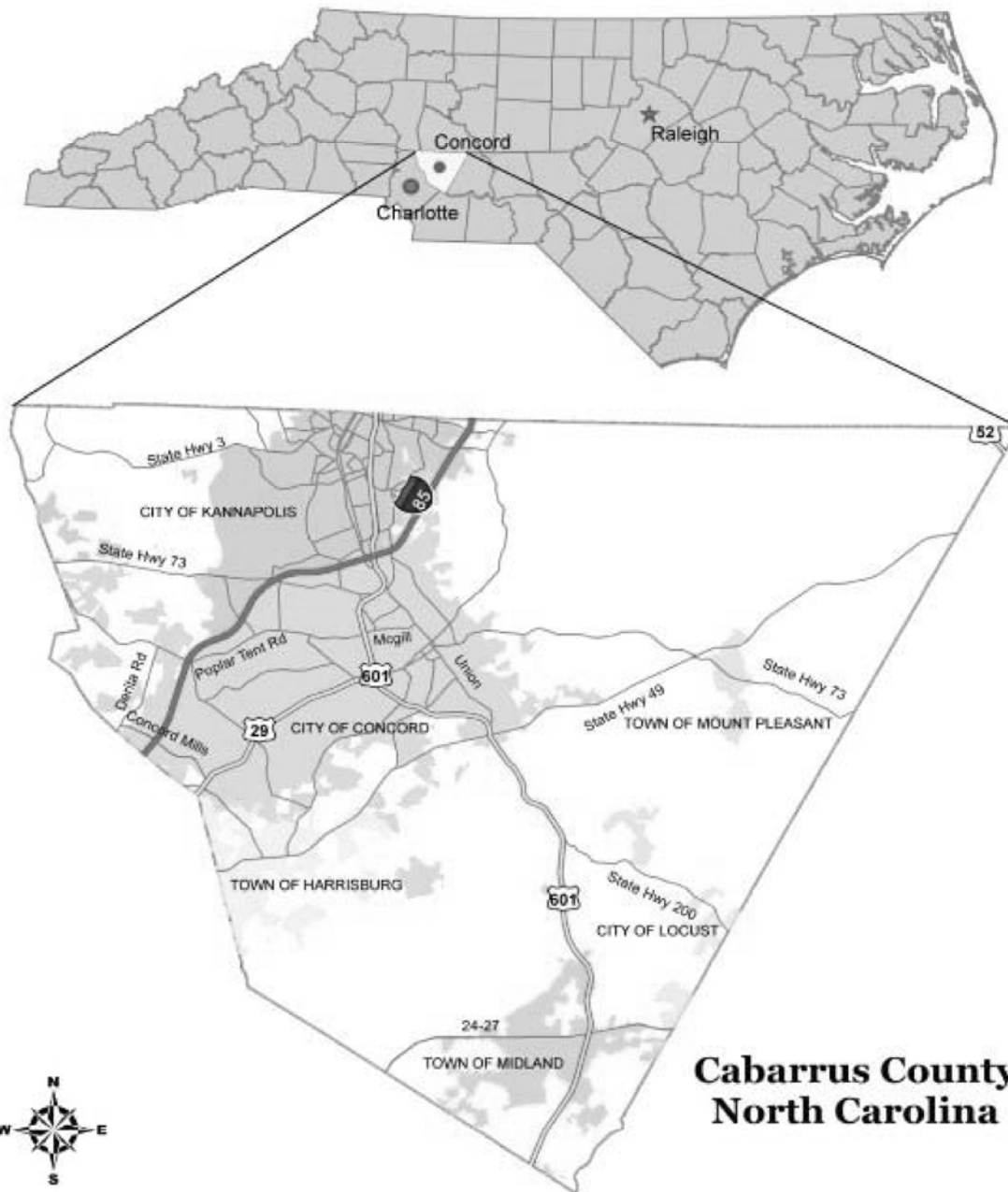




# **Comprehensive Annual Financial Report**

Cabarrus County, North Carolina

For the year ended June 30, 2015



**Cabarrus County  
North Carolina**

Prepared by Cabarrus County GIS

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# **Cabarrus County**

**North Carolina**

## **Comprehensive Annual Financial Report**

**For the year ended June 30, 2015**

**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, 2015

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# Introductory Section





## Finance Department

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October 23, 2015

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, 2015.

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, 2015, 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 unmodified opinion that the County's financial statements for the fiscal year ended June 30, 2015, 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. The Single Audit report is issued separately from 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 192,103. 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, clerk to the board, tax administrator 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 ten counties located in the Charlotte-Concord-Gastonia, NC-SC Metropolitan Statistical Area (the "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 22nd 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 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 has rebounded 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"), serves as the primary recruiting and marketing entity for the county and its municipalities. The CEDC is administered by the Cabarrus Regional Chamber of Commerce; this structure greatly enhances efforts in business retention, expansion, and new business recruitment. Given these changes, combined with the availability of sites within commercial and industrial parks with all municipal services available and located near major highways and interstates, the County expects continued strong economic development in the area. The CEDC has been accredited by the International Economic Development Council which is an independent body that verifies the status of the organization. The CEDC is one of only 36 economic development organizations worldwide which have been accredited by the International Economic Development Council.

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, energy and aviation.

A summary of significant recent developments in these industries follows:

### ***Biotechnology***

The former Pillowtex properties in Kannapolis have been redeveloped as a major mixed use development with the centerpiece of the development constituting the North Carolina Research Campus (the "Research Campus"). It includes facilities for eight major North Carolina universities whose research activities focus on biotechnology and nutrition research. At the center of the Research Campus is the 311,000 square foot David H. Murdock Core Laboratory (which is funded by Murdock Foundation for a number of years), 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 sixty thousand square foot Medical Office Building opened in 2013 and Data Chambers recently opened a 50,000 square foot research facility on the campus.

To facilitate further development on the Research Campus and finance public improvements, the City of Kannapolis created the North Carolina Research Campus Financing District (the "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. As part of their commitment, the City of Kannapolis began construction on a new municipal building on the campus in 2014 and expects completion December 2015.

The City of Kannapolis issued \$35 million in limited obligation bonds in 2011 (the "Kannapolis Bonds") to finance public infrastructure in the Development District. Pursuant to an Interlocal Agreement between the

County and the City of Kannapolis executed in connection with the issuance of the Kannapolis 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. Part of this agreement allowed for the construction of a new facility to house the Cabarrus Health Alliance, which provides public health to the citizens of Cabarrus County as well as other health initiatives. The new facility, named in honor of state Senator Fletcher Hartsell, has been completed.

### ***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. CMC has also built satellite facilities in Kannapolis and Harrisburg.

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 the county. Cardinal Innovations Mental Health is a regional behavioral healthcare organization. They estimate that they provide coverage for a population of 2.4 million people in NC through all their community operation centers.

### ***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, which had been "mothballed," has reopened and has now completed two expansions. 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 3.5 million square feet. The Philip Morris campus was sold in April 2014 to Victory Industrial Park LLC with Alevo as the first tenant. Alevo is an energy service provider (ESP) and manufactures its own batteries for its energy storage systems. They deployed commission production lines in 2015 and were scheduled to produce 40 Grid Banks per month within calendar year 2015.

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 and 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), has been expanded with a second road for further industrial development. It is served by rail and all utilities. Pepsi Bottling Ventures announced in April of 2015 that they would construct a \$12.5 million, 200,000 square foot facility in the industrial park. That facility is expected to include employment of 200 people.

Copperfield Business Park began development along I-85 in 1987. Firms that have 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, Holiday Inn Express and a Cracker Barrel Restaurant, along with other convenience-type developments, have 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 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 2013 and currently employ 165 persons.

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 265 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. 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 persons.

In addition, Bonitz, a flooring contractor, opened a facility in the International Business Park 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.

Headquartered in Concord's International Business Park, BJW Architecture, Inc. is a full service architectural firm providing 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. 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 most recently opened an \$11.4 million expansion to the facility.

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

The most recent additions are a speculative building and a FedEx distribution facility. The speculative building is 87,000 square feet. The facility is expandable up to 144,000 square feet. The FedEx SmartPost Division is \$27 million, 330,000 square foot facility which opened in 2015.

Four additional speculative buildings have been completed or are under construction in Cabarrus County. A 360,000 square foot facility in Afton Ridge Business Park (Kannapolis) broke ground in March 2014. The Silverman Group broke ground on two speculative buildings, a 400,000 square foot facility and a smaller building of 150,000 square feet, at the Concord Airport Business Park on Derita Road. More than half of the larger building has already been occupied by Amazon for a distribution center. A fourth speculative building is being constructed by Trinity Partners at the corner of Poplar Tent Road and International Drive and was completed in early 2015.

Currently other multiple acre sites are under consideration by incoming projects. This includes a new office and business park on Derita Road that will be breaking ground in October 2015.

The West Winds Industrial Park is located directly across from the airport entrance. The first phase, 18,000 square foot mixed office/industrial space, has 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. The expansion will boost its production of coffee, tea, and extracts. The S & D building in West Winds is in operation and additional production lines are being constructed to meet increasing demand.

Four additional speculative buildings are being constructed in Cabarrus County. Childress Klein is construction a 360,000 square foot facility in Afton Ridge Business Park (Kannapolis) that broke ground in March 2014. The Silverman Group began two speculative buildings, a 400,000 square foot facility and a smaller building of 150,000 square feet at the Concord regional Airport Business Park on Derita Road and International Drive, Construction of that building began in May 2014.

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 is working to develop the 70-acre business park to permit the relocation of an intermodal facility, as well as, additional distribution facilities. There are sewer infrastructure needs which are challenges to bringing rail projects to the sites but the Town of Midland has begun to address these challenges.

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, constructed a speculative industrial building there. It is currently occupied by a distribution firm.

### ***Warehouse and Distribution***

The distribution, warehousing, and shipping industry is another growing sector of the County's economy as the County continues to be a cost effective alternative for Charlotte area distributors. This industry benefits from the County's proximity to the City of Charlotte (a regional trucking and manufacturing center with a major commercial international airport) and from access to I-85, which has seven existing interchanges in the County. 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 formerly dilapidated 60,000 square foot distribution center. This facility, formerly plagued by vandals, has brought new life and nearly 100 jobs. Finally, Gordon Food Service is constructing a 300,000



square foot distribution center in Kannapolis. That distribution center is adjacent to Afton Ridge Business Park and is expected to include as many as 275 employees when completed in the fall of 2015. Gordon Food Service has grown to become the largest family-operated broad line food service distributor in North America.

Shoe Show, a major footwear retailer, is headquartered in Cabarrus County. Their offices are located off Trinity Church Road where they also operate a distribution center that is more than 500,000 square feet.

### ***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 167,000 people. Each year, CMS hosts nine primary events, including three major NASCAR racing events that extend over a ten-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, where it hosts several events including four NHRA-sanctioned events in a \$60 million drag strip facility. The larger facility includes a dirt track that hosts multiple events.

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.

Cabarrus County operates the Cabarrus Arena & Events Center on NC Highway 49 at Old Airport Road. The facility includes meeting and event space in rooms that range from 1200 to over 70,000 square feet with space adaptable to any size in between. The Arena itself can seat up to 5000 people for concerts, shows and ceremonies. In the 2014-15 budget year, the facility hosted 235 event days that totaled more than 245,000 guests. The newest addition is a facility run and hosted Bridal Fair that has become the largest event of its type in the region.

### ***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 Dragway, four driving schools, Hendrick Motorsports, Roush Fenway Racing, Earnhardt Ganassi Racing with Felix Sabates, Richard Petty Motorsports, Stewart-Haas Racing, Wood Brothers, JTG Daugherty Racing and several other motorsports-related businesses.

Other 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. 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.

### ***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 Sea Life Aquarium at Concord Mills in 2014. The aquarium was expected to generate 350,000 additional visits to Concord Mills as a result and they have exceeded those expectations.

There are a number of new retail centers that have been constructed or are under construction throughout the County as a result of the population increase that has occurred. Some of these are part of much larger mixed-use developments that also include services, employment and residential uses. 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 planned 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.

Aston Properties is developing the Caldwell Crossing Center in Harrisburg. The center will include 85,000 square feet of additional retail space and will be anchored by Harris Teeter. Publix has announced that their first Cabarrus County location will be planned at Willow Oaks Crossing retail center that is under construction at 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 include 12,500 SF terminal building, maintenance facility, fuel farm, on-site fire station, sixty-seven T-hangars, eight large conventional storage hangars, eleven privately leased or developed corporate hangars, and over twenty-five 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 \$120,000,000. The airport is open 24/7/365 and, to enhance aviation traffic safety, the airport has contracted air traffic control services sixteen (16) hours daily with extended hours during race events. For these events there are 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 \$175,790,000 economic contribution, annually supporting almost 2,000 jobs in the Cabarrus County region! Additional development and growth is expected to continue at the airport. Concord Regional Airport is now offering commercial flights through Allegiant Air. Service began in December 2013. 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/locations are already being discussed.

Three industrial and two commercial business parks are located adjacent to 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:

<b><u>Employer</u></b>	<b><u>Service</u></b>	<b><u>Approximate Number of Employees</u></b>
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, 2016 totals \$233,306,153 with a tax rate of \$0.70 per \$100 of assessed value, based on a total valuation of \$20,008,671,688. The valuation increased 3.3% 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 Board Policy 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 March 26, 2015, Cabarrus County issued \$134,235,000 of Limited Obligation Bonds, Series 2015 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 2007, 2008A, 2008C and 2009 Certificates of Participation. The refunded debt consists of a portion (\$16,795,000) of the County's Series 2007 Certificates of Participation dated February 22, 2007, and maturing February 1, 2018 through February 1, 2027, a portion (\$21,105,000) of the County's Series 2008A Certificates of Participation dated January 25, 2008 and maturing June 1, 2021, 2023, 2025, and 2028, a portion (\$34,025,000) of the County's Series 2008C Certificates of Participation dated December 1, 2008 and maturing June 1, 2019 through June 1, 2029, and a portion (\$47,300,000) of the County's Series 2009 Certificates of Participation dated July 16, 2009 and maturing January 1, 2020 through January 1, 2029. The refunding debt was issued at a net interest cost of 2.496059%. As a result, the refunded Limited Obligation 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, 2015 is \$119,225,000. This refunding was undertaken to reduce total debt service payments over the following 14 years by \$8,946,701 and resulted in a present value cash flow savings of \$7,655,952.

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 2015, the citizens passed two bond referendums in November 2014. The first bond is funding \$9,000,000 for the construction of a South Campus Advanced Technology Center for the Rowan Cabarrus Community College. The second bond is 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 \$2,502,348 in cash for the construction of an additional wing and road improvements for the Odell 3-5 Elementary School that is currently under construction. An additional \$980,500 was provided to begin the design phase of the replacement of Royal Oaks Elementary School. An additional \$1,000,000 was provided to fund the construction of the Rob Wallace Park in Midland.



In October 2014, the County and Cabarrus County Schools settled through mediation funding disputes regarding the FY2015 budget. The settlement totaled \$6,346,889. The funds were allocated as follows: \$2,000,000 additional funding for the initial construction of Odell 3-5, replacement of three roofs \$4,213,410, and additional current expense funding \$133,479 (student growth, health insurance).

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. Quarterly elected official summits have been implemented.

### **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, 2014. This was the thirtieth consecutive year that Cabarrus County has received this prestigious award. In order to be awarded a Certificate of Achievement, the County must publish an easily readable and efficiently organized Comprehensive Annual Financial Report whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

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

In addition, the County also received the GFOA's Distinguished Budget Presentation Award for its annual budget document for the fiscal year ended June 30, 2015. 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 seventeenth 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**

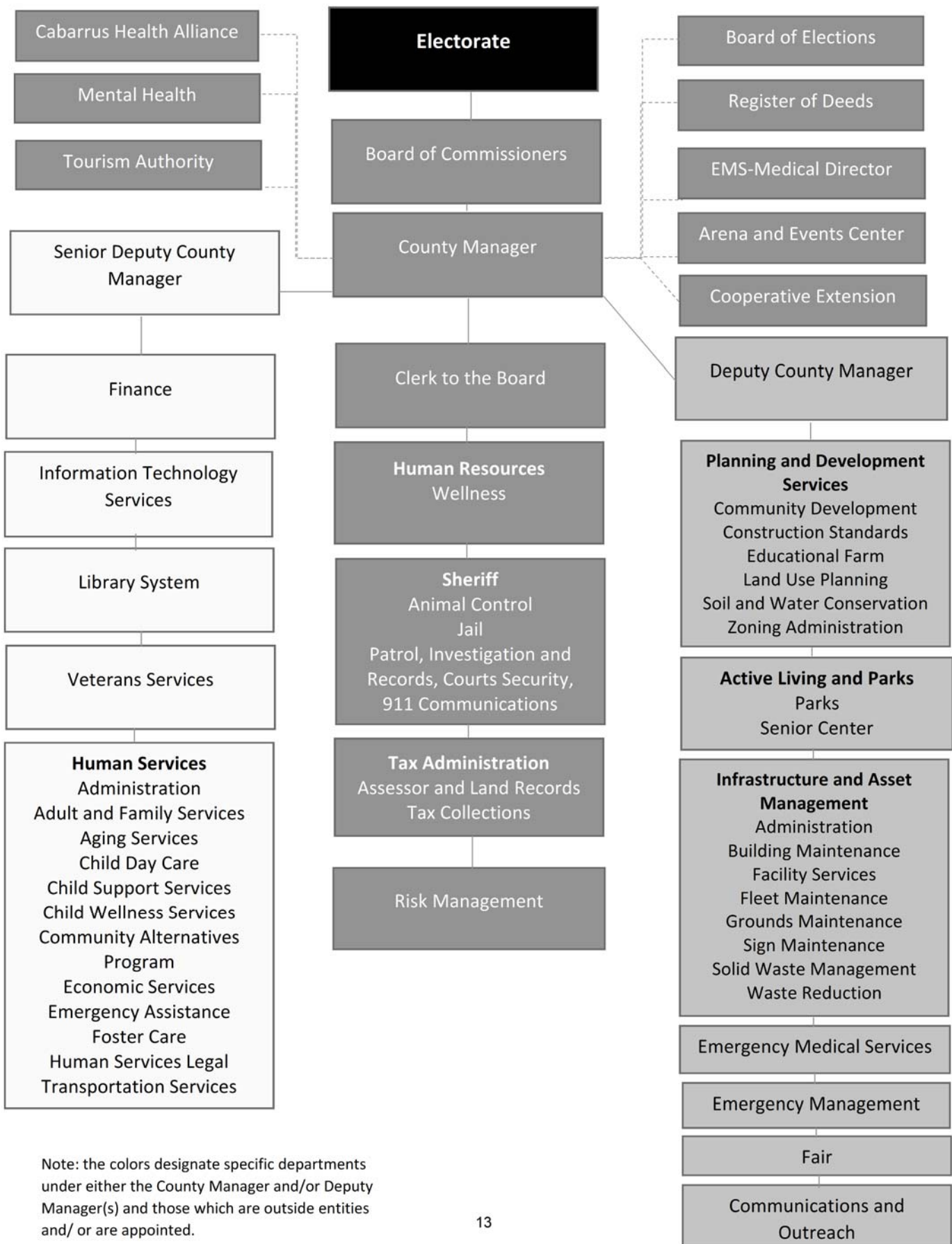
For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2014**

A handwritten signature in black ink, reading "Jeffrey R. Enev". The signature is written in a cursive, flowing style.

Executive Director/CEO

# Cabarrus County Organizational Chart



Note: the colors designate specific departments under either the County Manager and/or Deputy Manager(s) and those which are outside entities and/or are appointed.

# Cabarrus County

## List of Principal Officials

### Board of County Commissioners

Chair ..... Stephen M. Morris  
Vice-Chair ..... Elizabeth F. Poole  
Commissioner ..... Diane R. Honeycutt  
Commissioner ..... Grace M. Mynatt  
Commissioner ..... Lynn W. Shue

### Other Elected Officials

Sheriff ..... D. Brad Riley  
Register of Deeds ..... M. Wayne Nixon  
**County Manager** ..... Michael K. Downs  
Senior 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 ..... Kyle D. Bilafer  
Human Resources ..... Lundee L. Covington  
Information Technology Services ..... Deborah A. Brannan  
Libraries ..... Emery M. Ortiz  
Parks ..... Londa A. Strong  
Social Services ..... William B. Rose  
Solid Waste Management ..... Kevin P. Grant  
SWCD-Watershed ..... Dennis E. Testerman  
Tax Administration ..... Robert E. Mitchum  
Transportation ..... Robert W. Bushey  
Veterans' Service ..... Timothy J. Tereska

# Financial Section



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

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

## INDEPENDENT AUDITOR'S REPORT

To the 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, 2015 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 basic financial statements are free from 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.

## ***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, 2015, 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 the Management's Discussion and Analysis, the Law Enforcement Officers' Special Separation Allowance, the Other Post-Employment Benefits' Schedules of Funding Progress and Employer Contributions, the Local Governmental Employees' Retirement System Schedules of the County's Proportionate Share of Net Pension Asset and County Contributions, and the Register of Deeds' Supplemental Pension Fund Schedule of the County's Proportionate Share of the Net Pension Asset and Schedule of County Contributions be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economical, 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 consisted 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 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, and statistical section 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, and other schedules 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, and other schedules 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 October 23, 2015 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  
October 23, 2015





# Management's 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, 2015. 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

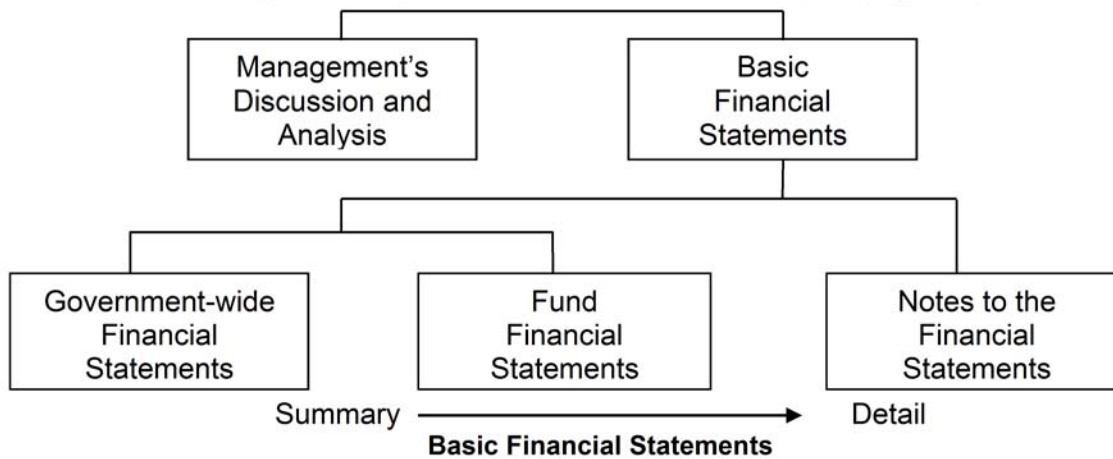
- The assets and deferred outflows of resources of Cabarrus County exceeded its liabilities and deferred inflows or resources at the close of the fiscal year by \$18,024,443 (*net position*).
- The total Net Position related to Governmental Activities (Exhibit 1) shows a balance of \$14,134,538, an increase of \$37,825,313 from the prior year's restated deficit of \$23,690,775. This increase is primarily due to 1) a debt refinancing that created \$15,129,528 in new Deferred charges to amortize over that life of the debt and 2) a decrease in total debt outstanding of \$15,837,075. 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 \$121,582,871 after a net increase in fund balance of \$9,300,302. Approximately 14.3 percent of this total amount or \$17,378,342 is restricted or non-spendable.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$53,746,977, or 15.6 percent of total general fund expenditures for the fiscal year.
- Cabarrus County's total debt decreased by \$15,837,075 or 4.7% during the current fiscal year. The key factors in this net decrease were the advance refunding of \$119,225,000 for a portion of four Certificates of Participation (COPS) issues through the issuance of \$134,235,000 in Series 2015 Limited Obligation Bonds (LOBS) creating a present value cash flow savings of \$8,946,701. Other COPS and LOBS debt decreased by \$18,750,000. General Obligation Bond debt decreased by \$7,640,000 and Capital leases decreased \$200,644. Notes Payable of \$457,323 was added to debt.
- These statements reflect GASB Statement 68, Accounting and financial Reporting for Pensions in the fiscal year ending June 30, 2015. The implementation of the statements required the County to record beginning net pension liability and the effects on net position of contributions made by the County during the measurement period (fiscal year ending June 30, 2014). As a result, net position for the governmental and business-type activities decreased by \$5,596,322 and \$23,177, respectively.
- Cabarrus County has installment bond ratings of AA / Aa<sub>2</sub> / AA and general obligation bond ratings of AA+ / Aa<sub>1</sub> / 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)



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

As noted earlier, net position may serve over time as one useful indicator of a government's financial condition. The County's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by \$18,024,443 as of June 30, 2015. The County's net position increased by \$37,994,423 in the same period. This is a result of revenues recognized in excess of budgeted amounts and expenses coming in under budget. One of the largest portions of net position \$132,980,565 is Net Investment in Capital Assets (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. 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 \$244,503,148 at June 30, 2015 and totaled \$259,428,626 at June 30, 2014, 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. An additional portion of the County's net position, \$15,952,068, 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	
	2015	2014	2015	2014	2015	2014
Current and other assets	\$ 150,216,054	\$ 133,657,433	\$ 4,389,831	\$ 4,139,900	\$ 154,605,885	\$ 137,797,333
Capital assets	203,887,739	208,907,351	2,884,041	3,019,858	206,771,780	211,927,209
Total assets	354,103,793	342,564,784	7,273,872	7,159,758	361,377,665	349,724,542
Deferred outflows of resources	26,283,174	9,655,303	-	-	26,283,174	9,655,303
Long-term liabilities outstanding	307,377,919	327,333,028	3,181,021	3,134,833	310,558,940	330,467,861
Other liabilities	47,228,970	42,828,624	173,082	280,953	47,402,052	43,109,577
Total liabilities	354,606,889	370,161,652	3,354,103	3,415,786	357,960,992	373,577,438
Deferred inflows of resources	11,645,540	252,888	40,715	-	11,686,255	252,888
Net Position						
Net investment in						
capital assets	130,096,524	128,602,206	2,884,041	3,019,858	132,980,565	131,622,064
Restricted	15,952,068	17,269,347	-	-	15,952,068	17,269,347
Unrestricted	(131,914,054)	(163,966,006)	1,005,864	724,114	(130,908,190)	(163,241,892)
Total net position	\$ 14,134,538	\$ (18,094,453)	\$ 3,889,905	\$ 3,743,972	\$ 18,024,443	\$ (14,350,481)

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, 2015 were \$10,237,544 over budget. This is higher than expected due to the following areas exceeding budgeted amounts: property tax (\$3,490,635), Local Option Sales Tax (\$5,132,113), Register of Deeds fees (\$335,299) and Construction Standards fees (\$538,691).
- The General Fund received \$2,443,276 in other financing sources from several capital project funds the majority of which was used for payment of debt service.
- The General Fund had budgeted fund balance appropriated of \$10,758,123 that was not used during the fiscal year due to revenues exceeding expenditures by \$10,531,891.
- General Fund expenses at June 30, 2015 were \$11,070,417 under budget. Much of the under-spending \$5,367,329 related to expenditures that were re-appropriated into FY2016. There were \$3,782,380 in economic incentive funds that were re-appropriated as the conditions for payment were not completed in FY2015. Also re-appropriated were capital outlay and one-time projects funds allocated for Rowan Cabarrus Community College (\$684,442) that were not spent this year and were re-appropriated to FY2016. An additional \$900,507 was re-appropriated for various projects and grants that were not completed in FY2015. County Departments were conservative in their spending resulting in an additional \$5,703,088 of savings. The largest areas of savings were in Human Services, \$2,716,815 under budget, due to reduced expenses in Economic Services and Child Welfare and County salary and fringe expenses of \$1,776,465 under budget, due to unfilled positions and turnover.
- The Landfill Enterprise Fund operating FY2015 expenses were \$302,775 under budget. The variance primarily resulted from not utilizing all capital reserve funds set aside for closure/post-closure of the landfill, not performing some budgeted capital improvement projects, and a reduction in tire disposal costs relate to normal project operations.

