4,670,028</u>	<u>2,578,020</u>	<u>2,092,008</u>
Schools - Other			
Cabarrus County Schools	105,930	105,930	-
<b>Total Education</b>	<u>62,450,228</u>	<u>60,358,220</u>	<u>2,092,008</u>
<b>Culture &amp; Recreation</b>			
Active Living and Parks - Operations			
Personal services	954,022	938,940	15,082
Operations	367,825	313,557	54,268
Capital outlay	110,831	105,071	5,760
Total	<u>1,432,678</u>	<u>1,357,568</u>	<u>75,110</u>
Active Living and Parks - Senior Centers			
Personal services	381,937	351,470	30,467
Operations	258,480	227,486	30,994
Total	<u>640,417</u>	<u>578,956</u>	<u>61,461</u>
Library System			
Personal services	2,052,585	2,033,962	18,623
Operations	638,055	616,106	21,949
Capital Outlay	48,240	48,240	-
Total	<u>2,738,880</u>	<u>2,698,308</u>	<u>40,572</u>
Other Culture and Recreation			
Cabarrus Arts Council	26,000	26,000	-
Total	<u>26,000</u>	<u>26,000</u>	<u>-</u>
<b>Total Culture &amp; Recreation</b>	<u>4,837,975</u>	<u>4,660,832</u>	<u>177,143</u>

**Cabarrus County, North Carolina**  
**General Fund**  
**Schedule of Revenues, Expenditures and**  
**Changes in Fund Balance - Budget and Actual**  
**For the Year Ended June 30, 2014**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>Debt Service</b>			
Principle:			
Bonds			
Public schools	7,852,917	7,852,917	-
Community college	142,083	142,083	-
Certificates of Participation/ Limited Obligation Bonds			
Public schools	12,878,100	12,878,100	-
County buildings	5,821,900	5,821,900	-
Lease Financing			
Equipment	120,363	120,363	-
Land	71,272	71,272	-
Total	<u>26,886,635</u>	<u>26,886,635</u>	<u>-</u>
Interest and Fees:			
Bonds	3,274,726	3,274,725	1
Certificates of Participation/ Limited Obligation Bonds	12,012,985	12,012,985	-
Lease Financing	134,989	134,988	1
Bank service charges	50,000	15,051	34,949
Total	<u>15,472,700</u>	<u>15,437,749</u>	<u>34,951</u>
<b>Total Debt Service</b>	<u>42,359,335</u>	<u>42,324,384</u>	<u>34,951</u>
<b>Total expenditures</b>	<u>221,478,872</u>	<u>209,320,272</u>	<u>12,158,600</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(14,521,959)</u>	<u>1,003,425</u>	<u>15,525,384</u>

**Cabarrus County, North Carolina**  
**General Fund**  
**Schedule of Revenues, Expenditures and**  
**Changes in Fund Balance - Budget and Actual**  
**For the Year Ended June 30, 2014**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>Other financing sources (uses)</b>			
<b>Transfers in:</b>			
From Emergency Telephone Fund	217,664	217,664	-
From Cabarrus Arena & Events Fund	600	600	-
From Public School Bldg. Fund-Lottery	4,911,790	4,911,790	-
From Cert of Participation Just Ctr Fund	528,136	528,136	-
From Cert of Participation 2009 Fund	2,188,834	2,188,942	108
From Capital Reserve Fund	58,418	58,418	-
From Small Project Fund	-	49,815	49,815
From Cannon Memorial Library Fund	68,224	68,224	-
Total	<u>7,973,666</u>	<u>8,023,589</u>	<u>49,923</u>
<b>Transfers (out):</b>			
To Community Dev Grant Fund	(25,000)	(25,000)	-
To Cabarrus Arena & Events Fund	(692,830)	(545,965)	146,865
To Construction and Renovation Fund	(2,843,000)	(2,843,000)	-
To School Construction Fund	(1,500,000)	(1,500,000)	-
To Qualified School Cont. Bond Fund	(25,840)	(20,317)	5,523
To School Debt Fund	(1,319,000)	(1,319,000)	-
To Capital Reserve Fund	(29,486,500)	(29,486,500)	-
To Small Projects Fund	(125,000)	(125,000)	-
Total	<u>(36,017,170)</u>	<u>(35,864,782)</u>	<u>152,388</u>
Total net transfers	(28,043,504)	(27,841,193)	202,311
 Fund balance appropriated	 <u>42,565,463</u>	 <u>-</u>	 <u>(42,565,463)</u>
<b>Total other financing sources (uses)</b>	<u>14,521,959</u>	<u>(27,841,193)</u>	<u>(42,363,152)</u>
 Net change in fund balance	 <u>\$ -</u>	 <u>(26,837,768)</u>	 <u>\$ (26,837,768)</u>
 Fund balance, July 1		 <u>95,739,530</u>	
Fund balance, June 30		<u>\$ 68,901,762</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, 2014

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Actual Current Year</u>	<u>Total to Date</u>
<b>Revenues:</b>				
Total revenues	\$ -	\$ -	\$ -	\$ -
<b>Expenditures:</b>				
Education				
Mt. Pleasant Middle School Replacement	2,000,000	-	11,000	11,000
Northwest Area Elementary School	17,500,000	-	745,642	745,642
Total expenditures	19,500,000	-	756,642	756,642
Excess (deficiency) of revenues over (under) expenditures	(19,500,000)	-	(756,642)	(756,642)
<b>Other financing sources (uses):</b>				
Transfer in - General Fund	1,500,000	-	1,500,000	1,500,000
Transfer in - Capital Reserve Fund	18,000,000	-	18,000,000	18,000,000
Total other financing sources (uses)	19,500,000	-	19,500,000	19,500,000
Net change in fund balance	\$ -	\$ -	18,743,358	\$ 18,743,358
Fund balance, July 1			-	
Fund balance, June 30			\$ 18,743,358	

**Cabarrus County, North Carolina**  
**Capital Reserve Capital Projects Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund**  
**Balances - Budget and Actual**  
**From Inception and for the Fiscal Year Ended June 30, 2014**

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Actual Current Year</u>	<u>Total to Date</u>
<b>Revenues:</b>				
Contribution - Tourism Authority	\$ 398,000	\$ 393,269	\$ 217,820	\$ 611,089
Investment earnings	307,142	285,214	32,183	317,397
Total revenues	705,142	678,483	250,003	928,486
<b>Expenditures:</b>				
Education:				
Rowan Cabarrus Community College	-	-	-	-
Building improvements	1,165,136	-	-	-
Total expenditures	1,165,136	-	-	-
Excess (deficiency) of revenues over (under) expenditures	(459,994)	678,483	250,003	928,486
<b>Other financing sources (uses):</b>				
Transfer in - General Fund	40,039,743	10,553,243	29,486,500	40,039,743
Transfer (out) - General Fund	(483,243)	(424,825)	(58,418)	(483,243)
Transfer (out) - Capital Project Fund	(38,696,506)	(7,325,632)	(19,600,420)	(26,926,052)
Transfer (out) - Special Revenue Fund	(400,000)	(400,000)	-	(400,000)
Total other financing sources (uses)	459,994	2,402,786	9,827,662	12,230,448
Net change in fund balance	<u>\$ -</u>	<u>\$ 3,081,269</u>	10,077,665	<u>\$ 13,158,934</u>
Fund balance, July 1			3,081,269	
Fund balance, June 30			<u>\$ 13,158,934</u>	

**Cabarrus County, North Carolina**  
**Landfill Fund**  
**Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP Basis)**  
**For the Fiscal Year Ended June 30, 2014**

	<b>2014</b>		<b>Variance</b>
	<b><u>Budget</u></b>	<b><u>Actual</u></b>	<b><u>Favorable</u></b> <b><u>(Unfavorable)</u></b>
<b>Revenues:</b>			
Operating revenues:			
Charges for sales and services:			
Tipping fees	\$ 630,000	\$ 689,818	\$ 59,818
Program Fees	-	1,800	1,800
Total operating revenues	<u>630,000</u>	<u>691,618</u>	<u>61,618</u>
Nonoperating revenues:			
Landfill disposal tax	36,000	17,187	(18,813)
Landfill state tax distribution	35,000	36,852	1,852
Solid waste franchise fee	25,000	25,000	-
Tire disposal fees	200,000	221,627	21,627
Investment earnings	-	11,298	11,298
Total nonoperating revenues	<u>296,000</u>	<u>311,964</u>	<u>15,964</u>
Total revenues	<u>926,000</u>	<u>1,003,582</u>	<u>77,582</u>
<b>Expenditures:</b>			
Landfill Administration:			
Salaries and wages	191,880	192,765	(885)
FICA	6,927	6,841	86
Unemployment insurance	642	660	(18)
Medicare	1,621	1,600	21
Group hospital insurance	23,883	23,883	-
Vision Care	63	53	10
Retirement	8,618	8,566	52
Deferred compensation- 401K	6,096	6,058	38
Insurance and bonds	2,134	2,116	18
Total salaries and benefits	<u>241,864</u>	<u>242,542</u>	<u>(678)</u>
Landfill Operations:			
General and administrative:			
Bank service charges	2,500	2,636	(136)
Dues and subscriptions	450	195	255
Lights and power	5,000	4,882	118
Office supplies	2,250	2,213	37
Other operating cost	-	320	(320)
Telephone	1,449	1,358	91
Travel	1,500	1,155	345
Uniforms	3,300	2,797	503
Total general and administrative	<u>16,449</u>	<u>15,556</u>	<u>893</u>



