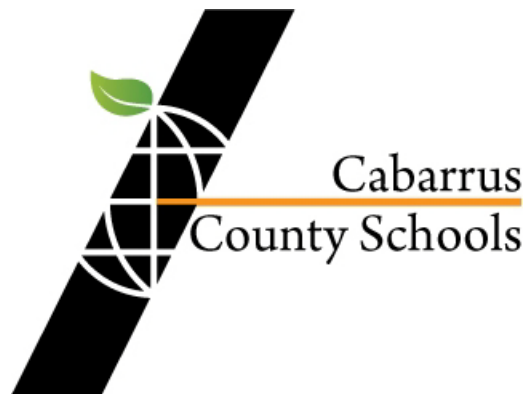


# **CABARRUS COUNTY BOARD OF EDUCATION**

**CONCORD, NORTH CAROLINA**



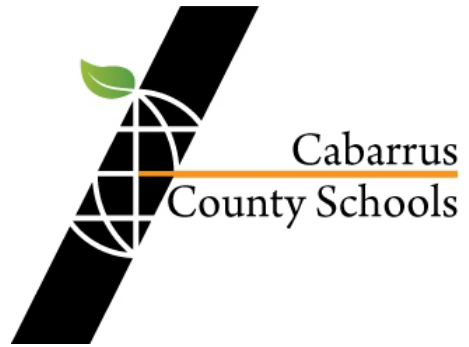
**COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR FISCAL YEAR ENDING JUNE 30, 2011**

**CABARRUS COUNTY BOARD OF EDUCATION  
CONCORD, NORTH CAROLINA**

**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED  
JUNE 30, 2011**

**PREPARED BY**

**KELLY H. KLUTTZ, CPA  
AND THE  
FINANCE DEPARTMENT**



**CABARRUS COUNTY BOARD OF EDUCATION**

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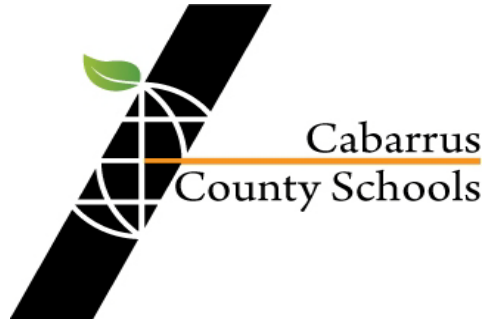
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**CABARRUS COUNTY BOARD OF EDUCATION**

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## Introductory Section



**October 31, 2011**

**To the members of the Cabarrus County Board of Education and Citizens of Cabarrus County, North Carolina:**

In compliance with the Public School Laws of North Carolina, the Comprehensive Annual Financial Report of the Cabarrus County Board of Education, operating as the “Cabarrus County Schools”, for the fiscal year ended June 30, 2011, is herewith submitted. Responsibility for the accuracy, completeness and clarity of the report rests with the Superintendent and the Chief Finance Officer.

The report has been prepared by the Finance Department in accordance with generally accepted accounting principles. We believe the data presented is accurate in all material respects and that it is presented in a manner designed to fairly reflect the financial position and results of operations of the Board. All disclosures necessary to enable the reader to gain an understanding of the Board’s financial activity have been included.

This letter of transmittal is designed to complement Management’s Discussion and Analysis (MD&A) and should be read in conjunction with it. The MD&A can be found immediately following the report of the independent auditors.

**REPORTING ENTITY**

The Cabarrus County Board of Education (Board), elected by the citizens of Cabarrus County, is the level of government having oversight responsibility and control over activities related to the public schools in Cabarrus County, North Carolina. N.C. General Statutes empower the Cabarrus County Board of Education with general control and supervision of all matters pertaining to the schools in the system. For the 2010-2011 fiscal year, the school system served students from pre-kindergarten through 12th grade in 2 pre-kindergarten schools, 19 elementary schools, 7 middle schools, 9 high schools and 1 alternative school. The school system provides general, special and vocational education services. The school system receives local, State, and federal government funding and must comply with the legal requirements of each funding source entity. While the Board does receive county funding, the county is not entitled to share in any surplus nor is it required to finance any deficits. The Board has no tax levying or borrowing authority and is required to maintain accounting records according to a Uniform State format.

The Board consists of seven members elected for staggered terms of four years. The Chair and Vice Chair are elected by a majority vote of the Board each year. The Superintendent serves as secretary to the Board.

**FINANCIAL AND BUDGETARY CONTROL**

In order to meet the challenging learning experiences provided to the students attending Cabarrus Schools, the Board must use a variety of funding resources, including local, State, federal and private grants while complying with legal requirements of each funding source entity. In doing so, the Board is unable to summarize all governmental financial transactions and balances in one accounting entity. Instead, the accounting system is divided into three separate entities; each referred to as a “fund”. The

# Letter of Transmittal *(continued)*

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Board's funds are divided into governmental and proprietary. Each fund is a self-balancing set of accounts, which are segregated for the purpose of carrying on specific activities in accordance with legal requirements, generally accepted accounting principles, special regulations or other limitations. Governmental fund types include general, special revenue and capital projects. The enterprise funds are proprietary fund types. The enterprise funds are presented on a full accrual basis, while the other funds are maintained on a modified accrual basis.

Internal accounting controls are given consideration in developing and improving the Board's accounting system. Internal controls are designed to provide reliability of financial records for preparing financial statements and maintaining accountability for assets and are to provide reasonable assurance regarding the safeguarding of assets from unauthorized use or disposition. We believe that the Board's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

North Carolina General Statutes requires all governmental units in the state to adopt a balanced budget by July 1 of each year. The Board has the final approval over the budget and primary accountability for fiscal matters (including any deficits). The Board's annual Budget Resolution authorizes expenditures by purpose on a modified accrual basis. For internal management purposes, the budget is detailed and compared to expenditures and encumbrances by line item within each function and project. The budget amounts reflected in the accompanying financial statements represent the final budgets as amended for the fiscal year. The Board also uses a purchase order encumbrance system that records and shows encumbrances outstanding against each line item of expenditures. Outstanding encumbrances at the end of the fiscal year related to normal operations are considered to be continuing contracts and are transferred at the end of the fiscal year to appropriations in future years.

## **MAJOR INITIATIVES**

The focus of the school system for the next several years will be in several areas:

- 95 % or more of Pre K - 2nd grade students will be proficient in Reading and Math as measured by the Phonological Awareness Literacy Screening Form C (C-PALS) and the North Carolina K-2 Assessments.
- End of Grade (EOG) scale scores in Math and Reading for grades 3-8 will rank in the top ten of North Carolina school systems as measured by the NC EOG test.
- 90% of CCS students will graduate from high school as measured by four-year cohort graduation rate.
- the percent of post-graduate students requiring remediation in Math and English at community colleges and the UNC university system will be reduced by 50% or maintain a .5% or lower remediation rate as measured by the percent of first-time freshman entering the college or university system directly from high school that are placed in remedial English or Math classes.
- EOC scale scores in each category of study will rank in the top ten of North Carolina School Systems as measured by EOC Scale Score Rank.
- TWC survey results will achieve an average district satisfaction rate of 85% or better in each of the 8 working condition areas, as measured by the state-identified 8 questions which best measure those conditions.
- Stakeholder satisfaction with Cabarrus County Schools will reach 85% as measured by the average results of the perceptual surveys for the following constituencies: parents, students, staff and community.
- Pre K -12th grade students shall follow the "Student Code of Conduct" and reduce behavior incidents by 10% annually as measured by NC Wise Discipline Report.
- Pre K – 12th grade students will reduce bullying incidents 10% annually as measured by the NC Wise Discipline Report.
- Pre K – 12th grade students will reduce bus misbehavior incidents, as reported 10% annually as measured by the NC Wise Discipline Report.



# Letter of Transmittal *(continued)*

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- Student absences in excess of 8 days/elementary; 8 days/middle; 8 absences/class/high - shall be reduced by 10%.
- CCS will consolidate curriculum and administrative software on all system wide and school computer devices.
- CCS will fully implement a tiered technology improvement plan for student, staff, and infrastructure technology.
- CCS will increase the number of grants greater than \$ 10,000 received.

As required by the State Department of Public Instruction, Cabarrus County Schools maintains a ten-year facilities plan that has been submitted and approved by the County Commissioners and the State Department of Public Instruction.

## **ECONOMIC CONDITION AND OUTLOOK**

The financial health of the Cabarrus County Board of Education is largely dependent upon the economic prospects of the State of North Carolina and Cabarrus County. The State of North Carolina has felt the effects of the nationwide financial crisis that started in the second half of 2008. For the third year in a row, there has been a required reversion from our State allotment in excess of \$8.4 million.

The Board of Education had an average daily membership (ADM) of 28,593 during the 2010-2011 school year compared to 27,855 during the 2009-2010 year, an increase of 738 students. The State projected increase for 2011-2012 is relatively consistent with the current year increase.

The Board of County Commissioners continued to show support for the school system by increasing the County appropriation from \$44.5 million in fiscal year 2010 to \$46 million in fiscal year 2011. This increase was used to help cushion the effects of the continued growth in our County. Federal stimulus funds received through the American Recovery and Reinvestment Act (ARRA) have also helped to buffer the impact of the State funding cuts. However, ARRA funding is set to expire after the 2011-2012 fiscal year. The Board has completed an intense budget process in fiscal year 2010 – 2011 to determine budget cuts and revenue replacements for those lost grant dollars. Total ARRA funding expended during the 2010-2011 fiscal year totaled \$8.8 million.

In addition to the State budget cuts and impending expiration of federal stimulus funding, the County faces various other challenges in the local economy. Changing demographics, the aging of the Baby Boomer generation and the cost of building highways and transit systems are a few of the other challenges facing Cabarrus County. Leaders in business, education and County government are exploring ways to meet these challenges, keep the economy growing and maintain unemployment rates at a minimum.

## **INDEPENDENT AUDIT**

Anderson Smith & Wike PLLC has audited the financial records and transactions of the Cabarrus County Board of Education for the year ended June 30, 2011. They are a firm of independent certified public accountants. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of OMB Circular A-133 and the State Single Audit Implementation Act. The auditors' report is included in the financial section of this report.

## **ACKNOWLEDGEMENTS**

The preparation of the Comprehensive Annual Financial Report in a timely manner could not have been accomplished without the efforts and dedication of the Superintendent's staff, Finance Department and our independent audit firm. We would like to express appreciation to all staff members who assisted in the preparation of this report.

# Letter of Transmittal *(continued)*

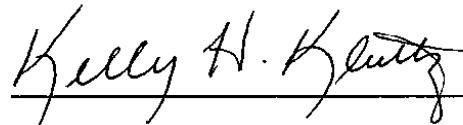
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Respectfully submitted,



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Barry Shepherd, Ed.D.  
Superintendent



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Kelly Kluttz, CPA  
Chief Finance Officer

**CABARRUS COUNTY BOARD OF EDUCATION  
CONCORD, NORTH CAROLINA**

**JULY 1, 2010 – JUNE 30, 2011**

**BOARD MEMBERS**

**HOLLY BLACKWELDER, CHAIR**

**TIM FURR, VICE CHAIR**

**CAROLYN CARPENTER**

**CINDY FERTENBAUGH**

**BLAKE KIGER**

**LYNN SHUE**

**PRINCIPAL OFFICERS**

**DR. BARRY SHEPHERD, SUPERINTENDENT**

**DR. COLLEEN SAIN, ASSOCIATE SUPERINTENDENT**

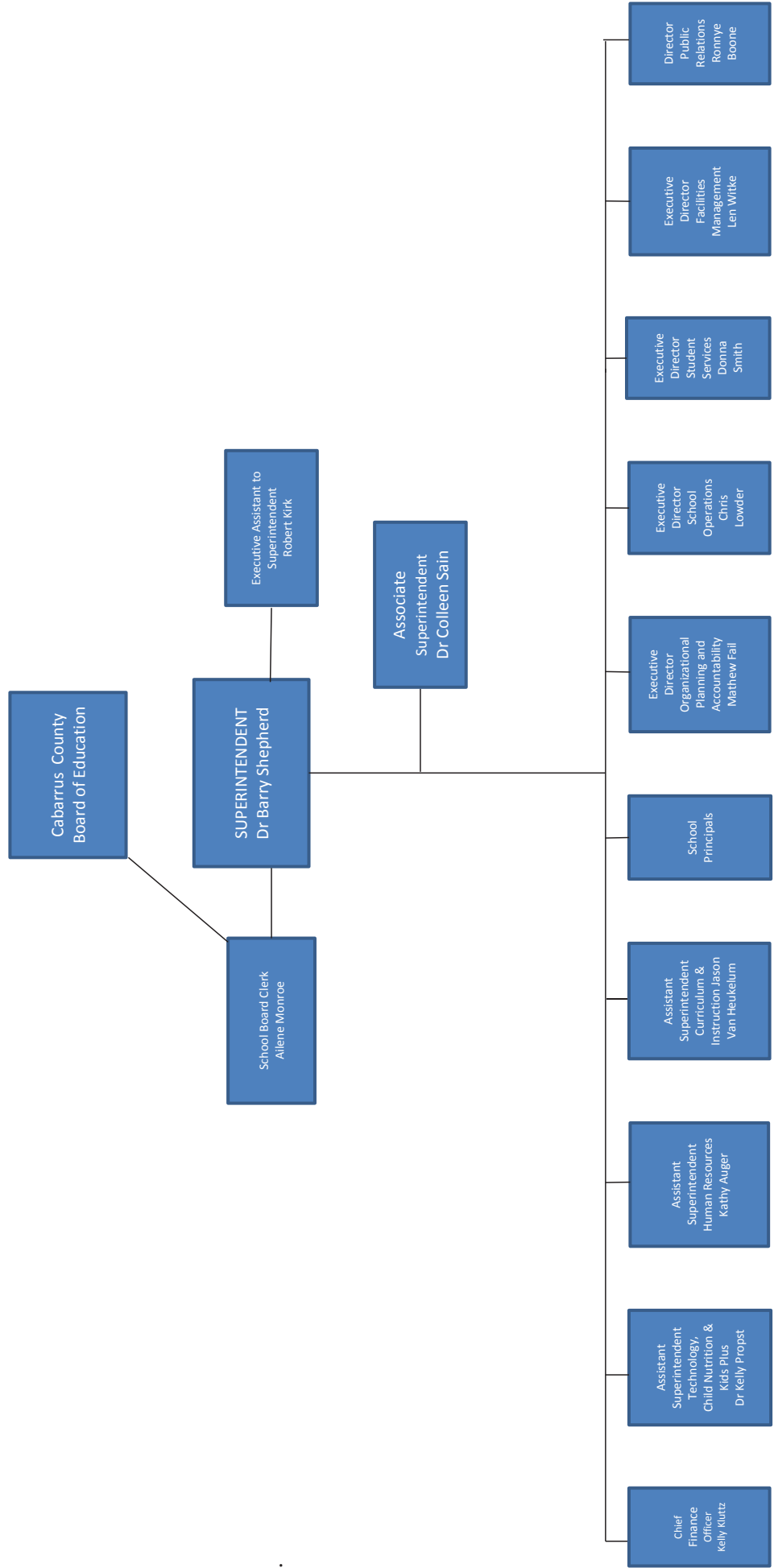
**KATHRYN AUGER, ASSISTANT SUPERINTENDENT**

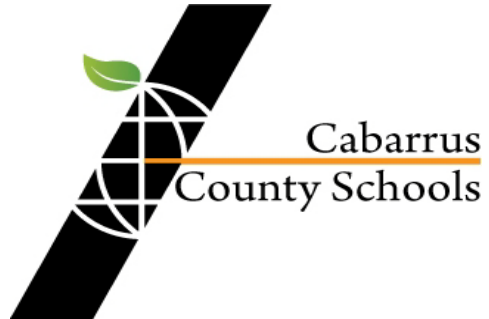
**KELLY KLUTTZ, CPA, CHIEF FINANCE OFFICER**

**DR. KATHERINE PROPST, ASSISTANT SUPERINTENDENT**

**JASON VAN HEUKELUM, ASSISTANT SUPERINTENDENT**

# Cabarrus County Schools Organizational Chart 2010-2011





## Financial Section



INDEPENDENT AUDITORS' REPORT

Cabarrus County Board of Education  
Concord, North Carolina

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Cabarrus County Board of Education, as of and for the year ended June 30, 2011, which collectively comprise the Board's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Cabarrus County Board of Education's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Board's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Cabarrus County Board of Education, as of June 30, 2011, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General and State Public School Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 29, 2011 on our consideration of the Cabarrus County Board of Education's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Management's Discussion and Analysis is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements of the Cabarrus County Board of Education, North Carolina. The introductory section, individual fund schedules and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The individual fund schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we express no opinion on them.

*Anderson Smith & Wike PLLC*

September 29, 2011  
Statesville, North Carolina  
(704) 562-5039

**CABARRUS COUNTY BOARD OF EDUCATION  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2011**

---

This section of the Cabarrus County Board of Education's (*the Board*) financial report represents our discussion and analysis of the financial performance of the Board for the year ended June 30, 2011. This information should be read in conjunction with the audited financial statements included in this report.

**Financial Highlights**

- The Board experienced an increased enrollment of 738 students (or 2.65%) from the previous year.
- The Board opened two new schools to accommodate the increased enrollment and to allow it to offer an expanded curriculum to its students.

**Overview of the Financial Statements**

The audited financial statements of the Cabarrus County Board of Education consist of three components. They are as follows:

- *Management's Discussion and Analysis*
- *Basic Financial Statements*
- *Required supplemental section that presents individual fund statements and schedules on a budgetary basis for certain governmental funds and the enterprise funds*

The *Basic Financial Statements* include two types of statements that present different views of the Board's finances. The first is the *Government-wide Statements*. The government-wide statements are presented on the full accrual basis of accounting and include the Statement of Net Assets and the Statement of Activities. The Statement of Net Assets includes all of the Board's assets and liabilities. Assets and liabilities are classified in the order of relative liquidity for assets and due date for liabilities. This statement provides a summary of the Board's investment in assets and obligations to creditors. Liquidity and financial flexibility can be evaluated using the information contained in this statement. The Statement of Activities summarizes the Board's revenues and expenses for the current year. A net (expense) revenue format is used to indicate to what extent each function is self-sufficient.



**Overview of the Financial Statements (Continued)**

The second set of statements included in the basic financial statements is the *Fund Financial Statements*, which are presented for the Board's governmental and proprietary funds. These statements present the governmental funds on the modified accrual basis of accounting, measuring the near term inflows and outflows of financial resources and what is available at year-end to spend in the next fiscal year. The fund financial statements focus on the Board's most significant funds. Because a different basis of accounting is used in the government-wide statements, reconciliation from the governmental fund financial statements to the government-wide statements is required. The district-wide statements provide information about the Board as an economic unit, while the fund financial statements provides information on the financial resources of each of the Board's major funds.

**District-wide Statements**

The District-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The Statement of Net Assets includes all of the district's assets and liabilities. All of the current year's revenues and expenses are accounted for in the Statement of Activities regardless of when cash is received or paid.

The two district-wide statements report the district's net assets and how they have changed. Net assets – the difference between the district's assets and liabilities – are one way to measure the district's financial health or position.

- Over time, increases or decreases in the district's net assets are indicators of whether its financial position is improving or deteriorating.
- To assess the district's overall health, you need to consider additional non-financial factors such as changes in the district's property tax base and the condition of its school buildings and other physical assets.

The district's activities are divided into two categories in the government-wide statements:

- Governmental activities: Most of the district's basic services are included here, such as regular and special education, transportation, and administration. County funding and State and federal aid finance most of these activities.
- Business-type activities: The district charges fees to help it cover the costs of certain services it provides. School food service and childcare services are included here.

The government-wide statements are shown as Exhibits 1 and 2 of this report.

## **Fund Financial Statements**

The fund financial statements provide more detailed information about the district's funds, focusing on its most significant or "major" funds – not the district as a whole. Funds are accounting devices the district uses to keep track of specific sources of funding and spending on particular programs.

- Some funds are required by State law, such as the State Public School Fund.
- The district has established other funds to control and manage money for a particular purpose or to show that it is properly using certain revenues, such as in the Federal Grants Fund.

Cabarrus County Board of Education has two types of funds:

*Governmental funds:* Most of the district's basic services are included in the governmental funds, which generally focus on two things – how cash and other assets can readily be converted to cash flow in and out, and the balances left at year-end that are available for spending. As a result of this focus, the governmental funds statements provide a detailed short-term view that helps the reader determine whether there are more or fewer financial resources that can be spent in the coming year to finance the Board's programs. Because this information does not encompass the additional long-term focus of the district-wide statements, additional information at the bottom of the governmental funds statements, in the form of a reconciliation, explains the relationship (or differences) between them. The District has several governmental funds: the General Fund, the State Public School Fund, the Individual Schools Fund, the Capital Outlay Fund and the Federal Grants Fund.

The governmental fund statements are shown as Exhibits 3, 4 and 5 of this report.

*Proprietary funds:* Services for which the district charges a fee are generally reported in the proprietary funds. The proprietary fund statements are reported on the same full accrual basis of accounting as the government-wide statements. Cabarrus County Board of Education has two proprietary funds – both enterprise funds – the School Food Service Fund and the Kids Plus Child Care Fund.

The proprietary fund statements are shown as Exhibits 6, 7, and 8 of this report.

**CABARRUS COUNTY BOARD OF EDUCATION  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2011**

**Financial Analysis of the Schools as a Whole**

Net assets are an indicator of the fiscal health of the Board. Assets exceeded liabilities by \$405,672,590 as of June 30, 2011. The largest component of net assets is invested in capital assets, net of related debt, of \$400,499,344.