### Governmental activities

Governmental activities increased the County's net position by \$37,825,313, thereby accounting for 99.6% of the total growth in the net position of Cabarrus County. Key elements of this net increase are as follows:

### Cabarrus County's Changes in Net Position

Figure 3

	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Revenues:						
Program Revenues:						
Charges for services	\$ 17,740,897	\$ 17,674,122	\$ 682,265	\$ 691,618	\$ 18,423,162	\$ 18,365,740
Operating grants and contributions	23,085,997	19,896,106	-	-	23,085,997	19,896,106
Capital grants and contributions	2,552,184	5,269,068	-	-	2,552,184	5,269,068
General revenues:						
Property taxes	139,956,060	142,079,572	-	-	139,956,060	142,079,572
Local option sales tax	42,572,756	36,209,579	-	-	42,572,756	36,209,579
ABC revenues	90,185	155,755	-	-	90,185	155,755
Other taxes and licenses	796,167	754,194	315,597	300,666	1,111,764	1,054,860
Investment earnings	4,930,583	2,224,727	4,909	11,298	4,935,492	2,236,025
Total revenues	231,724,829	224,263,123	1,002,771	1,003,582	232,727,600	225,266,705



	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Expenses:						
General government	20,025,751	29,319,941	-	-	20,025,751	29,319,941
Public safety	41,286,464	42,377,716	-	-	41,286,464	42,377,716
Economic and physical development	4,056,316	4,132,476	-	-	4,056,316	4,132,476
Environmental protection	457,082	259,725	-	-	457,082	259,725
Human services	35,979,796	37,786,315	-	-	35,979,796	37,786,315
Education	71,063,433	65,435,585	-	-	71,063,433	65,435,585
Cultural and recreation	6,526,629	7,370,579	-	-	6,526,629	7,370,579
Interest on long-term debt	14,504,045	16,436,391	-	-	14,504,045	16,436,391
Landfill	-	-	833,661	823,069	833,661	823,069
Total expenses	193,899,516	203,118,728	833,661	823,069	194,733,177	203,941,797
Increase (decrease) in net position before transfers	37,825,313	21,144,395	169,110	180,513	37,994,423	21,324,908
Transfers	-	-	-	-	-	-
Increase (decrease) in net position	37,825,313	21,144,395	169,110	180,513	37,994,423	21,324,908
Net position, beginning, previously reported	(18,094,453)	(39,238,848)	3,743,972	3,563,459	(14,350,481)	(35,675,389)
Restatement	(5,596,322)	-	(23,177)	-	(5,619,499)	-
Net position, beginning, restated	(23,690,775)	(39,238,848)	3,720,795	3,563,459	(19,969,980)	(35,675,389)
Net position ending	\$ 14,134,538	\$ (18,094,453)	\$ 3,889,905	\$ 3,743,972	\$ 18,024,443	\$ (14,350,481)

#### Revenues:

Charges for services had a net increase of \$66,775 or .4% over FY2014. General Government had a net increase of \$73,435. The Register of Deeds fees increased \$220,872 for recording new property settlements for an improving economy. However the Information Systems Department had a one-time FY2014 fee from the City of Concord to purchase software for Building Inspection software. Since this one time revenue for FY2014 was not realized again in FY2015, revenue decreased in this area. Public Safety increased by \$631,715 due to an 8.8% increase in the number of building inspections performed indicating that the economy is improving. Human Services decreased by \$375,332 primarily due to the discontinuation of the Community Alternative Program during FY2015. Culture and Recreation had a net decrease of \$231,062. Although we have experienced an increase in citizen participation in all Active Living and Parks programs the County Fair experienced lower attendance in FY2015 than FY2014 due to weather related closing of the Fair during FY2015.

Operating grants and contributions had a net increase of \$3,189,891 or 13.8% over FY2014. This increase is the result of several factors. There was an increase of \$604,092 in the General Government revenue category. This decrease was primarily due to large Medicaid Hold Harmless payments received in FY2015 and not in FY2014. There was an increase in School Resource Officer funding related to the Public Safety category in the amount of \$950,684. Human Service programs had an increase in funding of \$1,650,892 from the federal and state government in the areas of Day Care and Social Service Administration reimbursements.

Capital grants and contributions experienced a net decrease of \$2,716,884 or 106.5% which primarily relates to an appropriation of \$2,200,000 for Lottery Proceeds for the payment of debt service for School Construction in FY2015 versus appropriating \$4,911,790 in Lottery Proceeds in FY2014.

Property tax revenue decreased from FY2014 levels by \$2,123,512 or 1.5%. Real property levy increased by \$3,165,139 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 that



was not experienced in FY2015. However comparing twelve months from FY2014 (without the extra four months) to the twelve months in FY2015, DMV taxes did increase \$3,563,354. Delinquent tax collections decreased \$1,259,401 due to a one time large settlement payment recorded in FY 2015.

Local option sales tax increased by \$6,363,177 or 14.9%. Statewide, Counties experienced 8% to 12% growth each month during FY2015. During FY2015 we did not experience the large refund that was experienced in FY2014. During FY2014 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 \$2,705,856 over FY 2014 or 54.9%. This FY2015 increase was primarily due to recognizing unamortized bond premium (\$2,846,854) on the March 26, 2015 refunding of \$119,225,000 on Certificates of Participation.

#### **Expenses:**

General Government expenses decreased overall by \$9,294,190 or 31.7%. This large decrease was primarily due to the FY2014 settlement and payments of \$7,074,627 in Adequate Public Facility lawsuits that was not experienced in FY2015. 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.

Public Safety expenses decreased \$1,091,252 or 2.6%. This decrease is primarily due to the implementation of GASB statement 68, *Accounting and Financial Reporting for Pensions (an amendment of GASB Statement No. 27)*. Due to a Net Pension Asset being recorded in our CAFR for FY2015, a decrease in Public Safety expenses of \$1,181,575 was recorded.

Economic and Physical Development had a net decrease of \$76,160 or 1.8%. Although incentive grants paid to qualifying tax payers increased \$612,737 Community Development grant projects decreased for FY2015 and the Elma Lomax Farming program was discontinued as a county department during FY2015.

Environmental Protection had a net increase of \$197,357 or 76.0%. This increase was primarily due to a one time land (Porter Farm) conservation property was purchased through a grant during FY2015 for \$167,000.

Human Services had a net decrease of \$1,806,519 or 4.8%. Although there was increase in the School Health Nurse allocation to the Cabarrus Health Alliance to increase hours for the nurses (\$105,935) several other decreases were experienced in FY2015. The County discontinued the Community Alternatives Program during FY2015 (\$452,622) and the Child Welfare Division experienced a decrease in participants needing assistance and counseling (\$373,054). Through the implementation of GASB statement 68 the Human services experienced a \$799,775 decrease in expenditures so a Net Pension Asset could be recorded for FY2015.

Education had a net increase of \$5,627,848 or 8.6%. Additional Current Expense funding (\$3,087,876) was provided to the Public Schools for FY2005. A new school (Odell 3-5 Elementary) was started in FY2014 with \$756,642 in expenses. Expenses for FY2015 for the school in FY2015 was \$6,068,409. The final expenses for the Qualified School Construction Bonds (\$1,976,641) was recorded in FY2014 and not in FY2015. A one-time contribution was made in FY2014 for the remodeling of the Rowan Cabarrus Community College project.

Culture and Recreation had a decrease of \$843,950 or 11.5%. This decrease is primarily due to the Board of Commissioner's decision to decrease Library operation and staff hours for FY2015. Through the implementation of GASB statement 68 the Human services experienced a \$127,527 decrease in expenditures so a Net Pension Asset could be recorded for FY2015.



Interest on long term debt had a net decrease of \$1,932,346 or 11.8%. Due to the County's aggressive policy of refinancing debt when opportunities arise the interest expense declined \$1,932,346. During FY2015 \$119,225,000 in Certificates of Participation were refinanced.

### **Business-type activities**

The County's Business-type activity, the Landfill, experienced a \$169,110 (4.5%) increase in net position. There was a slight decrease in tipping fees (\$67,205) from FY2014 due to a slight decline in construction and demolition materials received at the Landfill. Total expenses had a net decline (\$9,627) from FY2014. The decrease is primarily due to less equipment repairs and a one-time loss on disposal of equipment in FY2014. There was also a decrease in Pension expense due to the implementation of GASB statement 68 of \$9,890. There were increases in Salary and benefits of \$13,283 due to hiring an employee that was a contracted worker in previous fiscal years.

### **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 major funds, as defined by GAAP for the fiscal year ended June 30, 2015, were the *General Fund* and the *School Construction 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, 2015, Cabarrus County's total fund balance was \$79,433,653 of which \$65,129,799 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 19.19% of general fund expenditures, while total fund balance represents 23.04% of that same amount. Of the \$66,174,929 available fund balance, the County has restricted \$1,045,130 (1.6%), committed \$172,493 (3%) and assigned \$11,210,329 (17%) for specific projects and obligations. Following the fund balance policy, \$33,844,272 (51.1%) of the available fund balance has been set aside for working capital. This leaves \$19,902,705 (30%) of fund balance remaining for appropriation, commitment or assignment.

At June 30, 2015, the governmental funds of Cabarrus County reported a combined fund balance of \$121,582,871, a \$9,300,302 increase from last year.

The *General Fund* fund balance increased \$10,531,891. Property taxes are the largest revenue source. The collection rate slightly decreased from the prior year's 96.33% to 97.32%. Current year tax collections were \$3,490,635 over budget. However, delinquent property tax collections experienced several large unfavorable tax appeal settlements and were \$ 1,266,252 under budget.

Cabarrus County is home to the number one tourist attraction in North Carolina, Concord Mills Mall. In FY2015, sales taxes of \$42,572,756 were collected; \$5,132,113 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 \$870,032 increase in revenues in these two areas which was \$890,165 over the budget.

Expenditures were under budget by \$11,070,417. Much of the underspending (\$5,367,329) related to expenditures that were re-appropriated into FY2016 for uncompleted projects and economic incentive grant payments. County departments were conservative in their spending resulting in an additional \$5,703,088 of savings.



**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, a \$18,000,000 transfer was made from the Capital Reserve Fund. In FY2015, another \$502,348 was transferred from the Capital Reserve Fund (Non-Major Fund), \$2,720,339 from the General Fund (Major Fund), and \$2,738,951 from the Construction and Renovations Fund (Non-Major Fund). Only \$756,642 of expenditures were realized in FY2014. However, \$6,068,409 in expenditures were recorded for FY2015. The School Construction Fund is being used to build a new Elementary school and replace roofs on five schools through non-debt sources.

The *Capital Reserve Fund* (Non-Major Fund) received \$5,035,007 in funds during FY2015 based on the County's 15% fund balance policy. As mentioned in the paragraph above, \$502,348 was transferred to the *School Construction Fund* (Major Fund). Another \$1,155,800 was transferred to the *Construction and Renovation Fund* (Non-major fund) for the construction of Wallace Park and the Rocky River School Park lighting project and \$2,980,500 was transferred to the *School Construction Debt Fund* (Non-Major Fund) for the construction of Mount Pleasant Middle School and Royal Oaks Elementary Schools.

The *School Construction Debt Fund* (Non-Major Fund) is currently in the design phase of building three new schools (Royal Oaks Elementary, Mount Pleasant Middle, and Kannapolis Middle). The County anticipates issuing debt for these three projects in the spring of 2016.

The *Construction and Renovation Fund* (Non-Major Fund) is used to account for County non-debt construction and renovation projects. During FY2015 primary projects included co-funding of a new EMS/Fire station with the City of Concord, Emergency Telephone leases, remodeling of the District Attorney/Probation Offices and completion of the Courthouse Annex remodel project.

**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 \$146,219,830 with \$5,035,007 related to fund balance appropriated for the transfer of the 15% excess over fund balance and \$134,235,000 related to debt refinancing.

At year-end, *actual* general fund revenues and transfers in exceeded *final amended budget* numbers by \$520,568 (.15%). Actual general fund expenditures and transfers out were less than *final budgetary* figures by \$10,531,891 (2.96%), thus reducing the need to use fund balance.

Major budget increases and decreases during the year include:

- **Budgeting of Fund Balance:** A total of \$10,758,123 of fund balance was budgeted in FY2015, although none was actually expended. \$5,003,643 in fund balance was re-appropriated in August and \$510,938 in September, in addition to \$208,535 of open contracts and purchase orders from prior year for projects that were not completed in FY2014 and were on-going in FY2015. Fund balance was also appropriated for the transfer of excess fund balance of \$5,035,007 to the Capital Reserve Fund to be used for County and School projects.
- **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 \$169,110 during the fiscal year ended June 30, 2015. The variance primarily resulted from not utilizing all capital reserve funds set aside for closure/post-closure of the landfill, not performing some budgeted capital improvement projects, and a reduction in tire disposal costs relate to normal project operations.

### **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, 2015, totals \$206,771,780 (net of accumulated depreciation). These assets include buildings, building improvements, land, land improvements, reservoir, equipment, furniture and fixtures, vehicles, and construction in progress.

Major capital asset transactions during the year include:

- Purchased 13 vehicles for the Sheriff's department, four crusader buses for Transportation, two vehicles for Animal Control, two vehicles for Construction Standards, one vehicle for Emergency Management, three ambulances for Emergency Medical Services and one trailer for Active Living and Parks, for a total of 26 vehicles
- Purchased seven dispatch consoles for the 911 center.
- Completed projects included Rotary Square Park, Courthouse Annex parking lot and Courthouse Annex.
- Constructions in Progress at the end of the year were the Rob Wallace Park improvements, Arena HVAC equipment replacement and the DA & Probation officers alterations.
- Construction in Progress at the end of the year for the Proprietary Fund was Landfill Expansion #3.

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

**Figure 4**

	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Land	\$ 21,801,111	\$ 21,801,111	\$ 490,447	\$ 490,447	\$ 22,291,558	\$ 22,291,558
Land Improvements	3,657,961	3,716,133	788,240	613,734	4,446,201	4,329,867
Buildings	133,551,422	136,148,857	974,157	1,005,571	134,525,579	137,154,428
Building Improvements	16,221,423	16,749,541	-	-	16,221,423	16,749,541
Equipment	2,489,838	3,083,829	-	-	2,489,838	3,083,829
Furniture and Fixtures	172,516	264,009	-	-	172,516	264,009
Vehicles	3,222,360	3,558,387	278,520	450,097	3,500,880	4,008,484
Reservoir	21,330,186	21,351,950	-	-	21,330,186	21,351,950
Construction in progress	1,440,922	2,233,534	352,677	460,009	1,793,599	2,693,543
Total	<u>\$ 203,887,739</u>	<u>\$ 208,907,351</u>	<u>\$ 2,884,041</u>	<u>\$ 3,019,858</u>	<u>\$ 206,771,780</u>	<u>\$ 211,927,209</u>

Additional information on the County's capital assets can be found in Note 2 section A (5) of the Basic Financial Statements.

**Long-term Debt.** As of June 30, 2015, Cabarrus County had total debt outstanding of \$324,300,065 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	
	2015	2014
General obligation bonds	\$ 82,447,259	\$ 91,115,506
Certificates of participation/ Limited Obligation bonds	238,439,690	245,865,197
Notes Payable	457,323	-
Capital lease obligations	2,955,793	3,156,437
Total	<u>\$ 324,300,065</u>	<u>\$ 340,137,140</u>



As mentioned in the financial highlights section of this document, Cabarrus County maintained for the 5th consecutive year an Aa1 rating from Moody's and an AA+ rating from Fitch. For the 6th 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 \$1,266,263,250 as of June 30, 2015. Additional information regarding Cabarrus County's long-term obligations can be found beginning in Note 2 section B (7) in 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 4.7% for April 2015, compared to 6% at June 30, 2014. Comparable rates for the State of North Carolina were 5.5% and 6.2% 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 9.04% 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 2016 fiscal year.

### **Budget Highlights for the Upcoming Fiscal Year Ending June 30, 2016**

**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 FY2017 and FY 18, 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 FY2016 budget, the County was successful in keeping the tax rate from growing. The County adopted its FY2016 budget of \$233,306,153 at 36.55% less than the FY2015 amended budget dated April 2015. The County's 2016 budget is based on a tax rate of \$0.70 per \$100 valuation (the same as the rate in FY2015).

The total taxable property tax value was estimated to increase 3.3% from FY2015. The collection percentages used were 96.25% for real property and 96.97% for motor vehicles (the prior year actual experience).

Total sales tax was budgeted at \$43,581,765, a 16.4% increase over the FY2015 revised 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 \$2,000,000 million in lottery proceeds in FY2016, down \$200,000 from the FY2015 budget of \$2,200,000. Expected revenues of \$2 million will be budgeted per year in the coming years for lottery funds due to the State's change in their funding.

Increases/decreases in FY2016 spending relate primarily in: an increase of health insurance funding of \$1,300,000, an increase of \$831,400 for a salary study, an increase of \$882,000 for a cost of living and

merit increase for County staff, an increase in funding for 35 new positions which totals approximately \$1,800,252, an increase of \$483,444 to the Internal Service Fund to help fully fund the workers compensation fund, and increases to early debt payments for school construction.

The 2016 budget added the following approved positions: Two System Administrators, One Tech Specialist, One Digital Evidence Technician, One Detective and One Jail Lieutenant for the Information Technology and Sheriff Departments. Other new positions included: Two Codes Enforcement Officers (offset by additional revenues from construction standards), one part time codes enforcement officer, one Plan Reviewer/Code Facilitator, eight Crew Chiefs, six paramedics, once Specialty services supervisor (due to the new Community Paramedic Program and shift change), two Income Maintenance Caseworkers II, two Income Maintenance Caseworkers III, one Income Maintenance Supervisor III, one Senior Library Assistant, three Library Assistants and one part time Senior Library Assistant (due to an increase in library hours).

The County continues to be conservative and budgeted \$1,721,411, with \$300,000 for contingency, and \$1,421,411 set aside for schools and community college funding pending the approval of the state budget.

**Business-type Activities:** The Landfill budget decreased \$107,310 or 10.15% from FY2015 to FY2016 to \$950,000. For FY2016, tipping fees are budgeted at \$592,000 as a part of sales and services. Tire disposal fees are projected to increase slightly over the FY2015 levels. Expenses for engineers are projected to decline \$25,551 from \$80,510 to \$55,000. The Board approved expansion of the area for disposal in the landfill in FY2013 which will extended the life of the landfill to June 2017.

### **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, 2015**

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	
<b>Assets</b>				
Cash and cash equivalents	\$ 121,415,897	\$ 4,228,095	\$ 125,643,992	\$ 6,652,173
Receivables (net of allowance for uncollectibles):				
Accounts receivable	5,005,620	4,543	5,010,163	1,669,501
Customers	1,679,716	68,375	1,748,091	678,335
Interest	237,803	-	237,803	-
Property taxes	5,752,166	-	5,752,166	-
Due from other governments	8,341,369	72,241	8,413,610	99,497
Inventories	182,314	-	182,314	-
Prepaid items	373,503	-	373,503	-
Restricted cash and cash equivalents	1,886,085	-	1,886,085	771,294
Net pension asset	4,345,895	16,577	4,362,472	864,155
Net Register of Deeds				
Supplemental Retirement Asset	485,686	-	485,686	-
Notes Receivable	510,000	-	510,000	-
Capital Assets not being depreciated:				
Land	21,801,111	490,447	22,291,558	-
Construction in Progress	1,440,922	352,677	1,793,599	-
Capital Assets net of accumulated depreciation:				
Land Improvements	3,657,961	788,240	4,446,201	178,030
Buildings and Building Improvements	149,772,845	974,157	150,747,002	-
Reservoir	21,330,186	-	21,330,186	-
Furniture and Fixtures	172,516	-	172,516	98,189
Equipment	2,489,838	-	2,489,838	293,607
Vehicles and Motorized Equip	3,222,360	278,520	3,500,880	128,351
<b>Total assets</b>	<b>354,103,793</b>	<b>7,273,872</b>	<b>361,377,665</b>	<b>11,433,132</b>
Deferred Outflows of Resources	26,283,174	10,851	26,294,025	682,356
<b>Liabilities</b>				
Accounts payable and other current liabilities	11,208,998	104,288	11,313,286	1,200,711
Liabilities to be paid from restricted assets	-	-	-	771,294
Accrued interest payable	3,117,562	-	3,117,562	-
Due to other Government	-	-	-	-
Retainage payable	231,097	-	231,097	-
Long-term liabilities:				
Due within one year	32,671,313	68,794	32,740,107	560,664
Due in more than one year	307,377,919	3,181,021	310,558,940	771,304
Total long-term liabilities	340,049,232	3,249,815	343,299,047	1,331,968
<b>Total liabilities</b>	<b>354,606,889</b>	<b>3,354,103</b>	<b>357,960,992</b>	<b>3,303,973</b>
Deferred Inflows of Resources	11,645,540	40,715	11,686,255	2,031,683
<b>Net Position</b>				
Net Investment in Capital Assets	130,096,524	2,884,041	132,980,565	698,177
Restricted for :				
Stabilization by State Statute	13,752,349	-	13,752,349	1,768,998
Register of Deeds	275,522	-	275,522	-
Jail Housing Unit/Sheriff Admin debt payments	93,064	-	93,064	-
Emergency Telephone 911	73,825	-	73,825	-
Sheriff programs	614,207	-	614,207	-
Soil & Water programs	21,801	-	21,801	-
School debt & construction	952,066	-	952,066	-
Arena & Events Center	51,633	-	51,633	-
Library donations	117,601	-	117,601	-
Unrestricted	(131,914,054)	1,005,864	(130,908,190)	4,312,657
<b>Total net position</b>	<b>\$ 14,134,538</b>	<b>\$ 3,889,905</b>	<b>\$ 18,024,443</b>	<b>\$ 6,779,832</b>

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, 2015**

	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Primary Government Business-Type Activities
<b>Function/Program Activities</b>						
<b>Primary Government:</b>						
Governmental Activities:						
General government	\$ 20,025,751	\$ 2,908,433	\$ 1,400,995	\$ -	\$ (15,716,323)	\$ -
Public safety	41,286,464	11,294,592	1,990,379	-	(28,001,493)	-
Econ. & physical development	4,056,316	53,589	671,151	-	(3,331,576)	-
Environmental protection	457,082	54,978	8,808	-	(393,296)	-
Human services	35,979,796	2,237,069	17,249,740	352,184	(16,140,803)	-
Education	71,063,433	-	714,643	2,200,000	(68,148,790)	-
Culture and recreation	6,526,629	1,192,236	1,050,281	-	(4,284,112)	-
Interest on long-term debt	14,504,045	-	-	-	(14,504,045)	-
Total governmental activities	193,899,516	17,740,897	23,085,997	2,552,184	(150,520,438)	-
<b>Business-Type Activities:</b>						
Solid Waste	833,661	682,265	-	-	-	(151,396)
Total business-type activities	833,661	682,265	-	-	(151,396)	-
Total primary government	\$ 194,733,177	\$ 18,423,162	\$ 23,085,997	\$ 2,552,184	(150,520,438)	-
<b>Component Unit:</b>						
Cabarrus Health Alliance	\$ 18,276,621	\$ 8,450,064	\$ 10,219,352	\$ -	-	392,795
General Revenues:						
Property taxes					139,956,060	-
Local option sales tax					42,572,756	-
ABC revenues					90,185	-
Other taxes and licenses					796,167	-
Investment earnings					4,930,583	6,283
Miscellaneous					-	21,333
Total general revenues					188,345,751	27,616
Change in net position					37,825,313	420,411
Net position, beginning, previously reported					(18,094,453)	7,454,106
Restatement					(5,596,322)	(1,094,685)
Net position, beginning, restated					(23,690,775)	6,359,421
Net position, ending					\$ 14,134,538	\$ 6,779,832

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

**Cabarrus County, North Carolina  
Balance Sheet  
Governmental Funds  
June 30, 2015**

Exhibit 3  
Page 1 of 2

	<b>Major</b>		<b>Non-Major</b>	
	<b>General</b>	<b>School Construction</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>Assets</b>				
Cash and cash equivalents	\$ 72,314,231	\$ 21,199,801	\$ 22,963,047	\$ 116,477,079
Restricted cash	1,045,130	-	840,955	1,886,085
Receivables (net of allowance for uncollectibles)				
Accounts receivable	4,507,940	-	497,680	5,005,620
Customers	1,679,716	-	-	1,679,716
Property taxes	5,752,166	-	-	5,752,166
Interest	45,071	-	-	45,071
Due from other funds	-	-	17,958	17,958
Due from other governments	8,313,829	-	27,540	8,341,369
Prepaid items	62,239	-	-	62,239
Notes receivable	-	-	510,000	510,000
Inventories	182,314	-	-	182,314
Total assets	<u>\$ 93,902,636</u>	<u>\$ 21,199,801</u>	<u>\$ 24,857,180</u>	<u>\$ 139,959,617</u>
<b>Liabilities and Fund Balances</b>				
<b>Liabilities:</b>				
Accounts payable and accrued liabilities	\$ 6,047,388	\$ 2,338,434	\$ 1,338,232	\$ 9,724,054
Due to other funds	17,958	-	-	17,958
Contract retainages	-	224,780	6,317	231,097
Total liabilities	<u>6,065,346</u>	<u>2,563,214</u>	<u>1,344,549</u>	<u>9,973,109</u>
Deferred Inflows of Resources	<u>8,403,637</u>	<u>-</u>	<u>-</u>	<u>8,403,637</u>
<b>Fund Balances:</b>				
<b>Nonspendable:</b>				
Inventories	182,314	-	-	182,314
Prepaid items	62,239	-	-	62,239
Notes Receivable	-	-	510,000	510,000
<b>Restricted:</b>				
Stabilization by State Statute	13,014,171	-	738,178	13,752,349
Register of Deeds	-	-	275,522	275,522
Jail Housing Unit/Sheriff Admin debt payments	93,064	-	-	93,064
Emergency Telephone 911	-	-	73,825	73,825
Sheriff programs	-	-	614,207	614,207
Soil & Water programs	-	-	21,801	21,801
School debt & construction	952,066	-	671,721	1,623,787
Arena & Events Center	-	-	51,633	51,633
Library donations	-	-	117,601	117,601
<b>Committed:</b>				
General Government	172,493	-	206,470	378,963
Public Safety	-	-	579,906	579,906
Economic & Physical Development	-	-	1,013,986	1,013,986
Human Services	-	-	255,024	255,024
Education	-	18,636,587	15,852,428	34,489,015
Culture & Recreation	-	-	1,788,084	1,788,084
<b>Assigned:</b>				
General Government	5,291,500	-	-	5,291,500
Public Safety	200,681	-	-	200,681
Economic & Physical Development	3,782,380	-	-	3,782,380
Environmental Protection	887,434	-	-	887,434
Human Services	355,455	-	-	355,455
Education	684,442	-	-	684,442
Culture & Recreation	8,437	-	797,361	805,798
Unassigned	53,746,977	-	(55,116)	53,691,861
Total fund balances	<u>79,433,653</u>	<u>18,636,587</u>	<u>23,512,631</u>	<u>121,582,871</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 93,902,636</u>	<u>\$ 21,199,801</u>	<u>\$ 24,857,180</u>	<u>\$ 139,959,617</u>



**Cabarrus County, North Carolina**  
**Reconciliation of the Balance Sheet of Governmental Funds**  
**For the Year Ended June 30, 2015**

Exhibit 3A  
Page 2 of 2

Total fund balances-total governmental funds		\$ 121,582,871
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	265,476,396	
Less accumulated depreciation	<u>(61,588,657)</u>	203,887,739
Charges related to advance refunding bond issue	24,784,831	
Less current year amortization	<u>(1,369,334)</u>	23,415,497
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		7,431,882
Premium on Debt Issuance	(19,550,703)	
Current Year Amortization	<u>4,713,754</u>	(14,836,949)
Net pension asset		4,345,895
Net Register of Deeds Supplemental Retirement asset		485,686
Contributions to pension plans in the current fiscal year are deferred outflows of resources on the Statement of Net Position		
Pension		2,844,667
Register of Deeds Supplemental Retirement		18,134
Internal service funds are used by management to charge the costs of self-insured hospitalization to individual departments.		3,765,138
Pension related deferrals		(10,668,909)
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	(309,463,116)	
Accrued Interest	(2,924,830)	
Compensated Absences	(3,493,458)	
LEO Pension Obligation	(187,096)	
OPEB Obligation	<u>(12,068,613)</u>	<u>(328,137,113)</u>
Net position of governmental activities		<u>\$ 14,134,538</u>

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

**Cabarrus County, North Carolina**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended June 30, 2015**

Exhibit 4  
Page 1 of 2

	<b>Major</b>		<b>Non-Major</b>	
	<b>General</b>	<b>School Construction</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>Revenues:</b>				
Ad valorem taxes	\$ 136,557,100	\$ -	\$ 3,355,135	\$ 139,912,235
Other taxes and licenses	43,368,922	-	-	43,368,922
Intergovernmental revenues	21,972,006	-	2,963,216	24,935,222
Permits and fees	5,259,819	-	1,350,516	6,610,335
Sales and services	10,882,609	-	-	10,882,609
Investment earnings	190,234	-	21,288	211,522
Donations	-	-	506,259	506,259
Miscellaneous	433,715	-	10,322	444,037
<b>Total revenues</b>	<b>218,664,405</b>	<b>-</b>	<b>8,206,736</b>	<b>226,871,141</b>
<b>Expenditures:</b>				
<b>Current:</b>				
General government	19,526,529	-	109,949	19,636,478
Public safety	31,920,654	-	4,266,603	36,187,257
Economic & physical development	4,381,312	-	26,452	4,407,764
Environmental protection	231,564	-	167,564	399,128
Human services	36,126,712	-	-	36,126,712
Education	63,529,947	6,068,409	1,465,077	71,063,433
Culture and recreation	4,193,969	-	1,221,600	5,415,569
<b>Capital outlay:</b>				
Land and land improvements	-	-	57,433	57,433
Building and building improvements	24,492	-	24,530	49,022
Equipment and furniture	233,475	-	532,593	766,068
Vehicles and motorized equipment	894,275	-	-	894,275
Construction in progress	7,773	-	1,281,526	1,289,299
<b>Debt service:</b>				
Principal retirement	26,590,644	-	-	26,590,644
Interest and fees	15,277,809	-	-	15,277,809
<b>Total expenditures</b>	<b>202,939,155</b>	<b>6,068,409</b>	<b>9,153,327</b>	<b>218,160,891</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>15,725,250</b>	<b>(6,068,409)</b>	<b>(946,591)</b>	<b>8,710,250</b>
<b>Other financing sources (uses):</b>				
Transfers in	2,443,276	5,961,638	9,642,648	18,047,562
Transfers out	(8,376,687)	-	(9,820,875)	(18,197,562)
Limited Obligation Bonds issued	134,235,000	-	-	134,235,000
Disbursement for Refunded COPS	(133,494,948)	-	-	(133,494,948)
<b>Total other financing sources (uses)</b>	<b>(5,193,359)</b>	<b>5,961,638</b>	<b>(178,227)</b>	<b>590,052</b>
<b>Net change in fund balances</b>	<b>10,531,891</b>	<b>(106,771)</b>	<b>(1,124,818)</b>	<b>9,300,302</b>
<b>Fund balance, July 1</b>	<b>68,901,762</b>	<b>18,743,358</b>	<b>24,637,449</b>	<b>112,282,569</b>
<b>Fund balance, June 30</b>	<b>\$ 79,433,653</b>	<b>\$ 18,636,587</b>	<b>\$ 23,512,631</b>	<b>\$ 121,582,871</b>

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, 2015**

Exhibit 4A  
Page 2 of 2

Net change in fund balances-total governmental funds \$ 9,300,302

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	3,056,097	
Discovery of capital assets	19,789	
Less current year depreciation	<u>(7,695,447)</u>	(4,619,561)

Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities		2,862,801
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Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds.