**Cabarrus County, North Carolina**  
**Landfill Fund**  
**Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP Basis)**  
**For the Fiscal Year Ended June 30, 2014**

	<b>2014</b>		<b>Variance</b>
	<b><u>Budget</u></b>	<b><u>Actual</u></b>	<b><u>Favorable</u></b> <b><u>(Unfavorable)</u></b>
Other operating expenditures:			
Auto and truck maintenance	10,000	5,215	4,785
Building and ground maintenance	13,525	10,187	3,338
Capital reserve	170,802	-	170,802
Engineers	113,389	254,595	(141,206)
Fuel	80,000	61,938	18,062
Heavy equipment maintenance	40,000	39,978	22
Landfill disposal tax remittance	36,000	32,318	3,682
Minor equipment maintenance	1,500	407	1,093
Permitting fees	8,000	7,725	275
Service Contracts	2,500	1,233	1,267
Tire disposal	200,000	87,250	112,750
Tools and minor equipment	2,000	2,026	(26)
Waste disposal charges	3,360	3,192	168
Other improvements	85,000	-	85,000
Total other operating expenditures	<u>766,076</u>	<u>506,064</u>	<u>260,012</u>
Total expenditures	<u>1,024,389</u>	<u>764,162</u>	<u>260,227</u>
Revenues over (under) expenditures	(98,389)	239,420	337,809
<b>Other financing sources (uses):</b>			
Fund Balance Appropriated	<u>98,389</u>	<u>-</u>	<u>(98,389)</u>
Revenues over (under) expenditures and other financing sources (uses)	<u>\$ -</u>	<u>239,420</u>	<u>\$ 239,420</u>

**Reconciliation from budgetary basis (modified accrual)  
to full accrual:**

Reconciling items:	
Capital Outlays	107,332
Decrease in accrued landfill closure and postclosure care costs	145,178
Nonoperating expense - loss on disposal	(25,695)
Depreciation	(282,064)
Decrease in accrued vacation pay	3,822
Increase in other postemployment benefits	(7,480)
Total reconciling items	<u>(58,907)</u>
Change in net position	<u>\$ 180,513</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 Position by Component	Table 1
Changes in Net Position	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
Direct and Overlapping Governmental Activities Debt	Table 11
Legal Debt Margin Information	Table 12

**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 13
Principal Employers	Table 14

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

Full-time Equivalent County Government Employees by Function/Program	Table 15
Operating Indicators by Functional Area	Table 16
Capital Asset Statistics by Function/Program	Table 17

Table 1

**Cabarrus County, North Carolina**  
**Net Position by Component**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Governmental activities										
Net investment in capital assets										
Restricted	\$ 74,031,102	\$ 82,805,711	\$ 59,636,476	\$ 91,564,956	\$ 108,046,560	\$ 108,911,093	\$ 111,057,044	\$ 123,980,302	\$ 126,276,528	\$ 128,602,206
Unrestricted	52,946,050	16,737,437	52,443,535	73,845,715	59,101,722	57,497,847	46,892,224	32,502,357	21,526,048	17,269,347
	(146,958,567)	(123,873,155)	(154,540,784)	(209,510,459)	(215,569,630)	(245,337,483)	(237,704,769)	(221,575,904)	(187,041,424)	(163,966,006)
	<u>\$ (19,981,415)</u>	<u>\$ (24,330,007)</u>	<u>\$ (42,460,773)</u>	<u>\$ (44,099,789)</u>	<u>\$ (48,421,348)</u>	<u>\$ (78,928,543)</u>	<u>\$ (79,755,501)</u>	<u>\$ (65,093,245)</u>	<u>\$ (39,238,848)</u>	<u>\$ (18,094,453)</u>
Total governmental activities net position										
Business-type activities										
Net investment in capital assets	\$ 1,209,699	\$ 1,855,812	\$ 3,502,753	\$ 3,856,424	\$ 4,174,313	\$ 4,048,802	\$ 3,978,432	\$ 3,601,643	\$ 3,220,285	\$ 3,019,858
Unrestricted	849,946	2,272,566	1,335,551	957,349	604,100	(286,743)	(272,454)	45,035	343,174	724,114
	<u>\$ 2,059,645</u>	<u>\$ 3,928,378</u>	<u>\$ 4,838,304</u>	<u>\$ 4,813,773</u>	<u>\$ 4,778,413</u>	<u>\$ 3,762,059</u>	<u>\$ 3,705,978</u>	<u>\$ 3,646,678</u>	<u>\$ 3,563,459</u>	<u>\$ 3,743,972</u>
Total business-type activities net position										
Primary government										
Net investment in capital assets	\$ 75,240,801	\$ 84,461,523	\$ 63,139,229	\$ 95,421,380	\$ 112,220,873	\$ 112,959,895	\$ 115,035,476	\$ 127,581,945	\$ 129,496,813	\$ 131,622,064
Restricted	52,946,050	16,737,437	65,448,629	73,845,715	59,101,722	57,497,847	46,892,224	32,502,357	21,526,048	17,269,347
Unrestricted	(146,108,621)	(121,600,589)	(166,208,327)	(208,553,110)	(214,965,530)	(245,624,226)	(237,977,223)	(221,530,869)	(186,698,250)	(163,241,892)
	<u>\$ (17,921,770)</u>	<u>\$ (20,401,629)</u>	<u>\$ (37,622,469)</u>	<u>\$ (39,286,015)</u>	<u>\$ (43,642,935)</u>	<u>\$ (75,166,484)</u>	<u>\$ (76,049,523)</u>	<u>\$ (61,446,567)</u>	<u>\$ (35,675,389)</u>	<u>\$ (14,350,481)</u>
Total primary government net position										
Component Unit										
Net investment in capital assets	\$ 872,124	\$ 947,632	\$ 844,904	\$ 991,163	\$ 980,806	\$ 1,561,575	\$ 725,114	\$ 1,152,374	\$ 959,140	\$ 771,532
Restricted	-	-	-	-	-	-	2,936,461	4,077,601	982,679	900,338
Unrestricted	4,300,572	4,624,630	5,083,418	4,726,508	4,267,097	6,469,292	4,428,335	2,587,525	5,305,575	5,782,236
	<u>\$ 5,172,696</u>	<u>\$ 5,572,262</u>	<u>\$ 5,928,322</u>	<u>\$ 5,717,671</u>	<u>\$ 5,247,903</u>	<u>\$ 8,030,867</u>	<u>\$ 8,089,910</u>	<u>\$ 7,817,500</u>	<u>\$ 7,247,394</u>	<u>\$ 7,454,106</u>
Total component unit net position										