Following is a summary of the Statement of Net Assets:

<b>Table 1</b>						
<b>Condensed Statement of Net Assets</b>						
<b>As of June 30, 2011 and 2010</b>						
	Governmental Activities		Business-type Activities		Total Primary Government	
	6/30/11	6/30/10	6/30/11	6/30/10	6/30/11	6/30/10
Current assets	\$ 16,083,811	\$ 20,692,930	\$ 3,427,443	\$ 2,885,200	\$ 19,511,254	\$ 23,578,130
Capital assets	<u>398,978,321</u>	<u>393,995,333</u>	<u>2,559,544</u>	<u>2,115,788</u>	<u>401,537,865</u>	<u>396,111,121</u>
Total assets	<u>415,062,132</u>	<u>414,688,263</u>	<u>5,986,987</u>	<u>5,000,988</u>	<u>421,049,119</u>	<u>419,689,251</u>
Current liabilities	10,613,205	12,111,264	413,287	189,141	11,026,492	12,300,405
Long-term liabilities	<u>4,252,181</u>	<u>9,695,129</u>	<u>97,856</u>	<u>285,918</u>	<u>4,350,037</u>	<u>9,981,047</u>
Total liabilities	<u>14,865,386</u>	<u>21,806,393</u>	<u>511,143</u>	<u>475,059</u>	<u>15,376,529</u>	<u>22,281,452</u>
Invested in capital assets, net of related debt	397,939,800	392,774,453	2,559,544	2,296,070	400,499,344	395,070,523
Restricted net assets	3,432,880	2,573,550	-	-	3,432,880	2,573,550
Unrestricted net assets	<u>(1,175,934)</u>	<u>(2,466,133)</u>	<u>2,916,300</u>	<u>2,229,859</u>	<u>1,740,366</u>	<u>(236,274)</u>
Total net assets	<u>\$ 400,196,746</u>	<u>\$ 392,881,870</u>	<u>\$ 5,475,844</u>	<u>\$ 4,525,929</u>	<u>\$ 405,672,590</u>	<u>\$ 397,407,799</u>

Note that net assets increased by \$8,264,791 during the year, indicating an improvement in the financial condition of the unit. Also note that the Board carries capital assets for which Cabarrus County carries the offsetting debt.

**CABARRUS COUNTY BOARD OF EDUCATION  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2011**

The following table shows the revenues and expenses for the Board for the current fiscal year.

<b>Table 2</b>						
<b>Condensed Statement of Revenues, Expenses, and Changes in Net Assets For the Fiscal Years Ended June 30, 2011 and 2010</b>						
	Governmental Activities		Business-type Activities		Total Primary Government	
	6/30/11	6/30/10	6/30/11	6/30/10	6/30/11	6/30/10
Revenues:						
<b>Program revenues:</b>						
Charges for services	\$ 49,627	\$ 37,746	\$ 8,039,360	\$ 8,898,456	\$ 8,088,987	\$ 8,936,202
Operating grants and contributions	154,311,023	160,985,696	7,398,513	7,716,410	161,709,536	168,702,106
Capital grants and contributions	-	-	750,934	47,059	750,934	47,059.00
<b>General revenues:</b>						
Other revenues	79,026,563	114,121,756	10,943	7,935	79,037,506	114,129,691
<b>Total revenues</b>	<b>233,387,213</b>	<b>275,145,198</b>	<b>16,199,750</b>	<b>16,669,860</b>	<b>249,586,963</b>	<b>291,815,058</b>
Expenses:						
<b>Governmental activities:</b>						
Instructional services	180,343,608	176,182,389	-	-	180,343,608	176,182,389
System-wide support services	43,670,014	38,032,313	-	-	43,670,014	38,032,313
Ancillary services	59,527	99,889	-	-	59,527	99,889
Non-programmed charges	619,136	749,359	-	-	619,136	749,359
Interest	49,990	67,658	-	-	49,990	67,658
Unallocated depreciation	1,285,062	8,756,215	-	-	1,285,062	8,756,215
<b>Business-type activities:</b>						
School food service	-	-	12,718,776	12,352,785	12,718,776	12,352,785
Child care	-	-	2,576,059	3,160,850	2,576,059	3,160,850
<b>Total expenses</b>	<b>226,027,337</b>	<b>223,887,823</b>	<b>15,294,835</b>	<b>15,513,635</b>	<b>241,322,172</b>	<b>239,401,458</b>
Transfers in (out)	(45,000)	(45,000)	45,000	45,000	-	-
Increase (decrease) in						
net assets	7,314,876	51,212,375	949,915	1,201,225	8,264,791	52,413,600
Beginning net assets	392,881,870	341,669,495	4,525,929	3,324,704	397,407,799	344,994,199
Ending net assets	<b>\$ 400,196,746</b>	<b>\$ 392,881,870</b>	<b>\$ 5,475,844</b>	<b>\$ 4,525,929</b>	<b>\$ 405,672,590</b>	<b>\$ 397,407,799</b>

**CABARRUS COUNTY BOARD OF EDUCATION  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2011**

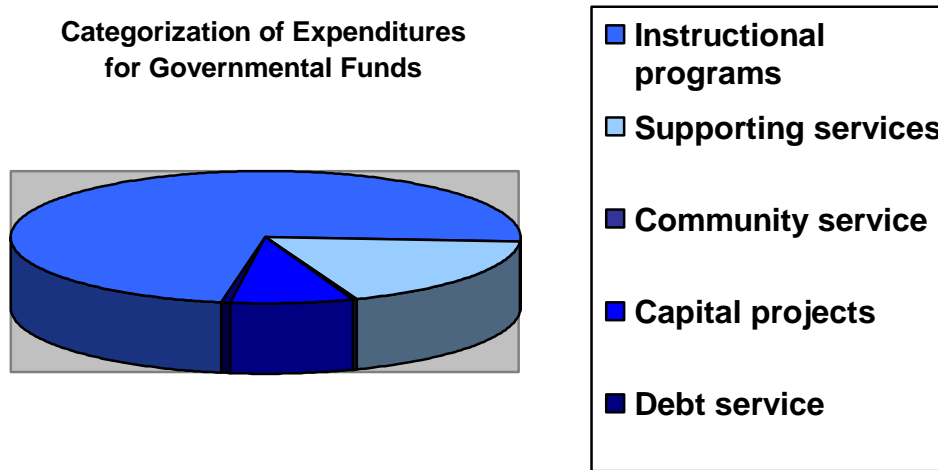
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Total governmental activities generated revenues of \$233 million while expenses in this category totaled \$226 million. The increase in governmental activities net assets stands at \$7 million. This increase was due to funding received from Cabarrus County for capital expenditures. Business-type activities generated revenue of \$16.2 million and had expenses of \$15.3 million. Net assets increased in the business-type activities by approximately \$950,000 which is primarily attributable to cost savings measures and the receipt of capital contributions from Cabarrus County.

**Financial Analysis of the District's Funds**

**Governmental Funds:** The focus of Cabarrus County Board of Education's governmental funds is to provide information on near-term inflows, outflows, and balances of usable resources. Such information is useful in assessing the Board's financing requirements.

The Board's governmental funds reported a combined fund balance of \$10,715,904, a \$1,129,520 increase from last year. The following chart summarizes governmental fund expenditures by type.



Expenditures presented on modified accrual basis of accounting.

The Board's proprietary funds reported combined total net assets of \$5,475,844, a \$949,915 increase from last year.

**CABARRUS COUNTY BOARD OF EDUCATION  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2011**

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**General Fund Budgetary Highlights**

Over the course of the year, the Board revised the budget several times to account for changes in expected revenues and expenditures. The effect of these revisions was to increase budgeted revenues and expenditures by approximately \$700,000 which is a little over 1% of the original budget. The Board did not overspend budgeted amounts at any budgeted level in the General Fund.

**Capital Assets**

Capital assets increased by \$5.5 million (or 1.3%) from the previous year. This was largely due to new construction. The following is a summary of the capital assets, net of depreciation, at year-end.

<b>Table 3</b>						
<b>Summary of Capital Assets</b>						
<b>As of June 30, 2011 and 2010</b>						
	Governmental Activities		Business-type Activities		Total Primary Government	
	6/30/11	6/30/10	6/30/11	6/30/10	6/30/11	6/30/10
Land	\$ 2,300,000	\$ 2,300,000	\$ -	\$ -	\$ 2,300,000	\$ 2,300,000
Construction in progress	24,533,337	64,500,507	-	-	24,533,337	64,500,507
Buildings/improvements	362,703,203	315,601,927	-	-	362,703,203	315,601,927
Equipment and furniture	4,597,728	4,952,522	2,559,544	2,115,788	7,157,272	7,068,310
Vehicles	4,844,053	6,640,377	-	-	4,844,053	6,640,377
Total	<u>\$ 398,978,321</u>	<u>\$ 393,995,333</u>	<u>\$ 2,559,544</u>	<u>\$ 2,115,788</u>	<u>\$ 401,537,865</u>	<u>\$ 396,111,121</u>

**Debt Outstanding**

During the year, the Board's outstanding debt decreased by approximately \$1.1 million, principally due to a reduction compensated absences.

**CABARRUS COUNTY BOARD OF EDUCATION  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2011**

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**Economic Factors**

The Board anticipates an increased enrollment over the next several years and will need continued increases in classroom space, teachers and equipment. County funding is a major source of income for the Board; therefore, the County's economic outlook directly affects that of the school district. The following factors have affected the economic outlook of Cabarrus County.

- County sales tax for 2011 decreased by 2.76% due to economic conditions.
- Unemployment in the county is at 10.7% as of April 2010.
- Taxable property assessed value decreased by 1.42% in the most recent year (2011) due to real property market values and the closure of the County's largest taxpayer, Phillip Morris.

**Requests for Information**

This report is intended to provide a summary of the financial condition of Cabarrus County Board of Education. Questions or requests for additional information should be addressed to:

Kelly H. Kluttz, CPA  
Finance Officer  
Cabarrus County Board of Education  
P.O. Box 388  
Concord, NC 28026

**CABARRUS COUNTY BOARD OF EDUCATION**  
**STATEMENT OF NET ASSETS**  
**June 30, 2011**

*Exhibit 1*

	Primary Government		
	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ 12,623,134	\$ 2,846,988	\$ 15,470,122
Due from other governments	2,764,355	223,952	2,988,307
Receivables (net)	183,001	13,205	196,206
Inventories	513,321	343,298	856,619
Capital assets:			
Land, improvements, and construction in progress	26,833,337	-	26,833,337
Other capital assets, net of depreciation	372,144,984	2,559,544	374,704,528
Total capital assets	398,978,321	2,559,544	401,537,865
Total assets	415,062,132	5,986,987	421,049,119
<b>LIABILITIES</b>			
Accounts payable and accrued expenses	748,632	43,674	792,306
Accrued salaries and wages payable	2,418,971	74,115	2,493,086
Deferred revenue	2,200,304	130,258	2,330,562
Long-term liabilities:			
Due within one year	5,245,298	165,240	5,410,538
Due in more than one year	4,252,181	97,856	4,350,037
Total liabilities	14,865,386	511,143	15,376,529
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	397,939,800	2,559,544	400,499,344
Restricted for:			
Individual Schools	2,677,575	-	2,677,575
Stabilization by State statute	503,941	-	503,941
School Capital Outlay	251,364	-	251,364
Unrestricted	(1,175,934)	2,916,300	1,740,366
Total net assets (as restated)	\$ 400,196,746	\$ 5,475,844	\$ 405,672,590



**CABARRUS COUNTY BOARD OF EDUCATION**  
**STATEMENT OF ACTIVITIES**  
**For the Year Ended June 30, 2011**

*Exhibit 2*

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary government:</b>				
Governmental Activities:				
Instructional services:				
Regular instructional	\$ 112,157,187	\$ 49,627	\$ 90,031,024	\$ -
Special populations	27,233,153	-	25,084,977	-
Alternative programs	10,615,666	-	8,266,052	-
School leadership	13,656,789	-	7,171,661	-
Co-curricular	6,606,828	-	-	-
School-based support	10,073,985	-	7,496,236	-
System-wide support services:				
Support and development	785,633	-	376,468	-
Special populations	630,795	-	590,760	-
Alternative programs	188,483	-	186,305	-
Technology support	2,358,065	-	249,816	-
Operational support services	33,318,341	-	13,569,117	-
Accountability	-	-	-	-
System-wide pupil support services	2,144,762	-	-	-
Policy, leadership and public	1,641,418	-	564,337	-
Ancillary services	59,527	-	-	-
Non-programmed charges	619,136	-	324,696	-
Interest on long-term debt	49,990	-	-	-
Unallocated depreciation expense*	1,285,062	-	-	-
Total governmental activities	<u>226,027,337</u>	<u>49,627</u>	<u>154,311,023</u>	<u>-</u>
Business-type activities:				
School food service	12,718,776	5,601,575	7,398,513	750,934
Kids Plus	2,576,059	2,437,785	-	-
Total business-type activities	<u>15,294,835</u>	<u>8,039,360</u>	<u>7,398,513</u>	<u>750,934</u>
<b>Total primary government</b>	<u>\$ 241,322,172</u>	<u>\$ 8,088,987</u>	<u>\$ 161,709,536</u>	<u>\$ 750,934</u>

General revenues:  
 Unrestricted county appropriations - operating  
 Unrestricted county appropriations - capital  
 Unrestricted State appropriations - operating  
 Unrestricted State appropriations - capital  
 Investment earnings  
 Miscellaneous  
 Transfers  
 Total general revenues and transfers  
 Change in net assets  
 Net assets-beginning (as restated)  
 Net assets-ending

\* This amount excludes the depreciation that is included in the direct expenses of the various programs.

**Net (Expense) Revenue and Changes in Net Assets**

**Primary Government**

<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
\$ (22,076,536)	\$ -	\$ (22,076,536)
(2,148,176)	-	(2,148,176)
(2,349,614)	-	(2,349,614)
(6,485,128)	-	(6,485,128)
(6,606,828)	-	(6,606,828)
(2,577,749)	-	(2,577,749)
(409,165)	-	(409,165)
(40,035)	-	(40,035)
(2,178)	-	(2,178)
(2,108,249)	-	(2,108,249)
(19,749,224)	-	(19,749,224)
(2,202,943)	-	(2,202,943)
-	-	-
(2,144,762)	-	(2,144,762)
(1,077,081)	-	(1,077,081)
(59,527)	-	(59,527)
(294,440)	-	(294,440)
(49,990)	-	(49,990)
(1,285,062)	-	(1,285,062)
<u>(71,666,687)</u>	<u>-</u>	<u>(71,666,687)</u>
-	1,032,246	1,032,246
-	(138,274)	(138,274)
-	<u>893,972</u>	<u>893,972</u>
<u>(71,666,687)</u>	<u>893,972</u>	<u>(70,772,715)</u>
47,372,681	-	47,372,681
17,700,234	-	17,700,234
917,464	-	917,464
367,211	-	367,211
12,439	1,124	13,563
12,656,534	9,819	12,666,353
(45,000)	45,000	-
<u>78,981,563</u>	<u>55,943</u>	<u>79,037,506</u>
7,314,876	949,915	8,264,791
392,881,870	4,525,929	397,407,799
<u>\$ 400,196,746</u>	<u>\$ 5,475,844</u>	<u>\$ 405,672,590</u>

**CABARRUS COUNTY BOARD OF EDUCATION**  
**BALANCE SHEET - GOVERNMENTAL FUNDS**  
**June 30, 2011**

**Exhibit 3**

	<b>Major Funds</b>			
	<b>General</b>	<b>State Public School</b>	<b>Individual Schools</b>	<b>Capital Outlay</b>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 9,511,390	\$ -	\$ 2,677,575	\$ 434,169
Receivables (net)	183,001	-	-	-
Due from other governments	320,940	2,002,257	-	107,216
Inventories	513,321	-	-	-
Total assets	<u>\$ 10,528,652</u>	<u>\$ 2,002,257</u>	<u>\$ 2,677,575</u>	<u>\$ 541,385</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable and accrued liabilities	\$ 635,610	\$ -	\$ -	\$ 113,022
Accrued salaries and benefits	82,772	2,002,257	-	-
Unearned revenue	2,023,305	-	-	176,999
Total liabilities	<u>2,741,687</u>	<u>2,002,257</u>	<u>-</u>	<u>290,021</u>
Fund balances:				
Nonspendable:				
Inventories	513,321	-	-	-
Restricted:				
Stabilization by State statute	503,941	-	-	-
School Capital Outlay	-	-	-	251,364
Individual Schools	-	-	2,677,575	-
Unassigned	6,769,703	-	-	-
Total fund balances	<u>7,786,965</u>	<u>-</u>	<u>2,677,575</u>	<u>251,364</u>
Total liabilities and fund balances	<u>\$ 10,528,652</u>	<u>\$ 2,002,257</u>	<u>\$ 2,677,575</u>	<u>\$ 541,385</u>

Amounts reported for governmental activities in the statement of net assets (Exhibit 1) are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.

Some liabilities are not due and payable in the current period and therefore are not reported in the funds.

Net assets of governmental activities

<u>Non-Major Fund</u>	
<u>Federal Grants Fund</u>	<u>Total Governmental Funds</u>
\$ -	\$ 12,623,134
-	183,001
333,942	2,764,355
-	513,321
<u>\$ 333,942</u>	<u>\$ 16,083,811</u>

\$ -	\$ 748,632
333,942	2,418,971
-	2,200,304
<u>333,942</u>	<u>5,367,907</u>

-	513,321
-	503,941
-	251,364
-	2,677,575
-	6,769,703
-	10,715,904
<u>\$ 333,942</u>	

398,978,321

(9,497,479)

\$ 400,196,746

**CABARRUS COUNTY BOARD OF EDUCATION**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -**  
**GOVERNMENTAL FUNDS**  
**For the Year Ended June 30, 2011**

*Exhibit 4*

	<b>Major Funds</b>			
	<b>General</b>	<b>State Public School</b>	<b>Individual Schools</b>	<b>Capital Outlay</b>
<b>REVENUES</b>				
State of North Carolina	\$ 917,464	\$ 133,237,873	\$ -	\$ 367,211
Cabarrus County	47,372,681	-	-	17,700,234
U.S. Government	1,427,648	-	-	-
Other	4,239,489	-	6,577,750	582,511
Total revenues	<u>53,957,282</u>	<u>133,237,873</u>	<u>6,577,750</u>	<u>18,649,956</u>
<b>EXPENDITURES</b>				
<b>Current:</b>				
Instructional services:				
Regular instructional	11,828,334	82,945,436	-	934,418
Special populations	2,140,790	17,773,227	-	-
Alternative programs	2,331,774	4,461,600	-	-
School leadership	6,510,160	5,338,035	-	-
Co-curricular	159,119	-	6,473,725	-
School-based support	2,613,846	7,268,374	-	-
System-wide support services:				
Support and development	412,259	376,468	-	-
Special populations	40,396	455,338	-	-
Alternative programs	-	-	-	-
Technology support	2,117,535	249,816	-	-
Operational support	19,835,988	13,391,823	-	41,658
Financial and human resource services	2,212,703	368,419	-	-
System-wide pupil support services	400,594	-	-	-
Policy, leadership and public relations	1,083,545	564,337	-	-
Ancillary services:				
Community	59,761	-	-	-
Non-programmed charges	622,852	-	-	-
<b>Capital outlay</b>	-	-	-	17,902,956
<b>Debt service</b>				
Principal	-	-	-	1,312,403
Interest	-	-	-	49,990
Total expenditures	<u>52,369,656</u>	<u>133,192,873</u>	<u>6,473,725</u>	<u>20,241,425</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers to other funds	-	(45,000)	-	-
Installment purchase obligations issued	-	-	-	1,029,338
Net change in fund balance	<u>1,587,626</u>	<u>-</u>	<u>104,025</u>	<u>(562,131)</u>
Fund balances-beginning	6,119,929	-	2,573,550	813,495
Increase in reserve for inventories	79,410	-	-	-
Fund balances-ending	<u>\$ 7,786,965</u>	<u>\$ -</u>	<u>\$ 2,677,575</u>	<u>\$ 251,364</u>

<u>Non-Major Fund</u>	
<u>Federal Grants Fund</u>	<u>Total Governmental Funds</u>
\$ -	\$ 134,522,548
-	65,072,915
21,118,150	22,545,798
-	11,399,750
21,118,150	233,541,011
7,085,588	102,793,776
7,311,750	27,225,767
3,804,452	10,597,826
1,833,626	13,681,821
-	6,632,844
227,862	10,110,082
-	788,727
135,422	631,156
186,305	186,305
-	2,367,351
177,294	33,446,763
31,155	2,612,277
-	400,594
-	1,647,882
-	59,761
324,696	947,548
-	17,902,956
-	1,312,403
-	49,990
21,118,150	233,395,829
-	(45,000)
-	1,029,338
-	1,129,520
-	9,506,974
-	79,410
\$ -	\$ 10,715,904

**CABARRUS COUNTY BOARD OF EDUCATION**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -**  
**GOVERNMENTAL FUNDS**  
**For the Year Ended June 30, 2011**

**Exhibit 4**  
**(Continued)**

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

Net changes in fund balances - total governmental funds \$ 1,129,520

Change in fund balance due to change in reserve for inventory 79,410

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period. 5,216,196

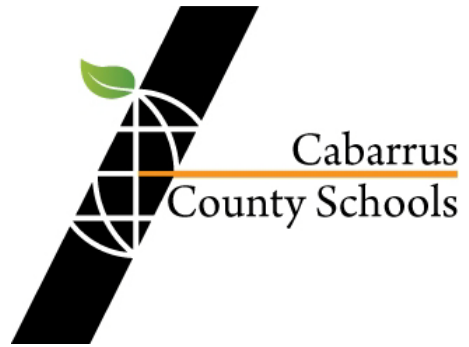
Proceeds from the sale of capital assets are recorded as revenues in the fund statements but not in the statement of activities. (16,434)

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items. 283,065

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 839,893  
Loss on disposal of assets (216,774)

Total changes in net assets of governmental activities \$ 7,314,876





**CABARRUS COUNTY BOARD OF EDUCATION  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND  
BALANCE - BUDGET AND ACTUAL - GENERAL FUND AND ANNUALLY  
BUDGETED MAJOR SPECIAL REVENUE FUNDS  
For the Year Ended June 30, 2011**

**Exhibit 5**

	General Fund			Variance - Positive (Negative)
	Original	Final	Actual Amounts	
<b>Revenues:</b>				
State of North Carolina	\$ 971,488	\$ 1,158,982	\$ 917,464	\$ (241,518)
Cabarrus County	47,372,681	47,372,681	47,372,681	-
U.S. Government	1,456,531	1,456,695	1,427,648	(29,047)
Other	5,734,080	6,285,202	4,239,489	(2,045,713)
Total revenues	<u>55,534,780</u>	<u>56,273,560</u>	<u>53,957,282</u>	<u>(2,316,278)</u>
<b>Expenditures:</b>				
<b>Current:</b>				
Instructional services				
Regular instructional	11,738,495	11,938,327	11,828,334	109,993
Special populations	2,771,655	3,231,655	2,140,790	1,090,865
Alternative programs	3,409,544	3,412,208	2,331,774	1,080,434
School leadership	7,022,267	7,024,757	6,510,160	514,597
Co-curricular	143,540	159,540	159,119	421
School-based support	2,802,378	2,802,378	2,613,846	188,532
System-wide support services				
Support and development	468,100	468,100	412,259	55,841
Special populations	44,330	44,330	40,396	3,934
Technology support	2,278,974	2,278,974	2,117,535	161,439
Operational support	21,831,914	21,621,333	19,835,988	1,785,345
Financial and human resource services	2,193,183	2,261,558	2,212,703	48,855
System-wide pupil support services	384,286	404,286	400,594	3,692
Policy, leadership and public relations	1,019,182	1,119,182	1,083,545	35,637
Ancillary services				
Community	55,000	60,000	59,761	239
Non-programmed charges	566,000	641,000	622,852	18,148
Total expenditures	<u>56,728,848</u>	<u>57,467,628</u>	<u>52,369,656</u>	<u>5,097,972</u>
Revenues under expenditures	(1,194,068)	(1,194,068)	1,587,626	2,781,694
Other financing uses:				
Transfers to other funds	-	-	-	-
Revenues under expenditures and other uses	(1,194,068)	(1,194,068)	1,587,626	2,781,694
Appropriated fund balance	1,194,068	1,194,068	-	(1,194,068)
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	1,587,626	<u>\$ 1,587,626</u>
Fund balances, beginning of year			6,119,929	
Increase in reserve for inventories			79,410	
Fund balances, end of year			<u>\$ 7,786,965</u>	