Ambulance	115,146	
Property Tax	<u>43,825</u>	158,971

The effect of various miscellaneous transactions involving capital assets.

Donation of capital assets	439,047	
Disposal of capital assets, net book value	<u>(839,098)</u>	(400,051)

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

Debt proceeds	(134,235,000)	
Note payable addition	(457,323)	
Debt costs	740,052	
Amortization of current year debt premium	4,713,754	
Principal payments	26,590,644	
Deferred charge on refunding	(2,109,386)	
Disbursement for refunding	119,225,000	
Disbursement for advance refunding	<u>15,129,528</u>	29,597,269

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	(38,253)	
Law Enforcement Officers Pension Obligation	89,075	
Other Postemployment Benefit Obligations	530,707	
Accrued Interest	<u>1,283,518</u>	1,865,047

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>(698,459)</u>	(698,459)
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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.

		(241,006)
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Changes in net position of governmental activities		<u>\$ 37,825,313</u>
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The notes to the financial statements are an integral part of this statement.



**Cabarrus County, North Carolina**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances-Budget and Actual**  
**General Fund**  
**For the Year Ended June 30, 2015**

Exhibit 5

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Ad Valorem Taxes:				
Taxes	\$ 133,191,989	\$ 133,628,989	\$ 135,853,372	\$ 2,224,383
Interest	675,000	675,000	703,728	28,728
Other Taxes and Licenses	37,953,337	38,186,558	43,368,922	5,182,364
Intergovernmental Revenues	19,811,099	20,220,582	21,972,006	1,751,424
Permits and Fees	4,240,900	4,369,654	5,259,819	890,165
Sales and Services	11,096,506	10,941,047	10,882,609	(58,438)
Investment Earnings	145,000	145,000	190,234	45,234
Miscellaneous	111,923	260,031	433,715	173,684
	<u>207,225,754</u>	<u>208,426,861</u>	<u>218,664,405</u>	<u>10,237,544</u>
<b>Expenditures:</b>				
Current:				
General Government	20,901,223	21,367,043	19,613,374	1,753,669
Public Safety	33,320,509	34,103,448	32,769,720	1,333,728
Economic & Physical Development	5,562,784	8,300,029	4,381,312	3,918,717
Environmental Protection	263,055	444,500	231,564	212,936
Human Services	38,752,736	39,042,640	36,325,825	2,716,815
Education	61,272,208	64,215,320	63,529,947	685,373
Culture and Recreation	3,982,778	4,516,357	4,218,960	297,397
Debt service:				
Principal retirement	26,470,644	26,590,644	26,590,644	-
Interest and fees	14,839,540	15,429,591	15,277,809	151,782
	<u>205,365,477</u>	<u>214,009,572</u>	<u>202,939,155</u>	<u>11,070,417</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,860,277</u>	<u>(5,582,711)</u>	<u>15,725,250</u>	<u>21,307,961</u>
Other financing sources (uses):				
Transfers in	2,417,665	2,443,265	2,443,276	11
Transfers out	(4,277,942)	(8,358,729)	(8,376,687)	(17,958)
Limited Obligation Bonds Issued	-	134,235,000	134,235,000	-
Disbursement for Refunded COPS	-	(133,494,948)	(133,494,948)	-
Fund balance appropriated	-	10,758,123	-	(10,758,123)
	<u>(1,860,277)</u>	<u>5,582,711</u>	<u>(5,193,359)</u>	<u>(10,776,070)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	10,531,891	<u>\$ 10,531,891</u>
Fund balance, July 1			<u>68,901,762</u>	
Fund balance, June 30			<u>\$ 79,433,653</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, 2015**

	<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	\$ 4,228,095	\$ 4,938,818
Receivables (net):		
Accounts	4,543	-
Customers	68,375	-
Due from other governments	72,241	
Prepaid expenses	-	311,264
Total current assets	<u>4,373,254</u>	<u>5,250,082</u>
Noncurrent assets:		
Net pension asset	16,577	-
Capital assets:		
Land & land improvements	2,081,930	-
Construction in progress	352,677	-
Buildings & improvements	1,256,544	-
Vehicles and equipment	2,383,170	-
Less: Accumulated depreciation	(3,190,280)	-
Total capital assets (net)	<u>2,884,041</u>	<u>-</u>
Total noncurrent assets	<u>2,900,618</u>	
Total assets	<u>7,273,872</u>	<u>5,250,082</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	10,851	-
<b><u>Liabilities</u></b>		
Current liabilities:		
Accounts payable and accrued liabilities	104,288	36,675
Closure/postclosure costs payable	48,038	-
Compensated absences payable	20,756	-
Total current liabilities	<u>173,082</u>	<u>36,675</u>
Noncurrent liabilities:		
Amounts payable for future claims	-	1,448,269
Closure/postclosure costs payable	3,087,829	-
Compensated absences payable	3,250	-
Other postemployment benefits	89,942	-
Total noncurrent liabilities	<u>3,181,021</u>	<u>1,448,269</u>
Total liabilities	<u>3,354,103</u>	<u>1,484,944</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	40,715	
<b><u>Net Position</u></b>		
Invested in capital assets	2,884,041	-
Unrestricted	<u>1,005,864</u>	<u>3,765,138</u>
Total net position	<u>\$ 3,889,905</u>	<u>\$ 3,765,138</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, 2015**

	<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	\$ 624,413	\$ -
Waste disposal fee	57,852	
Insurance premiums/refunds	-	8,102,819
Total operating revenues	<u>682,265</u>	<u>8,102,819</u>
<b>Operating expenses:</b>		
Administration:		
Salary and benefits:		
Salaries and wages	198,042	-
FICA	9,007	-
Medicare	2,106	-
Group hospital insurance	24,614	-
Vision care	79	-
Retirement	1,091	-
Workers' Compensation	1,721	-
Deferred compensation- 401K	7,787	-
Insurance and bonds	2,726	-
Total salaries and benefits	<u>247,173</u>	<u>-</u>
Operations:		
General and administrative:		
Administrative fees	-	2,008,331
Bank Service charges	2,713	-
Dues and subscriptions	400	-
Lights and power	4,900	-
Office supplies/Medical supplies	1,257	765
Other operating cost	320	53,331
Telephone	887	57,593
Travel	1,048	-
Uniforms	2,895	-
Total general and administrative	<u>14,420</u>	<u>2,120,020</u>



**Cabarrus County, North Carolina**  
**Statement of Revenues, Expenses, And Changes in Fund Net Position**  
**Proprietary Funds**  
**For the Year Ended June 30, 2015**

	<b>Business-type Activities- Landfill Enterprise Fund</b>	<b>Governmental Activities- Internal Service Funds</b>
Other operational expenses:		
Auto and truck maintenance	14,499	-
Building and ground maintenance	18,131	-
Claims	-	6,836,564
Depreciation	279,366	-
Engineers	2,397	-
Fuel	46,991	-
Heavy equipment maintenance	29,723	-
Landfill disposal tax remittance	33,021	-
Minor equipment maintenance	1,248	-
Permitting fees	5,975	-
Service contracts	857	-
Tire disposal	91,531	-
Tools and minor equipment	9,498	-
Capital reserve	35,511	-
Waste disposal charges	3,320	-
Total other operational expenses	<u>572,068</u>	<u>6,836,564</u>
 Total operating expenses	 <u>833,661</u>	 <u>8,956,584</u>
 Operating income (loss)	 <u>(151,396)</u>	 <u>(853,765)</u>
 <b>Nonoperating revenues:</b>		
Landfill disposal tax	15,740	-
Landfill state tax distribution	39,229	-
Solid waste franchise fee	25,000	-
Tire disposal fees	235,628	-
Investment earnings	4,909	5,306
Total nonoperating revenues	<u>320,506</u>	<u>5,306</u>
 Income or (loss) before transfers	 169,110	 (848,459)
 <b>Transfers:</b>		
Transfer in - General Fund	<u>-</u>	<u>150,000</u>
 Change in net position	 <u>169,110</u>	 <u>(698,459)</u>
 Total net position, July 1	 3,743,972	 4,463,597
Restatement	(23,177)	-
Net position, beginning, restated	<u>3,720,795</u>	<u>4,463,597</u>
Total net position, June 30	<u><u>\$ 3,889,905</u></u>	<u><u>\$ 3,765,138</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, 2015**

	<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	\$ 976,799	\$ -
Cash received from departments	-	8,067,153
Cash paid to employees	(251,524)	-
Cash paid to suppliers for goods and services	(374,345)	(8,719,232)
Net cash provided (used) for operating activities	<u>350,930</u>	<u>(652,079)</u>
<b>Cash flows from non-capital and related financing activities:</b>		
Transfers (to) from other funds	-	150,000
Net cash provided (used) by non-capital financing activities	<u>-</u>	<u>150,000</u>
<b>Cash flows from capital and related financing activities:</b>		
Acquisition and construction of capital assets	(143,549)	-
Net cash provided (used) by capital financing activities	<u>(143,549)</u>	<u>-</u>
<b>Cash flows from investing activities:</b>		
Interest received on investments	6,616	7,435
Net cash provided by investing activities	<u>6,616</u>	<u>7,435</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	213,997	(494,644)
Cash and cash equivalents, July 1	<u>4,014,098</u>	<u>5,433,462</u>
Cash and cash equivalents, June 30	<u><u>\$ 4,228,095</u></u>	<u><u>\$ 4,938,818</u></u>
<b>Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:</b>		
Operating income (loss)	\$ (151,396)	\$ (853,765)
Depreciation expense	279,366	-
Pension expense	961	-
Other non-operating items	335,764	-
(Increase) decrease in accounts receivable	(31,287)	(35,666)
(Increase) decrease in customers receivable	(9,943)	-
(Increase) decrease in deferred outflows of resources for pensions	(10,851)	-
Increase (decrease) in accounts payable and accrued liabilities	(14,884)	237,352
Increase (decrease) in landfill closure and post closure care cost	(48,038)	-
Increase (decrease) in OPEB payable	(2,012)	-
Increase (decrease) in compensated absences payable	3,250	-
Total adjustments	<u>502,326</u>	<u>201,686</u>
Net cash provided by (used for) operating activities	<u><u>\$ 350,930</u></u>	<u><u>\$ (652,079)</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, 2015**

	<b>Pension Trust Fund</b>	<b>Agency Funds</b>
	<hr/>	<hr/>
<b><u>Assets</u></b>		
Cash and cash equivalents	\$ 1,584,816	\$ 449,219
Accounts receivable	-	1,411
Due from other Government	-	620,147
	<hr/>	<hr/>
Total assets	1,584,816	1,070,777
	<hr/>	<hr/>
<b><u>Liabilities</u></b>		
Accounts payable and accrued liabilities	8,340	6,020
Due to courts	-	3,356
Due to jail inmates	-	31,911
Due to municipalities	-	800,959
Due to program participants	-	99,938
Due to schools	-	128,593
	<hr/>	<hr/>
Total liabilities	8,340	1,070,777
	<hr/>	<hr/>
<b><u>Net Position</u></b>		
Assets held in trust for pension benefits	1,576,476	-
	<hr/>	<hr/>
Total net position	\$ 1,576,476	\$ -
	<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, 2015**

	<b>Pension Trust Fund</b>
<b>Additions:</b>	
Contributions	\$ 535,823
Investment earnings	<u>2,112</u>
Total additions	<u>537,935</u>
<b>Deductions:</b>	
Pension plan benefits	<u>176,998</u>
Total deductions	<u>176,998</u>
Change in net position	360,937
Net position, July 1	<u>1,215,539</u>
Net position, June 30	<u><u>\$ 1,576,476</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, 2015**

**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 \$5,713,867 or 30.52% of its total revenues for the fiscal year ended June 30, 2015. 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, 2015**

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

**Basis of Presentation**

*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 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, 2015**

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 LEO Special Separation Allowance Pension Trust Fund accounts for the Law Enforcement Officers' Special Separation Allowance, a single-employer, public employee retirement system. The resources in the LEO Special Separation Allowance Fund have been set aside to pay future obligations of the LEO Special Separation Allowance but are not held in a trust that meets the criteria outlined in GASB 67 and 68.

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 Records 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 nine 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.



**Cabarrus County, North Carolina**  
**Notes to the Financial Statements**  
**For the Year Ended June 30, 2015**

*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* – 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.

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

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

*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.

*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.

**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 funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.



**Cabarrus County, North Carolina**  
**Notes to the Financial Statements**  
**For the Year Ended June 30, 2015**

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 are 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.

### **C. 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, and the Emergency Telephone Special Revenue 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 Self-Insured Hospitalization Internal Service Fund. The financial plan was 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.
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.



**Cabarrus County, North Carolina**  
**Notes to the Financial Statements**  
**For the Year Ended June 30, 2015**

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, 2015.

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 significant, largely due to refunding of debt and reinstating programs and services that were cut during the budget process. 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, 2015 in the General Fund was \$147,331 and \$195,000 in Other Government Funds.

**D. 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.

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



**Cabarrus County, North Carolina  
Notes to the Financial Statements  
For the Year Ended June 30, 2015**

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	\$ 1,045,130
Certificates of Participaion 2009	Unexpended Certificates of Participation Proceeds	671,721
Cabarrus Arena and Events Center	Unexpended Escrow	51,633
Cannon Memorial Library	Unexpended Grant proceeds	117,601
Total Restricted Cash		<u>\$ 1,886,085</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, 2014. 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 2014/15 fiscal year was \$0.70 per \$100 valuation.

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

Ad Valorem Taxes, 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.



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**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 and 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 three items that meets this criterion – a charge on refunding that had previously been classified as an asset, pension related deferrals, and contributions made to the pension plan in the current fiscal year. 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 recognized

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as revenue until then. The County has five items that meet this criterion for this category – prepaid taxes, child support incentive prepaid, property tax receivable, ambulance receivable, and other pension related deferrals.

## **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 amount of debt issued is reported as other 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**

### **a. 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.

### **b. 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:

### **c. 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.

Notes Receivable – portion of fund balance that is not an available resource because it represents the amount of payments that will be received in future fiscal years for the repayment of a loan to Midland Volunteer Fire and Rescue.



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**d. 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 determined annually and can neither be added to nor spent throughout the year. The amount remains static for the entire fiscal year. Moneys restricted by the Restricted for Stabilization by State Statute may not be spent, per North Carolina G.S. 159-8.

Restricted for Register of Deeds– 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 Jail Housing Unit/Sheriff Admin debt payments – portion of fund balance restricted by revenue source for unspent cost of issuance funds for refinancing the Sheriff Administration and Jail Housing Unit debt.

Restricted for Emergency Telephone 911 – portion of fund balance restricted by revenue source for maintenance of the E-911 system.

Restricted for Sheriff programs – portion of fund balance restricted by revenue source for unspent Federal Forfeiture funds, unspent NC Substance Control funds and unspent Jail Housing capital project funding.

Restricted for Soil & Water programs – portion of fund balance restricted by revenue source for unspent Clear Water Creek Grant proceeds used for Soil and Water conservation projects.

Restricted for School debt and School construction – portion of fund balance restricted by revenue source to be used for school debt service payments and school road improvements at Hickory Ridge High and Middle Schools.

Restricted for Arena & Events Center – portion of fund balance restricted by revenue source for use as an At Risk Fund for the Cabarrus Arena and Events Center operations.

Restricted for Library donations – portion of fund balance restricted by revenue source for future Library capital purchases.

Restricted fund balance at June 30, 2015 is as follows:

<b>Purpose</b>	<b>General Fund</b>	<b>Other Governmental Funds</b>
Stabilization by state statute	\$ 13,014,171	\$ 738,178
Register of Deeds	-	275,522
Jail Housing Unit/Sheriff Admin Debt payments	93,064	-
Emergency Telephone 911	-	73,825
Sheriff programs	-	614,207
Soil & Water programs	-	21,801
School debt & construction	952,066	671,721
Arena & Events Center	-	51,633
Library donations	-	117,601
	<u>\$ 14,059,301</u>	<u>\$ 2,564,488</u>

Restricted net position on Exhibit 1 varies from restricted fund balance on Exhibit 3 as of June 30, 2015 by the amount of unspent debt proceeds of \$671,721.

**e. 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

**Cabarrus County, North Carolina  
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For the Year Ended June 30, 2015**

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 1) 2016 Tax Revaluation process, 2) parking lot improvements, 3) Capital Reserve funded County building and improvement projects, and 4) Board of Election equipment upgrades

Committed for Public Safety – portion of fund balance committed by the governing board for 1) renovation of the District Attorney and Probation offices, 2) fire hydrants at Northeast Volunteer Fire Department, 3) contributions towards construction of a Harrisburg Fire/EMS Station, 4) replacement of Sheriff and Emergency Medical Services radios 5) jail facility and courthouse improvement projects, and 6) emergency telephone upgrades.

Committed for Economic & Physical Development – portion of fund balance committed by the governing board for 1) Community Development low income housing projects, 2) wet lands mitigation projects, 3) utility improvements, and 4) future soil and water easement purchases.

Committed for Human Services – portion of fund balance committed by the governing board for 1) Senior Citizen activities and projects, and 2) renovations for the Department of Human Services Child Support Services area offices.

Committed for Education – portion of fund balance committed by the governing board for 1) five school roofs, 2) construction of Odell 3-5 Elementary, Royal Oaks Elementary, Mt. Pleasant Middle, and Kannapolis Middle Schools, and 3) construction of Rowan Cabarrus Community College Advanced Technology Building.

Committed for Culture & Recreation – portion of fund balance committed by the governing board for 1) Frank Liske Park parking lot, 2) Rocky River School Park improvements, 3) creation of Wallace Park, 4) Cox Mill School park improvements, and 5) Kannapolis Library renovation and addition.

<b>Purpose</b>	<b>General Fund</b>	<b>School Construction</b>	<b>Other Governmental Funds</b>
General government	\$ 172,493	\$ -	\$ 206,470
Public safety	-	-	579,906
Economic & physical development	-	-	1,013,986
Human services	-	-	255,024
Education	-	18,636,587	15,852,428
Culture & recreation	-	-	1,788,084
	<b>\$ 172,493</b>	<b>\$ 18,636,587</b>	<b>\$ 19,695,898</b>

**f. 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 1) property tax appeals, 2) extraordinary circumstances, 3) uncompleted General Service building maintenance projects, and 3) uncompleted Information System purchases and projects.

Assigned for Public Safety – portion of fund balance intended to be used for 1) funds received for Sheriff Department equipment purchases and operations that will be made after fiscal year end, 2) State Criminal Alien Assistance Program operating balance, and 3) balance of Juvenile Crime Prevention funding used to deter juvenile crime.

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



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Assigned for Environmental Protection – portion of fund balance intended to be used for 1) closure/post closure landfill expenditures and 2) electronic and white goods recycling.

Assigned for Human Services – portion of fund intended to be used for 1) Department of Human Services caseload catch up to be completed by October 31, 2015 and 2) Special Needs and Triple P Incentive programs through the Department of Human Services.

Assigned for Education – portion of fund balance intended to be used for uncompleted Rowan Community College construction projects (Building 1000 One Stop, South Campus Student Center renovations, South Campus Building access security enhancements and other smaller improvement projects)

Assigned for Culture and Recreational – portion of fund balance intended to be used for 1) Mt. Pleasant Elementary Park and Hartsell athletic field improvements and 2) future County Fair projects and improvements.

Assigned fund balance at June 30, 2015 is as follows:

Purpose	General Fund	Other Governmental Funds
General government	\$ 5,291,500	\$ -
Public safety	200,681	-
Economic & physical development	3,782,380	-
Environmental protection	887,434	-
Human services	355,455	-
Education	684,442	-
Culture & recreation	8,437	797,361
	<u>\$ 11,210,329</u>	<u>\$ 797,361</u>

**g. 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.



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Total fund balance-General Fund	\$ 79,433,653
Less:	
Inventories	182,314
Prepaid items	62,239
Stabilization by state statute	13,014,171
Restricted for debt payments	1,045,130
Committed for Tax Revaluation	172,493
Uncompleted FY15 project assignments	5,367,329
General Government assignments	5,155,000
Environmental Protection assignments	688,000
Working Capital/Fund Balance Policy	<u>33,844,272</u>
Fund Balance remaining for appropriation	<u><u>\$ 19,902,705</u></u>

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, 2015 are as follows:

<b>General Fund</b>	<b>Governmental Funds</b>
<u>\$ 147,331</u>	<u>\$ 195,000</u>

## **12. Defined Benefit Pension Plans**

The County participates in three-cost sharing, multiple employer, defined benefit pension plans that are administered by the State; the Local Governmental Employees' Retirement System (LGERS) and the Register of Deeds' Supplemental Pension Fund (RODSPF), (collectively the "state-administered defined benefit pension plans"). For purposes of measuring the net pension asset, deferred outflows of resources and deferred inflows or resources related to pensions and pension expense, information about the fiduciary net positions of the state-administered defined benefit pension plans and additions to/deductions from the state-administered defined benefit pension plans' fiduciary net positions have been determined on the same basis as they are reported by the state-administered defined benefit pension plans. For this purpose, plan member contributions are recognized in the period in which contributions are due. The County's employer contributions are recognized when due and the County has a legal requirement to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the state-administered defined benefit pension plans. Investments are reported at fair value.

## **E. 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.

## **F. 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.

## **G. 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,

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certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

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

**A. Assets**

**1. 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 units' names. Under the Pooling Method, which is a collateral pool, all uninsured deposits are collateralized with securities held by the State Treasurer's agent in the name of the State Treasurer. Since the 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, 2015, the carrying amount of the County's bank deposits (including fiduciary funds) was \$14,768,829, and the bank balance was \$15,700,537. Of the bank balance, \$303,216 was covered by federal depository insurance, and \$15,397,321 was covered by collateral, held by authorized escrow agents in the name of the County, under the Pooling Method. There was \$1,716,852 held in financial institutions for restricted purposes. At June 30, 2015, the County had \$7,750 cash on hand.

At June 30, 2015, the carrying amount of the Alliance's bank deposits was \$2,011,928 and the bank balance was \$1,793,265. 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, 2015, the Alliance had \$3,600 of cash on hand.

**2. Investments**

As of June 30, 2015 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	\$ 7,303,364	\$ -	\$ 3,998,480	\$ 3,304,884
Commercial Paper	20,947,720	17,957,695	2,990,025	-
NC Capital Management Trust				
Cash Portfolio	6,709,523	-	-	-
Term*	1,072,089	1,072,089	-	-
Regions Sweep	77,037,985	-	-	-
	<u>\$ 113,070,681</u>	<u>\$ 19,029,784</u>	<u>\$ 6,988,505</u>	<u>\$ 3,304,884</u>

\* Because the NC Capital Management Trust Term Portfolio had a duration of .19 years, it was presented as an investment with a maturity of less than 6 months.



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*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 five 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, 2015, The County's investment in commercial paper were rated A-1 by Standard & Poor's, F-1 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, 2015. 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 J.P. Morgan Securities LLC's commercial paper. The investments account for 6.2% of the County's total investments.

At June 30, 2015, the Cabarrus Health Alliance investments consisted of \$5,407,939 in the North Carolina Capital Management Trust's Cash Portfolio, which carried a credit rating of AAAm by Standard and Poor's. The Alliance has no policy on credit risk, 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	\$ 5,407,939	\$ -	\$ -	\$ -
	<u>\$ 5,407,939</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

### **3. 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>
2011	\$ 7,627,445	\$ 2,497,988	\$ 10,125,433
2012	6,778,665	1,609,933	8,388,598
2013	6,926,227	1,021,618	7,947,845
2014	6,942,662	399,203	7,341,865
Total	<u>\$ 28,274,999</u>	<u>\$ 5,528,742</u>	<u>\$ 33,803,741</u>



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**4. Receivables**

**a. 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, 2015 was \$510,000. The note receivable is being reported in the Capital Reserve Capital Projects Fund.