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

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Expenses</b>										
Governmental activities:										
General government	\$ 12,976,891	\$ 13,908,538	\$ 15,786,662	\$ 18,415,916	\$ 19,804,610	\$ 20,931,001	\$ 21,750,176	\$ 21,958,116	\$ 20,446,857	\$ 29,319,941
Public safety	20,681,029	23,207,497	24,259,457	27,859,820	29,872,453	31,944,942	36,043,142	39,222,178	39,553,136	42,377,716
Economic and physical development	7,745,150	6,735,574	3,470,790	5,120,325	3,546,315	3,207,792	3,128,710	3,892,813	4,073,657	4,132,476
Environmental protection	192,211	223,730	239,353	273,920	251,712	541,463	619,639	583,412	547,558	255,725
Human Services	35,904,657	39,735,894	39,793,446	42,113,299	41,849,320	40,925,089	38,015,497	39,620,352	37,438,873	37,786,315
Education	57,069,508	78,415,898	102,676,574	80,456,701	96,464,947	118,863,929	77,221,156	66,152,595	63,146,646	65,435,585
Cultural and recreation	5,772,746	5,650,717	7,357,984	7,750,422	6,401,250	6,771,004	6,161,896	6,577,413	7,485,525	7,370,579
Interest on long term debt	7,611,271	9,511,646	13,078,276	13,267,793	15,302,702	19,753,394	19,633,769	19,108,759	17,898,970	16,438,391
Total governmental activities	147,953,463	177,389,494	206,666,542	195,258,196	213,493,309	242,938,624	202,573,965	197,115,638	190,571,222	203,116,728
Business-type activities:										
Solid Waste	783,288	1,279,280	1,223,462	1,746,268	1,733,185	2,333,383	1,312,509	1,056,968	957,890	823,069
Total primary government expenses	\$ 148,736,751	\$ 178,668,774	\$ 207,890,004	\$ 197,004,464	\$ 215,226,494	\$ 245,272,007	\$ 203,886,494	\$ 198,212,605	\$ 191,529,112	\$ 203,941,797
<b>Program Revenues</b>										
Governmental activities										
Charges for services:	\$ 3,660,427	\$ 4,597,003	\$ 4,442,084	\$ 4,253,175	\$ 2,764,560	\$ 2,450,708	\$ 2,253,561	\$ 2,576,452	\$ 2,595,260	\$ 2,834,998
General government	6,890,180	9,175,195	9,079,190	9,009,527	7,227,219	8,759,169	8,883,156	9,117,930	10,031,226	10,662,877
Public safety	314,608	310,922	371,374	361,302	142,332	72,730	52,364	36,062	46,169	76,791
Economic and physical development	146,500	221,000	139	1,668	647	593	928	53,770	42,172	63,757
Environmental protection	4,746,262	4,039,973	3,718,235	3,627,327	3,501,902	3,400,337	3,189,986	2,262,905	3,176,475	2,612,401
Human Services	189,341	502,358	1,522,931	2,854,128	793,590	754,640	477,517	793,610	33,170	-
Education	1,891,717	826,679	929,183	1,013,966	1,036,875	1,004,898	1,140,124	1,064,273	1,285,260	1,423,298
Operating grants and contributions:	322,081	315,347	773,179	559,742	337,714	274,343	1,286,545	750,094	1,243,161	796,903
General government	1,262,641	1,614,568	1,527,390	1,227,341	974,186	1,201,549	906,658	974,200	783,970	1,039,695
Economic and physical development	85,095	547,291	277,739	186,901	452,379	729,427	953,047	999,754	593,672	483,393
Environmental protection	554,584	27,395	45,969	64,835	38,813	31,090	32,085	8,425	6,912	7,373
Human Services	15,121,257	15,792,994	15,317,430	17,305,815	18,827,015	19,244,360	16,857,848	17,595,622	16,698,603	15,598,848
Education	240,000	336,000	185,289	259,232	128,465	425,927	-	743,081	770,920	786,774
Cultural and recreation	333,393	416,018	464,587	1,356,447	615,998	-	533,322	530,772	1,184,367	1,183,120
Capital grants and contributions:	121,038	133,458	-	-	-	-	-	-	-	-
General government	95,413	136,457	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-	-
Human Services	-	-	2,646,767	1,388,593	956,939	6,149,845	258,938	1,713,555	329,566	357,278
Education	35,974,537	38,992,658	41,303,486	43,768,050	38,462,218	44,767,626	37,111,237	39,461,371	7,307,518	4,811,790
Total governmental activities program revenues									46,128,421	42,839,296
Business-type activities:										
Charges for Services - Solid Waste	890,124	2,868,132	1,516,013	1,474,242	1,565,441	1,187,527	858,132	704,647	674,272	691,618
Operating grants and contributions - Solid Waste	-	-	-	-	-	44,655	21,368	-	-	-
Capital grants and contributions - Solid Waste	-	-	-	-	-	-	-	-	-	-
Total business-type activities program revenues	890,124	2,868,132	1,516,013	1,474,242	1,565,441	1,232,182	903,240	704,647	674,272	691,618
Total primary government program revenues	\$ 36,864,661	\$ 41,860,790	\$ 42,819,469	\$ 45,242,292	\$ 40,027,659	\$ 45,999,808	\$ 38,014,477	\$ 40,186,018	\$ 46,802,693	\$ 43,530,914
<b>Net (Expense)/Revenue</b>										
Governmental activities	\$ (111,978,926)	\$ (138,396,836)	\$ (165,363,056)	\$ (151,490,146)	\$ (175,031,091)	\$ (198,170,998)	(165,462,748)	(157,634,267)	(144,442,801)	(160,279,432)
Business-type activities	107,236	1,588,852	292,551	(272,026)	(167,744)	(1,101,201)	(409,269)	(392,321)	(283,618)	(131,451)
Total primary government net (expense)/revenue	\$ (111,871,690)	\$ (136,807,984)	\$ (165,070,505)	\$ (151,762,172)	\$ (175,198,835)	\$ (199,272,199)	\$ (165,872,017)	\$ (158,026,588)	\$ (144,726,419)	\$ (160,410,883)



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

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
Property taxes	\$ 77,219,366	\$ 95,534,274	\$ 99,451,423	\$ 105,322,403	\$ 134,629,314	\$ 137,488,091	\$ 136,733,389	\$ 135,600,306	\$ 133,982,194	\$ 142,079,572
Local option sales tax	27,334,895	30,744,974	36,438,842	37,721,273	31,568,865	28,461,637	25,808,696	33,612,837	36,890,472	36,209,579
ABC revenues	51,417	59,183	64,956	69,902	241,932	66,789	188,594	86,842	90,926	155,755
Other taxes and licenses	82,895	93,482	102,456	109,062	770,064	669,221	642,337	752,711	760,314	754,194
Occupancy tax	1,000,379	1,118,527	1,504,586	2,110,664	-	-	-	-	-	-
Unrestricted investment earnings	1,952,130	4,381,530	6,481,368	6,672,098	2,657,376	813,562	1,019,648	1,352,010	1,627,590	2,224,727
Donations	2,226,102	1,871,309	3,011,479	135,546	150,663	131,590	221,538	-	-	-
Insurance Proceeds	2,651	21,671	43,954	118,826	-	-	-	-	-	-
Miscellaneous	170,545	124,294	133,226	33,755	691,317	32,893	21,588	-	-	-
Transfers In/Out	-	-	-	-	-	-	-	-	-	-
Total governmental activities:	\$ 110,040,380	\$ 134,048,244	\$ 147,232,290	\$ 152,293,529	\$ 170,709,531	\$ 167,663,803	\$ 164,635,790	\$ 171,430,321	\$ 173,473,696	\$ 181,423,827
Business-type activities:										
Other taxes and licenses	55,792	45,086	62,122	31,096	34,405	55,074	343,908	350,141	313,218	300,666
Unrestricted investment earnings	102,014	234,795	271,539	212,399	74,925	10,630	8,205	8,495	9,361	11,296
Donations	-	-	-	-	-	-	-	-	-	-
Miscellaneous	-	-	283,714	4,000	23,054	19,143	1,075	-	-	-
Transfers In/Out	-	-	-	-	-	-	-	-	-	-
Total business-type activities	\$ 157,806	\$ 279,881	\$ 617,375	\$ 247,495	\$ 132,384	\$ 84,847	\$ 353,188	\$ 333,021	\$ 200,399	\$ 311,964
Total primary government	\$ 110,198,186	\$ 134,328,125	\$ 147,849,665	\$ 152,541,024	\$ 170,841,915	\$ 167,748,650	\$ 164,988,978	\$ 171,763,342	\$ 173,674,095	\$ 181,735,791
<b>Change in Net Position</b>										
Governmental activities	\$ (1,938,546)	\$ (4,348,592)	\$ (18,130,766)	\$ 803,383	\$ (4,321,560)	\$ (30,507,195)	\$ (826,958)	\$ 13,796,054	\$ 29,030,895	\$ 21,144,395
Business-type activities	285,042	1,868,733	909,926	(24,331)	(35,360)	(1,016,354)	(56,081)	(59,300)	(83,219)	180,513
Total primary government	\$ (1,653,504)	\$ (2,479,859)	\$ (17,220,840)	\$ 778,052	\$ (4,356,920)	\$ (31,523,549)	\$ (883,039)	\$ 13,736,754	\$ 28,947,676	\$ 21,324,908
<b>Component Unit</b>										
Expenses										
Component Unit:										
Cabarrus Health Alliance	\$ 14,046,391	\$ 15,597,483	\$ 16,594,547	\$ 17,952,926	\$ 19,549,624	\$ 17,292,485	\$ 19,678,636	\$ 23,462,772	\$ 18,091,226	\$ 17,848,876
<b>Program Revenues</b>										
Component Unit:										
Charges for Services	\$ 7,989,146	\$ 8,922,023	\$ 9,704,379	\$ 9,562,940	\$ 10,182,604	\$ 8,552,866	\$ 6,887,656	6,988,473	6,638,544	6,745,631
Operating grants and contributions	6,383,107	6,913,912	7,056,193	7,886,241	9,285,721	8,217,449	8,530,342	7,575,516	9,940,137	10,491,677
Capital grants and contributions	-	-	-	-	-	4,147,720	87,418	8,220,193	-	-
Total component unit	\$ 14,372,253	\$ 15,835,935	\$ 16,760,572	\$ 17,449,181	\$ 19,468,325	\$ 16,770,315	\$ 19,565,718	\$ 22,794,182	\$ 16,666,089	\$ 17,237,308
<b>Net (Expense)/Revenue</b>										
Component Unit:										
Net (Expense)/Revenue	\$ 325,862	\$ 238,452	\$ 166,025	\$ (503,745)	\$ (81,299)	\$ (522,170)	\$ (112,918)	\$ (688,590)	\$ (1,425,127)	\$ (611,568)
Total component unit	\$ 325,862	\$ 238,452	\$ 166,025	\$ (503,745)	\$ (81,299)	\$ (522,170)	\$ (112,918)	\$ (688,590)	\$ (1,425,127)	\$ (611,568)
<b>General Revenues and Other Changes in Net Position</b>										
Component Unit:										
General Revenues	\$ 59,796	\$ 119,917	\$ 154,179	\$ 127,386	\$ 42,147	\$ 7,630	\$ 4,479	\$ 2,176	\$ 12,948	\$ 2,033
Unrestricted investment earnings	51,779	41,197	35,856	51,232	79,643	42,616	167,482	414,004	842,073	816,247
Miscellaneous	111,575	161,114	190,035	178,618	121,790	50,246	171,961	416,180	855,021	818,280
Total General Revenues	-	-	-	-	-	-	-	-	-	-
Special Item	-	-	-	-	-	2,859,108	-	-	-	-
Total component unit activities	\$ 111,575	\$ 161,114	\$ 190,035	\$ 178,618	\$ 121,790	\$ 2,909,354	\$ 171,961	\$ 416,180	\$ 855,021	\$ 818,280
<b>Change in Net Position</b>										
Component Unit:										
Changes in Net Position	\$ 437,437	\$ 399,566	\$ 356,060	\$ (325,127)	\$ 40,491	\$ 2,387,184	\$ 59,043	\$ (272,410)	\$ (570,106)	\$ 206,712
Total component unit	\$ 437,437	\$ 399,566	\$ 356,060	\$ (325,127)	\$ 40,491	\$ 2,387,184	\$ 59,043	\$ (272,410)	\$ (570,106)	\$ 206,712