**State Public School Fund**

Original	Final	Actual Amounts	Variance - Positive (Negative)
\$ 130,346,906	\$ 135,726,253	\$ 133,237,873	\$ (2,488,380)
-	-	-	-
-	-	-	-
-	-	-	-
<u>130,346,906</u>	<u>135,726,253</u>	<u>133,237,873</u>	<u>(2,488,380)</u>
82,932,141	84,961,052	82,945,436	2,015,616
17,294,559	17,773,899	17,773,227	672
4,560,862	4,514,729	4,461,600	53,129
5,297,644	5,481,154	5,338,035	143,119
-	-	-	-
7,212,572	7,436,009	7,268,374	167,635
370,080	377,234	376,468	766
370,826	455,360	455,338	22
-	250,740	249,816	924
11,413,637	13,494,056	13,391,823	102,233
319,635	370,635	368,419	2,216
-	-	-	-
529,950	566,385	564,337	2,048
-	-	-	-
-	-	-	-
<u>130,301,906</u>	<u>135,681,253</u>	<u>133,192,873</u>	<u>2,488,380</u>
45,000	45,000	45,000	-
<u>(45,000)</u>	<u>(45,000)</u>	<u>(45,000)</u>	<u>-</u>
-	-	-	-
-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
		<u>-</u>	
		<u>-</u>	
		<u>\$ -</u>	

**CABARRUS COUNTY BOARD OF EDUCATION**  
**STATEMENT OF NET ASSETS - PROPRIETARY FUNDS**  
**June 30, 2011**

**Exhibit 6**

	<u>Major Fund</u>	<u>Non-major Fund</u>	
	<u>School Food Service</u>	<u>Kids Plus</u>	<u>Total</u>
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 2,714,664	\$ 132,324	\$ 2,846,988
Due from other governments	223,952	-	223,952
Accounts receivable (net)	12,162	1,043	13,205
Inventories	343,298	-	343,298
Total current assets	<u>3,294,076</u>	<u>133,367</u>	<u>3,427,443</u>
Noncurrent assets:			
Capital assets, net	2,557,075	2,469	2,559,544
Total assets	<u>5,851,151</u>	<u>135,836</u>	<u>5,986,987</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	41,227	2,447	43,674
Accrued salaries and benefits	74,115	-	74,115
Compensated absences	114,590	50,650	165,240
Deferred revenues	130,258	-	130,258
Total current liabilities	<u>360,190</u>	<u>53,097</u>	<u>413,287</u>
Noncurrent liabilities:			
Compensated absences	67,861	29,995	97,856
Total liabilities	<u>428,051</u>	<u>83,092</u>	<u>511,143</u>
<b>NET ASSETS</b>			
Invested in capital assets	2,557,075	2,469	2,559,544
Unrestricted	2,866,025	50,275	2,916,300
Total net assets	<u>\$ 5,423,100</u>	<u>\$ 52,744</u>	<u>\$ 5,475,844</u>

**CABARRUS COUNTY BOARD OF EDUCATION**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET**  
**ASSETS - PROPRIETARY FUNDS**  
**For the Year Ended June 30, 2011**

*Exhibit 7*

	<u>Major Fund</u>	<u>Non-major Fund</u>	
	<u>School Food Service</u>	<u>Kids Plus</u>	<u>Total</u>
<b>OPERATING REVENUES</b>			
Food sales	\$ 5,601,575	\$ 2,437,785	\$ 8,039,360
Other	8,819	1,000	9,819
Total operating revenues	<u>5,610,394</u>	<u>2,438,785</u>	<u>8,049,179</u>
<b>OPERATING EXPENSES</b>			
Food cost:			
Purchase of food	5,173,933	202,273	5,376,206
Salaries and benefits	5,720,106	2,009,005	7,729,111
Supplies and materials	250,882	31,673	282,555
Contracted services	37,966	16,256	54,222
Repairs and maintenance	137,356	122	137,478
Indirect costs	833,575	275,000	1,108,575
Depreciation	456,359	1,289	457,648
Utilities and telephone	37,993	15,081	53,074
Other	70,606	25,360	95,966
Total operating expenses	<u>12,718,776</u>	<u>2,576,059</u>	<u>15,294,835</u>
Operating loss	<u>(7,108,382)</u>	<u>(137,274)</u>	<u>(7,245,656)</u>
<b>NONOPERATING REVENUES</b>			
Federal reimbursements	6,174,311	-	6,174,311
Federal commodities	782,180	-	782,180
State reimbursements	9,355	-	9,355
Interest earned	1,124	-	1,124
Loss on disposal of capital assets	(908)	-	(908)
Indirect costs not paid	433,575	-	433,575
Total nonoperating revenues	<u>7,399,637</u>	<u>-</u>	<u>7,399,637</u>
Income (loss) before capital contributions and transfer	291,255	(137,274)	153,981
Capital contributions	750,934	-	750,934
Transfer from other funds	45,000	-	45,000
Change in net assets	1,087,189	(137,274)	949,915
Total net assets - beginning, as restated	<u>4,335,911</u>	<u>190,018</u>	<u>4,525,929</u>
Total net assets - ending	<u>\$ 5,423,100</u>	<u>\$ 52,744</u>	<u>\$ 5,475,844</u>

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

*Page 23*

**CABARRUS COUNTY BOARD OF EDUCATION**  
**STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS**  
**For the Year Ended June 30, 2011**

**Exhibit 8**

	<u>Major Fund</u>	<u>Non-major Fund</u>	
	<u>School Food Service</u>	<u>Kids Plus</u>	<u>Total</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash received from customers	\$ 5,642,966	\$ 2,437,742	\$ 8,080,708
Cash paid for goods and services	(5,234,660)	(587,448)	(5,822,108)
Cash paid to employees for services	(5,732,914)	(2,019,019)	(7,751,933)
Other operating revenues	8,819	-	8,819
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Net cash used by operating activities	(5,315,789)	(168,725)	(5,484,514)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Federal and State reimbursements	6,183,666	-	6,183,666
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Acquisition of capital assets	(151,378)	-	(151,378)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest on investments	1,124	-	1,124
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Net increase in cash and cash equivalents	717,623	(168,725)	548,898
Balances-beginning of the year	1,997,041	301,049	2,298,090
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Balances-end of the year	<u>\$ 2,714,664</u>	<u>\$ 132,324</u>	<u>\$ 2,846,988</u>

**CABARRUS COUNTY BOARD OF EDUCATION**  
**STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS**  
**For the Year Ended June 30, 2011**

**Exhibit 8**  
**(Continued)**

	<u>Major Fund</u>	<u>Non-major Fund</u>	
	<u>Service</u>	<u>Kids Plus</u>	<u>Total</u>
Reconciliation of operating loss to net cash used by operating activities			
Operating loss	<u>\$ (7,108,382)</u>	<u>\$ (137,274)</u>	<u>\$ (7,245,656)</u>
Adjustments to reconcile operating loss to net cash used by operating activities:			
Depreciation	456,359	1,289	457,648
Donated commodities consumed	782,180	-	782,180
Salaries paid by the State Public School Fund	45,000	-	45,000
Indirect costs not paid	433,575	-	433,575
Changes in assets and liabilities:			
Decrease in due from other governments	37,361	-	37,361
Increase in accounts receivable	(12,162)	(1,043)	(13,205)
Increase in inventories	(17,501)	-	(17,501)
Decrease in accounts payable	(9,718)	(21,683)	(31,401)
Increase in accrued salaries and benefits	74,115	-	74,115
Increase in deferred revenue	16,192	-	16,192
Decrease in compensated absences	(12,808)	(10,014)	(22,822)
Total adjustments	<u>1,792,593</u>	<u>(31,451)</u>	<u>1,761,142</u>
Net cash used by operating activities	<u>\$ (5,315,789)</u>	<u>\$ (168,725)</u>	<u>\$ (5,484,514)</u>

**Noncash investing, capital, and financing activities:**

Indirect costs of \$433,575 that would be due to the General Fund were not paid. These unpaid costs are reflected as a nonoperating revenue and an operating expense on Exhibit 7.

The School Food Service Fund received donated commodities with a value of \$782,180 during the fiscal year. The receipt of the commodities is recognized as a nonoperating revenue on Exhibit 7.

The School Food Service Fund received \$750,934 of capital assets as a contribution from the Capital Outlay Fund.

The State Public School Fund contributed \$45,000 to the School Food Service Fund during the fiscal year to provide assistance with the payment of administrative wages. This payment is reflected as a transfer in and an operating expense on Exhibit 7.

**CABARRUS COUNTY BOARD OF EDUCATION**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2011**

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NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of Cabarrus County Board of Education conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant accounting policies:

Reporting Entity

The Cabarrus County Board of Education (Board) is a Local Education Agency empowered by State law [Chapter 115C of the North Carolina General Statutes] with the responsibility to oversee and control all activities related to public school education in Cabarrus County, North Carolina. The Board provides public school education to the children of Cabarrus County not living within the boundaries of the Kannapolis Local Educational Agency. The Board receives State, local, and federal government funding and must adhere to the legal requirements of each funding entity.

Basis of Presentation

*Government-wide Statements:* The statement of net assets and the statement of activities display information about the Board. These statements include the financial activities of the overall government. Eliminations have been made to minimize the effect of internal activities upon revenues and expenses. These statements distinguish between the *governmental* and *business-type activities* of the Board. Governmental activities generally are financed through intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenues for the different business-type activities of the Board and for each function of the Board'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 are presented as general revenues.

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

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

**CABARRUS COUNTY BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
For the Year Ended June 30, 2011**

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NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The Board reports the following major governmental funds:

*General Fund.* The General Fund is the general operating fund of the Board. The General Fund accounts for all financial resources except those that are required to be accounted for in another fund. This fund is the “Local Current Expense Fund,” which is mandated by State law [G.S. 115C-426].

*State Public School Fund.* The State Public School Fund includes appropriations from the Department of Public Instruction for the current operating expenditures of the public school system.

*Individual Schools Fund.* The Individual Schools Fund includes revenues and expenditures of the activity funds of the individual schools. The primary revenue sources include funds held on the behalf of various clubs and organizations, receipts from athletic events, and proceeds from various fund raising activities. The primary expenditures are for athletic teams, club programs, activity buses, and instructional needs.

*Capital Outlay Fund.* The Capital Outlay Fund accounts for financial resources to be used for the acquisition and construction of major capital facilities (other than those financed by proprietary funds and trust funds). It is mandated by State law [G.S.115C-426]. Capital projects are funded by Cabarrus County appropriations, restricted sales tax moneys, proceeds of Cabarrus County bonds issued for public school construction as well as certain State assistance.

The Board reports the following major enterprise fund:

*School Food Service Fund.* The School Food Service Fund is used to account for the food service program within the school system.

Measurement Focus and Basis of Accounting

*Government-wide and Proprietary Fund Financial Statements.* The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus and 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 Board gives (or receives) value without directly receiving (or giving) equal value in exchange, include grants and donations. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.



**CABARRUS COUNTY BOARD OF EDUCATION**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2011**

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NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

*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. The Board considers all revenues reported in the governmental funds to be available if the revenues are collected within 60 days after year-end. These could include federal, State, and county grants, and some charges for services. Expenditures are recorded when the related fund liability is incurred, except for 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. Acquisitions under capital leases are reported as other financing sources.

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

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

Budgetary Data

The Board's budgets are adopted as required by the North Carolina General Statutes. Annual budgets are adopted for all funds, except for the individual schools special revenue funds as required by the North Carolina General Statutes. No budget is required by State law for individual school funds. All appropriations lapse at the fiscal year-end. All budgets are prepared using the modified accrual basis of accounting. Expenditures may not legally exceed appropriations at the functional level for all annually budgeted funds. The Board has authorized the Superintendent to move moneys (up to \$5,000) from one function to another within a fund. Amendments are required for any revisions that alter total expenditures of any fund or that change functional appropriations by more than \$5,000. All amendments must be approved by the governing board. During the year, several amendments to the original budget were necessary. The budget ordinance must be adopted by July 1 of the fiscal year or the governing board must adopt an interim budget that covers that time until the annual ordinance can be adopted.

Assets, Liabilities, and Fund Equity

Deposits and Investments

All deposits of the Board are made in board-designated official depositories and are secured as required by State law [G.S. 115C-444]. The Board may designate, as an official depository, any bank or savings association whose principal office is located in North Carolina. Also, the Board may establish time deposit accounts such as NOW and SuperNOW accounts, money market accounts, and certificates of deposit. The Board also has money credited in its name with the State Treasurer and may issue State warrants against these funds.

**CABARRUS COUNTY BOARD OF EDUCATION**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2011**

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NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

State law [G.S. 115C-443] authorizes the Board to invest in obligations of the United States or obligations fully guaranteed both as to principal and interest by the United States; obligations of the State of North Carolina; bonds and notes of any North Carolina local government or public authority; obligations of certain non-guaranteed federal agencies; certain high quality issues of commercial paper and bankers' acceptances; the North Carolina Capital Management Trust (NCCMT), an SEC-registered (2a-7) money market mutual fund; and the North Carolina State Treasurer's Short Term Investment Fund (STIF). The STIF is managed by the staff of the Department of State Treasurer and operated in accordance with state law and regulations. It is not registered with the SEC. It consists of an internal portion and an external portion in which the Board participates. Investments are restricted to those enumerated in G.S. 147-69.1.

The Board's investments are reported at fair value as determined by quoted market prices. The STIF securities, if any, are reported at cost and maintain a constant \$1 per share value. Under the authority of G.S. 147-69.3, no unrealized gains or losses of the STIF are distributed to external participants of the fund. The NCCMT Cash Portfolio's securities are valued at fair value, which is the NCCMT's share price.

Cash and Cash Equivalents

The Board pools money 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.

Inventories

The inventories of the Board are valued at cost and the Board uses the first-in, first-out (FIFO) flow assumption in determining cost. The inventories of the Board's General Fund consist of expendable materials and supplies, which are recorded as expenditures when purchased. The General Fund inventories do not reflect current appropriable resources and, thus, an equivalent portion of fund balance is reserved.

Proprietary Fund inventories consist of food and supplies and are recorded as expenses when consumed.

Capital Assets

The Board's capital assets are recorded at original cost. Donated assets are listed at their estimated fair value at the date of donation or forfeiture. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets. Certain items acquired before July 1, 1970 are recorded at an estimated original historical cost. The total of these estimates is not considered large enough that any errors would be material when capital assets are considered as a whole.

**CABARRUS COUNTY BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
For the Year Ended June 30, 2011**

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NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

It is the policy of the Board to capitalize all capital assets costing more than \$2,000 with an estimated useful life of two or more years. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Cabarrus County holds title to certain properties, which are reflected as capital assets in the financial statements of the Board. The properties have been deeded to the County to permit installment purchase financing of acquisition and construction costs and to permit the County to receive refunds of sales tax paid for construction costs. Agreements between the County and the Board gives the schools full use of the facilities, full responsibility for maintenance of the facilities, and provides that the County will convey title of the property back to the Board, once all restrictions of the financing agreements and all sales tax reimbursement requirements have been met.

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

	<u>Years</u>
Buildings	50
Equipment and furniture	5-15
Vehicles	8

Depreciation for building and equipment that serve multiple purposes cannot be allocated ratably and is therefore reported as “unallocated depreciation” on the Statement of Activities. Land and Construction in Progress are not depreciated.

Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities.

Compensated Absences

The Board follows the State’s policy for vacation and sick leave. Employees may accumulate up to thirty (30) days earned vacation leave with such leave being fully vested when earned. For the Board, the current portion of the accumulated vacation pay is not considered to be material. The Board’s liability for accumulated earned vacation and the salary-related payments as of June 30, 2011 is recorded in the government-wide and proprietary fund financial statements on a FIFO basis. An estimate has been made, based on prior years’ records, of the current portion of compensated absences.

The sick leave policy of the Board provides for an unlimited accumulation of earned sick leave. Sick leave does not vest, but any unused sick leave accumulated at the time of retirement may be used in the determination of length of service for retirement benefit purposes. Since the Board has no obligation for accumulated sick leave until it is actually taken, no accrual for sick leave has been made.

Net Assets/Fund Balances

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

**CABARRUS COUNTY BOARD OF EDUCATION**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2011**

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NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Balances

In the governmental fund financial statements, fund balance is composed of four 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:

*Nonspendable 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.

*Restricted fund balance* – This classification includes amounts that are restricted to specific purposes externally imposed by creditors or imposed by law.

Restricted for Stabilization by State statute - portion of fund balance that is restricted by State Statute [G.S. 115C-425(a)].

Restricted for School Capital Outlay - portion of fund balance that can only be used for school capital outlay. [G.S. 159-18 through 22]

Restricted for Individual Schools – revenue sources restricted for expenditures for the various clubs and organizations, athletic events, and various fund raising activities for which they were collected.

*Assigned fund balance* – portion of fund balance that the Board of Education intends to use for specific purposes.

Subsequent year's expenditures – portion of fund balance that is appropriated in the next year's budget that is not already classified in restricted. The Board of Education approves the appropriation.

*Unassigned fund balance* – the portion of fund balance that has not been restricted, committed, or assigned to specific purposes or other funds.

The Board of Education has a management policy for revenue spending that provides guidance for programs with multiple revenue sources. The Finance Officer will use resources in the following hierarchy: bond proceeds, federal funds, State funds, local non-board of education funds, and lastly board of education 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 Officer has the authority to deviate from this policy if it is in the best interest of the Board of Education.

**CABARRUS COUNTY BOARD OF EDUCATION**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2011**

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NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Reconciliation of Government-wide and Fund Financial Statements

A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net assets.

The governmental fund balance sheet includes a reconciliation between fund balance - total governmental funds and net assets – governmental activities as reported in the government-wide statement of net assets. The net adjustment of \$389,480,842 consists of several elements as follows:

<u>Description</u>	<u>Amount</u>
Capital assets used in governmental activities are not financial resources and are therefore not reported in the funds (total capital assets on government-wide statement in governmental activities column)	\$500,537,359
Less Accumulated Depreciation	<u>(101,559,038)</u>
Net capital assets	398,978,321
 Liabilities that, because they are not due and payable in the current period, do not require current resources to pay and are therefore not recorded in the fund statements:	
Installment financing	(1,038,521)
Compensated absences	<u>(8,458,958)</u>
Total adjustment	<u>\$ 389,480,842</u>

B. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balance and the government-wide statement of activities.

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances – total governmental funds and changes in net assets of governmental activities as reported in the government-wide statement of activities. There are several elements of that total adjustment of \$6,185,356 as follows:

**CABARRUS COUNTY BOARD OF EDUCATION**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2011**

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NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Description	Amount
Capital projects expenditures recorded in the fund statements but capitalized as assets in the statement of activities.	\$ 16,951,717
Depreciation expenses, the allocation of those assets over their useful lives, that is recorded on the statement of activities but not in the fund statements.	(11,735,521)
Loss on disposal of capital assets reported in the statement of activities	(233,208)
New debt issued during the year is recorded as a source of funds on the fund statement but have no affect on the statement of net assets on the government-wide statements.	(1,029,338)
Principal payments on debt owed are recorded as a use of funds on the fund statements but it affects only the statement of net assets in the government-wide statements.	1,312,403
Revenues reported in the statement of activities that do not provide current resources are not recorded as revenues in the fund statements.	
Adjustment due to the use of the consumption method of recording inventories in the government-wide statements	79,410
Expenses reported in the statement of activities that do not require the use of current resources to pay are not recorded as expenditures in the fund statements.	
Compensated absences are accrued in the government-wide statements but not in the fund statements because they do not use current resources.	<u>839,893</u>
Total adjustment	<u>\$ 6,185,356</u>

NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Material Violations of Finance-Related Legal and Contractual Provisions

None

Excess of Expenditures Over Appropriations

None

**CABARRUS COUNTY BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
For the Year Ended June 30, 2011**

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NOTE 3 – DETAIL NOTES ON ALL FUNDS

Assets

Deposits

All of the Board's deposits are either insured or collateralized by using one of two methods. Under the Dedicated Method, all deposits exceeding the federal depository insurance coverage level are collateralized with securities held by the Board's agents in the unit's name. 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 Board, these deposits are considered to be held by the agent in the entity's name. The amount of the pledged collateral is based on an approved averaging method for non-interest bearing deposits and the actual current balance for interest-bearing deposits. Depositories using the Pooling Method report to the State Treasurer the adequacy of their pooled collateral covering uninsured deposits. The State Treasurer does not confirm this information with the Board or with the escrow agent. Because of the inability to measure the exact amount of collateral pledged for the Board 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. The Board has no policy regarding custodial credit risk for deposits.

At June 30, 2011, the Board had deposits with financial institutions with a carrying amount of \$8,708,407 and with the State Treasurer of \$-0-. The bank balances with the financial institutions and the State Treasurer were \$9,319,927 and \$402,806 respectively. Of these balances, \$3,017,456 was covered by federal depository insurance and \$6,705,277 was covered by collateral held by authorized escrow agents in the name of the State Treasurer.

Investments

At June 30, 2011, the Board of Education had \$6,761,715 invested with the North Carolina Capital Management Trust's Cash Portfolio which carried a credit rating of AAAM by Standard and Poor's. The Board has no policy for managing interest risk or credit risk.