**b. Government-wide Receivables**

Receivables at the government-wide level for the Primary Government at June 30, 2015, 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	\$ 4,507,940	\$ 1,710,653	\$ 8,341,369	\$ 9,866,804	\$ 24,426,766
Other Governmental	497,680	-	-	-	497,680
Total Receivables	5,005,620	1,710,653	8,341,369	9,866,804	24,924,446
Allowance for doubtful accounts	-	(30,937)	-	(3,876,835)	(3,907,772)
Total-governmental activities	<u>\$ 5,005,620</u>	<u>\$ 1,679,716</u>	<u>\$ 8,341,369</u>	<u>\$ 5,989,969</u>	<u>\$ 21,016,674</u>
<b>Business-type activities:</b>					
Landfill	\$ 4,543	\$ 68,540	\$ 72,241	\$ -	\$ 145,324
Allowance for doubtful accounts	-	(165)	-	-	(165)
Total-business-type activities	<u>\$ 4,543</u>	<u>\$ 68,375</u>	<u>\$ 72,241</u>	<u>\$ -</u>	<u>\$ 145,159</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	\$ 7,301,572	\$ -
Motor Vehicle Tax	1,039,797	-
Solid waste disposal tax	-	9,002
Scrap tire tax	-	63,239
	<u>\$ 8,341,369</u>	<u>\$ 72,241</u>

Discretely presented component unit CHA

Receivables at the government-wide level for the Cabarrus Health Alliance at June 30, 2015, were as follows:

	<u>Accounts</u>	<u>Customers</u>	<u>Taxes</u>	<u>Total</u>
<b>Governmental Activities:</b>				
General	\$ 1,669,501	\$ 899,459	\$ 99,497	\$ 2,668,457
Allowance for doubtful accounts	-	(221,124)	-	(221,124)
Total Receivables	<u>\$ 1,669,501</u>	<u>\$ 678,335</u>	<u>\$ 99,497</u>	<u>\$ 2,447,333</u>
Total-governmental activities	<u>\$ 1,669,501</u>	<u>\$ 678,335</u>	<u>\$ 99,497</u>	<u>\$ 2,447,333</u>

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**5. Capital Assets**

Primary Government

Capital asset activity for the year ended June 30, 2015:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental activities:					
Capital Assets not being depreciated:					
Land	\$ 21,801,111	\$ -	\$ -	\$ -	\$ 21,801,111
Construction in Progress	2,233,534	1,289,299	(47,950)	(2,033,961)	1,440,922
Total capital assets not being depreciated	24,034,645	1,289,299	(47,950)	(2,033,961)	23,242,033
Capital Assets being depreciated:					
Buildings	163,196,660	54,492	(1,617,472)	2,033,961	163,667,641
Building Improvements	21,169,768	-	(6)	-	21,169,762
Equipment	14,018,757	809,078	(124,475)	-	14,703,360
Furniture and Fixtures	1,224,202	-	(8,098)	-	1,216,104
Land Improvements	8,149,565	433,000	(301,108)	-	8,281,457
Vehicles	11,141,039	929,064	(617,794)	-	11,452,309
Reservoir	21,743,730	-	-	-	21,743,730
Total capital assets being depreciated	240,643,721	2,225,634	(2,668,953)	2,033,961	242,234,363
Less accumulated depreciation for:					
Buildings	27,047,803	4,062,487	(994,071)	-	30,116,219
Building Improvements	4,420,227	528,112	-	-	4,948,339
Equipment	10,934,928	1,403,070	(124,476)	-	12,213,522
Furniture and Fixtures	960,193	91,493	(8,098)	-	1,043,588
Land Improvements	4,433,432	481,761	(291,697)	-	4,623,496
Vehicles	7,582,652	1,106,760	(459,463)	-	8,229,949
Reservoir	391,780	21,764	-	-	413,544
Total accumulated depreciation	55,771,015	7,695,447	(1,877,805)	-	61,588,657
Total Capital Assets, being depreciated, net	184,872,706	(5,469,813)	(791,148)	2,033,961	180,645,706
Governmental Capital Assets, net	\$ 208,907,351	\$ (4,180,514)	\$ (839,098)	\$ -	\$ 203,887,739

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

Governmental activities:	
General Government	\$ 908,179
Public Safety	4,857,336
Environmental Protection	57,517
Economic & Physical Development	65,337
Human Services	552,333
Culture & Recreation	1,254,745
Total depreciation expense - governmental activities	<u>\$ 7,695,447</u>

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Capital asset activity for the year ended June 30, 2015:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Business-type activities:					
Capital assets, not being depreciated:					
Land	\$ 490,447	\$ -	\$ -	\$ -	\$ 490,447
Construction in Progress	460,009	-	-	(107,332)	352,677
Total Capital assets, not being depreciated:	<u>950,456</u>	<u>-</u>	<u>-</u>	<u>(107,332)</u>	<u>843,124</u>
Capital assets, being depreciated:					
Land Improvements	1,340,603	143,548	-	107,332	1,591,483
Vehicles	2,173,311	1	-	-	2,173,312
Equipment	209,858	-	-	-	209,858
Buildings	1,256,544	-	-	-	1,256,544
Total Capital assets, being depreciated:	<u>4,980,316</u>	<u>143,549</u>	<u>-</u>	<u>107,332</u>	<u>5,231,197</u>
Less accumulated depreciation for:					
Land Improvements	726,869	76,374	-	-	803,243
Vehicles	1,723,214	171,578	-	-	1,894,792
Equipment	209,858	-	-	-	209,858
Buildings	250,973	31,414	-	-	282,387
Total Accumulated Depreciation	<u>2,910,914</u>	<u>279,366</u>	<u>-</u>	<u>-</u>	<u>3,190,280</u>
Total Capital assets, being depreciated, net	<u>2,069,402</u>	<u>(135,817)</u>	<u>-</u>	<u>107,332</u>	<u>2,040,917</u>
Proprietary Capital assets, net	<u>\$ 3,019,858</u>	<u>\$ (135,817)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,884,041</u>

Construction commitments

The government has active construction projects as of June 30, 2015. The projects include five school roofs, construction of a new Elementary School and District Attorney/Probation office renovations. At year-end, the government's commitments with contractors are as follows:

Project	Spent-To-Date	Remaining Commitment
School Roofs	\$ 1,549,213	\$ 2,309,668
New Elementary School	2,946,372	12,632,729
District Attorney/Probation Office Reno	126,334	35,766
	<u>\$ 4,621,919</u>	<u>\$ 14,978,163</u>

Discretely presented component unit

Capital asset activity for Cabarrus Health Alliance for the year ended June 30, 2015, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital assets, being depreciated:				
Furniture and fixtures	\$ 245,763	\$ 9,399	\$ -	\$ 255,162
Vehicles	500,771	88,569	(25,349)	563,991
Equipment	1,113,265	106,728	(35,148)	1,184,845
Land Improvements	600,505	-	-	600,505
Total capital assets being depreciated	<u>2,460,304</u>	<u>204,696</u>	<u>(60,497)</u>	<u>2,604,503</u>



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	Beginning Balance	Increases	Decreases	Ending Balance
Less accumulated depreciation:				
Furniture and fixtures	107,038	49,935	-	156,973
Vehicles	438,445	22,544	(25,349)	435,640
Equipment	760,848	165,538	(35,148)	891,238
Land Improvements	382,441	40,034	-	422,475
Total accumulated depreciation	<u>1,688,772</u>	<u>278,051</u>	<u>(60,497)</u>	<u>1,906,326</u>
Total governmental activities, being depreciated (net)	<u>\$ 771,532</u>	<u>\$ (73,355)</u>	<u>\$ -</u>	<u>\$ 698,177</u>
Governmental Capital Assets, net	<u><u>\$ 771,532</u></u>	<u><u>\$ (73,355)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 698,177</u></u>

**B. Liabilities**

**1. Payables**

Payables at the government-wide level for the Primary Government at June 30, 2015, were as follows:

	Vendors	Salaries and Benefits	Other	Total
Governmental Activities:				
General	\$ 4,323,138	\$ 2,547,558	\$ 661,636	\$ 7,532,332
School Construction	2,338,434	-	-	2,338,434
Other Governmental	1,283,947	4,285	50,000	1,338,232
Total-governmental activities	<u>\$ 7,945,519</u>	<u>\$ 2,551,843</u>	<u>\$ 711,636</u>	<u>\$ 11,208,998</u>
Business-type activities				
Landfill	<u>\$ 93,102</u>	<u>\$ 11,186</u>	<u>\$ -</u>	<u>\$ 104,288</u>

Payables at the government-wide level for the Cabarrus Health Alliance at June 30, 2015, were as follows:

	Vendors	Salaries and Benefits	Total
Governmental Activities:			
General	\$ 534,411	\$ 666,300	\$1,200,711
Total-governmental activities	<u>\$ 534,411</u>	<u>\$ 666,300</u>	<u>\$1,200,711</u>

**2. Pension Plan and Other Postemployment Obligations**

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

*Plan Description.* The County is a participating employer in 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 membership is comprised of general employees and local law enforcement officers (LEOs) of participating local governmental entities. Article 3 of G.S. Chapter 128 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. Management of the plan is vested in the LGERS Board of Trustees, which consists of 13 members – nine appointed by the Governor, one appointed by the state Senate, one appointed by the state House of Representatives, and the State Treasurer and State Superintendent, who serve as ex-officio members. 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 LGERS. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, by calling (919) 981-5454, or at [www.osc.nc.gov](http://www.osc.nc.gov).



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*Benefits Provided.* LGERS provides retirement and survivor benefits. Retirement benefits are determined as 1.85% of the member's average final compensation times the member's years of creditable service. A member's average final compensation is calculated as the average of a member's four highest consecutive years of compensation. Plan members are eligible to retire with full retirement benefits at age 65 with five years of creditable service, at age 60 with 25 years of creditable service, or at any age with 30 years of creditable service. Plan members are eligible to retire with partial retirement benefits at age 50 with 20 years of creditable service or at age 60 with five years of creditable service. Survivor benefits are available to eligible beneficiaries of members who die while in active service or within 180 days of their last day of service and who have either completed 20 years of creditable service regardless of age or have completed five years of service and have reached age 60. Eligible beneficiaries may elect to receive a monthly Survivor's Alternate Benefit for life or a return of the member's contributions. The plan does not provide for automatic post-retirement benefit increases. Increases are contingent upon actuarial gains of the plan.

LGERS plan members who are LEOs are eligible to retire with full retirement benefits at age 55 with five years of creditable service as an officer, or at any age with 30 years of creditable service. LEO plan members are eligible to retire with partial retirement benefits at age 50 with 15 years of creditable service as an officer. Survivor benefits are available to eligible beneficiaries of LEO members who die while in active service or within 180 days of their last day of service and who also have either completed 20 years of creditable service regardless of age, or have completed 15 years of service as a LEO and have reached age 50, or have completed five years of creditable service as a LEO and have reached age 55, or have completed 15 years of creditable service as a LEO if killed in the line of duty. Eligible beneficiaries may elect to receive a monthly Survivor's Alternate Benefit for life or a return of the member's contributions.

*Contributions.* Contribution provisions are established by General Statute 128-30 and may be amended only by the North Carolina General Assembly. Cabarrus County employees are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by the LGERS Board of Trustees. Cabarrus County's contractually required contribution rate for the year ended June 30, 2015, was 7.41% of compensation for law enforcement officers and 7.07% for general employees actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year. Contributions to the pension plan from the Cabarrus County were \$2,855,518 for the year ended June 30, 2015.

*Refunds of Contributions* – City employees who have terminated service as a contributing member of LGERS, may file an application for a refund of their contributions. By state law, refunds to members with at least five years of service include 4% interest. State law requires a 60 day waiting period after service termination before the refund may be paid. The acceptance of a refund payment cancels the individual's right to employer contributions or any other benefit provided by LGERS.

***Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions***

At June 30, 2015, the County reported an asset of \$4,362,472 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2014. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2013. The total pension liability was then rolled forward to the measurement date of June 30, 2014 utilizing update procedures incorporating the actuarial assumptions. The County's proportion of the net pension asset was based on a projection of the County's long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating LGERS employers, actuarially determined. At June 30, 2014, the County's proportion was 0.740%, which was a decrease of 0.001% from its proportion measured as of June 30, 2013.

For the year ended June 30, 2015, the County recognized pension expense of \$252,930. At June 30, 2015, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:



**Cabarrus County, North Carolina**  
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	Deferred Outflows Of Resources	Deferred Inflows Of Resources
Differences between expected and actual experience	\$ -	\$ 476,676
Net difference between projected and actual earnings on pension plan investments	-	10,155,734
Changes in proportion and differences between County contributions and proportionate share of contributions	-	82,090
County Contributions subsequent to the measurement date	2,855,518	-
	<u>\$ 2,855,518</u>	<u>\$ 10,714,500</u>

\$2,855,518 reported as deferred outflows of resources related to pensions resulting from County's contributions subsequent to the measurement date will be recognized as an increase of the net pension asset in the year ended June 30, 2016. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

**Year ended June 30:**

2016	\$ (2,678,975)
2017	(2,678,975)
2018	(2,678,975)
2019	(2,677,575)
2020	-
Thereafter	-
	<u>\$ (10,714,500)</u>

*Actuarial Assumptions.* The total pension liability in the December 31, 2013 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 percent
Salary Increases	4.25 to 8.55 percent, including inflation and productivity factor
Investment rate of return	7.25 percent, net of pension plan investment expense, including inflation

The plan currently uses mortality tables that vary by age, gender, employee group (i.e. general, law enforcement officer) and health status (i.e. disabled and healthy). The current mortality rates are based on published tables and based on studies that cover significant portions of the U.S. population. The healthy mortality rates also contain a provision to reflect future mortality improvements.

The actuarial assumptions used in the December 31, 2013 valuation were based on the results of an actuarial experience study for the period January 1, 2005 through December 31, 2009.

Future ad hoc COLA amounts are not considered to be substantively automatic and are therefore not included in the measurement.

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. Global public equity return projections are established through analysis of the equity risk premium and the fixed income return projections. Other asset categories and strategies' return projections reflect the foregoing and historical data analysis. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2014 are summarized in the following table:



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<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected Real Rate of Return</b>
Fixed Income	36.0%	2.5%
Global Equity	40.5%	6.1%
Real Estate	8.0%	5.7%
Alternatives	6.5%	10.5%
Credit	4.5%	6.8%
Inflation Protection	4.5%	3.7%
Total	100.0%	

The information above is based on 30 year expectations developed with the consulting actuary for the 2013 asset liability and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.19%. All rates of return and inflation are annualized.

A new asset allocation policy was finalized during the fiscal year ended June 30, 2014 to be effective July 1, 2014. The new asset allocation policy utilizes different asset classes, changes in the structure of certain asset classes, and adopts new benchmarks. Using the asset class categories in the preceding table, the new long-term expected arithmetic real rates of return are: Fixed Income 2.2%, Global Equity 5.8%, Real Estate 5.2%, Alternatives 9.8%, Credit 6.8% and Inflation Protection 3.4%.

*Discount rate.* The discount rate used to measure the total pension liability was 7.25%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

*Sensitivity of the County's proportionate share of the net pension asset to changes in the discount rate.* The following presents the County's proportionate share of the net pension asset calculated using the discount rate of 7.25 percent, as well as what the County's proportionate share of the net pension asset or net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.25 percent) or one percentage point higher (8.25 percent) than the current rate:

	<b>1% Decrease (6.25%)</b>	<b>Discount Rate (7.25%)</b>	<b>1% Increase (8.25%)</b>
County's proportionate share of the net pension liability (asset)	\$ 14,808,113	\$ (4,362,472)	\$ (20,503,483)

*Pension plan fiduciary net position.* Detailed information about the pension plan's fiduciary net position is available in the separately issued Comprehensive Annual Financial Report (CAFR) for the State of North Carolina.

**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. For reporting purposes, the Separation Allowance is presented as a pension trust fund; however, it does not meet the criteria for trust funds outlined in GASB Statement 68.



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All full-time County law enforcement officers are covered by the Separation Allowance. At December 31, 2014, the Separation Allowance's membership consisted of:

Retirees receiving benefits	10
Terminated plan members entitled to but not yet receiving benefits	-
Active plan members	204
Total	<u>214</u>

A separate report was not issued for the plan.

*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.

The Separation Allowance has no assets accumulated in a trust that meets the following criteria which are outlined in GASB Statements 67 and 68:

- contributions to the pension plan and earnings on those contributions are irrevocable
- pension plan assets are dedicated to providing benefits to plan members
- pension plan assets are legally protected from the creditors or employers, nonemployer contributing entities, the plan administrator, and plan members

*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 \$535,823 or 5.85% 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, 2015 was determined as part of the December 31, 2013 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, 2013 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, 2015 are shown:



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Annual required contribution	\$ 467,001
Interest on net pension obligation	13,809
Adjustment to annual required contribution	<u>(34,062)</u>
Annual pension cost	446,748
Contributions made	<u>(535,823)</u>
Increase in net pension obligation	(89,075)
Net pension obligation beginning of year	<u>276,171</u>
Net pension obligation end of year	<u><u>\$ 187,096</u></u>

**3 Year Trend Information**

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/2013	\$ 444,232	101.67%	\$ 213,204
6/30/2014	520,187	87.90%	276,171
6/30/2015	446,748	119.94%	187,096

*Funded Status and Funding Progress.* As of December 31, 2014, the most recent actuarial valuation date, the plan was 42.39 percent funded. The actuarial accrued liability for benefits was \$3,938,958, and the actuarial value of assets was \$1,669,698, resulting in an unfunded actuarial accrued liability (UAAL) of \$2,269,260. The covered payroll (annual payroll of active employees covered by the plan) was \$9,163,789 and the ratio of the UAAL to the covered payroll was 24.76 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 provides retirement benefits to law enforcement officers and non-law enforcement employees of 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, 2015 were \$2,734,804 which consisted of \$2,001,053 from the County and \$733,751 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 \$256,524 for the year ended June 30, 2015.

The County offers its employees a deferred compensation plan (Plan) created in accordance with Internal Revenue Code Section 457. The Plan available to all County employees permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.



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The County has complied with changes in the laws that govern the County's deferred compensation plan, requiring all assets of the plan to be held in trust for the exclusive benefit of the participants and their beneficiaries. Formerly, the undistributed amounts, which had been deferred by the plan participants, were required to be reported as assets of the County. In accordance with GASB Statement No. 32, "Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans", the County's deferred compensation plan is no longer reported within the County's agency funds.

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

*Plan Description.* Cabarrus County also contributes to the Registers of Deeds' Supplemental Pension Fund (RODSPF), a noncontributory, defined contribution plan administered by the North Carolina Department of State Treasurer. The RODSPF 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. Management of the plan is vested in the LGERS Board of Trustees, which consists of 13 members – nine appointed by the Governor, one appointed by the state Senate, one appointed by the state House of Representatives, and the State Treasurer and State Superintendent, who serve as ex-officio members. 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, by calling (919) 981-5454, or at [www.osc.nc.gov](http://www.osc.nc.gov).

*Benefits Provided.* An individual's benefits for the year are calculated as a share of accumulated contributions available for benefits for that year, subject to certain statutory limits. An individual's eligibility is based on at least 10 years of service as a register of deeds with the individual's share increasing with years of service. Because of the statutory limits noted above, not all contributions available for benefits are distributed.

*Contributions.* Benefits and administrative expenses are funded by investment income and 1.5% of the receipts collected by each County Commission under Article 1 of Chapter 161 of North Carolina General Statutes. The statutory contribution currently has no relationship to the actuary's required contribution. The actuarially determined contribution this year and for the foreseeable future is zero. Register of Deeds do not contribute. Contribution provisions are established by General Statute 161-50 and may be amended only by the North Carolina General Assembly. Contributions to the pension plan from the County were \$18,134 for the year ended June 30, 2015.

***Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions***

At June 30, 2015, the County reported an asset of \$485,686 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2014. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2013. The total pension liability was then rolled forward to the measurement date of June 30, 2014 utilizing update procedures incorporating the actuarial assumptions. The County's proportion of the net pension asset was based the County's share of contributions to the pension plan, relative to contributions to the pension plan of all participating RODSPF employers. At June 30, 2014, the County's proportion was 2.143%, which was a decrease of 0.020% from its proportion measured as of June 30, 2013.

For the year ended June 30, 2015, the County recognized pension expense of \$(10,963). At June 30, 2015, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:



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	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ -
Net difference between projected and actual earnings on pension plan investments	-	-
Changes in proportion and differences between County contributions and proportionate share of contributions	4,876	-
County Contributions subsequent to the measurement date	18,134	-
	<u>\$ 23,010</u>	<u>\$ -</u>

\$18,134 reported as deferred outflows of resources related to pensions resulting from County's contributions subsequent to the measurement date will be recognized as an increase of the net pension asset in the year ended June 30, 2016. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

**Year ended June 30:**

2016	\$ 2,751
2017	2,751
2018	27
2019	(653)
2020	-
Thereafter	-
	<u>\$ 4,876</u>

*Actuarial Assumptions.* The total pension liability in the December 31, 2013 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 percent
Salary Increases	4.25 to 7.75 percent, including inflation and productivity factor
Investment rate of return	5.75 percent, net of pension plan investment expense, including inflation

The plan currently uses mortality tables that vary by age, gender, employee group (i.e. general, law enforcement officer) and health status (i.e. disabled and healthy). The current mortality rates are based on published tables and based on studies that cover significant portions of the U.S. population. The healthy mortality rates also contain a provision to reflect future mortality improvements.

The actuarial assumptions used in the December 31, 2013 valuation were based on the results of an actuarial experience study for the period January 1, 2005 through December 31, 2009.

Future ad hoc COLA amounts are not considered to be substantively automatic and are therefore not included in the measurement.

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The adopted asset allocation policy for the RODSPF is 100% in the fixed income

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class. The best estimates of arithmetic real rates of return for each major asset class as of June 30, 2014 is 2.5%.

The information above is based on 30 year expectations developed with the consulting actuary for the 2013 asset liability and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.19%. All rates of return and inflation are annualized.

*Discount rate.* The discount rate used to measure the total pension liability was 5.75%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

*Sensitivity of the County's proportionate share of the net pension asset to changes in the discount rate.* The following presents the County's proportionate share of the net pension asset calculated using the discount rate of 5.75 percent, as well as what the County's proportionate share of the net pension asset or net pension liability would be if it were calculated using a discount rate that is one percentage point lower (4.75 percent) or one percentage point higher (6.75 percent) than the current rate:

	1% Decrease (4.75%)	Discount Rate (5.75%)	1% Increase (6.75%)
County's proportionate share of the net pension liability (asset)	(436,114)	(485,686)	(528,274)

**e. Other Postemployment Benefits (OPEB) – Healthcare Benefits Plan**

*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.



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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 \$1,192,298 or 2.98% 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 \$91,375 and \$8,250, respectively, for the current year. There were no other contributions made by employees, except for dependent coverage in the amount of \$785,907.

*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:

	2015
Annual Required Contribution	\$ 3,082,130
Interest on Net OPEB Obligation	410,016
Adjustment to annual required contribution	<u>(391,700)</u>
Annual OPEB cost (expense)	3,100,446
Contributions made	<u>(1,192,298)</u>
Increase (decrease) in net OPEB obligation	1,908,148
Net OPEB obligation, beginning of year	<u>10,250,407</u>
Net OPEB obligation, end of year	<u>\$ 12,158,555</u>



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The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2015 were as follows:

<u>For Year Ended June 30</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
2013	\$ 3,071,791	37%	\$ 8,302,336
2014	3,096,965	37%	10,250,408
2015	3,100,446	39%	12,158,555

*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.

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.

**f. 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



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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.

**3. Closure and Postclosure Care Costs - 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 \$3,135,867 reported as landfill closure and post closure care liability at June 30, 2015 represents a cumulative amount reported to date based on the use of 83% of the total estimated capacity of the landfill. The County will recognize the remaining estimated cost of closure and post closure cost of \$910,993 as the remaining estimated capacity is filled. These amounts are based on what it cost to perform all closure and post closure care in 2015. 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.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Charge on refunding of debt	\$ 23,415,497	\$ -
Pensions - difference between expected and actual experience LGERS		476,676
Pensions - difference between projected and actual investment earnings	-	10,155,734
Pensions - change in proportion and difference between employer contributions and proportionate share of contributions		82,090
Pension deferral	4,876	
Contributions to pension plan in 2014-2015 fiscal year	2,873,652	-
Prepaid taxes not yet earned (General)	-	870,317
Child Support Incentive (General)	-	101,438
Taxes receivable, net (General)		5,752,166
Ambulance receivable, net (General)	-	1,679,716
Total	<u>\$ 26,294,025</u>	<u>\$ 19,118,137</u>



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**5. 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 purchasing excess insurance coverage through 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.

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. The Title V program was discontinued effective July 1, 2015.

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, 2015 is shown.

Self-Insured Health Insurance

	<u>6/30/2014</u>	<u>6/30/2015</u>
Unpaid claims, beginning of fiscal year	\$ 1,452,779	\$ 1,105,693
Incurred claims	5,709,872	6,836,564
Claims payments	(6,056,958)	(6,493,988)
Unpaid claims, end of fiscal year	<u>\$ 1,105,693</u>	<u>\$ 1,448,269</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.



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The County carries commercial coverage for all other risks of loss including flood loss. Flood coverage is an annual aggregate not to exceed \$50,000,000. There have been no significant reductions in insurance coverage from previous year and settled claims have not exceeded coverage in any of the past three fiscal years.

The Alliance is exposed to various risks of loss related to torts, 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 and the CGA will be discontinued effective September 1, 2015. The County will continue to self-fund and purchase excess insurance coverage for potential exposures.

## **6. 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, 2015, 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. One of the larger litigation matters is described below.

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. As of June 30, 2015, all of the settlement funds have been paid.

## **7. Long-Term Obligations**

### **a. 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.

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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	(482,650)
Total	<u>\$ 3,542,056</u>

The future minimum lease obligation and the net present value of these minimum lease payments as of June 30, 2015, were as follows:

Year Ending, June 30	Governmental Activities
2016	\$ 326,623
2017	190,000
2018	190,000
2019	190,000
2020	190,000
2021	190,000
2022	190,000
2023	190,000
2024	190,000
Next 5 Years	950,000
To maturity	1,710,000
Total Minimum lease payments	<u>4,506,623</u>
Less: amount representing interest	(1,550,830)
Present value of minimum lease payments	<u>\$ 2,955,793</u>

**b. Operating Leases**

The County leases building, equipment and office facilities under non-cancelable operating leases. Total costs for the leases were \$1,094,309 for the year ended June 30, 2015. The future minimum lease payments for this lease are as follows:

Year Ending June 30	Amount
2016	\$ 1,080,962
2017	930,608
2018	908,217
2019	797,096
2020	717,725
Over five years	1,375,639
Total	<u>\$ 5,810,247</u>

**c. Notes Payable**

On September 9, 2015 the County entered into a Memorandum of Understanding agreement with the North Carolina Department of Public Safety for the payment of a \$457,323 Note for inmate safekeeping services provided by the State prior to June 30, 2015. Payments consist of \$91,465 annually with no interest. Final payment on the note will be due June 30, 2020.



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Year Ending, June 30	Principal
2016	\$ 91,465
2017	91,465
2018	91,465
2019	91,464
2020	91,464
	\$ 457,323

**d. 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, 2015 are comprised of the following individual issues:

\$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. \$ 8,735,000

\$48,000,000 (September 1, 2006) Public Improvement Series Bonds due on March 1 and September 1 in installments through March 1, 2016; 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). 2,000,000

\$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. 62,020,000

\$ 72,755,000

For Cabarrus County, the annual debt service payments to maturity as of June 30, 2015, for the County's general obligation bonds are as follows:

Year Ending, June 30	Principal	Interest
2016	\$ 7,535,000	\$ 3,058,163
2017	7,360,000	2,758,588
2018	7,190,000	2,431,088
2019	6,380,000	2,208,788
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
2025	6,105,000	455,475
To maturity	6,045,000	354,197
	\$ 72,755,000	\$ 17,811,987

At June 30, 2015 Cabarrus County had a legal debt margin of \$1,266,263,250.



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**e. 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. The original 20-year COPS had interest rates ranging from 4.0% to 5.625%. Debt Service is financed by Cabarrus County property tax revenues. A portion of the COPS were refunded on March 26, 2015, leaving the total principal and interest over a two-year period to be \$3,589,938. Total remaining annual payments of principal and interest range from approximately \$1,753,700 to \$1,836,238. The total principal balance due at June 30, 2015 was \$3,360,000.

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. The original 20-year COPS had interest rates ranging from 3.25% to 5.0%. Debt Service is financed by Cabarrus County property tax revenues. A portion of the COPS were refunded on March 26, 2015, leaving the total principal and interest over a four-year period to be \$10,431,263. Total remaining annual payments of principal and interest range from approximately \$2,462,250 to \$2,745,525. The total principal balance due at June 30, 2015 was \$9,380,000.

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 \$1,485,750 to \$2,263,225. Total principal and interest over an 11-year period will be \$20,864,956. The total principal balance due at June 30, 2015 was \$5,815,000.

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. The original 20-year COPS had interest rates ranging from 4.00% to 5.25%. Debt service is financed by Cabarrus County property tax revenues. A portion of the COPS were refunded on March 26, 2015, leaving the total principal and interest over a three-year period to be \$10,182,550. Total remaining annual payments of principal and interest range from approximately \$3,249,750 to \$3,528,300. The total principal balance due at June 30, 2015 was \$9,285,000.

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. The original 20-year COPS had interest rates ranging from 3.0% to 5.0%. Debt service is financed by Cabarrus County property tax revenues. A portion of the COPS were refunded on March 26, 2015, leaving the total principal and interest over a four-year period to be \$21,246,450. Total remaining annual payments of principal and interest range from approximately \$4,966,500 to \$5,656,100. The total principal balance due at June 30, 2015 was \$18,930,000.

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 \$1,865,250 to \$2,809,100. Total principal and interest over an 11-year period will be \$23,666,150. The total principal balance due at June 30, 2015 was \$11,050,000.

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 0.07% while the County will have no interest cost in the first bullet. The principal on this debt is deferred for five



**Cabarrus County, North Carolina**  
**Notes to the Financial Statements**  
**For the Year Ended June 30, 2015**

years with the first principal payment due on April 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. The total principal balance due at June 30, 2015 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 \$532,200 to \$1,861,200. Total principal and interest over an 11-year period will be \$14,988,756. The total principal balance due at June 30, 2015 was \$8,950,000.

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 \$1,074,475 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, 2015 was \$17,775,000.

On March 26, 2015 the Cabarrus County Development Corporation issued \$18,045,000 (2015A) Limited Obligation Bonds (LOBS) contracts to refund \$16,795,000 of the 2007 COPS issued for the construction of a sheriff administration facility. These 12-year LOBS have an interest rate of 2.38%. Debt Service is financed by Cabarrus County property tax revenues. Annual payments of principal and interest range from approximately \$642,807 to \$2,322,571. Total principal and interest over a 12-year period will be \$21,057,440. The total principal balance due at June 30, 2015 was \$18,045,000.

On March 26, 2015 the Cabarrus County Development Corporation issued \$23,460,000 (2015B) Limited Obligation Bonds (LOBS) contracts to refund \$21,105,000 of the 2008A COPS issued to finance the construction of Cox Mill High School and Engineering and Architect fees for A.T. Allen Elementary School, Hickory Ridge Middle School, Patriots Elementary School and a wing addition at A.L. Brown High School. These 13-year LOBS have an interest rate of 2.49%. Debt Service is financed by Cabarrus County property tax revenues. Annual payments of principal and interest range from approximately \$863,716 to \$3,208,776. Total principal and interest over a 13-year period will be \$28,404,338. The total principal balance due at June 30, 2015 was \$23,415,000.

On March 26, 2015 the Cabarrus County Development Corporation issued \$38,295,000 (2015C) Limited Obligation Bonds (LOBS) contracts to refund \$34,025,000 of the 2008C COPS issued to fund the cost of construction of a residential tower to house County inmates and related improvements. These 14-year LOBS have an interest rate of 2.51%. Debt Service is financed by Cabarrus County property tax revenues. Annual payments of principal and interest range from approximately \$1,487,340 to \$4,583,409. Total principal and interest over a 14-year period will be \$46,368,088. The total principal balance due at June 30, 2015 was \$38,220,000.