Table 3

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

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Fund										
Reserved	\$ 8,634,927	\$ 9,017,755	\$ 10,505,737	\$ 10,988,446	\$ 9,862,420	\$ 10,877,813	\$ -	\$ -	\$ -	\$ -
Unreserved	30,458,561	38,887,879	40,205,758	36,636,176	41,476,373	54,778,125	-	-	-	-
Nonspendable	-	-	-	-	-	-	67,302	198,809	383,680	231,522
Restricted	-	-	-	-	-	-	10,190,775	12,690,692	11,399,498	14,863,874
Committed	-	-	-	-	-	-	-	6,606	-	-
Assigned	-	-	-	-	-	-	16,955,100	17,436,575	22,450,700	16,089,311
Unassigned	-	-	-	-	-	-	46,800,234	45,700,553	61,505,652	37,717,055
Total General Fund	<u>\$ 39,093,488</u>	<u>\$ 47,905,634</u>	<u>\$ 50,711,495</u>	<u>\$ 47,624,622</u>	<u>\$ 51,338,793</u>	<u>\$ 65,655,938</u>	<u>\$ 74,013,411</u>	<u>\$ 76,033,235</u>	<u>\$ 95,739,530</u>	<u>\$ 68,901,762</u>
All Other Governmental Funds										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ 59,101,722	\$ 57,497,847	\$ -	\$ -	\$ -	\$ -
Unreserved	61,792,055	25,305,788	65,446,629	73,845,715	13,983,470	11,127,623	-	-	-	-
Nonspendable	-	-	-	-	-	-	720,000	648,200	-	-
Restricted	-	-	-	-	-	-	36,701,449	19,811,665	10,126,550	3,355,247
Committed	-	-	-	-	-	-	14,383,632	10,458,498	9,798,323	39,301,702
Assigned	-	-	-	-	-	-	459,881	549,755	594,899	758,630
Unassigned	-	-	-	-	-	-	(5,440)	(292,024)	-	(34,772)
Total all other governmental funds	<u>\$ 61,792,055</u>	<u>\$ 25,305,788</u>	<u>\$ 65,446,629</u>	<u>\$ 73,845,715</u>	<u>\$ 73,085,192</u>	<u>\$ 68,625,470</u>	<u>\$ 52,259,522</u>	<u>\$ 31,176,094</u>	<u>\$ 20,519,772</u>	<u>\$ 43,380,807</u>

Table 4

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

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Revenues</b>										
Ad valorem taxes	\$ 77,285,740	\$ 95,211,029	\$ 99,627,797	\$ 105,594,464	\$ 134,848,876	\$ 136,532,544	\$ 136,169,662	\$ 134,789,473	\$ 134,153,049	\$ 140,937,468
Other taxes and licenses	30,084,437	32,433,678	38,452,888	40,552,308	32,338,928	29,130,858	26,451,032	34,360,229	37,634,537	36,939,920
Intergovernmental	17,679,696	19,054,779	20,695,684	21,592,591	23,107,472	28,022,905	20,763,435	23,255,568	28,092,244	24,403,824
Permits and fees	7,377,224	8,688,379	9,851,011	10,643,086	5,975,694	5,267,543	4,753,093	5,789,927	5,487,566	5,949,742
Sales and services	10,014,895	10,353,563	9,595,669	10,165,675	9,680,365	10,600,602	10,310,115	10,073,950	11,830,022	11,364,724
Investment earnings	1,750,899	4,062,175	6,131,009	6,330,248	2,356,043	429,465	261,016	235,440	266,534	277,771
Donations	2,192,353	1,224,022	744,972	643,402	286,433	108,709	186,638	390,239	628,598	649,853
Miscellaneous	951,030	503,786	932,086	537,043	1,949,592	482,114	514,504	589,467	1,039,992	487,090
<b>Total Revenues</b>	<b>147,336,274</b>	<b>171,531,411</b>	<b>186,031,116</b>	<b>196,058,817</b>	<b>210,543,403</b>	<b>210,554,740</b>	<b>199,409,495</b>	<b>209,484,293</b>	<b>219,132,542</b>	<b>221,010,392</b>
<b>Expenditures</b>										
General Government	12,362,680	13,258,206	15,075,679	16,845,197	18,450,904	19,084,912	19,342,247	20,296,887	19,601,354	28,338,931
Public Safety	20,233,673	22,481,393	23,503,592	25,580,475	28,583,439	29,201,271	31,114,290	33,696,397	32,914,713	36,406,706
Economic & Phy Dev	7,758,270	6,746,563	3,451,435	5,024,745	3,427,600	3,166,913	3,071,760	3,794,160	3,997,296	4,084,616
Environmental Prot.	194,450	200,993	203,049	200,561	217,384	472,943	519,010	524,881	537,717	222,128
Human Services	36,045,006	39,700,879	39,343,438	40,873,762	41,077,166	39,418,305	35,904,789	37,348,400	35,912,373	37,018,148
Education	57,161,753	78,415,898	103,022,790	81,520,236	96,353,775	119,462,406	77,464,219	66,289,905	63,229,560	65,435,585
Culture and recreation	5,589,207	5,423,095	6,496,945	6,568,340	5,819,871	5,567,673	4,811,274	4,848,579	5,972,870	6,144,326
Capital Outlay	5,490,401	8,068,026	26,150,524	32,614,235	40,813,607	31,660,649	6,521,906	4,467,028	4,343,539	5,012,301
Debt Service:										
Principal	13,897,112	15,259,056	14,113,550	17,539,175	20,067,615	20,133,541	22,937,295	37,142,398	25,968,035	26,886,635
Interest	7,799,042	9,651,423	10,489,591	13,282,514	15,371,972	17,991,288	19,709,229	19,041,682	17,911,692	15,437,749
<b>Total Expenditures</b>	<b>166,531,594</b>	<b>199,205,532</b>	<b>241,850,593</b>	<b>240,049,240</b>	<b>270,183,333</b>	<b>286,159,901</b>	<b>221,396,019</b>	<b>227,450,317</b>	<b>210,389,149</b>	<b>224,987,125</b>
<b>Excess of revenues over (under) expenditures</b>	<b>(19,195,320)</b>	<b>(27,674,121)</b>	<b>(55,819,477)</b>	<b>(43,990,423)</b>	<b>(59,639,930)</b>	<b>(75,605,161)</b>	<b>(21,986,524)</b>	<b>(17,966,024)</b>	<b>8,743,393</b>	<b>(3,976,733)</b>
<b>Other Financing Sources (Uses)</b>										
Transfers in	5,919,013	13,450,819	32,604,840	25,556,744	29,233,852	23,142,651	7,542,255	16,283,727	12,663,434	63,488,791
Transfers out	(5,919,013)	(13,450,819)	(32,604,840)	(25,556,744)	(29,233,852)	(25,142,651)	(8,462,255)	(18,283,727)	(12,888,234)	(63,488,791)
Limited Obligation Bonds Issued	-	-	-	-	-	-	-	37,730,250	-	-
Issuance of Bonds	50,366,000	-	48,562,851	-	-	-	-	-	73,020,999	-
Disbursements for Debt Instruments	-	-	-	(7,305,000)	-	-	(20,902,811)	(37,431,142)	(72,479,619)	-
Disbursements to Escrow Agent	-	-	-	(18,958,846)	-	-	-	-	-	-
Issuance of Certificates of Participation	-	-	34,513,782	68,261,482	59,172,184	87,462,584	35,800,860	-	-	-
Issuance of Installment Financings	4,358,000	-	15,000,000	7,305,000	-	-	-	-	-	-
Issuance of lease	-	-	689,546	-	3,421,394	-	-	603,312	-	-
<b>Total other financing sources (uses)</b>	<b>54,724,000</b>	<b>-</b>	<b>98,766,179</b>	<b>49,302,636</b>	<b>62,593,578</b>	<b>85,462,584</b>	<b>13,978,049</b>	<b>(1,097,580)</b>	<b>306,580</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>\$ 35,528,680</b>	<b>\$ (27,674,121)</b>	<b>\$ 42,946,702</b>	<b>\$ 5,312,213</b>	<b>\$ 2,953,648</b>	<b>\$ 9,857,423</b>	<b>\$ (8,008,475)</b>	<b>\$ (19,063,604)</b>	<b>\$ 9,049,973</b>	<b>\$ (3,976,733)</b>
<b>Debt service as a percentage of noncapital expenditures</b>	<b>13.47%</b>	<b>13.03%</b>	<b>11.41%</b>	<b>14.86%</b>	<b>15.45%</b>	<b>14.98%</b>	<b>19.85%</b>	<b>25.20%</b>	<b>21.30%</b>	<b>19.24%</b>



Table 5

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

Fiscal Year	Real Property		Personal Property	Public Service Companies (2)	Total Assessed Value	County Total Direct Tax Rate (3)
2005 (1)	\$	10,969,232,437	\$ 2,788,181,358	\$ 237,231,648	\$ 13,994,645,443	0.53
2006		11,554,183,728	2,946,103,615	237,558,497	14,737,845,840	0.63
2007		12,162,097,563	2,912,297,937	260,410,470	15,334,805,970	0.6289
2008		12,931,725,951	3,074,778,582	261,754,744	16,268,259,277	0.63
2009 (1)		17,454,001,994	3,137,459,615	280,507,618	20,871,969,227	0.63
2010		18,048,592,567	3,003,442,173	277,653,397	21,329,688,137	0.63
2011		18,223,093,062	2,751,158,382	271,487,306	21,245,738,750	0.63
2012		18,049,710,020	2,668,575,911	285,837,655	21,004,123,586	0.63
2013 (1)		15,623,512,935	2,774,393,931	297,917,351	18,695,824,217	0.70
2014		15,779,588,588	3,581,199,304	304,841,483	19,665,629,375	0.70