**CABARRUS COUNTY BOARD OF EDUCATION  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 For the Year Ended June 30, 2011**

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NOTE 3 – DETAIL NOTES ON ALL FUNDS (Continued)

Accounts Receivable

Receivables at the government-wide level at June 30, 2011 were as follows:

	Due from other governments	Other
	<u>                    </u>	<u>                    </u>
Governmental activities:		
General Fund	\$ 320,940	\$ 183,001
Other governmental activities	2,443,415	-
Total	<u>\$ 2,764,355</u>	<u>\$ 183,001</u>
Business-type activities:		
School Food Service	\$ 223,952	\$ 12,162
Kids Plus	-	1,043
Total	<u>\$ 223,952</u>	<u>\$ 13,205</u>

Due from other governments consists of the following:

Governmental activities:		
General Fund	\$ 320,940	Miscellaneous grants
State Public School Fund	2,002,257	North Carolina for payroll
Capital Outlay Fund	107,216	County funds for construction
Federal Grants Fund	333,942	Federal grant funds
Total	<u>\$ 2,764,355</u>	
Business-type activities		
School Food Service	<u>\$ 223,952</u>	Federal grant funds



**CABARRUS COUNTY BOARD OF EDUCATION**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2011**

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NOTE 3 – DETAIL NOTES ON ALL FUNDS (Continued)

Capital Assets

Capital asset activity for the year ended June 30, 2011 was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 2,300,000	\$ -	\$ -	\$ 2,300,000
Construction in progress	<u>64,500,507</u>	<u>15,887,848</u>	<u>55,855,018</u>	<u>24,533,337</u>
Total capital assets not being depreciated	<u>66,800,507</u>	<u>\$ 15,887,848</u>	<u>\$ 55,855,018</u>	<u>26,833,337</u>
Capital assets being depreciated:				
Buildings/improvements	386,406,332	\$ 55,857,495	\$ 258,923	442,004,904
Equipment and furniture	13,692,745	1,000,792	354,578	14,338,959
Vehicles	<u>17,858,566</u>	<u>60,600</u>	<u>559,007</u>	<u>17,360,159</u>
Total capital assets being depreciated	<u>417,957,643</u>	<u>\$ 56,918,887</u>	<u>\$ 1,172,508</u>	<u>473,704,022</u>
Less accumulated depreciation for:				
Buildings/improvements	70,804,405	\$ 8,704,720	\$ 207,424	79,301,701
Equipment and furniture	8,740,223	1,285,062	284,054	9,741,231
Vehicles	<u>11,218,189</u>	<u>1,745,739</u>	<u>447,822</u>	<u>12,516,106</u>
Total accumulated depreciation	<u>90,762,817</u>	<u>\$ 11,735,521</u>	<u>\$ 939,300</u>	<u>101,559,038</u>
Total capital assets being depreciated, net	<u>327,194,826</u>			<u>372,144,984</u>
Governmental activity capital assets, net	<u>\$ 393,995,333</u>			<u>\$ 398,978,321</u>

**CABARRUS COUNTY BOARD OF EDUCATION  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 For the Year Ended June 30, 2011**

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NOTE 3 – DETAIL NOTES ON ALL FUNDS (Continued)

	Beginning Balances	Increases	Decreases	Ending Balances
Business-type activities:				
School Food Service Fund:				
Capital assets being depreciated:				
Furniture and office equipment	\$ 5,720,338	\$ 902,312	\$ 2,615	\$ 6,620,035
Less accumulated depreciation for:				
Furniture and office equipment	<u>3,608,308</u>	<u>\$ 456,359</u>	<u>\$ 1,707</u>	<u>4,062,960</u>
School Food Service capital assets, net:	<u>2,112,030</u>			<u>2,557,075</u>
Kids Plus Fund				
Capital assets being depreciated				
Furniture and equipment	87,278	\$ -	\$ -	87,278
Less accumulated depreciation for				
Furniture and equipment	<u>83,520</u>	<u>\$ 1,289</u>	<u>\$ -</u>	<u>84,809</u>
Other enterprise funds capital assets, net:	<u>3,758</u>			<u>2,469</u>
Business-type activity capital assets, net:	<u>\$ 2,115,788</u>			<u>\$ 2,559,544</u>

Depreciation was charged to governmental functions as follows:

Regular instructional services	\$ 8,704,720
System-wide support services	1,745,739
Unallocated depreciation	<u>1,285,062</u>
Total	<u>\$ 11,735,521</u>

Construction Commitments

Cabarrus County Board of Education has an active construction project at Harold E. Winkler Middle School as of June 30, 2011. At year-end, the commitments with contractors for school construction are as follows:

<u>Project</u>	<u>Incurred to Date</u>	<u>Remaining Commitment</u>
Construction	<u>\$ 24,533,337</u>	<u>\$ 178,933</u>

**CABARRUS COUNTY BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
For the Year Ended June 30, 2011**

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NOTE 3 – DETAIL NOTES ON ALL FUNDS (Continued)

Liabilities

Pension Plan and Other Post-employment Obligations

a. Teachers' and State Employees' Retirement System

*Plan Description.* Cabarrus County Board of Education contributes to the statewide Teachers' and State Employees' Retirement System (TSERS), a cost-sharing multiple-employer defined benefit pension plan administered by the State of North Carolina. TSERS provides retirement benefits to plan members and beneficiaries. Article 1 of G.S. Chapter 135 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The Teachers' and State Employees' Retirement System is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes financial statements and required supplementary information for TSERS. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454.

*Funding Policy.* Plan members are required to contribute six percent of their annual covered salary and the Board is required to contribute at an actuarially determined rate. The current rate is 4.93% of annual covered payroll. The contribution requirements of plan members and Cabarrus County Board of Education are established and may be amended by the North Carolina General Assembly. The Board's contributions to TSERS for the years ended June 30, 2011, 2010, and 2009 were \$6,709,471, \$4,763,334, and \$4,662,233, respectively, equal to the required contributions for each year.

b. Other Post-employment Benefits

Post-employment Healthcare Benefits

*Plan Description.* The post-employment healthcare benefits are provided through a multiple-employer cost-sharing defined benefit plan administered by the Executive Administrator and the Board of Trustees of the Comprehensive Major Medical Plan (the "Plan"). The Executive Administrator and the Board of Trustees of the Plan establishes premium rates except as may be established by the General Assembly in an appropriation act. The Plan's benefit and contribution provisions are established by Chapter 135-7, Article 1, and Chapter 135, Article 3 of the General Statutes and may be amended only by the North Carolina General Assembly. By General Statute, the Plan accumulates contributions from employers and any earnings on those contributions in the Retiree Health Benefit Fund. These assets shall be used to provide health benefits to retired and disabled employees and their applicable beneficiaries. These contributions are irrevocable. Also by law, these assets are not subject to the claims of creditors of the employers making contributions to the Plan.

The State of North Carolina issues a publicly available financial report that includes financial statements and required supplementary information for the State's Comprehensive Major Medical Plan (also, referred to as the State Health Plan). An electronic version of this report is available by accessing the North Carolina Office of the State Controller's Internet home page <http://www.ncosc.net/> and clicking on "Financial Reports", or by calling the State Controller's Financial Reporting Section at (919) 981-5454.

**CABARRUS COUNTY BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
For the Year Ended June 30, 2011**

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NOTE 3 – DETAIL NOTES ON ALL FUNDS (Continued)

*Funding Policy.* The Comprehensive Major Medical Plan is administered by the Executive Administrator and Board of Trustees of the Plan, which establishes premium rates except as may be established by the General Assembly in an appropriation act. The healthcare benefits for retired and disabled employees are the same as for active employees, except that the coverage becomes secondary when former employees become eligible for Medicare. For employees first hired on and after October 1, 2006, future coverage as retired employees is subject to the requirement that the future retiree have 20 or more years of retirement service credit in order to receive coverage on a noncontributory basis. Employees first hired on and after October 1, 2006 with 10 but less than 20 years of retirement service credit are eligible for coverage on a partially contributory basis. For such future retirees, the State will pay 50% of the State Health Plan's total noncontributory premium. For employees hired before October 1, 2006, healthcare benefits are provided to retirees (at no charge to the retirees) who have at least five years of contributing retirement membership prior to disability or retirement. In addition, persons who became surviving spouses of retirees prior to October 1, 1986, receive the same coverage as retirees at the State's expense.

Contributions are determined as a percentage of covered monthly payroll. Annually, the monthly contribution rates to the Plan, which are intended to finance benefits and administrative expenses on a pay-as-you-go basis, are determined by the General Assembly in the Appropriations Bill. For the fiscal years ended June 30, 2011, 2010, and 2009, the School Board paid all annual required contributions to the Plan for postemployment healthcare benefits of \$6,668,642, \$6,004,202, and \$5,689,035, respectively. These contributions represented 4.90%, 4.50%, and 4.10% of covered payroll, respectively.

2. Other Employment Benefits

In addition to providing pension and post employment healthcare benefits, the Board provides death benefits and disability benefits, in accordance with State statutes, to certain employees.

Death Benefits

Death benefits are provided through the Benefit Plan for members of the Teachers' and State Employees' Retirement System (Death Benefit Plan), a multiple-employer State-administered cost-sharing plan funded on a one-year term cost basis. Employees who die in active service after one year of contributing membership service 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 highest 12 months salary in a row during the 24 months prior to his/her death with a minimum benefit of \$25,000 and a maximum of \$50,000.

**CABARRUS COUNTY BOARD OF EDUCATION**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2011**

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NOTE 3 – DETAIL NOTES ON ALL FUNDS (Continued)

Long-term Disability Benefits

*Plan Description.* Short-term and long-term disability benefits are provided through the Disability Income Plan of North Carolina (DIPNC), a cost-sharing, multiple-employer defined benefit plan. The DIPNC is administered by the Board of Trustees of the Teachers' and State Employees' Retirement System. Long-term disability benefits are payable as another postemployment benefit from DIPNC after the conclusion of the short-term disability period or after salary continuation payments cease, whichever is later, for as long as an employee is disabled. Benefit and contribution provisions are established by Chapter 135, Article 6, of the General Statutes and may be amended only by the North Carolina General Assembly. The Plan accumulates contributions from employers and any earnings on those contributions in the Disability Income Plan Trust Fund. The plan does not provide for automatic post-retirement benefit increases.

The State of North Carolina issues a publicly available financial report that includes financial statements and required supplementary information for the DIPNC. An electronic version of this report is available by accessing the North Carolina Office of the State Controller's Internet home page <http://www.ncosc.net/> and clicking on "Financial Reports", or by calling the State Controller's Financial Reporting Section at (919) 981-5454.

*Funding Policy.* An employee is eligible to receive long-term disability benefits provided the following requirements are met: (1) the employee has five or more years of contributing membership service in the Teachers' and State Employees' Retirement System of North Carolina, earned within 96 months prior to the end of the short-term disability period or cessation of salary continuation payments, whichever is later; (2) the employee must make application to receive long-term benefits within 180 days after the conclusion of the short-term disability period or after salary continuation payments cease or after monthly payments for Workers' Compensation cease (excluding monthly payments for permanent partial benefits), whichever is later; (3) the employee must be certified by the Medical Board to be mentally or physically disabled for the further performance of his/her usual occupation; (4) the disability must have been continuous, likely to be permanent, and incurred at the time of active employment; (5) the employee must not be eligible to receive an unreduced retirement benefit from the Retirement System; and (6) the employee must terminate employment as a permanent, full-time employee. An employee is eligible to receive an unreduced retirement benefit from the Retirement System after (1) reaching the age of 65 and completing five years of creditable service, or (2) reaching the age of 60 and completing 25 years of creditable service, or (3) completing 30 years of creditable service, at any age.

All short-term disability benefit payments are made by various State-administered plans. The Board has no liability beyond payment of monthly contributions except for short-term disability benefits, which are paid by the Board during the first six months of the short-term period.

**CABARRUS COUNTY BOARD OF EDUCATION**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2011**

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NOTE 3 – DETAIL NOTES ON ALL FUNDS (Continued)

For members with five or more years of membership service as of July 31, 2007, the monthly long-term disability benefit is equal to 65% of one-twelfth of an employee's annual base rate of compensation last payable to the participant or beneficiary prior to the beginning of the short-term disability period, plus the like percentage of one twelfth of the annual longevity payment to which the participant or beneficiary would be eligible. The monthly benefits are subject to a maximum of \$3,900 per month reduced by any primary Social Security disability benefits and by monthly payments for Workers' Compensation to which the participant or beneficiary may be entitled. The monthly benefit shall be further reduced by the amount of any monthly payments from the Department of Veterans Affairs, any other federal agency or any payments made under the provisions of G.S.127A-108, to which the participant or beneficiary may be entitled on account of the same disability. Provided in any event, the benefits payable shall be no less than \$10 a month. When an employee qualifies for an unreduced service retirement allowance from the Retirement System, the benefits payable from DIPNC will cease, and the employee will commence retirement under the TSERS. For members who obtain five years of membership service on or after August 1, 2007, the monthly long-term disability benefit is reduced by the primary Social Security retirement benefit to which the member might be entitled should the member become age 62 during the first 36 months. After 36 months of long-term disability, there will be no further payments from the DIPNC unless the member is approved for and is in receipt of primary Social Security disability benefits. It is payable so long as the member remains disabled and is in receipt of a primary Social Security disability benefit until eligible for an unreduced service retirement benefit. When an employee qualifies for an unreduced service retirement allowance from the Retirement System, the benefits payable from DIPNC will cease, and the employee will commence retirement under the TSERS.

The Board's contributions are established in the Appropriations Bill by the General Assembly. Benefit and contribution provisions are established by Chapter 135, Article 6, of the General Statutes and may be amended only by the North Carolina General Assembly. The contributions cannot be separated between the amounts that relate to other postemployment benefits and employment benefits for active employees. Those individuals who are receiving extended short-term disability benefit payments cannot be separated from the number of members currently eligible to receive disability benefits as another postemployment benefit. For the fiscal years ended June 30, 2011, 2010, and 2009, the Board paid all annual required contributions to the DIPNC for disability benefits of \$707,693, \$693,819, and \$721,536, respectively. These contributions represented 0.52% of covered payroll for each of the three fiscal years.

**CABARRUS COUNTY BOARD OF EDUCATION**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2011**

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NOTE 3 – DETAIL NOTES ON ALL FUNDS (Continued)

Accounts Payable and Accrued Expenses

Accounts payable and accrued expenses at the government-wide level at June 30, 2011 are as follows:

	<u>Vendors</u>	<u>Salaries and Benefits</u>
Governmental Activities:		
General	\$ 635,610	\$ 82,772
Other Governmental	113,022	2,336,199
Total - Governmental Activities	<u>\$ 748,632</u>	<u>\$ 2,418,971</u>
Business-type Activities:		
School Food Service	\$ 41,227	\$ 74,115
Kids Plus	2,447	-
Total business-type activities	<u>\$ 43,674</u>	<u>\$ 74,115</u>

Unearned Revenues

The balance in unearned revenues at year-end is composed of the following elements:

	<u>Governmental Activities</u>			<u>Business- Type Activities</u>
	<u>General Fund</u>	<u>Other</u>	<u>Total</u>	<u>School Food Service</u>
Grants not yet earned	\$ 2,023,305	\$ 176,999	\$ 2,200,304	\$ -
Prepaid meals	-	-	-	130,258
Total	<u>\$ 2,023,305</u>	<u>\$ 176,999</u>	<u>\$ 2,200,304</u>	<u>\$ 130,258</u>

**CABARRUS COUNTY BOARD OF EDUCATION**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2011**

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NOTE 3 – DETAIL NOTES ON ALL FUNDS (Continued)

Risk Management

The Board is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Board participates in the North Carolina School Boards Trust (the Trust), a member funded risk management program administered by the North Carolina School Boards Association. Through the Trust, the Board maintains general liability and errors and omissions coverage of \$1 million per claim, and workers' compensation coverage up to the statutory limits for employees to the extent they are paid from federal and local funds. The State of North Carolina provides workers' compensation for employees to the extent they are paid from State funds. The Trust has an annual aggregate limit for general liability of \$2,000,000, and \$1,400,000 for errors and omissions. The Trust is reinsured through commercial companies for losses in excess of \$100,000 per claim for errors and omissions and general liability coverage, and for losses in excess of \$275,000 per claim for workers' compensation coverage. The Board also participates in the Public School Insurance Fund (the Fund), a voluntary, self-insured risk control and risk-financing fund administered by the North Carolina Department of Public Instruction, insuring the tangible property assets of the Board. The Fund provides coverage up to \$10 million per occurrence and \$20 million in aggregate annually. Reinsurance is provided by the Fund to provide financial solvency for property losses in excess of the Fund's self-insured retention of \$10 million. A total limit of \$100 million per occurrence is purchased for covered catastrophic events, \$400 million maximum per occurrence for any one flood or earthquake.

The Board does not have flood insurance in case of natural disaster.

The Board also participates in the Teachers' and State Employees' Comprehensive Major Medical Plan (Plan), a self-funded risk financing pool of the State administered by Blue Cross and Blue Shield of North Carolina. Through the Plan, permanent full-time employees of the Board are eligible to receive health care benefits up to a \$5 million lifetime limit. The Board pays the full cost of coverage for employees enrolled in the Comprehensive Major Medical Plan.

In accordance with G.S. 115C-442, the Board's employees who have custody of the Board's monies at any given time of the Board's funds are performance bonded through a commercial surety bond. The finance officer is bonded for \$250,000.

The Board carries commercial coverage for all other risks of loss. There have been no significant reductions in insurance coverage from the prior year, and claims have not exceeded coverage in any of the past three fiscal years.



**CABARRUS COUNTY BOARD OF EDUCATION  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 For the Year Ended June 30, 2011**

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NOTE 3 – DETAIL NOTES ON ALL FUNDS (Continued)

Long-Term Obligations

a. Installment Purchases

The Board is authorized by state law under G.S. 115C-528(a) to enter into installment purchase contracts to finance computers. The Board entered into two such contracts during the year ended June 30, 2011. These contracts are over three year periods ending during the 2013 fiscal year.

The Board is authorized to finance the purchase of school buses under G.S. 115C-528(a). Session law 2003-284, section 7.25 authorized the State Board of Education to allot moneys for the payments on financing contracts entered into pursuant to G.S. 115C-528. The State has accepted the bid to purchase Thomas Built Buses through a special third party financing arrangement with various companies. There are two such agreements with outstanding balances as of June 30, 2011.

The future minimum payments of the installment purchases as of June 30, 2011, are as follows:

<u>Year Ending June 30,</u>	
2012	\$ 694,091
2013	394,198
	<u>1,088,289</u>
Interest	<u>(49,768)</u>
	<u><u>\$ 1,038,521</u></u>

b. Long-Term Obligation Activity

The following is a summary of changes in the Board's long-term obligations for the fiscal year ended June 30, 2011:

	<u>July 1,</u> <u>2010</u>	<u>Increases</u>	<u>Decreases</u>	<u>June 30,</u> <u>2011</u>	<u>Current</u> <u>Maturities</u>
Governmental activities:					
Installment purchases	\$ 1,321,586	\$ 1,029,338	\$ 1,312,403	\$ 1,038,521	\$ 655,017
Compensated absences	<u>9,298,851</u>	<u>9,196,870</u>	<u>10,036,763</u>	<u>8,458,958</u>	<u>4,590,281</u>
Total	<u>\$ 10,620,437</u>	<u>\$ 10,226,208</u>	<u>\$ 11,349,166</u>	<u>\$ 9,497,479</u>	<u>\$ 5,245,298</u>
Business-type activities:					
Compensated absences	<u>\$ 285,918</u>	<u>\$ 421,460</u>	<u>\$ 444,282</u>	<u>\$ 263,096</u>	<u>\$ 165,240</u>

Compensated absences are typically liquidated by the general and other governmental funds.

**CABARRUS COUNTY BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
For the Year Ended June 30, 2011**

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NOTE 3 – DETAIL NOTES ON ALL FUNDS (Continued)

Transfer to/from other Funds

During the year ended June 30, 2011, the State Public School Fund transferred \$45,000 to the School Food Service Fund to pay for administrative costs.

NOTE 4 – SUMMARY DISCLOSURE OF SIGNIFICANT CONTINGENCIES

Federal and State Assisted Programs

The Board 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. Management believes that any required refunds will be immaterial. No provision has been made in the accompanying financial statements for the refund of grant moneys.

NOTE 5 - PRIOR PERIOD ADJUSTMENTS

During the year ended June 30, 2011, the Board reported the following prior period adjustment:

Net assets for governmental activities were decreased by \$100,706 primarily to correct an error in the recording of installment purchase agreements in previous years. As a result, governmental activities' net assets as of June 30, 2010 decreased by the same amount. Such changes to governmental activities' net assets have been reflected in Exhibit 2.

Net assets in the School Food Service Fund were decreased by \$180,282 primarily to correct an error in the amount capitalized through construction projects in previous years. As a result, the School Food Service Fund's net assets as of June 30, 2010 decreased by the same amount. Such changes have been reflected in Exhibit 2 and Exhibit 7.