On March 26, 2015 the Cabarrus County Development Corporation issued \$54,435,000 (2015D) Limited Obligation Bonds (LOBS) contracts to refund \$47,300,000 of the 2009 COPS issued a) to pay a portion of the costs of (i) acquiring real property, (ii) constructing Patriots Elementary School, A.T. Allen Elementary School, Hickory Ridge Middle School, Harold E. Winkler Middle School, a wing addition and renovation at A.L. Brown High School and equipping the Facilities. These 14-year LOBS have an interest rate of 2.52%. Debt Service is financed by Cabarrus County property tax revenues. Annual payments of principal and interest range from approximately \$2,095,302 to \$6,827,090. Total principal and interest over a 14-year period will be \$66,336,892. The total principal balance due at June 30, 2015 was \$54,435,000.

For Cabarrus County, the annual debt service payments to maturity as of June 30, 2015 for the County's Certificates of Participation/Limited Obligation Bonds are as follows:



**Cabarrus County, North Carolina**  
**Notes to the Financial Statements**  
**For the Year Ended June 30, 2015**

Year Ending, June 30	Principal	Interest
2016	\$ 22,040,000	\$ 7,632,450
2017	21,640,000	7,150,865
2018	21,600,000	6,275,716
2019	21,545,000	5,415,435
2020	20,015,000	4,595,366
2021	19,745,000	4,028,171
2022	17,710,000	3,448,416
2023	16,220,000	2,963,126
2024	15,975,000	2,176,009
2025	13,765,000	1,762,062
To maturity	43,040,000	2,827,092
Total	<u>\$ 233,295,000</u>	<u>\$ 48,274,708</u>

**f. Advance Refundings**

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 activities column of the statement of net position. The amount of defeased debt that remains outstanding as of June 30, 2015 is \$34,200,000. 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.

On March 26, 2015, Cabarrus County issued \$134,235,000 of Limited Obligation Bonds, Series 2015 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 2007, 2008A, 2008C and 2009 Certificates of Participation. The refunded debt consists of a portion (\$16,795,000) of the County's Series 2007 Certificates of Participation dated February 22, 2007, and maturing February 1, 2018 through February 1, 2027, a portion (\$21,105,000) of the County's Series 2008A Certificates of Participation dated January 25, 2008 and maturing June 1, 2021, 2023, 2025, and 2028, a portion (\$34,025,000) of the County's Series 2008C Certificates of Participation dated December 1, 2008 and maturing June 1, 2019 through June 1, 2029, and a portion (\$47,300,000) of the County's Series 2009 Certificates of Participation dated July 16, 2009 and maturing January 1, 2020 through January 1, 2029. The refunding debt was issued at a net interest cost of 2.496059%. As a result, the refunded Limited Obligation 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, 2015 is \$119,225,000. This refunding was undertaken to reduce total debt service payments over the following 14 years by \$8,946,701 and resulted in a present value cash flow savings of \$7,655,952.

**Debt related to Capital Activities** – Of the total Governmental Activities debt listed only \$79,796,917 relates to assets for which the County holds title. There is no unspent restricted cash related to the debt amounts.



**Cabarrus County, North Carolina**  
**Notes to the Financial Statements**  
**For the Year Ended June 30, 2015**

**g. Long-Term Obligation Activity**

The following is a summary of changes in the County's long-term obligations for the fiscal year ended June 30, 2015:

	Balance July 1, 2014	Increases	Decreases	Balance June 30, 2015	Due Within One Year
<b>Governmental activities:</b>					
General Obligation Bonds	\$ 80,395,000	\$ -	\$ 7,640,000	\$ 72,755,000	\$ 7,535,000
Plus: Premiums on issuance	10,720,506	-	1,028,247	9,692,259	-
Total General Obligation Bonds	<u>91,115,506</u>	<u>-</u>	<u>8,668,247</u>	<u>82,447,259</u>	<u>7,535,000</u>
 Certificates of Participation/ Limited Obligation Bonds	237,035,000	134,235,000	137,975,000	233,295,000	22,040,000
Plus: Premiums on issuance	8,830,197	-	3,685,507	5,144,690	-
Total Certificates of Participation/ Limited Obligation Bonds	<u>245,865,197</u>	<u>134,235,000</u>	<u>141,660,507</u>	<u>238,439,690</u>	<u>22,040,000</u>
 Notes Payable	-	457,323	-	457,323	91,465
Capital Leases	3,156,437	-	200,644	2,955,793	210,082
Compensated absences	3,455,205	2,526,097	2,487,844	3,493,458	2,794,766
Net Pension liability (LGERS)	8,901,557	-	8,901,557	-	-
Other postemployment benefits	12,599,320	3,098,097	3,628,804	12,068,613	-
Unfunded Pension Cost	276,171	446,748	535,823	187,096	-
Total governmental activities	<u>\$ 365,369,393</u>	<u>\$ 140,763,265</u>	<u>\$ 166,083,426</u>	<u>\$ 340,049,232</u>	<u>\$ 32,671,313</u>
	Balance July 1, 2014	Increases	Decreases	Balance June 30, 2015	Due Within One Year
<b>Business-type activities</b>					
Compensated absences	\$ 20,756	\$ 24,906	\$ 21,656	\$ 24,006	\$ 20,756
Net pension liability (LGERS)	33,955	-	33,955	-	-
Other postemployment benefits	91,954	-	2,012	89,942	-
Landfill Closure/Post-Closure	3,183,905	-	48,038	3,135,867	48,038
Total business-type activities	<u>\$ 3,330,570</u>	<u>\$ 24,906</u>	<u>\$ 105,661</u>	<u>\$ 3,249,815</u>	<u>\$ 68,794</u>
	Balance July 1, 2014	Increases	Decreases	Balance June 30, 2015	Due Within One Year
<b>Discretely presented component unit:</b>					
Compensated absences	\$ 536,946	\$ 577,072	\$ 566,105	\$ 547,913	\$ 536,955
Total discretely presented component unit	<u>\$ 536,946</u>	<u>\$ 577,072</u>	<u>\$ 566,105</u>	<u>\$ 547,913</u>	<u>\$ 536,955</u>

The LGERS plan had a net pension asset as of June 30, 2015; however, the plan had a net pension liability at the beginning of the fiscal year.

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.

**Cabarrus County, North Carolina**  
**Notes to the Financial Statements**  
**For the Year Ended June 30, 2015**

**h. 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, 2015, there were no industrial revenue bonds outstanding.

**C. 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, 2015 is as follows:**

	Transfers In			Total Transfers Out
	<u>General</u>	<u>School Construction</u>	<u>Non Major</u>	<u>Internal Service</u>
General	\$ -	\$ 2,720,339	\$ 5,506,348	\$ 150,000
Non-Major	2,443,276	3,241,299	4,136,300	-
Total	<u>\$ 2,443,276</u>	<u>\$ 5,961,638</u>	<u>\$ 9,642,648</u>	<u>\$ 150,000</u>

Transfers to and from other funds at June 30, 2015 consists of the following:

To the General Fund from the Emergency Telephone System Special Revenue Fund for debt service payment, and salary and benefits of GIS mapping employee.	\$ 217,664
To the General Fund from the Cabarrus Arena & Events Center Special Revenue Fund for reimbursement of ITS equipment.	600
To the General Fund from the Small Projects Capital Projects Fund for Carolina Farm Stewardship contribution.	25,000
To the General Fund from the Public School Building Capital Projects Fund for debt service payments.	2,200,000
To the General Fund from the Certificates of Participation 2009 Capital Projects Fund for debt service payments.	12
To the School Construction Capital Projects Fund from the General Fund for Odell 3-5 and roof replacements.	2,720,339
To the School Construction Capital Projects Fund from the Construction and Renovation Fund for school improvements and roof replacements.	2,738,951



**Cabarrus County, North Carolina  
Notes to the Financial Statements  
For the Year Ended June 30, 2015**

To the School Construction Capital Projects Fund from the Capital Reserve Projects Fund for Odell 3-5.	502,348
To the Cabarrus Arena and Events Center Special Revenue Fund from the General Fund for the operations of the facility.	431,341
To the Construction and Renovation Capital Projects Fund from the General Fund for NE Fire Department fire hydrants.	40,000
To the Capital Reserve Fund from the General Fund to fulfill the 15% Fund Balance policy.	5,035,007
To the Construction and Renovation Capital Projects Fund from the Capital Reserve Fund for Wallace Park and Rocky River Park.	1,155,800
To the School Construction Debt Capital Projects Fund from the Capital Reserve Fund for construction of Mt. Pleasant Middle School and Royal Oaks Elementary School.	2,980,500
To the Internal Service Fund from the General Fund to reinstate Health Clinic.	<u>150,000</u>
Total	<u><u>\$ 18,197,562</u></u>

The Cabarrus Arena and Events Center Fund includes a Due From the General Fund in the amount of \$17,958. This amount is for the settlement of fiscal year 2015 operating expenditures. The General Fund supplements the operations of the Cabarrus Arena and Events Center based on a contractual agreement. A corresponding Due To the Cabarrus Arena and Events Center Fund is in the General Fund.

**D. Net Investment in Capital Assets**

Governmental Activity, net investment in capital assets at June 30, 2015, are computed as follows:

Capital assets, net of accumulated depreciation	\$ 203,887,739
Deferred outflows of resources	23,415,497
Less: capital debt	
Gross debt	(324,300,065)
School debt related to assets to which the County does not capitalize	244,503,148
Unspent debt proceeds, non school related debt	<u>-</u> (79,796,917)
Deferred outflows related to school debt	<u>(17,409,795)</u>
Net investment in capital assets	<u><u>\$ 130,096,524</u></u>

**E. 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, 2015 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.



**Cabarrus County, North Carolina**  
**Notes to the Financial Statements**  
**For the Year Ended June 30, 2015**

**F. 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, 2015 the balance of the County's ADM allocation account was \$233. The County must match this balance on the basis of one dollar for every three dollars of state funds for financing the school unit's facilities capital needs. The local school technology plan does not require a County match. After approving a school capital project authorized by the Act, the Office of State Budget and Management will transfer funds from the County's ADM allocation account to its disbursing account maintained with the State Treasurer. At that time, the ADM allocation transferred is considered to be "available" and is recognized in the Public School Building Capital Fund as intergovernmental revenue. At June 30, 2015 the County's disbursing account had a \$0 balance.

**G. 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, 2015 the self-insured hospitalization internal service fund had an unrestricted net position of \$3,765,138. In the basic financial statements, the net assets and activities have been allocated to all governmental fund types, and business types as applicable. This surplus is being retained for anticipated future catastrophic losses.

**Note 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, 2015. In accordance with the intergovernmental agreement between the participating governments, the County appropriated \$614,020 to Cardinal Innovations Healthcare Solution to supplement its activities. Complete financial statements for Cardinal 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* non-voting 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



**Cabarrus County, North Carolina**  
**Notes to the Financial Statements**  
**For the Year Ended June 30, 2015**

issued, \$129,167 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 \$2,020,153 to the community college for operating purposes and \$450,252 for capital outlay during the fiscal year ended June 30, 2015. In addition, the County made debt service payments of \$129,167 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, 2015. 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.

**Note 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.

**Note 5. Change in Accounting Principles/Restatement**

The County implemented Governmental Accounting Standards Board (GASB) statement 68, *Accounting and Financial Reporting for Pensions (an amendment of GASB Statement No. 27)*, in the fiscal year ending June 30, 2015. The implementation of the statement required the County to record beginning net pension liability and the effects on net position of contributions made by the County during the measurement period (fiscal year ending June 30, 2014). As a result, net position for the governmental and business-type activities decreased by \$5,596,322 and \$23,177, respectively.

# 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, 2015.

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**Cabarrus County, North Carolina  
Special Separation Allowance  
Required Supplementary Information  
Schedule of Funding Progress  
June 30, 2015**

<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>
12/31/2005	\$ 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%
12/31/2014	1,669,698	3,938,958	2,269,260	42.39%	9,163,789	24.76%

**Cabarrus County, North Carolina**  
**Special Separation Allowance**  
**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>
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%
2015	467,001	535,823	115%

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

Valuation date	12/31/2014
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, 2015**

<b>Actuarial Valuation Date</b>	<b>Actuarial Value of Assets (a)</b>	<b>Actuarial 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>
12/31/2005	\$ -	\$ 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**

Exhibit 14

<b><u>Year Ended</u></b> <b><u>June 30</u></b>	<b><u>Annual</u></b> <b><u>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>
2008	\$ 1,850,169	\$ 817,009	44.2%
2009	2,156,844	1,401,505	65.0%
2010	2,513,177	795,031	31.6%
2011	2,513,177	1,372,104	54.6%
2012	3,060,420	1,371,402	44.8%
2013	3,060,420	1,132,984	37.0%
2014	3,082,130	1,148,893	37.3%
2015	3,082,130	1,192,298	38.7%

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	12/31/2014
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%



**Cabarrus County, North Carolina**  
**Schedule of the County's Proportionate Share of the Net Pension**  
**Liability (Asset)**  
**Local Governmental Employees' Retirement System**  
**Last Two Fiscal Years \***

Exhibit 15

	<u>2015</u>	<u>2014</u>
County's proportion of the net pension liability (asset) %	0.740%	0.741%
County's proportionate share of the net pension liability (asset) \$	(4,362,472)	8,935,512
County's covered-employee payroll	39,888,050	38,285,570
County's proportionate share of the net pension Liability (asset) as a percentage of its covered-employee payroll	(10.94%)	23.34%
Plan fiduciary net position as a percentage of the total pension liability	102.64%	94.35%

\* The amount presented for each fiscal year were determined as of the prior fiscal year ending June 30.

**Cabarrus County, North Carolina**  
**Schedule of County Contributions**  
**Local Governmental Employees' Retirement System**  
**Last Two Fiscal Years**

Exhibit 16

	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 2,855,518	\$ 2,836,414
Contributions in relation to the contractually required contribution	<u>2,855,518</u>	<u>2,836,414</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
County's covered-employee payroll	39,999,294	39,888,050
Contributions as a percentage of covered-employee payroll	7.14%	7.11%



**Cabarrus County, North Carolina**  
**Schedule of the County's Proportionate Share of the Net Pension**  
**Liability (Asset)**  
**Register of Deed's Supplemental Pension Fund**  
**Last Two Fiscal Years \***

Exhibit 17

	<u>2015</u>	<u>2014</u>
County's proportion of the net pension liability (asset) %	2.143%	2.163%
County's proportionate share of the net pension liability (asset) \$	(485,686)	(462,104)
County's covered-employee payroll	71,286	60,367
County's proportionate share of the net pension Liability (asset) as a percentage of its covered-employee payroll	(681.31%)	(765.49%)
Plan fiduciary net position as a percentage of the total pension liability	193.88%	190.50%

\* The amount presented for each fiscal year were determined as of the prior fiscal year ending June 30.

**Cabarrus County, North Carolina**  
**Schedule of County Contributions**  
**Register of Deeds' Supplemental Pension Fund**  
**Last Two Fiscal Years**

Exhibit 18

	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 18,134	\$ 17,495
Contributions in relation to the contractually required contribution	<u>18,134</u>	<u>17,495</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
County's covered-employee payroll	71,326	71,286
Contributions as a percentage of covered-employee payroll	25.42%	24.54%



# 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, 2015**

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 Construction Fund	Construction & Renovation Fund	Certificates of Participation 2009 Fund	School Construction Debt	Capital Reserve Fund	Utility Fund	Small Projects Fund	Canon Memorial Library Fund	Subtotal	Total Nonmajor Governmental Funds
<b>Assets</b>																	
Cash and cash equivalents	\$ 674,032	\$ 51,106	\$ 948,962	\$ 17,150	\$ 204,019	\$ 126,024	\$ 2,021,293	\$ 410,703	\$ 2,487,642	\$ -	\$ 3,440,178	\$ 13,305,258	\$ 17,349	\$ 1,280,624	\$ -	\$ 20,941,754	\$ 22,963,047
Accounts receivable	443,281	1,500	4,035	-	-	-	448,816	-	5,624	-	-	-	-	43,240	-	48,864	497,680
Interest receivable	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Due from other funds	-	-	17,958	-	-	-	17,958	-	-	-	-	-	-	-	-	-	17,958
Due from other governments	-	-	-	27,540	-	-	27,540	-	-	-	-	510,000	-	-	-	-	27,540
Notes receivable	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	510,000
Restricted cash	-	-	51,633	-	-	-	51,633	-	-	671,721	-	-	-	-	117,601	789,322	840,955
Total assets	\$ 1,117,313	\$ 52,606	\$ 1,022,588	\$ 44,690	\$ 204,019	\$ 126,024	\$ 2,567,240	\$ 410,703	\$ 2,493,266	\$ 671,721	\$ 3,440,178	\$ 13,815,258	\$ 17,349	\$ 1,323,864	\$ 117,601	\$ 22,289,940	\$ 24,857,180
<b>Liabilities</b>																	
Accounts payable and accrued liabilities	\$ 405,207	\$ 4,500	\$ 151,601	\$ 44,690	\$ 515	\$ -	\$ 606,513	\$ -	\$ 393,838	\$ 27,576	\$ 308,505	\$ -	\$ -	\$ 1,800	\$ -	\$ 731,719	\$ 1,338,232
Contract retainages	-	-	-	-	-	-	-	-	6,317	-	-	-	-	-	-	6,317	6,317
Total liabilities	405,207	4,500	151,601	44,690	515	-	606,513	-	400,155	27,576	308,505	-	-	1,800	-	738,036	1,344,549
<b>Fund balances:</b>																	
Nonspendable:	-	-	-	-	-	-	-	-	-	-	-	510,000	-	-	-	\$ 510,000	\$ 510,000
Notes Receivable																	
Restricted:																	
Stabilization by State Statute	638,281	1,500	21,993	27,540	-	-	689,314	-	5,624	-	-	-	-	43,240	-	48,864	738,178
General Government	-	-	-	-	-	-	-	-	-	-	-	-	-	275,522	-	275,522	275,522
Public safety	73,825	-	-	-	203,504	-	277,329	410,703	-	-	-	-	-	-	-	410,703	688,032
Economic & phy dev	-	-	-	-	-	-	-	-	-	-	-	-	-	21,801	-	21,801	21,801
Education	-	-	-	-	-	-	-	-	-	671,721	-	-	-	-	-	671,721	671,721
Culture & recreation	-	-	51,633	-	-	-	51,633	-	-	-	-	-	-	-	117,601	169,234	169,234
Committed:																	
General government	-	-	-	-	-	-	-	-	75,000	-	-	-	-	131,470	-	206,470	206,470
Public safety	-	-	-	-	-	-	-	-	579,906	-	-	-	-	-	-	579,906	579,906
Economic & phy dev	-	46,606	-	-	-	-	46,606	-	100,000	-	-	-	17,349	850,031	-	967,380	1,013,986
Human services	-	-	-	-	-	-	-	-	129,000	-	-	-	-	-	-	129,000	255,024
Education	-	-	-	-	-	-	-	-	-	-	-	12,720,755	-	-	-	15,852,428	15,852,428
Culture & recreation	-	-	-	-	-	-	-	-	1,203,581	-	-	584,503	-	-	-	1,788,084	1,788,084
Assigned:																	
Culture & recreation	-	-	797,361	-	-	-	797,361	-	-	-	-	-	-	-	-	-	797,361
Unassigned	-	-	-	(27,540)	-	-	(27,540)	-	-	(27,576)	-	-	-	-	-	(27,576)	(55,116)
Total fund balances	712,106	48,106	870,987	-	203,504	126,024	1,960,727	410,703	2,093,111	644,145	3,131,673	13,815,258	17,349	1,322,064	117,601	21,551,904	23,512,631
Total liabilities and fund balances	\$ 1,117,313	\$ 52,606	\$ 1,022,588	\$ 44,690	\$ 204,019	\$ 126,024	\$ 2,567,240	\$ 410,703	\$ 2,493,266	\$ 671,721	\$ 3,440,178	\$ 13,815,258	\$ 17,349	\$ 1,323,864	\$ 117,601	\$ 22,289,940	\$ 24,857,180



**Cabarrus County, North Carolina**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**For the Year Ended June 30, 2015**

	Special Revenues										Capital Projects									
	Emergency Telephone System Fund	Community Development Grant Fund	Cabarrus Arena and Events Center Fund	Fire Districts Fund	Sherriff Department Fund	Department of Aging Fund	Subtotal	Public School Building Fund	Justice Center Fund	Construction & Renovation Fund	Certificates of Participation 2009	School Construction Debt	Capital Reserve Fund	Utility Fund	Small Projects Fund	Canon Memorial Library Fund	Subtotal	Total Nonmajor Governmental Funds		
Revenues:	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$		
Ad valorem taxes	-	-	-	3,146,477	-	-	3,146,477	-	-	-	-	-	-	-	208,658	-	208,658	3,355,135		
Home consortium	-	13,556	-	-	-	-	13,556	-	-	-	-	-	-	-	-	-	-	13,556		
Intergovernmental	385,000	-	-	-	13,722	-	398,722	-	-	-	-	-	-	-	350,938	-	350,938	749,660		
Intergovernmental - Lottery	-	-	-	-	-	-	-	2,200,000	-	-	-	-	-	-	2,200,000	-	2,200,000	2,200,000		
Program fees	-	-	557,525	-	5,412	-	562,937	-	-	86,992	-	-	-	-	1,220	-	88,212	651,149		
Telephone subscriber fees	699,367	-	-	-	-	-	699,367	-	-	-	-	-	-	-	-	-	-	699,367		
Investment earnings	784	-	1,270	-	255	150	2,459	-	-	-	173	-	-	20	1,800	132	18,829	21,288		
Donations	-	-	243,261	-	-	2,888	246,149	-	-	16,501	-	-	-	-	348	260,110	506,259			
Miscellaneous	-	-	9,100	-	-	-	9,100	-	-	1,222	-	-	-	-	-	1,222	-	10,322		
Total revenues	1,085,151	13,556	811,156	3,146,477	19,389	3,038	5,078,767	2,200,000	-	104,715	173	-	259,965	20	562,964	132	3,127,969	8,206,736		
Expenditures:																				
General Government	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	109,949		
Public Safety	470,859	-	-	3,146,477	2,761	-	3,620,097	-	-	46,797	-	-	-	-	63,152	-	646,506	4,266,603		
Economic and Physical Development	-	25,726	-	-	-	-	25,726	-	-	646,506	-	-	-	-	726	-	726	26,452		
Environmental Protection	-	-	-	-	-	-	-	-	-	-	-	-	-	310	167,254	-	167,564			
Education	-	-	-	-	-	-	-	-	-	-	297,250	-	1,167,827	-	1,465,077	-	1,465,077			
Culture and Recreation	-	-	1,185,615	-	-	-	1,185,615	-	-	35,985	-	-	-	-	-	-	35,985	1,221,600		
Capital outlay:																				
Land and Land Improvements	-	-	-	-	-	-	-	-	-	-	-	-	-	-	57,433	-	57,433	57,433		
Building and Building Improvements	-	-	-	-	-	-	-	-	-	-	-	-	-	-	24,530	-	24,530	24,530		
Equipment and Furniture	385,000	-	-	-	41,233	-	426,233	-	-	106,360	-	-	-	-	106,360	-	106,360	532,593		
Construction in Progress	-	-	-	-	-	-	-	-	-	1,281,526	-	-	-	-	-	-	1,281,526	1,281,526		
Total expenditures	855,859	25,726	1,185,615	3,146,477	43,994	-	5,257,671	-	-	2,117,174	297,250	1,167,827	-	310	313,095	-	3,895,656	9,153,327		
Excess (deficiency) of revenues over (under) expenditures	229,292	(12,170)	(374,459)	-	(24,605)	3,038	(178,904)	2,200,000	-	(2,012,459)	(297,077)	(1,167,827)	259,965	(290)	249,869	132	(767,687)	(946,591)		
Other financing sources (uses):																				
Transfer in	-	-	431,341	-	-	-	431,341	-	-	1,195,800	-	2,980,500	5,035,007	-	-	-	9,211,307	9,642,648		
Transfer (out)	(217,664)	-	(600)	-	-	-	(218,264)	(2,200,000)	-	(2,738,951)	(12)	-	(4,638,648)	-	(25,000)	-	(9,602,611)	(9,820,875)		
Total other financing sources (uses):	(217,664)	-	430,741	-	-	-	213,077	(2,200,000)	-	(1,543,151)	(12)	2,980,500	396,359	-	(25,000)	-	(391,304)	(178,227)		
Net change in fund balances	11,628	(12,170)	56,282	-	(24,605)	3,038	34,173	-	-	(3,555,610)	(297,089)	1,812,673	656,324	(290)	224,869	132	(1,158,991)	(1,124,818)		
Fund balance, July 1	700,478	60,276	814,705	-	228,169	122,986	1,926,554	-	410,703	5,648,721	941,234	1,319,000	13,158,934	17,639	1,097,195	117,469	22,710,895	24,637,449		
Fund balance, June 30	\$ 712,106	\$ 48,106	\$ 870,987	\$ -	\$ 203,564	\$ 126,024	\$ 1,960,727	\$ -	\$ 410,703	\$ 2,093,111	\$ 644,145	\$ 3,131,673	\$ 13,815,258	\$ 17,349	\$ 1,322,664	\$ 117,601	\$ 21,551,904	\$ 23,512,631		

# 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, 2015**

	<u>Actual</u>		
	<u>Budget</u>	<u>Actual</u>	<u>Variable Favorable (Unfavorable)</u>
<b>Revenues:</b>			
Restricted intergovernmental:			
NC 911 service fees	\$ 697,867	\$ 699,367	\$ 1,500
Local contributions	643,880	385,000	(258,880)
Investment earnings	1,500	784	(716)
Total revenues	<u>1,343,247</u>	<u>1,085,151</u>	<u>(258,096)</u>
<b>Expenditures:</b>			
Public Safety:			
Operations	545,583	470,859	74,724
Capital outlay:			
Equipment and furniture	580,000	385,000	195,000
Total expenditures	<u>1,125,583</u>	<u>855,859</u>	<u>269,724</u>
Excess (deficiency) of revenues over (under) expenditures	<u>217,664</u>	<u>229,292</u>	<u>11,628</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>	11,628	<u>\$ 11,628</u>
Fund balance, July 1		<u>700,478</u>	
Fund balance, June 30		<u>\$ 712,106</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, 2015**

Schedule 4

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Actual Current Year</u>	<u>Total to Date</u>
<b>Revenues:</b>				
Home consortium	\$ 322,003	\$ 77,090	\$ 13,556	\$ 90,646
Home program revenues	26,290	26,290	-	26,290
Total revenues	<u>348,293</u>	<u>103,380</u>	<u>13,556</u>	<u>116,936</u>
<b>Expenditures:</b>				
Economic and physical development:				
Home Consortium:				
Consultants	19,226	6,784	5,300	12,084
Sub-contractor construction	409,067	116,570	20,426	136,996
Total home consortium	<u>428,293</u>	<u>123,354</u>	<u>25,726</u>	<u>149,080</u>
Total expenditures	<u>428,293</u>	<u>123,354</u>	<u>25,726</u>	<u>149,080</u>
Revenues over (under) expenditures	<u>(80,000)</u>	<u>(19,974)</u>	<u>(12,170)</u>	<u>(32,144)</u>
<b>Other financing sources:</b>				
Transfer in - General Fund	<u>80,000</u>	<u>80,250</u>	<u>-</u>	<u>80,250</u>
Total other financing sources	<u>80,000</u>	<u>80,250</u>	<u>-</u>	<u>80,250</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 60,276</u>	<u>(12,170)</u>	<u>\$ 48,106</u>
Fund balance, July 1			<u>60,276</u>	
Fund balance, June 30			<u>\$ 48,106</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, 2015**