(1) Increase/Decrease 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									
		2005 (1)	2006	2007	2008	2009 (1)	2010	2011	2012	2013 (1)	2014
<b>County Total Direct Rate (3)</b>	\$	0.530	\$ 0.630	\$ 0.6289	\$ 0.630	\$ 0.630	\$ 0.630	\$ 0.630	\$ 0.630	\$ 0.700	\$ 0.700
<b>Fire Protection Districts (4)</b>	\$	0.049	\$ 0.051	\$ 0.053	\$ 0.053	\$ 0.053	\$ 0.053	\$ 0.051	\$ 0.053	\$ 0.062	\$ 0.065
<b>Municipality Rates: (5)</b>											
Concord	\$	0.43	\$ 0.43	\$ 0.4475	\$ 0.4475	\$ 0.42	\$ 0.42	\$ 0.42	\$ 0.42	\$ 0.48	\$ 0.48
Kannapolis		0.497	0.497	0.497	0.497	0.49	0.49	0.49	0.49	0.56	0.56
Harrisburg		0.135	0.135	0.135	0.135	0.125	0.125	0.125	0.135	0.1585	0.1585
Mt. Pleasant		0.42	0.44	0.44	0.44	0.44	0.44	0.44	0.44	0.505	0.505
Midland		0.15	0.15	0.15	0.15	0.14	0.14	0.14	0.14	0.16	0.20
Locust		0.36	0.36	0.36	0.36	0.36	0.36	0.36	0.36	0.36	0.36
Stanfield (2)		0.38	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

## Notes:

- (1) Real property was revalued on January 1.
- (2) The State reversed annexation of this municipality beginning with fiscal year 2006
- (3) All taxable property is subject to the county-wide tax. Cabarrus County has a unified tax rate and therefore has no components to display.
- (4) Most property in the unincorporated areas is subject to one of sixteen special fire district taxes. The fire protection districts' direct rate is a combined rate as the impact of each individual fire district is considered insignificant. The average tax rate for the districts is recorded above. The Cabarrus County Board of Commissioners set each Fire District Rate. This rate combined with the County rate is the totally overlapping tax rate.
- (5) Municipalities set their own direct rate. This rate, combined with the County rate is the total overlapping tax rate.

Table 7

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

Taxpayer	Type of Business	Fiscal Year 2014			Fiscal Year 2005		
		Assessed Valuation	Rank	Percentage of Total Assessed Valuation	Assessed Valuation	Rank	Percentage of Total Assessed Valuation
Corning, Inc	Fiber Optics Mfg	\$ 399,850,192	1	2.03%	\$ 359,899,176	2	2.57%
Castle & Cooke, NC LLC/ David H Murdock	Land Developer	331,093,914	2	1.68%	-	-	-
Charlotte Motor Speedway, Inc.	Auto Racing	283,614,127	3	1.44%	163,609,641	4	1.17%
Concord Mills LTD Partnership	Shopping Center	251,489,430	4	1.28%	204,929,816	3	1.46%
Celgard, LLC	Manufacturer	222,266,069	5	1.13%	-	-	-
Hendricks Motorsports Inc	Auto Racing	110,256,766	6	0.56%	-	-	-
Duke Energy Corp	Public Service Co	104,945,092	7	0.53%	67,940,581	6	0.49%
Great Wolf Lodge of the Carolinas	Amusement Water Park	94,828,528	8	0.48%	-	-	-
Phillip Morris Inc (Altria)	Cigarette Mfg	93,008,387	9	0.47%	1,085,959,249	1	7.76%
Hendricks Automotive	Automotive Sales	69,547,332	10	0.35%	-	-	-
Concord Telephone	Public Service Co	-	-	-	80,202,685	5	0.57%
Pass & Seymour/Legrand	Electronics	-	-	-	42,578,852	7	0.30%
Bell/Sysco Food Services, Inc.	Food Supplier	-	-	-	37,405,143	8	0.27%
Public Service of NC	Public Service Co	-	-	-	34,102,642	9	0.24%
Michigan Packaging Company	Corrugated Paper Sheet Mfg.	-	-	-	29,419,806	10	0.21%
Totals		<u>\$ 1,960,899,837</u>		9.95%	<u>\$ 2,106,047,591</u>		15.04%

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
2005	\$	74,893,721	\$	(898,376)	\$	73,001,727	97.70%	\$	74,655,097	99.91%
2006		92,892,138		(849,390)		90,824,656	97.87%		92,717,673	99.91%
2007		97,095,301		(855,526)		95,699,309	98.16%		97,094,135	99.59%
2008		102,936,378		(605,617)		101,560,468	98.35%		103,160,535	99.90%
2009		132,180,385		(1,315,618)		130,244,108	98.06%		132,663,192	99.88%
2010		135,474,421		(1,348,960)		131,784,146	97.45%		134,976,752	99.81%
2011		134,263,178		(535,353)		130,734,404	97.20%		133,905,161	99.56%
2012		133,644,515		(1,615,063)		128,622,399	96.58%		132,363,690	99.39%
2013		130,560,111		(1,331,736)		126,968,672	96.67%		129,454,801	98.57%
2014		138,496,852		(673,856)		134,327,532	96.33%	-	134,327,532	96.33%

Source: Cabarrus County Finance Department

Table 9

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

<b>Fiscal Year</b>	<b>General Obligation Bonds</b>	<b>Percentage of Actual Taxable Value of Property(2)</b>	<b>Per Capita(1)</b>
2005	\$ 97,805,000	0.84%	652
2006	91,845,000	0.66%	585
2007	133,980,000	0.91%	814
2008	126,895,000	0.83%	743
2009	122,708,844	0.75%	701
2010	115,122,677	0.55%	645
2011	107,901,510	0.51%	597
2012	100,620,346	0.47%	547
2013	100,138,753	0.54%	537
2014	91,115,506	0.46%	487

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

(1) See Table 13 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

Governmental Activities

Fiscal Year	General Obligation Bonds		Certificates Of Participation/ Limited Obligation Bonds		Installment Payment Revenue Bonds	Installment Financing	Capital Leases	Total Primary Government	Per Capita (1)	Percentage of Personal Income (1)				
2005	\$	97,805,000	\$	93,380,000	\$	21,000,000	\$	4,358,000	\$	1,801,483	\$	218,344,483	1,455	4.92%
2006		91,845,000		88,005,000		19,500,000		3,735,427		-		203,085,427	1,293	4.27%
2007		133,980,000		116,220,000		18,000,000		17,612,855		443,568		286,256,423	1,740	5.55%
2008		126,895,000		173,165,000		-		15,990,284		331,964		316,382,248	1,851	5.70%
2009		122,708,844		225,880,860		-		14,367,714		3,458,315		366,415,733	2,094	6.16%
2010		115,122,677		301,846,620		-		12,745,143		3,282,345		432,996,785	2,425	7.38%
2011		107,901,510		302,779,526		-		11,122,572		3,102,621		424,906,229	2,350	7.01%
2012		100,620,346		285,329,194		-		-		3,531,107		389,480,647	2,119	6.04%
2013		100,138,753		265,437,062		-		-		3,348,072		368,923,887	1,979	5.25%
2014		91,115,506		245,865,197		-		-		3,156,437		340,137,140	1,817	*

\* 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 2012 personal income not available to calculate fiscal year 2013.



Table 11

**Cabarrus County, North Carolina**  
**Direct and Overlapping Governmental Activities Debt**  
**As of June 30, 2014**

<b>Governmental Unit:</b>	<b>Debt Outstanding</b>	<b>Estimated Percentage Applicable</b>	<b>Amount Applicable to Primary Government</b>
Concord	\$ 23,223,825	49.19%	\$ 11,423,542
Kannapolis	41,848,453	15.74%	6,588,057
Harrisburg	2,157,980	8.53%	184,098
Mt. Pleasant	342,381	0.69%	2,346
Locust	2,194,431	0.24%	5,268
Subtotal, overlapping debt			\$ 18,203,311
Cabarrus County direct debt			340,137,140
Total direct and overlapping debt			<u>\$ 358,340,451</u>

Source: Outstanding debt provided by each governmental unit

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

**Percentage of the overlapping debt is calculated as follows:**

Overlapping portion of the government's revenue base/ Total revenue base of the overlapping government:  
Municipal Assessed Value/County Assessed Value