**CABARRUS COUNTY BOARD OF EDUCATION  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL - GENERAL FUND  
For the Year Ended June 30, 2011**

**Exhibit A-1**

	Budget	Actual	Positive (Negative) Variance
<b>Revenues:</b>			
State of North Carolina:			
More At Four	\$ 1,118,223	\$ 915,060	\$ (203,163)
Drop-out Prevention Grant	40,759	2,404	(38,355)
	<u>1,158,982</u>	<u>917,464</u>	<u>(241,518)</u>
 Cabarrus County	 <u>47,372,681</u>	 <u>47,372,681</u>	 <u>-</u>
 U.S. Government:			
Headstart	1,211,895	1,206,199	(5,696)
JROTC	244,800	221,449	(23,351)
Total	<u>1,456,695</u>	<u>1,427,648</u>	<u>(29,047)</u>
 Other :			
Fines and forfeitures	1,540,000	1,527,313	(12,687)
Medicaid reimbursements	825,037	309,109	(515,928)
Tuition and fees	40,000	49,627	9,627
Sales taxes	165,000	157,679	(7,321)
Reimbursements			
Interest	15,000	12,439	(2,561)
Miscellaneous	3,065,281	1,574,014	(1,491,267)
Indirect cost allocated	634,884	609,308	(25,576)
Total	<u>6,285,202</u>	<u>4,239,489</u>	<u>(2,045,713)</u>
 Total revenues	 <u>56,273,560</u>	 <u>53,957,282</u>	 <u>(2,316,278)</u>
<b>Expenditures:</b>			
Instructional services:			
Regular instructional	11,938,327	11,828,334	109,993
Special populations	3,231,655	2,140,790	1,090,865
Alternative programs	3,412,208	2,331,774	1,080,434
School leadership	7,024,757	6,510,160	514,597
Co-curricular	159,540	159,119	421
School-based support	2,802,378	2,613,846	188,532
Total instructional services	<u>28,568,865</u>	<u>25,584,023</u>	<u>2,984,842</u>

**CABARRUS COUNTY BOARD OF EDUCATION**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL - GENERAL FUND**  
**For the Year Ended June 30, 2011**

**Exhibit A-1**  
**(Continued)**

	Budget	Actual	Positive (Negative) Variance
System-wide support services:			
Support and development	468,100	412,259	55,841
Special populations support and development	44,330	40,396	3,934
Technology support	2,278,974	2,117,535	161,439
Operational support	21,621,333	19,835,988	1,785,345
Financial and human resource services	2,261,558	2,212,703	48,855
System-wide pupil support services	404,286	400,594	3,692
Policy, leadership and public relations	1,119,182	1,083,545	35,637
Total system-wide support services	<u>28,197,763</u>	<u>26,103,020</u>	<u>2,094,743</u>
Ancillary services:			
Community	<u>60,000</u>	<u>59,761</u>	<u>239</u>
Non-Programmed charges			
Payments to other governments	<u>641,000</u>	<u>622,852</u>	<u>18,148</u>
Total expenditures	<u>57,467,628</u>	<u>52,369,656</u>	<u>5,097,972</u>
Revenues over (under) expenditures	(1,194,068)	1,587,626	2,781,694
Appropriated fund balance	<u>1,194,068</u>	<u>-</u>	<u>(1,194,068)</u>
Revenues and appropriated fund balance over expenditures	<u>\$ -</u>	1,587,626	<u>\$ 1,587,626</u>
Fund balances:			
Beginning of year, July 1		6,119,929	
Increase in reserve for inventories		<u>79,410</u>	
End of year, June 30		<u>\$ 7,786,965</u>	

**CABARRUS COUNTY BOARD OF EDUCATION**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL - CAPITAL OUTLAY FUND**  
**For the Year Ended June 30, 2011**

	Budget	Actual	Variance Positive (Negative)
<b>Exhibit B-1</b>			
Revenues:			
State of North Carolina	\$ 367,211	\$ 367,211	\$ -
Cabarrus County	23,312,411	17,700,234	(5,612,177)
Other	1,501,566	582,511	(919,055)
Total revenues	<u>25,181,188</u>	<u>18,649,956</u>	<u>(6,531,232)</u>
Expenditures:			
Current:			
Instructional services	1,006,245	934,418	71,827
System-wide support services	41,765	41,658	107
Capital Outlay	23,800,123	17,902,956	5,897,167
Debt Service			
Principal	1,312,403	1,312,403	-
Interest	49,990	49,990	-
Total expenditures	<u>26,210,526</u>	<u>20,241,425</u>	<u>5,969,101</u>
Revenues under expenditures	(1,029,338)	(1,591,469)	(562,131)
Other financing sources:			
Installment purchase obligations issued	<u>1,029,338</u>	<u>1,029,338</u>	<u>-</u>
Revenues and other financing sources under expenditures	<u>\$ -</u>	<u>(562,131)</u>	<u>\$ (562,131)</u>
Fund balance:			
Beginning of year, July 1		<u>813,495</u>	
End of year, June 30		<u>\$ 251,364</u>	

**CABARRUS COUNTY BOARD OF EDUCATION  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
 BUDGET AND ACTUAL - FEDERAL GRANTS FUND  
 For the Year Ended June 30, 2011**

	<u>Budget</u>	<u>Actual</u>	<i>Exhibit C-1</i> Positive (Negative) Variance
<b>Revenues:</b>			
U.S. Government	\$ 22,544,848	\$ 21,118,150	\$ (1,426,698)
<b>Expenditures:</b>			
Instructional services	21,551,985	20,263,278	1,288,707
System-wide support services	645,734	530,176	115,558
Non-Programmed charge	347,129	324,696	22,433
Total expenditures	<u>22,544,848</u>	<u>21,118,150</u>	<u>1,426,698</u>
Revenues over expenditures	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
<b>Fund balances:</b>			
Beginning of year, July 1		<u>-</u>	
End of year, June 30		<u>\$ -</u>	

**CABARRUS COUNTY BOARD OF EDUCATION  
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-  
GAAP) - SCHOOL FOOD SERVICE FUND  
For the Year Ended June 30, 2011**

**Exhibit D-1**

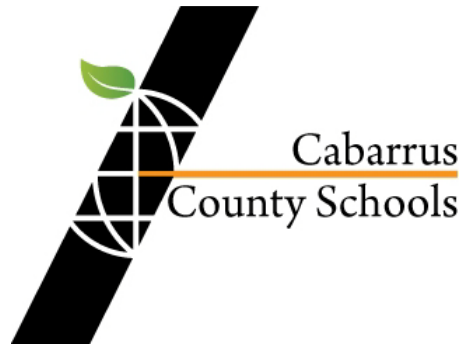
	Budget	Actual	Variance Positive (Negative)
Operating revenues	\$ 6,033,236	\$ 5,610,394	\$ (422,842)
Operating expenditures:			
Business support services		12,366,841	
Capital outlay		151,378	
Total operating expenditures	12,542,400	12,518,219	24,181
Operating loss	(6,509,164)	(6,907,825)	(398,661)
Nonoperating revenues:			
Federal reimbursements		6,174,311	
Federal commodities		782,180	
State reimbursements		9,355	
Indirect costs not paid		433,575	
Interest earned		1,124	
Loss on disposal of capital assets		(908)	
Total nonoperating revenues	6,509,164	7,399,637	890,473
Revenues over expenditures	\$ -	\$ 491,812	\$ 491,812
Reconciliation of modified accrual to full accrual basis:			
Revenues over expenditures		\$ 491,812	
Depreciation		(456,359)	
Capital outlay		151,378	
Increase in inventory		17,501	
Capital contributions		750,934	
Transfer from other fund		45,000	
Increase in accrued salaries and benefits		74,115	
Decrease in compensated absences payable		12,808	
Change in net assets (full accrual)		\$ 1,087,189	

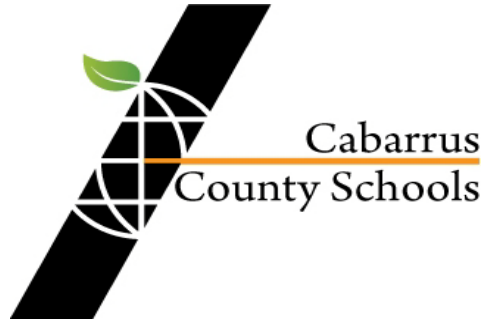
**CABARRUS COUNTY BOARD OF EDUCATION  
 SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-  
 GAAP) - KIDS PLUS  
 For the Year Ended June 30, 2011**

**Exhibit E-1**

	Budget	Actual	Variance Positive (Negative)
Operating revenues	\$ 2,859,700	\$ 2,438,785	\$ (420,915)
Operating expenditures:			
Business support services	<u>2,859,700</u>	<u>2,584,784</u>	<u>274,916</u>
Revenues under expenditures	<u>\$ -</u>	<u>\$ (145,999)</u>	<u>\$ (145,999)</u>
Reconciliation of modified accrual to full accrual basis:			
Revenues under expenditures		\$ (145,999)	
Depreciation		(1,289)	
Decrease in compensated absences payable		<u>10,014</u>	
Change in net assets (full accrual)		<u>\$ (137,274)</u>	







## Statistical Section

## **STATISTICAL SECTION (Unaudited)**

The Statistical Section of the District's Comprehensive Annual Financial Report (CAFR) presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information say about the District's overall financial outlook.

### **Sections**

#### **Financial Trends**

These schedules contain trend information to help the reader understand how the District's financial performance and operations have changed over time.

#### **Revenue Capacity**

Since the District's local revenues are primarily provided by Cabarrus County, these schedules on the county's revenue sources are relevant to an understanding of Cabarrus County's most significant local revenue source, the property tax.

#### **Debt Capacity**

Since the District has no tax-levying or debt-issuing authority, the County of Cabarrus provides significant funding to the school system. Selected fiscal data from the County of Cabarrus has been included to help the reader better understand the school system and its financial operations.

#### **Demographic and Economic Information**

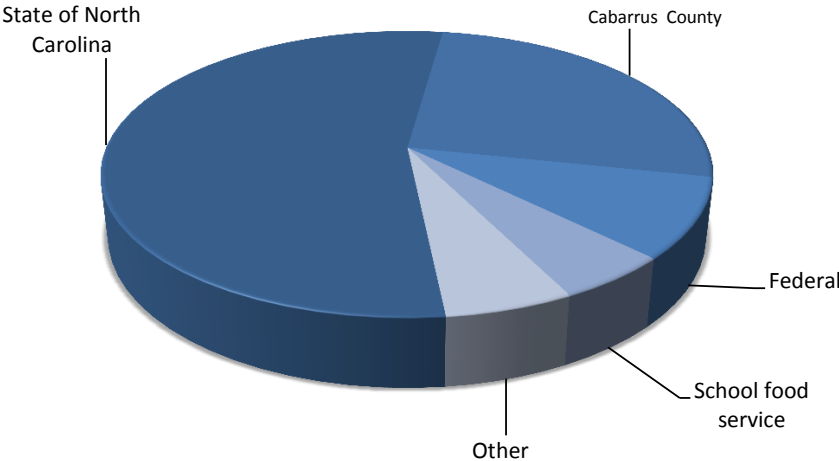
These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place. County information is included.

#### **Operating Information**

These schedules contain service data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.

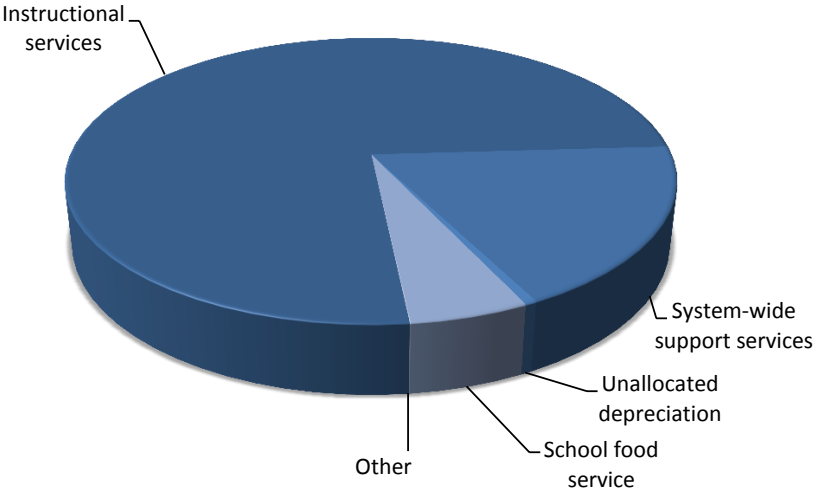
**CABARRUS COUNTY BOARD OF EDUCATION**  
**Financial Perspective**  
**Governmental and Business-type Activities**  
**For Year Ended June 30, 2011**

**Revenue Sources**

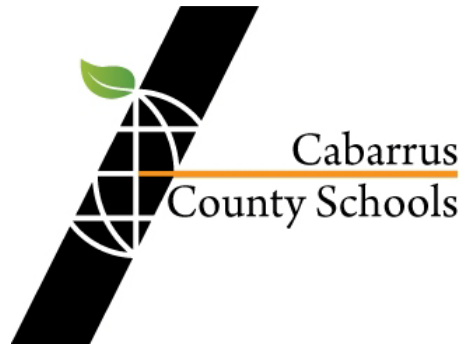


State of North Carolina	\$ 134,522,548
Cabarrus County	65,072,915
Federal	22,545,798
School food service	13,010,031
Other	14,435,671
<b>Total revenue sources</b>	<b><u>\$ 249,586,963</u></b>

**Expenses**



Instructional services	\$ 180,343,608
System-wide support services	43,670,014
Unallocated depreciation	1,285,062
School food service	12,718,776
Other	109,517
<b>Total expenses</b>	<b><u>\$ 238,126,977</u></b>



**CABARRUS COUNTY BOARD OF EDUCATION**

**Net Assets by Component  
Last Nine Fiscal Years**

Year Ended June 30	2003	2004	2005	2006	2007	2008	2009	2010	2011
Governmental activities:									
Invested in capital assets, net of related debt	\$ 188,569,990	\$ 199,075,912	\$ 209,571,977	\$ 233,142,887	\$ 279,812,213	\$ 308,282,119	\$ 343,599,020	\$ 392,774,453	\$ 397,939,800
Restricted	1,347,042	1,455,344	1,703,591	1,820,651	1,939,355	1,992,746	2,288,047	2,573,550	3,432,880
Unrestricted (deficit)	(1,174,188)	(2,338,706)	(2,443,322)	(1,851,368)	(922,675)	(4,240,304)	(4,116,866)	(2,466,133)	(1,175,934)
	<u>\$ 188,742,844</u>	<u>\$ 198,192,550</u>	<u>\$ 208,832,246</u>	<u>\$ 233,112,170</u>	<u>\$ 280,828,893</u>	<u>\$ 306,034,561</u>	<u>\$ 341,770,201</u>	<u>\$ 392,881,870</u>	<u>\$ 400,196,746</u>
Business-type activities:									
Invested in capital assets	\$ 2,588,919	\$ 2,420,223	\$ 2,467,863	\$ 2,249,855	\$ 2,056,161	\$ 1,869,050	\$ 1,611,694	\$ 2,296,070	\$ 2,559,544
Unrestricted	2,262,612	2,497,275	2,340,819	2,240,621	2,713,841	1,742,977	1,893,292	2,229,859	2,916,300
	<u>\$ 4,851,531</u>	<u>\$ 4,917,498</u>	<u>\$ 4,808,682</u>	<u>\$ 4,490,476</u>	<u>\$ 4,770,002</u>	<u>\$ 3,612,027</u>	<u>\$ 3,504,986</u>	<u>\$ 4,525,929</u>	<u>\$ 5,475,844</u>
District-wide:									
Invested in capital assets, net of related debt	\$ 191,158,909	\$ 201,496,135	\$ 212,039,840	\$ 235,392,742	\$ 281,868,374	\$ 310,151,169	\$ 345,210,714	\$ 395,070,523	\$ 400,499,344
Restricted	1,347,042	1,455,344	1,703,591	1,820,651	1,939,355	1,992,746	2,288,047	2,573,550	3,432,880
Unrestricted (deficit)	1,088,424	158,569	(102,503)	389,253	1,791,166	(2,497,327)	(2,223,574)	(236,274)	1,740,366
	<u>\$ 193,594,375</u>	<u>\$ 203,110,048</u>	<u>\$ 213,640,928</u>	<u>\$ 237,602,646</u>	<u>\$ 285,598,895</u>	<u>\$ 309,646,588</u>	<u>\$ 345,275,187</u>	<u>\$ 397,407,799</u>	<u>\$ 405,672,590</u>

Source: Cabarrus County Board of Education, North Carolina, Annual Financial Report for the year ended June 30, 2011

Note: This table is a ten year schedule. However, GASB 34 was implemented for the year ended June 30, 2003. Therefore, there are only nine years of comparative data noted above.

### Net Assets by Component District-wide

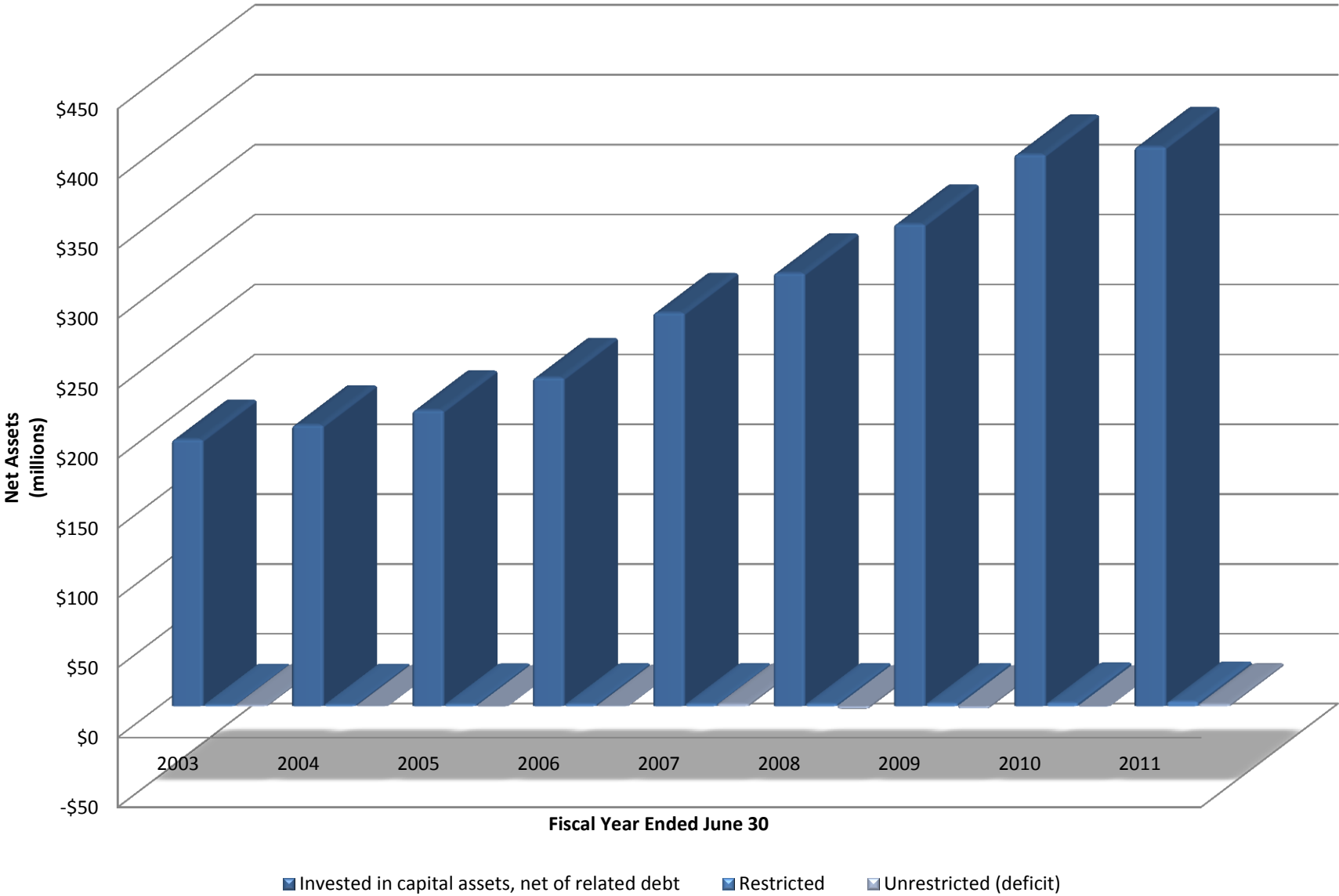


Table 3

**CABARRUS COUNTY BOARD OF EDUCATION**

**Changes in Net Assets  
Last Nine Fiscal Years**

Year Ended June 30	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>Expenses</b>									
Governmental activities:									
Instructional services	\$ 93,535,572	\$102,838,698	\$110,493,802	\$117,707,250	\$136,104,609	\$159,711,790	\$174,702,501	\$176,182,389	\$180,343,608
System-wide support services	30,971,555	33,035,120	35,335,133	39,226,725	42,842,048	35,820,488	37,552,638	38,133,019	43,670,014
Ancillary services	22,674	(5,427)	106,112	(25,436)	88,968	52,311	53,342	99,889	59,527
Non-programmed charges	(52,474)	(25,613)	118,824	208,601	305,954	344,266	457,628	749,359	619,136
Interest on long-term debt	49,167	41,571	37,868	19,464	65,029	70,794	122,263	67,658	49,990
Loss on disposal of capital assets	-	530,497	-	-	-	-	-	-	-
Unallocated depreciation expense	5,008,263	5,122,693	5,719,816	5,791,040	5,192,642	7,304,517	7,497,061	8,756,215	1,285,062
Total governmental activities expenses	<u>129,534,757</u>	<u>141,537,539</u>	<u>151,811,555</u>	<u>162,927,644</u>	<u>184,599,250</u>	<u>203,304,166</u>	<u>220,385,433</u>	<u>223,988,529</u>	<u>226,027,337</u>
Business-type activities:									
School food service	7,981,712	8,219,094	9,131,063	10,223,712	10,829,632	12,655,797	12,177,679	12,533,067	12,718,776
Child care	2,128,986	2,439,122	2,566,351	2,557,017	2,724,676	3,395,741	3,543,372	3,160,850	2,576,059
Total district-wide expenses	<u>10,110,698</u>	<u>10,658,216</u>	<u>11,697,414</u>	<u>12,780,729</u>	<u>13,554,308</u>	<u>16,051,538</u>	<u>15,721,051</u>	<u>15,693,917</u>	<u>15,294,835</u>
Total district-wide expenses	<u>\$ 139,645,455</u>	<u>\$152,195,755</u>	<u>\$163,508,969</u>	<u>\$175,708,373</u>	<u>\$198,153,558</u>	<u>\$219,355,704</u>	<u>\$236,106,484</u>	<u>\$239,682,446</u>	<u>\$241,322,172</u>
<b>Program Revenues</b>									
Governmental activities:									
Charges for services:									
Regular instructional	16,352	15,547	12,978	24,102	16,701	38,759	33,334	37,746	49,627
Other	524,887	568,154	514,285	641,965	633,286	-	-	-	-
Operating grants and contributions	96,745,625	104,493,724	113,409,140	121,249,591	138,171,742	154,752,404	161,180,985	160,940,696	154,311,023
Capital grants and contributions	-	-	-	-	-	-	-	-	-
Total governmental activities program revenues	<u>97,286,864</u>	<u>105,077,425</u>	<u>113,936,403</u>	<u>121,915,658</u>	<u>138,821,729</u>	<u>154,791,163</u>	<u>161,214,319</u>	<u>160,978,442</u>	<u>154,360,650</u>
Business-type activities:									
Charges for services:									
Student meal services	4,809,601	5,176,408	5,234,206	5,480,520	5,886,205	6,203,520	6,530,618	5,983,132	5,601,575
Child care services	2,171,619	2,157,515	2,431,191	2,621,800	2,995,575	3,417,528	3,402,763	2,960,324	2,437,785
Operating grants and contributions	3,556,475	3,380,286	3,722,553	4,315,653	4,898,286	5,219,594	5,659,622	7,716,410	7,398,513
Capital grants and contributions	-	-	-	-	-	-	-	47,059	750,934
Total business-type activities program revenues	<u>10,537,695</u>	<u>10,714,209</u>	<u>11,387,950</u>	<u>12,417,973</u>	<u>13,780,066</u>	<u>14,840,642</u>	<u>15,593,003</u>	<u>16,706,925</u>	<u>16,188,807</u>
Total district-wide program revenues	<u>\$ 107,824,559</u>	<u>\$115,791,634</u>	<u>\$125,324,353</u>	<u>\$134,333,631</u>	<u>\$152,601,795</u>	<u>\$169,631,805</u>	<u>\$176,807,322</u>	<u>\$177,685,367</u>	<u>\$170,549,457</u>
<b>Net (Expense) Revenue</b>									
Governmental activities	\$ (32,247,893)	\$ (36,460,114)	\$ (37,875,152)	\$ (41,011,986)	\$ (45,777,521)	\$ (48,513,003)	\$ (59,171,114)	\$ (63,010,087)	\$ (71,666,687)
Business-type activities	426,997	55,993	(309,464)	(362,756)	225,758	(1,210,896)	(128,048)	1,013,008	893,972
Total district-wide net (expense) revenue	<u>\$ (31,820,896)</u>	<u>\$ (36,404,121)</u>	<u>\$ (38,184,616)</u>	<u>\$ (41,374,742)</u>	<u>\$ (45,551,763)</u>	<u>\$ (49,723,899)</u>	<u>\$ (59,299,162)</u>	<u>\$ (61,997,079)</u>	<u>\$ (70,772,715)</u>