	<b>Actual</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>			
<b>Arena and Events Center:</b>			
Donations - Cabarrus Visitors Bureau	\$ 195,000	\$ 233,261	\$ 38,261
Investment earnings	-	15	15
Total Arena and Events Center	<u>195,000</u>	<u>233,276</u>	<u>38,276</u>
<b>County Fair:</b>			
Program fees	616,500	557,525	(58,975)
Investment earnings	1,000	1,255	255
Miscellaneous	10,500	9,100	(1,400)
Total County Fair	<u>628,000</u>	<u>567,880</u>	<u>(60,120)</u>
<b>Visitor Related Events:</b>			
Donations - Cabarrus Visitors Bureau	10,000	10,000	-
Total revenues	<u>833,000</u>	<u>811,156</u>	<u>(21,844)</u>
<b>Expenditures:</b>			
Cultural and recreational:			
<b>Arena and Events Center</b>			
Management Company	597,628	467,958	129,670
Other operating expenses	256,995	175,307	81,688
Total Arena & Events Center	<u>854,623</u>	<u>643,265</u>	<u>211,358</u>
<b>County Fair:</b>			
Salaries and employee benefits	120,697	108,235	12,462
Other operating expenses	481,076	424,115	56,961
Total county fair	<u>601,773</u>	<u>532,350</u>	<u>69,423</u>
<b>Visitor Related Events:</b>			
Event expense	10,000	10,000	-
Total expenditures	<u>1,466,396</u>	<u>1,185,615</u>	<u>280,781</u>
Revenues over (under) expenditures	<u>(633,396)</u>	<u>(374,459)</u>	<u>258,937</u>
<b>Other financing sources:</b>			
Transfer in - General Fund	413,383	431,341	(17,958)
Transfer out - General Fund	(600)	(600)	-
Fund Balance Appropriated	<u>220,613</u>	<u>-</u>	<u>220,613</u>
Total other financing sources	<u>633,396</u>	<u>430,741</u>	<u>202,655</u>
Net change in fund balance	<u>\$ -</u>	<u>56,282</u>	<u>\$ 56,282</u>
Fund balance, July 1		<u>814,705</u>	
Fund balance, June 30		<u>\$ 870,987</u>	

**Cabarrus County, North Carolina**  
**Fire Districts Special Revenue Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund**  
**Balances - Budget and Actual**  
**For the Fiscal Year Ended June 30, 2015**

	<u>Actual</u>		<u>Variance</u>
	<u>Budget</u>	<u>Actual</u>	<u>Favorable</u> <u>(Unfavorable)</u>
<b>Revenues:</b>			
Property tax collections	\$ 3,270,111	\$ 3,146,477	\$ (123,634)
Total revenues	<u>3,270,111</u>	<u>3,146,477</u>	<u>(123,634)</u>
<b>Expenditures:</b>			
Public Safety	<u>3,270,111</u>	<u>3,146,477</u>	<u>123,634</u>
Total expenditures	<u>3,270,111</u>	<u>3,146,477</u>	<u>123,634</u>
Net change in fund balance	<u>\$ -</u>	-	<u>\$ -</u>
Fund balance, July 1		<u>-</u>	
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, 2015**

		<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	354,808	342,774	13,722	356,496
Firing Range fees	20,395	16,482	5,412	21,894
Investment earnings:				
Federal Forfeiture sharing	6,850	6,869	-	6,869
Federal Forf sharing-Treasury	10,590	10,511	20	10,531
NC Substance Control Tax	53,626	53,443	224	53,667
Firing Range	215	207	11	218
Total revenues	<u>800,337</u>	<u>784,139</u>	<u>19,389</u>	<u>803,528</u>
<b>Expenditures:</b>				
Public Safety	642,504	439,430	2,761	442,191
Capital Outlay:				
Equipment	139,701	98,468	41,233	139,701
Vehicles	195,583	195,583	-	195,583
Total expenditures	<u>977,788</u>	<u>733,481</u>	<u>43,994</u>	<u>777,475</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(177,451)</u>	<u>50,658</u>	<u>(24,605)</u>	<u>26,053</u>
<b>Other financing sources (uses):</b>				
Transfer in-General Fund	285,138	285,138	-	285,138
Transfer (out)-General Fund	<u>(107,687)</u>	<u>(107,687)</u>	<u>-</u>	<u>(107,687)</u>
Total other financing sources (uses)	<u>177,451</u>	<u>177,451</u>	<u>-</u>	<u>177,451</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 228,109</u>	<u>(24,605)</u>	<u>\$ 203,504</u>
Fund balance, July 1			<u>228,109</u>	
Fund balance, June 30			<u>\$ 203,504</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, 2015**

		<u>Actual</u>		
	<u>Project</u> <u>Authorization</u>	<u>Prior</u> <u>Years</u>	<u>Current</u> <u>Year</u>	<u>Total to</u> <u>Date</u>
<b>Revenues:</b>				
Contributions and private donations	\$ 180,751	\$ 177,863	\$ 2,888	\$ 180,751
Investment earnings	<u>14,073</u>	<u>13,968</u>	<u>150</u>	<u>14,118</u>
Total revenues	<u>194,824</u>	<u>191,831</u>	<u>3,038</u>	<u>194,869</u>
<b>Expenditures:</b>				
Human Services:				
Special Projects	<u>194,824</u>	<u>68,845</u>	<u>-</u>	<u>68,845</u>
Total expenditures	<u>194,824</u>	<u>68,845</u>	<u>-</u>	<u>68,845</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 122,986</u>	3,038	<u>\$ 126,024</u>
Fund balance, July 1			<u>122,986</u>	
Fund balance, June 30			<u>\$ 126,024</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 Fund** – 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 Fund** – 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.

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

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

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

**Small Projects Fund** – 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.

**Cannon Memorial Library Fund** – 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, 2015

	<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	\$ 14,419,308	\$ 12,219,308	\$ 2,200,000	\$ 14,419,308
Lottery Proceeds: Rowan County	300,000	-	-	-
Total revenues	14,719,308	12,219,308	2,200,000	14,419,308
<b>Expenditures:</b>				
Capital outlay - education:				
Rowan County	300,000	-	-	-
Total expenditures	300,000	-	-	-
Excess (deficiency) of revenues over (under) expenditures	14,419,308	12,219,308	2,200,000	14,419,308
<b>Other financing sources (uses):</b>				
Transfer (out) - General Fund	(14,419,308)	(12,219,308)	(2,200,000)	(14,419,308)
Total other financing sources (uses)	(14,419,308)	(12,219,308)	(2,200,000)	(14,419,308)
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
Fund balance, July 1			-	
Fund balance, June 30			<u>\$ -</u>	



Cabarrus County, North Carolina  
Justice Center Construction Capital Projects Fund  
Schedule of Revenues, Expenditures and Changes in Fund  
Balances - Budget and Actual  
From Inception and for the Year Ended June 30, 2015

		Actual		
	<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	2,220,193	2,220,191	-	2,220,191
<b>Expenditures:</b>				
Public Safety	431,346	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	1,751,031	1,739,031	-	1,739,031
Total Capital outlay	118,195,102	118,183,102	-	118,183,102
Total expenditures	118,758,170	118,458,168	-	118,458,168
Excess (deficiency) of revenues over (under) expenditures	(116,537,977)	(116,237,977)	-	(116,237,977)
<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	(3,034,146)	(2,923,443)	-	(2,923,443)
Total other financing sources (uses)	116,537,977	116,648,680	-	116,648,680
Net change in fund balance	\$ -	\$ 410,703	-	\$ 410,703
Fund balance, July 1			410,703	
Fund balance, June 30			\$ 410,703	

**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, 2015**

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Actual Current Year</u>	<u>Total to Date</u>
<b>Revenues:</b>				
Contributions and private donations	\$ 277,036	\$ 257,035	\$ 16,501	\$ 273,536
Rental Fees	498,137	412,968	86,992	499,960
Sale of capital assets	21,222	20,000	1,222	21,222
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues	<u>796,395</u>	<u>690,003</u>	<u>104,715</u>	<u>794,718</u>
<b>Expenditures:</b>				
<b>Improvement</b>				
General Government	324,553	202,756	46,797	249,553
Public Safety	1,888,330	713,575	646,506	1,360,081
Economic & Physical Development	100,000	-	-	-
Human Services	148,284	148,284	-	148,284
Culture & Recreation	744,597	543,379	35,985	579,364
Total Improvements	<u>3,205,764</u>	<u>1,607,994</u>	<u>729,288</u>	<u>2,337,282</u>
<b>Capital Outlay:</b>				
<b>Land and Land Improvements</b>				
<i>Culture &amp; Recreation</i>	3,556,394	3,546,548	-	3,546,548
<b>Building and Building Improvements</b>				
<i>Public Safety</i>	150,926	150,926	-	150,926
<i>Human Services</i>	1,033,107	904,107	-	904,107
<i>Culture &amp; Recreation</i>	437,105	431,752	-	431,752
<b>Equipment and Furniture</b>				
<i>Public Safety</i>	1,142,555	1,033,527	106,360	1,139,887
<b>Construction in Progress</b>				
<i>Public Safety</i>	2,182,921	1,821,955	308,177	2,130,132
<i>Culture &amp; Recreation</i>	2,341,672	341,673	973,349	1,315,022
Total Capital Outlay	<u>10,844,680</u>	<u>8,230,488</u>	<u>1,387,886</u>	<u>9,618,374</u>
Total expenditures	<u>14,050,444</u>	<u>9,838,482</u>	<u>2,117,174</u>	<u>11,955,656</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(13,254,049)</u>	<u>(9,148,479)</u>	<u>(2,012,459)</u>	<u>(11,160,938)</u>
<b>Other financing sources (uses):</b>				
Lease Financing issued	3,421,394	3,421,394	-	3,421,394
Transfer in - General Fund	2,598,134	2,558,134	40,000	2,598,134
Transfer in - Capital Reserve Fund	9,973,472	8,817,672	1,155,800	9,973,472
Transfer out - Capital Projects Fund	<u>(2,738,951)</u>	<u>-</u>	<u>(2,738,951)</u>	<u>(2,738,951)</u>
Total other financing sources (uses)	<u>13,254,049</u>	<u>14,797,200</u>	<u>(1,543,151)</u>	<u>13,254,049</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 5,648,721</u>	<u>(3,555,610)</u>	<u>\$ 2,093,111</u>
Fund balance, July 1			<u>5,648,721</u>	
Fund balance, June 30			<u>\$ 2,093,111</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, 2015**

	<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	\$ -	\$ 3,230
Investment earnings	170,734	170,585	173	170,758
Total revenues	173,964	173,815	173	173,988
<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	891,526	297,250	1,188,776
A L Brown High Addition/Renovation	9,723,664	9,723,664	-	9,723,664
Total Education	82,318,595	81,530,521	297,250	81,827,771
Total expenditures	82,894,743	82,106,669	297,250	82,403,919
Excess (deficiency) of revenues over (under) expenditures	(82,720,779)	(81,932,854)	(297,077)	(82,229,931)
<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	(15,921,522)	(15,768,214)	(12)	(15,768,226)
Total other financing sources (uses)	82,720,779	82,874,088	(12)	82,874,076
Net change in fund balance	\$ -	\$ 941,234	(297,089)	\$ 644,145
Fund balance, July 1			941,234	
Fund balance, June 30			\$ 644,145	



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, 2015

	<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				
Royal Oaks Elementary	980,500	-	29,280	29,280
Mt. Pleasant Middle School	2,000,000	-	826,591	826,591
Kannapolis Middle School	1,319,000	-	311,956	311,956
Total expenditures	4,299,500	-	1,167,827	311,956
Excess (deficiency) of revenues over (under) expenditures	(4,299,500)	-	(1,167,827)	(1,167,827)
<b>Other financing sources (uses):</b>				
Transfer in - Capital Reserve	2,980,500	-	2,980,500	2,980,500
Transfer in - General Fund	1,319,000	1,319,000	-	1,319,000
Total other financing sources (uses)	4,299,500	1,319,000	2,980,500	4,299,500
Net change in fund balance	\$ -	\$ 1,319,000	1,812,673	\$ 3,131,673
Fund balance, July 1			1,319,000	
Fund balance, June 30			\$ 3,131,673	

**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, 2015**

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Actual Current Year</u>	<u>Total to Date</u>
<b>Revenues:</b>				
Contribution - Tourism Authority	\$ 843,617	\$ 611,089	\$ 243,261	\$ 854,350
Investment earnings	329,142	317,397	16,704	334,101
Total revenues	<u>1,172,759</u>	<u>928,486</u>	<u>259,965</u>	<u>1,188,451</u>
<b>Expenditures:</b>				
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,172,759</u>	<u>928,486</u>	<u>259,965</u>	<u>1,188,451</u>
<b>Other financing sources (uses):</b>				
Transfer in - General Fund	45,074,750	40,039,743	5,035,007	45,074,750
Transfer (out) - General Fund	(483,243)	(483,243)	-	(483,243)
Transfer (out) - Construction & Renovation Fund	(10,655,623)	(8,926,052)	(1,155,800)	(10,081,852)
Transfer (out) - School Construction Fund	(19,729,248)	(18,000,000)	(502,348)	(18,502,348)
Transfer (out) - School Construction Debt Fund	(14,979,395)	-	(2,980,500)	(2,980,500)
Transfer (out) - Special Revenue Fund	(400,000)	(400,000)	-	(400,000)
Total other financing sources (uses)	<u>(1,172,759)</u>	<u>12,230,448</u>	<u>396,359</u>	<u>12,626,807</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 13,158,934</u>	656,324	<u>\$ 13,815,258</u>
Fund balance, July 1			<u>13,158,934</u>	
Fund balance, June 30			<u>\$ 13,815,258</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, 2015**

	<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	95,170	20	95,190
Total revenues	<u>694,103</u>	<u>694,074</u>	<u>20</u>	<u>694,094</u>
<b>Expenditures:</b>				
Environmental Protection:				
Urgent Repair	73,983	71,295	310	71,605
Water line improvements	<u>620,120</u>	<u>605,140</u>	<u>-</u>	<u>605,140</u>
Total expenditures	<u>694,103</u>	<u>676,435</u>	<u>310</u>	<u>676,745</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 17,639</u>	(290)	<u>\$ 17,349</u>
Fund balance, July 1			<u>17,639</u>	
Fund balance, June 30			<u>\$ 17,349</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, 2015

		Actual		
	Project Authorization	Prior Years	Current Year	Total to Date
<b>Revenues:</b>				
<b>Board of Elections:</b>				
Investment earnings	\$ 33,200	\$ 33,076	\$ 206	\$ 33,282
Total Board of Elections	33,200	33,076	206	33,282
<b>Commerce:</b>				
NC Tobacco Trust Grant	75,000	17,598	57,402	75,000
Total Commerce	75,000	17,598	57,402	75,000
<b>Elma Lomax Incubator Farm:</b>				
Deferred tax collections	74,003	82,498	(8,495)	74,003
Program fees	7,301	7,301	-	7,301
Contribution and donations	152,600	152,600	-	152,600
Investment earnings	7,837	7,837	-	7,837
Total Lomax Incubator Farm	241,741	250,236	(8,495)	241,741
<b>Register of Deeds:</b>				
Automation & enhancement fees	1,214,797	1,110,325	108,948	1,219,273
Investment earnings	37,335	37,001	422	37,423
Total Register of Deeds	1,252,132	1,147,326	109,370	1,256,696
<b>Soil &amp; Water:</b>				
NC Clean Water Management Grant	521,833	521,833	-	521,833
USDA - Porter	350,000	-	-	-
USDA - Porter 2	456,225	-	-	-
Porter 2 NC ADFP Trust	228,112	-	-	-
Farm Land Protection - Porter	175,000	-	175,000	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	-	-	-
Stewardship Fund	9,588	-	9,588	9,588
Deferred tax collections	250,000	-	250,000	250,000
Program fees	8,653	7,432	1,220	8,652
Contribution and donations	2,898	2,550	348	2,898
Investment earnings	1,693	1,693	-	1,693
Total Soil & Water	2,145,502	571,733	436,156	1,007,889
<b>Local Agriculture Preservation:</b>				
Deferred tax collections	643,203	551,050	(32,847)	518,203
Investment earnings	1,591	693	1,172	1,865
Total Soil & Water	644,794	551,743	(31,675)	520,068
Total revenues	4,392,369	2,571,712	562,964	3,134,676
<b>Expenditures:</b>				
<b>Operations:</b>				
General Govt - Board of Elections	184,291	52,904	-	52,904
General Govt - Register of Deeds	1,329,637	995,527	63,152	1,058,679
Economic Development - Commerce	17,567	17,567	-	17,567
Economic Development - Elma Lomax	348,590	347,864	726	348,590
Environmental Protection - Soil & Water	2,258,510	533,638	167,254	700,892
Environ Protect - Local Agric Preservat	619,794	-	-	-
Total Operations	4,758,389	1,947,500	231,132	2,178,632
<b>Capital Outlay:</b>				
Land and Land Improvements	95,355	37,922	57,433	95,355
Equipment and Furniture	71,241	46,711	24,530	71,241
Vehicles and Motorized Equipment	32,539	32,539	-	32,539
Total Capital Outlay	199,135	117,172	81,963	199,135
Total expenditures	4,957,524	2,064,672	313,095	2,377,767
Excess (deficiency) of revenues over (under) expenditures	(565,155)	507,040	249,869	756,909
<b>Other Financing Sources (Uses):</b>				
Transfer in-General Fund	440,155	440,155	-	440,155
Transfer in-Capital Reserve Fund	150,000	150,000	-	150,000
Transfer out-General Fund	(25,000)	-	(25,000)	(25,000)
Total other financing sources (uses)	565,155	590,155	(25,000)	565,155
Net change in fund balance	\$ -	\$ 1,097,195	224,869	\$ 1,322,064
Fund balance, July 1			1,097,195	
Fund balance, June 30			<u>\$ 1,322,064</u>	

**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, 2015**

		<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	\$ 935,089	\$ 935,089	\$ -	\$ 935,089
Investment earnings	<u>198,488</u>	<u>198,456</u>	<u>132</u>	<u>198,588</u>
Total revenues	<u>1,133,577</u>	<u>1,133,545</u>	<u>132</u>	<u>1,133,677</u>
<b>Expenditures:</b>				
Cultural and Recreation:				
Special Projects	<u>13,326</u>	<u>3,585</u>	<u>-</u>	<u>3,585</u>
Total expenditures	<u>13,326</u>	<u>3,585</u>	<u>-</u>	<u>3,585</u>
Excess (deficiency) of revenues over (under) expenditures	1,120,251	1,129,960	132	1,130,092
<b>Other financing sources (uses):</b>				
Transfer in-General Fund	9,740	9,740	-	9,740
Transfer (out)-General Fund	<u>(1,129,991)</u>	<u>(1,022,231)</u>	<u>-</u>	<u>(1,022,231)</u>
Total other financing sources (uses)	<u>(1,120,251)</u>	<u>(1,012,491)</u>	<u>-</u>	<u>(1,012,491)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 117,469</u>	132	<u>\$ 117,601</u>
Fund balance, July 1			<u>117,469</u>	
Fund balance, June 30			<u>\$ 117,601</u>	

# 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; 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 Records 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, 2015**

	Balance June 30, 2014	Additions	Deductions	Balance June 30, 2015
<b><u>Department of Social Services</u></b>				
<b><u>Assets:</u></b>				
Cash and cash equivalents	\$ 75,714	\$ 191,848	\$ 181,056	\$ 86,506
Total	<u>\$ 75,714</u>	<u>\$ 191,848</u>	<u>\$ 181,056</u>	<u>\$ 86,506</u>
<b><u>Liabilities:</u></b>				
Accounts payable	\$ 5,196	\$ 164,015	\$ 165,891	\$ 3,320
Due to program participants	70,518	194,069	181,401	83,186
Total	<u>\$ 75,714</u>	<u>\$ 358,084</u>	<u>\$ 347,292</u>	<u>\$ 86,506</u>
<b><u>Charitable Campaign</u></b>				
<b><u>Assets:</u></b>				
Cash and cash equivalents	\$ 2,708	\$ 37,574	\$ 24,941	\$ 15,341
Accounts receivable	1,894	1,411	1,894	1,411
Total	<u>\$ 4,602</u>	<u>\$ 38,985</u>	<u>\$ 26,835</u>	<u>\$ 16,752</u>
<b><u>Liabilities:</u></b>				
Accounts payable	\$ -	\$ 24,825	\$ 24,825	\$ -
Due to program participants	4,602	35,680	23,530	16,752
Total	<u>\$ 4,602</u>	<u>\$ 60,505</u>	<u>\$ 48,355</u>	<u>\$ 16,752</u>
<b><u>Undistributed Taxes</u></b>				
<b><u>Assets:</u></b>				
Cash and cash equivalents	\$ 224,901	\$ 177,080,391	\$ 177,124,480	\$ 180,812
Due from State DOT	585,468	620,147	585,468	620,147
Total	<u>\$ 810,369</u>	<u>\$ 177,700,538</u>	<u>\$ 177,709,948</u>	<u>\$ 800,959</u>
<b><u>Liabilities:</u></b>				
Accounts payable	\$ 585,468	\$ 28,013,240	\$ 28,598,708	\$ -
Intergovernmental payable - Municipalities	224,901	199,782,316	199,206,258	800,959
Total	<u>\$ 810,369</u>	<u>\$ 227,795,556</u>	<u>\$ 227,804,966</u>	<u>\$ 800,959</u>
<b><u>Intergovernmental</u></b>				
<b><u>Assets:</u></b>				
Cash and cash equivalents	\$ 151,358	\$ 1,562,751	\$ 1,585,516	\$ 128,593
Accounts receivable	4,109	-	4,109	-
Total	<u>\$ 155,467</u>	<u>\$ 1,562,751</u>	<u>\$ 1,589,625</u>	<u>\$ 128,593</u>
<b><u>Liabilities:</u></b>				
Accounts payable	\$ -	\$ 1,583,231	\$ 1,583,231	\$ -
Due to Schools - Fines & Forfeitures	155,467	1,569,866	1,596,740	128,593
Total	<u>\$ 155,467</u>	<u>\$ 3,153,097</u>	<u>\$ 3,179,971</u>	<u>\$ 128,593</u>
<b><u>Sheriff Civil Records</u></b>				
<b><u>Assets:</u></b>				
Cash and cash equivalents	\$ 10,686	\$ 314,384	\$ 319,014	\$ 6,056
<b><u>Liabilities:</u></b>				
Accounts payable	\$ -	\$ 322,469	\$ 319,769	\$ 2,700
	10,686	313,834	321,164	3,356
Total	<u>\$ 10,686</u>	<u>\$ 636,303</u>	<u>\$ 640,933</u>	<u>\$ 6,056</u>
<b><u>Jail Commissary</u></b>				
<b><u>Assets:</u></b>				
Cash and cash equivalents	\$ 55,573	\$ 495,860	\$ 519,522	\$ 31,911
<b><u>Liabilities:</u></b>				
Due to jail inmates	55,573	520,885	544,547	31,911
Total	<u>\$ 55,573</u>	<u>\$ 520,885</u>	<u>\$ 544,547</u>	<u>\$ 31,911</u>
<b><u>Total All Agency Funds</u></b>				
<b><u>Assets:</u></b>				
Cash and cash equivalents	\$ 520,940	\$ 180,302,955	\$ 180,339,997	\$ 449,219
Accounts receivable	6,003	1,411	6,003	1,411
Due from State DOT	585,468	620,147	585,468	620,147
Total	<u>\$ 1,112,411</u>	<u>\$ 180,924,513</u>	<u>\$ 180,931,468</u>	<u>\$ 1,070,777</u>
<b><u>Liabilities:</u></b>				
Accounts payable	\$ 590,664	\$ 30,107,780	\$ 30,692,424	\$ 6,020
Due to courts	10,686	313,834	321,164	3,356
Due to jail inmates	55,573	520,885	544,547	31,911
Due to municipalities	224,901	199,782,316	199,206,258	800,959
Due to program participants	75,120	229,749	204,931	99,938
Due to schools	155,467	1,569,866	1,596,740	128,593
Total	<u>\$ 1,112,411</u>	<u>\$ 232,524,430</u>	<u>\$ 232,566,064</u>	<u>\$ 1,070,777</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, 2015**

	<b>2015</b>		
	<b><u>Financial Plan</u></b>	<b><u>Actual</u></b>	<b><u>Variance Favorable (Unfavorable)</u></b>
<b>Revenues:</b>			
Operating revenues:			
Insurance premiums	\$ 7,694,644	\$ 8,018,201	\$ 323,557
Insurance refunds	84,618	84,618	-
Program fees	-	-	-
Total operating revenues	<u>7,779,262</u>	<u>8,102,819</u>	<u>323,557</u>
Nonoperating revenues:			
Investment earnings	<u>3,663</u>	<u>5,306</u>	<u>1,643</u>
Total nonoperating revenues	<u>3,663</u>	<u>5,306</u>	<u>1,643</u>
Total revenues	<u>7,782,925</u>	<u>8,108,125</u>	<u>325,200</u>
<b>Expenditures:</b>			
General and administrative	2,184,913	2,120,020	64,893
Claims	<u>6,988,160</u>	<u>6,836,564</u>	<u>151,596</u>
Total expenditures	<u>9,173,073</u>	<u>8,956,584</u>	<u>216,489</u>
Revenues over (under) expenditures	<u>(1,390,148)</u>	<u>(848,459)</u>	<u>541,689</u>
<b>Transfers:</b>			
Transfers in - General Fund	<u>150,000</u>	<u>150,000</u>	<u>-</u>
Revenues and transfers over (under) expenditures	<u>(1,240,148)</u>	<u>(698,459)</u>	<u>541,689</u>
Fund Balance Appropriated	<u>1,240,148</u>	<u>-</u>	<u>1,240,148</u>
Revenues over (under) expenditures	<u>\$ -</u>	<u>(698,459)</u>	<u>\$ (698,459)</u>
Change in net position		<u>\$ (698,459)</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, 2015**

<b>Fiscal Year Ended June 30</b>	<b>Uncollected Balance June 30, 2014</b>	<b>Additions</b>	<b>Collections and Credits</b>	<b>Uncollected Balance June 30, 2015</b>
2015	\$ -	\$ 138,945,703	\$ 135,223,699	\$ 3,722,004
2014	5,120,327	-	1,948,777	3,171,550
2013	1,884,468	-	546,878	1,337,590
2012	815,915	-	372,467	443,448
2011	593,375	-	243,299	350,076
2010	253,799	-	56,908	196,891
2009	155,885	-	15,068	140,817
2008	99,661	-	4,705	94,956
2007	93,070	-	5,434	87,636
2006	87,657	-	3,624	84,033
2005	65,034	-	65,034	-
	<u>\$ 9,169,191</u>	<u>\$ 138,945,703</u>	<u>\$ 138,485,893</u>	<u>\$ 9,629,001</u>
Less: allowance for uncollectible accounts:				
General Fund				<u>(3,876,835)</u>
Ad valorem taxes receivable - net:				
General Fund				<u>\$ 5,752,166</u>
<u>Reconcilement with revenues:</u>				
Ad valorem taxes - General Fund				\$ 135,853,372
Penalties collected on ad valorem taxes - Agency Fund				257,913
Reconciling items:				
Taxes written off				191,237
Abatements				1,958,143
Collections of taxes over 10 years old				(16,459)
NCVTS Refunds				53,283
Deferred Taxes				188,404
Total reconciling items				<u>2,374,608</u>
Total collections and credits				<u>\$ 138,485,893</u>



**Cabarrus County, North Carolina**  
**Analysis of Current Tax Levy**  
**For the Year Ended June 30, 2015**

	<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	\$ 19,666,142,611	0.70	\$137,658,165	\$126,168,680	\$11,489,485
Motor vehicles taxed at prior year's rate	1,888,373	0.70	13,219	-	13,219
Penalties	-		150,021	150,021	-
Total	19,668,030,984		137,821,405	126,318,701	11,502,704
Discoveries					
Current year taxes					
Current year's rate	65,361,545	0.70	456,470	455,820	650
Prior year's rate	235,980		1,652	-	1,652
Prior year taxes	-		755,565	755,565	-
Penalties	-		150,740	150,740	-
Total	65,597,525		1,364,427	1,362,125	2,302
Abatelements					
Current year's rate	(36,704,441)		(218,842)	(218,842)	-
Prior year's rate	(344,490)		(2,411)	-	(2,411)
Penalties	-		(18,876)	(18,876)	-
Total	(37,048,931)		(240,129)	(237,718)	(2,411)
Total property valuation	<u>\$ 19,696,579,578</u>				
Net levy			138,945,703	127,443,108	11,502,595
Uncollected taxes at June 30, 2015 (Schedule 21)			3,722,004	3,721,200	804
Current year's taxes collected (Schedule 21)			<u>\$ 135,223,699</u>	<u>\$ 123,721,908</u>	<u>\$ 11,501,791</u>
Current year collection percentage			97.32%	97.08%	99.99%

**Cabarrus County, North Carolina  
Analysis of Current Tax Levy  
County-Wide Levy  
For the Year Ended June 30, 2015**

Secondary Market Disclosures:

Assessed Valuation:

Assessment Ratio <sup>1</sup>	100%
Real Property	\$ 16,133,208,737
Personal Property	3,251,500,679
Public Service Companies <sup>2</sup>	<u>311,870,162</u>

Total Assessed Valuation	<u>\$ 19,696,579,578</u>
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Tax Rate per \$100	0.70
Levy <sup>3</sup>	\$ 138,945,703

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, 2015:

Fire Protection Districts <sup>4</sup>	\$ 4,676,958
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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, 2015**