Table 12

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

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Assessed Value of Property	\$ 13,994,645,443	\$ 14,737,845,840	\$ 15,334,805,970	\$ 16,268,259,277	\$ 20,871,969,227	\$ 21,329,688,137	\$ 21,245,738,750	\$ 21,004,123,586	\$ 18,695,824,217	\$ 19,665,629,375
Debt Limit, 8% of Assessed Value (Statutory Limitation)	1,119,571,635	1,179,027,667	1,226,784,478	1,301,460,742	1,669,757,538	1,706,375,051	1,699,659,100	1,680,329,887	1,495,665,937	1,573,250,350
Debt applicable to debt limitations:										
Total Bonded Debt	97,805,000	91,845,000	133,980,000	126,895,000	119,835,000	112,565,000	105,660,000	98,695,000	88,390,000	80,395,000
Total Installment Payment Revenue Bonds	2,000,000	19,500,000	18,000,000	-	-	-	-	-	-	-
Total Capital Leases	1,801,483	-	443,568	331,964	3,458,315	3,282,345	3,102,621	3,531,107	3,348,072	3,156,437
Total Installment Financing	4,358,000	3,735,427	17,612,855	15,990,286	14,367,714	12,745,143	11,122,572	-	-	-
Total Certificates of Participation/ Limited Obligation Bonds	93,380,000	88,005,000	116,220,000	173,165,000	220,885,000	294,990,000	294,315,000	274,555,000	255,735,000	237,035,000
Total debt applicable to limitations	218,344,483	203,085,427	266,256,423	316,382,250	358,546,029	423,582,488	414,200,193	376,781,107	347,473,072	320,586,437
Legal debt limit	\$ 901,227,152	\$ 975,942,240	\$ 940,528,055	\$ 985,078,492	\$ 1,311,211,509	\$ 1,282,792,563	\$ 1,285,458,907	\$ 1,303,548,780	\$ 1,148,192,865	\$ 1,252,663,913
Total net debt applicable to the limit as a percentage of debt limit	19.50%	17.22%	23.33%	24.31%	21.47%	24.82%	24.37%	22.42%	23.23%	20.38%

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 13

<u>Year</u>	<u>Population(1)</u>	<u>Personal Income (2)</u>	<u>Per Capita Personal Income (2)</u>	<u>Public School Enrollment(3)</u>	<u>Unemployment Rate(4)</u>	<u>Number of Building Inspections Performed(5)</u>
2005	150,019	\$ 4,441,339	\$ 30,752	27,138	4.60%	51,464
2006	157,025	4,752,216	31,871	28,582	4.10%	65,340
2007	164,521	5,157,773	33,161	30,507	4.40%	68,755
2008	170,901	5,551,258	34,099	32,219	5.80%	57,339
2009	174,961	5,946,765	35,280	32,781	11.20%	16,529
2010	178,519	5,869,800	34,083	33,014	11.40%	18,890
2011	180,794	6,057,692	33,926	34,096	10.10%	23,241
2012	183,806	6,453,148	35,561	34,588	9.20%	26,565
2013	186,446	7,025,450	38,079	35,125	8.80%	30,780
2014	187,226	*	*	34,763	6.00% **	42,541

\* Information not yet available.

\*\*Fiscal Year 2014 is as of June 30, 2014

**Notes:**

(1) Cabarrus County Planning and Development Department

(2) Bureau of Economic Analysis, U. S. Department of Commerce. Figures are for the prior calendar year

(3) Public Schools of North Carolina/State Board of Education reported the County Official Statements

(4) N. C. Employment Security Commission, Annual Average for prior calendar year.

(5) Total number of inspections performed by Cabarrus County Inspections Department. Does not include inspections by municipalities.



Table 14

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

<u>Employer</u>	<u>2014</u>			<u>2005</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>
Carolinas Medical Ctr - Northeast	4,500	1	5.21%	3,200	1	4.38%
Cabarrus County Schools	3,800	2	4.40%	2,476	3	3.39%
North Carolina Research Campus	1,000	3		-	-	0.00%
Cabarrus County	950	4	1.10%	1,000	4	1.37%
City of Concord	901	5	1.04%	822	5	1.13%
Connexions	900	6	1.04%	-	-	-
Shoe Show	800	7	0.93%	-	-	-
State of North Carolina	770	8	0.89%	-	-	-
Kannapolis City Schools	750	9	0.87%	649	7	0.89%
S&D Coffee and Tea	625	10	0.72%	-	-	-
Philip Morris	-	-	-	2,900	2	3.97%
CT Communications	-	-	-	700	6	0.96%
Pass & Seymour Legrand	-	-	-	550	8	0.75%
Sysco Food Service	-	-	-	520	9	0.71%
Wal-Mart	-	-	-	480	10	0.66%
Total	<u>14,996</u>		<u>16.20%</u>	<u>13,297</u>		<u>18.21%</u>

Source: NC Employment Security Commission, Cabarrus County Economic Development Commission  
and 2005 GO Bond Official Statement

Table 15

**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									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Government	153	156	162	173	178	161	165	166	159	161
Cultural and Recreation	79	57	59	64	65	48	51	51	60	62
Public Safety	272	274	297	314	347	344	421	419	421	445
Economic & Phy. Development	15	16	16	17	17	12	12	15	16	16
Human Services	246	267	289	303	310	307	313	297	289	299
Environmental Protection	11	11	12	12	12	11	11	8	7	5
<b>Total</b>	<b>776</b>	<b>781</b>	<b>835</b>	<b>883</b>	<b>929</b>	<b>883</b>	<b>973</b>	<b>956</b>	<b>952</b>	<b>988</b>

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 16

Functional Area	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Government										
Tax Collection Rate	97.70%	97.87%	98.16%	98.35%	98.06%	97.45%	97.20%	96.58%	96.67%	96.33%
Land Records Recorded <sup>1</sup>	45,742	48,762	46,376	37,329	32,256	28,410	28,238	34,086	34,533	37,000 *
Culture & Recreation										
Circulation of Library Materials-All Branches	692,244	748,537	789,453	781,606	882,322	841,916	697,539	681,192	701,278	699,884
Acres of Park Land-Developed/Undeveloped	411/67	411/67	411/67	411/67	329/252	347/343	381/310	381/310	381/310	381/310
Public Safety										
Sheriff Response Time (Emergency Calls)	7.53	7.00	8.20	8.00	9.25	7.57	7.50	7.13	7.50	7.35
Detention Center Average Daily Population	212	216	220	220	253	275	350	358	367	4
Animals Picked Up	4,946	4,980	4,513	4,500	3,982	3,982	3,800	3,505	3,408	2,817
Building Inspections Completed	51,464	65,340	68,755	57,339	42,610	46,871	22,410	26,568	30,780	42,541
EMS Average Response Time Countywide	7.69	7.20		7.03	7.29	7.02	7.01	6.40	6.68	7
Economic & Physical Development										
Construction Permits Issued <sup>4</sup>	-	-	-	-	-	-	9,558	10,350	10,119	13,695
Zoning Permits Issued <sup>4</sup>	-	-	-	-	-	-	307	295	313	367
Human Services										
Veteran /Dependent Contacts	7,205	7,802	9,132	9,950	10,750	12,138	12,119	9,901	9,950	9,312
Human Service Transportation Trips <sup>2</sup>	116,818	85,713	85,721	96,696	82,404	85,692	81,844	86,316	74,839	82,123
Family Medicaid Cases	8,969	10,049	10,779	11,794	13,727	14,460	15,884	16,039	17,659	17,553
Adult Medicaid Cases <sup>3</sup>	4,746	4,858	5,045	5,216	5,380	5,565	6,019	6,101	6,273	6,483
WFFA (formerly AFDC)	487	316	315	289	290	266	254	263	275	304
Child Protective Service Reports Investigated	1,426	1,837	1,697	1,602	1,476	1,488	1,537	2,955	2,389	1,224
Adoptions Completed	59	0	15	43	18	10	7	1	3	3
Food Stamp Cases	4,950	5,358	5,456	5,890	6,880	8,391	10,497	11,652	11,700	11,171 *
Adult Protective Services Reports	114	131	170	232	210	225	189	226	199	181
Environmental Protection										
Tons of MSW and C&D Waste Managed	32,049	159,106	68,950	54,488	44,354	28,818	24,969	21,454	17,876	17,756
Tons of Recyclable Materials Collected	2,007	1,710	1,687	1,800	2,500	3,284	3,498	4,250	4,196	3,507
Education										
Per Pupil Current Expense Funding	\$ 1,204.58	\$ 1,292.01	\$ 1,328.78	\$ 1,443.91	\$ 1,541.14	\$ 1,541.14	\$ 1,597.64	\$ 1,688.25	\$ 1,548.92	\$ 1,528.00
Per Pupil Capital Outlay Funding	\$ 56.78	\$ 89.74	\$ 140.36	\$ 127.23	\$ 124.36	\$ 59.60	\$ 32.59	\$ 32.20	\$ 110.89	\$ 90.93
Per Pupil Debt Service Funding	\$ 717.20	\$ 796.37	\$ 683.18	\$ 705.68	\$ 845.19	\$ 835.51	\$ 877.37	\$ 1,011.39	\$ 967.27	\$ 878.93
Per Pupil - Server Space	-	-	-	-	-	-	-	-	0.81	\$ 2.78
Per Pupil - Fines & Forfeitures	-	-	-	-	-	-	-	-	43.19	\$ 41.13
Per Pupil - School Nurses	-	-	-	-	-	-	-	-	48.66	\$ 55.33

Source: County Departments

Notes: <sup>1</sup> Data is Calendar Year

<sup>2</sup> County Department Starting in 2004, previously under DSS and private contractor

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

<sup>4</sup> New measure beginning 2011

NA - Data Not Available

\* - Estimate



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

Table 17

<u>Function/Program</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
<b>Parks<sup>1</sup></b>										
Park facility	4	4	4	4	5	5	5	5	5	5
Tennis courts	6	6	6	6	6	6	6	6	6	6
Picnic shelters	20	20	20	21	21	23	24	24	24	24
Softball fields	8	8	8	8	8	8	8	8	8	8
Playgrounds	7	7	7	8	8	8	10	10	10	10
Soccer Fields	12	12	12	12	11	11	11	11	11	11
Camping cabins	4	4	4	6	6	6	6	6	6	6
Tent sites	7	7	7	6	6	7	7	7	7	7
Bathhouse for campgrounds	1	1	1	1	1	1	1	1	1	1
Swimming Pool	-	-	-	-	1	1	1	1	1	1
Pool Bathhouse	-	-	-	-	1	1	1	1	1	1
<b>Fire protection<sup>1</sup></b>										
Stations	14	14	14	11	11	11	10	10	10	11 <sup>2</sup>
<b>Sheriff<sup>1</sup></b>										
Stations	1	1	1	1	1	1	1	1	1	1
Substations	4	4	5	5	5	5	5	5	5	5
Patrol units	65	65	65	94	113	117	118	118	135	145 <sup>3</sup>

<sup>1</sup>Data obtained from the County Departments of Parks, Emergency Management, and Sheriff

<sup>2</sup>Three stations have become municipal departments and are not under the control of the County.