**Table 3**  
**(continued)**

**CABARRUS COUNTY BOARD OF EDUCATION**  
**Changes in Net Assets (continued)**  
**Last Nine Fiscal Years**

<b>Year Ended June 30</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>
<b>General Revenues and Other Changes in Net Assets</b>									
Governmental activities:									
Unrestricted county appropriations - operating	\$ 26,241,834	\$ 28,671,925	\$ 29,929,799	\$ 32,703,472	\$ 35,835,383	\$ 42,672,342	\$ 47,669,208	\$ 44,769,330	\$ 47,372,681
Unrestricted county appropriations - capital	12,699,252	16,123,962	15,728,308	30,361,112	55,035,901	29,190,810	45,138,707	65,410,793	17,700,234
Unrestricted State appropriations - operating	379,610	447,641	464,869	201,294	185,436	206,008	176,619	-	917,464
Unrestricted State appropriations - capital	750,000	431,341	2,266,110	1,666,626	1,657,130	1,334,892	1,613,209	337,538	367,211
Unrestricted Federal appropriations - capital	-	-	-	-	-	-	-	-	-
Investment earnings, unrestricted	56,548	40,679	99,706	236,463	358,006	296,244	83,102	11,522	12,439
Miscellaneous, unrestricted	243,267	194,272	204,298	122,944	422,388	18,375	225,909	3,592,573	12,656,534
Transfers	-	-	(178,242)	-	-	-	-	-	(45,000)
<b>Total governmental activities</b>	<b>40,370,511</b>	<b>45,909,820</b>	<b>48,514,848</b>	<b>65,291,911</b>	<b>93,494,244</b>	<b>73,718,671</b>	<b>94,906,754</b>	<b>114,121,756</b>	<b>78,981,563</b>
Business-type activities:									
Unrestricted State appropriations - operating	-	-	-	-	-	-	-	-	-
Investment earnings, unrestricted	14,532	9,974	22,406	44,550	53,768	49,310	14,474	2,288	1,124
Miscellaneous, unrestricted	-	-	-	-	-	3,611	6,533	5,647	9,819
Transfers	-	-	178,242	-	-	-	-	-	45,000
<b>Total business-type activities</b>	<b>14,532</b>	<b>9,974</b>	<b>200,648</b>	<b>44,550</b>	<b>53,768</b>	<b>52,921</b>	<b>21,007</b>	<b>7,935</b>	<b>55,943</b>
<b>Total district-wide</b>	<b>\$ 40,385,043</b>	<b>\$ 45,919,794</b>	<b>\$ 48,715,496</b>	<b>\$ 65,336,461</b>	<b>\$ 93,548,012</b>	<b>\$ 73,771,592</b>	<b>\$ 94,927,761</b>	<b>\$ 114,129,691</b>	<b>\$ 79,037,506</b>
<b>Change in Net Assets</b>									
Governmental activities	\$ 8,122,618	\$ 9,449,706	\$ 10,639,696	\$ 24,279,925	\$ 47,716,723	\$ 25,205,668	\$ 35,735,640	\$ 51,111,669	\$ 7,314,876
Business-type activities	441,529	65,967	(108,816)	(318,206)	279,526	(1,157,975)	(107,041)	1,020,943	949,915
<b>Total district-wide change in net assets</b>	<b>\$ 8,564,147</b>	<b>\$ 9,515,673</b>	<b>\$ 10,530,880</b>	<b>\$ 23,961,719</b>	<b>\$ 47,996,249</b>	<b>\$ 24,047,693</b>	<b>\$ 35,628,599</b>	<b>\$ 52,132,612</b>	<b>\$ 8,264,791</b>

Source: Cabarrus County Board of Education, North Carolina, Annual Financial Report for the year ended June 30, 2011

Note: This table is a ten year schedule. However, GASB 34 was implemented for the year ended June 30, 2003. Therefore, there are only nine years of comparative data noted above.

Note: Expenses for 2007 and before are not comparable to 2008 (and after) expenses due to a change in the Uniform Chart of Accounts required to be used by all Local Education Agencies in North Carolina.

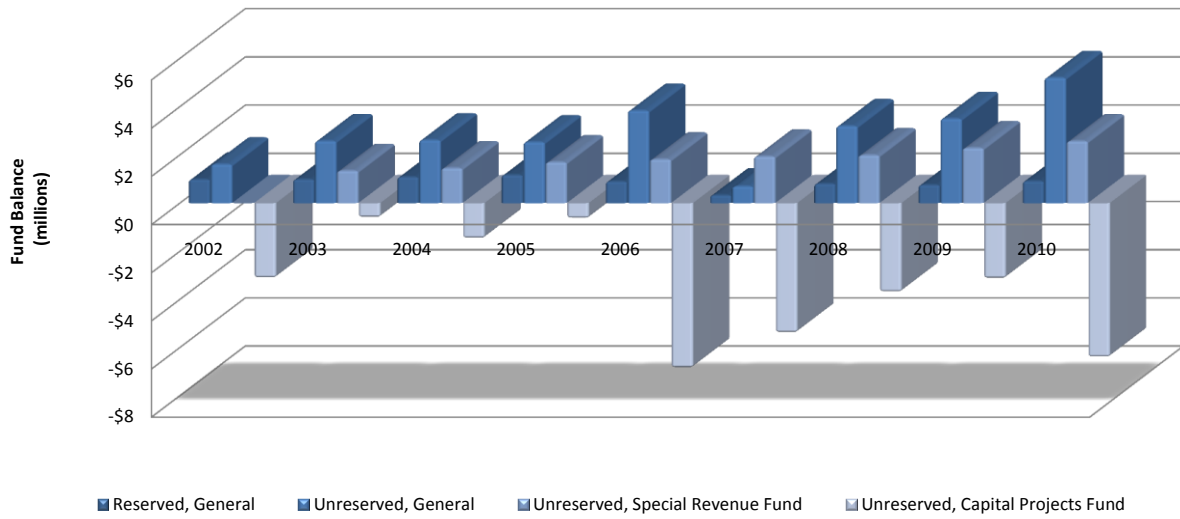
**CABARRUS COUNTY BOARD OF EDUCATION**  
**Governmental Funds**  
**Fund Balances**  
**Last Ten Fiscal Years**

Year Ended June 30	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>General Fund</b>										
Reserved	\$ 986,074	\$ 987,451	\$1,087,344	\$1,171,770	\$ 900,474	\$ 333,224	\$ 808,751	\$ 757,270	\$ 916,485	\$ -
Unreserved	1,615,274	2,580,603	2,617,681	2,534,452	3,841,820	699,585	3,200,430	3,504,993	5,203,444	-
Nonspendable	-	-	-	-	-	-	-	-	-	513,321
Restricted	-	-	-	-	-	-	-	-	-	503,941
Unassigned	-	-	-	-	-	-	-	-	-	6,769,703
<b>Total General Fund</b>	<b>\$2,601,348</b>	<b>\$3,568,054</b>	<b>\$3,705,025</b>	<b>\$3,706,222</b>	<b>\$4,742,294</b>	<b>\$1,032,809</b>	<b>\$4,009,181</b>	<b>\$4,262,263</b>	<b>\$6,119,929</b>	<b>\$7,786,965</b>
<b>All Other Governmental Funds</b>										
Reserved	\$5,183,560	\$1,116,609	\$1,774,714	\$1,006,598	\$7,214,651	\$5,970,505	\$4,069,127	\$3,845,610	\$7,238,766	\$ -
Unreserved, reported in										
Special Revenue Funds	-	1,347,042	1,455,344	1,703,591	1,820,651	1,939,355	1,992,746	2,288,047	2,573,550	-
Capital Projects Fund	(3,133,397)	(617,293)	(1,488,057)	(660,174)	(6,865,099)	(5,405,728)	(3,718,432)	(3,150,971)	(6,425,271)	-
Restricted	-	-	-	-	-	-	-	-	-	2,928,939
<b>Total all other governmental funds</b>	<b>\$2,050,163</b>	<b>\$1,846,358</b>	<b>\$1,742,001</b>	<b>\$2,050,015</b>	<b>\$2,170,203</b>	<b>\$2,504,132</b>	<b>\$2,343,441</b>	<b>\$2,982,686</b>	<b>\$3,387,045</b>	<b>\$2,928,939</b>

Source: Cabarrus County Board of Education, North Carolina, Annual Financial Report for the year ended June 30, 2011

Note: Fund balances for 2010 and before are not comparable to 2011 fund balances due to the implementation of GASB 54 for the year ended June 30, 2011. The standard replaces the previous reserved and unreserved fund balance categories with the following five fund balance classifications: nonspendable, restricted, committed, assigned, and unassigned fund balance.

### Governmental Funds Fund Balance - Before GASB 54 Implementation



### Governmental Funds Fund Balance - After GASB 54 Implementation

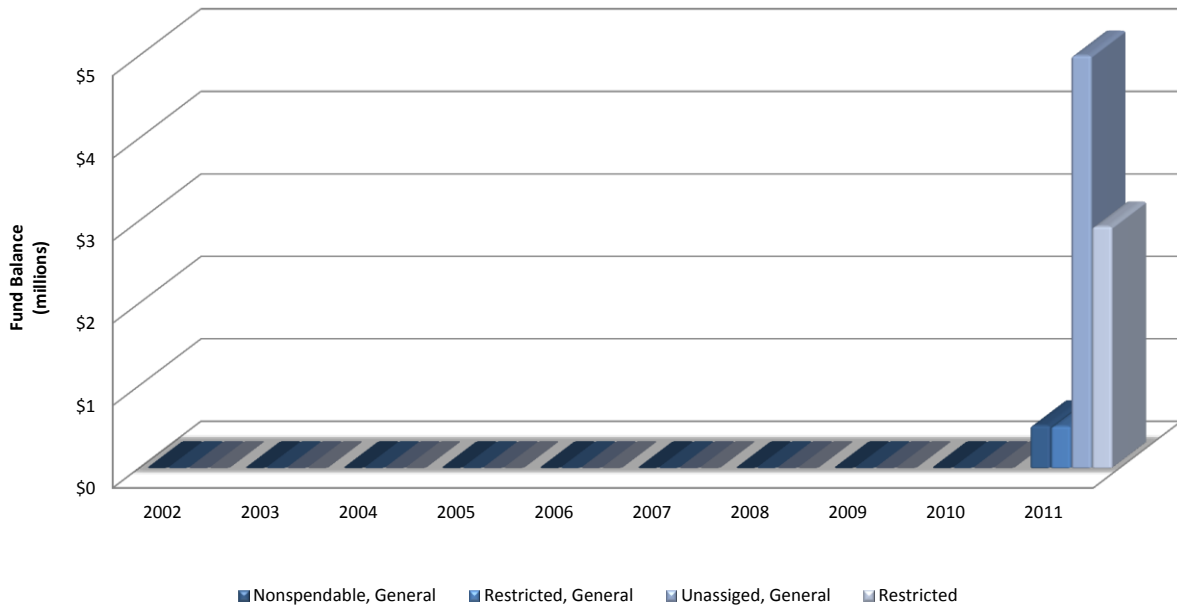


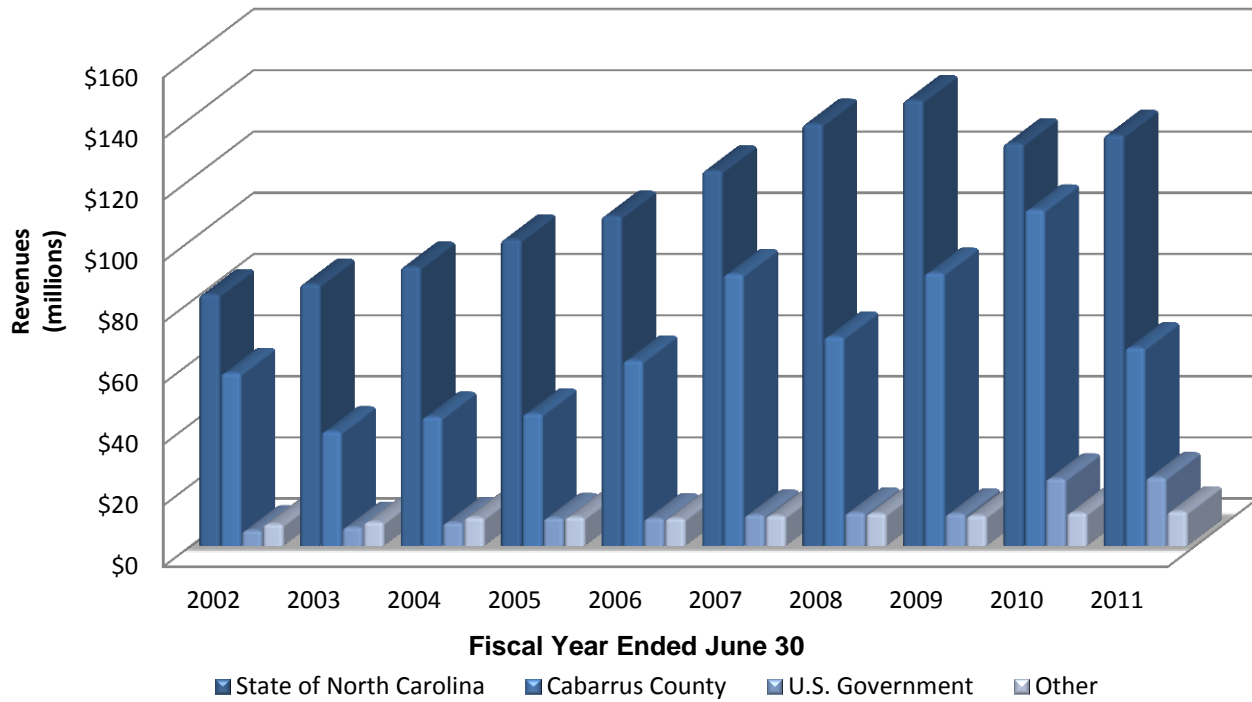
Table 5

<b>CABARRUS COUNTY BOARD OF EDUCATION</b>					
<b>Governmental Funds</b>					
<b>Changes in Fund Balances</b>					
<b>Last Ten Fiscal Years</b>					
Year Ended June 30	2002	2003	2004	2005	2006
<b>Revenues</b>					
State of North Carolina	\$ 82,527,659	\$ 85,872,577	\$ 91,474,196	\$ 100,401,213	\$ 108,080,927
Cabarrus County	56,744,675	37,613,972	42,357,197	43,410,870	60,841,694
U.S. Government	5,150,009	6,209,199	7,716,822	9,241,201	9,106,185
Other	7,293,398	7,961,627	9,439,030	9,576,208	9,178,763
Total revenues	151,715,741	137,657,375	150,987,245	162,629,492	187,207,569
<b>Expenditures</b>					
Instructional services	88,197,054	91,099,305	100,496,215	108,375,145	114,532,675
System-wide support services	29,118,029	30,811,037	33,103,614	35,230,521	38,963,021
Ancillary services	20,451	22,674	(5,427)	34,288	46,388
Non-programmed charges	-	(52,474)	(25,613)	118,824	208,601
Debt service	798,832	357,076	765,705	1,784,567	1,679,910
Capital outlay	34,739,581	14,680,710	19,133,031	18,363,845	31,408,003
Total expenditures	152,873,947	136,918,328	153,467,525	163,907,190	186,838,598
Revenues over (under) expenditures	(1,158,206)	739,047	(2,480,280)	(1,277,698)	368,971
<b>Other financing sources (uses)</b>					
Transfers to other funds	-	-	-	(178,242)	-
Capital lease obligations issued	578,015	-	1,990,767	914,105	-
Installment purchase obligations	-	-	511,064	805,624	794,214
Total other financing sources	578,015	-	2,501,831	1,541,487	794,214
Net change in fund balances	\$ (580,191)	\$ 739,047	\$ 21,551	\$ 263,789	\$ 1,163,185
Ratio of debt service expenditures to total non-capital expenditures	0.68%	0.29%	0.57%	1.24%	1.09%
Year Ended June 30	2007	2008	2009	2010	2011
<b>Revenues</b>					
State of North Carolina	\$ 122,899,582	\$ 138,166,639	\$ 145,880,924	\$ 131,792,385	\$ 134,522,548
Cabarrus County	89,109,012	68,614,368	89,529,032	110,180,123	65,072,915
U.S. Government	10,277,864	10,989,661	10,649,767	22,161,954	22,545,798
Other	10,029,515	10,739,166	10,061,350	10,965,736	11,399,750
Total revenues	232,315,973	228,509,834	256,121,073	275,100,198	233,541,011
<b>Expenditures</b>					
Instructional services	130,575,027	164,106,965	170,656,265	167,948,122	171,042,116
System-wide support services	42,679,676	35,621,379	37,449,321	37,938,208	42,081,055
Ancillary services	88,968	52,311	53,342	99,889	59,761
Non-programmed charges	305,954	344,266	457,628	749,359	947,548
Debt service	1,503,134	1,211,837	1,655,948	1,310,437	1,362,393
Capital outlay	57,132,113	30,418,483	47,002,064	65,652,309	17,902,956
Total expenditures	232,284,872	231,755,241	257,274,568	273,698,324	233,395,829
Revenues over (under) expenditures	31,101	(3,245,407)	(1,153,495)	1,401,874	145,182
<b>Other financing sources (uses)</b>					
Transfers to other funds	-	-	-	(45,000)	(45,000)
Capital lease obligations issued	865,053	-	1,990,767	914,105	-
Installment purchase obligations	870,000	872,161	2,024,131	745,705	1,029,338
Total other financing sources	1,735,053	872,161	4,014,898	1,614,810	984,338
Net change in fund balances	\$ 1,766,154	\$ (2,373,246)	\$ 2,861,403	\$ 3,016,684	\$ 1,129,520
Ratio of debt service expenditures to total non-capital expenditures	0.87%	0.61%	0.79%	0.63%	0.64%

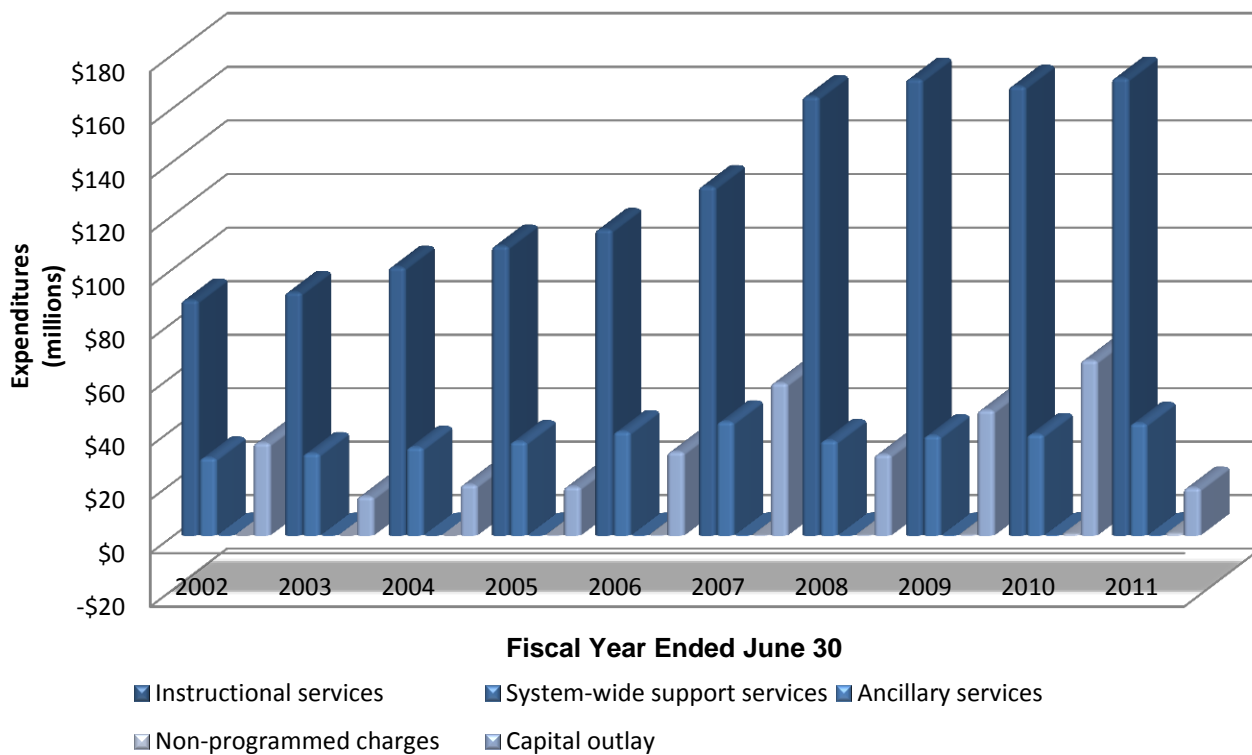
Source: Cabarrus County Board of Education, North Carolina, Annual Financial Report for the year ended June 30, 2011

Note: Expenditures for 2007 and before are not comparable to 2008 (and after) expenditures due to a change in the Uniform Chart of Accounts required to be used by all Local Education Agencies in North Carolina.