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Positive (Negative)</b>
<b>Revenues:</b>			
<b>Ad Valorem Taxes:</b>			
Taxes - Current	\$ 131,246,989	\$ 134,737,624	\$ 3,490,635
Taxes - Delinquent	2,382,000	1,115,748	(1,266,252)
Interest	675,000	703,728	28,728
Total	<u>134,303,989</u>	<u>136,557,100</u>	<u>2,253,111</u>
<b>Local Option Sales Taxes:</b>			
Sales tax - one cent	14,361,214	16,603,911	2,242,697
Sales tax - half cent (40)	7,455,099	8,303,375	848,276
Sales tax - half cent (42)	8,668,317	9,979,891	1,311,574
Sales tax - half cent (44)	-	(3,546)	(3,546)
Sales tax - half cent (46)	6,118,403	6,873,104	754,701
Sales tax fire districts	837,610	816,021	(21,589)
Total	<u>37,440,643</u>	<u>42,572,756</u>	<u>5,132,113</u>
<b>Other Taxes:</b>			
Franchise fees	530,915	537,308	6,393
Gross receipts tax	135,000	162,660	27,660
Heavy equipment tax	25,000	36,851	11,851
Disposal Tax on White Goods	55,000	59,347	4,347
Total	<u>745,915</u>	<u>796,166</u>	<u>50,251</u>
<b>Intergovernmental Revenues:</b>			
Federal and state grants	19,448,072	20,141,533	693,461
Court facilities fees	289,567	333,470	43,903
ABC profit distribution	86,843	90,185	3,342
Other intergovernmental	396,100	1,406,818	1,010,718
Total	<u>20,220,582</u>	<u>21,972,006</u>	<u>1,751,424</u>
<b>Permits and Fees:</b>			
Inspection fees	2,365,004	2,903,695	538,691
Register of deeds	1,804,800	2,140,099	335,299
Other permits	199,850	216,025	16,175
Total	<u>4,369,654</u>	<u>5,259,819</u>	<u>890,165</u>
<b>Sales and Services:</b>			
Rental fees	35,100	44,962	9,862
Ambulance fees	4,670,541	4,659,237	(11,304)
Jail fees	813,100	908,864	95,764
Library fees	145,000	134,865	(10,135)
Recreation fees	431,202	499,966	68,764
Human services	1,146,399	955,844	(190,555)
Transportation	1,041,893	1,226,792	184,899
Tax collection fees	323,000	291,069	(31,931)
Other sales and services	2,334,812	2,161,010	(173,802)
Total	<u>10,941,047</u>	<u>10,882,609</u>	<u>(58,438)</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, 2015**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>Investment Earnings:</b>			
Interest on investments	145,000	190,234	45,234
Total	<u>145,000</u>	<u>190,234</u>	<u>45,234</u>
<b>Miscellaneous:</b>			
Private contributions and donations	225,031	378,917	153,886
Sale of materials and capital assets	35,000	39,559	4,559
Gain (Loss) on Foreclosures	-	4,696	4,696
Other	-	10,543	10,543
Total	<u>260,031</u>	<u>433,715</u>	<u>173,684</u>
<b>Total revenues</b>	<u>208,426,861</u>	<u>218,664,405</u>	<u>10,237,544</u>
<b>Expenditures:</b>			
<b>General Government</b>			
Board of Commissioners			
Personal services	240,823	238,385	2,438
Operations	730,184	680,286	49,898
Total	<u>971,007</u>	<u>918,671</u>	<u>52,336</u>
County Manager			
Personal services	629,275	629,160	115
Operations	41,485	38,498	2,987
Total	<u>670,760</u>	<u>667,658</u>	<u>3,102</u>
Communications & Outreach			
Personal services	275,791	269,053	6,738
Operations	52,766	41,982	10,784
Capital Outlay	18,000	17,745	255
Total	<u>346,557</u>	<u>328,780</u>	<u>17,777</u>
Human Resources			
Personal services	409,325	396,657	12,668
Operations	171,853	150,751	21,102
Total	<u>581,178</u>	<u>547,408</u>	<u>33,770</u>
Tax Collector			
Personal services	498,031	475,466	22,565
Operations	510,263	433,131	77,132
Total	<u>1,008,294</u>	<u>908,597</u>	<u>99,697</u>
Tax Administration			
Personal services	1,779,796	1,736,144	43,652
Operations	732,607	594,724	137,883
Total	<u>2,512,403</u>	<u>2,330,868</u>	<u>181,535</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, 2015**

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Positive (Negative)</b>
Board of Elections			
Personal services	457,345	382,712	74,633
Operations	226,555	179,832	46,723
Total	<u>683,900</u>	<u>562,544</u>	<u>121,356</u>
Register of Deeds			
Personal services	455,906	452,692	3,214
Operations	90,954	82,565	8,389
Total	<u>546,860</u>	<u>535,257</u>	<u>11,603</u>
Finance			
Personal services	835,394	759,569	75,825
Operations	108,693	83,955	24,738
Total	<u>944,087</u>	<u>843,524</u>	<u>100,563</u>
Information Technology Services			
Personal services	1,838,707	1,789,036	49,671
Operations	2,020,408	1,928,867	91,541
Capital outlay	62,106	61,773	333
Total	<u>3,921,221</u>	<u>3,779,676</u>	<u>141,545</u>
Grounds Maintenance			
Personal services	413,687	403,536	10,151
Operations	738,432	666,339	72,093
Capital outlay	116,000	82,383	33,617
Total	<u>1,268,119</u>	<u>1,152,258</u>	<u>115,861</u>
Infrastructure and Asset Management			
Personal services	550,390	541,191	9,199
Operations	1,214,454	1,017,857	196,597
Total	<u>1,764,844</u>	<u>1,559,048</u>	<u>205,796</u>
Street Sign Maintenance			
Personal services	123,802	123,218	584
Operations	51,269	40,587	10,682
Total	<u>175,071</u>	<u>163,805</u>	<u>11,266</u>
Building Maintenance			
Personal services	624,215	625,716	(1,501)
Operations	1,852,962	1,377,798	475,164
Capital outlay	15,000	-	15,000
Total	<u>2,492,177</u>	<u>2,003,514</u>	<u>488,663</u>
Facility Services			
Personal services	1,004,020	986,678	17,342
Operations	274,197	249,054	25,143
Total	<u>1,278,217</u>	<u>1,235,732</u>	<u>42,485</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, 2015**

	Final Budget	Actual	Variance Positive (Negative)
<b>Fleet Maintenance</b>			
Personal services	356,844	356,211	633
Operations	39,622	32,839	6,783
Capital outlay	56,000	43,190	12,810
Total	452,466	432,240	20,226
<b>Other General Government</b>			
Salary Adjustments	2,189	-	2,189
Other benefits	618,503	618,503	-
Unemployment compensation	68,731	68,730	1
Contingency	91,064	-	91,064
Contribution to Pension Trust Fund	535,823	535,823	-
Board Directed Expenses	316,766	316,766	-
Other Operations	116,806	103,972	12,834
Total	1,749,882	1,643,794	106,088
<b>Total General Government</b>	21,367,043	19,613,374	1,753,669
<b>Public Safety</b>			
County Sheriff			
Personal services	9,902,917	9,724,174	178,743
Operations	1,843,145	1,610,964	232,181
Capital outlay	321,216	321,215	1
Total	12,067,278	11,656,353	410,925
<b>Jail</b>			
Personal services	8,200,123	8,014,961	185,162
Operations	1,963,314	1,924,581	38,733
Capital Outlay	202,685	33,134	169,551
Total	10,366,122	9,972,676	393,446
<b>Animal Control</b>			
Personal services	633,133	632,225	908
Operations	209,678	191,741	17,937
Capital Outlay	59,880	59,879	1
Total	902,691	883,845	18,846
<b>Courts</b>			
Personal services	31,073	29,566	1,507
Operations	492,065	417,184	74,881
Total	523,138	446,750	76,388
<b>Construction Standards</b>			
Personal services	1,276,794	1,235,268	41,526
Operations	165,038	137,738	27,300
Total	1,441,832	1,373,006	68,826



**Cabarrus County, North Carolina  
General Fund  
Schedule of Revenues, Expenditures and  
Changes in Fund Balance - Budget and Actual  
For the Year Ended June 30, 2015**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Emergency Management			
Personal services	431,660	431,869	(209)
Operations	430,447	421,898	8,549
Total	<u>862,107</u>	<u>853,767</u>	<u>8,340</u>
Emergency Medical Services			
Personal services	5,157,393	5,048,236	109,157
Operations	1,093,533	959,756	133,777
Capital outlay	386,500	344,565	41,935
Total	<u>6,637,426</u>	<u>6,352,557</u>	<u>284,869</u>
Other Public Safety			
Juvenile Crime Prevention Council	295,111	287,019	8,092
Medical Examiner	98,000	63,351	34,649
Forester	72,133	64,375	7,758
Fire District	837,610	816,021	21,589
Total	<u>1,302,854</u>	<u>1,230,766</u>	<u>72,088</u>
<b>Total Public Safety</b>	<u>34,103,448</u>	<u>32,769,720</u>	<u>1,333,728</u>
<b>Economic and Physical Develop</b>			
Planning and Development Services			
Personal services	450,523	406,976	43,547
Operations	37,555	30,512	7,043
Total	<u>488,078</u>	<u>437,488</u>	<u>50,590</u>
Community Development			
Personal services	173,656	173,829	(173)
Operations	413,357	344,969	68,388
Total	<u>587,013</u>	<u>518,798</u>	<u>68,215</u>
Soil & Water Conservation			
Personal services	190,205	188,488	1,717
Operations	31,774	29,615	2,159
Total	<u>221,979</u>	<u>218,103</u>	<u>3,876</u>
Zoning Administration			
Personal services	185,919	185,913	6
Operations	7,883	6,779	1,104
Total	<u>193,802</u>	<u>192,692</u>	<u>1,110</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, 2015**

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Positive (Negative)</b>
<b>Economic Development Incentive</b>			
Flyright	33,000	-	33,000
PreGel	143,000	-	143,000
Concord Creamery	11,000	10,312	688
390 Business Blvd.	18,000	17,431	569
Great Wolf Lodge	500,000	488,713	11,287
Celgard LLC	2,270,000	593,907	1,676,093
DNP IMP America	418,000	-	418,000
SP Richards	143,000	126,713	16,287
Sea Life	53,000	-	53,000
Corning Industries	1,443,000	-	1,443,000
Total	5,032,000	1,237,076	3,794,924
<b>Education Farming -Lomax</b>			
Personal services	642	641	1
Operations	11	10	1
Total	653	651	2
<b>Other Economic and Physical Development</b>			
Carolina Farm Steward	25,000	25,000	-
Economic Development Corp	242,000	242,000	-
City of Kannapolis - Obligation bonds	1,509,504	1,509,504	-
Total	1,776,504	1,776,504	-
<b>Total Economic and Physical</b>	8,300,029	4,381,312	3,918,717
<b>Environmental Protection</b>			
Waste Reduction/Recycling			
Personal services	93,740	92,285	1,455
Operations	350,760	139,279	211,481
Total	444,500	231,564	212,936
<b>Total Environmental Protection</b>	444,500	231,564	212,936
<b>Human Services</b>			
Veterans Services			
Personal services	219,306	217,539	1,767
Operations	10,962	9,625	1,337
Total	230,268	227,164	3,104
<b>Transportation</b>			
Personal services	1,311,276	1,258,938	52,338
Operations	701,657	611,626	90,031
Capital outlay	228,400	185,284	43,116
Total	2,241,333	2,055,848	185,485

**Cabarrus County, North Carolina**  
**General Fund**  
**Schedule of Revenues, Expenditures and**  
**Changes in Fund Balance - Budget and Actual**  
**For the Year Ended June 30, 2015**

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Positive (Negative)</b>
Cooperative Extension			
Personal services	321,655	306,355	15,300
Operations	78,400	71,282	7,118
Total	<u>400,055</u>	<u>377,637</u>	<u>22,418</u>
HS - Administration Operations			
Personal services	817,594	795,876	21,718
Operations	2,290,130	2,154,998	135,132
Capital outlay	8,315	8,315	-
Total	<u>3,116,039</u>	<u>2,959,189</u>	<u>156,850</u>
HS - Child Welfare			
Personal services	4,673,752	4,509,393	164,359
Operations	2,380,861	2,040,024	340,837
Total	<u>7,054,613</u>	<u>6,549,417</u>	<u>505,196</u>
HS - Child Support Services			
Personal services	1,242,794	1,217,515	25,279
Operations	260,215	235,939	24,276
Total	<u>1,503,009</u>	<u>1,453,454</u>	<u>49,555</u>
HS - Economic Services			
Personal services	6,758,437	6,298,242	460,195
Operations	7,138,899	6,146,554	992,345
Total	<u>13,897,336</u>	<u>12,444,796</u>	<u>1,452,540</u>
HS - CAP Program			
Personal services	856,106	841,335	14,771
Operations	106,562	90,609	15,953
Total	<u>962,668</u>	<u>931,944</u>	<u>30,724</u>
HS - Adult and Family Services			
Personal services	1,792,301	1,792,967	(666)
Operations	317,806	215,128	102,678
Total	<u>2,110,107</u>	<u>2,008,095</u>	<u>102,012</u>
HS Aging - Nutrition Title III			
Personal services	175,716	175,101	615
Operations	281,580	245,334	36,246
Total	<u>457,296</u>	<u>420,435</u>	<u>36,861</u>
HS Aging - Senior Services			
Personal services	422,272	365,956	56,316
Operations	253,435	152,092	101,343
Total	<u>675,707</u>	<u>518,048</u>	<u>157,659</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, 2015**

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Positive (Negative)</b>
Other Human Services			
Operations	51,321	51,320	1
Veteranian Services-Spay	15,000	589	14,411
Public Health Authority	5,713,867	5,713,868	(1)
Mental Health Center	614,021	614,021	-
Total	<u>6,394,209</u>	<u>6,379,798</u>	<u>14,411</u>
<b>Total Human Services</b>	<u>39,042,640</u>	<u>36,325,825</u>	<u>2,716,815</u>
<b>Education</b>			
Schools - Current Expense			
Cabarrus County Schools	51,906,337	51,906,337	-
Kannapolis City Schools	6,835,656	6,835,656	-
Rowan Cabarrus Community College	2,020,153	2,020,153	-
Total	<u>60,762,146</u>	<u>60,762,146</u>	<u>-</u>
Schools - Capital Outlay			
Cabarrus County Schools	2,095,749	2,095,749	-
Kannapolis City Schools	116,800	116,800	-
Rowan Cabarrus Community College	1,134,695	450,252	684,443
Total	<u>3,347,244</u>	<u>2,662,801</u>	<u>684,443</u>
Schools - Other			
Cabarrus County Schools	105,930	105,000	930
<b>Total Education</b>	<u>64,215,320</u>	<u>63,529,947</u>	<u>685,373</u>
<b>Culture &amp; Recreation</b>			
Active Living and Parks - Operations			
Personal services	944,553	942,061	2,492
Operations	337,029	297,956	39,073
Capital outlay	102,050	99,037	3,013
Total	<u>1,383,632</u>	<u>1,339,054</u>	<u>44,578</u>
Active Living and Parks - Senior Centers			
Personal services	375,229	370,343	4,886
Operations	192,313	177,346	14,967
Total	<u>567,542</u>	<u>547,689</u>	<u>19,853</u>
Library System			
Personal services	1,899,911	1,836,276	63,635
Operations	625,272	458,055	167,217
Capital Outlay	14,000	11,886	2,114
Total	<u>2,539,183</u>	<u>2,306,217</u>	<u>232,966</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>4,516,357</u>	<u>4,218,960</u>	<u>297,397</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, 2015**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>Debt Service</b>			
Principle:			
Bonds			
Public schools	7,510,833	7,510,833	-
Community college	129,167	129,167	-
Certificates of Participation/ Limited Obligation Bonds			
Public schools	12,871,975	12,871,975	-
County buildings	5,878,025	5,878,025	-
Lease Financing			
Equipment	126,521	126,521	-
Land	74,123	74,123	-
Total	<u>26,590,644</u>	<u>26,590,644</u>	<u>-</u>
Interest and Fees:			
Bonds	3,440,163	3,440,163	-
Certificates of Participation/ Limited Obligation Bonds	11,073,398	11,016,571	56,827
Lease Financing	125,979	125,979	-
Bank service charges	113,025	18,070	94,955
Bond issuance costs	677,026	677,026	-
Total	<u>15,429,591</u>	<u>15,277,809</u>	<u>151,782</u>
<b>Total Debt Service</b>	<u>42,020,235</u>	<u>41,868,453</u>	<u>151,782</u>
<b>Total expenditures</b>	<u>214,009,572</u>	<u>202,939,155</u>	<u>11,070,417</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(5,582,711)</u>	<u>15,725,250</u>	<u>21,307,961</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, 2015**

	<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	217,665	217,664	(1)
From Cabarrus Arena & Events Fund	600	600	-
From Small Projects Fund	25,000	25,000	-
From Public School Bldg. Fund-Lottery	2,200,000	2,200,000	-
From Cert of Participation 2009 Fund	-	12	12
Total	<u>2,443,265</u>	<u>2,443,276</u>	<u>11</u>
<b>Transfers (out):</b>			
To Cabarrus Arena & Events Fund	(413,383)	(431,341)	(17,958)
To Construction and Renovation Fund	(40,000)	(40,000)	-
To School Construction Fund	(2,720,339)	(2,720,339)	-
To Internal Service Fund	(150,000)	(150,000)	-
To Capital Reserve Fund	(5,035,007)	(5,035,007)	-
Total	<u>(8,358,729)</u>	<u>(8,376,687)</u>	<u>(17,958)</u>
Total net transfers	(5,915,464)	(5,933,411)	(17,947)
Limited Obligation Bonds Issued	134,235,000	134,235,000	-
Disbursement for Refunded COPS	(133,494,948)	(133,494,948)	-
Total	<u>740,052</u>	<u>740,052</u>	<u>-</u>
Fund balance appropriated	<u>10,758,123</u>	<u>-</u>	<u>(10,758,123)</u>
<b>Total other financing sources (uses)</b>	<u>5,582,711</u>	<u>(5,193,359)</u>	<u>(10,776,070)</u>
Net change in fund balance	<u>\$ -</u>	10,531,891	<u>\$ 10,531,891</u>
Fund balance, July 1		<u>68,901,762</u>	
Fund balance, June 30		<u>\$ 79,433,653</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, 2015

	Project Authorization	Prior Years	Actual Current Year	Total to Date
<b>Revenues:</b>				
Total revenues	\$ -	\$ -	\$ -	\$ -
<b>Expenditures:</b>				
Education				
Rocky River Elementary School	708,370	-	409,607	409,607
Winecoff Elementary School	733,320	-	399,508	399,508
Northwest Middle School	1,001,329	-	446,191	446,191
JM Robinson High School	1,151,094	-	305,705	305,705
Mt. Pleasant High School	619,297	-	156,545	156,545
Mt. Pleasant Middle School Replacement	-	11,000	(11,000)	-
Odell Elementary 3-5 School	21,248,228	745,642	4,361,853	5,107,495
Total expenditures	25,461,638	756,642	6,068,409	6,825,051
Excess (deficiency) of revenues over (under) expenditures	(25,461,638)	(756,642)	(6,068,409)	(6,825,051)
<b>Other financing sources (uses):</b>				
Transfer in - Capital Projects Fund	2,738,951	-	2,738,951	2,738,951
Transfer in - General Fund	4,220,339	1,500,000	2,720,339	4,220,339
Transfer in - Capital Reserve Fund	18,502,348	18,000,000	502,348	18,502,348
Total other financing sources (uses)	25,461,638	19,500,000	5,961,638	25,461,638
Net change in fund balance	\$ -	\$ 18,743,358	(106,771)	\$ 18,636,587
Fund balance, July 1			18,743,358	
Fund balance, June 30			\$ 18,636,587	

**Cabarrus County, North Carolina**  
**Landfill Fund**  
**Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP Basis)**  
**For the Fiscal Year Ended June 30, 2015**

	<b>2015</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	\$ 560,000	\$ 624,413	\$ 64,413
AGRO lease of land	2,400	-	(2,400)
Total operating revenues	<u>562,400</u>	<u>624,413</u>	<u>(2,400)</u>
Nonoperating revenues:			
Landfill disposal tax	32,000	15,740	(16,260)
Landfill state tax distribution	35,000	39,229	4,229
Solid waste franchise fee	25,000	25,000	-
Tire disposal fees	200,000	235,628	35,628
Waste disposal fee	65,000	57,852	(7,148)
Investment earnings	-	4,910	4,910
Total nonoperating revenues	<u>357,000</u>	<u>378,359</u>	<u>21,359</u>
Total revenues	<u>919,400</u>	<u>1,002,772</u>	<u>18,959</u>
<b>Expenditures:</b>			
Landfill Administration:			
Salaries and wages	201,583	196,804	4,779
FICA	9,006	9,007	(1)
Medicare	2,090	2,106	(16)
Group hospital insurance	26,067	24,614	1,453
Vision Care	105	79	26
Retirement	10,858	10,981	(123)
Deferred compensation- 401K	7,707	7,787	(80)
Workers' Compensation	1,721	1,721	-
Insurance and bonds	2,699	2,726	(27)
Total salaries and benefits	<u>261,836</u>	<u>255,825</u>	<u>6,011</u>
Landfill Operations:			
General and administrative:			
Bank service charges	2,625	2,713	(88)
Dues and subscriptions	450	400	50
Lights and power	5,250	4,900	350
Office supplies	1,750	1,257	493
Other operating cost	-	320	(320)
Telephone	1,248	887	361
Travel	1,500	1,048	452
Uniforms	3,515	2,895	620
Total general and administrative	<u>16,338</u>	<u>14,420</u>	<u>1,918</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, 2015**

	<b>2015</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	15,000	14,499	501
Building and ground maintenance	22,000	18,131	3,869
Capital reserve	194,549	83,549	111,000
Engineers	80,510	145,947	(65,437)
Fuel	59,400	46,991	12,409
Heavy equipment maintenance	45,000	29,723	15,277
Landfill disposal tax remittance	32,000	33,021	(1,021)
Minor equipment maintenance	1,500	1,248	252
Permitting fees	8,000	5,975	2,025
Service Contracts	1,550	857	693
Tire disposal	200,000	91,531	108,469
Tools and minor equipment	10,100	9,498	602
Waste disposal charges	3,500	3,320	180
Other improvements	106,027	-	106,027
Total other operating expenditures	<u>779,136</u>	<u>484,290</u>	<u>294,846</u>
Total expenditures	<u>1,057,310</u>	<u>754,535</u>	<u>302,775</u>
Revenues over (under) expenditures	(137,910)	248,237	386,147
<b>Other financing sources (uses):</b>			
Fund Balance Appropriated	<u>137,910</u>	<u>-</u>	<u>(137,910)</u>
Revenues over (under) expenditures and other financing sources (uses)	<u>\$ -</u>	<u>248,237</u>	<u>\$ 248,237</u>

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

Reconciling items:	
Capital Outlays	143,549
Depreciation	(279,366)
Deferred outflows of resources for contributions made to pension plan in current fiscal year	10,851
Decrease in accrued landfill closure and postclosure care costs	48,038
Increase in accrued vacation pay	(3,250)
Pension expense	(961)
Decrease in other postemployment benefits	2,012
Total reconciling items	<u>(79,127)</u>
Change in net position	<u>\$ 169,110</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)**

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Governmental activities</b>										
Net investment in capital assets	\$ 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	\$ 130,096,524
Restricted	16,737,437	52,443,335	73,845,715	59,101,722	57,497,847	46,892,224	32,502,357	21,526,048	17,269,347	15,952,068
Unrestricted	(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)	(131,914,054)
<b>Total governmental activities net position</b>	<b>\$ (24,330,007)</b>	<b>\$ (42,460,773)</b>	<b>\$ (44,099,788)</b>	<b>\$ (48,421,348)</b>	<b>\$ (78,928,543)</b>	<b>\$ (79,755,501)</b>	<b>\$ (65,093,245)</b>	<b>\$ (39,238,848)</b>	<b>\$ (18,094,453)</b>	<b>\$ 14,134,538</b>
<b>Business-type activities</b>										
Net investment in capital assets	\$ 1,655,812	\$ 3,502,753	\$ 3,856,424	\$ 4,174,313	\$ 4,048,802	\$ 3,978,432	\$ 3,601,643	\$ 3,220,285	\$ 3,019,858	\$ 2,884,041
Unrestricted	2,272,566	1,335,551	957,349	604,100	(286,743)	(272,454)	45,035	343,174	724,114	1,005,864
<b>Total business-type activities net position</b>	<b>\$ 3,928,378</b>	<b>\$ 4,838,304</b>	<b>\$ 4,813,773</b>	<b>\$ 4,778,413</b>	<b>\$ 3,762,059</b>	<b>\$ 3,705,978</b>	<b>\$ 3,646,678</b>	<b>\$ 3,563,459</b>	<b>\$ 3,743,972</b>	<b>\$ 3,889,905</b>
<b>Primary government</b>										
Net investment in capital assets	\$ 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	\$ 132,980,565
Restricted	16,737,437	65,446,629	73,845,715	59,101,722	57,497,847	46,892,224	32,502,357	21,526,048	17,269,347	15,952,068
Unrestricted	(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)	(130,908,190)
<b>Total primary government net position</b>	<b>\$ (20,401,629)</b>	<b>\$ (37,622,469)</b>	<b>\$ (39,286,015)</b>	<b>\$ (43,642,935)</b>	<b>\$ (75,166,484)</b>	<b>\$ (76,049,523)</b>	<b>\$ (61,446,567)</b>	<b>\$ (35,675,389)</b>	<b>\$ (14,350,481)</b>	<b>\$ 18,024,443</b>
<b>Component Unit</b>										
Net investment in capital assets	\$ 947,632	\$ 844,904	\$ 991,163	\$ 980,806	\$ 1,561,575	\$ 725,114	\$ 1,152,374	\$ 959,140	\$ 771,532	\$ 698,177
Restricted	-	-	-	-	-	2,936,461	4,077,601	982,679	900,338	1,768,998
Unrestricted	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	4,312,657
<b>Total component unit net position</b>	<b>\$ 5,572,262</b>	<b>\$ 5,928,322</b>	<b>\$ 5,717,671</b>	<b>\$ 5,247,903</b>	<b>\$ 8,030,867</b>	<b>\$ 8,089,910</b>	<b>\$ 7,817,500</b>	<b>\$ 7,247,394</b>	<b>\$ 7,454,106</b>	<b>\$ 6,779,832</b>