<sup>3</sup>Prior to 2004 the number of patrol units reported above was the total number of vehicles owned by the Sheriff's Department. It was then decided in 2008 to begin counting all vehicles that could be used.

# Compliance Section

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

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

## **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***

### **Independent Auditor's Report**

Board of Commissioners  
Cabarrus County, North Carolina

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Cabarrus County, North Carolina, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated December 5, 2014.

### **Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Cabarrus County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances 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. Accordingly, we do not express an opinion on the effectiveness of Cabarrus County's internal control.

*A deficiency in internal control* 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 and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Cabarrus County's financial statements are free from 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*.

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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

Martin Starnes & Associates, CPAs, P.A.  
Hickory, NC  
December 5, 2014

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

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## **Report on Compliance For Each Major Federal Program; Report on Internal Control Over Compliance; In Accordance with OMB Circular A-133 and the State Single Audit Implementation Act**

### **Independent Auditor's Report**

Board of Commissioners  
Cabarrus County, North Carolina

### **Report on Compliance for Each Major Federal Program**

We have audited Cabarrus County, North Carolina's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* and the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that could have a direct and material effect on each of Cabarrus County's major federal programs for the year ended June 30, 2014. Cabarrus County's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

### **Management's Responsibility**

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of Cabarrus County's major federal programs based on our audit of the types of compliance requirements referred to above. 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.

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We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Cabarrus County's compliance.

### **Opinion on Each Major Federal Program**

In our opinion, Cabarrus County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2014.

### **Report on Internal Control Over Compliance**

Management of Cabarrus County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Cabarrus County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, 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 Cabarrus County's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

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

Martin Starnes & Associates, CPAs, P.A.  
Hickory, NC  
December 5, 2014



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

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## **Report On Compliance For Each Major State Program; Report on Internal Control Over Compliance; In accordance with OMB Circular A-133; and the State Single Audit Implementation Act**

### **Independent Auditor's Report**

Board of Commissioners  
Cabarrus County, North Carolina

#### **Report on Compliance for Each Major State Program**

We have audited Cabarrus County, North Carolina's compliance with the types of compliance requirements described in the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that could have a direct and material effect on each of the Cabarrus County's major state programs for the year ended June 30, 2014. Cabarrus County's major State programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

#### **Management's Responsibility**

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its State programs.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of Cabarrus County's major State programs based on our audit of the types of compliance requirements referred to above. 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, *Audits of States, Local Governments, and Non-Profit Organizations*, as described in the *Audit Manual for Governmental Auditors in North Carolina*, 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 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.

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Toll Free Both Locations 1-800-948-0585 ♦ Website: [www.martinstarnes.com](http://www.martinstarnes.com)

We believe that our audit provides a reasonable basis for our opinion on compliance for each major state program. However, our audit does not provide a legal determination of Cabarrus County's compliance.

### **Opinion on Each Major State Program**

In our opinion, Cabarrus County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major State programs for the year ended June 30, 2014.

### **Report on Internal Control Over Compliance**

Management of Cabarrus County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Cabarrus County's internal control over compliance with the types of requirements that could have a direct and material effect on a major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major state program and to test and report on internal control over compliance in accordance with OMB Circular A-133, 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 deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a State program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a State program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a State program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

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

Martin Starnes & Associates, CPAs, P.A.  
Hickory, NC  
December 5, 2014



# CABARRUS COUNTY, NORTH CAROLINA

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2014

### 1. Summary of Auditor's Results

#### Financial Statements

Internal control over financial reporting:

- Material weaknesses identified? \_\_\_\_\_ Yes      X   No
- Significant deficiency(s) identified that are not considered to be material weaknesses? \_\_\_\_\_ Yes      X   None reported
- Non-compliance material to financial statements noted? \_\_\_\_\_ Yes      X   No

#### Federal Awards

Internal control over major federal programs:

- Material weaknesses identified? \_\_\_\_\_ Yes      X   No
- Significant deficiency(s) identified that are not considered to be material weaknesses? \_\_\_\_\_ Yes      X   None reported

Type of auditor's report issued on compliance for major federal programs:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with U.S. Office of Management and Budget, Circular A-133, Audits of States, Local Governments, and Non Profit Organizations, section .510(a)?

\_\_\_\_\_ Yes      X   No



# CABARRUS COUNTY, NORTH CAROLINA

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2014

### 1. Summary of Auditors' Results (Continued)

Identification of major federal programs:

**Program Name**

**CFDA#**

Medicaid Cluster	93.778, 93.777, 93.775, 93.720
State Children's Insurance Program – N.C. Health Choice	93.767
Child Care Development Fund Cluster	93.575, 93.596

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

\$3,000,000

Auditee qualified as low-risk auditee?

\_\_\_\_\_ Yes      X   No

**State Awards**

Internal control over major State programs:

• Material weaknesses identified? \_\_\_\_\_ Yes      X   No

• Significant deficiency(s) identified that  
are not considered to be material  
weaknesses? \_\_\_\_\_ Yes      X   None reported

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

Unmodified

Any 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:

**Program Name**

Medicaid Cluster  
State Children's Insurance Program – N.C. Health Choice  
Subsidized Child Development Cluster  
Special Assistance for Adults  
Foster Care and Adoption Cluster

**CABARRUS COUNTY, NORTH CAROLINA**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2014**

**2. Financial Statements Findings**

None reported.

**3. Federal and State Award Findings and Questioned Costs**

None reported.

**CABARRUS COUNTY, NORTH CAROLINA**

**SUMMARY SCHEDULE OF PRIOR YEAR'S AUDIT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2014**

**Finding 2013-001**

Status: Corrected.

**Finding 2013-002**

Status: Corrected.



CABARRUS COUNTY, NORTH CAROLINA  
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
For the Year Ended June 30, 2014

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
<b>Federal Awards:</b>					
<u>U.S. Department of Agriculture</u>					
Passed Through N.C. Department of Health and Human Services:					
Division of Social Services:					
Administration:					
Supplemental Nutrition Assistance Program (SNAP) Cluster:					
State Administrative Matching Grants					
for Supplemental Nutrition Assistance Program	10.561		1,731,853	-	1,731,853
Total Supplemental Nutrition Assistance Program			1,731,853	-	1,731,853
Passed through Centralina Council of Governments:					
Food Distribution Elderly Nutrition Program - USDA Supplement	10.570		30,042	-	-
Total U.S. Department of Agriculture			1,761,895	-	1,731,853
<u>U. S. Department of Health and Human Services</u>					
Administration on Aging:					
Passed through Centralina Council of Governments:					
Title III-E Caregiver Grant	93.052		43,186	-	-
Title V Revenues	17.235		102,902	-	-
Consumer Directed Services Grant	93.779		5,313	35,557	-
Aging Cluster:					
Nutrition Project for the Elderly Title III-C1	93.045		138,030	7,265	-
Title III-B (Access):					
Transportation Grant	93.044		47,278	70,918	-
Information case Assistant	93.044		19,570	29,354	-
Title III-B (In-Home):					
Adult Day Services	93.044		73,422	93,447	-
In-Home Aide I & II	93.044		13,281	88,878	-
Housing/Home Improvement	93.044		4,978	33,316	-
Housing/Home Improvement	93.044		15,572	-	-
Senior Center Operations Grant/General Purpose			-	92,586	-
Total Aging Cluster			312,131	415,764	-
Total Administration on Aging			463,532	451,321	-

CABARRUS COUNTY, NORTH CAROLINA  
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
For the Year Ended June 30, 2014

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
Passed Through N.C. Department of Health and Human Services: Division of Social Services: TANF Cluster					
Administration:					
Temporary Assistance Needy Families (WorkFirst)	93.558		157,861	-	162,384
Services:					
Temporary Assistance Needy Families (WorkFirst)	93.558		1,449,230	-	1,115,050
Direct Benefit Payments:					
Temporary Assistance Needy Families	93.558		663,129	-	181
Total TANF Cluster			2,270,220	-	1,277,614
Direct Benefit Payments:					
Refugee Assistance	93.566		8,719	-	-
AFDC Payments and Penalties	93.560		(741)	(203)	(203)
Family Preservation	93.556		22,578	-	-
Child Support Enforcement	93.563		1,234,910	-	634,335
Crisis Intervention Program	93.568		517,211	-	-
Low Income Energy Admin/Assistance	93.568		104,469	-	-
Low Income Energy Admin/Assistance	93.568		396,365	-	-
Refugee Assistance	93.566		2,905	-	-
Permanency Planning	93.645		105,829	-	35,276
Independent Living Initiative/LINKS	93.674		18,457	4,614	-
Independent Living Initiative/LINKS - Direct Benefit Payment	93.674		21,176	-	-
Adult Day Care	93.667		24,646	23,150	6,828
In-Home Services	93.667		70,294	-	10,042
Adult Protective Services	93.667		9,061	-	3,020
Child Protective Services - TANF to SSBG	93.667		321,663	-	-
Social Services Block Grant Administration	93.667		298,620	40,048	112,889
Total Division of Social Services - Other Programs			5,426,382	67,609	2,079,801
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		4,920	-	4,920
Title IV - E Child Protective Services	93.658		239,376	198,851	154,181
Title IV - E Foster Care and Training	93.658		44,045	-	27,777
Title IV - E Foster Care and Training	93.658		1,302	-	434
Title IV - E Foster Care and Training	93.658		145,037	-	145,037
Direct Benefit Payment:					
Title IV - E Foster Care	93.658		142,479	46,630	47,129
Title IV - E Adoption Training	93.659		748	-	748
Adoption/Foster Care	93.659		114,864	-	21,386
Adoption Assistance - Direct Benefit	93.659		524,302	137,311	137,311
Total Foster Care and Adoption Cluster (Note 2)			1,217,073	382,792	538,923