## Governmental Funds Revenues by Source



## Expenditures by Function



**CABARRUS COUNTY BOARD OF EDUCATION**  
**Operational Expenditures Per Pupil**  
**Expenditures by Function**  
**Last Ten Fiscal Years**

<b>EXPRESSED IN NOMINAL DOLLARS</b>					
<b>Year Ended June 30</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>
Average Daily Membership	19,999	20,752	21,616	22,279	23,799
Instructional	\$ 4,410	\$ 4,390	\$ 4,649	\$ 4,864	\$ 4,812
System-wide support	1,456	1,485	1,531	1,581	1,637
Ancillary	1	1	-	2	2
Total expenditures per pupil	<u>\$ 5,867</u>	<u>\$ 5,876</u>	<u>\$ 6,180</u>	<u>\$ 6,447</u>	<u>\$ 6,451</u>
<b>EXPRESSED IN NOMINAL DOLLARS</b>					
<b>Year Ended June 30</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>
Average Daily Membership	25,521	26,917	27,510	27,682	28,465
Instructional	\$ 5,116	\$ 6,097	\$ 6,203	\$ 6,067	\$ 6,009
System-wide support	1,672	1,323	1,361	1,371	1,478
Ancillary	3	2	2	4	2
Total expenditures per pupil	<u>\$ 6,791</u>	<u>\$ 7,422</u>	<u>\$ 7,566</u>	<u>\$ 7,442</u>	<u>\$ 7,489</u>

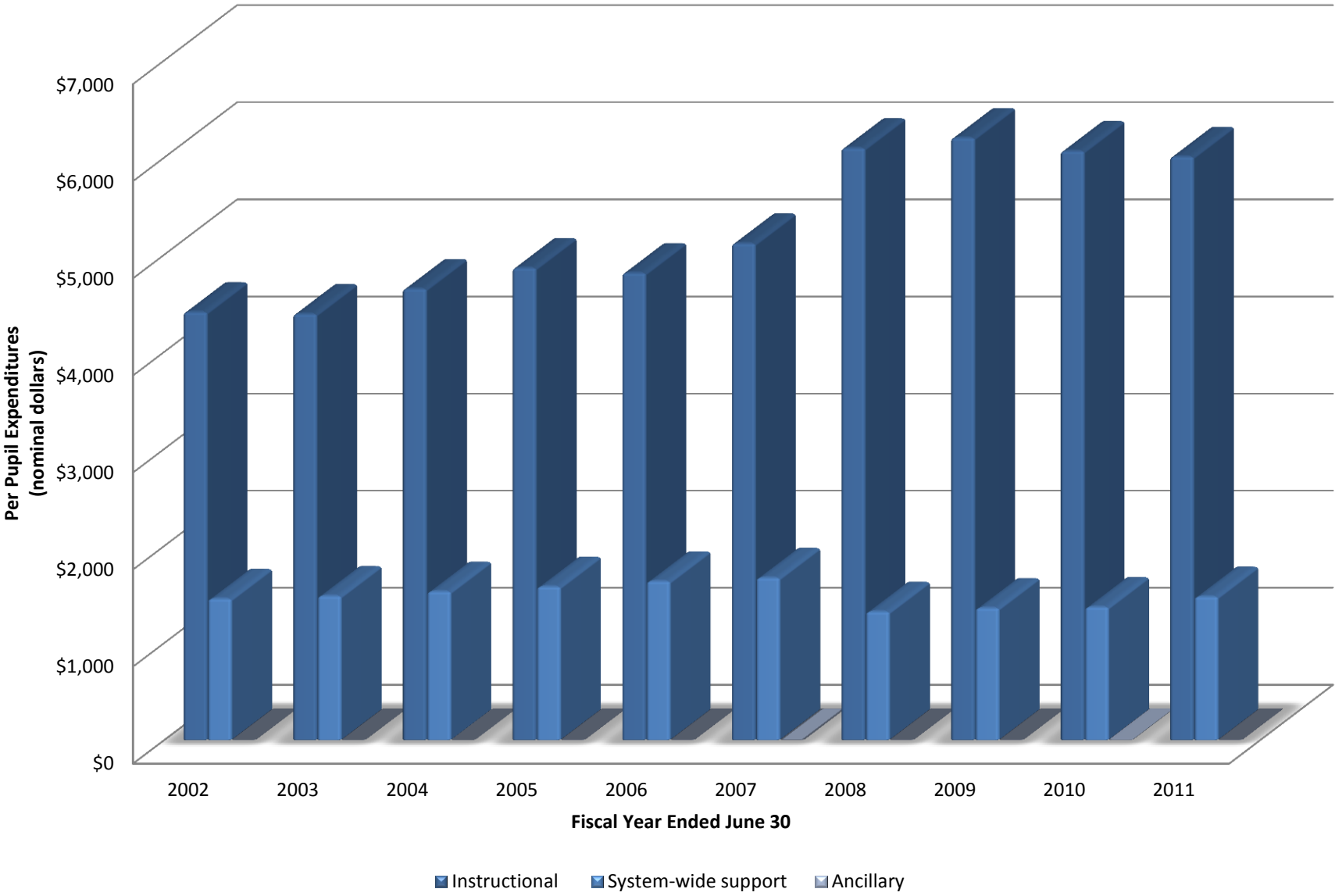
<b>EXPRESSED IN CONSTANT DOLLARS</b>					
<b>Year Ended June 30</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>
Instructional	\$ 2,451	\$ 2,390	\$ 2,451	\$ 2,501	\$ 2,372
System-wide support	809	808	807	813	807
Ancillary	1	1	-	1	1
Total expenditures per pupil	<u>\$ 3,261</u>	<u>\$ 3,199</u>	<u>\$ 3,258</u>	<u>\$ 3,315</u>	<u>\$ 3,180</u>
<b>EXPRESSED IN CONSTANT DOLLARS</b>					
<b>Year Ended June 30</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>
Instructional	\$ 2,455	\$ 2,786	\$ 2,876	\$ 2,783	\$ 2,662
System-wide support	802	605	631	629	655
Ancillary	1	1	1	2	1
Total expenditures per pupil	<u>\$ 3,258</u>	<u>\$ 3,392</u>	<u>\$ 3,508</u>	<u>\$ 3,414</u>	<u>\$ 3,318</u>

Source: Cabarrus County Board of Education, North Carolina, Annual Financial Report for the year ended June 30, 2011.  
The above operational expenditures per pupil include all governmental funds.

Note: Nominal dollars reflect actual dollars of the period of the transaction. Constant dollars reflect dollars having a constant general purchasing power as shown by the Consumer Price Index for All Urban Consumers (CPI-U) (Calendar years 1982-1984=100).

Note: Expenditures for 2007 and before are not comparable to 2008 (and after) expenditures due to a change in the Uniform Chart of Accounts required to be used by all Local Education Agencies in North Carolina.

### Operational Expenditures Per Pupil Expenditures by Function



**CABARRUS COUNTY BOARD OF EDUCATION**  
**Proprietary Fund - Food Services Operations**  
**Revenues by Source**  
**Last Ten Fiscal Years**

<b>EXPRESSED IN NOMINAL DOLLARS</b>					
<b>Year Ended June 30</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>
Food sales	\$ 4,860,520	\$ 4,809,601	\$ 5,176,408	\$ 5,234,206	\$ 5,480,520
Federal reimbursements	2,213,521	2,481,063	2,890,985	3,387,235	3,779,309
Federal commodities	564,761	419,902	489,301	335,318	536,344
Other	23,321	14,532	9,974	22,406	44,550
Total revenues	<u>\$ 7,662,123</u>	<u>\$ 7,725,098</u>	<u>\$ 8,566,668</u>	<u>\$ 8,979,165</u>	<u>\$ 9,840,723</u>
<b>EXPRESSED IN NOMINAL DOLLARS</b>					
<b>Year Ended June 30</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>
Food sales	\$ 5,886,205	\$ 6,203,520	\$ 6,530,618	\$ 5,983,132	\$ 5,601,575
Federal reimbursements	4,292,156	4,581,400	5,107,012	5,688,001	6,174,311
Federal commodities	606,130	638,194	552,610	619,521	782,180
Other	53,768	52,921	21,007	7,935	451,965
Total revenues	<u>\$ 10,838,259</u>	<u>\$ 11,476,035</u>	<u>\$ 12,211,247</u>	<u>\$ 12,298,589</u>	<u>\$ 13,010,031</u>

<b>EXPRESSED IN CONSTANT DOLLARS</b>					
<b>Year Ended June 30</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>
Food sales	\$ 2,701,790	\$ 2,618,182	\$ 2,728,734	\$ 2,691,108	\$ 2,701,094
Federal reimbursements	1,230,417	1,350,606	1,523,977	1,741,509	1,862,646
Federal commodities	313,931	228,580	257,934	172,400	264,339
Other	12,963	7,911	5,258	11,520	21,957
Total revenues	<u>\$ 4,259,101</u>	<u>\$ 4,205,279</u>	<u>\$ 4,515,903</u>	<u>\$ 4,616,537</u>	<u>\$ 4,850,036</u>
<b>EXPRESSED IN CONSTANT DOLLARS</b>					
<b>Year Ended June 30</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>
Food sales	\$ 2,825,125	\$ 2,835,052	\$ 3,027,738	\$ 2,744,997	\$ 2,481,626
Federal reimbursements	2,060,050	2,093,732	2,367,723	2,609,594	2,735,361
Federal commodities	290,916	291,659	256,202	284,230	346,524
Other	25,806	24,185	9,739	3,640	200,231
Total revenues	<u>\$ 5,201,897</u>	<u>\$ 5,244,628</u>	<u>\$ 5,661,402</u>	<u>\$ 5,642,461</u>	<u>\$ 5,763,742</u>

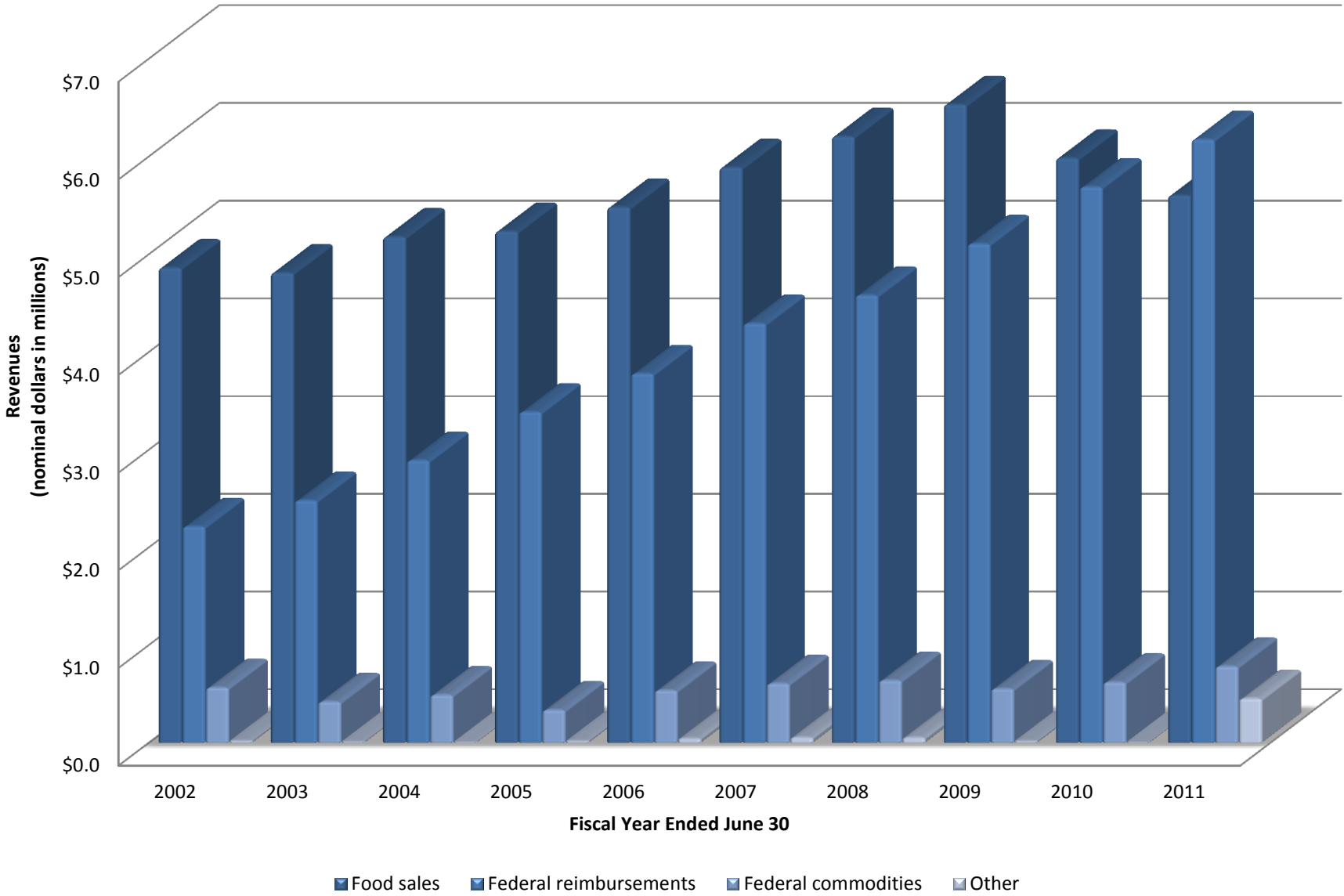
Source: Cabarrus County Board of Education, North Carolina, Annual Financial Report for the year ended June 30, 2011

Note: Other revenue includes interest earned, State reimbursements, indirect costs not paid, and other revenue.

Note: Nominal dollars reflect actual dollars of the period of the transaction. Constant dollars reflect dollars having a constant general purchasing power as shown by the Consumer Price Index for All Urban Consumers (CPI-U) (Calendar years 1982-1984 = 100).



### Proprietary Fund - Food Service Operations Revenues by Source



**CABARRUS COUNTY BOARD OF EDUCATION**  
**Proprietary Fund - Food Services Operations**  
**Expenses by Category**  
**Last Ten Fiscal Years**

<b>EXPRESSED IN NOMINAL DOLLARS</b>					
<b>Year Ended June 30</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>
Purchase of food	\$ 3,153,243	\$ 3,273,799	\$ 3,302,689	\$ 3,757,320	\$ 4,281,614
Salaries and benefits	3,217,083	3,580,370	3,717,221	4,074,299	4,611,095
Other	1,061,395	1,127,543	1,199,184	1,299,444	1,331,003
Total expenses	\$ 7,431,721	\$ 7,981,712	\$ 8,219,094	\$ 9,131,063	\$ 10,223,712
<b>EXPRESSED IN NOMINAL DOLLARS</b>					
<b>Year Ended June 30</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>
Purchase of food	\$ 4,668,358	\$ 5,545,461	\$ 5,516,924	\$ 5,354,857	\$ 5,173,933
Salaries and benefits	4,887,958	5,645,428	5,497,200	5,669,520	5,720,106
Other	109,509	1,464,908	1,163,555	1,328,408	1,824,737
Total expenses	\$ 9,665,825	\$ 12,655,797	\$ 12,177,679	\$ 12,352,785	\$ 12,718,776

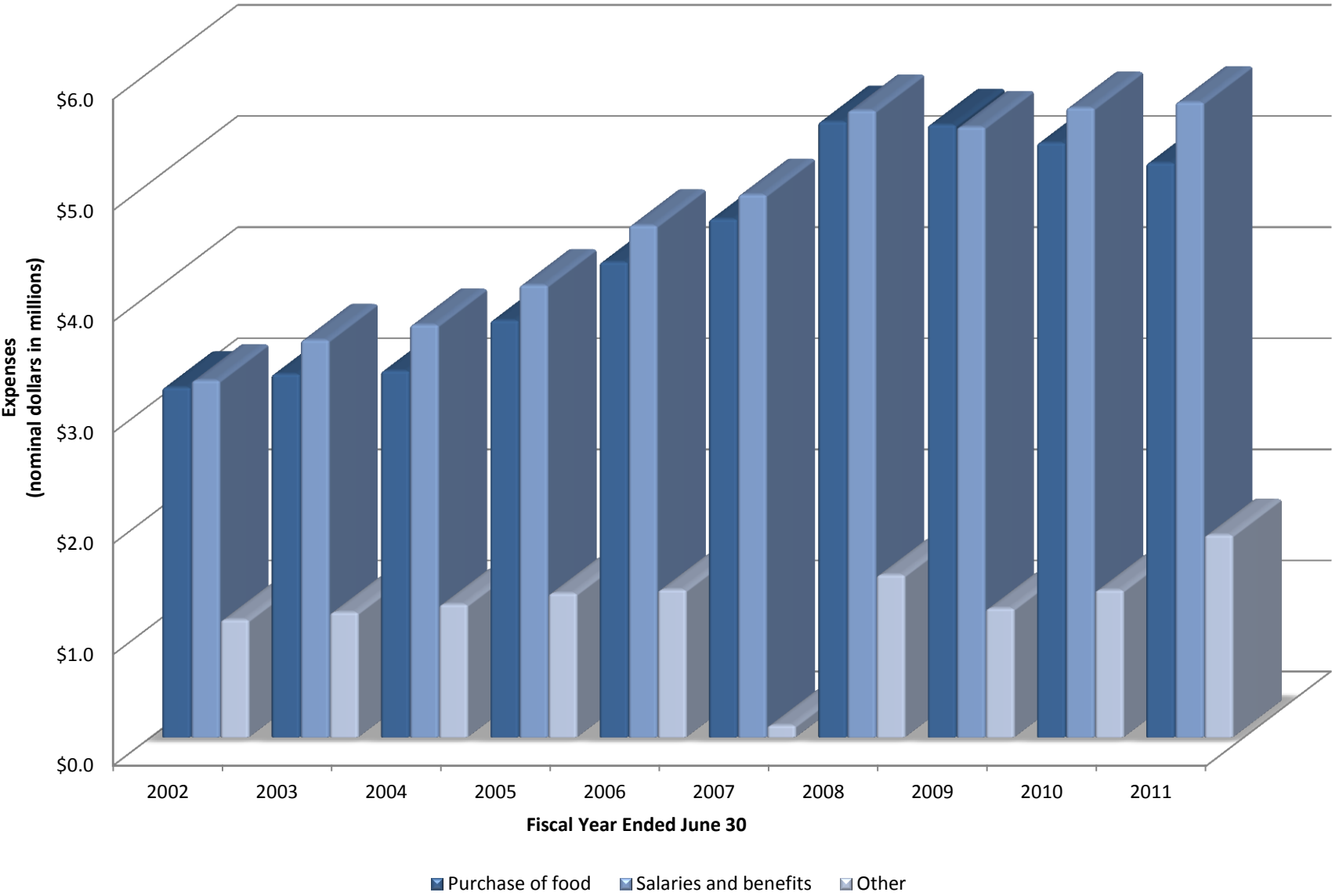
<b>EXPRESSED IN CONSTANT DOLLARS</b>					
<b>Year Ended June 30</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>
Purchase of food	\$ 1,752,775	\$ 1,782,144	\$ 1,741,006	\$ 1,931,784	\$ 2,110,209
Salaries and benefits	1,788,262	1,949,031	1,959,526	2,094,755	2,272,595
Other	589,992	613,796	632,148	668,095	655,990
Total expenses	\$ 4,131,029	\$ 4,344,971	\$ 4,332,680	\$ 4,694,634	\$ 5,038,794
<b>EXPRESSED IN CONSTANT DOLLARS</b>					
<b>Year Ended June 30</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>
Purchase of food	\$ 2,240,611	\$ 2,534,315	\$ 2,557,767	\$ 2,456,751	\$ 2,292,170
Salaries and benefits	2,346,010	2,580,000	2,548,622	2,601,115	2,534,138
Other	52,560	669,473	539,450	609,459	808,400
Total expenses	\$ 4,639,181	\$ 5,783,788	\$ 5,645,839	\$ 5,667,325	\$ 5,634,708

Source: Cabarrus County Board of Education, North Carolina, Annual Financial Report for the year ended June 30, 2011

Note: Other expense includes indirect costs, materials and supplies, repairs and maintenance, depreciation, and other expenses.

Note: Nominal dollars reflect actual dollars of the period of the transaction. Constant dollars reflect dollars having a constant general purchasing power as shown by the Consumer Price Index for All Urban Consumers (CPI-U) (Calendar years 1982-1984 = 100).

### Proprietary Fund - Food Services Operations Expenses by Category



<b>CABARRUS COUNTY BOARD OF EDUCATION</b> <b>Ratios of Outstanding Debt by Type</b> <b>Last Ten Fiscal Years</b>
--

Year Ended June 30	Capitalized Leases	Installment Purchases	Total Primary Government	Percentage of Personal Income	Per Capita
2011	\$ -	\$ 1,038,521	\$ 1,038,521	N/A	N/A
2010	-	1,321,586	1,321,586	N/A	\$ 8
2009	-	1,617,248	1,617,248	0.03%	9
2008	-	1,126,802	1,126,802	0.02%	7
2007	533,723	861,961	861,961	0.02%	5
2006	325,800	772,936	772,936	0.02%	5
2005	1,275,269	689,699	689,699	0.02%	5
2004	1,662,496	329,442	329,442	0.01%	2
2003	214,241	214,241	214,241	0.01%	2
2002	544,861	544,861	544,861	0.01%	4

N/A = Not available

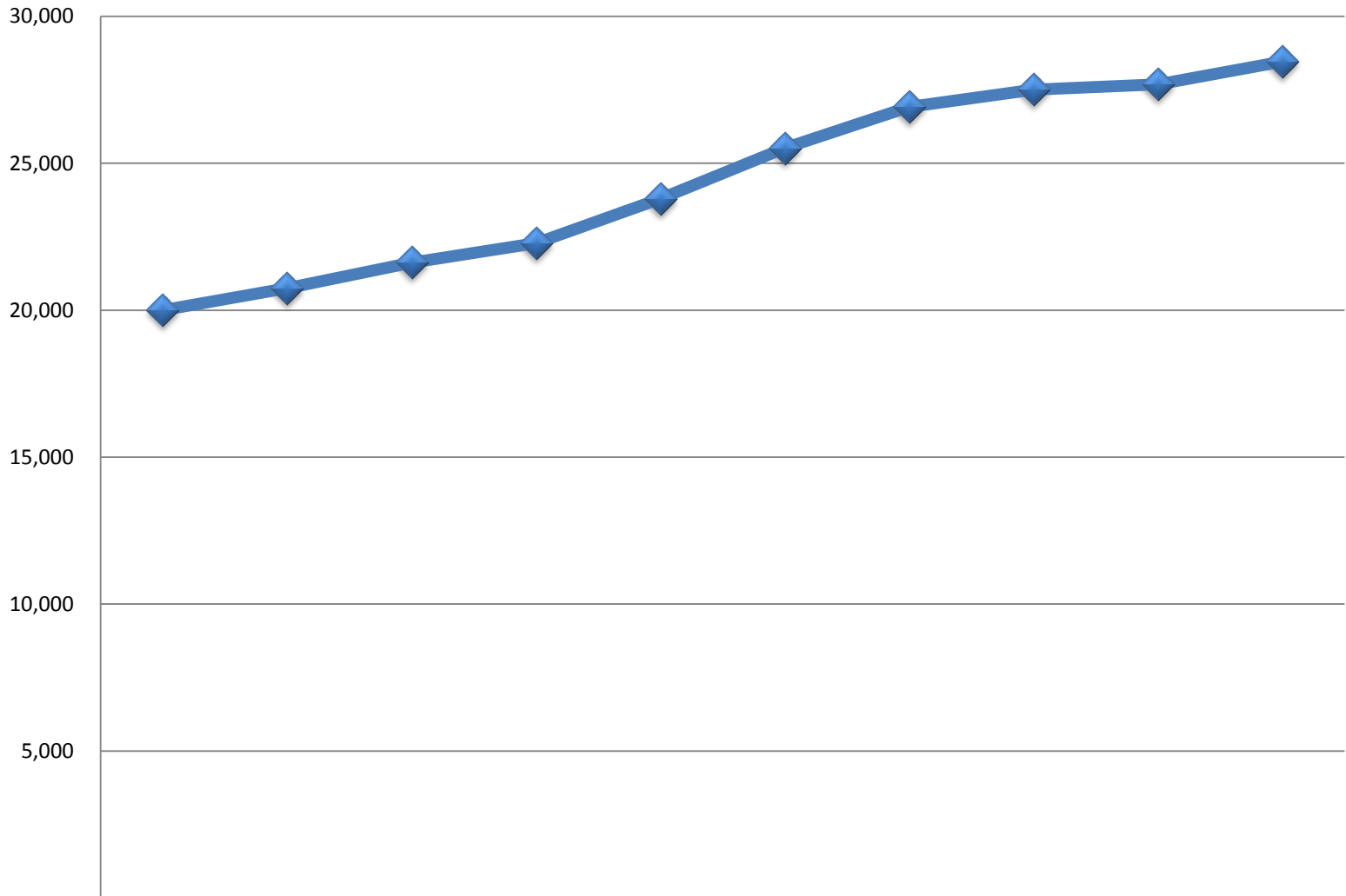
Source: Cabarrus County Board of Education, North Carolina, Annual Financial Report for the year ended June 30, 2011

Note: Cabarrus County School System cannot incur debt without obtaining prior approval from the Board.