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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Expenses</b>										
Governmental activities:										
General government	\$ 13,908,538	\$ 15,788,662	\$ 18,415,916	\$ 19,804,610	\$ 20,931,001	\$ 21,750,176	\$ 21,958,116	\$ 20,446,857	\$ 29,319,941	\$ 20,025,751
Public safety	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	41,286,464
Economic and physical development	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	4,056,316
Environmental protection	222,730	239,353	273,920	251,712	541,463	619,639	583,412	547,558	259,725	457,082
Human Services	39,736,894	39,793,446	42,113,299	41,849,320	40,925,099	38,015,497	39,620,352	37,438,873	37,786,315	35,979,786
Education	78,415,898	102,678,574	80,456,701	96,464,947	118,863,929	77,221,156	66,152,595	63,146,646	65,435,585	71,063,433
Cultural and recreation	5,650,717	7,357,984	7,750,422	6,401,250	6,771,004	6,161,896	6,577,413	7,465,525	7,370,579	6,526,629
Interest on long term debt	9,511,646	13,078,276	13,267,793	15,302,702	19,753,394	19,633,769	19,108,759	17,898,970	16,436,381	14,504,045
Total governmental activities	177,389,494	206,666,542	195,258,196	213,493,309	242,938,624	202,573,985	197,115,638	190,571,222	203,118,728	193,899,516
Business-type activities:										
Solid Waste	1,279,280	1,223,462	1,746,268	1,733,185	2,333,383	1,312,509	1,090,968	957,890	823,069	833,661
Total primary government expenses	<u>\$ 178,668,774</u>	<u>\$ 207,890,004</u>	<u>\$ 197,004,464</u>	<u>\$ 215,226,494</u>	<u>\$ 245,272,007</u>	<u>\$ 203,886,494</u>	<u>\$ 198,212,606</u>	<u>\$ 191,529,112</u>	<u>\$ 203,941,797</u>	<u>\$ 194,733,177</u>
<b>Program Revenues</b>										
Governmental activities										
Charges for services:										
General government	\$ 4,597,003	\$ 4,442,084	\$ 4,253,175	\$ 2,764,580	\$ 2,450,708	\$ 2,253,561	\$ 2,576,452	\$ 2,595,260	\$ 2,834,998	\$ 2,908,433
Public safety	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	11,294,592
Economic and physical development	310,922	371,374	361,302	142,332	72,730	52,364	36,062	46,169	76,791	53,589
Environmental protection	221,000	139	1,668	647	593	928	53,770	42,172	63,757	54,978
Human Services	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	2,237,069
Education	502,358	1,522,931	2,854,128	793,590	754,640	477,517	793,610	33,170	-	-
Cultural and recreation	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	1,192,236
Operating grants and contributions:										
General government	315,347	773,179	559,742	337,714	274,343	1,286,545	750,094	1,243,161	796,903	\$ 1,400,995
Public safety	1,614,568	1,527,390	1,227,341	974,186	1,201,549	906,658	974,200	783,970	1,039,695	1,990,379
Economic and physical development	547,291	277,739	186,901	452,379	729,427	953,047	999,754	593,672	483,393	671,151
Environmental protection	27,395	45,969	64,835	38,813	31,090	32,085	8,425	6,912	7,373	8,808
Human Services	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	17,249,740
Education	336,000	185,289	259,232	128,465	-	-	743,081	770,920	786,774	714,643
Cultural and recreation	416,018	464,587	1,356,447	615,998	425,927	533,322	530,772	1,184,367	1,183,120	1,050,281
Capital grants and contributions:										
General government	133,458	-	-	-	-	-	-	-	-	-
Public safety	136,457	-	-	-	-	-	-	-	-	-
Human Services	-	-	298,051	663,564	285,158	285,158	260,866	329,566	357,278	352,184
Education	-	2,648,767	1,388,593	956,939	6,149,845	258,938	1,713,555	7,307,518	4,911,790	2,200,000
Total governmental activities program revenues	<u>38,992,658</u>	<u>41,303,486</u>	<u>43,768,050</u>	<u>38,462,218</u>	<u>44,767,626</u>	<u>37,111,237</u>	<u>39,481,371</u>	<u>46,128,421</u>	<u>42,839,296</u>	<u>43,379,078</u>
Business-type activities:										
Charges for Services - Solid Waste	2,868,132	1,516,013	1,474,242	1,565,441	1,187,527	858,132	704,647	674,272	691,618	682,265
Operating grants and contributions - Solid Waste	-	-	-	-	44,655	21,368	-	-	-	-
Capital grants and contributions - Solid Waste	-	-	-	-	-	-	-	-	-	-
Total business-type activities program revenues	<u>2,868,132</u>	<u>1,516,013</u>	<u>1,474,242</u>	<u>1,565,441</u>	<u>1,232,182</u>	<u>903,240</u>	<u>704,647</u>	<u>674,272</u>	<u>691,618</u>	<u>682,265</u>
Total primary government program revenues	<u>\$ 41,860,790</u>	<u>\$ 42,819,499</u>	<u>\$ 45,242,292</u>	<u>\$ 40,027,659</u>	<u>\$ 45,999,808</u>	<u>\$ 38,014,477</u>	<u>\$ 40,186,018</u>	<u>\$ 46,802,693</u>	<u>\$ 43,530,914</u>	<u>\$ 44,061,343</u>
<b>Net (Expense)/Revenue</b>										
Governmental activities	<u>\$ (138,396,836)</u>	<u>\$ (165,363,056)</u>	<u>\$ (151,490,146)</u>	<u>\$ (175,031,091)</u>	<u>\$ (198,170,998)</u>	<u>\$ (165,462,748)</u>	<u>\$ (157,634,267)</u>	<u>\$ (144,442,801)</u>	<u>\$ (160,279,432)</u>	<u>\$ (150,520,438)</u>
Business-type activities	<u>1,588,852</u>	<u>292,551</u>	<u>(272,026)</u>	<u>(167,744)</u>	<u>(1,101,201)</u>	<u>(409,269)</u>	<u>(392,321)</u>	<u>(283,618)</u>	<u>(131,451)</u>	<u>(151,396)</u>
Total primary government net (expense)/revenue	<u>\$ (136,807,984)</u>	<u>\$ (165,070,505)</u>	<u>\$ (151,762,172)</u>	<u>\$ (175,198,835)</u>	<u>\$ (199,272,199)</u>	<u>\$ (165,872,017)</u>	<u>\$ (158,026,588)</u>	<u>\$ (144,726,419)</u>	<u>\$ (160,410,883)</u>	<u>\$ (150,671,834)</u>

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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
Property taxes	\$ 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	\$ 139,956,060
Local option sales tax	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	42,572,756
ABC revenues	58,183	64,956	69,902	241,932	66,789	188,594	86,842	90,926	155,755	90,185
Other taxes and licenses	93,482	102,456	109,062	770,064	669,221	642,337	752,711	760,314	754,194	796,167
Occupancy tax	1,118,527	1,504,586	2,110,664	-	-	-	-	-	-	-
Unrestricted investment earnings	4,381,530	6,481,368	6,672,098	2,657,376	813,582	1,019,648	1,352,010	1,627,590	2,224,727	4,930,583
Donations	1,971,309	3,011,479	135,546	150,663	131,590	221,538	-	-	-	-
Insurance Proceeds	21,671	43,954	118,826	-	-	-	-	-	-	-
Miscellaneous	124,294	133,226	33,755	691,317	32,893	21,588	-	-	-	-
Transfers In/Out	-	-	-	-	-	-	25,615	122,200	-	-
Total governmental activities:	\$ 134,048,244	\$ 147,232,290	\$ 152,293,529	\$ 170,709,631	\$ 167,663,803	\$ 164,635,790	\$ 171,430,321	\$ 173,473,696	\$ 181,423,827	\$ 188,345,751
Business-type activities:										
Other taxes and licenses	45,086	62,122	31,096	34,405	55,074	343,908	350,141	313,218	300,666	315,597
Unrestricted investment earnings	234,795	271,539	212,399	74,925	10,630	8,205	8,495	9,381	11,298	4,909
Donations	-	-	-	-	-	-	-	-	-	-
Miscellaneous	-	283,714	4,000	23,054	19,143	1,075	-	-	-	-
Transfers In/Out	-	-	-	-	-	-	(25,615)	(122,200)	-	-
Total business-type activities	\$ 279,881	\$ 617,375	\$ 247,495	\$ 132,384	\$ 84,847	\$ 353,188	\$ 333,021	\$ 200,399	\$ 311,964	\$ 320,506
Total primary government	\$ 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	\$ 188,666,257
<b>Change in Net Position</b>										
Governmental activities	\$ (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	\$ 169,110
Business-type activities	1,868,733	909,926	(24,531)	(35,360)	(1,016,354)	(56,081)	(59,300)	(83,219)	180,513	-
Total primary government	\$ (2,479,859)	\$ (17,220,840)	\$ 778,852	\$ (4,356,920)	\$ (31,523,549)	\$ (883,039)	\$ 13,736,754	\$ 28,947,676	\$ 21,324,908	\$ 169,110
<b>Component Unit</b>										
Expenses										
Component Unit:										
Cabarrus Health Alliance	\$ 15,597,483	\$ 16,594,547	\$ 17,952,926	\$ 19,549,624	\$ 17,292,485	\$ 19,678,636	\$ 23,482,772	\$ 18,091,226	\$ 17,848,876	\$ 18,276,621
<b>Program Revenues</b>										
Component Unit:										
Charges for Services	\$ 8,922,023	\$ 9,704,379	\$ 9,562,940	\$ 10,182,604	\$ 8,552,866	\$ 6,887,656	\$ 6,998,473	\$ 6,638,544	\$ 6,745,631	\$ 8,450,064
Operating grants and contributions	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	10,219,352
Capital grants and contributions	-	-	-	-	-	4,147,720	8,220,193	87,418	-	-
Total component unit	\$ 15,835,935	\$ 16,760,572	\$ 17,449,181	\$ 19,468,325	\$ 16,770,315	\$ 19,565,718	\$ 22,794,182	\$ 16,666,099	\$ 17,237,308	\$ 18,669,416
<b>Net (Expense)/Revenue</b>										
Component Unit:										
Net (Expense)/Revenue	\$ 238,452	\$ 166,025	\$ (503,745)	\$ (61,299)	\$ (522,170)	\$ (112,918)	\$ (688,590)	\$ (1,425,127)	\$ (611,568)	\$ 392,795
Total component unit	\$ 238,452	\$ 166,025	\$ (503,745)	\$ (61,299)	\$ (522,170)	\$ (112,918)	\$ (688,590)	\$ (1,425,127)	\$ (611,568)	\$ 392,795
<b>General Revenues and Other Changes in Net Position</b>										
Component Unit:										
General Revenues	\$ 119,917	\$ 154,179	\$ 127,386	\$ 42,147	\$ 7,630	\$ 4,479	\$ 2,176	\$ 12,948	\$ 2,033	\$ 6,283
Unrestricted investment earnings	41,197	35,856	51,232	79,643	42,616	167,482	414,004	842,073	816,247	21,333
Miscellaneous	161,114	190,035	178,618	121,790	50,246	171,961	416,180	855,021	818,280	27,616
Total General Revenues	\$ 322,228	\$ 380,070	\$ 357,236	\$ 243,580	\$ 150,492	\$ 243,922	\$ 422,360	\$ 1,709,042	\$ 1,636,560	\$ 34,232
Special Item	-	-	-	-	2,859,108	-	-	-	-	-
Total component unit activities	\$ 322,228	\$ 380,070	\$ 357,236	\$ 243,580	\$ 153,351	\$ 243,922	\$ 422,360	\$ 1,709,042	\$ 1,636,560	\$ 34,232
<b>Change in Net Position</b>										
Component Unit:										
Changes in Net Position	\$ 399,566	\$ 356,060	\$ (325,127)	\$ 40,491	\$ 2,387,184	\$ 59,043	\$ (272,410)	\$ (570,106)	\$ 206,712	\$ 420,411
Total component unit	\$ 399,566	\$ 356,060	\$ (325,127)	\$ 40,491	\$ 2,387,184	\$ 59,043	\$ (272,410)	\$ (570,106)	\$ 206,712	\$ 420,411

Table 3

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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Fund										
Reserved	\$ 9,017,755	\$ 10,505,737	\$ 10,988,446	\$ 9,862,420	\$ 10,877,813	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	38,887,879	40,205,758	36,636,176	41,476,373	54,778,125	-	-	-	-	-
Nonspendable	-	-	-	-	-	67,302	198,809	383,680	231,522	244,553
Restricted	-	-	-	-	-	10,190,775	12,690,692	11,399,498	14,863,874	14,059,301
Committed	-	-	-	-	-	-	6,606	-	-	172,493
Assigned	-	-	-	-	-	16,955,100	17,436,575	22,450,700	16,089,311	11,210,329
Unassigned	-	-	-	-	-	46,800,234	45,700,553	61,505,652	37,717,055	53,746,977
Total General Fund	\$ 47,905,634	\$ 50,711,495	\$ 47,624,622	\$ 51,338,793	\$ 65,655,938	\$ 74,013,411	\$ 76,033,235	\$ 95,739,530	\$ 68,901,762	\$ 79,433,663

**All Other Governmental Funds**

Reserved	\$ -	\$ -	\$ -	\$ 59,101,722	\$ 57,497,847	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	25,305,788	65,446,629	73,845,715	13,983,470	11,127,623	-	-	-	-	-
Nonspendable	-	-	-	-	-	720,000	648,200	-	-	510,000
Restricted	-	-	-	-	-	36,701,449	19,811,665	10,126,550	3,355,247	2,564,488
Committed	-	-	-	-	-	14,383,632	10,458,498	9,798,323	39,301,702	38,332,485
Assigned	-	-	-	-	-	459,881	549,755	594,899	758,630	797,361
Unassigned	-	-	-	-	-	(5,440)	(292,024)	-	(34,772)	(55,116)
Total all other governmental funds	\$ 25,305,788	\$ 65,446,629	\$ 73,845,715	\$ 73,085,192	\$ 68,625,470	\$ 52,259,522	\$ 31,176,094	\$ 20,519,772	\$ 43,380,807	\$ 42,149,218

Note: The County implemented GASB Statement No. 54 "Fund Balance Reporting and Governmental Fund Type Definitions" in fiscal year 2011. Five years are presented in the format prior to the implementation of GASB 54 (fiscal years 2006 through 2010) Five years are presented in the format after the implementation of GASB 54 (fiscal years 2011 through 2015)



Table 4

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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Revenues</b>										
Ad valorem taxes	\$ 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	\$ 139,912,235
Other taxes and licenses	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	43,368,922
Intergovernmental	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	24,935,222
Permits and fees	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	6,610,335
Sales and services	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	10,882,609
Investment earnings	4,062,175	6,131,009	6,330,248	2,356,043	429,465	261,016	235,440	266,534	277,771	211,522
Donations	1,224,022	744,972	643,402	286,433	108,709	186,638	390,239	628,598	649,853	506,259
Miscellaneous	503,786	932,086	537,043	1,949,592	462,114	514,504	589,467	1,039,992	487,090	444,037
<b>Total Revenues</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>226,871,141</b>
<b>Expenditures</b>										
General Government	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	19,636,478
Public Safety	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	36,187,257
Economic & Phy Dev	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	4,407,764
Environmental Prot.	200,993	203,049	200,561	217,384	472,943	519,010	524,881	537,717	222,128	399,128
Human Services	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	36,126,712
Education	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	71,063,433
Culture and recreation	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	5,415,569
Capital Outlay	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	3,056,097
Debt Service:										
Principal	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	26,590,644
Interest	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	15,277,809
<b>Total Expenditures</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>218,160,891</b>
<b>Excess of revenues over (under) expenditures</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>8,710,250</b>
<b>Other Financing Sources (Uses)</b>										
Transfers in	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	18,047,562
Transfers out	(13,450,819)	(32,604,840)	(25,556,744)	(29,233,852)	(25,142,651)	(8,482,255)	(18,283,727)	(12,898,234)	(63,488,791)	(18,197,562)
Limited Obligation Bonds Issued	-	-	-	-	-	-	37,730,250	-	-	134,235,000
Issuance of Bonds	-	48,562,851	-	-	-	-	-	73,020,999	-	-
Disbursements for Debt Instruments	-	-	(7,305,000)	-	-	(20,902,811)	(37,431,142)	(72,479,619)	-	(133,494,948)
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	-	15,000,000	7,305,000	-	-	-	-	-	-	-
Issuance of lease	-	689,546	-	3,421,394	-	-	603,312	-	-	-
Total other financing sources (uses)	-	98,766,179	49,302,636	62,593,578	85,462,584	13,978,049	(1,097,580)	306,580	-	590,052
<b>Net change in fund balances</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>\$ 9,300,302</b>
<b>Debt service as a percentage of noncapital expenditures</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>	<b>19.46%</b>

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

<b>Fiscal Year</b>	<b>Real Property</b>	<b>Personal Property</b>	<b>Public Service Companies (2)</b>	<b>Total Assessed Value</b>	<b>County Total Direct Tax Rate (3)</b>
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
2015	16,133,208,737	3,251,500,679	311,870,162	19,696,579,578	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									
		2006	2007	2008	2009 (1)	2010	2011	2012	2013 (1)	2014	2015
<b>County Total Direct Rate (2)</b>	\$ 0.630	\$0.6289	\$ 0.630	\$ 0.630	\$ 0.630	\$ 0.630	\$ 0.630	\$ 0.630	\$ 0.700	\$ 0.700	\$ 0.700
<b>Fire Protection Districts (3)</b>	\$ 0.051	\$ 0.053	\$ 0.053	\$ 0.053	\$ 0.053	\$ 0.053	\$ 0.051	\$ 0.053	\$ 0.062	\$ 0.065	\$ 0.065
<b>Municipality Rates: (4)</b>											
Concord	\$ 0.43	\$0.4475	\$0.4475	\$0.4475	\$ 0.42	\$ 0.42	\$ 0.42	\$ 0.42	\$ 0.48	\$ 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	0.60
Harrisburg	0.135	0.135	0.135	0.135	0.125	0.125	0.125	0.135	0.1585	0.1585	0.1585
Mt. Pleasant	0.44	0.44	0.44	0.44	0.44	0.44	0.44	0.44	0.505	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	0.20
Locust	0.36	0.36	0.36	0.36	0.36	0.36	0.36	0.36	0.36	0.36	0.36

## Notes:

- (1) Real property was revalued on January 1.
- (2) All taxable property is subject to the county-wide tax. Cabarrus County has a unified tax rate and therefore has no components to display.
- (3) 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.
- (4) 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 2015			Fiscal Year 2006		
			Assessed Valuation	Rank	Percentage of Total Assessed Valuation	Assessed Valuation	Rank	Percentage of Total Assessed Valuation
	Castle & Cooke, NC LLC/ David H Murdock	Land Developer	\$ 336,839,451	1	1.71%	\$ -	-	-
	Corning, Inc	Fiber Optics Mfg	266,279,975	2	1.35%	233,622,454	2	1.60%
	Concord Mills LTD Partnership	Shopping Center	251,925,150	3	1.28%	206,386,940	3	1.41%
	Charlotte Motor Speedway, Inc.	Auto Racing	217,597,915	4	1.10%	161,396,159	4	1.10%
	Celgard, LLC	Manufacturer	215,075,787	5	1.09%	-	-	-
	Duke Energy Corporation	Public Service Co	111,343,353	6	0.57%	71,262,091	5	0.49%
	Hendricks Automotive	Automotive Sales	102,998,689	7	0.52%	-	-	-
	Weinstein Properties	Property Mgt Co	94,517,490	8	0.48%	-	-	-
	Phillip Morris, Inc. (Altria)	Cigarette Mfg	92,875,818	9	0.47%	1,090,991,978	1	7.45%
	Great Wolf Lodge of the Carolinas	Amusement Water Park	92,467,316	10	0.47%	-	-	-
	Concord Telephone	Public Service Co	-	-	-	70,778,270	6	0.48%
	Pass & Seymour/Legrand	Electronics	-	-	-	41,722,308	7	0.29%
	Public Service of NC	Public Service Co	-	-	-	36,358,736	8	0.25%
	CitiCorp North American, Inc.	Financial Services	-	-	-	32,351,750	9	0.22%
	Bell/Sysco Food Services, Inc.	Food Supplier	-	-	-	31,514,972	10	0.22%
	<b>Totals</b>		<b>\$ 1,781,920,944</b>		<b>9.04%</b>	<b>\$ 1,976,385,658</b>		<b>13.51%</b>

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
2006	\$ 92,892,138	\$ 762,582	\$ (849,390)	\$ 92,805,330	\$ 90,824,656	97.87%	\$ 1,896,641	\$ 92,721,297	99.91%
2007	97,095,301	1,250,243	(855,526)	97,490,018	95,699,309	98.16%	1,394,826	97,094,135	99.59%
2008	102,936,378	929,435	(605,617)	103,260,196	101,560,468	98.35%	1,604,772	103,165,240	99.91%
2009	132,180,385	1,954,310	(1,315,618)	132,819,077	130,244,108	98.06%	2,434,152	132,678,260	99.89%
2010	135,474,421	1,105,947	(1,348,960)	135,231,408	131,784,146	97.45%	3,250,371	135,034,517	99.85%
2011	134,263,178	770,711	(535,353)	134,498,536	130,734,404	97.20%	3,414,056	134,148,460	99.74%
2012	133,644,515	1,150,153	(1,615,063)	133,179,605	128,622,399	96.58%	4,113,758	132,736,157	99.67%
2013	130,560,111	2,110,895	(1,331,736)	131,339,270	126,968,672	96.67%	3,033,008	130,001,680	98.98%
2014	138,496,852	1,624,863	(673,856)	139,447,859	134,327,532	96.33%	1,948,777	136,276,309	97.73%
2015	137,821,405	1,364,427	(240,129)	138,945,703	135,223,699	97.32%	-	135,223,699	97.32%

Source: Cabarrus County Finance Department

Table 9

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

Fiscal Year	General Obligation Bonds	Percentage of Actual	
		Taxable Value of Property(2)	Per Capita(1)
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
2015	82,447,259	0.42%	429

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**

Fiscal Year	Governmental Activities								Percentage of Personal Income (1)	
	General Obligation Bonds	Certificates Of Participation/ Limited Obligation Bonds		Installment Payment Revenue Bonds	Installment Financing	Notes Payable	Capital Leases	Total Primary Government		
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	4.66%
2015	82,447,259	238,439,690	-	-	457,323	-	2,955,793	324,300,065	1,688	*

\* 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 13 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year. Calendar 2014 personal income not available to calculate fiscal year 2015.

Table 11

**Cabarrus County, North Carolina**  
**Direct and Overlapping Governmental Activities Debt**  
**As of June 30, 2015**

<u>Governmental Unit:</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Amount Applicable to Primary Government</u>
Concord	\$ 35,997,154	49.65%	\$ 17,872,618
Kannapolis	65,813,170	18.20%	11,976,075
Harrisburg	3,774,679	8.71%	328,818
Mt. Pleasant	342,435	0.68%	2,325
Locust	2,156,837	0.25%	5,360
Subtotal, overlapping debt			\$ 30,185,196
Cabarrus County direct debt			324,300,065
Total direct and overlapping debt			<u>\$ 354,485,261</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

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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Assessed Value of Property	\$ 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	\$ 19,696,579,578
Debt Limit, 8% of Assessed Value (Statutory Limitation)	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	1,575,726,366
Debt applicable to debt limitations:										
Total Bonded Debt	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	72,755,000
Total Installment Payment Revenue Bonds	19,500,000	18,000,000	-	-	-	-	-	-	-	-
Total Notes Payable	-	-	-	-	-	-	-	-	-	457,323
Total Capital Leases	-	443,568	331,964	3,458,315	3,282,345	3,102,621	3,531,107	3,348,072	3,156,437	2,955,793
Total Installment Financing	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	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	233,295,000
Total debt applicable to limitations	203,085,427	286,256,423	316,382,250	358,546,029	423,582,488	414,200,193	376,781,107	347,473,072	320,586,437	309,463,116
Legal debt limit	\$ 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	\$ 1,266,263,250
Total net debt applicable to the limit as a percentage of debt limit	17.22%	23.33%	24.31%	21.47%	24.82%	24.37%	22.42%	23.23%	20.38%	19.64%

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>
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	7,301,723	39,000	34,763	6.00%	42,541
2015	192,103	*	*	34,609	5.50% **	46,267

\* Information not yet available.

\*\*Fiscal Year 2015 is as of June 30, 2015

**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>	<b>2015</b>			<b>2006</b>		
	<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	5.06%	4,116	1	5.46%
Cabarrus County Schools	3,800	2	4.28%	2,476	3	3.29%
North Carolina Research Campus	1,000	3	1.13%	-	-	-
Cabarrus County	950	4	1.07%	875	6	1.16%
City of Concord	901	5	1.01%	857	7	1.14%
Connexions	900	6	1.01%	-	-	-
Shoe Show	800	7	0.90%	575	10	0.76%
State of North Carolina	770	8	0.87%	-	-	-
Kannapolis City Schools	750	9	0.84%	-	-	-
S&D Coffee and Tea	625	10	0.70%	-	-	-
Philip Morris	-	-	-	2,600	2	3.45%
McGee Brothers Company	-	-	-	1,300	4	1.73%
Wal-Mart	-	-	-	983	5	1.30%
Pass & Seymour Legrand	-	-	-	692	8	0.92%
CT Communications	-	-	-	631	9	0.84%
<b>Total</b>	<b>14,996</b>		<b>16.88%</b>	<b>15,105</b>		<b>20.04%</b>

Source: NC Employment Security Commission, Cabarrus County Economic Development Commission  
and 6-30-06 Comprehensive Annual Financial Report

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									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Government	156	162	173	178	161	165	166	159	161	168
Cultural and Recreation	57	59	64	65	48	51	51	60	62	68
Public Safety	274	297	314	347	344	421	419	421	445	453
Economic & Phy. Development	16	16	17	17	12	12	15	16	16	15
Human Services	267	289	303	310	307	313	297	289	299	302
Environmental Protection	11	12	12	12	11	11	8	7	5	7
Total	781	835	883	929	883	973	956	952	988	1013

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

<u>Functional Area</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>	<u>2015</u>
General Government										
Tax Collection Rate	97.87%	98.16%	98.35%	98.06%	97.45%	97.20%	96.58%	96.67%	96.33%	97.32%
Land Records Recorded <sup>1</sup>	48,762	46,376	37,329	32,256	28,410	28,238	34,086	34,533	28,397	32,188 *
Culture & Recreation										
Circulation of Library Materials-All Branches	748,537	789,453	781,606	882,322	841,916	697,539	681,192	701,278	699,884	668,249
Acres of Park Land-Developed/Undeveloped	411/67	411/67	411/67	329/252	347/343	381/310	381/310	381/310	381/310	381/310
Public Safety										
Sheriff Response Time (Emergency Calls)	7.00	8.20	8.00	9.25	7.57	7.50	7.13	7.50	7.35	6.41
Detention Center Average Daily Population	216	220	220	253	275	350	358	367	369	326
Animals Picked Up	4,980	4,513	4,500	3,982	3,982	3,800	3,505	3,408	2,817	2,865
Building Inspections Completed	65,340	68,755	57,339	42,610	46,871	22,410	26,568	30,780	42,541	46,267
EMS Average Response Time Countywide	7.20		7.03	7.29	7.02	7.01	6.40	6.68	7	7
Economic & Physical Development										
Construction Permits Issued <sup>4</sup>	-	-	-	-	-	9,558	10,350	10,119	13,695	15,217
Zoning Permits Issued <sup>4</sup>	-	-	-	-	-	307	295	313	367	450
Human Services										
Veteran /Dependent Contacts	7,802	9,132	9,950	10,750	12,138	12,119	9,901	9,950	9,312	9,477
Human Service Transportation Trips <sup>2</sup>	85,713	85,721	96,696	82,404	85,692	81,844	86,316	74,839	82,123	87,544
Family Medicaid Cases	10,049	10,779	11,794	13,727	14,460	15,884	16,039	17,659	17,553	9,805
Adult Medicaid Cases <sup>3</sup>	4,858	5,045	5,216	5,380	5,565	6,019	6,101	6,273	6,483	1,090
WFFA (formerly AFDC)	316	315	289	290	266	254	263	275	304	193
Child Protective Service Reports Investigated	1,897	1,697	1,602	1,476	1,488	1,537	2,955	2,389	1,224	1,217
Adoptions Completed	0	15	43	18	10	7	1	3	3	12
Food Stamp Cases	5,358	5,456	5,890	6,880	8,391	10,497	11,652	11,700	11,900	11,288
Adult Protective Services Reports	131	170	232	210	225	189	226	199	181	388
Environmental Protection										
Tons of MSW and C&D Waste Managed	159,106	68,950	54,488	44,354	28,818	24,969	21,454	17,876	17,756	16,511
Tons of Recyclable Materials Collected	1,710	1,687	1,800	2,500	3,284	3,498	4,250	4,196	3,507	3,114
Education										
Per Pupil Current Expense Funding	\$ 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	\$ 1,608.00
Per Pupil Capital Outlay Funding	\$ 89.74	\$ 140.36	\$ 127.23	\$ 124.36	\$ 59.60	\$ 32.59	\$ 32.20	\$ 110.89	\$ 90.93	\$ 58.27
Per Pupil Debt Service Funding	\$ 796.37	\$ 683.18	\$ 705.68	\$ 845.19	\$ 835.51	\$ 877.37	\$ 1,011.39	\$ 967.27	\$ 878.93	\$ 857.03
Per Pupil - Server Space	-	-	-	-	-	-	-	0.81	2.78	2.30
Per Pupil - Fines & Forfeitures	-	-	-	-	-	-	-	43.19	41.13	41.07
Per Pupil - School Nurses	-	-	-	-	-	-	-	48.66	55.33	58.15

**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

- 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>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>	<u>2015</u>
<b>Parks<sup>1</sup></b>										
Park facility	4	4	4	5	5	5	5	5	5	5
Tennis courts	6	6	6	6	6	6	6	6	6	6
Picnic shelters	20	20	21	21	23	24	24	24	24	28
Softball fields	8	8	8	8	8	8	8	8	8	8
Playgrounds	7	7	8	8	8	10	10	10	10	10
Soccer Fields	12	12	12	11	11	11	11	11	11	11
Camping cabins	4	4	6	6	6	6	6	6	6	6
Tent sites	7	7	6	6	7	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	1
Pool Bathhouse	-	-	-	1	1	1	1	1	1	1
<b>Fire protection<sup>1</sup></b>										
Stations	14	14	11	11	11	10	10	10	11	11
<b>Sheriff<sup>1</sup></b>										
Stations	1	1	1	1	1	1	1	1	1	1
Substations	4	5	5	5	5	5	5	5	5	5
Patrol units	65	65	94	113	117	118	118	135	145	181

<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.

# 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**

To the Board of County Commissioners  
Cabarrus County  
Concord, 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, 2015, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated October 23, 2015.

### **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.

## **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  
October 23, 2015

# CABARRUS COUNTY, NORTH CAROLINA

## SCHEDULE OF FINDINGS AND RESPONSES FOR THE YEAR ENDED JUNE 30, 2015

### 1. Summary of Auditor's Results

#### Financial Statements

Type of auditor's report issued:

Unmodified

Internal control over financial reporting:

- Material weaknesses identified? \_\_\_\_\_ Yes      X   No
- Significant deficiencies identified that are not considered to be material weaknesses? \_\_\_\_\_ Yes      X   No
- Non-compliance material to financial statements noted? \_\_\_\_\_ Yes      X   No

### 2. Findings Related to the Audit of the Basic Financial Statements

None reported.



**CABARRUS COUNTY, NORTH CAROLINA**  
**SUMMARY SCHEDULE OF PRIOR YEAR'S AUDIT FINDINGS**  
**FOR THE YEAR ENDED JUNE 30, 2015**

None.