CABARRUS COUNTY, NORTH CAROLINA  
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
For the Year Ended June 30, 2014

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
Passed Through N.C. Department of Health and Human Services:					
Subsidized Child Care (Note 4):					
Child Care Development Fund Cluster:					
Division of Social Services:					
Child Care Development Fund Administration	93.596		197,540	-	-
Division of Child Development:					
Child Care Development Fund Discretionary	93.575		1,298,339	-	-
Child Care Development Fund Mandatory	93.596		655,678	-	-
Child Care Development Fund Match	93.596		499,424	161,736	-
Total Child Care Development Fund Cluster			2,650,981	161,736	-
Temporary Assistance for Needy Families	93.558		657,514	-	-
Foster Care Title IV-E	93.658		35,892	18,767	-
Smart Start	N/A		-	10,622	-
State Funding Appropriations	N/A		-	434,906	-
Smart Start TANF Maintenance of Effort	N/A		-	262,518	-
Total Subsidized Child Care (Note 2)			3,344,387	888,549	-
Division of Social Services:					
Title XIX - Medicaid	93.778		1,947,044	20,471	1,690,132
Adult Care Home Case Management	93.778		27,721	9,435	18,285
Division of Medical Assistance:					
Direct Benefit Payments:					
NC Tracks Medicaid (Title XIX - Medicaid)	93.778		106,112,671	57,129,769	-
Total Medicaid Cluster			108,087,436	57,159,675	1,708,417
Division of Social Services:					
State Children's Insurance Program - N.C. Health Choice	93.767		153,637	3,985	44,723
Division of Medical Assistance:					
Direct Benefit Payments:					
State Children's Insurance Program - N.C. Health Choice	93.767		3,165,702	998,704	-
Total U.S. Department of Health and Human Services			123,620,044	59,952,635	6,103,718



CABARRUS COUNTY, NORTH CAROLINA  
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
For the Year Ended June 30, 2014

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>U. S. Department of Energy</u>					
Passed Through N.C. Department of Health and Human Services:					
Office of Economic Opportunities:					
Weatherization Assistance Program	81.042		11,780	-	-
Low Income Heating Assistance Program	93.568		220,522	-	-
Heating and Air Conditioning Repair Program (HARP)	81.042		120,373	-	-
Total U.S. Department of Energy			352,675	-	-
<u>Federal Emergency Management Agency</u>					
Passed through N.C. Department of Crime Control and Public Safety:					
Division of Emergency Management:					
Emergency Management Performance Grant	97.042	EMPG-2011-37025	49,692	-	-
Total Federal Emergency Management Agency			49,692	-	-
<u>US Department of Justice</u>					
Passed through Office of Justice Programs:					
JAG Program Cluster					
Justice Assistance Grant (JAG) Program	16.738		851	-	-
Total JAG Program Cluster			851	-	-
State Criminal Alien Assistance Program Grant	16.606		51,896	-	-
Total US Department of Justice			52,747	-	-
<u>N.C. Department of Crime Control and Public Safety:</u>					
Emergency Management Division					
Pre-Disaster Mitigation Grant	97.047	PDM-PL-04-2012-001C	33,629	-	11,209
			33,629	-	11,209

CABARRUS COUNTY, NORTH CAROLINA  
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
For the Year Ended June 30, 2014

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
<b><u>N. C. Department of Transportation</u></b>					
Public Transportation Division:					
Transit Services Programs Cluster:					
5316 Job Access Reverse Commute Program (ARRA)	20.516	13-JA-042	103,216	-	-
5310 Elderly and Disabled Program	20.513	13-ED-042	51,351	-	-
Total Transit Services Programs Cluster			154,567	-	-
NC Governors Highway Safety Program Grant (ARRA)	20.600	PT-2012-03-04-01	-	-	-
Community Transportation Program:					
Administrative Grant - Section 5311	20.509	13-CT-042	126,743	-	-
Capital Grant - Section 5311	20.509	13-CT-042	135,302	95,233	-
Total N.C. Department of Transportation			262,045	95,233	-
Total Federal Awards			124,525,399	60,047,868	6,114,927
<b><u>State Awards:</u></b>					
<b><u>N. C. Department of Health and Human Services</u></b>					
Division of Social Services:					
DCD-Smart Start	N/A		-	19,105	-
AFDC Incentives	N/A		-	1,189	-
Direct Benefit Payments:					
State Foster Home	N/A		-	153,538	153,538
SFHF Maximization	N/A		-	218,679	218,679
Child Welfare Adoption Subsidy	N/A		-	679,615	196,678
Total Division of Social Services			-	1,072,126	568,895
Division of Aging:					
Direct Benefit Payments:					
State/County Special Assistance for Adults	N/A		-	1,025,630	1,025,658
Total Division of Aging			-	1,025,630	1,025,658
Total N. C. Department of Health and Human Services			-	2,097,756	1,594,553

CABARRUS COUNTY, NORTH CAROLINA  
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
For the Year Ended June 30, 2014

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 Environmental and Natural Resources</u>					
Division of Waste Management:					
Electronics Recycling Management Funds	N/A		-	7,373	-
Division of Soil and Water Conservation:					
Soil and Water Conservation	N/A		-	3,600	175,935
Soil and Water Conservation - Water Quality Cost Share Grant	N/A		-	26,583	26,583
Soil and Water Conservation	N/A		-	2,500	-
Total NC Department of Environmental and Natural Resources			-	40,056	202,518
<u>N.C. Department of Public Safety:</u>					
Department of Juvenile Justice & Delinquency Prevention:					
Juvenile Crime Prevention Programs (JCPP):					
JCPC Certification	N/A	313000	-	15,500	-
School Resource Officer Grant	N/A		-	176,604	-
Jail Re-entry Initiative			-	45,208	-
Total N.C. Department of Crime Control and Public Safety			-	237,312	-
<u>N. C. Department of Administration</u>					
Division of Veteran's Affairs:					
Veteran's Service Grant	N/A		-	1,452	240,957
Total N.C. Department of Administration			-	1,452	240,957
<u>N.C. Rural Department of Insurance</u>					
Division of Seniors Health Insurance Information Program					
SHIP Grant	N/A		-	4,528	-
Total N.C. Rural Department of Insurance			-	4,528	-
<u>N.C. Department of Cultural Resources</u>					
Passed through State Library of N.C.:					
State Aid to Libraries	N/A	DCR-4	-	178,878	2,042,726
EZ Collaboration & Innovation Grant	N/A	45.310	-	16,331	-
Project Literacy & Lifelong Learning Grant	N/A	45.310	-	46,452	-
Total N.C. Department of Cultural Resources			-	241,661	2,042,726



CABARRUS COUNTY, NORTH CAROLINA  
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
For the Year Ended June 30, 2014

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 Transportation</u> Public Transportation Division: Rural Operating Assistance Program: Elderly and Disabled Assistance Transportation Program Work First/ Employment Transportation Program Rural General Public Transportation Program Total N.C. Department of Transportation	N/A N/A N/A	DOT-16CL DOT-16CL DOT-16CL	- - -	104,399 22,817 96,730	- - -
<u>N.C. Department of Public Instruction</u> Public School Building Capital Fund Total N.C. Department of Public Instruction	N/A		- - -	4,911,790 4,911,790	- -
Total State Awards			\$ -	\$ 7,758,501	\$ 4,080,754
Total Federal and State Awards			\$ 124,525,399	\$ 67,806,369	\$ 10,195,681

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

1. Basis of Presentation  
The accompanying schedule of expenditures of federal and State awards includes the federal and State grant activity of Cabarrus County and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and the State Single Audit Implementation Act. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statements. Benefit payments are paid directly to recipients and are not included in the county's general purpose financial statements. However, due to the county's involvement in determining eligibility, they are considered federal awards to the county and are included on this schedule.
2. The following are clustered by NC Department of Health and Human Services and are treated separately for state audit requirement purposes: Subsidized Child Care, Foster Care and Adoption.
3. Of the federal and state expenditures presented in this schedule, Cabarrus County provided awards to sub recipients as follows:

Boys and Girls Club	N/A	-	133,330	-
Rowan County Youth Services	N/A	-	25,000	-
Shift Mentoring	N/A	-	71,892	-
Teen Court	N/A	-	58,218	-
Teen Court Resolve Program	N/A	-	63,280	-
		\$ -	\$ 351,720	\$ -



**For Information:  
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