Note: This table is a ten year schedule. However, current year county level annual population estimates are not released by the U.S. Census Bureau until the spring of the following year. Therefore, June 30, 2011 population based information will be shown above as "N/A", and the information will be reported for the year ended June 30, 2012, if applicable.

Note: This table is a ten year schedule. However, county level annual income data is not released by the U.S. Bureau of Economic Analysis until the month of April, and is always two years behind. Therefore, June 30, 2010 and June 30, 2011 income based information will be shown above as "N/A", and the June 30, 2010 information will be reported for the year ended June 30, 2012, if applicable.

### CABARRUS COUNTY BOARD OF EDUCATION Average Daily Membership Last Ten Fiscal Years



	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
◆ Avg Daily Membership	19,999	20,752	21,616	22,279	23,799	25,521	26,917	27,510	27,682	28,465

**CABARRUS COUNTY BOARD OF EDUCATION**  
**Student Statistics**  
**Last Ten Fiscal Years**

<b>Year Ended June 30</b>	<b>Teaching Staff<sup>(1)</sup></b>	<b>Students<sup>(2)</sup></b>	<b>Pupil/ Teacher Ratio</b>	<b>Student Attendance Percentage<sup>(2)</sup></b>	<b>Percentage of Students Receiving Free/Reduced Lunch<sup>(3)</sup></b>
2011	1,854	28,465	1/15	95.32%	40.62%
2010	1,851	27,682	1/15	95.16%	38.12%
2009	1,907	27,510	1/14	95.66%	34.54%
2008	1,811	26,917	1/15	95.34%	32.62%
2007	1,683	25,521	1/15	95.15%	33.00%
2006	1,547	23,799	1/15	95.19%	32.06%
2005	1,531	22,279	1/15	95.31%	32.07%
2004	1,420	21,616	1/15	95.24%	29.18%
2003	1,375	20,752	1/15	95.22%	27.22%
2002	1,307	19,999	1/15	95.42%	N/A

**Table 11**  
**(continued)**

<b>CABARRUS COUNTY BOARD OF EDUCATION</b> <b>Student Statistics (continued)</b> <b>Last Ten Fiscal Years</b>
--

Year Ended June 30	Ethnic Distribution Percentage <sup>(4)</sup>					Graduates <sup>(4)</sup>	Percentage of Graduates Continuing Education <sup>(4)</sup>
	White	Black	Asian	Hispanic	Other		
2011	64%	18%	2%	12%	4%	N/A	N/A
2010	65%	21%	2%	11%	1%	1,627	73%
2009	66%	21%	2%	11%	0%	1,591	74%
2008	66%	21%	2%	11%	0%	1,489	80%
2007	68%	20%	2%	10%	0%	1,424	77%
2006	71%	18%	1%	9%	1%	1,288	77%
2005	72%	17%	1%	8%	2%	1,250	70%
2004	74%	17%	1%	7%	1%	1,234	75%
2003	76%	16%	1%	6%	1%	1,205	73%
2002	78%	15%	0%	6%	1%	1,097	75%

Sources:

(1) Public School Personnel Summary, North Carolina Department of Public Instruction

(2) NC Department of Public Instruction Average Daily Attendance(ADA):Average Daily Membership(ADM) Ratio Reports

(3) Cabarrus County Board of Education Student Data

(4) North Carolina Public Schools Statistical Profile (2002-2010 Editions). Current year information obtained from NC Department of Public Instruction Grade, Race, Sex Report

Note: This table is a ten year schedule. However, current year graduate data has not been released by North Carolina Department of Public Instruction. Therefore, June 30, 2011 graduate information will be shown above as "N/A", and the information will be reported for the year ended June 30, 2012, if applicable.

Note: This table is a ten year schedule. However, percentage of students receiving free and reduced lunch is not available for 2002. Therefore, 2002 information will be shown above as "N/A".

Table 12

**CABARRUS COUNTY BOARD OF EDUCATION**  
**Full-time Equivalent Governmental Employees by Function/Program**  
**Last Ten Fiscal Years**

<b>Year Ended June 30</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>
Officials, admins, mgrs	8	9	23	27	32	28	28	27	24	27
Principals	26	27	28	27	29	29	33	34	35	37
Asst. Principals, teaching	0	0	0	0	0	0	1	0	0	0
Asst. Principals, non-teaching	49	47	44	50	57	65	72	71	62	65
Total administrators	83	83	95	104	118	122	134	132	121	129
Elementary teachers	726	761	904	967	778	846	885	928	886	855
Secondary teachers	293	306	369	394	359	345	381	456	435	457
Other teachers	288	308	147	170	410	492	545	523	530	542
Total teachers	1,307	1,375	1,420	1,531	1,547	1,683	1,811	1,907	1,851	1,854
Guidance	50	57	61	61	61	68	76	78	72	73
Psychological	7	7	8	8	9	9	10	9	11	10
Librarian, audiovisual	27	27	29	29	28	28	32	35	32	32
Consultant, supervisor	15	13	0	0	0	0	0	0	0	0
Other professionals	20	19	35	38	41	46	69	79	83	74
Total professionals	1,509	1,581	1,648	1,771	1,804	1,956	2,132	2,240	2,170	2,172
Teacher Assistants	411	443	333	357	386	423	467	472	418	429
Technicians	11	10	13	12	10	13	13	9	9	11
Clerical, secretarial	165	174	195	211	213	227	246	256	246	242
Service workers	281	320	128	311	423	424	495	572	612	584
Skilled crafts	37	38	45	50	49	47	43	48	55	60
Laborers, unskilled	0	0	3	2	4	3	0	0	0	0
Total employees	2,414	2,566	2,365	2,714	2,889	3,093	3,396	3,597	3,510	3,498

Source: North Carolina Public Schools Statistical Profile (2002-2011 Editions)



**CABARRUS COUNTY BOARD OF EDUCATION**  
**Instructional Personnel**  
**Last Ten Fiscal Years**

Year Ended June 30	Teacher Salaries <sup>(1)</sup>			Bachelors Degree <sup>(2)</sup>	Masters Degree <sup>(2)</sup>	Advanced Degree <sup>(2)</sup>	Doctorate Degree <sup>(2)</sup>
	Minimum	Maximum	Average				
2011	\$ 30,430	\$ 64,750	\$ 46,131	N/A	N/A	N/A	N/A
2010	30,430	64,750	47,114	1,353	467	10	1
2009	30,430	64,750	47,186	1,397	510	11	0
2008	28,510	64,750	46,608	1,353	467	10	1
2007	28,510	64,160	44,905	1,209	626	39	6
2006	25,510	61,380	41,833	1,115	587	32	9
2005	25,420	57,400	41,110	1,078	579	30	12
2004	25,250	56,280	40,798	995	571	42	14
2003	25,250	55,910	40,710	962	528	44	9
2002	25,250	55,040	40,251	898	499	38	10

The above tabulation represents total salaries but does not include the following:

- (a) Longevity payments, ranging from 1 1/2% to 4 1/2% of the annual salary, made to each teacher for 10 or more years of service.
- (b) Payments of varying amounts for performing extra duties.
- (c) Bonus payments

Sources:

- (1) Cabarrus County Board of Education Payroll Data
- (2) North Carolina Public Schools Statistical Profile (2002-2010 Editions).

Note: Degree information for 2007 and before are not comparable to 2008 (and after) degree information due to a change in the reporting of degrees awarded. Degrees awarded for 2007 and before were reported based on all instructional personnel, while for 2008 and after they are reported based on classroom teachers only.

Note: This table is a ten year schedule. However, North Carolina Public Schools Statistical Profile 2011 Edition has not been released by North Carolina Department of Public Instruction. Therefore, June 30, 2011 graduate information will be shown above as "N/A", and the information will be reported for the year ended June 30, 2012, if applicable.

**CABARRUS COUNTY BOARD OF EDUCATION**

School Building Data  
June 30, 2011

Site	Year Built	Capacity	Current Membership	Over/(Under) Capacity	Condition
A.T. Allen Elementary	2010	1,000	872	-13%	Excellent
Bethel Elementary	2004	1,065	601	-44%	Excellent
Beverly Hills Elementary	1953	351	389	11%	Fair
Glenn Center (Cabarrus Opportunity School)	1923	53	53	0%	Poor
C.C. Griffin Middle	2002	1,161	714	-39%	Excellent
Carl A. Furr Elementary	2007	955	821	-14%	Excellent
Central Cabarrus High	1965	1,313	1,140	-13%	Fair
Charles E. Boger Elementary	2007	955	787	-18%	Excellent
Coltrane Webb Elementary	1937	360	338	-6%	Fair
Concord High	1967	1,495	1,158	-23%	Good
Concord Middle	1999	1,035	934	-10%	Good
Cox Mill Elementary	2002	1,039	1,176	13%	Good
Cox Mill High	2009	1,450	1,064	-27%	Excellent
Harris Road Middle	2002	1,188	1,538	29%	Excellent
Harrisburg Elementary	2000	1,068	893	-16%	Excellent
Hickory Ridge High	2007	1,450	1,373	-5%	Excellent
Hickory Ridge Middle	2010	1,200	836	-30%	Excellent
J.N. Fries Middle	1989	888	970	9%	Good
Jay M. Robinson High	2001	1,510	1,509	0%	Good
Long School	1922	12	9	-25%	Poor
Mt. Pleasant Elementary	1972	711	717	1%	Good
Mt. Pleasant High	1989	1,068	914	-14%	Good
Mt. Pleasant Middle	1936	728	641	-12%	Poor
Northwest Cabarrus High	1966	1,373	971	-29%	Good
Northwest Cabarrus Middle	1979	850	906	7%	Good
Patriots Elementary	2010	1,000	669	-33%	Excellent
Pitt School Road Elementary	2005	931	989	6%	Excellent
R. Brown McAllister Elementary	1956	282	333	18%	Fair
Rocky River Elementary	1997	873	795	-9%	Excellent
Royal Oaks Elementary	1949	288	334	16%	Fair
W.M. Irvin Elementary	1999	780	660	-15%	Excellent
W.R. Odell Elementary	2007	1,025	1,048	2%	Excellent
Weddington Hills Elementary	1996	819	857	5%	Excellent
Winecoff Elementary	1999	819	799	-2%	Excellent
Wolf Meadow Elementary	1974	506	561	11%	Fair

Source: Cabarrus County Board of Education N. C. Public Schools Facility Needs Report; 2011

**CABARRUS COUNTY, NORTH CAROLINA**  
**Demographic Statistics**  
**Last Ten Fiscal Years**

<b>Year Ended June 30</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>
Population estimate (1)	136,338	139,794	143,210	146,061	150,032
Personal income (2)	\$4,029,671,000	\$4,116,291,000	\$4,199,579,000	\$4,441,339,000	\$4,752,216,000
Per capita income (2)	\$29,556	\$29,445	\$29,325	\$30,407	\$31,675
Median age (3)	35.8	35.9	36.1	36.2	36.2
School enrollment (4)	19,999	20,752	21,616	22,279	23,799
Unemployment rate (5)	4.9%	5.5%	7.4%	6.2%	4.6%
<b>Year Ended June 30</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>
Population estimate (1)	156,863	164,384	170,448	174,294	N/A
Personal income (2)	\$5,157,773,000	\$5,551,258,000	\$5,946,765,000	N/A	N/A
Per capita income (2)	\$32,881	\$33,770	\$34,889	N/A	N/A
Median age (3)	36.3	36.3	36.5	36.6	36.7
School enrollment (4)	25,521	26,917	27,510	27,682	28,465
Unemployment rate (5)	4.1%	4.4%	5.9%	11.2%	11.3%

N/A = Not Available

Sources:

- (1) Office of State Budget and Management. Estimates are as of beginning of fiscal year.
- (2) Bureau of Economic Analysis
- (3) Office of State Budget and Management
- (4) North Carolina Department of Public Instruction
- (5) North Carolina Employment Security Commission, annual average for prior calendar year

Note: This table is a ten year schedule. However, current year county level annual population estimates are not released by the U.S. Census Bureau until the spring of the following year. Therefore, June 30, 2011 population based information will be shown above as "N/A", and the information will be reported for the year ended June 30, 2012, if applicable.

Note: This table is a ten year schedule. However, county level annual income data is not released by the U.S. Bureau of Economic Analysis until the month of April, and is always two years behind. Therefore, June 30, 2010 and June 30, 2011 income based information will be shown above as "N/A", and the June 30, 2010 information will be reported for the year ended June 30, 2012, if applicable.

**CABARRUS COUNTY, NORTH CAROLINA**  
**Principal Employers**  
**For Years Ended June 30, 2011 and 2002**

Employer	2011			2002		
	Employees <sup>(1)</sup>	Rank	Percentage of Total County Employment	Employees <sup>(1)</sup>	Rank	Percentage of Total County Employment
Carolinas Medical Center - Northeast	4,500	1	6.06%	3,700	2	5.18%
Cabarrus County Board of Education	3,800	2	5.11%	2,500	4	3.50%
County of Cabarrus	975	3	1.31%	804	6	1.13%
City of Concord	936	4	1.26%	838	5	1.17%
Connexions	900	5	1.21%	-	-	-
State of North Carolina	771	6	1.04%	500	8	0.70%
Kannapolis City Schools	750	7	1.01%	-	-	-
Shoe Show	700	8	0.94%	500	9	0.70%
Hendrick Motorsports	500	9	0.67%	-	-	-
ACN	500	10	0.67%	-	-	-
Philip Morris	-	-	-	2,600	3	3.64%
S & D Coffee	-	-	-	375	10	0.52%
Pillowtex	-	-	-	4,200	1	5.88%
CT Communication	-	-	-	670	7	0.94%
	<u>14,332</u>		<u>19.28%</u>	<u>16,687</u>		<u>23.36%</u>
Total County Employment <sup>(2)</sup>	<u>74,310</u>			<u>71,438</u>		

Sources:

(1) Cabarrus Economic Development

(2) North Carolina Employment Security Commission

**CABARRUS COUNTY, NORTH CAROLINA**  
**Ratios of Outstanding Debt by Type**  
**Last Ten Fiscal Years**

Year Ended June 30	Governmental Activities						Total Primary Government	Percentage of Personal Income	Per Capita
	Capitalized Leases	Installment Purchases	Revenue Bonds	Certificates of Participation	General Obligation Bonds				
2011	\$ 3,102,621	\$ 11,122,572	\$ -	\$ 302,779,526	\$ 107,901,510	\$ 424,906,229	N/A	N/A	
2010	3,282,345	12,745,143	-	301,846,620	115,122,677	432,996,785	N/A	\$ 2,484	
2009	3,458,315	14,367,714	-	225,880,860	122,708,844	366,415,733	6.16%	2,150	
2008	331,964	15,990,284	-	173,165,000	126,895,000	316,382,248	5.70%	1,925	
2007	443,568	17,612,855	18,000,000	116,220,000	133,980,000	286,256,423	5.55%	1,825	
2006	3,735,427	-	19,500,000	88,005,000	91,845,000	203,085,427	4.27%	1,354	
2005	6,159,483	-	21,000,000	93,380,000	97,805,000	218,344,483	4.92%	1,495	
2004	4,123,595	-	22,500,000	98,765,000	52,495,000	177,883,595	4.24%	1,242	
2003	6,344,560	-	24,000,000	61,340,000	56,145,000	147,829,560	3.59%	1,057	
2002	9,136,744	-	25,500,000	38,000,000	60,400,000	133,036,744	3.30%	4,518	

N/A = Not Available

Source: Cabarrus County, North Carolina, Annual Financial Report for the year ended June 30, 2011.

Note: This table is a ten year schedule. However, current year county level annual population estimates are not released by the U.S. Census Bureau until the spring of the following year. Therefore, June 30, 2011 population based information will be shown above as "N/A", and the information will be reported for the year ended June 30, 2012, if applicable.

Note: This table is a ten year schedule. However, county level annual income data is not released by the U.S. Bureau of Economic Analysis until the month of April, and is always two years behind. Therefore, June 30, 2010 and June 30, 2011 income based information will be shown above as "N/A", and the June 30, 2010 information will be reported for the year ended June 30, 2012, if applicable.

Table 18

**CABARRUS COUNTY, NORTH CAROLINA**  
**Principal Property Taxpayers**  
**December 31, 2010 and December 31, 2001**

Taxpayer	Type of Business	2011			2002		
		Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Phillip Morris Inc	Cigarette Mfg.	\$658,584,244	1	3.09%	\$ 1,077,366,380	1	9.38%
Charlotte Motor Speedway Inc	Auto Racing	\$341,838,152	2	1.61%	135,715,819	5	1.18%
Castle & Cooke, et al/David H Murdock	Land Developer	\$323,496,522	3	1.52%	-	-	-
Concord Mills LTD Partnership	Shopping Center	\$240,875,353	4	1.13%	159,323,718	4	1.39%
Corning Inc	Fiber Optics Mfg.	\$126,774,986	5	0.60%	457,452,706	2	3.98%
Hendricks Motorsports Inc	Auto Racing	\$110,338,122	6	0.52%	-	-	-
Duke Energy Corp	Public Service Co	\$94,123,454	7	0.44%	64,533,194	7	0.56%
Great Wolf Lodge of the Carolinas	Recreational Facility	\$85,200,643	8	0.40%	-	-	-
Wal-Mart/Sams	Retail Sales	\$69,757,852	9	0.33%	-	-	-
JQH-Concord Development LLC	Hotel	\$67,618,717	10	0.32%	-	-	-
Fieldcrest/Cannon, Inc.	Textiles	-	-	-	167,261,793	3	1.46%
CTC/CT Communications	Public Services	-	-	-	87,312,953	6	0.76%
Pass & Seymour/Legrand	Electronics	-	-	-	41,378,186	8	0.36%
Owens Corning	Bushings Fabricator	-	-	-	39,919,129	9	0.35%
Bell/Sysco Food Services, Inc.	Food Supplier	-	-	-	34,632,708	10	0.30%
		<u>\$ 2,118,608,045</u>		<u>9.96%</u>	<u>\$ 2,264,896,586</u>		<u>19.72%</u>
Total Assessed Valuation		<u>\$ 21,288,445,851</u>			<u>\$ 11,488,422,245</u>		

Source: Department of Cabarrus County Administrator

**CABARRUS COUNTY, NORTH CAROLINA**  
**Property Tax Levies and Current Collections**  
**Last Ten Fiscal Years**

**EXPRESSED IN NOMINAL DOLLARS**

Year Ended June 30	Total Tax Levy	Current Tax Collections	Percent of Levy Collected
2011	134,498,536	\$ 130,734,404	97.20%
2010	135,231,408	131,784,146	97.45%
2009	132,819,077	132,030,700	99.41%
2008	103,260,196	102,971,378	99.72%
2007	97,490,018	97,094,135	99.59%
2006	92,805,330	92,681,946	99.87%
2005	74,720,131	74,637,800	99.89%
2004	66,459,272	66,367,287	99.86%
2003	65,218,896	65,052,030	99.74%
2002	62,767,401	62,700,352	99.89%

**EXPRESSED IN CONSTANT DOLLARS**

Year Ended June 30	Total Tax Levy	Current Tax Collections
2011	59,585,923	57,918,326
2010	62,042,717	60,461,150
2009	61,577,834	61,212,325
2008	47,190,639	47,058,647
2007	46,791,016	46,601,009
2006	45,739,443	45,678,633
2005	38,416,520	38,374,190
2004	35,033,881	34,985,391
2003	35,502,937	35,412,101
2002	34,890,162	34,852,892

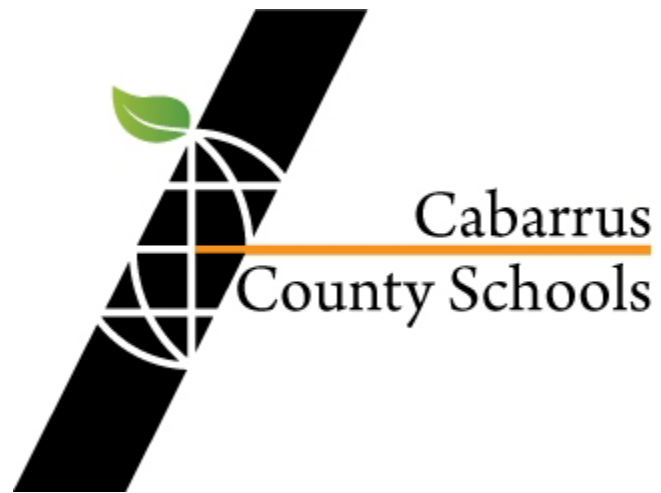
N/A = Not Available

Sources:

2002-2010 - Cabarrus County, North Carolina, Annual Financial Report for the year ended June 30, 2011.

2011 - Cabarrus County Tax Administrator

Note: Nominal dollars reflect actual dollars of the period of the transaction. Constant dollars reflect dollars having a constant general purchasing power as shown by the Consumer Price Index for All Urban Consumers (CPI-U) (Calendar years 1982-1984=100).



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